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PROCEEDINGS AND DEBATES OF THE 79th CONGRESS, SECOND SESSION

HOUSE OF REPRESENTATIVES

TUESDAY, FEBRUARY 19, 1946

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, Thou hast made the earth by Thy power, established the world by Thy wisdom, and stretched forth the heavens by Thy understanding. We, therefore, humble ourselves at Thy footstool. In all our ways we acknowledge Thee and pray that Thou wouldst sustain us in that glad confidence and calm assurance that all things work together for good to them that love Thee.

We pray with Thy servant of old: Grant us, O God, Thy merciful protection; and in protection, give us strength, we pray; and in our strength, O grant us wise discretion; and in discretion, make us ever just; and with our justice, may we mingle love; and with our love, O God, the love of Thee; and with the love of Thee, the love of all.

In the name of Jesus our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5201. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1947, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GLASS, Mr. MCKELLAR, Mr. RUSSELL, Mr. GREEN, Mr. BANKHEAD, Mr. BRIDGES, Mr. WHITE, and Mr. REED to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3603) entitled "An act to provide for the sale of surplus war-built vessels, and for other purposes."

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 75) entitled "An act for the relief of Thomas C. Locke," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. O'DANIEL, and Mr. WILSON to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. KELLY of Illinois asked and was given permission to extend his remarks in the RECORD and include an address made by him in Chicago on February 17 last.

PERMISSION TO ADDRESS THE HOUSE

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute on the housing shortage in the Detroit area and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[Mr. LESINSKI addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. KELLEY of Pennsylvania asked and was given permission to extend his remarks in the RECORD and include an article from the Washington Daily News on the subject Amputees Benefit From Artificial Limb Curbs.

PERMISSION TO ADDRESS THE HOUSE

Mr. STEWART. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include therein a resolution from the farmers of Logan County.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

[Mr. STEWART addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. OUTLAND. Mr. Speaker, I ask unanimous consent to include in the remarks I expect to make in the Committee of the Whole this afternoon certain editorials and letters.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MANSFIELD of Montana asked and was given permission to extend his remarks in the RECORD and include a copy of a bill he is introducing today.

Mr. ROBERTSON of North Dakota asked and was given permission to extend his remarks in the RECORD and include therein a letter from Strutwear, Inc., dealing with the nylon hosiery question.

Mr. JONKMAN asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. GOODWIN asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix and include therein an article on The Gentleman From Illinois, Mr. Lincoln. I am advised by the Public Printer that it exceeds the limit established by the Joint Committee on Printing by $173.40. Notwithstanding, I ask unanimous consent that the extension may be made.

The SPEAKER. Notwithstanding the cost, without objection, the extension may be made.

There was no objection.

Mr. BENNETT of Missouri asked and was given permission to extend his remarks in the RECORD and include a speech he recently made in St. Louis.

Mr. MILLER of Nebraska asked and was given permission to extend his remarks in the Appendix of the RECORD on three different subjects and include a letter, a resolution, and an editorial.

Mr. LEMKE asked and was given permission to extend his remarks in the RECORD and include an excerpt from a letter and an editorial by Colonel Hansen in the Jamestown Sun.

Mr. EATON asked and was given permission to extend his remarks in the Appendix of the RECORD and insert therein a letter which appeared in the New York Times from the pen of Mr. Lawrence Hunt.

Mr. STEVENSON asked and was given permission to extend his remarks in the RECORD and include a letter from Mr. Art W. Bardwell, superintendent of the LaCrosse public schools, giving his statement in favor of school lunches.

THE UNITED STATES MUST BE STRONG IN CHARACTER AND POWER

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. CANFIELD. Mr. Speaker, I read from page 1 of this morning's New York Times:

"Real peace is not yet shining on mankind," Pope Pius XII said in his allocution to the secret consistory at which 32 new cardinals were created yesterday. Cardinal Spellman pleaded for application of the Golden Rule to save the world from doom, saying that unless the United States remained "strong enough in character and power to oblige others to do unto us as we

do unto them, we also shall be lost, enslaved, and destroyed."

Veterans of our wars and other citizens of our Republic who are patriotic and religious will say "Amen" to these words, and most certainly we here in these Halls should give heart to them as we proceed with legislation in these days for the good and welfare of our Republic.

EXTENSION OF REMARKS

Mr. KEOGH. Mr. Speaker, I recently received permission to include in the RECORD a speech delivered by the Judge Advocate General of the Army at the Brooklyn Bar Association dinner. I have been advised by the Public Printer that this will take three pages of the RECORD and cost $156, notwithstanding which I ask unanimous consent to include it in the RECORD.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. KEOGH asked and was given permission to extend his remarks in the RECORD in two instances, in one to include an article which recently appeared in the Editor and Publisher on the civic accomplishments of Frank D. Schroth, editor of the Brooklyn Eagle, and in the other a report and letter written by Dr. Charles M. Carter, of New York, medical director of the American Medical Relief for Italy Society.

Mr. SABATH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial from the Chicago Sun and from the Philadelphia Record, also copy of a letter which I have addressed to the chairman of the Un-American Activities Committee.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. HOFFMAN. Mr. Speaker, reserving the right to object, what are those editorials about? Are they an attack on a Member of Congress?

Mr. SABATH. No. I never make an attack on Members of Congress.

Mr. HOFFMAN. But do the editorials make the attack?

Mr. SABATH. No; the editorials are in the right direction, and if the gentleman from Michigan will read them he will see that they are in the right direction.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of this week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. GOSSETT asked and was given permission to extend his remarks in the Appendix of the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include in the RECORD the communistic record of Mr. Clyde E. Miller.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

[Mr. THOMAS of New Jersey addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. RIZLEY. Mr. Speaker, yesterday I obtained permission to insert a very interesting address made by the Governor of Kansas in the State of Oklahoma. I find this exceeds the authorized limit and the Public Printer advises me it will cost $190.80 to put it in, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. WEICHEL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

[Mr. WEICHEL addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. PITTENGER asked and was given permission to extend his remarks in the RECORD and include some testimony before the subcommittee of the Senate Foreign Relations Committee yesterday and today.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an appeal to President Truman by a Lowell Lithuanian group, which appeared in the Lowell Sun. They make a very strong appeal to the President for protection.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mr. BARRETT of Wyoming asked and was given permission to extend his remarks in the RECORD and include an editorial.

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and include an editorial which appeared in the Washington Post this morning.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

[Mrs. ROGERS of Massachusetts addressed the House. Her remarks appear in the Appendix.]

AMERICAN TROOPS IN INDIA

Mr. BENDER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BENDER. Mr. Speaker, I am asking the War Department to offer some explanation for the continued presence of American troops in India. We were told some time back that our forces were being retained in China to disarm the Japanese. This was plausible. Certainly our forces are not in India for that purpose. Just why are they there? Is it possible that we are also committed by some secret agreement to the maintenance of American troops in British possessions for the purpose of putting down any possible insurrection which may occur in that country? Whatever the reason may be, the people of this country ought to be informed.

In my opinion, but one inference is justified. We are again the victims of secret diplomacy. We have been again betrayed by our representatives. These troops are maintained in India to give notice to the Indian people that American military power will support British imperialism. In the riots this week, it was announced that 14 persons had been killed and 170 injured. Eighteen American soldiers were among the injured. Our men were ordered to take no part whatever in the activities of the day, but were restricted to quarters. They used tear gas to defend themselves and were shouted at by the rioters. Under these circumstances we are certainly entitled to know just what these men are doing there. We have not declared war against the Hindus or the Moslems in India. The American people are sympathetic toward their aspirations for freedom and self-government. The presence of armed Americans is quite as obnoxious to them as the presence of armed British. The presence of Americans in India will prove a tremendous drain on that "reservoir of good will" which Mr. Wendell Willkie talked about when he traveled across the world in 1941.

NEW YORK STOCK EXCHANGE SAYS WAR BONDS WORLD'S BEST INVESTMENT

Mr. DOYLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DOYLE. Mr. Speaker, this morning I received a copy from the New York Stock Exchange of a release dated February 18 stating the relative value of the United States war bonds as compared with other investments. Here it is in my hand. I take a minute or so to call this to the attention of some Members of this House, most of whom happen to be on the minority side of the aisle, and who habitually state on the floor of this House, in substance and in effect, that the United States war bonds are of shrinking value, that this Government is insolvent, that this Nation is bankrupt, and by their words on the floor of this House thus can only spread fear and anxiety in the minds of those white-collar workers and other investors who loyally

and patriotically bought war bonds of this Government during this war. But, regardless of what these individual Members of this House have or may continue to say as to their own personal opinion of the value of these war bonds which are held by millions and millions of American citizens and which are the only investments of literally millions of patriotic American folks, I now read to you the opinion of a New York Stock Exchange under date of February 18, 1946. May I respectfully suggest that these Members who have had this particular habit change their attack and criticism, and instead, speak in terms of hope and security and "boost" instead of knock. But here is what the New York Stock Exchange states—I quote:

To aid you in sound investment practices, the New York Stock Exchange offers these five points for investors:

1. Hold your United States war bonds. Don't let anyone talk you into cashing them for any reinvestment purpose.

2. Buy United States savings bonds. They are identical with United States war bonds, and both are the world's best investments.

Mr. Speaker, as for my part, I will take the judgment of the New York Stock Exchange in preference to the Members of this House to whose attention I particularly call the stock-exchange opinion.

Mr. Speaker, unfounded and unwarranted attack on the solvency of our great Nation and upon the soundness of its war bonds not only spreads fear but it furnishes fertile soil for all sorts of radicalism.

Let Members of this House weigh well their words on the subject of our war bonds before they next speak about them. They better talk it over with the New York Stock Exchange and get the real facts.

EXTENSION OF REMARKS

Mr. CARNAHAN asked and was given permission to extend his remarks in the RECORD and include an editorial from the February 7 edition of the News-Democrat of Festus, Mo.

Mr. HALE asked and was given permission to extend his remarks in the RECORD and include an address delivered by the gentleman from California [Mr. JOHNSON] entitled "Republicans and World Peace."

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

ESTATE OF AGNES J. ALLBERRY

The Clerk called the bill (S. 865) for the relief of the estate of Agnes J. Allberry.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Agnes J. Allberry, the sum of $5,000, in full satisfaction af all claims against the United States for compensation for the death of the said Agnes J. Allberry, who died in Hawaii on August 11, 1943, as the result of burns received by her from the explosion of a United States Navy airplane which crashed near the place where she was working on August 9, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. GERTRUDE VERBARG

The Clerk called the bill (H. R. 1073) for the relief of Mrs. Gertrude Verbarg.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Gertrude Verbarg, of 349 Thirty-eighth Street, Oakland, Calif., the sum of $853.25, in full settlement of all claims against the United States for personal injuries, medical and hospital expenses, and property damage sustained by her on December 20, 1943, on Stockton Street, San Francisco, Calif., when she was struck by a United States Army truck: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 7, strike out "$853.25" and insert "$608.25."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

M. F. DILLER

The Clerk called the bill (H. R. 2596) for the relief of M. F. Diller.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SPRINGER and Mr. DOLLIVER objected, and, under the rule, the bill was recommitted to the Committee on Claims.

IDA F. BRAUN AND OTHERS

The Clerk called the bill (H. R. 1782) for the relief of Ida F. Braun, Alice Braun Menges, and Carl J. Braun, individually and as executors of the estate of Hedwig W. Braun, deceased, and as legatees and beneficiaries of the will of Hedwig W. Braun, deceased, and as the sole parties in interest by succession under the last will and testament of Hedwig W. Braun, deceased, and under the last will and testament of Herman W. Braun, deceased.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

CITY OF MEMPHIS, TENN., AND MEMPHIS PARK COMMISSION

The Clerk called the bill (S. 176) for the relief of the city of Memphis, Tenn., and Memphis Park Commission.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

ARTHUR A. GUARINO

The Clerk called the bill (H. R. 2243) for the relief of Arthur A. Guarino.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000, to Arthur A. Guarino, in full compensation for injuries sustained and damages suffered by him as a result of an accident, involving the operation of a motor vehicle by a person in the employ of the National Youth Administration, on October 10, 1940.

With the following committee amendments:

Page 1, line 5, strike out "$5,000" and insert "$1,500."

Line 6, strike out "compensation for" and insert "settlement of all claims against the United States for personal."

At the end of the bill add the following:

"*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEGAL GUARDIAN OF JAMES HAROLD NESBITT, A MINOR

The Clerk called the bill (H. R. 2843) for the relief of the legal guardian of James Harold Nesbitt, a minor.

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

THOMAS F. GRAY

The Clerk called the bill (S. 323) for the relief of Thomas F. Gray.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General is authorized and directed to cancel the charge, in the amount of $1,043.95, entered on the accounts of Thomas F. Gray, as postmaster at Niagara Falls, N. Y., by reason

of the disallowance by the General Accounting Office of expenditures representing the salary of the said Thomas F. Gray as acting postmaster during the period from September 15 to December 8, 1942; such service not having been authorized by the Civil Service Commission.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELISABETH ANDERSEN

The Clerk called the bill (S. 400) for the relief of Elisabeth Andersen.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Elisabeth Andersen, of Wilmington, Del., the sum of $2,500, in full settlement of all her claims against the United States for personal injuries and property damage sustained by her when the automobile which she was driving was struck by a Civilian Conservation Corps truck on the Littleton Road, Morristown, N. J., on the night of July 25, 1937: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MARIE NEPPLE

The Clerk called the bill (S. 683) for the relief of Mrs. Marie Nepple, as executrix of the estate of Earl W. Nepple, deceased, and Mrs. Marie Nepple, individually.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Marie Nepple, as executrix of the estate of Earl W. Nepple, deceased, of Los Angeles, Calif., the sum of $5,000, in full settlement of all claims of said estate against the United States on account of the death of Earl W. Nepple, and to Mrs. Marie Nepple, individually, the sum of $418.68, in full settlement of all claims for expenses incurred by her as a result of the death of said Earl W. Nepple, resulting from an accident involving an airplane of the United States Army, which occurred near Wittman, Ariz., on June 22, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT R. ROWE, JR.

The Clerk called the bill (S. 1400) for the relief of Robert R. Rowe, Jr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Robert R. Rowe, Jr., of Louisville, Ky., $6,000. The payment of such sum shall be in full settlement of all claims of the said Robert R. Rowe, Jr., against the United States on account of severe personal injuries sustained by him on April 29, 1944, when he was struck by a United States Army tractor and trailer at West Chestnut Street and South Twenty-sixth Street, Louisville, Ky.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES L. PHILLIPS

The Clerk called the bill (S. 1423) for the relief of Charles L. Phillips.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles L. Phillips, of East Greenwich, R. I., the sum of $81, in full satisfaction of all claims against the United States for medical services rendered to a patient who was injured when struck by a truck owned by the Navy Department at East Greenwich, R. I.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. LONA WILSON

The Clerk called the bill (S. 1588) for the relief of Mrs. Lona Wilson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Lona Wilson, of Malta, Mont., the sum of $119, in full satisfaction of her claim against the United States for the replacement costs of certain abstracts of title to lands, which abstracts were furnished by her to the Resettlement Administration upon its request on June 1, 1936, but were not returned to her and have been reported lost by the Resettlement Administration: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JACK WILLIAMS

The Clerk called the bill (H. R. 210) for the relief of Jack Williams and Mrs. Lora Sally Williams.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jack Williams, Pasadena, Calif., the sum of $7,781.07 and to Mrs. Lora Sally Williams, Pasadena, Calif., the sum of $264.50. The payment of such sums shall be in full settlement of all claims of the said Jack Williams for personal injuries sustained by himself and his two minor sons, Garry E. Williams and James Williams, and all claims of the said Mrs. Lora Sally Williams, his wife, for personal injuries sustained by her, as the result of an accident which occurred when the automobile driven by the said Jack Williams, and in which his wife and sons were riding, was struck on January 31, 1942, by a United States Army truck on Colorado Street near its intersection with Kinneloa Avenue in East Pasadena, Calif.

With the following committee amendment:

Page 1, line 6, strike out "$7,781.07" and the balance of the line down to and including line 8 on page 2, and insert "$2,934.23 for property damage, personal injuries to himself, loss of earnings, and medical and hospital expenses for himself, his wife, and two minor children, Garry E. Williams and James Williams; the sum of $100 to Mrs. Lora Sally Williams for personal injuries; the sum of $300 to the legal guardian of Garry E. Williams, a minor, for personal injuries; and the sum of $300 to the legal guardian of James Williams, a minor, for personal injuries, as a result of an accident involving an Army truck which occurred on January 31, 1942, at the intersection of Colorado Boulevard with Kinneloa Street in Pasadena, Calif.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of Jackson Williams, Mrs. Lora Sally Williams, the legal guardian of Garry E. Williams, a minor, and the legal guardian of James Williams, a minor."

WILLIAM M. SILK

The Clerk called the bill (H. R. 238) for the relief of William M. Silk and Henrietta Silk.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William M. Silk and Henrietta Silk, the parents of Mary Catherine Silk, the sum of $5,000, in full settlement of all claims against the United States for compensation for the death of their daughter, Mary Catherine Silk, as a result of an accident involving a United States Army tank in which she was a passenger, on May 30, 1943, at Camp Campbell, Kentucky: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, strike out "William M. Silk and"; line 6, strike out the word "parents" and insert "parent"; line 8, strike out "their" and insert "her."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of Henrietta Silk."

VIRGE McCLURE

The Clerk read the bill (H. R. 1269) for the relief of Virge McClure.

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

LOUISE ZERWECK

The Clerk called the bill (H. R. 1850) for the relief of Louise Zerweck.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Louise Zerweck, East St. Louis, Ill., the sum of $10,000. The payment of such sum shall be in full settlement of all claims of the said Louise Zerweck against the United States for personal injuries, sustained on November 11, 1935, when she was thrown from a United States Army horse in the armory at Iowa State College, Ames, Iowa, while receiving riding instructions in a class conducted by Army personnel.

With the following committee amendments:

Page 1, line 8, after the word "injuries", insert "hospital, and medical expenses."

Page 2, insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COLUMBUS THOMAS

The Clerk called the bill (H. R. 2288) for the relief of Columbus Thomas.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Columbus Thomas, Route 2, Lorena, Tex., the sum of $4,000. The payment of such sum shall be in full settlement of all claims of the said Columbus Thomas against the United States for permanent and total disabilities caused by personal injuries sustained at 12:45 antemeridian, March 6, 1944, when a United States Army sedan, driven by a Lieutenant Chadwick, struck Columbus Thomas on the Dallas Highway near Booker Street, Waco, Tex.

With the following committee amendment:

Page 1, line 7, after the word "claims", strike out "of the said Columbus Thomas against the United States for permanent and total disabilities caused by personal injuries sustained at 12:45 antemeridian, March 6, 1944, when a United States Army sedan, driven by a Lieutenant Chadwick, struck Columbus Thomas on the Dallas Highway near Booker Street, Waco, Tex.", and insert "against the United States for personal injuries sustained and for medical and hospital expenses and loss of earnings incurred, resulting from his being struck by an Army vehicle in Waco, Tex., on March 6, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

Mr. SPRINGER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SPRINGER, of Indiana: On page 1, line 6, strike out "$4,000" and insert "$3,500."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

J. W. GREENWOOD, JR.

The Clerk called the bill (H. R. 2813) for the relief of J. W. Greenwood, Jr.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. DOLLIVER and Mr. SMITH of Wisconsin objected, and, under the rule, the bill was recommitted to the Committee on Claims.

BRAXTON B. FOLMAR ET AL.

The Clerk called the bill (H. R. 3513) for the relief of Braxton B. Folmar, William Ernest Evans, Joseph Thomas Avery, and Roger H. Phillips.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay, out of any money in the Treasury not otherwise appropriated, $5,000 to Technician Fourth Grade Braxton B. Folmar, Military Police Detachment, Camp Wheeler, Ga., father of Stanley E. Folmar, 11 years of age; to William Ernest Evans, route 1, Dry Branch, Ga., father of Ernest C. Evans, 11 years of age; to Joseph Thomas Avery, rural free delivery 1, Dry Branch, Ga., father of James A. Avery, 10 years of age; and to Robert H. Phillips, Lizella, Ga., father of Robert Gwinn Phillips, 11 years of age. Such sums are in full settlement of all claims against the United States on account of the deaths of Stanley E. Folmar, Ernest C. Evans, James A. Avery, and Robert Gwinn Phillips; and $10,000 to Joseph Thomas Avery, route 1, Dry Branch, Ga., for personal injuries, hospital and medical expenses of his son, James A. Avery, 10 years of age, sustained as the result of an explosion of an antitank grenade collected from Jackson Range, Camp Wheeler, Ga., on March 16, 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

On page 1, line 5, strike out all after the comma down to and including line 11 on page 2, and insert "Braxton B. Folmar, and Mary Inez Folmar, rural free delivery No. 1, Dry Branch, Ga., the sum of $3,000; to William Ernest Evans and Dora Ethel Evans, rural free delivery No. 1, Dry Branch, Ga., the sum of $3,000; to Joseph Thomas Avery and Maggie M. Avery, rural free delivery No. 1, Dry Branch, Ga., the sum of $3,000; and to Robert H. Phillips and Hattie P. Phillips, Lizella, Ga., the sum of $3,000 in full settlement of their claims against the United States on account of the death of their respective sons, Stanley E. Folmar, Ernest C. Evans, James A. Avery, and Robert Gwinn Phillips, and to the legal guardian of James T. Avery, a minor, the sum of $5,063, in full settlement of all claims against the United States for the personal injuries sustained by the said James T. Avery and the expenses incurred as a result thereof, resulting from the explosion of an antitank grenade at Camp Wheeler, Ga., on March 16, 1945."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of Braxton B. Folmar and Mary Inez Folmar, William Ernest Evans and Dora Ethel Evans, Joseph Thomas Avery and Maggie M. Avery, Robert H. Phillips and Hattie P. Phillips, and the legal guardian of James T. Avery, a minor."

SAM DAMICO AND CLINT HAMM

The Clerk called the bill (H. R. 3523) for the relief of Sam Damico and Clint Hamm, operating as the D and H Grocery.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Sam Damico and Clint Hamm, operating as the D and H Grocery, 1931 Lee Street, Alexandria, La., the sum of $175.25. Such sum is in full settlement of all claims against the United States for damages to a model 1937 International panel truck by an Army cargo truck from Camp Claiborne, La. on October 15, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OWEN YOUNG

The Clerk called the bill (H. R. 3525) for the relief of Owen Young.

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

MRS. JUD HENDRY AND HER DAUGHTER, GLADYS HENDRY

The Clerk called the bill (H. R. 4056) for the relief of Mrs. Jud Hendry and her daughter, Gladys Hendry.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Jud Hendry, the sum of $100, and her daughter, Gladys Hendry, the sum of $100, in full settlement of all claims against the United States for injury to said Mrs. Jud Hendry and her daughter, Gladys Hendry, on August 22, 1942, as a result of an automobile accident caused by a United States Army truck in the city of Fort Myers, Fla.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUGUSTA BOARD OF EDUCATION

The Clerk called the bill (H. R. 4121) for the relief of Augusta Board of Education.

Mr. SPRINGER and Mr. DOLLIVER objected, and, under the rule, the bill was recommitted to the Committee on Claims.

JOSEPH SCHELL

The Clerk called the bill (H. R. 4297) for the relief of Joseph Schell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mr. Joseph Schell, of Honolulu, T. H., the sum of $18,000. The payment of such sum shall be in full settlement of all claims of the said Joseph Schell against the United States on account of personal injuries, hospital and medical expenses sustained as the result of an accident in which he was struck by a Navy vehicle, driven by personnel of the United States Navy, near the Pearl Harbor Navy Yard, Oahu, T. H., on September 3, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$18,000" and insert "$3,580.30."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COUNTY OF HAWAII, T. H.

The Clerk called the bill (H. R. 4300) for the relief of the County of Hawaii, T. H.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the county of Hawaii of the Territory of Hawaii, the sum of $2,200. The payment of such sum shall be in full settlement of all claims of the said county of Hawaii against the United States on account of property damages caused by personnel of the Fifth Marine Division of the United States Marine Corps, when they shot up, burned, or took away property belonging to the county of Hawaii, located adjacent to the quarry in engineer area No. 1, Camp Tarawa, Marine Camps, Hawaii, Territory of Hawaii, during the period from approximately November 6, 1944, to December 12, 1944.

With the following committee amendments:

Page 1, line 6, strike out "$2,200" and insert "$1,550."

Page 2, line 5, after the figure "1944", insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

GEORGE LESLIE DOBSON

The Clerk called the bill (H. R. 4545) for the relief of George Leslie Dobson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to George Leslie Dobson, 2745 Lowrey Avenue, Honolulu, T. H., the sum of $2,500, in full settlement of all claims against the United States on account of property damages caused by gunfire from artillery of the United States Army located in a lot adjoining his property, in August 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 7, strike out "$2,500" and insert "$1,650."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FELIX FREDERICKSON

The Clerk called the bill (S. 543) for the relief of Felix Frederickson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Felix Frederickson, of Seattle, Wash., the sum of $5,000, in full satisfaction of his claims against the United States (1) for compensation for personal injuries sustained by him when he was struck by a United States mail truck at the intersection of Westlake Avenue and Virginia Street in Seattle, Wash., on January 4, 1944, and (2) for reimbursement of medical, hospital, and other expenses incurred by him as a result of such injuries: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and

passed, and a motion to reconsider was laid on the table.

ESTATE OF HOWARD FRANCIS WALDRON

The Clerk called the bill (S. 976) for the relief of the estate of Howard Francis Waldron.

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

JOHN C. MAY AND EVA JENKINS MAY

The Clerk called the bill (S. 1084) for the relief of John C. May and Eva Jenkins May.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John C. May and Eva Jenkins May, of New Orleans, La., the sum of $3,652.25, in full satisfaction of their claim against the United States for compensation for the death of their son, Charles Kenneth May, age 6 years, resulting from fatal personal injuries received when he was struck and run over by a United States Army truck on Gentilly Highway at or near the intersection of Piety Street, New Orleans, La., on January 24, 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALICE A. MURPHY

The Clerk called the bill (S. 1126) for the relief of Alice A. Murphy.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Alice A. Murphy, of the city of Providence, county of Providence, State of Rhode Island, the sum of $200, in full settlement of her claim for personal injuries sustained by her while a passenger in a privately owned bus that was struck by a bus owned and operated by the Navy Department on December 20, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EDWARD A. HOLLIS, SR.

The Clerk called the bill (H. R. 4047) for the relief of Edward A. Hollis, Sr.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Edward A. Hollis, Sr., of Reynolds, Ga., the sum of $2,000, in full satisfaction for personal injuries sustained on August 11, 1944, when he was struck by a United States Army motorcycle, being at the time operated by an enlisted man on official business, at Camp Wheeler, Ga.

With the following committee amendments:

Line 7, strike out "satisfaction for personal injuries"; insert in lieu thereof "settlement of all claims against the United States for personal injuries and medical expenses."

At the end of bill add ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRED E. WEBER

The Clerk called the bill (H. R. 2880) for the relief of Fred E. Weber.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Fred E. Weber, Bradley Beach, Monmouth County, N. J., the sum of $7,000. The payment of such sum shall be in full settlement of all claims of the said Fred E. Weber against the United States on account of personal injuries, medical expenses, property damage, and loss of earnings sustained by him when the automobile which he was driving on Central Avenue, in the Borough of Bradley Beach, was in collision with a United States Army truck on January 1, 1944.

With the following committee amendments:

Line 6, strike out the figures "7,000" and insert in lieu thereof the figures "4,226."

At the end of bill add: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JESS HUDSON

The Clerk called the bill (S. 1131) for the relief of Jess Hudson.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jess Hudson, of Birmingham, Ala., the sum of $255.26, in full satisfaction of his claim against the United States for compensation for property damage sustained by him as the result of an accident which occurred on January 15, 1944, when the automobile which he was driving was struck by a United States Army vehicle on Fiftieth Street North, in Birmingham, Ala.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REGINALD MITCHELL

The Clerk called the bill (S. 1371) for the relief of Reginald Mitchell.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SPRINGER and Mr. SMITH of Wisconsin objected and, under the rule, the bill was recommitted to the Committee on Claims.

NORMAN ABBOTT

The Clerk called the bill (H. R. 2736) for the relief of Norman Abbott.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Norman Abbott, Baltimore, Md., the sum of $25,000. The payment of such sum shall be in full settlement of all claims of the said Norman Abbott against the United States for damages resulting from personal injuries sustained when he was struck on March 26, 1944, while standing at the intersection of Patapsco Avenue and Ninth Street, Baltimore, Md., by a United States Coast Guard automobile: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out the figures "$25,000" and insert in lieu thereof the figures "$10,000."

Page 1, line 8, strike out "damages resulting from personal injuries", and insert in lieu thereof "personal injuries, medical and hospital expenses, and loss of earnings."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EDWARD OATNEAL, ET AL.

The Clerk called the bill (H. R. 2931) for the relief of Edward Oatneal, John N. Oatneal, Jr., and James R. Oatneal.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mr. Edward Oatneal, John H. Oatneal, Jr., and James R. Oatneal the sum of $5,000. The payment of such sum shall be in full settlement of all claims of the said Edward Oatneal, John H. Oatneal, Jr., and James R. Oatneal against the United States for the death of their mother, Mrs. Ora Oatneal, on December 23, 1944, when the car in which she was a passenger was struck by a Coast Guard truck at Henderson Street and Montgomery Avenue, Jersey City, N. J. Mrs. Oatneal was thrown from the car and killed instantaneously: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 7, strike out "$5,000" and insert "$2,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. W. H. (AGNES) HOLMES

The Clerk called the bill (H. R. 3360) for the relief of Mrs. W. H. (Agnes) Holmes.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. W. H. (Agnes) Holmes, Wilmington, New Hanover County, N. C., the sum of $3,500. The payment of such sum shall be in full settlement of all claims of the said Mrs. W. H. (Agnes) Holmes against the United States on account of personal injuries sustained as a result of a collision with an Army vehicle near Myrtle Beach, S. C., on June 25, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$3,500" and insert "$1,750."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. VANNAS H. HICKS

The Clerk called the bill (H. R. 3618) for the relief of Mrs. Vannas H. Hicks.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Vannas H. Hicks, Hastings, Nebr., the sum of $. The payment of such sum shall be in full settlement of all claims of the said Mrs. Vannas H. Hicks against the United States on account of personal injuries sustained on January 6, 1945, when the automobile in which she was riding to Hastings, Nebr., from the naval ammunition depot near Hastings (where she was employed) was struck by a United States Navy station wagon: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, after the sign "$", insert "3,000."

Page 1, line 9, after the word "injuries", insert ", hospital and medical expenses and loss of earnings."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. THEODORA O. ANZURES AND GUARDIAN

The Clerk called the bill (H. R. 2751) for the relief of Mrs. Theodora O. Anzures and the legal guardian of Bernice Anzures and Andrew Anzures.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Theodora O. Anzures, Los Angeles, Calif., the sum of $8,000, and to the legal guardian of the minors, Bernice Anzures and Andrew Anzures, the sum of $2,000. The payment of such sums shall be in full settlement of all claims against the United States for the death of Crysostomo Anzures, son of Mrs. Theodora O. Anzures and father of Bernice Anzures and Andrew Anzures, Los Angeles, Calif., who died on March 3, 1944, as a result of injuries sustained on such date when the automobile in which he was a passenger was struck at the intersection of Manchester and Avalon Streets, Los Angeles, Calif., by a United States Army truck: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$8,000" and insert "$2,500."

The committee amendment was agreed to.

Committee amendment: Page 1, line 8, strike out "$2,000" and insert "$5,000."

Mr. DOLLIVER. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLLIVER to the committee amendment: Page 1, line 8, strike out "$5,000" and insert "$2,500."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KILPATRICK BROS. CO.

The Clerk called the bill (H. R. 3985) for the relief of Kilpatrick Bros. Co.

Mr. CURTIS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

MRS. JENNIE BURNISON

The Clerk called the bill (H. R. 4074) for the relief of Mrs. Jennie Burnison.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Jennie Burnison, Walla Walla, Wash., the sum of $6,473.45. The payment of such sum shall be in full settlement of all claims of the said Mrs. Jennie Burnison against the United States on account of personal injuries sustained on September 22, 1943, when she was struck at the intersection of Spokane and Main Streets, Walla Walla, Wash., by a United States Army reconnaissance car: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon convic-

tion thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NICHOLAS T. STEPP

The Clerk called the bill (H. R. 4560) for the relief of Nicholas T. Stepp.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $10,000, to Nicholas T. Stepp, of Hendersonville, N. C., in full settlement of all claims against the United States for personal injuries, medical and hospital expenses as the result of an accident involving a United States Army truck on United States Highway No. 1, near Hoffman, N. C., on December 4, 1941: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, strike out "$10,000" and insert "$2,500."

Page 1, line 8, strike out "medical and hospital expenses" and insert "physical disability, and loss of earnings."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAINTENANCE, OPERATION, AND EXPANSION OF SCHOOL-LUNCH PROGRAMS

Mr. BATES of Kentucky. Mr. Speaker, I call up House Resolution 495 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3370) to provide assistance to the States in the establishment, maintenance, operation, and expansion of school-lunch programs, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same back to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BATES of Kentucky. Mr. Speaker, this resolution makes in order the consideration of H. R. 3370, a bill providing for a permanent school-lunch program participated in by the Federal Government. The Committee on Appropriations has been coming to the Committee on Rules for the past 10 years getting a rule making this appropriation in order. The members of the committee felt that it was time that the House should take action and decide whether or not it wants to make it permanent legislation.

Mr. Speaker, I yield 30 minutes to the gentleman from Illinois.

Mr. ALLEN of Illinois. Mr. Speaker, I do not know of anyone on this side who is opposed to the granting of this rule or taking up this resolution for consideration.

I yield 8 minutes to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Speaker, H. R. 3370, the school-lunch bill now under discussion, is more important than many might think.

In voicing my opposition to this measure, I want it clearly understood that I do not oppose the objectives or goals sought by this particular piece of legislation. All of us, I am sure, want to see every child in America well fed, and want all children to have hot school lunches each noon if it be possible. That, of course, would tend to build up the strength and health of the children throughout our whole Nation.

When the matter of school lunches first came to the attention of Congress, it was prompted by the knowledge that great agricultural surpluses were available in this country and that in order to dispose of such surpluses in a beneficial way, the hot school-lunch program would prove to be the vehicle necessary to do the job. So the program was instituted. Today we have legislation before us making the program permanent and calling for an initial appropriation from the Federal Government of $65,000,000. Allotments are to be made to the various States on the basis of their national per capita income. Well-to-do States will start off their program by receiving as much Federal aid as they themselves put up. Poorer States will receive, in some instances, twice as much Federal aid as required of their respective State. Frankly, I am not quarreling as much with this State-proposed procedure as I am with the question, "Where is the Federal Government going to get the money?"—apologies to Congressman RICH.

Since the close of the war, it has been the earnest desire of many of us that we do some retrenching insofar as Federal finances are concerned. With an unprecedented Federal debt of around $280,000,000,000, it might well be said that our country is broke and if not broke, then so close to it that it is not even funny. We just cannot continue to spend money we do not have. Surely all of us remember when, as children, it was a great desire on our part or of another member of the family to have some particular piece of equipment or household necessity purchased at once. But all too often, the man who paid the bill, namely, dad, would finally close the argument by saying, "Well, as much as I would like to see you have it, we cannot buy it now for the one and simple reason that we do not have the money. Let us wait until we are in a better financial position and then we will buy it." The voice of dad was merely the voice of experience and common sense being passed on to those of us who as children and youths thought we were entitled to most anything for which we had a desire. Now today, as older citizens and as those entrusted with the finances of Uncle Sam, it is high time that we exert comparable common sense in saying to the country, "Yes, many things are desirable but right now we cannot have them for we have no money in the Treasury; however, we do look confidently ahead to a day when we will be in a better financial position to achieve some of the worth-while objectives that many citizens have in mind."

Yes, I repeat, the objective of hot school lunches is desirable but I do not believe Uncle Sam is presently in a position where he can or should spend $65,000,000 to initiate such a permanent program. The purpose of the bill states that it is a measure for national security in order to safeguard the health and well-being of the Nation's children and to step up domestic consumption of farm products. All of us know that there are no surpluses of farm products now nor is there very apt to be during the period of the next 2 or 3 years. So, the whole argument falls on the question of whether school lunches should be provided for all school children through financial aid of the Federal Government.

Right now, practically every State in the Union has from small to extremely large workable surpluses and balances in their State coffers. Similar financial assets have accumulated in the treasuries of most every municipality and town throughout the country. Therefore, if the hot school-lunch program is necessary to build up the health and vigor of our Nation's children, then I ask you why does it not immediately become the responsibility of the various States, municipalities, and school districts to sponsor such a program and pay for it? They have the money so to do; Uncle Sam does not.

It very likely will be asked, "What is another $65,000,000 which would be expended under this bill when in return we build up the health of all our children?" Let me reemphasize, I do not oppose such a health program but rather only do I oppose Uncle Sam being the present check writer, the one who must foot the bill. If Uncle Sam had the money, I would not say anything about it; but so that you may realize the seriousness of the situation, I repeat, Uncle Sam is broke. His financial lifeblood is being drained away, drop by drop. Let us not put another straw on his back which contributes toward making the load unbearable. Many, many requests of Congress for Federal financial aid have desirable purposes but if we cannot meet such expenses, then let us put them off until a better day. Proper cooperation between States, cities, and school districts surely can carry this program on until Uncle Sam is in a position to say "I now have my financial house in order and am willing to step in and help do the job."

Recently President Truman has stated that an Annual Budget of $25,000,000,000 can be expected for many years to come. To a degree, that is startling. Right now

we have the clamor from many people who feel taxes should be reduced but you cannot reduce taxes in the face of such terrific expenditures. Now it is proposed we add another $65,000,000 to Uncle Sam's load for the coming year. There are other comparable projects which might make the $65,000,000 look small, but regardless of any amount, they all add up to what may finally be the breaking point in Government financial stability.

Recently some figures were made available which disclosed that outside of the regular Budget requirements for the year, the total of all requests for appropriations from Congress including proposed loans to the various countries who already have or shortly will ask for them, amount in the aggregate to between thirty-five and thirty-nine billions of dollars. Included in this is the proposed bonus legislation for veterans of World War II, and your guess is just as good as mine as to whether it will ever be paid, which reaches the staggering total for this one item alone of $13,000,000,000. Yes, Mr. Speaker, we may well stop, look, and listen, and then say, "Where are we going to get the money?" Surely there are enough level-headed individuals in this Congress who must view the financial future of this country with great fear. So I beseech of you that, for the time being, we hold up and refuse to pass any authorization calling for the expenditures of even one unnecessary dollar from Uncle Sam's depleted Treasury until our financial house is put in order. That day will come only after we have once balanced our Budget and we start making regular annual payments toward the reduction of our national debt.

Today, I am not singling out the school-lunch program as only one item but rather I am making my appeal to the Congress to stop appropriations on all items calling for the expenditures of funds which can be put off until a better day.

This morning I found in my mail a very sizable stack of postal cards which came from school children in my district. Many of them apparently had been addressed by school teachers but in the rather uncertain handwriting of any young boy or girl, the message carried to me on these postcards was "I am in the fourth grade. Please do not take my hot school lunches away from me." This goes to show what intense pressure can be brought for the fulfillment of any program which any particular group sees fit to sponsor. No one wants to take hot school lunches away from any needy boy or girl but my whole purpose today is to emphasize that this responsibility must lie with the States, municipalities, and school districts for the time being, at least until Uncle Sam recovers from the terrific shock of a $280,000,000,000 national debt incurred over the years because of deficit spending programs and World War II.

The greatest thing that we who are representatives of the people today can hand down to our children and their children's children, is a solvent Government, one capable of carrying on and making possible the continued freedom, blessings, and privileges enjoyed by this Nation throughout the years.

I repeat, let us stop appropriating money we do not have before it is too late.

Mr. BATES of Kentucky. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Speaker, it seems to me that the most basic duty of all that we owe the children of America is to enable them to grow up into vigorous, robust men and women in order that they may have an even chance to carry the terrific problems which we shall leave for them to meet. It is time we said here that not again will we see our children in need of food, while food in abundance exists in the Nation and while our farmers cannot find a market for it all at a fair price. The argument of the gentleman from Illinois reminds me of the argument that one should not repair his roof in sunny weather because it does not leak and that he cannot repair it in rainy weather. I have heard over and over on this floor the charge that we do not legislate basically on these matters and that we always leave it to appropriation bills to take care of these questions. Here the committee affords an opportunity for the consideration of one of the most forward-looking programs ever devised in this Nation. I trust that arguments which might be applicable elsewhere will not be used against this worthy program.

The SPEAKER. The time of the gentleman from California has expired.

Mr. BATES of Kentucky. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. McCORMACK. Mr. Speaker, I listened with a great deal of interest to the remarks of my friend the gentleman from Illinois [Mr. ARENDS]. As I sat here listening to his arguments and the reason for it, the thought enters my mind that he clearly presented the issue of: "Dollar values" on one side against "human values" on the other side. That is the question today: Whether it is going to be "dollar values" on one side or "human values" on the other side where undernourished children in all sections of our country are involved. I see my friend rising. I yield to him, naturally, always, particularly after having made reference to his honest views with which I so sharply disagree.

Mr. ARENDS. I thank the gentleman from Massachusetts. I hope the gentleman does not draw the distinction that I set up dollars on one side and human values on the other side for the simple reason that I said I did not want Uncle Sam to participate in this program at this particular time since I feel and it is rather well recognized that the States, the municipalities, and school districts are in fine financial condition to carry out this program which is agreeable to me if they will assume the burden of it.

Mr. McCORMACK. My friend says he is for the program, but is against this bill. It is rather difficult for me to reconcile those two positions. I realize that my friend, trying to reconcile them, throws it back on to the local community. But the answer to that is that the local communities are not in a position where the forces throughout the country can be marshaled so that they can carry on this program in the excellent manner which is necessary and in the very effective manner that it has been carried on in the past. Let us pause for a moment. The observation I have made about "dollar values" and "human values" is made with a profound respect for my friend, who is one of the most valuable Members of the House and for whom I have a strong personal feeling of friendship and respect. But he clearly has presented the issue which in a few words is the issue of dollar values on one side—"human values" on the other. The school-lunch program has certainly worked with the maximum of success. One hundred and forty million people constitute America from the infant child up. Our people are divided into all kinds of various economic groups. We still have millions of persons in this country who are not blessed with enough of the world's possessions to even bring to them the minimum needs of life. These children and these youngsters who are on the bad side of the ledger are the unfortunate victims of undernourishment and bad housing conditions which produce citizens who have a difficult journey to make in order to obtain success through life. I have in mind, for example, the Chicago Back of the Yard Movement, a part of Chicago of a little over a mile square populated by 100,000 people. In that area crime was bred amongst the youngsters because they had no hope. Undernourishment, tuberculosis, and sickness of all kinds were rampant.

Constructive-minded persons there, with the leadership of the church, labor, and different organizations, got together and formed a voluntary community of their own, where they have their own Congress, as we have here. Members are elected, who legislate for the community. They have their own courts. They have their own organization functioning within that area. As a result of it they have brought hope to the people who live there and to the children. They have made remarkable progress in decreasing undernourishment, in lessening crime, in bringing about the suitable things of life which have been denied to the people living there. Hundreds of thousands of youngsters throughout the United States are similarly situated.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. BATES of Kentucky. Mr. Speaker, I yield the gentleman one additional minute.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. BROWN of Ohio. There is one question in my mind as to whether or not this bill, if enacted into law, will apply to all school children of America, or only to those who attend public schools.

Mr. McCORMACK. In title I, it would continue the same as it is now, to all schools; but under title II, it is different.

Mr. BROWN of Ohio. To parochial or private schools?

Mr. McCORMACK. Yes. Where the superintendent of a diocese in a Catholic

school, a parochial school, has made application, it applies there the same as to public schools, but under title II the gentleman has a different situation. That is confined only to public schools. That raises a very grave question, I am frank to admit.

Mr. BROWN of Ohio. That is what I had in mind. I would like to ask the gentleman one other question. The gentleman has referred to the splendid operation of this program in the past, through the Federal Government. From my experience and from the hearings held, I question very much how effective and how efficient that administration has been, but this bill does change the method of administration, does it not, and puts the administration under the State authorities and local school authorities, rather than under the Federal Government, as it has been in the past?

Mr. McCORMACK. The gentleman is referring to title I?

Mr. BROWN of Ohio. I mean the entire bill. The money appropriated thereunder is handled by the States and the local school authorities, rather than under the administration to which the gentleman referred a few moments ago.

Mr. McCORMACK. My time has expired, and someone else can answer that, but title II, to which the gentleman particularly addressed his remarks, should be given serious consideration by the Members.

The SPEAKER. The time of the gentleman from Massachusetts has again expired.

Mr. BATES of Kentucky. Mr. Speaker, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. KELLEY].

Mr. KELLEY of Pennsylvania. Mr. Speaker, for the past year and a half, as chairman of the Committee on Labor Subcommittee on Aid to the Physically Handicapped, my attention has been somewhat more concentrated on problems of disability and disease than would normally be true. People become disabled through disease and accident.

I am, therefore, much impressed when I find that the first rule of good health, as approved by the United States Public Health Service, is: "Eat enough of the right kind of food."

The relationship between good health and good food is no longer a matter of argument—if, indeed, it ever was. It becomes more impressive with each new bit of knowledge our scientists uncover about vitamins, minerals, and the other component parts of food.

Improper diet is certainly a factor in the incidence of tuberculosis, in its treatment by present methods, and in resistance to the disease. In 1944 more than 50,000 persons died of tuberculosis. In 1942 we had more than 112,000 beds set aside for tuberculous persons, and these were not adequate to the need. This is only one waste of life and wealth and human happiness and well-being which can in part be prevented through the application of what we have learned about proper diet. One of the ways in which we can do this is to support, improve, and expand the school-lunch program.

Not every family has either the means or the knowledge to set before its children three times a day well-prepared, well-balanced meals. It is a more complicated matter than simply teaching children, so far as we know, of what foods in what quantities they should partake.

Good food will protect the body against the specific dietary diseases—pelagra, rickets, scurvy, and so forth. Good food is also the source of the body's strength, together with proper rest, exercise, and fresh air. And, since our doctors are not yet able to provide a serum, or a vaccine, or an anti-toxin against every disease and infection, it is the best protection we know against infectuous diseases, which bring in their wake the damaged vision, the damaged ears, and the damaged hearts which may disable for life.

If we are not careless with the health of our children, the great numbers of physically handicapped in the Nation can be reduced. One of the safeguards we may intelligently and economically employ is the providing of the most excellent school-lunch program we can devise.

The best aid which we can give the physically handicapped of the next generation is to prevent the occurrence of needless and unnecessary diseases.

Mr. BATES of Kentucky. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, for 10 years the Appropriations Committee has made it a habit to come before the Rules Committee at the last minute and ask for a special rule to make in order consideration of an appropriation bill carrying legislative provisions. We always resented it; nevertheless, in view of the importance of the provisions, we have yielded; and we were almost happy to yield to continue the school-lunch program.

Now for the first time, and after extensive hearings, the Committee on Agriculture has presented to us a splendidly and sanely drafted bill to provide basic law for the school-lunch program, which provides for an orderly and equitable distribution of the appropriated funds, and with authority for the actual expenditures placed in the hands of State and local officials.

The first purpose of the school-lunch program was to help use up surplus farm products in the most helpful way possible—to feed little children who otherwise might not have had a square meal all day. The program has met with universal approval. Welfare organizations of 40 States have endorsed the bill and asked for its passage. I have here many, many resolutions of endorsement; and in my office I have hundreds, yes, thousands, of letters from school teachers, from city officials, from civic clubs and leaders, from school children, social workers, ministers of all faiths, all urging passage of this bill.

I concede that during the first year or two the administration of the school-lunch program was deficient; some surplus products were misdirected; there were some laxities, perhaps. In more recent years, however, distribution has been economical, efficient, and orderly, and administration has been of the highest order. I do not know of any legislation passed by this Congress which has been of more direct benefit to the health and happiness of children, and the program has been free of any well-founded criticism.

The Committee on Agriculture carefully considered this measure. The bill they have reported, and that we have made an order of business in this rule, is well drawn, clear, and unequivocal. It is a bill that all of us who are interested in the welfare of our children and of our national agriculture should gladly and loyally support. It authorizes an appropriation of $50,000,000 in the fiscal year of 1947, and makes available also any unexpended funds of the 1946 fiscal year. The bill places in the hands of the Secretary of Agriculture, in whom all farmers have a wise and true friend, the authority to determine the amounts allocated to the various States on a simple and sensible formula: 75 percent of the appropriations is to be apportioned to the States on the basis of the number of school children between the ages of 5 and 17, and the relative need as indicated by per capita income; the remainder, less 3 percent for administrative expenses, is to be spent directly for the purchase and distribution of food stuffs to be distributed to participating schools; and the States are to share the financial burden on an increasing ratio. The bill also authorizes appropriation of $15,000,000 to aid the States in their school-lunch and nutrition-education programs, to make America a nation of healthier boys and girls and men and women, and make our food go further.

I fully appreciate the fact that some of the gentlemen from the farm States will take the view that this legislation is not needed now because instead of the tremendous surpluses we had a decade ago we are facing shortages. True, there are no surpluses right now; but there may be in 1947, according to our friendly Secretary of Agriculture; and I assure you, Mr. Speaker, there is always, unfortunately, a surplus of empty little stomachs which ought to be filled with nourishing hot lunches. There may be some children who benefit from this program whose finances do not require such help; there may be some who are so well fed at home they would spend their lunch money for pop and ice cream; but I know there are thousands to whom it is a real boon. For my part, Mr. Speaker, I would just a little rather know that a few children got the help who did not need it, than to know that many children who needed the help could not have it.

Mr. Speaker, I do not know of any appropriation we have ever made that has been of more real benefit, and of a more humanitarian nature, than the appropriations to be authorized by this bill. Our children are our greatest national resource, and anything we do to make them stronger and healthier will help our Nation in the future. I think and feel and hope that we can all, on

both sides of this aisle, join in passing the bill. I am gratified to note that my colleague, the gentleman from Illinois [Mr. ARENDS], though he faithfully calls attention to the national debt, has said he is in favor of this legislation.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. BATES of Kentucky. Mr. Speaker, I yield to the gentleman from Illinois one additional minute.

Mr. SABATH. I yield.

Mr. MICHENER. All I wanted to say was that, if I am correct—and the gentleman will correct me if I am in error—this program was instituted as an emergency measure in the time of the depression. There has never been any permanent law; it has never been considered as a permanent objective of the Federal Government. The bill made in order by this rule, if enacted, would make it permanent law. That is all there is to it. Am I right?

Mr. SABATH. That is right, so that the appropriations will be properly allocated in accordance with equity and justice.

The SPEAKER. The time of the gentleman from Illinois has again expired.

Mr. BATES of Kentucky. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

CALL OF THE HOUSE

Mr. TABER. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 25]

Andrews, N. Y.	Fisher	Norton
Baldwin, Md.	Gathings	Outland
Baldwin, N. Y.	Gearhart	Patterson
Barden	Gorski	Peterson, Fla.
Barry	Hagen	Peterson, Ga.
Beall	Hand	Phillips
Blackney	Harness, Ind.	Powell
Bolton	Hays	Randolph
Brumbaugh	Hendricks	Reece, Tenn.
Buckley	Hook	Reed, N. Y.
Buffett	Jarman	Robertson, Va.
Bulwinkle	Jennings	Robinson, Utah
Butler	Keogh	Roe, N. Y.
Byrne, N. Y.	Kerr	Schwabe, Okla.
Cannon, Fla.	Kilburn	Shafer
Celler	King	Short
Chiperfield	Knutson	Slaughter
Coffee	LaFollette	Smith, Va.
Cole, Kans.	Landis	Starkey
Colmer	Lane	Taylor
Courtney	McConnell	Thom
Curley	McGregor	Thomas, N. J.
Dawson	McKenzie	Torrens
Ellsworth	Marcantonio	Winter
Engel, Mich.	Morrison	Wood
Ervin	Murdock	

The SPEAKER. On this roll call, 349 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

Mr. FLANNAGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3370) to provide assistance to the States in the establishment, maintenance, operation, and expansion of school-lunch programs, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 3370, with Mr. JACKSON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Virginia [Mr. FLANNAGAN] is recognized for 1 hour, and the gentleman from Pennsylvania [Mr. KINZER] will be recognized for 1 hour.

Mr. FLANNAGAN. Mr. Chairman, I yield myself 10 minutes.

H. R. 3370 provides the foundation upon which to build a sound, sane, strong, and permanent school-lunch program.

It looks to the betterment of two classes in America that are dear to my heart, in that it gives consideration to the children, whose health it will protect, and to the farmers, whose economy it will strengthen.

Years ago we debated the advisability of having a public-school system. There were those at that time who argued that the training of the mind was not a proper function of the State. Today, after years of trial, we are all in accord that our public-school system has been the cornerstone of our democracy. Today, as never before, we realize that while ignorance is the food upon which dictators are sustained, education is the source from which democracy draws its strength. Today we realize that the State is vitally interested in the training of the mind.

Today, as the debate on this bill progresses, there will be those who, while reconciled to the proposition that the training of the mind is a proper function of state, will question the proposition that looking after the health and well-being of the child is a proper function of the state. They, like many of those of the years of long ago, who, arguing against the free school, contended that education was a family problem, will contend that child health is a family problem. How they can accept the one proposition and reject the other; how they can disassociate the nurturing of the body from the training of the mind, is beyond my comprehension, and is for them to explain. Surely they are not unmindful of the fact that what affects the mind sooner or later affects the body, and conversely, what affects the body sooner or later affects the mind. Surely they are not unmindful of the fact that if we develop a strong, verile, intellectual race consideration will have to be given to the development and the training of the mind and body alike.

Our democracy is not the creature of intellectual weaklings any more than it is the creature of physical weaklings. It sprang from the loins of men of strong minds and bodies. And if it is to be preserved it will be preserved by the same kind of men. Yes, the state has a vital interest in the health and well-being of the child.

Is it the Constitution that has developed the opposition? Oh, the argument will be made by others that the health and education of the child are the function of the State, and if the Federal Government contributes, in any way, to the health and intellectual well-being of the child that we are embracing the paternalistic doctrines of the dictator nations, the Nazis and Communists. As I have stated, the dictator nations exist upon hungry bodies and befuddled minds. If you want to dispel the gloom of nazism and communism from the face of the earth, the thing to do is to feed and educate the peoples of those nations. A full stomach and a trained mind will never embrace either nazism or communism.

Again I ask, is it the Constitution that has developed the opposition? While I admit that, primarily, the responsibility of nurturing and educating the child rests upon the State, I hold that the responsibility is a dual one, that the Federal Government also has a vital interest in the welfare of the child, that this interest is so great that it is impressed with a responsibility, and that there is nothing in the Constitution that prohibits the Federal Government, when in the wisdom of the Congress it is thought advisable, to step in and discharge that responsibility by grants-in-aid to the States. If I thought otherwise, then I would think that the responsibility of the Federal Government to the beasts of the field was greater than its responsibility to its citizenry, because annually we appropriate millions of dollars to administer to the ills of the hog, the steer, the cow, the horse, and to develop by cross breeding better strains and more millions to develop diets for chickens, ducks, and turkeys, horses, steers, cows, sheep, and hogs. And with a clear conscience, free from all constitutional restraints, you vote for these appropriations and so do I.

Now a few words as to the provisions of the bill. The bill provides basic, comprehensive legislation for aid to the States in the operation of school-lunch programs as permanent and integral parts of their school systems. For the past 10 years we have carried on a school-lunch program under legislative authority included in the agricultural appropriation bill. Of course, this is a year-to-year program as the Appropriations Committee can only authorize the program 1 year at a time. This arrangement, while handicapped by its lack of permanency, has been highly successful, as shown by the following figures covering its 1945 operations:

Public schools

Number of public schools	208,235
Number of public schools under program	39,467
Number of children attending public schools	24,562,473
Number of children in public schools under program	6,120,065

Parochial schools	
Number of parochial schools	10,049
Number of parochial schools under program	2,970
Number of children attending parochial schools	2,611,047
Number of children in parochial schools under program	460,650
Child-care centers	
Number of child-care centers	1,059
Number of children served	74,000

This year it is estimated that 48,000 public schools are operating under the program, serving lunches to some 8,200,000 school children. In addition it is estimated that there are many public and private schools, serving lunches to some five or six million children, operating outside the program. Hence, the over-all picture is this: There are some fifty to sixty thousand schools serving lunches to some ten or twelve million children. In addition lunches are being served in some 1,000 child-care centers to some 75,000 children. The great drawback to the program, of course, is its lack of permanency. This lack of permanency makes it very hard for the Department of Agriculture and the schools to plan ahead. This inability to plan their programs ahead keeps many schools, especially the poorer ones, from working toward the programs they would like to have. Moreover, this lack of permanency has kept many of the States from wholeheartedly entering into the school-lunch program.

H. R. 3370 is a two-title bill. Title I permanently establishes Federal assistance to a school-lunch program upon a firm basis. It follows much the same pattern that we have been following for the past 10 years. It establishes as the policy of Congress the dual objective of; first, expanding the market of agricultural commodities by encouraging domestic consumption; and second, improving the health of the children by providing a nutritional school lunch.

Title I of the bill, which applies to public and nonprofit private schools alike, calls for an appropriation of $50,000,000, 75 percent of the funds to be paid by the Secretary of Agriculture to the State agencies and by the respective State agencies to the schools within the program. In States where the State constitutions prohibit the reallocation of funds to nonprofit private schools the Department of Agriculture is permitted to allot funds directly to such schools. Funds going to the States are apportioned on the basis of, first, the number of children from 5 to 17, inclusive, and, second, the need for assistance as indicated by the ratio of the per capita income of a State to that of the United States. Federal funds are matched in the beginning by State and local funds on a dollar-for-dollar basis, and the matching increases progressively as follows: 1948, two State dollars to one Federal dollar; 1949–50, three State dollars to one Federal dollar; 1951 and thereafter, four State dollars to one Federal dollar.

The plan worked out is a State plan. The funds are disbursed by the State agencies to the schools within the State pursuant to agreements entered into between the State agencies and the schools. The agreements, of course, must be in accordance with the provisions of title I and approved by the Secretary of Agriculture. And the bill expressly provides that neither the Secretary of Agriculture nor the State "shall impose any requirement with respect to administration, teaching, teaching personnel, curriculum, instruction, or material of instruction of any school."

As to the value of the school-lunch program to agriculture, let me give you a list of the farm products that went into the program during the fiscal year 1945:

Food or food group	Quantity	Value
Milk—quarts	134,945,663	$21,051,523
Other dairy products—pounds	12,179,131	5,302,295
Meat—do	52,467,682	10,825,894
Eggs—dozen	10,825,894	6,517,188
Fruits and vegetables—pounds	345,129,491	34,502,123
Fats and oils—do	14,885,605	3,157,101
Cereals and cereal products—pounds	89,911,816	7,103,034
Sugar and other sweetening agents—pounds	16,238,841	1,088,002
Total		89,547,160

As to the value of the school-lunch program to the child: Let me call your attention first to the alarming picture developed by the Selective Service in connection with the drafting of our boys. Forty percent of the boys called up for induction were rejected because of physical disabilities. This is truly an alarming picture. When we go into the causes back of these rejections, we find the primary cause to be poor nutrition. General Hershey testified that 70 percent of the boys who had poor nutrition 10 or 12 years ago were rejected by the Selective Service. And remember poor nutrition is not confined altogether to the poorer families. Ofttimes children in the families of wealth, while given plenty of food of its kind, are given the wrong kind of food, and suffer from malnutrition.

Title II of the bill is new. It authorizes an appropriation of $15,000,000, to be apportioned as provided in title I, but only to the public schools. The funds so authorized are to be used by the States, first, to employ and train school-lunch administrators, supervisors, and managers; second, to equip school lunchrooms; and, third, to develop programs of nutrition education. The funds are channeled through the United States Office of Education to the States. The State educational agency must submit a State plan providing for (a) the development and supervision of school lunches by the State agency and limiting the costs resulting from these activities to not in excess of 15 percent of funds apportioned; (b) distribution of funds only to public schools and school systems of high-school grade or under—including nonprofit private schools of high-school grade or under which receive public funds from the State or any school system thereof for payment of teachers salaries; (c) such schools to furnish school lunches on nonprofit basis in accordance with nutritional standards determined by the State educational agency to be consistent with those established by the Department of Agriculture; and (d) such schools to serve meals without cost or at reduced cost to children who are determined by local school authorities to be unable to pay the full cost of the lunch, and with no segregation or discrimination because of inability to pay.

The parochial schools complain because they are not included under this section. In my opinion, while the parochial schools are not included, they can readily obtain all the advantages of this section except the advantages provided for the securing of equipment. As to equipment, I believe the parochial schools should stand upon the same footing as the public schools. The committee thought otherwise. To my way of thinking, if it is right and proper to provide the parochial schools with food it is inconsistent to exclude them from the provision providing funds with which, for instance, to purchase a stove to cook the food on. Such a policy is in line with the reasoning of the mother who gave, if I may coin the phrase, prohibitive consent to her daughter to go swimming:

Mother, may I go out to swim?
O yes, my darling daughter,
But hang your clothes on the hickory limb
And do not go nigh the water.

This legislation has the endorsement of all of the great farm organizations.

It also has the endorsement of those vitally interested in the welfare of our children, such as the Parent-Teacher Association.

Let me give you a list of the organizations that have endorsed the bill:

American Farm Bureau Federation.
National Grange.
National Cooperative Milk Federation Union.
Cooperative League of United States of America.
Dairymen's League Cooperative Association.
National Council of Farmers Cooperative.
National Farmers Union.
American Dietetic Association.
American Medical Women's Association.
American Home Economics Association.
General Federation of Women's Clubs.
Girls Friendly Society.
National Education Association.
National Council of Jewish Women.
National Service Star Legion.
National Congress of Parents and Teachers.
National Consumers League.
United Council of Church Women.
Independent Grocers Alliance.
National Association of Chief State School Officers.
American Medical Association.
American Public Health Association.
Women's National Homeopathic Medical Fraternity.
Women's Trade Union League of America.
American Association of University Women.
Association for Childhood Education.
Congress of Industrial Organizations.
American Federation of Labor.

United Retail, Wholesale & Department Store Employees (CIO), Laborers, and Nonpartisan League.

Now, Mr. Chairman, there are 208,235 public schools in America, with an enrollment of 24,562,000 children. Last year over 6,000,000 of those children participated in the program. In addition to that, there were many schools which had the school-lunch program that did not participate in the Federal program. If we combine the two we will find that out of our 24,000,000 school population some ten or eleven million received free school lunches last year.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield.

Mr. VOORHIS of California. I do not believe the gentleman means that ten or eleven million children received free school lunches. What he means is that ten or eleven million children had hot school lunches.

Mr. FLANNAGAN. I mean that ten or eleven million had a hot, nutritious lunch at noontime.

Mr. VOORHIS of California. That is right.

Mr. FLANNAGAN. And that those children who did not have the money to purchase the lunch were given the lunch free.

Mr. VOORHIS of California. That is right.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield.

Mr. DONDERO. Can the gentleman tell us the number of children who received school lunches through State organizations before this program was ever introduced by the Federal Government?

Mr. FLANNAGAN. I do not have those figures. There were very few of them. We had the school-lunch program in force prior to the inauguration of the Federal program, but in mighty few schools, mostly in city schools only.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. I wonder why the committee has taken out of this bill the language that would guarantee that in States where they have separate schools for white children and black children, the black children who I presume are as poorly nourished as the white children are not assured of participating in this program?

Mr. FLANNAGAN. Let me say to the gentleman that no discrimination has been made heretofore in the program with respect to race or color or creed, and no discrimination is made in this legislation. This program extends to every boy and girl in America whether white or black or whether Protestant, Catholic, or Jew.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield to the gentleman from Georgia.

Mr. TARVER. As chairman of the Subcommittee on Agricultural Appropriations that has been handling the appropriation for the school-lunch program throughout the years, may I say that there has never been a provision in the bill of the kind to which the gentleman referred in addressing his question to the gentleman. No complaint has ever been received by our committee of any discrimination in the use of the funds provided in the program.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. FLANNAGAN. Mr. Chairman, I yield myself five additional minutes.

The reason no complaint has been received is due to the fact no discrimination has ever been made.

Let me call the attention of the Members to the fact that this program has been carried on from year to year for 10 years, and we are going to have a school-lunch program whether you adopt this legislation or not. What we have attempted to do here is to work out a sound, sane, sensible school-lunch program along the lines that we have followed heretofore, though we put in many protecting provisions, and have brought this program as far as possible back to the States to be administered by State agencies.

Complaint has been made that Members have been receiving postcards from some of the school children. Evidently the Member has been annoyed by the children presenting their case to him. I want to tell those gentlemen that it is not only the children of this land who are behind this program; this program has been endorsed by every farm organization in America, it has been endorsed by the medical associations, by the health authorities, by the association of State superintendents of schools, and by parent-teacher associations. During my service in Congress I have never seen a piece of legislation come before the Congress for consideration that had the backing that this bill has from the people from one end of this country to the other, regardless of race, creed, or color.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield to the gentleman from Texas.

Mr. LUTHER A. JOHNSON. Confirming what the gentleman has said that the Federal Government is shifting responsibility more and more to the States, as I understand it from the bill during 1946 and 1947 the Federal Government matches dollar for dollar with the States, but in 1948 it is $2 the States put up to the Government's one, and in 1949 and 1950 $3 and after that $4.

Mr. FLANNAGAN. That is right. We start out with a 50–50 proposition, then increase the contribution of the States.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield to the gentleman from Georgia.

Mr. TARVER. In view of the fact that we are approaching the end of the 1946 fiscal year I presume that the committee intends to offer an amendment to change the year to 1947 instead of 1946 and the other years accordingly?

Mr. FLANNAGAN. The gentleman is correct. This program has been tried. It has been tested by the American people, and we bring to you today the endorsements of the farm organizations, of the civic organizations, of the school organizations, and of the parent-teachers associations, asking you to make this a permanent program so they can plan ahead of time and not labor under a program that may be cut off next year or the year after. They want some permanency placed in this program, and when you make it a permanent program in a few years you will see the program extended to every school in America. The reason it has not been extended in the 10-year period to all the schools of America has been due to the fact that it has been a temporary program. I do not know of any program that will accomplish more. When you look at the figures presented by Selective Service you will find that chiefly due to malnutrition 40 percent of the boys of America, when called to the colors, were rejected because of physical defects brought about largely by malnutrition during youth.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield to the gentleman from Colorado.

Mr. HILL. In making these funds available to purchase wholesome food for our school children, will the sale of soft drinks, candy, or gum on the school premises be in any way affected?

Mr. FLANNAGAN. It is not the intention of this proposed legislation to interfere in any way with the sale or consumption of any other wholesome foods and beverages made available on the school premises. It is the purpose of this program to provide a minimum nutritional standard. It is desirable to have available additional foods which would raise this standard.

Pursuant to authority granted in the House I file as a part of my remarks the following endorsements of the bill:

First. Endorsement of the American Farm Bureau, the National Grange, the National Council of Farmer Cooperatives, and the National Cooperative Milk Producers Federation.

Second. Endorsement of Charles W. Holman, secretary, National Cooperative Milk Producers Federation.

Third. National Farmers Union.

Fourth. Paul C. Stark, Director, Food Distribution Programs Branch, Production and Marketing Administration.

Fifth. National School Lunchroom Conference.

AMERICAN FARM BUREAU FEDERATION, NATIONAL COOPERATIVE MILK PRODUCERS FEDERATION, NATIONAL COUNCIL OF FARMER COOPERATIVES, THE NATIONAL GRANGE,

February 14, 1946.

To Members of the House of Representatives of the United States:

The school-lunch program has the unanimous endorsement of all major farm organizations. Its principles are embodied in H. R. 3370 by Representative JOHN W. FLANNAGAN, chairman of the House Committee on Agriculture, a bill to establish a permanent system of Federal-State supported lunches for school children. Among the reasons why we favor enactment of this measure are:

Control of the program rests in the hands of the Secretary of Agriculture.

It places on a permanent instead of a year-to-year basis a program that already has proved its value in the improved nutrition of children. With a permanent program assured, additional schools will be encouraged to install equipment. Thus the program should produce increasing results for the expenditure involved.

The school-lunch program in general assures increased food consumption and consequently enlarged market for some farm products.

The annual appropriation of $50,000,000 in title I does not put any additional strain upon Federal finances since about this amount has been annually spent by the Secretary of Agriculture from funds authorized by the Congress.

The proportion of State funds to that of Federal funds is increased each year until, in 1950 and thereafter, the States will be bearing 80 percent of the total cost.

As revised and reported, the bill in the main incorporates the recommendations of the farm organizations.

For the above reasons we hope that you will give us your support in carrying on and expanding the school-lunch work which already is helping more than 8,000,000 children.

Respectfully submitted by:

NATIONAL COUNCIL OF FARMER COOPERATIVES,
By JOHN H. DAVIS,
Executive Secretary.
NATIONAL COOPERATIVE MILK PRODUCERS FEDERATION,
By CHAS. W. HOLMAN, *Secretary.*
AMERICAN FARM BUREAU FEDERATION,
By EDWIN A. O'NEAL, *President.*
THE NATIONAL GRANGE,
By A. S. GOSS, *Master.*

NATIONAL COOPERATIVE MILK PRODUCERS FEDERATION,
Washington, D. C., January 24, 1946.

LEGISLATIVE LETTER—CALL FOR ACTION

HELP PASS PERMANENT SCHOOL-LUNCH BILL

Every person receiving this "Call for action" is requested immediately to go into action in support of the Flannagan permanent school-lunch bill, H. R. 3370. This bill approved by the House Committee on Agriculture has now been given right-of-way by the House Rules Committee, and will come before the House for a vote within the next 10 days to 2 weeks, or less.

The Flannagan bill is of utmost importance to dairy farmers. For the past 10 years Federal support of school lunches has been an important means of disposing of temporary surpluses of farm products. Last year, without consideration of any surplus problem, 30.2 percent of all funds expended for school lunches purchased dairy products. For milk alone these purchases amounted to 23.2 percent of all expenditures.

In the past, Federal support of school lunches has depended upon year-to-year appropriations by the Congress. The Flannagan bill authorizes an annual appropriation of not to exceed $50,000,000 to the Secretary of Agriculture for food purchases, and not to exceed $15,000,000 a year to the United States Office of Education—all to be used in conjunction with State appropriations for nutritional education work, and financial assistance in setting up mechanical facilities in schools to provide hot lunches for the children. The bill requires the States to match funds, dollar for dollar in 1946 and 1947, $2 of State funds for $1 of Federal funds in 1948, $3 of State funds for $1 of Federal funds in 1949 and 1950, and thereafter a rate of $4 for $1.

All of the national farm organizations including the Federation are supporting the Flannagan bill. It has widespread support from the National Parent-Teachers Association and other educational, civic and business groups. Despite this support there is a substantial opposition within the Congress.

WHAT YOU CAN DO

Let your Representatives know the views of your organization immediately. Urge every member of your legislative committee, your directors, and other local leaders to write individual letters at once. Let us know the response you get, but the immediate need is action.

CHARLES W. HOLMAN,
Secretary, the National Cooperative Milk Producers Federation.

FARMERS EDUCATIONAL AND COOPERATIVE UNION OF AMERICA,
Washington, D. C., February 15, 1946.

Congressman JOHN W. FLANNAGAN, Jr.,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN FLANNAGAN: Our organization wants you to know and requests you to make a matter of record before final action is taken on the school-lunch bill (H. R. 3370), which carries your name as sponsor, that we are solidly behind it.

We support the principles of the measure in the interest of improving the nutrition of our future citizens and in the interest of helping to eliminate agricultural surplus problems and thereby maintain an agricultural economy based on full production. That is what the farmers of this country want. They oppose a return to restricted production.

Any surplus disposal program requires Federal buying operations. The amount of funds provided in your bill are, in our opinion, inadequate and we are not wholly satisfied with the matching provisions. Nevertheless we consider the passage of the measure vital. The school-lunch program must not be allowed to lapse, and we hope that in the debate on the legislation Congress will be persuaded substantially to increase the funds available for it.

Yours sincerely,

JAMES G. PATTON,
President National Farmers Union.

PRODUCTION AND MARKETING ADMINISTRATION,
DEPARTMENT OF AGRICULTURE,
Washington, February 18, 1946.

Hon. JOHN W. FLANNAGAN,
House of Representatives.

DEAR MR. FLANNAGAN: I am very pleased to comply with your request of February 15 for my personal views with regard to permanent school-lunch legislation as embodied in H. R. 3370.

The school-lunch program over the past 10 years has received Federal assistance in the form of commodities and in addition, more recently, cash reimbursement for food items bought locally. It is my sincere belief that this Federal assistance is essential to the continuance and expansion of the program and may be looked upon as a pump-priming operation to enable schools to plan locally for a community school-lunch program.

The school-lunch program reaches a two-fold goal in that it improves the nutrition of the Nation's children and provides an expanded market for agricultural commodities. Records compiled by the Selective Service during World War II have indicated that a large percentage of rejections could be traced to nutritional defects. A proper lunch at school, providing from one-third to one-half of the daily nutritional requirements, would undoubtedly have done much to correct this situation if it had been available generally to these young men during their early years. The school-lunch program provides a market for agricultural commodities both immediately and for the future. It provides an immediate outlet for large quantities of meat, eggs, butter, dairy products, fruits, vegetables and other foods. Furthermore, through its influence upon the dietary habits of the children and the families from which they come, expanded markets for many of these foods will be obtained continuously.

It is my sincere belief, therefore, that the school-lunch program is sound and should receive Federal assistance along the lines set forth in H. R. 3370.

Very truly yours,

PAUL C. STARK,
Director, Food Distribution Programs Branch.

FEBRUARY 9, 1946.

Whereas a national school-lunchroom conference, including representatives from State departments of education, nutritionists, parents' organizations, and farm and civic groups from 32 States of the Union, is being held at Chicago; and

Whereas House bill 3370 and Senate bill 962 are pending action by Congress; and

Whereas favorable action on such bills would insure a program to provide nutritious and body-building lunches for all school children; and

Whereas this program, started as an emergency measure, has become a great aid to the farmers in the orderly distribution of farm products and expansion of farm markets, as well as a spur to commerce and industry; and

Whereas this program will help to prevent a recurrence in the future of a condition of malnutrition disclosed by National Selective Service records; and

Whereas this program will give much-needed financial assistance to the development of a program of nutrition education, administered through State educational channels, which will result in improvement of the health and well-being of all school children: Therefore be it

Resolved, That this body, assembled at Chicago, hereby respectfully urge the Members of Congress to take favorable action on these bills.

Wayne Dent, Superintendent, Bay Public Schools, Bay, Ark.; R. R. Brourink, Superintendent, Fort Morgan Public Schools, School District No. 3, Fort Morgan, Colo.; Chris Huigen, Manager of Cafeteria, Fort Morgan Public Schools, Fort Morgan, Colo.; Mrs. Eugene P. Callaghan, National Congress of Parents and Teachers, Washington, D. C.; Charles Holman, Secretary, the National Cooperative Milk Producers Federation, Washington, D. C.; Miss Thelma G. Flanagan, Supervisor of School-Lunch Program, State Department of Public Instruction, Tallahassee, Fla.; Mrs. Lucille T. Watson, State Director of School-Lunch Programs, State Department of Education, Atlanta, Ga.; Miss Rita Devlin, Director of School Lunchrooms, Springfield Board of Education, Springfield, Ill.; Stelle W. Graff, Supervisor of School-Lunch Program, State Department of Public Instruction, Springfield, Ill.; Noble Puffer, County Superintendent of Schools, Cook County, Ill.; Walter Hayes, 921 South Barr Street, Fort Wayne, Ind.; George Van Horne, Business Manager, Evansville Board of Education, Evansville, Ind.; Dr. Grace M. Augustine, Institution Management Department, Iowa State College, Ames, Iowa; Mrs. Helen McCleery Hubler, Director, Home Economics and Lunchrooms, Des Moines Public Schools, Des Moines, Iowa.; Mrs. Bessie Brooks West, President of American Dietetic Association, Institution Management Department, Kansas State College, Manhattan, Kans.; Miss Elizabeth A. Sutherland, Director of Department of School Lunches, Louisville Board of Education, 1519 South Sixth Street, Louisville 8, Ky.; Watson Armstrong, State Director of Vocational Education of Kentucky, Frankfort, Ky.; Jack Bolwell, School-Lunch Director, Newport Board of Education, Newport, Maine;

William P. Cooper, Director, Allegany County School-Lunch Program, Barton High School, Barton, Md.; Miss Marie Mount, School-Lunch Representative of American Home Economics Association, University of Maryland, Baltimore, Md.; L. A. Wiles, Divisional Director, Department of the Budget and School Lunchrooms, Detroit Board of Education, Detroit, Mich.; Miss Irene Netz, State Department of Health, Division of Child Hygiene, University Campus, Minneapolis 14, Minn.; A. R. Taylor, Supervisor of School-Lunch Program, State Department of Public Instruction, St. Paul, Minn.; Miss Eleanor Wilson, Supervisor of School Lunch Program, State Department of Public Instruction, Jackson, Miss.; George Mueller, Assistant Secretary, Kansas City School District, Kansas City, Mo.; Barton L. Kline, Superintendent of Schools, Gothenburg, Nebr.; Dr. Mary DeGarmo Bryan, Professor of Home Economics, Teachers College, Columbia University, New York City, N. Y.; Col. Harvey Allen, Director, Bureau of School Lunches, Board of Education, New York City, N. Y.; Margaret E. Prentice, Chairman, School Lunch Supervisors, State Department of Public Instruction, Albany 1, N. Y.; Miss Betsy Curtis, Supervisor of Lunch Rooms, Cincinnati Board of Education, Cincinnati, Ohio; Miss Bernita Marlow, Supervisor of Cafeterias, Toledo Board of Education, Toledo, Ohio; Miss Ruth E. Pool, Supervisor of School Lunch Program, State Department of Public Welfare; Oklahoma City, Okla.; Frances Livingston Hoag, Adviser of School Lunches, Department of Public Instruction, Harrisburg, Pa.; Hon. P. Ernest E. Dupre, Mayor, city of Woonsocket, R. I.; Roger B. Leduc, Acting Mayor, city of Woonsocket, R. I.; J. C. Doggette, Brunson Public Schools, Office of Superintendent, Brunson, S. C.; W. H. Garrison, Supervisor of School Lunch Program, State Department of Education, Columbia, S. C.; Mrs. Ann H. Dick, Cafeteria Supervisor Public Schools, 624 Lamar Street, Knoxville, Tenn.; Frances Mae Nave, Supervisor of School Lunch Program, State Department of Public Instruction, Nashville, Tenn.; Mrs. Frances Daniel, Director, School Cafeterias, Wichita Falls Board of Education, Wichita Falls, Tex.; Miss Bena Hoskins, Lunchroom Director, Fort Worth Board of Education, Fort Worth, Tex.; Miss Grace Moffett, Lunchroom Director, San Antonio Board of Education, San Antonio, Tex.; Rodney A. Ashby, Supervisor of School Lunch Program, State Department of Public Instruction, Salt Lake City, Utah; Miss Lula Clegg, Superintendent of Schools, Wasatch County School District, Board of Education, Heber City, Utah; Miss Clematis K. Gardner, Director of Cafeterias, Richmond Public Schools, Richmond, Va.; Vernon A. Bachor, Superintendent of Valley Schools, Valley, Wash.; Martha Bonar, Supervisor of School Lunch Program, State Department of Public Instruction, Charleston, W. Va.; Miss Mable Bush, Elementary Supervisor, State Department of Public Instruction, Madison, Wis.; Guy P. Franck, Superintendent of Schools, Baggs Board of Education, Baggs, Wyo.; Gladys E. Hall, Executive Secretary, American Dietetic Association, 620 North Michigan Avenue, Chicago, Ill.; Mary T. Kavanaugh, School Lunch Representative, Chicago Dietetic Association, Chicago, Ill.; Mrs. Ethel Austin Martin, Director, Nutrition Service, National Dairy Council, 111 North Canal Street, Chicago, Ill.; Margaret Garibaldi, Executive Secretary, Chicago Nutrition Forum, Chicago, Ill.; Alice Cooley, President, National Dairy Council, Representative, Illinois Home Economics Association, Chicago, Ill.; Agnes Peterson, Nutritionist, Elizabeth McCormick Memorial Fund, 848 North Dearborn Street, Chicago, Ill.; Inez S. Wilson, Executive Editor, What's New in Home Economics, Chicago, Ill.; Marie Casteen, Editor, School Lunchroom Section, What's New in Home Economics, Chicago, Ill.; F. O. Washam, Director, Bureau of Lunch Rooms, Chicago Board of Education, Chicago, Ill.; Mrs. L. Robert Mellin, Member, Board of Education, city of Chicago; Mary Marks, Director, Bureau of Household Arts, Chicago Board of Education, Chicago, Ill.; Joseph B. Meegan, Back of the Yards Council, Chicago, Ill.

The CHAIRMAN. The time of the gentleman from Virginia has again expired.

Mr. KINZER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. EDWIN ARTHUR HALL].

Mr. EDWIN ARTHUR HALL. Mr. Chairman, there is probably not a Member of the House of Representatives who is better qualified than I, a father who has six children in the school systems of this country, to speak of the advantages of a hot lunch every noon for every school child. I want to say that there is no principle which should be more loudly heralded than to give every child the opportunity to have a hot lunch, to aid in nutrition, building both mind and body. However, under the present arrangement, I, for one, cannot take advantage of this program because I cannot afford it. I cannot afford 25 cents a day for each one of my six children to get a hot lunch, and if I cannot afford it, there are a good many others in the same position. I say that one of the weaknesses of this whole program is that it is still out of reach of the average family, and there is no opportunity presented so that a person can buy his child a good, hot lunch, at a reasonable cost.

I hope this bill will clarify such a situation, but I have seen no evidence of it yet. I cannot for the life of me see why it should cost 20, or 25, or 30 cents for every child to buy a hot lunch, when we are appropriating millions of dollars today to put a program of this kind over.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield to the gentleman from Virginia.

Mr. FLANNAGAN. Under the provisions of this bill, if there is any child in the gentleman's district unable to buy a school lunch, it is given to him free of charge.

Mr. EDWIN ARTHUR HALL. If that is the case, it should extend to just about everybody, because I do not know of anybody who could dig down into his pocket day after day, week after week, and month after month, and pay the prices they charge for school lunches at some of these cafeterias in Washington. I want to go on record now to say that if we are appropriating vast sums of money for school lunches, that money should not be diverted in administration or in directing or management to some other source but should be directed toward bringing down the cost of school lunches not to just a few but to every child who is going to take advantage of this program.

I am not so sure that there will not be some discrimination, the way this bill is written. We must proceed cautiously in order to guarantee that every school child will be able to take advantage of this program regardless of his race, creed, or color. I think you have left an opportunity in this bill for discrimination to raise its head and to thwart people of certain races from participation.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. I find on page 207 the form of application and contract put out by the War Food Administration. Question 6 is "Estimated average daily attendance: White —, Negro —, other—, total——." Why is it that the color of the child must be furnished in this application for Federal funds?

Mr. EDWIN ARTHUR HALL. The gentleman makes a good point. Race or religion should not enter into it. The children of all colors and all creeds should be considered equal. If we are going to participate in a fair program of hot lunches for school children throughout the country we should not have to draw the line on any school or any group. I am going to scrutinize this bill very carefully, and I want to see a universal and just plan for school lunches adopted before I cast my vote for it.

Mr. FLANNAGAN. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Chairman, this is not a proposal upon which the House of Representatives is being asked to indicate its desires today for the first time. You have had this identical subject matter before you year after year for 10 years. You have voted nearly every year on the question, first, of whether you would adopt a rule waiving points of order against the school-lunch program, and you have adopted those rules. You have next voted upon whether or not you would adopt amendments to strike the school-lunch-program funds from the agricultural appropriation bill, and you have always refused to strike them from the bill. So that you are not today making an initial decision on this subject matter, you are simply deciding whether or not you will continue the type of program which you have heretofore authorized and provided for time after time again in the passage of agricultural appropriation bills. It is true the pending measure proposes some changes in the plan, some increase in State and local matching, and an appropriation to the Office of Education not heretofore carried; but on the whole the principle involved is substantially the same.

Men and women who have voted to spend hundreds of millions of dollars to assure a proper diet to children in foreign lands should think twice before they oppose a proposal to spend $65,000,000

for a similar purpose for the children of the United States.

Personally, I think it is a wonderful program. It has worked in such a way as to occasion no criticism, so far as I have known, from any source in this country so far as any charge of discrimination or inefficiency in the handling of any funds is concerned. I feel that if there had been basis for criticism, it certainly would have been called to the attention of the Subcommittee on Agricultural Appropriations which in drafting agriculture appropriation bills have made provision for the continuance of this program. Any effort to amend the plan in substance, by changing provisions under which it has been carried on heretofore, by the injection of racial or other issues of that type, is an effort only to destroy the program and to have the legislation in such form as to prevent its receiving the vote of those whose votes are necessary in order that it shall be enacted. I certainly hope that gentlemen will not be misled by the efforts of those who, in an effort to appeal to racial groups, seek to inject such issues. They have not sought to inject them heretofore in connection with the enactment of legislation for the school-lunch program on agriculture appropriation bills, and it seems to me there is no reason why they should seek to inject them now.

This is a program, as has been stated by the chairman of the Committee on Agriculture, which envisions for the next fiscal year this type of service to approximately 10,700,000 school children. In the present fiscal year, 6,600,000 approximately have been benefited by the program. It is not a matter of doles or donations to children except insofar as school trustees may decide that certain children in their school districts are unable to defray the very small cost of the lunch which is served. Even in such cases, the lunch is accorded them in such a way as not to have the resemblance of charity in that they are permitted by personal services in connection with the preparation and serving of food to earn, in a way at least, the lunches which are served to them.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield to the gentleman.

Mr. JUDD. Am I correct in understanding that title I of this bill is essentially the program that has been in operation for the last 10 years?

Mr. TARVER. That is true.

Mr. JUDD. Then title II is different from what we have had previously?

Mr. TARVER. That is true. That is a new program which is being set up by the bill. Insofar as I am concerned, I do not feel that title II is essential to carry on the program in the way in which it has been carried on heretofore.

Mr. JUDD. Will the gentleman yield further?

Mr. TARVER. I have but little time and I feel unable to yield further to the gentleman at this time.

Mr. JUDD. It is not fair to say that this program is just a continuation because we are making a decision today with reference to title II. Title I is a continuation and title II is a new program.

Mr. TARVER. The question before you today is whether or not you are going to legislatively authorize this program. You have voted time after time on substantially that question. There are some amendments which might be proposed to thi bill which I would feel obliged to support, but I do not feel I am in a position to revise the judgment of the Committee on Agriculture which has spent days and weeks studying this proposition and has brought here for our consideration the best bill that it was capable of drafting. Conflicting viewpoints of members of that committee had to be reconciled in order to have any bill reported. Conflicting viewpoints of Members of the House with regard to some features of the proposed legislation must be reconciled if any bill is to pass this House. I, for one, shall not insist that it be in the exact form in which I would have it before giving it my support.

I shall not, therefore, because of my feeling that the bill might be amended in certain particulars without harmful effect on the program and perhaps even with benefit, vote against the measure. If the measure is not in the shape in which you think it ought to be, offer the amendments you think should be adopted. We should authorize this program legislatively; if not in this form, then try to devise by amendment the form in which you think it should be enacted. But do not destroy the entire program by failure to enact any bill at all. If you do that, then I assume you will not make the usual appropriation next week in the consideration of the Department of Agriculture appropriation bill for carrying on the program. So that unless you pass some legislation today, either in the form in which it is presented or in some amended form, you would be in effect destroying this very important and useful program.

Mr. JUDD. Mr. Chairman, will the gentleman yield further

Mr. TARVER. I cannot yield further at this time.

These lunches are inexpensive. The class A lunch costs the Government 9 cents; a class B lunch is 6 cents; and a class C lunch 2 cents. The program started originally in an effort to aid in the disposition of surplus agricultural commodities. If you will examine the language of the pending bill you will find that that idea is still carried out by the pending legislation. It has been very helpful in affording a market for certain agricultural commodities, as well as helpful in improving the health of millions of school children in the United States.

Now, gentlemen talk of economy. I understand one gentleman has made the statement this morning that this program might result in an expense of half a billion dollars a year. That, of course, is absolutely impossible, because under the language of the bill the totals of the authorizations under the two titles are only $65,000,000, and the program could not exceed that amount in cost.

Now, you have voted year after year on bills which it has been my privilege to bring before you from the Subcommittee on Agriculture Appropriations, for the expenditures in the aggregate of hundreds of millions of dollars to deal with Bangs disease, with tuberculosis in cattle, with hog cholera, and with various types of diseases which affect various types of domestic animals. That, of course, is important, but is it more important than the work of trying to do something to protect and promote the health of the school children of the United States? You can call it a socialistic program, if you so desire. If it is socialism, then I am for it, nevertheless, because it has proven its value. The fact that it may be dubbed as socialistic in character has no weight with me, for I know from evidence which I have had before my committee, from evidence which I have observed in visiting some of the schools in my State where the program has been carried on, that it is resulting in vast benefit to the school children of this country, far out of proportion to the amount of expenditure involved.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. LUTHER A. JOHNSON. Is there any difference in the formula with reference to the apportionment to the States in this bill than we have been using in the past 10 years?

Mr. TARVER. No, except this bill makes it specific as to the considerations which shall govern in the distribution of the funds. Without that having been made specific in the language we have carried in the appropriation bills, that method of procedure has been substantially followed heretofore.

Mr. LUTHER A. JOHNSON. That has been the practice, has it?

Mr. TARVER. That has been the practice heretofore.

I certainly hope that the Committee may approve the bill in substantially the form in which it has been submitted, although as far as I am concerned I would be willing to support some types of amendment, but not amendments that would inject questions calculated only to kill the measure.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. KINZER. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. CLEVENGER].

Mr. CLEVENGER. Mr. Chairman, this school lunch bill has had a rather rigorous and stormy journey through the Committee on Agriculture. When it came before our committee—H. R. 3143, by the gentleman from Virginia [Mr. FLANNAGAN], May 7, 1945—it was not a $50,000,000 bill; it was a $100,000,000 bill. I might say to my colleague the gentleman from Ohio [Mr. VORYS] that when it came there it included the antidiscrimination clause. That clause read to the effect that the funds could not be employed so as to discriminate between race, creed, color, or national origin of children or different types of schools, and so forth.

Concession after concession had to be made to get a favorable report from the Agriculture Committee on this bill. The

Committee on Agriculture naturally should be closer to the farm than any other committee in this House. It realized that this, after all, is not much of a bill to dispose of agricultural surpluses, and some of us who are rather old-fashioned—and many of us who live in Ohio—remember the famous test case where the farmer carried the 49-cent wheat penalty through the courts, and got a favorable verdict from two United States judges only to be reversed when it got to the Supreme Court on the theory that what the Government subsidizes it controls. On that very theory, this title II of the bill which provides $15,000,000 to the Commissioner of Education to set up this program within our schools means eventual Federal control of the school systems of the country. It means that he is taking over a program that has been carried on for many years in our schools; and we were reluctant enough to let the program get out of the hands of our local schools. There was a feeling of pride in the children when at lunch time they ate food that comes from their own farms, something quite different from what they would have by being bottle-fed by the United States.

So I say to you if you have some apprehensions that this bill is meant to feed something other than the child's alimentary canal you are right in your conclusion, because you will find, I think, as the farmers of my State did in the matter of the wheat program—they never voted for the wheat program but the court said that the majority of them had, and that they were under it and participated in it.

If you participate in this thing you will find that under title II you have lost control of your free public-school system when the Commissioner of Education gets it well organized. You will find that it is the eyes and the ears of these school children of America that they want to feed, wrapping their purposes up as they always do in a "do-gooding" language. Good, wholesome food for the children is secondary with them.

We have had some strange things take place in the Agriculture Committee. We have had unnatural mothers advocate turning children of 3½ and even 2 years of age over to the care of the state. I wonder how far we are away from test-tube babies and raising them in a brooder like we do chicks? Has not a natural mother or parent of a child enough love for it to feed it?

I would say to my colleague from New York that I would not eat any lunch at noon myself if it meant no lunch for those children of his. We know that it is not that bad at all. But, seriously, through all of this aura of sanctity that has been thrown around this thing is the story of one concession after another to get it reported out of the Committee on Agriculture. And of five members who voted for this bill in the committee, two were in Europe. There were five absentees, though a large majority of the committee was present in the room when this was reported.

This matching program starts out 1–1, then 2–1, then 3–1, and then a 4–1 program to get it out, and we can reasonably infer that before long the matching will be in inverted proportion, putting the States on the short end of matching instead.

This bill will go over to the other body. It was originally a $100,000,000 proposition, but it provides for less than one-quarter of the children of the United States. It can well cost a quarter of a billion dollars if you put it into universal application, especially with the rising cost of living. Even granting that this matching program is going to continue it does not require a State or a school to put up their matching in money.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. CLEVENGER. I have but a minute left. I will yield later if I have time.

This does not require any matching of money. The Federal contribution can be matched with services of one kind or another which are charged for, while Uncle Sam puts up the money.

I now yield to the gentleman from Mississippi.

Mr. ABERNETHY. I am interested, and the gentleman, too, is interested in the cost of the program.

Mr. CLEVENGER. Yes.

Mr. ABERNETHY. Does the gentleman recall any testimony before our committee as to what the bill would actually cost?

Mr. CLEVENGER. Last year, according to the figures of the War Food Administration, 4,466,000 participated. That is about one-fourth of the children of school age in the United States; so you can easily multiply the cost by 4. But who can measure the loss of control of the public-school systems of America as these termites chisel away and chisel away into our public schools and at all the other public institutions of America? It is something to think about.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. KINZER. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I supported the original school-lunch program wherein agricultural surpluses were to be used for the school children of our country. It is rather difficult to oppose a program that will supply free food or good lunches for the school children of America, but there are certain features of this bill which I feel should be given careful consideration here today because the program is being made a permanent proposition.

I still favor school lunches, but I do not favor the creation of a new bureaucracy in Washington to tell the people of this country what they must do. I refer to title II of the bill in particular which creates a new department in the Bureau of Education. I will be frank about this matter. I will support the first part of the bill because it deals directly with food for school lunches. It means the distribution of food and the money with which to purchase it. This is really a continuation of the present program, although the idea of farm surpluses has been largely eliminated.

However, under title II of the bill you will find that a new agency is created within the Bureau of Education to supervise the distribution of $15,000,000 every year to the States provided the States adopt a certain approved plan in connection with nutrition and the distribution of food; $175,000 of the $15,000,000 is authorized to take care of the expenses of the Bureau of Education. The amount $175,000 is small as we deal with money nowadays, but $175,000 is just the beginning for the Bureau of Education. You may look for additional requests as the program expands itself in the years to come and eventually we will have another large bureau in Washington to carry out policies and make further suggestions, which finally becomes a chart to tell the people what they have to eat and what they must do in order to secure Federal funds.

Mr. Chairman, it is a rather interesting thing to analyze how the idea for a permanent school-lunch program had its inception. A certain manufacturer of cafeteria equipment in Chicago got the idea that it would be a good thing for this country if he could start the program and sell his high-priced cafeteria equipment to the schools of the United States under standards set up by some official in Washington. He is strong for the Bureau of Education, especially as to the type of equipment and the type of everything they are using, including the matter of diet. Of course, they have to train and hire dietitians, nutritionists, and others to formulate and issue the specifications.

When this bill was up for consideration in our committee there was not very much said about it. However, in my 20 years in Congress I have never seen such an intensive campaign for any similar bill. After I told one of the proponents of the legislation a few days ago that I intended to offer a motion to strike out title II, I was flooded with telegrams to "please leave title II in the bill." I believe that the House should have the right to vote on the question of whether or not they want to establish another bureau here in Washington, and I am therefore going to offer an amendment to strike out title II of the bill. I think we can materially improve the legislation, because it is quite apparent that the school-lunch idea will pass, but let us not create another agency in Washington to add to hundreds of agencies now existing that are eating out of the taxpayers' pocketbook.

I therefore trust that we can eliminate title II of the bill and then enact title I to actually provide for school lunches for worthy children.

Mr. FLANNAGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Utah [Mr. GRANGER].

Mr. GRANGER. Mr. Chairman, a few days ago a man who usually can make the headlines out in Iowa told the people out there that the heifers and the pigs in Iowa were better fed than the children in Washington. This raised quite a storm back here among people who perhaps know all about the children of Washington but who do not know how they feed heifers and pigs in Iowa. Nevertheless I think the statement is true.

I believe the farmers of the country and the people generally know more about diet for the welfare of livestock than they do about the necessary diet for a child. It is a very crude comparison, but it is a fact. We have spent millions of dollars in determining how to feed and care for livestock, but very little has been done by the Federal Government to determine just what constitutes an adequate human diet.

I am in favor of this legislation. As the gentleman from Ohio [Mr. CLEVENGER] said, it did have a long and tough journey through our committee and I sincerely hope that no amendments will be offered that will weaken the bill. It is my opinion that any further amendments might defeat the bill even though they were offered in all sincerity to improve it.

Perhaps one of the greatest educational factors that has come out of this war is the discovery of what a balanced diet can contribute to the health of an individual. Because of this experience I think that we ought to think in terms of national human welfare. As the chairman of our committee, the gentleman from Virginia [Mr. FLANNAGAN] said, 40 percent of the boys of this Nation, when they were called upon to serve their country, could not pass the required physical examination.

To improve the physical standards of the youth of this Nation it is, in my opinion, the responsibility of Government. I do not want the Department of Education to take over any responsibilities that belong to the State any more than anyone else. It is a step in the right direction and should be implemented.

It is my opinion that this country will be better able to defend itself, if it should be called upon to do so, by raising the physical standards of the youth of the Nation than by compulsory military training.

I think we should forget about some of this compulsory military training at this time and lend our efforts to bettering the lot of the people who someday might be called upon to defend our country.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield to the gentleman from Kentucky.

Mr. CHELF. May I say to the gentleman that I can agree with the general theory of reduction of Government expenses. I think that when the time comes we will all be for that. But certainly we are in a reconversion period, and during such period we necessarily have to expend a certain amount of money in order to act as a cushion, more or less, against the many complex problems and troubles that are ahead of us. Most especially is this true insofar as our care, treatment, and obligations to our veterans is concerned. I am likewise against a lot of bureaus, as has been so well put here by our Republican Members and conservative Democrats alike, but when you boil the whole thing down, I want to go on record as saying that if it takes 15 bureaus or if we have to expend $100,000,000 instead of $50,000,000 to see that this humane program is carried through, I am for the bill, because I know full well that with this program—a smile will replace an unhappy expression of a child—a red rose color will supplant a pale or "pallored" look, and health will rule out an emaciated, undernourished condition of our school children. America owes this to our youth.

Mr. GRANGER. I am glad to get the gentleman's observation. I think the gentleman expresses the opinion of a great many people.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield to the gentleman from New York.

Mr. WADSWORTH. I am asking the gentleman for some information concerning a certain feature of this bill which I find described in the committee report. I find on page 7 of the committee report near the top of the page this language:

> The agencies, organizations, or institutions which may qualify as nonprofit child care centers under this section, and thereby receive funds for a lunch program operated not for profit, are nonprofit community centers, settlement houses, children's homes, child-aid centers, child day-care centers, playgrounds, boys' or girls' clubs, summer camps, or similar centers.

Is that not a very wide field, much of it extending far beyond the school system?

Mr. GRANGER. Yes, I agree with the gentleman. I think that is true. But after all, we are dealing with children.

Mr. WADSWORTH. Perhaps the gentleman would say whether it includes the Boy Scouts.

The CHAIRMAN. The time of the gentleman from Utah has expired.

Mr. KINZER. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. Mr. Chairman, if I am allowed, I will try to answer the inquiry of the distinguished gentleman from New York, as I think that part of the inclusion of that language in the bill was an attempt to take care of the foster homes in this country. The other groups were added on. In this country there are 2,240 foster homes, with an enrollment of 242,000 children. These children need and deserve nourishment just as much as any other children in America.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from New York.

Mr. WADSWORTH. I notice in this same portion of the committee report that the language goes on to say that the term "nonprofit child-care center" does not include an orphanage. I had understood that an orphanage was pretty close to a foster-child home.

Mr. MURRAY of Wisconsin. The foster homes are supposed to be in the bill. That gives me a good starting point, because I have not been so much interested in what is in this bill as I have been in trying to get the bill out here on the floor of the House.

It has been brought out that for 10 years we have not had a chance really to discuss this bill. As a matter of fact, over $1,000,000,000 has been appropriated for this and other purposes since I have been a Member of this House and I, as a minority Member, did not have a word to say about it. I do not like to go home and say, "They spent a billion dollars down there but I could not even have an opportunity to say anything about it." As a matter of fact, a Member of the majority party could not say anything about it either if the chairman of the Committee on Appropriations did not happen to want to give him the time to discuss it when it came back here after the conference report came back from the other body. I do not believe we need the Monroney suggestions for improvement of House rules as much as we need to follow just some of the rules of fairness in legislation. We have had altogether too much sleight-of-hand legislation during the past few years. We have too many millions and billions added to the appropriations after the legislation leaves this body.

Let us forget all about the benefits to the grocer and that he is going to make so much money selling. Let us forget all about the farmers who are going to make so much money producing the food because, after all, forty or fifty million dollars, if it all went for food and fiber, would not amount to much since the people of this country pay forty or fifty million dollars a year for food and fiber. The question to consider is the child itself. Is this good for the future citizens of America? That, to me, is the big issue which is involved. Is this an attempt and will this result in better boys and better girls in America? I might say that I received a wire from a man whom I have known for many years who wired for me to vote for the school-lunch program. I more or less facetiously, wired him back. He happens to be the secretary of a milk producers' association. He is selling milk and this would be getting rid of the surplus milk and it would be fine for him and the members of his association. So I wired him and told him I understood they were going to use powdered whole milk in this school-lunch program. Powdered whole milk can and will furnish milk to the schools at 8 or 9 cents a quart—just as good milk as you ever saw in a bottle in your life. Talking about nutrition, there is a nutritional fact that can be brought home to these children. I asked him if he would be in favor of the bill if they use powdered whole milk. I received his answer. He said he was not interested in it if they used powdered whole milk because he did not think the children were going to like that powdered whole milk. Then he was not satisfied with sending me the wire, but he wrote me a letter telling me all about it. From a nutritional standpoint, no man, woman, or child in the world can say that powdered whole milk is not just exactly as nutritious and just exactly as beneficial to the children of this country as it would be if it came in an ordinary bottle. I say for that reason let us not be influenced by any objective except the objective of the future of the children of this country. That is the basis on which we should vote on this legislation. I expect to support the bill, but title II must be clarified to merit this support.

Mr. FLANNAGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. WICKERSHAM].

Mr. WICKERSHAM. Mr. Chairman, may I take this time to read as part of my remarks a very brief resolution passed by delegates from 32 States this past week?

FEBRUARY 9, 1946.

Whereas a national school lunchroom conference including representatives from State departments of education, nutritionists, parents' organizations, and farm and civic groups from 32 States of the Union is being held at Chicago; and

Whereas House bill 3370 and Senate bill 962 are pending action by Congress, and whereas favorable action on such bills would insure a program to provide nutritious and body-building lunches for all school children; and

Whereas this program, started as an emergency measure, has become a great aid to the farmers in the orderly distribution of farm products and expansion of farm markets, as well as a spur to commerce and industry; and

Whereas this program will help to prevent a recurrence in the future of a condition of malnutrition disclosed by National Selective Service records; and

Whereas this program will give much needed financial assistance to the development of a program of nutrition education, administered through State educational channels, which will result in improvement of the health and well-being of all school children: Therefore be it

Resolved, That this body, assembled at Chicago, hereby respectfully urge the Members of Congress to take favorable action on these bills.

Wayne Dent, Superintendent, Bay Public Schools, Bay, Ark.; R. R. Brourink, Superintendent, Fort Morgan Public Schools, School District No. 3, Fort Morgan, Colo.; Chris Huigen, Manager of Cafeteria, Fort Morgan Public Schools, Fort Morgan, Colo.; Mrs. Eugene P. Callaghan, National Congress of Parents and Teachers, Washington, D. C.; Charles Holman, Secretary, the National Cooperative Milk Producers' Federation, Washington, D. C.; Miss Thelma G. Flanagan, Supervisor of School-Lunch Program, State Department of Public Instruction, Tallahassee, Fla.; Mrs. Lucille T. Watson, State Director of School-Lunch Programs, State Department of Education, Atlanta, Ga.; Miss Rita Devlin, Director of School Lunchrooms, Springfield Board of Education, Springfield, Ill.; Stelle W. Graff, Supervisor of School-Lunch Program, State Department of Public Instruction, Springfield, Ill.; Noble Puffer, County Superintendent of Schools, Cook County, Ill.; Walter Hayes, 921 South Barr Street, Fort Wayne, Ind.; George Van Horne, Business Manager, Evansville Board of Education, Evansville, Ind.; Dr. Grace M. Augustine, Institution Management Department, Iowa State College, Amos, Iowa.; Mrs. Helen McCleery Hubler, Director, Home Economics and Lunchrooms, Des Moines Public Schools, Des Moines, Iowa; Mrs. Bessie Brooks West, President of American Dietetic Association, Institution Management Department, Kansas State College, Manhattan, Kans.; Miss Elizabeth A. Sutherland, Director of Department of School Lunches, Louisville Board of Education, 1519 South Sixth Street, Louisville 8, Ky.; Watson Armstrong, State Director of Vocational Education of Kentucky, Frankfort, Ky.; Jack Bolwell, School-Lunch Director, Newport Board of Education, Newport, Maine; William P. Cooper, Director, Allegany County School-Lunch Program, Barton High School, Barton, Md.; Miss Marie Mount, School-Lunch Representative of American Home Economics Association, University of Maryland, Baltimore, Md.; L. A. Wiles, Divisional Director, Department of the Budget and School Lunchrooms, Detroit Board of Education, Detroit, Mich.; Miss Irene Netz, State Department of Health, Division of Child Hygiene, University Campus, Minneapolis 14, Minn.; A. R. Taylor, Supervisor of School-Lunch Programs, State Department of Public Instruction, St. Paul, Minn.; Miss Eleanor Wilson, Supervisor of School-Lunch Program, State Department of Public Instruction, Jackson, Miss.; George Mueller, Assistant Secretary, Kansas City School District, Kansas City, Mo.; Barton L. Kline, Superintendent of Schools, Gothenburg, Nebr.; Dr. Mary DeGarmo Bryan, Professor of Home Economics, Teachers College, Columbia University, New York City, N. Y.; Col. Harvey Allen, Director, Bureau of School Lunches, Board of Education, New York City, N. Y.; Margaret E. Prentice, Chairman, School Lunch Supervisors, State Department of Public Instruction, Albany, N. Y.; Miss Betsy Curtis, Supervisor of Lunch Rooms, Cincinnati Board of Education, Cincinnati, Ohio; Miss Bernita Marlow, Supervisor of Cafeterias, Toledo Board of Education, Toledo, Ohio; Miss Ruth E. Pool, Supervisor of School-Lunch Program, State Department of Public Welfare, Oklahoma City, Okla.; Frances Livingston Hoag, Advisor of School Lunches, Department of Public Instruction, Harrisburg, Pa.; Hon. Ernest E. Dupre, Mayor, city of Woonsocket, R. I.; Mr. Roger B. Leduc, Acting Mayor, city of Woonsocket, R. I.; Mr. J. C. Doggette, Brunson Public Schools, Office of Superintendent, Brunson, S. C.; Mr. W. H. Garrison, Supervisor of School-Lunch Program, State Department of Education, Columbia, S. C.; Mrs. Ann H. Dick, Cafeteria Supervisor, Public Schools, Knoxville, Tenn.; Frances Mae Nave, Supervisor of School-Lunch Program, State Department of Public Instruction; Nashville, Tenn.; Mrs. Frances Daniel, Director, School Cafeterias, Wichita Falls Board of Education, Wichita Falls, Tex.; Miss Bena Hoskins, Lunchroom Director, Fort Worth Board of Education, Fort Worth, Tex.; Miss Grace Moffett, Lunchroom Director, San Antonio Board of Education, San Antonio, Tex.; Mr. Rodney A. Ashby, Supervisor of School-Lunch Program, State Department of Public Instruction, Salt Lake City, Utah; Miss Lula Clegg, Superintendent of Schools, Wasatch County School District, Board of Education, Heber City, Utah; Miss Clematis K. Gardner, Director of Cafeterias, Richmond Public Schools, Richmond, Va.; Mr. Vernon A. Bacher, Superintendent of Valley Schools, Valley, Wash.; Martha Bonar, Supervisor of School-Lunch Program, State Department of Public Instruction, Charleston, W. Va.; Miss Maybell G. Bush, Elementary Supervisor, State Department of Public Instruction, Madison, Wis.; Guy P. Franck, Superintendent of Schools, Baggs Board of Education, Baggs, Wyo.; Gladys E. Hall, Executive Secretary, American Dietetic Association, Chicago, Ill.; Mary T. Kavanaugh, School-Lunch Representative, Chicago Dietetic Association, Chicago, Ill.; Mrs. Ethel Austin Martin, Director, Nutrition Service, National Dairy Council, Chicago, Ill.; Margaret Garibaldi, Executive Secretary, Chicago Nutrition Forum, Chicago, Ill.; Alice Cooley, President, National Dairy Council, Representative, Illinois Home Economics Association, Chicago, Ill.; Agnes Peterson, Nutritionist, Elizabeth McCormick Memorial Fund, Chicago, Ill.; Inez S. Wilson, Executive Editor, "What's New in Home Economics," Chicago, Ill.; Marie Casteen, Editor, School Lunchroom Section, "What's New in Home Economics," Chicago, Ill.; F. O. Washam, Director, Bureau of Lunch Rooms, Chicago Board of Education, Chicago, Ill.; Mrs. L. Robert Mellin, Member, Board of Education, city of Chicago; Mary E. Mark, Director, Bureau of Household Arts, Chicago Board of Education, Chicago, Ill.; Joseph B. Meegan, Back of The Yards Council, Chicago, Ill.

The resolution is signed by representatives from 32 States.

The Agriculture Committee considered all these matters. This bill itself does not meet all the requirements that some of us would like to have it meet. But this is a good bill. It has been carefully studied out by not only the members of this committee but by various agencies and various groups who appeared before the committee. I trust you will vote for it.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Chairman, this is an interesting bill. I may say the Committee on Agriculture did go into every detail of this measure. I think we satisfied ourselves as to what this measure means.

I was quite interested in what the gentleman from Georgia [Mr. TARVER] had to say. I think he is quite right. If my memory serves me correctly, about a year ago someone stood up on this floor and asked the Members this question: "Is there any Member who wishes to make a point of order against this appropriation for hot school lunches for the boys and girls?" Not a single Member on the floor exercised his right. Now, because we bring in legislation to make this somewhat of an integrated, cooperative program, we find many of the Members who think it is their right and privilege—and it is—to oppose making this a permanent part of our program. The gentleman from Georgia [Mr. TARVER] mentioned that we had spent thousands of dollars on other matters, all directed from Washington. I ask you how you would take care of livestock diseases, and what proper method of dealing with hog cholera, TB in dairy cattle, and so forth, unless we had a proper center from which it could be operated and organized. There is no argument that is worth listening to that will tell you the great Government of the United States is such a big bad bear as some of you would make us think. This Government is just as good as we make it and not a bit better. It is just as evil as you shall have it. We, the people, determine this.

Now, this is a good measure. For 10 years this House has supported appropriations for this activity. Today we would like to organize it into some systematic program and send it out to the communities in these United States and

ask them if they would like to cooperate with one another and with the State and work out a plan of hot school lunches which this United States Government would give them the opportunity to embrace.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HILL. Yes; I yield.

Mr. JUDD. The gentleman says the Committee on Agriculture has studied it carefully. Did you consult with the Committee on Education? Title II has to do with the Commissioner of Education. Our committee happens to be in the process of a considerable study of the entire functions of the United States Office of Education. I go along with you on title I——

Mr. HILL. Are you making a speech or asking me a question?

Mr. JUDD. Does the gentleman think that title II and title I are on a par?

Mr. HILL. I think they both belong in this bill, and I shall not support any amendment to strike out title II, because in title II we are trying to set up this program. There is nothing the matter with title II, regardless of all the arguments you hear to the contrary. It does not set up a new department. I ask you to read the bill. I refuse to yield further, Mr. Chairman.

This does not set up any new department, and you cannot find it anywhere in the bill. If you can, you take your own time and show me where it is.

Another thing I would like to mention is, How do you get this program to work? You only get it to work by starting at the grass roots. In other words, the local school community must cooperate. If they do not want this program, if they do not wish to take any part in it, they do not have to. That is the American way. I believe we should leave the operation of these activities to the people back home. This is a bill where you have a chance to say you are in favor of the local people in school directing this program.

I would like to say to you, regardless of what opinion you may have, this measure says that the dollars appropriated by the Federal Government shall gradually decrease until the Federal Government is only paying 20 cents out of a dollar and the local people are paying 80 cents. I hope the time will come when the whole dollar the Federal Government appropriates will be eliminated. It can be done if we will use a little judgment this afternoon in setting up this organization.

Mr. PITTENGER. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. PITTENGER. As a matter of fact, the whole proposition in this bill is to get things so that the States will take over and the Federal Government get out?

Mr. HILL. Of course. It sets up that program as plain as any legislation can be stated.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. VOORHIS of California. I want to thank the gentleman for his remarks, and to say that as far as title II is concerned, and all the questions asked about title II, that title II makes absolutely no change in the present educational system in this Nation. All it provides is $15,000,000 which may be made available for this purpose to State agencies as they now exist.

Mr. HILL. But in making it available to State agencies, the State agencies must go out and find local communities which will accept responsibility of carrying on this program.

Mr. VOORHIS of California. That is right.

Mr. HILL. What can be more cooperative than that? Do you have a better program to offer?

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. FLANNAGAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, I am heartily supporting this legislation. As a schoolman and as a parent, I have seen its effectiveness and realize in part its great social value. Like many of my colleagues I, too, have received communications from my State urging me to support the school-lunch program. This urging is entirely unnecessary, for I am glad to do so and have done so every time the subject matter has come before the House during my membership in it.

I heard it said by one of the opponents that this is a socialistic idea, and I heard the gentleman from Georgia [Mr. TARVER] say, "If this is socialistic, I am for it notwithstanding," which leads me to believe that the distinguished gentleman from Georgia understands clearly such loose labeling as the expressions, "socialistic" and "communistic" indicate. Mr. Chairman, as some would express it, the whole public-school system is socialistic or, as those using modern terminology would say, is communistic. Just think of it. Horace Mann got the jump on Moscow and started this general idea 100 years ago. This branding, or name calling, is another illustration of the clever American political game of switching labels.

In a committee only a few hours ago I was exasperated to the point of expressing myself rather forcefully about this confusion of terms and switching of labels. We were discussing the nature of our Government under the American Constitution, and I found it necessary to quote from William Tyler Page's the American Creed, that "ours is a democracy in a republic," and I went further to expand on my views about as follows:

If one will scan his eyes over America's political development, he will note that through the years in a perfectly constitutional manner, changes in the nature of our Government have been taking place in the direction of a pure democracy. We have not attained a pure democracy by any means and maybe it will be years before we attain a pure democracy here if we ever do attain it. However, the greatest statesmen and thinkers in all of America's history have aided and abetted the move in the direction of a pure democracy—in making meaningful the phrase "we the people do ordain and establish." The men and women who have aided in this work during more than 150 years extend from Thomas Jefferson, Benjamin Franklin, Andrew Jackson, Abraham Lincoln, Lucretia Mott, Elizabeth Stanton, Susan B. Anthony, Frances E. Willard, Theodore Roosevelt, Robert M. La Follette, Woodrow Wilson, and Franklin D. Roosevelt down to the present occupant of the White House. This list comprises only a few of the very many public servants who have worked in the direction of making this a government of the people, by the people, for the people, and truly expressive of the popular will.

So much for what may properly be said to be democratic and American and what is un-American. Our colleague the gentleman from Utah [Mr. GRANGER] spoke sincerely, contrasting care of livestock and children. It is true that in parts of our country livestock is cared for with more consideration than our human offspring. Through the years I have seen such instances and I can well imagine they still exist. Which reminds me of the well-known Greek cynic, Diogenes, who was not nearly so much of a fool as some people think. Diogenes went down from Athens to Corinth and attended a country fair. The weather at that time was rather chilly and old Diogenes saw some prize young animals wrapped up in blankets to keep them warm, but he noticed that the children were fanning around in the breeze virtually naked. Old Diogenes remarked: "In this place it is better to be a man's ram than to be his son." The same thought has occurred to me in various parts of our country at such fairs, and that long before I ever read about Diogenes.

What a shameful thing that this greatest and richest Nation on earth in its mightiest crisis and in its hour of direst need, as during this and the other World War should find so large a proportion of our young men physically unfit for military service, mostly because they had not had enough to eat. That is a sobering fact and there is no denying it. My two sons were regarded as fit to put on the uniform and to be able to take what punishment the war had for them. They did not have the benefit of hot school lunches, for I cannot forget that during the twenties and the early thirties, in the midst of the great depression, their father as a school teacher did not have the cash to pay for hot lunches. Yet I do recall that their mother worked her fingers off to see that they had the equivalent of a hot lunch and that they grew in stature, strength, and stamina which later enabled them to take part in the strenuous cruelties of war. The sad thing is that not all mothers of that generation of soldiers had opportunity or ability to do as much for their sons, and hot school lunches were not furnished all the millions whose fighting strength was needed to preserve us from the cohorts of hell. Call on them to die, yes, but do not help them to live and grow.

Some suggestions were made a moment ago urging more hot lunches prepared by the good women who aid our public-school teachers, and demanding less of military drill by the Army drillmasters in order to give us the type of young men physically able as well as mentally equipped to uphold the Nation in peace and preserve it in war. I verily believe this is a wise suggestion. As a proud supporter of our public-school system, knowing the men and women who

function in it, and the greater host of men and women, parents who aid its functioning, I believe it is economy and wisdom to provide such a program as this hot-lunch program, both for the growing minds and bodies of our children. Call it socialistic if you will, and brand it communistic if you wish; the idea does not come out of Moscow, but was developed in the minds and spirits of some of the greatest of Americans of whom Thomas Jefferson and Horace Mann were but leaders. Again I wish to express my emphatic support of this legislation.

Mr. FLANNAGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Chairman, title II of the bill has been the subject matter of some criticism. You will, of course, work your own will with regard to that title. I have no desire to undertake to influence you against your better judgment, but I did think I might be able to contribute something to the discussion by giving you the philosophy of the committee in including title II in the bill.

You will notice that the bill authorizes a total appropriation for the school-lunch program of $50,000,000. That is the maximum amount. Then the bill sets up a progressive increase in the contribution to be made by the States, first, 50–50, then 2 to 1, then 3 to 1, then 4 to 1. It is not contemplated by the committee that the $50,000,000 would be reduced in the years to come by reason of increased State contributions, but rather that the program in the States will be expanded and that more schools will come in under the program. Consequently, where it will begin as a 50–50 proposition, which makes it a $100,000,000 program, it is contemplated that within 4 years it will be a $250,000,000 program with the Federal Government still contributing only the original $50,000,000, but the States, by reason of expansion of the program, contributing $200,000,000.

Title II has, one might say, three main purposes: First, to aid the States in the necessary expansion of the program. It is not best to have some schools in a community in the program and others outside. I am sure every Member will agree that they should all be treated alike if possible. So the first purpose of title II is to provide funds for the expansion of the program within the States. Secondly, it was the thinking of the committee, and it is my thinking too, if you are going to feed a child a balanced diet, and title I provides that the Secretary of Agriculture may set up minimum standards of diet—you have not done a complete job unless you provide some instruction to the child as to why he is being required to eat so much of this and so much of that. It was our thinking, therefore, that in addition to feeding the child a balanced diet that we should spend a few dollars in teaching the child why he eats carrots, why he eats spinach, or why he should not merely have bread and butter or bread and sirup, or something else. It seems to me it is a most worth-while part of the program.

Then, third, it provides training for the supervisors who operate the school-lunch program. If you will go into the school lunchrooms in your districts, you will often find a person in charge who is merely a nice, accommodating lady; she has no educational background in diet or nutrition; she is not a home economist; and it was our thought that while you might employ an untrained person, let us say, for $75 a month, it would probably take $150 a month to employ a trained dietitian to supervise the preparation of the school lunches and a balanced diet. If we are going into this—and you want to decide here today whether or not you are going to establish school lunches as a permanent program—certainly you should do a complete job; not only provide the money for the food but some to help expand the program, some to teach the child the value of a balanced diet, some to find and train supervisors to administer the program in the school, and to aid the school where necessary in buying some of the necessary utensils.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. FLANNAGAN. Mr. Chairman, I yield the gentleman one additional minute.

Mr. PACE. Mr. Chairman, as some Members have expressed it to me, it would be rather inconsistent to buy the food to feed the child, but make no contribution whatever to securing the necessary tools and utensils for preparing and serving the food.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Kentucky.

Mr. MAY. I take it, under this bill, if an appropriation is authorized, it will be allocated to the States under a certain formula?

Mr. PACE. It is set up in the bill.

Mr. MAY. What happens in the event an allocation is made to a State and the State does not match the funds?

Mr. PACE. Then the bill provides it shall be reallocated under the original formula to the other States.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Utah.

Mr. GRANGER. We are not only speaking of children here, but we are speaking of those who will be the mothers and fathers of America in a few years.

Mr. PACE. Yes; and it is good for them when they leave the schools to have some understanding and appreciation of what a balanced diet means to the human body.

This is not a perfect bill. I hope we may be able to strike from the bill the provisions which include private schools, community centers, boys' clubs, and the like. Public funds should be limited to public institutions.

You have been appropriating for this program for the last 10 years without any authority of law. This bill is offered to provide you the opportunity to decide whether or not the program should be continued and made permanent. I hope you will perfect the bill and pass it.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. BUCK].

Mr. BUCK. Mr. Chairman, no one disputes the desirability of good school lunches as a part of the educational program, but the providing of these lunches is a State function in which the Federal Government should have no part.

Mr. Chairman, H. R. 3370 is unsound from the standpoint of national policy and is founded, at least in part, upon a completely untimely premise. Furthermore, it is so badly drawn as to be replete with entirely unworkable provisions. The bill should be decisively defeated.

I have some experience with school lunches. For 8 years I was a member of the Board of Education of the City of New York, inclusive of 2 years as president, immediately preceding my election to the House of Representatives. This is the largest school system in the world, with an enrollment of nearly a million pupils. During my service for the board I acted for several years as chairman of a special committee on the school-lunch situation.

The President of the United States and all the other high officials of Government are filling the newspapers with their fears of inflation and with their advocacy of measures which they hope will control it. The basic cause of inflation is 15 years of unbridled deficit spending by the Federal Government. This bill will further unbalance the Federal Budget at a time when State treasuries are bulging with money. For that reason alone, the bill should be defeated.

This bill comes before the House immediately following a pronouncement by the President of the United States that large sections of the world are facing starvation and that it will be necessary for the United States to economize in its food consumption if rampant starvation is to be prevented. Yet this bill states in its declaration of policy that one of its principal purposes is "to encourage the domestic consumption of nutritious agricultural commodities and other food." Could anything be more contradictory? Truly, we are living in an Alice-in-Wonderland era of economic delirium.

The time at my disposal is short. I now proceed to some of the particular provisions embraced in this bill.

The formula for distribution on page 3 grants no recognition to the fact that the cost of living varies in different sections of the United States. The fact that a machinist in the State of Connecticut must have a higher rate of income than a farm hand in the State of Mississippi is one of the determining factors in the distribution of funds under this bill. Mississippi participates on a preferential basis. Reference to the list of States on pages 9 and 10 of the report will indicate the interesting anomaly that the greatest food-producing States in the Nation, inclusive of Iowa, Minnesota, Nebraska, and Wisconsin, will receive preference in the distribution of this Federal money for school lunches. Does that make sense?

Under the terms of this bill, the most expensive private schools in the country are eligible for Federal aid in their lunch

programs. Imagine appropriating Federal money to provide lunches for pupils at Miss Madeira's School in the environs of Washington or at the Baldwin School near Philadelphia, or at the Taft School or St. Paul's in New England. This is exemplification of the carelessness with which this bill is drawn.

Section 103 reenacts the provisions of previous laws whereby the Federal authorities can and have bought and shipped to the States food which the schools neither wanted nor needed, nor could even use.

Accounting procedures under the bill are equally dizzy. The States in computing their contribution may place values upon donated services, supplies, facilities, and equipment. The report, page 5, even states that "proceeds from the sale of lunches may be regarded as funds from sources within the States." It would be a dull State indeed which could not, under such provisions, match the Federal contribution without any additional expenditures on its own part.

Section 106 provides that lunches shall be served without cost, or at reduced cost, to children who are determined by local school authorities to be unable to pay the full cost of the lunch. Theoretically this is desirable and proper, but no school system in the country possesses the investigatory facilities for making this determination. The bill thus places a monetary benefit on falsification. It begins teaching children at the tender age of five that they may eat at the bounty of the Federal Government.

Mr. Chairman, this is a bad bill. It deserves nothing but overwhelming defeat.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Nebraska.

Mr. CURTIS. The gentleman has made an excellent statement. May I ask the gentleman this question? Is there any argument advanced for this bill which could not equally be advanced for the Federal Government going into the mathematical departments and every other department of our schools?

Mr. BUCK. I agree with the gentleman.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from California.

Mr. VOORHIS of California. I just wonder if the gentleman will permit me to comment on two or three points he made? In the first place he made the point that there was a food shortage throughout the world which is, of course, true, but that does not alter the fact that there are local surpluses of practically all kinds of food throughout the United States, and probably always will be.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, this is one of the most dangerous bills that has ever been brought to the floor of the House. It is designed to wreck the public-school system of America, first in title I, by providing funds that can be allocated at the discretion of the Secretary of Agriculture to different States and, second, by providing funds that can be allocated by the Commissioner of Education to the different States for the $15,000,000 covered in title II. Those things permit the placing of pressure upon the local school authorities by the Federal Government. That is one of the things those who are interested in seeing the youngsters of our land get a decent education have always stood against. I hope they will stand against it this time.

There is a most outrageous and outlandish set-up here in the light of the division of funds. There is an indication almost that that division was set up with the idea of procuring folks to line up for it. I cannot understand some things. For instance, the State of New York in the previous allotments that have been made, with a tremendous number of poor children, received an allotment totaling not exceeding $6 per head. The State of Ohio, with not very far from a similar population, received an allotment in 1945 totaling about $10 a head. The State of Texas received an allotment totaling about $14 a head.

I am willing that they should have school lunches, but you can have better school lunches, better administered, and with less waste and less foolishness, if you let it be done right at home by the school authorities. Let them run the thing. You will have better lunches, you will have better care and more interest than you will if you have an overlord in Washington who will be interested primarily in putting bureaucrats on the pay roll. That is just the experience this country has been through for a long time now. There has been tremendous waste in this thing. I have seen it in places. There has been a crowding of the proposal onto schools. There has been an attempt to send things to them that they did not need. There has been almost a complete collapse of any businesslike management of the thing.

I hope the Congress will not authorize this kind of operation and that the House of Representatives will not put itself on record in favor of a scheme that is bound to wreck and destroy the public-school system of America, which has been our pride and joy for 150 years.

Mr. FLANNAGAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Arizona [Mr. HARLESS].

Mr. HARLESS of Arizona. Mr. Chairman, I want to add my wholehearted endorsement to the school-lunch program. The usefulness of this program has been clearly demonstrated, not only during the war years but even previous to the war. It has become so much a part of our schools that to discontinue it now would be a shock and a disruption of the orderly processes of our education.

It is not necessary to present an argument to you today that an adequate diet is essential for our children. However, I think it is necessary to mention that in some portions of this country an adequate diet would not be supplied unless Federal participation in a school-lunch program were continued by this Congress. It is no secret since our Selective Service System was established in 1940 that certain districts in this country contributed in a large measure undernourished draftees who could not be used in our war program. It is essential for the national defense of our country that all of the youth of this Nation be properly fed. It is not only necessary for the national defense, but it is necessary for peacetime operations, that the children of this Nation be given good, wholesome food, that they be given a diet that will mature their bodies and make it possible for them to acquire a complete education.

We have heard arguments here today that the Federal Government, by extending itself during peacetime into participation in a program of this kind, is usurping the functions of the local communities. We have heard arguments to the effect that it is the duty and the responsibility of the parents to supply lunches for their children. All of these arguments fail when we take into consideration the facts and the underlying principles behind a lunch program as outlined in this proposed legislation.

From the beginning of this national program, surplus commodities have been used to good advantage. We have gone beyond the surplus commodities stage, however, and are now more interested in establishing an adequate permanent lunch program in order to see that the children of this Nation have health in body and in mind. As a matter of fact, I would go even further with Federal participation in our school systems. I think the time will come when we will not only consider the physical health and strength of our children as a Federal project, but we will also consider the scholastic training as an essential part of the Federal responsibility to the people of this Nation.

But, as I have previously mentioned when it has been so forcibly brought to our attention by the Selective Service System of this country that in certain districts a large percentage of the youth of the Nation had been inadequately fed and improperly educated, it appears that it might be time for the Federal Government to step in and provide not only a balanced diet but adequate funds for academic training. It is important to remember that if one segment of the population of this Nation is weak either physically or mentally, it affects the whole of this Nation. We are not only weakened in our national-defense program, but we are weakened in our national civilian economy, because with the fluid nature of our population under modern methods of transportation, it is common for the people of this country to travel from one part of the Nation to another and intermingle. Therefore, we are constantly rubbing shoulders with the illiterate and the physically weak because of inadequate schools systems in certain sections of this Nation.

This particular legislation will make our school-lunch program an integral part of our school system. It will distribute funds on the basis of the ratio of children to adults and in proportion to the average family income of the various States. It will provide a means for the handling of surplus agricultural products by the Department of Agriculture. It retains administrative responsibility

through the State and local communities. It serves the schools in proportion to their needs. It provides for Federal supervision in order to have a unified program.

I might summarize this program by saying that it provides for an adequate nutritional plan for our school systems throughout the Nation. A well-balanced school lunch will do more to strengthen our children physically and make it possible for them to obtain a good education than any other addition to our school system. The school lunch is a systematic means of providing one-third to one-half of the children's daily nutritive needs 20 to 22 days a month. I would quote Dr. Bess Goodykoontz, Assistant Commissioner of Education, as follows:

> If children are to learn proper habits of nutrition which will insure well-nourished bodies as they grow into adulthood, teaching must go along with feeding. In order to remedy the situation (widespread nutritional deficiencies) there must be a close tie-up between the feeding and teaching programs, whereby the school lunch becomes an educational experience and the basis for instilling good eating habits which will become a part of the child's daily life.

The best investment a community can make is to see that its children are adequately fed while they are attending schools and that they acquire habits of good eating which will stay with them throughout their lives.

Mr. FLANNAGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. Mr. Chairman, this bill deals with the most important crop in America. The most important crop is not the cotton of the South or the wheat of the Northwest or the livestock of the western plains, or any of the varied products of New England, but the children of the Nation.

At times in the past we have been tempted to believe that they have received less attention and a lesser provision for Government research and nurture than some of the other crops of the Nation of less vital importance.

There are two considerations. One is the provision by the bill of a market for surplus farm products, and the other is the effect of this investment in the health, happiness, and development of the child himself. The first consideration has been greatly misunderstood and perhaps too strongly emphasized. This is not a farm-relief measure. It is not a farm price stabilization measure. It does not affect one iota the price of farm products. The testimony before our committee from the Department of Agriculture was that whether you had the lunch program or did not have the lunch program, the price of hogs, the price of livestock, and the price of grain was the same, with or without it.

The vital consideration, then, is the effect upon the childhood of America. We were astonished at the high percentage of young men who were rejected for wartime service because of physical disability.

My congressional district had the dubious distinction of including the county in which a larger percentage of young men were rejected for Army service than in any other county in the United States. Naturally, it was the subject of widespread speculation and investigation. It was finally determined that the prevalence of physical disability and incompetence for military service was due not to environment, not to heredity, not to climate, but to faulty nutrition. That was the final decision.

Another astounding feature is the discrepancy between the proportion of men disqualified for Army service in the country and in the city. You know, there is a general and frequently discussed belief that one advantage of living on the farm—one of the few advantages despite the economic discrimination—where wages for labor on the farm are the lowest, for the longest hours, and the hardest labor in America, and farm income is the lowest in proportion to the investment of any industry in the Nation, is that food is better and more plentiful. Frequently you hear people say, "But on the farm you at least have plenty to eat." That is not true. The children on the farm have less to eat than the children in the cities. On the farm, all the good eggs must go to market because they must provide money to pay the interest on the mortgage and taxes. If interest and taxes are not forthcoming the sheriff sells them out. Only the cracked and misshapen eggs go to the children on many of our farms.

The children too frequently get only skimmed milk because the cream must go to market to pay the overhead. Only the culled vegetables and fruits go to many children on the farm. I am speaking not from hearsay, but I am speaking from observation. Nothing that is salable goes to the table on a great many of the farms in the country. Everything that is salable must go to market so that they can take care of the fixed expenses which must be met in order for the farmer to stay on the farm at all. And during the depression, with women and children working in the fields as well as in the kitchen, even this rigid schedule of economy and limited diet was insufficient to save the old home place.

Mr. Chairman, I was very impressed with the letter which the chairman read from Paul Stark, of the Food Distribution Administration. In my opinion, he knows as much about food distribution and nutrition as any man in the country.

Under his supervision last year we produced in the victory gardens of the country 40 percent of all the vegetables consumed in America. It seems an impossible accomplishment to increase the production of food to that extent—even in time of war—but that was the actual record of production of the victory garden campaign under his administration.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the distinguished chairman of the Committee on Agriculture.

Mr. FLANNAGAN. I am happy to say to the gentleman that Mr. Stark will be enjoying the same occupation again this year. He is in the Department of Agriculture and he has an outstanding record back of him.

Mr. CANNON of Missouri. I did not know that. Evidently he has been drafted again. But if he accepts the work you have the assurance of an effective and efficient management of the program.

Mr. Chairman, the children of America are woefully undernourished. Even in homes of wealth and high economic standards children frequently, through allergy or caprice, fail to eat properly and the charts of the school-lunch programs show an immediate gain is registered when hot meals are made available at school. A hungry child cannot study properly. A poorly nourished child cannot learn readily. In providing food we are not only nourishing the body and producing a sturdier generation of children but we are securing a higher grade of scholarship in the schools of the Nation.

In behalf of the children of America, who must in a few short years take our places on this floor, and in every other position of responsibility in government and mart and field and factory, we urge the passage of this bill.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GWYNNE].

Mr. GWYNNE of Iowa. Mr. Chairman, it seems to me the children of this country would be better served if this Congress would return to sound, economical government, rather than to pass a bill like this. I am opposed to this bill for the same reasons I am opposed to many other bills along this line. I am opposed to it for two reasons. First, because of the situation of the National Treasury; and second, because it means the building up of another bureau. I think it is proper, in fact I think it is our duty in this House particularly, to consider the financial condition of the Public Treasury. The national debt is so ething like $275,000,000,000. The combined debts of the 48 States is about $2,400,000,000. There never was a time when municipalities, school districts, cities, and towns were in better shape financially. We have just gone through a period of unprecedented high individual income; yet, in the face of all those facts, we now propose that the Federal Government shall take on an obligation that it formerly did not have.

I appreciate the fact that this calls for a rather small sum of money compared with the amounts we do appropriate, but my objection to it is that it will be an excuse for additional appropriations, for other purposes. I can hear groups coming to the Congress and saying, "Well, you should vote for an appropriation for my group because your group got some money." It makes me think of an old neighbor I once had, a very wealthy old gentleman, who had a large and expensive family. First, he would buy an expensive roadster for his eldest son. That required a brand new fur coat for the eldest daughter, and so on down the line. By the time he got down the line it was about time for another roadster for the eldest son. That was a fine and beautiful system until one day the old gentleman woke up and found he was bankrupt, and all that family had

to go to work. And they discovered they had never learned industry and self-reliance.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE of Iowa. No. I have only 5 minutes.

This legislation will create another bureau. I have seen Members come down to the well of this House and shed oceans of tears about bureaucracy. I shall watch their votes today on this bill with some little interest.

This creates a bureaucracy built up like many are built up, through the grant-in-aid process under which the Federal Government goes out to the citizens in the various States and collects their money as Federal taxes. Then the Federal Government says to the States: "We have this money. If you will put up an additional amount. you may get your own money back, if, of course, you let us run this program."

Now, what does it mean to the State of Iowa? If I understand these figures correctly, here is what the State of Iowa would get out of it: The proposed apportionment is $602,800. The amount of matching required is $574,500. In other words, to get $600,000 we put up $574,000 and take with it this government bureaucracy.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE of Iowa. In just a minute.

The motto of my State is: "Our liberties we prize, our rights we will maintain." I do not propose to turn over the right now held by my State to another Federal bureaucracy. I do not intend to sell our liberties for this $26,000 bait.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE of Iowa. Just a minute. The gentleman has had plenty of time.

I believe in school lunches. I believe in children having proper food and proper education, but whose responsibility is it?

The responsibility is first upon the parents. If they cannot meet it, the duty then devolves upon the local community, then upon the State and lastly upon the Federal Government.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Chairman, the issue this afternoon is not whether one Member is for and another is against school lunches. I know of no one on this floor, regardless of the side of the aisle on which he serves, who is not in favor of school lunches. But the difference of opinion comes in determining by whom school lunches shall be furnished.

There are those who think it should be done by the Federal Government, while there are others who think it should be a function of the States, and I am on that side of this question.

School lunches is not a new subject for the House of Representatives, neither is it a new subject for the people of America. We have had school lunches in the State of Michigan for 30 years—long before it was ever heard or echoed in these Halls. On two or three occasions when this program was inaugurated on an annual basis I voted for it on the assumption—and the promise was at least implied—that it would terminate when the emergency in this country was over. It began with the excuse of disposing of surplus agricultural commodities.

I am utterly amazed to see in this report the statement that this $50,000,000 will provide a very substantial market for agricultural products in this country. When we consider that the agricultural income of the people of this Nation is something like $19,000,000,000, and this bill provides for $50,000,000, one finds it hard to justify that statement. It is untenable.

Those who believe in the Jeffersonian philosophy of keeping government close to the people, and I am one of them, must remember that if this program is adopted, to have school lunches financed and administered from Washington we are destroying local self-government. This bill is a new program in two particulars—we are making it permanent legislation and for the first time in the history of the Nation we are empowering the Office of Education here in Washington to control, supervise, and direct diets and equipment to be placed in the public schools of the United States——

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. Defer for a moment. I will yield if I have time.

One of the peculiar things I have noticed in this bill is that in title I there is no mention made of public schools as such—all children of all schools of all religious faiths, even summer camps, are included to receive benefits under title I. But in title II I notice that the committee included the words "public schools only."

Why did the committee leave out the parochial schools in title II but include them in title I? I want somebody in their own time to rise and explain to the House and to the country why you made that difference between the two titles of this bill.

The $15,000,000 to be expended under title II is left entirely to the discretion of the Commissioner of Education under the formula described. While the $50,000,000 is to be apportioned among the States of the Union by the Federal Security Administrator. In either case the States must comply with the conditions set forth in this bill or be denied funds for this program. Before we take this step another step in the direction of centralizing all government in Washington, let us pause for a moment and ask ourselves this question: Is there any one thing in this bill that we are asking the Federal Government to do that cannot be done by the States? That is the question.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Nebraska.

Mr. CURTIS. It is well known that no food alone will build a strong body unless it is properly chewed. May we not also include a program here of State medicine and have the Federal Government fix everybody's teeth?

Mr. DONDERO. Oh, yes. That question has already been proposed.

Another point has been raised here this afternoon, and I want to reiterate it. Every State in this Union except two has a surplus in its treasury. The Federal Treasury and the condition of the Federal finances being as they are, you still seem unwilling to leave this subject to the 48 States. You want to centralize it here in the Nation's Capital and add to the already staggering national debt. I supposed that we just finished fighting a global war to destroy the evils of centralized government, yet day after day we are moving in that direction. That is the trend. The Government is all-wise. Government is to become the master and the citizen is to become the subject and lose his freedom.

I think that is the issue when we come to vote on this bill. It is a bad bill, one moving in the wrong direction.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. FLANNAGAN. Mr. Chairman, I yield such time as she may desire to the gentlewoman from Illinois [Mrs. DOUGLAS].

Mrs. DOUGLAS of Illinois. Mr. Chairman, the chief resource of our Nation is its youth. Selective Service showed that a shocking proportion of our boys grew up physically unfit because of malnutrition. Our present experiment in the school-lunch program has focused attention upon the direct ratio between such a program and the improved work, attendance and health of the children it serves. This in itself should be the conclusive argument for a measure dealing with such a precious commodity as our boys and girls. But the administrative set-up answers the objections of most of its opponents. The measure, while stimulating this essential program, provides for progressive financial responsibility by the States and administrative responsibility under the State agency.

Among the good features of the bill is the nutrition-education program which can have a profound benefit upon each community. Another excellent feature is that it will provide the readiest and most socially useful outlet for future agricultural surpluses. This will help to stabilize farm markets. It is fitting, therefore, that the Farm Bureau has joined with the civic organizations which are supporting this legislation.

In Illinois, some 1,742 schools now operate such programs and serve 557,300 youngsters. The number of schools for the whole Nation is 47,635 and they are serving 8,223,900. Hundreds of letters and petitions have poured in upon me urging the passage of the Flannagan bill. This is a pressure group, if you like, but one which asks no special favors—only the good of the Nation. It is a penny-wise, pound-foolish policy which begins to economize with its children's welfare.

Mr. FLANNAGAN. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. OUTLAND].

Mr. OUTLAND. Mr. Chairman, I am wholeheartedly in favor of H. R. 3370, the bill which would provide assistance to the

States in the establishment, maintenance, operation and expansion of school-lunch programs. In my opinion a measure of this kind is long overdue and it is difficult to understand why Congress has not enacted legislation of this nature many years earlier. The arguments which we have listened to this afternoon against the bill seem to me to be superficial and while I do not question the sincerity of those who put them forth, I do believe that a democratic sense of the values would make us all realize that the importance of decent and healthful lunches for school children are worth far more than the money which will be expended in the achieving of this program. Furthermore, those who cry "Bureaucracy!" have generally raised this same cry against every measure during the past 14 years, which was designed to bring a more decent standard of living to the American people. Furthermore, as has been pointed out, this argument has no validity in this case and it is simply a smoke screen which has the effect of drawing our attention away from the merits of the measure under discussion.

I say that legislation of this type has been long overdue. On May 9, 1944, during the Seventy-eighth Congress, I introduced H. R. 4777, a bill to assist the States to establish and maintain school-lunch programs. This bill had substantially the same objectives as the one we are debating today, and had it been passed at that time, I believe we would have been carrying out the wishes of those who are backing the present measure. In May of 1944, I wrote a brief statement for the newspapers of the Eleventh Congressional District of California pointing out the advantages at that time of a school-lunch-program bill. I include that statement as part of my remarks here, and while it is true the war is over, I believe the necessity for this type of a program is as great today as it was 2 years ago. I hope very much that we will pass this measure this afternoon by an overwhelming margin.

In March the House of Representatives struck out of the agricultural appropriation bill all funds for Federal assistance to the school-lunch program. The reaction to this from parent-teacher associations, school boards, community organizations, and other groups interested in this program was immediate and positive. From all over the country have come urgent requests that your representative do his part in seeing that this appropriation is either reinserted in the agricultural appropriations bill or provided for by separate legislation.

The secretary of one PTA summarizes the situation well in a sentence when she writes me that "the future of our country depends upon the mental and physical strength of our children, who will soon take our places." The need for the program is unquestioned; throughout America there are thousands upon thousands of children who are undernourished and to whom the school lunch has been a real boon. The coming of the war has intensified rather than lessened the problem; while it is true that wages in many groups have increased, it is also true that with more mothers working in war factories and transportation problems increased, an increasing number of children are being sent to school with inadequate provision not only for lunch, but in many cases for breakfast as well. Experience has demonstrated that Federal assistance is absolutely essential to the maintenance of an adequate lunch program; without such aid only a small minority of the schools of the country can provide noon meals for all the children who need them.

After conferring with representatives of national organizations, such as the Parent-Teacher Association, with representatives of educational groups, and with representatives of Federal agencies, including the Federal Security Agency, I introduced into the House on May 9 a comprehensive bill, designed to provide Federal funds for a school-lunch program in accordance with a plan which is in harmony with the best educational and administrative practices. While there is not space here to summarize adequately the provisions of this bill, H. R. 4777, the major points may be listed as follows:

First. Fifty million dollars would be made available annually for the program.

Second. The program would be administered not by a Washington agency, but by the various State departments of education, according to State plans made in conformity with the provisions of the bill and approved by the United States Commissioner of Education.

Third. The lunch program would be an integral part of the school plan as a whole, emphasizing nutritional education, homemaking education, and so forth.

Fourth. Federal funds, after the first year, would be matched by the State. However, to insure maximum use of funds for food, the Federal contribution to State administrative costs in each State would be limited to 3 percent.

Fifth. Provision is made that priority shall be given to purchase of foods designated by the United States Department of Agriculture as in surplus.

Thus the bill provides that the school-lunch program would be definitely educational in character, that it would be administered through approved State and local educational agencies, and that, while using up first those surplus agricultural commodities available, it would by no means be limited to these commodities.

I believe that this bill would be a definite step forward in the school-lunch program of the Nation; whether or not it will receive serious consideration by this session of Congress is as yet an open question. There is still a possibility that the Senate and House conferees will restore to the agricultural appropriations bill all or part of the original funds for school lunches, in which case H. R. 4777 will probably not make much progress immediately. However, with the active backing that it is receiving from many national organizations, I am hopeful that eventually such a bill will be enacted into permanent law.

Mr. FLANNAGAN. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I rise in support of the school-lunch program as embodied in the pending bill (H. R. 3370).

This bill provides for a permanent school-lunch program for the benefit of the children of America, for those children from families whose income is too small to give them proper nutrition.

The well-being and health of these children justifies the expenditures provided in the bill. The greatest asset of any nation is in the quality of its youth, the future citizens upon whom the responsibilities we older citizens now carry, shall fall.

The need for permanent legislative basis for this program has been demonstrated by the emergency, year-to-year legislation, under which it has operated and by the results obtained.

It is also sound legislation from the standpoint of obtaining a wider distribution of our farm food surpluses. Let us never again return to the policy of destroying food because of the lack of proper distribution as long as hunger exists in our own Nation or for that matter throughout the world.

Mr. FLANNAGAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. BIEMILLER].

Mr. BIEMILLER. Mr. Chairman, I have listened with interest to the discussions of appropriations for school lunches. I want to say that if the matter is to be resolved into a dispute between States' rights and children's rights, I am on the side of children's rights.

There have been a great many statements made about this bill that border on the nonsensical. Let me repeat for your calm consideration some of the gems of thought which have been thrust upon us, on the subject of the school-lunch program—a program which, I remind you, has been in effect in many parts of this country for 10 years without serious results as yet in undermining our democracy.

I quote:

> It is a question of whether we are going to adopt that form of socialism which has brought poverty and misery, and has brought hideous creeping paralysis to the economic life of every country that has ever adopted it, or whether we are going on as Americans, as the greatest, freest, and most prosperous country in the world.

Here is another: Federal aid for the school-lunch program would "beat down the courage and confidence of those people by this preaching of unfitness to govern." Another gentleman sees in it "the menace of statism, which is apparent all over the world today." Still another warns, "When the big bad wolf of communism, of statism, of regimentation finally gets his yellow fangs into you it may be too late to turn backward."

Now, Mr. Chairman, as the gentleman from Massachusetts [Mr. MCCORMACK] so brilliantly stated, those words would strike a little more terror to our hearts if we had not heard them so often. They are the same words that were used to

fight every reform of the past 13 years, or, for that matter, of the past 100 years.

The same arguments were used in defense of human slavery, in attacking the public-school system, in opposition to necessary policies of conservation to hoard our natural resources. They were hauled out and dusted off again to oppose Federal employment services, unemployment insurance, old-age pensions, WPA, and Federal relief. The Old Guard will continue to wave their tattered banner and shake their wooden sword in the face of every march of progress.

Let us not be misled, Mr. Speaker, by the assurances of many of these gentlemen that all they ask is the right for the States and communities to finance a school-lunch program. That is not at all what they mean. What they want is to establish the right of States and communities not to finance a school-lunch program.

When they insisted that slavery was a matter for the States to regulate, they meant that it was a matter for the States to let alone. When they urged State conservation programs, State social-security programs and so on, they meant for the most part that the States might choose to ignore completely the questions of conservation and social security.

No, Mr. Chairman, the question before us is not whether the school children of America shall have State or federally financed school programs; the question is whether they shall or shall not get hot well-balanced lunches at school. If the Federal Government does not give it to them, in most communities no one else will.

We all know that in the places where the school-lunch program is needed most, the States and communities are either unwilling or unable to provide it. This is particularly true in those parts of the country where the standard of living is low, and food habits poor, resulting in poor health and lack of energy and interest on the part of the children.

Will those who shout loudly to stop the school-lunch program in the interest of States' rights, work equally hard to see that the States and communities provide hot well-balanced meals for their school children? I doubt it? Communities with high tax levels and active parent-teachers' associations may continue it on a local basis, but in the poorer sections the kids will be back on cold corn pone.

In many sections the only good meat and vegetables the children see are in the school lunches. They live on sow belly and beans, as their parents did before them. And as a result they have not enough stamina to take advantage of the education the schools want to give them. They must be taught to want other foods in place of the unhealthy diet they are accustomed to, and then to go out and work to get other foods. The school program of the Federal Government can do this for them. The local and State governments, and the parents, cannot.

This program is of great benefit, not only to the poorest children, but to children in every walk of life. They form proper food habits, and eat more of the things they need, than many would at home.

I remember hearing the Secretary of Agriculture, who was at the time a Member of this House, speaking in favor of similar legislation last year. He said that in many farm families, even the most prosperous, the mothers had not enough time, or in some cases, enough knowledge, to prepare proper lunches for the children to carry to school. He said that he, himself, was a victim of improper feeding as a child, contracting tuberculosis because he did not have enough of the protective foods he needed.

The question of parental status has been injected into this discussion. While it is irrelevant whether a certain member is a childless bachelor or the grandfather of uncounted children, as one claimed, I would like to speak as one who knows first-hand something about the program.

My own son is enjoying the benefits of it at his public school in Montgomery County, Md. My wife assures me that he eats a larger lunch than he would at home because he is stimulated by companionship, and that he is learning to eat foods which he formerly refused. I do not consider this as a criticism of my wife's ability to feed my child properly, as implied by the gentleman from Missouri [Mr. BELL]. It merely proves my point that children from any walk of life will benefit from the program.

Some people seem to feel that it is more American for the children to carry lunch to school, or go home to eat it. If is, of course, impossible for country children to go home and inadvisable for many in the city to do so. I know that in some areas children run home eight blocks, spend 10 minutes gulping lunch, and run back again. This is, obviously, not good for them, nor is a cold lunch carried to school as desirable as a hot, well-balanced one. The same principle applies to lunch pails as to communities; the children from the prosperous families have ample well-balanced lunches while those whose breakfast and supper was undoubtedly scanty and overloaded with starches will have a skimpy unbalanced lunch.

It was ably pointed out by the distinguished gentleman from Virginia [Mr. FLANNAGAN] that those who shout hallelujah for States' rights at the expense of the children are more than willing to accept Federal aid to maintain the health of their hogs and cattle. Hog cholera and Bang's disease are suitable subjects for Federal appropriations, but malnutrition and tuberculosis among children are not. Why?

Mr. Chairman, I wish to reiterate my opening statement, that when the line is drawn between States' rights and children's rights, I am on the side of the children. I do not consider appropriating funds to give milk and fruit to hungry kids an act which will undermine our democracy. The thing which is much more likely to undermine our democracy is to let the kids grow up hungry and ignorant, hating their Government instead of loving and respecting it. The school-lunch program will help the children to know that the Government is interested in their welfare, and is not just a cold and remote agency in which they have no interest.

Mr. FLANNAGAN. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. DOYLE].

Mr. DOYLE. Mr. Chairman, surely Members who are opposing this bill, and yet who frankly admit that school lunches are fundamentally necessary and sound in the life of the children of our Nation, do not claim that the expenditure of the small sum of $175,000 in administering the bill will set up a Federal bureaucracy. The committee report shows just the contrary. For the bill would be totally administered in the already and long-established Federal Department of Education. I notice that some of the Members who have spoken this day against this bill on the grounds that they feared the creation of or strengthening of a Federal department as contradistinguished to a State administration of these school lunches, did not hesitate to vote for the Case bill the other day, which bill actually set up a great Federal expense and a new Federal department.

It is time that the humanitarian obligations and responsibilities of Government be given proper accord and placement by this Congress. That is one of the reasons I am for this bill. We have heretofore canceled excise-profits taxes, which was clearly in the interests of men accumulating more material wealth. Then, we rescinded the land-grant bill, and that too was for the primary purpose of making it possible for the accumulation of more material profits and gain.

Now, it is late to begin doing so; but, nevertheless, we must begin to give ascendancy to the security of the mind, spirit, and body of the children and adults of America. This bill only applies to the children of America between the ages of 5 and 17 years inclusive These are the children who might be generally termed as the underprivileged or those who have less advantage for economic security and otherwise. Nor is this any intended insult or reflection upon these fine youngsters or upon their parents. I do not understand why some gentlemen oppose this bill and read on the floor of this House their prepared speeches, saying that this bill would provide hot lunches for children in "exclusive schools" in the Nation. Clearly, by so doing, these Members refer to profit-making schools instead of non-profit-making schools or child-aid or child-care centers. I call their attention to page 3, line 19 of the bill wherein the language states:

> For the purposes of this title, "school" means any public nonprofit private school of high-school grade or under.

Furthermore, there is nothing compulsory about any State having to join in this cooperative program with the Federal Government. Nor can the Federal Government distribute a single ounce of grain or food in any locality or any State in the Nation until or unless that State and that locality and that local school or governmental unit of a nonprofit group in that locality, has first set up its own functioning for hot lunches. Then, and only then, will the food to be provided by the Federal Government become available. Only on the initiative of the local unit and the States

themselves will the Federal Government do anything therein. Furthermore, the committee report shows on page 5 a gradual lessening of Federal aid in this worth-while program. For it shows that the payments of Federal aid and assistance to the States are further conditioned by the State matching the grant during each year from sources within the State according to the following ratio:

Fiscal year 1946 and 1947, $1 for $1.
Fiscal year 1948, $1 for $2.
Fiscal year 1949 and 1950, $1 for $3.
Thereafter, $1 for $4.

How, then, can Members claim this institutes the beginning of an additional and a permanent Federal bureaucracy. The fact is that the bill, by its text, clearly shows that the Federal Government deliberately and systematically will withdraw funds as rapidly as specifically provided over a term of years.

Having heard some Members of this House speak against this bill this day, I believe I have heard some of these same Members speak for, and have seen some of them vote for, millions and millions of dollars for the purpose of protecting live stock, or finding out the best feeds for their cattle or their pork in their various States. Why, then, can they oppose placing the physical welfare of our Nation's children ahead of their own cattle or their own farms and cattle ranges? Nor is it any answer to the worthy objectives of this bill for Members to argue that it is a State function. I agree that it is a State function, and this bill does not take away from the States any of their functioning. It merely strengthens their financial resources for their own States, functioning in their own State jurisdiction. There is no intendment, nor attitude, either directly or indirectly expressed, to have the Federal Government take over anything from any State or any local unit of government or from any "nonprofit" school or group.

I have not had one single objection to this proposal from the Eighteenth Congressional District of California; but, I have had a large number of individual letters and group communications from parents and school patrons and such in favor of it. Long before I was in Congress I saw the beneficent results of this program in my own native State of California. Let us not continue to hazard the physical well-being of our Nation, in time of a national emergency, by reason of continuing to place the breed and health of our cattle ahead of the health and physical security and stability of our children. Let's place humanitarian interests on a par at least with where we have already placed the accumulation of material wealth. Gentlemen, the real wealth of our Nation is not our cattle—it is our children.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, we have heard the pros and cons of this proposed school-luncheon bill. I think the gentleman from Michigan [Mr. DONDERO] has probably given us one of the coolest, sanest, and most logical arguments that has been presented on this proposition. It is not a question of penny-wise and pound-foolish. It is not a question of whether we should have school lunches or not. It is simply a question as to who shall provide the school lunches, as the gentleman from Michigan stated very clearly.

I am opposed to this bill. I am opposed to the provisions of the bill, and I am saying that from the standpoint of 30 years as a school man, 15 years of which I had charge of a school system, and we carried on school lunches. I know what school lunches mean to the children from foreign homes, as we call them here, in an industrial community with 17 different nationalities. If anyone knows anything about the benefit of school lunches I ought to, at least. I am opposed to this program. I consider this a hybrid bill. What do I mean by a hybrid bill? Well, it mixes agricultural problems with educational problems. It has policies in it that bear upon agriculture and naturally belong in the Agricultural Committee of this House. But it has educational policies, particularly title II, which do not belong in the Agricultural Committee of the House but belong entirely in the Educational Committee of the House, and the Educational Committee of the House has never even been given consideration on title II.

The genial majority leader, in arguing this bill under the rule, stated that it was a question of dollars on one side and human values on the other. That is not the question at issue at all in this bill. The question at issue is who should put up the dollars to take care of the human values. Also, the genial majority leader gave quite an illustration of a fine community in the center of Chicago. He eulogized that community and said, "Why, it was an excellent community." The only reason it was an excellent community was because the people in that community joined together to solve their own problems, including the school lunches, and that really is the issue, and that illustration of the majority leader is an illustration that goes absolutely contrary to the provisions of this bill which says that Uncle Sam shall feed the children of this Nation. We have heard a lot about the financial conditions of the cities and the school districts and the States. Why, my State has over $130,000,000 surplus in its treasury, and yet I have school people in my State who are begging a subsidy from Uncle Sam so that they can handle school lunches, and subsidies for other programs, and those same people in Illinois do not realize the fact that for every dollar Uncle Sam has handed to them in the past 25 years in the shape of Federal aid and subsidies, Illinois has had to contribute to Uncle Sam's Treasury $5 for every $1 it has received back, and Pennsylvania has handed into Uncle Sam's Treasury $8 for every $1 it has received back, and New York has handed into Uncle Sam's Treasury from $10 to $12 for every $1 it has received back.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. HOPE. Mr. Chairman, I yield myself the remaining time on this side.

Mr. Chairman, I am glad to note that in the course of this debate it has been unanimously agreed that the school lunch is a good thing. Up until this moment I have not heard one word of criticism of the school-lunch program. That narrows the issue down, as the gentleman from Michigan very well said a while ago, to the question of whether we should have a cooperative Federal-State school-lunch program or whether it should be a program conducted entirely by the States and the local communities.

Those who have expressed their opposition to this bill and to the program have placed it almost altogether upon the fact that they say we are creating a big new bureaucracy and are putting the Federal Government into a field where it does not belong and where it should not go. That, I deny. If there had been any effort on the part of those who framed this bill to create a bureaucracy we surely could have done a better job of it than we have done. You cannot set up very much of a bureaucracy in the Bureau of Education on an appropriation of $175,000, yet that is all this bill provides for the Office of Education for its part in this program.

The bill specifically requires the use of existing State agencies. It is different from the present school-lunch program because that is almost altogether a Federal program clear down to the local level, but here we use the State and the local educational set-up. We do not create any new organization. We use the existing State educational organization. We proceed in exactly the same way—except I think we use the Federal Government to an even less extent—that we do in administering the extension program of the Department of Agriculture or the vocational educational program of the Office of Education. Many of the gentlemen who say that we should not have the Federal Government enter this picture have supported for years these other programs I just mentioned and have supported them enthusiastically.

I can appreciate the feeling on the part of some of the members of the Committee on Education because they have not had any opportunity to consider this bill. I wish it might have been possible for the Committee on Education to have given it some consideration. However, we have that situation becaus of our committee set-up on many occasions.

For instance, it might be felt that the Committee on Agriculture ought to have something to say about the rural-electrification program because that program deals with farm people; nevertheless, under the rules of the House that legislation goes to another committee. It might be thought that in view of the fact that loans made by the Commodity Credit Corporation have much to do with agricultural price policies, the Committee on Agriculture rather than the Committee on Banking and Currency ought to handle the legislation, but under the rules of the House it goes to the Committee on Banking and Currency.

There is bound to be some overlapping in a program of this kind. There was no desire, I can assure everyone, on the part of the Committee on Agriculture to usurp the duties or privileges of any

other committee. But we have a bill here which covers an integrated program, and it seemed best, since we are operating through the educational facilities of the States, to give the Federal Bureau of Education some part in that program, particularly that part which relates to education. So we have set aside the sum of $175,000 to enable that department to administer and distribute those funds which deal with the educational part of the program. I could say more on that phase of the matter, but it seems to me very clear that we are not in this bill setting up a new bureaucracy or departing from the policies of the Federal Government that have been followed in numerous instances in almost identical situations.

Why is it important that we make this a Federal program? I have before me letters from all the leading farm organizations of this country. They are for this bill. This is the first time that I know of for several years when all of the important farm organizations of this country have gotten behind any specific bill. But they are all behind this bill. Why are they backing it up? Why is it to the interests of the farmers of this country and their spokesmen, the farm organizations, to have legislation of this kind? The answer is very obvious. It will help agriculture because it is going to promote better nutrition, a better understanding of food values, and a greater consumption of farm products in this country. That is one reason why title II is an important part of the bill. It is important because school lunches in themselves are not going to contribute a great deal to the consumption of agricultural products and food. The gentleman from Michigan was entirely right a while ago when he said that $50,000,000 a year is not going to mean a large sum for the expenditure of farm products in this country.

But one of the big virtues of this bill as seen by the farm organizations and by the farmers and by the Committee on Agriculture is the educational feature which is contained in title II and which provides for the furnishing of instruction in the principles of nutrition. That is going to bring about an increased consumption of farm products. That is what the farm organizations of this country are looking forward to when they say it is a good thing for agriculture. The example that is set in the way of furnishing good food and good nutrition instruction at these school-lunch centers is not going to be forgotten when these children go home or after they are grown up and have families and homes of their own. They are going to keep those things in mind. It has been very definitely proven that children go home and tell their parents about the kind of food they have in the school lunches. It has brought about a marked improvement in those homes as far as the quantity and quality of food consumed is concerned. This is a long-range and long-time program. The farm organizations of this country are interested in it and I am interested in it, because it is the soundest way to bring about an increased consumption of farm products. It is a constructive approach to a program of plenty rather than restriction in agricultural production.

Mr. FLANNAGAN. Mr. Chairman, I yield the balance of the time to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, I want to begin by answering some of the statements that have been made this afternoon, which are not accurate statements about this legislation, either as to its purpose or its content.

In the first place, I would like to answer the question asked by the gentleman from Michigan as to which I requested him to yield to me for an answer, and which I will answer now. The gentleman asked whether there was anything in this bill which could not be done without the bill. There are at least two things, and they are of fundamental importance.

In the first place, under the school-lunch program, such as this bill contemplates, it will be possible to encourage the inauguration of school-lunch programs by the local people in the places where they are most needed, and in the places where in the past they have been least in evidence.

In the second place, unless Congress passes legislation of this sort, it is not possible to tie in the altogether worthwhile purposes of a school-lunch program with the proper purposes of the agricultural program of the Nation. Unless you propose to abandon the broad features in the agricultural program entirely, or to turn them back to the cities and counties, it seems to me completely illogical, if you believe in the school-lunch program, to oppose this bill.

It was stated by the gentleman from New York that the funds under the bill were to be allocated at the discretion of the Secretary of Agriculture and the Commissioner of Education. That simply is not the case. The bill lays down a carefully devised formula that is very specific as to precisely how these funds are to be distributed, and distributed in every case to the responsible State agency, for that State agency to redistribute and to control completely within its State.

It was said that swanky boarding schools would be eligible for these funds, which is absolutely wrong, because the bill specifically provides that the only child-care centers that shall be eligible are nonprofit child-care centers, and only 2 percent of the funds in the bill are available even for them.

Then, it was declared by a number of Members that their States had given up so much of their money and had gotten back only so much of their money from the Federal Government. I happen to come from a State where we pay considerably more taxes than we receive back in benefits from the Federal Government, but I want to say for California that we still feel very earnestly that the United States is somewhat bigger than the State of California; that it is more important than the State of California; that it is not just our money but it is a part of the return from the greatest economic and industrial system in the world, namely, the whole United States; and if the movie industry or the citrus industry or some other industry in California sells its products throughout the Nation and makes income, we are quite willing to pay taxes to the United States Government, provided that money is well used. We would be glad, indeed, if, as the formula in this bill provides, the food could be gotten into lunches for those school children of this Nation who need it most, no matter where they may be found. It is not just a case that because people live in a farming community therefore they have more food to eat than people living in wealthy cities. Unfortunately, that is not by any means always the case. Unfortunately, some of the places where there is greatest need for a richer, better diet and greater nourishment for the children, are in some of the rural areas of the Nation. Ten percent of the population of this country, mostly rural people, brings into the world 30 percent of all the American children born each year. One of the purposes of this bill is to try to equalize the burden of that 10 percent of the population which has reared the children of America through the years. Does anybody seriously object to that feature of the bill?

It has been said that there was not a division on the floor today between those who are for school lunches and those who are against them, but the division was whether you wanted Federal contributions to the program or whether you wanted it completely local. I think a different distinction should be made—that the difference is between those who believe in a school-lunch program and propose to do something about it, on the one hand, and those who say they believe in a school-lunch program, but who do not propose to do anything about it at all.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. GRANGER. It is a fact also, is it not, that this is not a program for just the poor children, the country children, or the city children? Does not the gentleman believe that there is a great proportion of the youngsters coming from rich families who do not have any idea what a balanced diet is, just as much as from the farm?

Mr. VOORHIS of California. Indeed, the two groups of children who suffer most from undernourishment in the United States today are those from that group where the families literally cannot afford enough food, on the one hand, and from the wealthiest group, on the other.

Mr. Chairman, one point I hope I will be able to get across to every Member of this House is the one I am going to make right now: Under the terms of this bill, it is utterly impossible for a single school-lunch program in a single school in any community in this Nation to be conducted for a single child unless the local people in that community first organize a school-lunch program, first employ the people to conduct it, first get the equipment for the purpose of conducting it,

and then, finally, after the school-lunch program in their community has been wholly set up by local initiative, we come along and say, "You have done a good job, and we find that in connection with a program which we believe is important for the health of the children first, and second for the agriculture of this Nation it is possible for the Federal Government to contribute, out of what in many cases would otherwise be a wasted surplus, a fraction of the food for your local school-lunch program."

It seems to me that we are doing a thoroughly good thing. It is only proposed that in communities where the local people have taken the initiative and organized these school-lunch programs, then, through their State educational agency, the Federal Government will supply a part of the food which is going to be needed in order to enable these children to have adequate nourishment.

In many, many instances this will be foodstuffs which the Department of Agriculture is obligated to purchase in any event if we are going to be true to our commitments to the farmers of America. In such cases our choice is between the passage of legislation of this character on the one hand or saying "No; we are not going to channel this foodstuff into the stomachs of the children of America, but we are going to let it go to waste or be dumped abroad." As the gentleman from Kansas so ably pointed out, it is not the $50,000,000, it is not just the food the children eat, it is the development of better eating habits in the people of America that is important, because it has been demonstrated that the experiences of better food habits developed as a result of being able to eat what the children really need are carried by those children home to their parents.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. CANFIELD. Will the gentleman be good enough to tell me the answer to this question: Is it true that the children of parochial schools are provided for in title I and excluded from title II?

Mr. VOORHIS of California. As I read the bill I am afraid that is true, and I want to say to the gentleman that I do not think it should be true. I think title I is right and I think title II is in error about that. That could be corrected by a very simple amendment striking out subparagraph 3 of section 203 (a), I believe, of title II.

Mr. Chairman, I want to read to the House a letter written by a school teacher in the State of Missouri. It is very short. She states:

LETTER FROM A MISSOURI SCHOOL TEACHER

JANUARY 1941.

We feel that the hot-lunch program is one of the best things the State of Missouri has done for the children in many years. I find that my school children have gained from 3 to 10 pounds of flesh since we started about the 1st of September. This is my second year to sponsor the hot-lunch program and I find that it also helps attendance. Wish to say that our program is working perfectly and we are very grateful to the State of Missouri for it.

This school teacher, although she sponsored the program, did not know that the Federal Government had anything to do with it. Does anyone want more proof that these "terrible bureaucrats" have not in fact made people think themselves dependent on the Federal Government?

The CHAIRMAN. The time of the gentleman from California has expired.

All time has expired. The Clerk will read the bill for amendment.

The Clerk read, as follows:

Be it enacted, etc., That this act may be cited as the "National School Lunch Act."

DECLARATION OF POLICY

SEC. 2. It is hereby declared to be the policy of Congress, as a measure of national security, to safeguard the health and well-being of the Nation's children and to encourage the domestic consumption of nutritious agricultural commodities and other food, by assisting the States, through grants-in-aid and other means, in providing an adequate supply of foods and other facilities for the establishment, maintenance, operation, and expansion of school-lunch and nutrition-education programs.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I offer an amendment.

The Clerk read, as follows:

Amendment offered by Mr. EDWIN ARTHUR HALL: Page 2, line 3, after the word "of", insert "nonprofit."

HALL AMENDMENT WHICH ASSURES SCHOOL LUNCHES BASED ON NONPROFIT

Mr. EDWIN ARTHUR HALL. Mr. Chairman, as I was thumbing through the pages of this bill it occurred to me on the spur of the moment that we should correct a sentence in the declaration of policy, so I am offering what I consider a necessary amendment to show the House and the country that this program is designed on a nonprofit basis.

Today, with food prices soaring and rapidly getting out of reach of the average person, a Nation-wide school-lunch program ought to be encouraged to make nourishing food available to American children.

People work themselves up to a feverish pitch on the question of feeding children of other nations. But I hear opposition from many quarters whenever the proposal is made to give our own undernourished the chance to have a balanced hot lunch.

In this bill, no assurance is given that selfish politicians or manipulators will not gouge out large slices of the money we are appropriating.

I mean to prevent any large profit taking in this humane program if I can. It would be a sin against America for greedy and unscrupulous men to seize advantage of dollars voted for feeding innocent youngsters and put them in their own pockets.

I hope this amendment which declares a nonprofit policy must be followed in administration of the school-lunch program will be adopted.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield to the gentleman from Virginia.

Mr. FLANNAGAN. I am sure this is what the program does, and I have no objection to inserting the word "nonprofit."

Mr. EDWIN ARTHUR HALL. I thank the gentleman, and on his assurance I will not continue further.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. EDWIN ARTHUR HALL].

The amendment was agreed to.

The Clerk read as follows:

TITLE I—ASSISTANCE IN PROVIDING FOOD

APPROPRIATIONS AUTHORIZED

SEC. 101. For each fiscal year, beginning with the fiscal year ending June 30, 1946, there is hereby authorized to be appropriated, out of money in the Treasury not otherwise appropriated, such sums as may be necessary, not exceeding $50,000,000, to enable the Secretary of Agriculture (hereinafter referred to as the "Secretary") to carry out the provisions of this title. For the fiscal year ending June 30, 1946, the funds made available to the Secretary under the item entitled "School-Lunch Program," Department of Agriculture Appropriation Act, 1946, are hereby made immediately available for carrying out the provisions of this title during such year.

Mr. FLANNAGAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FLANNAGAN: On page 2, line 8, delete the date "June 30, 1946" and insert the date "June 30, 1947."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. FLANNAGAN].

The amendment was agreed to.

Mr. FLANNAGAN. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. FLANNAGAN: On page 2, lines 13 to 18, delete the sentence beginning "For the fiscal year ending June 30, 1946."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. FLANNAGAN].

The amendment was agreed to.

The Clerk read as follows:

APPORTIONMENTS TO STATES

SEC. 102. The Secretary shall apportion among the States during each fiscal year not less than 75 percent of the funds appropriated for such year for carrying out the provisions of this title: *Provided*, That of the funds available to the Secretary for the purposes of this title not in excess of 2 percent thereof shall be available to the Secretary for use directly in nonprofit child-care centers: *Provided further*, That of the funds made available by this title not in excess of $1,500,000 can be used in Alaska, Territory of Hawaii, Puerto Rico, and the Virgin Islands. Apportionment among the States shall be made on the basis of two factors: (1) The number of children in the State between the ages of 5 and 17, inclusive, and (2) the need for assistance in the State as indicated by the relation of the per capita income in the United States to the per capita income in the State. The amount of the initial apportionment to any State shall be determined by the following method: First, determine an index for the State by multiplying factors (1) and (2); second, divide this index by the sum of the indices for all the States; and, finally, apply the figure thus obtained to the total funds to be apportioned. For the purpose of this section, the number of children in the State and per capita income figures shall be the latest figures certified by the Department of Commerce. For the purposes of this title, "school" means any public or nonprofit private school of high-

school grade or under. If any State cannot utilize all funds so apportioned to it, or if additional funds are available under this title for apportionment among the States, the Secretary shall make further apportionments to the remaining States in the same manner.

Mr. GARY. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. GARY. Mr. Chairman, when my daughter was 6 months old an epidemic of intestinal influenza swept the city of Richmond, taking the lives of many infants. She contracted the disease and survived, following a rigorous treatment which denied her all food except sugar and water for a week or two. Eight or ten years later I carried her to a dentist, and after examining her teeth, although he was not familiar with her history, he told me that he would say that she had experienced a spell of illness when she was 6 months old, because of certain marks on her teeth, indicating malnutrition at that time. I cite this personal incident to illustrate that malnutrition does leave its marks upon an individual, which time does not easily erase. In this connection, I shudder to think of the physical defects and health conditions which will exist in the war-torn countries for at least the next generation. The children of those countries have faced hunger, not for weeks, but for months and even years. In many cases, their teeth are softened and decayed, their bones are bent and twisted, and their bodies are distorted and diseased.

It was my privilege to serve for 3 years as president of the Virginia Tuberculosis Association, during which time I gave more study than the average layman to the prevention and eradication of this scourge which has taken such a tremendous toll of human lives. We know that malnutrition is one of the chief contributing causes of this disease. There has been a tremendous increase in the incidence of tuberculosis as a result of war conditions in those countries which suffered the most from the effects of the war. The white plague alone will present challenging problems in those countries during the postwar era.

The realization of these conditions has prompted me to support every appropriation for the United Nations Rehabilitation and Relief Administration which has been presented to the House since I have been a Member, and I shall continue to support such appropriations until the need has been satisfied.

We cannot, however, continue to meet our obligations abroad unless we remain strong at home, and this means that we must not only maintain economic stability, but we must remain a strong, healthy, and virile people. It should be somewhat disconcerting to us to contemplate that slightly more than 15,000,000 men of 18 through 37 years of age were physically examined under the Selective Service System and that approximately 5,000,000 of them were rejected for military service. It can be stated without contradiction that a large number of the defects which caused these rejections had a definite relation to malnutrition. According to the report of the committee which considered this bill, the Surgeon General of the United States presented facts to the committee which showed that 70 percent of the boys who had poor nutrition 10 to 12 years ago were rejected by the selective service. Certainly in this land of prosperity and abundance we cannot afford at this time to discontinue the school-lunch program, which has made such a marked contribution to the improvement of the health of our youth and, at the same time, has aided our agricultural program through the use of commodity surpluses.

It is being said that this bill will give the Federal Government control over our public-school systems. Friends, I am one of those who believe that there are certain fields in which the Federal Government should operate, and certain fields in which the States should operate without Federal interference, and I believe that the field of education is one which should be left to the control of the States. I challenge anyone in this House, however, to point out a single provision in this bill which will give the Federal Government one iota of control over the State public-school systems.

"Ah!" you say, "but this is the opening wedge. If the Federal Government once gets its finger on any part of the State school program, it will not be long before it will have the entire program within its grasp." This, to me, is equivalent to saying that when a person's body is racked with pain from a serious illness you should not give him an opiate, because opiates are habit-forming and he is likely to become a dope fiend.

We today face the need of a continuation of the school-lunch program. This bill will meet that need. It contains no vicious provisions of Federal control. I shall fight Federal control of the State educational systems whenever the question arises on the floor of this House, but let us not defeat this meritorious measure because of the fear of a future threat which does not now exist.

Mr. SUMNERS of Texas. Mr. Chairman, I rise in opposition to the pro forma amendment, and ask unanimous consent that I may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SUMNERS of Texas. Mr. Chairman, this has been a very interesting discussion of one of the most important bills that has ever been presented on the floor of this House. Let us see what this bill proposes.

It proposes an authorization of $50,000,000 which shall be the Federal Government's contribution for lunches for school children, for children at community centers, settlement houses, children's homes, child-aid centers, child day-care centers, playgrounds, boys' or girls' clubs, summer camps, or similar centers and institutions. I quote from the report on this bill near the top of page 7:

> The agencies, organizations, or institutions which may qualify as nonprofit child-care centers under this section, and thereby receive funds for a lunch program operated not for profit, are nonprofit community centers, settlement houses, children's homes, child-aid centers, child day-care centers, playgrounds, boys' or girls' clubs, summer camps, or similar centers, institutions, or organizations devoted to the care and training of children.

This starts them—gets them while they are young.

The bill provides in title II—I quote from the bill—as follows:

> TITLE II—ASSISTANCE IN PROVIDING NUTRITION, EDUCATION AND SCHOOL-LUNCH FACILITIES
>
> APPROPRIATIONS AUTHORIZED
>
> SEC. 201. For each fiscal year, beginning with the fiscal year ending June 30, 1946, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary, not exceeding $15,000,000, to enable the United States Commissioner of Education (hereinafter referred to as the "Commissioner"), under the supervision and direction of the Federal Security Administrator, to carry out the provisions of this title.

One hundred and seventy-five thousand dollars per annum is authorized for the expense of administration. The Federal Government has not got any money. It is around $275,000,000,000 in the red. There is not a State in the Union which is not incomparably better off financially. All together I understand their total indebtedness is less than $3,000,000,000. Many of them have large cash balances. There was never a time when the solvency of this Government was in greater peril. For this bill to be passed would not reduce the official personnel of the States dealing with their school-lunch program or any other program. It would, however, add to the Federal burden as is recognized by the $175,000 to pay for the Federal Government's participation. It does not seem to me we need any more tax burden or an increase in our policy of duplicated governmental administration, the States and Federal Government working at the same jobs. Why this bill? Have we reached that low level in America where we cannot trust the people in our States and communities to take care of their children? Did all of wisdom and interest and sense of responsibility and capacity come to Washington with us from our respective districts?

Federal Government appropriations to the States. Where in the name of common sense does the Federal Government get its money? It gets it from the mothers and fathers of these same children in these States, or by selling more bonds for these children and their children's children to pay. They will pay for these lunches plus this $175,000 per annum administration cost plus the $15,000,000 educational fund, but they will pay more than that. That is what makes this bill so tremendously important.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. FLANNAGAN. I believe it would be advisable for the gentleman to read the bill before proceeding further because there is not one line in this bill which turns over $15,000,000 to the Federal Department of Education.

Mr. SUMNERS of Texas. It is to be spent for educational purposes, is it not?

Mr. FLANNAGAN. But it is to be spent down in the States under the direction of State superintendents.

Mr. SUMNERS of Texas. I appreciate that correction. The chairman of the committee is a fine public servant and a fine man. But the Federal Government's power usually follows the Federal dollar. If it does not in this bill much now, it will catch up soon. This bill carries a provision that if the Federal administrator feels the States are not living up to requirements, he can cut them off from Federal funds until they comply, or get a court decision. That is a little power and then there is the general direction in section 205, "The Commissioner shall take all necessary measures to facilitate the carrying out of his functions under this title." That is right. That is the nature of this sort of thing. How does this bill work into what we need to do? That is the important thing in this bill. Where are we now in this general governmental set-up? Can anybody doubt that there is urgent necessity to get the States into operation as responsible sovereign units of general government as quickly as possible, not only in order that we here can properly attend to the Federal business, business which the States cannot discharge, business which the Federal Government was created by the States to do as their agent, but get the States to working at the States' job, so that they will hold what governmental power they have left and grow and develop in governmental capacity. Is there a single Member on the floor of the House who can face his constituents and tell them that he can have an advised independent judgment about what the Federal Government is doing through these nearly 3,000,000 people scattered over the United States?

As I see it, and I am doing my best to see it as it is, we have got to decentralize governmental power or lose our chance to maintain a government by the people. The people cannot operate this thing we have got. We have got to wean ourselves from dependence upon Washington for a thing so intimate, so completely within State and community governmental capacity as that which is covered by this bill. But of equal, if not greater, importance, is this fact. This bill touches the children, millions of children, in the formative period of their lives and carries the argument to them of the futility of State government. The food which they are to eat provides the demonstration that that is the judgment of the Congress. If you listen to my good friends on the floor of this House, anybody in the gallery would believe there is not any responsibility or dependability on the part of the States to take care of a thing so important as their own children. That is just assumed in the bill. If they are competent what is the use of this bill? What is the use of a duplication of governmental powers? Have not we enough taxes already? You have to maintain your State governments anyway; do you not? Is there anything in this bill that would reduce a single State employee? You saddle another governmental agency on the backs of the taxpayers of this country to work at the same job. Is that not right? Who can answer to the contrary?

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I will stand by that statement.

Mr. FLANNAGAN. We are not creating a single bureaucracy under this legislation.

Mr. SUMNERS of Texas. Who is going to check up on the contracts made with the States if it is not going to be some Federal agency?

Mr. FLANNAGAN. It will be a Federal agency which is already in operation.

Mr. SUMNERS of Texas. It will take additional personnel. I cannot yield further.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I am making my own arguments. I cannot yield to the gentleman further.

Mr. FLANNAGAN. I know the gentleman does not want to mislead the Members of the House.

Mr. SUMNERS of Texas. No; I do not; and I am going to stand by that statement.

That is not all. What is this $50,000,000? What is it invested in? It is for lunches. I would not be so concerned if that were all. I do not say it is intended, but that $50,000,000 is invested in the bait that goes over the hook. Every child in the United States who goes to one of these schools or belongs to one of these camps is supposed to be getting something for nothing from Uncle Sam. That is the hurt. They are to be citizens of this country tomorrow as time is measured in a nation's life.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I cannot yield further. Schools are places where children are to be taught things to guide them in future responsibility. A democracy is an association of private people engaged in the common enterprise of governing themselves. The States and their subdivisions are the habitat of our democracy. The Federal Government, their agent, commissioned to do a few things for them which they cannot so well do for themselves. Destroy the States as responsible agents of general government and the democracy dies. Destroy the self-reliance, the courage, and general capability of the people to do things for themselves through the smaller units of government which they can control and the democracy dies. They lose the capacity to govern.

When someone connected with this outfit goes down into the States parading around over the country, that will be "the big man from Washington" that helped get the free lunch for nothing from Uncle Sam. They will not tell the children that the people in the States are putting up all the money, all of it and more besides. Every dollar that goes to pay these traveling expenses cuts down on what the people have left to operate their local government and feed and clothe their children. You cannot pull this free pie out of the air. Somebody has to pay for it, and pay for all the attached overhead, the new overhead provided by this bill. There is something which goes along with that food, this Uncle-Sam-for-nothing stuff, which is bad for the grown people in these communities and worse for their children. The Federal Government has neither money nor food; it has to get them both from the people. Besides they have to support those of us on the pay roll.

Now, I do not want to be offensive to the very fine gentlemen of this committee, but I have been working at this thing for a long time. My judgment may be bad judgment, but my judgment is that we have got to turn back to these States the governmental power that lies within their responsibility, or have a fundamental change, a change away from democracy in the distinctive characteristics of our system of government. As a matter of fact, it is changing now with a rapidity and a completeness unequaled in the history of government. You cannot maintain the structure of this Government upon people that cannot be trusted to feed their own kids in their own States. That is all there is to it. Our people are just as good as we are in Washington. They are just as much interested in their children as we are. They can make their own appropriations out of their own money without having to pay the upkeep of some additional people or being bossed by them either. There is no need to load on them the burden of Federal administration—this $176,000. They do not need somebody from Washington going down telling them everything on earth and trying to persuade them they cannot do anything on their own. Preaching the doctrine of defeatism and dependence—we are dealing with big stuff today. You inculcate in the minds of these children, at the impressionable age of their lives, that they can get and ought to get things for nothing from Uncle Sam—feed it to them every day; feed it into them with the food they eat—tell me that by that method you build a self-respecting, independent, self-reliant citizenship capable of maintaining a democracy. This sort of intimate thing, if to be done, should be done by the communities, certainly by no larger or farther away unit of government than their States. Another thing which makes this proposed legislation so important at this time is that there is a definite indication of a turning in the tide back to the States. This bill runs against that trend. Let me read you from a resolution recently adopted by the Federal-State Conference on State Postwar Legislation adopted at its November meeting last year. These are fine words in a time like this. I quote from the resolution:

Resolved, That in the recommendations of the drafting committee of State officials of the council of State governments, that in the interest of development of State re-

sponsibilities, the States are urged to rely on their own resources and not to turn to the Federal Government for financial assistance.

Those are fine words, worthy of officials of sovereign States. That is the sentiment we want to build up, must build up. Pat them on the back and tell them they can do it. Trim this Federal Government down to Federal responsibility. That will leave plenty for us to do up here. Then, we will have a chance to operate this Federal Government under laws enacted by the Congress instead of by directives promulgated by bureaus. Then we would exercise in the States the governmental power that lies within the governmental capacity of these States. We would build strong, efficient local governments and a strong, virile, self-respecting citizenship capable of governing and of defending their freedom. If we beat down the courage and confidence of those people by this preaching of unfitness to govern, and are relieved from the necessity to think and act upon their own responsibility, they will lose the ability to do these things, even to feed their children and preserve for them the possibility of remaining free. Time will come under this trend when these people will be so bereft of power by its nonuse that maybe then the people cannot be trusted to take care of their own children. Then the job toward which this type of legislation gives us direction shall have been finished I do not like to make this speech. I have great respect for the members of this committee. I may be wrong, but I have spent much of my life examining these matters. There is a strong appeal in whatever is of claimed benefit for children. I believe I am interested in them. I am willing to leave to the verdict of history if it should ever take notice of the day if I have not tried to serve them on this occasion. This is no small thing today being considered. We must be somewhere near the forks of the road. Ask yourself, man to man, does this bill help put responsibility back on the people where it has got to be if we survive? Does it tend to give to them self-respect, self-reliance, and courage, qualities indispensable to the maintenance of a democracy? Does it compel them to use their governmental strength in the communities and the States in order that under the greatest natural law there is in the universe they may by its use gain additional strength to meet the greatest challenge of tomorrow?

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. FLANNAGAN. Mr. Chairman, I rise in opposition to the pro forma amendment.

I am sorry, indeed, that my good friend the gentleman from Texas [Mr. SUMNERS] has seen fit to oppose this legislation. Probably he can be excused, on the ground that he is an old bachelor and knows very little about children. But I have been here a good long time. I have a deep feeling for the gentleman. I am one of his admirers. I have watched the gentleman operate. His action today disturbs me no little. I have seen him vote for appropriation bills year in and year out that carried money to look after the welfare of Texas steers if they had the Bang's disease and hogs down in Texas if they had the cholera. Yes, I will go further, I have seen him vote for appropriations to find out the right kind of feed to give the Texas steer. Now, it does seem that if the gentleman is so concerned about the steers and hogs of Texas he would show more concern over the welfare of the boys and girls down in Texas.

Another thing, the gentleman hails from Dallas, and the Chamber of Commerce of Dallas keeps a paid agent in Washington trying to get every Federal agency it can to locate in Dallas; and I understand he has been so successful that you no longer have any office space for further Federal agencies even if you can get them down there.

Mr. Chairman, I am here pleading for the boys and girls of America, and I believe this Congress will give them at least the same consideration it gives the steers and hogs of Texas.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield.

Mr. TARVER. I wonder if the gentleman's recollection accords with mine that the gentleman from Texas [Mr. SUMNERS] has been one of the most ardent advocates of this program for 10 years, having voted for it and for the appropriation of funds for it over that period of time?

Mr. FLANNAGAN. I am glad the gentleman made that statement for I think it is a correct one.

Mr. WADSWORTH. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I hasten to assure the members of the Committee that I shall not make any attempt to resolve the differences which have just appeared upon the surface of the majority membership, but rather to make a few observations on this bill conscious of the fact that in all probability I cannot add much to the discussion that has already taken place.

It may not be important—probably it is not important—indeed it may not be even interesting to hear me say to you that I live in a typical American village. I live there very happily, I may say; and as I have watched that community live, and thrive, overtake its troubles and work them out over a considerable period of years, I will confess, the more and more confidence I have in the typical American community. We have schools. The children are well fed. The people of the community take an interest in them, and in that respect that village is not distinctive. Unless I am very much mistaken I gave it the right description when I said it was typical of the American village. And we could go up the line in the matter of population and say there are many small cities, thousands of them, until we get into the big cities. One of them was described here by the gentleman from New York [Mr. BUCK] this afternoon, the great city of New York which takes excellent care of its children; and he, you know, was a member of the board of education of that city.

Now, confident as I am that the American people living in their communities can take care of their children and of many other things which some people think they are not competent to take care of, I have been the more disturbed for a good many years now, 10 or 12 years at least, perhaps more than that, at the trend which has been all too evident in this country, a trend toward teaching the average citizen that he would better look to Washington for help. That trend has been very evident, as I say, and has been growing stronger and stronger.

Fundamentally, it is statism, a menace which is apparent all over the world today. Step by step central government, no matter what country we are talking about, becomes more and more powerful; it becomes finally the master of the individual and the citizen becomes the subject. You may say that this bill is not to be cited as an evidence of that trend, but it is an evidence of it. It may be a tiny, tiny little step, but it is to be added to many, many other steps that we have taken, many other steps calculated to take away slowly but surely the initiative of the private citizens of the United States, take away from them their spirit of community enterprise. In our hearts we know perfectly well that the average, typical American community can take care of this lunch program. It has never been urged to do so on a national scale—that is, do it by itself.

I am a great believer in education, education of the adult as well as of the child. It is getting to be more accepted all the time that public health is of enormous importance in any nation, but, after all is said and done, public health starts in the home, then moves to the school, which is a local homelike institution.

Our States and communities are entirely competent to do this thing. I have not yet heard that statement denied in this debate. We are entirely competent to do this thing right in our homes and in our communities and in our States. If that is the case—and I sincerely believe it is—why should we take one more step down the road toward statism?

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SMITH of Ohio. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, having practiced medicine for 30 years, having studied on the Continent following the other war, where I had the opportunity of observing the effect of malnutrition, I think I know a little bit about this problem. Of course, there are twisted joints and diseased bones, as well as many other pathological conditions resulting from malnutrition. I wish somebody would point out to me one single outstanding physiologist in this or any other country who would declare that the feeding of these school lunches will cure those conditions or prevent them or even mitigate them in the slightest degree.

The Surgeon General has testified, I understand, regarding the rejections that were made of our inductees because of diseased conditions resulting from malnutrition. The Surgeon General knows, if he is really a practicing physician, which he is not, that there is no truth or foundation whatsoever for that sort of statement. If it is one meal

a day now, why not two meals a day next year, and three the next? What is there to prevent it?

I cannot conceive of any greater harm the Congress of the United States could do to the mind of the youth of our America than to pass this bill which provides school lunches to be paid for in part with Federal taxes. To teach children during the most formative period of their lives to rely upon their Government to feed them is to destroy their instinct of self-preservation, the vital attribute of human and social existence.

Under the guise of humanitarianism the regime in control of our Government is building one of the cruelest and most powerful political machines the world has ever known. Tear off from this bill to provide school lunches the mask of benevolence and you will see that its real purpose is to give the Federal Government control over our schools and children and all that this implies. Heaven protect the minds of our little ones against the awful corruption which measures such as the one Congress is now considering would visit upon them.

Mr. GWINN of New York. Mr. Chairman, I move to strike out the last five words.

Mr. Chairman, I rise as an old member of a school board and as a freshman in Congress making his first speech. I rise at this time because I am shocked as a freshman to realize that this link of government in the United States and the States and the counties is, by the nature of things, the weakest link we have. We in the committees and we in the House time after time must rely on the evidence of the plaintiff on such bills as this. His evidence is presented, his facts are marshaled and the committee listens to it. It has to make a decision. The defendant is not here. Judgment is rendered for the plaintiff by default.

Who says that the rich cannot feed and understand the health of their children? Who says that we in the States pay more attention to pigs and cows and neglect our children? The plaintiff says so, but not the defendant. It is too far for him to come here. In the States we resent such things. Is it possible that you want this legislation because the States cannot afford to pay? The States are operating at a surplus—in 1944 California $132,000,000, Illinois $50,000,000, New York $90,000,000, Alabama $11,000,000, Arkansas $6,000,000; and so it goes. State indebtedness all told is only $2,471,000,000. Seventeen States are entirely out of debt. They can pay, every State can pay.

If we want to be honest, Mr. Chairman, really, let us send some money to the one, two, three, five, or six States that cannot pay if there are any.

No, the fact is—and this is the sad part of it—in Washington, especially in the United States Office of Education, there are certain persons who think they know better, that they are more just, that they know diet, that they know health better than the States. So New York and California are taxed so that the money can come down here so that the United States Office of Education can needle the commissioners of education in the States to do what they ought to do according to Washington.

Mr. RIZLEY. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I had not purposed to speak in connection with this bill though it comes from a committee of which I have the honor to be a member. As a matter of fact, I voted against reporting the bill because I did not like title II, particularly, and I shall support a motion to strike out title II of the bill.

On the other hand, I have listened with a great deal of interest to some of the statements that have been made here, particularly by my good friend the gentleman from Texas, Judge SUMNERS, whom I admire very much, and the distinguished gentleman from New York [Mr. WADSWORTH], both of whom have made the arguments and expressed the same philosophy that I have been making in this House during my entire tenure of office. I challenge any man in this House, including the distinguished gentleman from New York and the distinguished gentleman from Texas, to show that either has voted more consistently against the advance of bureaus and bureaucratic government in this country, and Federal expenditures, than have I.

The arguments that have been made here this afternoon by the opponents of this bill, it seems to me, apply to the personal and particular whims regarding the legislation immediately before the House. The distinguished gentleman from New York who just spoke told about the financial responsibility and the financial ability of the States at this time as compared with the Federal Government. That is true. On the other hand, his argument would apply just as forcibly to every appropriation of Federal funds in connection with cooperative State and Federal programs. I do not know how the gentleman voted in connection with the huge appropriation that was made to build highways, for soil conservation, rural electrification, and so forth, but someone says, "That is not comparable. The road program is a matching program." I do not know how the gentleman from New York or the gentleman from Texas voted on that.

Mr. SUMNERS of Texas. I voted against it.

Mr. RIZLEY. But it is a comparable program. Sure, people from all sections of the country travel the highways, so it takes on more or less of an interstate character, but if I read the record straight, the kids have almost got to be international and interstate characters in the past few years. We send them to war, we disregard State lines, we draft them through a Federal bureau set up for that purpose.

These gentlemen who are so vociferous now against having the Federal Government participate in a small way in the school-lunch program do not hesitate and have not hesitated to vote huge sums of money to assist the children in every other nation and in every other land under the sun. Only a short time ago I remember that the distinguished gentleman from New York made a speech in behalf of giving $1,350,000,000 to UNRRA, and again another $1,350,000,000 to the peoples of other countries. He says, "Yes, but those countries are not able to pay." Let me say to you that there are some little school districts in this country that are not able to pay, but the compulsory military law takes the kids from that little school district just the same. Perhaps the great State of New York can take care of all of its school districts; if it can, well and good. Certainly I am for State control of our educational facilities and I would not for a moment support this bill if I thought the Federal Government would usurp the functions of the States in that respect.

There is a lot of room for argument on both sides of this question. This is not a lot of money. Some of you have been voting for this program for about 10 years, and you have been voting Federal funds for it without any law authorizing it; as a matter of fact, heretofore we have been authorizing the program in our annual appropriation bill. The Committee on Appropriations has served notice on our committee to assume our responsibility in the matter. We either ought to quit this thing entirely, or legalize it. The Committee on Agriculture has a duty in this respect to pass a law that will authorize the appropriation of funds. We have brought in such a bill, and it is now up to the Congress to approve it or kill the bill. Everybody seems to be for a school-lunch program. I have not heard anybody speak against it this afternoon. They just do not seem to like the sort of program we have offered. I agree with my friend from Texas that, of course, we do not want to teach our children to be the wards of the Federal Government. We do not want to do it in any respect. The program we have been carrying on for 10 years is almost strictly a Federal program; by that I mean the Federal Government has been out in front. Our bill reverses the order. We have endeavored to protect the rights of the States. And we provide that within a very few years 80 percent of the funds will come from the States or other municipal units of Government. So let us strike out title 2 and pass the bill.

If we want to go clear down the line, let me say to my friend from New York, whom I admire greatly and who stands up here day after day trying to keep the Public Treasury solvent, and it is very badly insolvent now—we are almost bankrupt—if we are going to stop on this little program, let us stop on a lot of other programs. Let us not get excited about some of these things.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. RIZLEY. I yield to the gentleman from New Jersey.

Mr. CANFIELD. The gentleman has just returned from a 29,000-mile trip to the islands of the Pacific. He went to Saipan. He went to Tinian, and he went to Okinawa. Will the gentleman tell his colleagues of the House who is paying for the lunches for the children of these natives over there who just a few months back were fighting our boys?

Mr. RIZLEY. The good old United States.

Mr. BELL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, a while ago I listened with a great deal of interest to the speech of our great colleague from Texas. After the gentleman from Texas had finished, another distinguished Member called attention to the fact that he was an old bachelor and, of course, would not know anything about children. I think in at least one respect I can qualify. I have five children and several grandchildren. I do not believe, however, that fact either qualifies or disqualifies any of us to think or talk about this problem.

I have had a number of people from Government agencies come to my office in recent weeks urging me to vote for this bill. They were people whose jobs depended on whether or not Congress passes this bill and makes the necessary appropriations. They have raised just two points; one was that there are some folks who cannot afford to feed their children; and the other point was that they did not know how to feed them anyway. As an example, the other day a very charming lady who had never been married and who had never raised any children came to my office. She was very much concerned about the children of America; first, because the people could not afford to feed them. But just the day before a gentleman, also a Government employee, had been in to see me, and he was worried because the common people had so much money—I think he said about $150,000,000,000—in their pockets. He claimed that it was dangerous money and that we were about to have uncontrolled inflation because everybody down at the grass roots had too much money. So, I called the lady's attention to the statement this gentleman had made to me the day before. She said, "Well, in a way that is true, but the people do not know what to feed their children."

I said, "Well, that brings it down to a question as to whether or not the mothers of America who bore the children and who have raised them and loved them from birth or the bureaucrats who work in these bureaus know more about how to feed the children. So far as I am concerned, I would rather have the mothers in my community decide that they are going to give these children milk and vegetables and meat and fruit than to have some bureaucrat come in from a distance and determine what they shall have to eat."

So, we have a situation as it is today. One argument is that there is no money to feed them, and the other is that the parents do not know how to feed them. But, gentlemen, this whole thing runs much deeper than that, as the distinguished gentleman from New York pointed out a while ago. It is a question which is facing the whole world today—the question as to whether or not we are going to follow the principle of private enterprise, the principle of the American form of government, the principle that has made America great, and the principle that sent our forefathers out to the fields and across this country as pioneers to develop it, or whether we are going to implant in the coming generation of children, a feeling that they cannot help themselves and that they must depend upon an all-wise White Father in Washington and whether we are going to rob them of those things that our forefathers handed down to us. In other words, whether we are going to adopt that form of socialism which has brought poverty and misery, and has brought hideous creeping paralysis to the economic life of every country that has ever adopted it, or whether we are going on as Americans, as the greatest, the freest, and most prosperous country in the world.

I have just talked with five or six Members of Congress who recently toured and saw conditions inside Russia. Russia has one of the greatest populations of any country in the world today and the greatest natural resources. Members of this House who went over there and had every opportunity to see and know, tell me that the ordinary people of that country, the common people, have the lowest standard of living of any country they have ever known about, and that the individual has less liberty than the Negro slaves had in this country before the Civil War.

If you want to bring that on to America, just keep on in this trend toward socialism.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. BELL] has expired.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, during my 17 years as a Member of this body, serving a few months under the late President Coolidge, 4 years under former President Hoover, and for about 13 years under the dynamic Franklin D. Roosevelt, I have heard the same arguments advanced repeatedly against every humane piece of legislation, that it was socialism. I have heard arguments about regimentation, socialism, and communism. My study of history shows that the quickest road to communism and radicalism is for those entrusted with the responsibility, care, and conduct of Government, to fail to recognize that the first obligation of government is to bring justice to its people, and to forget those who are underprivileged and those who are, as I have often termed it, on the bad side of the ledger.

The situation in Russia was due to the poor leadership, the vicious leadership of the czars, for generations—failing to respond to their obligations, allowing millions of people to starve for generations, and persecuting the people. The people reacted, and they turned from one form to the extreme opposite.

The same thing happened in Germany, with the liquidation of the middle classes, and the formation of two economic groups. The powerful interests thought they had their man in Hitler. They failed to perform their duties to the average citizen.

So we have had in America a constant outcry about socialism—yes; even communism—to every progressive measure that has come up in this body during the 17 years I have been a Member of it.

I dare any Member to put in a bill to repeal any of the great humane measures that have been enacted into law during the past 13 years—the Securities and Exchange Act; collective bargaining; control of the stock exchanges; the wiping out of unnecessary holding companies; social security—all of the great reform measures that encountered opposition and were branded communism and socialism are in the list; and I challenge any Member to introduce a bill to repeal them, and I will challenge either of the two major parties to take a position in favor of the repeal of any great measure that has been passed during the last 13 years, but which were so vigorously opposed when they were considered in this body.

My very beloved friend from Texas raises the cry of States' rights. Yes; and my mind goes back to 1937 or 1938, when I introduced a bill for the Federal Government to make a 100-percent contribution to flood control to build dams. Every Republican from New England opposed it, calling upon States' rights. I had no flood control in my district. My friend from Texas supported me, as did every other progressive, because there was a challenge to the Federal Government. But today my colleagues from New England on the Republican side who opposed it, but who had dams in their district and flood-control problems, now claim credit for every dam that has been built as a result of a bill I introduced and passed.

I wonder if those who oppose this bill on the ground of States' rights would stand for the repeal of the Federal-Aid Highway Act, the Federal road-building program, to which the gentleman from Oklahoma so aptly referred, or all of the laws or any of them which call for an appropriation by the Federal Government that benefits the several States?

I wonder if my friend the gentleman from New York [Mr. WADSWORTH], when he talked about "statism"—the new fear that was invented a week ago on Saturday night by former President Hoover—the new fear of "statism"—I wish somebody would define it; I wonder what my friend the gentleman from New York [Mr. WADSWORTH], who opposes this bill, thinks about compulsory military service—we know he is advocating it, yet he opposes this bill.

I am not sold on compulsory military training yet; they have not got me supporting that bill yet.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. There is only one ground upon which I would support that legislation and that would be the national interest of my country, if international action to outlaw war fails, and other nations of the world take the road of imperialism. Only for the preservation of my country, and primarily that, would

I support legislation that would call for compulsory military training of the youth of our land; and yet my friend talks about statism, against this humane bill relating to the underprivileged children of America for whom we have been caring for 10 years. Yet at the same time he is the strongest advocate of compulsory military training. I respect him for it, but I cannot see his argument against this bill. He talks statism against this bill, but he advocates the passage of permanent compulsory military training.

The program dealt with by this bill has been going on for 10 years. I am talking about title I. It is a humane bill, it is a States' rights bill, because the States administer it so far as title I is concerned. This bill is progressive as bringing justice to the underprivileged children of America, which is a part of the first duty of government. Let us go forward, we who have eyes that look forward, with the progressive viewpoint, respecting the honest views of those who are conservative, but let us go forward, those who have eyes that look forward into the future and through the years ahead, and vote for the passage of this bill which is a progressive measure, a step in the right direction for the best interests of our country.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. HOFFMAN. Mr. Chairman, I rise in opposition to the pro forma amendment.

The CHAIRMAN. The gentleman from Michigan is recognized for 5 minutes.

Mr. HOFFMAN. Mr. Chairman, whenever the majority party wants to put through a measure they call upon the gentleman from Massachusetts, and as always, today he did a very good job of cracking the party whip. He called attention to the fact that New Deal measures have been on the books over a period of 10 or more years without ruining this country. What does that prove? It makes me think of the Irishman who used to drink a quart or two of whisky at a sitting, then point to his ability to walk a chalk line as proof not of his powers of resistance but as evidence of the weakness of the liquor. He said there was no harm, no potency, in the whisky. But he was a strong, rugged individual. As we all know, it takes a lot to drag this country down, to tear down the citadel of liberty, to destroy the opportunity for prosperity, for education our forefathers gave us, but the New Deal which the gentleman praises so highly has taken us a long, long way over the road. We have around a $300,000,000,000 debt, a horde of petty dictators and tyrants. You, the majority party, have the people in the shackles which the late President said he had returned to Washington. You have a confused, bewildered people. You have the greatest production machine in the world tied up by the machinations of political-minded officeholders intent upon their own reelection, trading special privileges, wage increases, which break price control, for votes in 1946 and 1948.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Yes.

Mr. McCORMACK. Did the gentleman vote for them or most of them?

Mr. HOFFMAN. For what?

Mr. McCORMACK. For the purpose of saving this little place known as the United States of America during the last war?

Mr. HOFFMAN. I did not vote for New Deal measures.

Mr. McCORMACK. Did the gentleman vote for appropriations during the war?

Mr. HOFFMAN. Certainly I did, as did everyone who loved this country. What has that to do with the give-away policy? Who would not vote for the defense of America after some had so manipulated things we were thrown into a war? Who did not keep us out of the war anyway? Have you learned from the Pearl Harbor investigation whose blundering caused or permitted that disaster? I remember the day the editor of the New York Times wrote we got in the war when we passed the lend-lease bill.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield further?

Mr. HOFFMAN. I cannot. Let me take my time.

The gentleman was telling us that our mothers' children had never been properly brought up, nor fed nor educated, I presume. Well, when I look around me sometimes, and when I go over and look in the mirror, I think maybe my mother and your mothers did not do a really good job, and if that theory applies to me it applies to the rest of you. Perhaps our poor mothers, God rest their souls, did the best with what they had to do with—they made some pretty good men out of some rather poor material, some not-too-good boys. Are you ashamed of what your mother did for you or what your dad did when he applied the little old barrel stave out in the woodshed? Sometimes I think he did not use it often enough on some of us.

Let me tell you something else. In 1935 and 1936 the sugar-beet growers in Michigan wanted to continue in business and we had a little meeting up in the office of our good dear departed friend, that statesman who did so much for us and for his country while he was with us, our friend, Carl Mapes, from the district now so well represented by BARNEY JONKMAN. Secretary Wallace, of the Department of Agriculture, sent up three distinguished gentlemen to reason with us and to point out to us why we should quit growing sugar beets in Michigan, why we should quit trying to make sugar. They said to us, "Well, now, Colorado can grow a sugar beet with a great deal more sugar content than can Michigan and sooner or later you fellows in Michigan will have to go out of the business. You will go out of the sugar-beet business, but you can grow something else." They did not tell us what. Then they said, "Down in Florida and Louisiana they can produce sugar from cane at less expense than you can, at less expense than Colorado can, and ultimately Colorado is going to be put out of the sugar-beet business, too." They said further, "Not only that, but in the offshore areas they can produce sugar much cheaper than can Louisiana and Florida and sooner or later Louisiana and Florida are going out of business." I asked them, "What is the idea back of all this?" They said, "Wherever and whenever in this world you can do anything at less cost than can the other fellow, then the one who can do it the cheapest is to do it. That is the way it ought to be. That is the way it is to be. Your sugar-beet growers can just quit growing sugar beets—grow something else."

I thought that one over a little. I felt sorry for my farmers. I felt sorry for a lot of other people who were to be told what to do and when to do it. I even felt sorry for the little pigs which were to be killed and instead of being made into hams, bacon, and sausage, and hung in a pig's heaven were to be thrown into the Missouri River as many were, or sent to a soap or grease or fertilizer plant.

Finally I said, "If that is so, you know that the Chinaman can produce children and more of them cheaper, yes, and educate them cheaper, than we can. Why don't you let the Chinaman raise all of our children for us and educate them over there?" He said, "You are just crazy." I did not deny that—but I said, "I am no crazier than you are." And I do not believe in that philosophy of those Wallace men to this day. Nor do I believe that Wallace knew what he was talking about the other day if he said what the press reports—that the children of the District were undernourished.

You know, the old way was a pretty good way and I feel sorry for you folks on the majority side who feel so sorry for your poor mothers and for the grandmothers who are the mothers of your mothers and so on back down the line, that they did such a poor job; but you are here and you look pretty well fed and pretty well clothed. You have homes, an education—still a little freedom and liberty—still a chance to vote away billions of dollars of other people's money to feed, clothe, educate, and reestablish other people and other nations in business. Your great-grandparents did a fairly good job for and in this land of ours, and for your grandparents, and they did not do so bad for your parents and even your parents did quite well for and by you. Sure they were all old fogies, back numbers, lived in the horse-and-buggy days when thrift and work and honesty were virtues. They laid the foundation. They created the Nation, and now when we point with pride to the strongest nation in all the world, the nation most prosperous, with the greatest freedom, and beg of you to follow in their footsteps down the straight and narrow road, you cry out that we are just yelling "wolf." Then when the big bad wolf of communism, of statism, of regimentation finally gets his yellow fangs into you, it may be too late to turn backward. "Wide is the gate and broad is the way that leadeth to destruction, and many there be which go in thereat."

Opening here before us in this bill is one of those wide gates, an easy, popular, pleasant way on the road toward regimentation, toward dictatorship. Those who will may follow through, but as for me, the principles, tried and proven, are still good enough.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

The Clerk read as follows:

DIRECT FEDERAL EXPENDITURE

SEC. 103. The funds appropriated for any fiscal year for carrying out the provisions of this title, less such amounts as the Congress makes available to the Secretary for his administrative expenses (but not in excess of 3 percent of the funds appropriated for the purposes of this title) and less the amount apportioned by him among the States pursuant to section 102, shall be available to the Secretary during such year for direct expenditure by him for agricultural commodities and other foods to be distributed among the States and schools participating in the school-lunch program under this title. The provisions of law contained in the proviso of the act of June 28, 1937 (50 Stat. 323), facilitating operations with respect to the purchase and disposition of surplus agricultural commodities under section 32 of the act approved August 24, 1935 (49 Stat. 774), as amended, shall, to the extent not inconsistent with the provisions of this title, also be applicable to expenditures of funds by the Secretary under this title.

Mr. FLANNAGAN. Mr. Chairman, I offer two committee amendments.

The Clerk read as follows:

Committee amendment offered by Mr. FLANNAGAN: Page 4, line 8, after the words "to section 102", delete the comma and insert "and less the amount allotted to nonprofit child-care centers."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. FLANNAGAN].

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment offered by Mr. FLANNAGAN: Page 4, line 12, after the word "title", delete the period and insert "In accordance with the needs as determined by the school authorities."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. FLANNAGAN].

The committee amendment was agreed to.

The Clerk read as follows:

PAYMENTS TO STATES

SEC. 104. (a) Funds apportioned to any State pursuant to section 102 during any fiscal year shall be available for payment to such State for disbursement by the State educational agency, in accordance with agreements entered into by the Secretary and such State educational agency, as authorized by the provisions of this title, for the purpose of assisting schools of that State during such fiscal year, in supplying agricultural commodities and other foods for consumption by children in the school-lunch program under this title. Such payments to any State during the fiscal years 1946 and 1947 shall be made upon condition that each dollar thereof will be matched during each such year by $1 from sources within the State determined by the Secretary to have been expended in connection with the school-lunch program under this title. Such payments during the fiscal year 1948 shall be made upon condition that each dollar thereof will be so matched by $2. Such payments during the fiscal years 1949 and 1950 shall shall be made upon condition that each dollar thereof will be so matched by $3; and for any fiscal year thereafter, such payments shall be made upon condition that each dollar will be so matched by $4. In the case of any State whose per capita income is less than the per capita income of the United States, the matching required for any fiscal year shall be decreased by the percentage which the State per capita income is below the per capita income of the United States. For the purpose of determining whether the matching requirements of this section and section 108 (d), respectively, have been met, the reasonable value of donated services, supplies, facilities, and equipment as certified, respectively, by the State educational agency and, in the case of schools receiving funds pursuant to section 108 (d), by such schools (but not the cost or value of land, of the acquisition, construction, or alteration of buildings, of commodities donated by the Secretary, or of Federal contributions made pursuant to title II) may be regarded as funds from sources within the State expended in connection with the school-lunch program. The Secretary shall certify to the Secretary of the Treasury from time to time the amounts to be paid to any State under this section and the time or times such amounts are to be paid; and the Secretary of the Treasury shall pay to the State at the time or times fixed by the Secretary the amounts so certified.

(b) In the event that the total of the funds from sources within the State which may be considered as matching funds under this section or section 202 (c) do not completely match, in accordance with the requirements of such sections, the funds apportioned to the State under both titles I and II (and not withheld under sec. 108 (d)), the State educational agency may determine from time to time the application of such funds from sources within the State against the matching requirements of this section and section 202 (c), respectively, except that funds from sources within the State used in connection with schools not participating in the school-lunch program under title I may not be used for matching funds under title I.

Mr. FLANNAGAN. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. FLANNAGAN: Page 5, line 6, delete the words "years 1946 and 1947" and insert "year 1947."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. FLANNAGAN].

The committee amendment was agreed to.

Mr. FLANNAGAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JACKSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 3370) to provide assistance to the States in the establishment, maintenance, operation, and expansion of school-lunch programs, and for other purposes, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. KOPPLEMANN asked and was given permission to extend his remarks in the RECORD and include an address delivered by Henry Wallace.

Mr. GWINN of New York asked and was given permission to extend his remarks in the RECORD on the subject of Joseph E. Davies.

Mr. ROE of Maryland asked and was given permission to extend his remarks in the RECORD and include an editorial from the Baltimore Sun.

Mr. PRICE of Illinois asked and was given permission to extend his remarks in the RECORD and include a letter from the superintendent of public instruction of the State of Illinois in support of H. R. 3370.

Mr. LUDLOW asked and was given permission to extend his remarks in the RECORD and include an address delivered by Orvis A. Schmidt, Director, Foreign Funds Control.

PERMISSION TO ADDRESS THE HOUSE

Mr. WASIELEWSKI. Mr. Speaker, I ask unanimous consent that on May 3, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 2 hours.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

EXTENSION OF REMARKS

Mr. FLANNAGAN asked and was given permission to revise and extend the remarks he had made earlier in the day and include endorsements of the pending legislation by farm organizations and certain other organizations.

Mr. SUMNERS of Texas and Mr. DOYLE asked and were given permission to revise and extend their remarks.

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD on three subjects and include certain statements and excerpts, together with a radio address delivered last night on the housing bill.

Mr. ROWAN asked and was given permission to extend his remarks in the RECORD and include a statement on universal military training by Robert M. Hutchins, chancelor of the University of Chicago.

Mr. FLOOD asked and was given permission to extend his remarks in the RECORD and include a speech delivered by him in New York last Sunday night on Lithuanian independence.

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. HOLIFIELD] is recognized for 30 minutes.

THE CRISIS IN MEN'S CLOTHING—A CLOTHING EXPEDITER NEEDED

Mr. HOLIFIELD. Mr. Speaker, the appointment of Mr. Wilson Wyatt as the Nation's housing expediter is, I believe, a wise move in the direction of speeding up the supply of houses for veterans first, and others later. Why was it necessary to appoint an expediter, giving him special powers and fixing special responsibilities on him? The answer is apparent to everyone.

First the price of housing had risen beyond the reach of returning veterans and others in the average income bracket.

Second the production of houses of reasonable prices had decreased to the vanishing point.

The question immediately occurs as to why this condition had developed in a business where WPB—now CPA—controlled priority allocations of materials. The OPA controlled prices of building materials and for the past 3 years wages have been frozen. The answer is simple. The controls slowed up production, and it was necessary to give an expediter adequate power to coordinate the different Government regulatory bodies in a unified program, dedicated to producing the maximum number of houses in the shortest length of time. I believe that Mr. Truman has finally made the necessary move toward solving the housing problem.

CRISIS IN MEN'S CLOTHING SUPPLY

But I do not plan to talk to you today on housing. I want to talk with you on a subject that is equally important to the returned veteran and the ordinary man of civilian life. It is the present crisis in men's clothing. During the fiscal year following VJ-day approximately 9,000,000 men will return to civilian life. As soon as the veteran leaves the demobilization center he goes to a men's clothing store for his first outfit of "civies". The uniform he has worn for two, three or more years is a symbol of regimentation, of suffering, of sacrifice and the years of loneliness and separation from his family which he has undergone. A few years from today he will gaze upon his uniform proudly, but today he wants to exchange it for civilian clothes. He wants to take the first step in his change from a soldier or sailor to a civilian. His fond hopes are soon dashed to the ground however, when store after store regretfully informs him that their clothing racks and cases are empty. No men's suits, no shirts, no sport coats, no extra trousers, no underwear and no pajamas to sleep in.

Where a limited stock is available, the prices are substantially higher than prewar prices. Luxury items have replaced utility items, higher-priced items have replaced lower-priced items. But above all and over all, scarcity rules the men's clothing stores of the United States today.

A personal survey of several men's stores, men's wear manufacturers and warehouses leads me to assert that less than 20 percent of the normal inventory of men's clothing is available. I spent several days lately checking manufacturers, warehouses, and retail stores in order that I might describe from firsthand knowledge the actual conditions prevailing in the men's wear industry. I know what the veteran faces in his quest for civilian clothes, I can understand his disappointment in his failure to find enough decent quality and decent-priced clothing to enable him to exchange his uniform for "civies." I can understand why that disappointment rapidly turns into resentment and bitterness as he trudges from store to store without success. When the individual veteran's resentment is multiplied by several million veterans and their families, it becomes a force to be reckoned with. I believe the scarcity of men's clothing can be overcome by first, properly understanding the reasons for the scarcity and, second, by taking proper steps to obtain production of men's clothing. I believe that it will be necessary to follow the same procedure in this important industry to obtain production as finally decided upon in the housing industry, that is, the concentration of power in the hands of an expediter whose one aim shall be the solution of men's clothing production within the framework of standard business practices and within reasonable noninflationary bounds. I will return to the above proposal later and discuss at some length the qualifications, duties, and responsibilities of a clothing expediter.

CAUSES OF SCARCITY IN MEN'S CLOTHING

At the present I wish to discuss the reasons for the present scarcity of men's clothing. To begin with, the abnormal demand of our military forces during the war completely upset normal civilian production. By the end of 1945 practically all the woolen mills were engaged filling the armed forces needs for uniforms, woolen blankets, woolen socks, and other woolen textile needs

Almost the same condition applied in the cotton and rayon industries. The use of cotton and rayon textiles for clothing, parachutes, tenting, surgical supplies, and so forth, was enormous and peaks of production were reached that seemed impossible to the mill owners.

During forty-two, forty-three, forty-four, and forty-five the constantly increasing military use of textiles was causing a constantly growing deficiency in civilian inventories, both in the home and in the commercial reserves. Coincident with this domestic deficiency or scarcity, the purchasing power, and therefore the domestic demand, was steadily increasing.

MILITARY NEEDS FILLED BY PRIORITY

It was necessary to control production as to type of textiles needed and to channel supply to manufacturers by priority purchase rights, in order to insure the military needs. This was accomplished through the War Production Board.

CIVILIAN NEEDS DEPENDED ON FREE GOODS

The residue of textile production was allowed to enter the civilian market as free goods. The mills were not placed under compulsion as to the allocation of this limited amount of free goods. And because of the excessive civilian demand and the short supply, the mills suddenly found themselves in a very advantageous position.

BREAK-DOWN OF NORMAL BUSINESS PROCEDURES

Many strange things began to happen. The separate mill operations, such as weaving, converting, and finishing, which for generations had been performed by separately owned mills, now began to consolidate their ownership and control. Not only in the textile manufacturing field were historical procedures disturbed, but in many instances every step of the industry was integrated under one financial control. Thus, in textiles we see six or seven former independent-owner operations integrated under one financial control and the separate profits of each operation, consolidated for one owner. The weaver, converter, finisher, textile jobber, clothing manufacturer, clothing jobber, and in some instances even the clothing retailer, formerly independent links in the clothing industry, became a connected chain controlled and owned by a central financial entity. What was the reason for this development? In the first place such combinations were profitable in almost every operation. If a separate operation were unprofitable due to OPA price regulations, the operator still had the advantage of a supplier of a badly needed product in a scarce market. He used this advantage to force the integration of the next operation or the remaining operations until he controlled the complete chain of operations from the first basic manufacturer, in this case the weaver, to the final retail outlet to the consumer.

Where this complete integration did not occur, partial integration took place between two or more operations. All of these changes in historical procedure of the textile and clothing manufacturing industries were wholly legitimate and, although very painful to many small manufacturers who were suddenly deprived of their historical source of supply and thereby forced out of business, no recourse by law was possible. The manufacturer of clothing, shorn of his historical supply of goods, had to close down his plant or go black, because no legitimate supplier was accepting new customers. The legitimate independent supplier continued to divide his limited amount of free goods between his old customers because of his feeling of loyalty and not because of laws or regulations of OPA.

MILLS REFUSE TO MAKE CHEAP RANGE OF CLOTH

Another important factor in breaking down the historical process of the mill end of the clothing industry was the refusal of the mills to make the low-priced ranges of cloth because of low profits or losses due to increased production costs, and the concentration on higher priced ranges of cloth where more profit could be made. Obviously the same looms, labor, and raw materials could be more profitably occupied making higher priced cloth than low priced cloth. This practice of the textile mills, woolen, rayon, and cotton was the important factor in the disappearance of low- and medium-priced clothing from the market. It was also the main factor in the excessive profits of the textile mills during the war years. No attempt to place effective controls on the mills to prevent this practice was made until it was too late.

MAXIMUM AVERAGE PRICE REGULATION—OPA ATTEMPTS TO RESTORE LOW-PRICED LINES

After the low-priced goods and clothing had disappeared from the stores the OPA attempted through its maximum average price regulation to force the manufacturers to produce low- and medium-priced clothing, but this regulation failed because it was an attempt to channel production at the manufacturers' level into low- and medium-priced clothing, without forcing the mills to make the low- and medium-priced materials, which the manufacturer had used in the past.

MAP GREAT MISTAKE OF OPA

In my opinion this was the greatest mistake made by the OPA in its clothing-

control program. I appeared before the so-called Smith committee in the spring of 1944, and in a lengthy statement pointed out fallacy of the MAP regulation. The textile expert on the WPB staff, Mr. Marriner, was present when I denounced the MAP regulation and predicted its failure unless the corresponding controls were placed on the mills to produce low- and medium-priced goods for low- and medium-priced clothing.

TEXTILE MILL INTERESTS TOO POWERFUL

Apparently the textile mills were too powerful, and the MAP regulation was placed on the manufacturers and the textile mills were not controlled on this very important and necessary point.

MAP BREEDS TROUBLE AND CRIME

MAP is still in effect; while its intent was laudable, it has caused more disruption in normal business practices than any other regulation. It has provided the opportunity for widespread black-market operations. It has been the direct cause of the rapid growth of combines and integrated operations. It has cost manufacturers untold thousands of dollars in bookkeeping and accountant's costs in the complicated and intricate computations of historical record years to obtain the data necessary to establish their maximum average prices. It has made every manufacturer in America a technical violator of the law. I have personally talked to over a hundred reputable manufacturers and they have without exception confessed their inability to comply with this complicated and ever-changing regulation.

The MAP regulation has penalized every manufacturer who maintained his 1942 price on an article during the year 1943, by forcing a 10-percent roll-back on his 1942 price. This roll-back regulation was to catch the 1943 manufacturer who had advanced his price because of increased costs or greed, but it also penalized the conscientious manufacturers who had complied with the spirit and letter of price control. Although I have tried to get OPA to correct this injustice they have refused to make such hardship adjustment for reputable manufacturers.

MAP stifled production in price ranges where material is obtainable because cheaper material for lower priced ranges is unobtainable. In such a case the manufacturers cannot ship within the law his medium or higher priced items because he cannot balance his MAP with low-priced items. If the manufacturer ignores his MAP and ships his medium and higher priced ranges he accumulates a "surcharge" which lays him open for OPA prosecution and a heavy fine. The law-abiding manufacturer therefore curtails his production or refuses to ship ranges already produced. This adds to the scarcity condition in the legitimate market. The black-market operator ships merchandise regardless of MAP and thereby diverts the supply from legitimate manufacturers and retailers into black-market consumption. The product is invariably inferior in quality and high in price. On a recent trip to New York I shopped window after window and here are some of the results:

Corduroy trousers, priced at $9.85, worth $3.95 to $5.

Rayon dress shirts, priced at $3.95, worth $1.95.

Woven madras shorts, priced at $2.95, worth 65 to 75 cents.

Lisle undershirts, price at $1.75, worth 65 to 75 cents.

This type of merchandising is possible only because legitimate well-established manufacturers are unable to flood the market with legitimate merchandise.

REAL INFLATION OR THEORETICAL PRICE FREEZE?

The Bureau of Labor Statistics figures on the cost of living is based on a theoretical computation of price increases on a legitimately produced list of items. It does not recognize the fact that the public cannot get the legitimate article in any quantity in the market. It does not take into consideration adulteration in quality, substitution of higher priced items, and the black-market operations. If you cannot find a Van Heusen, Manhattan, or Arrow white broadcloth shirt in the retailer's store, what good does a $2.25 price freeze by OPA do the consumer. The consumer cannot find the legitimate item he is accustomed to buying in the retailer's store, because the retailer cannot get the item from the wholesaler and the wholesaler cannot get it from the manufacturer because the manufacturer's production has been curtailed or diverted.

The price stable is locked but the productive horse is either sick or cavorting around the field of luxuries, novelties, inferior substitutes, or black markets. Why? Because the manufacturing of standard essential goods is impossible due to the drying up of basic sources of supply, or unprofitable because of unrealistic price and production control regulations.

SHALL WE ABOLISH OPA AND CPA?

Shall we abolish all attempts to prevent further inflation? Shall we abolish CPA controls and OPA prices? Are we ready to risk the function of a free market?

The danger of inflation is greater today than during the war. The history of World War I reveals the fact that 43 percent of the total inflation occurred after Armistice Day.

History must not repeat a corresponding increase during 1946–47. We must extend the Price Control Act and maintain for at least a year the fight against inflation. We can do this by being realistic and realizing that theoretical price freezes and impractical control regulations may create the illusion of price control. But they are a brake on production and the cause of diversion from historic business procedures as facts prove.

Let us be honest and admit that the original line against inflation has crumbled in many places and vanished in others. If we are to wage a realistic fight against inflation, we must retreat to a new line and re-form our forces and fight with renewed vigor. To give up now means inflationary disaster.

Two principles can be followed in rallying our forces to solve the clothing scarcity problem:

First. Immediate appointment of a men's clothing expediter, with power to revise impractical regulations and abolish impossible regulations of both CPA and OPA. Both of these agencies affect the production of men's clothing and the expediter must be a full-time coordinator of the regulations affecting the clothing industry.

Second. Realistic prices must be allowed based on the present costs of labor, materials, and overhead, plus a reasonable profit based on the historic average margin of profits charged or earned by the respective industries, in prewar years—1935–39.

Now as to my first suggestion, that is, the appointment of a men's clothing expediter. We have ample precedent. William Jeffers brought order out of chaos in the rubber industry. Eastman untangled the transportation industry and Wilson Wyatt has just been appointed by President Truman to expedite the production of houses. I claim no originality for the suggestion, it is just the practical and necessary thing to do if we want to get an adequate supply of men's clothing—first, for the veteran and, second, for the rest of our male population.

What kind of a man do we need? We need a hard-headed, practical administrator, a man with the guts to resist the powerful and greedy inflationary forces that will inevitably pressure him. It is important that the expediter should know the background of price-control history and that he have the ability to revise the clothing regulations of the two control agencies—CPA and OPA. He must be a man of such stature that he can draw from the textile mills and the manufacturers technical advisers who have the respect of their respective industries. He must be able to obtain the respect and cooperation of the labor unions in textiles and clothing.

That sounds like a big order, but I believe that man is available for the clothing problem just as men were found for other great industries such as rubber and housing. The present conflicting regulations of CPA and OPA must be harmonized. The delay and confusion resulting from their separate attempts to control materials, production, and prices on the same product must be eliminated. Now as to my second suggestion—realistic pricing.

The textile and clothing industry must be allowed to plan their production on a basis of historical methods, proven throughout the years as the sound way to maximum production. The formula for production is simple: X=actual labor and overhead costs; Y=actual material costs; Z=historical average industry profits; X+Y+Z=production.

This formula is the only sound, practical formula that will restore normal procedures in the men's clothing industry. It is the only formula that will guarantee maximum production of men's clothing.

You may ask, where do the controls function in relation to the quoted formula? The answer—the control agency's regulations acknowledge the legitimate costs of production as outlined and freeze the formula for a period of 1 year.

I believe industry and labor will realize the fairness and necessity of such a formula, and will agree that it is to their mutual interest in the fight against inflation. This is the new line we could and should hold.

If we proceed as I have outlined, I believe the men's clothing industry will increase their production so much in the 1-year period that we will approach the point where normal conditions will prevail. Supply will replace scarcity, Government controls can be abolished, and we can return again to the function of a free market.

ENROLLED BILL SIGNED

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 5135. An act to amend the Agricultural Adjustment Act, as amended.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 50. An act to permit settlement of accounts of deceased officers and enlisted men of the Army, Navy, Marine Corps, and Coast Guard, and of deceased commissioned officers of the Public Health Service, without administration of estates.

BILL PRESENTED TO THE PRESIDENT

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 5135. An act to amend the Agricultural Adjustment Act, as amended.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 46 minutes p. m.) the House adjourned until tomorrow, Wednesday, February 20, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

The Committee on Expenditures in the Executive Departments will hold hearings on surplus property at 10 a. m. Wednesday, February 20, 1946, through Friday, February 22, 1946.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

The Committee on Immigration and Naturalization will hold hearings on H. R. 3663 at 10:30 a. m. on Thursday, February 21, 1946, in room 446, Old House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1070. A letter from the Attorney General, transmitting a report reciting the facts and pertinent provisions of law in the cases of 68 individuals whose deportation has been suspended for more than 6 months by the Commissioner of the Immigration and Naturalization Service under the authority vested in the Attorney General, together with a statement of the reason for such suspension; to the Committee on Immigration and Naturalization.

1071. A communication from the President of the United States, transmitting estimates of appropriation submitted by the several executive departments and independent offices to pay claims for damages to or losses of privately owned property, in the sum of $16,966.95 (H. Doc. No. 470); to the Committee on Appropriations and ordered to be printed.

1072. A communication from the President of the United States, transmitting a schedule of judgments rendered by the Court of Claims which has been submitted by the Treasury Department and requires an appropriation for payment, amounting to $589,033.86 (H. Doc. No. 476); to the Committee on Appropriations and ordered to be printed.

1073. A communication from the President of the United States, transmitting an estimate of appropriation submitted by the War Department to pay claims for damages to or loss or destruction of property or personal injury or death, in the sum of $429,805.41 (H. Doc. No. 471); to the Committee on Appropriations and ordered to be printed.

1074. A communication from the President of the United States, transmitting an estimate of appropriation for payment of judgments rendered against the Government by United States district courts, amounting to $44,731.68, together with an indefinite appropriation to pay interest (H. Doc. No. 472); to the Committee on Appropriations and ordered to be printed.

1075. A communication from the President of the United States, transmitting estimates of appropriation amounting to $10,744,452.64, to cover claims allowed by the General Accounting Office and for the services of the several departments and independent offices (H. Doc. No. 473); to the Committee on Appropriations and ordered to be printed.

1076. A communication from the President of the United States, transmitting records of judgments rendered against the Government by United States district courts, as submitted by the Department of Justice through the Treasury Department, and which require an appropriation of $20,924.08, together with an indefinite appropriation to pay interest (H. Doc. No. 477); to the Committee on Appropriations and ordered to be printed.

1077. A communication from the President of the United States, transmitting an estimate of appropriation amounting to $417.38, under the Treasury Department for payment of a certain claim allowed by the General Accounting Office (H. Doc. No. 474); to the Committee on Appropriations and ordered to be printed.

1078. A communication from the President of the United States, transmitting an estimate of appropriation submitted by the Public Roads Administration to pay claims for damage to roads and highways of States or their subdivisions, in the sum of $681,193.83 (H. Doc. No. 475); to the Committee on Appropriations and ordered to be printed.

1079. A letter from the Administrator, Veterans' Administration, transmitting a draft of a proposed bill to amend paragraph 8 of part VII, Veterans Regulation No. 1 (a), as amended, to authorize an appropriation of $1,500,000 as a revolving fund in lieu of $500,000 now authorized; to the Committee on World War Veterans' Legislation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BOYKIN: Committee on Patents. H. R. 5311. A bill to amend Revised Statutes, 4921 (U. S. C. A., title 35, Patents, sec. 70), providing that damages be ascertained on the basis of compensation for infringement; without amendment (Rept. No. 1587). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. EBERHARTER: Committee on Ways and Means. H. R. 4208. A bill for the relief of the Calvert Distilling Co.; without amendment (Rept. No. 1586). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MANSFIELD of Montana:

H. R. 5515. A bill requiring that of available building materials and facilities 50 percent be used for constructing homes selling for $5,000 or less, 25 percent be used for housing accommodations selling for more than $5,000, but not more than $8,000, and 25 percent be used for other purposes; to the Committee on Banking and Currency.

By Mr. CHURCH:

H. R. 5516. A bill to provide for the construction, equipment, and operation of one additional naval academy; to the Committee on Naval Affairs.

By Mr. CURTIS:

H. R. 5517. A bill to authorize the sale of surplus property to educational institutions at a price sufficient to cover the costs of the sale; to the Committee on Expenditures in the Executive Departments.

By Mr. GOSSETT:

H. R. 5518. A bill to amend section 743 of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. HALE:

H. R. 5519. A bill to further perfect the consolidation of the lighthouse service with the Coast Guard; to the Committee on the Merchant Marine and Fisheries.

By Mr. DE LACY:

H. R. 5520. A bill for the purpose of regulating the conditions of employment of mechanics, helpers, laborers, and all per diem employees engaged in trades and occupations at all Government naval shipyards, naval stations, arsenals, and other Government industrial establishments, within or without the continental limits of the United States, and for other purposes; to the Committee on Naval Affairs.

By Mr. LARCADE:

H. R. 5521. A bill to provide for the erection of a World War II memorial; to the Committee on Public Buildings and Grounds.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California:

H. R. 5522. A bill for the relief of Maj. Leonard S. Flo; to the Committee on Claims.

By Mr. BATES of Kentucky:

H. R. 5523. A bill for the relief of John F. Reed and Mary Ann Reed; to the Committee on Claims.

H. R. 5524. A bill for the relief of Clarence Garthee; to the Committee on Claims.

By Mrs. BOLTON:

H. R. 5525. A bill for the relief of Sylvia Wagner; to the Committee on Claims.

By Mr. COLMER:

H. R. 5526. A bill for the relief of Mrs. Josie C. Rankin; to the Committee on Claims.

By Mr. FERNANDEZ:

H. R. 5527. A bill for the relief of Dimitrios Karamouzis (known as James C. Karamouzis or James C. Kar); to the Committee on Immigration and Naturalization.

By Mr. McGEHEE:

H. R. 5528. A bill for the relief of Mrs. Frances P. Stubblefield; to the Committee on Claims.

By Mr. MAY (by request):

H. R. 5529. A bill to authorize the President to appoint Lt. Gen. Walter B. Smith to the office of Ambassador to Russia, without affecting his military status and perquisites; to the Committee on Military Affairs.

By Mr. MORRISON:

H. R. 5530. A bill relating to the naturalization of Josephine Eleen Polay Newchurch; to the Committee on Immigration and Naturalization.

By Mr. SHEPPARD:

H. R. 5531. A bill for the relief of George W. Derrickson; to the Committee on Military Affairs.

By Mr. WEST:

H. R. 5532. A bill for the relief of Quality Products, Inc.; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1589. By Mr. CLASON: Memorial of the General Court of Massachusetts, urging the Congress of the United States to adopt House Joint Resolution 264 to the end that Palestine may be restored to the Jewish people as a free and democratic commonwealth, with full opportunity for colonization; to the Committee on Foreign Affairs.

1590. Also, memorial of the General Court of Massachusetts, urging the Congress of the United States to take immediate steps to the end that the Commonwealth of Massachusetts shall secure an equitable apportionment of the building materials in the United States that are available for new housing; to the Committee on Banking and Currency.

1591. By Mr. LUTHER A. JOHNSON: Petition of Ellis County Agricultural Association, Waxahachie, Tex., favoring House bill 538, the Poage bill, making surplus machinery available for soil-conservation districts; to the Committee on Rules.

1592. Also, petition of the James Garitty Camp, No. 47, Department of Texas, United Spanish War Veterans, Corsicana, Tex., favoring the return of rights and moneys of the Spanish War veterans who were deprived by the Economy Act of 1933; to the Committee on Pensions.

1593. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts, urging immediate steps to the end that the Commonwealth of Massachusetts shall secure an equitable apportionment of building materials; to the Committee on Banking and Currency.

1594. Also, memorial of the General Court of Massachusetts, favoring the restoration of Palestine to the Jewish people as a free and democratic commonwealth; to the Committee on Foreign Affairs.

1595. By Mr. SMITH of Wisconsin: Petition of Percy J. Petersen, UAW, 1216 Hagerer Street, Racine, Wis., re housing, price control, changing corporation taxes, and Case antistrike bill; to the Committee on Banking and Currency.

1596. By Mr. WELCH: Memorial of California Assembly, Joint Resolution 19, relative to contemplated change in Office of Price Administration regulations covering Douglas fir lumber; to the Committee on Banking and Currency.

1597. Also, memorial of California Assembly, Joint Resolution 14, relative to certain bills concerning California Indians, pending in the Congress of the United States; to the Committee on Indian Affairs.

1598. Also, memorial of California Assembly, Joint Resolution 11, relative to the establishment of foreign-trade zones in California; to the Committee on Ways and Means.

1599. Also, memorial of California Senate, Joint Resolution 7, relative to veterans' hospital facilities in California; to the Committee on World War Veterans' Legislation.

1600. Also, memorial of California Assembly, Joint Resolution 3, relative to memorializing Congress to enact Senate bill 1592, to establish a national-housing policy and to provide for its execution; to the Committee on Banking and Currency.

HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 20, 1946

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

To our bountiful Father in heaven and earth we offer our tributes of praise and gratitude. Thou givest power to the faint, and to them who have no might Thou increaseth strength. Blessed are they whose strength is in Thee, who passing through the valley of Baca make it a well. We bless Thee that, though the spirit be weak, we may still rejoice in the saviorhood of our Master, which is inclusive enough for all. Beyond the reach of shame and the restraints of prejudice Thou wilt give to our earthly life an everlasting meaning. O the parched and dust-choked places of human experience! In these days of change, when trouble is severe, where sorrow has hung its dark pall, O Son of God, say to them that are of a fearful heart, be strong, fear not. Brighten their long-persistent hope, and in the vale of this world, where strife and sin abound, let righteousness and peace meet together. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

SHIP SALES BILL

Mr. BLAND. Mr. Speaker, I call up the conference report on the bill H. R. 3603, an act to provide for the sale of surplus war-built vessels, and for other purposes, and ask for its immediate consideration.

Mr. TABER. Mr. Speaker, I make the point of order that a quorum is not present.

Mr. BLAND. If the gentleman is going to do that, I withdraw the request.

Mr. TABER. Mr. Speaker, I withdraw the point of order.

SPECIAL ORDER GRANTED

Mr. SNYDER. Mr. Speaker, I ask unanimous consent that the special order granted me to address the House for 1 hour today be transferred to Tuesday, March 19.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

EXTENSION OF REMARKS

Mr. ELLIS asked and was given permission to extend his remarks in the Appendix and include an editorial.

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks and include an article by Mrs. Evalyn Walsh McLean which appeared in today's Times-Herald.

Mr. JENNINGS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an article which may be just a little bit more than the limit this time, but I would like to have it printed notwithstanding.

The SPEAKER. Notwithstanding the excess, without objection, the extension may be made.

There was no objection.

Mr. SPRINGER asked and was given permission to extend his own remarks in the RECORD and include an article prepared by Mr. J. H. Leib on the McLean Gardens.

SHORTENED APPLICATIONS FOR GI LOANS

Mr. BUCK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BUCK. Mr. Speaker, last week I displayed to the House the 17 feet of forms which were then involved in a veteran's application for a stock-in-trade loan under the GI bill of rights. At that time I stated my confidence that General Bradley would take prompt corrective action. My appraisal of General Bradley and my predictions were more than fair.

It is with gratification and with increased admiration for the Administrator of the Veterans' Administration that I now show you the two simple forms shortly to be put into effect for stock-in-trade loans. Seventeen feet have been reduced to 3 feet, and of these 3 feet the veteran himself must fill out but 2 inches. The balance will be completed by the lending institution and the appraiser.

I salute General Bradley and I wish him Godspeed.

AUXILIARY NAVAL ACADEMY AT GREAT LAKES, ILL.

Mr. CHURCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CHURCH. Mr. Speaker, yesterday I introduced a bill to provide for the establishment of an additional United States Naval Academy in the vicinity of the Great Lakes Naval Training Center, Great Lakes, Ill.

The United States Naval Academy at Annapolis, even though greatly expanded during the war, cannot possibly furnish the necessary officer personnel for the proposed postwar Navy. An additional naval academy should be established, and the vicinity of Great Lakes is the logical location.

The present plans for the postwar Navy call for 500,000 enlisted men and 58,000 officers—not including the Marine Corps—and expanded facilities at Annapolis have a capacity of only 3,423.

During the 3-year period July 1, 1942, to June 30, 1945, the Navy trained a total of 2,273,812 recruits, of which 806,457 were trained at Great Lakes, or 35.46 percent. It is axiomatic that a strong Navy requires the constant inflow of young men, highly trained in the use of complex equipment and in leadership.

The Middle West has always furnished a larger percentage of Navy personnel than any other section of the country, as well as the best material. But aside from such considerations, the last war has clearly demonstrated the vulnerability of coast lines and the importance of locating important defense plants and military installations inland. The facilities for the training of naval officers are certainly the type of defense installation which should be located in the interior of the country, where geography itself provides protection from enemy bombers.

HOTEL CHAMBERLAIN

Mr. TABER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Speaker, for several years now the Navy has been operating the de luxe Hotel Chamberlain at Old Point Comfort, Va., down near Norfolk. The Navy has now declared it surplus and is ready to abandon it. The Army is preparing to take it over without bringing the matter up here and taking it up with Congress, without getting any specific appropriation or having it determined, and is going to operate it as a de luxe hotel for Army officers. Is it not about time that some of those organizations begin to give a little heed to the needs of the situation here in this country and the way money should be spent?

The SPEAKER. The time of the gentleman from New York has expired.

EXTENSION OF REMARKS

Mr. GILLIE asked and was given permission to extend his remarks in the RECORD in two instances, in one to include a short article on socialized medicine, and in the other to include a resolution adopted by the Allen County Republican Club of Ft. Wayne, Ind.

THE HOTEL CHAMBERLAIN

Mr. BLAND. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BLAND. Mr. Speaker, with reference to the remarks just made by the gentleman from New York [Mr. TABER] relative to the Chamberlain Hotel which is in my district, I understand there is a movement on foot that it be turned over from the Navy to the Army but I do not understand that it is contemplated operating it as a de luxe hotel or any other sort of hotel. My understanding is that the consideration is that it will be operated for officers in connection with the establishment of a needed Army headquarters at Fort Monroe.

I merely wanted to correct the impression that might probably be obtained from the remarks made by the gentleman from New York.

SALE OF SURPLUS PROPERTY

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, there is a great deal of talk about the Government taking $3,000,000,000 in cash and paying off $3,000,000,000 worth of bonds. I brought to the attention of the House the other day that if we would pay off fifteen or twenty billion dollars worth of bonds it would result in a saving of over a million dollars a day in interest to the Government.

Mr. Speaker, I am interested also in learning where the money is going that we get from the sale of surplus property. If you will look at the statement of the Treasury Department as of the 15th of February you will find there has been returned to the Treasury of the United States only $76,652,675.95 since July 1 last. We hear a great deal about the amount of money received from the sale of surplus property, but if it is being sold I would like to know what we are getting for it and I would like to know where the money is going. All money from sale of surplus property should be immediately placed in the Treasury of the United States to reduce our debt.

I think the quicker this money is turned back into the Treasury of the United States, thereby stopping interest payments, the better it will be for the taxpayers of the country. It will be best for everybody.

Mr. Speaker, we hear of the great amount of surplus property being sold; well, if we are to judge by the money placed in the Treasury as to the amount of surplus property being sold then I believe the results are anything but encouraging, and anything but a good business proposition for our Government.

It looks to me as if we were not disposing of surplus property in a sound, sensible, business way.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

EXTENSION OF REMARKS

Mr. MUNDT asked and was given permission to extend his remarks in the RECORD and include excerpts from a letter he received.

Mr. PLUMLEY asked and was given permission to extend his remarks in the RECORD in two instances and include an editorial.

Mr. TOWE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a resolution of the New Jersey Legislature.

Mr. HUBER asked and was given permission to extend his remarks in the RECORD and include an address by the Attorney General of the United States.

MAINTENANCE, OPERATION, AND EXPANSION OF SCHOOL-LUNCH PROGRAMS

Mr. FLANNAGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 3370), to provide assistance to the States in the establishment, maintenance, operation, and expansion of school-lunch programs, and for other purposes.

CALL OF THE HOUSE

Mr. TARVER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 26]

Allen, Ill.	Ervin	Murray, Tenn.
Allen, La.	Fallon	Norton
Andrews, Ala.	Fisher	Patrick
Andrews, N. Y.	Gardner	Patterson
Baldwin, N. Y.	Gary	Peterson, Fla.
Bell	Gavin	Peterson, Ga.
Blackney	Gearhart	Philbin
Bolton	Gibson	Phillips
Bonner	Grant, Ala.	Price, Fla.
Bryson	Harless, Ariz.	Randolph
Buckley	Harris	Rankin
Butler	Hart	Reed, N. Y.
Byrne, N. Y.	Hays	Richards
Cannon, Fla.	Healy	Rivers
Case, N. J.	Hendricks	Robertson, Va.
Case, S. Dak.	Hobbs	Robinson, Utah
Chapman	Hook	Schwabe, Okla.
Chelf	Horan	Shafer
Chiperfield	Judd	Short
Clark	Keogh	Sikes
Colmer	Kerr	Smith, Va.
Courtney	LaFollette	Snyder
Cox	Landis	Sumner, Ill.
Curley	Lane	Sumners, Tex.
Dawson	Larcade	Taylor
Dingell	McGregor	Thom
Domengeaux	Maloney	Weaver
Doughton, N. C.	Manasco	White
Douglas, Ill.	Morrison	Winter
Earthman	Murphy	Wood

The SPEAKER. Three hundred and thirty-nine Members are present, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MAINTENANCE, OPERATION, AND EXPANSION OF SCHOOL-LUNCH PROGRAMS

The SPEAKER. The question is on the motion that the House resolve itself into the Committee of the Whole House on the State of the Union.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 3370), a bill providing for a permanent school-lunch program participated in by the Federal Government, with Mr. JACKSON in the chair.

The Clerk read the title of the bill.

Mr. BUCK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUCK: Page 5, line 22, strike out all after the period down through the period on page 6, line 8, and insert in lieu thereof the following: "For the purpose of determining whether the

matching requirements of this section and section 108 (d), respectively, have been met, only funds expended for the purchase of agricultural commodities and other foods as certified, respectively, by the State educational agency and, in the case of schools receiving funds pursuant to section 108 (d), by such schools, may be regarded as funds from sources within the State expended in connection with the school-lunch program."

Mr. BUCK. Mr. Chairman, my amendment is a perfecting amendment which I hope the Committee will accept.

It merely limits State contributions for matching purposes solely to actual purchases of food.

One of the weaknesses of the bill, as pointed out in my remarks of yesterday, is that the States are permitted in determining their matching contributions to include donated services, supplies, facilities, and equipment. Anyone familiar with accounting realizes the difficulty and complexity of computing such contributions with any degree of accuracy. From a practical standpoint, school lunchrooms and school districts simply do not have the staffs and the accountants to make up these computations. Endless confusion and disagreement can be the only results and there is every advantage to the schools and to the States to pad these intangible contributions to the maximum extent possible. Actual expenditures for food, however, are beyond the realm of intangibility and can be audited by anyone. Approval of this amendment would eliminate 99 percent of the paper work involved in the administration of this law with corresponding savings in administrative personnel both in and out of the schools. The amendment is in accord with the basic purpose of the bill which is, after all, to aid in the supplying of food for school lunches.

If this amendment is adopted, which I trust it will be, I shall offer a corresponding amendment to section 105 on page 7.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. If the gentleman's amendment is adopted, it means they will be able to feed more school children because the States will have to contribute more, therefore they will get more food with the money that they realize?

Mr. BUCK. The amendment will result in more food for the children, yes.

Mr. FLANNAGAN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York [Mr. BUCK].

Mr. Chairman, it is well known that the gentleman from New York is bitterly opposed to the school-lunch program and I am afraid that this amendment was not offered in the hope of simplifying the bookkeeping back in the States but for the purpose of defeating the school-lunch program. This amendment is so sweeping that it prohibits the States from getting credit for funds raised by parent-teachers associations, the Kiwanis Clubs, and other civic organizations. You and I know that in most communities these civic organizations have contributed largely in connection with the raising of funds to match the Federal appropriation.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield to the gentleman from Tennessee.

Mr. JENNINGS. Of course, I do not question the good faith of the gentleman who offers the amendment, but this thought occurs to me, and I think I am in a very large measure thoroughly familiar with the manner in which these school-lunch programs are carried out. The home-economic branches of the high schools and grammar schools in the agricultural sections can thousands of cans of vegetables every year which go into the food situation of the schools. It would be a simple matter to keep a record of these thousands of dollars' worth of the finest and most nutritious food prepared by the home economics departments in the high schools and grammar schools of the rural sections of my State and, I take it, of yours.

Mr. FLANNAGAN. I thank the gentleman from Tennessee. He made a fair statement. In addition to that the States could not be reimbursed for processing, distributing, transporting, or storing or handling any of these foods. This amendment goes to the heart of section 1. It goes to the heart of the school-lunch program that we have had in this country for the past 10 years. Bringing in the question of bookkeeping, I am afraid, is for the purpose of trying to draw a red herring across the trail. There is no trouble in keeping the books. No one has complained about bookkeeping back in the States. The Federal authorities have not had any trouble checking on the records back in the States, and giving credit for contributions made by civic organizations is a simple matter. So when he bases his argument on the fact that he is trying to simplify the bookkeeping, his argument falls flat.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield to the gentleman from California.

Mr. VOORHIS of California. I would like to ask the chairman if I am not correct in assuming that the effect of this amendment would be to render it that much more difficult for some of the poorer school districts to participate in the program, and whether the purpose of our bill is not to try to encourage the program in those very places that would be adversely affected by this amendment?

Mr. FLANNAGAN. It would make it practically impossible to have the program carried back into the poorer districts. I hope it is the pleasure of the committee to vote the amendment down.

Mr. SMITH of Ohio. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SMITH of Ohio. Mr. Chairman, I have been trying for some time to get a copy of the hearings on this bill. I understand the edition was limited in number, but I was finally successful in obtaining one. I wanted a copy for the purpose of determining who the people are that testified on this bill. It is very important to know this. About 20 people appeared before the committee, and they all testified in favor of this bill.

My contention is that this bill is based not on scientific evidence. I want to read just a few of the names of persons who testified on this measure.

Amery, Miss Elizabeth, State supervisor of home economics in Maryland, Baltimore, Md.

Anderson, A. W., Chief, Division of Fisheries, Department of the Interior, who is a Government employee. Of course, all Government employees have to testify in favor of whatever the administration happens to want. There is no question about that.

Bowie, Mrs. Gertrude, supervisor of school cafeterias in Montgomery County, Rockville, Md.

Chatfield, George H., member, board of education, city of New York.

Cooper, William T., director of the school-lunch program; and so forth.

Two or three medical men testified. All of them are in the employ of the Federal Government. The leading man here is perhaps Dr. Parran. You all know Dr. Parran's views on matters of this kind. Dr. Parran is outspokenly in favor of socializing medicine. Whoever is in favor of socializing medicine is in favor of socializing everything, that is the way I look at it. I might be mistaken, but that is the way I feel.

In his testimony here, which is very brief, Dr. Parran has not offered, in my opinion, one particle of evidence to indicate that he is warranted in taking the position he has.

He says it has been discovered that a great many children are undernourished. Certainly a great many children are undernourished. We know that. Will anything of this kind cure that undernourishment? Certainly not. A more important question is whether children should be taught to depend upon the Federal Government to feed them. Should the tender minds of little children be impregnated with the idea that the politicians here in Washington love them more than their own parents? That is really the big question in considering this measure.

Dr. Parran spoke about the various tests which have been made to determine nutritional deficiency. Of course, there are plenty of such tests, some of them are sound, but that does not make a case for this bill.

Now, may I ask the chairman of the committee why he did not invite to these hearings some outstanding physiologists to testify.

Mr. FLANNAGAN. We thought we had the best testimony we could obtain. I do not know whether it was an oversight or done purposely, but the gentleman skipped over the name of Major General Hershey, he skipped over the

name of Judge Marvin Jones, who was a member of this body for years and chairman of the Committee on Agriculture, later War Food Administrator and he also jumped over the names of other witnesses who are intimately acquainted with the program and its advantages.

Mr. SMITH of Ohio. I do not yield any further. I asked the question, why did not the gentleman invite some outstanding physiologists to testify on this bill? That is what I should like to know. The gentleman does not regard the physicians who testified on this measure as outstanding physiologists, does he?

Mr. FLANNAGAN. I understand that Dr. Parran is quite an authority. I also understand that Dr. W. H. Sebrell, Medical Director, United States Public Health Service, is quite an authority.

Mr. SMITH of Ohio. Let me ask the gentleman this. Why did he not then invite some outstanding physiologists who are not employed by the Government? What would those physiologists say about a proposition like this? They would simply say, "There is no evidence here at all to support your program. There might be such evidence somewhere, but it is not presented in these hearings." That is what an outstanding physiologist who was not on the Government pay roll would say to you.

You have mixed up in this program surplus farm commodities. Shades of 1933 to 1939! Here come your New Deal recovery measures again. This is not a scientific consideration of anything. This is a purely political matter. Let us label the thing for what it is. That is the position I have to take on this matter.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. SMITH or Ohio. I yield.

Mr. VOOHRIS of California. In answer to the question of the gentleman as to why we did not have a physiologist, may I say that the committee was conscious of the fact that the gentleman from Ohio is a Member of this body and we felt fully confident, since he is a physician himself, if he were not satisfied with the testimony we had, he might come before the committee himself.

Mr. SMITH of Ohio. The gentleman from Ohio does not happen to be a physiologist and he would not for one single minute pretend to anyone that he was.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentleman from Colorado.

Mr. HILL. A moment ago in your remarks you said something about these home demonstration and home economics classes where these girls worked under these county extension agents. Let us assume that a third of their money comes from the county, one-third from the State, and one-third from the Federal Government. Do you consider all of these people employees of the Federal Government?

Mr. SMITH of Ohio. No, no; I did not say that.

Mr. HILL. But you led folks to believe that these girls did not work for the State of Maryland. Answer my question. Are they Federal employees? That is all I want to know.

Mr. SMITH of Ohio. I did not indicate they were. I said Federal Government employees testified in favor of this measure.

Mr. HILL. Let us read the first young lady's name that you read and let us see who she is. Is she not an employee of the State Agriculture Department of the great State of Maryland?

Mr. SMITH of Ohio. I would rather let the record stand and show what I said.

Mr. HILL. If you disregard everyone on the Federal pay roll, then I ask you, what weight shall we give to the gentleman's own evidence, who is himself paid by the Federal Government?

Mr. SMITH of Ohio. Well, that is true. That is perfectly true. The gentleman from Ohio is on the Federal pay roll and sometimes he does not feel so good about it, to tell the truth, and is not exactly very happy about it. Notwithstanding, I have a duty to perform, one of which is to pass judgment on proposed legislation. I consider it my duty to point out wherever possible the baneful influence which the bureaucracy exercises upon legislation. That is what I am trying to do now.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. FLANNAGAN. The gentleman has brought in the medical aspect of this question. I would like to call his attention to the fact, and I believe this is pretty good authority, that this bill has the approval of the American Medical Association; it has the approval of the American Public Health Association; it has the approval of the American Medical Women's Association; it has the approval of the American Diabetic Association.

Mr. SMITH of Ohio. Mr. Chairman, I cannot yield further to the gentleman. Regardless of who recommends this legislation I believe it is wrong and should be defeated.

Mr. VOORHIS of California. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I believe in the first place it is important to bring the House back to the consideration of the amendment before us. That amendment, as explained by the chairman of the committee, would be very disastrous if adopted as part of this bill. The effect of the amendment, as explained by the author of it, would be to say that no State could count as its contribution toward school lunch programs anything except money actually expended for food. In my speech of yesterday I stressed the point, that it is impossible under our bill for any Federal official to do a single thing on the school lunch program unless and until the people of a local community have set such a program up. Under that philosophy, we obviously would be dealing unfairly with these local communities if it were not possible for them to count as part of their contribution the salaries that they pay to people who prepare these lunches; their necessary expenses for equipping the lunchroom and other things of that character. Furthermore, the adoption of this amendment will mean that the wealthier districts of the Nation will be able to take advantage of the program, but to the extent that this amendment has any effect at all, it will be in the poorer school districts where there will be less of a chance for such districts to participate and have the advantage of it.

For my part, I am primarily concerned in the problem of meeting the dietary needs of American children. And since those needs are clearly greatest in the school districts of least wealth, and since this amendment militates in exactly the opposite direction, I hope it will be defeated.

As to the remarks of the gentleman from Ohio [Mr. SMITH], the chairman of the committee has pretty well answered him, but I want to make one or two further statements, because the record, not only before our committee, but in the political literature of this Nation, is replete with evidence of the need for improved dietary standards for the American child.

I have here a reprint from the Ladies Home Journal, a pretty venerable and respected American magazine certainly, which was reprinted and put out by the Ladies Home Journal because of the vital interest of that magazine in the health and welfare of the children of this Nation. The title is, "Has Your Child Half a Hog's Chance?" In the concluding paragraph of this piece is an appeal for the school-lunch program which your committee brings before you today.

Mr. COFFEE. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. COFFEE. Would the gentleman care to comment on Dr. Parran's professional competence? The statement of the gentleman from Ohio reflected upon his professional standing, when he is recognized as the outstanding authority in this country.

Mr. VOORHIS of California. I am obliged to the gentleman. I would be glad to do that. I agree heartily with what the gentleman has to say about Dr. Parran. Dr. Parran came before us with exhaustive evidence, from State after State in the Union, of the serious undernourishment from which the children of those various States are suffering. I do not know a single competent medical individual in this Nation who will question Dr. Parran's professional competence. Whether or not they agree with his views on public questions no one will question his professional competence to testify about this matter.

As the chairman has already pointed out, General Hershey also testified out of his experience with the conduct of the draft, to the same effect, that there is need in this Nation to see to it that the abundance produced by the farmers of this Nation goes in reasonable measure to the children who need it most.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. SMITH of Ohio. I do not believe my remarks would indicate that I reflected upon the integrity of Dr. Parran.

Mr. VOORHIS of California. I am very glad to have the gentleman say that.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. CURTIS. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I have listened with interest to the debate on this school-lunch bill. We are all in favor of having the children of America well fed. I believe that the cost of their food should be paid now by their parents and by the local school authorities. This legislation would require these little children to pay for their own food by adding it to the national debt. Even after the Federal Budget is balanced, the passage of this legislation will mean passing on to our children a greater portion of our unpaid national debt.

Mr. Chairman, these children are intelligent. You cannot fool them. If the Federal Government undertakes to pay the cost when a child is born, provide him with a free school nursery, give him medical care throughout his life, give him free lunches, unemployment compensation and old-age security, then he is going to ask, "What will the Federal Government demand of me?" All of these so-called benefits mean additional burdens in taxes throughout the productive years of our children.

This Congress has nothing to give to the children of America except that which it later takes away from them in taxes, plus a heavy load of interest and administrative expenses.

We are deceiving our children when we say that the Government has wealth to give away. We should stop talking about Government benefits and tell the truth about the burdens of Government.

There is a further reason why this legislation is wrong. It is a false education, it is statism in its worst form. Already hundreds of little children have been instructed to write the politicians in Washington for something to eat. Shall we teach them that one must labor for his daily bread or that he need only join a political lobby?

Others may join in an insidious educational program to teach the children of America to pray: "Our politicians, who art in Washington, give us this day our daily bread," instead of praying: "Our Father, who art in Heaven, give us this day our daily bread"; but I cannot do that.

Mr. JENNINGS. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I have examined this bill closely, and for the life of me I am not able to find anything under the bed that is alarming. I find nothing in it that saps the foundation of the Republic or that will make a child believe that he or she is now, or hereafter will be, dependent on the Federal Government.

I taught school when I was a young man, and four of those schools were rural schools. I had to walk quite a distance from my boarding place and carry lunch, and many children brought theirs. Then, for 2 years I served as superintendent of public instruction in my county. Since then I have served on city boards of education, and I have seen the educational system of my State make long strides. I have seen the organization of parent-teachers associations and I have seen the consolidation of one-room schools into great consolidated schools, where as many as 15 or 20 teachers were on the staff. Then I have seen the introduction of this noon lunch for children. These lunches are prepared under the auspices of parent-teachers associations, under the supervision of skilled dietitians in the department of home economics. During the Christmas holidays I attended Everett High School in the great county of Blount. That school is attended by over 2,000 children. I was privileged to eat lunch with them. It was not a special lunch, but I am telling you that it was a better lunch than you can get any day down here in this restaurant on the floor below us; and children who otherwise would have had a cold and an inadequate lunch were able to buy an excellent one for 10, 15, or 20 cents.

Over 50,000 young men from my district have gone into the armed services. The high school of my city has on its service flag 122 gold stars. In the homes of the rich and in the homes of the humble and the poor hundreds of stars on those service flags have turned to gold. We have interrupted the life of our youth; we have taken them out of school; we have drawn heavily upon the seed corn of the future manpower and womanpower of this country. This bill is designed to see that no child in this country goes to school and goes hungry; that it what it is designed to do. Its purpose is to fit our youth for service, both in peace and in war.

Mr. BUCK rose.

Mr. JENNINGS. I would like to yield to my good friend, but I cannot right now.

It is not a program that is Federal; it is an effort on the part of the Federal Government to cooperate with and further and intensify this great humanitarian movement that is designed to make strong, vigorous, healthy, red-blooded Americans. What boy who simply gets a square meal at noon is thereby made susceptible to influence by subversive elements in this country. It simply makes him happy, strong, and vigorous. I know how poor people live. I have been in their homes. Since my good friend from Ohio is disturbed because no outstanding physiologist has testified in this matter, I want to qualify, even though I am a modest man, as somewhat of an authority on physiology. I have approached middle life strong and vigorous because I know about physiology. It takes good, substantial, wholesome food to make a strong man. My mother was a wonderful cook, my wife is a wonderful cook, and on one of my farms I have seen four generations of healthy strong people because they understood and enjoyed the use of nutritious food.

Mr. Chairman, that is all this bill does. It gives our school children milk and wholesome food and sees to it that some of these little fellows out in the hills who walk 3, 4 or 5 miles to school with their lunch bucket may have something warm to eat.

There is all the difference in the world between a hot meal and a cold meal. Poor folks have nutritious food that is good when it is served hot.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. JENNINGS. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. JENNINGS. Mr. Chairman, there is all the difference in the world between a hot meal and a cold meal. The average food of poor folks is good when it is hot but you know if it is carried off in a bucket and it gets cold it is not so good. You take this gritted bread we make. Did you ever eat any gritted corn bread? When it is hot it is the most delectable food in the world, but when it is cold you can half-sole your shoes with it. You know Bob Taylor once said that the only significance about Mason and Dixon's line is that it is an imaginary line between the land of cold light bread and hot biscuits.

Mr. Chairman, I want these little fellows to have a hot meal, hot soup, cold milk, prepared under sanitary conditions. I want to take care of the young people of this country. If you want to live to a ripe and happy old age associate with the young folks because under the roof of every school building in this country, you will find the fountain of perpetual youth. Our young people are the seed corn of the country, they are the greatest asset of the Nation. This is not a Federal program. We are just giving the Federal Government a chance to come in and participate in a program that is already being carried on by the people of the States and counties as well as the various communities.

I hope this amendment offered by my good friend from New York, for whom I have the utmost respect and affection, is defeated and that the bill is passed. It is a program that we cannot afford to abandon.

Mr. COFFEE. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Washington.

Mr. COFFEE. I want to compliment the distinguished eloquent gentleman from Tennessee on a very statesmanlike speech that will long be remembered.

Mr. JENNINGS. I thank my friend for his generous statement.

The CHAIRMAN. The time of the gentleman from Tennessee has again expired.

Mr. WHITE. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. FLANNAGAN. Mr. Chairman, I move that all debate on the pending amendment close in 5 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from Virginia.

The motion was agreed to.

The CHAIRMAN. The gentleman from Idaho is recognized.

Mr. WHITE. Mr. Chairman, I am for the pending bill. Today America stands as preeminent among the powers of the

world. That power was created in large measure, if not wholly, through the educational system of this country. Without such an educational system we might be as helpless as were the people of Ethiopia who were some of the best fighters on the face of the earth, yet they were powerless against the mechanical developments of the invading forces of Italy. We might go the way of the North American Indian without education. In some sections of this country there is many a child that will get one good meal a day, and that will be the lunch provided for under the terms of this bill. I am for this legislation, and when we go back into the House I propose to insert some of the communications that have reached me on this constructive measure.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. BUCK].

The amendment was rejected.

Mr. ABERNETHY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ABERNETHY:

Page 5, line 15, strike out the words, "any fiscal year thereafter" and insert in lieu thereof "the fiscal year 1951."

After the period on line 17, insert a new sentence as follows: "All authority under this act shall expire on and after June 30, 1951."

Mr. ABERNETHY. Mr. Chairman, the purpose of this amendment is obvious. Specifically it is to get the Federal Government after 5 years, except as to the distribution of surplus commodities, out of the program. There was a feeling among many of the members of the Committee on Agriculture, as well as many of the witnesses who appeared before us, that the Government eventually should get out of the program and leave the same entirely to the States. Many witnesses appeared before the committee in behalf of the bill, and very nearly every one of them expressed the opinion that when the program had had a fair opportunity to get under way the Government need not participate further; that it would be unnecessary for it so to do.

The chief argument offered in support of the legislation was that the people back in the States needed training and information as to dietetic standards and nutritional food values which the program offered. They assumed that the people in the States were not sufficiently informed or interested in the values of these two things to promote the program alone, and therefore if the Federal Government would promote it then their interest would be so intensified and stimulated that State authorities would then take over and carry on.

To show you that that was the feeling of the committee, there were three bills introduced, each subsequent bill further reducing Government participation. The first bill was introduced on March 19, 1945. It provided as follows:

That the amount expended under section 2 in any such program during any fiscal year shall not exceed the total amount otherwise furnished for the same purpose by or on behalf of the State and local school authorities and other groups, including the value of donated services.

And so forth. In other words, in the first bill there was exact matching, dollar for dollar. Then on May 7, 1945, another bill was introduced and that bill provided for larger matching funds by the States and less by the Government. It provided that for the first 5 years the Government would contribute $1 for each State dollar, for the next 5 years the Federal Government would contribute $1 for one and one-half State dollars, and from thenceforth the Government would contribute $1 for every $3 contributed by the State.

The measure before you was introduced on June 4, 1945. It further reduced Government participation in the program. For the first 2 years it proposes that there shall be matching of $1 for $1, for the second year, $1 for $2, for the next 2 years, $1 for $3, and from thenceforth, $1 for $4. So it is evident that there was a clear effort to get the Government out of the program and for the amount contributed after the fifth year, so far as this bill is concerned, it might as well be out.

I take the position that at the end of 5 years the people of my State and your State will have learned so much of the values of the program and will have it so set up that they can and will want to carry it on alone. After all, the Government will be very nearly out, anyway.

The adoption of this amendment will not repeal section 32 of the act of 1935, which authorizes the Secretary of Agriculture to distribute surplus commodities among the schools. That authority which is so beneficial to our agricultural enterprise will be continued and the school-lunch programs will continue to share in these benefits.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Michigan.

Mr. DONDERO. Was there any evidence before the gentleman's committee that any State had refused to do something for itself along the line this bill intends?

Mr. ABERNETHY. There was no evidence whatever that any State had refused to do so. I recall particularly one of the witnesses from one of the large cities who stated in response to a question I asked that he believed that if the States were given this Federal assistance for a few years they then would have the program so entrenched that they could carry it on themselves.

Mr. Chairman, whether my amendment be adopted, or not, I shall vote for the bill unless it be weighted down with undesirable amendments.

Mr. TARVER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have felt that if proper criticism might be directed at any of the provisions in title I of this bill it would be at those provisions which gradually accelerate the requirements as to State and local matching, culminating in the year 1951, when the State is required to put up $4 for each $1 put up by the Federal Government. I have felt that that is probably a requirement which is too strict in character, but I have decided to go along with the Committee on Agriculture, as far as I am individually concerned, in the conclusions which it reached after long and careful study of this subject matter.

However, any suggestion that we eliminate from the bill any authority to make appropriations after the fiscal year 1951, it seems to me, should be made by no one except someone who is interested in the program not being legislatively authorized. If the object is to get the Federal Government out of this program, and if that is a desirable object, then why not get it out of the program now? In order to do that, all you have to do is vote against the bill. But if it is a desirable program, and I certainly think it is, then why not await the further development of the program during the years that would elapse between now and the fiscal year 1951, and then let the Congress or the gentlemen who may be occupying our places in the Congress at that time determine whether or not the record of the program is such as to justify its continuance?

I call your attention to the fact that the mere existence of an authorization does not require that the Congress make an appropriation. We have many authorizations for the appropriation of money on our statute books which are never utilized by the making of appropriations thereunder. If in the progress of the program the Congress becomes convinced in 1 year, not waiting until the fiscal year 1951, but in the next fiscal year, for example, that appropriations ought not to be made under the authorization, then the Congress will take appropriate action and see that that is not done. There is certainly no necessity for undertaking at this time to bar the Congress in the fiscal year 1951 from continuing this program if in their discretion they deem it to be advisable.

I yield to the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. I do not think the gentleman intended by his remarks to leave the impression that it was my purpose to get the Government out of the program now. I respectfully submit I do not make that statement. My purpose was that eventually after the States have gotten into the program, the Federal Government would get out, which was also the feeling of many members of the committee and many witnesses who testified before the committee in the hearings on the bill.

Mr. TARVER. No, I do not understand that the gentleman thought it should get out of the program now. But I said if he desires to be consistent and if it is desirable to adopt his amendment with a view to getting the Government out of the program in the fiscal year 1951 or thereafter, then if that is a desirable thing the Government should be gotten out of the program now. If it is thought that sometime the Government should eventually be gotten out of the program and it is desirable to take steps toward that end, then the logical viewpoint of the gentleman should be that the Government should be gotten out of the program now without waiting for the fiscal year 1951. I do not think that is the gentleman's position, but I

still insist if he were logical that should be his position if he seriously advocates the adoption of this amendment. I sincerely hope that the amendment offered, which would be crippling in nature and unduly curb or attempt to curb the discretion of a future Congress, is voted down.

Mr. GIFFORD. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I hardly think I will take the 5 minutes, but my conscience is treating me so badly in this matter and I must relieve myself. I wish to make a suggestion to those who have made so many impassioned speeches. "Be not righteous overmuch." The present administration's followers have pleaded righteousness in a multitude of causes during the last dozen years. They have led us to vast and dangerous expenditures. I taught school for a long time. Surely I love children as much as any man in this House. I have visited the schools a great deal. I have attended these lunches. I know how they work. It must be difficult to determine whether a child can pay, and establish who may be needy. I have to determine, as must you, as to how much we are to continue to allow the Federal Government to go further into debt in order to encourage the States. These methods have always been the beginnings of tyrants who professed love for the people and would give largesses to them until they could assume the position of actual control. It is sometimes a slow process, but that end is inevitable. Certainly, I could also make a very tearful speech, pleading for the children. I repeat, "No man here could love them more." But we have arrived at that moment when the Federal Government is in a highly dangerous position financially. If you do not see it, your eyes must be closed and your ears cannot hear the truth. This should be a terrifying warning to us lest we further add to the national debt. Our State governments are generally in good financial condition at the present time. They can well afford to do much that the Federal Government should not be asked to do. I have tried to keep my own eyes and ears open. We have heard some able and persuasive speeches against this legislation, but because you are so righteous you could not or would not listen to or heed them. The gentleman from Texas made an unanswerable appeal. No, you would hurl at us the charge that we are not righteous and that we do not love children when we are really trying to protect them from future calamity. We must save our Government from financial disaster. I now feel I must vote against this bill. The class of people who have appealed to me have been largely school authorities who are my best friends and whom I know more intimately than most others. I dislike to disappoint them. However, I must do my part to protect the Treasury from such expenditures planned not just for the lean years, but meant to be permanent. This is but one small item but it is an acorn from which large trees grow. By the amendment eliminating their expenditure in 1951 you acknowledge the danger of its permanency. Today is the easiest time to vote against permanency. After continuation of such largesses for so many years we will not be able to eliminate it.

I wished to argue with my conscience before witnesses and I have somewhat relieved myself. The Treasury of the Federal Government is causing me great worry. Psychologically, we think our dollar is good, but when that comfortable psychology disappears, who can predict the depth of bankruptcy for all of us? Highly emotional, righteous people, at the moment may criticize as they do, and consider that I am not righteous. However, I know myself better than they know me, and I must continue to save the Nation's financial stability. It certainly is now jeopardized.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. DIRKSEN. Mr. Chairman, I rise in opposition to the amendment.

I would like to ask the author of the amendment a question or two concerning the last portion of his amendment.

As I remember the language, it says that all authority under this act shall terminate in 1951. Is that correct?

Mr. ABERNETHY. That is the amendment.

Mr. DIRKSEN. What is the gentleman's interpretation of that language as it applies to the authorization which is contained in the first section of the bill?

Mr. ABERNETHY. It means just what it says; that all authority under the act will terminate and there will be no further authority under the act.

Mr. DIRKSEN. In other words, there will be no direct Federal appropriation for this purpose after 1951, if the amendment should prevail?

Mr. ABERNETHY. That is correct; except that the appropriation may be continued in the manner as it is today. Furthermore, it does not repeal section 32 of the act of 1935, which provides for the distribution of surplus commodities among various schools.

Mr. DIRKSEN. Mr. Chairman, therein lies the difficulty. I find myself in a position where I must oppose the amendment.

We have had so much difficulty in the last 10 years in connection with the school-lunch program, for, as you know, there was no statutory authority for it. Points of order were frequently made, sometimes by myself, on the floor of this House, but the money was ultimately restored in the Senate, and thereafter the Senate provision was not subject to a point of order when the bill came back in a conference report. The amendment offered by the gentleman from Mississippi certainly does not achieve a very good objective, because it would precipitate us into the very position we were heretofore. So often in the Subcommittee on Agricultural Appropriations we have discussed the advisability, as the gentleman from Georgia [Mr. TARVER] so well knows, of inserting this school-lunch program in the bill.

Now, let us determine whether or not there is going to be a program, and, secondly, let us do whatever is called for in order to continue it and implement it out of Federal moneys. If we go back to the old scheme, let me say to the gentleman from Massachusetts [Mr. GIFFORD] we would not save any money, because then we would simply be diverting $50,000,000 out of section 32 money each year, which on the average amounts to an aggregate of $120,000,000. So the situation is as long as it is broad. Are you going to take part of that 30 percent that is recaptured out of customs receipts, and against any legal authority for it, divert it to the school-lunch programs, have it knocked out on a point of order, go to the Senate and have it restored, or are we going to do it in a forthright fashion by doing it by direct appropriation?

So I cannot see that my friend is going to accomplish anything, because we will go right back to the pattern of 10 years ago.

Incidentally, I shall support this bill. I do hope that title II will be removed, but I think once and for all, after 10 years of experience, some forthright action ought to be taken, and our subcommittee should not be put in the position of constantly bringing it in here, having it subject to a point of order, and having all the credit go to another body in the legislative branch for the restoration of this item.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. ABERNETHY. Does the gentleman bear in mind that 5 years from now the States will be paying 80 percent of the cost of the program? Thereafter, if they are able to pay $4 out of every $5, why would it not be possible for them to pay the other 20 percent?

Mr. DIRKSEN. I am speaking from the practical standpoint of the appropriation bill; and I know we would be in the same fix all over again in 1951 that we have been in the last 10 years.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. VOORHIS of California. Furthermore and of first importance is the problem of the possibility of making constructive use of agricultural surpluses which the Federal Government for reasons of entirely different legislation than this might be in duty obligated to purchase would be gone and we could no longer use it for any other purpose.

Mr. DIRKSEN. Let me point out in that connection that the school-lunch program began as the child of an emergency back in the days of 1934 and 1935, when we were confronted with a vast problem as it related to farm commodities. So we attacked the farm-price problem on two fronts. One was under the Agricultural Adjustment Act to reduce acreage and reduce supply in the hope that the reduction of supply would be the necessary impetus to bring the price level up and restore the purchasing power of farm products.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. We also pursued the second project, namely, not only to reduce the supply and reduce abundance, but to extend use and consumption. So in the Act of 1935 we said to the Secretary of Agriculture that he could buy food items that were in abundance and divert them to welfare uses and to relief purposes. Secondly, we said he could take some money out of the Section 32 funds and devote it to the export of items that were in large supply.

Only last year we paid $1.36 a barrel on flour that we sent to Cuba. That represented the difference between what the Cubans could pay and what we paid for the wheat milled into flour. That is the second part of the program. Finally this program came along of diverting to the school-lunch program some of these commodities that were in oversupply. And I would say to my friend who is the author of this amendment that since he would have it become effective in 1951 the chances are there will be greater need in 1949, 1950, and 1951 for diversion to this or other purposes than there is at the present time, because certainly there is no scarcity when one looks at the whole agricultural problem of this country and the suffering that prevails in the world at the present time.

So here is a child of emergency, born long ago, that is now going to ripen into maturity and into permanency. As I suggested to my friend from Massachusetts a few months ago, it reminds me of the old refrain: The Song Is Ended, But the Melody Lingers On. And so we have an echo 10 years from the time this program was entered into under section 32 funds; and there is no choice in the matter today except to go ahead and give it statutory approval rather than to continue the program on the unsatisfactory basis on which it was carried in the past.

Next week the Committee on Appropriations will probably report the Agricultural appropriation bill for the fiscal year 1947. It will carry funds for a school-lunch program. If a rule is not obtained to make this item in order, any Member can make a point of order from the floor when the bill is under consideration and have it stricken from the bill. It will then go to the Senate.

Based upon long experience, it is safe to say that the funds for school-lunch programs will be restored by that body. If so, the amendment is no longer subject to a point of order when the conference report is considered in the House.

If the record of the past counts for anything, it is fair to assume that if the pending bill, giving this program statutory authority is not passed, the school-lunch program will doubtless be carried on without it by virtue of Senate action. This is, indeed, an unhappy and an unhealthy situation and to remedy it, I, for one, shall support the bill before us, with the hope, of course, that title II, which I esteem to be unnecessary, can be stricken.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. O'HARA. Mr. Chairman, I wish to be recognized on the amendment.

The CHAIRMAN. The gentleman from Minnesota is recognized for 5 minutes.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. FLANNAGAN. Mr. Chairman, I move that all debate on this amendment and all amendments to section 104 close in 10 minutes.

The motion was agreed to.

Mr. O'HARA. Mr. Chairman, as I heard the amendment offered by the gentleman from Mississippi read, it appealed to me as rather fundamental to some of us who desire to go along with this bill if section 2 is stricken from it and who want to be sure that this is not, as someone said yesterday, the sugar-coated bait that is going to be the effort on the part of the Bureau down here in Washington to take over control of our State public-school systems. I have been here long enough to realize that there have been various attempts made at different times by Federal bureacracy while I have been here and before that to get further control of our State educational systems which I feel fundamentally is the problem and the duty of the States to administer and not to be supervised and superintended by somebody down here in Washington; therefore I am very heartily in support of my interpretation of the gentleman's amendment because I think it is fundamental.

I have noted in the debate upon this subject that a number of Members of the House have spent some time attesting the fact of their attendance at school and, therefore, I would like to tell you about the hot-lunch program I had in school. It so happened that during part of my school career I lived in the country and in that part of the world where the winters were very cold. At one time I had to walk some three and a half miles to school. At one time the temperature was 60 below zero and at another time it was 56 below. I carried my lunch to school. By the time the lunch period came around I had an opportunity to have it thawed out by putting it near the fire, yet I seem to have sustained myself pretty well up to the present time on that sort of program. I do not mean to say by that that the children of this day and age should have to eat those kind of lunches or should have to travel under those conditions. The gentleman from Tennessee spoke about the boys having to travel four or five miles to school. Out our way they are carried to school in fine school busses.

We have this situation in my part of the country. We have schools up there that have conducted a fine lunch program long before the program was initiated by the Federal Government. I know some schools in my district, no matter what we do on this bill, are not going to have this school-lunch program. They are opposed to it. Others will have this school-lunch program whether the bill passes or not. That is the way they feel about it and they have been doing an excellent job.

The strange thing about this bill is that I have had almost as many people from Washington, who represent home economics groups, call on me as I have had communications from my district urging support of this lunch program. All of these charming pleaders of Washington origin seem to be representing a home economics group who were interested in getting jobs. I asked each one of them if that was their idea and it appeared to be, although some answers were slightly evasive.

Mr. Chairman, fundamentally this is going to be a problem which the local school districts will have to face and they will have the problem of administering it. We have in our districts, all of us, home economics teachers who are very skilled and trained in dietetics and capable of putting on this program. To say that because we have this so-called hot-lunch program and that the children will become educated in what is a necessary diet by reason thereof is ridiculous. There are fundamental ways of teaching the importance of diet other than trying to sell this program on the basis that giving children a hot meal teaches them what they should eat.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from California.

Mr. VOORHIS of California. The gentleman knows I agree heartily with him about local control and administration, but may I ask him whether he does not agree that there are times when it is important that the National Government make certain purchases of agricultural commodities that are in surplus in order to prevent a complete depression of the price structure for the farmers?

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. VOORHIS of California. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. O'HARA. May I say to my distinguished colleague that I do not think $50,000,000 is going to solve our agricultural problem. I agree that in some situations it may be helpful; I think that is true. I think the serious thing is that out our way we are going to get our food from other sources and manner than will the gentleman in California or in some other State, maybe. I think that is the picture as far as the practical side is concerned.

Mr. VOORHIS of California. Quite true; but if we are going to do that, then is there any better use that the food could be put to than the use provided for in this bill?

Mr. O'HARA. No. I think it is a very good use. Do not misunderstand me; I think it is an excellent use. But we are not going to say that simply because we have this program we will dispose of our surplus.

Mr. VOORHIS of California. By no means.

Mr. FLANNAGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I shall not consume the remaing 4 minutes, but there are one or two observations I want to make. We step this matching provision up pretty sharply. It goes up by 1950 to the ratio of 4 to 1. The States will be putting up 80 percent against the Federal Government's 20 percent. I am afraid that, if we cut the Federal participation off at that time, that in all probability we will wreck the program just at the time it is becoming permanently established. I believe that that question should be left to the future determination of this House. We all, I think, are in agreement that we would like to see the Federal Government step out of the picture and let the States carry on, but I think it is too early in the program for us to make that determination at this time.

As to section 32 funds, remember this, gentlemen, that section 32 funds can only be used to purchase surplus commodities, and usually you cannot furnish the child a nutritional meal on surplus commodities, because it very seldom happens that commodities that necessarily go into a nutritional diet are surplus at the same time. I doubt if we have ever had a period in this country when a nutritional diet could be entirely provided out of surplus commodities. This direct appropriation can be used by the Secretary to purchase nutritional food whether in or out of surplus, and in addition to that he can use section 32 funds to purchase surplus.

I do hope it will be the pleasure of the Committee to vote down the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. ABERNETHY].

The question was taken; and on a division (demanded by Mr. ABERNETHY) there were—ayes 98, noes 84.

Mr. FLANNAGAN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. FLANNAGAN and Mr. ABERNETHY.

The Committee again divided; and the tellers reported that there were—ayes 124, noes 127.

So the amendment was rejected.

The Clerk read as follows:

STATE DISBURSEMENT TO SCHOOLS

SEC. 105. Funds paid to any State during any fiscal year pursuant to section 104 shall be disbursed by the State educational agency, under such agreements made in accordance with the provisions of this title and approved by the Secretary as may be entered into by such State agency and the schools in the State, to those schools in the State which the State educational agency, taking into account need and attendance, determines are eligible to participate in the school-lunch program under this title. Such disbursement to any school shall be made only for the purpose of reimbursing it for the cost of obtaining agricultural commodities and other foods for consumption by children in the school-lunch program under this title. Such cost may include, in addition to the purchase price of agricultural commodities and other foods the cost of processing, distributing, transporting, storing, or handling thereof but not the cost of administrative, supervisory, or other personal services incurred in connection with the school-lunch program under this title. In no event shall such disbursement to any school for any fiscal year exceed an amount determined by multiplying the number of lunches served in the school in the school-lunch program under this title during such year by the maximum Federal food cost contribution rate for the State, for the type of lunch served, as prescribed by the Secretary.

NUTRITIONAL AND OTHER PROGRAM REQUIREMENTS

SEC. 106. Lunches served by schools participating in the school-lunch program under this title shall meet minimum nutritional requirements prescribed by the Secretary on the basis of tested nutritional research. Such meals shall be served without cost, or at a reduced cost, to children who are determined by local school authorities to be unable to pay the full cost of the lunch. No physical segregation of or other discrimination against any child shall be made by the school because of his inability to pay. School-lunch programs under this title shall be operated on a nonprofit basis. Each school shall, insofar as practicable, utilize in its lunch program commodities designated from time to time by the Secretary as being in abundance, either nationally or in the school area, or commodities donated by the Secretary. Commodities purchased under the authority of section 32 of the act of August 24, 1935 (49 Stat. 774), as amended, may be donated by the Secretary to schools, in accordance with the needs as determined by local school authorities for utilization in the school-lunch program under this title as well as to other schools and institutions now authorized to receive such commodities.

STATE EDUCATIONAL POLICIES PRESERVED

SEC. 107. In carrying out the provisions of this title, neither the Secretary nor the State shall impose any requirement with respect to administration, teaching personnel, curriculum, instruction, methods of instruction, or materials of instruction of any school.

Mr. FOLGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this occasion and this minute or two of time to suggest to the membership of the Committee that in our hesitancy in appropriating this small amount of money for the benefit of the children of this country we are typically and definitely straining at a gnat while we so often swallow a camel.

What I am saying is probably not so important but the subject is one of great importance, even though the amount is quite insignificant. You have had your memories recalled to the willingness of this Congress to appropriate for agricultural purposes for the treatment of various diseases of cattle and other livestock, and the preservation of the soil of the country throughout the United States, which might be considered a function that ought to be borne by the several States or, taking it down further to even the last county in every State. But I have an idea, Mr. Chairman, that every child in every school district in every county in every State in this Nation is a child of the Nation; that every one of them is an American citizen. What the United States of America may expect in citizenship, and if you put it upon that ground, in economic development in the years that are to come, depends more definitely and more largely upon the opportunities that the children of every State and every county in this Nation have, than it does as to how our cattle or a certain field or certain soil shall get along, or other economic considerations may be promoted.

We have robbed, of necessity, during the war many of our boys of the opportunity to proceed with their education in the United States because we were in war. Many of them will come back and never go to school again. Thousands of them will come back too late in the economy of time, after they shall have reached the age of 21 years, when they feel themselves obliged to make their own way. We will lose that and we will never get it back.

This program that is designed to improve the health, physical as well as mental, of the children of this country, is one of high importance to the United States of America as a Nation; and the amount is so small and the value of it will be so great that I cannot understand why anybody would quibble at the little we propose to do.

Oh, you "holler" statism, Federal control. Let us not be so afraid of the Federal Government that we cannot accept aid upon its part for a program that means so much to the Nation itself and to our children.

This Nation will never become greater than the sum total of all the children, boys and girls, in this land as they come along from year to year. I plead with you, I call to your attention the importance of this matter to the Nation, the care and the growth of the children; and do not be scared away by the cry of statism or anything like it. That is quite insignificant to the value of this work that is being done.

Mr. NEELY. Mr. Chairman, the progressive, praiseworthy statesman from Virginia [Mr. FLANNAGAN] deserves unlimited gratitude for his great service in drafting and introducing the pending bill which is designed to provide Federal aid to the States in their "establishment and operation of school-lunch and nutrition-education programs." The gentleman has, by arduously conducting hearings on this measure and diligently pushing it to the decisive consideration of the House, demonstrated his friendship for the free school—the cherished institution which, according to the famous Horace Mann, is "the greatest discovery ever made."

Independently considered, the gentleman's service to education is outstanding. But in comparison it shines with the luster of the morning star. For be it remembered that only a few generations ago Gov. William Berkeley, of Virginia, said in his report to the Commissioner of Colonies:

> I thank God there are no free schools, no printing, and I hope we shall not have them these hundred years: for learning has brought disobedience and heresy and sects into the world, and printing has divulged them.

Happily, the gentleman from Virginia and many other Members of the Congress know that progress and humanitarianism exalt a nation and that standpatism and reaction are a reproach to any people.

Certain arguments that have been made against the bill cause me to fear that some of those who oppose it may entertain a philosophy that is not wholly unrelated to that expounded by Governor Berkeley. For examples, yesterday the

gentleman from New York [Mr. WADSWORTH], a distinguished former United States Senator; the eloquent gentleman from Texas [Mr. SUMNERS], and the able gentleman from Illinois [Mr. ARENDS] vigorously assailed the bill. The capability of these legislators is such that anyone of them could, with little immodesty and no exaggeration, repeat the boast of the stoical philosopher Chrysippus: "Give me a theory and I will find an argument to support it."

Fortunately for the friends of Federal aid to the school-lunch programs, the argumentation of the opposition, including that of the gentlemen named, is by no means as logical and as convincing as it is eloquent and seductive. The gentleman from New York, for whom I have the greatest respect, said:

> We are entirely competent to do this thing—provide school lunches—right in our homes and in our communities and in our States. * * * Why should we take one more step down the road toward statism?

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. NEELY. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. NEELY. Let me invoke another eminent New Yorker, Mr. George H. Chatfield, a member of the Board of Education of New York City, who is an authority on the school-lunch program, to refute Senator WADSWORTH'S argument. As shown at page 137 of the record of the hearings, Mr. Chatfield said:

> A sound body is the foundation on which is based the skills, knowledge, and experience by which this country has become preeminent.
>
> A sound body is the result of feeding in childhood and youth. There is no alchemy by which the stinted adult can be transformed.
>
> * * * * *
>
> The Nation, as well as the State and the local community, has a stake in the result. The costs which have to be shouldered for hospitalization, institutional care, loss of productivity due to absence and accident, are to a very large extent due to poor bodily development. The Nation must take the lead and show its partners, the State and the community, the way.

Manifestly it is for you to determine, and not for me to decide, whether you will march under the banner of the New York expert or the New York nonexpert in this highly important contest between those on the one hand who are looking to the future and striving to serve it, and those on the other who oppose doing anything for the children of the present or the future that was not done for their grievously underprivileged grandmothers in the rigorous days of the long ago.

The gentleman from Texas, in voicing his fear of the Federal aid which the bill is designed to provide, said, among other things:

> There is something which goes along with that food, this Uncle-Sam-for-nothing stuff, which is bad for the grown people in these communities and worse for their children. * * * You inculcate in the minds of these children, at the impressionable age of their lives, that they can get and ought to get things for nothing from Uncle Sam.

Even the gentleman from Texas, for whom I have entertained a warm friendship for more than a quarter of a century, cannot, with all his oratorical ability, convince me that it is "bad for the grown people and worse for the children" of his State or any other State for the Federal Government to help make the girls and boys of today and tomorrow strong and healthy, multiply their educational opportunities, and thus increase the probabilities of their becoming indispensable to their country and beneficial to the world. Nor can the gentleman convince me that the school children, by virtue of this bill or any other similar measure, will ever receive something for nothing from the Government.

The maintenance of the Government depends upon taxation. The result of taxation depends upon the wealth and the earning capacity of the taxpayers. Earning capacity and wealth are largely dependent upon the health and the education of their possessors. These truths manifest both the necessity and the justification for the enactment of the bill.

Every dollar spent by the Government for school lunches and nutrition-education programs will be a dollar invested in the promotion of the physical, mental, and financial welfare of the future taxpayers of the United States. Eventually the beneficiaries of the investment will return it to the Treasury with compound interest.

The gentleman from Illinois does not object to hot lunches for school children, but he contends that the Federal Government cannot afford to help pay for them. Those who know how very many billions of dollars we have appropriated for military purposes and perceive that we shall, in all probability, soon approve a loan of $4,000,000,000 to Britain should not doubt the Nation's ability to authorize a grant of $50,000,000 to help supply indispensable food and service to those of whom it was divinely said: "Suffer little children to come unto me, and forbid them not: for of such is the Kingdom of God."

Let me entreat the gentleman from Illinois to turn from his materialistic way to that blazed by the great humanitarian, Abraham Lincoln, who said, in effect: "I am for the man and the dollar, but in a contest between the man that God made and the dollar that man made, put me down on the side of the God-made man every time."

It is my hope that on the final roll call on the bill all the Republican Members will say by their votes: "Mr. Lincoln, we revere your memory; we walk in your footsteps; we favor our country and honor ourselves by casting our votes for the children of the Nation which you dearly loved, nobly served, and sublimely blessed."

But regardless of what Republicans may properly do, or improperly leave undone, let all on the Democratic side of the aisle, by unanimously supporting the bill, fully discharge their duty to the children who, in a few short years, will be ruling the Republic, lending helping hands to the oppressed of every country, and pointing out the way, the truth, and the light to all the races and tribes of men.

Mr. KEFAUVER. Mr. Chairman, I move to strike out the last three words.

Mr .Chairman, I take this time to express my approval of this program. This is truly an effort, as described in the declaration of policy, to safeguard the health and well-being of the Nation's children. I know of no more worthy project for the Federal Government to participate in than to sponsor a national effort to see that every school child has a hot lunch. The stability of our Nation, in the years to come, is going to depend upon the health and vigor of our school children of today. What can be more important to our future welfare, in making a contribution toward proper nourishment of our youth, than providing for at least one meal during the school day. As has been pointed out, we are quite liberal in our contributions toward the health and well-being of our livestock, so how can anyone object to a program which will be of some benefit to our school children?

It has been said here on the floor that the children will condemn this program as a "Federal hand-out." Well, I imagine that the children will be very happy to get a hot meal and that they will be appreciative of our great Government which makes this possible. This free school-lunch program has been condemned as undemocratic and is leading us down the totalitarian road. Such argument is without foundation. Nothing could be more basically American than a program of Federal aid to make possible nutritional-school lunches, under local auspices and under local control. The urgent need for such a program has never been more greatly demonstrated than in the last war, when 40 percent of the American young men were rejected for military service because of defects, which stemmed in large measure from nutritional deficiencies. This program does not centralize control in Washington. It encourages local committees to handle this under local auspices, to fit local needs and to meet local conditions.

I remember that when I was in school I was fortunate enough to be able to take a lunch to school. But a cold and soggy sandwich is not very much to look forward to. I remember though that many children with whom I went to school did not have even this much, and those of us who were more fortunate divided our lot with them. All of us would have been better nourished and better students if we could have had a hot bowl of soup and a glass of milk.

I want to congratulate the gentleman from Virginia [Mr. FLANNAGAN] upon his vigorous sponsorship of this measure. We are going to have a hot-lunch program. I see no reason why we should not set up, as is done in this bill, a sensible and well-defined program for carrying it out.

Mr. REES of Kansas. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I just obtained this time to answer the distinguished gentleman from West Virginia [Mr. NEELY] who just left the floor. I realize that a boy from the country, with little experience on the floor of this House, ought not to attempt to follow such a distinguished Member of this House, who has been a Member of the body at the other end of the Capitol and who has served with distinction as the Governor of his own State. But I still think that the Members of this House have a right to express their individual views concerning legislation that comes to the floor of this House for discussion. Their views are entitled to our respect whether we agree or not. The gentleman from West Virginia has just made it appear that Members he has named as opposing this legislation are therefore not in favor of free schools in this country. I just cannot believe the distinguished Member from West Virginia intended to leave the impression that the distinguished gentleman from New York [Mr. WADSWORTH] or the distinguished Member the gentleman from Illinois [Mr. MASON], who incidentally served with honor as a school administrator for 30 years in his community, are opposed to free education. Neither can it be said that the gentleman from Illinois [Mr. ARENDS] or our good friend the senior Member from Texas [Mr. SUMNERS], or our colleague the gentleman from Michigan [Mr. DONDERO] are against free education for every child in this country. In fact, I do not believe there is a Member on the floor of this House that takes such position.

I listened to the speeches of every one of these gentlemen. Not one thing was said by any of them that would indicate or suggest opposition to free education for the children of this country; not at all. Each of these distinguished gentlemen expressed a desire to see that the children should have a chance for free education, and for every advantage that could be provided in the schools of our country. Every one of these gentlemen told this House—and I ask you to examine their statements that appear in the RECORD of yesterday—they wanted to see to it that all children were properly cared for, but they differ as to how it should be done. I remember that most of them were definitely in favor of hot-lunch programs, but took the position that the communities and the States should take care of them, rather than use funds from the Federal Treasury.

I know these gentlemen are capable of taking care of themselves, but I feel it is unfair, whether one is for or against the legislation, to leave such impression, and to compare them with some former Governor of Virginia, who a hundred years ago, was opposed to free schools in this country.

In support of his argument, the gentleman brings in the name of Abraham Lincoln. Do you think for a moment that if Abraham Lincoln were here today he would be intolerant with regard to this question? Do you think if Abraham Lincoln were here he would approve many things that are being done in the United States Government by the present administration? Do you believe he would favor all the bureaucracy in our Government? Whether he did or did not favor a lot of things going on in this House, he would certainly be tolerant about it. So whether you are for or against this legislation, the gentleman's illustration with respect to the great Lincoln does not fit into the picture as exhibited on the floor of the House this afternoon.

Mr. FLANNAGAN. Mr. Chairman, I move that all debate on section 107 and all amendments thereto close in 15 minutes.

The question was taken; and on a division (demanded by Mr. POWELL) there were—ayes 35, noes 60.

So the motion was rejected.

Mr. CARNAHAN. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, our system of free public education is the basis of our national greatness. Our system of public education is the result of a long, slow, and hard uphill pull against many obstacles. We have come from the period when education was considered to be the sole obligation of parents to our present position of public education supported by taxation. A school-lunch program is another progressive step in enriching our educational effort.

Both as a parent—I have two sons—and as one with several years of experience as a school administrator, I favor a school-lunch program. I intend to vote for this bill, whether in its present form or with reasonable amendments. It is very difficult for me to understand the position of many who have spoken on this bill yesterday and today. Many statements follow this pattern: Oh, yes, I believe in a school-lunch program, but I am going to vote against this bill which aids and makes such a lunch program possible.

It has been charged here on the floor of the House that money appropriated for school lunches has been, and will continue to be, extravagantly wasted by bureaucrats and food experts who know nothing about either foods or children. As one who has been charged with the responsibility of administering a school-lunch project, I want to emphatically state that such arguments are not based on the facts. The school where I was last employed as superintendent took advantage of a lunch program made possible by Federal aid. The pupils from homes which were able to do so paid 5 cents a meal for a grade A meal, and the Federal Government paid 9 cents on each meal. With the 14 cents the school furnished a full meal for each pupil wanting it. Pupils from homes not able to pay also got the meal, and absolutely no distinction was made between paying and nonpaying pupils. In fact, no one except those administering the program knew who paid and who did not pay. In my opinion, such use of funds is not extravagant waste.

There is, of course, no basis for the arguments that the Government or the State should assume the responsibility for mental growth and development and at the same time refuse to assume responsibility for physical growth and development. We cannot expect our Nation to remain strong by intellect alone. We must also have a people who are physically strong. The place to lay the foundation for physical strength is not at the age of 18 when military training may be required of all the boys. The foundation for physical strength must be laid much earlier in the life of the child. A school-lunch program, to me, is so sound and sensible that it it is very hard for me to see any wisdom in opposition to it.

I want to make my position on this proposed legislation very clear. I favor a school-lunch program. I favor both title I and title II of House bill 3370. I intend to vote for final passage of the bill. I hope it will not be weakened by restrictive amendments and on behalf of all the children of America and for a strong America tomorrow, I urge all my colleagues on both sides of the aisle to support this very worthy legislation.

Mr. POWELL. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. POWELL: On page 9, line 6, after the period, insert the following: "No funds made available pursuant to this title shall be paid or disbursed to any State or school if, in carrying out its functions under this title, it makes any discrimination because of race, creed, color, or national origin of children or between types of schools or, with respect to a State which maintains separate schools for minority and for majority races, it discriminates between such schools on this account."

The CHAIRMAN. The gentleman from New York is recognized for 5 minutes in support of his amendment.

Mr. POWELL. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. BROOKS. Mr. Chairman, I object.

The CHAIRMAN. The gentleman from New York is recognized for 5 minutes.

Mr. POWELL. Mr. Chairman, the amendment I have offered is the exact language, word for word, comma for comma, and period for period, which was in the original bill.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. POWELL. I am sorry I cannot yield unless I get extra time.

Mr. VORYS of Ohio. Mr. Chairman, I demand the regular order.

The CHAIRMAN. The gentleman will proceed.

Mr. POWELL. I would like to have yielded if I had gotten the extra 5 minutes. That is why I asked for the extra time.

This is exactly the language, word for word, comma for comma, and period for period, that the author of this bill had in the original bill, H. R. 3143. When it was discussed in committee, this item was dropped, although in the committee report there is no notice of any discussion by witnesses concerning it, as to the cause of deletion.

This amendment is word for word, also, and comma for comma and period for period the exact language of the companion bill in the Senate, S. 962.

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This has nothing to do with our pro and con on the bill. It merely means that wherever money is allocated for a free-lunch program, North or South, whether separate schools or not, that money shall be given to the schools on the basis of the population percentage of the State.

The original idea, as I stated, was the language of the gentleman from Virginia [Mr. FLANNAGAN].

Mr. FLANNAGAN. Will the gentleman just yield for a question?

Mr. POWELL. I cannot. If I can have an extra 5 minutes, I will be glad to yield.

The CHAIRMAN. The gentleman declines to yield.

Mr. HOFFMAN. Will the gentleman yield for a unanimous-consent request?

Mr. POWELL. I yield.

Mr. MARTIN of Massachusetts. Mr. Chairman, I ask unanimous consent that the gentleman be allowed to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. POWELL. I yield to the gentleman from Virginia.

Mr. FLANNAGAN. I would like to know what the gentleman from New York means by "types of schools" in the amendment.

Mr. POWELL. Inasmuch as it is your language, I am sorry I cannot tell you any more than you yourself know, because this is your original bill that I am quoting.

Mr. FLANNAGAN. I just wanted to know if the gentleman has placed any other interpretation upon that language than the ordinarily accepted interpretation. Different types of schools, I understand to mean schools of the same type.

Mr. POWELL. That is right. No other interpretation than that.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. POWELL. I yield.

Mr. CASE of South Dakota. Under the language that the gentleman proposes, would full protection be afforded those who attend Indian schools that are operated by the Federal Government?

Mr. POWELL. Insofar as the definition which I propose to offer later on defines a minority race; yes. That amendment will be to page 18, line 2:

SEC. (c). The term "minority race" means any race or racial group that constitutes a minority of the population of the continental United States.

Mr. CASE of South Dakota. Then the gentleman thinks that Indian children would be fully protected under his amendment?

Mr. POWELL. That is right.

Proceeding, I do not think there is any argument involved or further discussion necessary except that we should see that this bill guarantees that the health of America's poorest citizens, the people of the minorities, be protected. I am sure the author of the bill intended this; I am sure all of us who are in favor of the bill want it. It does not in any way alter the existing educational pattern of some States; it does not mean equal education, which is another subject to go into some other time. I know we do not in some States spend equal amounts of money for education, but I am sure that no one can be found to say they would not want to spend equal amounts of money for food. We are spending vast sums through UNRRA for Europe, and we should. We cannot do any less for our own American citizens.

I am merely offering this amendment in the hope that we will be humane enough to see that minority races have the same opportunity in the free-lunch program as do those of the majority race.

If there are any more questions, I shall be happy to answer them before my time comes to an end.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. POWELL. I yield.

Mr. VORYS of Ohio. Can the gentleman tell us how many States have separate schools for majority and minority races?

Mr. POWELL. No; I cannot tell how many have separate schools. I have the facts here but I would have to go through a lot of papers to pick them out. We know that such States are located all over the country, scattered all around. In fact, my neighboring State of New Jersey has separate schools. It is not a sectional program, it is a national situation.

Mr. Chairman, I yield back the balance of my time.

Mr. TARVER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as I advised the Committee on yesterday, serving as chairman of the Subcommittee on Agricultural Appropriations which has handled this appropriation during the several years it has been in existence, I have never been advised by anyone of any discrimination anywhere in the United States in the administration of the program, on account of race, color, creed, or any other condition of that type. I do not think there should be any discrimination based upon such considerations.

I realize and the people of the South, where most of the Negro race reside, realize that their children are in urgent need of the benefits of this program. Our people want them to have those benefits; I want them to have those benefits.

I regret very much to see injected into the subject matter of this bill something which I believe is entirely unnecessary to consider and which, if it is adopted, will not in any way affect the administration of the school-lunch program as it is at present being carried on. It seems to me the only effect of adopting this amendment would be to alienate some votes that otherwise might be cast for approval of the pending bill. The vote we had a while ago on the Abernethy amendment indicates that the division in the House on the subject matter is very close, and that if a few votes that otherwise would be cast for the bill should be lost on account of this amendment, the effect would be to bring about the defeat of the measure.

Now, the amendment does not mean what the sponsor of the amendment said that it did insofar as he said that it would require the expenditure of the same amount of money in the State for children of the colored race as for children of the white race in proportion to population. It simply provides that there shall be no discrimination upon the basis of race as between schools.

We all realize that this program must be locally sponsored in any community or in any school. The parents of the school children of the participating school must be willing, to start with, that their children who are able to pay shall pay the small amounts which are charged for the lunches served to the children. There is more interest on the part of some schools than on the part of others. It would not be possible to provide that the number of children in proportion to the numbers of the races should be fed or served lunches any more than it would be possible to provide that the Baptist, Methodist, Catholic, Lutheran, or Episcopalian children should be served lunches in proportion to the numbers of those who belong to these various types of religion. You simply cannot handle that subject matter upon so strict a basis. It depends, as I said, on local sponsorship and local cooperation. There should not be any discrimination upon any basis.

This is a program for the children of the United States; and the children who need it of whatever race, color, or creed should have equally the rights and benefits of it, but, as I said, the amendment offered by the sponsor does not mean that money shall be expended according to population for the churches or the colored race as it is spent for children of the white race or other races. It simply means there shall be no discrimination between schools upon the basis of color, if that construction is accepted, and it is what is being done already, I can see no harm from the standpoint of the carrying on of the program as it is at present being carried on and with the qualification that it means, in my judgment, what I said. I can see no objection to the amendment, although I think it is a trouble-making amendment which may endanger enactment of the bill, and I shall vote against it.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. RUSSELL. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I rise in opposition to this amendment, if I correctly interpret it, and I think I do. If I have interpreted it correctly, the far-reaching effect of the amendment, should it be adopted, would be that which the author would not want.

If you will listen closely I would like to read this amendment:

Page 9, line 6, after the period, insert the following: "No funds made available pursuant to this title shall be paid or disbursed to any State or school if in carrying out its functions under this title it makes any discrimination because of the race, creed, color, or national origin of the children."

As I see it, and read it hurriedly, no one could object to those words. I think they are carried in the bill fully as it is.

Now, let us read again, and, remember, tying the other parts of the verbiage of

this amendment into what is now to follow:

Or no funds made available pursuant to this title shall be paid or disbursed to any State or school if any discrimination or between types of school or with respect to a State which maintains separate schools for minority and for majority races.

As I read that phraseology I can come to no other logical conclusion, but the significance of it is this, where one school is maintained for the colored race and one for the white race, that if this amendment is adopted it will not only prevent but will deny funds to the colored race as well as to the white race in any State or in any district where the schools are separated.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. RUSSELL. I yield to the gentleman from Georgia.

Mr. TARVER. I know the gentleman is too good a lawyer, after reading the language of the amendment, to adhere to that opinion. The amendment does not provide a denial of funds to schools in States where separate schools are maintained. If it would, I would be opposed to it as strongly as the gentleman.

Mr. RUSSELL. I can only discuss it from the verbiage of it, and that is a reasonable interpretation of the words set out. I can see no other reason for those words being in there.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. RUSSELL. I yield to the gentleman from Texas.

Mr. POAGE. Who is going to determine whether there is discrimination or not?

Mr. RUSSELL. It does not say.

Mr. POAGE. Is it not going to be some Government bureau or Government agency?

Mr. RUSSELL. That is right.

Mr. POAGE. Have we not had some experience with those Government bureaus and Government agencies determining what is discrimination? Did not one of these Government agencies hold that when the Dallas News, of Dallas, Tex., carried an advertisement wanting a colored man to do certain work that that was discrimination, and that they should not say that they wanted a colored man? Is not the gentleman aware that that happened?

Mr. RUSSELL. Yes; I know that it happened.

Mr. POAGE. Well, does the gentleman think there would be any different interpretation under this verbiage? Does the gentleman think he would have a chance to get any better interpretation under this amendment?

Mr. RUSSELL. I do not think so.

Mr. POAGE. Neither do I.

Mr. RUSSELL. I think that when the courts get hold of it they will interpret it just as I have expressed my fears. I think those words ought to be deleted.

Mr. POWELL. Mr. Chairman, will the gentleman yield?

Mr. RUSSELL. I yield.

Mr. POWELL. The gentleman from Texas I do not think understands this amendment correctly because what he has said would not hold true if this was passed. Furthermore, the language that I have used is the exact language of the gentleman from Virginia and also the exact language of the authors of the bill in the Senate, which bill has already passed the committee in the Senate, and which I hold in my hand, and the authors of the bill in the Senate, I am sure, would not want such a condition to obtain, because they are the eminent Senator from Georgia and the eminent Senator from Louisiana.

Mr. RUSSELL. In the construction of the English language, I know of no better way than to apply the reasonable test to it and judge the language from its import and punctuation as it is written. I have seen in my day verbiage of this same kind, written and punctuated just as this, where the higher courts or the courts of last resort, held just as I have construed my fears with reference to this amendment.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. KNUTSON. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. RUSSELL. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. We discussed the text of the amendment in our committee. The question arose with many of us that if that provision were left in the bill there might be discrimination raised by some governmental agency on the point and funds would be denied the State for any purpose. That is one of the main reasons why that proviso was taken out of the bill. No member of the committee wanted any discrimination for the reasons indicated in the gentleman's amendment, so we thought it best, in order to get the legislation out of the committee, to bring it out in its present form, and that point is not raised. We do not believe there will be any discrimination as a result of the language in the bill.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. RUSSELL. I yield to the gentleman from Minnesota.

Mr. KNUTSON. I have read the amendment and place the same construction on it as does the gentleman from Texas. I think that therein lies the merit of the amendment, in that it proposes to do away with all segregation.

Mr. RUSSELL. I thank both gentlemen for their remarks. I am taking this time to try to correct what I consider to be a serious error, if I am correct, and I am constrained to believe I am, that the inclusion of this clause will do that which the author of this amendment does not want, because there are too many States, as he admits, that maintain separate schools for the races. The colored people are my friends, and I want them to have the benefit of these funds. I know in the main they need it more, perhaps, than some of the others do, but I want them to have it. However, if my fears are correct, this amendment will not bring about the result.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. RUSSELL. I yield to the gentleman from North Carolina.

Mr. COOLEY. If the gentleman is not correct, is there any reason why the author of the amendment should not clarify it by eliminating that part of it which has now been brought into question?

Mr. RUSSELL. I think so. I do not think anybody wants any discrimination here against any child or children.

Mr. COOLEY. Certainly not.

Mr. RUSSELL. I certainly would not. I would fight to the bitter end for them regardless of their color.

Mr. COOLEY. Likewise, none of us wants any State discriminated against because it maintains separate schools.

Mr. RUSSELL. We do not want any State discriminated against because of some Federal bureau.

Mr. POWELL. Mr. Chairman, will the gentleman yield?

Mr. RUSSELL. I yield.

Mr. POWELL. The gentleman proposes, then, that if the last part of this amendment is withdrawn his worries would not be as acute as they are now?

Mr. RUSSELL. No; certainly not. I think outside of that the amendment is covered by the bill.

Mr. POWELL. In order to satisfy the gentleman from Texas, I would be happy to strike out of my amendment all the words that follow "color"; that is, from "color" on.

Mr. RUSSELL. I thank you.

Mr. POWELL. Mr. Chairman, I ask unanimous consent that my amendment be reformed to read as follows:

Page 9, line 6, after the period, insert the following: "No funds made available pursuant to this title shall be paid or disbursed to any State or school if in carrying out its functions under this title it makes any discrimination because of race, creed, color, or national origin of children."

Mr. KNUTSON. The gentleman will nullify his amendment if that is done. He will defeat the very purpose he is trying to accomplish.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. ABERNETHY. I object, Mr. Chairman.

Mr. BENDER. Mr. Chairman, I offer a substitute amendment to the amendment offered by the gentleman from New York.

The Clerk read as follows:

Amendment offered by Mr. BENDER as a substitute for the Powell amendment: "No funds appropriated under the provisions of this act shall be apportioned to any State wherein there is maintained under the laws of such State separate schools for the education of children of different color, or wherein there is exercised any racial discrimination or segregation of pupils on account of color."

Mr. BENDER. Mr. Chairman, when the gentleman from New York offered his amendment, I am sure this is what he must have had in mind. At least, that is my understanding of what he was attempting to accomplish with his amendment. If that is so, let us not mince

words. Let us say exactly what we mean. Since that is what I believe he has in mind and since that is what I would frankly think he would want to accomplish, let us vote on the amendment the way it was intended and in the form in which I am very anxious to support such an amendment.

Mr. POWELL. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield to the gentleman.

Mr. POWELL. I assure the gentleman that the language of his amendment does not in any way support the purpose of my amendment.

Mr. BENDER. What is the purpose of your amendment, may I ask?

Mr. POWELL. The purpose of my amendment is not in any way to alter existing educational patterns. The purpose of my amendment is to assure that where there are separate schools or even where there are not separate schools, the money allocated for the school-lunch programs shall be allocated fairly to all people without regard to race, creed, color, or nation of origin.

Mr. BENDER. Does the gentleman approve of existing patterns?

Mr. POWELL. I do not, but that is not the subject before the House now.

Mr. BENDER. Then since a vote on the gentleman's amendment cannot be interpreted as a vote for the pattern as it should be, obviously this amendment would accomplish the very thing that he would want to accomplish and surely should support it.

Mr. POWELL. Your amendment would not in any way alter existing educational patterns. It would merely mean that in a majority of the States of this Union, both North and South, the children of the States, black and white, would go without the free-lunch program. That is what it means.

Mr. BENDER. I am sure the gentleman is reading the very thing into this amendment which some of the gentlemen were reading into his amendment. However, all of you gentlemen, and the gentleman from New York, have the privilege of voting an amendment down if you so choose. That is your privilege. I take no issue with that at all. However, since the gentleman agrees that he is opposed to this practice, here is his opportunity and the opportunity of every Member of the House to say so and say so frankly by a yea or nay vote.

Mr. POWELL. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield.

Mr. POWELL. A few months ago when we had the work-or-fight bill before the House, a trick was resorted to then not to support or defeat the bill but merely to gain a partisan point of view by playing on racial prejudices. I took the floor here that day and defeated the motion which came from your side of the House. I say that you are doing the same thing right now.

Mr. BENDER. I charge the gentlemen through the trick that he perpetrated on that occasion with defeating FEPC in the work-or-fight bill. I charge the gentleman that through his speech in charging bad faith to the gentleman from Massachusetts who at no time was interested in partisanship but was interested in an amendment which would have improved the bill and would have provided the means for the thing that the gentleman from New York professes to support in the fair employment practices amendment.

Mr. POWELL. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I do not yield further. I think the gentleman is most unfair in the statement he makes as he was unfair on that occasion. I disagree with the gentleman violently in making the charge that he did on that day regarding my colleague the gentleman from Massachusetts [Mr. CLASON], who was most sincere and desired that at every opportunity the principle should be established and made a part of the legislation that was up for consideration. So on this occasion I have endeavored to do the very thing that the gentleman has professed, and I take this opportunity to urge upon the membership of the House to act favorably on my substitute amendment.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. BENDER] has expired.

Mr. FOLGER. Mr. Chairman, I offer an amendment, which I send to the desk.

Mr. VORYS of Ohio. Mr. Chairman, a point of order.

Is the amendment to the substitute pending?

The CHAIRMAN. The Clerk will report the amendment, and we will find out what it is.

The Clerk read as follows:

Amendment offered by Mr. FOLGER to the Powell amendment: After the word "children", in line 5, insert a period, and strike out the remainder.

The CHAIRMAN. The gentleman from North Carolina is recognized for 5 minutes.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. FOLGER. I yield.

Mr. VORYS of Ohio. The inquiry is, How can this amendment be pending at the same time a substitute for the amendment is pending?

The CHAIRMAN. For the reason that it is an amendment to the original amendment and not to the substitute.

Mr. TARVER. Mr. Chairman, may we have the Powell amendment read as it would be amended if the amendment offered by the gentleman from North Carolina [Mr. FOLGER] is adopted?

The CHAIRMAN. Without objection, the Clerk will report the Powell amendment as it would be amended by the Folger amendment.

The Clerk read as follows:

On page 9, line 6, after the period, insert the following: "No funds made available pursuant to this title shall be paid or disbursed to any State or school if, in carrying out its functions under this title, it makes any discrimination because of race, creed, color, or national origin of children."

The CHAIRMAN. The gentleman from North Carolina is recognized for 5 minutes in support of his amendment.

Mr. FOLGER. Mr. Chairman, I am interested in seeing this bill passed, and I am not interested in the politics of it or an attempt to make a political issue out of it. I think it is too important to all of our races, all of our people, and all of our children that such beneficent provision be made that I would not inject political considerations into it.

I am sure when you consider this, and I will read it again, if you will listen to it, there will not be anybody on this floor or in this Committee who would object to it:

No funds made available pursuant to this title shall be paid or disbursed to any State or school if, in carrying out its functions under this title, it makes any discrimination because of race, creed, color, or national origin of children.

Now, that contemplates everything that could be desired—everything that the author of this bill desired and the purposes he had in mind in introducing it.

I regret very much to see an effort made to sabotage this bill by offering amendments or suggestions, the basis of which have some political advantage. We are definitely interested in the colored children, in the white children, the Indian children, and all of the other children in the United States.

Mr. CURTIS. Mr. Chairman, will the gentleman yield for a brief question?

Mr. FOLGER. I yield.

Mr. CURTIS. Under your amendment is segregation discrimination?

Mr. FOLGER. No; and it never has been a discrimination in any particular and never will be. There is quite a difference between segregation and discrimination.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield.

Mr. BRADLEY of Pennsylvania. Is the gentleman sure that under the language of his amendment there is not the possibility that a situation will develop due to an interpretation of the courts that funds might be entirely taken from these States and thus deprive both white and black children of these lunches?

Mr. FOLGER. That is only imaginative as applied to this bill, in my opinion. I cannot believe there is a man on earth who would be so sorry as to engage in such a thing.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield.

Mr. MURDOCK. Is it the gentleman's understanding that the amendment offered as a substitute by the gentleman from Ohio [Mr. BENDER] would deny funds to the school in any State where schools are segregated or where there is any degree of segregation?

Mr. FOLGER. I must answer the gentleman by saying that I did not pay much attention to the amendment because I was very much wedded to the purpose to get this bill through for the health of the children of this country, and not in other considerations.

Mr. MURDOCK. I, too, am wedded to the same purpose. However, it seems to me plainly the intent of the Bender amendment to penalize States with separate schools, and I think that is the object of the substitute amendment. Therefore if the Bender amendment is

made a part of the law no State with any segregation can receive these funds.

Mr. FOLGER. I would not say that; I do not know.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield.

Mr. MILLER of Nebraska. Does the gentleman's interpretation of the word "discrimination" provide for segregation of colored people riding in trains? Would that be discrimination?

Mr. FOLGER. Now, I am surprised, I am astonished that questions of that nature should be asked when we are dealing with a provision to help the children of the United States regardless of race, creed, color, or national origin of the children. It has got nothing to do with riding on trains or anything else; it is a provision for the protection and the equality of treatment of all children in the United States regardless of any of these considerations in providing food as we have done heretofore.

Mrs. LUCE. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield.

Mrs. LUCE. I assume that by the words "any discrimination" in the gentleman's amendment he means any discrimination in the providing of food under this bill. Is that correct?

Mr. FOLGER. That is correct; that is all we are dealing with in this bill.

Mrs. LUCE. Will the gentleman yield for a further question?

Mr. FOLGER. I yield to the gentlewoman from Connecticut.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman from North Carolina may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mrs. LUCE. If discrimination should be practiced in the disbursal of these funds it might well be discrimination against Italian, Hungarian, Jewish, or Negro groups. But if this discrimination is practiced, one must assume it will not be the children who practice it. Is that right?

Mr. FOLGER. Sure.

Mrs. LUCE. It will be someone else. Now, why should the children in any State be penalized by being deprived of food for a discrimination practiced by their elders, perhaps for political reasons?

It seems to me that if you must have a punishment for discriminating against one set of children you ought not punish all children for it. So please invent another punishment for discriminating against these children.

Mr. FOLGER. Theoretically, Mr. Chairman, I think the gentlewoman—and I like that word better than I do "gentle lady"——

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I will yield, but let me first answer this question—theoretically, I think the gentlewoman has uttered a thought that might be given consideration, but as a practical working matter I do not believe it is important and I think the Government would probably be going into policing things a little too much if it went into too fine detail. It must be remembered that this is a program to help the health of all the children.

Mr. FLANNAGAN. I have checked into this matter very carefully with those who have been in charge of the program and I am advised that since the program was inaugurated 10 years ago not one single complaint has been made with respect to discrimination on account of race, color, or creed. No discrimination is made in the bill as drawn, and under the gentleman's amendment I do not think you would change in any way the net result of the present language in the bill.

Mr. FOLGER. I think the gentleman is correct. That is my experience in my own State and I think that is the experience in the other States; that is, not to make discrimination on account of any of these things; but since the matter has come up I think that this amendment I have offered is one that can well be accepted by everybody.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Is there any doubt in the gentleman's mind that if the Bender amendment is adopted the results of it will be very harmful to the passage of the bill that is now before the House? Notice I did not say "intent" but I say the results of it will be very harmful. In other words, no matter what the intent is, the results of the amendment are unfriendly to the pending bill.

Mr. FOLGER. I agree with that entirely and that is the reason I have offered my amendment. That is the reason I made the observation that this is one bill and something else may be another, if you want to go into it later on.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield to the gentleman from Michigan.

Mr. DONDERO. If what the majority leader has said about the Bender amendment is correct, what would the gentleman from North Carolina say about the amendment offered by the gentleman from New York [Mr. POWELL]?

Mr. FOLGER. I would say that it involves a little more burden, it is a little bit hard to interpret and it does not accomplish any more than I think my amendment will accomplish in reality and honestly.

Mr. McCORMACK. The gentleman from New York [Mr. POWELL] expressed his willingness to accept an amendment to his amendment and submitted an unanimous consent request which was objected to. The gentleman from North Carolina who has the floor offers an amendment to strike out the language which nobody seems to have any uncertainty about and nobody seems to be in disagreement about so far as the language that is left; but if the substitute offered by the gentleman from Ohio is adopted the result of it will be the same as if it were offered from an unfriendly angle. It is very harmful to the bill.

Mr. FOLGER. I yield to the gentleman from New York on that point and inquire if the amendment is agreeable to him?

Mr. POWELL. Yes. I originally proposed it when the gentleman from Texas [Mr. RUSSELL] had the floor, but someone objected to the unanimous consent request.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. FLANNAGAN. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. On all pending amendments?

Mr. FLANNAGAN. On this amendment, the Powell amendment, and all amendments thereto.

The CHAIRMAN. The question is on the motion offered by the gentleman from Virginia.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Chairman, as I understand the situation, the gentleman from North Carolina has offered an amendment to strike out the last sentence of the amendment offered by the gentleman from New York which the gentleman from New York had previously asked unanimous consent to have eliminated. That request was objected to from the majority side of the House.

I have no racial prejudice. It so happens that I was born in Europe and over there they do not have these racial differences that afflict our people in this country.

If the Powell amendment remains in its original form I shall vote for it. I shall certainly vote against cutting the heart out of the Powell amendment, as the gentleman from North Carolina proposes. Either this thing is right or it is wrong. Personally, I believe that all Americans should be treated alike when it comes to receiving benefits from the Federal Treasury.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Is the gentleman in favor of the passage of the bill?

Mr. KNUTSON. I am against the passage of the bill.

Mr. McCORMACK. Exactly.

Mr. KNUTSON. Exactly, because I do not believe in looting the Treasury like some gentlemen that I might mention by name.

Mr. BENDER. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Ohio.

Mr. BENDER. The gentleman from Massachusetts made reference to me. I have been tested under fire, as far as this legislation is concerned. I have always voted for this program, and my amendment definitely, without reservation, brings the issue before the House as it should be. Now, if politics are being

played, they are being played on the other side of the House.

Mr. KNUTSON. Why, of course, the gentleman from Ohio is absolutely right; there is no politics involved that I can see. The gentleman from Massachusetts asked if I was in favor of the bill. I am in favor of school lunches but I want the States and local communities to furnish the school lunches, because there is not a State treasury but what is in a much better condition to carry this expense than is the Federal Government. Do not forget, gentlemen, that the national debt is now about two hundred and eighty thousand million dollars. We are scraping the bottom of the bin—yes, and it is about time that we stop look and listen. I talked to the gentleman from Michigan [Mr. ENGEL] today, and he told me that there are authorizations coming up before his committee that will run into the billions of dollars. Our committee brought out a tax reduction bill last fall, and Congress passed it. The American people are looking for yet further reductions. You cannot have tax reductions if you keep on loading needless expenditures like this onto the Federal Treasury. Let the States do their work and their duty and let them stop looking to Washington to do for them the things that they should do for themselves.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Massachusetts?

Mr. BATES of Massachusetts. Is it not a fact that the States and the various communities of this country are financially better off to assume this burden today than they have been for the last 25 years?

Mr. KNUTSON. Infinitely better. But they have become accustomed to look to Washington to do the things that they should do for themselves. Let us return to that system of government which was originally intended by the founding fathers.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Chairman, the spectacle of the gentleman from Minnesota [Mr. KNUTSON], in his attempt to assume the role of a statesman has been dissipated by his own utterances and his own position during the last few minutes. The gentleman talks about politics in response to the observation made by the gentleman from Ohio [Mr. BENDER] and says it is on the Democratic side. Then I asked him a simple question, Was he in favor of the bill? and he said "No." But he is in favor of any amendment that will be destructive of the bill, and that, of course, despite his protestations of innocence, convicts him of his state of mind on the question of playing politics. He certainly is engaging in politics, trying to ride two horses at the same time on this question. So far as the gentleman from Ohio [Mr. BENDER] is concerned, I accept every statement the gentleman made, and my observations were not inconsistent with what he said. I was very careful to say, "the results." I emphasized not the intent. I did that particularly. So the gentleman's observations are inconsistent with what I said if my remarks were interpreted correctly, because I accentuated the fact that the results would be the same as if the amendment was unfriendly. I know the gentleman does not have an unfriendly intent.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. MCCORMACK. I yield to the gentleman from Virginia.

Mr. FLANNAGAN. The language in the amendment offered by the gentleman from New York was taken literally from the bill, S. 962, a school-lunch bill introduced in the Senate by Senators RUSSELL and ELLENDER. Those two Senators are the authors of that language and approve of it, because I have been in consultation on more than one occasion with them with respect to the language in this measure. I would just like the Members to know that that language was prepared by Senator RUSSELL, of Georgia, and Senator ELLENDER, of Louisiana.

Mr. MCCORMACK. This bill is for the purpose of helping certain school children who need it. Let us not lose sight of that fact and bring other questions in that belong in another bill on another day. The amendment offered by the gentleman from Ohio [Mr. BENDER], I predict, as surely as I am standing in this well now, will be supported by everyone who is opposed to this bill. I predict that when they stand up everyone opposed to the bill will vote for the Bender amendment. Then after it is adopted, if it is, they will vote to adopt it in the House. I predict that the adoption of that amendment will imperil the passage of the pending bill. As a matter of fact, we would be better off if both amendments were defeated, for the purposes of this bill. However, if one is going to be adopted, the amendment offered by the gentleman from New York [Mr. POWELL], who is willing to accept the amendment offered by the gentleman from North Carolina [Mr. FOLGER], is the amendment that should be adopted.

Mr. POWELL. Mr. Chairman, will the gentleman yield?

Mr. MCCORMACK. I yield to the gentleman from New York.

Mr. POWELL. The gentleman from Massachusetts may be assured that I am supporting the Folger amendment, because my purpose in offering the amendment is not to change the existing school patterns. If the gentleman from Ohio is honest about his amendment, he will introduce a bill to do that, and I will support such a bill. I am interested only in seeing that the school-lunch money is apportioned to all people, majority and minority. That is the only purpose I have now. If the gentleman is serious about changing the school pattern, I will go with him, but not on this bill.

Mr. MCCORMACK. Without regard to the wisdom or unwisdom of the gentleman from New York in offering the amendment, the gentleman from New York is absolutely correct in his state of mind. He has shown it in this debate and he has shown it in his willingness to ask unanimous consent that his amendment be amended. He showed it before and he has shown it now in his willingness to accept the amendment offered by the gentleman from North Carolina. The best thing would probably be to defeat them all, but in any event to defeat the amendment offered by the gentleman from Ohio, and, if one is going to be adopted, to accept the amendment offered by the gentleman from North Carolina [Mr. FOLGER].

The CHAIRMAN. The time of the gentleman from Massachusetts has expired. All time has expired.

The question is on the amendment offered by the gentleman from North Carolina [Mr. FOLGER] to the amendment offered by the gentleman from New York [Mr. POWELL].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Ohio [Mr. BENDER] to the amendment offered by the gentleman from New York [Mr. POWELL].

The substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. POWELL], as amended.

The question was taken; and on a division there were—ayes 114, noes 48.

So the amendment was agreed to.

The Clerk read as follows:

MISCELLANEOUS PROVISIONS AND DEFINITIONS

SEC. 108. (a) States, State educational agencies, and schools participating in the school-lunch program under this title shall keep such accounts and records as may be necessary to enable the Secretary to determine whether the provisions of this title are being complied with. Such accounts and records shall at all times be available for inspection and audit by representatives of the Secretary and shall be preserved for such period of time, not in excess of 5 years, as the Secretary determines is necessary.

(b) The Secretary shall incorporate, in his agreements with the State educational agencies, the express requirements under this title with respect to the operation of the school-lunch program under this title insofar as they may be applicable and such other provisions as in his opinion are reasonably necessary or appropriate to effectuate the purposes of this title.

(c) For the purposes of this title, (1) "Secretary of Agriculture," during the existence of the War Food Administration, shall mean the War Food Administrator; (2) "State" includes the District of Columbia, Territory of Hawaii, Puerto Rico, Alaska, and the Virgin Islands; (3) "State educational agency" means, as the State legislature may determine, (a) the chief State school officer (such as the State superintendent of public instruction, commissioner of education, or similar officer), or (b) a board of education controlling the State department of education; except that in the District of Columbia it shall mean the Board of Education, and except that for the period ending June 30, 1947, "State educational agency" may mean any agency or agencies within the State designated by the governor to carry out the functions herein required of a State educational agency; and (4) "nonprofit private school" means any private school exempt from income tax under section 101 (6) of the Internal Revenue Code, as amended.

(d) If, in any State, the State educational agency is not permitted by law to disburse the funds paid to it under this title to nonprofit private schools in the State, or is not permitted by law to match Federal funds made available for use by such nonprofit

private schools, the Secretary shall withhold from the funds apportioned to any such State under section 102 of this title the same proportion of the funds as the number of children between the ages of 5 and 17, inclusive, attending nonprofit private schools within the State is of the total number of persons of those ages within the State attending school. The Secretary shall disburse the funds so withheld directly to the nonprofit private schools within said State for the same purposes and subject to the same conditions as are authorized or required with respect to the disbursements to schools within the State by the State educational agency including, but not restricted to, the requirement that any such payment or payments shall be matched, in the proportion specified in section 104 for such State, by funds from sources within the State expended by nonprofit private schools within the State participating in the school-lunch program under this title. Such funds shall not be considered a part of the funds constituting the matching funds under the terms of section 104 or section 202 (c).

(e) The funds apportioned to nonprofit child-care centers shall be disbursed by the Secretary directly to nonprofit child-care centers for the same purposes and subject to the same conditions, except the requirements as to the method of apportionment set forth in section 102, as are authorized or required with respect to disbursements to schools within the respective State, including but not being restricted to the requirement that any such payment or payments shall be matched in the proportion specified in section 104 for such State for such year by funds from sources within the respective State expended by nonprofit child-care centers within that State participating in the school-lunch program under this title. The funds from sources within the State expended under this title by such nonprofit child-care centers shall not be considered as a part of the funds, from sources within the State, constituting the matching funds of public schools or nonprofit private schools in that State.

Mr. LANHAM. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not think it is the function of any Member of this body to criticize another Member with reference to the exercise of his judgment concerning matters of legislation which come before us for consideration, but I do think that each Member is entitled to full respect for his conscientious, independent opinion deliberately reached after careful study.

It do not know to what extent you may be interested in antiques. By the term "antiques" as I am now using it, I do not refer to that substantial furniture which was built by the pioneers and which has been initiated with inferior materials, the products being called antiques, but in truth of very recent manufacture.

Not long ago I ran across an antique which interested me very greatly. It was an American antique. It was documentary in character. In looking at the title of it I discovered that it was termed the Constitution of the United States and it was printed in understandable English. I was interested to read its provisions and I noticed that it set up a form of government of a representative nature, based upon democratic principles; that it created a central government, and to that central government accorded very limited powers with reference to its operations. The remainder of governmental powers was left in the States.

Now, we have lately observed in the philosophy of the government of human beings advocated by certain groups some more modern antiques, not so substantial, and not so stable in my judgment as those which were constructed by those pioneer fathers, because when I delved into the history of this country that was established under that American documentary antique, I discovered that for a century and a half in following those principles, the people prospered; they were happy; they enjoyed the blessings of liberty; they were free, without undue regimentation, to carry on their own pursuits. It seems that in the further history of this great country, in the later days, new philosophers have arisen, preaching doctrines that are quite at variance with those contained in that documentary American antique known as the Constitution of the United States.

For instance, it is proposed that the small-business man shall not be allowed to hire anyone in his employ unless someone in the Central Government gives the O. K. to his purpose.

It has been proposed, and I understand has passed one of the bodies of the Congress which was established under this Constitution of the United States, that the 48 States be deprived of the privilege of determining the qualifications of electors.

Many and varied have been the proposals of centralization rather recently made, at complete variance with that original fundamental document, but in keeping with policies which have wrecked certain foreign nations.

The CHAIRMAN. The time of the gentleman from Texas [Mr. LANHAM] has expired.

Mr. LANHAM. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LANHAM. Those recent suggestions, some of them adopted and others proposed, without the formality prescribed in the Constitution for amendment of that document, are gradually changing our entire form of government as it was prescribed in that ancient, fundamental American paper.

Now we have more or less chaos and uncertainty among our people with reference to just what "liberty" means, and to just what extent the powers and privileges they once enjoyed are being taken from them.

We have before us now, not as an emergency matter, but as a proposal for permanent legislation, a recommendation that we start to feed a certain portion of the people on the understanding and assumption that fathers and mothers no longer know how to look after their children and are not sufficiently interested in their welfare, and this proposal comes at a time when we have no large supply of surplus foods. This course could well go on to the matter of providing clothing and other things that might be necessary to be used in the various households, and then we might extend it beyond the children to the people in general.

If this is to be adopted, if we are to continue this policy and practice of further centralization of the rights of the people that strip them of their fundamental liberties, I want to join with those who are urging that this next title that we are going to consider be eliminated from this bill. That is the title which would put the administration of this matter in the hands of the Office or Bureau of Education. I am a member of the Committee on Education and have the pleasure of serving on that committee with some very eminent gentlemen of each political party from all sections of the United States. I believe if you will consult with the members of that committee you will discover that it has been brought very forcefully to their attention in the matters which have come before that committee for consideration that there is a very definite and a very positive desire and purpose upon the part of some, at least, of those in the Office of Education to make inroads into our public-school system and eventually in this process of centralization to take control of our educational system.

I believe that the Office of Education should be restricted to the purposes for which it was created.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. No; I have just a few moments and I should like to continue this line of thought just a little.

In the investigations that have been made by the Committee on Education, and especially in the research by certain members of that committee, many things have been brought to our attention which are far afield from the purposes for which that Bureau was originally established. They get out documents upon all kinds of subjects. By means of various programs throughout this country they preach their propaganda, which is designed to let the educational interests of the country know that they have a great guardian father who is going to look after them from centralized Washington and dictate their courses of procedure.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. FLANNAGAN. Mr. Chairman, I have two committee amendments which are at the desk.

The Clerk read as follows:

Committee amendment offered by Mr. FLANNAGAN: Page 9, line 24, and page 10, lines 1 and 2, delete the words "Secretary of Agriculture during the existence of the War Food Administration shall mean the War Food Administration" and insert the following: "'Secretary' means 'the Secretary of Agriculture of the United States.'"

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. FLANNAGAN].

The amendment was agreed to.

Mr. FLANNAGAN. Mr. Chairman, I offer another committee amendment.

The Clerk read as follows:

Amendment offered by Mr. FLANNAGAN: Page 10, line 12, delete the date "June 30, 1947" and insert the date "June 30, 1948."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. FLANNAGAN].

The amendment was agreed to.

Mr. POAGE. Mr. Chairman, I move to strike out the last five words.

Mr. Chairman, it is with a great deal of regret that I find it necessary to rise now and suggest that this bill is at this time in a condition where I cannot support it, even though I realize that the Agricultural Committee did do a long and I think a splendid piece of work in trying to bring out a fair, well-rounded bill.

The measure was considered from every angle in that committee. Everything I wanted was not put in the bill and some of the things I did not want were inserted, but I had resolved, as I am sure most of the members of that committee and most of the Members of this House had, that we were going to support this bill in an effort to continue a program that has been of great value to the children of America. I still hope to support such a program if the majority of this House will let me. But there was an amendment adopted here by a standing vote a while ago that every Member of this House knows was calculated to make it impossible for those of us who come from the Southern States, where we maintain separate schools for the different races, to vote for the bill. The supporters of that amendment say that they are for the bill. If they are, they showed their friendship in a strange and unnatural manner. They offer an amendment which they say will have no effect, but which they know will kill the bill.

If this amendment is actually meaningless as they say it is, why did they insist on inserting it? If it actually has any meaning, what can that meaning be except that they want no money spent in any State that maintains separate schools for white and blacks? If it means anything at all, it means that no Southern State will get a cent for either whites or blacks. If it is meaningless, the best that can be said for it is that it is an attempt to fool somebody. Who are they trying to fool; the colored people of the northern cities or the entire citizenship of our Southern States? I am not going to assume that the gentlemen who voted for this bill did so with the idea of making any group believe that this amendment would mean something when they knew it had no meaning. No, my friends; I accept the good faith of those who voted for the amendment, and accepting their sincerity I can only conclude that the amendment means something—and that something is that no State which maintains separate schools would get any money from this bill.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to my distinguished chairman, the gentleman from Virginia.

Mr. FLANNAGAN. The language which the gentleman has put a certain construction on was prepared by southern Senators, Senator RUSSELL, of Georgia, and Senator ELLENDER, of Louisiana.

Mr. POAGE. If I may be pardoned for using a rather expressive phrase, I would ask the gentleman "So what?" The gentleman's observation might be very interesting if the distinguished gentlemen to whom he has referred were to be in a position to interpret this bill when it becomes law, but, unfortunately, the interpretation will be in other hands.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Is it not true, for the RECORD, that the same bill introduced by the two gentlemen in the Senate was also introduced in the House?

Mr. POAGE. That is right; it was considered in the Agricultural Committee and that language was turned down by an overwhelming vote.

Mr. WHITTINGTON. Who prepared it for the Senators and for the Members of the House,

Mr. POAGE. I have not the slightest idea.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. Yes; I yield to the gentleman.

Mr. FLANNAGAN. I can tell the gentleman who prepared that language. Senator RUSSELL prepared it, and it was agreed to by Senator ELLENDER and myself.

Mr. POAGE. In all kindness, may I again inquire, "So what?"

Mr. FLANNAGAN. So that was not the construction we placed upon it.

Mr. POAGE. Unfortunately, if this bill passes with the language in it that it now contains, neither my distinguished chairman nor the eminent Members of the other body will have the opportunity to interpret the construction of the bill. It will be interpreted by some bureau or some bureaucrat, some appointive officer, and that appointive officer, whoever he may be—and I make no charges as to any individual—is going to be subject to exactly the same kind of political pressure to which this House yielded so recently.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Minnesota.

Mr. KNUTSON. Perhaps he will be a pink.

Mr. POAGE. I do not know what he will be, but I do know he will be subject to the same political pressure that was applied to this House. I do know that he will be pressured continuously to hold to the opinion that the author of this amendment is quoted in the public press to have so recently expressed when the newspapers of this country stated that the author of the amendment had stated that "Segregation and separation is discrimination." Now, I know that the author of this amendment stated here in the last few minutes that that was not his view. I am not going to question what his views are today or what they were 2 weeks ago, but I know his statement of his views today does not coincide with the view he is reputed to have expressed on this subject in a very recent public statement. I would not try to keep up with the author's views but I think that I can safely predict what the views of some of these bureaus and agencies are going to be months and years from now, and I know they are going to be the same as those attributed to the author of this amendment before he got in the hole here on this floor and had to back water in order to keep a clear, unambiguous substitute from being adopted for this amendment which other supporters now try to tell us is meaningless. I cannot forget that within the last month the very author of this amendment which prohibits discrimination was quoted in the press as having stated that "Segregation is discrimination." And while I do not agree with that view; while I do not favor discrimination nor do I know of any discrimination, as I would interpret the term, I would not have the power of interpretation and when some bureau or later some court attempts to interpret the term they will find that the very author of this prohibition against discrimination has publicly stated that segregation is discrimination. In the face of this, what interpretation would you expect?

Mr. BROOKS. Will the gentleman yield?

Mr. POAGE. I yield.

Mr. BROOKS. Does not the gentleman feel that this is the opening wedge for Federal supervision of education?

Mr. POAGE. It is Federal supervision. It is not an opening wedge. It is Federal supervision. It is control by a Federal bureaucracy and it cannot be interpreted as being anything else.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. POAGE. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. GALLAGHER. Mr. Chairman, I object.

Mr. RANKIN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. RANKIN. To make an objection a Member has to rise to object.

The CHAIRMAN. The point of order is well taken.

Mr. POAGE. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. O'BRIEN of Illinois. I object.

Mr. TARVER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I am just as strongly opposed to any movement which would interfere with the separate schools maintained in the South for the white and the colored races as is the gentleman from Texas. I did not vote for the amendment which has been adopted here, and yet at the time I pointed out that that amendment could not possibly be reasonably construed to have any effect upon the separation of the children of the races in the schools of the South. I shall not permit myself to be hoodwinked by the enemies of this legislation into voting against it as they would like to have me do, and like to have the gentleman from Texas do, by

adopting any such arguments as those which he has undertaken to advance on this floor. There is not a lawyer in America who is worthy to be called a lawyer but who knows that the adoption of this language neither adds to nor takes from a single item of the substance of this bill.

Mr. RUSSELL. Mr. Chairman, I demand that those words be taken down.

The CHAIRMAN. The Clerk will report the words objected to.

The Clerk read as follows:

Mr. TARVER. There is not a lawyer in America who is worthy to be called a lawyer but who knows that the adoption of this language neither adds to nor takes from a single item of the substance of this bill.

The CHAIRMAN. The Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JACKSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 3370) to provide assistance to the States in the establishment, maintenance, operation, and expansion of school-lunch programs, and for other purposes, certain words used in debate were objected to and on request were taken down and read at the Clerk's desk, and he herewith reported the same to the House.

The SPEAKER. The Clerk will report the words objected to.

The Clerk read as follows:

Mr. TARVER. There is not a lawyer in America who is worthy to be called a lawyer but who knows that the adoption of this language neither adds to nor takes from a single item of the substance of this bill.

The SPEAKER. The Chair is compelled to hold with reference to this language that it is an opinion expressed by the gentleman from Georgia which does not reflect upon the character of the gentleman from Texas or any other Member.

The Committee will resume its sitting.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 3370, with Mr. JACKSON in the chair.

Mr. TARVER. Mr. Chairman, the language reads as follows:

No funds made available pursuant to this title shall be paid or disbursed to any State or school if, in carrying out its functions under this title, it makes any discrimination because of race, creed, color, or national origin of children.

It was placed in the bill by my distinguished Senator. Perhaps I had better withdraw that statement since I am not allowed to make reference to Members of another body. But is there any man here from the South who insists that in his State in the use of these funds discrimination is being made against a school on the basis of color? It is not being so made in the State of Georgia. I say that this language neither adds to nor detracts anything from the substance of this bill.

So far as I am concerned, I want the Negro children of the South to have the benefits of this bill as I want the white children to have them. I know they have had them for 10 years. I know that there has been no discrimination against them. I know that the insertion of this language was entirely unnecessary, but because the language has been inserted by those who are the enemies of this legislation and want to see nothing at all enacted on this subject, I am not one to let them by indirection control my actions and get me to vote against a measure I favor by that sort of subterfuge.

Mrs. LUCE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offer by Mrs. LUCE of Connecticut: On page 12, line 9, add a new paragraph (f) reading as follows:

"The term 'child-care centers' as used in this title shall include nonprofit foster homes and orphanages."

Mrs. LUCE. Mr. Chairman, I rise to offer an amendment on the inclusion of orphanages and foster homes in the provisions of this bill. Now, I am in hearty accord with the provisions as amended up to this moment of title I of this bill. It seems to me that we must all keep our eye on the basic purpose of the bill which is to improve the health of tomorrow's citizens by providing food for school children. Now, there is no Member of this House who is more eager than I am to stop the trend toward what is referred to here sometimes as statism, sometimes as centralized government, sometimes as totalitarian ideology, and even communism. But I must confess that I fail to see but little difference in the so-called ideology of this bill which provides Federal aid, by matching dollar for dollar with communities, for food for school children, and other programs which we have already voted for in times past in great numbers on both sides of the aisle, whereby Federal funds have been extended for harbor and river development, for highways, for unemployment-relief programs, vocational training for the disabled, and so on. If this bill is wrong in philosophy, so were they wrong, and yet we know how overwhelmingly most of them have been accepted by the Congress and the people. In any case, to those of my colleagues who are fighting the battle against statism on the floor of this House, may I say that however justified that battle may be, I do not think they do well to try to win a minor engagement, where they have lost so many major ones, and seemingly have been content to do so, when undernourished children will fall first in this battle.

Mr. FLANNAGAN. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. I yield.

Mr. FLANNAGAN. I do not believe there is any objection to the amendment. Certainly there is no objection so far as I am concerned.

Mr. WICKERSHAM. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. I yield.

Mr. WICKERSHAM. The members of the committee really thought that was in the bill. In fact, the gentleman from Wisconsin [Mr. MURRAY], who is on his feet, and the gentleman from California [Mr. VOORHIS], have brought that out.

Mrs. LUCE. Then perhaps the members of the committee did not read their own committee report.

Mr. WICKERSHAM. Yes; we did.

Mrs. LUCE. The report of the committee specifically cuts out orphanages and foster homes.

Mr. WICKERSHAM. The gentlewoman is right. The report does cut it out. We think the amendment is good and we thought it was in the bill.

Mrs. LUCE. I wish to thank you so much for yielding and accepting my amendment.

Mr. DONDERO. Mr. Chairman, will the gentlewoman yield?

Mrs. LUCE. I yield.

Mr. DONDERO. Does your amendment make any distinction as to the age of the child who is in an orphanage? Suppose the child is 1 or 2 years old.

Mrs. LUCE. The children included in the orphanages would, I assume, be treated exactly according to the age provisions extended to other children in the bill.

Mr. DONDERO. But does your amendment restrict that age as to children of orphanages?

Mrs. LUCE. No; it does not.

Mr. DONDERO. The children might be 1 year old or 2 years old and still come under the amendment?

Mrs. LUCE. I believe that is correct.

Mr. MURRAY of Wisconsin. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, when I became a Member of this august body in January 1939, the second time I appeared on this floor I made a few remarks about this same subject. I called the attention of the Members of the House to the fact that there is one group of our people who were deserving of our consideration at that time. Remember that in 1939 it was a time when we had enormous agricultural surpluses in this country. It was the seventh year of the more abundant life. Milk in the Midwest was as low as a dollar per hundred, and hogs as low as 5 cents plus per pound, though millions and billions had been spent in the name of agriculture.

If the young people in these orphanages and these foster homes are not worthy of attention so far as furnishing food is concerned, I am sure we are in a wrong frame of mind in supporting this bill today. If we do not accept the amendment offered by the distinguished lady from Connecticut, we put ourselves in a position that we are not interested in feeding children as far as their stomachs are concerned, but we are only interested in getting control of the school system of this country. If anyone wishes to take any other position than that, I shall be pleased to hear them.

Many members of the Committee on Agriculture thought that the orphanages were included in this bill. To keep the record straight, I went to the distinguished chairman of the Committee on Agriculture this morning and suggested that he accept the amendment that has been offered by the distinguished lady from Connecticut, but he did not accept it. But since that time, thank goodness, he has had a change

of heart, and I am sure that our colleague from Virginia is on the right track now.

The following are the remarks made in the House by me on May 18, 1939:

Mr. Chairman, I wish to call the attention of the Members of this House to the fact that there is one group of our people who are deserving of consideration at this time.

In these days of the so-called agricultural surpluses, and in these days where funds and means are being provided for what are termed "the underprivileged," it seems only reasonable and fair that we give consideration to a relatively large group of young people who are under institutional care.

According to the last information available from the United States Department of Commerce, I find that we have 2,240 foster homes, with an enrollment of 242,929 children. Here are nearly a quarter of a million unfortunates who are surely where they are through "no fault of their own." They are not in a position to bring any pressure on Congress. These young people are found in many denominational as well as public institutions. Even if they are found in denominational institutions, I contend they are a group of people who should have, and deserve, public interest and support. I have had an opportunity of knowing many citizens of our country whose childhood was spent in these institutions, and I know many splendid citizens who have had this training.

In investigating this matter I find from the Surplus Commodity Corporation that they have furnished some food to comparable groups, and it appears that no further legislation would be necessary in order to provide these institutions with the products of the Surplus Commodity Corporation. I personally feel that these institutions should be given first consideration by the Surplus Commodity Corporation from the funds that are already available under the present laws. I feel sure that if the Members of Congress evidence the same opinion the Surplus Commodity Corporation would be willing to follow our recommendations and will see that these young people are properly provided for.

I would like to ask the Members of the House if they do not think this would be a splendid opportunity of legislating for one group of people who are in no position to bring any political pressure to bear on us.

Mr. WHITTINGTON. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I regret that I am unable to agree with my distinguished friend, the gentleman from Georgia [Mr. TARVER] to the effect that the amendment proposed by the Member from New York [Mr. POWELL], as modified by the Member from North Carolina [Mr. FOLGER] makes no change in section 107 of this bill or in the bill. If that amendment, as modified and adopted, makes no change, why the amendment? It is no answer to say that substantially the same language, if not identical language as far as it goes, was in the bill when it was introduced in the House by the chairman of the committe, the gentleman from Virginia [Mr. FLANNAGAN]. It is no answer to say that the same or similar language was in the bill when it was introduced in the Senate by the Senator from Georgia, Mr. RUSSELL, and the Senator from Louisiana, Mr. ELLENDER. Suffice it to say that the Committee on Agriculture in the House on further consideration struck that language out of the bill. For my part, I am prepared to believe that the distinguished Senator from Georgia, Mr. RUSSELL, and the distinguished Senator from Louisiana, Mr. ELLENDER, when the matter is called to their attention, will do likewise. Moreover, I believe, on reflection, these two Senators will insist on eliminating the language. The gentleman from Virginia [Mr. FLANNAGAN], insisted upon eliminating the language although in the bill when he introduced it. Surely the Senators will do no less than the gentleman from Virginia.

I have supported Federal aid for vocational education, but I have insisted that the spending disbursement and handling of the funds shall be made by the State agencies in every one of the 48 States of the Union without dictation from Washington. I have supported Federal aid for highways, but the spending disbursement and handling of those funds is made by the State highway commission.

The language means something. Evidently, it is because of that meaning that it was advocated by its sponsor. It states that in carrying out its functions, under this title, the State shall not make, and I quote, "any discrimination because of race, creed, color, or the national origins of the children." That phraseology is modern. That phrase "national origins of the children" does not occur in the fifteenth amendment to the Constitution. That is language that occurs in legislation that has been proposed to this House in amendments by those who oppose segregation, by those who oppose separate schools, by at least one person in the Office of Commissioner of Education who is reputed to have said, in the public press a year or two ago, or about that time, that separate schools, or segregated schools in the South, would, in the near future, be a thing of the past. The Commissioner of Education will administer this act.

I may not agree with the Honorable Henry Wallace, formerly the Secretary of Agriculture, with respect to some of his views on social and educational questions. He served as Secretary of Agriculture for 8 years. I may not agree with the distinguished Commissioner of Education on all matters, but I do insist that this language means something or certainly the members of the Committee on Agriculture would not have repeatedly rejected it.

The distinguished gentleman from Virginia [Mr. FLANNAGAN] and the distinguished gentleman from Georgia [Mr. TARVER] favor the pending bill. Apparently they are willing to accept language that they oppose. The gentleman from Virginia [Mr. FLANNAGAN] introduced the bill with the language of the amendment in it. He voted to strike it. He now says that the two Senators introduced bills with similar or identical language as far as it goes. Does not he accord to them the same privilege, on reflection, to strike and eliminate that he himself exercised? Does he think that they are any less wise than the members of the Committee on Agriculture, including the gentleman from Virginia?

Again, the bills were introduced in both the House and the Senate about the same time. Evidently they were not wholly prepared either by the Senators or by the gentleman from Virginia. They introduced the bills as a basis for hearings. The committee of the House rewrote the bill, struck out the language, and the gentleman from Virginia and the gentleman from Georgia [Mr. TARVER] voted against the amendment of the Member from New York. Many Members who favor the pending bill voted for the said amendment. I voted against the amendment. It is accurate, therefore, to say that many who favor the pending bill voted for the amendment, while some who oppose the bill also voted for it. It is not fair to say that the amendment was only advocated by those who oppose the pending bill. Its sponsor favors the bill. They have advocated the passage of it. Any discrimination as to the distribution of funds by separate schools, or any discrimination because of race, creed, color, or national origin of children would bar the allocation or payment to the State of any of the funds. The language is broad. It is any discrimination.

For my part, I oppose Federal dictation as to the spending, distribution, and handling of funds in New York, Mississippi, or in any other State in the Union. In my judgment such a provision will mark the death knell of Federal aid if there is to be Federal dictation as to the spending distribution and the handling of the Federal-aid funds.

As I have said, the language of the Powell amendment is of apiece to identical language in other legislation calculated to promote discord among the races. Such language renders the races a distinct disservice. It is not the language of the fifteenth amendment. That language is race, color, or previous condition of servitude. The schools in the South and in all other sections of the country must be supported and must be maintained under the Constitution of the United States, but they are under the supervision of the States. When education in the States is subjected to outside influences and when the pattern of education is under the control of Washington, it will be unfortunate for the youth of the land. Those who advocate the abolition of segregation and the abolition of separate schools are rendering the races a disservice. The amendment is subject to the interpretation that funds might not be allocated to any States where separate schools exist.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. POAGE. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, a few moments ago I tried to yield to those who wanted to ask questions on both sides and my time was so largely consumed by those who asked questions that I did not get very far with what I wanted to say. I asked to proceed for an additional 5 minutes but that request was denied.

Mr. Chairman, I now ask unanimous consent to revise and extend my previous remarks at that point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. POAGE. Mr. Chairman, I want to say this personally to the House be-

cause I want every one of my colleagues to understand: If when we finally vote, as I hope we do, by a roll-call vote on this amendment, this House will repudiate this injection of regional politics and submit to us simply a school-lunch bill, it will be my pleasure to support it as I have supported it ever since I have been here. But if this House, instead of giving us a school-lunch bill, after a roll call vote, sees fit to give us a dose of politics instead of substantial food for the children of America, I simply cannot go along with that kind of majority. And I think it is fair to say that there are many others who feel as I do on this matter. As a matter of fact, those who want to kill this bill are but following the same tactics here that were followed in the Senate, where it will be recalled a similar amendment was adopted and the bill subsequently died. If this bill is to pass this House it must pass as a school-lunch bill. It should not and it cannot pass simply as a vehicle for the injection of colored children into the same classrooms with white children throughout the South.

By unanimous consent, the pro forma amendments were withdrawn.

Mr. RANKIN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Mississippi is recognized for 5 minutes.

Mr. RANKIN. Mr. Chairman, it certainly did sound strange to me to hear a Member talking about lawyers' opinions when referring to bureaucrats enforcing their own mandates. How much attention do those bureaucrats pay to the law? Some of them think they make the law as they go.

This amendment, which is proposed by a colored Member is dangerous indeed. It provides that:

> No funds made available pursuant to this title shall be paid or disbursed to any State or school if, in carrying out its functions under this title, it makes any discrimination because of race, creed, color, or national origin of children or between types of schools or, with respect to a State which maintains separate schools for minority and for majority races, it discriminates between such schools on this account.

That is the exact language used in the Communist platform, and its purpose is to stir up race trouble throughout the Southern States. That trouble may not come immediately, but it will come sooner or later, if this provision is adopted.

What they mean by "discrimination" is the segregation of the races. They want to destroy our separate school system and try to force Negro equality on us. They are doing the white people of the South immeasurable injury and the Negroes of the country infinite harm by stirring up race trouble in this way.

We have a problem down there that you people in the North do not have. We have got along with it as no other people on earth would have done, and we are having peace; but every once in a while somebody comes in to try to stir up trouble and put dynamite of this kind into legislation passed by Congress.

If you adopt this amendment, do not deceive yourselves, it means trouble throughout the Southern States sooner or later. Every State in the Union is financially better off now than the Federal Government. If we are going to put this kind of poison into that legislation, we had better stop this Federal aid to schools altogether.

Let me read you something. I have in my hand a letter from an organization known as the Jewish War Veterans. Now, do not begin to whine "anti-Semitism," because I am reading from this letter from the Jewish War Veterans. Here is what they demand. The letter states:

> Your remarks regarding the resolution by our organization—
>
> Listen to this—
>
> requesting that Government funds under the GI bill of rights be denied any college or institution of learning which discriminates against any veteran because of race, color, creed, or religion or country of origin.

That is the same language contained in this amendment.

This group of Jews would deny the benefits of the GI bill to every white veteran south of the Ohio River. I wonder what would have happened if those brave men from the Southern States had failed to do their duty in this war, and we had depended upon these Jews to do all the fighting.

This is the same communistic stuff that has come in here from time to time from certain sources.

I notice two Members from Washington, Mr. DE LACY and Mr. SAVAGE, laughing. They seem to think it would be funny to thus punish the white servicemen from the South by this communistic method.

There would not be a single white college south of the Ohio River that would get a dollar under the GI bill of rights if this communistic provision were written into the law.

Let me ask Mr. SAVAGE and Mr. DE LACY, do you think that would be just to those white men who marched and fought for the benefit of this Nation while you were safe at home?

Do you think it would be fair to deny to the white soldiers of Mississippi, Alabama, Georgia, Texas, Kentucky, Missouri, or any other State any benefit under the GI bill just to gratify the malignant hatred of a few Communists who want to stir up race trouble throughout the country?

It would also deny assistance to Negro schools of the South. You had not thought of that. You do not give a darn about the Negroes. These Communists who are stirring up this trouble do not give a tinker's dam about promoting the welfare of the Negroes. They just want to stir up trouble.

This provision, if written into the GI bill, would deny to the Booker Washington School, which is exclusively for Negroes, at Tuskegee, Ala., a single dollar.

As chairman of the Committee on World War Veterans' Legislation, I have succeeded in enlarging the facilities at Tuskegee in order to take care of those disabled Negro soldiers in their own institution, instead of crowding them into our white hospitals, as these Jewish War Veterans would have us do.

Such an amendment to the GI bill would deny a single dollar to the Negroes in Alcorn College in Mississippi, which is exclusively for Negroes. But what do the leaders of this front organization, calling themselves the Jewish War Veterans care for that?

They would deny assistance to the white ex-servicemen in the University of Mississippi, my own alma mater, they would deny assistance to the ones in the State colleges of Mississippi, Alabama, Texas, Kentucky, Virginia, and all the other Southern States.

These so-called Jewish War Veterans would deny them a single dollar under the GI bill; and I am afraid the same thing will be attempted against our white children of the South if this crazy provision is left in this bill.

Mr. Chairman, the best thing we can do is to send this bill back to the committee, and if these elements insist on planting this dynamite in it, thus punishing the white people, as well as the Negroes of the Southern States, then I say we better have none of this legislation at all.

Mr. RUSSELL. Mr. Chairman. I move to strike out the last seven words.

Mr. Chairman, for the last 5 years I have supported the school-lunch program. Although I did not agree with the basic principle set out in such legislation as that, the condition of the times and the occasion caused me to vote for it. Perhaps that is what I would have done this time. Like the rest of you, I have received a good many letters on history as to what I had done heretofore and I stated that so far as I knew at this time there would be no reason to change.

The gentleman from Georgia who spoke a while ago made some remarks that undoubtedly he did not mean. I appreciate my service in this august body, I appreciate the individual membership of this august body, and I have not any brickbats to throw at any of you. If, perchance, at any time through the slip of the lip, either in argument or from overzealousness, I make some statement that reflects upon the integrity or intelligence of any Member of this body, may I apologize now in advance, and if any of you will just call my attention to it at that time I will be glad to openly and publicly apologize. A dog can commit a wrong, but it is a principle of manhood to right a wrong if you have committed it. I take pleasure, if I have ever done it, to right the wrong.

I will let others pass on my intelligence. God gave me a little common sense, and I secured some schooling. I had to walk 3½ miles to school, carry my lunch in a little tin bucket, and ate the most common of foods. Nutrition was not heard of then, although I happened to be the champion in my community among the young boys that grew up in cutting wood, doing manual labor, in wrestling matches, and on the ball team. So I do not think I suffered from what some might call obstacles in life. After listening to some of the speeches made here one would think I was a perpetual invalid. I thank God that He gave me a little courage and a little common sense. A little while ago I spoke very hurriedly

on the amendment. The remarks I made were sincerely made. I expressed my fears then, and I express them now, and I think if Members will just read the amendment over again they will come to the same conclusion I have. I see my excellent friend, the gentleman from North Carolina, over there studying it. He does not have to study it, but he is. I know what he is studying about. He is wondering about it himself, as I was wondering. So if you will indulge me just a moment I will read this amendment:

No funds made available pursuant to this title shall be paid or disbursed to any State or school if in carrying out its functions under this title it makes any discrimination—

The gentleman who offered this original amendment, and the gentleman from Ohio, who offered a substitute of what he thought the original introducer intended to mean, both in your presence and hearing, agreed that segregation of schools was discrimination. What was said and agreed to by those two gentlemen as they discussed the matter between each other, I do not know.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. RUSSELL. I yield to the gentleman from Indiana.

Mr. SPRINGER. Has it been determined who will decide when a discrimination occurs?

Mr. RUSSELL. It has not, and we have no way of knowing.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. RUSSELL. Mr. Chairman, if it is determined that segregation, and they say it is, is discrimination, then whoever handles this fund or whoever is in charge of it can deny the State of Texas any funds, to any school, and it will deprive not only the white children but the colored children of any funds at all.

Mr. COOLEY. Does not the gentleman think that in view of the adoption of the Folger amendment and in view of this discussion on the floor today, that the legislative history will clearly indicate that the maintenance of separate schools shall not constitute a discrimination as is referred to in the bill?

Mr. RUSSELL. I just do not know. The gentleman can answer his own question.

Mr. COOLEY. I am sure the gentleman is very sincere in what he has in mind by his remarks, but it seems to me that if legislative history would show anything, it would show that the maintenance of separate schools, such as exist not only in his State but elsewhere, shall not constitute discrimination within the contemplation of the act.

Mr. RUSSELL. And it does. If they want to determine and they feel that it does, they can hold that discrimination is shown by one little independent school district. If that is so, under the terms of this amendment as I construe it it will deprive the entire State of these funds.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. RUSSELL. I yield to the gentleman from Tennessee.

Mr. JENNINGS. If there is any question about it, why not eliminate the the question by sending the bill back to the committee and cutting it out? It has no place in the bill.

Mr. RUSSELL. I am in favor of killing it in that way if there is no other way.

As I said in the beginning of my membership here, I may not be a lawyer worthy of consideration by anybody, but the people where I serve at least thought I had a little intellect.

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. RUSSELL. I yield to the gentleman from North Carolina.

Mr. FOLGER. Was not the gentleman's objection to the original Powell amendment directed to the latter part of it, which was stricken out?

Mr. RUSSELL. I read it hurriedly and saw the danger, but I see the danger in this. If you leave "State" in that amendment, I am sure the gentleman in all fairness, which he always shows, will agree that there is danger there.

Mr. FOLGER. Does not the phrase "in carrying out the functions under this title" limit it to that alone?

Mr. RUSSELL. "Any discrimination." It limits it to any discrimination as determined by somebody, God only knows who.

Mr. FOLGER. It is the one who determines the discrimination that the gentleman is afraid of.

Mr. MANSFIELD of Texas. Mr. Chairman, will the gentleman yield?

Mr. RUSSELL. I yield to the gentleman from Texas.

Mr. MANSFIELD of Texas. I call the gentleman's attention to the fact that many years ago when I was a county school superintendent the State superintendent of Texas ruled that the wearing of a peculiar garb of itself constituted a school a sectarian school.

Mr. BROOKS. Mr. Chairman, I move to strike out the last five words.

Mr. Chairman, if there is anything I want to vote against and fight against, it is the Federal Government's stepping in and seeking to run the schools of the several States of the United States. I have watched legislation all these years with the idea of voting against measures which would permit Federal control of the school system. I am guided to a large extent by precept and example, and by what has gone before. I do know, Mr. Chairman, that in the past we have had before this body and also before the Senate the question of Federal aid to education. Fundamentally, and in principle, I have been in favor of Federal aid to education, provided it can be worked out in such a way that the United States will not step in and control our local State schools in the several States of the Union.

When the Federal aid for education bills came before the other body, the United States Senate, in 1943, a parallel to that which is before us arose. At that time the bill proposed to contribute some four hundred or five hundred million dollars to the several States to be used for education without the Federal Government tying any strings to the funds to be contributed. When it was being considered and was about to pass the other body Senator LANGER, of North Dakota, offered an amendment to the bill, which amendment was adopted by the Senate. I want to take this opportunity to read that amendment and to tell you what the Senate considered the amendment to mean after it was adopted and tied to this Federal aid for education bill. This is the amendment by Senator LANGER:

Provided, That there shall be no discrimination in the administration of the benefits in the appropriations made under the respective provisions of this act or in a State fund supplemented thereby on account of race, color, or creed.

When that amendment was adopted by the Senate, those Senators primarily engaged in sponsoring and trying to put through this bill to aid the schools of the several States immediately interpreted it as an amendment which would give the United States Department of Education the right to take over and regulate the schools of the several States. Immediately they turned upon the very bill they had nurtured and sponsored and brought to the floor of the Senate, and they voted to recommit it to the Committee on Education of the Senate of the United States, thereby putting it to sleep. I submit to you and to the chairman of the Committee on Education, who has so ably brought in and sponsored this bill here today, that the Langer amendment is far more restrictive and far less effective in its scope than the Powell amendment, which has been proposed and already adopted and tied to this bill. If the Langer amendment which was tied to the Federal aid for education bill in 1943 on October 20 means Federal control of education in the several States, then the amendment which has been adopted here today means Federal control in a greater degree and quicker Federal control than the Langer amendment ever contemplated should be the case. I am certainly, Mr. Chairman, against the Federal Government trying to control our schools in the towns, cities, and villages of the States of the United States.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield.

Mr. JENNINGS. I agree entirely with the gentleman. We might put our own construction on it, but in the last analysis the effect that is given to it will be given to it by a bureaucrat in a Washington bureau. I believe that the thing emanated from just that sort of source and it ought to go back to the committee.

Mr. BROOKS. Recently we had trouble involving the Department of Education, and there was involved the question of interpretation of the Smith-Hughes law, which has been on the statute books for 27 years. Some bureaucrat changed his interpretation of this act

which had been on the books for 27 years and held up a million dollars' worth of State funds until the State set-up could be changed.

Mr. FLANNAGAN. Mr. Chairman, I move that all debate on title I and all amendments thereto close in 10 minutes.

Mr. DONDERO. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DONDERO. Mr. Chairman, what is the status of the amendment offered by the gentlewoman from Connecticut [Mrs. LUCE]?

The CHAIRMAN. The amendment is pending at this time.

The question is on the motion offered by the gentleman from Virginia [Mr. FLANNAGAN].

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. SUMNERS].

Mr. SUMNERS of Texas. Mr. Chairman, this discussion, this controversy, this indication of sectional reaction, has disclosed, it seems to me, definitely, regardless of where we come from, that this is too big a country for the Federal Government to legislate with regard to a thing so intimate as the feeding and education of the children in the respective States. That is proposition No. 1.

I am interested in this matter from another angle. Twenty-odd years ago I offered a resolution in this House to create a commission to see if we would not get rid of some of the power that has concentrated in Washington. Nothing could be done about it. I have watched and watched and watched during the intervening almost quarter of a century for a chance for a public purpose to tackle that job. There is indication of a chance now. This bill is an influence against that chance. I recently have reprinted a statement I made 21 years ago. The subject was, Our Choice—Decentralization of Governmental Responsibility or Government by a Centralized Bureaucracy.

It is true that recently we passed the billion and a half dollar road-aid bill and the $700,000,000 aviation field aid bill. I voted against those bills and I am going to vote against this bill. It ought to be defeated. I am not speaking as a partisan; I am not speaking as a Democrat; I am not speaking as a southerner. I am speaking as a man who has been here over 30 years and who has devoted all of his spare time trying to understand free government, popular government, and the rules and laws of nature that govern it, and what the people must do in order to preserve it.

I know as definitely as I know I live, we do not have a chance to preserve democratic government in this country unless we put back into the States the governmental power which they are capable of discharging. I know it. It is our duty to encourage the present trend in that direction. This bill shoves back toward the Federal Government. I am opposed to this proposed legislation because it runs against the present trend in the right direction, the direction we have got to go if we are to have a chance to survive as a free people.

Recently I talked to a representative body of State officials. They were State officers from all the States. They were considering a thing they wanted to put over—and contemplated asking for money from the Federal Government. I discussed that matter with them and, for the first time, I pledge you my word, in 25 years I heard and read from representatives of States language that indicated to me that maybe the States want to tackle the job of their own responsibility. I want to read this again. I read it yesterday:

Resolved, That in the recommendations of the drafting committee of State officials of the council of State governments, that in the interest of development of State responsibilities, the States are urged to rely on their own resources and not to turn to the Federal Government for financial assistance.

What are we doing in this bill? We ought to be ashamed of ourselves. These representatives were from all the States, there was nothing sectional about them. Those were the first brave words of that sort that have rung through this Nation as far as I know, considering the source from which they came, in 25 years. We have a chance now to help them turn government back towards the people who are the governors in every democracy.

Now, what do we, the Congress, propose to do. Does it propose to help? Look at us today. Let us use common sense. The States have got control of the schools now. Do you want to lose it, or take a chance on losing it? You know the reaching out of the Federal Government toward the school system of the country. Will we be bribed by our own money to sell that control as we have surrendered others which have reduced our once sovereign States to governmental vassals? All you have to do is put the nose of the Federal camel under the tent, and he will take care of the rest of getting all the way in. We know it. Why pretend not to know it? Why pretend not to know that in the set-up of this bill we duplicate governmental expenditure, State and Federal officials working at the same job? Why pretend not to know that the Federal Government has not got a dollar, that it all has to come from the people? Why pretend not to know that the Federal powers follow the Federal contributions? Why pretend, as a matter of fact, that there is Federal contribution? Every dollar is from the people, but every dollar does not get back to the people.

The people are beginning to have more sense about the thing than we seem to think they have. Believe me, those old boys back in the forks of the creek, in the villages and the cities are beginning to get tired of this 50–50 stuff; the Federal Government and the State Government working at the same job, and the people paying the salary and expenses of two sets of governmental officials and losing their control over local matters to boot. There is an old saying that if a camel gets his nose under the tent he will do the rest of the getting in without any help. That is true of a Federal power. Our history proves it. This bill lifts the tent and shoves the camel's nose under. Why do that? It does not make sense unless you are reconciled to having the Federal Government finally take over. You do not get a cent. The people put up every cent of the money and more besides. One hundred and seventy-five thousand dollars per annum is carried in this bill for Federal expenses and I do not know how much more. You are having all this row about losing control of your schools and taking the initial step toward their loss. It does not make sense. There is something else that does not make sense. You know you cannot maintain freedom and efficiency in the vast territory between these two oceans, dominated by a great Federal organization like we have got here. You just cannot do it. And yet we increase its power by this bill. We are making the initial sale of the control of our schools and putting up the money ourselves, obligating ourselves to pay the salary of some new officials to boss us around and attempting to justify the transaction by arguments which insult the communities, and the States, and parents of the children. They cannot be trusted it is argued.

The Federal Government does not have a dollar, and you know it. The children are in our States. They are protected by the parental love of those people and the interests of those communities. It is an arrogant, impudent assumption, not justified by the facts, for us to get up here in Congress and talk about our love of these children prompting this bill, and imposing this new burden, and launching this new movement toward Federal control, as though the people in the States did not love their children and have no governmental capacity.

Now, you people who are concerned about the effect of this bill on the power of State control. Why do you take a chance? You are now in control in the States. Get this thing started and you are subject to construction by a Federal agency which you know wants to enlarge Federal power over the schools in the States. Besides, you know that once started, their tendency is to increase the strength of Federal law. But the worse thing which is being done by this legislation, the tragic thing, is this inoculation of the youthful minds of these children with the virus of federalitis, fed to them with their food, not one penny of the cost of which was not contributed by the parents and the other people of the communities. Something for nothing from Uncle Sam. It is a terrible tragedy, especially at this time when agencies and influences like these State officials whom I have quoted are trying to reestablish their States, our States, as sovereign agencies in a free government.

Pass this legislation, have the Federal Government come in here and make these contributions to the States, take the initial step toward further establishing its power, and you will run counter to the words, the sentiment, and the prayers of these State officials who tell the States: "Keep your money and pay your own expenses." Let the States pay for this job—they pay anyway—and get

the credit in the thinking and pride and purpose of these children. That is what we need. That is what this bill discourages.

Mr. COX. Mr. Chairman, I ask to be recognized for 1 minute on a motion to strike out the paragraph.

The CHAIRMAN. The gentleman from Georgia will be recognized for 1¼ minutes.

Mr. COX. Mr. Chairman, I was astounded when I came into the Chamber a few moments ago to hear my colleague the gentleman from Georgia seriously, apparently, contending that the so-called Powell amendment has no meaning. Now, my friends, if you want to be gulled, then be gulled, but I am not going to be gulled by any such contention as that. You know, I know, and everybody knows that segregation is separation.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COX. I yield.

Mr. POAGE. I have before me Webster's Unabridged Dictionary. It defines discrimination:

That which discriminates; a mark of distinction; to separate by discerning differences; to distinguish, as "to discriminate the goats from the sheep."

Mr. COX. Of course, of course, of course. Segregation is discrimination.

If my friend wants mixed schools back in Georgia, then he will vote for this bill with this amendment in it, because that is exactly what it means.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

The gentleman from California [Mr. VOORHIS] is recognized for 1 minute and 15 seconds.

Mr. VOORHIS of California. Mr. Chairman, I did not support the amendment that was adopted because I believe it was not at all necessary, and because I was fearful that the controversy and misconceptions arising from it might hurt the bill. I agree most heartily with what the gentleman from Georgia [Mr. TARVER] said about the amendment; I think he interpreted it correctly. I do not believe the amendment will have the effect that has been charged by other Members.

Under the bill, the contracts with every local school district are made by the State agency not the Federal Government and all that would be required under this amendment would be for that State agency to certify to the Department of Agriculture that there was not discrimination in that State. The State educational agency, under the bill, and not the Department of Agriculture determines what schools are eligible to receive aid.

Every Member who speaks tells us it does not exist; tells us that there is no discrimination in his State. If that be true what harm can the amendment do? I think the amendment was unnecessary but certainly it is perfectly clear that the legislative intent of this House was that maintaining separate schools should not be regarded as discrimination, for in the action that the House took it struck from the original amendment the language that covered the matter of separate schools and, therefore, it is perfectly evident to anyone that it is the clear intent of the House that separate schools should not constitute discrimination.

The CHAIRMAN. The time of the gentleman from California has expired.

The gentleman from Illinois [Mr. MASON] is recognized.

Mr. MASON. Mr. Chairman, all I want to do is to call the attention of this House to the fact that the legislative history of a bill and the legislative intent on the bill are absolutely discarded by the men who carry it out as shown in the OPA regulations and as shown in the decision of the Supreme Court in the A. P. case.

The CHAIRMAN. All time on the pending title and the pending bill has expired.

The question is on the amendment offered by the gentlewoman from Connecticut [Mrs. LUCE].

The amendment was agreed to.

The Clerk read as follows:

TITLE II—ASSISTANCE IN PROVIDING NUTRITION EDUCATION AND SCHOOL-LUNCH FACILITIES

APPROPRIATIONS AUTHORIZED

SEC. 201. For each fiscal year, beginning with the fiscal year ending June 30, 1946, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary, not exceeding $15,000,000, to enable the United States Commissioner of Education (hereinafter referred to as the "Commissioner"), under the supervision and direction of the Federal Security Administrator, to carry out the provisions of this title.

Mr. COOLEY (interrupting the reading). Mr. Chairman, I ask unanimous consent that the title may be considered as read and open for amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. HOPE. Mr. Chairman, I object.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AUGUST H. ANDRESEN: Beginning on page 12, line 10, strike out all of title II.

Mr. AUGUST H. ANDRESEN. I have moved to strike title II from this bill, because this title in the school-lunch bill creates a new department in the Bureau of Education. Irrespective of the splendid objectives of the proposal, the time is at hand when we should oppose any proposal to establish new agencies in the Federal Government. Instead of creating new agencies, we should abolish or curtail many existing agencies in order to eliminate waste and extravagance in government.

The elimination of title II of the bill does in no manner interfere with the school-lunch program established in title I of the bill. Let there be no misunderstanding about this. If you vote to strike out title II of the bill, the school-lunch program will be carried on as provided in title I in the exact language set forth in the bill, with an authorization of $50,000,000.

Mr. Chairman, sponsors of the legislation, and I might state that I favor the school-lunch program provided in title I, have repeatedly stated that the language of title II of the bill, does not confer any discretionary jurisdiction upon the Bureau of Education in the handling of the school-lunch program. In my opinion such a claim is not in accordance with the language of the bill, nor with the explanation of title II in the report of the committee. Let us examine the bill and the report covering title II.

Section 201 of the bill authorizes $15,000,000 "to enable the United States Commissioner of Education, under the supervision and direction of the Federal Security Administrator, to carry out the provisions of this title." The language is clear and no one can successfully contradict that this section definitely creates new duties and new powers for both the Commissioner of Education and the Federal Security Administrator. None of the duties or authority conferred in this title have ever been possessed by either of the agencies mentioned. These are new duties and new powers to administer and supervise the $15,000,000 appropriation authorized in the bill. A new division will be created in the Bureau of Education to administer the program. Scores of additional high-paid employees will be added to the pay roll to do the work. To cover the cost of the new agency the bill authorizes $175,000 a year "to enable the Commissioner to carry out his functions under this title."

Section 202 (b) of title II definitely provides that "each State having a plan approved under this title shall be entitled to be an amount, limited as provided in subsection (c), which shall be used by the State educational agency, either directly or through grants to schools and school systems, to establish, maintain, operate, and expand school-lunch programs, to provide related nutrition education, and to provide and train technical and supervisory personnel and to provide equipment and facilities for such programs."

Under the provisions of the bill, the Commissioner of Education is authorized and required to pass judgment on every State plan, and no grant or gift can be made to any State before the State plan has received his approval. In other words, section 203 clearly specifies that the Commissioner is required to approve any State plan which, as determined by the Commissioner, complies with the provisions of this section or of section 202. It should be clear to everyone, that the Commissioner is clothed with discretionary power to either approve or disapprove of any State plan submitted to him. He can refuse to give a grant to any State, if the plan does not meet with his interpretation of the law. This legislative authority makes it possible for the Commissioner of Education to dictate the terms of any State plan before he will agree to any grant provided by this title. This interpretation of the language of the bill, may not be what the sponsors have in mind as to the intent of Congress. But after many years of experience in dealing with bureaus in Washington, I have always found that before a Federal grant is given to a State, the Federal agency in charge, dictates the terms under which the money will

be turned over despite any law on the subject.

Section 204 of title II gives the Commissioner veto power over any State plan submitted to him. Let me read from page 8 of the committee report:

> If the Commissioner finds, after the hearing, that there is a failure to comply substantially with the plan or any provision in it, the State agency shall be notified that it will receive no further payment under title II until the Commissioner is satisfied.

Authority is provided in section 204 for a State agency to appeal to the United States district court from the decision of the Commissioner, and I predict that if this title is retained there will be many appeals to the courts, because most States and communities do not want any educational or lunch program dictated from a bureau in Washington.

Great claim is made for the formula specified in section 203 of the bill. This formula is so general in its terms, that as a matter of necessity, the Commissioner of Education will write the entire ticket or plan for every State, which in the end can mean nothing but Federal control over the program. We have had an abundance of experience during the past 14 years with the interpretation of the law by Federal bureau, and this is no time to take a chance and delegate more power or authority to any agency in Washington to be used against the people, whether it be good or bad.

I am convinced that the people in each State still have the intelligence to carry on the school-lunch program as specified in title I of the bill, without the guidance or dictation from another new bureau or agency which will come under the supervision of the Federal Security Administrator. If the people of the country have become so dependent for guidance from Washington bureaucracy, that they need this type of control, then we had better let them prepare food and meals for all of the people.

I trust the amendment I have offered will be approved.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. SPRINGER. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. AUGUST H. ANDRESEN. Let me again state that the purpose of my amendment is to strike out the entire part of the bill known as title II beginning on page 12, line 10, and through the rest of the bill. That leaves the program which has been discussed here today of giving the States, in cooperation with the Department of Agriculture, authority to handle the school-lunch program similar to the way it has been handled in the past.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Indiana.

Mr. SPRINGER. Title II is the title which would give the Federal Government power and control over our State educational system; is that not correct?

Mr. AUGUST H. ANDRESEN. That is correct, as I see it. It sets up a new agency in the Bureau of Education, beginning with an appropriation of $175,000, to hire new personnel and to direct how this money shall be expended by the various States, with the provision in the bill giving the Commissioner of Education the power to veto any State plan submitted to him, if it does not meet with his approval.

Assuming that the Commissioner of Education refuses to approve the plan, the only recourse that a State or local school agency will have is to take the case into court in order to demonstrate that the Commissioner is wrong; in other words, the State agency must resort to the courts in order to set aside the decision of the Commissioner of Education.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Will the adoption of this amendment in any wise affect the hot-lunch program?

Mr. AUGUST H. ANDRESEN. The hot-lunch program is not affected in any manner by my amendment, because it leaves title I and the program for hot lunches in schools in the bill as permanent legislation for the children of the country.

I regret that I am forced to oppose my chairman when it comes to title II of this bill. I will go with him in support of the school-lunch program in title I, but when it comes to creating an additional Federal agency to assist the Department of Agriculture in carrying out the school-lunch proposal, I feel that the time has come to call a halt. If title II is enacted into law, it will only be a few years before larger appropriations will be demanded by the Commissioner to carry on his work to expand the program, and once a new agency is created, all of the Members know, it can never be discontinued. Now is the time to stop it. You can do so by voting for the amendment to strike out title II. This amendment will come to a vote shortly after we convene on Thursday. I urge all members to be present.

Mr. GILLIE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, while I am in favor of the school-lunch program and shall support the legislation, I wish to set forth a few of my reasons for objecting to certain parts of the bill. I feel that it is inadvisable to abrogate the fine principles of the school-lunch program by voting against the proposal, but I am looking forward to the day when this entire project can be turned back to the States and local communities.

I have been deeply interested in this measure ever since it was voted out of the House Agriculture Committee on which I have the honor of serving. For 3 weeks we held hearings on this proposal and were furnished a wealth of information by the various groups which appeared. After studying the testimony presented, and reviewing the entire philosophy of the school-lunch program, I am convinced that it is a local problem and should be handled entirely on that basis.

For more than a quarter of a century our schools conducted hot-lunch projects, without running to the Federal Government for financial assistance. Each community took care of its own problem. I know this was true in the district I have the honor to represent. The people felt it a civic responsibility to take care of their underprivileged. They did not want or ask for Federal assistance. They were competent to take care of their own problems.

Fort Wayne is an average American city. It has had its share of civic worries, including the furnishing of food for undernourished school children. But it had faith and courage in its own abilities to work things out. I believe that we must return to this proposition on a national scale. Each community and State has a moral obligation to fulfill—looking out for the welfare of its citizens. We must take the paternalistic hand of government out of our community affairs. We must stop asking Federal aid for every local activity. We must again take pride in our ability to take care of ourselves and shoulder our community responsibilities. It was this fundamental characteristic which gave our people courage and self-reliance. It made our Nation strong.

During the 10 years of the federally supported school-lunch programs, we have appropriated more than a billion dollars. As the bill now stands, we shall appropriate fifty millions for the first year of its operation, plus fifteen million for administration. This money will come from the Federal Treasury. But, first of all, it will come from the sweat of every man's brow.

Thirty-two States have endorsed the program. Every State in the Union except two is out of debt. My home State has a large sum in its treasury for its postwar operations.

One section of the bill to which I am opposed, provides for $15,000,000 for the use of the Commissioner of Education. It gives him full authority to put the money where he sees fit. I have seen enough of this type of appropriation by the administration forces to be skeptical of the high purposes to which the funds might be used at the Commissioner's discretion. I believe that this $15,000,000 fund shall be distributed among the States which are familiar with their local situations.

I also am opposed to title II in the report. It sets out to whom the lunches shall be provided but does not provide for universal distribution to all school children. I believe that this section is discriminatory and should be revised or stricken out.

The future of our Nation depends upon the health, strength, and intelligence of our citizens. I know that we must provide assistance to the under privileged. But I believe that while we are nourishing the bodies of our children, we cannot afford to overlook their minds. They must be nurtured on the courage and stamina of independent thought and action as well as hot soup and milk. That is why I believe that we can better serve our growing citizens by placing the responsibility in the local community where the local condition is known, and

eliminate the continually growing tendency to lay all of our problems in the Government's lap. Paternalistic spoon-fed pap is a poor substitute for sulfur and molasses given at home.

Mr. GEELAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not find myself in complete agreement with the gentleman from Minnesota in his contention that unlimited power is given to the Commissioner of Education under this bill. Section 203a of title II defines just what authority and jurisdiction he has under this bill. I do, however, have objection to subsection 3 of section 203 and I have an amendment which I intend to offer to strike that section from the bill because I do think that particular section of the bill grants unwarranted power to the Commissioner of Education in that it prohibits the granting of any funds under title II to any school other than a public school. That, I feel, is unfair, discriminatory, and an invasion of State's rights by the Federal Government. If, in the first part of the bill, we feel that we are correct and right in assuming that we should provide hot lunches or make hot lunches available for those children who otherwise would be neglected, certainly we should not prohibit those schools which are participating in that program from using the funds which would be made available for the purchase of equipment to operate those school lunchrooms. If this amendment does not carry when we reach that section of the bill, I will offer an amendment to strike that section out which, as I stated before, is clearly discriminatory and not in keeping with the spirit, intent, and language of the other section of the bill, principally title I.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. GEELAN. I yield.

Mr. AUGUST H. ANDRESEN. I know the gentleman has read the report. In interpreting the law the courts and the administrators will naturally go to the report. I call the gentleman's particular attention to the power vested in the Commissioner to pass upon the plan submitted to him, and if he finds they are not substantially in accordance with the law, it leaves a discretionary power in his hands to state that the plan does not meet with his approval.

Mr. GEELAN. I call the gentleman's attention to subsection B of title 203, which reads:

> The Commissioner shall approve any State plan which he determines complies with the provisions of subsection A of this section.

Therefore, he has a yardstick to go by. It is written right in the law. Certainly some discretionary power must be given to administer any law.

Mr. AUGUST H. ANDRESEN. But the determination is left in his hands and as long as the formulas are not definitely laid down here in every respect he can state at any time that the plan submitted does not meet with his approval.

Mr. GEELAN. But they are laid down. They are spelled out in the law. Section 203 deals just with the powers of the Commissioner to grant or refuse to grant funds based upon section 203.

Mr. AUGUST H. ANDRESEN. The powers are quite general. However, I still contend that with the agency that creates and the power enacted here which is given to him, he can set aside any plan which would require a State agency to go into court and show that the Commissioner was wrong.

Mr. GEELAN. Only insofar as he can successfully prove that they are not in conformity with this section which sets out the requirements for the plan.

Mr. AUGUST H. ANDRESEN. Still it does set up a new agency and gives him personnel with money to interpret and pass upon these plans?

Mr. GEELAN. It does set up a new agency; I agree with the gentleman.

The CHAIRMAN. The time of the gentleman from Connecticut [Mr. GEELAN] has expired.

Mr. FLANNAGAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JACKSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3370), had come to no resolution thereon.

USE OF NAVAL VESSELS TO DETERMINE EFFECT OF ATOMIC WEAPONS

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution (H. Res. 505), which was referred to the House Calendar and ordered printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of House Joint Resolution 307, to authorize the use of naval vessels to determine the effect of atomic weapons upon such vessels. That after general debate, which shall be confined to the resolution and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Naval Affairs, the resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the resolution for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

NAVAL ESTABLISHMENT FOR THE REPUBLIC OF CHINA

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution (H. Res. 513), which was referred to the House Calendar and ordered printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of H. R. 5356, a bill to provide assistance to the Republic of China in augmenting and maintaining a naval establishment, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

HOUSING LEGISLATION

Mr. SABATH. Mr. Speaker, I have been asked by many Members as to the housing bill. I wish to state that a rule has been granted and will be filed tomorrow, and, as I understand, will be taken up on Friday for general debate.

Mr. McCORMACK. The understanding of the distinguished gentleman is absolutely correct.

EXTENSION OF REMARKS

Mr. FEIGHAN asked and was given permission to extend his remarks in the RECORD and include therewith certain resolutions.

Mr. MILLER of California asked and was given permission to extend his remarks in the RECORD and include an editorial from the Contra Costa County Gazette, Hawaii as a State.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. GWYNNE of Iowa asked and was given permission to extend his remarks in the RECORD and include a short article from the Waterloo (Iowa) Daily Courier.

Mr. CURTIS (at the request of Mr. MARTIN of Massachusetts) was granted permission to extend his remarks in the RECORD and include a letter from a constituent.

SPECIAL ORDER

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent that the special order granted me today may be canceled and that I be granted the same time on next Monday.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. CASE of New Jersey (at the request of Mr. SUNDSTROM), on account of illness in family.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 5 minutes p. m.) the House adjourned until tomorrow, Thursday, February 21, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

The Committee on Expenditures in the Executive Departments will hold hearings on surplus property at 10 a. m., Thursday, February 21, 1946, through Friday, February 22, 1946.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

The Committee on Immigration and Naturalization will hold hearings on H. R. 3663 at 10:30 a. m. on Thursday, February 21, 1946, in room 446, Old House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

1080. Under clause 2 of rule XXIV a letter from the president of the Board of Commissioners, District of Columbia, transmitting a joint report prepared by the district engineer, United States Engineer office, Washington, D. C., and the Engineer Commissioner, District of Columbia, with the accompanying papers and illustrations, in response to an item in the District of Columbia Appropriation Act of 1941 and 1942, for the development of a plan to insure an adequate future water supply for the District of Columbia (H. Doc. No. 480), was taken from the Speaker's table, referred to the Committee on the District of Columbia, and ordered to be printed with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. HOBBS: Committee on the Judiciary. H. R. 5504. A bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; without amendment (Rept. No. 1588). Referred to the House Calendar.

Mr. BLAND: Committee on the Merchant Marine and Fisheries. H. R. 5466. A bill to provide for the licensing of marine radiotelegraph operators, and for other purposes; without amendment (Rept. No. 1589). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLOOM: Committee on Foreign Affairs. H. R. 5244. A bill to authorize the appointment of additional foreign-service officers in the classified grades; with amendment (Rept. No. 1590). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of Virginia: Committee on Rules. House Resolution 505. Resolution providing for the consideration of House Joint Resolution 307, a joint resolution to authorize the use of naval vessels to determine the effect of atomic weapons upon such vessels; without amendment (Rept. No. 1591). Referred to the House Calendar.

Mr. JOHN J. DELANEY: Committee on Rules. House Resolution 513. Resolution providing for the consideration of H. R. 5356, a bill to proivde assistance to the Republic of China in augmenting and maintaining a naval establishment, and for other purposes; without amendment (Rept. No. 1592). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DINGELL:

H. R. 5533. A bill to amend the Reconstruction Finance Corporation Act to provide for the return of premiums on war-damage insurance; to the Committee on Banking and Currency.

By Mr. KEARNEY:

H. R. 5534. A bill to amend chapter VII, title V, of the Servicemen's Readjustment Act of 1944, as amended, to provide that unemployed veterans shall not be disqualified from receiving readjustment allowance during first 60 days after discharge; to the Committee on World War Veterans' Legislation.

By Mr. KEFAUVER:

H. R. 5535. A bill to amend an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914 (38 Stat. 730), as amended; to the Committee on the Judiciary.

By Mr. HAGEN:

H. R. 5536. A bill relating to the age requirement, as applied to veterans, for the issuance of taxicab permits and driver permits in the District of Columbia; to the Committee on the District of Columbia.

By Mr. FLOOD:

H. R. 5537. A bill granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Susquehanna River at a point between the Borough of Plymouth, in Plymouth Township, and Hanover Township, in the county of Luzerne, and in the Commonwealth of Pennsylvania; to the Committee on Interstate and Foreign Commerce.

By Mr. McMILLAN of South Carolina:

H. J. Res. 320. Joint resolution to extend child-care centers until June 30, 1946; to the Committee on the District of Columbia.

By Mr. KEOGH:

H. Con. Res. 128. Concurrent resolution to authorize the printing as a House document of the Servicemen's Readjustment Act of 1944, as amended; to the Committee on Printing.

By Mr. BARRY:

H. Res. 528. Resolution authorizing study and investigation of prefabricated and other types of housing; to the Committee on Rules.

By Mr. WELCH:

H. Res. 529. Resolution requesting the Secretary of Navy and the Secretary of War to appoint a joint board to investigate and report on the need for constructing a bridge between San Francisco and Bay Farm Island or a system of dams across San Francisco Bay; to the Committee on Naval Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to amendment and extension of the Federal Social Security Act in respect to public assistance, also relating to development of Alaska, and amendment of Servicemen's Readjustment Act of 1944, extending benefits to veterans for Alaska homesteads; to the Committee on Ways and Means.

Also, memorial of the Legislature of the Congress of the Philippines, Manila, P. I., memorializing the President and the Congress of the United States supporting the view that the members of the present Congress of the Philippines may hold over until the election of their successors; to the Committee on Insular Affairs.

Also, memorial of the Legislature of the State of New Jersey, memorializing the President and the Congress of the United States, not to ratify any treaty or agreement with the Dominion of Canada or pass any legislation which may provide for the construction of the St. Lawrence seaway; to the Committee on Rivers and Harbors.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of Louisiana:

H. R. 5538. A bill for the relief of Mae Maxine Stone; to the Committee on Claims.

By Mr. HAVENNER:

H. R. 5539. A bill for the relief of Andrew M. Halvorson; to the Committee on Claims.

By Mr. MASON:

H. R. 5540. A bill to record the lawful admission to the United States for permanent residence of Naka Matsukata Rawsthorne; to the Committee on Immigration and Naturalization.

By Mr. PRICE of Florida:

H. R. 5541. A bill for the relief of F. B. Sweat; to the Committee on Claims.

By Mr. RAMEY:

H. R. 5542. A bill for the relief of Clarence J. Ludwig; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of the XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1601. By Mr. CANFIELD: Senate concurrent resolution of the Legislature of New Jersey memoralizing the United States Senate and House of Representatives not to ratify any treaty or agreement with the Dominion of Canada or pass any legislation which may provide for the construction of the St. Lawrence seaway; to the Committee on Rivers and Harbors.

1602. By Mr. DONDERO: Petition of citizens of the Seventeenth Congressional District of Michigan, opposing the act of vivisection and demanding immediate action to prohibit such inhuman abuse and indescribable tortue by legislation; to the Committee on Agriculture.

1063. By Mr. GOODWIN: Petition of executive board, Massachusetts State Federation Women's Clubs, endorsing House bill 3370; to the Committee on Agriculture.

1604. By Mr. HAVENNER: Petition signed by 75 citizens of San Francisco, petitioning Congress to continue the Office of Price Administration beyond June 30; to the Committee on Banking and Currency.

1605. By Mr. HENRY: Petition of 24 residents of Madison, Wis., expressing their opposition to the proposed legislation for compulsory military training; to the Committee on Military Affairs.

1606. By Mr. McGREGOR: Petition of C. B. Miller and citizens of Mansfield, Ohio, protesting against any loan to Great Britain; to the Committee on Foreign Affairs.

1607. By Mrs. NORTON: Concurrent resolution of the Legislature of the State of New Jersey, memorializing the United States Senate and House of Representatives not to ratify any treaty or agreement with the Dominion of Canada or pass any legislation which may provide for the construction of the St. Lawrence seaway; to the Committee on Rivers and Harbors.

1608. By Mr. WOLCOTT: Petition of 59 residents of Marlette, Mich., expressing opposition to the proposed compulsory military training program; to the Committee on Military Affairs.

1609. By the SPEAKER: Petition of the board of directors of the Chamber of Commerce, Houston, Tex., petitioning consideration of their resolution with reference to unified command for national defense; to the Committee on Expenditures in the Executive Departments.

1610. Also, petition of the United Rubber Workers of America, petitioning consideration of their resolution with reference to supporting enactment of pending legislation for the creation of a permanent Fair

Employment Practice Commission; to the Committee on Labor.

1611. Also, petition of T4g Carl A. Alexis, Jr., and others, petitioning consideration of their resolution with reference to their request for a speedy return from overseas; to the Committee on Military Affairs.

SENATE

THURSDAY, FEBRUARY 21, 1946

(Legislative day of Friday, January 18, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O Lord of heaven and earth, we, the children of time, turn in gratitude to Thee who from everlasting to everlasting art God. As we pause at the footstool of Thy grace, our hearts are both bowed with awe and lifted up with hope. To a world where evil seems so rampant, may our contribution be a life purged of self, of all impurity and hatred, moved by compassion and by concern for all mankind. Amid pollution, may our own motives be a part of the salt of the earth, in the darkness our spirits be as the candle of the Lord. May the great causes that will mold the future into the pattern of Thy desire and design, that will heal the world and rebuild it, that will create good will and usher in abiding peace, challenge the best that is in us as we serve our brief day and gain the supreme allegiance of our love and labor. We ask it in the name of the Master of all good workmen. Amen.

ATTENDANCE OF A SENATOR

ARTHUR H. VANDENBERG, a Senator from the State of Michigan, appeared in his seat today.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, February 18, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On February 18, 1946:

S. 314. An act for the relief of Sigurdur Jonsson and Thorolina Thordardottir.

On February 20, 1946:

S. 380. An act to declare a national policy on employment, production, and purchasing power, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 323. An act for the relief of Thomas F. Gray;

S. 400. An act for the relief of Elisabeth Andersen;

S. 543. An act for the relief of Felix Frederickson;

S. 683. An act for the relief of Mrs. Marie Nepple, as executrix of the estate of Earl W. Nepple, deceased, and Mrs. Marie Nepple, individually;

S. 865. An act for the relief of the estate of Agnes J. Allberry;

S. 1084. An act for the relief of John C. May and Eva Jenkins May;

S. 1126. An act for the relief of Alice A. Murphy;

S. 1131. An act for the relief of Jess Hudson;

S. 1400. An act for the relief of Robert R. Rowe, Jr.;

S. 1423. An act for the relief of Charles L. Phillips;

S. 1588. An act for the relief of Mrs. Lona Wilson; and

S. 1618. An act to exempt the Navy Department from statutory prohibitions against the employment of noncitizens, and for other purposes.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 210. An act for the relief of Jackson Williams, Mrs. Lora Sally Williams, the legal guardian of Garry E. Williams, a minor, and the legal guardian of James Williams, a minor;

H. R. 238. An act for the relief of Henrietta Silk;

H. R. 1073. An act for the relief of Mrs. Gertrude Verbarg;

H. R. 1850. An act for the relief of Louise Zerweck;

H. R. 2243. An act for the relief of Arthur A. Guarino;

H. R. 2288. An act for the relief of Columbus Thomas;

H. R. 2710. An act to provide for the detention, care, and treatment of persons of unsound mind in certain Federal reservations in Virginia and Maryland;

H. R. 2736. An act for the relief of Norman Abbott;

H. R. 2880. An act for the relief of Fred E. Weber;

H. R. 2931. An act for the relief of Edward Oatneal, John N. Oatneal, Jr., and James R. Oatneal;

H. R. 3360. An act for the relief of Mrs. W. H. (Agnes) Holmes;

H. R. 3513. An act for the relief of Braxton B. Folmar and Mary Inez Folmar, William Ernest Evans and Dora Ethel Evans, Joseph Thomas Avery and Maggie M. Avery, Robert H. Phillips and Hattie P. Phillips, and the legal guardian of James T. Avery, a minor;

H. R. 3523. An act for the relief of Sam Damico and Clint Hamm, operating as the D & H Grocery;

H. R. 3618. An act for the relief of Mrs. Vannas H. Hicks;

H. R. 3751. An act for the relief of Mrs. Theodora O. Anzures and the legal guardian of Bernice Anzures and Andrew Anzures;

H. R. 3757. An act to provide for the public registering of patents available for licensing;

H. R. 4047. An act for the relief of Edward A. Hollis, Sr.;

H. R. 4056. An act for the relief of Mrs. Jud Hendry and her daughter, Gladys Hendry;

H. R. 4074. An act for the relief of Mrs. Jennie Burnison;

H. R. 4297. An act for the relief of Joseph Schell;

H. R. 4300. An act for the relief of the county of Hawaii, T. H.;

H. R. 4545. An act for the relief of George Leslie Dobson;

H. R. 4560. An act for the relief of Nicholas T. Stepp;

H. R. 4844. An act to place Chinese wives of American citizens on a nonquota basis;

H. R. 5121. An act authorizing the Secretary of the Navy in his discretion to deliver to the custody of the State of Arkansas the silver service presented to the United States for the battleship *Arkansas;*

H. R. 5223. An act to extend temporarily the time for filing applications for patents, for taking action in the United States Patent Office with respect thereto, for presenting proof of acts abroad with respect to the making of an invention, and for other purposes; and

H. R. 5453. An act to authorize certain expenditures by the Alaska Railroad, and for other purposes.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (S. 50) to permit settlement of accounts of deceased officers and enlisted men of the Army, Navy, Marine Corps, and Coast Guard, and of deceased commissioned officers of the Public Health Service, without administration of estates, and it was signed by the President pro tempore.

LEAVE OF ABSENCE

Mr. DONNELL. Mr. President, I ask unanimous consent that I may be excused from attendance on the Senate the remainder of this week, after today, in order that I may fill an engagement in New York City.

The PRESIDENT pro tempore. Without objection, the leave is granted.

BILL SIGNED DURING THE RECESS

Under authority of the order of the Senate of the 18th instant,

The PRESIDENT pro tempore announced that on February 19, 1946, he signed the enrolled bill (H. R. 5135) to amend the Agricultural Adjustment Act, as amended, which had been previously signed by the Speaker of the House of Representatives.

CHARLES R. HOOPER—VETO MESSAGE RECEIVED DURING THE RECESS

The PRESIDENT pro tempore laid before the Senate a letter from the Secretary of the Senate, which, with the message and bill, was read, referred to the Committee on Claims, and ordered to be printed, as follows:

UNITED STATES SENATE,
Washington, February 21, 1946.

Hon. KENNETH MCKELLAR,
President pro tempore,
United States Senate

Dear Mr. PRESIDENT: On yesterday, February 20, 1946, during the recess of the Senate, the attached message from the President of the United States addressed to the United States Senate was received by me, which I am herewith delivering to you for submission to the Senate at its meeting today.

Very sincerely,

LESLIE L. BIFFLE,
Secretary.

To the United States Senate:

I return herewith, without my approval, S. 1480, a bill for the relief of Charles R. Hooper.

The bill proposes payment of the sum of $4,000 to Charles R. Hooper, of Washington, D. C., in settlement of his claim against the United States by reason of a personal injury sustained, the loss of his left eye, while employed at the United States Navy Yard in Washington.

It appears that the claimant was employed by the Federal Government in the Navy Yard in Washington, D. C., from May 15, 1890, to October 1, 1895, as a blacksmith, and that, on August 1, 1894, while working in line of duty, his left eye was destroyed by a small piece of steel which was cast off of the hammer of a fellow workman.

After leaving the navy-yard service in 1895, the claimant established and operated a private grocery business. On March 3, 1909, he reentered the Federal service at the Government Printing Office, receiving a higher daily rate of pay than he was receiving at the Navy Yard. He continued in such employment until July 1, 1932, when he was retired on account of age. The claimant is now receiving an annuity of $1,146.72 under the Civil Service Retirement Act.

Had the Federal Employees' Compensation Act, which was approved September 7, 1916, been in effect at the time this injury occurred, the criterion for determining the compensation, if any, which was payable to the claimant would be his loss of wage-earning capacity. By such standard, it is clear that the claimant would have been entitled at the most, if at all, to but a nominal amount since his wage-earning capacity seems not to have been impaired by the injury sustained by him.

While the loss to this claimant, and his pain and suffering, are to be regretted, they were not such as to prevent his long and gainful reemployment in the Government service, nor were they more than what countless other injured Federal servants have had to endure within the scope of the relief afforded by the Employees' Compensation Act.

For these reasons, I have felt obliged to withhold my approval of this measure.

HARRY S. TRUMAN.

THE WHITE HOUSE, *February 19, 1946.*

REPORTS OF A COMMITTEE FILED DURING THE RECESS

Under the authority of the order of the Senate of the 18th instant,

The following reports of a committee were submitted on February 20, 1946:

By Mr. ELLENDER, from the Committee on Claims:

S. 1190. A bill for the relief of Mrs. Henry H. Hay; without amendment (Rept. No. 964);

S. 1811. A bill to amend Public Law 277, Seventy-ninth Congress, so as to provide the Coast Guard, at such time as it is transferred back to the Treasury Department, with a system of laws for the settlement of claims, and for other purposes; without amendment (Rept. No. 965);

H. R. 948. A bill conferring jurisdiction upon the District Court of the United States for the Northern District of California, northern division, to hear, determine, and render judgment upon the claims of all persons for reimbursement for damages and losses sustained as a result of a flood which occurred in December 1937 in levee district No. 10, Yuba County, Calif.; without amendment (Rept. No. 961);

H. R. 1854. A bill for the relief of Thomas Sumner; with an amendment (Rept. No. 966);

H. R. 2393. A bill for the relief of Elsie Peter; without amendment (Rept. No. 962);

H. R. 2670. A bill for the relief of the legal guardian of Kathleen Lawton McGuire; with an amendment (Rept. No. 967);

H. R. 2974. A bill for the relief of the estate of Bobby Messick; without amendment (Rept. No. 963); and

H. R. 3791. A bill for the relief of Mrs. Florence Mersman; with an amendment (Rept. No. 968).

By Mr. HUFFMAN, from the Committee on Claims:

S. 1622. A bill for the relief of Gordon Cole Hart; with an amendment (Rept. No. 973);

H. R. 1489. A bill for the relief of Harold B. Alden and Walter E. Strohm; without amendment (Rept. No. 971);

H. R. 1615. A bill for the relief of the legal guardians of John Buchan and Lawrence Gillingham, minors; with amendments (Rept. No. 974); and

H. R. 2769. A bill for the relief of C. Frank James; without amendment (Rept. No. 972).

By Mr. JOHNSTON of South Carolina, from the Committee on Claims:

S. 1310. A bill for the relief of Saunders Wholesale, Inc.; without amendment (Rept. No. 969); and

S. 1637. A bill for the relief of Herbert C. Rockwell; without amendment (Rept. No. 970).

By Mr. WILSON, from the Committee on Claims:

H. R. 3784. A bill for the relief of C. H. Brumfield; without amendment (Rept. No. 975).

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON RADIO AND ELECTRICAL EQUIPMENT

A letter from the Administrator of the Surplus Property Administration, transmitting, pursuant to law, a report on radio and electrical equipment (with an accompanying report); to the Committee on Military Affairs

REVOLVING FUND FOR VETERANS' ADMINISTRATION

A letter from the Administrator of the Veterans' Administration, transmitting a draft of proposed legislation to amend paragraph 8 of part VII, Veterans Regulation No. 1 (a), as amended, to authorize an appropriation of $1,500,000 as a revolving fund in lieu of $500,000 now authorized (with an accompanying paper); to the Committee on Finance.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying paper) to the Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of New Jersey; to the Committee on Foreign Relations:

"Concurrent resolution memorializing the United States Senate and House of Representatives not to ratify any treaty or agreement with the Dominion of Canada or pass any legislation which may provide for the construction of the St. Lawrence seaway

"Whereas the Legislature of the State of New Jersey, on February 12, 1940, passed a concurrent resolution memorializing the United States Senate not to ratify a treaty with the Dominion of Canada for the proposed St. Lawrence seaway; and

"Whereas the Legislature of the State of New Jersey, on January 21, 1941, passed a concurrent resolution reaffirming its position in opposition to the proposed St. Lawrence seaway; and

"Whereas it appears that the present Congress of the United States may be called upon to approve or authorize the construction of the seaway: Therefore be it

"Resolved by the Senate of the State of New Jersey (the House of Assembly concurring), That this legislature reaffirm its position in opposition to the proposed St. Lawrence seaway because of its economic impracticability, its entire lack of advantage as a defense measure, and its detriment to business in the State of New Jersey; and be it further

"Resolved, That the Senate and the House of Representatives of the United States, and particularly the Senators and Representatives elected from the State of New Jersey, be memorialized and requested to not ratify any treaty or agreement for the proposed St. Lawrence seaway or to approve or authorize the construction thereof; and be it further

"Resolved, That a copy of this resolution be immediately transmitted to the Secretary of the United States Senate, the chairman of the Senate Committee on Foreign Relations, the Speaker of the House of Representatives, and to each Senator and Representative elected from the State of New Jersey."

A resolution of the Legislative Assembly of the Virgin Islands; ordered to lie on the table:

"Resolution petitioning the Congress of the United States to include in S. 1415 all Federal employees in the Virgin Islands of the United States

"Whereas there has passed the Senate and is now before the House a bill identified as S. 1415 to increase the rates of compensation of officers and employees of the Federal Government; and

"Whereas it does not appear that the Federal employees of the Virgin Islands are included in this act: Be it

"Resolved by the Legislative Assembly of the Virgin Islands in session assembled, That the Congress of the United States be and is hereby petitioned to include in S. 1415, Seventy-ninth Congress, first session, all Federal employees in the Virgin Islands; and be it further

"Resolved, That this resolution be forwarded to the President of the Senate, the Speaker of the House of Representatives, the Secretary of the Interior, the Secretary of the Treasury, the Governor of the Virgin Islands, and all Federal agencies in the Virgin Islands."

A letter in the nature of a memorial from Jane Wooley, of Youngstown, Ohio, remonstrating against the enactment of Senate bill 1508, to authorize the use by industry of silver held or owned by the United States; to the Committee on Banking and Currency.

A letter from the speaker of the House of Representatives of the Philippines, transmitting copy of a brief study made by him on the question whether members of the present Congress of the Philippines may hold over until the election of their successors (with

an accompanying paper); to the Committee on Territories and Insular Affairs.

By Mr. WALSH:

Resolution of the General Court of the Commonwealth of Massachusetts; to the Committee on Education and Labor:

"Resolution memorializing Congress to increase the aid to dependent children program

"*Resolved*, That the General Court of Massachusetts hereby urges the Congress of the United States to immediately pass legislation to so amend the Federal aid to dependent children law as to permit the matching with Federal funds of all amounts expended by States, or their political subdivisions, on account of aid to dependent children; and be it further

"*Resolved*, That copies of this resolution be sent by the State secretary to the President of the United States, the President pro tempore of the Senate, the Speaker of the House of Representatives, and the Members of Congress from Massachusetts."

By Mr. GREEN:

A joint resolution of the Legislature of the State of Rhode Island; to the Committee on Agriculture and Forestry:

"Senate Joint Resolution 64

"Joint resolution requesting the Senators and Representatives from Rhode Island in the Congress of the United States to help in every way possible to alleviate the impending shortages of feed and grain for dairy cattle and poultry flocks in this State

"Whereas the shortage of feeds and grain for dairy cattle and poultry flocks which is developing particularly in the Northeastern States may soon make itself felt in Rhode Island; and

"Whereas because of the inability to get sufficient quantities of protein, feed mixers here are being forced to reduce the percentage of protein in their products; and

"Whereas feed from the Central West does not reach New England unless there is constant alertness, and the Northeastern Governors' Feed Committee and a feed advisory committee made up of Government representatives and members of the feed industry are to meet very soon in separate conferences, one in New York and one in Boston, to draft programs to meet a threatening situation: Now, therefore, be it

"*Resolved*, That the Senators and Representatives from Rhode Island in the Congress of the United States be and they are earnestly requested to make every effort possible to alleviate the impending shortages of feed and grain for Rhode Island cattle and poultry; and be it further

"*Resolved*, That the secretary of state be and he is hereby authorized to transmit to the Senators and Representatives from Rhode Island in the Congress of the United States duly certified copies of this resolution."

CONTROL OF ATOMIC ENERGY—PETITION

Mr. DONNELL. Mr. President, I ask unanimous consent to present and to have printed in the body of the RECORD the contents of a petition which, in separate counterparts, is signed by approximately 1,000 persons, who are, respectively, students and faculty members of Washington University, St. Louis, Mo., and I ask that the counterparts themselves be appropriately referred.

I am not asking that the names of the signers be printed. The petition is addressed to Senator BRIEN S. MCMAHON, chairman of the Special Committee on Control of Atomic Energy. Miss Jane Brown, a member of the student body of Washington University, was sent to the National Capital to present the petition to the members of the committee and to the Senator from Missouri.

The PRESIDENT pro tempore. Without objection, the petition will be received and appropriately referred, and the contents of the petition, without the names, will be printed in the RECORD.

The petition was referred to the Special Committee on Atomic Energy and ordered to be printed in the RECORD, as follows:

Approving the growing opposition to the May-Johnson bill, we, the undersigned, hereby register our opposition to the principles of secrecy, monopoly, and arbitrary control as embodied in this act, and oppose the inclusion of these principles in any subsequent bill on atomic energy.

In view of the international implications of atomic-energy control, we advocate:

1. That any legislation on the control of atomic energy by preceded by adequate public hearings.

2. That control be vested in a board whose powers and limitations are clearly specified and which includes both scientists and lay civilians.

3. That no limitations be placed upon the free dissemination of basic scientific information.

4. That the control board be subject to any agency established within the United Nations Organization for international control of atomic power.

NATIONAL REPRESENTATION FOR THE DISTRICT OF COLUMBIA—LETTER OF PROGRESSIVE CITIZENS' ASSOCIATION

Mr. CAPPER. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a letter I have received from the corresponding secretary of the Progressive Citizens' Association of Georgetown, Washington, D. C., stating that a resolution had been adopted by that association taking a stand in favor of the so-called Sumners-Capper amendment to the Constitution for national representation of the District of Columbia.

There being no objection, the letter was received, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

PROGRESSIVE CITIZENS' ASSOCIATION
OF GEORGETOWN,
Washington, D. C., February 18, 1946.

Senator ARTHUR CAPPER,
Senate District Committee,
United States Senate,
Washington, D. C.

DEAR SENATOR CAPPER: The Progressive Citizens' Association of Georgetown, at its regular February meeting, unanimously adopted a resolution urging that the Sumners-Capper amendment to the Constitution for national representation of the District of Columbia, be adopted as originally written and without any amendments.

The association is wholeheartedly behind your efforts to secure representation for the residents of Washington and the District of Columbia.

Very truly yours,
VIRGINIA S. GAEENEY,
Corresponding Secretary.

RESOLUTIONS OF VETERANS OF FOREIGN WARS, OF EMPORIA, KANS., RELATING TO RENT CONTROLS

Mr, CAPPER. Mr. President, I ask unanimous consent to present for appropriate reference and printing in the RECORD, resolutions adopted by Lowry-Funston Post, No. 1980, Veterans of Foreign Wars, Emporia, Kans. The post urges the Office of Price Administration to impose rent controls upon residential and business properties in Emporia, Kans.

There being no objection, the resolutions were received, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Whereas increases in rents of residential properties in the city of Emporia, Kans., have been unwarrantedly advanced without any increase in facilities or improvements in properties; and

Whereas many landlords, to increase rents without creating a howl, have ordered out present tenants, then doubled or tripled the rent and sought and obtained new tenants, much to the discomfort, expense, and loss of valuable time to the evicted tenants: Therefore be it

Resolved, That it is the considered judgment of the members of Lowry-Funston Post, No. 1980, here assembled, that an urgent invitation be extende to the Office of Price Administration to impose rent control upon residential and business properties in the district of Emporia, Kans.; and be it further

Resolved, That since many veterans returning from war fronts are the victims of conscienceless profiteers in rental fields, and that many are forced either to pay rents beyond their proper earning capacities or, in other cases just as reprehensible, are forced to offer and advertise bonuses for the privilege of securing a house or apartment at unwarranted rent levels, that we urge haste on the part of the Office of Price Administration in declaring this an emergency area and moving in and ordering price controls.

THE BUENOS AIRES AHORA AND SPRUILLE BRADEN

Mr. CAPPER. Mr. President, a number of Senators have received from the Buenos Aires publication Ahora clippings of an article attacking Assistant Secretary of State Spruille Braden. I call the Senate's attention to the fact that during the month of January 1946 the United States Embassy in Buenos Aires, acting on instructions from Washington, released to the press German documents implicating Ahora in the receipt of largess from the German Government. References to the receipt of German subsidies by Ahora and other Argentine newspapers are also made on page 57 of the recent Blue Book issued by the State Department.

I wish to make it a matter of record that Ahora is making these attacks as an evidence of its displeasure over the exposure of its Nazi connections, and I, therefore, request that the two letters, which I send to the desk, be printed as a part of my remarks at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

BUENOS AIRES, *January 29, 1946.*

Mr. ARTHUR CAPPER,
Senate Office Building, Washington,
D. C., Estados Unidos de America.

DEAR SIR: Herewith we enjoying ourselves in sending you the latest article published in Ahora which demonstrates that Mr. Spruille Braden has failed to tell the truth about our magazine. Per ship we are sending you the four whole issues of Ahora which treated this matter. In these ones we have made some serious imputations which were not and shall be not rectifiable neither by Mr. Braden nor by the United States of America Embassy at Argentina.

Yours very truly,
PERIODICO ILUSTRADO AHORA.

DEPARTMENT OF STATE,
Washington, February 20, 1946.
The Honorable ARTHUR CAPPER,
United States Senate.

MY DEAR SENATOR CAPPER: Thank you for your letter of February 13, 1946, enclosing a letter of January 29 to you from the Argentine magazine Ahora, with some pages of its January 29 issue.

You are right in making out that the editor is jumping on me. However, this is not surprising since, as you probably know, our Embassy in Buenos Aires released last January some material, found by our people in Germany, implicating Ahora as a recipient of largess from the German Government. The disclosure of this fact appears to have greatly irritated the editor of Ahora.

I appreciate your generous expression of confidence.

Sincerely yours,
SPRUILLE BRADEN,
Assistant Secretary.

LETTER FROM DR. J. D. ROGERS IN OPPOSITION TO COMPULSORY MILITARY TRAINING

Mr. CAPPER. Mr. President, I wish to read into the RECORD a letter I have received from Dr. J. D. Rogers, Marysville, Kans., in which he expresses his opposition to compulsory military training. His letter is as follows:

Who is clamoring for universal military training? No one but the brass hats who have something to gain. If this should become a law, in a very short time this Nation would be confronted with the military intrigue which obtains in all nations where there is universal military training. We will have introduced the military into our politics; so like the story of past history in other nations, we will have the military party and the labor party.

Certainly this Nation needs ample facilities to guard against the selfish motives of greedy men who compose the military parties of other nations. From the lessons learned in this last war, we are very certain that the next war will be waged by a few scientists and with such speed that it will be over almost before it has commenced. It would be over long before it has commenced. It would be over long before a large army could even get its pants on, even though equipped with zippers. The money required for the support and maintenance of a large army had better be spent on scientific developments, and the building and maintenance of machines for the purpose of guarding against aggression.

J. D. ROGERS, O. D.
MARYSVILLE, KANS.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GURNEY, from the Committee on Military Affairs:

S. 1746. A bill to govern distribution of war trophies; with amendments (Rept. No. 984).

By Mr. WILSON, from the Committee on Military Affairs:

H. R. 3755. A bill to establish an Optometry Corps in the Medical Department of the United States Army; with amendments (Rept. No. 985).

By Mr. THOMAS of Utah, from the Committee on Military Affairs:

H. J. Res. 243. Joint resolution tendering the thanks of Congress to General of the Army George C. Marshall, and the members of the Army of the United States who have fought under his direction during the wars; and providing that the President of the United States shall cause a medal to be struck to be presented to General Marshall in the name of the people of the United States of America; with amendments (Rept. No. 983).

By Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs:

S. 1043. A bill to set aside certain lands in Oklahoma in trust for the Indians of the Kiowa, Comanche, and Apache Indian Reservation; without amendment (Rept. No. 976);

S. 1085. A bill to provide for payment of travel and other expenses of members of the tribal council, business committees, or other tribal organizations, of the Osage Tribe of Indians in Oklahoma; without amendment (Rept. No. 977); and

H. R. 341. A bill relating to the status of Keetoowah Indians of the Cherokee Nation in Oklahoma, and for other purposes; with amendments (Rept. No. 978).

By Mr. O'MAHONEY, from the Committee on Indian Affairs:

H. R. 4027. A bill authorizing sale of the allotment of LeRoy Milliken on the Crow Indian Reservation, Mont.; without amendment (Rept. No. 979);

H. R. 4034. A bill authorizing the issuance of a patent in fee to Alice Yarlott Othermedicine; without amendment (Rept. No. 980); and

H. R. 4035. A bill authorizing the issuance of a patent in fee to Wilbert Keiser; without amendment (Rept. No. 981).

By Mr. TYDINGS, from the Committee on Territories and Insular Affairs:

S. 965. A bill to amend the Alaska game law; with an amendment (Rept. No. 982).

TEMPORARY HOUSING UNITS FOR VETERANS AND THEIR FAMILIES—REPORT OF A COMMITTEE

Mr. ELLENDER. Mr. President, from the Committee on Education and Labor, I ask unanimous consent to report favorably with amendments the bill (S. 1821), to amend section 502 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, so as to authorize the appropriation of funds necessary to provide an additional 100,000 temporary housing units for distressed families of servicemen and for veterans and their families, and I submit a report (No. 986) thereon. The purpose of this bill is to authorize an additional appropriation of $250,000,000 to build 100,000 housing units for distressed families of servicemen and for veterans and their families. Because of the importance of this bill I should like to give notice that early next week I shall move its consideration.

The PRESIDENT pro tempore. Without objection, the report will be received and the bill placed on the calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MCKELLAR:

S. 1849. A bill to authorize the President to appoint Lt. Gen. Walter B. Smith to the office of Ambassador to Russia, without affecting his military status and perquisites; to the Committee on Military Affairs.

By Mr. KILGORE (for himself, Mr. MAGNUSON, Mr. JOHNSON of Colorado, Mr. PEPPER, Mr. FULBRIGHT, Mr. SALTONSTALL, Mr. THOMAS of Utah, and Mr. FERGUSON):

S. 1850. A bill to promote the progress of science and the useful arts, to secure the national defense, to advance the national health and welfare, and for other purposes; to the Committee on Military Affairs.

By Mr. VANDENBERG:

S. 1851. A bill to extend the statute of limitations with respect to suits by certain customs officers and employees for extra pay for Sunday and holiday services; to the Committee on the Judiciary.

By Mr. OVERTON:

S. 1852. A bill for the relief of Arlis Earl Teekell, a minor; to the Committee on Claims.

By Mr. JOHNSTON of South Carolina (for himself and Mr. MAYBANK):

S. 1853. A bill for the relief of Margaret J. Johnson; to the Committee on Claims.

By Mr. WALSH:

S. 1854. A bill to establish the civilian position of academic dean of the Postgraduate School of the Naval Academy and compensation therefor; to the Committee on Naval Affairs.

S. 1855. A bill to provide for the reimbursement of the town of Watertown, Mass., for the loss of taxes on certain property in such town acquired by the United States for use for military purposes; to the Committee on Claims.

By Mr. HATCH:

S. 1856. A bill to reserve for the use of the United States all deposits of fissionable materials contained in the public lands; to the Committee on Public Lands and Surveys.

(Mr. HATCH (by request) also introduced Senate bill 1857, to authorize the availability for certain necessary administrative expenses of appropriations for the Department of the Interior, which was referred to the Committee on Public Lands and Surveys, and appears under a separate heading.)

AVAILABILITY FOR CERTAIN NECESSARY ADMINISTRATIVE EXPENSES OF APPROPRIATIONS FOR INTERIOR DEPARTMENT

Mr. HATCH. Mr. President, by request of former Secretary of the Interior, Mr. Ickes, I ask unanimous consent to introduce for appropriate reference a bill to authorize the availability for certain necessary administrative expenses of appropriations for the Interior Department. I request that a letter from Mr. Ickes dated February 6, 1946, explaining the bill be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred, and without objection, the letter will be printed in the RECORD.

The bill (S. 1857) to authorize the availability for certain necessary administrative expenses of appropriations for the Department of the Interior, was read twice by its title and referred to the Committee on Public Lands and Surveys.

The letter presented by Mr. HATCH was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE INTERIOR,
Washington, D. C., February 6, 1946.
Hon. KENNETH MCKELLAR,
President of the Senate.

MY DEAR SENATOR MCKELLAR: There is transmitted herewith a draft of a proposed bill to authorize expenditures to be made from appropriations for field work of the Department of the Interior for the hire, with or without personal services, of boats, work animals, and animal-drawn and motor-propelled vehicles and equipment; to authorize expenditures from appropriations for contingent expenses of the Department, to the extent specified therein, for the payment of damages to private property (not to exceed $500 in any one case) caused by the negligent operation of motor vehicles covered by the contingent expense item; and to authorize the Department, in the administration of the Connally "Hot Oil" Act, to cooperate with

other Federal authorities and with State authorities. I request that the proposed bill be referred to the appropriate committee for consideration, and recommend its enactment.

Authority for the hire of work animals and animal-drawn and motor-propelled vehicles and equipment has been provided in annual appropriation acts for this Department for the past 20 years, the authorization being designated in each of the acts as section 2. From 1927 to 1935, inclusive, the authority applied specifically to appropriations for the General Land Office, the Bureau of Indian Affairs, the Bureau of Reclamation, the Geological Survey, and the National Park Service. In 1936 the Bureau of Mines was added, following its transfer to the Department, and beginning in 1940 the provision was made generally applicable to all appropriations for field work contained in the annual appropriation acts for the Department. In 1944 the provision was again changed to include boats in order that similar authority carried in appropriations for the Fish and Wildlife Service might be eliminated. It is necessary that this authorization be continued, as expenditures for these purposes are required in the field work of the various bureaus and offices of the Department and are in the interest of economy and efficiency of operations.

Authority for the payment of damages to private property by automobiles operated and maintained out of contingent expense funds has been provided in the appropriations for contingent expenses made each year, beginning with the fiscal year 1923. This authorization has been used only five or six times during the past 10 years and payments made have been small, averaging from ten to fifteen dollars each. Continuation of the authority is desired to permit prompt settlement of claims and to avoid the necessity of obtaining a separate appropriation in each instance.

Authority to cooperate with Federal and State agencies in matters pertaining to the production and conservation of oil and gas is essential to the successful administration and enforcement of the Connally "Hot Oil" Act. This authority has been included regularly by the Congress in the appropriation acts for this Department since the fiscal year 1940.

I wish to stress the fact that the draft of bill here transmitted seeks to confer no new powers on the Department of the Interior. The authorizations here sought are necessary adjuncts to the duties now imposed by law upon the Department and, I may add, are, for the most part, fairly to be implied from existing statutes. Their express reiteration in specific, as well as permanent, form is desired because of the difficulty of accurately forecasting what may or may not be determined, in the consideration of appropriation bills, to be subject to points of order.

This proposed legislation has been prepared in collaboration with the Bureau of the Budget and is transmitted at its suggestion.

Sincerely yours,

HAROLD L. ICKES,
Secretary of the Interior.

AMENDMENT OF EMPLOYEES COMPENSATION ACT

Mr. FULBRIGHT submitted an amendment intended to be proposed by him to the bill (S. 1325) to amend the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," as amended, which was ordered to lie on the table and to be printed.

CLAIM OF GEORGE McDONOUGH—WITHDRAWAL OF PAPERS

Mr. SALTONSTALL. Mr. President, I ask unanimous consent that the files and affidavits accompanying Senate bill 962, for the relief of George McDonough, Seventy-seventh Congress, first session, filed by my predecessor, Senator Lodge, on February 26, 1941, be withdrawn from the files of the Senate, and returned to George McDonough, in whose behalf the bill was introduced. No adverse action was taken by the Senate on the bill, and the claimant would like to have his affidavits returned to him in order that he may use them elsewhere.

The PRESIDENT pro tempore. Without objection, it is so ordered.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H. R. 210. An act for the relief of Jackson Williams, Mrs. Lora Sally Williams, the legal guardian of Garry E. Williams, a minor, and the legal guardian of James Williams, a minor;

H. R. 238. An act for the relief of Henrietta Silk;

H. R. 1073. An act for the relief of Mrs. Gertrude Verbarg;

H. R. 1850. An act for the relief of Louise Zerweck;

H. R. 2243. An act for the relief of Arthur A. Guarino;

H. R. 2288. An act for the relief of Columbus Thomas;

H. R. 2736. An act for the relief of Norman Abbott;

H. R. 2880. An act for the relief of Fred E. Weber;

H. R. 2931. An act for the relief of Edward Oatneal, John N. Oatneal, Jr., and James R. Oatneal;

H. R. 3360. An act for the relief of Mrs. W. H. (Agnes) Holmes;

H. R. 3513. An act for the relief of Braxton B. Folmar and Mary Inez Folmar, William Ernest Evans and Dora Ethel Evans, Joseph Thomas Avery and Maggie M. Avery, Robert H. Phillips and Hattie P. Phillips, and the legal guardian of James T. Avery, a minor;

H. R. 3523. An act for the relief of Sam Damico and Clint Hamm, operating as the D and H Grocery;

H. R. 3618. An act for the relief of Mrs. Vannas H. Hicks;

H. R. 3751. An act for the relief of Mrs. Theodora O. Anzures and the legal guardian of Bernice Anzures and Andrew Anzures;

H. R. 4047. An act for the relief of Edward A. Hollis, Sr.;

H. R. 4056. An act for the relief of Mrs. Jud Hendry and her daughter, Gladys Hendry;

H. R. 4074. An act for the relief of Mrs. Jennie Burnison;

H. R. 4297. An act for the relief of Joseph Schell;

H. R. 4300. An act for the relief of the county of Hawaii, Territory of Hawaii;

H. R. 4545. An act for the relief of George Leslie Dobson; and

H. R. 4560. An act for the relief of Nicholas T. Stepp; to the Committee on Claims.

H. R. 2710. An act to provide for the detention, care, and treatment of persons of unsound mind in certain Federal reservations in Virginia and Maryland; to the Committee on the Judiciary.

H. R. 3757. An act to provide for the public registering of patents available for licensing; and

H. R. 5223. An act to extend temporarily the time for filing applications for patents, for taking action in the United States Patent Office with respect thereto, for preventing proof of acts abroad with respect to the making of an invention, and for other purposes; to the Committee on Patents.

H. R. 4844. An act to place Chinese wives of American citizens on a nonquota basis; to the Committee on Immigration.

H. R. 5121. An act authorizing the Secretary of the Navy in his discretion to deliver to the custody of the State of Arkansas the silver service presented to the United States for the battleship *Arkansas;* to the Committee on Naval Affairs.

H. R. 5453. An act to authorize certain expenditures by the Alaska Railroad, and for other purposes; to the Committee on Territories and Insular Affairs.

PRINTING OF STUDY OF WARTIME RECORD OF STRIKES AND LOCK-OUTS (S. DOC. NO. 136)

Mr. BALL. Mr. President, a short time ago Miss Rosa Lee Swafford, who is a research assistant in the office of the minority conference of the United States Senate, completed a study of wartime strikes and lock-outs, their number, duration, and the reasons for them. It is a very complete objective study, and inasmuch as the Senate Committee on Education and Labor is now considering a number of labor relations bills, it seems to me that the information warrants presentation and printing as a Senate document. I ask unanimous consent that the study be printed as a Senate document, with illustrations.

Mr. HILL. Mr. President, will the Senator yield?

Mr. BALL. I yield.

Mr. HILL. Reserving the right to object, as I understand, the distinguished Senator from Minnesota consulted with the distinguished majority leader, the Senator from Kentucky [Mr. BARKLEY], about this matter.

Mr. BALL. I did.

Mr. HILL. And the Senator from Kentucky advised that he had no objection, did he not?

Mr. BALL. That is correct.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Minnesota?

Mr. AIKEN. Mr. President, may I ask who made the study?

Mr. BALL. Miss Rosa Lee Swafford.

Mr. AIKEN. Who is she?

Mr. BALL. As I understand, she is a graduate student. She is doing graduate work in the university and is a research assistant in the office of the minority conference.

Mr. AIKEN. I do not happen to know the lady. I hope that the study is impartial, if it is to be printed as a Senate document.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and it is so ordered.

ADDITIONAL COPIES OF PART 6 OF HEARINGS BEFORE SENATE COMMITTEE TO INVESTIGATE THE PRODUCTION, TRANSPORTATION, AND MARKETING OF WOOL

Mr. O'MAHONEY submitted the following concurrent resolution (S. Con. Res. 55), which was referred to the Committee on Printing:

Resolved by the Senate (the House of Representatives concurring), That in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Senate Special Committee to Investigate the Production, Transportation, and Marketing of

Wool be, and is hereby, authorized and empowered to have printed for its use 4,000 additional copies of part 6 of the hearings held before the said special committee during the first session, Seventy-ninth Congress, relative to the investigation of the production, transportation, and marketing of wool.

POLAND'S RIGHT TO INDEPENDENCE—ADDRESS BY SENATOR WALSH

[Mr. WALSH asked and obtained leave to have printed in the RECORD a radio address entitled "Poland's Right to Independence," recently delivered by him over Station WSPR in Springfield, Mass., which appears in the Appendix.]

HOUSING FOR TOMORROW—ARTICLE BY SENATOR MEAD

[Mr. TUNNELL asked and obtained leave to have printed in the RECORD an article entitled "Housing for Tomorrow," written by Senator MEAD and published in the Winter 1946 issue of Housing Progress, which appears in the Appendix.]

ADDRESS BY JOHN W. SNYDER BEFORE ECONOMIC CLUB OF DETROIT

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an address delivered by Hon. John W. Snyder, Director of War Mobilization and Reconversion, before the Economic Club of Detroit, Mich., on February 18, 1946, which appears in the Appendix.]

ST. LAWRENCE WATERWAY—STATEMENT BY SECRETARY WALLACE BEFORE SENATE COMMITTEE ON FOREIGN RELATIONS

[Mr. HILL asked and obtained leave to have printed in the RECORD a statement made by Hon. Henry A. Wallace, Secretary of Commerce, on the subject of the St. Lawrence Waterway, before a subcommittee of the Senate Committee on Foreign Relations, February 21, 1946, which appears in the Appendix.]

STATEMENT BY MAURICE R. FRANKS BEFORE THE SENATE COMMITTEE ON EDUCATION AND LABOR

[Mr. MORSE asked and obtained leave to have printed in the RECORD a statement on labor relations made by Maurice R. Franks before the Senate Committee on Education and Labor on January 31, 1946, which appears in the Appendix.]

ADDRESS BY EUGENE A. ROSE AT TESTIMONIAL DINNER TO MAYOR O'DWYER

[Mr. MEAD asked and obtained leave to have printed in the RECORD an address delivered by Eugene A. Rose, at the testimonial dinner to Mayor O'Dwyer, New York City, January 17, 1946, which appears in the Appendix.]

EXCESSIVE FREIGHT RATES ON GOVERNMENT MATERIALS—EDITORIALS FROM THE WASHINGTON DAILY NEWS

[Mr. WHEELER asked and obtained leave to have printed in the RECORD an editorial entitled "United States Pays the Freight," published in the Washington Daily News of February 15, 1946, and an editorial entitled "Locking the Barn," published in the Washington Daily News of February 16, 1946, which appear in the Appendix.]

THE NATIONAL HOUSING PROGRAM—EDITORIAL COMMENT

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD four editorials dealing with the national housing program, one from the New York Times, one from the Washington Post, one from the Wall Street Journal, and one from the Baltimore Sun, which appear in the Appendix.]

PRICE ADMINISTRATOR—NOMINATION OF PAUL A. PORTER

As in executive session,

Mr. BARKLEY. Mr. President, from the Committee on Banking and Currency, I ask unanimous consent to report favorably the nomination of Paul A. Porter to be Administrator of the Office of Price Administration.

The PRESIDENT pro tempore. Without objection, the report will be received.

Mr. BARKLEY. Mr. President, inasmuch as it is necessary that Mr. Porter assume charge of the OPA because Mr. Bowles, as we all know, is leaving for another position, and inasmuch as the whole question of OPA and its extension is now pending before the House of Representatives, and soon will be before the Senate Committee on Banking and Currency, I ask unanimous consent, as in executive session, that Mr. Porter's nomination may be considered and confirmed.

The PRESIDENT pro tempore. Is there objection?

Mr. WHITE. Mr. President, I understand the nomination is reported with the unanimous approval of the Committee on Banking and Currency.

Mr. BARKLEY. It is. Mr. Porter appeared before the committee this morning, and members of the committee asked him various questions, the answers to which satisfied the committee as to Mr. Porter's qualifications, and the nomination was unanimously ordered reported.

I should not ask for immediate action on the nomination except that the change from the position which Mr. Porter has been holding, as Chairman of the Federal Communications Commission, to the OPA, the position held by Mr. Bowles, makes it essential that as soon as possible Mr. Porter take charge of the administration of the OPA.

Mr. WHITE. Mr. President, I quite agree with the distinguished Senator from Kentucky that it is advisable that there should be a chairman of the OPA qualified in the legal sense. I have no objection.

Mr. WHERRY. Mr. President, I should like to ask the distinguished majority leader a question or two. In the questioning by members of the committee, was any question propounded as to how Mr. Porter felt about the continuance of the cost-absorption plan?

Mr. BARKLEY. No; no question was asked about that, because that matter will come up when the whole OPA situation is before the committee. Mr. Porter was asked by a number of members of the committee what his attitude was toward speeding up decisions in the OPA, so that those involved might know as soon as possible what the decisions would be. I think he satisfied the committee on that score, while he could not commit himself on any particular matter with which he was not familiar.

Mr. WHERRY. In the questioning of Mr. Porter was there any discussion of the maximum average price regulation which is now in effect, and which is causing so much difficulty with the production of clothing?

Mr. BARKLEY. No; no questions were asked about that. Obviously Mr. Porter could not have given answers in regard to those matters, because he will have to dig into them himself.

Mr. WHERRY. It is my understanding that Mr. Porter has been one of Mr. Bowles' deputies all through these years.

Mr. BARKLEY. No; at the beginning of OPA Mr. Porter was in charge of the Division of Rents of the OPA, but he has not been a deputy of Mr. Bowles, so far as I know. He has been Chairman of the Communications Commission, and that certainly is not connected in any way with Mr. Bowles' office.

Mr. WHERRY. Am I to understand, then, that Mr. Porter has not had any connection at all with the Office of Price Administration?

Mr. BARKLEY. I said he was connected with it in the early days. He was in charge of the Rent Division of the OPA at the beginning, or soon after the beginning, of the OPA.

Mr. WHERRY. Mr. President, I do not intend to object, because I feel that expediting confirmation of the appointee will be in the interest of the public. I wish to say to the distinguished majority leader that I feel that those who administer the OPA and the Price Stabilization Act should be men who are conscious of production rather than prices.

Mr. President, I sincerely trust that Mr. Porter, when his nomination shall have been confirmed, will recognize that we need to obtain production. It has been found from evidence adduced in the Small Business Committee that in order to get production we should rescind MAP, and that if we are to have a flexible pricing system, the cost absorption policy should be terminated. While I shall not object to the confirmation of the nomination, I trust that as the majority leader works with the administration, in the continuance of the OPA or any part of it, he will emphasize the arguments set forth in the report recently filed by five members of the Small Business Committee which stated that the paramount thing in this country today is to get maximum production.

Mr. BARKLEY. Mr. President, I have not had a chance to read that report. Therefore I would not want to comment on it. But I wish to say that Mr. Porter is one of the most broadminded and fairminded men I have known in connection with the Government of the United States. He did say in the committee that he felt very keenly that under the new wage and price set-up which has been inaugurated the question of production entered into the picture, and that so far as he was concerned he hoped to be able to work it out so as to take care not only of the general situation in regard to cost of production, but in addition to that, hardship cases that would be brought to his attention.

Mr. REED. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. REED. I want to join with the Senator from Kentucky in expressing the hope that there will be no objection to the immediate consideration of the nomination of Paul Porter. I think replacing Mr. Bowles as head of the OPA by Mr. Porter will result in great improvement. Knowing Mr. Porter quite

well, and having had considerable experience with him, I look for a definite improvement in the administration of the OPA under his administration of it.

Mr. BARKLEY. Mr. President, I do not wish to draw any comparison between Mr. Bowles and Mr. Porter, but I am emphatic in saying that Mr. Porter's appointment to this position is a good appointment.

Mr. REED. If I may say so, I think that almost any change will be for the better.

Mr. BARKLEY. I hope the Senator will not provoke me by pursuing that line of thought.

The PRESIDENT pro tempore. The question is, Will the Senate advise and consent to the nomination of Paul A. Porter to be Administrator of the Office of Price Administration?

Without objection, the nomination is confirmed, and without objection, the President will be immediately notified.

GOVERNMENT SECRETS AND FOREIGN SPIES

Mr. BRIDGES. Mr. President, recently my attention, and I think the attention of the whole country, has been held by the stories which are coming out of Canada and which are being published in this country generally respecting the stealing or the attempted stealing on the part of Russia of certain secrets from the Canadian Government and the alleged charge of bribing or contacting Canadian Government officials in order to obtain such secret information. It is pointed out that the trail leads to this country, that people here may be involved in dealing with a foreign government. All I desire to say now is that unless something is done immediately by those responsible in this Nation to investigate this alarming and deplorable situation, it will be bordering on the verge of treason. In my judgment if it develops later that persons in this country, in high Government positions, are attempting to cover up anybody or anything that strikes at the heart of America, as this strikes at it, then no punishment is too great for such individuals, particularly if they hold high office.

In my judgment a person who will deal with a foreign power and sell the United States of America out in any way is guilty of treason and should be treated as a traitor. It is up to the appropriate departments of our Government to investigate to determine what the facts are, and to take necessary action. According to reports published certain agents of this country representing the Federal Bureau of Investigation, the Army and Navy Intelligence were presented with the facts involving persons in this country dealing with a foreign power and that the State Department or someone high in the State Department ordered that no action be taken. This report cannot be allowed to pass unnoticed by any American. Let us have the facts. If anyone is covering up persons in this Nation who have been selling the United States out, these persons or officials should be charged with the greatest offense against this Government that can be charged and no punishment can be too great. We cannot afford to overlook these things.

In this connection I wish to say that I was amazed to read that Mr. Joseph E. Davies, former American Ambassador to Russia, had made the statements which have been accredited to him. I read from a headline of an article published in the Times-Herald of February 19: Russia had right to steal atom—Davies.

I have several other articles, one an editorial from the Washington Daily News of yesterday entitled "Davies on Red Morals."

It would pay anyone to read this editorial. It certainly gives a viewpoint of America on Mr. Davies. I have an article by William Philip Simms entitled "Davies on Thievery."

Mr. President, this is a serious and a vital matter and there is no excuse for Members of the Congress of either political party to sit back and close their eyes or wink their eyes at what is going on, because if any persons are attempting to cut the throat of America or to sell America down the river, whoever they may be, whether or not they are in high Government office in this country, it is time something was done about it, and those who hold high official position in America who fail to take action and whose job it is to protect this country and who do not do so, in my judgment, should be charged with being an accomplice to the crime of treason.

Mr. President, I have not had an opportunity to look into this matter carefully; I do not know what the facts are. I am not in a position to get all the facts but I do know that we are in a very serious situation in the world and in this country today and it is time that those who have responsibility should step into the picture and take action, and take it now. It is time for Americans to stand up and be counted.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD as a part of my remarks several articles and editorials dealing with this subject.

There being no objection, the articles and editorials were ordered to be printed in the RECORD, as follows:

[From the New York Daily Mirror of February 16, 1946]

CHARGE CANADA SECRETS SOLD TO REDS; AGENT IN CUSTODY "FINGERS" 1,700 MORE SPIES

(By Drew Pearson)

WASHINGTON, February 15.—Prime Minister Mackenzie King's announcement in Ottawa today that highly confidential state secrets have been disclosed to a foreign power touches off the most sensational story of espionage and intrigue since the end of the war.

I am able to reveal its amazing details.

The foreign power is Russia.

Involved are both major and minor employees of the Canadian Government—one of the three powers which guard the secrets of the atomic bomb.

High Canadian officials had been trying for weeks to make up their minds whether to hold a public trial of the Canadians charged with conspiring with the Soviet Government.

Sensational evidence regarding these officials came to light when a Russian agent in Canada was about to be transferred back to Moscow.

RED SURRENDERS

He gave himself up to Canadian authorities.

One day after he was taken into protective custody by the police, his room was entered, presumably by other Soviet agents, and made a shambles.

Before Prime Minister King made the decision which resulted in today's announcement, he came to Washington and discussed the entire matter with President Truman.

Later, he referred it to Foreign Minister Bevin in London.

He asked Bevin whether prosecution of the Canadians involved would embarrass British relations with Russia.

Bevin replied that the trial was a police matter involving the safety of the realm, and for the Canadian Government to proceed.

The Russian agent taken by the Canadians has given the names and locations of about 1,700 other Soviet agents operating not only in Canada but also in the United States.

He has put the finger on certain officials inside both the American and Canadian Governments as persons cooperating with the Soviets.

He has also named certain American labor leaders, including some in New York City.

Photostats showing payments made to United States and Canadian officials have even come to light.

Serious secret differences inside the United States Government have resulted from these revelations, with the State Department anxious not to disrupt Russian relations, but the Justice Department anxious to arrest and prosecute.

One Russian agent named Shimishenko was negotiating for the purchase of the blueprints of an American jet-propelled plane.

STATE DEPARTMENT'S "NO"

The FBI detected him, proposed arresting him. After considerable internal debate, the State Department ruled against the arrest. Shimishenko sailed with wife and child January 6.

He did not get the blueprints.

Another Russian agent was found in Bremerton, Wash. He not only had plans of the atomic bomb, but samples of the metal from which the bomb is made.

United States agents were covering him, all ready to make an arrest, but the State Department ruled otherwise.

The agent sailed for Russia. It's hard to believe, but he took his atomic information with him.

State Department officials make no comment, but apparently they figured that seizing a Russian agent was less important than upsetting the diplomatic apple cart with Russia; also that the Russians probably had the atomic bomb already.

SERIOUS FOREIGN CRISIS

This confronts the United States of America with the most serious foreign-relations crisis since Pearl Harbor. One of our major allies has been caught attempting to steal military secrets and undermine American officials.

The British also maintain agents in the United States, but most are registered with the Justice Department and others operate peacefully, though sometimes very effectively.

In other words, British agents operate to win American friendship, not to buy military secrets. They want to put us in their corner for the Empire's eventual show-down of strength with Soviet Russia * * *. They consider that show-down unavoidable. A lot of other people, including this columnist, don't agree.

All of this, however, illustrates the basic difference between the friendship of the British and American people and the unabridged void between American and Russian people. It's our greatest failure of the war—in fact, of the last two decades. We have failed miserably to get acquainted with the Russian

people. Instead, we've left all our cards in the hands of Joe Stalin.

RUSSIA IS DIFFERENT

There can't be any serious trouble between the British and American people. We know each other.

The opposite is true in Russia. The Russian people can be led into war, blindly, without knowing what it is about * * *. They are not permitted to read American newspapers, hear American radio programs or meet American visitors.

They live in a vacuum as far as American cultural relations are concerned.

The Russian people are fine people. Whenever American troops come into contact with them, both sides like each other. But contacts to get acquainted are studiously avoided by Moscow.

This puts the military-Communist clique which rules Russia in the same dangerous position as Hitler. He could take his country into war almost at will. So can Stalin.

It also emphasizes our greatest wartime error. For, while we gave the Russians tanks, airplanes, and munitions, we did not insist that American good will go with it.

"WE YIELD TO REDS"

They insisted that their pilots fly United States lend-lease planes from Alaska over Siberia. We yielded. No American pilot was permitted to fly over Russian territory.

They sent their drivers to pick up American trucks in Iran. No American truck driver could enter Russian territory.

They wanted our goods but not the danger of rubbing shoulders with American democracy.

As far as the Russian people were concerned, both countries fought the war in a vacuum.

Today, this vacuum has become worse, not better. Russians are permitted to enter this country almost at will, but not even an American orchestra can enter the Soviet Union without having every drummer and saxophone player scrutinized for months.

TEXT OF KING'S REPORT ON CANADIAN LEAKS

OTTAWA, February 15.—The text of Prime Minister W. L. Mackenzie King's statement revealing leaks of confidential Canadian Government information follows:

"Information of undoubted authenticity has reached the Canadian Government which establishes that there have been disclosures of secret and confidential information to unauthorized persons, including some members of the staff of a foreign mission in Ottawa.

"In order to make possible the full investigation which the seriousness of this information demands, the Government has appointed Justice Taschereau and Justice Kellock of the Supreme Court of Canada to act as royal commissioners to hear evidence and to present a report which will be made public. The commissioners have appointed as their counsel E. K. Williams, K. C., of Winnipeg; Gerald Fauteux, K. C., of Montreal, and D. W. Mundell, of the Department of Justice. The commission has already commenced its investigation, which is proceeding in camera.

"Upon application of counsel, and having regard to the serious nature of the evidence already adduced before the commission, the commissioners recommended to counsel to apply to the Minister of Justice for orders for the interrogation and detention for the purpose of a number of persons involved including some now employed, or who have been employed, in a number of departments and agencies of government.

"It is the intention of the Government that, after the report of the royal commissioners has been received, persecution will be instituted in cases in which the evidence warrants it. It would not be proper at this stage to make a more complete statement or, in particular, to make public the names of those concerned.

"Some of them appear to have been far more deeply and consciously involved than others. Some will probably be found to be more or less innocent instruments in furthering activities much more serious than they may have imagined.

"Obviously, the whole matter should be treated with caution and reserve, pending the time when it will be possible to issue a fuller statement. Until the investigation by the royal commissioners has been completed, the case remains sub judice."

[From the New York Herald Tribune of February 17, 1946]

TRUMAN FULLY INFORMED ON SECRET PLOT IN CANADA; SOVIET SPY RING HINTED—KEY CANADIAN EMPLOYEES INVOLVED; FBI AGENTS ARE REPORTED CALLED IN—STATE DEPARTMENT'S STAND IS QUESTION—SENATOR BRIDGES FORESEES "TERRIFIC POTENTIALITIES," HURLEY HAS INFORMATION

(By Bert Andrews)

WASHINGTON, February 16.—Canada's drive against an espionage ring alleged to have handed certain secrets to Russia was conducted with the advance knowledge of President Truman, the White House revealed today, as all of Washington joined in speculating on what the international repercussions of the affair would be.

These developments took top place in an afternoon and evening during which most officials handled the revelations with doubly padded kid gloves:

1. Senator STYLES BRIDGES, Republican, of New Hampshire, described the situation as one having "terrific potentialities" and said he thought the Senate Foreign Relations Committee ought to investigate to see whether any one in the State Department is preventing the Federal Bureau of Investigation and the Department of Justice from getting a green light for a thorough inquiry.

"NO COMMENT," SAYS M'MAHON

2. Senator BRIEN MCMAHON, Democrat, of Connecticut, chairman of the Special Committee on Atomic Energy, made some cryptic "no-comment" comments which suggested that Senator BRIDGES' use of the word "terrific" was fully justified.

3. Another member of the atomic committee, who asked that his name be withheld, asserted that a number of scientists have been "straining" to give the atomic secrets to Russia.

4. Patrick J. Hurley, former Ambassador to China, said the Canadian developments tied in with information he offered to give the Foreign Relations Committee last December. He added that he is willing to take the stand again any time to explain what he means.

5. The State, War, and Navy Departments and the FBI joined in a "no comment" chorus which looked strange later in the day when the White House did unbend and talk a little.

TRUMAN KNEW ABOUT IT

6. Senator EUGENE D. MILLIKIN, Republican, of Colorado, member of the Atomic Committee, said he knew nothing of the Canadian developments but pointed to an exchange before the committee which took added interest because of the developments.

(An Associated Press dispatch from Ottawa said that several prominent (Canadian) government employees were reported last night to be involved in the disclosure of "secret and confidential information." The dispatch quoted the Canadian press as saying on "unimpeachable authority" that the Russians have been building a large spy service in Canada.)

The White House came into the picture late in the afternoon when Charles G. Ross, press secretary, said that President Truman had advance knowledge of the Canadian drive and added that the State Department had been keeping Mr. Truman informed of developments.

Squelching a report that Prime Minister W. L. Mackenzie King has made a secret visit here to tell the President about it, Ross said the topic was discussed during Mr. King's public visit last November and that Mr. King has not been here since.

Ross would not comment when asked if American intelligence services had been called in on the case. Nevertheless, it was reported that men from the FBI, Navy Intelligence and Army Intelligence have joined the Canadian intelligence service in questioning a foreign agent held in Canada. Ross would not comment on questions whether atomic bomb data was involved in the Canadian leak.

Senator BRIDGES said that on the basis of reports reaching him he thinks the picture is something like this: A subject of Soviet Russia was sent to the United States to do some job and failed in it. He was then ordered back. In Canada, for reasons best known to himself, he went to see the Canadian police and has since undergone questioning. American intelligence people participated in the questioning. One report is that they were told of the construction of 28 landing strips, each 5 miles long, and for heavy duty, in Siberia.

"I think if the situation develops as it apparently is going to develop, the American Government, from the President down, can't afford to wink eyes at it," Senator BRIDGES said. "I understand that the FBI, Justice Department and other agencies are ready to shoot but that to date there has been a reluctance on the part of some in the State Department to give the other agencies a green light. If they don't get a green light, there ought to be a thorough investigation to learn who is stopping it and why. When Senator CONNALLY returns I am certainly going to ask that the committee take up the whole question and study it."

Senator TOM CONNALLY, Democrat, of Texas, is chairman of the Foreign Relations Committee, of which BRIDGES is a member.

"A GRAVER RESPONSIBILITY"

Senator MCMAHON, reached by telephone, said "No comment" before a full question could be asked. Informed that others had admitted extensive knowledge of the situation and of rumors concerning it, he replied: "Perhaps I feel a graver responsibility."

Asked if the State Department or some other branch of government is trying to impose censorship to prevent any disclosures in the United States, MCMAHON said, "This thing may come out in Canada, but not through me."

Another member of the atomic committee said that the committee was informed recently in executive session that "some people are doing their damnedest" to get inside information on the atomic secrets in the United States and Canada. He said the committee was not told who made the attempts but the inference was that they represented a foreign power. He said Canada has some secrets which are "extremely important"—repeating "extremely important." For emphasis—in relation to atomic bomb. He said these are chiefly chemical formulas worked out by Canadian scientists.

SEES INFORMATION FOR RUSSIA

With regard to reports from Ottawa that Russia was the country mentioned in connection with the Canadian case, this Senator said: "I wouldn't be surprised. A number of scientists have been straining to have the atomic secrets given to Russia. They are so

anxious about it that Russia probably can get all the information she wants."

Senator MILLIKIN, also a member of the atomic committee, referred to an exchange before the committee as being of interest in the light of Canadian developments.

Dr. Louis N. Ridenour, on leave from the physics department of the University of Pennsylvania, now at the radiation laboratory at Massachusetts Institute of Technology, was the witness. At one point in his testimony the following dialog took place between him and Senator THOMAS C. HART, Republican, of Connecticut:

Dr. RIDENOUR. "It is really very surprising how difficult it is to give secret information away. You can go to all sorts of lengths, such as scattering radar sets all over Germany, without doing it." (This was a reference to the fact that radar-equipped planes were shot down in Germany but that the Germans still didn't get the secrets of American equipment.)

Senator HART. "My prediction, Doctor, is that before you are as old as most of us here you will have changed your views in that respect, and you will have many disagreeable surprises as to how easily others do learn our secrets."

HURLEY HAS INFORMATION

Mr. Hurley, reached by phone in Santa Fe, N. Mex., was asked whether the Canadian revelations tied in with assertions he made before the Foreign Relations Committee.

"Of course they do," he said. "At the hearing I could not use secret documents because that would have been a violation of the law and so I was blanketed from giving all the facts. But I'm ready to come back before the committee any time they want me to."

The War Department, the Navy Department, and the Federal Bureau of Investigation would not comment on the report that representatives from all three departments had taken part or were about to take part in questioning men held by the Canadian Mounted Police.

The following questions were asked in writing of the State Department:

1. According to a United Press dispatch from Ottawa today, there has been close cooperation between Canada and the United States in all questions concerning defense matters. Have any State Department agents taken part in questioning of suspects reported being rounded up in this connection in Canada, or in tracking the Russian agent who was reported to have returned through the United States to the Soviet Union?

2. If not, does the State Department have any indication from any other Government agency, such as the Navy or Military Intelligence or from the Federal Bureau of Investigation, of the activities now going on in Canada?

3. The United Press indicates that atomic energy was only one of the possible subjects on which secret material was obtained by the agent. It adds that information on radar, as developed for arctic flying, might be another subject involved. Is this true?

4. The State Department has said that it had been notified 48 hours before the matter was released for publication. Was this the first warning the Department had of the matter?

5. An official of the Canadian Government is quoted by the United Press as speaking of a slip-up some months ago in United States-Canadian cooperation which resulted in the escape of a Soviet agent in the United States. Is this true, and if so, what were the circumstances?

A State Department spokesman said that the Department could not say any more than the fact that it had been warned in advance of the Canadian action.

KEYMEN REPORTED INVOLVED

OTTAWA, February 16.—Several fairly prominent Government employees were reported tonight by high quarters to be involved in the disclosure of "secret and confidential information" to a foreign mission in Ottawa. Still not named officially, this mission was said authoritatively to be the Soviet Embassy.

The Government sealed tight all normal channels of information as a two-man royal commission pushed its investigation of the first big case of espionage and diplomatic intrigue in the Dominion's history.

The Canadian press quoted an "unimpeachable authority" as saying that evidence gathered by counter-espionage squads had shown that the Russians were building a large spy service in Canada. This story, which could not be confirmed by any official source, said that most of the persons under detention entered the Russian service "quite innocently" at first, disclosing only seemingly unimportant information which was "almost common knowledge."

At the Russian Embassy, in the absence of Ambassador George N. Zaroubin, who is in Moscow, Second Secretary Vitali G. Pavlov said that the Embassy had no comment to make on the case.

A total of 22 persons were reliably reported rounded up by the Royal Canadian Mounted Police and other agencies. Twelve are suspected of serious offenses and 10 are held as material witnesses. All are held incommunicado, most of them reportedly in the capital's justice building, which was closed to all outsiders.

Official information still was confined to Prime Minister W. L. Mackenzie King's announcement of last night, in which he said that there had been "disclosures of secret and confidential information to unauthorized persons, including some members of the staff of a foreign mission in Ottawa."

Among the departments rumored to be involved are external affairs and the national research council, custodian of Canada's knowledge of atomic energy.

Atomic-energy information is understood to be among the secrets disclosed, but other types of information also were reported to have been passed along.

It is assumed here that the Prime Minister has been in full consultation with the British Government on the case and that Washington also has been informed as developments occurred.

[From the Washington Star]

THIS CHANGING WORLD

(By Constantine Brown)

The Canadian Government's decision to prosecute those officials who have collaborated with the Russian secret services, regardless of their rank and position, is not expected to be followed by the United States Government.

According to confidential reports from Canada, Ivor Gossenko, attaché of the Soviet Embassy, included the names of a number of American officials as having collaborated in the gigantic spy ring established in the two countries by the Russian military and political intelligence departments.

The Canadian and American security services have worked in the closest cooperation throughout the war and are continuing to do so now.

When the Russian attaché surrendered, the Canadians contacted the American intelligence departments. Especially selected agents of the FBI and the War and Navy Departments' intelligence branches went across the border and returned with complete files on a number of American in official positions who had worked for the Soviet agents.

According to usually reliable sources, the files were presented some time ago to the State Department, which has the last word when questions concerning the political espionage of foreign powers are involved.

Our foreign policy framers feel that the arrest and prosecution of American officials for their participation in the espionage plot would damage the relations between this country and Russia. Should these officials—under a severe cross-examination—talk about how long they have been assisting the Russian intelligence agents and how some of the more dangerous and obnoxious agents were granted immunity, a scandal unparalleled in the history of this country might come to the surface. This might bring not only local but also international repercussions and, in the opinion of some of our high officials, might "upset the international apple cart."

Those responsible for America's security have been familiar with the Russian espionage system for a long time. It covered not only the atomic formula but many other phases of our military and industrial secrets.

The Russians have operated with impunity in this country. In order to gain a greater security, Premier Stalin insisted at Teheran in 1943 that the American Government grant Russia the right to have a five-band radio transmitting station in Washington.

This was against the laws in America's statute books, which provide that only American citizens are entitled to have radio stations in our Territories.

Because Stalin insisted, an exception was made in the case of Russia and the transmitting station was set up in the Pentagon Building with the key in the Soviet Embassy. It has been exclusively operated since March 1944 by Russian officers who made "Russian land" of a corner of the huge Pentagon Building. No American officer is said to be allowed to approach the area.

The matter was confidentially brought to the attention of the Senate's Interstate Commerce Committee. The committee's chairman, Senator WHEELER, asked for information from the State Department, but the then Assistant Secretary of State Adolf Berle assured the Senator that this was only a rumor without foundation.

In the meantime, a Member of the House, Representative DONDERO, wrote directly to the War Department. The reply from John J. McCloy, who was then Assistant Secretary of War, confirmed the existence of the Russian transmitting station in the Pentagon and explained that this was a war measure to facilitate communications between the many Russian missions in this country and Moscow.

What was actually transmitted nobody knows. But it appears to observers in the War Department that in view of other facilities such as commercial radio and cable services the large number of words sent over the Pentagon station might have contained more than the ordinary diplomatic and commercial matters dealing with lease-lend supplies. It was remarked at the time the Russian station was regarded as a top secret as far as the people of this country were concerned, that similar privileges had not been granted any other allied power, including Great Britain.

All these actions of our policy framers were prompted by their intense desire to be as cooperative as possible with the Russians and to avoid suspicion by the Kremlin that we might be "incorrect allies."

Although it was well known in high quarters here that some officials were the tools of the Russian intelligence and vital information was leaking out to its agents, the State and War Departments preferred to take a chance rather than offend Moscow.

The shooting war is now over. The Canadians, who gave the most serious consideration to the question, decided that it would serve no good purpose to continue to conceal the activities of the Russians. The State

Department is said to have taken an opposite view and intends to keep as a top secret the names and activities of officials who have been connected with the Russian spies.

[From the Washington Times-Herald of February 19, 1946]

RUSSIA HAD RIGHT TO STEAL ATOM—DAVIES

HABANA, February 18.—Joseph E. Davies, former United States Ambassador to Russia, said today "Russia in self-defense has every moral right to seek atom-bomb secrets through military espionage if excluded from such information by her former fighting allies."

"Such exclusion is by inference hostile," he added in an interview.

POSITIONS COMPARED

"For years all major powers have maintained intelligence services whose function it is to acquire military information available in other nations.

"If Russia had developed the atom bomb and the United States were in her shoes, we certainly would try to obtain such information—especially if we faced a potentially hostile world."

Davies said the United States and Britain were treating the Russians as infants in trying to keep atom secrets from them.

SAME OLD GAME

"Highly skilled Russian scientists will acquire means for atom warfare within 2 years in their own laboratories," he asserted.

"We can't have it both ways. Either we obtain full confidence and cooperation among the large nations or we shall find ourselves playing the old game of power politics."

The former diplomat said the Soviets need peace and their philosophy also requires it.

He vigorously opposed formation of a so-called western block of nations, declaring "the Russians will develop strong isolationism if they get the impression the rest of the world is ganging up on them because of political, economic, racial, or religious ideologies.

"They will take necessary measures to defend themselves against the world just as any other nation would do in a similar situation. However, that is not the road to peace; it is sowing seeds of war."

He uged an end to what he called the present chaotic mistrust among the United States, Britain, and Russia, warning the alternative will be "a gigantic race in armament factories and laboratories resulting in totally destructive war."

Davies said a warm-water outlet to the Mediterranean and full access to sufficient oil reserves were justifiable Soviet aspirations.

Davies continued:

"The UN will live only if the basic problems of security have first been solved by direct negotiations among the Big Three. These problems cannot be solved through UN debate alone.

"We should not seek to appease Russia, nor should Russia seek to appease us. It is a matter of tolerance, patience, and wisdom. If we fail this supreme test there will be no heritage of freedom or of anything else to pass on to succeeding generations."

[From the Washington Daily News of February 20, 1946]

DAVIES ON THIEVERY

(By William Philip Simms)

Joseph E. Davies' dictum upholding Russia's right "to steal our military secrets," as one Congressman put it, fell on Washington like an unexpected bucket of ice water. Many agreed with Representative GWINN (Republican, New York) that it was a "shocking invitation to espionage" which foreigners generally will not be slow to accept.

The Davies thesis that Russia has "every moral right to seek atom-bomb secrets through military espionage if excluded from such information by her former allies," it is pointed out, has a corollary. That is if Russia possesses any such right, all of our allies have the same right. Furthermore, if they have a right to the atomic bomb they also have a right to the blueprints of any and all of our secret weapons."

Russia, it is remarked in congressional circles, has been, and remains, a closed book to all foreigners. She even refused to permit American or other Allied officers to watch her military operations. American taxpayers spent billions of dollars for tanks, planes, trucks, guns, and other war matériel for Russia, but, when Washington asked authorization for American officers to observe this equipment in action, Russia turned it down.

It would have saved many lives had American experts been permitted to watch newly designed equipment under battle conditions. But Russia refused to trust us. Yet, if Mr. Davies regarded this secrecy as "by inference hostile," he is not on record as having said so.

Our former Ambassador to Moscow, it is recalled, has long held Russia in high esteem for the manner in which she deals with treason and espionage as applied to herself. In November 1941, soon after the Nazis attacked Russia, he says he fell to wondering why Russia had no Quislings. And so, he wrote in the American magazine, he began to dig back through his Moscow diary and his prewar reports to the State Department to find the reason. Then, said he:

"Suddenly I saw the picture as I undoubtedly should have seen it at the time in Russia. Much of the world construed the famous treason trials and purges from 1935 to 1938 to be outrageous examples of barbarism, ingratitude and hysteria. But it now appears that they indicated the amazing farsightedness of Stalin and his close associates."

Thus the scores of old-line Bolsheviks, military leaders, and industrial heads whom Stalin caused to be executed as traitors were guilty, as Prosecutor Vishinsky charged. "In the light of present facts," Mr. Davies concluded, "and after an examination of the record, there can be no doubt that these defendants were, directly or indirectly, in the employ of the German and Japanese high command."

This thesis of Mr. Davis, therefore, would also seem to have a corollary. And it is this: Any nation that wishes to safeguard its national security must have the "amazing farsightedness" of a Stalin to crack down without mercy on any espionage and treason—whoever commits it.

Presumably the Nazis believed Russia's failure to reveal the secret of her most potent weapons—as Mr. Davies seems to think the United States should now do—was "by inference hostile." Therefore, they had "the moral right" to steal the secret for themselves. But Marshal Stalin dissented, and the "farsighted" purges recounted by the author of Mission to Moscow were his answer.

[From the Washington Daily News of February 20, 1946]

DAVIES ON RED MORALS

We would like to give Mr. Joseph E. Davies the benefit of the doubt and assume that, on reflection the morning after, he regretted his glorification of a Russian spy system here. But he seems to be letting his reported statement stand that: "Russia, in self-defense, has every moral right to seek atomic-bomb secrets through military espionage if excluded from such information by her former fighting Allies. Such exclusion is by inference hostile."

Mr. Davies will not be shot for such a crack, as he would be if he were a Russian inviting American action against his country. Fortunately, all that will happen is that his fellow Americans in the future will not be apt to trust him where Russia is concerned.

For a man who once dabbled in diplomacy, Mr. Davies is somewhat rusty. If he had been reading the newspapers, he would have known that the Moscow government—which he never challenges—has accepted the United Nations atom-bomb-control plan. Under that plan, the Security Council, of which Russia is a part is to have the bomb information as soon as the United Nations is strong enough to control it, and as soon as the international organization can provide effective inspection of armaments in all countries.

But, even a person as ignorant as Mr. Davies, knows that it is Russia which refuses to permit foreign inspection. Mr. Davies knows that the United States has given Russia scores of military secrets, and received from Russia in kind virtually nothing. Mr. Davies knows that, while Russians roam our country at will, our correspondents, and even our diplomats, in Russia cannot move about freely. And yet, he has the gall to talk to Americans about excluding Russians from information.

But the most shameful part of his statement is that Russia is acting in self-defense against America's allegedly hostile policy. We cannot believe that Mr. Davies, deep as he is in his propaganda wallow, understands the seriousness of that charge. Any inference that Russia must prepare to defend herself against American aggression is a monstrous untruth.

It is poisonously vicious at the very moment Russia is breaking her pledges to the United States, and in eastern Europe, the Near East, and the Far East, sowing the seeds of more war.

Mr. Davies is right in fearing the drift in Russian-American relations. He is wrong in encouraging Russia in her lawlessness. That is the road to destruction. If he is as good a friend of Russia as he professes to be, he will warn her to go slow.

CALL OF THE CALENDAR

Mr. BARKLEY. Mr. President, I ask unanimous consent that the Senate proceed to the call of the calendar for consideration of unobjected-to bills, beginning with Calendar No. 899.

Mr. WHITE. Mr. President, may I ask the majority leader what will be before the Senate at the conclusion of the call of the calendar?

Mr. BARKLEY. At the conclusion of the call of the calendar, so far as I now know the only thing that will be before the Senate will be a motion to recess, but that is subject to the possibility that the Senator from Georgia [Mr. RUSSELL] may want to bring up a bill which will not be considered on the call of the calendar.

Mr. REVERCOMB. Mr. President, I was unable to hear the request of the majority leader as to the starting point of the call of the calendar. Will he please repeat it?

Mr. BARKLEY. My request was to begin with Calendar No. 899, following the end of the last call.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	Murdock
Austin	Hatch	Myers
Bailey	Hawkes	O'Mahoney
Ball	Hayden	Overton
Bankhead	Hickenlooper	Reed
Barkley	Hill	Revercomb
Bilbo	Hoey	Robertson
Brewster	Huffman	Russell
Bridges	Johnson, Colo.	Saltonstall
Bushfield	Johnston, S. C.	Stanfill
Butler	Knowland	Stewart
Byrd	La Follette	Taft
Capper	Lucas	Thomas, Okla.
Carville	McCarran	Thomas, Utah
Chavez	McClellan	Tunnell
Cordon	McFarland	Tydings
Donnell	McKellar	Vandenberg
Ellender	McMahon	Walsh
Ferguson	Magnuson	Wheeler
George	Mead	Wherry
Gerry	Millikin	White
Gossett	Mitchell	Wiley
Green	Moore	Willis
Guffey	Morse	Wilson

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS], the Senator from Texas [Mr. O'DANIEL], and the Senator from New York [Mr. WAGNER] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from Missouri [Mr. TRIGGS], the Senator from California [Mr. DOWNEY], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from West Virginia [Mr. KILGORE], the Senator from South Carolina [Mr. MAYBANK], the Senator from Florida [Mr. PEPPER], and the Senator from Maryland [Mr. RADCLIFFE] are detained on public business.

The Senator from Montana [Mr. MURRAY] and the Senator from Idaho [Mr. TAYLOR] are absent on official business.

The Senator from Texas [Mr. CONNALLY] is absent on official business as a representative of the United States to the General Assembly of the United Nations.

Mr. WHERRY. The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate on official business of the Small Business Committee of which he is a member.

The Senator from Illinois [Mr. BROOKS] is confined in a hospital recovering from a recent operation.

The Senator from North Dakota [Mr. YOUNG] has been excused and is absent on official business.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from Connecticut [Mr. HART] is absent because of a slight illness.

The Senator from Delaware [Mr. BUCK], the Senator from North Dakota [Mr. LANGER], the Senator from Minnesota [Mr. SHIPSTEAD], and the Senator from New Jersey [Mr. SMITH] are necessarily absent.

The PRESIDENT pro tempore. Seventy-two Senators have answered to their names. A quorum is present.

The clerk will proceed to call the calendar, beginning with order of business No. 899, in accordance with the order just made by the Senate.

AMENDMENT OF EMPLOYEES' COMPENSATION ACT—BILL PASSED OVER

The bill (S. 1325) to amend the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes, as amended," was announced as first in order.

Mr. WILEY. Mr. President, may we have an explanation of the bill?

Mr. THOMAS of Utah. Mr. President, the bill was referred to the Committee on Education and Labor. It was introduced at the request of the United States Employees Compensation Commission. It also has the approval of the Department of Justice, the Department of State, and the Reconstruction Finance Corporation.

The bill would merely extend the benefits of the compensation laws to all civil officers of the United States, which include foreign service officers of the State Department, United States attorneys, marshals, and their assistants, postmasters of the first, second, and third classes, and other civil officers; dollar-a-year personnel, and other persons rendering personal service to the United States for nominal compensation or without compensation. Included in this class are scientists, technical experts, and consultants whose services have been borrowed from colleges, private industry, and like agencies, and others rendering personal service under statutory authority for the acceptance of such services, such as members of the local selective service boards, and so forth, and officials and employees of the legislative and judicial branches of government.

Mr. CORDON. Mr. President, I note in the bill, on pages 5 and 6, in section 4, a provision for retroactive action, to include claims which may have arisen at any time subsequent to 1916, up to the time of the passage of the bill. Will the Senator explain that provision?

Mr. THOMAS of Utah. That provision is merely to make the act retroactive, so that it will, in justice, cover persons in other branches of the Government.

Mr. CORDON. I believe that the bill should have greater consideration than is possible on a call of the calendar. I ask that the bill go over.

Mr. THOMAS of Utah. Mr. President, a request has been made to have the bill go over; but I believe, in justice to the committee, that I ought to say for the benefit of the Senator from Oregon that the bill, like every other such bill, was considered fully. It was unanimously reported by the committee, and it has been given all the consideration that similar departmental bills receive.

The PRESIDENT pro tempore. The bill will be passed over.

CHRISTOPHER DANCE

The Senate proceeded to consider the bill (H. R 1613) for the relief of Christopher Dance, which had been reported from the Committee on Claims, with an amendment, on page 1, line 6, after the words "the sum of", to strike out "$300" and insert "$50."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

CLAIMS OF PATUXENT DEVELOPMENT CO., INC.—BILL PASSED OVER

The bill (S. 884) conferring jurisdiction upon the United States District Court for the Middle District of North Carolina to hear, determine, and render judgment upon certain claims of the Patuxent Development Co. Inc., was announced as next in order.

Mr. CORDON. Mr. President, may we have an explanation of the bill?

Mr. BAILEY. Mr. President, the bill would confer jurisdiction upon the District Court for the Middle District of North Carolina to hear and determine claims against the Government on the part of the owners of a hotel which was occupied for Army purposes during the war. The parties were unable to arrive at a settlement. The Committee on Claims felt that it could not hear the case, and I believe it would be best to refer it to the court.

Mr. CORDON. My inquiry goes particularly to the provision in the bill on page 2 thereof, beginning in line 2, as follows:

> In the determination of such claims, the said company shall, notwithstanding any provision of any contract, release, or other agreement, be deemed to be entitled to receive fair and just compensation from the United States for the use and occupancy of such property, including fair and just compensation for expenses incurred by the said company, and for damage done to such property, by reason of its use and occupancy by the United States.

In the report of the committee appears the statement that this language is in the bill solely to permit the company to recover for damages done between the time a release was signed by the company and the date when the United States finally vacated the property, the two dates being August 17 and August 31. I should have no objection to the consideration of the bill if it appeared in the bill that that language applied only to that period of time; but if it stands as general language, which would permit the court to reopen the entire matter and determine what compensation should have been paid at all times, irrespective of the contract, it seems to me to be of doubtful wisdom.

Mr. BAILEY. I am not prepared to give a definite answer to the Senator, but my judgment is that the language in the report would be controlling. However, if the Senator wishes to place in the bill a limitation to that effect, let him offer an amendment.

Mr. CORDON. Then, Mr. President, I offer the following amendment to the bill: On page 2, at the end of line 9, delete the period and insert "all between and including August 17, 1943, and August 31, 1943."

Mr. BAILEY. Will that be in accord with the language of the report?

Mr. CORDON. As I understand, it will.

Mr. BAILEY. Then that is entirely agreeable.

Mr. REVERCOMB. Mr. President, I should like to make an observation relative to the language on page 2, line 2, at which point I shall read a portion of the bill:

In the determination of such claims, the said company shall, notwithstanding any provision of any contract, release, or other agreement, be deemed to be entitled to receive fair and just compensation from the United States—

And so forth. That language is very strong. I do not wish to see the Senate pass a bill providing that, regardless of settlements, regardless of releases, and regardless of contracts, the court can fix upon an amount. I hope that language may be removed from the bill. I have no objection to giving to the court jurisdiction to consider the claim, but I do not wish to see a bill containing that language passed.

Mr. BAILEY. I thought the amendment proposed by the Senator from Oregon would take care of that situation.

Mr. REVERCOMB. As I see it, it does not take care of the situation.

Mr. CORDON. Mr. President, the amendment was offered with the thought that by inserting the limitation the language granting authority to consider all matters would apply only to a period of time within which there was no contract as between the company and the Government—that being the period from the time when a release was executed until the time when the Government evacuated the premises; in other words, from August 17 to August 31.

Mr. REVERCOMB. Mr. President, would not the whole fault be removed if the language beginning in line 2, on page 2, down to and through line 9 were deleted? I think that would take care of the matter.

Mr. BAILEY. I thought the Senator from Oregon had made a suggestion so as to make the bill conform to the language of the report. Is the Senator from West Virginia objecting to the language of the report?

Mr. REVERCOMB. Mr. President, I am going to ask that the bill be passed over at this time until this situation can be worked out.

The PRESIDENT pro tempore. Objection is heard, and the bill will be passed over.

THREE ADDITIONAL ASSISTANT SECRETARIES OF COMMERCE

The bill (S. 1367) to provide for the appointment of three additional Assistant Secretaries of Commerce, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there shall be in the Department of Commerce three additional Assistant Secretaries of Commerce, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall perform such duties in the Department of Commerce as shall be prescribed by the Secretary, or may be required by law. The Assistant Secretaries of Commerce shall be without numerical distinction of rank and shall have salaries of $10,000 per annum.

SEC. 2. The Secretary of Commerce is hereby authorized to transfer, in his discretion, such functions, services, and personnel, together with necessary funds appropriated for the fiscal year 1946 from the Bureau of Foreign and Domestic Commerce to the Assistant Secretaries or other officers of the Department as he may determine.

CONVEYANCE OF CERTAIN LANDS TO THE STATE OF WYOMING

The bill (S. 1162) to convey certain lands to the State of Wyoming was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and is hereby, authorized and directed, upon the payment by the State of $12 to convey to the State of Wyoming all right, title, and interest of the United States to a portion of the National Elk Refuge, Wyoming, a parcel of land in the northwest quarter of the southwest quarter of section 27, township 41 north, range 116 west, of the sixth principal meridian, Wyoming, the said parcel being described by metes and bounds as follows: From the southwest corner of the aforesaid section 27 run north no degrees two minutes west one thousand seven hundred and two feet and then north eighty-nine degrees fifty-eight minutes east forty feet to the place of beginning at the southwest corner of the parcel hereby conveyed; thence from said place of beginning north no degrees two minutes west one hundred feet; then north eighty-nine degrees fifty-eight minutes east two hundred and nine feet; thence south no degrees two minutes east one hundred feet; thence south eighty-nine degrees fifty-eight minutes west two hundred and nine feet to the place of beginning, containing forty-eight one hundredths of an acre, more or less.

ACQUISITION BY EXCHANGE OF PROPERTY WITHIN THE GLACIER NATIONAL PARK

The Senate proceeded to consider the bill (S. 1273) to provide for the acquisition by exchange of non-Federal property within areas administered by the National Park Service, which had been reported from the Committee on Public Lands and Surveys, with amendments, on page 1, in line 3, to strike out "that for the purpose of protecting the natural, scenic, historic, scientific, and other features of areas administered by the National Park Service, and for the purpose of consolidating Federal holdings within such areas," and insert, "That"; on page 2, in line 1, after the words "boundaries of", to strike out "such areas", and insert "the Glacier National Park"; in line 9, after the words "boundaries of", to strike out "areas", and insert "the Glacier National Park, located in the State of Montana and"; in line 11, after the word "Service," to strike out "or otherwise under the jurisdiction and control of the Department of the Interior"; and on page 3, in line 2, after the words "part of the", to strike out "National Park Service area within which such property is located," and insert "Glacier National Park"; so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is authorized to accept title to any non-Federal lands, interests in lands, buildings, or other property, real or personal, within the authorized boundaries of the Glacier National Park, as now or hereafter established, when the acquisition by exchange of such property would, in his judgment, be in the best interests of the United States. In exchange for the non-Federal property so to be acquired, the Secretary of the Interior is authorized to convey to the grantors of such property, or to their nominees, any federally owned lands, interests in lands, buildings, or other property, real or personal, within the authorized boundaries of the Glacier National Park, located in the State of Montana and administered by the National Park Service, which are of approximately equal value, as determined by the Secretary, to the property being acquired. In order to facilitate the making of such exchanges, the Secretary of the Interior may enter into agreements for the reservation in conveyances to the United States, or for the grant in conveyances from the United States, of such estates for years, life estates, or other interests as may be consistent, in his judgment, with the accomplishment of the purposes of this act, but all such limitations shall be considered in determining the equality of the interests to be exchanged.

SEC. 2. The title to all lands, interests in lands, buildings, or other property to be acquired pursuant to this act shall be satisfactory to the Secretary of the Interior. Any property acquired pursuant to this act shall, upon acceptance of title thereto, become a part of the Glacier National Park, and shall be subject to all laws applicable to such area. The Secretary of the Interior is authorized to issue such regulations as he deems necessary for carrying out the purposes of this act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide for the acquisition by exchange of non-Federal property within the Glacier National Park."

PROTECTION OF SCENIC VALUES ALONG CATALINA HIGHWAY, CORONADO NATIONAL FOREST, ARIZ.

The Senate proceeded to consider the bill (S. 913) to protect scenic values along and tributary to the Catalina Highway within the Coronado National Forest, Ariz., which had been reported from the Committee on Public Lands and Surveys, with amendments, on page 1, line 6, after the words "and the", to strike out "west" and insert "east"; on page 2, line 6, after the word "prospecting", to strike out "and"; in line 6, after the word "mining", to insert "and beneficiation of ores"; in line 8, after the word "mining", to insert "and ore reducing"; and on page 3, line 4, after the word "removing", to insert "and beneficiation of"; so as to make the bill read:

Be it enacted, etc., That hereafter mining locations made under mining laws of the United States within the following-described lands within the Coronado National Forest, Pima County, Ariz.; sections 25, 26, 35, and 36, and the east half of section 34, township 11 south, range 15 east; sections 30, 31, 32, and 33, and the west half of section 29,

township 11 south, range 16 east; sections 1, 2, and 3, township 12 south, range 15 east; sections 3, 4, 5, 6, 7, 8, 9, 10, 15, and 16, the west half of section 11, the west half of section 14, and the northwest quarter of section 23, township 12, south, range 16 east; Gila and Salt River base and meridian, shall confer on the locator the right to occupy and use so much of the surface of the land covered by the location as may be reasonably necessary to carry on prospecting, mining, and beneficiation of ores including the taking of mineral deposits and timber required by or in the mining and ore reducing operations, and no permit shall be required or charge made for such use or occupancy; *Provided, however,* That the cutting and removal of timber, except where clearing is necessary in connection with mining operations or to provide space for buildings or structures used in connection with mining operations, shall be conducted in accordance with the rules for timber cutting on adjoining national-forest land, and no use of the surface of the claim or the resources therefrom not reasonably required for carrying on mining and prospecting shall be allowed except under the national-forest rules and regulations, nor shall the locator prevent or obstruct other occupancy of the surface or use of surface resources under authority of national-forest regulations, or permits issued thereunder, if such occupancy or use is not in conflict with mineral development.

SEC. 2. That hereafter all patents issued under the United States mining laws affecting lands within the above-described area shall convey title to the mineral deposits within the claim, together with the right to cut and remove so much of the mature timber therefrom as may be needed in extracting and removing and beneficiation of the mineral deposits, if the timber is cut under sound principles of forest management as defined by the national-forest rules and regulations, but each patent shall reserve to the United States all title in or to the surface of the lands and products thereof, and no use of the surface of the claim or the resources therefrom not reasonably required for carrying on mining or prospecting shall be allowed except under the rules and regulations of the Department of Agriculture.

SEC. 3. That valid mining claims within the said lands, existing on the date of the enactment of this act, and thereafter maintained in compliance with the law under which they were initiated and the laws of the State of Arizona, may be perfected under this act, or under the laws under which they were initiated, as the claimant may desire.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SALARY OF SOLICITOR OF DEPARTMENT OF THE INTERIOR

The Senate proceeded to consider the bill (S. 1460) to fix the salary of the Solicitor of the Department of the Interior.

Mr. McCARRAN. Mr. President, I should like to ask the Senator from New Mexico [Mr. HATCH] how the Solicitor for the Department of the Interior is appointed at present.

Mr. HATCH. I think he is appointed in the regular way, and I think his nomination is confirmed by the Senate. But his salary is fixed under the Classified Salary Act.

Mr. McCARRAN. What is his salary now?

Mr. HATCH. It is $9,800.

The bill was ordered to be engrossed for a third time, read the third time, and passed, as follows:

Be it enacted, etc., That hereafter the legal work of the Department of the Interior shall be performed under the supervision and direction of the Solicitor of the Department of the Interior, who shall be appointed by the Secretary of the Interior and who shall be paid a salary of $10,000 per annum.

Mr. HATCH subsequently said: Mr. President, a while ago, in response to an inquiry from the Senator from Nevada, when Senate bill 1460 was under discussion, I said that the nomination of the Solicitor of the Department of the Interior was confirmed by the Senate. Since then I have communicated with the Department, and I have been informed that his nomination is not confirmed by the Senate, and I wish to make that correction for the RECORD.

Mr. McCARRAN. Mr. President, in view of the statement of the Senator from New Mexico, I ask unanimous consent that the vote by which Senate bill 1460 was passed be reconsidered.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Nevada? The Chair hears none, and it is so ordered.

Mr. McCARRAN. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. McCARRAN subsequently said: Mr. President, when Calendar No. 908, Senate bill 1460, was reached in its regular order, I interposed an objection because I thought the bill should be amended. I now ask unanimous consent to revert to that bill, and I wish to offer an amendment to it.

The PRESIDENT pro tempore. Is there objection?

Mr. WHITE. Mr. President, was objection made to the bill when it was reached on the calendar?

Mr. McCARRAN. Yes.

Mr. WHITE. By whom was the objection made?

Mr. McCARRAN. I made the objection.

Mr. WHITE. If the Senator from Nevada made the objection and now withdraws his objection, I have no objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of Senate bill 1460?

Mr. CORDON. Mr. President, reserving the right to object, I call attention to the fact that this matter had the consideration of the Committee on Public Lands and Surveys. I should like to know the nature of the proposed amendment.

The PRESIDENT pro tempore. The Senator from Nevada has asked that the bill be considered, and he proposes to offer an amendment to the bill.

Mr. CORDON. I reserve the right to object while I inquire of the Senator from Nevada the nature of the amendment he wishes to present.

Mr. McCARRAN. The amendment I offer is in line 6, after the word "Interior", to insert "with the advice and consent of the Senate."

Mr. CORDON. I have no objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. McCARRAN. I now offer the amendment in line 6, after the word "Interior", to insert "with the advice and consent of the Senate."

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That hereafter the legal work of the Department of the Interior shall be performed under the supervision and direction of the Solicitor of the Department of the Interior, who shall be appointed by the Secretary of the Interior, with the advice and consent of the Senate, and who shall be paid a salary of $10,000 per annum.

TRANSFER OF CERTAIN PROPERTY IN WARD COUNTY, N. DAK., TO THE STATE OF NORTH DAKOTA

The Senate proceeded to consider the bill (S. 1336) to transfer certain real and personal property in Ward County, N. Dak., to the State of North Dakota acting by and through the Industrial Commission of North Dakota, which had been reported from the Committee on Public Lands and Surveys with amendments. On page 2, line 11, after the word "trustee", to strike out the semicolon and the words "and shall be subject also to a covenant on the part of the said State of North Dakota, acting by and through the Industrial Commission of North Dakota"; in line 15, after the words "wholly for", to strike out "the benefit and", and insert "rural"; in line 16, after the word "rehabilitation", to strike out "of handicapped veterans of the United States"; in line 19, after the words "rehabilitation and", to insert "particularly"; and in line 20, after the name "United States", to insert "and dependent members of their families"; so as to make the bill read:

Be it enacted, etc., That, upon the written consent of the majority of directors of North Dakota Rural Rehabilitation Corporation, the Secretary of Agriculture is hereby authorized and directed to transfer and to cause to be transferred forthwith to the State of North Dakota, acting by and through the Industrial Commission of North Dakota, all right, title, claim, and estate in and to all real and personal property in Ward County, N. Dak., known as the Burlington farmstead and coal-mine project, and which said properties were transferred by North Dakota Rural Rehabilitation Corporation, in trust to the United States of America acting by and through the Secretary of Agriculture, by transfer agreement dated June 25, 1937, and which said properties have been subject to administration by the Secretary as trustee under such agreement. Such transfer by the Secretary of Agriculture shall be subject to any legal rights existing by virtue of any lease or other agreement by the Secretary, his successors or representatives as such trustee to use such properties or any proceeds received therefrom wholly for rural rehabilitation.

SEC. 2. The transfer of the real and personal property under this act is hereby found to be in the general interest of rural rehabilitation and particularly in the rehabilitation of disabled veterans of the United States, and

dependent members of their families, resident in North Dakota, and shall not be deemed to impose any liability upon the Secretary of Agriculture with respect to his obligations under such agreement of transfer of June 25, 1937.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXTERIOR BOUNDARIES OF KAIBAB NATIONAL FOREST, ARIZ.

The bill (S. 1226) to readjust the exterior boundaries of the Kaibab National Forest, the Grand Canyon National Game Preserve, and Arizona Grazing District No. 1, State of Arizona, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the following-described lands in the State of Arizona hereby are added to and hereafter shall be administered as parts of the Kaibab National Forest:

Township 39 north, range 1 east, section 4, northeast quarter, east half southwest quarter section 9, east half northwest quarter, southwest quarter northwest quarter, section 17, east half east half, southwest quarter southeast quarter, section 19, south half southeast quarter, section 20, east half, southeast quarter northwest quarter, east half southwest quarter, southwest quarter southwest quarter, section 30, southwest quarter, section 31, northwest quarter.

Township 39 north, range 1 west, section 25, south half southeast quarter, section 36, northeast quarter, east half northwest quarter.

Township 40 north, range 1 east, section 11, northeast quarter, south half, section 15, northeast quarter, south half, southeast quarter northwest quarter, section 22, northeast quarter, west half, section 27, northwest quarter, section 28, east half southeast quarter, section 33, east half northeast quarter, southeast quarter.

SEC. 2. That the exterior boundaries of the Grand Canyon National Game Preserve authorized by the act of June 29, 1906 (16 U. S. C. 684), hereafter shall be identical to the exterior boundaries of that part of the Kaibab National Forest which is situated north of the boundary of the Grand Canyon National Park and all lands within said boundaries, including those added by section 1 hereof, shall be subject to the law, rules, and regulations applicable to said preserve but shall continue subject to use and administration for national-forest purposes. All other parts of said Grand Canyon National Game Preserve which were reserved by proclamations dated November 28, 1906 (34 Stat. 3263), June 3, 1909 (36 Stat. 2496), and October 6, 1931 (47 Stat. 2483), are hereby excluded from said game preserve and of the area thus excluded that part thereof north of the Colorado River hereby is made a part of Arizona Grazing District Numbered 1, but nothing herein contained shall rescind, modify, or otherwise affect any other reservation or withdrawal of said lands hitherto made for other public purposes under the authority of other Federal laws, nor preclude such reservation or withdrawal as may hereafter be dictated by considerations of public interest.

GRANT OF LANDS TO SAFFORD, ARIZ., FOR MUNICIPAL WATER SYSTEM

The bill (H. R. 3444) to grant the title of public lands to the town of Safford, Ariz., for the use of its municipal water system was considered, ordered to a third reading, read the third time, and passed.

CAPE HATTERAS NATIONAL SEASHORE RECREATIONAL AREA, NORTH CAROLINA

The bill (H. R. 3028) to amend the act of August 17, 1937, as amended, relating to the establishment of the Cape Hatteras National Seashore Recreational Area in the State of North Carolina was considered, ordered to a third reading, read the third time, and passed.

SALVATORE CARBONE

The bill (S. 1638) for the relief of Salvatore Carbone was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Salvatore Carbone, out of any money in the Treasury not otherwise appropriated, a sum equivalent to the market value on the date of the approval of this act of a bond hereinafter described, and such additional sum as would be equivalent to the value of interest coupons 1 to 19, inclusive, as may be due on the date of the approval of this act, in full settlement of all claims against the United States on account of the loss of the 2 percent Treasury bond of 1949–51, dated July 15, 1942, No. 31,199–K, with all coupons attached, which Salvatore Carbone placed in the custody of the Immigration and Naturalization Service of the Department of Justice as security for a delivery bond for the alien Raymond Cyril Cormier and which while in such sustody became lost without negligence on the part of Salvatore Carbone, subject to proper assignment by him of his right, title, and interest in and to the above-described bond and coupons to the United States: *Provided*, That no part of the amount appropriated under this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, any contract to the contrary notwithstanding, and the payment or delivery to or the reception by any agent or attorney of an amount in excess of that herein provided shall be unlawful. Any person violating the provision of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

HIGHWAY BRIDGE ACROSS MISSOURI RIVER AT FRAZER, MONT.

The bill (S. 1601) to revive and reenact the act entitled "An act granting the consent of Congress to the counties of Valley and McCone, Mont., to construct, maintain, and operate a free highway bridge across the Missouri River at or near Frazer, Mont.," approved August 5, 1939, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act approved August 5, 1939, granting the consent of Congress to the counties of Valley and McCone, Mont., to construct, maintain, and operate a bridge and approaches thereto across the Missouri River, at or near Frazer, Mont., be, and is hereby, revived and reenacted: *Provided*, That this act shall be null and void unless the actual construction of the bridge herein referred to be commenced within 1 year and completed within 3 years after the date of the termination of the unlimited national emergency proclaimed by the President on May 27, 1941.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

CITY OF CLINTON BRIDGE COMMISSION

The bill (S. 1660) to revive and reenact the act entitled "An act creating the City of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill.," approved December 21, 1944, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act approved December 21, 1944, authorizing the City of Clinton Bridge Commission to construct, maintain, and operate a bridge and approaches thereto across the Mississippi River, at or near the cities of Clinton, Iowa, and Fulton, Ill., be, and is hereby, revived and reenacted: *Provided*, That this act shall be null and void unless the actual construction of the bridge herein referred to be commenced within 2 years and completed within 4 years from the date of approval hereof.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

HIGHWAY BRIDGE ACROSS MONONGAHELA RIVER AT STAR CITY, W. VA.

The bill (H. R. 3730) granting the consent of Congress to the State of West Virginia to construct, maintain, and operate a free highway bridge across the Monongahela River at or near Star City, W. Va., was considered, ordered to a third reading, read the third time, and passed.

CONSENT FOR RENSSELAER AND SARATOGA COUNTIES, N. Y., TO CONSTRUCT AND OPERATE A HIGHWAY BRIDGE ACROSS THE HUDSON RIVER

The bill (H. R. 3940) to revive and reenact the act entitled "An act granting the consent of Congress to Rensselaer and Saratoga Counties, N. Y., or to either of them, or any agency representing said counties, to construct, maintain, and operate a free highway bridge across the Hudson River betweeu the city of Mechanicville and Hemstreet Park in the town of Schaghticoke, N. Y.," approved April 2, 1941, was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1248) to establish a Bureau of Scientific Research, and for other purposes, was announced as next in order.

Mr. REVERCOMB. Over.

The PRESIDENT pro tempore. The bill will be passed over.

TRANSFER OF FISH HATCHERY IN COMANCHE COUNTY, OKLA.

The bill (S. 396) providing for the transfer of a certain fish hatchery in Comanche County, Okla., to the city of Lawton, Okla., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to convey to the city of Lawton, Okla., all of the right, title, and interest of the United States in and to the fish hatchery property which is located south of such city in Comanche County, Okla., and which is now under the control of the Department of the Interior.

MANUFACTURE AND SUPPLY OF ELECTRIC CURRENT IN THE COUNTY OF HAWAII

The bill (H. R. 3657) to ratify and confirm Act 32 of the Session Laws of

Hawaii, 1945, was considered, ordered to a third reading, read the third time, and passed.

ISSUE OF REVENUE BONDS FOR HAWAII

The bill (H. R. 3614) to ratify and confirm Act 33 of the Session Laws of Hawaii, 1945, extending the time within which revenue bonds may be issued and delivered under chapter 118, Revised Laws of Hawaii, 1945, was considered, ordered to a third reading, read the third time, and passed.

REVENUE BONDS FOR PUBLIC-WORKS PURPOSES IN ALASKA

The bill (H. R. 3580) to authorize municipalities and public-utility districts in the Territory of Alaska to issue revenue bonds for public-works purposes was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 2716) to provide for health programs for Government employees was announced as next in order.

Mr. REVERCOMB (and other Senators). Over.

The PRESIDENT pro tempore. Objection is heard, and the bill will be passed over.

Mr. MURDOCK subsequently said: Mr. President, I was called from the Chamber and was not present when House bill 2716 was reached. I thought that I would be back in the Chamber in ample time to ask that the bill be passed over. I have an amendment which I should like to offer to the bill.

The PRESIDENT pro tempore. The bill was passed over on objection by the Senator from West Virginia [Mr. REVERCOMB].

Mr. MURDOCK. Very well.

JAMES F. DESMOND

The bill (S. 286) for the relief of James F. Desmond was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Postmaster General and the General Accounting Office are authorized and directed to credit the accounts of James F. Desmond, postmaster at Reading, Mass., in the sum of $7,141.11, representing the net shortage which resulted from embezzlement of funds by the former assistant postmaster at the Reading, Mass., post office.

EASEMENT TO PORTIONS OF NORFOLK NAVY YARD, PORTSMOUTH, VA.

The bill (S. 1710) to authorize the Secretary of the Navy to grant and convey to the Virginia Electric & Power Co. a perpetual easement in two strips of land comprising portions of the Norfolk Navy Yard, Portsmouth, Va., and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized to grant and convey by quitclaim deed under such conditions as he may approve, to Virginia Electric & Power Co., a corporation organized and existing under and by virtue of the laws of the Commonwealth of Virginia, without cost to said corporation, a perpetual easement in two strips of land, each 20 feet in width, and 414 feet in length and 663 feet in length, respectively, containing 0.494 of an acre of land, more or less, comprising portions of the salvage yard, and the public works storage lot, Norfolk Navy Yard, Portsmouth, Va., for the construction, maintenance, operation, renewal, replacement, and repair of electric power transmission and distribution lines consisting of poles, wires, cables, and other fixtures and appurtenances incidental thereto, the metes and bounds descriptions of which are on file in the Navy Department.

SEC. 2. The Secretary of the Navy, in consideration of the transfer to the United States by Virginia Electric & Power Co. title to certain equipment consisting of poles, wires, cross arms, insulators, and other incidental materials, is further authorized to transfer, under such conditions as he shall approve, to said Virginia Electric & Power Co., without cost to said corporation, all of the right, title, and interest of the United States of America in two electric cables, each three-conductor, 350,000 circular mils, 11,000-volt, and each 3,910 feet in length, which are installed within two conduits of the United States of America, constructed in and upon a strip of land comprising a part of the Norfolk Navy Yard, Portsmouth, Va.; and the Secretary of the Navy is further authorized to grant and convey, under such conditions as he may approve, to Virginia Electric & Power Co., without cost to said corporation, a perpetual easement to maintain, operate, renew, replace, and repair the aforesaid electric cables within said conduits, the metes and bounds description of the location of which is on file in the Navy Department.

CHIEF OF CHAPLAINS, UNITED STATES NAVY

The bill (S. 1738) to establish a Chief of Chaplains in the United States Navy, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there shall be in the Bureau of Naval Personnel a Chief of Chaplains, designated by the Chief of Naval Personnel from among officers of the Chaplains Corps of the Regular Navy not below the rank of commander; and that such officer shall, while so serving, have the rank of rear admiral and shall receive the pay and allowances provided by law for rear admirals of the lower half.

REIMBURSEMENT FOR PERSONAL PROPERTY LOST AT FIRES AT NAVY SHORE ACTIVITIES

The bill (S. 1739) to reimburse certain Navy personnel and former Navy personnel for personal property lost or damaged as the result of fires which occurred at various Navy shore activities was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, such sum or sums, amounting in the aggregate not to exceed $1,741.95, as may be required by the Secretary of the Navy to reimburse, under such regulations as he may prescribe, certain Navy personnel and former Navy personnel for the value of personal property lost or damaged as the result of fires occurring in a drill hall hangar and Quonset hut, naval air station, Pasco, Wash., on February 27, 1945; in Quonset hut, United States Naval Receiving Station, Navy 128, on July 15, 1945; in building 178 at Scout Observation Service Unit 1, Navy 128, on July 27, 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

AMENDMENT OF FIRST WAR POWERS ACT, 1941

The bill (H. R. 4571) to amend the First War Powers Act, 1941, was announced as next in order.

Mr. BALL. Over.

The PRESIDENT pro tempore. Objection is heard.

Mr. McCARRAN. Mr. President, will the Senator who made the objection withhold it for a moment. I wonder whether an explanation will suffice at this time.

Mr. BALL. I objected only because when I looked over the bill, it seemed to be a rather extensive measure relating to property held by the Alien Property Custodian, and I thought the bill should not be passed during consideration of the Consent Calendar.

Mr. McCARRAN. Let me say that the bill comes here with the recommendation of the Alien Property Custodian and the Department of Justice. It provides that property taken under the First War Powers Act or under the Trading With the Enemy Act from those who were not enemies of this country, but who happened to be in enemy territory at the time, should now be returned to them. The bill further provides that they shall have no claim against the Government for the withholding of the properties up to this time. That, in brief, is what the bill provides.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. BALL. I withdraw the objection.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Naval Affairs, with an amendment, on page 7, in line 11, to strike out the period, and insert a colon and the following proviso: "*Provided*, That except as provided in subsections (b) and (c) hereof, no person to whom a return is made pursuant to this section, nor the successor in interest of such person, shall acquire or have any claim or right of action against the United States or any department, establishment, or agency thereof, or corporation owned thereby, or against any person authorized or licensed by the United States, founded upon the retention, sale, or other disposition, or use, during the period it was vested in the Alien Property Custodian, of the returned property, interest, or proceeds."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

CONVEYANCE OF CERTAIN LANDS WITHIN FORT DOUGLAS MILITARY RESERVATION

The Senate proceeded to consider the bill (S. 1535) to authorize the Secretary of War to convey certain lands situated within the Fort Douglas Military Reservation to the Shriners' Hospitals for

Crippled Children, which had been reported from the Committee on Military Affairs with amendments on page 1, line 4, to strike out "convey by quitclaim deed" and insert "convey under such terms and conditions as he may prescribe"; on the same page, line 7, after the word "to", to strike out "the following-described lands" and insert "seven and eight thousand eight hundred and fifty-four ten-thousandths acres of land, more or less"; and on page 2, beginning in line 3, to strike out:

Beginning at Monument Numbered 13 of the Fort Douglas Military Reservation, and running thence along the boundary line of the military reservation north no degrees no minutes forty seconds east five hundred and fifty-three and seventy-five one-hundredths feet; thence south seventy-five degrees nine minutes twelve seconds east seven hundred and eighty-three and eleven one-hundredths feet; thence south no degrees no minutes forty seconds west three hundred and fifty-three and seventy-five one-hundredths feet; thence along the boundary line of the military reservation north eighty-nine degrees fifty-seven minutes one second west seven hundred and fifty-seven feet to the point of beginning; containing seven and eight thousand eight hundred and fifty-four ten-thousandths acres.

So as to make the bill read:

Be it enacted, etc., That the Secretary of War is authorized and directed to convey under such terms and conditions as he may prescribe to the Shriners' Hospitals for Crippled Children, a Colorado corporation, all right, title, and interest of the United States in and to seven and eight thousand eight hundred and fifty-four ten-thousandths acres of land, more or less situated within the Fort Douglas Military Reservation, Utah.

SEC. 2. The lands conveyed pursuant to the provisions of the first section of this Act shall be used by the grantee as a location for a hospital for crippled children; and the deed of conveyance of such lands shall contain the express condition that if the grantee shall fail or cease to use such lands for such purposes, or shall alienate or attempt to alienate such lands, title thereto shall revert to the United States.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ADDITIONAL DISTRICT JUDGE, NORTHERN DISTRICT OF CALIFORNIA

The Senate proceeded to consider the bill (S. 1163) to provide for the appointment of 2 additional district judges for the northern district of California which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 4, after the word "Senate" to strike out "two additional district judges" and insert "one additional district judge", so as to make the bill read:

Be it enacted, etc., That the President is authorized to appoint, by and with the advice and consent of the Senate, one additional district judge for the District Court of the United States for the Northern District of California.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide for the appointment of one additional district judge for the northern district of California."

RESTORATION OF CERTAIN LANDS TO THE TERRITORY OF HAWAII

The Senate proceeded to consider the bill (S. 1109) to restore to the Territory of Hawaii certain lands designated under section 203, title II, as available within the meaning of the Hawaiian Homes Commission Act of 1920, as amended, which had been reported from the Committee on Territories and Insular Affairs with an amendment to insert at the end of the bill the following new section:

SEC. 2. Notwithstanding the foregoing provisions of this act, if at any time the Department of Commerce discontinues use of the above-described lands, such lands shall thereupon become available lands within the meaning of section 203 of title II of the Hawaiian Homes Commission Act, 1920, as amended.

So as to make the bill read:

Be it enacted, etc., That so much of section 203 of title II of the Hawaiian Homes Commission Act, 1920, as amended, as designates the land hereinafter described as available land within the meaning of that act, is hereby pealed and the land restored to its previous status under the control of the Territory of Hawaii.

Portion of Hawaiian homeland of Keaukaha, trace 2, Waiakea, South Hilo, island of Hawaii, Territory of Hawaii, as returned to the Commissioner of Public Lands of the Territory of Hawaii by resolution numbered 85 of the Hawaiian Homes Commission, dated July 18, 1944, and more particularly described as follows:

Beginning at a spike at the northwest corner of this tract of land and on the southeast corner of the intersection of Nene and Akepa Streets, the coordinates of said point of beginning referred to Government Survey Triangulation Station "HALAI", being five thousand two hundred and eight and twenty one-hundredths feet north and twenty-four thousand eight hundred and eighteen and six one-hundredths feet east, and running by azimuths measured clockwise from true south:

1. Two hundred and ninety degrees eleven minutes five hundred and sixty-one and eighty-two one-hundredths feet along the south side of Nene Street;

2. Thence along same on a curve to the left with a radius of one thousand four hundred and sixty-five and four-tenths feet, the chord azimuth and distance being: Two hundred and sixty-eight degrees thirty-seven minutes one thousand and seventy-seven and thirty one-hundredths feet;

3. Two hundred and forty-seven degrees three minutes five hundred and ninety-six and sixty-two one-hundredths feet along same;

4. Three hundred and sixty degrees no minutes one thousand two hundred and thirty-seven and eighty-five one-hundredths feet;

5. Ninety degrees no minutes two thousand one hundred and fifty-three and sixty-nine one-hundredths feet;

6. One hundred and eighty degrees no minutes one thousand one hundred and seventy-three and four one-hundredths feet along the east side of the proposed extension of Akepa Street to the point of beginning, and containing an area of fifty acres, more or less.

SEC. 2. Notwithstanding the foregoing provisions of this act, if at any time the Department of Commerce discontinues use of the above-described lands, such lands shall thereupon become available lands within the meaning of section 203 of title II of the Hawaiian Homes Commission Act, 1920, as amended.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BENEFITS FOR CERTAIN POSTAL EMPLOYEES

The Senate proceeded to consider the bill (H. R. 4652) to provide credit for past service to substitute employees of the postal service when appointed to regular position; to extend annual and sick leave benefits to war service indefinite substitute employees; to fix the rate of compensation for temporary substitute rural carriers serving in the place of regular carriers in the armed forces; and for other purposes, which had been reported from the Committee on Post Offices and Post Roads with an amendment on page 2, line 22, after the word "promotions," to insert the following:

Provided further, That upon appointment of a substitute employee to a regular position he shall not be placed in or promoted to a grade higher than the grade to which he would have progressed, including benefits authorized by section 23 of Public Law 134, approved July 6, 1945, had his original appointment been to a regular position of grade 1: *And provided further*, That employees shall not be allowed credit for service performed under temporary or war-service appointments except when such service is continuous to the date of appointment as a classified substitute or regular employee.

SEC. 2. Employees who have been separated or shall hereafter be separated from the field service of the Post Office Department for military duty shall be given credit under the provisions of section 1 of this act for the periods or terms of substitute service immediately preceding their entry into military service and pro rata credit shall be given for the time engaged in military service. Employees who are reinstated to positions in the field service of the Post Office Department may be given credit for the periods or terms of continuous substitute and regular service immediately preceding their separation, but they shall not be placed in a grade higher than the grade to which they would have progressed in continuous service.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDENT pro tempore. Without objection, the clerk is authorized to renumber the sections.

CUSTER BATTLEFIELD NATIONAL MONUMENT

The bill (S. 1185) to change the designation of Custer Battlefield National Cemetery, in the State of Montana, to "Custer Battlefield National Monument," and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, That the area now within the Custer Battlefield National Cemetery, in the State of Montana, shall hereafter be known as the "Custer Battlefield National Monument," under which name this national monument shall be entitled to receive and to use all moneys heretofore or hereafter appropriated for the Custer Battlefield National Cemetery.

TRANSPORTATION FOR CERTAIN PERSONNEL

The bill (S. 1657) to amend Public Law 779 of the Seventy-seventh Congress, entitled "An act to provide for furnishing transportation for certain Government and other personnel necessary for the effective prosecution of the war, and for other purposes," approved December 1, 1942, and for other purposes, was announced as next in order.

Mr. REVERCOMB. Mr. President, pursuant to request, I ask for an explanation of the bill.

The PRESIDENT pro tempore. The bill was introduced by the Senator from South Dakota [Mr. GURNEY], and reported by the Senator from Utah [Mr. THOMAS].

Mr. GURNEY. Mr. President, I should be glad to have the chairman of the Committee on Military Affairs explain the bill.

The PRESIDENT pro tempore. The Senator from Utah is recognized.

Mr. THOMAS of Utah. Mr. President, S. 1657 is a bill to transfer the duty of making the determinations required by law, relating to furnishing transportation, to the heads of the departments involved, because of the liquidation of the Office of Defense Transportation.

The Office of Defense Transportation is now engaged in closing out its functions, preparatory to complete liquidation, but there are certain duties imposed upon it which must be terminated by the Congress.

The act of December 1, 1942—Public Law 779 of the Seventy-seventh Congress—granted authority to the Secretary of War, the Secretary of the Navy, and the Chairman of the Maritime Commission to provide, under certain conditions, transportation for personnel attached to or employed by their respective departments or agencies. Paragraph 4 of section 1 of the act provides that the authority granted shall be exercised "only after a determination by the Office of Defense Transportation that existing private and other facilities are not and cannot be rendered adequate by other means."

The act of October 25, 1943—Public Law 170 of the Seventy-eighth Congress—granted authority to the Administrator of Veterans' Affairs "to utilize automotive equipment of the Veterans' Administration to transport its employees between field stations and nearest adequate public transportation," after a prior determination has been made by the Office of Defense Transportation.

The termination of this function of the ODT is recommended by the Director of the Office, Mr. J. M. Johnson, and he has furnished the committee copies of letters received by him advising that the War and Navy Departments, the Maritime Commission, the Veterans' Administration, and the Bureau of the Budget have no objection to the bill.

That is all the bill provides, Mr. President.

Mr. REVERCOMB. Mr. President, as I understand, the bill simply does away with the Office of Defense Transportation, and transfers such powers as it has exercised over transportation in the different departments to the heads of those departments. The bill has no bearing whatsoever upon the express idea of transporting overseas families of men in the armed service who are now overseas. It does not affect that situation at all. Am I correct in that understanding?

Mr. THOMAS of Utah. I believe, Mr. President, that the bill has no bearing upon that situation.

Mr. REVERCOMB. I thank the Senator.

Mr. CORDON. Mr. President, I wish to inquire of the chairman of the committee, the Senator from Utah, as to whether the provision of law which it is proposed to amend and which refers to the authority granted to the Secretary of War, the Secretary of the Navy, and the Maritime Commission, carries an expiration date.

Mr. THOMAS of Utah. I cannot answer the Senator's question, but I am sure that it carries the provision which is common to all our emergency war acts; that is, that the act shall terminate 6 months after the declaration of the end of the war. At any rate, it seems to me that that question has no bearing upon this amendment, because the Office of Defense Transportation has already ordered the closing of its affairs, and its functions are being transferred in conformity with a prior act, to the heads of various departments, in order that no injustice may be done to any person.

Mr. CORDON. The Office of Defense Transportation was empowered to certify that emergency transportation was necessary in the event that ordinary transportation was not available. The fact that the Office of Defense Transportation is being terminated is some indication to me that the emergency for which the law of December 1942 was enacted is now at an end.

Mr. THOMAS of Utah. The purpose of the emergency transportation law was to make possible the proper and legal handling of cases which might arise. The request for the passage of the Senate bill 1567 came from the Office of Defense Transportation itself.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 1657) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That (a) section 1, paragraph 4, of the act of December 1, 1942 (56 Stat. 1024; 50 U. S. C., Supp. III, App. 841), entitled "An act to provide for furnishing transportation for certain Government and other personnel necessary to provide for the effective prosecution of the war, and for other purposes," is amended to read as follows:

"4. The authority herein granted the Secretary of War, the Secretary of the Navy, and the Chairman of the Maritime Commission shall be exercised in each case only after a determination by the Secretary of War, the Secretary of the Navy, or the Chairman of the Maritime Commission, as the case may be, that existing private and other facilities are not and cannot be rendered adequate by other means, and that its exercise will result in the most efficient method of supplying transportation to the personnel concerned and a proper utilization of transportation facilities."

(b) Section 2 of said act is amended to read as follows:

"SEC. 2. It shall be the duty of the Secretary of War, the Secretary of the Navy, and the Chairman of the Maritime Commission, respectively, to file with the Congress, within 60 days after the end of the fiscal year, a summarized report of the exercise of the authority herein granted, which report shall include (1) location, nature, and size of the plant for which transportation facilities were provided; (2) type, amount, and original cost of equipment furnished; (3) outline of lease or charter for rented or reciprocally used equipment with total costs for period of use or operation; and (4) citation of authority of the Secretary of War, the Secretary of the Navy, or the Chairman of the Maritime Commission, under which exercised."

SEC. 2. The act of October 25, 1943 (57 Stat. 575; U. S. C., Supp. III, title 38, ch. 1, sec. 11a), entitled "An act to provide for furnishing transportation in Government-owned automotive vehicles for employees of the Veterans' Administration at field stations in the absence of adequate public or private transportation" is amended to read as follows:

"That during the present war and not exceeding 6 months after the termination of the war, the Administrator of Veterans' Affairs, whenever he finds such action to be necessary for the efficient conduct of the affairs of his Administration, and under such regulations as he may prescribe, is authorized to utilize automotive equipment of the Veterans' Administration to transport its employees between field stations and nearest adequate public transportation at such reasonable rates of fare for the service furnished as he may establish. All moneys collected as fares from such employees shall be accounted for and shall be deposited in the Treasury of the United States to the credit of miscellaneous receipts. The authority herein granted the Administrator of Veterans' Affairs shall be exercised with respect to any station only after determination by the Administrator that existing private and other facilities are not and cannot be rendered adequate by other means, and that its exercise will result in the most efficient method of supplying transportation to the personnel concerned and a proper utilization of transportation facilities."

EXCHANGE OF LAND AT BENICIA ARSENAL, CALIF.

The bill (S. 1776) to authorize the exchange of certain land at Benicia Arsenal, Calif., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized under such terms and conditions as he may prescribe, to convey to the Southern Pacific Railroad Co. for right-of-way purposes a perpetual easement over, across, and upon a portion of the Benicia Arsenal, Calif., comprising one and eighty-eight one-hundredths acres of land, more or less, and that in exchange therefor the United States of America accept all right, title, and interest of the Southern Pacific Railroad Co. in 19 acres of land, more or less, situate in the same vicinity.

CREDIT FOR SERVICE RENDERED BY PERSONS UNDER 18 YEARS OF AGE

The bill (H. R. 2240) to credit certain service performed by members of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service prior to reaching 18 years

of age for the purpose of computing longevity pay, or for other pay purposes, was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF BOULDER CANYON PROJECT ACT

The bill (H. R. 4932) to amend section 9 of the Boulder Canyon Project Act, approved December 21, 1928, was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF HATCH ACT

The bill (S. 1105) to amend the Hatch Act was announced as next in order.

Mr. REVERCOMB. Mr. President, I ask that the bill go over.

Mr. BYRD. Mr. President, I should like to hear an explanation of the bill.

The PRESIDENT pro tempore. Will the Senator from West Virginia withdraw his request that the bill be passed over?

Mr. REVERCOMB. I withdraw the request, reserving the right to object.

Mr. HATCH. Mr. President, this bill, which proposes to amend the so-called Hatch Act, was considered by the Committee on the Judiciary on, I believe, Monday of last week. In view of the request which I shall make, I think it will not be nececsary to explain the bill, but I wish to say that I think the proposed amendment of the act is one of an emergency nature. However, there are several members of the committee who desire to be heard on the merits of the bill. They were detained on the day the bill was considered by the committee. They did not have an opportunity to express their opposition or to vote against reporting it. At the request of those members, and after having consulted with the committee chairman, I ask that the measure be recommitted to the Committee on the Judiciary.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from New Mexico? The Chair hears none, and the bill is recommitted to the Committee on the Judiciary.

LUCY DELGADO AND IRMA M. DELGADO

The bill (H. R. 4249) for the relief of Lucy Delgado and Irma M. Delgado was considered, ordered to a third reading, read the third time, and passed.

FOREST ELDON POWELL

The bill (H. R. 2724) for the relief of the legal guardian of Forest Eldon Powell was considered, ordered to a third reading, read the third time, and passed.

ALGA STANIK

The bill (H. R. 3514) for the relief of the legal guardian of Olga Stanik, a minor, was considered, ordered to a third reading, read the third time, and passed.

MAX HIRSCH

The bill (H. R. 1848) for the relief of Max Hirsch was considered, ordered to a third reading, read the third time, and passed.

B. PENDINO

The bill (H. R. 1315) for the relief of B. Pendino was considered, ordered to a third reading, read the third time, and passed.

ALFRED OSTERHOFF, DOING BUSINESS AS ILLINI REEFER TRANSIT

The Senate proceeded to consider the bill (S. 1411) for the relief of Alfred Osterhoff, doing business as Illini Reefer Transit, Champaign, Ill., which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of", to strike out "$2,211.76, in full satisfaction of his claim against the United States for compensation for property damages sustained by him, and for loss of earnings, as a result of an accident which occurred when a trailer truck owned by him was struck by a United States Army vehicle on United States Route" and to insert "$1,150, in full settlement of all claims of the said Alfred Osterhoff against the United States for property damage and for loss of use of his tractor and trailer as the result of an accident involving an Army vehicle which occurred on United States Highway", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Alfred Osterhoff, doing business as Illini Reefer Transit, of Champaign, Ill., the sum of $1,150, in full settlement of all claims of the said Alfred Osterhoff against the United States for property damage and for loss of use of his tractor and trailer as the result of an accident involving an Army vehicle which occurred on United States Highway No. 45, near Chebanse, Ill., on March 28, 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MRS. ALICE CONDON

The Senate proceeded to consider the bill (S. 1319) for the relief of Mrs. Alice Condon, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of", to strike out "$2,000" and insert "$1,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Alice Condon, of Atlantic City, N. J., the sum of $1,000, in full satisfaction of her claim against the United States for compensation for personal injuries sustained by her, and for reimbursement of medical and other expenses incurred by her, as a result of an accident which occurred when she was struck by a United States Army vehicle while crossing Sovereign Avenue, in Atlantic City, N. J., on April 4, 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

A. F. CRAWFORD

The Senate proceeded to consider the bill (S. 983) for the relief of A. F. Crawford, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of", to strike out "$1,076.12" and insert "$926.12", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to A. F. Crawford, of Omaha, Nebr., the sum of $926.12, in full satisfaction of his claim against the United States for compensation for personal injuries, expenses, and property damage sustained by him as the result of an accident which occurred on December 23, 1941, when the automobile which he was driving was struck by a United States Army truck near Snoqualmie, Wash.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ESTATE OF MICHAEL J. McDONOUGH

The Senate proceeded to consider the bill (H. R. 2483) for the relief of the estate of Michael J. McDonough, deceased, which had been reported from the Committee on Claims with an amendment, on page 1, line 7, after the words "sum of", to strike out "$5,000" and insert "$2,500."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

LEONARD HUTCHINGS

The bill (H. R. 1464) for the relief of Leonard Hutchings was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF WILLIAM N. THERRIAULT AND MILLICENT THERRIAULT

The Senate proceeded to consider the bill (H. R. 3808) for the relief of the estate of William N. Therriault and Millicent Therriault, which had been reported from the Committee on Claims with an amendment on page 1, line 7, after the words "sum of", to strike out "$11,425" and insert "$6,500."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ISABEL CARLSON

The bill (H. R. 854) for the relief of Isabel Carlson was considered, ordered to a third reading, read the third time, and passed.

W. D. JONES AND ETHEL S. JONES

The bill (H. R. 2661) for the relief of W. D. Jones and Ethel S. Jones, was considered, ordered to a third reading, read the third time, and passed.

SOLOMON SCHTIERMAN

The bill (H. R. 2171) for the relief of Solomon Schtierman was considered, ordered to a third reading, read the third time, and passed.

CHARLES ZUCKER

The bill (H. R. 2168) for the relief of Charles Zucker was considered, ordered to a third reading, read the third time, and passed.

ARNOLD MECHAM

The bill (H. R. 2289) for the relief of Arnold Mecham was considered, ordered to a third reading, read the third time, and passed.

THOMAS A. BUTLER

The bill (H. R. 3046) for the relief of Thomas A. Butler was considered, ordered to a third reading, read the third time, and passed.

SAM KALAK

The bill (H. R. 2452) for the relief of Sam Kalak was considered, ordered to a third reading, read the third time, and passed.

A. L. CLEM AND IDA M. BRYANT

The Senate proceeded to consider the bill (S. 1184) for the relief of A. L. Clem and Ida M. Bryant, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the name "Kansas", to strike out "(1) the sum of $1,500 in full settlement of all claims of the said A. L. Clem and Ida M. Bryant against the United States on account of property damage and personal injuries resulting from the presence of obnoxious odors emanating from the operation of the sewage-disposal plant at the Independence Army air base, and accruing prior to January 1, 1945, (2) a sum equal to $35 a month from January 1, 1945, to the date of enactment of this act as compensation for continuing property damage during such period due to the above-described condition, and (3) the sum of $35 a month beginning on the date of enactment of this act for each month during which such condition continues to exist", and insert, "the sum of $1,440, in full settlement of all claims of the said A. L. Clem and Ida M. Bryant against the United States on account of property damage and personal injuries resulting from the presence of obnoxious odors emanating from the operation of the sewage-disposal plant at the Independence Army air base, and accruing prior to January 1, 1946", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to A. L. Clem and Ida M. Bryant, of Independence, Kans., the sum of $1,440, in full settlement of all claims of the said A. L. Clem and Ida M. Bryant against the United States on account of property damage and personal injuries resulting from the presence of obnoxious odors emanating from the operation of the sewage-disposal plant at the Independence Army air base, and accruing prior to January 1, 1946: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WILLIAM PHILIPS

The bill (H. R. 2963) for the relief of William Philips, was considered, ordered to a third reading, read the third time, and passed.

R. H. SINDLE

The bill (H. R. 2728) for the relief of R. H. Sindle, was considered, ordered to a third reading, read the third time, and passed.

HARRY C. WESTOVER

The bill (H. R. 2270) for the relief of Harry C. Westover, was considered, ordered to a third reading, read the third time, and passed.

BILL AND JOINT RESOLUTION PASSED OVER

The bill (H. R. 4160) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States, approved July 1898, and acts amendatory thereof and supplementary thereto, was announced as next in order.

Mr. CORDON. Let the bill go over.

The PRESIDENT pro tempore. Objection is heard, and the bill will be passed over.

The joint resolution (S. J. Res. 85) proposing to amend the Constitution of the United States to exclude aliens in counting the whole number of persons in each State for apportionment of Representatives among the several States, was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

ELSIE PETER

The PRESIDENT pro tempore. The Chair is informed that there are several bills which have been reported by the Committee on Claims but which do not appear on the Calendar, and without objection they will be called at this time.

Mr. WHITE. Mr. President, may I ask what the bills are?

Mr. ELLENDER. They are all claims bills.

Mr. WHITE. Purely private claims bills?

Mr. ELLENDER. Yes.

Mr. WHITE. Involving no public question?

Mr. ELLENDER. No.

The PRESIDENT pro tempore. An objection to any one of the bills will take it over. Is there objection to the calling of the several claims bills?

Mr. WHITE. Mr. President, I have no objection to calling them, with the understanding that they are all only private claims bills, and involve no public question.

The PRESIDENT pro tempore. The clerk will state the first bill by title.

The CHIEF CLERK. A bill (H. R. 2393) for the relief of Elsie Peter.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

LEGAL GUARDIANS OF JOHN BUCHAN AND LAWRENCE GILLINGHAM, MINORS

The Senate proceeded to consider the bill (H. R. 1615) for the relief of the legal guardians of John Buchan and Lawrence Gillingham, minors, which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the words "sum of", to strike out "$4,300" and insert "$5,850.55"; and on line 7, after the words "sum of," to strike out "$1,034" and insert "$2,294."

The amendments were agreed to.

The amendments were ordered to be grossed and the bill to be read a third time.

The bill was read the third time and passed.

SAUNDERS WHOLESALE, INC.

The Senate proceeded to consider the bill (S. 1310) for the relief of Saunders Wholesale, Inc., which was read, as follows:

Be it enacted, etc., That Saunders Wholesale, Inc., of Key West, Fla., is hereby relieved of liability for the payment of manufacturers' excise taxes in the amount of $7,834.56 on 2,242,000 cigarettes and 42 pounds of manufactured tobacco which were destroyed by fire on February 26, 1945, while stored in a sea-stores warehouse operated by the said Saunders Wholesale, Inc., after having been lawfully withdrawn from the place of manufacture, without payment of tax, for delivery to vessels for use as sea stores.

Mr. CORDON. Mr. President, I ask for an explanation of the bill. I notice in the report that objection is raised to it.

Mr. JOHNSTON of South Carolina. Mr. President, this bill is to relieve Saunders Wholesale, Inc., from the payment of manufacturers' excise taxes in the amount of $7,834.56. This firm had cigarettes and tobacco ready to send overseas to the boys in the service, with a certificate that if they were sent across the firm would not have to pay the excise taxes provided by law. While the cigarettes and tobacco were in warehouses, they were burned, and the firm is merely asking relief from the payment of the tax. Under the certificate they would not have to pay, and, under the circumstances, it is nothing but right that they should be exempted from the payment of the taxes.

Mr. CORDON. I do not object.

The PRESIDENT pro tempore. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed.

HERBERT C. ROCKWELL

The bill (S. 1637) for the relief of Herbert C. Rockwell, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Herbert C. Rockwell, of Washington, Pa., the sum of $158.05, in full settlement of all claims against the United States for property damage sustained on August 10, 1944, when a vehicle belonging to the Federal Bureau of Investigation rolled away from its parking place on a down-grade street and collided with the automobile of Herbert C. Rockwell which was parked in front of 416½ North Main Street, Washington, Pa.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

GORDON COLE HART

The Senate proceeded to consider the bill (S. 1622) for the relief of Gordon Cole Hart, which had been reported from the Committee on Claims with an amendment, on page 1, line 8, after the words "by him", to strike out "and for reimbursement of medical and other expenses incurred by him", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Gordon Cole Hart, of Medford, Mass., the sum of $400, in full satisfaction of his claim against the United States for compensation for personal injuries sustained by him as a result of an accident which occurred when a United States Army airplane while taking off struck the parked airplane in which he was sitting, at the East Boston Airport, Boston, Mass., on September 15, 1941: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 948) for the relief of certain claimants in levee district No. 10, Yuba County, Calif., was announced as next in order.

Mr. REVERCOMB. Over.

The PRESIDENT pro tempore. The bill will be passed over.

MRS. FLORENCE MERSMAN

The Senate proceeded to consider the bill (H. R. 3791) for the relief of Mrs. Florence Mersman, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of", to strike out "$2,000" and insert "$1,330."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

THOMAS SUMNER

The Senate proceeded to consider the bill (H. R. 1854) for the relief of Thomas Sumner, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of", to strike out "$750" and insert "$1,500."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

C. FRANK JAMES

The bill (H. R. 2769) for the relief of C. Frank James was considered, ordered to a third reading, read the third time, and passed.

KATHLEEN LAWTON McGUIRE

The Senate proceeded to consider the bill (H. R. 2670) for the relief of the legal guardian of Kathleen Lawton McGuire, which had been reported from the Committee on Claims with an amendment, on page 1, line 7, after the words "sum of", to strike out "$1,657.25" and to insert "$1,000."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

HAROLD B. ALDEN AND WALTER E. STROHM

The bill (H. R. 1489) for the relief of Harold B. Alden and Walter E. Strohm, was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF BOBBY MESSICK

The bill (H. R. 2974) for the relief of the estate of Bobby Messick was considered, ordered to a third reading, read the third time, and passed.

MRS. HENRY H. HAY

The bill (S. 1190) for the relief of Mrs. Henry H. Hay was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Henry H. Hay, of Savannah, Ga., the sum of $1,082.46, in full satisfaction of her claim against the United States for compensation for accrued annual leave, earned by her husband, the late Henry H. Hay, as a merchant marine inspector in the United States Coast Guard at Savannah, Ga., the said amount representing 88 days and 15 minutes annual leave standing to the credit of the said Henry H. Hay at the time of his death on December 4, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

C. H. BRUMFIELD

The bill (H. R. 3784), for the relief of C. H. Brumfield, was considered, ordered to a third reading, read the third time, and passed.

SETTLEMENT OF CLAIMS BY THE COAST GUARD

The Senate proceeded to consider the bill (S. 1811) to amend Public Law 277, Seventy-ninth Congress, so as to provide the Coast Guard, at such time as it is transferred back to the Treasury Department, with a system of laws for the settlement of claims, and for other purposes, which was read, as follows:

Be it enacted, etc., That Public Law 277, Seventy-ninth Congress, is hereby amended by adding at the end thereof the following new section:

"SEC. 5. The provisions of this act shall apply to the Coast Guard and to the personnel of the Coast Guard, military and civil, when the Coast Guard is not operating as a part of the Navy. In such cases, the Secretary of the Treasury shall have and exercise, as to claims caused by military or civilian employees of the Coast Guard while acting within the scope of their employment or otherwise incident to the activities of the Coast Guard and as to the claims of the personnel of the Coast Guard, the authority conferred by this act upon the Secretary of the Navy, and payment or reimbursement in kind of such claims shall be made from appropriations available to the Treasury Department, which appropriations are hereby authorized. The act of December 28, 1922 (42 Stat. 1066), shall be inapplicable to the Coast Guard 60 days after approval of this act.

"SEC. 6. The provisions of this act shall apply to the personnel of the Coast and Geodetic Survey and the Public Health Service when serving with the Navy."

Mr. REVERCOMB. Mr. President, may we have an explanation of the bill?

Mr. ELLENDER. Mr. President, under the present law the Navy has the right to compromise bills up to $1,000 during wartime, and during peacetime up to $500. Of course, during wartime the Coast Guard is under the Navy. In anticipation of the Coast Guard being returned to the jurisdiction of the Treasury Department, it is the desire of the Navy to have the same law applicable to the Coast Guard after it is separated and placed under the Treasury Department. That is the only purpose of the bill.

Mr. REVERCOMB. It merely provides, then, for a transfer of authority?

Mr. ELLENDER. That is all.

Mr. WALSH. What amounts did the Senator state?

Mr. ELLENDER. Up to $1,000 during wartime, and $500 during peacetime.

Mr. WALSH. Without coming to Congress for approval, the Navy Department and the Coast Guard, independently of congressional action, can settle claims up to those amounts?

Mr. ELLENDER. That is correct.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

KICK-BACKS ON CONTRACTS

Mr. HILL. Mr. President, there is on the calendar House bill 2284, Calendar No. 175, the purpose of which is to eliminate the practice of subcontractors paying fees or kick-backs or granting gifts or gratuities in an effort to get contracts from a prime contractor or from a higher tier subcontractor. Under cost-plus contracts the Government has to pay these gratuities or fees. The bill was reported from the Senate Committee on Expenditures in the Executive Departments without any objection on the part of any member of the committee, so far as the purposes of the bill and the attainment of those purposes are concerned.

The distinguished junior Senator from Michigan [Mr. FERGUSON] at the time the bill was reported thought perhaps he might wish to offer some amendments which might make the bill easier of administration. The bill therefore went over when it was reached on the calendar the first time so the Senator from Michigan might, if he saw fit to do so, prepare and present amendments. I have spoken to the Senator from Michigan this morning and he advises me he has no desire to offer any amendments, and he has no objection to the present consideration and passage of the bill.

The PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 2284) to eliminate the practice by subcontractors, under cost-plus-a-fixed-fee or cost reimbursable contracts of the United States, of paying fees or kick-backs, or of granting gifts or gratuities to employees of a cost-plus-a-fixed-fee or cost reimbursable prime contractors or of higher tier subcontractors for the purpose of securing the award of subcontracts or orders.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. WHITE. Mr. President, in view of the statement made by the Senator from Alabama that the Senator from Michigan [Mr. FERGUSON] is satisfied with the bill in its present form, I have no reason to object.

There being no objection, the bill (H. R. 2284) was considered, ordered to a third reading, read the third time, and passed.

BARRING OF CERTAIN CLAIMS BY THE UNITED STATES IN CONNECTION WITH GOVERNMENT CHECKS AND WARRANTS

Mr. HILL. Mr. President, House bill 129, Calendar No. 548, is a bill concerning which the Senator from Nebraska [Mr. WHERRY] has approached me several times. I advised the Senator from Nebraska that I would do all I could to have the bill passed today, if possible. It was unanimously passed by the House of Representatives and unanimously reported by the Senate Committee on Expenditures in the Executive Departments. The bill provides for the barring of certain claims by the United States in connection with Government checks and warrants. Page 2 of the report contains a summary of the purposes of the bill. I read from the report, as follows:

> The Government today is issuing hitherto unheard-of numbers of checks and warrants running into the hundreds of millions each year. No termination of the liability of endorsers, banks, and others now exists with respect to endorsements of such checks and warrants. By virtue of the endorsements on the checks and warrants guaranteeing or warranting the genuineness of prior endorsements, the endorsers, banks, and others are confronted with the possibility of being called upon many years thereafter to refund the amounts of checks and warrants belatedly found to bear forged or unauthorized endorsements. The present legislation, in effect, bars the United States from enforcing any claim arising out of the forged or unauthorized signatures or endorsements upon or alteration of Government checks or warrants against any endorser, transferor, depositary, or financial agent unless the United States or an agency thereof has given written notice of such claim to, or has commenced court proceedings against, such endorser, transferor, depositary, or financial agent within 6 years from the presentation of the checks or warrants to the Treasurer of the United States or other drawee for payment.

In other words, the bill would establish a statute of limitations after the 6-year period so far as concerns the Government going back and holding liable any bank or any depository or any other concern.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. WHITE. Stating it another way, this bill obligates the Government to pursue any remedy it has within 6 years, and thereafter the Government is barred?

Mr. HILL. The committee thought it only fair to the banks and depositors and other concerns handling these Government checks, that there should be some kind of a limitation; that the Treasury of the United States could proceed within a 6-year period of time diligently, but there ought to be some end to matters of this kind.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. REVERCOMB. The explanation made by the Senator has been very clarifying. This measure relates only to claims by the United States, and by no one else?

Mr. HILL. That is correct.

Mr. REVERCOMB. In other words, if a check were issued to an individual and there were no presentation of it for payment, say for 10 years, because of death, or for any other reason, the bill would place no limitation on such a matter.

Mr. HILL. The bill would not affect that kind of a check at all.

Mr. REVERCOMB. It deals only with claims of the United States against banks, depositaries, and so forth?

Mr. HILL. Against endorsers, by reason of fraud or something like that, but the Government must at least pursue its claim within the 6-year period. I think it is only fair that there should be a limitation placed on such matters. We have statutes of limitations in all the States, and Federal statutes of limitations as well.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 129) to provide for the barring of certain claims by the United States in connection with Government checks and warrants was considered, ordered to a third reading, read the third time, and passed.

U. S. S. "WOLVERINE"

Mr. WALSH. Mr. President, I move that the Senate proceed to the consideration of Senate bill 220, Calendar 409.

The PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 220) to vest title to the U. S. S. *Wolverine* (ex-*Michigan*) in the Foundation for the Original U. S. S. Michigan, Inc.

Mr. WALSH. Mr. President, when this bill was under consideration previously the Senator from Michigan [Mr. FERGUSON] objected because the bill related to a naval vessel originally called the *Michigan*. The Senator has now withdrawn his objection. All the bill does is to transfer the title to this vessel, which is now in the city of Erie, Pa., and is in the custody of the city of Erie for historical purposes, to a foundation of private citizens who will keep it in repair. The Navy was obliged to take it away from the city of Erie because if kept there it would deteriorate, and it was no longer suitable for historical purposes.

Mr. REVERCOMB. Mr. President, may I ask the Senator a question? It is clear, then, that this is not a usable boat; it is a museum piece, so to speak?

Mr. WALSH. It is a very old vessel, and the law giving it to the city of Erie was passed long before the present war. It has had nothing to do with the present war at all.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 220) to vest title to the U. S. S. *Wolverine* (ex-*Michigan*) in the Foundation for the Original U. S. S. Michigan, Inc., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

> *Be it enacted, etc.*, That all of the right, title, and interest of the United States in and to the U. S. S. *Wolverine* (ex-*Michigan*) is hereby transferred to and vested in the Foundation for the Original U. S. S. Michigan, Inc.

INTERIM REPORT ON DISPOSAL OF SURPLUS WAR PLANTS

Mr. O'MAHONEY. Mr. President, from the Committee on Military Affairs, I ask unanimous consent to submit, pursuant to Senate Resolution 129, Seventy-ninth Congress, first session, to investigate the disposal of surplus Government property and related problems, a special interim report on the disposal of surplus war plants owned by the Government, and I submit a report (No. 987) thereon.

The PRESIDENT pro tempore. Without objection, the report will be received and printed.

Mr. O'MAHONEY. I ask unanimous consent that the full text of the report

may be printed in the CONGRESSIONAL RECORD, because I regard it to be of great importance.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

Senate Resolution 129, Seventy-ninth Congress, directs your committee, or any duly authorized subcommittee thereof, to make a full and complete study and investigation with regard to the disposal of surplus Government property. In accordance with this mandate, the Surplus Property Subcommittee, through its staff, has studied the progress made with respect to the disposal of Government-owned surplus plants and industrial facilities. The subcommittee feels that it is timely to submit a summary of the preliminary conclusions reached by it as a result of this study.

PURPOSE OF REPORT IS ANALYSIS, NOT CRITICISM

From the beginning the subcommittee has given particularly close attention to the progress of plant disposal. The subcommittee is convinced that effective disposal of industrial plants and facilities, including machinery, is the most important aspect of surplus disposal as far as the achievement of the long-range objectives of the Surplus Property Act is concerned "to give maximum aid in the reestablishment of a peacetime economy of free, independent, private enterprise, the development of the maximum of independent operators in trade, industry, and agriculture, and to stimulate full employment; * * * to discourage monopolistic practices and to strengthen and preserve the competitive position of small business concerns in an economy of free enterprise."

It has been generally recognized that the problems connected with the disposal of consumer goods have not as yet been solved in spite of repeated shifts of that function from one disposal agency to another. On the other hand, the continuity with which the Reconstruction Finance Corporation has discharged the function of plant disposal has given rise to the belief both within and outside of the Congress that substantial progress has been achieved in that field of surplus disposal. This general impression to the contrary, it must be confessed that the industrial plants of the Government are not passing into the hands of private industry as rapidly as could be desired.

The purpose of the following appraisal is not to criticize the RFC or any particular officers of that Corporation who have been in charge of plant disposal, for it must be recognized that the task of passing the plants into private hands is one of great difficulty. The purpose is rather to isolate some of the factors which may have slowed down industrial plant disposal and to call them to the attention of the agencies and officials now responsible for the declaration and disposal of Government-owned surpluses.

Mistakes in surplus disposal are to be expected, and an attempt has to be made gradually to improve our disposal machinery just as the procurement machinery had to go through several reorganizations before it functioned reasonably well. No criticism, and particularly no personal criticism, is intended by this report, particularly because one of the major factors contributing to the slow disposal of plants, as well as other surpluses, may have been the separation of policy formulation from administration enacted into law by the Congress in the Surplus Property Act. The separation of the policy-making Surplus Property Administration from the Government agencies designated as disposal agencies followed the pattern set in the Contract Settlement Act and the recommendations made by Messrs. Baruch and Hancock in their Report on War and Postwar Adjustment Policies.

SPEEDY DISPOSAL IS VITAL

In his progress report for the fourth quarter of 1945 to the Congress, the then Surplus Property Administrator W. Stuart Symington emphasized the need for speed in the disposal of industrial plants to help stem inflation, to provide jobs for veterans and displaced war workers, and to avoid diversion of scarce building materials from residential to industrial construction. The statistics submitted in the same report and preliminary figures covering the month of January 1946, however, indicate that industrial plant disposal is not proceeding as rapidly as could be desired. As of January 31, only 171 plants, or 11 percent, out of a total of 1,540 industrial plants capable of independent operation, which have already or will eventually become surplus, had been disposed of by sale or lease. Out of the 171 plants, 130 plants representing an investment of $181,000,000, were sold; and 41 plants, totaling $213,000,000, were leased. Therefore, about 96 percent of the original investment of $11,200,000,000 still remains in the hands of the Government.

At the rate of plant disposal achieved during the month of January (57 plants, representing an investment of $122,000,000) it will take a minimum of 2 years to dispose of the remaining 1,369 plants by sale or lease, even assuming that leases may be considered as final disposal. If cost rather than the number of plants is used as a criterion of disposal achievement, disposal of the remaining investment of $10,800,000,000 at the January rate will take approximately 7 years.

SURPLUS DECLARATIONS ARE SLOW

As of January 31 slightly more than one-third of the total number of plants which will eventually become surplus had been declared surplus by the owning agencies. That is to say only 495 plants out of 1,540, or an investment of $2,800,000,000 out of a total of $11,200,000,000, had been surrendered by the owning agencies to be leased or sold by the disposal agencies. About three-fourths of the 495 plants declared surplus were owned by Reconstruction Finance Corporation (Defense Plants Division, formerly Defense Plants Corporation). The Army declared surplus 107 plants, or about one-third of the number of plants owned by it, while the Navy has so far declared surplus only 8 manufacturing plants.

Various reasons are assigned by the owning agencies for slow surplus declarations:

(1) Surplus declaration procedures prescribed by the Surplus Property Administration are still too time consuming. Originally, they required the listing of inventories, stating the original cost of real estate, buildings, and equipment in plants to be declared surplus. Subsequent revisions and simplifications are considered insufficient.

(2) The owning agencies are frequently undecided as to which plants should be retained for national defense purposes.

(3) Rapid demobilization has depleted personnel in the owning agencies competent to perform the necessary paper work.

SLOW DECLARATIONS DELAY DISPOSALS

The Reconstruction Finance Corporation [1] contends that failure to declare surplus plants owned by it does not impede disposals. Being the owning as well as the disposal agency, the RFC can authorize plant inspection by interested parties prior to surplus declaration and has on hand necessary data with respect to such plants to allow opening of negotiations. With respect to plants owned by other agencies, however, failure to declare surplus promptly definitely impedes disposal. Frequently inspection is made impossible by the owning agencies and insufficient data are available to RFC to conduct negotiations or even open sales drives with respect to such plants. Irrespective, however, of what agency owns the plants and regardless of RFC's contention, failure to declare plants surplus promptly has the tendency of postponing the assumption of full responsibility for disposal by the disposal agencies. For example, after negotiations for a lease for an aluminum-reduction plant and a rolling mill in Spokane, Wash., had been completed, final closing of the deal had to be postponed pending surplus declaration and public advertising of the plants. Furthermore, the statistics maintained by the RFC and their public statements with respect to disposal transactions are related primarily to plants already declared surplus, thus obscuring the record of accomplishments to date and the size of the job ahead.

DISPOSAL ORGANIZATION IS INADEQUATE

Bottlenecks created through indiscriminate centralization in the hands of a few Washington officials of the RFC have been largely responsible for slowing down plant disposal.

While RFC field agencies may conduct negotiations, all transactions, regardless of size, must be submitted for approval to the RFC Board. Disposal recommendations received from the field have to pass through an elaborate chain of Washington officials. This process has been particularly slow because the personnel and floor space assigned by the RFC to these activities has been entirely inadequate. The final slow-down occurs because, with infrequent exceptions, only two officials have been designated, particularly in the field of general purpose plants, to present to the Board proposals which have been processed through the Washington office.

There can be no doubt that the RFC Board of Directors, with its attention concentrated, naturally, upon the numerous other problems coming before it, did not give adequate consideration to the magnitude of the task of plant disposal. Those on the RFC staff to whom the responsibility was given have been diligent and attentive in the performance of their duties, but the organization itself was inadequate. Under all of the circumstances, it is surprising that the few people comprising the organization were able to handle the number of plants disposed of so far.

Since the time of the RFC staff assigned to plant-disposal activities in Washington is taken up almost exclusively with day-to-day disposal negotiations for specific plants, little headway has been made with the development of a strong sales organization and selective sales policies.

MEDIUM-SIZED PLANTS MUST BE SOLD MORE QUICKLY

For example, out of 1,540 plants which are capable of independent operations, 1,116 plants each cost less than $5,000,000, including land, buildings, and equipment. Out of these 1,116 plants, 650 are so equipped as to be capable of making products for which there is a good peacetime demand. An additional 250 to 300 plants, each costing less than $5,000,000, are adaptable to the production of civilian-type items upon the replacement of special war equipment.

Special attention must be given to the problem of speeding up in every possible way the disposal of these 900 to 950 plants. Disposal at this time of these medium-sized general-purpose plants can contribute greatly to stemming inflation, providing jobs, and saving scarce building materials. The problem is (1) to what extent disposal activities with respect to these medium-sized plants

[1] Throughout this report reference is made with respect to plant disposal to the organization and activities of Reconstruction Finance Corporation. It is too early as yet to appraise any organizational or procedural changes made with respect to plant disposal by War Assets Corporation, a subsidiary of RFC, which was designated as a disposal agency for capital, producers, and consumers goods effective January 15, 1946.

can be decentralized; (2) whether all commonly used selling methods for industrial real property are being employed; and (3) to what extent an understandable reluctance on the part of RFC to sell these plants on a stripped basis (after removal of all or portions of the plant machinery) is responsible for disposal delays. (Stripping results in inconvenience to Reconstruction Finance Corporation since it involves moving, storing, and disposing in several rather than one transaction of the machinery so removed.)

Government restrictions placed on industrial construction for the purpose of saving scarce building materials and labor for residential building will greatly increase the demand for Government-owned surplus plants and enhance the chance of speedy disposal at least of the medium-sized general-purpose plants.

IMPROVED ADMINISTRATIVE PROCEDURES ARE REQUIRED

Increased decentralization of plant disposal activity cannot be achieved without a general strengthening of administrative procedures and practices now in effect. At present any appraisal of plant disposal progress is made difficult because of a lack of coordinated statistical material and statistical analysis. This is due, in large part, to the failure on the part of RFC and Surplus Property Administration to develop standard reporting definitions and to utilize statistics for controlling disposal progress and developing disposal programs.

The statistical data developed by RFC have instead primarily been used to prove that RFC is doing an outstanding job in recouping for the public purse a high percentage of the original investment. Basis for RFC's emphasis on this particular circumstance is the provision contained in section 2 of the Surplus Property Act which declares that it is one of the objectives of the act "to prevent, insofar as possible, unusual and excessive profits being made out of surplus property." Undue emphasis on this particular objective, however, is not conducive to the development of a balanced industrial plant disposal program in line with all the stated objectives of the Surplus Property Act.

BETTER USE SHOULD BE MADE OF PLANT EXPORT PERSONNEL

Overemphasis on high returns on individual sales is paralleled by an underutilization of the contents of the plant reports submitted pursuant to section 19 of the Surplus Property Act and the expert personnel which prepared these reports. One of the primary purposes of the plant reports which are required under section 19 is to insure an over-all rather than a piecemeal approach to plant disposal in the most important industries in which expansion at Government expense has taken place. The prompt and effective carrying out of the recommendations contained in the reports, unless disapproved by the Congress, is imperative. If, for example, "use value" is stipulated in one or more reports as basis for plant valuation, RFC appears to run counter to such recommendations in considering "reproduction value" or "modified reproduction value" as an important factor in arriving at a satisfactory sales price.

The reports so submitted and the expert personnel which prepared these reports should constitute one of the foremost assets of any organization responsible for plant disposal. Several of these reports have been acclaimed as excellent industrial analyses by members of the particular industries concerned. The know-how acquired by the personnel, however, has not in many instances been put to the best use by the negotiators who have represented RFC in disposal negotiations. It may be advisable in a reorganization of the plant-disposal personnel to assure better coordination between those who know the industry and those who know how to deal with potential purchasers. In addition to participating in negotiations, the expert personnel might be used to good advantage in sales drives which should be carried on within each of the industries on which reports have been filed.

PUBLICATION OF DISPOSAL AGENCY REGULATIONS

Decentralization of selling activity requires delegation of authority to field offices. This, in turn, entails formulation and publication of selling and negotiating procedures.

Section 9 (d) of the Surplus Property Act requires publication in the Federal Register not only of the regulations of the Surplus Property Administration but of the implementing regulations of the disposal agencies as well. To date RFC has not formulated and publicized such regulations with respect to plant disposal, and considerable confusion exists on the part of potential purchasers as to the procedures which they must follow and can expect to be followed by the RFC with respect to plant disposal. Public advertising for bids, to cite only one example, although required by Surplus Property Regulation No. 10, is an empty gesture or even a perversion of the requirement if postponed until after the completion of negotiations with a given purchaser.

CONCLUSIONS

Executive Order 9689 of January 31, 1946, calls for substantial organizational changes which are to be completed by March 25, 1946. These changes should be directed toward the prompt improvement of organization and procedures with respect to plant disposal. The Nation and the Congress must be assured that those responsible for surplus-plant disposal will make an energetic effort to achieve the long-range objectives stated in the Surplus Property Act. As part of this effort, the subcommittee recommends that consideration be given to the adoption of the following program:

1. Plants must be declared surplus promptly by the owning agencies. Paper work must be simplified to speed up surplus declarations. Failure on the part of owning agencies to declare plants surplus must be reported promptly to the Congress in accordance with section 11 (c) of the Surplus Property Act.

2. Selective disposal policies must be developed to assure speedy disposal, particularly of medium-sized general-purpose plants. Decentralization and more aggressive and better-timed sales campaigns are imperative. Decisions to strip plants of special equipment must be reached quickly.

3. Recommendations with respect to plant-disposal policies contained in reports submitted pursuant to section 19 of the Surplus Property Act must be carried out promptly and effectively.

4. Statistical analysis must be strengthened to form the basis for controlling disposal progress and developing disposal programs.

5. Regulations with respect to sales procedures implementing the general plant-disposal regulation prescribed by the Surplus Property Administrator must be formulated and published in the Federal Register as provided in section 9 (d) of the Surplus Property Act.

The program outlined above is not self-executing and is not likely to be effective without continued vigilance on the part of the Congress. Constant surveillance over owning agencies in particular is required so that in the event of failure upon their part speedily to declare property surplus, Congress may have available full information and, if necessary, may act itself. To this end it is suggested, therefore, that the Committee on Military Affairs consider the desirability of urging the Appropriations Committee and the Committee to Audit and Control the Contingent Expenses to give favorable consideration to making a substantial increase in the meager funds now available to the duly appointed Surplus Property Subcommittee for the purpose of exercising surveillance over all owning and disposal agencies. The legislative committee having legislative jurisdiction should be properly staffed and equipped to do its work.

Mr. O'MAHONEY. Mr. President, it will be remembered that when the surplus-property law was passed among the primary purposes that were outlined by Congress as a guide in the disposition of surplus property was the encouragement of the establishment in the United States of free competitive industry. The Congress was well aware of the fact that in order to win the war the people of the United States, through funds raised by taxes and by the sale of bonds, had built an extraordinary number of industrial plants. I believe that few persons in the United States realize that the Government of the United States actually owns more than 50 percent of all the industrial plant facilities in the United States. Obviously, it would be a very easy thing, with the Government owning such a tremendous amount of industrial facilities, for the Government to retain the ownership and engage in the operation of plants, but the Congress of the United States and the people of the United States have, apparently without material exception, been of the opinion that these plants should be used by free private competitive industry.

The burden of the report which I am filing shows that to date progress in the disposal of these plants has been very slow. Probably less than 12 percent of all the plants owned by the Government have been sold or leased to date. This report contains certain recommendations with respect to the policy which should be followed. It also points out, in effect, that the Congress of the United States has the power to declare plants surplus. If the owning agencies do not act speedily enough to declare these plants surplus, and thus make them susceptible of sale or lease, then the Congress of the United States may step in and do so by legislative enactment.

The committee has recommended consideration by the Appropriations Committe and by the Committee to Audit and Control the Contingent Expenses of the Senate of the desirability of equipping the Military Affairs Committee, which has legislative jurisdiction of this problem, with a sufficient staff to make it possible for that committee constantly to maintain close surveillance of the handling of these plants by the owning agencies.

I recommend to Senators an examination of the statistics given in the report. In an appendix to the report will be found a list of all the plants which have been disposed of by sale or lease prior to January 31. I am happy to say that the knowledge that this report was about to be filed has apparently had the effect of stimulating some of the owning agencies to act in declaring plants surplus.

I am happy to say also that substantial progress has been made in handling the great and difficult problem of aluminum. Before the war aluminum production and fabrication were practically in the hands of one great company. Congress thought it was desirable, in order to prevent the drift toward totalitarianism, to encourage competition in that field. Plants in Arkansas have been disposed of to the Reynolds Co., as the Senate already knows; and I am happy to say that the Aluminum Co. of America contributed very materially to the successful solution of that problem. It cooperated with the Surplus Property Administration in making possible the sale of the Arkansas plants.

A few moments ago I was advised by Colonel O'Brien, of the War Assets Corporation, that another substantial step toward the establishment of competition in the aluminum field has been taken. The War Assets Corporation is announcing this afternoon that the Government plants at Spokane—one an aluminum-reduction plant and the other a sheet-rolling mill—have been leased for 5 years to the Kaiser-Frazier and the Kaiser Cargo interests. It seems to me that this announcement is of particular significance, because it means that the door is opening to the stimulation of production in a private competitive economy, without monopoly, which will be the salvation of the capitalistic system, and I firmly believe of the system of democratic government, that is to say, by, for, and of the people.

I am very happy indeed to have the opportunity this afternoon to announce the disposal of those plants, because now we have three large and efficient producers in the aluminum industry, a condition which has not heretofore existed. It demonstrates that the disposal of the tremendous plants owned by the Government and built by the people of the United States can be carried on in such a way as to stimulate a free economy.

LEGISLATIVE PROGRAM

Mr. HILL. Mr. President, on behalf of the distinguished majority leader, the Senator from Kentucky [Mr. BARKLEY] I wish to state that it is the purpose not to consider legislation tomorrow, but the Senate will meet tomorrow, when the distinguished junior Senator from New Mexico [Mr. CHAVEZ] will read the Farewell Address of George Washington.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. THOMAS of Utah, from the Committee on Military Affairs:

Vivian B. Collins for appointment as State director of selective service for Florida under the provisions of section 10 (a) (3) of the Selective Training and Service Act of 1940, as amended.

RECESS

Mr. HILL. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 1 o'clock and 33 minutes p. m.) the Senate took a recess until tomorrow, Friday, February 22, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 21 (legislative day of January 18), 1946:

DIPLOMATIC AND FOREIGN SERVICE

The following-named persons to be foreign-service officers, unclassified, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Robert W. Adams, of Texas.
Edward W. Clark, of New Jersey.
Richard M. Herndon, of Pennsylvania.
William K. Leonhart, of West Virginia.
James V. Martin, Jr., of Massachusetts.
Lee E. Metcalf, of Texas.
Joseph J. Montllor, of New York.
Edwin C. Rendall, of Illinois.
Malcolm Toon, of Massachusetts.
Kinsley Twining, of New York.
Alfred W. Wells, of New York.
Gordon J. Wright, of Oregon.

TREASURY DEPARTMENT

O. Max Gardner, of North Carolina, to be Under Secretary of the Treasury.

SELECTIVE SERVICE SYSTEM

Raymond V. Bowers for appointment as Assistant Chief, Research and Statistics Division, national headquarters, Selective Service System, under the provisions of section 10 (a) (3) of the Selective Training and Service Act of 1940, as amended.

Compensation for the position of Assistant Chief, Research and Statistics Division, national headquarters, Selective Service System, will be at the rate of $6,230 per annum.

Philip H. Bartholomew for appointment as State medical advisor for Nebraska, under the provisions of section 10 (a) (3) of the Selective Training and Service Act of 1940, as amended.

Compensation for the position of State medical adviser for Nebraska, will be at the rate of $5,180 per annum.

IN THE MARINE CORPS

Maj. Gen. Harry Schmidt to be a lieutenant general in the Marine Corps, for temporary service, from the 1st day of March 1946.

IN THE COAST GUARD

Admiral Russell R. Waesche, United States Coast Guard, to be placed on the retired list of the Coast Guard with the rank of admiral, effective the 1st day of January 1946, pursuant to section 4 of the act approved the 21st day of March, 1945 (Public Law 20, 79th Cong.).

POSTMASTERS

The following-named persons to be postmasters:

GEORGIA

Ovendar L. Webb., Lenox, Ga., in place of R. B. Allen, transferred.

KANSAS

Kenneth L. Kincheloe, Centerville, Kans. Office became Presidential July 1, 1943.

MARYLAND

Margaret S. Cross, Queenstown, Md., in place of M. C. Bishop, resigned.

NEW YORK

Elsie B. Henderson, Circleville, N. Y. Office became Presidential July 1, 1945.

Fannie S. Raymond, Yaphank, N. Y., in place of M. A. Scesny, resigned.

OHIO

Lucy M. Dye, East Springfield, Ohio. Office became Presidential July 1, 1945.

Robert G. Clark, South Vienna, Ohio., in place of W. C. Ray, retired.

PENNSYLVANIA

Joseph F. Moran, Chinchilla, Pa., in place of A. S. Maynard, retired.

Andrew T. Ofsonka, East Vandergrift, Pa., in place of Stella Yakowonis, resigned.

Hugh W. Billingsley, Flourtown, Pa., in place of C. V. Finley, resigned.

Leon R. Leddy, Port Clinton, Pa. Office became Presidential July 1, 1945.

Almeda K. Francisco, St. Petersburg, Pa., in place of M. F. Ritts, retired.

VIRGINIA

B. Frank May, Falls Church, Va., in place of C. M. Sale, transferred.

Charles B. Lovelace, South Boston, Va., in place of E. S. Slate, deceased.

CONFIRMATION

Executive nomination confirmed by the Senate February 21 (legislative day of January 18), 1946:

OFFICE OF PRICE ADMINISTRATION

Paul A. Porter to be Administrator, Office of Price Administration.

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 21, 1946

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Saviour of the world, the hope of every nation, grant that we may live generously each day for the good of others. Only when we breathe the spirit of the Golden Rule will the world become new. In the sacred name of liberty, in the cause of human brotherhood, deliver us from looking through the distorted glass of self-love and self-interest. O crown our souls with the loyal and helpful things which make life sweet and fair, blest with the sustaining power of religious faith, whose need we shall never outgrow until we outgrow temptation and sorrow. Thou who didst touch this earth with Thy holy feet and made a sacrament of labor, O help us to look up and heed the old injunction that man shall not live by bread alone. Allow no condition or circumstance to embitter or rend our hearts; by sympathy we shall win, and by forgiveness we shall conquer. In the name of Him who loved even His enemies, Christ our Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

The SPEAKER. The Chair prefers not to recognize Members for 1-minute speeches today.

EXTENSION OF REMARKS

Mr. OUTLAND asked and was given permission to extend his remarks in the

RECORD and include an address by Under Secretary of State Dean Acheson.

Mr. BIEMILLER asked and was given permission to extend his remarks in the RECORD and include an editorial from the Milwaukee Journal.

Mr. CHURCH asked and was given permission to extend his remarks in the Appendix and include two editorials, one from the Chicago Daily News of February 19, 1946, entitled "Brotherhood" and the other one entitled "We Need Bomb Control."

PARLIAMENTARY INQUIRY

Mr. STEFAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. STEFAN. Did I understand the distinguished Speaker to say there would be no 1-minute speeches today?

The SPEAKER. The Chair stated that he preferred not to recognize Members for that purpose today.

EXTENSION OF REMARKS

Mr. STEFAN asked and was given permission to extend his remarks in the RECORD on the subject of the British loan.

Mr. GRAHAM asked and was given permission to extend his remarks in the RECORD and include a resolution passed by the Wilmington Grange.

Mr. JENKINS asked and was given permission to extend his remarks in the RECORD and include some newspaper clippings.

Mr. RANKIN asked and was given permission to extend his remarks and include an address delivered by Hon. Lothrop Stoddard over the radio on February 17, 1946.

Mr. HOFFMAN asked and was given permission to extend his remarks in the RECORD and include a statement and a newspaper article.

Mr. JACKSON asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper editorial.

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the RECORD and include a brief statement regarding defense housing and the disposal of surplus property to veterans.

AMENDMENT TO NATIONAL HOUSING ACT

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 530, Rept. No. 1593), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed one day, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

MAINTENANCE, OPERATION, AND EXPANSION OF SCHOOL-LUNCH PROGRAMS

Mr. FLANNAGAN. Mr. Speaker. I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 3370) to provide assistance to the States in the establishment, maintenance, operation, and expansion of school-lunch programs, and for other purposes.

CALL OF THE HOUSE

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. FLANNAGAN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 27]

Adams	Douglas, Ill.	Patterson
Angell	Eberharter	Peterson, Fla.
Baldwin, Md.	Ervin	Peterson, Ga.
Baldwin, N. Y.	Fisher	Pfeifer
Barry	Flood	Randolph
Beall	Gathings	Reed, N. Y.
Bolton	Harness, Ind.	Rich
Brooks	Hart	Robertson, Va.
Buckley	Hartley	Robinson, Utah
Canfield	Hays	Roe, N. Y.
Case, N. J.	Hendricks	Schwabe, Okla.
Chapman	Heselton	Short
Chenoweth	Holifield	Simpson, Pa.
Chiperfield	Hook	Starkey
Clason	Jennings	Sumner, Ill.
Cole, Kans.	Kelly, Ill.	Taylor
Cole, N. Y.	Kerr	Thom
Colmer	Landis	Thomas, N. J.
Courtney	Lane	Vursell
Crosser	Luce	West
Curley	Lynch	Winter
Daughton, Va.	McGregor	Zimmerman
Dawson	Merrow	
De Lacy	Norton	

The SPEAKER. Three hundred and sixty Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MAINTENANCE, OPERATION, AND EXPANSION OF SCHOOL-LUNCH PROGRAMS

The SPEAKER. The question is on the motion of the gentleman from Virginia that the House resolve itself into the Committee of the Whole House on the State of the Union.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 3370) providing for a permanent school-lunch program participated in by the Federal Government, with Mr. JACKSON in the chair.

The Clerk read the title of the bill.

Mr. FLANNAGAN. Mr. Chairman, I move that all debate on the amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] to strike out title II be concluded in 30 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from Virginia [Mr. FLANNAGAN].

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Speaker, I would like to have the attention of the gentleman from Virginia [Mr. FLANNAGAN], chairman of the Committee on Agriculture, who yesterday made the statement that the American Medical Association has endorsed this school-lunch program. I do not know what the gentleman was reading from when he made that statement, but I took the trouble to investigate this matter and I learn that the American Medical Association has not at any time taken any official action on any of the school-lunch bills.

The authority for my statement is Dr. Joseph F. Lawrence, director, Washington office, American Medical Association, who, at my request to obtain the facts, telephoned to the American Medical Association headquarters in Chicago yesterday afternoon and this is what he reported to me.

Mr. FLANNAGAN. All I know is that the Parent-Teachers Association furnished me with that endorsement.

Mr. SMITH of Ohio. That is not the endorsement of the American Medical Association.

Mr. FLANNAGAN. It was the endorsement of the American Medical Association.

Mr. SMITH of Ohio. Did that organization state that the American Medical Association endorsed this program.

Mr. FLANNAGAN. It did.

Mr. SMITH of Ohio. It actually did. Then the gentleman will grant that it was wrong in that statement?

Mr. FLANNAGAN. I will grant anything but that. I believe that they did.

Mr. SMITH of Ohio. The gentleman believes they did, but he has no official record of it.

Mr. FLANNAGAN. Well, I think I can get the record.

Mr. SMITH of Ohio. The gentleman thinks he can get the record that the American Medical Association endorsed this program?

Mr. FLANNAGAN. I do not think there is any question about it.

Mr. SMITH of Ohio. Notwithstanding the fact as I have presented it, the gentleman from Virginia insists that the American Medical Association endorsed the Federal school-lunch program. This, it seems to me, is most remarkable.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, title I of this bill, as has been pointed out several

times, makes permanent the school-lunch program with which we have had 10 years of experience, and we know what we are doing.

Title II sets up a new program different from anything we have ever had before, and the committee report on page 2, at the end of the first paragraph, says so frankly. It says:

> The background and experience of the United States Office of Education are thus also directed toward the support of the program for the first time.

Careful reading of the bill reveals that this "support" can become, in essence, direction of the program.

The most dangerous part of title II is section 204. Let me read the essential part of it:

> Whenever the Commissioner—

That is the Commissioner of Education—

> after reasonable notice and opportunity for hearing to the State educational agency, finds that with respect to money paid to the State under this title there is a failure to comply substantially with any provision required by section 203 (a) to be included in the plan, the Commissioner shall notify such State agency that further payments will not be made to the State until he is satisfied that there is no longer any such failure to comply.

Thus a State cannot get its money unless it first of all satisfies the Commissioner here in Washington.

Again, in title I there is a specific prohibition in section 107 that the Secretary of Agriculture shall not "impose any requirement with respect to administration, teaching personnel, curriculum, instruction, methods of instruction, or materials of instruction of any school," but that prohibition is omitted from title II dealing with the new functions to be given to the Office of Education.

I am perfectly willing to give the $15,000,000 directly to the State educational agencies for them to use in promoting, stimulating, developing, supervising, and directing this program as they see fit and in improving education with respect to nutrition, dietetics, and so forth; but I am not willing to give 50 cents to the United States Office of Education for it to use in carrying out such programs.

For years such attempts to get the United States Office of Education into the public school system have been continuously opposed by the Committee on Education. This is an attempt to get it in via the Committee on Agriculture. I am opposed to giving any Federal agency power or supervision over our school system for any purpose or in any form, including hot school lunches.

The surest safeguard against ever losing our essential liberties is to keep the Federal Government from ever getting the slightest control over our churches and our schools—that is, over the hearts and minds of our children.

Deplorable and dangerous as are inadequate food and inadequate education, far more dangerous is controlled education. Title II could make possible a step in that direction. I want to vote to continue the school-lunch program but I can do so only if title II is stricken out.

The CHAIRMAN. The Chair recognizes the gentleman from North Dakota [Mr. ROBERTSON].

Mr. ROBERTSON of North Dakota. Mr. Chairman, I am heartily in support of this amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN]. If title II is stricken from the bill, with good conscience, I could vote for the remainder of the bill. I hope this Congress will strike title II from the bill.

I favor the school-lunch program, but it must forever remain free from Federal direction.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Chairman, title II is not essential to the school-lunch program as it has been carried on heretofore. There are, in my judgment, many grounds of valid objection to the provisions of title II. I feel that the chances of the enactment of the legislation would be materially improved if title II should be stricken from the bill, and I hope that the amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] will be adopted. I believe that the majority of the membership of this House would like to see this program continued substantially in the same way that it has been carried on for 10 years, and I think the effect of striking out title II would tend to bring about that result, so I hope the amendment will be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Chairman, in view of what transpired yesterday and in view of the statement of the gentleman who preceded me, I think it will be for the best interests of all concerned that we adopt the amendment offered by the gentleman from Minnesota to strike out title II. In that way we can eliminate some of the opposition that comes from those who are insisting upon States' rights.

Opposition based on some idea that this bill infringes on States' rights does not exactly ring true. We have appropriated billions of dollars for agricultural assistance to the States, and we heard nothing then about threats to States' rights. We have made appropriations for farm highways, secondary roads, community canning plants, to improve creeks, for flood control, to prevent soil erosion, to bring electricity to the farms, to feed hay to elk and deer and corn to migratory birds, for irrigation and reclamation projects and for dams, for fertilizer, and even for aiding in the cost of labor. Most of these appropriations have been on the same kind of cost-sharing basis that is provided in this bill to feed little children. Some have been outright grants or clear nonparticipating appropriations. We have authorized low-interest loans for farm land banks and mortgage banks, for factories and businesses, for home builders and home buyers, we have provided for river and harbor improvements, military posts, and what have you.

Now, Mr. Chairman, there are many large cities represented here which have never received any direct benefit from these millions upon millions of dollars appropriated for aid to all the States. Yet we have never raised the issue of States' rights against these many benefits. We have believed, in fact, that these appropriations, made directly to aid agriculture or the national rural community, have been of benefit to the whole Nation.

It seems to me, sometimes, that the gentlemen who have such reverence for States' rights only remember that reverence when human rights are in question. When we are considering legislation or appropriations to benefit property rights, they do not seem to think of States' rights; but when we are talking about a bill to make it possible to make better citizens by feeding them while they are children, and by teaching them about food values and food preparation, this States'-rights issue suddenly becomes very important. It seems to me that the people of our Nation are our greatest resource and we should do everything we can to make stronger and healthier people.

We have aided the corn growers, the tobacco growers, the cotton growers, the peanut growers, the cattle growers, and even the cattle feeders.

But when it comes to feeding hungry children on the city streets, or in village lanes, and providing aid in procurement of nourishing food for them, then this argument of States' rights is dragged out, dusted off, and brought on the floor.

I remember when, under a Republican administration, the great Republican depression was just beginning to show signs of being on its way, and we appropriated approximately $50,000,000 to help feed cattle and hogs and sheep in drought-stricken sections of the country. Crop conditions improved and it was not necessary to expend the money for its original purpose. Then those deplorable conditions came upon us; people were hungry, for they were out of a job and had no money. Some of us made an effort to use that great fund, intended to be used for cattle and swine, for the benefit of the people. We were turned down. Then and now, there are some who are more interested in livestock than in people.

For the sake of the argument I will concede that the children of large cities are in the greatest need of this aid and to that extent will be the most benefited; and perhaps there are more of them. But is it not true that only five States—New York, Illinois, Pennsylvania, Ohio, and Michigan—pay into the Federal Treasury more than half of all Federal tax collections? Yes, Mr. Chairman; it is true, as shown by the report of 1943 tax collections in table 282 of the Statistical Abstract of the United States; and so I insert at this point, as part of my remarks, a portion of that table showing Federal income tax collections in 1943, the latest year available, by States.

[From Statistical Abstract of the United States, 1944–45, H. Doc. No. 38]

No. 282.—Internal revenue receipts, by States and Territories

[All figures in thousands]

Division, State, or Territory	Fiscal year 1943	
	Total, 1943 [1]	Income taxes, 1943
Total	22,371,386	10,464,769
New England	1,648,954	793,951
Maine	71,115	39,079
New Hampshire	42,083	23,139
Vermont	32,143	13,577
Massachusetts	800,562	423,455
Rhode Island	156,600	66,468
Connecticut	546,451	228,233
Middle Atlantic	7,157,329	2,203,251
New York	4,348,369	2,025,623
New Jersey	801,091	370,060
Pennsylvania	2,007,869	897,568
East North Central	5,652,894	2,744,908
Ohio	1,625,956	881,316
Indiana	497,623	205,186
Illinois	1,880,689	878,726
Michigan	1,187,971	604,474
Wisconsin	400,656	175,205
West North Central	1,286,578	676,146
Minnesota	306,702	160,702
Iowa	137,695	89,003
Missouri	540,306	249,925
North Dakota	15,946	11,746
South Dakota	16,585	10,891
Nebraska	105,302	53,058
Kansas	164,042	100,821
South Atlantic	2,700,255	995,619
Delaware	315,308	147,228
Maryland	422,740	192,642
District of Columbia	165,932	107,252
Virginia	563,524	128,797
West Virginia	99,618	52,617
North Carolina	672,382	125,358
South Carolina	105,881	43,433
Georgia	198,979	107,009
Florida	155,890	91,284
East South Central	774,089	278,912
Kentucky	420,607	84,421
Tennessee	162,141	88,947
Alabama	142,431	74,112
Mississippi	48,911	31,431
West South Central	912,980	525,526
Arkansas	54,749	35,663
Louisiana	165,360	87,491
Oklahoma	156,757	79,185
Texas	536,113	323,187
Mountain	325,508	195,512
Montana	40,414	24,700
Idaho	31,010	19,411
Wyoming	16,598	11,795
Colorado	117,562	62,974
New Mexico	19,106	13,790
Arizona	33,488	21,673
Utah	45,409	25,113
Nevada	21,920	16,056
Pacific	1,828,883	912,380
Washington	287,026	143,855
Oregon	130,530	72,971
California	1,411,327	695,553

[1] Includes excess profits.

Mr. Chairman, like all the other gentlemen here I have received hundreds, yes, thousands, of letters from all over the United States urging passage of this bill. They came from 42 of the 48 States, from civic clubs; city, county, and State officials; from welfare and social and educational workers; from school children and their teachers.

I should like to insert many of these in the RECORD, but in the interest of saving space I will mention only a few. Let me draw the attention of the House to the endorsement given the bill by the National Farmers Union, the American Farm Bureau Federation, the National Council of Farmer Cooperatives, and the National Grange. These farm organizations realize that originally the school-lunch program was designed to help take from the glutted granaries of the Nation the agricultural commodities people could not buy and put them in the hungry stomachs of children who had no money. The children got food; the farmers got cash. Some of the farm representatives seem to have forgotten that today.

Then, Mr. Chairman, I want to insert the text of a letter from a big business organization with headquarters in Chicago, the Independent Grocers' Alliance of America. Here is what the president, Mr. Frank J. Grimes, said in his letter to me:

DEAR MR. SABATH: There is a piece of legislation coming up within the next week or two that is of the utmost importance.

I refer to school-lunch bill, H. R. 3370.

I strongly urge your support of this school-lunch bill, making the appropriation $100,000,000. This school-lunch program confers more direct benefit to children in every community than anything our Government is now doing.

A poll taken in any congressional district of Illinois would indicate that the people themselves are overwhelmingly in favor of this legislation. This is one piece of important and beneficial legislation on which all Members of Congress, regardless of party, should unite and unanimously approve.

Congress has very little opportunity to do something of direct and lasting benefit for the children of our country. Here is the opportunity, and I do hope that we can obliterate party lines in doing something for these boys and girls.

Very truly yours,

J. FRANK GRIMES,
President.

A few days ago we heard from our honored and kindly majority leader about the wonderful work being done in the stockyards district of Chicago, where 100,000 people live. I have a splendid and thoughtful letter from the Reverend Roman Berendt, school-lunch chairman of the Back of the Yards Neighborhood Council, which is the organization of which the famous and beloved Most Rev. Bernard J. Sheil is honorary director. The letter is, unfortunately, too long for quotation.

But here, Mr. Chairman, is a letter from Paul A. Wobus, director of the southeast Ozark area for the Save the Children Federation, which shows that it is not just the city children who need the hot lunches. Mr. Wobus writes from Manchester, Mo., and I cannot resist quoting some parts of it:

The hot-lunch program means more to the children of the Ozarks than I can say. There have just come to me two letters from schools we are sponsoring, stating how much the lunches are helping the children. The teacher of Hogan School writes, "The children are so happy to have lunches now." We helped Hogan start lunches on January 21.

The teacher of Bartlett School, Shannon County, writes: "I know that many of the pupils attend school without the benefit of a nutritious breakfast, and in a few cases, no breakfast at all."

Wherever there is a hot-lunch program, teachers are emphatic in their praise of it, for it not only makes for improved health but increases their alertness and response. School attendance is more nearly perfect in schools which have hot lunches.

It would be a dire calamity to close the school lunchrooms for lack of funds, but that will happen unless there is an appropriation made by Congress. Most Ozark schools could not have a lunch program without Federal aid.

William E. Coates, head of the Newberry Avenue center in my district, wired me:

Children of your district need the school-lunch program. Please support H. R. 3370.

John T. Bernard, former Congressman, now director of political action for a big union, telegraphed:

Our children's health must be protected and improved. Strongly urge you to fight and vote for school-lunch bill.

I will quote no further; but I want to mention, from the scores of organizations that wrote me urging the passage of this legislation, the National Congress of Parents and Teachers, from Chicago; the Council of Churches of Buffalo; Save the Children Federation of New York; Texas State Teachers Association; National Catholic Welfare Conference; National School Lunchroom Conference; Chicago Board of Education.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, from the words that have been uttered in the 3 days of debate on this question one would come to the conclusion that this is a new venture in Government. In West Virginia the hot school-lunch program has been in operation for the past 9 years. The people who are administering it, the members of the Parent-Teachers Association and the home-demonstration agents, are such a high class of citizens that I would be willing to entrust this program to them without any amendments to the bill as introduced. I am for the bill as introduced, and I will be for it even if it is amended.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. COLE].

Mr. COLE of Missouri. Mr. Chairman, I am for a hot school-lunch program. I want to vote for legislation to provide a hot school-lunch program, but I cannot vote for the legislation now before the House if title II is permitted to remain in this bill. I know that there are many others on both sides of the aisle who feel as I do, and I do not believe this bill will pass unless title II is stricken from it.

The time has come for us to get rid of Government bureaus rather than create new ones. Title II of this bill creates a new agency in the Bureau of Education. It authorizes an appropriation of $15,000,000 a year to enable the Commissioner of Education and the Federal Security Administrator to carry out its provisions. It provides $175,000 a year to cover the cost of the new agency it creates. Scores of additional high-paid employees will be added to the pay roll under its provisions.

Furthermore—and this is a most dangerous provision—under this title the Commissioner of Education can pass judgment on every State plan and grant no funds to any State until its plan has received his approval. In other words, he can in effect dictate the terms of any State plan by refusing to approve it until his terms are met. The only review

of his decision is by appeal to the United States District Court as provided in section 204 of this title. In my opinion, title II would open the door to Federal control of the educational system of our States, and this is one thing that we must always prevent.

I sincerely hope that this amendment will be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from New Mexico [Mr. FERNANDEZ].

Mr. FERNANDEZ. Mr. Chairman, yesterday we listened to a great deal of argument on the Powell amendment, which prohibits any discrimination on penalty of losing the right to lunch-program money. I did not have an opportunity to express myself on that amendment so I take this opportunity in the 2 minutes allotted to me of speaking on that amendment rather than with reference to Title II. I voted against the Powell amendment yesterday and I hope to have the opportunity of voting against it again today. For 10 years my State has distributed these funds equitably and without the slightest objectionable discrimination. I say objectionable discrimination because in my State we do have certain sections that have many low income people of a class which some people are pleased to denominate a minority. My State, not having enough money, has discriminated at times in favor of those people, and I am sure that is true in other States, for human nature and human compassion are the same everywhere. The Powell amendment makes it impossible to do so. Furthermore, if there should be objectionable discrimination we punish, as the gentlewoman from Connecticut so well said yesterday, we punish the wrong people—we punish the children. I hope that on passage of the bill the Powell amendment is stricken out.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. STEWART].

Mr. STEWART. Unless the amendment to strike title II is adopted and the Powell-Folger amendment is rejected, I cannot support this bill. If title II is left in this bill, it will put the nose of the Federal Government under the tent, so to speak, giving them entree toward prescribing policies and curricula of our State schools. If the Powell-Folger amendment is adopted, those in authority could say that Oklahoma was not eligible for school-lunch funds because we maintain separate schools for Negroes, thereby discriminating because of race, creed, color, or national origin.

I have always favored hot lunches as we have had them heretofore, but when it comes to the point of Congress saying we have to have schools where all races can attend, you will just have to leave me out because I refuse to go along.

I agree with the school of thought that the word "discrimination," as used in the Powell-Folger amendment, is broad enough to destroy the Oklahoma separate school system. I know how a lot of things have been muddled up here in Washington. A board could be appointed to administer this school-lunch program on the order of the Fair Employment Practice Commission which was made up of a minority group whose function was to deal with the whole people. Oklahoma is a big taxpayer and maintains adequate schools and ample money to where the Negro can enroll outside of the State in any institution of higher learning where a single school system is in vogue. At present there is no racial question in Oklahoma and there is no sense in stirring up trouble by the adoption of this amendment.

Webster's Unabridged Dictionary defines discrimination as "That which discriminates; a mark of distinction; to separate by discerning differences; to distinguish, as 'to discriminate the goats from the sheep.'" I am interpreting the amendment to mean what it says and that is before the States that have separate schools receive any of this fund, they will have to do away with a separate school system and love of public office is not sufficient for me to say to the people of my State: "You may participate in school-lunch funds but you might have to adopt a single school system to where the white children and Negro children will have to go to school together, before you can qualify."

The CHAIRMAN. The Chair recognizes the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, I am for free lunches for children in schools. I am sorry that in this bill some political propaganda has been incorporated. It has no business in the school-lunch program. I hope that that issue will some day be fought out without making the children the vehicle with which to write it into law.

So far as I am concerned I believe in the school-lunch program. I come from a State that has had from its very inception free education. I believe these lunches should be given regardless of how wealthy or how poor the parents may be.

On the other hand, I am not overexercised about what the medical association may say or may not say, because I know what the medical association does not know would write many more books than what they do know. They are no more infallible than my own profession—the legal fraternity. Both of these are great professions. They have done a great deal to make life worth while, but there is plenty of room for improvement.

I am sure the medical association knows less about how to feed and bring up children than the parents of the children. I know that in spite of them, you find scrawny and undernourished children in the homes of the wealthy just as often as you do in the homes of the poor. The idea of always telling somebody what he ought to do or what he ought not to do is foolish. It is not for the best interest of the people of this Nation.

I am in favor of school lunches, but I am against the extension of bureaucracy. Therefore, I shall support the elimination of title II. I feel the time has come when we should permit the people who have the responsibility of bringing up children to do so in their own way. I certainly am opposed to building up an educational bureaucracy—a bureaucracy that would attempt to direct the thinking of the people of the United States—a bureaucracy that would prescribe the rules and regulations, how children should be dressed, or how they should eat, or how their lunches should be prepared. We have had enough experience with bureaucracy.

We have heard a lot of exaggerated statements of the benefits of these lunches. It has been claimed that children have gained 14 pounds in a few weeks. These statements are so wild and far from the facts that they become ridiculous. Let us keep our balance and give the school children hot lunches, but knowing at the same time that that is not the cure-all, and remembering that there will still be, in spite of free lunches, scrawny and undernourished children, not because they have not enough to eat, but because their bodies do not assimilate the food they do eat. The trouble is not with the food but with its assimilation.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I wonder how many Members realize what a serious thing the Department of Education is in taking over the educational system of the country. Those who do not should obtain and read the 1944 report of the Commissioner of Education and should look at the Budget submission for 1946 for that same organization. They would then realize what a danger it is to have the Federal Government allocating funds to the school systems, and how they are planning to get control of that whole picture. To my mind it is a menace to the public school system of America.

My people had school lunches long before there was any Federal distribution. They can have school lunches without it. I believe every other State government can afford it better than the Federal Government.

I hope this amendment is adopted, and that the bill itself will be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. HOPE] for 2 minutes.

Mr. HOPE. Mr. Chairman, I am sorry there seems to be so much misapprehension as to what is contained in title II of this bill. All I can ask is that every Member carefully read title II and then decide for himself if there is anything in it which would bring about control of education in the States by the United States Office of Education.

You have exactly the same provision in that title that you have in the case of every other Federal-aid project. Somebody in Washington must decide whether or not the requirements for Federal aid have been met. There is no one on this floor who is more opposed to Federal aid to education than I. My constituents know that I have consistently opposed it. My school people know it. I would not for a moment support this bill or any other bill that contained the least semblance of Federal control over education. This bill has nothing in it which would give the Commissioner of Education any opportunity to control education in the States.

I am particularly interested in title II because I want to see the little community schools get the benefits of this bill. In the large cities the large school systems do not need the provisions of title II. They are able to get the equipment. They are able to get instructors. They are able to carry on the program. But this $15,000,000 in title II is set up particularly to enable the small communities, who cannot furnish that service and who do not have the equipment, to participate in the program. I hope that those representing the cities and the larger communities will not deprive the smaller schools of an opportunity to participate in the program by voting title II out of the bill.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. WOOD].

Mr. WOOD. Mr. Chairman, Daniel Webster once said that the strength of the Nation depends not upon the abundance of its revenue, nor upon the strength of its fortifications, nor upon the beauty of its public buildings, but it consists in the number of its cultivated citizens of enlightenment and character—here is to be found its chief strength and real power. A glance down the long vista of human progress reveals the profound truthfulness of that utterance. How best to develop the highest degree of intelligence and character in the future citizens of America should challenge the earnest and nonpartisan thought and action of every Member of this body who is charged with the responsibility of formulating the rules which govern the conduct, protect the civil rights, and promote the progress of the people of this Republic. There will be, I believe, no controversy with an assertion that this objective may be achieved only by making available to the youths of our generation every means within our power to enable them to obtain the highest possible degree of efficiency, both mentally and physically. In this process it must be admitted that the development of strong bodies is no less important than the development of trained minds. That in many sections of America there exist economic conditions which are daily depriving countless thousands of our youths of the opportunity of such development is a truth that has gone unchallenged on this floor in 3 days of debate on this legislation. That this condition can and will be improved by the continued participation on the part of the Federal Government in the financing of the school-lunch program is a truth which I maintain cannot be successfully disputed.

Entertaining, as I do, a most profound conviction of these truths, and on account of my own personal experience as a youth, realizing the tragic difficulties with which many of our less fortunate children are confronted in their struggle for a place in the sunshine of equal opportunity, I have a most compelling desire to lend my support to a continuation of Federal participation in the school-lunch program. Profound, however, as is that desire, I cannot gratify it at the price called for under the terms of the so-called Powell amendment, adopted by the committee on yesterday. Let me remind you again of this provision: "No funds made available pursuant to this title shall be paid or disbursed to any State or school if in carrying out its functions under this title it makes any discrimination because of the race, creed, color, or national origin of the children."

When a representative of the Thirteen Original Sovereign States of America formulated our Federal Constitution, they delegated to the Central Government only limited power, specifically enumerated, and as specifically reserved to the several States all other powers. The right to establish and control a system of public education is not a power so delegated to the Central Government, and is therefore reserved to the States. The growth and development of our system of public education has been fraught with many difficulties. From the beginning of the few community schools the system has gradually extended to townships and municipalities, then to counties and States, and at each step it was met with the same arguments of resistance as have been advanced here during these deliberations. In the beginning of the system, public funds were made available to pay only a portion of the compensation of the instructors. The system has gradually grown until today public funds are defraying not only all the compensation of instructors but the cost of erecting and maintaining buildings and facilities for housing, as well as transportation of the children. Even textbooks and other material and equipment are paid from public funds. Can it be seriously contended that the building of strong bodies is less important than these services?

Of course, it is vehemently contended by those who oppose this program here that this question of youth training and development is purely local. May I inquire just how local it is? We boast that we are all citizens of one Nation, indivisible. Certainly the destiny of the Nation must be measured by the standard of the citizens of tomorrow, who are the youths of today. Is it not important, then, that we continue to make available to this important program the money called for in this bill. It is an insignificant sum compared to what we are expending for temporal things. Furthermore, in making it available, is it fair to circumscribe its use by language so general and uncertain that its bureaucratic construction may be a matter of conjecture to each of us.

In a society so complex and divergent in its nature as that of the various sections of America, it is utterly impossible to formulate any rule or set of rules by which the various educational systems in every section can be governed and controlled without bringing about such tragic dislocations in our social and domestic structure as to endanger the very foundation of our Government, and yet that is exactly what this amendment will do. It has been said by the sponsor of this amendment, and by some who have accepted it, that it neither adds to nor detracts from the provisions of the bill. If this be true, then pray why write it into the bill at all? Let us not be misled by these protestations of the innocence of its provisions. The term "discriminate" is a term which can be construed to meet the whims of the construing authorities, who, in this instance, will be some department head here in Washington, who may have no knowledge of or sympathy with the local problems of any section of America. On this question of a construction of the term "discriminate," the recent decision of the United States Supreme Court affecting the segregation of races on railway trains is most illuminating.

Whether wittingly or unwittingly, I charge that the sponsor of this amendment is being used by the enemies of this legislation for the purpose of sabotaging this bill. To leave to bureaucratic interpretation the term "discrimination" holds so great a danger, that many States will be deprived of the benefits of the bill while being taxed to finance the program, that many sincere advocates of the program cannot support the bill as thus amended. It has been repeatedly said here, without a single voice being lifted in contradiction, that in the 10 years of the life of this program, not one charge of discrimination has been made anywhere. Why, then, I ask in utmost sincerity, should we suddenly anticipate that there is such imminent danger of discrimination as to require the inclusion of this provision which, in my opinion, sounds the death knell of the entire program? Would it not be more in keeping with a proper discharge of our responsibility for the welfare of the youths of this generation to strike from the bill this pernicious provision and extend the program without bitterness or strife, or sectional animosity, and with the consciousness that we are thus striving to merit the approbation of the Messiah, "Inasmuch as you have done it unto the least of these"?

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. VOORHIS] for 2 minutes.

Mr. VOORHIS of California. Mr. Chairman, although I agree with the interpretation of title II and the argument that the gentleman from Kansas [Mr. HOPE] has just made, it is title I that contains the heart of this bill. In the brief time I have, I am going to make an appeal for a vote in favor of that part of the bill, regardless of what the House decides to do about title II.

I have all kinds of evidence before me. I offer you just one piece of it. In one school, where the school lunch was put into effect, the children of that school gained, on an average, 14 pounds in the 3 months thereafter. They needed it. It did them great good. It was part of a sound educational program, because, without the physical and mental stamina which the lunch gave them, they could not take full advantage of the public education that was offered.

Mr. Chairman, we could well take our cue from certain basic moral principles. The one from which I take my cue on this bill is this: I believe it is wrong for us to waste food as long as there are children in America who have need of that food. Already you have set up agricultural programs which pledge this Nation to a reasonable maintenance of farm prices which in effect will require the spending of every dime that is in this bill now many times over in Government

purchases of surplus food crops. The only question is whether, if the local people have established a school-lunch program, Congress will give them a chance to procure a part of this food to make that lunch worth while by means of a Federal contribution through their State educational agency.

We are in an age of superabundant productive powers, and we are going to take our choice on this bill and on other occasions between the course of action of artificial restriction of that production by an increasing regulation by Government to prevent an abundant production and a rising living standard or else we will attempt to increase the standard of living of the people and to increase the demand for our products as fast as the power to produce them increases. This bill seeks to say that we will increase the demand for food in America instead of artificially reducing the supply, and the bill says that it is a part of the fundamental principle of the universal right to a good education for all that the children of the Nation shall be enabled to have the food they need if they are to do a good job of making the most of their educational opportunity.

The CHAIRMAN. The time of the gentleman from California has expired.

The Chair recognizes the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] for 2 minutes.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, if Congress is to make loans of billions of dollars to other countries in the world with no expectation of repayment, it seems to me we can well afford to support the appropriation for $50,000,000 for school lunches provided in title I.

Title II, which my amendment seeks to strike from the bill, contains the possibility of creating a new agency in the Bureau of Education to further control affairs of the school-lunch program throughout the country.

The gentleman from Kansas does not fear the danger which I express but I want to call particular attention to the bill which states:

> Each State having an approved plan under this title shall be entitled to be paid an amount limited as provided in subsection (c)—

And so forth. Who approves this approved plan? The Commisioner of Education is required to approve any State plan which as determined by the Commissioner complies with the provisions of this section. It is up to him to approve it. Therefore when he is required to approve it he can also write the specifications in the plan and dictate what the States must do in order to get the Federal grant. In view of this danger, I feel it is up to us to eliminate the possibilities conferred upon him by this section. Strike title II from the bill and then we will be saving money and removing any danger of Federal control.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

The Chair recognizes the gentleman from Rhode Island [Mr. FORAND].

Mr. FORAND. Mr. Chairman, I sincerely hope that this school-lunch program will pass. Some of our colleagues on yesterday and again today have stated that they will vote against the bill if the Powell amendment remains in the bill.

Now, what is the Powell amendment? It reads like this:

> No funds made available pursuant to this title shall be paid or disbursed to any State or school if in carrying out its functions under this title it makes any discrimination because of race, creed, color, or national origin of children.

I am not a lawyer, but I have discussed the language of the Powell amendment with many of my colleagues who are lawyers, and they advise me that this language neither adds to nor detracts anything from the bill.

Whether it is left in the bill or it is taken out will make no change in the operation of the school-lunch program.

I want the school-lunch program to continue, and whether or not the Powell amendment remains in the bill I shall vote for it, and I urge my colleagues to take a similar position. Let us not punish the children of America on the weak excuse that the Powell amendment is objectionable.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. CARLSON].

Mr. CARLSON. Mr. Chairman, it is my sincere hope that the committee will vote to strike out title 2 of this bill. Title 2 creates a new agency in the Bureau of Education and this is no time to expand Federal agencies. Not only that, but I am vigorously opposed to any Federal legislation that would assume direction or interference in our public, parochial, and private school systems. We must guard against any legislation that would be the entering wedge for Federal control of the schools of our State.

While it is true that the pending legislation provides only for supervision of the nutritional requirements of school lunches, it is a step in the wrong direction. If it is assumed that it is necessary to have direction of food, what is to prevent future legislation authorizing the type of clothing and dress of these same children? That is the pattern that has been followed in some of our European nations and brought about school systems under regulations and supervision of totalitarian governments. If title 2 is not stricken from the bill I will vote against it.

Title 1 of this bill, which provides for a school-lunch program, is a continuation of the present school-lunch program. In my opinion the proposed legislation would soon take the Federal Government out of the school-lunch project and place it in the hands of the States where it belongs.

Mr. WHITE. Mr. Chairman, there is submitted herewith for the consideration of the members of the Committee the following communications from people of the First Congressional District of Idaho in support of the provisions of H. R. 3370:

BANCROFT, IDAHO, *February 8, 1946.*
Representative COMPTON WHITE,
House of Representatives
Washington, D. C.:

Please support H. R. 3370, aid to school-lunch bill. Vitally important.

NORTH GEM PARENT-TEACHERS ASSOCIATION,
Bancroft, Idaho.

MOSCOW, IDAHO, *February 5, 1946.*
Hon. COMPTON I. WHITE,
House of Representatives,
Washington, D. C.:

Urge your support of House bill No. 3370, and to school-lunch program. The program in Moscow serves 500 children a day. Stoppage would create hardships for many.

Respectfully,

MOSCOW PARENT-TEACHERS ASSOCIATION.

WILDER, IDAHO, *February 5, 1946.*
Representative COMPTON I. WHITE,
Washington, D. C.:

Please support H. R. 3370, aid to school-lunch program. Feeding 400 farm children through Government aid. Feel this program is a distinct benefit.

MRS. WILLIAM GROSS,
President, Wilder Parent-Teachers Association.

MOSCOW, IDAHO, *February 6, 1946.*
Hon. COMPTON I. WHITE,
House Office Building:

Request your favorable vote H. R. 3370, school-lunch program.

MOSCOW HOMEMAKERS CLUB.

LEWISTON, IDAHO, *January 30, 1946.*
Representative WHITE:

Second district of Idaho Congress of Parents Teachers Association urge your support of House Resolution 3370, aid to school-lunch bill.

MRS. ULLIE HARDMAN,
President, Second District Parent-Teachers Association.

PAGE, IDAHO, *February 11, 1946.*
Mr. COMPTON WHITE,
Washington, D. C.

DEAR SIR: I am writing you in behalf of the Silver King School at Silver King, Idaho, and wish to ask you to do whatever is possible to urge maintenance of bill H. R. 3370 for school lunch aid.

The Parents and Teachers Association has taken hot lunches as a project this year in our school, and we are attempting to equip a kitchen and arrange for the functioning of this program at the beginning of the next school term.

We will greatly appreciate anything you can do to help us.

Yours truly,

MRS. DEVERE POLLOCK,
Secretary of Parents and Teachers Association.

CALDWELL, IDAHO, *October 22, 1945.*
Representative COMPTON I. WHITE,
House of Representatives,
Washington, D. C.

DEAR SIR: The Parent-Teachers Association of the Washington Junior High in Caldwell, Idaho, have requested me to write you in regard to H. R. 3370, bill No. 922. They wish to see the legislation passed which will favor the hot-lunch program.

Yours truly,

MARGARET HOWARD,
Secretary of Parent-Teachers' Association, Washington Junior High, Caldwell, Idaho.

NAMPA, IDAHO, *November 15, 1945.*
Representative COMPTON WHITE,
Washington, D. C.

DEAR SIR: Our Parent-Teachers Association of 140 members urges you to vote for the passage of H. R. 3370, the Government assistance for hot-lunch projects.

Sincerely,

MRS. LOUIS IHLI,
President of Parent-Teachers Association, St. Paul's Parochial School, Nampa, Idaho.

SUNSHINE STAR ROUTE,
Kellogg, Idaho, February 5, 1946.
Representative COMPTON WHITE,
Washington, D. C.

DEAR MR. WHITE: The Elk Creek Parent-Teachers' Association wishes to urge continuation in power of bill H. R. 3370 for school-lunch aid.

Yours truly,
Mrs. VELMA HERDLICK,
Secretary, Elk Creek, Parent-Teachers' Association.

NAMPA, IDAHO, *February 9, 1946.*
COMPTON WHITE,
Idaho Representative to Congress,
Washington, D. C.:

Midway Parent-Teachers' Association, membership 48, favors passage of H. R. 3370.

Mrs. W. J. GAITHER,
Secretary of Parent-Teachers' Association.

KELLOGG, IDAHO, *February 5, 1946.*
COMPTON WHITE,
Washington, D. C.

DEAR SIR: The Shoshone County Council of the National Parent-Teachers' Association wishes to go on record as urging the maintenance of bill H. R. 3370 for school-lunch aid.

Sincerely yours,
MARJORIE STEPHENS
(Mrs. Elton Stephens),
Council Secretary.

Mr. MANSFIELD of Montana. Mr. Chairman, I am heartily in favor of the school-lunch program, because I feel it has accomplished much good in caring for the dietary deficiencies of our children. This program has been well administered on a local basis in Montana, and the people who have contributed of their time and effort in helping the children have performed a patriotic service. Their efforts in this respect are entitled to the highest commendation and the children of today will bless them for their consideration. This Congress can do no better service to the children of America—the citizens of tomorrow—than to pass this measure. I am voting for this bill because I believe in human values and because I want to see our children given every possible opportunity to grow up to be strong, able, and intelligent citizens in our democracy. We have no greater resource than these youngsters and as Members of Congress, no greater responsibility than their welfare.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. FLANNAGAN] for 2 minutes, to conclude the debate.

Mr. FLANNAGAN. Mr. Chairman, I want to be perfectly frank with the membership. While I think we need title II in order to have a well-rounded school-lunch program, yet if title II is going to be the means of crucifying between six and ten million boys and girls of America, of taking from them a hot school lunch, then I say take it out, because with this title deleted we will have the same school-lunch program under title I that we have today.

But I want to say further that in order to have a well-rounded program, in my opinion, title II is necessary.

Title II does not vest in the Federal Commissioner of Education the dictatorial powers some Members believe it does. It is patterned, for instance, after the legislation giving Federal aid to roads. Before the State can obtain Federal funds for road building they have to build the road according to certain specifications. The only thing the Federal Road Commissioner does is to see that the law is complied with; that is, that the State roads meet the Federal standards. That is true in this instance. The Congress writes the program under title II and the only thing the United States Commissioner of Education has to do with it is to see that the program as written by Congress has been observed by the States. That is all.

The CHAIRMAN. The time of the gentleman has expired.

All time has expired on the pending amendment. The question is on the amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JACKSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3370) to provide assistance to the States in establishment, maintenance, operation, and expansion of school-lunch programs, and for other purposes, pursuant to House Resolution 495, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. STEWART. Mr. Speaker, I ask for a separate vote on the Powell amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment on which a separate vote is demanded.

The Clerk read as follows:

On page 9, line 6, after the period, insert the following: "No funds made available pursuant to this title shall be paid or disbursed to any State or school if, in carrying out its functions under this title, it makes any discrimination because of race, creed, color, or national origin of children."

The SPEAKER. The question is on the amendment.

The question was taken, and the Chair being in doubt, the House divided; and there were—ayes 156, noes 67.

Mr. HARRIS and Mr. HOFFMAN demanded the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 258, nays 110, not voting 62, as follows:

[Roll No. 28]

YEAS—258

Allen, Ill.	Auchincloss	Bennet, N. Y.
Andersen, H. Carl	Bailey	Bennett, Mo.
Andrews, N. Y.	Barrett, Pa.	Bishop
Angell	Barrett, Wyo.	Blackney
Arends	Barry	Bloom
Arnold	Bates, Mass.	Bradley, Mich.
	Bender	Bradley, Pa.
Brehm	Hale	O'Hara
Brown, Ohio	Hall, Edwin Arthur	O'Konski
Brumbaugh	Hall, Leonard W.	O'Neal
Buck	Hand	O'Toole
Buffett	Hart	Outland
Bunker	Havenner	Pfeifer
Burgin	Hedrick	Philbin
Butler	Heffernan	Phillips
Byrne, N. Y.	Henry	Pittenger
Byrnes, Wis.	Herter	Ploeser
Campbell	Hess	Plumley
Canfield	Hill	Powell
Cannon, Mo.	Hinshaw	Price, Ill.
Carlson	Hoch	Quinn, N. Y.
Carnahan	Hoeven	Rabaut
Case, S. Dak.	Hoffman	Rabin
Celler	Holifield	Ramey
Chelf	Holmes, Wash.	Rayfiel
Church	Hope	Reed, Ill.
Clason	Horan	Rees, Kans.
Clements	Howell	Resa
Clippinger	Huber	Rich
Cochran	Hull	Robertson, N. Dak.
Coffee	Izac	Robsion, Ky.
Cole, Mo.	Jackson	Rockwell
Corbett	Jenkins	Rodgers, Pa.
Crosser	Jensen	Roe, N. Y.
Cunningham	Johnson, Calif.	Rogers, Mass.
D'Alesandro	Johnson, Ill.	Rogers, N. Y.
Dawson	Johnson, Ind.	Rooney
De Lacy	Johnson, Okla.	Rowan
Delaney, James, J.	Jones	Ryter
Delaney, John J.	Jonkman	Sabath
D'Ewart	Judd	Sasscer
Dingell	Kean	Savage
Dirksen	Kearney	Schwabe, Mo.
Dolliver	Kee	Scrivner
Dondero	Keefe	Shafer
Douglas, Calif.	Kelley, Pa.	Sharp
Doyle	Kelly, Ill.	Sheppard
Dworshak	Keogh	Sheridan
Eaton	King	Simpson, Ill.
Elliott	Kinzer	Simpson, Pa.
Ellsworth	Kirwan	Smith, Maine
Elsaesser	Knutson	Smith, Ohio
Elston	Kopplemann	Smith, Wis.
Engel, Mich.	Kunkel	Snyder
Engle, Calif.	LaFollette	Somers, N. Y.
Fallon	Latham	Spence
Feighan	Lea	Springer
Fenton	LeCompte	Stefan
Flood	LeFevre	Stevenson
Fogarty	Lesinski	Stigler
Folger	Lewis	Stockman
Forand	Link	Sullivan
Fuller	Lynch	Sumner, Ill.
Fulton	McConnell	Sundstrom
Gallagher	McCowen	Taber
Gamble	McDonough	Talbot
Gardner	McGlinchey	Talle
Gavin	McMillen, Ill.	Tibbott
Gearhart	Madden	Tolan
Geelan	Mansfield, Mont.	Torrens
Gerlach	Marcantonio	Towe
Gifford	Martin, Iowa	Traynor
Gillespie	Martin, Mass.	Vorys, Ohio
Gillette	Mason	Wadsworth
Gillie	Mathews	Walter
Goodwin	Michener	Wasielewski
Gordon	Miller, Calif.	Welch
Gorski	Miller, Nebr.	Weichel
Graham	Monroney	White
Granahan	Morgan	Wigglesworth
Grant, Ind.	Murdock	Wilson
Green	Murphy	Wolcott
Griffiths	Murray, Wis.	Wolfenden, Pa.
Gross	Neely	Wolverton, N. J.
Gwinn, N. Y.	Norblad	Woodhouse
Gwynne, Iowa	O'Brien, Ill.	Woodruff
Hagen		

NAYS—110

Abernethy	Cannon, Fla.	Granger
Allen, La.	Clark	Grant, Ala.
Almond	Clevenger	Gregory
Anderson, Calif.	Cooley	Hancock
Andresen, August H.	Cooper	Hare
Andrews, Ala.	Cox	Harless, Ariz.
Barden	Cravens	Harris
Bates, Ky.	Crawford	Hébert
Beckworth	Daughton, Va.	Hobbs
Bell	Davis	Holmes, Mass.
Bland	Domengeaux	Jarman
Bonner	Doughton, N. C.	Johnson, Luther A.
Boren	Drewry	Johnson, Lyndon B.
Boykin	Durham	Kefauver
Brooks	Earthman	Kilburn
Brown, Ga.	Fernandez	Kilday
Bryson	Flannagan	Lanham
Bulwinkle	Gary	Larcade
Burch	Gibson	Lemke
Camp	Gore	
	Gossett	

Lyle	Price, Fla.	Sumners, Tex.
McGehee	Priest	Tarver
McKenzie	Rains	Thomas, Tex.
McMillan, S. C.	Rankin	Thomason
Mahon	Reece, Tenn.	Trimble
Maloney	Richards	Vinson
Manasco	Riley	Voorhis, Calif.
Mansfield, Tex.	Rivers	Weaver
May	Rizley	West
Mills	Roe, Md.	Whitten
Morrison	Rogers, Fla.	Whittington
Murray, Tenn.	Russell	Wickersham
Norrell	Sikes	Winstead
Pace	Slaughter	Wood
Patman	Smith, Va.	Worley
Pickett	Sparkman	Zimmerman
Poage	Stewart	

NOT VOTING—62

Adams	Ervin	Mundt
Baldwin, Md.	Fellows	Norton
Baldwin, N. Y.	Fisher	O'Brien, Mich.
Beall	Gathings	Patrick
Biemiller	Halleck	Patterson
Bolton	Harness, Ind.	Peterson, Fla.
Buckley	Hartley	Peterson, Ga.
Case, N. J.	Hays	Randolph
Chapman	Healy	Reed, N. Y.
Chenoweth	Hendricks	Robertson, Va.
Chiperfield	Heselton	Robinson, Utah
Cole, Kans.	Hook	Sadowski
Cole, N. Y.	Jennings	Schwabe, Okla.
Colmer	Kerr	Short
Combs	Landis	Starkey
Courtney	Lane	Taylor
Curley	Luce	Thom
Curtis	Ludlow	Thomas, N. J.
Douglas, Ill.	McCormack	Vursell
Eberharter	McGregor	Winter
Ellis	Merrow	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Thomas of New Jersey for, with Mr. Gathings against.

Mr. Hartley for, with Mr. Hays against.

Mr. Heselton for, with Mr. Courtney against.

Mr. Patterson for, with Mr. Peterson of Georgia against.

Mr. Healy for, with Mr. Kerr against.

General pairs until further notice:

Mr. McCormack with Mr. Short.

Mr. Hendricks with Mr. Halleck.

Mr. Baldwin of Maryland with Mr. Vursell.

Mrs. Norton with Mr. Jennings.

Mr. Buckley with Mr. Harness of Indiana.

Mr. Chapman with Mr. Schwabe of Oklahoma.

Mr. Randolph with Mr. Reed of New York.

Mr. Lane with Mr. Mundt.

Mr. Starkey with Mr. Chenoweth.

Mr. Thom with Mr. McGregor.

Mr. Robertson of Virginia with Mr. Cole of New York.

Mr. Curley with Mr. Chiperfield.

Mr. Bryson with Mr. Fellows.

Mr. Peterson of Florida with Mr. Case of New Jersey.

Mr. Colmer with Mrs. Luce.

Mr. SIKES and Mr. HART changed their vote from "no" to "aye."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. CLEVENGER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. CLEVENGER. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

Mr. CLEVENGER moves to recommit the bill to the Committee on Agriculture.

Mr. FLANNAGAN. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Ohio.

Mr. RANKIN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 121, nays 260, not voting 49, as follows:

[Roll No. 29]

YEAS—121

Abernethy	Gwinn, N. Y.	Norrell
Allen, La.	Gwynne, Iowa	O'Hara
Almond	Hale	Patman
Andrews, Ala.	Hall,	Pickett
Andrews, N. Y.	Leonard W.	Ploeser
Arends	Halleck	Poage
Arnold	Hancock	Price, Fla.
Bates, Mass.	Harris	Rains
Beckworth	Hébert	Rankin
Bell	Hess	Rich
Bland	Hobbs	Rizley
Boykin	Hoffman	Roe, Md.
Brooks	Holmes, Mass.	Rogers, Fla.
Brown, Ohio	Jarman	Russell
Buck	Jenkins	Schwabe Mo.
Buffett	Jensen	Scrivner
Bulwinkle	Johnson, Ill.	Sikes
Burch	Johnson, Ind.	Slaughter
Byrnes, Wis.	Johnson,	Smith, Ohio
Church	Luther A.	Smith, Va.
Clevenger	Jones	Springer
Cox	Kean	Stefan
Cravens	Kilburn	Stewart
Crawford	Knutson	Stockman
Curtis	Lanham	Sumner, Ill.
Daughton, Va.	Larcade	Sumners, Tex.
Domengeaux	Latham	Sundstrom
Drewry	LeFevre	Taber
Earthman	Lyle	Towe
Eaton	McCowen	Vorys, Ohio
Ellis	McGehee	Wadsworth
Ellsworth	McKenzie	Weichel
Elston	Mahon	West
Fellows	Manasco	Whitten
Gamble	Mansfield, Tex.	Whittington
Gibson	Martin Mass.	Wigglesworth
Gifford	Mason	Winstead
Goodwin	Mathews	Wolcott
Gossett	Miller, Nebr.	Wood
Grant, Ala.	Mills	Woodruff
Griffiths	Murray, Tenn.	Worley

NAYS—260

Allen, Ill.	Clark	Fogarty
Andersen,	Clason	Folger
H. Carl	Clements	Forand
Anderson, Calif.	Clippinger	Fuller
Andresen,	Cochran	Fulton
August H.	Coffee	Gallagher
Angell	Cole, Mo.	Gardner
Auchincloss	Combs	Gary
Bailey	Cooley	Gavin
Barden	Cooper	Gearhart
Barrett, Pa.	Corbett	Geelan
Barrett, Wyo.	Crosser	Gerlach
Barry	Cunningham	Gillespie
Bates, Ky.	D'Alesandro	Gillette
Bender	Davis	Gillie
Bennet, N. Y.	Dawson	Gordon
Bennett, Mo.	De Lacy	Gore
Biemiller	Delaney,	Gorski
Bishop	James J.	Graham
Blackney	Delaney	Granahan
Bloom	John J.	Granger
Bonner	D'Ewart	Grant, Ind.
Bradley, Mich.	Dingell	Green
Bradley, Pa.	Dirksen	Gregory
Brehm	Dolliver	Gross
Brown, Ga.	Dondero	Hagen
Brumbaugh	Doughton, N. C.	Hall,
Bryson	Douglas, Calif.	Edwin Arthur
Bunker	Doyle	Hand
Burgin	Durham	Hare
Butler	Dworshak	Harless, Ariz.
Byrne, N. Y.	Eberharter	Hart
Camp	Elliott	Havenner
Campbell	Elsaesser	Healy
Canfield	Engel, Mich.	Hedrick
Cannon, Fla.	Engle, Calif.	Heffernan
Cannon, Mo.	Fallon	Henry
Carlson	Feighan	Herter
Carnahan	Fenton	Hill
Case, S. Dak.	Fernandez	Hinshaw
Celler	Flannagan	Hoch
Chelf	Flood	Hoeven
Holifield	Martin, Iowa	Rooney
Holmes, Wash.	May	Rowan
Hope	Michener	Ryter
Horan	Miller, Calif.	Sabath
Howell	Monroney	Sadowski
Huber	Morgan	Sasscer
Hull	Morrison	Savage
Izac	Murdock	Shafer
Jackson	Murphy	Sharp
Johnson, Calif.	Murray, Wis.	Sheppard
Johnson,	Neely	Sheridan
Lyndon B.	Norblad	Simpson, Ill.
Johnson, Okla.	O'Brien, Ill.	Simpson, Pa.
Jonkman	O'Brien, Mich.	Smith, Maine
Judd	O'Konski	Smith, Wis.
Kearney	O'Neal	Snyder
Kee	O'Toole	Somers, N. Y.
Keefe	Outland	Sparkman
Kefauver	Pace	Spence
Kelley, Pa.	Patrick	Stevenson
Kelly, Ill.	Pfeifer	Stigler
Keogh	Philbin	Sullivan
Kilday	Phillips	Talbot
King	Pittenger	Talle
Kinzer	Plumley	Tarver
Kirwan	Powell	Thomas, Tex.
Kopplemann	Price, Ill.	Thomason
Kunkel	Priest	Tibbott
LaFollette	Quinn, N. Y.	Tolan
Lea	Rabaut	Torrens
LeCompte	Rabin	Traynor
Lemke	Ramey	Trimble
Lesinski	Rayfiel	Vinson
Lewis	Reece, Tenn.	Voorhis, Calif.
Link	Reed, Ill.	Vursell
Luce	Rees, Kans.	Walter
Lynch	Resa	Wasielewski
McConnell	Richards	Weaver
McCormack	Riley	Welch
McDonough	Rivers	White
McGlinchey	Robertson,	Wickersham
McMillan, S. C.	N. Dak.	Wilson
McMillen, Ill.	Robsion, Ky.	Wolfenden, Pa.
Madden	Rockwell	Wolverton, N. J.
Maloney	Rodgers, Pa.	Woodhouse
Mansfield,	Roe, N. Y.	Zimmerman
Mont.	Rogers, Mass.	
Marcantonio	Rogers, N. Y.	

NOT VOTING—49

Adams	Ervin	Norton
Baldwin, Md.	Fisher	Patterson
Baldwin, N. Y.	Gathings	Peterson, Fla.
Beall	Harness, Ind.	Peterson, Ga.
Bolton	Hartley	Randolph
Boren	Hays	Reed, N. Y.
Buckley	Hendricks	Robertson, Va.
Case, N. J.	Heselton	Robinson, Utah
Chapman	Hook	Schwabe, Okla.
Chenoweth	Jennings	Short
Chiperfield	Kerr	Starkey
Cole, Kans.	Landis	Taylor
Cole, N. Y.	Lane	Thom
Colmer	Ludlow	Thomas, N. J.
Courtney	McGregor	Winter
Curley	Merrow	
Douglas, Ill.	Mundt	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Thomas of New Jersey for, with Mr. Healy against.

Mr. Cole of New York for, with Mr. Patterson against.

Mr. Baldwin of Maryland for, with Mr. Hartley against.

Additional general pairs:

Mr. Ludlow with Mr. Adams.

Mr. Hook with Mrs. Bolton.

Mr. Robinson of Utah with Mr. Case of New Jersey.

Mr. Ervin with Mr. Merrow.

Mrs. Douglas of Illinois with Mr. Winter.

Mr. DAVIS, Mr. ANGELL, and Mr. LEWIS changed their votes from "aye" to "no."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. FLANNAGAN. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 276, nays 101, answered "present" 3, not voting 50, as follows:

[Roll No. 30]

YEAS—276

Allen, Ill.	Gary	Murray, Tenn.
Andersen, H. Carl	Gavin	Murray, Wis.
	Gearhart	Neely
Anderson, Calif.	Geelan	Norblad
Andresen, August H.	Gerlach	O'Brien, Ill.
	Gillespie	O'Brien, Mich.
Angell	Gillette	O'Hara
Arnold	Gillie	O'Konski
Auchincloss	Gordon	O'Neal
Bailey	Gorski	O'Toole
Barden	Graham	Outland
Barrett, Pa.	Granahan	Pace
Barrett, Wyo.	Granger	Patman
Barry	Grant, Ind.	Patrick
Bates, Ky.	Green	Pfeifer
Beckworth	Gregory	Philbin
Bender	Gross	Phillips
Bennet, N. Y.	Hagen	Pittenger
Bennett, Mo.	Hall, Edwin Arthur	Plumley
Biemiller		Powell
Bishop	Hand	Price, Fla.
Blackney	Hare	Price, Ill.
Bloom	Harless, Ariz.	Priest
Bonner	Hart	Quinn, N. Y.
Boren	Havenner	Rabaut
Bradley, Mich.	Healy	Rabin
Bradley, Pa.	Hedrick	Rains
Brehm	Heffernan	Ramey
Brown, Ga.	Henry	Rayfiel
Brumbaugh	Herter	Reece, Tenn.
Bryson	Hill	Reed, Ill.
Bunker	Hinshaw	Rees, Kans.
Burgin	Hoch	Resa
Butler	Hoeven	Richards
Byrne, N. Y.	Holifield	Riley
Camp	Holmes, Wash.	Rivers
Campbell	Hope	Rizley
Canfield	Horan	Robertson, N. Dak.
Cannon, Fla.	Howell	
Cannon, Mo.	Huber	Robsion, Ky.
Carlson	Hull	Rockwell
Carnahan	Izac	Rodgers, Pa.
Case, S. Dak.	Jackson	Roe, N. Y.
Chelf	Johnson, Calif.	Rogers, Fla.
Clason	Johnson, Ind.	Rogers, Mass.
Clements	Johnson, Lyndon B.	Rogers, N. Y.
Clippinger		Rooney
Cochran	Johnson, Okla.	Rowan
Coffee	Jonkman	Ryter
Cole, Mo.	Judd	Sabath
Combs	Kearney	Sadowski
Cooley	Kee	Sasscer
Cooper	Keefe	Savage
Corbett	Kefauver	Sharp
Cravens	Kelley, Pa.	Sheppard
Crosser	Kelly, Ill.	Sheridan
Cunningham	Keogh	Sikes
D'Alesandro	Kilday	Simpson, Ill.
Davis	King	Simpson, Pa.
Dawson	Kinzer	Smith, Maine
De Lacy	Kirwan	Snyder
Delaney, James J.	Kopplemann	Somers, N. Y.
	Kunkel	Sparkman
Delaney, John J.	LaFollette	Spence
	Lea	Springer
D'Ewart	LeCompte	Stefan
Dingell	Lemke	Stevenson
Dirksen	Lesinski	Stigler
Dolliver	Lewis	Sullivan
Dondero	Link	Talbot
Doughton, N. C.	Luce	Talle
Douglas, Calif.	Lyle	Tarver
Doyle	Lynch	Thomas, Tex.
Durham	McConnell	Thomason
Dworshak	McCormack	Tibbott
Earthman	McCowen	Tolan
Eberharter	McDonough	Torrens
Elliott	McGlinchey	Traynor
Ellis	McMillan, S. C.	Trimble
Elsaesser	McMillen, Ill.	Vinson
Engel, Mich.	Madden	Voorhis, Calif.
Engle, Calif.	Mahon	Vursell
Fallon	Maloney	Walter
Feighan	Mansfield, Mont.	Wasielewski
Fenton		Weaver
Fernandez	Marcantonio	Weichel
Flannagan	Martin, Iowa	Welch
Flood	May	White
Fogarty	Michener	Wickersham
Folger	Miller, Calif.	Wilson
Forand	Monroney	Wolfenden, Pa.
Fuller	Morgan	Wolverton, N. J.
Fulton	Morrison	Woodhouse
Gallagher	Murdock	Zimmerman
Gardner	Murphy	

NAYS—101

Abernethy	Griffiths	Miller, Nebr.
Allen, La.	Gwinn, N. Y.	Mills
Almond	Gwynne, Iowa	Norrell
Andrews, Ala.	Hale	Pickett
Andrews, N. Y.	Hall, Leonard W.	Ploeser
Arends		Poage
Bates, Mass.	Halleck	Rankin
Bell	Hancock	Rich
Bland	Harris	Roe, Md.
Boykin	Hébert	Russell
Brooks	Hess	Schwabe, Mo.
Brown, Ohio	Hobbs	Scrivner
Buck	Hoffman	Shafer
Buffett	Holmes, Mass.	Smith, Ohio
Bulwinkle	Jarman	Smith, Va.
Burch	Jenkins	Smith, Wis.
Byrnes, Wis.	Jensen	Stewart
Church	Johnson, Ill.	Stockman
Clark	Johnson, Luther A.	Sumner, Ill.
Clevenger		Sumners, Tex.
Cox	Jones	Sundstrom
Crawford	Kean	Taber
Curtis	Kilburn	Towe
Daughton, Va.	Knutson	Vorys, Ohio
Domengeaux	Lanham	Wadsworth
Drewry	Larcade	West
Eaton	Latham	Whitten
Ellsworth	LeFevre	Whittington
Elston	McGehee	Winstead
Gamble	McKenzie	Wolcott
Gibson	Manasco	Wood
Gifford	Mansfield, Tex.	Woodruff
Goodwin	Martin, Mass.	Worley
Gossett	Mason	
Grant, Ala.	Mathews	

ANSWERED "PRESENT"—3

Fellows	Gore	Wigglesworth

NOT VOTING—50

Adams	Ervin	Norton
Baldwin, Md.	Fisher	Patterson
Baldwin, N. Y.	Gathings	Peterson, Fla.
Beall	Harness, Ind.	Peterson, Ga.
Bolton	Hartley	Randolph
Buckley	Hays	Reed, N. Y.
Case, N. J.	Hendricks	Robertson, Va.
Celler	Heselton	Robinson, Utah
Chapman	Hook	Schwabe, Okla.
Chenoweth	Jennings	Short
Chiperfield	Kerr	Slaughter
Cole, Kans.	Landis	Starkey
Cole, N. Y.	Lane	Taylor
Colmer	Ludlow	Thom
Courtney	McGregor	Thomas, N. J.
Curley	Merrow	Winter
Douglas, Ill.	Mundt	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Heselton for, with Mr. Wigglesworth against.

Mrs. Douglas of Illinois for, with Mr. Baldwin of Maryland against.

Mr. Baldwin of New York for, with Mr. Thomas of New Jersey against.

Mr. Jennings for, with Mr. Fellows against.

Mr. Courtney for, with Mr. Cole of New York against.

Mr. Gore for, with Mr. Slaughter against.

General pairs:

Mr. Randolph with Mr. Beall.

Mr. Peterson of Florida with Mr. Chiperfield.

Mr. Robinson of Utah with Mr. Adams.

Mr. Lane with Mr. McGregor.

Mr. Hays with Mr. Hartley.

Mr. Chapman with Mr. Gross.

Mr. Hook with Mr. Harness of Indiana.

Mr. Patterson with Mrs. Bolton.

Mr. Gathings with Mr. Mundt.

Mr. Kerr with Mr. Chenoweth.

Mr. Starkey with Mr. Merrow.

Mr. Hendricks with Mr. Reed of New York.

Mr. Robertson of Virginia with Mr. Short.

Mr. Fisher with Mr. Taylor.

Mr. Buckley with Mr. Schwabe of Oklahoma.

Mr. GORE. Mr. Speaker, I have a live pair with the gentleman from Missouri, Mr. SLAUGHTER. I voted "yea." I withdraw my vote and answer "present."

Mr. WIGGLESWORTH. Mr. Speaker, I have a live pair with the gentleman from Massachusetts, Mr. HESELTON. I am informed if he were present he would vote "aye." I voted "no." Therefore, I withdraw my vote and answer "present."

Mr. FELLOWS. Mr. Speaker, I have a live pair with the gentleman from Tennessee, Mr. JENNINGS. If he were present, he would have voted "aye." I voted "no." I withdraw my vote and answer "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROHIBITING CERTAIN COERCIVE PRACTICES AFFECTING RADIO BROADCASTING

Mr. COX. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 524, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5117) to amend title V of the Communications Act of 1934 so as to prohibit certain coercive practices affecting radio broadcasting, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of the bill (H. R. 5117) the Committee on Interstate and Foreign Commerce shall be discharged from the further consideration of the bill (S. 63), and it shall then be in order to move to strike out all after the enacting clause of said Senate bill and insert in lieu thereof the provisions contained in H. R. 5117.

Mr. COX. Mr. Speaker, the reasons for reporting H. R. 5117 as set forth in the report of the sponsoring committee were the reasons why the Rules Committee granted the pending rule.

Mr. Speaker, I now yield 30 minutes to the gentleman from Michigan [Mr. MICHENER] and 15 minutes to the gentleman from Illinois [Mr. SABATH], and I reserve the balance of my time.

Mr. MICHENER. Mr. Speaker, the committee having this bill under consideration is very familiar with it and will carefully explain it.

I do want to answer one question which has been asked a number of times on the floor this afternoon. That is, "Is organized labor, as such, opposed to this bill?" I cannot answer that, because I have received no single letter, telegram, or word from organized labor in opposition. That is significant. If labor has

not appeared in opposition to this bill there is a reason. The only answer I am going to give is to read from page 2 of the report as to just what the American Federation of Musicians controlled by Mr. Petrillo is:

The make-up and operation of the American Federation of Musicians scarcely justifies its classification as a labor union. Applicants for membership are received without conforming to any qualification of a musician. Only about one-third of them make their living primarily by musical service. The voting privileges of members are so allocated as to permit a minority domination through grossly unequal allotment of voting power.

In most cases demands of the character dealt with by this proposed legislation have been made on behalf of the American Federation of Musicians by James C. Petrillo, its president.

The bylaws of the American Federation of Musicians empower its president to promulgate and issue executive orders "which shall be conclusive and binding upon all members and/or locals; any such order may by its terms (a) enforce the constitution, bylaws, standing resolutions, or other laws, resolutions or rules of the federation; or (b) may annul and set aside same or any portion thereof, except such which treat with the finances of the organization, and substitute therefor other and different provisions of his own making."

The federation thus composed is so organized that its membership has little control over its management or policy.

I believe this shows us there is a clear distinction between labor unions as they are generally recognized in the American Federation of Labor and the CIO, and this particular organization dominated by this man Petrillo who does not seem to be controlled by anyone.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. MARCANTONIO. I wish to state that the CIO is definitely opposed to the bill.

Mr. MICHENER. The gentleman from New York [Mr. MARCANTONIO] undoubtedly knows. He says that the CIO is unalterably opposed to the bill, so I will accept that, of course, as the fact.

Mr. Speaker, the favorable report of the committee best describes this proposed legislation. That report is in part as follows:

GENERAL STATEMENT

For some years the radio broadcasters of the Nation have been harassed by ever-increasing extortionate and racketeering demands to which they have been forced to yield by coercive methods. The tributes thus exacted are now measured by millions of dollars.

These exactions have not been in compensation for services performed for the broadcasters or in settlement of any obligations due from them. They have not been made for the enforcement of any rights due those who demanded them.

The object of this proposed legislation is to put an end to these exactions for the protection of the broadcasting industry and for the integrity of the Nation.

EVILS AT WHICH DIRECTED

Broadcasting has become one of the great industries of our time. It is now one of the chief means of communication of our Nation. It is one of our greatest implements for free speech. It promptly carries news to the remotest sections of the country. It is a forum for the discussion of our political, economic, and social problems. It is a source of information, education, entertainment, music, culture, and a vehicle for the messages of all religions, utilized by practically every home in the Nation.

In recent years the broadcasting industry has been subjected to extortionate demands enforced by coercive methods which increasingly threaten to restrict and handicap it in performing its rightful functions to the Nation.

Those making these demands, empowered by organized groups, not only have exacted tributes from the broadcasters but have assumed and exerted the power to say what shall and shall not be communicated over the radio. True, they have limited their dominations and demands to purposes which serve their particular groups, but nevertheless they have set a pattern for a like power of private control exerted for mercenary purposes over other phases of the broadcasting industry of the Nation. The same power exercised for other purposes, if permitted, might make the right of free speech only a name and establish censorship of broadcasting for private gain.

Those who make these demands subordinate the rights of the people of the Nation to an untrammeled broadcasting service to their own mercenary purposes. They in effect say to the broadcasters, and say to the makers of recordings, "You must pay this tribute or we will not permit you to give this service to the Nation." An effective power behind the threat is the boycott and strike.

* * * * *

COERCIVE PRACTICES

The local broadcasters of the Nation are greatly dependent on the networks for rounding out their programs. This situation has augmented the coercive power of the Federation of Musicians in forcing compliance with its demands. Through coercive efforts, including boycotts and strikes and threats of boycotts and strikes against broadcasters, the networks and those who furnish materials for broadcasters, the industry has been forced to comply rather than suffer the penalizations that would follow a refusal to submit to these extortionate demands.

Among other things, the following demands upon the broadcasting industry have thus been made in recent years. That broadcasters employ persons in excess of the number wanted; that in lieu of failure to employ such persons the broadcaster should pay to the federation sums of money equivalent to or greater than funds required for the employment of members of the federation; that payments for services already performed and fully paid for should be repeated; that payments should be made for services not performed; that broadcasters should refrain from broadcasting noncompensated, noncommercial educational or cultural programs; that broadcasters should refrain from broadcasting musical programs of foreign origin; that tributes should be paid for using recordings, transcriptions, and other materials used for broadcasting; that restrictions should be placed on the manufacture and use of recordings or transcriptions for the purpose of restricting or preventing the use of such materials for broadcasting; that tributes should be paid for recordings previously paid for; that dual orchestras should be employed for a single broadcast over two or more outlets; that over 400 small broadcast stations in the country having no live orchestras would be compelled to employ such orchestras; that the use of voluntary noncompensated orchestras be barred from broadcasts unless an orchestra of the Federation of Musicians were also employed or that the union was paid an equivalent or greater amount than the regular charge for a federation orchestra.

Some of these demands began several years ago but in recent years they have become more frequent and for enlarged purposes and amounts. These boycotts and strikes and threats have coerced compliance with a number of these demands, with pending demands now being greater than ever before. The amount of money extorted from the broadcasting industry by these methods, without moral right, has reached millions of dollars in amount and if demands now pending were granted it would, by these racketeering and extortion methods, require the broadcasting industry to pay tribute probably much in excess of $20,000,000 a year for peace against these boycotts, strikes, and threats.

The broadcasting industry has been surrendering to these demands for tribute to avoid the greater losses that would result from failure to comply.

MORAL QUALITY OF PRACTICES JUSTIFIES PENALIZATION

Under the terms of this bill certain specified types of coercive practices and demands are made unlawful. These prohibited practices are made misdemeanors and punishable as such.

The practices thus made unlawful are those directly affecting the broadcasting industry. By specific provisions of the bill it is not to be held to make unlawful the enforcement or attempted enforcement, by means lawfully employed, of any contract right or legal obligation.

The perpetration of the offenses penalized by this bill involve moral turpitude akin to that of larceny, embezzlement, the acquisition of another's property by false pretenses, racketeering, and extortion. They are not within the legitimate activities of any organized association of individuals for the cooperative purpose of their accomplishment.

The right to strike for a lawful purpose cannot be twisted into a right to combine together to commit crimes.

The moral quality of the offenses defined in the bill fully justifies their penalization.

These extortionate exactions from the broadcasting industry have been and are being accomplished by means of threats, intimidation, and coercive power of boycotts and strikes and threats of boycotts and strikes.

The practices proposed to be prohibited by this legislation are to prevent only the unlawful acts as defined in this bill. A strike is a privilege or right exercised for lawful purposes. The law does not contemplate that strikes shall be used as a cloak for the commission of crimes. The provisions of this bill define these unlawful practices and penalize their perpetration.

The restrictions imposed are not a limitation upon the legitimate activities of any association or combination of individuals. There is no more sanctity in crime committed by a combination of individuals than by an individual perpetrator.

POWER AND DUTY OF CONGRESS

Congress clearly has the power and the duty of protecting the public against such exactions.

The greatest exponent of Anglo-Saxon law declared that a law is a rule of conduct prescribed by the supreme power in the State commanding what is right and prohibiting what is wrong. The first fundamental under this approach is as to whether or not the act to be prohibited is wrong. In view of the record that has been made the answer to that question cannot be one of doubt. Conceding these practices are of such moral quality as to deserve condemnation as unlawful, the right and duty of Congress to suppress them are equally clear.

This bill provides no unjust limitation on the right to strike. The law recognizes the right to strike for lawful purposes and in a lawful manner. The right to strike should be exercised as other rights of the citizen. We have the right of free speech but that is not a justification for slander. We have the right to bear arms but that is not a justification of murder. Any persons may properly organize for lawful purposes but criminal purposes are beyond their legitimate function.

A DISSERVICE TO LABOR

The offenses committed in the name of the American Federation of Musicians are a great disservice to legitimate labor organizations as well as to the public.

The situation presented by this legislation should call for the support of all branches of organized labor to give their condemnation to such outrageous practices committed in the name of labor. Legitimate labor organizations cannot afford to give their condonation to such practices or approve of them by assuming their defense.

It is incredible to believe that in the long run such practices as those hereby inhibited can redound to the credit or advantage of any organization which yields itself to these sordid methods.

A TYPICAL APPROACH

A characteristic assumption of those who make these demands is carried in a wire from Mr. Petrillo to the networks in October 1945, as follows:

"This is to advise you that after the meeting between your company and the American Federation of Musicians held in my office the matter was further discussed and we came to the final conclusion that beginning Monday, October 29, 1945, wherever musicians play for FM broadcasting and AM broadcasting simultaneously the same number of men must be employed for FM broadcasting as are employed for AM broadcasting, which means a double crew must be employed. Kindly govern yourself accordingly."

The absurdity of such a demand is apparent. Two orchestras required for simultaneous broadcast would be an anomaly. It is reported that one of the networks has a staff orchestra of 95 pieces and compliance with this order would require the employment of 190 musicians to needlessly duplicate and embarrass the work of one orchestra.

A circumstance that gave impetus to this legislation was an edict directed at a music school in Michigan, which prohibited a broadcast by a school orchestra unless a tribute of three times the usual price of an orchestra of the federation was paid for that privilege. The Vandenberg bill which passed the Senate and the Dondero bill introduced in the House were outgrowths of that circumstance.

CONCLUSION

The coercive character of the methods followed in the name of the American Federation of Musicians is attested by the indisputable fact of the millions of dollars mulcted from the broadcasting industry in recent years. Time after time broadcasters have paid tribute, and otherwise acceded, to these extortionate demands rather than suffer the greater hardships and losses that refusal to comply would involve. These tributes and other exactions were not payments for services or to satisfy an obligation owed to those who demanded them. They were the price paid for the peace of being relieved from the penalties of refusal. As a reward the broadcasting industry has been confronted with more and greater demands of equal viciousness.

It is the responsibility of the Congress to take effective action to stem the rising tide of unconscionable demands upon the broadcasting industry, against which, in the present state of the law, that industry is powerless to defend itself. To the end of meeting that responsibility, prompt enactment into law of the bill here reported is strongly recommended.

Mr. Speaker, I now yield 15 minutes to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Speaker, this bill, H. R. 5117, comes before the House from the Committee on Interstate and Foreign Commerce.

I take no pride of authorship of a bill which I introduced in the House, H. R. 1648, because it was an exact duplicate of the bill introduced in the Senate by Senator VANDENBERG and which passed the Senate.

The committee in the consideration of that bill has greatly strengthened and broadened the language of H. R. 1648 in order to meet the objective desired, and brought this bill, H. R. 5117, before us today.

I am for the bill wholeheartedly, and the rule which makes it in order. I desire to present to the House briefly a little of the history which precipitated this legislation on the floor today.

In my State we have what is known as the National Music Camp at Interlaken, Mich., which is a summer music school attended by boys and girls from all over this Nation interested in the subject of music and who desire to develop their musical talents. In one year students came to that school from 40 States in the Union and four foreign countries. The total enrollment was over 700. That school is partially tax-supported, affiliated with the University of Michigan and is a nonprofit educational institution. Joseph E. Maddy is president of the camp and is also professor of radio and music instruction at the university. He is an able, talented instructor and a cultured gentleman. Because he instructed these young students in developing their musical talents he has been expelled from the American Federation of Musicians after having been a member for 37 years.

James Caesar Petrillo complained to James L. Fly, chairman of the Federal Communications Commission, that the music camp was a "commercial proposition" because a fee was charged. However, the fee included maintenance, musical instruments, and facilities connected with the camp, including insurance and upkeep of 150 buildings in the camp. Many students received scholarships to attend. An investigation by the FCC and also by the United States Office of War Information reported Petrillo's charge to be unfounded.

Mr. Joseph E. Maddy as director in conducting the classes, giving instruction in music, also had these young people broadcast their programs over the radio. This brought an order from the musicians' union, headed by Mr. James C. Petrillo, informing them that broadcasting their programs could not continue unless certain tribute was paid to the musicians' union and that they were interfering with the professional musicians of the United States. That was the beginning of circumstances which has led to the bill now before the House. In the 1944 report to the musicians' union Mr. Petrillo said, "When we came to the summer of 1943 there was no Interlaken High School Orchestra on the air, nor was there any other school band or orchestra on the networks."

I may say that it has affected the broadcasting by orchestras of high-school boys and girls all over the United States and in one of the statements appearing in the record made by Mr. Maddy before the musicians' union there was not any such thing as broadcasting by high-school orchestras or by young people after the summer of 1943. I take it that none has been on the air or over the radio since that time.

Broadcasting over the radio has become the most formidable instrument for the dissemination of information, knowledge, music, and every other cultural thing that we have in American life. If the broadcasting of music and cultural subjects can be stopped by one man, then we have a power in this country which has become formidable and dangerous to our welfare. This bill seeks to remedy that sort of condition.

I want to direct the attention of the House for a minute or two to an incident that occurred in my home city in July 1944. That was during a war year. I come from Royal Oak, Mich., a city of about 30,000 people. You in your home city perhaps during the war years, did exactly what we did, namely, the people of the city with community pride and patriotism, through voluntary contributions, erected an honor roll in memory of men who had put on the uniform of our country and gone forth to fight the Nation's battle. Nearly 3,000 left our city. The contributions were made. A day had been fixed for the program. The Governor of our State was invited to speak, as well as he who now stands in the well of the House. Six or seven thousand people were present, and I may say that the names of the 3,000 men on the board on that day also contained 30 gold stars, men who had already given the last full measure of devotion for the Nation. In the audience were the parents and the relatives of those men. I saw people standing there with tears running down their cheeks, not because their son had been killed in battle alone but because their son's name appeared on that honor roll.

The American Legion, the Veterans of Foreign Wars, the American Red Cross, and every patriotic and public-spirited organization of the city took part. A parade was arranged. The committee in charge invited the Navy band from Dearborn, Mich., just 20 miles away, to come over and participate in that function. The committee believed that the Federal Government should be represented; therefore the appeal was made. We learned that the band of the Navy, all men in uniform and in the service paid by the National Government, was not permitted to come.

I wired to the Secretary of the Navy, Mr. Forrestal, to inquire why the Federal Government could not participate in a patriotic function of that nature. I want to read that telegram to the House because it is short. Here it is:

ROYAL OAK, MICH., *July 8, 1944.*

HON. JAMES V. FORRESTAL,
Secretary of the Navy,
Washington, D. C.:

This city holding dedication services tomorrow honoring roll of 2,600 men in service. Governor Kelly delivering address. United States naval band from Dearborn

Training Station invited to participate, but Musicians' Union forbids. By what authority does Musicians' Union supersede the Government of the United States? Authority Great Lakes Training Station obtained.

That telegram was signed by myself. I received this reply on the same day, directed to me:

WASHINGTON, D. C., *July 8, 1944.*
Congressman GEORGE A. DONDERO,
Royal Oak, Mich.:

Retel, matter referred to Commandant, Ninth Naval District, who has immediate jurisdiction. Have requested him to contact you.

JAMES V. FORRESTAL.

The Ninth Naval District is located at Chicago, Ill. I received two telephone calls from the Commandant, all of which resulted in being told that the Navy band or orchestra from Dearborn, Mich., could not come because Mr. Petrillo had forbidden it. The result was that the program was carried out without the Federal Government being represented on that day.

Mr. EATON. Mr. Speaker, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from New Jersey.

Mr. EATON. Would the gentleman say who told him that?

Mr. DONDERO. The Commandant of the Ninth Naval Station, at Chicago.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Kentucky.

Mr. MAY. Is that any worse than the Army refusing to pass their own trucks through the picket line to get meat for the Army?

Mr. DONDERO. I do not suppose it is. But it is evident, and it does show an instance of how far this particular union head has gone in setting himself up as a power above the Government of the United States.

Mr. SMITH of Virginia. Mr. Speaker, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. However, the bill we have under consideration today does not affect that situation, and there is no remedy for the outrages the gentleman has just mentioned.

Mr. DONDERO. It may not, but at least it remedies a part of the situation to permit the young people of this country to pursue their musical studies without paying tribute to one man.

Mr. SMITH of Virginia. So far as broadcasting is concerned.

Mr. DONDERO. That is correct.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Indiana.

Mr. HALLECK. I think most of us have been shocked at certain of the practices and operations to which the gentleman has referred, as well as other similar operations. I wonder if the gentleman is going to address himself, however, to the penalty provisions contained in this provision and the method hereby sought to be set up to bring about a correction of the practices to which the gentleman refers.

Mr. DONDERO. While it is possible that this bill will not do everything we would like to have it do, the penalty will fit the crime. I appeal to the conscience and judgment of people who are confronted with that condition and to the Members of this body and ask whether or not the penalty is not commensurate or comparable with the injury inflicted upon the American people. The penalty reads that it shall not be exceeding a certain amount, or not exceeding a certain time. It is left to the discretion of the court.

That, in substance, is the situation, and the reason that I am most heartily in favor of this bill.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. Will the gentleman go a little more fully into the matter of how it affects the right to broadcast, with regard to not only these school children but other musical activities?

Mr. DONDERO. It means that broadcasting companies are compelled to hire an orchestra or hire a number of musicians to stand by but who do not perform any service, in the same number as the orchestra which might be playing a noncommercial or nonprofit program.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Michigan.

Mr. HOFFMAN. They do not sit by. The company just pays Petrillo for that number. They do not even sit there.

Mr. DONDERO. They do not even have to come, I appreciate that, and I was going into that. They need not even appear. But it does force the broadcasting companies to pay tribute to the musicians union. According to the report, that amount has now reached something like $20,000,000 in 1 year. That is not a small sum.

Mr. ROBSION of Kentucky. How do they accomplish that?

Mr. DONDERO. Simply by threats of boycott or strike or withdrawing their support or not furnishing music to other programs on the air.

Mr. ROBSION of Kentucky. For the broadcasting institutions.

Mr. DONDERO. That is it.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from New York.

Mr. MARCANTONIO. The gentleman has read the bill, undoubtedly. I call the gentleman's attention to the words "or any other means." That means a strike. This is the first time Congress has been asked to impose a prison penalty on anybody for going out on strike. You are therefore legislating involuntary servitude.

Mr. DONDERO. What would be the gentleman's solution, then, of the situation which has been described on this floor?

Mr. MARCANTONIO. What situation, the Interlochen situation?

Mr. DONDERO. That is one, and also conditions such as I have already presented to the House that occurred in my city and in many cities of this country.

Mr. MARCANTONIO. The solution is very simple. The gentleman is looking at this thing only from one side. He is not looking at it from the side of the ordinary American musician. The American musician is being driven out of existence. Let us help the American musician to protect his livelihood. But you come here and wave the flag, you single out the activities of one individual, Mr. Petrillo, and you shoot at every single American musician.

I have answered the gentleman's question, and I now ask him to answer my question. Because of the condition the gentleman points out in the town of Interlochen, the gentleman wants this Congress to legislate that any person who goes out on strike in the broadcasting industry is subject to imprisonment?

Mr. DONDERO. I do not believe the bill means that at all.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I wonder if the gentleman from Michigan would like to reply to the gentleman from New York by pointing out that there are now more employed musicians in the United States than at any time in the history of the country; therefore, this condition does not exist which was just mentioned.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. COX. Mr. Speaker, of the time allotted to the gentleman from Illinois [Mr. SABATH], in his absence I yield 5 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Speaker, I make a very simple request of the Members of the House, and that is that before we vote on this bill we read it and study it. This bill is brought here behind a smokescreen of indignation against the activities of Mr. Petrillo. Irrespective of what our opinions may be as to the activities of Mr. Petrillo, I submit that the House should consider the implications in this bill. Just what does it do to organized labor in the broadcasting industry?

An analysis of this bill—a cold-blooded analysis of this bill—demonstrates it does two things. First, it goes further than any other bill that the Congress has ever had before it with respect to the right to strike. This is the first time that we have before us a bill which calls for imprisonment in the event that American workers go out on strike. You cannot get away from it. Just read the language of section 506 and note the words "threat of the use of other means." Read those words in conjunction with the language of the bill. Under this bill, if the American musicians refuse to work because of the broadcasting company refusing to accede to their demands, they may be prosecuted and sent to jail. You cannot get away from that, and no amount of blanket denial will contradict it.

Secondly, this bill for the first time in the history of the Congress specifically attempts to fix the arrangements that

are to exist between labor and the broadcasting companies. It gives, of course, all the advantages to the broadcasting companies. It says that labor cannot ask for certain things. It says that labor, for instance, cannot ask that more men be put on the job. That means they cannot ask for better working conditions. If a union finds that the work in a broadcasting station is such that it imposes peculiarly onerous working conditions on the six men, let us say, who may be employed in the broadcasting company, and if it feels that eight men are needed to do that work, when the men ask for an improvement in their working conditions and ask for more men, and strike to obtain this legitimate request, or even if they issue a pamphlet or even make a speech in relation to that request, they will be prosecuted and sent to jail.

Ladies and gentlemen of the House of Representatives, read this bill. I know that we are all aware of the newspaper stories against Mr. Petrillo. I am not asking you to pass on whether or not Mr. Petrillo's activities are right or wrong. But I am asking you to vote down a bill which calls for imprisonment in the event men go out on strike. I am asking you to vote down a bill which takes money out of the pockets of American workers and puts it into the pockets of licensees and broadcasting companies. They speak about the immorality of Petrillo's actions. I just wonder how moral it is to fix a labor policy in this industry which takes money out of the pockets of workers and puts it into the pockets of broadcasting companies. Read the bill. It is a bill to increase the profits of broadcasting monopolies at the expense of workers and not a bill to protect children's orchestras, as its proponents would have us believe. This bill definitely provides for imprisonment for striking and definitely increases the profits of licensees and broadcasting companies at the expense of the American musicians and other workers in the broadcasting industry.

Mr. Speaker, at this point I ask unanimous consent to include a memorandum prepared by the Congress of Industrial Organizations analyzing the bill in detail.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The matter referred to follows:

MEMORANDUM ON H. R. 5117 (MR. LEA)

This bill is directed against what are conceived by its author to be the much publicized activities of Mr. Petrillo of the AFL Musicians Union. Whatever may be the views of any Members of Congress as to the desirability or wisdom of Mr. Petrillo's policies, an analysis of the bill reveals that it embodies principles to which no objective Member of Congress can conscientiously subscribe.

The bill may be divided into two subdivisions. The first, section 506 (a), places certain prohibitions on what may be asked of the radio station with respect to number of people employed or payments in lieu of employment and types of programs which may be broadcast. The second, section 506 (b), places certain prohibitions on the demands which may be made of a radio station "or any other person" with respect to the use of transcriptions or other reproductions. Both portions of the bill are open to very serious questions of policy and legality. The first portion alone, however, in and of itself furnishes more than ample reason for the defeat of the bill. For present purposes we shall direct our attention to this portion alone.

Section 506 (a) would make it unlawful to use certain enumerated means to compel the licensee of a radio station to do any of six named things. The acts prohibited are defined to include not merely actual or threatened force or violence, but also "express or implied threat" or "intimidation" or "duress" or "other means." Such acts or "means" are outlawed if their purpose is to compel the station licensee (1) to employ persons in excess of the number "wanted" by the station; (2) to make any payment in lieu of employment of persons in excess of the number "wanted"; (3) to pay more than once for services performed; (4) to pay for services which are not to be performed; (5) to refrain from broadcasting a noncommercial, educational, or cultural program; and (6) to refrain from broadcasting programs originating outside the country.

There is a danger that the indignation in some sources against Mr. Petrillo may blind many people to the far more serious dangers inherent in the remedy which this bill would invoke. The bill, for example, does not outlaw merely the use of force or violence as a means of securing certain objectives from the radio station. If it were so limited there would obviously be no need for the bill, since such tactics would constitute a clear violation of State laws regardless of the objective. The bill prohibits "intimidation," "duress," and even more broadly, "the use of other means."

This type of language is broad enough to cover literally anything which might be done and which the station licensee would prefer not to have done. It would include, for example, the "threat" to make a speech, issue a pamphlet, or otherwise publicize the facts as to a disagreement with the station licensee. It would include the "threat" of an individual to quit his job. It could include the threat of anything which would displease the station owner and therefore might lead him to make a different decision. It is quite clear that such a sweeping prohibition could not stand the test of constitutionality both for reasons of interference with rights of speech and press and also for reasons of vagueness and indefiniteness.

This criticism is applicable regardless of whether one approves or disapproves the six types of demands which the bill says may not be made on station owners. Prohibitions of such a sweeping character, to which is attached criminal penalties of 1 year imprisonment and $5,000 fine, are substantially without precedent in law and extremely dangerous both as a matter of policy and as a matter of constitutionality.

In addition, apart from the wide scope of the activity outlawed, the definitions of the six prohibited objectives are open to serious criticism. For example, it is to be made unlawful to seek by any means to compel the station owner to hire more employees than are "wanted" by the station owner. Thus, if the owner insists on piling great burdens of work on one or a small number of its technical or maintenance or other category of employees, the employees involved would be prohibited from seeking to induce the owner to lighten their burden of work by increasing the size of their crew. Where it is the contention of any group of employees that health and safety conditions are such as to require additional employees, they would be forbidden to press the issue with the employer radio station.

This result is an outrageous restriction on undeniable rights of radio station employees. There is an element of dangerous subterfuge in the attempt to put it through in the heat of indignation supposedly addressed to the activities of a single individual.

It is interesting also to consider the implications of prohibitions (5) and (6) as outlined above. These are prohibitions on efforts to constrain the station to refrain from broadcasting certain types of programs. It is a notorious fact that advertising sponsors of radio programs have on innumerable occasions threatened to cancel their programs or to refrain in the future from sponsoring programs with a particular station as a means of compelling that station to remove from the air programs favorable to labor organizations or other causes upon which these advertisers look with disfavor. If the sponsors of this bill were seriously concerned about the problem of interference with the full freedom of the air, one would normally have expected some attention to have been paid to activities of this type among advertisers. If, on the other hand, it is regarded as a basic right of an advertiser to give or withhold his patronage from a station, dependent on the content of the programs broadcast by that station, then there is clearly a similar right on the part of employees or musicians to give or withhold their services and talents on the same condition.

The general objective of the bill is one which must be fully understood. In substance it would declare that there are certain demands which no group of radio station employees may make on their employer. The demands are ones as to which there may be varying judgments. Certainly under appropriate circumstances they are demands which may be and are reasonably related to the maintenance of decent and safe working conditions and hours for employees. The bill, however, says that under no conditions may the demands be made.

On the other side of the picture, the bill does not attempt to regulate the employer's power over working conditions. If, for example, a law is to declare, as this one would, that efforts may not be made to have an employer hire more persons than he "wants," should there be a correlative provision that the radio station should not "compel" an employee to work longer hours than the employee "wants" or to carry a heavier burden of work than the employee "wants" or to work with a crew of fewer people than the the employee "wants"? All of these are elements of the employment relationship and of terms and conditions of work which have always been regarded as the products of collective bargaining between the employer and his employees.

The suggestion of this bill is in substance that the Government shall step in and say that there are certain aspects of the terms and conditions of work as to which no demands may be made on a radio station. Not merely may no demands be made, but it would be a criminal offense to publicize the disagreement, to seek to convince the station's listeners of the merits of the employees' demand, to seek to convince the public of the merits, or to withdraw one's services from the station in protest against the conditions of employment.

The bill in its present form is limited to radio stations. The principles on which it is based are dangerous and unsupportable even as so limited. They are principles, however, which if accepted with respect to radio stations would create serious dangers for large numbers of other industries in America where similar problems arise.

Mr. COX. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, I am quite convinced and I am sure you all are, that bad cases make bad laws, and we have that situation here. The Petrillo case is a bad case and is making bad law. I agree with what the gentleman from New York [Mr. MARCANTONIO] says with reference to the very broad provisions of

this intended legislation, which strikes at strikes and would make unlawful that which is now deemed innocent and lawful. Some time ago I wrote a letter to William Green, president of the American Federation of Labor, in which I said the following:

As a friend of labor, I have been greatly perturbed by the actions of James C. Petrillo. There is no doubt that the so-called juke box and record broadcasts have created very serious problems for American musicians. I am, however, of the opinion that the ill-advised actions of James C. Petrillo will, assuredly, not result in any solution of those problems.

The public is aroused against the ukase of Mr. Petrillo which bars members of the musician's union from making recordings. As Elmer Davis pointed out, the effect will be to cripple hundreds of small radio stations. These stations are rendering immeasurable service to the Nation, particularly in the war effort. Many cannot afford to hire musicians for their musical broadcasts, they must use recorded music. The juke boxes afford amusement to thousands who have no other way of listening to music. The taverns and restaurants that use them cannot afford to replace these juke boxes with a musician or musicians.

The cutting off from the air the 160 boys and girls of the National High School Orchestra from Interlochen, Mich., scheduled to broadcast over the National Broadcasting Co. was a most ill-advised act. It is actions of this sort that hurt the cause of labor and make it most embarrassing for the friends of labor.

There must be some path out of the difficulty. The following has been suggested: Some way should be found to distribute royalties so that orchestra members get more for records which make money for their owners than they get for those which merely entertain a household.

I am for the American Federation of Musicians. I want to help them. Just as strong-arm methods will not help musicians, so strong-arm laws will not help the public. Musicians are getting a raw deal through canned music. They should get their due but their reward is meager. They are entitled to a fair and square deal. They are not getting it. This bill will not give it to them.

Now, listen to this:

Members of the American Federation of Musicians received $3,000,000 annually for making "canned" music. This $3,000,000 worth of "canned" music, when distributed around the United States and Canada, takes the place of live musicians who would receive for their work approximately $100,000,000. Certainly no one can say this is a healthy condition.

I admit that new appliances and new gadgets do force employees out of employment. When the Frigidaire was invented the iceman lost his job, but the iceman or other men displaced do not create the instrumentality that destroys them. Ordinarily, the displaced worker has nothing to do with the new invention that ousted him. Here you have the anomalous situation where a musician makes records which put the musician out of business. Continuance of such a policy means eventually suicide for musicians. There should be a way out, and this Congress with its ingenuity and wisdom should be able to hold out a helping hand to these musicians and not slash and smash them with a bill as Draconian and as drastic as this bill is. Why should we not provide that where a record is used for a household, one cost, one premium shall be paid, but where the record is replayed unlimitedly and has the result of putting out of business the very man who created the record, where the record is played hundreds of times and tends toward unemployment of the makers of the records, then in the first instance the royalty should be increased, and every time there is a replaying of that record there should be another royalty, or additional royalties, paid to those who originate the record. If the record is originated by a musician or by a singer or a pianist or a violinist or by a group of men forming an orchestra, there should be proper reward and appropriate fees or royalties. If there were that kind of sensible and logical approach, I do not think we would have this difficulty we are in today, where, in order to smash one evil—and what Petrillo has been doing is evil, beyond peradventure of doubt—I cannot defend him, although I am a friend of labor—we set up a train of evils. By this bill we set up dangerous precedents. All employees, not only musicians of the radio stations and broadcasting systems are hurt and their right to collective bargaining and their right to strike are impaired. That is why I am against this bill. We have heard much disparagement of the Federation of American Musicians. Those statements castigating them are unfair and unjust. These musicians played for United States bond drives all over the country. They played for Red Cross contributions unstintedly. They organized drives for the benefit of all the armed services. They sacrificed as much for the war effort as any organization of employers or employees.

What the musicians face is a difficult technological problem similar to those that have been faced by workers in many other industries. It cannot be solved by Mr. Petrillo's methods. It cannot be solved by the pending bill. It can only be solved by just collective bargaining and partly by painful readjustment and partly by an intelligent method of imposition of royalties for records and fair distribution of such royalties.

The SPEAKER. The time of the gentleman from New York [Mr. CELLER] has expired.

Mr. WHITE. Mr. Speaker, I ask unanimous consent to extend in the body of the RECORD, before the vote was taken on the school-lunch bill, some telegrams and communications.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. MICHENER. Mr. Speaker, I yield the balance of my time to the gentleman from Ohio [Mr. BROWN].

The SPEAKER. The gentleman from Ohio is recognized for 11 minutes.

Mr. BROWN of Ohio. Mr. Speaker, this rule makes in order H. R. 5117—a bill which is specifically designed for the purpose of putting in his place and the cutting down to his size a man by the name of James Caesar Petrillo. We might as well understand the issue right here and right now.

This bill was reported by the Committee on Interstate and Foreign Commerce of the House after careful study and consideration of a measure by Senator VANDENBERG, of Michigan, which had passed the Senate. As we held our hearings on this bill so many different groups came in to complain about other activities of this man named Petrillo that the commitee decided the only fair and right thing to do was to rewrite this bill and put teeth into it, and once and for all take care of Mr. Petrillo—James Caesar Petrillo, the man who told the President of the United States to go to hell and who told the Congress of the United States that it, too, could go to hell. Now, I may go some day—I am not sure—but it will not be because James Caesar Petrillo controls or owns my body and soul—and I hope he does not control sufficient votes on this floor to defeat this bill.

This bill is very simple in what it does. It simply fixes by law what shall be considered legal and what shall be considered illegal in the operation of the great broadcasting industry here in America; and, remember, the Congress of the United States licenses every broadcasting station. We control the air, we grant monopolies to those who operate these broadcasting stations; and we set forth in this bill the definition of practices in the broadcasting industry which shall be, and are, declared illegal. And then we say this:

"It shall be unlawful, by the use or express or implied threat of the use of force, violence, intimidation, or duress, or by the use or express or implied threat of the use of other means, to coerce, compel or constrain or attempt to coerce, compel, or constrain a licensee" to do something that is declared illegal; and that any individuals who attempt to compel any such illegal action shall in turn be charged with an illegal activity themselves, and shall be held responsible therefor.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. No, not just now; I will yield in a moment.

Why, of course, the argument is being made here, and will be made by the gentleman from New York and, I am afraid, perhaps by some gentleman from our side of the aisle, that we are taking a broad step, and that we are actually putting a criminal penalty on strikes. We are not. We are interfering by this means and method only with a strike called to compel someone to do something that is declared illegal. What do I mean by that? Let us take a perfect illustration, if you please. Let us say the waiters down here in the House restaurant are organized and join a union. Of course they would have the right to strike for any legal purpose; of course they would have the right to strike for higher wages or better working conditions, or for any other reason that we all recognize as a legitimate cause to strike. But suppose they told the restaurant manager they were going to strike unless he furnished them with narcotics every day. It is illegal, of course, to have narcotics in one's possession. Then I say to you that we would

have the right to say that such a strike was illegal and could not be called for that purpose, and that those who were responsible therefor should be punished.

I know there will be an attempt made to weaken this bill, to take the teeth out of it, and to put in some little amendments which would in effect say to him: "Caesar, old boy, if you persist in these things we are going to give you a very, very gentle slap on the wrist by taking away the right of your organization to represent these musicians in negotiating with this or that radio station." Then, of course, Caesar will form an independent union, or will go over and join the CIO, and he will represent them just the same.

I wonder what you know about Caesar Petrillo? I say to you that Caesar Petrillo is the greatest enemy organized labor has in America. Not a single member of organized labor I know of has appeared before our committee or has written letters or sent communications in support of Mr. Petrillo in this matter. There was not a single communication received, not a single witness appearing before our committee, to in any way sponsor, advocate, or even excuse that which Mr. Petrillo has done. Mr. Petrillo writes his own bylaws and his own constitution. He levies his own tributes as he sees fit. He says it is to take care of the musicians. Everybody wants the musicians taken care of, but we have more employed musicians in the United States today than at any time in the Nation's history. We have helped the employment of musicians, not harmed it. Musicians of today are paid greater wages and greater salaries than ever before. All bands love to get on the radio because they get huge pay for broadcasting, and even more as a result of the advertising they receive. They are paid huge sums of money, thousands and thousands of dollars, if you please, for the making of a single recording. So, actually, they are well compensated. It is simply an excuse, a cloak they wrap around themselves in sanctimony, when they say, "You are injuring labor if you vote for this bill."

If you vote for the pending bill you will not only be putting a stop to the activities of James Caesar Petrillo—that man's disregard for government and for lawful control—but you will be doing the greatest service for organized labor that you can possibly render.

What does Petrillo do? Here are some of the things he does, and I would like to mention two or three. You have heard the story of Interlochen. I would like to tell you about something which happened in my own State this last week. I happen to belong to the Shrine down at Cincinnati, the playground of Masonry. The Shrine, by the way, has championed a crippled children's fund, and has supported or operated hospital service for crippled children in many large cities of America. They also raise funds to take care of crippled children in local hospitals. We have done that in Cincinnati for many, many years. They have organized a little band that play musettes, something which sounds like blowing on a paper and comb. They are not professional musicians. They do not compete professionally or otherwise with anybody. They dress up in their baggy uniforms and go out at noon or in the evening and pretend to play a little music, and pass out bills advertising the circus or entertainment they are having there this week to raise funds for the crippled children of Cincinnati.

What happened? The radio stations gave the Shrine time on the air last week to advertise this circus that was coming to raise funds for this charity, and it is a very good charity they have been sponsoring. Mr. Petrillo sent word down that there should be no music played over any of these radios in the future by his musicians unless that Shrine band and the whole program was wiped off the boards. So the Shrine and the crippled children fund in Cincinnati can go jump in the lake so far as Caesar is concerned. And Caesar made it stick.

Let us go back to last spring when we had a national drive on to sell war bonds. There were some Spars down here at the local barracks who had given a home-talent play a short time earlier, and they conceived the idea of going to one of the downtown theaters and repeating their play for the benefit of the public. The only admission was to be the purchase of war bonds. The Earl Theater management gave them the use of the theater free of charge. The girls put on the home-talent play. They had their own little Spar talent orchestra which furnished the music for the play. The next week James Caesar Petrillo comes in and demanded a tribute of $2,800, or of some such large sum, because those girls played there in order to help their Government and their country sell its bonds in time of war.

Let us go further. Let us go down to Fredericksburg, Va., for just a little while and turn our minds back to the last Memorial Day services down there at the great national cemetery where thousands of men who wore the Blue and the Gray lie buried side by side, where thousands of veterans of the Spanish-American War, and of World War I and of our recent wars lie buried. They had a national memorial service there last Memorial Day for all the honored dead of this Nation that we stand up here in the well of the House and pay tribute to so often. I wonder how we will vote on this measure. What happened? James Caesar Petrillo refused to permit those services to be broadcast because the United States Army Band took part in the services, and was not a union band, and, of course, was not paying tribute to him.

Oh, I say to you, it is about time that some of us find out for ourselves whether we are men or boys.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. COX. Mr. Speaker, I yield the gentleman three additional minutes.

Mr. BROWN of Ohio. Mr. Speaker, I say that the time has come for us to stand up and decide for ourselves whether the air of America that we control, if you please—the use of which we dispense as a Congress, because we do control the use of it—is to be free for all Americans, for our school children, for the great musicians of this and other nations, for the United States Army Band, for the Marine Band, for the Navy Band, for the music played for charity, or in the name of the Father as a part of religious services, can be broadcast without some tribute being paid to a man named James Caesar Petrillo who sets himself above the law and above the Nation which is giving him shelter. That is the question we must pass upon today.

I ask you, and I beg of you, do not be misled by any platitudes that may be expressed here or by any lip services which may be rendered in the name of labor, because James Caesar Petrillo is the most dangerous enemy that organized labor has ever had here in America. I say to you, now is the time to give the answer as to whether James Caesar Petrillo really can make it stick when he tells Congress, as well as the President of the United States, where they can go.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from New York.

Mr. MARCANTONIO. I have listened to the gentleman very attentively and I cannot help but come to the conclusion that the gentleman's main emphasis is on the fact that Mr. Petrillo's middle name happens to be Caesar.

Mr. BROWN of Ohio. And he lives up to that name in every sense of the word; and here in America we have no place for Caesars, anywhere, at any time.

Mr. COX. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, the public expects of us that we bring truth and honesty to bear upon all public problems with which we deal and that we maintain a high order of political morality. We are admonished to remember that we are the servants of the people and not the cringing minions of the racketeers. We are admonished to subordinate selfish interests to our moral obligations to government, and that we not permit the altars of freedom erected by the fathers to be torn down and the free spirit of mankind utterly destroyed; that the flag that floats above the Speaker's head, studded with stars of glory, be kept the flag of the free and the brave. Mr. Speaker, the measure of life is not length but honesty.

The bill which the pending rule makes in order gives the Members of this House an opportunity to squash a racket from which the public has suffered for too long.

Mr. Speaker, I move the previous question on the pending resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. BULWINKLE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5117) to amend title V of the Communications Act of 1934 so as to prohibit certain coercive practices affecting radio broadcasting.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the con-

sideration of the bill H. R. 5117, with Mr. CLARK in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. BULWINKLE. Mr. Chairman, I yield 20 minutes to the gentleman from California [Mr. LEA] the chairman of the committee.

Mr. LEA. Mr. Chairman, the Committee on Interstate and Foreign Commerce is by the rules of this House given jurisdiction over broadcasting legislation for this Nation. Broadcasting is one of the greatest industries of our country. It particularly belongs to the people of the United States. It is an implement of free speech, of education, of news, and of inspiration to the American people. It is of primary importance that those engaged in this business shall have an untrammeled opportunity to serve the people of this Nation in the great opportunity they have for its benefit as well as inspiration.

The bill before us was reported by the Committee on Interstate and Foreign Commerce. It is confined entirely to the broadcasting industry. Its provisions are entirely within the jurisdiction of this committee. It is aimed to put an end to the racketeering tyranny that has prevailed over the broadcasting industry in recent years.

At the very beginning I call your attention to the fact that this bill is directed only against extortionist demands which are enforced or attempted to be enforced by coercive methods. Nothing is prohibited in this bill unless it is founded on coercive methods as a demand upon the broadcasting industry.

This bill also provides that it shall not be construed as denying to anyone the right to enforce any legal obligation against the broadcaster, whether that obligation be created by contract or whether it exists as a matter of law. There is nothing in this bill which prevents anybody from making a contract with the broadcaster to pay any amount for any purpose that he wants. So the talk here that we are preventing somebody from asking something has no foundation so far as this bill is concerned. It is prohibited only when it assumes that coercive quality of compulsion.

May I hastily recite some of these demands that have been made upon the broadcasting industry. I will enumerate a few of them.

Demands requiring the hiring of employees in excess of those necessary.

Demands for payment for services more than once performed after those services have been fully paid for.

To refrain from broadcasting noncompensated, noncommercial, or educational broadcasts.

That is what the gentleman from Michigan [Mr. DONDERO] was explaining to the House a while ago. In connection with that, may I say that the gentleman from Ohio [Mr. BROWN] made a splendid exposition of the fundamentals involved in this bill. I would say from my own standpoint that I hope the House will not listen to the specious pleas made here today to take the teeth out of this legislation for, so far as I am concerned, I do not want the American people to feel that Congress is engaged in shadow boxing here today or that through futile action we are willing to play the game with Mr. Petrillo.

Without going further so far as these general demands are concerned I want to talk about some specific instances. In 1943 there was a great controversy about transcriptions in connection with broadcasting. A final arrangement was made on the demand of Petrillo that the recording and transcription companies should be required to pay a tribute for every transcription used, whether on a phonograph record or an electrical transcription used in broadcasting to the country.

That was during the war. The President of the United States asked that Petrillo withdraw that ban in aid of the war effort. He refused.

He made a statement to his organization to the effect that during the war they would not make so much money out of it. He estimated, as I recall, that they would receive three or four million dollars a year out of his ban on transcriptions. You will understand that these transcriptions were owned by the companies making them, and the musicians had no ownership or interest whatever in them. The recording companies yielded to a plan under which a contribution would be made by these recording companies for every transcription they prepared. Mr. Petrillo reported to his organization in a national convention that if these companies were permitted—speaking about the better situation they would be in after the war was over—"if these companies were permitted to increase the price of records anywhere from 5 to 10 cents each, then the federation would probably receive in the neighborhood of from fifteen to twenty million dollars a year." That was to be just graft. Now, that is only a part of what is involved.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield.

Mr. ROBSION of Kentucky. Mr. Petrillo writes his own constitution and bylaws?

Mr. LEA. He does.

Mr. ROBSION of Kentucky. Then they have a system whereby a minority may control, is that correct?

Mr. LEA. Yes.

Mr. ROBSION of Kentucky. Then, again, at his own will, he can also raise the price of these records, or whatever this tax is, you speak about, and that goes to Petrillo and his organization?

Mr. LEA. Yes. He accomplished that power after he had nearly broke up a number of these transcribing companies.

Mr. ROBSION of Kentucky. To whom does the fifteen or twenty million dollars go?

Mr. LEA. That is paid to the union. It is not paid to the musicians.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield.

Mr. HOLIFIELD. I will ask my colleague to explain to me the meaning of the language in line 7 on page 2 of the bill. I refer particularly to the point of employees wanted by such licensees. It seems to me that that leaves it absolutely up to the broadcaster to say, "I will take only six employees," when perhaps he actually needs eight. I notice further down a provision whereby they are supposed to pay for duties which are performed, which I think is the object to be achieved.

Mr. LEA. Yes.

Mr. HOLIFIELD. I am wondering if the language wanted by such licensee is not so loose as to enable the broadcaster to work an adjustment.

Mr. LEA. No, because that is tied up with coercion. If they use coercive methods to induce the employment of men he does not want, that would be against this bill. It is entirely different from the ordinary strike about working conditions. If a union wanted to strike because of working conditions or a hardship that comes to any particular member, it has a right to strike on that ground.

Mr. RABIN. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield.

Mr. RABIN. I am sorry I missed your point. Did you say the $20,000,000 was arrived at, at 5 cents per record?

Mr. LEA. No. I was quoting Mr. Petrillo, who estimated between fifteen and twenty million dollars a year would be paid to the union on account of the imposition of that tax on transcriptions after the war is over.

Another demand recently made was for double orchestras. The demand was made on broadcasting companies who broadcast through two outlets at the same time, which would be the case in FM broadcasting and ordinary broadcasting. They would be compelled to have two sets of orchestras. One of the big networks has an orchestra of 95 members. So that at the present time, in order to put on the music by that orchestra the broadcaster must employ 190 musicians for such a broadcast. The extra orchestra is absolutely worthless and would not be used.

In this connection Mr. Petrillo wrote the networks in 1945 as follows, as illustrating his methods:

> This is to advise you that after the meeting between your company and the American Federation of Musicians, held in my office, the matter was further discussed, and we came to the final conclusion that beginning Monday, October 29, 1945, whenever musicians play for FM broadcasting and AM broadcasting simultaneously the same number of men must be employed for FM broadcasting as are employed for AM broadcasting, which means a double crew must be employed.
>
> Kindly govern yourselves accordingly.

That is the edict. That is what the broadcasting industry of the United States has been compelled to do.

Another demand was made upon the small broadcasters of the country. There are 411 of them that have no live orchestras. Under date of December 13, Mr. Petrillo addressed the networks—that is usually the way he operates—and he stated as follows:

> On investigation, we find that 275 network-affiliated radio stations which receive network programs employ live musicians in their studios. However, there are 411 network-affiliated radio stations which receive

network programs but do not employ any live musicians in their studios. They should employ live musicians if they are to continue to receive network programs.

And so Mr. Petrillo's edict puts that requirement into operation.

Here is a list of these 411 local broadcasting stations that would be subjected to this demand, located all over the country, that must yield if he is successful in carrying out that demand.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield.

Mr. DONDERO. In addition to that, the report made by Mr. Petrillo was that he not only took the noncommercial and nonprofit orchestra off the air at Interlochen but in every high school of the United States there was no such thing as a high-school band or high-school orchestra permitted to broadcast after 1943.

Mr. LEA. Yes. I have a report here of an affair that took place in Milwaukee. The Catholic Knights gave a Christmas party in the auditorium for 3,000 children and parents. A musical program had been planned with some of the children playing, but at the last minute around came the musicians' union and said that there would be a picket line against the party and the performance of the children unless an 11-piece union orchestra was called in. So to avoid a rumpus the manager of the party hired an 11-man union orchestra for $84, although none was wanted.

Now I call your attention to the moral quality of these demands. As I see it, these demands have the moral quality of extortion and racketeering, and no platitudes can conceal that fact. They are demands of a criminal class. A self-respecting nation cannot afford to treat them otherwise.

Suggestions will be made here that this penalty is too severe—a misdemeanor, at most only one year in jail and not exceeding a thousand dollar fine left entirely to the discretion of the judge to make it as low as he pleases. The judge has the duty to fix the penalty to suit the crime.

I do not see how we can with self-respect afford to proceed by a feather-duster method in meeting this situation. These practices are vicious. I think it would be a disgrace to the Congress of the United States if today we take such action as to justify the Nation in believing that we so lack a sense of duty of moral resentment of such conduct that we fail to prescribe a penalty proportionate to the offense involved in these demands.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield.

Mr. ROBSION of Kentucky. Recently we had under consideration what was known as the Hobbs bill, which undertook to correct a situation where farmers and other truckers going into the city of New York were met at the Holland tunnel and forced to hire union drivers at the rate of $8-plus for a small truck and $9-plus for a large truck, being subjected to all sorts of violence if they refused to. What is the difference in principle between the policy followed by James Caesar Petrillo and these fellows in New York?

Mr. LEA. I think the moral quality is the same. In addition to that, the other day in the Case bill we placed several restrictions on the right to strike.

I believe the fundamental principle underlying this question of the right to strike is that a strike is legal and should be so, when it is for lawful purposes carried on by lawful means. That is a perfectly safe, sane, and just thing, but this idea of saying that Congress is powerless to prescribe a rule that prevents a strike being carried on for the purpose of committing a crime it seems to me is just absolutely without foundation in our Constitution or in our law. A crime is no less a crime because it may be committed by an organized group.

Mr. ROBSION of Kentucky. But if I have understood this bill correctly it does not apply at all unless there is coercion and extortion united.

Mr. LEA. That is right. There must be coercion and for the unlawful purpose declared in this bill.

Mr. ROBSION of Kentucky. Those two things are illegal acts.

Mr. LEA. Mr. Chairman, in order that our Members may have a clear understanding as to the legal foundation of this bill I present an excerpt from the report on this bill. This particular quotation is from the sectional analysis of the bill written by the legislative counsel of the House. It is as follows:

It has been necessary to use the broad language "or by the use or express or implied threat of the use of other means" in order to make the legislation effective. It was necessary to use language broad enough to embrace actual or threatened boycotts and actual or threatened strikes, because these, as well as action or threatened action of like character, could well be among the means by which the coercion, compulsion, or constraint prohibited by the bill may be accomplished or attempted to be accomplished. If the language were not this broad the legislation would fail to accomplish its purpose.

This subsection does not prohibit the right to strike or to withhold services, or force individuals to work against their will or desire. It will place no limitation whatever on the use of strikes for the accomplishment of legitimate objectives, such as wage increases or better working conditions. The subsection does not prohibit strikes as such. What it does do is to prohibit the accomplishment, by actual or attempted coercion, compulsion, or constraint, of certain unconscionable and wrongful objectives, regardless of the means used. A strike or threat of a strike is one method by which it is possible to exert or attempt to exert such coercion, compulsion or constraint, and, if it is the method used, the wrongful character of the offense is the same as though other means had been used.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. WOLVERTON of New Jersey. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. ENGEL].

Mr. ENGEL of Michigan. Mr. Chairman, many arguments have been advanced today as to why this bill should become law. I have no desire to repeat these arguments. The National Music Camp at Interlochen is in my district and I am a member of the advisory board. It is a nonprofit corporation, organized under the laws of the State of Michigan. All property it may own at the time of the dissolution of the corporation will revert to the State of Michigan under the terms of its charter. Interlochen is in Grand Traverse County.

In 1882 my father purchased a small piece of timberland from the Grand Rapids & Indiana Railroad and in 1899 he moved his family to that county. Interlochen lies between two beautiful lakes, Wahbakaness and Wahbekanetta. I recall some 40 years ago as a boy, riding a sleigh load of logs that my father hauled to the shores of Lake Wahbahkaness, for a stave factory on the other side. Interlochen then was a small country village which was occupied mostly by workers from this small factory. Wahbakaness, or Duck Lake, as we then called it, was the recreation ground for the farmers in the nearby area.

I fished these lakes as a boy, caught bass, pike, and other fish, not to speak of the frogging we did from its shores. The beautiful bathing beach was our old swimming hole. Naturally I hold the place close to my heart and shall as long as I live.

In 1919 and 1921 the Michigan State Legislature purchased what we were then told was the last stand of northern pine in the State. A half section of pine which has since been a State park. Adjoining this park is the National Music Camp. Time will not permit going into details or history. For 19 years that music camp has attracted the most talented young musicians as well as some of the most outstanding band and orchestra leaders of America. Some years ago I had the privilege of hearing this student band play the Northern Pines March, while being directed by the great band leader, John Philip Sousa. The march was inspired by the great pine forest at the camp. The proceeds from the sale of this march are used for scholarships at the camp. High-school boys and girls from 44 States and 3 foreign countries came to Interlochen last summer. I have seen 16-year-old boys conducting the orchestra of 200 pieces while it played his own compositions.

Dr. Maddy, of the University of Michigan, is president of the camp. His genius, driving ability, and courage made this camp possible. A 17-year-old boy came to Dr. Maddy last summer and asked whether he might make a record of a symphony he had composed. Dr. Maddy told him to select an orchestra of 75 pieces from among the students, rehearse the piece, and make the record. That 17-year-old boy organized the orchestra, with the help of instructors, wrote the several parts, and rehearsed the orchestra. I had the privilege of sitting in the bowl one Sunday afternoon as he directed that 75-piece orchestra while it played and made a record of this symphony to send home to his parents.

No one can see this group of young Americans work there without being inspired and without feeling that some undiscovered genius is in that group of young musicians. Some Bach, Verdi, Beethoven, or some other great genius some day will be found through the work at Interlochen. It exemplifies unselfish

music as distinguished from the hard-boiled commercial type of music which we hear so much of.

It is rather difficult for me to understand how James Caesar Petrillo, the head of the National Musicians' Union, was not attracted to that camp. What a wonderful opportunity to do work and educate young America to the need of organization among those men and women who make a living by playing some musical instrument.

I have heard music from Interlochen, as have millions of others, while sitting peacefully in my back-lawn chair. I have heard those boys and girls play while driving 60 miles an hour over the highway a thousand miles away. Suddenly something happened. The music of these boys and girls stopped coming over the air. James Caesar Petrillo had issued his royal edict that those boys and girls could broadcast no longer on network programs. James Caesar Petrillo had issued his royal edict that 140,000,000 Americans like myself could no longer listen to this music coming over the air which God gave us, but which this czar now controlled.

Year after year since then hundreds of young boys and girls have left Interlochen resentful. Last summer when I spoke to them they hissed and hooted the name of Petrillo—hating organized labor for what one man had done. Newspaper after newspaper, magazine after magazine wrote the story and commented on it editorially. Clubs of all kinds passed resolutions. All America was and is aroused at the power of this one man to control the air. Petrillo sat unperturbed and kept repeating, "They shall not play over the air," and they did not play over the air. Nothing since that original edict was issued by this czar has done more to prejudice the people of America against organized labor. The attitude of this one man has done much to bring about antilabor legislation during recent months and weeks. I again wish to say that I have no desire to repeat the many arguments which will convince any fair-minded persons that Petrilloism has no place in America. It has no place in organized labor. The right of young America to send its music over the air—the right of 140,000,000 Americans to hear that music over the air—is as much a God-given right as is the right to breathe the air over which that music is sent. I shall vote for this bill and ask every Member of Congress to put his and her stamp of disapproval on Petrilloism in America by doing likewise.

Mr. BULWINKLE. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Chairman, in view of the attacks, criticism, and adverse publicity, skillfully promoted by highly paid public relations experts, given in recent years to James C. Petrillo, I fully appreciate that nothing I may say here this morning can prevent the passage of this, to my mind, far-reaching bill. It seems obvious that this bill is not designed to prevent any real or fancied abuses on the part of James C. Petrillo and the American Musicians Federation, but to hamstring, weaken, and, if possible, destroy organized labor, and to set a pattern for restrictive legislation in the future which will apply, not to the broadcasting industry alone, but to all industry.

In the few minutes I have been able to obtain, I have no way of disproving the far-fetched statements that have been made here, but even if the accusations are true, two wrongs do not make a right.

This bill makes unlawful almost any act which Petrillo and his musicians' union may perform in defense of their status. Anyone who reads the bill must come to that conclusion. So that Members in the future may not excuse themselves by saying they did not know what the bill contained, I here insert the provisions of the bill and make them part of my remarks. Under these restrictions, about the only thing Petrillo will be allowed to do, I think, is breathe, because the bill states:

(b) It shall be unlawful, by the use or express or implied threat of the use of force, violence, intimidation, or duress, or by the use or express or implied threat of the use of other means, to coerce, compel or constrain or attempt to coerce, compel, or constrain a licensee or any other person—

(1) to pay or agree to pay tribute for the privilege of, or on account of, producing, preparing, manufacturing, selling, buying, renting, operating, using, or maintaining recordings, transcriptions, or mechanical, chemical, or electrical reproductions, or any other articles, equipment, machines, or materials, used or intended to be used in broadcasting or in the production, preparation, performance, or presentation of a program or programs for broadcasting; or

(2) to accede to or impose any restrictions upon such production, preparation, manufacture, sale, purchase, rental, operation, use, or maintenance, if such restriction is for the purpose of preventing or limiting the use of such articles, equipment, machines, or materials in broadcasting; or

(3) to pay or agree to pay tribute on account of the broadcasting, by means of recordings or transcriptions, of a program previously broadcast, payment having been made, or agreed to be made, for the services actually rendered in the performance of such program.

Then should Petrillo, or an agent of this union or of any other union having a contract or seeking a contract, be charged with violation of the act and found guilty, he may be punished by imprisonment for not more than 1 year or fined not to exceed $1,000, or both. Of course, this bill does not go as far as the Senate bill which provided the violation of any of these provisions should be judged a felony and carry a penalty of a $5,000 fine and 2 years' imprisonment.

Furthermore, Mr. Chairman, under section (b) (2) not only Petrillo or an agent for a union, but a manufacturer or performer or selling agent will be subject to the same restrictions and penalties. Under this provision, even if a contract has been legitimately entered into, and a competitor refuses to do likewise, the door is opened to institution of proceedings which could be made a source of persecution and harassment of a business establishment to create a most unfair trade advantage. In other words, we are legislating recklessly here not only against Petrillo and the musicians and other unions, but against reputable and legitimate manufacturers.

I fully appreciate, too, Mr. Chairman, that the musicians' union has been a sharp thorn to the broadcasting companies. I have no quarrel with the broadcasting companies; they have rendered, and are rendering, a great service to the Nation and to the world; but they, too, are private corporations, organized on a commercial basis for profit. Their aim is to obtain personal services of their employees at as low a rate as possible. I am not here to deny, and I cannot and will not deny, that Petrillo has demanded and insisted that a larger number of musicians should be employed. The development of radio, of "canned" music—electrical transcriptions, juke boxes, phonographs, and multiple transmission of recorded music—deprived thousands of talented musicians of an opportunity to earn a decent living by using the gifts nature made to them. Every Member here can remember when the smallest moving picture theater had an orchestra of some kind in the pit. New moving picture theaters are built without an orchestra pit. Every movie has the music and the film canned. I have no doubt but that there are thousands of children growing up who have never seen and heard a "live" orchestra.

Petrillo and the musicians' union, very naturally, wanted as much work for as many musicians as possible. Even musicians have to eat, just like Members of Congress, or broadcasters. Under the system inaugurated by the broadcasters, the future of musicians was becoming very uncertain. It looked as if we would have a generation of Americans in which there were no musicians except those wealthy and talented few who could reach the name bands and the big broadcast shows. Perhaps Petrillo and the musicians unions went too far in their demands; but at least they saved America from being without a musical culture, and they created jobs for thousands of talented entertainers who had no aptitude for any other way of earning their daily bread.

Remember, too, Mr. Speaker, you do not read of many bankrupt radio stations. Music forms the very basis of the great commercial programs. Without music there would be none of these big shows with millions upon millions of listeners. Those are, with only minor exceptions, commercial programs, advertising commercial products, by companies which are certainly solvent. The advertising is enormously profitable to the advertisers and to the broadcasting companies. That the profit is great is borne out by the great price placed on stations in those rare instances when they are offered for sale.

These great profits were not unknown to Mr. Petrillo and the members of his union. They felt, with justice, that the broadcasting companies were making thousands upon thousands from the musicians; a single broadcast by a handful of musicians may reach millions of listeners through a national hook-up. This bill is prompted by the self-interest of the broadcasting companies; its most ardent supporter cannot make it sound altruistic. If the musicians' union has gone too far in its demands, remember that the union was prompted by exactly the same kind of self-interest, plus the

fact that the union was trying to help human beings, most of them incapable of earning a decent living by any other avocation, to be self-respecting citizens earning more than a bare subsistence. It may surprise some of the gentlemen who have spoken on this bill to learn that the overwhelming majority of musicians are simple men who grow up, wear clothes, fall in love, marry, and raise families. There are few indeed who are ever known by name outside their immediate associates. There are two sides to every story, and we have heard only one side of this Petrillo story. I concede that passage of the bill is inevitable, and its passage will be a monument, not to the sense of justice of this Congress, but to the power of the press agents who have prepared the way.

It seems to me, Mr. Chairman, that this is a twin to the harsh and unwarranted Case bill that we passed a few weeks ago. In fact, they are twin bills, and I cannot understand how those who drafted the Case bill missed the opportunity of incorporating this measure in the other one.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Does not the gentleman understand that the gentleman about whom he is talking requires people wanting musicians to hire an extra number to stand by, as they call it, even though they are not there, even though they do not render any service?

Mr. SABATH. I do not subscribe to that, and I do not approve of it.

Mr. HOFFMAN. What is the gentleman's remedy for it?

Mr. SABATH. I feel that due to the criticism to which Mr. Petrillo has been subjected he is mending his ways, and that we may be able to get along, that he will realize that he is not doing any good to himself or to his musicians or to organized labor.

The greatest criticism leveled against Petrillo has been that he objected to broadcasting by Army, Navy, and Marine Bands, and by some school bands. Well, the Army, Navy, and Marine Bands are all paid by the Government; they are paid whether they are playing or not. But members of Mr. Petrillo's union are paid for playing only, so presumably he is justified in maintaining that people not dependent wholly on earnings should not deprive members of the union, who have no other earning power and can earn their livelihood only when employed, of the opportunity for the employment.

Congress has recognized that principle in the law forbidding any enlisted man of the Army, whether a noncommissioned officer, musician, or private, to leave his post for any reason that would place him in competition with civilians in the arts, trades, or professions—United States Code, title 10, sections 609, 905. The legal restrictions on the Navy and Marine Bands are not so stringent, but they are there.

I make these observations as they come to me, without having had an opportunity of examining the defenses offered by Mr. Petrillo or by other unions in this field which surely will be affected by this drastic and unprecedented legislation in the field of private contracts, but I feel that even if all the charges made should be proved true the harsh provisions in this bill cannot be justified. The bill has been pressed to passage by those I know are opposed to organized labor—not just to possible abuses of the rights of organized labor—in the hope that in conjunction with the outrageous Case bill it will weaken the position of all labor organizations.

Mr. WOLVERTON of New Jersey. Mr. Chairman, I yield 1 minute to the gentleman from Tennessee [Mr. REECE].

Mr. REECE of Tennessee. Mr. Chairman, it is almost universally admitted that the practices which this bill seeks to control are against public policy. If these practices are against public policy, then Congress not only has the right but the duty to enact legislation to prohibit them. If it has the right and the duty to enact legislation, then it has a corollary right and duty to impose penalties which would restrain violations. I do not believe that enacting such penalties violates the fundamental principles to which all of us adhere of giving freedom in the right to strike, as a general proposition. There was no one, as I recall, who came before our committee to justify these practices which this proposal seeks to restrain. I voted for the bill in committee and I plan to vote for it in the House without any restricting amendment.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. WOLVERTON of New Jersey. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, it is with deep concern that I rise at this time to say something about this bill. That concern arises out of the fear that my position and motives may be misinterpreted and misunderstood. However, I do not think I would be true to my convictions or my obligation as a Member of Congress if I did not say a few things in explanation of what I conceive this bill to be.

I think it is the obligation of members of committees to explain bills as they come before the Committee of the Whole for consideration. It has been my privilege for a number of years now to serve on the great Committee on Interstate and Foreign Commerce. What I say here is in discharge of what I conceive to be my obligation as a member of that committee and as a Member of Congress.

No one was more incensed or has been more incensed than I have been at the operations and conduct of Mr. Petrillo. I could add my chapter to that situation. Enough has been said about that, however, to convince about all of us, I am sure, that if we can within the Constitution and within the rules of justice and equity do something to restrain his activities that we should do so. I did my best as a member of the committee to develop facts upon which legislation might be based.

References have been made here to courage or lack of courage and dividing men from boys. I will stake my record on matters of that sort as they affect questions of the kind here before us with that of any man in the House of Representatives.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. HOFFMAN. I agree with the gentleman that it takes more courage to oppose a majority than it does to go along; I know something about it.

Mr. HALLECK. I have done my part in attempting to bring about the enactment of so-called labor legislation which seemed to me to be necessary. But on every occasion I have sought, as far as it was in my power, to see to it that the result was completely defensible and fair when the legislation was finally adopted.

I am sorry that, as we have gone along in controversies of this sort, some of my good friends who are such self-professed friends of labor, and who yell "Wolf, wolf" all the time, would not save their fire, and would stick a little closer to the facts, because then, when something does come along about which they might make some contribution their words might carry a little more weight.

I think, in this matter, regardless of how we feel about Mr. Petrillo and his actions, we ought to legislate as we think and not as we feel.

Now, what about this bill? In the report, on page 6, beginning in the second paragraph, you will find there a definite statement from a majority of the committee reporting the bill:

> It has been necessary to use the broad language "or by the use or express or implied threat of the use of other means" in order to make the legislation effective.

And that that language includes the strike power and the action of striking or threatening to strike. For the first time, so far as I know, there is a criminal penalty attached to the bill; a criminal penalty to be inflicted, as the report says, for the exercise of the right to strike.

I understand and recognize what the proponents say, that Congress can prohibit the right to strike for the accomplishment of an unlawful object. If that statement stands up, then you must be ready to say that the objective for which the men strike is a criminal act. Such conduct has never been declared to be criminal. Now how will this proposal apply?

Here is a radio station downtown that has an orchestra of 12 men. They belong to the American Federation of Musicians. That station wants to use some free orchestra to play, and demand is made that the station hire a stand-by orchestra, or pay a stand-by orchestra, if they use that orchestra that is to play free. The radio-station operator says, "I do not want to do that. I do not need that stand-by orchestra. I do not want to pay them."

Now, what does the union of musicians say? They say, "Well, if you do not pay a stand-by orchestra, we will not work for you." It is that sort of demand that comes under such strong condemnation.

The radio-station operator can refuse to pay the stand-by orchestra but he loses the services of the men who belong to the American Federation of Musicians.

Under this bill, if that demand were made, and then those 12 men went on

strike to enforce that demand, they would be liable to criminal prosecution under this act.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. COOLEY. Does the gentleman regard that transaction which he has just now narrated as legal or moral? By the use of force they extort money for rendering no service?

Mr. HALLECK. I will agree with you that that conduct is to be condemned, and I do condemn it, but let me ask the gentleman this question: If he is prepared to designate that type of conduct as criminal in all similar situations, is he prepared to designate it as criminal in connection with various operations throughout all our country where many of the same practices prevail?

Mr. COOLEY. I do not know of any practice similar to this involved in this transaction.

Mr. HALLECK. Of course, they do not have to do with broadcasting; and if the gentleman will let me proceed—he did not answer my question—but the fact of the matter is, as I have understood it, all through our economy there are circumstances and conditions and places where demands are made for the employment of people who are not needed and who in many instances perform no work, or that degree of work or kind of work that would include all of the time for which they are paid.

Now, do not misunderstand me. The gentleman asked me whether I condoned that sort of conduct on the part of Mr. Petrillo. I do not condone it, but granting that we do not condone it, the question arises, by what sort of penalty, by what sort of action will the Congress seek to restrain such conduct?

I understand also, and I think I ought to say here to keep the record straight, that the Committee on Interstate and Foreign Commerce did not have jurisdiction generally of the whole problem, had jurisdiction only of this particular matter of the broadcasting industry, and that the broadcasting industry does have certain unique features.

The proponents of this bill say that the outlined objectives should be declared to be criminal. Possibly the time is coming or is here when we will declare such to be criminal and that we will undertake to outline the objectives for which labor cannot strike, saying that those objectives are against the public interest, against public policy, and being so we declare them to be criminal and hence a refusal to work to accomplish those objectives shall subject the men who do it to a jail sentence. But my purpose in rising here is to have the membership know that that question is involved here. I think that is a fundamental issue involved in this legislation.

Reference was made to the Case bill. I voted for the Case bill; I made a number of speeches here in support of various parts of the Case bill. What was the pattern which was followed in the Case bill?

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. WOLVERTON of New Jersey. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. HALLECK. Even in the force and violence section having to do with conduct that is criminal under the law now, we simply provided that the protection of the Federal statute should be withdrawn. Even with respect to jurisdictional strikes that were condemned by President Truman and many other people we said not that the men would be put in jail but that the protections of the various Federal statutes would be withdrawn from them.

The question was raised here as to what might be done, and it has been asked, What remedy would you suggest? In the committee I urged the adoption of a penalty clause taking out the criminal penalty and substituting for the criminal penalty the withdrawal of the protection of the Federal statutes given to these people, clearly a right that the Congress has. Whether or not you can find the constitutional authority for the legislation as it now stands everybody can solve for himself. I am frank to say that I have had a little difficulty here lately in the light of some of the decisions just what the Constitution does mean.

I propose to offer the amendment to which I have referred when the bill is read under the 5-minute rule. That would keep within the pattern heretofore established and within the Constitution, I am sure, and I am also sure that such a penalty would be a very effective deterrent to the conduct which so many of us seek to restrain.

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

Mr. BULWINKLE. Mr. Chairman, I yield 3 minutes to the gentleman from Arkansas [Mr. HARRIS].

Mr. HARRIS. Mr. Chairman, I should like to say at the outset that I do not think there is any question with reference to the constitutionality of the legislation we are considering here today. I can very well appreciate the views of some of our good friends who have spoken. The gentleman who just preceded me has given you his viewpoint and I am sure that he is sincere in his convictions; but it is my opinion that if the Congress has any jurisdiction whatsoever over matters of policy it has the authority under the Constitution to determine what is against public policy and the best interests of this Nation. If this Congress has that authority certainly it has the right to approach it in some way in order to remedy the evils that now exist.

Mr. Chairman, I have not been a member of the Committee on Interstate and Foreign Commerce as long as some of the other gentlemen but I have been a member of that committee long enough to recognize that most any issue that comes before that committee receives judicious and careful consideration. This bill received such consideration.

What does it propose to do? You have heard the examples, Mr. Chairman, given by the gentleman from Michigan and other gentlemen in reference to the activities of a certain man who calls himself the dictator and the president of the American Federation of Musicians. There is no doubt but what those practices are against public policy. There is no doubt but what those practices should be restrained.

This bill does exactly that. It meets the issue face to face, if you please, and says to Mr. Petrillo or to any one else who indulges in such acts that, "You shall not be permitted to continue to do so." I contend this act says it is unlawful to engage in such practices. Certainly we have on our statute books many laws which say it is unlawful to do certain things in this country and in those acts there is provided a specific penalty if the acts are violated.

Mr. Chairman, if we will limit our consideration to the specific offenses as outlined in this act you will, I believe, agree that we do have the authority to prevent them and there is no question as to constitutionality.

This legislation is needed to protect a vital and important industry and the public as well. It is preposterous to think of much less actually experience the existence of such dictatorial powers of the air waves of this country. It is incredible that any one person could control the cultural, religious, educational, or patriotic programs that go to the people. We cannot permit such practices to continue.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. BULWINKLE. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. RABIN].

Mr. RABIN. Mr. Chairman, I am a member of the Committee on Interstate and Foreign Commerce, and this is the first opportunity I have had to publicly express my appreciation for having been placed on that committee. I have a great deal of respect for the chairman of that committee and I have a great deal of respect for all of its members. It is a great opportunity to be on that committee, and for that reason I regret all the more that I am obliged to rise in opposition to the majority report.

At the outset, the report as written does not indicate that there were any members of that committee who opposed this bill, and in order that I may be on record I want to say that I do oppose the bill and I did not go along with the majority report.

Mr. Chairman, I do not come here to praise Caesar; on the other hand, I do not come here to bury the hard-won rights of labor, particularly the right of labor to strike. I have heard of the Case bill. I have heard of the Wagner bill. I have heard of the De Lacy bill, but this is called the Petrillo bill. He is not a Congressman. It is directed at Petrillo. That is one of the chief objections I find to this legislation. We are writing national legislation directed at a specific individual. We are writing legislation directed at a specific industry that perhaps affects all labor. I think it is wrong, in our attempt to reach Petrillo or to

reach a specific individual, to override all of the rights of labor.

I told a story in the committee on another occasion in connection with another matter that will bear repetition here. It is the story that Jimmy Durante tells about the fly that lit on his nose while he was dozing in the park. He did not mind that. Then another fly lit on his nose and he did not mind that. Then two or three dozen flies lit on his nose, and he did not even mind that. But when a bee lit on his nose and stung him he said, "Just for that—all off."

Now that is the kind of legislation we are writing; everybody off—not only Petrillo, but every musician, every man in the entire union: We override the rights of radio artists whose rights are placed in jeopardy, and we set a precedent that will override the hard-won rights of labor. What is wrong with this bill? In the first place, we are told that Petrillo is an autocrat and that he runs his union in an undemocratic way. This bill will not correct that, so that is not the issue at all. This bill seeks to correct certain abuses. I agree with the gentleman from Indiana [Mr. HALLECK], except I will go further: I do not have any doubt about this bill being unconstitutional. What does this bill do? Does it make certain practices a crime and does it provide that you may not strike to achieve those ends? It does not do that. It makes the very act of striking a crime, because if you will read with me on page 1, it provides:

It shall be unlawful—

And I will skip the words coercion, and so forth, because they are not conjunctive but disjunctive.

It shall be unlawful * * * by the use of other means—

And that refers to strikes. It shall be unlawful by the use of a strike to do certain things. Without a strike it is lawful to do those things under the terms of this bill. The union may sit around the table now and agree to receive a fraction of a cent per recording. It will be able to do that should this bill be passed.

What then do you do by this bill? You say if it attempts to strike to accomplish that end, then it shall be unlawful. It does not make the act a crime. It makes the very act of striking a crime, and that is why I am opposed to this bill. What else does this bill do? As I read it, it places in jeopardy the royalty of radio artists, because if a radio station broadcasts a program and that is transcribed, no royalty may be demanded under the threat of strike. But they could be paid if they sat around the table and worked out an arrangement for payment. If a broadcasting station refuses to pay them, and if these radio artists get together and demand that it be done under the threat of a strike, then it becomes unlawful for them even to ask for royalties.

Mr. BULWINKLE. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, those of us who are opposing this bill are subjected to the same kind of attack that labor is always subjected to. We are never confronted here in debate with the issues involved in the legislation, we are subjected to a smoke screen. We had a typical example of that when the gentleman from Ohio [Mr. BROWN] delivered his oration in support of this bill during consideration of the rule. The gentleman from Ohio orated not on the bill but against Mr. Petrillo, and made the issue what is not the issue contained in the bill; he made Petrillo the issue. Petrillo is not the issue before us, the bill is the issue before us.

I asked during the consideration of the rule that we deal with the bill, discuss the bill, and I appealed to the Members of the House to read the bill. The gentleman from Ohio waved the flag, he threw in religion, threw in the Shrine movement, threw in the Army and the Navy, the sale of war bonds, the Confederate Army and the Union Army, and then from behind that smoke screen he fired again and again at Caesar, Caesar, Caesar. Then he wound up with an impassioned plea by saying, "I am against Caesar." Then he asked you to vote for the bill.

He failed to tell you, however, that an analysis of the very things they seek to prohibit here in this bill will show that this bill is a bill to increase the profits of the monopolies that control the broadcasting industry. He spoke about freedom of the air. How much freedom of the air is there? There is just as much freedom as the radio-broadcasting monopolies will permit. The gentleman from Ohio did not ask you to save America from these Caesars.

Without casting any reflection on anybody supporting this bill, I think that when the history of this legislation is finally brought out into the light we will find that this legislation is legislation insisted upon not by the American public, not by these school children who play violins at charity affairs, but by the broadcasting monopolies who want to prohibit the average American musician from getting some share of the enormous profits that come out of these monopolies.

Nobody is defending Mr. Petrillo here. We know that he has the worst public relations of any man, and they use those worst public relations of his to rob—that is just what this bill does—to rob American musicians of a few dollars that they now receive from the real Caesars—the broadcasting companies.

This bill, incidentally, does not deal only with musicians. There are plenty of jokers in this bill. You take the engineers in the radio industry. Say you have four engineers working at a radio station, and they are being worked under pressure. The job requires, let us assume, six engineers. So the union in the broadcasting industry goes to the broadcasting company and says, "We want you to employ eight engineers." It is negotiation, legitimate labor negotiation. The broadcasting company says, "Nothing doing." The engineers in the industry say, "All right, if you do not employ eight we are going out on strike."

What do you do in this bill? You say, "You go out on strike"—and here is how you say it in the bill, "by the use of other means"—"You go out on strike or even threaten to go out on strike, or even if you issue a leaflet calling for a strike, and you will be subject to indictment, prosecution, and je "

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BULWINKLE. Mr. Chairman, I yield two additional minutes to the gentleman from New York.

Mr. MARCANTONIO. Let us go a step further. What is all this about? This bill is the weapon of the broadcasting monopolies to prevent workers from continuing to receive a small share of the profits that come from this most profitable industry. Musicians say, "Here you are using the record, and as a result we are put out of work. When you use that record, we ask you to pay us a share of the tremendous profit that you are making by using that record. We produced it." What is immoral about it? What is racketeering about it? We have heard this talk about immorality and racketeering. I challenge you to explain what is immoral about it and what is racketeering about it. In this bill you say, first, it is against public policy, and then you say if you go out on strike and try to get a share of these profits that are being made from that recording, if you musicians attempt to protect your very existence, you say to them, "Try and do it—you are going to jail." Let us not talk about Shriners or the Confederate Army or the Union Army or about Caesar. Let us deal with the situation that arises as a result of this bill. Let me also say to the gentlemen who are supporting this bill that when men refuse to work—and that is what a strike is—when they refuse to work, you say to them, "We are going to put you in jail because you are refusing to work and because the companies will not accede to certain demands that we illegalize here in this bill." So what are you doing? You are going back to involuntary servitude. Your bill is unconstitutional and it is immoral because you are taking dollars from American musicians and giving them to the big mighty corporations who are behind this bill 100 percent.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WOLVERTON of New Jersey. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, if I were to take the floor at this time for my political health and well-being, I would rise and do my utmost to emulate the address made by the very distinguished gentleman from Ohio a few moments ago because I know perfectly well that the feeling, not only of the people of the country, but of the Congress, is running very high. However, I refuse to act in anger in a matter of this sort. I insist upon using as calm and as level judgment as I can muster. In the first place, when this matter was brought before my Committee on Interstate and Foreign Commerce a year ago, it was in connection with the bill introduced by the gentleman from Michigan [Mr. DONDERO]. The present bill goes far beyond the original bill upon which the hearings were held. The present bill was introduced this year in January, at least 7 or 8 months after the hearings were

held. There had been another bill introduced prior to that. I might call your attention to the fact that this bill does not affect only Mr. Petrillo and the members of musicians' union, it affects every employee of every broadcasting company or maker of transcriptions throughout the United States. If it were only to affect Mr. Petrillo personally and to permit high school students and other students to play not for compensation, but to have the free use of the airways without let or hindrance on the part of Mr. Petrillo or anybody else, I would be in favor of the bill, as I am in favor of the original Dondero bill.

I would like to call your attention to certain matters that have to do with the law and the consideration of the law. In the first place, the Clayton Act in section 20 is supposed to have exempted labor unions from the provisions of the Sherman antitrust law. It is contained in paragraph 17, title 15, United States Code. It reads:

> The labor of a human being is not a commodity or article of commerce. Nothing contained in the antitrust laws shall be construed to forbid the existence and operation of labor, agricultural, or horticultural organizations, instituted for the purposes of mutual help, and not having capital stock or conducted for profit, or to forbid or restrain individual members of such organizations from lawfully carrying out the legitimate objects thereof; nor shall such organizations, or the members thereof, be held or construed to be illegal combinations or conspiracies in restraint of trade, under the antitrust laws.

That says very simply, that a labor organization of itself is not a combination in restraint of trade, and the Sherman Act and the Clayton Act shall not forbid them from lawfully carrying out their legitimate objectives.

In the Hutcheson case, that matter came before the United States Supreme Court. A majority of the Court was represented by Mr. Justice Frankfurter in the opinion of the Court. On February 3, 1941, the following language was used in that opinion of the Court.

> So long as a union acts in its self-interest and does not combine with nonlabor groups, the licit and the illicit under section 20 are not to be distinguished by any judgment regarding the wisdom or unwisdom, the rightness or wrongness, the selfishness or unselfishness of the end of which the particular union activities are the means.

That simply said, as I understand it, that anything a single union did with reference to its own interests was not deemed to be a violation of the Sherman antitrust laws.

The dissenting opinion of Mr. Justice Roberts which was concurred in by the Chief Justice, of course, did not hold. The dissenting opinion said, however:

> In the light of this history, to attribute to Congress an intent to repeal legislation which has had a definite and well-understood scope and effect for decades past, by resurrecting a rejected construction of the Clayton Act and extending a policy strictly limited by the Congress itself in the Norris-LaGuardia Act, seems to me a usurpation by the courts of the Congress not only novel but fraught, as well, with the most serious dangers to our constitutional system of division of powers.

Mr. Chairman, the Members of this House know very well that any person who writes a piece of music or who writes a score for an operatic or other production, has copyrights and production rights in that score. He can say whether or not it shall be produced publicly and by whom and when, and what shall be the conditions in the production and all of the other things that go along with it.

The CHAIRMAN. The time of the gentleman from California [Mr. HINSHAW] has expired.

Mr. WOLVERTON of New Jersey. Mr. Chairman. I yield the gentleman two additional minutes.

Mr. HINSHAW. Any person who engages to produce one of these productions must follow the rules of the person who wrote it under his copyright and his privilege. Musicians produce something which is in the nature of art. It is sound waves that may be recorded and may go out over the air. That musician has the right to produce or not to produce those sound waves for the benefit of somebody else. If the musical sounds are going to be used in interstate commerce to be broadcast over the wave lengths of the entire United States, I would say that the musician has a right to say how that music shall be produced, when it shall be produced, and how much he shall receive for producing it—not only for the original production but for reproduction.

Mr. Petrillo has organized himself into a very strong monopoly, a combination in restraint of trade, in my humble opinion, and I am not in favor of the type of thing he is doing. He is not only head of a union but he is head of a radio music trust, and in my humble opinion he should be treated as such, and law enacted by this Congress to treat him as such should be presented. However, there is no possibility of my presenting any such legislation which could be used as a substitute for this bill and which would be germane as an amendment. I submit, however, that this matter is a matter for the Judiciary Committee of the House of Representatives to handle. It affects not only the principle of the broadcasting of music, but it does affect in a great many other ways other similar practices that exist in the United States. There are many other violations of what in this bill are considered sound principles that should be so considered and the subject should be treated by the Judiciary Committee of the House and not by the Committee on Interstate and Foreign Commerce.

Mr. BULWINKLE. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I realize that this is a short time for me to speak on the bill. Much has been said here of Mr. Petrillo—and I am not fighting him except that he is a symbol of evil to the people of the United States and to the public. It seems that the radio-listening public have been forgotten. May I read to you a letter which shows Petrillo's attitude to the public. This letter come out in my paper, the Gastonia Gazette, about what happened in Fredericksburg, Va. I wrote to the post commander of the American Legion. This is the answer I received. I asked him if he wanted me to use his answer. He said he did. I read:

AMERICAN LEGION,
DEPARTMENT OF VIRGINIA,
BOWEN-FRANKLIN-KNOX POST, NO. 55,
Fredericksburg, Va., January 24, 1946.

The Honorable A. L. BULWINKLE,
Congress of the United States,
House of Representatives,
Washington, D. C.

SIR: I appreciate very much your letter of January 23, with a copy of bill H. R. 5117 enclosed.

I am indeed glad that you saw an article in the Gastonia Gazette relative to my statement to Mr. D. H. Williams, in regard to the Armistice Day memorial service which was conducted here in Fredericksburg, Va., on last November 11.

On November 4, 1945, I wrote to Maj. Gen. Philip H. Torrey, commander, Marine Barracks, at Quantico, Va., requesting the use of an eight-piece orchestra from the Marine Band to play three or four hymns at the Presbyterian Church for a memorial service in memory of our sons and comrades who gave their lives for our country fighting in World Wars I and II.

On November 7, I received a telephone call from the post adjutant at Quantico, informing me that Major General Torrey would be glad to grant my request, but that it would be necessary for me to get a release or permission in writing from the American Federation of Musicians Local No. 123, located in Richmond, Va., before he could grant my request. I at once called by phone the American Legion Department adjutant's office in Richmond, Va., and asked them to get this release from local 123, and mail it to me at once. That same afternoon I was informed by the American Legion adjutant's office that Mr. Frank P. Cowardin, president of local 123, refused to grant permission for us to use the marine orchestra for our memorial service. I immediately called the Rev. R. V. Lancaster, pastor of the Presbyterian Church, who was to conduct the memorial service, he a former World War I chaplain, and informed him that our request had been refused by local 123.

To us this refusal seemed so ridiculous that we thought that there must be some misunderstanding as to the use of the orchestra. So Reverend Lancaster called by phone Mr. Cowardin, president of local No. 123, and explained to him just what type of service we expected to use the orchestra for. Mr. Cowardin stated that he had no authority to grant permission for the use of the marine orchestra, but that he would call Mr. James C. Petrillo, the big boss in New York, and ask for his ruling in the matter. The next day Reverend Lancaster was notified that Mr. Petrillo had said, Heck, no, or words to that effect, that if we wanted music for our memorial service let us pay union musicians to play it.

The service was not to be broadcast, and we were told by Major General Torrey, that there would be no charge for the use of the orchestra. The nearest union musicians to Fredericksburg, Va., was in Richmond, Va., or Washington, D. C., a distance of more than 50 miles.

We were having a memorial service in honor of the men who had died in the armed forces of our country, and we felt that it would be appropriate to have musicians who were now serving in our armed forces render this music. Men in uniform, buddies and comrades in arms honoring the memory of our sons and fathers who had paid the supreme sacrifice. But Petrillo said no.

We held our memorial service honoring our war dead but without military musicians. But instead of a simple church organ and our local church choir.

We, the American Legion, do not believe that existing law was intended to be applied as Mr. Petrillo is applying it. He has found a loophole and is taking advantage of it. We

also know that other memorial days are coming and we do not believe that Congress is going to permit any such shameful condition to exist.

Again thanking you for the interest you are taking in this matter, and if you desire any further information, or if I can assist you in any way, please do not hesitate to call on me. With kindest personal regards, I remain,

Sincerely yours,

J. L. GEORGE,
Commander, Bowen-Franklin-Knox Post, No. 55, American Legion.

The Committee on Interstate and Foreign Commerce has worked hard on this bill. It is here to correct a wrong.

I trust that it will pass by a large majority.

Mr. WOLVERTON of New Jersey. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. LEONARD W. HALL]. However, before he proceeds I wish to make a statement on my own time.

I regret that there has been some curtailment of debate on this side because of a desire on our part to comply with the request of the leadership of the House to dispose of this bill this afternoon and thereby enable Members who have speaking engagements this evening and tomorrow in connection with Washington's Birthday to keep those engagements.

Mr. LEONARD W. HALL. Mr. Chairman, this is one of the few times since I have been a Member of this body that I find myself in disagreement with the gentleman from Indiana [Mr. HALLECK]. I am wondering how much time we would be spending here on a bill pertaining to the average individual in the United States if he were the member of a gang extorting fifteen or twenty million dollars from other people in the United States? I do not think we would be here determining whether or not we should pass such a bill. It seems to me that today again we are trying to set into a separate class these arrogant labor leaders like Mr. Petrillo. Just think of it. He admits that he was going to get—as I understand it from the statement of our chairman—fifteen or twenty million dollars by his actions; yet in this bill we only provide that for his actions to get that money he is only to be charged with a misdemeanor and fined not more than $1,000. If you will look at the law books of all the States in the Union, you will find in every case that extortion like that would be classified as a felony, and the person would be subject to a much greater penalty.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. LEONARD W. HALL. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Can the gentleman tell why it is that the gentlemen over on the other side, like the gentleman from New York [Mr. MARCANTONIO], condone this practice of Petrillo getting this $20,000,000, yet yells his head off about the president of General Motors getting some money?

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. LEONARD W. HALL. I think the gentleman from New York and the gentleman from Michigan can take care of each other.

Mr. MARCANTONIO. The gentleman has mentioned my name.

Mr. LEONARD W. HALL. May I say this also: Just a few days ago the Supreme Court of the United States said it was repugnant to our form of government to have a cabinet officer, mind you, the Postmaster General, set himself up as a censor as to what the people should read in connection with matter going through the mail. Unless we pass some legislation like this pertaining to Petrillo, we will have a private individual in this country who can set himself up as a dictator and determine what the people shall hear over the radio.

The gentleman from Indiana [Mr. HALLECK] raised this question in his argument. He said, "Well, are we willing to take care of those cases in other labor unions where money is obtained in this manner?" I say this Congress lacks the courage it should have if we do not take care of every kind of extortion by any labor leader in these United States.

I am going to offer an amendment to this bill. I agree that this bill is aimed at Petrillo. Let us not kid ourselves. He is the man we are after. We are not after the fellow who blows the horn or plays the violin or plays the piano. We are after Petrillo, the man who runs the union like a dictator. I am going to introduce an amendment at the proper time to limit the penal provisions of this bill to the officers and representatives of unions and those who purport to be the officers and representatives of the unions. I think if we do that we will bring this bill to the point that all of us have in mind, that some time, somewhere, this Congress must take care of these Petrillos. I think it may be an outrage that we have come to the point where we call a bill the Petrillo bill; to think that by his arrogant methods he has reached the point where we must have it known throughout the Nation that we are passing the Petrillo bill. But, we are at that point, because we have not considered any constructive labor legislation on this floor for many, many years, and these arrogant labor leaders have gone on and on in their march for more power.

I say to you that I am in favor of labor. I am a great believer in unions, and I think by passing legislation like this we are doing the greatest service to the members of unions throughout the United States, because we are saving them from themselves when they allow their actions and their activities to be controlled by a man like Petrillo. I say, like the gentleman from Ohio [Mr. BROWN], let us have no Caesars in these United States.

Mr. BULWINKLE. Mr. Chairman, I yield to the gentleman from Oklahoma [Mr. BOREN] such time as he may desire.

Mr. BOREN. Mr. Chairman, the gentleman from New York, who just spoke, has eloquently told you the truth about this bill. However, he indicated an intention to offer an amendment which would limit the force and effect of this bill only to those who were designated as officials of the union. I would like to point out to my colleague from New York that the only thing that we are getting at in this entire bill is the individual, Mr. Petrillo, or anybody else in this field. This bill does not aim at anybody who does not do these wrongful practices. I would consider the gentleman's amendment an unnecessary effort to protect somebody who cannot be touched unless he engages in these practices. We do want to leave this bill as it is, so if Mr. Petrillo goes beyond that sort of an amendment to utilize the individual members of his union to divert the purposes of this bill and do the things that we are trying to stop, then he would not have that avenue to do it. I think the gentleman should keep that in mind when he offers his amendment.

This bill should pass without controversy. The hearings of our committee which contain the full information is available to all. It is a sordid, disgusting, nauseating story of racketeering that surpasses anything in my knowledge from all of America's history, with the possible exception of the activities of Al Capone.

Petrillo is not only guilty of directing racketeering practices against the radio industry but he has directed punitive acts against his own union members. He is a power-grasping dictator and, in the realm of his nefarious activities, his actions are exactly in the same pattern as the dictators over nations whose power frenzy brought the world to the chaos of war.

Mr. Chairman, I urge all members to study the hearings before our committee. One factor is so clarified and emphasized as to be of vital importance in viewing the problems of labor. The hearings made clear that not the least of labor's problems is the problem of gaining freedom from the dictatorial power that harasses, drives, compels, and commands labor's rank and file without consideration of either labor's wishes or labor's welfare.

The hearings also emphasize the distinction that all America needs clearly to understand—the distinction between the labor movement and the union movement—the distinction between labor's interests and labor's welfare, and union interests and union leaders' motives.

The one, the labor movement, is meritorious in that its aims are to benefit and improve the lot of the workingman. The other, the union movement, under the dictatorship of the ilk of Petrillo and under the utterly false guise of aiding the workingman, seeks only to grasp power and more power for the selfish personal gains and interest of the "big shots" who dictate the policies and practices of the unions.

Petrillo has done nothing for the labor movement. He has done something to the union movement though, and that is to bring down on it the righteous condemnation of the whole American people who denounce him for what he is—a dictator, a racketeer, an extortionist, a despot who tramples upon the democratic principles under which the American people want to live.

Mr. Chairman, I hope we will pass this bill with a vote that will make it clear to all dictators of this pattern that the

American Congress will not stand any more, from any source, such abuse of the power that has been usurped from the hands of the workingmen of America.

Mr. BULWINKLE. Mr. Chairman, I yield such time as he may desire to the gentleman from South Carolina [Mr. BRYSON].

Mr. BRYSON. Mr. Chairman, the urgent need for prompt enactment by Congress of the proposed legislation H. R. 5117 has been plainly demonstrated by the ability of this man J. Caesar Petrillo to keep the American people subjected to a system of extortion which he operates in deliberate violation of every principle and guaranty of freedom and common decency upon which this nation was founded.

The operations of Mr. Petrillo have not gone unchallenged. They have been fought by the victims of his extortions who one by one realized, sooner or later, the helplessness of their position and surrendered to Petrillo's demands for tribute. They have been contested by the United States Department of Justice and other law enforcement agencies of the Government which finally admitted that there was no way under existing laws to put a stop to such outrages. During the war Petrillo's invasion of the rights of the Government and the American people were resisted by the Office of War Information, the War Department, the Navy Department and the United States Marine Corps but he, Mr. Petrillo, took the position that the interests of the Nation, even in time of war, were subordinate to his own best interests at all times. The courts of our land also took up the challenge but they too in turn discovered that the Petrillo racket evaded all duly constituted authority by traveling through the loopholes of some laws and misappropriating the intent and purpose of others. In the final analysis, Mr. Petrillo has made it plain to the American people that nothing short of an Act of Congress is going to put a stop to his defiance of the Government of the land in which he lives.

There can be no doubt about the fact that the answer to the question of whether or not Mr. Petrillo will continue to operate in the future as he has in the past is squarely up to Congress. Last February a spokesman for a midwestern radio station which had just been compelled to capitulate to the Caesar of music declared:

> For nearly 11 months we have been fighting Petrillo and defending the American principle of freedom. We have sought justice through the proper legal and administrative channels afforded us.
>
> The American public and the working men and women of American, as well as the majority of the unions, have told us they are with us in this fight * * * but after all these months it has been made quite clear to us that the Government is unable to assist us. As long as matters are as they are at present, we had no alternative but to accept, at least temporarily, the situation.
>
> We, herefore, have capitulated and accepted Petrillo's terms, and have signed a contract with his union acceding to his demands that we employ men under contract regardless of whether or not we need them.
>
> If the Petrillo system of forcing an employer to contract for men he does not need, and to pay royalties directly to the union because union members are employed in the manufacture of his commodity, is adopted by other unions, it means the finish of American business.

That the American people should have to bow down and defer to the wishes of this czar in seeking musical entertainment is a shame and a disgrace but Petrillo has so shamed and disgraced our people on numerous occasions. That any man should be able to boast of the power to make good American citizens take orders from him is a stench to the nostrils hard to inhale in this land of the free and home of the brave, but Petrillo has long boasted of that power and shown that he fully intends to continue to indulge in its abuse as long as we permit him to do so.

In 1940 the Mutual Broadcasting System offered to schedule a series of broadcasts using Army talent in order to stimulate public interest in our national defense program. Petrillo promptly announced that no Army bands could broadcast their music over the air waves until he, Petrillo, and the Secretary of War had a chance "to talk it over and mark out terms." In the "negotiations" with the War Department which followed, Petrillo magnanimously agreed to allow the Army bands to play, provided—now get this—provided he, Petrillo, gave his consent. Imagine that will you, ordering the Army of the United States of America to broadcast music of its military bands only upon his pleasure and consent.

Now if such a proposition sounds too raw to believe, or you wonder if the Army was compelled to obey such an outrageous command, let me tell you about this one which happened at a servicemen's center in New York some time later. The orchestra of the Army's great show, This Is the Army, was invited to help dedicate the center. Nineteen soldier musicians were on the stage with instruments ready to strike up the band but they never got to play a single note of music for the servicemen at the center because word came through from the local music czar at the last minute that Caesar Petrillo refused to give his consent.

Petrillo received his early training for putting the Army in its place by going after the Boy Scouts some years ago. He considered the Boy Scouts a menace to his program of music control, and a basic dictum of Petrillo is that people who get in his, Petrillo's, way must be put in their place so he let the teen age boys have it. He denied them the right to have two buglers play at a ceremony in the Chicago zoo, a public ceremony in a public place.

It keenly delights Mr. Petrillo to throw his weight around indiscriminately and strike without warning. In July 1942 an orchestra composed of 160 high-school boys and girls from all parts of the country were scheduled to broadcast a special program from the National Music Camp at Interlochen, Mich. The proud parents of these amateur musicians had their radios tuned in to receive the scheduled program but they listened in vain for the music they expected to hear. Petrillo had done it again, this time saying in effect to a group of high-school students: "No belong to Petrillo's union, no can broadcast your own music—kids or no kids, amateurs or no amateurs, free-born sons and daughters of American citizens or no free-born sons and daughters of American citizens." In all seriousness and sincerity, I ask you my fellow legislators, what does it profit us, as citizens of this great democracy, to be guaranteed freedom by the Constitution of the United States if one man can stand up and take it away from us.

It is true that Mr. Petrillo's dominion is presently limited to the musical profession but no legal barriers now exist to prevent its extension to other fields. What, for instance, might be the effect of the introduction into other fields of public entertainment of one of Petrillo's chief sources of revenue, namely, a shake-down formula known as the stand-by arrangement. The workings of this arrangement are as follows: Petrillo is paid for the imaginary services of a ghost band, which does not actually play any music at all but, in theory, is standing by while a band from, say the United States Army, Navy, or Marine Corps, is permitted to play. In the case of recorded music, he has used his principle as a basis for levying a sales tax on all musical transcriptions played over the air, and the American people, through the radio industry, are having to pay tribute to one of Caesar Petrillo's ghost orchestras every time they listen to a recording of their national anthem, The Star-Spangled Banner, by an Army or Navy band.

Those who doubt that such a hijacking tool could ever be used to keep the Government in line will do well to examine the record and ponder the numerous instances in which Mr. Petrillo has already proven that it can be done—under existing laws. Failure of State and Federal Governments to enter into stand-by arrangements with Mr. Petrillo has resulted in his barring bands, supported by the money of our taxpayers, from appearance at many public ceremonies. He even went so far as to turn down the humble appeal of a group of patriotic American citizens to have an Army band play at a celebration honoring the two hundredth birthday of the first Commander in Chief of the United States Army, the father of our country, George Washington. Last Armistice Day another humble request was made to Mr. Petrillo for permission to use a United States Marine band whose music was to be dedicated to the memory of their fallen comrades of the Marine Corps who died in defense of their country. Petrillo said "No" and so a grateful Nation which had sought to show respect and appreciation for the courage, valor, and sacrificial devotion to duty of the brave men who gave up their lives fighting for it through Guadalcanal's enemy-infested jungles, across Tarawa's bloody coral reefs and up Iwo Jima's stubborn Mount Suribachi, a Nation which wished to thus show its appreciation to its sons who made the supreme sacrifice on the field of battle was not allowed to do so.

Mr. Chairman, upon the question of what should be our attitude toward such

a terrible situation as this, how can there be any excuse for further toleration or temporization? We cannot longer permit such travesties to be committed against the freedom of our people if the integrity of this Nation and its Constitution are to be upheld.

In addressing the Congress on the occasion of the one hundred and fiftieth anniversary of its first meeting, the late Speaker of the House, William B. Bankhead, warned:

> There are evidences of certain sinister influences and minorities now seeking to sap and mine the pillars of this temple of freedom. We may have been too generous in our hospitality to them. We may have been too tolerant of some of their recent manifestations of subversive treachery. We have sought with rather grim patience to respect the guaranty of freedom of speech, but it may be only fair to admonish all such groups that they take counsel of their prudence lest by going one step too far, it will be too late to escape the wrath and indignation of all real Americans.

We have waited long "with grim patience" for a reform in the conduct of James Caesar Petrillo, but our waiting has only served, as pointed out in a recent issue of the Saturday Evening Post, to cause him to feel that "he has made a profitable career out of making the American people look like 130,000,000 fatheads."

Approval of the bill now before the House, H. R. 5117, is the only action Congress can possibly take consistent with any sincere desire to insure protection for the individual rights and freedom of the American people.

Mr. BULWINKLE. Mr. Chairman, I yield 1 minute to the gentleman from South Carolina [Mr. RIVERS].

Mr. RIVERS. Mr. Chairman, we are confronted with only one thing here today, to pass legislation to circumvent the practices which are now engaged in by James Caesar Petrillo. He has it in his power to kill once and for all frequency modulation. It is dead if Petrillo continues. He has already issued a dictate that no band in the Nation may appear on television for any purpose. If he continues, television is dead and buried. This is the only way you can get at him. Those who oppose this legislation would oppose any legislation to get at Petrillo. This is the way to stop him. Julius Caesar in all his glory was not arrayed like this one (Caesar).

Mr. WOLVERTON of New Jersey. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. ELLSWORTH].

Mr. ELLSWORTH. Mr. Chairman, in my opinion the bill which we are considering now and are about to bring to final vote should actually have been suggested to the Congress by organized labor itself. Organized labor has in its ranks as as one of its leading members, the headman of the American Federation of Musicians, a man who is acting contrary to all the democratic principles of our country, conrary to the best interests of his own members, and certainly very, very much to the disadvantage of the rest of organized labor.

Unfortunately, there is probably no way in which the other elements of organized labor, in either the American Federation of Labor or the CIO can get at him. Organized labor cannot curb the activities of this man Petrillo, whose crimes have been enumerated here and which I shall not go to the trouble of repeating. Neither, due to the nature of the broadcasting industry, can the States get at this man through their State laws.

The radio industry is based rather largely on the program service furnished by networks. Mr. Petrillo's way of getting at any radio station, large or small, is through the network. That, of course, is an industry in interstate commerce, and laws having to do with broadcasting must come from the Congress of the United States.

May I take just a moment of time to repeat what has already been read to you, namely, a portion of the bylaws under which Mr. Petrillo operates. This is the bylaw which gives him the right to issue executive orders. It says that:

> He may annul and set aside same—

Referring to the constitution or bylaws—

> or any portion thereof except such which treat with the finances of the organization and substitute therefor other and different provisions of his own making.

In other words, the members of the American Federation of Musicians who are artists and not businessmen—musicians and not organizers—men who have their minds and thoughts on their work dealing with something artistic and not practical, have quite innocently in their own way given to this man Petrillo complete and absolute power over the operation of their union. He is a detriment to them—not a help. With that power he has brought about the ultimate reduction of the number of musicians in the country by refusing the right of radio broadcasting to amateurs. He says with reference to school bands in his report to the union in 1944, in telling about what he had done in the Interlochen case:

> Nor was there in the year 1943 any other school band or orchestra on the networks, and there never will be without the permission of the American Federation of Musicians (or without the consent of Mr. Petrillo).

The words "without the consent of Mr. Petrillo" are added by me.

Obviously this bill is a bill directed against Mr. Petrillo. Unfortunately, something of this kind happens once in a great while. We have weeds in gardens and we have pests to bother animals and human beings, and temporarily—temporarily, I hope—we have Petrillo to bother the American broadcasting industry and the American people and curtail the services of radio stations. I sincerely hope that this bill will be passed. I am not worried about the penalty provisions. I think the provisions of the bill clearly set forth what the penalties should be assessed for and I see no reason for not carrying the bill through as it is written by the gentleman from California [Mr. LEA] and reported out by the committee.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

The Clerk read as follows:

Be it enacted, etc., That title V of the Communications Act of 1934, as amended, is amended by inserting after section 505 thereof the following new section:

"COERCIVE PRACTICES AFFECTING BROADCASTING

"SEC. 506. (a) It shall be unlawful, by the use or express or implied threat of the use of force, violence, intimidation, or duress, or by the use or express or implied threat of the use of other means, to coerce, compel or constrain or attempt to coerce, compel, or constrain a licensee—

"(1) to employ or agree to employ, in connection with the conduct of the broadcasting business of such licensee, any person or persons in excess of the number of employees wanted by such licensee; or

"(2) to pay or give or agree to pay or give any money or other thing of value in lieu of giving, or on account of failure to give, employment to any person or persons, in connection with the conduct of the broadcasting business of such licensee, in excess of the number of employees wanted by such licensee; or

"(3) to pay or agree to pay more than once for services performed in connection with the conduct of the broadcasting business of such licensee; or

"(4) to pay or give or agree to pay or give any money or other thing of value for services, in connection with the conduct of the broadcasting business of such licensee, which are not to be performed; or

"(5) to refrain, or agree to refrain, from broadcasting or from permitting the broadcasting of a noncommercial educational or cultural program in connection with which the participants receive no money or other thing of value for their services, other than their actual expenses, and such licensee neither pays nor gives any money or other thing of value for the privilege of broadcasting such program nor receives any money or other things of value the broadcasting of such program; or

"(6) to refrain, or agree to refrain, from broadcasting or permitting the broadcasting of any radio communication originating outside the United States.

"(b) It shall be unlawful, by the use or express or implied threat of the use of force, violence, intimidation or duress, or by the use or express or implied threat of the use of other means, to coerce, compel or constrain or attempt to coerce, compel or constrain a licensee or any other person—

"(1) to pay or agree to pay tribute for the privilege of, or on account of, producing, preparing, manufacturing, selling, buying, renting, operating, using, or maintaining recordings, transcriptions, or mechanical, chemical, or electrical reproductions, or any other articles, equipment, machines, or materials, used or intended to be used in broadcasting or in the production, preparation, performance, or presentation of a program or programs for broadcasting; or

"(2) to acccede to or impose any restrictions upon such production, preparation, manufacture, sale, purchase, rental, operation, use, or maintenance, if such restriction is for the purpose of preventing or limiting the use of such articles, equipment, machines, or materials in broadcasting; or

"(3) to pay or agree to pay tribute on account of the broadcasting, by means of recordings or transcriptions, of a program previously broadcast, payment having been made, or agreed to be made, for the services actually rendered in the performance of such program.

"(c) The provisions of subsection (a) or (b) of this section shall not be held to make unlawful the enforcement or attempted enforcement, by means lawfully employed, of any contract right or legal obligation.

"(d) Whoever willfully violates any provision of subsection (a) or (b) of this section shall be guilty of a felo y and, upon conviction thereof, shall be punished by imprisonment for not more than 2 years or by a fine of not more than $5,000, or both.

"(e) As used in this section the term 'licensee' includes the owner or owners, and the person or persons having control or man-

agement, of the radio station in respect of which a station license was granted."

With the following committee amendment:

On page 4, line 16, after the word "section", strike out the balance of the line, down to and including the figure "$5,000" in line 19, and insert "shall, upon conviction thereof, be punished by imprisonment for not more than 1 year or by a fine of not more than $1.000."

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. I have an amendment that would take the place of that entire subsection (d). Will that amendment be in order, assuming the adoption of the committee amendment just offered, or should that amendment be offered as a substitute committee amendment?

The CHAIRMAN. The Chair believes it should be offered as a separate amendment.

Mr. LEONARD W. HALL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LEONARD W. HALL. I have an amendment which will add a new subsection. Should that be offered as an amendment or after the adoption of the committee amendment?

The CHAIRMAN. It should be offered after the committee amendment is disposed of.

Mr. HOFFMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN. I have an amendment which strikes out all after the words "A bill" and inserts other language. Should that come in now or after this bill has been perfected?

The CHAIRMAN. It should come after the perfecting amendments have been passed on.

The question is on the committee amendment.

The committee amendment was agreed to.

Mr. LEA. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows

Amendment offered by Mr. LEA: On page 4, line 4, after the word "broadcasting" and before the semicolon, insert "or in the production, preparation, performance, or presentation of a program or programs for broadcasting."

Mr. LEA. Mr. Chairman, the object of this amendment is to make this particular section conform to the preceding one. It was recommended by the drafting service and simply perfects the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. LEA].

The amendment was agreed to.

Mr. MARCANTONIO. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MARCANTONIO: On page 1, line 9, after the comma following the word "duress", strike out the language "or by the use or express or implied threat of the use of other means."

Mr. MARCANTONIO. Mr. Chairman, I offered this amendment in committee when we were considering the bill. It has been my contention and the contention of several others that the language in this bill definitely makes a strike a criminal offense.

Why? Because the words "any other means" subject the members of a union who refuse to work, in order to obtain any of the demands that you seek to interdict in this bill, to indictment, prosecution and imprisonment. This is the first time that we enact legislation here which calls for imprisonment because of a strike.

Now, if you want to—and I disagree as to the things that you seek to interdict here—but if you want to interdict them you can do so by declaring them illegal, by redefining certain definitions in the criminal statutes. But you go further here. You use the words "by any other means," which may mean the use of a strike, leaflet, or a pamphlet, or a newspaper article, or a speech. "Any other means" is any other means. Thus, you say to American workers in the broadcasting industry who strike, "You will be subject to indictment, prosecution, and imprisonment." And at this point I want to yield to either the author of the bill or the gentleman from Ohio [Mr. BROWN]. I want to yield to them to see whether or not what I have said is correct.

Mr. LEA and Mr. BROWN of Ohio rose.

Mr. MARCANTONIO. I yield first to the chairman of the committee.

Mr. LEA. The best answer I can give is to read that section of the report which was drafted by the Legislative Counsel for the House. I know of no better lawyers whose advice we can take than the members of the Legislative Counsel. The statement is made:

This subsection does not prohibit the right to strike or to withhold services, or force individuals to work against their will or desire. It will place no limitation whatever on the use of strikes for the accomlishment of legitimate objectives, such as wage increases or better working conditions.

Mr. MARCANTONIO. Excuse me right at that point. That was not what I said. I said that if these men go out on strike to enforce the demands which you seek to interdict, if they go out on strike to demand No. 1, No. 2, No. 3, No. 4, No. 5, and No. 6 on pages 2 and 3 of the bill, would not that strike subject them to imprisonment?

Mr. LEA. If the strike is of coercive character for those purposes then it is prohibited by this bill. In other words, to strike for an unlawful purpose is unlawful and is prohibited by the bill.

Mr. MARCANTONIO. So that if these workers go out on strike to demand, for instance, that more men be employed, or if they go out on strike to demand that they get payment when records are used because they are put out of work by the use of these records, then according to the terms of the bill they are striking for something the gentleman claims is unlawful and would therefore be subject to imprisonment pursuant to this bill.

Mr. Chairman, my amendment would make it impossible to imprison men for going out on strike.

The issue is squarely up to you. This is the first time that you are legislating imprisonment for workers going out on strike. You are legislating imprisonment for men refusing to work. It is clearly in violation of the thirteenth amendment; it is unconstitutional; but if Congress wants to do it, if instead of discussing the bill you prefer to keep up to the pattern that has been set here of raising smoke screens, of waving the flag, of talking about Union men that are buried and Confederate men that are buried, of condemning Caesar and defending the shrine, go ahead and lynch organized labor and enjoy it while you are doing the job. However, when your smoke is blown away, the American people will see the issues. Yes, they will know that this bill is intended to increase the profits of the real Caesars, the broadcasting corporations.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. My time has expired.

Mr. BROWN of Ohio. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York.

Mr. Chairman, I just want to say to the House that I feel very, very certain, in my own mind, and I believe most of you do, that if the gentleman from New York was so sure this provision is unconstitutional and that this law, if enacted by the Congress, would be thrown out of the statute books, he would not be asking that you support his amendment.

I hope you will defeat the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. MARCANTONIO].

The question was taken; and on a division (demanded by Mr. MARCANTONIO), there were—ayes 26, noes 70.

So the amendment was rejected.

Mr. HALLECK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HALLECK: On page 4, strike out lines 15 to 21, inclusive, and insert in lieu thereof the following subsection:

"(d) The district courts of the United States shall have jurisdiction, notwithstanding the act of March 23, 1932, entitled 'An act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes,' to enjoin or restrain violations and threatened violations of any of the provisions of subsection (a) or (b) of this section, and by appropriate order or decree to compel compliance with such provisions.

"(e) If any labor organization, or any person or persons acting for and on behalf of a labor organization, shall violate the provisions of subsection (a) or (b) of this section, then—

"(1) for the period of 1 year following the date on which such violation occurred, (i) the individuals who are members of such labor organization shall not be entitled to any rights, privileges, or benefits under the National Labor Relations Act; (ii) such labor organization shall not be recognized as a labor organization, or as a representative of employees, under the National Labor Relations Act; and (iii) the National Labor Relations Board shall not require any employer

to bargain with such labor organization as the representative of any employees; and

"(2) for the period of 1 year following the date on which such violation occurred, such labor organization shall not have the status of a person participating in or interested in any labor dispute for the purposes of section 4 of the act of March 23, 1932, entitled 'An act to amend the Judicial Code and to define and limit the jurisdiction of courts in equity, and for other purposes.'"

Page 4, line 19, strike out "e" and insert "(1)" and after "section" insert "(1)"; and in line 22, after "granted" insert ", and (2) the terms 'employer,' 'employee,' 'representative,' and 'labor organizations' shall have the meaning assigned to them in section 2 of the National Labor Relations Act."

Mr. HALLECK. Mr. Chairman, this is the amendment about which I spoke a short while ago when we were still in general debate and at that time I tried as well as I could to explain it. I shall again briefly say what the proposition is because I am quite sure you can determine from that what you want to do about it.

This amendment would substitute for the penalty section of the bill another penalty to be inflicted in the event the conduct declared to be unlawful and against public policy is resorted to as it is outlined in the bill. The penalty that my amendment would inflict would be to withdraw the protection of the Federal statutes, such as the Wagner Act, from the labor organizations, their representatives, and their individual members who would indulge in that conduct which is declared by the provisions of the bill to be against public policy and againt the public interest. There is no question among us—I say there is no question, but there undoubtedly is a question in the minds of some, but at least among what is obviously the great majority here—that we want to exercise some restraint over these practices. We want, if we can, to stop them, because we are agreed that what is going on is not in the public interest. Somebody may say that this penalty will be no deterrent. Well, to them, let me suggest that it is exactly the same penalty that is written into the violence secion of the Case bill and in the jurisdictional-strike section of the Case bill, and I have heard many say of that bill that that was quite a deterrent. I do not know whether it is or not. I think it would be, and I am sure a similar provision in this bill would be.

One radio-station operator in my State wired me to be for the Petrillo bill. I wrote him suggesting the penalty that was involved, and inquired what he thought about it. He wrote back quite a letter. I would read it to you if I had the time. He said that he had not been familiar with the provisions of the bill but he thought probably it was going too far to put these men in jail for the demands that they were making. However, he said, "Why should they have the protection of the Wagner Act and make me continue to deal with them when they indulge in that sort of conduct?"

As I said in my speech in committee, we can all argue constitutional law questions, and I guess some of us have gotten to the point where we hesitate to express an opinion of constitutionality, although for myself, whatever the court might decide, I feel that I yet have a responsibility to that great document. It will be argued by many, probably much better lawyers than I, that this is constitutional. There are many who question it. If there is a substantial question about it, if there is a question as to the advisability of this type of penalty, which we might as well understand is a departure from anything we have had, then, of course, it can be argued, and no one can deny that if the Government has said to the labor organizations and to the members thereof, "We give you the benefit of this protective act, we give you the benefit of that protective act, if you engage in this sort of conduct that we declare to be against the public interest, then we take from you that umbrella of protection that we have given to you," the result would be, of course, that the station operators subjected to that sort of a demand would have the right of discharging the employee who insisted upon the demand and other courses of action would be available. Let me urge again that to my mind the penalty contained in this amendment would be effective and justifiable.

Mr. SMITH of Virginia. Mr. Chairman, I rise in opposition to the amendment and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. SMITH of Virginia. Mr. Chairman, I have considerable sympathy with the views of the gentleman from Indiana. He and I worked long together on the proposed amendments to the National Labor Relations Act which were passed by this House and approved by the American Federation of Labor. I think perhaps I understand his philosophy and his reasons better than perhaps many other Members of this House. I do want to say that in all of these matters that have come up nobody has ever had the right to question the courage of the gentleman from Indiana, CHARLIE HALLECK. I realize that this question with him is a question of principle, but in this case I have to differ with his conclusion.

I think this case is upon a different basis from the ordinary prohibition of the right to strike. Here we have an agency which is a quasi-governmental agency. The Communications Commission is set up to control that agency. The Communications Commission, an agency of the Federal Government, is given power by this Congress to say what shall be done and what shall not be done in the regulation of communications over the air. Congress goes further in this act in defining the powers and the authority of the Communications Commission and the privileges of those who use those facilities, and Congress declares a policy. It not only says that certain things are against public policy but it enumerates those things and says that they are hereby declared to be unlawful when done in connection with and under the auspices and with the facilities of these instrumentalities controlled by the Federal Government. Congress having declared this thing to be a crime and unlawful, then it naturally follows as the night follows the day that there must be a penalty for the commission of the crime. The crime is the violation of any of these things which Congress has said shall be unlawful. It seems to me perfectly obvious that this is a perfectly proper and necessary sequence to the thing which Congress seeks to do, which is to declare certain things to be unlawful.

We have debated this matter of the right to strike to quite an extent. It used to be said when I first came to Congress some 15 years ago that the greatest liberal of them all was Justice Brandeis of the Supreme Court of the United States. Some of you, I know, are familiar with what he said on this subject about the right to strike. I want to put it in the RECORD at this point because I think it has been neglected. In the case of *Dorchy* v. *Kansas* (272 U. S. 306), Justice Brandeis made this statement, and I invite your close attention to it:

Neither the common law nor the fourteenth amendment confers the absolute right to strike.

In other words, what Justice Brandeis was saying was that if there was a legal right to strike it was a qualified right to strike and we in Congress in the exercise of our legislative functions could prescribe what those qualifications were. We hear a lot of talk about involuntary servitude. Let us see if it is involuntary servitude. After all is said and done, when you come right down to brass tacks, what is a strike? A strike is a concerted refusal to work, and this concerted refusal to work is an activity in the nature of a conspiracy. Everybody realizes that the Congress has the right to prohibit conspiracy and to fix punishment for conspiracy. All this bill does when all is said and done, as reluctant as I am to differ from my good friend, the gentleman from Indiana, all this bill does is to say that in this instrumentality controlled by the Federal Government certain things are hereby declared to be unlawful, to be criminal, and to be against the law. When they are against the law, naturally, as a consequence, we fix the penalty for a violation of the law.

Mr. PATRICK. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. PATRICK. On page 2, under subsection 5, among the things which are declared to be unlawful, there is enumerated the following:

To refrain or to agree to refrain from broadcasting or permitting the broadcasting—

And so forth. Under the penalty provision, it says it shall be punished by imprisonment for not more than 1 year or by a fine of $1,000.

According to the gentleman's construction of that language, would that mean that six boys who had been playing for a radio station should not play the next time they were supposed to play because they did not have stand-ins; would that mean those six boys in that little orchestra would be put in jail for a year or fined for $1,000?

Mr. SMITH of Virginia. I do not think I have ever seen a bill which is clearer than this bill. I think that anybody who can read and understand the English language knows what it means.

Mr. PATRICK. What does it mean?

Mr. SMITH of Virginia. The gentleman is right. If they do, individually or collectively, through this form of conspiracy any one of the things which the Congress declares to be against the law, then they are subjected to the criminal penalty.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. May I inquire, referring to the statement by the gentleman from Indiana, as to how his penalty would reach Mr. James C. Petrillo, the man you are trying to reach?

Mr. SMITH of Virginia. The gentleman will have to direct his inquiry to the gentleman from Indiana.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from New York.

Mr. MARCANTONIO. May we have the gentleman's opinion on a situation of this kind? If five men employed in a radio station make any one of the demands included on pages 2 and 3 of the bill and the radio station refuses to grant those demands, and then those five men do not report to work the next day and stay away from work, would they not then be subjected to indictment and prosecution and imprisonment under the bill?

Mr. SMITH of Virginia. If 5 men or 1 man or 500 men violate the provisions of this act by doing any one of the things narrated therein, we might as well be frank about it, they subject themselves to the penalty of this bill.

Mr. MARCANTONIO. That is the situation exactly. I thank the gentleman for his very frank answer to that question.

Mr. LEA. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment if adopted would detract greatly from the usefulness of this bill. It tends toward confusion and it weakens the bill. The circumstances involved in this legislation deserve positive, clean-cut action by this House. I hope we will have such action. I urge that any amendments that tend to weaken and undermine this bill be defeated.

The amendment offered here is over a page long. It has been injected here without reading. It provides for the injunctive power of the court to intervene in these cases. It abolishes the penalty proposed in the bill. Then it gives jurisdiction to the National Labor Relations Board to withdraw the benefits of the National Labor Relations Act.

If the injunctive power is invoked, that would require a private suit. We all know where that would wind up. Punishment of these wrongful acts should not be left to the whim or personal convenience of a plaintiff in a private suit at his expense. It should not be left to a private individual when he is satisfied to quit. What is involved here is an offense against the public welfare.

On the question of the National Labor Relations Board, that is an administrative bureau of the Government. Who believes in throwing determination of these actions into a political bureau? I think the record of the National Labor Relations Board, particularly for the early years of its operations, fully discloses why this sort of amendment that adds confusion, uncertainty, and futility should not be adopted.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield.

Mr. ROBSION of Kentucky. I would like to be informed what effect the amendment offered by the gentleman from Indiana would have on Mr. Petrillo himself.

Mr. LEA. I think Mr. Petrillo would care very little about what the National Labor Relations Board said or did. He is not dependent on their good will. He would operate in a way that would escape responsibility either under the injunction process or the National Labor Relations Act. A great deal of his power is used by underground forces. I think this amendment tends to play into the hands of the racketeer. If it had any effect it would probably be to pass responsibility to the little fellow down the line.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield.

Mr. DONDERO. There is some hesitancy on the part of some Members because the penalty is severe, a thousand dollars fine and 1 year in jail, but I ask the gentleman whether or not that is very mild punishment when you consider that Mr. Petrillo is taking $20,000,000 a year.

Mr. LEA. I think the moral character of this offense is such that it would be a mistake to lower this penalty. Bear in mind, this leaves it to the court to determine the penalty in proportion to the offense. In the ordinary procedure, the innocent little fellows would be allowed to go. Or the court could fix any penalty, even down to a $5 fine, if it determined such a fine would satisfy justice.

I hope the amendment will be defeated.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. PATRICK. Mr. Chairman, I rise in support of the amendment.

Mr. HOFFMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN. Is it in order, if the bill is to be passed tonight, to ask for the reading of the engrossed copy?

The CHAIRMAN. It would be in order.

Mr. PATRICK. Mr. Chairman, the gentleman from Virginia [Mr. SMITH], whom we all admire and respect, whether we agree with him or not—so often I do not—has been so fair that I think we should all know clearly what is happening. I am a member of this Interstate and Foreign Commerce Committee. I do not have to disclose what I did in this committee but I shall. I voted in committee to bring this bill out on the floor and consider it. Some members of the committee did not. Almost my entire legislative life in this House has been spent as a member of that great committee, under its great chairman. I want to do something to cut down on Mr. Petrillo. But it has been brought out very clearly in the debate that what we are about to do will either go over his head or under his feet.

Maybe the amendment offered by the gentleman from Indiana [Mr. HALLECK], a very able member of the committee, will help. Let us not be excited and hasty about this thing; let us do no wrong, no matter how much we would love to do something. Let us consider section 5 of the bill and let us take any other section, for it would apply equally, as the gentleman from Virginia points out. We start out by saying:

It shall be unlawful—

And so forth. On page 2 it reads:

Or any other means.

That makes it dangerous for people we are not after. In line 9 of page 3 we use the words, whether or not of the same character as force:

Violence, intimidation or duress.

What will happen in the case of a radio station. Say that there is a little orchestra, little home orchestra that plays for the station and which has been playing for the station for some time. Its members decide to get certain advantages—they call it that—advantages they think due them sought to be obtained. The station does not agree. What do they do? Only one thing. The next time they refuse to play, say it may be a month later they refuse to play, that makes them guilty of the violation of section 5 of this act. It may be four or five little old schoolboys. They are each subject to a fine of a thousand dollars and imprisonment for a year. That seems to me a little further than we realized we were going under this bill, and nobody on this floor has said this then reaches Petrillo himself.

The hidden ball in this game seems to be this: Who is guilty of what? What is the specific thing; what is the particular overt act for which you are going to put somebody—whom—the violator of this law—in jail? Who is the violator of this law? Whoever it is that refuses to do what those boys in the musicians' union refuse to do, perhaps refuse to go on the air the next time. Or it may be the refusal to make a transcription or recording. A year in jail and a thousand dollar fine. So let us be sure we know what we are doing, and to whom we are doing it.

I came here expecting to support this bill today. But unless it is amended so as to reach only those who are in power, those who are running this racket, those we are really shooting at; unless it is amended so that the proper persons will be the ones subjected to fine and imprisonment, I am going to vote against this bill—and I would surely hate to see the big rat get away.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana.

The amendment was rejected.

Mr. LEONARD W. HALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEONARD W. HALL of New York:

On page 4, line 21, after the period insert the following: "In the case of a violation of subsection (a) or (b) of this section by a labor organization, or by any individual or individuals acting as a representative or as representatives of a labor organization, no member of such labor organization who, at the time such violation occurred, was not a representative of such labor organization shall be subject to the penalties provided in this subsection on account of such violation."

On page 4, line 22, after the word "section" insert "(1)", and in line 25 strike out the period and insert in lieu thereof a semicolon and the following: "(2) the term 'labor organization' means any organization of any kind in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work; and (3) the term 'representative of a labor organization' means an individual who is an officer of a labor organization or who acts, or purports to act, for or on behalf of a labor organization."

Mr. LEONARD W. HALL. Mr. Chairman, this amendment was prepared by the legislating drafting service at my request.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield for a question?

Mr. LEONARD W. HALL. For a short question.

Mr. MARCANTONIO. Under the bill, the people affected would be those who actually went on strike. Under the gentleman's amendment, there is included everybody in the organization.

Mr. LEONARD W. HALL. I will explain the amendment.

Mr. Chairman, you will read in lines 7, 8, and 9 of the first page of the bill that oftentimes implied threats are used in order to bring about the result that leaders like Petrillo want. Many times—I would say most of the time—the action never results in a strike, yet I am informed that, theoretically, the moment Mr. Petrillo makes a threat it is a threat of the union, and every member of his union may be indicted for the threat or implied threat that Mr. Petrillo made.

That is the type of situation I am trying to correct by my amendment. As I said in my remarks before this afternoon, we are not after the little fellow who plays one of the horns or violins in the orchestra; we are after the leader. My amendment does not go so far as to say that if the members of the union join in the coercive actions they will be excused. It does not go that far. But where they have not joined in the coercive actions of their leader it seems to me only fair that they should not be indicted and subjected to the final provisions of this bill simply because they happen to be members of that particular union. That is the only purpose of my amendment. I could take hours and find no other words to explain it. There is nothing else to it.

It means that the fellow who is using coercive actions or intimidating actions is subject to the penalties of this bill, but if he had no part in the intimidations, if he had no part in the coercion, he shall not be subject to the penal provisions of my amendment simply because he happens to be a member of the union.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. LEONARD W. HALL. I yield to the gentleman from Michigan.

Mr. HOFFMAN. If he takes an active part, he is subject?

Mr. LEONARD W. HALL. He is subject to the penalties; yes; that is my understanding.

Mr. RUSSELL. Mr. Chairman, will the gentleman yield?

Mr. LEONARD W. HALL. I yield to the gentleman from Texas.

Mr. RUSSELL. If the gentleman will look over on page 4 at the punishment provision in that, he will find these words, which I think does the very same thing that the gentleman's amendment seeks to do: "whoever willfully violates." Any man who willfully violates the provisions is subject to the penalty; therefore, your amendment would not change the situation.

Mr. LEONARD W. HALL. Let me say that under the constitution of the musicians' union the members, for some reason or other, have made Mr. Petrillo a dictator. He can commit them to anything, and I am informed that theoretically in connection with any act that he commits they may be responsible—therefore, may be indicted. That is the question involved. This only takes them out of that kind of a situation.

Mr. RUSSELL. Under this definition they could not be guilty and they would not be indicted.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. LEONARD W. HALL. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The amendment the gentleman offers seems to be in the right direction, but I would like to be sure. Assuming that there is a labor dispute and the officers of the organization and a number of the members of the union exercise their right to strike, if any of the provisions of the bill are violated. Do I understand under the gentleman's amendment the members of the union would not be prosecuted?

Mr. LEONARD W. HALL. No; I did not say that. If they take part in the coercive action, then they are subject to the provisions of the bill.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. LEONARD W. HALL. I yield to the gentleman from New York.

Mr. MARCANTONIO. In other words, if they strike they would be subject to the provisions of the bill.

Mr. LEONARD W. HALL. If they strike to carry out the unlawful purposes as explained in this bill, then they are subject to the penal provisions.

Mr. MARCANTONIO. And if the other members of the union joined with them on the picket line they would still be subject to the provisions of the bill?

Mr. LEONARD W. HALL. If they do anything which is declared unlawful in this bill, then they are responsible, but they will not be responsible merely because Mr. Petrillo or some other leader has made threats, and it is a question whether they would be if we did not have an amendment like this.

Mr. LEA. Mr. Chairman, I rise in opposition to this amendment.

Mr. Chairman, I have the highest regard for the gentleman from New York and I regret to oppose his motion. On the other hand, I think his motion violates the generally recognized method of criminal law. He proposes that only those who participate shall be held guilty; in other words, it would in effect give a bill of health for freedom to those who did not participate because they were not leaders of the union, and therefore would not be responsible.

Mr. LEONARD W. HALL. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield to the gentleman from New York.

Mr. LEONARD W. HALL. I think I made it plain when I said that my amendment did not apply to any situation where any member of the union took any part in this action which we condemn.

Mr. LEA. Under the bill a man is not responsible unless he actually participates in the willful purpose. That is the general rule of criminal law. Now, if we step in here and say that part who participate are to be free and part are to be punished, then it seems you give a very difficult job to the district attorney. In addition to that you play into Petrillo's hands, because he can handle that thing and do it through the little fellow down at the end of the line and use them as cat's paws, while he would be on the other side of the wall.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. As a matter of fact, the penalty clause in the bill specifically confines the punishment to those who willfully engage in the violation.

Mr. LEA. That is right.

Mr. SMITH of Virginia. It is written in the bill.

Mr. LEA. Yes. That is part of the language in the bill. So I think it would be a mistake to adopt an amendment which in effect would say that notwithstanding the character of the coercive purposes, that we are going to, by law, exclude from punishment part of those who participate.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. LEONARD W. HALL].

The amendment was rejected.

Mr. RABIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RABIN: Page 4, line 14, after the word "obligation", insert "(d) Nothing herein contained shall prohibit the right to strike for any objective which may be lawfully obtained through negotiations."

Mr. RABIN. Mr. Chairman, when I previously addressed the House in general debate I said it was my thought that this bill prohibits the right to strike rather than prohibit the right to do certain things other than that. The amendment I offer, I submit, will clarify the rights of labor should any question arise. The only thing I ask is that when something may be achieved by lawful

negotiation, the right to strike for those objectives shall not be prohibited.

The basic problem here is not legal, it is economic. With the technological advances that are being made, with these new machines that are being created, there comes a problem. Shall they get their share of the wealth that is created by these new machines? The struggle of labor has been for labor to get its just share of that. If they can do that only by negotiation, and if they do not have the right to strike, negotiation is meaningless.

This bill states that the use or expressed or implied threat of the use of force, violence, intimidation, or duress, or coercion, shall be unlawful. I do not include these things; leave them out. I do not say you have a right to coerce, that you have a right to use force, that you have a right to use duress, or any of those words. The only thing I want to protect is the right to strike for any objective that may be achieved by lawful negotiation. I do not believe anybody should want to deny labor that right. Negotiation is meaningless without the right to strike. If they can negotiate lawfully, I say give them the right to strike for that objective. If this bill is correctly written, as the committee contends it is, there should be no objection to that amendment.

Mr. COLE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. RABIN. I yield to the gentleman from Missouri.

Mr. COLE of Missouri. Just what would the gentleman term as lawful negotiation?

Mr. RABIN. This bill admits there are certain lawful situations when it excepts lawful contracts. I will give the gentleman a specific illustration. Labor recently sat around the table in conference with management, and management agreed to pay labor a fraction of a cent for each record. I do not say that is a proper solution of the problem of giving labor some share of the advances made by science. They tried to find a solution, because when a trumpeter makes a record that record reproduces itself, and he should get something. That was a solution arrived at in a peaceful way. If they do not arrive at a solution in a peaceful way, a lawful objective, and that objective is lawful—it is a contract now—they should have the right to strike.

Mr. COLE of Missouri. Would the gentleman say it was lawful negotiation for Mr. Petrillo to say to a broadcasting concern, "If you broadcast this program my men are going to strike"?

Mr. RABIN. You do not correct that in this bill. What you do in this bill is to make it unlawful for them to strike. You do not say it is unlawful for Petrillo to go to a broadcasting station and say, "You are not permitted to do this." You do not say that at all. That is the objection I have to this bill.

Mr. COLE of Missouri. Would not that procedure be within the gentleman's amendment, though? Would not that be construed as lawful negotiation?

Mr. RABIN. No. Under my amendment, what they could achieve by contract they would have a right to strike to obtain. I leave out all coercion, all force, all duress. I do not touch those words at all. I think labor should have the right to strike in connection with lawful negotiations.

Mr. BULWINKLE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there is nothing in the bill that prevents the exercise of the right of negotiation and agreement. This is just another crippling amendment. I ask that it be voted down.

Mr. ROBSION of Kentucky. Mr. Chairman, the bill provides that it shall be unlawful to use force, violence, intimidation, or duress to accomplish certain purposes in connection with broadcasting. The gentleman from New York [Mr. RABIN] has offered an amendment which expressly reserves the right to the American Federation of Musicians to strike or quit their employment for any lawful purpose if they desire to do so; in other words, they cannot be fined or sent to jail if they strike unless it is accompanied by force, violence, intimidation, or duress.

If I understand the amendment offered by the gentleman from New York [Mr. RABIN] it would not protect James C. Petrillo, president of the American Federation of Musicians, and his federation, if they use force, violence, intimidation, extortion, or duress to accomplish their purposes. Do I correctly understand the gentleman's amendment?

Mr. RABIN. That is correct.

Mr. ROBSION of Kentucky. There is a great deal of feeling and apparently, well founded, against Petrillo and some of the other top-flight officers of this organization. I have received no word in person, letter, or telegram from any individual, labor organization, or other group of workers expressing approval of Petrillo's conduct or protesting against this legislation. I have, however, received many communications from various other individuals, from organized workers, loyal union men, and other groups expressing disapproval of his dictatorial and high-handed oppressive conduct. The conduct of Petrillo has been and is doing great harm to organized labor. Here is one place where it appears there is urgent need for a real house-cleaning among organized workers themselves, and, according to the information I have, organized workers have roundly condemned Petrillo and his conduct.

Our Supreme Court, even before the New Deal, declared over and over that professional or individual workers had the right to organize to bargain collectively, to strike, and to engage in peaceful picketing. The courts hold that these rights are guaranteed to workers under the Constitution of the United States. We should not permit ourselves, because of the misconduct of Petrillo and a few others, to incorporate into law unconstitutional provisions or attempt to take away any of the constitutional rights of Petrillo, or any other citizen.

The proponents of this legislation insist that the measure does not take away any of these rights; yet there are other Members of the House, as well as other persons, who honestly believe it does attempt to take away these rights of these musicians. In order that there may be no question as to the intent of Congress, I can see no good reason why we should not adopt Mr. RABIN'S amendment, which reserves these rights where the union is engaged in lawful acts to promote its objective. Mr. RABIN pointed out in his remarks that this amendment does not in any way authorize unlawful practices, such as force, violence, intimidation, or duress—unlawful acts.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. ROBSION of Kentucky. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Does not the language of the amendment make the use of force, coercion, or violence unlawful only when it is used to compel or restrain a licensee to pay or agree to pay tribute? Does not the language of the amendment make use of force, coercion, or violence unlawful only when it is used to compel a licensee to pay or agree to pay tribute and things like that? Certainly it does not interfere with the right to strike where wages are involved and for any legitimate reason as between a workingman and his employer.

Mr. ROBSION of Kentucky. We all agree that the workers have the right to strike and they can only be held liable under this act where there is used force, coercion, intimidation, or violence to compel the employer to do a certain act or to exact tribute from the employer or others.

I am convinced that, under the Constitution, we cannot deny the right to bargain collectively or to strike, and since the proponents concede that this position is sound, why not adopt the Rabin amendment and remove any question on this point?

A strong case has been made against Petrillo, and some of the other officials of his organization, of force, violence, intimidation, and duress in carrying out their stranglehold on broadcasting in the demand and collection of tribute from broadcasting companies, citizens, as well as control of the members of his own organization. This control is almost beyond belief. This conduct should cease in the interest of organized labor itself, in the interest of free speech, fair and honest dealings, and the welfare of the entire country.

The radio is one of our greatest instrumentalities for free speech and to acquire information. It promptly carries news to the remotest sections of our country and the world. It provides a forum for discussions of our political, economic, and social problems. It is a great source of entertainment, music, and culture, and the vehicle for the message of all religions.

The American people complain generally that Petrillo has assumed to himself the power to prevent high-school and other school musicians from putting on free radio programs throughout the Nation unless they employ and pay an unnecessary orchestra provided by Petrillo, and in many instances the orchestra so employed renders no service and is not present. This has prevented any high-school musical programs from being put on the air since 1943. Petrillo exacts this tribute and the same situation prevails in putting on a church,

welfare, or community radio program. They must pay tribute to Petrillo even though he and his group furnish no service, and in many instances are not even present. They have followed the same tactics in preventing the use of the United States Navy, Marine, and Army Bands to perform at memorial observances or patriotic celebrations. They will not permit these bands, paid out of the pockets of the taxpayers, to go on the radio on these occasions unless some group or citizen pays for one or more orchestras provided by Petrillo that are not present and do not perform and whose services are not needed or desired. Petrillo has reached such a point of dictatorial power and arrogance as to prevent his orchestras to appear on any broadcasting program unless these various demands are met. He has become a czar over broadcasting stations and over the organizations and groups who desire to use these stations. They must all pay tribute and give in to Petrillo.

We are told that Petrillo collects in tribute through his methods of coercion, extortion, duress, and threats annually approximately $20,000,000. The American people have tolerated these conditions for a long time. They have been and are now demanding that Congress give them relief. Mr. Petrillo has himself to thank for bringing about this legislation. Petrillo has developed a constitution and bylaws for his organization, and as president he can modify or set aside provisions of the constitution and bylaws of this organization, and it is so set up that a very small minority controls the organization. Mr. Petrillo and his musicians have rights. The broadcasting stations and various organizations and groups who use these stations also have rights, and the rights, interests, and welfare of the American people as a whole must not be overlooked.

I favor the Rabin amendment because I believe in that wonderful motto engraved in marble over the door of the beautiful Supreme Court of the United States: "Justice Under Law." This is a land of law and order. No individual or group is justified in using force, violence, extortion, intimidation, or duress to accomplish their aims and purposes.

SUGGESTION TO CONFEREES

Mr. CASE of South Dakota. Mr. Chairman, under permission to extend my remarks at this point, I wish to say that if there is any thought that this bill forbids the right to strike for legitimate and equitable ends, it would be well to make clear that it does not.

On that ground the Rabin amendment seems desirable, although, as I sought to point out in my question directed to the gentleman from Kentucky [Mr. ROBSION], the bill makes use of the means described "unlawful" only for the accomplishment of certain enumerated purposes.

The broad language used, however, seems to make the use of any means whatsoever unlawful for the accomplishment of those purposes. So, regardless of what is done by way of amending the bill, I hope the conferees will examine the language carefully when the bill goes to conference.

I am ready to concede that to make anything unlawful by the use of force, violence, intimidation, duress, or "by the use or express or implied threat of the use of other means" just about makes it unlawful by any means whatsoever.

The several forbidden goals of action in the six numbered subparagraphs under paragraph (a) and in the three numbered subparagraphs under paragraph (a) may all be things which should be forbidden under any circumstances; I do not know, because I am not familiar with the various phases of broadcasting production, but if, conceivably, under some circumstances, some of the practices may be desirable or unobjectionable we hardly should make it a crime to seek them by any and all means whatsoever.

The question is largely a technical one of language and I feel certain that the conferees will give it due consideration when they go into conference with the Members of the other body.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. RABIN].

The question was taken; and on a division (demanded by Mr. RABIN) there were—ayes 42, noes 75.

Mr. MARCANTONIO. Mr. Chairman, I demand tellers.

Tellers were ordered; and the Chairman appointed Mr. BULWINKLE and Mr. RABIN to act as tellers.

The Committee again divided and the tellers reported that there were—ayes 90, noes 137.

So the amendment was rejected.

Mr. HOLIFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOLIFIELD: Page 2, line 7, after the word "employees" strike out the words "wanted by such licensee" and insert "needed by such licensee to perform actual services."

The CHAIRMAN. The gentleman from California is recognized for 5 minutes on his amendment.

Mr. HOLIFIELD. Mr. Chairman——

Mr. BULWINKLE. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. BULWINKLE. I am in favor of accepting the amendment.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. BROWN of Ohio. I favor the acceptance of the amendment.

Mr. HOLIFIELD. I appreciate the committee's agreeing to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The amendment was agreed to.

Mr. HOLIFIELD. Mr. Chairman, I offer a second amendment.

The Clerk read as follows:

Amendment offered by Mr. HOLIFIELD: Page 2, line 13, after the word "employees" strike out the words "wanted by such licensee" and insert "needed by such licensee to perform actual services."

Mr. BULWINKLE. Mr. Chairman, the committee accepts the amendment.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. HOLIFIELD. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Chairman, in offering these amendments to the pending bill, H. R. 5117, I do so in the hope that we can perfect this bill so I can support it.

As a friend of the rank and file of labor, proved by my legislative voting record, I cannot sanction the dictatorial and undemocratic methods of labor racketeers such as James C. Petrillo. Mr. James C. Petrillo has demonstrated throughout the years his utter disregard of democratic processes within the American Federation of Musicians. The bylaws and constitution of this union are undemocratic and un-American. They are subject to the personal edicts of Mr. Petrillo, without review or consideration of its members. The refusal of Mr. Petrillo to allow high-school orchestras, Army, Navy, and Marine Bands the privilege of broadcasting over the national broadcasting networks is against the public policy and the general welfare. The policy of "feather bedding," or enforcing the payment by broadcasters for stand-by or unused orchestras, is reprehensible racketeering.

The refusal to permit the broadcasting of programs from foreign countries is arbitrary and dangerous to the best chances for good international relations.

It is time for labor organizations to purge their ranks of the James C. Petrillos, the John L. Lewises, the Joseph C. Ryans, and their ilk. They are a stench in the nostrils to legitimate organized labor unions and do the cause of honest laboring people untold harm.

It is time for labor, whether it be the CIO, AFL, or any other labor organization, to come to mature age.

Labor unions must respect the responsibilities of contracts.

Labor unions must avoid jurisdictional disputes because they harm the employer and the public without cause or excuse.

Labor unions must purge the remaining racketeer leaders and become democratic organizations.

Labor unions must render an accounting of their collections of dues and expenditures to their members.

Unless the rank and file of labor unions participate in the control of the policy of their unions this program of responsibility and maturity, yes, and democracy, will not prevail.

I will continue to support the legitimate aims and procedures of organized labor, but I retain my own independence to vote for legislation which will stamp out the racketeer leaders and bad practices of labor unions.

Mr. PATRICK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PATRICK: Page 4, line 21, after the word "both", strike out

the period and insert "but no person shall be guilty of a violation of this act or be subjected to the fine or imprisonment imposed in this act unless such person has committed an overt act attended by physical force or violence, or by a threat of physical force or violence."

Mr. PATRICK. Mr. Chairman, since we are providing a new yardstick here for legislation and undertaking that which we have never specifically undertaken before, let us be sure just how far we are going.

The purpose of the legislation is to prevent five separate things. The last is split into numbers 5 and 6.

Number 1, we make provision against anybody who does that which results in an excess of the number of employees wanted; 2, will enable union members to get money on account of failure to perform; 3, to get pay more than once for the same performance or musical service; 4, get paid for broadcasting which is not performed; then 5 and 6 is to refrain from broadcasting in two different instances. Those are the things that are sought to be prevented by the bill and if persons are guilty of violating any of those prohibitions they are guilty of a crime for which they may be fined a thousand dollars and sent to jail for a year—punitive stuff.

If this becomes law, let us see just how far we have gone—since we are sticking out our necks. My amendment provides that we shall not go that far against employment in this country unless the person that we are going to fine and/or imprison is guilty of an overt act which is attended by physical force and violence or threat of it. I do not believe it is intended by the Congress to step over and take unto itself the passage of a law that would go so much further than we have ever gone in past years in connection with the behavior of men trying to make a living in the United States of America. That is the reason I stated a while ago that unless the bill is amended so that it will not strike out innocent people I am not able to vote for it.

It seems to me there are those Members who have not yet realized how far it goes, if I am to be governed by the expressions I have heard from Members of the House here today. This is a very delicate situation we are approaching because we want men to make a living and we do not want to pass laws the enforcement of which will step beyond what a human being ought to be governed by in this country. The only way to handle this, in my opinion, is by shaping the bill so that it will not penalize men and women pursuing the rights of employment in their respective professions, and unless it is made more safe in this respect I shall be forced to vote against it. And this is a case we all want to do a good job on. Petrillo did not even do the courtesy of coming before our committee.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. BROWN of Ohio. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman who just presented this amendment voted for the bill in its present form when it was reported by the committee, and I consider the amendment that he has offered one which will cripple the bill, and therefore I ask that the amendment be rejected.

Mr. HOFFMAN. Mr. Chairman, I offer a substitute amendment and I ask unanimous consent that it be considered as read.

Mr. CASE of South Dakota. Mr. Chairman, I object.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama.

Mr. HOFFMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN. May I not offer the amendment that is on the Clerk's desk as a substitute for the gentleman's amendment?

The CHAIRMAN. It is not a substitute for the amendment offered by the gentleman from Alabama.

The question is on the amendment offered by the gentleman from Alabama.

The amendment was rejected.

Mr. PATRICK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I merely want to clear the mind of my good friend the gentleman from Ohio [Mr. BROWN], who is a fine member of the committee, and I remind him, since he feels that this is pertinent, which I do not, that in the committee I voted the bill out with reservations, stating at the time that if I felt so inclined and the amendment did not take care of its ills I would oppose it.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. PATRICK. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I wish to apologize to the gentleman for misquoting him, if I have, and I wish to apologize to the House for compelling the gentleman to make a second speech.

Mr. PATRICK. I thank the gentleman. I think he owes an apology on that point.

Mr. HOFFMAN. Mr. Chairman, I offer an amendment, and I make the same request I made before. I ask unanimous consent that the amendment be considered as read.

Mr. GALLAGHER. I object, Mr. Chairman.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN: On page 1, strike out all after the words "A bill" and insert:

"To restore one of the four freedoms, the freedom of expression

"Be it enacted, etc., That it shall be unlawful for any person, firm, corporation, association, or group, to, directly or indirectly, intentionally or willfully interfere in any way with the lawful production, transmission, transportation, dissemination, or movement of any music, musical program, or radio broadcast thereof from any point within the continental United States or any of its Territories or possessions or land under its control or jurisdiction, to any point lying beyond the State or Territorial line of the State, Territory, or possession where such music or musical program, entertainment, or broadcast originates, is offered for transmission, or transportation, dissemination or movement, either over the air, the land, or the sea.

"SEC. 2. For any violation of this act the person, firm, corporation, association, or group responsible for such offense shall be subject to imprisonment in any penal institution under the control of the United States or any of the States for a period of not less than 6 days nor more than 5 years and the imposition of a fine of not less than $100 nor more than $5,000, or both such imprisonment and fine.

"SEC. 3. Any person violating any provision of this act may be prosecuted in any Federal district court, and jurisdiction to receive complaints, proceed to final hearing, judgment, and imposition of penalty is hereby conferred upon all Federal courts, notwithstanding the provisions of any other Federal or State law: *Provided, however*, That from any final judgment an appeal shall lie to the United States circuit court of appeals normally having jurisdiction over the territory in which the complaint originated, and an appeal from the judgment rendered by said circuit court of appeals may be taken to the Supreme Court of the United States in the customary manner.

"SEC. 4. In all prosecutions under this act, the procedure and the rules of evidence heretofore practiced by the courts of the several States and Territories and in circuit courts of appeals shall be followed, insofar as they may be applicable, and all other methods of procedure in conflict therewith shall not apply to prosecutions instituted under this act, except as the application of same may be found necessary to secure justice."

Mr. BULWINKLE (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of the amendment offered by the gentleman from Michigan be dispensed with and that it be printed in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. GALLAGHER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there may be some merit in some of the criticism of Petrillo, but there is no merit in any bill that has the idea of bringing out the forces of hate and enacting them into law. I believe in the Golden Rule. I believe in the freedoms the American Constitution and the Declaration of Independence give the American people. If you want to pass a law to improve conditions in this country, do not begin by hating the common people of this country.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. HOFFMAN].

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. SPARKMAN, having assumed the chair, Mr. CLARK, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5117) to amend title V of the Communications Act of 1934 so as to prohibit certain coercive practices affecting radio broadcasting, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. MARCANTONIO. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. MARCANTONIO. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MARCANTONIO moves to recommit the bill H. R. 5117 to the Committee on Interstate and Foreign Commerce with the recommendation that it report the bill back forthwith with the following amendment:

On page 1, line 9, after the comma following the word "duress", strike out the following language: "or by the use or implied threat of the use of other means."

On page 3, line 11, strike out the words "by the use or implied threat of the use of other means."

On page 4, line 15, insert a new section as follows:

"(d) Nothing herein contained shall prohibit the right to strike for any objective which may be attained through lawful negotiation."

Mr. BULWINKLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion of the gentleman from New York.

Mr. MARCANTONIO. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were refused.

The motion was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. BROWN of Ohio) there were—yeas 222, nays 43.

So the bill was passed.

The SPEAKER pro tempore. Pursuant to the rule, the Clerk will report the bill S. 63, an act to amend the Communications Act of 1934, as amended, so as to prohibit interference with the broadcasting of noncommercial cultural or educational programs.

The Clerk read the title of the Senate bill.

Mr. BULWINKLE. Mr. Speaker, I move to strike out all after the enacting clause of said Senate bill S. 63 and insert in lieu thereof the provisions of the bill H. R. 5117.

The Clerk read as follows:

Mr. BULWINKLE moves to strike out all after the enacting clause of the bill S. 63 and insert the provisions of the bill H. R. 5117.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from North Carolina [Mr. BULWINKLE].

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent that the title of the bill, S. 63, be amended to read as follows:

To amend title V of the Communications Act of 1934 so as to prohibit certain coercive practices affecting radio broadcasting.

The SPEAKER pro tempore. Without objection, the title will be amended accordingly.

There was no objection.

The SPEAKER pro tempore. Without objection, the proceedings whereby the bill H. R. 5117 was passed will be vacated and the bill laid on the table.

There was no objection.

GENERAL LEAVE TO EXTEND REMARKS

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

EXTENSION OF REMARKS

Mr. GROSS asked and was given permission to extend his own remarks in the RECORD.

THE FEED SITUATION

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, the feed situation in the Northeastern States has reached a crisis and is growing worse every day. The New England congressional delegates, responding to many public protest, have given the matter careful and vigorous attention but as yet the Government agencies concerned have taken no effective action to alleviate these desperate and growing feed shortages which are rapidly bringing farmers in the northeastern section of the country into a most dangerous position.

During the war and up to very recently the Government urged greater production of farm products, and I think it will be admitted that our farmers patriotically responded. Herds were built up, poultry flocks were increased, but now the Government has permitted a situation to develop whereby the feed necessary to take care of livestock and poultry has been greatly curtailed in supply, with the result that herds and flocks are being dispersed and slaughtered as these feed shortages grow. At the same time I understand that very sizable surpluses of poultry are accumulating and that the Government is sending commodities scarcer in supply overseas. It is difficult for our people and American farmers to understand the reasons for this policy.

In the meanwhile, in other sections of the country which furnish a large part of the feed supply to New England, because of current Government price policies, farmers are feeding corn to hogs in that it is more profitable to raise pork for the domestic market and for export than to sell corn to New England farmers for milk and poultry production. In these remarks I am not criticizing or blaming western and midwestern farmers who are naturally taking advantage of the current favorable price situation, but I do assert that OPA and the Department of Agriculture ought to take effective action to furnish immediate, substantial, and practical relief to our New England farmers, many of whom are facing very serious conditions unless some assistance is given them at once.

The Department of Agriculture has recently promulgated amendment 4 to War Food Order 9–19 for release of quantities of soybean, linseed, cottonseed, and peanut feed. However well intended this regulation was, its effect will be practically negligible because it neither affords the amount or the kind of feed necessary to cope with our New England situation and meet current needs.

What New England needs and demands is more feed for our livestock and poultry now. There can be no delay without causing severe financial loss, hardship, and greatly curtailed dairy and food supplies. If OPA would adjust ceiling price differentials between corn and hogs as I have been urging for some time past, and if the Department of Agriculture would collaborate with these efforts and move to stabilize conditions in the feed industry, and if the ODT would insure adequate transportation for feed from western points to New England, just as it is now providing under No. 1 priorities for the movement of farm food shipments to our coastal ports for export, this urgent situation might be alleviated. As is well known, I favor humane help and assistance to distressed foreign peoples within the reasonable limits of our economy, but in this situation the real issue may well be: Will it be pork for overseas shipment, or milk for American children and American working men and women. I call upon the Government to act without further delay and without further discussion of technicalities.

LEGISLATIVE PROGRAM FOR TOMORROW AND NEXT WEEK

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I do this in order to ascertain the program for tomorrow and for next week.

Mr. McCORMACK. Tomorrow there will be no legislative program. There will be the reading of Washington's Farewell Address.

Monday next is District Day, but there is no bill.

On Monday and Tuesday we will take up the housing bill, H. R. 4761. There will be 1 day of general debate. On Tuesday we will meet at 11 o'clock, and I will ask unanimous consent, when I have concluded, that that permission be granted in order to take up the ships' sales conference report.

Mr. MARTIN of Massachusetts. That will come up on Tuesday?

Mr. McCORMACK. Yes, if that is agreeable to the gentleman.

Mr. MARTIN of Massachusetts. That is perfectly agreeable.

Mr. McCORMACK. H. R. 4199, the Civil Service Retirement Act, will be taken up on Wednesday. On Thursday and Friday we may meet at 11 o'clock, on either or both of those days. If the chairman of the committee requests it, then I shall ask the indulgence of the House to that effect. On those days we will consider the Department of Agriculture Appropriation bill, and the second rescission appropriation bill, if it can be reached.

That is the program for next week.

The SPEAKER pro tempore. The time of the gentleman from Massachusetts has expired.

HOUR OF MEETING ON TUESDAY NEXT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns on Monday next it adjourn to meet at 11 o'clock on Tuesday.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

Mr. HOFFMAN. Mr. Speaker, reserving the right to object, how long will the sessions continue next week? Will they continue past 5 or 6 o'clock, or how long?

Mr. McCORMACK. I cannot answer the gentleman on that question.

Mr. HOFFMAN. Does the gentleman have any idea?

Mr. McCORMACK. That will be left to the chairman of the committee and the ranking minority member, but my judgment would be probably not later than 5 o'clock. However, that is just a guess on my part, and I do not want it to be binding on the committee.

Mr. HOFFMAN. It would be a great convenience to many Members who would like to go home overnight if we could know something about it.

Mr. McCORMACK. I am sure the gentleman from Michigan appreciates the fact that the gentleman from Massachusetts tries to always be solicitous of the welfare of all Members of the House.

Mr. HOFFMAN. I realize that and I appreciate it, too.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. ROBSION of Kentucky asked and was given permission to revise and extend the remarks he made in Committee of the Whole, and to include some excerpts from the report on the bill and two or three short telegrams.

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the RECORD and include a copy of a bill giving priority to veterans in Government housing.

Mrs. DOUGLAS of California asked and was given permission to extend her remarks in the RECORD in five instances, and to include in each certain excerpts.

Mrs. DOUGLAS of California. Mr. Speaker, on February 4, 5, 6, 7, 8, and 11, 1946, there appeared in the CONGRESSIONAL RECORD, extensions of my remarks in which I included a memorandum entitled "A Request for the Suspension of Argentina From the United Nations" submitted to the General Assembly of the United Nations by the Nation Associates, January 1946.

I ask unanimous consent that these remarks be printed together in the permanent RECORD under date of February 11, 1946.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from California?

There was no objection.

Mr. WHITE asked and was given permission to revise and extend his remarks in the RECORD and to include excerpts in two instances.

Mr. LINK asked and was given permission to extend his remarks in the RECORD.

Mr. PATRICK. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made in the Committee of the Whole today in two instances.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. SIKES asked and was given permission to extend his own remarks in the RECORD.

Mr. MANSFIELD of Montana. Mr. Speaker, I ask unanimous consent to extend my remarks in that part of the RECORD just before title II was struck from the school-lunch bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. WOODRUFF. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article entitled "Freedom Comes to the Philippines," written by Francis B. Sayre, one time High Commissioner of the Philippines, and who deals entirely with the situation that will be presented to the Filipinos upon acquiring their complete liberty. It is a very enlightening article and, notwithstanding the fact the Public Printer says it will cost $156 to have this splendid article printed, I ask unanimous consent that it may be extended in the RECORD.

The SPEAKER pro tempore. Notwithstanding the cost, without objection the extension may be made.

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD to appear in the debate in the Committee of the Whole this afternoon on the Rabin amendment immediately after the remarks of the gentleman from Kentucky [Mr. ROBSION], and supplementing the question I there asked him.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a newspaper article.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BUFFETT (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks in the RECORD in two instances and include brief excerpts.

Mr. GEARHART asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and in each to include quotations from public prints.

SPECIAL ORDER GRANTED

Mr. O'HARA. Mr. Speaker, I ask unanimous consent to address the House for 20 minutes today following the special orders heretofore entered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Illinois [Mr. RESA] is recognized for 15 minutes.

POLITICAL PROCESSES OF AMERICAN DEMOCRACY

Mr. RESA. Mr. Speaker, in a government responsible, as ours is, to the people, the method of formulating national policy and giving effect to it cannot be an instrument of the people's will unless it is understood by them and they have assented to it. Both these conditions—understanding and assent—require that the people shall from time to time examine the operation of the processes of their government and their political system so that changes which have taken place as the years have passed may not be permanently established without their assent, and not assented to without being understood. We are in a time which demands such an examination.

There is need to examine the manner in which our governmental processes are immersed in confusion by the fashion in which we operate our two-party political system. Approximately half of the nominations of candidates for election to Congress are made prior to the holding of the Republican and Democratic National Conventions in Presidential-election years. In obtaining these nominations the candidates of both parties have indicated their attitudes toward national issues and in many instances have made specific promises of courses of action to be carried out in the event of their election. Even where nominations are made in conventions or caucuses candidates generally receive them largely because of what they have led or permitted the people to believe they stand for. No matter how or when candidates have made their commitments to their constituents those commitments should be adhered to. Out of them by the democratic process of controversy and compromise a national policy could in due course be evolved. In such a process Congress would function as the source of national policy.

At its national convention each of the two main political parties nominates its candidates for the Presidency and the Vice Presidency and adopts a platform which is its program of national policy. In almost every instance this platform is to a large extent the embodiment of compromises designed to satisfy conflicting opinions among the delegates to the convention which adopts it. Being the product of compromises, the platform's

pledges can be neither so obvious nor so inescapable that congressional candidates should be expected to anticipate them and become bound by them in advance of the convention. The platform is never intended to be the embodiment of commitments made by congressional candidates who have already received their nominations; indeed, it may be in conflict with those commitments. Almost everyone can recall instances in which congressional candidates nominated after their party's national convention has been adjourned have withheld approval of some of the commitments made in their party's platform. To the program set forth in its platform each political party ordinarily commits only two men—its Presidential and Vice Presidential candidates. By this process for more than a half century our political system has tended to make the Presidency rather than the Congress the source of national policy.

The result of this is that in Presidential election years both the Democratic Party and the Republican Party go before the people with two candidates committed to what is called the party's national policy and more than 400 others obligated by a variety of commitments, many of which may be opposed to or inconsistent with the program incorporated in the party's platform.

The formulation of party policy and proposals does not end with the party convention. Presidential candidates never limit their campaign speeches to a recitation of the party platforms. It is customary that their discussions of problems and proposals as the campaign moves onward and the issues are developed encourage expectations beyond the scope of the party commitments made in convention, and sometimes make commitments not explicitly made, if made at all, in the party platforms. The people have developed the habit of considering these discussions as defining the issues of the campaign and declaring party policy regarding them. Congressional candidates not parties to the commitments made in the party conventions are even farther from being parties to the commitments made in this manner.

All this fosters conflicts that must later plague the administration of whichever party comes into power as the result of the election. Great disagreement has developed both among Republicans and among Democrats in the present Congress over several proposals discussed before the people during the last Presidential campaign and concerning which the political parties then seemed to be in substantial agreement. It is understandable that Members of Congress who had no part in making these proposals feel that they are under no obligation to carry them out. Disagreements between the Chief Executive and the Congress have recently been caused to receive widespread public attention. It is not the purpose of these remarks either to justify or to condemn these disagreements. It is their purpose to invite thoughtful attention to a system which causes national elections to be decided by proposals of policies declared to the people by party platforms and Presidential candidates when those policies cannot be given effect without the concurrence of a Congress not necessarily committed to them. Such a system cannot fail to lead to confusion in government. What the founders of our Nation intended to be a system of checks and balances has, in the present state of our two-party system, become a system of organized conflict.

The confusion so far described is only such as follows the operation of the two-party system in presidential-election years. We are now approaching midterm congressional elections in which 435 Members of the House of Representatives and 32 Members of the Senate will be candidates. No one expects them to seek nomination and election by reciting the 1944 platforms of their respective parties. But they will make commitments to their constituents and there is nothing in our political processes by which these commitments can be keyed to the President's program, or his program revised and adjusted so as to be in harmony with them. Within 8 months every Member of the House of Representatives and a third of the Members of the Senate will have mandates from the people more recent than the President's. These mandates will not all be alike.

This situation presents to the people for their careful consideration the question whether the tendency of our two-party system to make the Presidency the source of national policy should be permitted to go further without such modifications of the system as will make possible the effective exercise of that function. It also presents the further question whether without such modifications the functions of the Chief Executive in relation to national policy can ever successfully extend beyond giving to the Congress from time to time information on the state of the Union and recommending to its consideration such measures as he shall judge necessary and expedient, recognizing Congress as the source of national policy and depending for results upon the appeal which his recommendations may make to its judgment.

Notwithstanding the two theories presented by these questions are mutually contradictory, such is the confusion of public thinking regarding them that both are presently adhered to by the people. If a President forces Congress to bow to his will he is called a dictator; if he does not do so he is condemned for lack of leadership. If Congress yields to his demands it is called a rubber-stamp Congress; and if it asserts its own will by action or inaction it is condemned as recalcitrant, reactionary, or apathetic to the will of the people.

Those who feel called upon to express strong disapproval of the situation which has arisen regarding the President's domestic program should not suppose it to be necessary that the cause of their dissatisfaction be charged either to the President or to the Congress. Perhaps our confused political processes should bear the blame.

Confusion weakens government. Such is the world we live in that, being the wealthiest nation, we cannot afford to be weak. The people of the United States are faced by questions upon which their thinking must be clear and resolute. Foggy and irresolute thinking did not produce the atomic bomb—and may not survive it.

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Minnesota [Mr. O'HARA] is recognized for 20 minutes.

THE BERMUDA AVIATION CONFERENCE

Mr. O'HARA. Mr. Speaker, there are some disturbing elements in what has been and is taking place in world affairs which demands the attention of Congress.

An example is the recent Bermuda Aviation Conference wherein a corps of our docile diplomats from the State Department spent from January 15, 1946 to February 11, 1946 at the beautiful British resort of Bermuda to negotiate a bilateral aviation agreement with the United Kingdom. Details of that agreement were made public recently. I have given some thought and study to the document, and I confess that I have been somewhat confused by conflicting reports as to just who won at this parley.

It would appear to me that as usual, in negotiations between our State Department and some foreign country, we came out a poor second.

I urge that every Member of this body give careful study of how the United States, after winning the war, is rapidly losing the peace.

The Bermuda conference should certainly give concern to not only the air lines of our country and their employees, but to the officials and employees of railroads, truck and bus companies who will be hit by the competition from the British air lines which are to be permitted to fly to and through the United States proper.

It appears that the State Department is following the international air policy of former Assistant Secretary Adolf A. Berle, Jr.

The report of the Bermuda Aviation Conference confirms what Members of this body have long warned would happen if the Congress failed to enact, on behalf of this Nation, a sound, strong aviation policy, best designed to maintain our rightful leadership in the air and on all world trade routes.

In Bermuda our diplomats have successfully turned over to our European competitors the rule of the world skyways on which our own pioneers and our own pilots have done so much to win leadership for the United States.

The report is so drawn as to lead the average reader to believe that our two-fisted diplomacy had beaten the British on almost every count. That, of course, sets the theme for the proper publicity. Reading the terms of the agreement itself, however, prove the opposite. As I read it, the terms show that this country has granted the British every demand they have made. Of course, the British were clever, as usual, and applied the old system of accepting, with the greatest reluctance, terms and conditions that they themselves would have introduced had they not been offered first by the Americans.

We have granted the British not only the routes they wanted, but also the use of our military bases. We have not only opened up to them the whole United States, incredible as it seems, but we have even given them the right to determine what fares shall be made for carrying the American public on American aircraft, traveling anywhere in the world outside our own 48 States.

What I am concerned about is that in matters affecting transportation the State Department goes along making agreements which affect every form of transportation in this country, without even a suggestion of any review or action by the Congress, or its respective committees who are familiar with and have made a study of a national policy. I am advised that Members were given to understand that, pending specific legislation on an air policy, the executive department of our Government would make no commitments with a foreign government that would affect the future of our aviation industry and transportation without consulting Congress.

This is a most serious issue. I strongly feel, and I am sure that the majority in the Congress and the great majority of the citizens of this country feel, that the outcome of this issue will have a profound effect upon the future of this Nation in its world relationships and upon the security of our homes, our industry, and commerce in the era ahead.

It is certainly high time that something were done to halt this attack upon our assets and our abilities which add up to our national security and reconversion and which seriously affect our economic life line.

This sad situation in which aviation and transportation has been placed by "docile diplomats" cannot be laid altogether at the doorstep at Bermuda. It is the result of "we planned it that way" by some of the State Department's most liberal-minded do-gooders, going back to the early stages of the war, and it has been carried on with brilliant effectiveness, and I might also add that the brilliance is due to the lack of opposition in this body, rather than inspiration on the part of those who railroaded through this aviation policy before Congress could enact the Nation's expression of opinion on the subject. We should have been forewarned as to what would be the aerial demise of the United States.

We have, step by step, witnessed the laying of the foundation by those undoubtedly sincere, but amateur strategists of our foreign air relations. There is a very serious question of the legality of the Bermuda agreement. There is equally a serious question as to the legality of the question of the "freedom" of the air which this Government, by some obscure method, has put into effect without consulting the Congress.

The propaganda of the Bermuda release has been to emphasize the great sacrifice of the British in allowing United States flag air lines the use of those bases for which we traded a fleet of destroyers and which were turned from jungles and brush into great defensive strongholds at the expense of millions of dollars of the American taxpayer's money. We hear little of the bases which we have allowed the British to use, with no fanfare on our part whatever. We have been told the air routes around the world which we may now fly—air routes, the right to which had been won years ago by our own private pioneering enterprise, before our Government was officially aware of aviation's importance.

We hear little of the air routes to and through the United States, and to and through the hemisphere which we have granted to the British, thereby turning over to their Empire air-line leadership in world airways once held by the United States.

We hear that the two Governments are now to join together to promote the economic development of aviation. We do not hear that the State Department has committed this Government to a cartel policy and has pledged itself to secure the authorization of this body to permit it to become a member of that cartel.

This conference agreement with the British is too important to let go unnoticed. If allowed to stand, I submit that it means the end of America's leadership in the air and a subservient position on the world's airways for all time to come. There may still be time, however, to put an end to this amateur dabbling in an issue which affects the security of America and which represents, in large measure, that for which millions of our men have fought and for which thousands of them have died.

I have already called your attention to the fact that I want the railroads, trucking, and bus interests of this country to examine the Bermuda concessions to the British because they are directly affected. I want to dwell on that point for a moment.

The British are permitted to fly their air lines in this country without limitation. These planes may pick up passengers in New York and carry them to the Orient; they may pick up passengers also for travel to South America via an eastern and a western route.

Traditionally, the air lines, the railroads, and the busses and trucks have carried passengers and cargoes to main gateways of the Nation for oversea destinations. This business is going to be shared now with the British air monopoly.

Under present terms of the Bermuda pact the British line cannot pick up and deliver passengers within the country. The passengers must be destined to a third country. But, Mr. Speaker, how long will it be before the hustle of postwar American business will result in pressure from hurrying businessmen and anxious tourists to demand the right to board the British ships flying across our land, and this is only the beginning. Highly prized American commerce and trade which should rightfully go to American transportation systems will be shared with other foreign nations. The Bermuda agreement is a pattern or model for similar bilateral agreements, with all of the nation members in the international aviation organization set up at the Chicago conference.

This latest arrangement with the British is limited to the United Kingdom and it now becomes necessary for the establishment of similar arrangements with the air lines of all the other British dominions, thus duplicating the tremendous concessions made at Bermuda. Then it is contemplated that the French, the Dutch, the Russians, and South American republics, and others, will come in for a share of the highly desired trade and commerce of American origin.

Mr. Speaker, just what is going to happen to our own transportation facilities? They will be financially weakened by this foreign competition and be forced to call for help from their Government. Is that the plot behind this screwball policy? Is it contemplated that sooner or later, under stifling foreign competition, American railroads and American air lines will have to be taken over by the Government and nationalized? Are we in Congress to allow the free-enterprise system, upon which this Nation was built, to disappear because of our docile diplomats who have mighty ideas on establishing one big happy world family?

This Nation has thrived on the competitive system. Under the Bermuda agreement that system has not a chance to survive. Our diplomats have assented to the establishment of international rate-making machinery which defies competition. The reason is that our Civil Aeronautics Board, under the agreement, could not clear through the IATA—International Air Transport Association—a rate cut desired by an American air line without the consent of all parties.

It has already been demonstrated that Great Britain, and France do not want low rates based upon highly efficient American equipment and service. The British recently set the New York-London route fares and the French are setting the New York-Paris fares, both higher than those desired by some of the American lines operating those routes. Where is the competition under such a system? I am given to understand that the proposed international body which is to govern world air operations can even dictate the type of food to be served on American planes flying the world air routes, as well as the type of entertainment and other little special features offered by American lines to increase traveling pleasure.

For myself I want no part of this new venture into the field of international cartelism, and I am convinced that at Bermuda a government cartel dominated by the British was created.

All of us have read in the papers where some of our overseas airways had announced their goal of 10-hour flights across the Atlantic at a fare of approximately $100 per passenger one way, and took the first step toward that goal by announcing a one-way fare of $275 from the United States to England. Great Britain, whose own air carriers determined it could not fly the Atlantic profitably at such fare and undoubtedly for the further reason that their equipment is not ready to meet with American equipment, and wanting to stop American competition until such time as they are ready to meet it with both equipment and fares, promptly refused to permit said American planes to land

in the British Isles on more than the two flights a week which were guaranteed by treaty. The additional scheduled flights which had been allotted under this situation resulted in the American competitor having to increase its proposed fare from $275 to $375, charging the traveling public $100 more than it thought necessary for a one-way flight across the Atlantic.

We have in this Bermuda Conference an example of the destruction of American enterprise, American ingenuity, American capital, and American labor, and the Bermuda conference provides the delay until such time as our foreign competitors will have gathered their resources to a point where our weakened transportation system will not have an opportunity to fairly compete with not only foreign competition abroad but will be cursed with the do-gooders at home.

I do urge that immediately Congress take hold of this matter, arouse itself from its lethargy and assume the responsibility which it has and prepare the necessary legislation in the proper committee. This business of Congress fiddling while its jurisdiction is destroyed is one which is tragic. These policies should not be written at some joyful watering place, where cocktail parties and diplomatic balderdash are in order, but rather in the committee rooms and legislative halls of Congress, where the membership dealing with the problem are concerned, not about what a delightful companion "Sir Henry" is, but with what is in the best interest of America.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. BALDWIN of New York, for 18 days, on account of important business.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 323. An act for the relief of Thomas F. Gray;

S. 400. An act for the relief of Elisabeth Andersen;

S. 543. An act for the relief of Felix Frederickson;

S. 683. An act for the relief of Mrs. Marie Nepple, as executrix of the estate of Earl W. Nepple, deceased, and Mrs. Marie Nepple, individually;

S. 865. An act for the relief the estate of Agnes J. Allberry;

S. 1084. An act for the relief of John C. May and Eva Jenkins May;

S. 1126. An act for the relief of Alice A. Murphy;

S. 1131. An act for the relief of Jess Hudson;

S. 1400. An act for the relief of Robert R. Rowe, Jr.;

S. 1423. An act for the relief of Charles L. Phillips;

S. 1588. An act for the relief of Mrs. Lona Wilson; and

S. 1618. An act to exempt the Navy Department from statutory prohibitions against the employment of noncitizens, and for other purposes.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 35 minutes p. m.) the House adjourned until tomorrow, Friday, February 22, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

The Committee on Expenditures in the Executive Departments will hold hearings on surplus property at 10 a. m., Friday, February 22, 1946.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Federal Trade Subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m., Tuesday, February 26, 1946.

Business to be considered: Resume public hearings on H. R. 2390 (to amend the act creating the Federal Trade Commission) to complete list of proponent witnesses. Federal Trade Commission representatives will be heard in opposition commencing February 27, to be followed by other opponent witnesses.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1081. A letter from the Secretary of War, transmitting a draft of a proposed bill to amend the Canal Zone Code, and for other purposes; to the Committee on the Merchant Marine and Fisheries.

1082. A letter from the Administrator, Surplus Property Administration, transmitting a report on radio and electrical equipment; to the Committee on Expenditures in the Executive Departments.

1083. A letter from the Archivist of the United States, transmitting report on records proposed for disposal by various Government agencies; to the Committee on Disposition of Executive Papers.

1084. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of a proposed bill for the retirement of public-school teachers in the District of Columbia; to the Committee on the District of Columbia.

1085. A letter from the Archivist of the United States, transmitting a draft of a proposed bill to amend section 10 of the act establishing a National Archives of the United States Government; to the Committee on the Library.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SABATH: Committee on Rules. House Resolution 530. Resolution providing for the consideration of H. R. 4761, a bill to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes; without amendment (Rept. No. 1593). Referred to the House Calendar.

Mr. MURDOCK: Committee on Irrigation and Reclamation. Senate Joint Resolution 136. Joint resolution changing the name of the Shoshone Dam and Reservoir to Buffalo Bill Dam and Reservoir in commemoration of the one hundredth anniversary of the birth of William Frederick Cody, better known as Buffalo Bill; without amendment (Rept. No. 1594). Referred to the House Calendar.

Mr. CAMP: Committee on Ways and Means. H. R. 3611. A bill to authorize the condemnation of materials which are intended for use in process or renovated butter and which are unfit for human consumption, and for other purposes; without amendment (Rept. No. 1595). Referred to the Committee of the Whole House on the State of the Union.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 1596. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 1597. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRUMBAUGH:

H. R. 5543. A bill to grant to enlisted personnel of the armed forces certain benefits in lieu of accumulated leave; to the Committee on Military Affairs.

By Mr. HAGEN:

H. R. 5544. A bill authorizing the village of Baudette, State of Minnesota, its public successors or public assigns, to construct, maintain, and operate a toll bridge across the Rainy River at or near Baudette, Minn.; to the Committee on Interstate and Foreign Commerce.

By Mr. MARTIN of Iowa:

H. R. 5545. A bill granting the consent of Congress to the Iowa State Highway Commission to construct, maintain, and operate a free highway bridge across the Des Moines River at or near the town of Farmington, Iowa; to the Committee on Interstate and Foreign Commerce.

By Mr. REED of New York:

H. R. 5546. A bill to provide for salary payments to certain individuals who while Members of the House of Representatives of the Seventy-seventh Congress served in the military or naval forces of the United States; to the Committee on the Judiciary.

By Mr. SIKES:

H. R. 5547. A bill to authorize a preliminary survey to determine the feasibility of constructing a canal from the Apalachicola River, near Wewahitchka, Fla., to East Bay, Fla.; to the Committee on Rivers and Harbors.

H. R. 5548. A bill to authorize a preliminary survey to determine the feasibility of reopening West Gap across St. Georges Island, Fla., from the Gulf of Mexico into Apalachicola Bay, Fla.; to the Committee on Rivers and Harbors.

By Mr. McDONOUGH:

H. R. 5549. A bill to provide that a veteran's compensation, pension, or retirement pay shall not be reduced during his hospitalization or domiciliary care; to the Committee on World War Veterans' Legislation.

By Mr. BRADLEY of Michigan:

H. R. 5550. A bill to provide funds for cooperation with the board of education of the Superior-Bay Mills Township Rural Agricultural High School, Brimley, Mich., in the construction of public-school facilities to be available to Indian children; to the Committee on Indian Affairs.

By Mr. HARLESS of Arizona:

H. R. 5551. A bill to grant to enlisted personnel of the armed forces certain benefits in lieu of accumulated leave; to the Committee on Military Affairs.

By Mr. KING:

H. R. 5552. A bill relating to the sale by the United States of surplus vessels suitable for tuna fishing; to the Committee on Expenditures in the Executive Departments.

By Mrs. ROGERS of Massachusetts:

H. R. 5553. A bill relating to veterans' preferences in purchasing surplus property suit-

able for residential purposes; to the committee on Expenditures in the Executive Departments.

By Mr. D'ALESANDRO:

H. R. 5554. A bill to provide for the establishment of the General Sam Smith National Historical Park in Baltimore, Md.; to the Committee on the Public Lands.

By Mr. HARRIS:

H. R. 5555. A bill to amend the Rural Electrification Act of 1936, as amended, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SPENCE:

H. J. Res. 321. Joint resolution to authorize the making of settlement on account of certain currency destroyed at Fort Mills, P. I., and for other purposes; to the Committee on Banking and Currency.

By Mr. BENNET of New York:

H. Con. Res. 129. Concurrent resolution to provide for a joint committee to investigate conditions in Palestine; to the Committee on Rules.

By Mr. PRICE of Illinois:

H. Res. 531. Resolution investigating the disruption of transportation on Toledo, Peoria & Western Railroad; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER. Memorial of the legislature of the Commonwealth of Massachusetts, memorializing the President and the Congress of the United States to increase the aid to dependent children program; to the Committee on Labor.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BUFFETT:

H. R. 5556. A bill for the relief of Jon Ovezia; to the Committee on Immigration and Naturalization.

By Mr. LEONARD W. HALL:

H. R. 5557. A bill for the relief of Mike Sopko; to the Committee on Claims.

By Mr. SIKES:

H. R. 5558. A bill for the relief of Mrs. W. T. Scarborough; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1612. By Mr. CLASON: Petition of the General Court of Massachusetts, urging the Congress to immediately pass legislation to so amend the Federal aid to dependent children law as to permit the matching with Federal funds of all amounts expended by States, or their political subdivisions, on account of aid to dependent children; to the Committee on Ways and Means.

1613. By Mr. DONDERO: Petition of the American Mothers of Detroit, Mich., expressing their opposition to a loan to Great Britain or similar loans that may be proposed to other nations but that attention be focused on the interests of this Republic (United States) and its citizens, including GI Joe; to the Committee on Banking and Currency.

1614. By Mr. DONDERO: Petition of the American Mothers of Detroit, Mich., urging that steps be taken to place the wheels in motion to include in any program for permanent peace in which the United States shall participate a disarmament provision for all nations and that an office to be known as Secretary of Peace be included within the President's Cabinet; to the Committee on Foreign Affairs.

1615. By Mr. GOODWIN: Memorial of the General Court of Massachusetts, to increase the aid to dependent children program; to the Committee on Ways and Means.

1616. By Mr. GRAHAM: Petition of 90 Pennsylvania Railroad employees, in support of House bill 1737, the Railroad Pension Act; to the Committee on Interstate and Foreign Commerce.

1617. By Mr. SUNDSTROM: A concurrent resolution of the New Jersey State Legislature, memorializing the United States Senate and House of Representatives not to ratify any treaty or agreement with the Dominion of Canada or pass any legislation which may provide for the construction of the St. Lawrence seaway; to the Committee on Foreign Affairs.

1618. By Mr. WELCH: Memorial of California House, Resolution No. 86, relating to development of Alaska and amendment of Servicemen's Readjustment Act of 1944, extending benefits to veterans for Alaska homesteads; to the Committee on World War Veterans' Legislation.

1619. Also, memorial of California Assembly, Joint Resolution No. 8, relative to amendment and extension of the Federal Social Security Act in respect to public assistance; to the Committee on Ways and Means.

1620. Also, memorial of California Assembly, Joint Resolution No. 15, relative to migratory birds and the open season for the taking thereof; to the Committee on Agriculture.

SENATE

FRIDAY, FEBRUARY 22, 1946

(Legislative day of Friday, January 18, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, who in every hour of destiny dost use human talents to accomplish Thy tasks and human lips to blow the trumpets of Thy freedom, in reverent and grateful remembrance of him whose birth we this day celebrate, help us not simply to glorify his name but to emulate his virtues. Meeting in this Capitol, whose foundation stones his hands helped to lay, listening once more to his wise words as he left the public stage of action, may Thy servants who now before their fellows and the world represent the Nation upon whose struggling beginnings his name and sign is forever affixed, like him, achieve calmness in turmoil, courage in danger, hope in despair, patience in perplexity, faith in eternal verities, and a conscience higher than fame and the praise of man; then at the end may we, too, like one drawing the draperies of his couch about him, lie down to dreamless sleep in sure confidence of the larger life, leaving behind the white monument of a character unsullied and a record blameless without stain or shame. Through riches of grace in Christ Jesus our Lord. Amen.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, February 21, 1946, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 63) to amend the Communications Act of 1934, as amended, so as to prohibit interference with the broadcasting of noncommercial cultural or educational programs, with amendments in which it requested the concurrence of the Senate.

The message also announced that the House had passed a bill (H. R. 3370) to provide assistance to the States in the establishment, maintenance, operation, and expansion of school-lunch programs, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 323. An act for the relief of Thomas F. Gray;

S. 400. An act for the relief of Elisabeth Andersen;

S. 543. An act for the relief of Felix Frederickson;

S. 683. An act for the relief of Mrs. Marie Nepple, as executrix of the estate of Earl W. Nepple, deceased, and Mrs. Marie Nepple, individually;

S. 865. An act for the relief of the estate of Agnes J. Allberry;

S. 1084. An act for the relief of John C. May and Eva Jenkins May;

S. 1126. An act for the relief of Alice A. Murphy;

S. 1131. An act for the relief of Jess Hudson;

S. 1400. An act for the relief of Robert R. Rowe, Jr.;

S. 1423. An act for the relief of Charles L. Phillips;

S. 1588. An act for the relief of Mrs. Lona Wilson; and

S. 1618. An act to exempt the Navy Department from statutory prohibitions against the employment of noncitizens, and for other purposes.

CALL OF THE ROLL

Mr. HILL. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Murdock
Austin	Hawkes	O'Mahoney
Bailey	Hayden	Overton
Ball	Hickenlooper	Pepper
Bankhead	Hill	Radcliffe
Barkley	Hoey	Reed
Bilbo	Huffman	Revercomb
Brewster	Johnson, Colo.	Robertson
Bridges	Johnston, S. C.	Russell
Bushfield	Kilgore	Saltonstall
Butler	Knowland	Stanfill
Byrd	La Follette	Stewart
Capper	Lucas	Taft
Carville	McCarran	Thomas, Okla.
Chavez	McClellan	Thomas, Utah
Cordon	McFarland	Tunnell
Ellender	McKellar	Vandenberg
Ferguson	McMahon	Wheeler
Fulbright	Magnuson	Wherry
George	Mead	White
Gerry	Millikin	Wiley
Gossett	Mitchell	Willis
Gurney	Moore	Wilson
Hart	Morse	Young

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS], the Senator from Texas [Mr. O'DANIEL], and the Senator from New York [Mr. WAGNER] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from Missouri [Mr. BRIGGS], the Senator from California [Mr. DOWNEY], the Senator from Mississippi [Mr. EASTLAND], the Senator from Rhode Island [Mr. GREEN], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from South Carolina [Mr. MAYBANK], the Senator from Pennsylvania [Mr. MYERS], the Senator from Maryland [Mr. TYDINGS], and the Senator from Massachusetts [Mr. WALSH] are detained on public business.

The Senator from Montana [Mr. MURRAY] and the Senator from Idaho [Mr. TAYLOR] are absent on official business.

The Senator from Texas [Mr. CONNALLY] is absent on official business as a representative of the United States to the General Assembly of the United Nations.

Mr. WHERRY. The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate on official business of the Small Business Committee, of which he is a member.

The Senator from Illinois [Mr. BROOKS] is confined in a hospital recovering from a recent operation.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from Missouri [Mr. DONNELL] is absent by leave of the Senate.

The Senator from Delaware [Mr. BUCK], the Senator from North Dakota [Mr. LANGER], the Senator from Minnesota [Mr. SHIPSTEAD], and the Senator from New Jersey [Mr. SMITH] are necessarily absent.

The PRESIDENT pro tempore. Seventy-two Senators having answered to their names, a quorum is present.

READING OF WASHINGTON'S FAREWELL ADDRESS

The PRESIDENT pro tempore. Pursuant to an order of the Senate of January 24, 1901, Washington's Farewell Address will now be read by the junior Senator from New Mexico [Mr. CHAVEZ] heretofore designated by the Chair to perform that duty.

Thereupon Mr. CHAVEZ advanced to the desk and read the Farewell Address, as follows:

To the people of the United States:

FRIENDS AND FELLOW CITIZENS: The period for a new election of a citizen to administer the executive government of the United States being not far distant, and the time actually arrived when your thoughts must be employed in designating the person who is to be clothed with that important trust, it appears to me proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprise you of the resolution I have formed, to decline being considered among the number of those, out of whom a choice is to be made.

I beg you, at the same time, to do me the justice to be assured, that this resolution has not been taken, without a strict regard to all the considerations appertaining to the relation which binds a dutiful citizen to his country; and that, in withdrawing the tender of service which silence in my situation might imply, I am influenced by no diminution of zeal for your future interest; no deficiency of grateful respect for your past kindness; but am supported by a full conviction that the step is compatible with both.

The acceptance of, and continuance hitherto in the office to which your suffrages have twice called me, have been a uniform sacrifice of inclination to the opinion of duty, and to a deference for what appeared to be your desire. I constantly hoped that it would have been much earlier in my power, consistently with motives which I was not at liberty to disregard, to return to that retirement from which I had been reluctantly drawn. The strength of my inclination to do this, previous to the last election, had even led to the preparation of an address to declare it to you; but mature reflection on the then perplexed and critical posture of our affairs with foreign nations, and the unanimous advice of persons entitled to my confidence, impelled me to abandon the idea.

I rejoice that the state of your concerns, external as well as internal, no longer renders the pursuit of inclination incompatible with the sentiment of duty or propriety; and am persuaded, whatever partiality may be retained for my services, that in the present circumstances of our country, you will not disapprove my determination to retire.

The impressions with which I first undertook the arduous trust, were explained on the proper occasion. In the discharge of this trust, I will only say that I have, with good intentions, contributed towards the organization and administration of the government, the best exertions of which a very fallible judgment was capable. Not unconscious in the outset, of the inferiority of my qualifications, experience, in my own eyes, perhaps still more in the eyes of others, has strengthened the motives to diffidence of myself; and, every day, the increasing weight of years admonishes me more and more, that the shade of retirement is as necessary to me as it will be welcome. Satisfied that if any circumstances have given peculiar value to my services they were temporary, I have the consolation to believe that, while choice and prudence invite me to quit the political scene, patriotism does not forbid it.

In looking forward to the moment which is to terminate the career of my political life, my feelings do not permit me to suspend the deep acknowledgment of that debt of gratitude which I owe to my beloved country, for the many honors it has conferred upon me; still more for the steadfast confidence with which it has supported me; and for the opportunities I have thence enjoyed of manifesting my inviolable attachment, by services faithful and persevering, though in usefulness unequal to my zeal. If benefits have resulted to our country from these services, let it always be remembered to your praise, and as an instructive example in our annals, that under circumstances in which the passions, agitated in every direction, were liable to mislead amidst appearances sometimes dubious, vicissitudes of fortune often discouraging—in situations in which not unfrequently, want of success has countenanced the spirit of criticism—the constancy of your support was the essential prop of the efforts, and a guarantee of the plans, by which they were effected. Profoundly penetrated with this idea, I shall carry it with me to my grave, as a strong incitement to unceasing vows that heaven may continue to you the choicest tokens of its beneficence—that your union and brotherly affection may be perpetual—that the free constitution, which is the work of your hands, may be sacredly maintained—that its administration in every department may be stamped with wisdom and virtue—that, in time, the happiness of the people of these states, under the auspices of liberty, may be made complete by so careful a preservation, and so prudent a use of this blessing, as will acquire to them the glory of recommending it to the applause, the affection and adoption of every nation which is yet a stranger to it.

Here, perhaps, I ought to stop. But a solicitude for your welfare, which cannot end but with my life, and the apprehension of danger, natural to that solicitude, urge me, on an occasion like the present, to offer to your solemn contemplation, and to recommend to your frequent review, some sentiments which are the result of much reflection, of no inconsiderable observation, and which appear to me all important to the permanency of your felicity as a people. These will be offered to you with the more freedom, as you can only see in them the disinterested warnings of a parting friend, who can possibly have no personal motive to bias his counsel. Nor can I forget, as an encouragement to it, your indulgent reception of my sentiments on a former and not dissimilar occasion.

Interwoven as is the love of liberty with every ligament of your hearts, no recommendation of mine is necessary to fortify or confirm the attachment.

The unity of government which constitutes you one people, is also now dear to you. It is justly so; for it is a main pillar in the edifice of your real independence; the support of your tranquility at home; your peace abroad; of your safety; of your prosperity; of that very liberty which you so highly prize. But as it is easy to foresee that, from different causes and from different quarters much pains will be taken, many artifices employed, to weaken in your minds the conviction of this truth; as this is the point in your political fortress against which the batteries of internal and external enemies will be most constantly and actively (though often covertly and insidiously) directed; it is of infinite moment, that you should properly estimate the immense value of your national union to your collective and individual happiness; that you should cherish a cordial, habitual, and immovable attachment to it; accustoming yourselves to think and speak of it as of the palladium of your political safety and prosperity; watching for its preservation with jeal-

ous anxiety; discountenancing whatever may suggest even a suspicion that it can, in any event, be abandoned; and indignantly frowning upon the first drawing of every attempt to alienate any portion of our country from the rest, or to enfeeble the sacred ties which now link together the various parts.

For this you have every inducement of sympathy and interest. Citizens by birth, or choice, of a common country, that country has a right to concentrate your affections. The name of American, which belongs to you in your national capacity, must always exalt the just pride of patriotism, more than any appellation derived from local discriminations. With slight shades of difference, you have the same religion, manners, habits, and political principles. You have, in a common cause, fought and triumphed together; the independence and liberty you possess, are the work of joint counsels, and joint efforts, of common dangers, sufferings and successes.

But these considerations, however powerfully they addressed themselves to your sensibility, are greatly outweighed by those which apply more immediately to your interest.—Here, every portion of our country finds the most commanding motives for carefully guarding and preserving the union of the whole.

The *north*, in an unrestrained intercourse with the *south*, protected by the equal laws of a common government, finds in the productions of the latter, great additional resources of maritime and commercial enterprise, and precious materials of manufacturing industry.—The *south*, in the same intercourse, benefiting by the same agency of the *north*, sees its agriculture grow and its commerce expand. Turning partly into its own channels the seamen of the *north*, it finds its particular navigation invigorated; and while it contributes, in different ways, to nourish and increase the general mass of the national navigation, it looks forward to the protection of a maritime strength, to which itself is unequally adapted. The *east*, in a like intercourse with the *west*, already finds, and in the progressive improvement of interior communications by land and water, will more and more find a valuable vent for the commodities which it brings from abroad, or manufactures at home. The *west* derives from the *east* supplies requisite to its growth and comfort—and what is perhaps of still greater consequence, it must of necessity owe the *secure* enjoyment of indispensable *outlets* for its own productions, to the weight, influence, and the future maritime strength of the Atlantic side of the Union, directed by an indissoluble community of interest as *one nation*. Any other tenure by which the *west* can hold this essential advantage, whether derived from its own separate strength; or from an apostate and unnatural connection with any foreign power, must be intrinsically precarious.

While then every part of our country thus feels an immediate and particular interest in union, all the parts combined cannot fail to find in the united mass of means and efforts, greater strength, greater resource, proportionably greater security from external danger, a less frequent interruption of their peace by foreign nations; and, what is of inestimable value, they must derive from union, an exemption from those broils and wars between themselves, which so frequently afflict neighboring countries not tied together by the same government; which their own rivalship alone would be sufficient to produce, but which opposite foreign alliances, attachments, and intrigues, would stimulate and embitter. Hence likewise, they will avoid the necessity of those overgrown military establishments, which under any form of government are inauspicious to liberty, and which are to be regarded as particularly hostile to republican liberty. In this sense it is, that your union ought to be considered as a main prop of your liberty, and that the love of the one ought to endear to you the preservation of the other.

These considerations speak a persuasive language to every reflecting and virtuous mind and exhibit the continuance of the union as a primary object of patriotic desire. Is there a doubt whether a common government can embrace so large a sphere? let experience solve it. To listen to mere speculation in such a case were criminal. We are authorized to hope that a proper organization of the whole, with the auxiliary agency of governments for the respective subdivisions, will afford a happy issue to the experiment. It is well worth a fair and full experiment. With such powerful and obvious motives to union, affecting all parts of our country, while experience shall not have demonstrated its impracticability, there will always be reason to distrust the patriotism of those who, in any quarter, may endeavor to weaken its hands.

In contemplating the causes which may disturb our Union, it occurs as matter of serious concern, that any ground should have been furnished for characterizing parties by *geographical* discriminations,—*northern* and *southern*—*Atlantic* and *western;* whence designing men may endeavor to excite a belief that there is a real difference of local interests and views. One of the expedients of party to acquire influence within particular districts, is to misdepresent the opinions and aims of other districts. You cannot shield yourselves too much against the jealousies and heart burnings which spring from these misrepresentations; they tend to render alien to each other those who ought to be bound together by fraternal affection. The inhabitants of our western country have lately had a useful lesson on this head; they have seen, in the negotiation by the executive, and in the unanimous ratification by the senate of the treaty with Spain, and in the universal satisfaction at the event throughout the United States, a decisive proof how unfounded were the suspicions propagated among them of a policy in the general government and in the Atlantic states, unfriendly to their interests in regard to the Mississippi. They have been witnesses to the formation of two treaties, that with Great Britain and that with Spain, which secure to them everything they could desire, in respect to our foreign relations, towards confirming their prosperity. Will it not be their wisdom to rely for the preservation of these advantages on the union by which they were procured? will they not henceforth be deaf to those advisers, if such they are, who would sever them from their brethren and connect them with aliens?

To the efficacy and permanency of your Union, a government for the whole is indispensable. No alliances, however strict, between the parts can be an adequate substitute; they must inevitably experience the infractions and interruptions which all alliances, in all times, have experienced. Sensible of this momentous truth, you have improved upon your first essay, by the adoption of a constitution of government, better calculated than your former, for an intimate union, and for the efficacious management of your common concerns. This government, the offspring of our own choice, uninfluenced and unawed, adopted upon full investigation and mature deliberation, completely free in its principles, in the distribution of its powers, uniting security with energy, and maintaining within itself a provision for its own amendment, has a just claim to your confidence and your support. Respect for its authority, compliance with its laws, acquiescence in its measures, are duties enjoined by the fundamental maxims of true liberty. The basis of our political systems is the right of the people to make and to alter their constitutions of government.—But the constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all. The very idea of the power, and the right of the people to establish government, presuppose the duty of every individual to obey the established government.

All obstructions to the execution of the laws, all combinations and associations under whatever plausible character, with the real design to direct, control, counteract, or awe the regular deliberations and action of the constituted authorities, are destructive of this fundamental principle, and of fatal tendency.—They serve to organize faction, to give it an artificial and extraordinary force, to put in the place of the delegated will of the nation the will of party, often a small but artful and enterprising minority of the community; and, according to the alternate triumphs of different parties, to make the public administration the mirror of the ill-concerted and incongruous projects of faction, rather than the organ of consistent and wholesome plans digested by common councils, and modified by mutual interests.

However combinations or associations of the above description may now and then answer popular ends, they are likely, in the course of time and things, to become potent engines, by which cunning, ambitious, and unprincipled men, will be enabled to subvert the power of the people, and to usurp for themselves the reins of government; destroying afterwards the very engines which have lifted them to unjust dominion.

Towards the preservation of your government and the permanency of your present happy state, it is requisite, not

only that you steadily discountenance irregular opposition to its acknowledged authority, but also that you resist with care the spirit of innovation upon its principles, however specious the pretext. One method of assault may be to effect, in the forms of the constitution, alterations which will impair the energy of the system; and thus to undermine what cannot be directly overthrown. In all the changes to which you may be invited, remember that time and habit are at least as necessary to fix the true character of governments, as of other human institutions:—that experience is the surest standard by which to test the real tendency of the existing constitution of a country:—that facility in changes, upon the credit of mere hypothesis and opinion, exposes to perpetual change from the endless variety of hypothesis and opinion: and remember, especially, that for the efficient management of your common interests in a country so extensive as ours, a government of as much vigor as is consistent with the perfect security of liberty is indispensable. Liberty itself will find in such a government, with powers properly distributed and adjusted, its surest guardian. It is, indeed, little else than a name, where the government is too feeble to withstand the enterprises of faction, to confine each member of the society within the limits prescribed by the laws, and to maintain all in the secure and tranquil enjoyment of the rights of person and property.

I have already intimated to you the danger of parties in the state, with particular references to the founding them on geographical discrimination. Let me now take a more comprehensive view, and warn you in the most solemn manner against the baneful effects of the spirit of party generally.

This spirit, unfortunately, is inseparable from our nature, having its root in the strongest passions of the human mind.—It exists under different shapes in all governments, more or less stifled, controlled, or repressed; but in those of the popular form it is seen in its greatest rankness, and is truly their worst enemy.

The alternate domination of one faction over another, sharpened by the spirit of revenge natural to party dissension, which in different ages and countries has perpetrated the most horrid enormities, it itself a frightful despotism. But this leads at length to a more formal and permanent despotism. The disorders and miseries which result, gradually incline the minds of men to seek security and repose in the absolute power of an individual; and, sooner or later, the chief of some prevailing faction, more able or more fortunate than his competitors, turns this disposition to the purpose of his own elevation on the ruins of public liberty.

Without looking forward to an extremity of this kind, (which nevertheless ought not to be entirely out of sight) the common and continual mischiefs of the spirit or party are sufficient to make it the interest and duty of a wise people to discourage and restrain it.

It serves always to distract the public councils, and enfeeble the public administration. It agitates the community with ill founded jealousies and false alarms; kindles the animosity of one part against another; foments occasional riot and insurrection. It opens the door to foreign influence and corruption, which finds a facilitated access to the government itself through the channels of party passions. Thus the policy and the will of one country are subjected to the policy and will of another.

There is an opinion that parties in free countries are useful checks upon the administration of the government, and serve to keep alive the spirit of liberty. This within certain limits is probably true; and in governments of a monarchial cast, patriotism may look with indulgence, if not with favor, upon the spirit of party. But in those of the popular character, in governments purely elective, it is a spirit not to be encouraged. From their natural tendency, it is certain there will always be enough of that spirit for every salutary purpose. And there being constant danger of excess, the effort ought to be, by force of public opinion, to mitigate and assuage it. A fire not to be quenched, it demands a uniform vigilance to prevent it bursting into a flame, lest instead of warming, it should consume.

It is important likewise, that the habits of thinking in a free country should inspire caution in those intrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department, to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power and proneness to abuse it which predominate in the human heart, is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting each the guardian of the public weal against invasion of the others, has been evinced by experiments ancient and modern; some of them in our country and under our own eyes.—To preserve them must be as necessary as to institute them. If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the constitution designates.—But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil any partial or transient benefit which the use can at any time yield.

Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism, who should labor to subvert these great pillars of human happiness, these firmest props of the duties of men and citizens. The mere politician, equally with the pious man, ought to respect and to cherish them. A volume could not trace all their connections with private and public felicity. Let it simply be asked, where is the security for property, for reputation, for life, if the sense of religious obligation *desert* the oaths which are the instruments of investigation in courts of justice? And let us with caution indulge the supposition that morality can be maintained without religion. Whatever may be conceded to the influence of refined education on minds of peculiar structure, reason and experience both forbid us to expect, that national morality can prevail in exclusion of religious principle.

It is substantially true, that virtue or morality is a necessary spring of popular government. The rule, indeed extends with more or less force to every species of free government. Who that is a sincere friend to it can look with indifference upon attempts to shake the foundation of the fabric?

Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge. In proportion as the structure of a government gives force to public opinion, it should be enlightened.

As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace, but remembering, also, that timely disbursements, to prepare for danger, frequently prevent much greater disbursements to repel it; avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear. The execution of these maxims belongs to your representatives, but it is necessary that public opinion should cooperate. To facilitate to them the performance of their duty, it is essential that you should practically bear in mind, that towards the payment of debts there must be revenue; that to have revenue there must be taxes, that no taxes can be devised which are not more or less inconvenient and unpleasant; that the intrinsic embarrassment inseparable from the selection of the proper object (which is always a choice of difficulties,) ought to be a decisive motive for a candid construction of the conduct of the government in making it, and for a spirit of acquiescence in the measures for obtaining revenue, which the public exigencies may at any time dictate.

Observe good faith and justice towards all nations; cultivate peace and harmony with all. Religion and morality enjoin this conduct, and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence. Who can doubt but, in the course of time and things, the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it; can it be that Providence has not connected the permanent felicity of a nation with its virtue? The experiment, at least is recommended by every sentiment which ennobles human

nature. Alas! is it rendered impossible by its vices?

In the execution of such a plan, nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others, should be excluded; and that, in place of them, just and amicable feelings towards all should be cultivated. The nation which indulges towards another an habitual hatred, or an habitual fondness, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable when accidental or trifling occasions of dispute occur. Hence, frequent collisions, obstinate, envenomed, and bloody contests. The nation, prompted by ill will and resentment, sometimes impels to war the government, contrary to the best calculations of policy. The government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other times, it makes the animosity of the nation subservient to projects of hostility, instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the liberty of nations, has been the victim.

So likewise, a passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest, in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducements or justifications. It leads also to concessions, to the favorite nation, of privileges denied to others, which is apt doubly to injure the nation making the concessions, by unnecessarily parting with what ought to have been retained, and by exciting jealousy, ill will, and a disposition to retaliate in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted or deluded citizens who devote themselves to the favorite nation, facility to betray or sacrifice the interests of their own country, without odium, sometimes even with popularity; gilding with the appearances of a virtuous sense of obligation, a commendable deference for public opinion, or a laudable zeal for public good, the base or foolish compliances of ambition, corruption, or infatuation.

As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils!—Such an attachment of a small or weak, towards a great and powerful nation, dooms the former to be the satellite of the latter.

Against the insidious wiles of foreign influence, (I conjure you to believe me fellow citizens,) the jealousy of a free people ought to be *constantly* awake; since history and experience prove, that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike for another, cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little *political* connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith:—Here let us stop.

Europe has a set of primary interests, which to us have none, or a very remote relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collusions of her friendships or enmities.

Our detached and distant situation invites and enables us to pursue a different course. If we remain one people, under an efficient government, the period is not far off when we may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality we may at any time resolve upon, to be scrupulously respected; when belligerent nations, under the impossibility of making acquisitions upon us, will not lightly hazard the giving us provocation, when we may choose peace or war, as our interest, guided by justice, shall counsel.

Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?

It is our true policy to steer clear of permanent alliance with any portion of the foreign world; so far, I mean, as we are now at liberty to do it; for let me not be understood as capable of patronizing infidelity to existing engagements. I hold the maxim no less applicable to public than private affairs, that honesty is always the best policy. I repeat it, therefore, let those engagements be observed in their genuine sense. But in my opinion, it is unnecessary, and would be unwise to extend them.

Taking care always to keep ourselves by suitable establishments, on a respectacle defensive posture, we may safely trust to temporary alliances for extraordinary emergencies.

Harmony, and a liberal intercourse with all nations, are recommended by policy, humanity, and interest. But even our commercial policy should hold an equal and impartial hand; neither seeking nor granting exclusive favors or preferences; consulting the natural course of things; diffusing and diversifying by gentle means the streams of commerce, but forcing nothing; establishing with powers so disposed, in order to give trade a stable course, to define the rights of our merchants, and to enable the government to support them, conventional rules of intercourse, the best that present circumstances and mutual opinion will permit, but temporary, and liable to be from time to time abandoned or varied as experience and circumstances shall dictate; constantly keeping in view, that it is folly in one nation to look for disinterested favors from another; that it must pay with a portion of its independence for whatever it may accept under that character; that by such acceptance, it may place itself in the condition of having given equivalents for nominal favors, and yet of being reproached with ingratitude for not giving more. There can be no greater error than to expect, or calculate upon real favors from nation to nation. It is an illusion which experience must cure, which a just pride ought to discard.

In offering to you, my countrymen, these counsels of an old and affectionate friend, I dare not hope they will make the strong and lasting impression I could wish; that they will control the usual current of the passions, or prevent our nation from running the course which has hitherto marked the destiny of nations, but if I may even flatter myself that they may be productive of some partial benefit, some occasional good; that they may now and then recur to moderate the fury of party spirit, to warn against the mischiefs of foreign intrigue, to guard against the impostures of pretended patriotism; this hope will be a full recompense for the solicitude for your welfare by which they have been dictated.

How far, in the discharge of my official duties, I have been guided by the principles which have been delineated, the public records and other evidences of my conduct must witness to you and to the world. To myself, the assurance of my own conscience is, that I have, at least, believed myself to be guided by them.

In relation to the still subsisting war in Europe; my proclamation of the 22d of April, 1793, is the index to my plan. Sanctioned by your approving voice, and by that of your representatives in both houses of congress, the spirit of that measure has continually governed me, uninfluenced by any attempts to deter or divert me from it.

After deliberate examination, with the aid of the best lights I could obtain, I was well satisfied that our country, under all the circumstances of the case, had a right to take, and was bound, in duty and interest, to take a neutral position. Having taken it, I determined, as far as should depend upon me, to maintain it with moderation, perseverance and firmness.

The considerations which respect the right to hold this conduct, it is not necessary on this occasion to detail. I will only observe that, according to my understanding of the matter, that right, so far from being denied by any of the belligerent powers, has been virtually admitted by all.

The duty of holding a neutral conduct may be inferred, without any thing more, from the obligation which justice and humanity impose on every nation, in cases in which it is free to act, to maintain inviolate the relations of peace and amity towards other nations.

The inducements of interest for observing that conduct will best be referred to your own reflections and experience. With me a predominant motive has been to endeavor to gain time to our country to settle and mature its yet recent institutions, and to progress, without interruption, to that degree of strength, and consistency which is necessary to give it, humanly speaking, the command of its own fortunes.

Though in reviewing the incidents of my administration, I am unconscious of intentional error, I am nevertheless too sensible of my defects not to think it probable that I may have committed many errors. Whatever they may be, I fervently beseech the Almighty to avert or mitigate the evils to which they may tend. I shall also carry with me the hope that my country will never cease to view them with indulgence; and that, after forty-five years of my life dedicated to its service, with an upright zeal, the faults of incompetent abilities will be consigned to oblivion, as myself must soon be to the mansions of rest.

Relying on its kindness in this as in other things, and actuated by that fervent love towards it, which is so natural to a man who views in it the native soil of himself and his progenitors for several generations; I anticipate with pleasing expectation that retreat in which I promise myself to realize without alloy, the sweet enjoyment of partaking, in the midst of my fellow citizens, the benign influence of good laws under a free government—the ever favorite object of my heart, and the happy reward, as I trust, of our mutual cares, labors and dangers.

GEO. WASHINGTON.

UNITED STATES,
17th September, 1796.

WASHINGTON'S FAREWELL ADDRESS—COMMENTS BY SENATOR WILEY

Mr. WILEY. Mr. President, I ask unanimous consent that there be printed in the RECORD brief comments by me on Washington's Farewell Address.

There being no objection, the comments were ordered to be printed in the RECORD, as follows:

The greatest tribute we can pay today to George Washington is to follow the spirit of his immortal counsel. Let us look at this counsel and see its meaning to the America of today.

1. Washington said, "In time of peace prepare for war." This is a hard but realistic policy for a peace-loving nation like America.

Particularly in this atomic age, with all its dangers of atom and rocket invasion, America must be eternally vigilant for her security. We must have the most modern weapons. We must have a coordinated intelligence service, which will keep us informed of foreign military actions.

The reported Russian spying on atomic secrets, coupled with Stalin's verbal attack on capitalism, his plans to build up heavy Russian industry and armament should all put us on our guard to make our defenses second to none.

The world is not yet in a state where the "innocent lamb can lie down with the lion" (or with the bear).

America must be as "wise as a serpent" in her vigilance and her preparations, while as "harmless as a dove" in her peaceful intentions. Washington would not only take the Government out of the "red" but the "reds" out of government.

Right now America, during this time of peace, is not preparing for future emergencies. A few labor bosses can cripple entire cities—can blot out their light, cut their food supply, paralyze their transportation. We must get effective peace-making machinery for labor-management disputes into action now. We must provide for arbitration, and in the case of utilities and Nation-wide industries for compulsory arbitration as a last resort in order to prevent strikes. This would be preparing in time of peace for future emergencies.

2. Washington counseled us to beware of the "insidious wiles of foreign influence." He stated that "the jealousy of a free people ought to be constantly awake since history and experience prove that foreign influence is one of the most baneful foes of republican government."

Never was this truer than today when all the tricks and subterfuges of foreign-inspired propaganda are being used to beguile us from the American way to the alien way, the collectivist way. We must keep America American. We must preserve our system of checks and balances from those alien-inspired individuals who would destroy it with regimentation.

3. Washington warned against "interweaving our destiny with any part of Europe or entangling our peace and prosperity in the toils of European ambitions, rivalship, interest, humor, or caprice." He stated further in his Farewell Address, "'Tis our true policy to steer clear of permanent alliance with any portion of the foreign world."

We have gone a long way from this doctrine. Before Pearl Harbor the American people, according to every public opinion poll, were 70 to 90 percent against intervention. Today by the same percentage, they want to give the United Nations Organization a fair chance to work out a just and lasting peace. We know we are a part of the world stage. We will do our part well.

But we ask, Will the other nations which for centuries have warred upon one another, have displayed greed and lust for power and spoils, which have evidenced their dislike for our republican form of government, will they play their part?

They are poker politicians; we must play poker politics, too. We must be realists, not weak sisters or Pollyannas or do-gooders, but stern realists, playing for the stakes of survival.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on February 21, 1946, he presented to the President of the United States the enrolled bill (S. 50) to permit settlement of accounts of deceased officers and enlisted men of the Army, Navy, Marine Corps, and Coast Guard, and of deceased commissioned officers of the Public Health Service, without administration of estates.

COMPULSORY MILITARY TRAINING—MEMORIAL

Mr. CAPPER. Mr. President, I have received a memorial from the students of Buhler Rural High School, located at Buhler, Kans., expressing their opposition to compulsory military training in peacetime. I ask unanimous consent to present the memorial, and that it be appropriately referred and printed in the RECORD without the signatures attached.

There being no objection, the petition was received, referred to the Committee on Military Affairs, and ordered to be printed in the RECORD, without the signatures attached, as follows:

BUHLER RURAL HIGH SCHOOL,
Buhler, Kans., February 18, 1946.

DEAR SENATOR CAPPER: We, the undersigned, are students of Buhler Rural High School, located at Buhler, Kans. We feel that compulsory military training during peacetime is against American tradition and Christian ideals. We believe that we should express our opinion in this letter because it might encourage you in your stand against compulsory military training during peacetime. We hope that at this time when we in America have the opportunity to lead the world toward peace we shall not fail to grasp that opportunity. Compulsory military training during peacetime would be a step in the opposite direction. We encourage you and hope that you continue to work and use your influence against the adoption of compulsory military training in peacetime in any form.

SCHOOL-LUNCH PROGRAM

Mr. CAPPER. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a letter I have received from Mrs. William A. Hastings, president of the National Congress of Parents and Teachers, favoring the enactment of Senate bill 962, relating to a permanent school-lunch program. I am heartily in favor of this legislation.

There being no objection, the letter was received, ordered to lie on the table, and to be printed in the RECORD, as follows:

NATIONAL CONGRESS OF
PARENTS AND TEACHERS,
Chicago, Ill., February 19, 1946.

MY DEAR SENATOR: As you know, the National Congress of Parents and Teachers is actively supporting a permanent school-lunch program as embodied in Senate bill S. 962. We are working hard for the passage of this legislation, and we have repeatedly urged you to take favorable action on it.

We have learned that certain overzealous supporters of this same measure are asking the school children themselves to plead for this legislation by sending personal letters to you. The National Congress of Parents and Teachers deplores this method of enlisting support. To exploit school children for any purpose, no matter how worthy, is wholly contrary to our policy.

Despite our earnest desire that Senate bill 962 be enacted into law, please know that the National Congress of Parents and Teachers did not request the school children to write to you. We trust you will support this legislation notwithstanding this child lobby for which we share your distaste. The health and nutritional needs of the children of America are of such importance that neither you nor we must be deterred in our efforts to establish a cooperative Federal-State school-lunch program.

Sincerely yours,

MINNETTA A. HASTINGS
(Mrs. William A. Hastings),
President.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WILSON, from the Committee on Claims:

S. 769. A bill for the relief of H. H. Ashbrook; with amendments (Rept. No. 988).

By Mr. RUSSELL, from the Committee on Immigration:

H. R. 388. A bill to amend section 201 (g) of the Nationality Act of 1940 (54 Stat. 1138-1139; 8 U. S. C. 601); with an amendment (Rept. No. 989).

REPORTS ON DISPOSITION OF EXECUTIVE PAPERS

Mr. BARKLEY, from the Joint Select Committee on the Disposition of Executive Papers, to which were referred for examination and recommendation two lists of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted reports thereon pursuant to law.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. GEORGE:

From the Committee on Finance:

O. Max Gardner, of North Carolina, to be Under Secretary of the Treasury;

John O'Keefe, of Pembina, N. Dak., to be collector of customs for customs collection district No. 34, with headquarters at Pembina, N. Dak. (reappointment);

Alexander H. Bell, of Norfolk, Va., to be collector of customs for customs collection district No. 14, with headquarters at Norfolk, Va. (reappointment); and

Maj. Gen. Graves Blanchard Erskine, United States Marine Corps, to be Retraining and Reemployment Administrator.

From the Committee on Foreign Relations:

Monnett B. Davis, of Colorado, to be a foreign-service officer of class 1, a secretary in the diplomatic service, and a consul general;

Walton C. Ferris, of Wisconsin, now a foreign-service officer of class 3 and a secretary in the diplomatic service, to be also a consul general;

Winthrop S. Greene, of Massachusetts, now a foreign-service officer of class 3 and a secretary in the diplomatic service, to be also a consul general;

Robert Grinnell, of New York, now a foreign-service officer of class 7 and a secretary in the diplomatic service, to be also a consul; and

Sundry persons to be foreign-service officers, unclassified, vice consuls of career, and secretaries in the diplomatic service of the United States of America.

By Mr. RADCLIFFE, from the Committee on Finance:

Elmer F. Kelm, of Chanhassen, Minn., to be collector of internal revenue for the district of Minnesota, in place of Arthur D. Reynolds.

By Mr. PEPPER, from the Committee on Patents:

Thomas F. Murphy, of Massachusetts, to be Assistant Commissioner of Patents vice Conder C. Henry, resigned.

BILL INTRODUCED

Mr. MEAD introduced a bill (S. 1858) to fix the rate of postage on domestic air mail, and for other purposes, which was read twice by its title and referred to the Committee on Post Offices and Post Roads.

HOUSE BILL PLACED ON THE CALENDAR

The bill (H. R. 3370) to provide assistance to the States in the establishment, maintenance, operation, and expansion of school-lunch programs, and for other purposes, was read twice by its title and ordered to be placed on the calendar.

COSTA RICA: A RURAL DEMOCRACY—ARTICLE BY JOSEPH F. THORNING

[Mr. RADCLIFFE asked and obtained leave to have printed in the RECORD an article entitled "Costa Rica: A Rural Democracy," by Dr. Joseph F. Thorning, of Maryland, printed in the Catholic Digest for January 1946, which appears in the Appendix.]

A FILIBUSTER DEFEATED A CONGRESSIONAL MISTAKE—ARTICLE FROM THE FORT SMITH (ARK.) TIMES RECORD

[Mr. McCLELLAN asked and obtained leave to have printed in the RECORD an article entitled "A Filibuster Defeated a Congressional Mistake," from the Fort Smith (Ark.) Times Record, which appears in the RECORD.]

NOT SOUTHERN ISSUE ALONE—EDITORIAL FROM THE ARKANSAS DEMOCRAT

[Mr. McCLELLAN asked and obtained leave to have printed in the RECORD an editorial entitled "Not Southern Issue Alone," from the Arkansas Democrat of February 5, 1946, which appears in the Appendix.]

IT'S NOT THE STEEL COMPANIES THAT WILL PAY—ARTICLE FROM THE ARKANSAS GAZETTE

[Mr. McCLELLAN asked and obtained leave to have printed in the RECORD an editorial entitled "It's Not the Steel Companies That Will Pay" from the Arkansas Gazette of February 12, 1946, which appears in the Appendix.]

PUBLIC WILL PAY THE BILL—EDITORIAL FROM THE ARKANSAS DEMOCRAT

[Mr. McCLELLAN asked and obtained leave to have printed in the RECORD an editorial entitled "Public Will Pay the Bill" from the Arkansas Democrat of February 17, 1946, which appears in the Appendix.]

AUTHORIZATION FOR SUBMISSION OF REPORTS, FOR RECEPTION OF MESSAGES, AND SIGNING OF BILLS, ETC.

Mr. BARKLEY. Mr. President, I ask unanimous consent that, during the recess of the Senate, committees be authorized to make reports, either on proposed legislation or on nominations; that the Secretary of the Senate be authorized to receive messages from the House of Representatives; and that the President of the Senate be authorized to sign bills or resolutions ready for his signature.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

RECESS TO TUESDAY

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon on Tuesday next.

The motion was agreed to; and (at 1 o'clock and 7 minutes p. m.) the Senate took a recess until Tuesday, February 26, 1946, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

FRIDAY, FEBRUARY 22, 1946

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

God of our fathers, whose hand may be seen in shaping the destiny of our Nation, be near us that we may find Thee to be deeper than thought and stronger than argument. To some have come the victory of faith: the blind have seen, the lame have walked, and the poor have the gospel preached to them. O Christ of the market place, of the rich man's palace, and the poor man's hut, come to the altar of every soul with Thy blessing and Thy guidance.

Heavenly Father, the past is with us; every liberty-loving heart goes out today in praise and gratitude for him who left us a rich legacy of Christian verities in the quest for free government. By his chivalry of soul and undaunted spirit he reclaimed human rights, restored organized society, and became the morning star of the New World. Time has passed but it has not dimmed his character nor lessened our reverence for his memory. It remains, therefore, for us to guard, strengthen, and enrich the institutions to which he dedicated himself and his earthly store. O may his spirit bend over us in holy benediction as we pray in the name of the world's Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 129. An act to provide for the barring of certain claims by the United States in connection with Government checks and warrants;

H. R. 854. An act for the relief of Isabel Carlson;

H. R. 1315. An act for the relief of B. Pendino;

H. R. 1464. An act for the relief of Leonard Hutchings;

H. R. 1489. An act for the relief of Harold B. Alden and Walter E. Strohm;

H. R. 1848. An act for the relief of Max Hirsch;

H. R. 2169. An act for the relief of Charles Zucker;

H. R. 2171. An act for the relief of Solomon Schtierman;

H. R. 2240. An act to credit certain service performed by members of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service prior to reaching 18 years of age for the purpose of computing longevity pay, and for other purposes;

H. R. 2970. An act for the relief of Harry C. Westover;

H. R. 2284. An act to eliminate the practice by subcontractors, under cost-plus-a-fixed-fee or cost reimbursable contracts of the United States, of paying fees or kickbacks, or of granting gift or gratuities to employees of a cost-plus-a-fixed-fee or cost reimbursable prime contractors or of higher tier subcontractors for the purpose of securing the award of subcontracts or orders;

H. R. 2289. An act for the relief of Arnold Mecham;

H. R. 2393. An act for the relief of Elsie Peter;

H. R. 2452. An act for the relief of Sam Kalak;

H. R. 2661. An act for the relief of W. D. Jones and Ethel S. Jones;

H. R. 2724. An act for the relief of the legal guardian of Forest Eldon Powell;

H. R. 2728. An act for the relief of R. H. Sindle;

H. H. 2769. An act for the relief of C. Frank James;

H. R. 2963. An act for the relief of William Phillips;

H. R. 2974. An act for the relief of the estate of Bobby Messick;

H. R. 3028. An act to amend the act of August 17, 1937, as amended, relating to the establishment of the Cape Hatteras National Seashore Recreational Area in the State of North Carolina;

H. R. 3046. An act for the relief of Thomas A. Butler;

H. R. 3444. An act to grant the title of public lands to the town of Safford, Ariz., for the use of its municipal water system;

H. R. 3514. An act for the relief of the legal guardian of Olga Stanik, a minor;

H. R. 3580. An act to authorize municipalities and public-utility districts in the Territory of Alaska to issue revenue bonds for public-works purposes;

H. R. 3614. An act to ratify and confirm Act 33 of the Session Laws of Hawaii, 1945, extending the time within which revenue bonds may be issued and delivered under chapter 118, Revised Laws of Hawaii, 1945;

H. R. 3657. An act for the relief of Herman Trahn;

H. R. 3730. An act granting the consent of Congress to the State of West Virginia to construct, maintain, and operate a free highway bridge across the Monongahela River at or near Star City, W. Va.;

H. R. 3784. An act for the relief of C. H. Brumfield;

H. R. 3940. An act to revive and reenact the act entitled "An act granting the consent of Congress to Rensselaer and Saratoga Counties, N. Y., or to either of them, or any agency representing said counties, to construct, maintain, and operate a free highway bridge across the Hudson River between the city of Mechanicville and Hemstreet Park in the town of Schaghticoke, N. Y.," approved April 2, 1941;

H. R. 4249. An act for the relief of Lucy Delgado and Irma M. Delgado; and

H. R. 4932. An act to amend section 9 of the Boulder Canyon Project Act, approved December 21, 1928.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 1613. An act for the relief of Christopher Dance;

H. R. 1615. An act for the relief of the legal guardians of John Buchan and Lawrence Gillingham, minors;

H. R. 1854. An act for the relief of Thomas Sumner;

H. R. 2483. An act for the relief of the estate of Michael J. McDonough, deceased;

H. R. 2670. An act for the relief of the legal guardian of Kathleen Lawton McGuire;

H. R. 3791. An act for the relief of Mrs. Florence Mersman;

H. R. 3808. An act for the relief of the estate of William N. Therriault and Millicent Therriault;

H. R. 4571. An act to amend the First War Powers Act, 1941; and

H. R. 4652. An act to provide credit for past service to substitute employees of the postal service when appointed to regular positions; to extend annual and sick leave benefits to war service indefinite substitute employees; to fix the rate of compensation for temporary substitute rural carriers serving in the place of regular carriers in the armed forces; and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 220. An act to vest title to the U. S. S. *Wolverine* (ex-*Michigan*) in the foundation for the Original U. S. S. Michigan, Inc.;

S. 286. An act for the relief of James F. Desmond;

S. 396. An act providing for the transfer of a certain fish hatchery in Comanche County, Okla., to the city of Lawton, Okla.;

S. 913. An act to protect scenic values along and tributary to the Catalina Highway within the Coronado National Forest, Ariz.;

S. 983. An act for the relief of A. F. Crawford;

S. 1109. An act to restore to the Territory of Hawaii certain lands designated under section 203, title II, as available within the meaning of the Hawaiian Homes Commission Act of 1920, as amended;

S. 1162. An act to convey certain lands to the State of Wyoming;

S. 1163. An act to provide for the appointment of two additional district judges for the northern district of California;

S. 1184. An act for the relief of A. L. Clem and Ida M. Bryant;

S. 1185. An act to change the designation of Custer Battlefield National Cemetery, in the State of Montana, to "Custer Battlefield National Monument," and for other purposes;

S. 1190. An act for the relief of Mrs. Henry H. Hay;

S. 1226. An act to readjust the exterior boundaries of the Kaibab National Forest, the Grand Canyon National Game Preserve, and Arizona Grazing District No. 1, State of Arizona, and for other purposes;

S. 1273. An act to provide for the acquisition by exchange of non-Federal property within the Glacier National Park;

S. 1310. An act for the relief of Saunders Wholesale, Inc.;

S. 1319. An act for the relief of Mrs. Alice Condon;

S. 1336. An act to transfer certain real and personal property in Ward County, N. Dak., to the State of North Dakota acting by and through the Industrial Commission of North Dakota;

S. 1367. An act to provide for the appointment of three additional Assistant Secretaries of Commerce, and for other purposes;

S. 1411. An act for the relief of Alfred Osterhoff, doing business as Illini Reefer Transit, Champaign, Ill.;

S. 1460. An act to fix the salary of the Solicitor of the Department of the Interior;

S. 1535. An act to authorize the Secretary of War to convey certain lands situated within the Fort Douglas Military Reservation to the Shriners' Hospitals for Crippled Children;

S. 1601. An act to revive and reenact the act entitled "An act granting the consent of Congress to the counties of Valley and McCone, Mont., to construct, maintain, and operate a free highway bridge across the Missouri River at or near Frazer, Mont.," approved August 5, 1939;

S. 1622. An act for the relief of Gordon Cole Hart;

S. 1637. An act for the relief of Herbert C. Rockwell;

S. 1638. An act for the relief of Salvatore Carbone;

S. 1657. An act to amend Public Law 779 of the Seventy-seventh Congress, entitled "An act to provide for furnishing transportation for certain Government and other personnel necessary for the effective prosecution of the war, and for other purposes," approved December 1, 1942, and for other purposes;

S. 1660. An act to revive and reenact the act entitled "An act creating the city of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill., approved December 21, 1944;

S. 1710. An act to authorize the Secretary of the Navy to grant and convey to the Virginia Electric & Power Co. a perpetual easement in two strips of land comprising portions of the Norfolk Navy Yard, Portsmouth, Va., and for other purposes;

S. 1738. An act to establish a Chief of Chaplains in the United States Navy;

S. 1739. An act to reimburse certain Navy personnel and former Navy personnel for personal property lost or damaged as the result of fires which occurred at various Navy shore activities;

S. 1776. An act to authorize the exchange of certain land at the Benicia Arsenal, Calif.; and

S. 1811. An act to amend Public Law 277, Seventy-ninth Congress, so as to provide the Coast Guard, at such time as it is transferred back to the Treasury Department, with a system of laws for the settlement of claims, and for other purposes.

The message also announced that the President pro tempore has appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

1. Department of Commerce.
2. Department of Justice.
3. Department of the Navy.
4. National Archives (General Schedule No. 1).
5. National Archives (General Schedule No. 2).
6. Selective Service System.
7. United States Maritime Commission.
8. National Archives.

WASHINGTON'S FAREWELL ADDRESS

The SPEAKER. Pursuant to special order agreed to on February 15, 1946, the Chair designates the gentleman from California [Mr. ENGLE] to read Washington's Farewell Address.

CALL OF THE HOUSE

Mr. RANKIN. Mr. Speaker, this is one of the most important documents in the history of America, and I think the Members ought to be here to hear it. I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 31]

Adams	Byrne, N. Y.	De Lacy
Allen, Ill.	Canfield	Delaney, James J.
Arends	Cannon, Fla.	Delaney, John J.
Bailey	Carnahan	Dingell
Baldwin, Md.	Case, N. J.	Dolliver
Baldwin, N. Y.	Celler	Douglas, Calif.
Barrett, Pa.	Chapman	Douglas, Ill.
Barry	Chenoweth	Eaton
Bates, Ky.	Chiperfield	Elsaesser
Beall	Clements	Ervin
Bell	Clippenger	Fallon
Bennet, N. Y.	Cole, Kans.	Fisher
Bloom	Cole, N. Y.	Flood
Bolton	Colmer	Fogarty
Bonner	Cooley	Fuller
Boren	Courtney	Fulton
Boykin	Cravens	Gardner
Bradley, Pa.	Crawford	Gary
Brumbaugh	Curley	Gathings
Buckley	Curtis	Gerlach
Burch	Daughton, Va.	
Burgin	Dawson	

Graham	LeFevre	Rogers, N. Y.
Granahan	Luce	Sasscer
Granger	Ludlow	Schwabe, Okla.
Green	Lynch	Shafer
Griffiths	McConnell	Sheridan
Gross	McGlinchey	Short
Gwinn, N. Y.	McGregor	Simpson, Pa.
Hall,	McMillen, Ill.	Slaughter
Leonard W.	Marcantonio	Smith, Ohio
Hancock	May	Sumner, Ill.
Harless, Ariz.	Merrow	Sumners, Tex.
Hartley	Mundt	Sundstrom
Hays	Murray, Tenn.	Taber
Heffernan	Norton	Taylor
Hendricks	Pace	Thom
Heselton	Patterson	Thomas, N. J.
Hess	Peterson, Fla.	Thomas, Tex.
Holifield	Peterson, Ga.	Tolan
Hook	Pfeifer	Torrens
Huber	Philbin	Towe
Jarman	Powell	Wadsworth
Jennings	Price, Ill.	Walter
Kean	Quinn, N. Y.	Wasielewski
Kee	Rabin	Weaver
Keefe	Rains	Weichel
Kefauver	Randolph	West
Keogh	Rayfiel	Wigglesworth
Kerr	Reed, Ill.	Winter
King	Reed, N. Y.	Wolcott
Kirwan	Robertson, Va.	Wolfenden, Pa.
Kunkel	Robinson, Utah	Wood
Landis	Robsion, Ky.	Woodhouse
Lane	Roe, N. Y.	Zimmerman
Latham	Rogers, Mass.	

The SPEAKER. On this roll call 262 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

WASHINGTON'S FAREWELL ADDRESS

The SPEAKER. The gentleman from California [Mr. ENGLE] is recognized to read Washington's Farewell Address.

Mr. ENGLE of California read the Farewell Address, as follows:

To the people of the United States:

FRIENDS AND FELLOW CITIZENS: The period for a new election of a citizen to administer the executive government of the United States being not far distant, and the time actually arrived when your thoughts must be employed in designating the person who is to be clothed with that important trust, it appears to me proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprise you of the resolution I have formed, to decline being considered among the number of those, out of whom a choice is to be made.

I beg you, at the same time, to do me the justice to be assured, that this resolution has not been taken, without a strict regard to all the considerations appertaining to the relation which binds a dutiful citizen to his country; and that, in withdrawing the tender of service which silence in my situation might imply, I am influenced by no diminution of zeal for your future interest; no deficiency of grateful respect for your past kindness; but am supported by a full conviction that the step is compatible with both.

The acceptance of, and continuance hitherto in the office to which your suffrages have twice called me, have been a uniform sacrifice of inclination to the opinion of duty, and to a deference for what appeared to be your desire. I constantly hoped that it would have been much earlier in my power, consistently with motives which I was not at liberty to disregard, to return to that retirement from which I had been reluctantly drawn. The strength of my inclination to do this, previous to the last election, had even led to the preparation of an address to declare it to you; but mature reflection on the then perplexed and critical posture of our affairs with foreign nations, and the unanimous advice of persons entitled to my confidence, impelled me to abandon the idea.

I rejoice that the state of your concerns, external as well as internal, no longer renders the pursuit of inclination incompatible with the sentiment of duty or propriety; and am persuaded, whatever partiality may be retained for my services, that in the present circumstances of our country, you will not disapprove my determination to retire.

The impressions with which I first undertook the arduous trust, were explained on the proper occasion. In the discharge of this trust, I will only say that I have, with good intentions, contributed towards the organization and administration of the government, the best exertions of which a very fallible judgment was capable. Not unconscious in the outset, of the inferiority of my qualifications, experience, in my own eyes, perhaps still more in the eyes of others, has strengthened the motives to diffidence of myself; and, every day, the increasing weight of years admonishes me more and more, that the shade of retirement is as necessary to me as it will be welcome. Satisfied that if any circumstances have given peculiar value to my services they were temporary, I have the consolation to believe that, while choice and prudence invite me to quit the political scene, patriotism does not forbid it.

In looking forward to the moment which is to terminate the career of my political life, my feelings do not permit me to suspend the deep acknowledgment of that debt of gratitude which I owe to my beloved country, for the many honors it has conferred upon me; still more for the steadfast confidence with which it has supported me; and for the opportunities I have thence enjoyed of manifesting my inviolable attachment, by services faithful and persevering, though in usefulness unequal to my zeal. If benefits have resulted to our country from these services, let it always be remembered to your praise, and as an instructive example in our annals, that under circumstances in which the passions, agitated in every direction, were liable to mislead amidst appearances sometimes dubious, vicissitudes of fortune often discouraging—in situations in which not unfrequently, want of success has countenanced the spirit of criticism,—the constancy of your support was the essential prop of the efforts, and a guarantee of the plans, by which they were effected. Profoundly penetrated with this idea, I shall carry it with me to my grave, as a strong incitement to unceasing vows that heaven may continue to you the choicest tokens of its beneficence—that your union and brotherly affection may be perpetual—that the free constitution, which is the work of your hands, may be sacredly maintained—that its administration in every department may be stamped with wisdom and virtue—that, in fine, the happiness of the people of these states, under the auspices of liberty, may be made complete by so careful a preservation, and so prudent a use of this blessing, as will acquire to them the glory of recommending it to the applause, the affection and adoption of every nation which is yet a stranger to it.

Here, perhaps, I ought to stop. But a solicitude for your welfare, which cannot end but with my life, and the apprehension of danger, natural to that solicitude, urge me, on an occasion like the present, to offer to your solemn contemplation, and to recommend to your frequent review, some sentiments which are the result of much reflection, of no inconsiderable observation, and which appear to me all important to the permanency of your felicity as a people. These will be offered to you with the more freedom, as you can only see in them the disinterested warnings of a parting friend, who can possibly have no personal motive to bias his counsel. Nor can I forget, as an encouragement to it, your indulgent reception of my sentiments on a former and not dissimilar occasion.

Interwoven as is the love of liberty with every ligament of your hearts, no recommendation of mine is necessary to fortify or confirm the attachment.

The unity of government which constitutes you one people, is also now dear to you. It is justly so; for it is a main pillar in the edifice of your real independence; the support of your tranquility at home; your peace abroad; of your safety; of your prosperity; of that very liberty which you so highly prize. But as it is easy to foresee that, from different causes and from different quarters much pains will be taken, many artifices employed, to weaken in your minds the conviction of this truth; as this is the point in your political fortress against which the batteries of internal and external enemies will be most constantly and actively (though often covertly and insidiously) directed; it is of infinite moment, that you should properly estimate the immense value of your national union to your collective and individual happiness; that you should cherish a cordial, habitual, and immovable attachment to it; accustoming yourselves to think and speak of it as of the palladium of your political safety and prosperity; watching for its preservation with jealous anxiety; discountenancing whatever may suggest even a suspicion that it can, in any event, be abandoned; and indignantly frowning upon the first dawning of every attempt to alienate any portion of our country from the rest, or to enfeeble the sacred ties which now link together the various parts.

For this you have every inducement of sympathy and interest. Citizens by birth, or choice, of a common country, that country has a right to concentrate your affections. The name of American, which belongs to you in your national capacity, must always exalt the just pride of patriotism, more than any appellation derived from local discriminations. With slight shades of difference, you have the same religion, manners, habits, and political principles. You have, in a common cause, fought and triumphed together; the independence and liberty you

possess, are the work of joint counsels, and joint efforts, of common dangers, sufferings and successes.

But these considerations, however powerfully they addressed themselves to your sensibility, are greatly outweighed by those which apply more immediately to your interest.—Here, every portion of our country finds the most commanding motives for carefully guarding and preserving the union of the whole.

The *north*, in an unrestrained intercourse with the *south*, protected by the equal laws of a common government, finds in the productions of the latter, great additional resources of maritime and commercial enterprise, and precious materials of manufacturing industry.—The *south*, in the same intercourse, benefiting by the same agency of the *north*, sees its agriculture grow and its commerce expand. Turning partly into its own channels the seamen of the *north*, it finds its particular navigation invigorated; and while it contributes, in different ways, to nourish and increase the general mass of the national navigation, it looks forward to the protection of a maritime strength, to which itself is unequally adapted. The *east*, in a like intercourse with the *west*, already finds, and in the progressive improvement of interior communications by land and water, will more and more find a valuable vent for the commodities which it brings from abroad, or manufactures at home. The *west* derives from the *east* supplies requisite to its growth and comfort—and what is perhaps of still greater consequence, it must of necessity owe the *secure* enjoyment of indispensable *outlets* for its own productions, to the weight, influence, and the future maritime strength of the Atlantic side of the Union, directed by an indissoluble community of interest as *one nation*. Any other tenure by which the *west* can hold this essential advantage, whether derived from its own separate strength; or from an apostate and unnatural connection with any foreign power, must be intrinsically precarious.

While then every part of our country thus feels an immediate and particular interest in union, all the parts combined cannot fail to find in the united mass of means and efforts, greater strength, greater resource, proportionably greater security from external danger, a less frequent interruption of their peace by foreign nations; and, what is of inestimable value, they must derive from union, an exemption from those broils and wars between themselves, which so frequently afflict neighboring countries not tied together by the same government; which their own rivalship alone would be sufficient to produce, but which opposite foreign alliances, attachments, and intrigues, would stimulate and embitter. Hence likewise, they will avoid the necessity of those overgrown military establishments, which under any form of government are inauspicious to liberty, and which are to be regarded as particularly hostile to republican liberty. In this sense it is, that your union ought to be considered as a main prop of your liberty, and that the love of the one ought to endear to you the preservation of the other.

These considerations speak a persuasive language to every reflecting and virtuous mind and exhibit the continuance of the union as a primary object of patriotic desire. Is there a doubt whether a common government can embrace so large a sphere? let experience solve it. To listen to mere speculation in such a case were criminal. We are authorized to hope that a proper organization of the whole, with the auxiliary agency of governments for the respective subdivisions, will afford a happy issue to the experiment. It is well worth a fair and full experiment. With such powerful and obvious motives to union, affecting all parts of our country, while experience shall not have demonstrated its impracticability, there will always be reason to distrust the patriotism of those who, in any quarter, may endeavor to weaken its hands.

In contemplating the causes which may disturb our Union, it occurs as matter of serious concern, that any ground should have been furnished for characterizing parties by *geopraphical* discriminations,—*northern* and *southern*—*Atlantic* and *western;* whence designing men may endeavor to excite a belief that there is a real difference of local interests and views. One of the expedients of party to acquire influence within particular districts, is to misrepresent the opinions and aims of other districts. You cannot shield yourselves too much against the jealousies and heart burnings which spring from these misrepresentations; they tend to render alien to each other those who ought to be bound together by fraternal affection. The inhabitants of our western country have lately had a useful lesson on this head; they have seen, in the negotiation by the executive, and in the unanimous ratification by the senate of the treaty with Spain, and in the universal satisfaction at the event throughout the United States, a decisive proof how unfounded were the suspicions propagated among them of a policy in the general government and in the Atlantic states, unfriendly to their interests in regard to the Mississippi. They have been witnesses to the formation of two treaties, that with Great Britain and that with Spain, which secure to them everything they could desire, in respect to our foreign relations, towards confirming their prosperity. Will it not be their wisdom to rely for the preservation of these advantages on the union by which they were procured? will they not henceforth be deaf to those advisers, if such they are, who would sever them from their brethren and connect them with aliens?

To the efficacy and permanency of your Union, a government for the whole is indispensable. No alliances, however strict, between the parts can be an adequate substitute; they must inevitably experience the infractions and interruptions which all alliances, in all times, have experienced. Sensible of this momentous truth, you have improved upon your first essay, by the adoption of a constitution of government, better calculated than your former, for an intimate union, and for the efficacious management of your common concerns. This government, the offspring of our own choice, uninfluenced and unawed, adopted upon full investigation and mature deliberation, completely free in its principles, in the distribution of its powers, uniting security with energy, and maintaining within itself a provision for its own amendment, has a just claim to your confidence and your support. Respect for its authority, compliance with its laws, acquiescence in its measures, are duties enjoined by the fundamental maxims of true liberty. The basis of our political systems is the right of the people to make and to alter their constitutions of government.—But the constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all. The very idea of the power, and the right of the people to establish government, presuppose the duty of every individual to obey the established government.

All obstructions to the execution of the laws, all combinations and associations under whatever plausible character, with the real design to direct, control, counteract, or awe the regular deliberations and action of the constituted authorities, are destructive of this fundamental principle, and of fatal tendency.—They serve to organize faction, to give it an artificial and extraordinary force, to put in the place of the delegated will of the nation the will of party, often a small but artful and enterprising minority of the community; and according to the alternate triumphs of different parties, to make the public administration the mirror of the ill concerted and incongruous projects of faction, rather than the organ of consistent and wholesome plans digested by common councils, and modified by mutual interests.

However combinations or associations of the above description may now and then answer popular ends, they are likely, in the course of time and things, to become potent engines, by which cunning, ambitious, and unprincipled men, will be enabled to subvert the power of the people, and to usurp for themselves the reins of government; destroying afterwards the very engines which have lifted them to unjust dominion.

Towards the preservation of your government and the permanency of your present happy state, it is requisite, not only that you steadily discountenance irregular opposition to its acknowledged authority, but also that you resist with care the spirit of innovation upon its principles, however specious the pretext. One method of assault may be to effect, in the forms of the constitution, alterations which will impair the energy of the system; and thus to undermine what cannot be directly overthrown. In all the changes to which you may be invited, remember that time and habit are at least as necessary to fix the true character of governments, as of other human institutions:—that experience is the surest standard by which to test the real tendency of the existing constitution of a country:—that facility in changes, upon the credit of mere hypothesis and opinion, exposes to perpetual change from the endless variety of hypothesis and opinion: and remember, especially, that

for the efficient management of your common interests in a country so extensive as ours, a government of as much vigor as is consistent with the perfect security of liberty is indispensable. Liberty itself will find in such a government, with powers properly distributed and adjusted, its surest guardian. It is, indeed, little else than a name, where the government is too feeble to withstand the enterprises of faction, to confine each member of the society within the limits prescribed by the laws, and to maintain all in the secure and tranquil enjoyment of the rights of person and property.

I have already intimated to you the danger of parties in the state, with particular references to the founding them on geographical discrimination. Let me now take a more comprehensive view, and warn you in the most solemn manner against the baneful effects of the spirit of party generally.

This spirit, unfortunately, is inseparable from our nature, having its root in the strongest passions of the human mind.—It exists under different shapes in all governments, more or less stifled, controlled, or repressed; but in those of the popular form it is seen in its greatest rankness, and is truly their worst enemy.

The alternate domination of one faction over another, sharpened by the spirit of revenge natural to party dissension, which in different ages and countries has perpetrated the most horrid enormities, is itself a frightful despotism.—But this leads at length to a more formal and permanent despotism. The disorders and miseries which result, gradually incline the minds of men to seek security and repose in the absolute power of an individual; and, sooner or later, the chief of some prevailing faction, more able or more fortunate than his competitors, turns this disposition to the purpose of his own elevation on the ruins of public liberty.

Without looking forward to an extremity of this kind, (which nevertheless ought not to be entirely out of sight) the common and continual mischiefs of the spirit or party are sufficient to make it the interest and duty of a wise people to discourage and restrain it.

It serves always to distract the public councils, and enfeeble the public administration. It agitates the community with ill founded jealousies and false alarms; kindles the animosity of one part against another; foments occasional riot and insurrection. It opens the door to foreign influence and corruption, which finds a facilitated access to the government itself through the channels of party passions. Thus the policy and the will of one country are subjected to the policy and will of another.

There is an opinion that parties in free countries are useful checks upon the administration of the government, and serve to keep alive the spirit of liberty. This within certain limits is probably true; and in governments of a monarchial cast, patriotism may look with indulgence, if not with favor, upon the spirit of party. But in those of the popular character, in governments purely elective, it is a spirit not to be encouraged. From their natural tendency, it is certain there will always be enough of that spirit for every salutary purpose. And there being constant danger of excess, the effort ought to be, by force of public opinion, to mitigate and assuage it. A fire not to be quenched, it demands a uniform vigilance to prevent it bursting into a flame, lest instead of warming, it should consume.

It is important likewise, that the habits of thinking in a free country should inspire caution in those intrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department, to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power and proneness to abuse it which predominate in the human heart, is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting each the guardian of the public weal against invasion of the others, has been evinced by experiments ancient and modern; some of them in our country and under our own eyes.—To preserve them must be as necessary as to institute them. If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the constitution designates.—But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil any partial or transient benefit which the use can at any time yield.

Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism, who should labor to subvert these great pillars of human happiness, these firmest props of the duties of men and citizens. The mere politician, equally with the pious man, ought to respect and to cherish them. A volume could not trace all their connections with private and public felicity. Let it simply be asked, where is the security for property, for reputation, for life, if the sense of religious obligation *desert* the oaths which are the instruments of investigation in courts of justice? And let us with caution indulge the supposition that morality can be maintained without religion. Whatever may be conceded to the influence of refined education on minds of peculiar structure, reason and experience both forbid us to expect, that national morality can prevail in exclusion of religious principle.

It is substantially true, that virtue or morality is a necessary spring of popular government. The rule, indeed extends with more or less force to every species of free government. Who that is a sincere friend to it can look with indifference upon attempts to shake the foundation of the fabric?

Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge. In proportion as the structure of a government gives force to public opinion, it should be enlightened.

As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace, but remembering, also, that timely disbursements, to prepare for danger, frequently prevent much greater disbursements to repel it; avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear. The execution of these maxims belongs to your representatives, but it is necessary that public opinion should cooperate. To facilitate to them the performance of their duty, it is essential that you should practically bear in mind, that towards the payment of debts there must be revenue; that to have revenue there must be taxes, that no taxes can be devised which are not more or less inconvenient and unpleasant; that the intrinsic embarrassment inseparable from the selection of the proper object (which is always a choice of difficulties,) ought to be a decisive motive for a candid construction of the conduct of the government in making it, and for a spirit of acquiescence in the measures for obtaining revenue, which the public exigencies may at any time dictate.

Observe good faith and justice towards all nations; cultivate peace and harmony with all. Religion and morality enjoin this conduct, and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence. Who can doubt but, in the course of time and things, the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it; can it be that Providence has not connected the permanent felicity of a nation with its virtue? The experiment, at least is recommended by every sentiment which ennobles human nature. Alas! is it rendered impossible by its vices?

In the execution of such a plan, nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others, should be excluded; and that, in place of them, just and amicable feelings towards all should be cultivated. The nation which indulges towards another an habitual hatred, or an habitual fondness, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable when accidental or trifling occasions of dispute occur. Hence, frequent collisions, obstinate

envenomed, and bloody contests. The nation, prompted by ill will and resentment, sometimes impels to war the government, contrary to the best calculations of policy. The government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other times, it makes the animosity of the nation subservient to projects of hostility, instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the liberty of nations, has been the victim.

So likewise, a passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest, in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducements or justifications. It leads also to concessions, to the favorite nation, of privileges denied to others, which is apt doubly to injure the nation making the concessions, by unnecessarily parting with what ought to have been retained, and by exciting jealousy, ill will, and a disposition to retaliate in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted or deluded citizens who devote themselves to the favorite nation, facility to betray or sacrifice the interests of their own country, without odium, sometimes even with popularity; gilding with the appearances of a virtuous sense of obligation, a commendable deference for public opinion, or a laudable zeal for public good, the base or foolish compliances of ambition, corruption, or infatuation.

As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils!—Such an attachment of a small or weak, towards a great and powerful nation, dooms the former to be the satellite of the latter.

Against the insidious wiles of foreign influence, (I conjure you to believe me fellow citizens,) the jealousy of a free people ought to be *constantly* awake; since history and experience prove, that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike for another, cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little *political* connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith:—Here let us stop.

Europe has a set of primary interests, which to us have none, or a very remote relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collusions of her friendships or enmities.

Our detached and distant situation invites and enables us to pursue a different course. If we remain one people, under an efficient government, the period is not far off when we may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality we may at any time resolve upon, to be scrupulously respected; when belligerent nations, under the impossibility of making acquisitions upon us, will not lightly hazard the giving us provocation, when we may choose peace or war, as our interest, guided by justice, shall counsel.

Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?

It is our true policy to steer clear of permanent alliance with any portion of the foreign world; so far, I mean, as we are now at liberty to do it; for let me not be understood as capable of patronizing infidelity to existing engagements. I hold the maxim no less applicable to public than private affairs, that honesty is always the best policy. I repeat it, therefore, let those engagements be observed in their genuine sense. But in my opinion, it is unnecessary, and would be unwise to extend them.

Taking care always to keep ourselves by suitable establishments, on a respectacle defensive posture, we may safely trust to temporary alliances for extraordinary emergencies.

Harmony, and a liberal intercourse with all nations, are recommended by policy, humanity, and interest. But even our commercial policy should hold an equal and impartial hand; neither seeking nor granting exclusive favors or preferences; consulting the natural course of things; diffusing and diversifying by gentle means the streams of commerce, but forcing nothing; establishing with powers so disposed, in order to give trade a stable course, to define the rights of our merchants, and to enable the government to support them, conventional rules of intercourse, the best that present circumstances and mutual opinion will permit, but temporary, and liable to be from time to time abandoned or varied as experience and circumstances shall dictate; constantly keeping in view, that it is folly in one nation to look for disinterested favors from another; that it must pay with a portion of its independence for whatever it may accept under that character; that by such acceptance, it may place itself in the condition of having given equivalents for nominal favors, and yet of being reproached with ingratitude for not giving more. There can be no greater error than to expect, or calculate upon real favors from nation to nation. It is an illusion which experience must cure, which a just pride ought to discard.

In offering to you, my countrymen, these counsels of an old and affectionate friend, I dare not hope they will make the strong and lasting impression I could wish; that they will control the usual current of the passions, or prevent our nation from running the course which has hitherto marked the destiny of nations, but if I may even flatter myself that they may be productive of some partial benefit, some occasional good; that they may now and then recur to moderate the fury of party spirit, to warn against the mischiefs of foreign intrigue, to guard against the impostures of pretended patriotism; this hope will be a full recompense for the solicitude for your welfare by which they have been dictated.

How far, in the discharge of my official duties, I have been guided by the principles which have been delineated, the public records and other evidences of my conduct must witness to you and to the world. To myself, the assurance of my own conscience is, that I have, at least, believed myself to be guided by them.

In relation to the still subsisting war in Europe; my proclamation of the 22d of April, 1793, is the index to my plan. Sanctioned by your approving voice, and by that of your representatives in both houses of congress, the spirit of that measure has continually governed me, uninfluenced by any attempts to deter or divert me from it.

After deliberate examination, with the aid of the best lights I could obtain, I was well satisfied that our country, under all the circumstances of the case, had a right to take, and was bound, in duty and interest, to take a neutral position. Having taken it, I determined, as far as should depend upon me, to maintain it with moderation, perseverance and firmness.

The considerations which respect the right to hold this conduct, it is not necessary on this occasion to detail. I will only observe that, according to my understanding of the matter, that right, so far from being denied by any of the belligerent powers, has been virtually admitted by all.

The duty of holding a neutral conduct may be inferred, without any thing more, from the obligation which justice and humanity impose on every nation, in cases in which it is free to act, to maintain inviolate the relations of peace and amity towards other nations.

The inducements of interest for observing that conduct will best be referred to your own reflections and experience. With me a predominant motive has been to endeavor to gain time to our country to settle and mature its yet recent institutions, and to progress, without interruption, to that degree of strength, and consistency which is necessary to give it,

humanly speaking, the command of its own fortunes.

Though in reviewing the incidents of my administration, I am unconscious of intentional error, I am nevertheless too sensible of my defects not to think it probable that I may have committed many errors. Whatever they may be, I fervently beseech the Almighty to avert or mitigate the evils to which they may tend. I shall also carry with me the hope that my country will never cease to view them with indulgence; and that, after forty-five years of my life dedicated to its service, with an upright zeal, the faults of incompetent abilities will be consigned to oblivion, as myself must soon be to the mansions of rest.

Relying on its kindness in this as in other things, and actuated by that fervent love towards it, which is so natural to a man who views in it the native soil of himself and his progenitors for several generations; I anticipate with pleasing expectation that retreat in which I promise myself to realize without alloy, the sweet enjoyment of partaking, in the midst of my fellow citizens, the benign influence of good laws under a free government—the ever favorite object of my heart, and the happy reward, as I trust, of our mutual cares, labors and dangers.

GEO. WASHINGTON.

UNITED STATES,
17th September, 1796.

ADJOURNMENT OVER

Mr. SPARKMAN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourns to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

PERSONAL EXPLANATION

Mr. BIEMILLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BIEMILLER. Mr. Speaker, on yesterday I was unavoidably absent on the vote on the so-called Powell amendment. Had I been here, I would have voted for it.

EXTENSION OF REMARKS

Mr. FLANNAGAN asked and was given permission to extend his own remarks in the Appendix of the RECORD.

Mr. BLOOM asked and was given permission to extend his remarks in the RECORD in two instances, in one to include an editorial and in the other an article by Gould Lincoln.

Mr. TRAYNOR asked and was given permission to extend his own remarks in the Appendix of the RECORD and to include therein a resolution by the United Poultry Society of Wilmington, Del.

PUERTO RICO

Mr. PIÑERO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the Resident Commissioner from Puerto Rico?

There was no objection.

Mr. PINERO. Mr. Speaker, yesterday, on the eve of George Washington's anniversary, the delegates from 15 Caribbean territories and the representatives of the four metropolitan Governments—Great Britain, France, the Netherlands, and the United States of America—met in St. Thomas, V. I., of the United States of America, in the Second West Indian Conference.

I would like at this point to insert a letter from the President of the United States addressed to the Honorable Charles W. Taussig, chairman of the United States section of the Caribbean Commission which was read by Mr. Taussig at the opening session of that important conference.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE WHITE HOUSE,
Washington, February 7, 1946.

Mr. CHARLES W. TAUSSIG,
Chairman, United States Section,
Caribbean Commission,
Department of State,
Washington, D. C.

MY DEAR MR. TAUSSIG: As you know, I have been deeply interested in the work of the Caribbean Commission, formerly the Anglo-American Caribbean Commission. As a consequence of that interest, I am naturally most happy that the United States of America is to be the host Nation at the second session of the West Indian Conference. I take this occasion to ask that you, in your capacity as chairman, convey to the conference not only my warm greetings but my sincere best wishes for a most successful session. I further ask that you bring the following message to the conference:

"The policy of the United States, with respect to the governments and peoples of the non-self-governing territories of the Caribbean region, will be guided by the following basic tenets:

"1. To encourage the effective application, by all practicable means, of the fundamental principles set forth in chapter XI of the Charter of the United Nations, entitled 'Declaration Regarding Non-Self-Governing Territories,' to the end that the progressive development of the peoples of the region in political, economic, educational, and social matters shall be insured. This Government takes the view that members of the United Nations which have responsibilities for the administration of non-self-governing territories in this region have undertaken a solemn obligation in this respect, and notes with particular satisfaction that in all such territories the interests of the inhabitants are to be regarded as paramount.

"2. To support the work of the Caribbean Commission to the end that problems of the region may be approached as a whole, and not piecemeal. Such support will strengthen this multilateral governmental organization, which offers procedures for constructively attacking regional problems. The Caribbean Commission, formerly known as the Anglo-American Caribbean Commission, has been recently expanded to include the Governments of France and the Netherlands. The Government of the United States looks with satisfaction on this expansion. It anticipates increasing participation in the work of that Commission by the peoples of the territories of the four countries concerned.

"This Government looks forward to an increasing measure of self-government by the people of the Virgin Islands of the United States. With respect to Puerto Rico, it has been recommended to the Congress of the United States that it provide a means by which the people of Puerto Rico might choose their form of government and ultimate status with respect to the United States.

"3. To assist, by appropriate action, in carrying out the economic objectives recommended by the first session of the West Indian Conference held at Barbados in March 1944. Steps to effectuate these objectives received Presidential approval on June 11, 1945, and were included in a joint statement of the Governments of the United States and of the United Kingdom later made public.

"4. To support any suitable plan which would bring the non-self-governing territories of the Caribbean region into closer cooperation with each other, with a view to developing the educational, social, and cultural institutions of the region, improving the standards of living of the people, and strengthening the foundations upon which self-governing institutions may be developed."

Sincerely yours,

HARRY S. TRUMAN.

EXTENSION OF REMARKS

Mr. PIÑERO asked and was given permission to extend his remarks in the Appendix of the RECORD and include an address delivered by Hon. Charles W. Taussig, chairman, United States section of the Caribbean Commission at the opening of the Second West Indian Conference at St. Thomas, V. I., United States of America.

Mr. CHURCH asked and was given permission to extend his remarks in the Appendix of the RECORD and to include therein an editorial from the Chicago Tribune of February 21, entitled "End the Cab Monopoly," and also to include therein an editorial in the Washington Post of yesterday entitled "Lobby on Wheels."

LEAVE OF ABSENCE

Mr. KEEFE. Mr. Speaker, I ask unanimous consent that I may be granted leave of absence for 10 days on account of official business.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

EXTENSION OF REMARKS

Mr. BLACKNEY asked and was given permission to extend his own remarks in the RECORD and include therein certain quotations.

Mr. BENNETT of Missouri asked and was given permission to extend his remarks in the RECORD and include an article from the Washington Post.

Mr. REECE of Tennessee asked and was given permission to extend his remarks in the RECORD and include an address by Governor Green, of Illinois.

Mr. HULL asked and was given permission to extend his remarks in the RECORD and include therein a statement by former Governor Philip F. La Follette, of Wisconsin.

Mr. WOLVERTON of New Jersey asked and was given permission to extend his remarks in the RECORD and include therein a speech he delivered on Sunday last at a regional Parent-Teachers Association on the subject Brotherhood at Home and Abroad.

Mr. FELLOWS asked and was given permission to extend his remarks in the RECORD and include a speech delivered

by President Phillips, of Bates College, Maine.

Mr. LAFOLLETTE asked and was given permission to extend his remarks in the RECORD and to include a Lincoln Day address which he made at Evansville, Ind., on February 12.

Mr. MICHENER asked and was given permission to extend his remarks in the RECORD and include an address recently delivered by the news commentator, Bill Costello, over a national hook-up of the Columbia Broadcasting System.

Mr. SABATH. Mr. Speaker, I ask unanimous consent that I may insert in the RECORD my remarks which I made before the Committee on Foreign Affairs on the St. Lawrence waterway project and also the remarks of the mayor of Chicago, Hon. Edward J. Kelly, and further, that I may extend my remarks and include therein an editorial from the Chicago Sun and another article from the Chicago Times.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RANKIN asked and was given permission to extend his remarks in the RECORD.

ADJOURNMENT

Mr. SPARKMAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 20 minutes p. m.), under its previous order, the House adjourned until Monday, February 25, 1946, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. PATRICK: Committee on Interstate and Foreign Commerce. H. R. 5275. A bill to revive and reenact the act granting the consent of Congress to the State Highway Department of South Carolina to construct, maintain, and operate a free highway bridge across the Pee Dee River, at or near Cashua Ferry, S. C., approved April 30, 1940; without amendment (Rept. No. 1611). Referred to the House Calendar.

Mr. HOLMES of Massachusetts: Committee on Interstate and Foreign Commerce. H. R. 4940. A bill granting the consent of Congress to the State of Connecticut, acting by and through any agency or commission thereof, to construct, maintain, and operate a toll bridge across the Connecticut River at or near Old Saybrook, Conn.; without amendment (Rept. No. 1612). Referred to the House Calendar.

Mr. KELLY of Illinois: Committee on Interstate and Foreign Commerce. H. R. 4914. A bill to revive and reenact the act entitled "An act creating the City of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill.," approved December 21, 1944; without amendment (Rept. No. 1613). Referred to the House Calendar.

Mr. WINTER: Committee on Interstate and Foreign Commerce. S. 1425. An act to revive and reenact the act entitled "An act to authorize the county of Burt, State of Nebraska, to construct, maintain, and operate a toll bridge across the Missouri River at or near Decatur, Nebr.," approved June 8, 1940; without amendment (Rept. No. 1614). Referred to the House Calendar.

Mr. MURPHY: Committee on Interstate and Foreign Commerce. H. R. 4190. A bill granting the consent of Congress to the Pennsylvania Railroad Co. to construct, maintain, and operate a railroad bridge across the Allegheny River at or near Warren, Pa.; without amendment (Rept. No. 1615). Referred to the House Calendar.

Mr. HARRIS: Committee on Interstate and Foreign Commerce. H. R. 4239. A bill granting to Guy A. Thompson, trustee, Missouri Pacific Railroad Co., debtor, and to his successors and assigns, authority to relocate, maintain, and operate a single-track railway across United States Government reservation at lock No. 3, White River, Independence County, Ark., and for other purposes; without amendment (Rept. No. 1616). Referred to the Committee of the Whole House on the State of the Union.

Mr. LEA: Committee on Interstate and Foreign Commerce. H. R. 3565. A bill to authorize the charging of tolls for the passage or transit of Government traffic over the San Francisco-Oakland Bay Bridge; with amendments (Rept. No. 1617). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee on Interstate and Foreign Commerce. H. R. 3704. A bill to amend section 1 of the Federal Power Act, with respect to the terms of office of members of the Federal Power Commission; without amendment (Rept. No. 1618). Referred to the Committee of the Whole House on the State of the Union.

Mr. COMBS: Committee on Claims. H. R. 5239. A bill to amend Public Law 277, Seventy-ninth Congress, so as to provide the Coast Guard, at such time as it is transferred back to the Treasury Department, with a system of laws for the settlement of claims, and for other purposes; without amendment (Rept. No. 1619). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON of Georgia: Committee on the Territories submits a report pursuant to House Resolution 236, resolution authorizing and directing the Committee on the Territories to conduct a study and investigation of the various questions and problems relating to the Territory of Hawaii; without amendment (Rept. No. 1620). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COLE of Kansas: Committee on Claims. H. R. 216. A bill for the relief of John Seferian and Laura Seferian; with amendments (Rept. No. 1598). Referred to the Committee of the Whole House.

Mr. DOYLE: Committee on Claims. H. R. 1235. A bill for the relief of John Bell; with amendments (Rept. No. 1599). Referred to the Committee of the Whole House.

Mr. COLE of Kansas: Committee on Claims. H. R. 1759. A bill for the relief of Mildred Neiffer; with amendments (Rept. No. 1600). Referred to the Committee of the Whole House.

Mr. DOYLE: Committee on Claims. H. R. 2904. A bill for the relief of Clyde Rownd, Della Rownd, and Benjamin C. Day; with amendment (Rept. No. 1601). Referred to the Committee of the Whole House.

Mr. HOOK: Committee on Claims. H. R. 3483. A bill for the relief of Mr. and Mrs. Cipriano Vasquez; with amendment (Rept. No. 1602). Referred to the Committee of the Whole House.

Mr. FERNANDEZ: Committee on Claims. H. R. 3948. A bill for the relief of Mrs. Clifford W. Prevatt; with amendment (Rept. No. 1603). Referred to the Committee of the Whole House.

Mr. HOOK: Committee on Claims. H. R. 4115. A bill for the relief of the estate of Eleanor Doris Barrett; with amendment (Rept. No. 1604). Referred to the Committee of the Whole House.

Mr. STIGLER: Committee on Claims. H. R. 4174. A bill for the relief of Mayer G. Hansen; without amendment (Rept. No. 1605). Referred to the Committee of the Whole House.

Mr. COMBS: Committee on Claims. H. R. 4401. A bill for the relief of Joe F. Rada and Bessie Rada; without amendment (Rept. No. 1606). Referred to the Committee of the Whole House.

Mr. COMBS: Committee on Claims. H. R. 4418. A bill for the relief of the city of San Diego, Tex.; with amendment (Rept. No. 1607). Referred to the Committee of the Whole House.

Mr. COMBS: Committee on Claims. H. R. 4647. A bill for the relief of Albert R. Perkins; with amendment (Rept. No. 1608). Referred to the Committee of the Whole House.

Mr. COMBS: Committee on Claims. H. R. 4693. A bill for the relief of Richard C. Ward; with amendments (Rept. No. 1609). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 4712. A bill for the relief of Caroline M. Newmark and Melville Moritz; without amendment (Rept. No. 1610). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRADLEY of Michigan:

H. R. 5559. A bill providing a pension for personnel of the armed forces taken prisoner by the enemy in the Philippines and other places, and for other purposes; to the Committee on Military Affairs.

By Mr. McKENZIE:

H. R. 5560. A bill to fix the rate of postage on domestic air mail, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. MADDEN:

H. R. 5561. A bill relating to the exclusion from gross income for income-tax purposes of any income attributable to the receipt by an employee of an option of a noncompensatory nature from a corporate employer, and for other purposes; to the Committee on Ways and Means.

By Mr. PICKETT (by request):

H. R. 5562. A bill to amend section 10, Public Law 144, Seventy-eighth Congress, approved July 13, 1943, to provide equivalent benefits for service in World Wars I and II; to the Committee on World War Veterans' Legislation.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, relative to a bill pending in the Congress providing for the relief of owners of gold mines affected by Federal regulation; to the Committee on War Claims.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GILLIE:

H. R. 5563. A bill granting a pension to Wilfred M. Gray; to the Committee on Pensions.

By Mr. MONRONEY:
H. R. 5564. A bill for the relief of W. S. Burleson; to the Committee on Claims.
By Mr. REECE of Tennessee:
H. R. 5565. A bill for the relief of Martha Smith Brown; to the Committee on War Claims.
H. R 5566. A bill granting a pension to Verna Barnes; to the Committee on Pensions.
By Mr. RICH:
H. R. 5567. A bill for the relief of Antoine (Tony) Accristo; to the Committee on Immigration and Naturalization.
By Mrs. SMITH of Maine:
H. R. 5568. A bill for the relief of Andrew Paulin; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1621. By Mr. CASE of South Dakota: Petition of Mrs. Walter Kennedy and 34 other signers of Beresford, S. Dak., protesting the increasing use of alcoholic liquors and requesting that legislation be enacted to curb advertising, transportation, and sale in alcoholic beverages; to the Committee on the Judiciary.

1622. Also, petition of Mrs. F. Wilbur Drown and 32 other signers of Redfield, S. Dak., requesting favorable action of the Congress on House bill 752 which proposes to prohibit the sale of alcoholic liquors on military or naval reservations or within a reasonable distance therefrom; also prohibits prostitution or the keeping of bawdy houses within a reasonable distance from such reservations; to the Committee on Military Affairs.

HOUSE OF REPRESENTATIVES

MONDAY, FEBRUARY 25, 1946

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Spirit divine, search us and know our hearts; try us and know our thoughts and see if there be any wicked way in us, and lead us in the way everlasting. O Lord God of Elijah, send us forth as champions of a new day that shall bring rest and peace throughout the borders of our country until all discontent be overthrown and the star of unity shine over us once again.

O loving Father, Thou dost move in mysterious ways Thy wonders to perform. A distinguished Member has left the scenes of this Chamber, a dear friend and neighbor. In channels of education and legislation he served his country well, always with devotion and honor. Blessed Lord of consolations, grant that triumphant faith and hope may sustain those who mourn. Amid falling shadows, let their loneliness and sorrow be assuaged. Be Thou their rod and staff, and give them great peace.

"He leads us in no darker room
Than He Himself went through,
And in our path there is no stone
He would not carry, too."

Well done, thou good and faithful servant; enter thou into the joys of thy Lord. In the name of our Redeemer. Amen.

The Journal of the proceedings of Friday, February 22, 1946, was read and approved.

SWEARING IN OF MEMBER

The SPEAKER laid before the House the following communication, which was read by the Clerk:

FEBRUARY 25, 1946.

The Honorable the SPEAKER,
House of Representatives.

SIR: From the secretary of state of the State of Georgia, I have received the certificate of election of Hon. HELEN DOUGLAS MANKIN as a Representative to the Seventy-ninth Congress from the Fifth Congressional District to fill the vacancy caused by the resignation of Hon. Robert Ramspeck.

Very truly yours,

SOUTH TRIMBLE,
Clerk of the House of Representatives.

Mrs. HELEN DOUGLAS MANKIN appeared at the bar of the House and took the oath of office.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 220. An act to vest title to the U. S. S. *Wolverine* (ex-*Michigan*) in the Foundation for the Original United States Ship Michigan, Inc.; to the Committee on Naval Affairs.

S. 286. An act for the relief of James F. Desmond; to the Committee on Claims.

S. 913. An act to protect scenic values along and tributary to the Catalina Highway within the Coronado National Forest, Ariz.; to the Committee on Agriculture.

S. 983. An act for the relief of A. F. Crawford; to the Committee on Claims.

S. 1109. An act to restore to the Territory of Hawaii certain lands designated under section 203, title II, as available within the meaning of the Hawaiian Homes Commission Act of 1920, as amended; to the Committee on the Territories.

S. 1162. An act to convey certain lands to the State of Wyoming; to the Committee on the Public Lands.

S. 1163. An act to provide for the appointment of two additional district judges for the northern district of California; to the Committee on the Judiciary.

S. 1184. An act for the relief of A. L. Clem and Ida M. Bryant; to the Committee on Claims.

S. 1185. An act to change the designation of Custer Battlefield National Cemetery, in the State of Montana, to "Custer Battlefield National Monument," and for other purposes; to the Committee on the Public Lands.

S. 1190. An act for the relief of Mrs. Henry H. Hay; to the Committee on Claims.

S. 1226. An act to readjust the exterior boundaries of the Kaibab National Forest, the Grand Canyon National Game Preserve, and Arizona grazing district No. 1, State of Arizona, and for other purposes; to the Committee on Agriculture.

S. 1273. An act to provide for the acquisition by exchange of non-Federal property within the Glacier National Park; to the Committee on the Public Lands.

S. 1310. An act for the relief of Saunders Wholesale, Inc.; to the Committee on Claims.

S. 1319. An act for the relief of Mrs. Alice Condon; to the Committee on Claims.

S. 1336. An act to transfer certain real and personal property in Ward County, N. Dak., to the State of North Dakota, acting by and through the Industrial Commission of North Dakota; to the Committee on Agriculture.

S. 1367. An act to provide for the appointment of three additional Assistant Secretaries of Commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 1411. An act for the relief of Alfred Osterhoff, doing business as Illini Reefer Transit, Champaign, Ill.; to the Committee on Claims.

S 1460. An act to fix the salary of the Solicitor of the Department of the Interior; to the Committee on the Public Lands.

S. 1535. An act to authorize the Secretary of War to convey certain lands situated within the Fort Douglas Military Reservation to the Shriners' Hospitals for Crippled Children; to the Committee on Military Affairs.

S. 1601. An act to revive and reenact the act entitled "An act granting the consent of Congress to the counties of Valley and McCone, Mont., to construct, maintain, and operate a free highway bridge across the Missouri River at or near Frazer, Mont.," approved August 5, 1939; to the Committee on Interstate and Foreign Commerce.

S. 1622. An act for the relief of Gordon Cole Hart; to the Committee on Claims.

S. 1637. An act for the relief of Herbert C. Rockwell; to the Committee on Claims.

S. 1638. An act for the relief of Salvatore Carbone; to the Committee on Claims.

S. 1657. An act to amend Public Law 779 of the Seventy-seventh Congress entitled "An act to provide for furnishing transportation for certain Government and other personnel necessary for the effective prosecution of the war, and for other purposes," approved December 1, 1942, and for other purposes; to the Committee on Military Affairs.

S. 1710. An act to authorize the Secretary of the Navy to grant and convey to the Virginia Electric & Power Co. a perpetual easement in two strips of land comprising portions of the Norfolk Navy Yard, Portsmouth, Va., and for other purposes; to the Committee on Naval Affairs.

S. 1738. An act to establish a Chief of Chaplains in the United States Navy; to the Committee on Naval Affairs.

S. 1739. An act to reimburse certain Navy personnel and former Navy personnel for personal property lost or damaged as the result of fires which occurred at various Navy shore activities; to the Committee on Claims.

S. 1776. An act to authorize the exchange of certain land at the Benicia Arsenal, Calif.; to the Committee on Military Affairs.

S. 1811. An act to amend Public Law 277, Seventy-ninth Congress, so as to provide the Coast Guard, at such time as it is transferred back to the Treasury Department, with a system of laws for the settlement of claims, and for other purposes; to the Committee on Claims.

THE LATE J. BUELL SNYDER

The SPEAKER. The Chair recognizes the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Speaker, I rise this morning with a very heavy heart to announce with sincere regret the death on yesterday of our colleague, the Honorable J. BUELL SNYDER, of the Twenty-third District of Pennsylvania.

Mr. SNYDER was serving his fourteenth year in this body. He became well known not only in this body, this Chamber, and the other Chamber, and in Washington, but all over the United States, and I may say indeed, all over the world, by his steadfast devotion to duty and by the important position which he had attained as chairman of the Subcommittee on Appropriations handling all funds for the Military Establishment. He had under his care and jurisdiction the giving to the other Members of the House the benefit of his advice in the expenditures of the greatest sums of money in all recorded history in a comparable time.

Mr. SNYDER was not a man who sought the limelight or who sought fame; he was a man who devoted himself diligently, conscientiously, and earnestly to the tasks with which he was entrusted by his constituents, by the Speaker, and by the Members of Congress. He worked constantly, conscientiously, and looked into every detail of the appropriations which were submitted for his consideration and for the consideration of the subcommittee and the entire Congress.

I saw Mr. SNYDER about 11 o'clock on Saturday morning. As most of you already know, he had just the day before announced that it was not his intention again to become a candidate to return to this body. When I heard the news I thought I would like to talk to him and learn what his reasons were for that decision. He said he was getting up a little in years; that he was getting a little tired. He said the work had been very hard, particularly in the last 4 or 5 years, and he felt he was entitled to a rest to a certain extent. He felt also he would be just as well off financially if he did not serve as a Member of Congress. I went to see him because I had entertained the highest respect for him ever since I came to this body several years ago.

I believe Mr. SNYDER never had an unkind thought in his mind. He was always pleasant, courteous, agreeable, and attempted in every way he possibly could to give other Members the benefit of his experience and advice. He traveled quite widely in following out his duties as a member of the Committee on Appropriations, and therefore his advice was sought and was invaluable. As I said before, he was a most kindly man, and I shall always remember his pleasantries, his consciousness of duty, and the strict attention he gave to his task. I know I shall miss him very much personally, and I shall miss him in connection with my duties in the Congress. I feel, in fact, that each and every Member of the House and every person who came in contact with him here in Washington will miss him. It is most regrettable that he should pass from us so suddenly and without any warning whatsoever.

I hope his wife and his daughter will bear up in the grief that must be theirs. May God speed his soul.

Mr. EBERHARTER. Mr. Speaker, I yield to the majority leader the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Speaker, in the passing of our late friend, BUELL SNYDER, there is left a gap in the membership of this body. He was not only a great legislator but he possessed a fine character.

BUELL SNYDER had one of the most beautiful characters and possessed one of the noblest minds that I have ever met in my journey through life to date. He clearly lived up to the truth, spiritual and otherwise, that he believed in. His presence was an inspiration to me. Whenever I met BUELL SNYDER and whenever I spoke to him I left him feeling I was a better man. If ever a man exemplified the truth that all decent persons should believe in and live up to, that the human race spiritually is one family, it was our late friend BUELL SNYDER.

I remember when he came to this body with that sweet, fine, noble, philosophical mind of his. He first came here as a Member of the Seventy-third Congress. His loyalty to those things he believed in and his loyalty to his friends rapidly impressed itself upon the minds of all Members of the House without regard to party, and particularly on the leadership on his own side of the aisle.

In recognition of those fine traits that appealed to the leadership on both sides of the aisle, and particularly the leadership on my side of the House, in the Seventy-fourth Congress through the Democratic members of the Ways and Means Committee that constitutes the Democratic committee on committees, he was elected and assigned to the powerful and important Committee on Appropriations. The chairman of that committee, recognizing his qualities and his legislative abilities, assigned him to the important subcommittee which has jurisdiction over appropriations for the War Department.

In the Seventy-fifth Congress BUELL SNYDER became chairman of that subcommittee and served in that capacity until the time of his death. During the period of time he has been chairman of that subcommittee he has reported out of his subcommittee, and there has come out of the full Committee on Appropriations, and passed the Congress of the United States 10 military bills carrying over $152,000,000,000 in appropriations.

For the fiscal year 1944 there were appropriated, because of war necessities, $59,034,839,673, the largest appropriation bill of all time anywhere.

You and I remember the rapidity with which the bills that came out of his committee passed this body. There was team work on the part of himself and the members of his committee on both sides of the aisle. They had done their work well in the subcommittee. I remember one day a bill of his passed the House in a little over 30 minutes. It was the bill I previously referred to appropriating nearly $60,000,000,000. The reason for this was because of the confidence the membership of the House had in our late friend and in the other members of his subcommittee.

BUELL SNYDER probably knew more officers and enlisted men of the Army during the recent war than any other man in public life. He traveled to the four corners of the earth, visiting our troops, inspecting all the facilities of the War Department no matter where located. He believed in a strong defense for our country, and he also believed that the best defense was to possess the means to take a powerful offense in case of danger to our country, or of attack by any country or combination of countries upon our Nation. I think we might sum up his life in a few words by saying that BUELL SNYDER possessed a "heart of gold." I know that my colleagues are going to miss him. We all feel sad in his passing. There is no question but what the great strain of the war contributed to his death. In that respect he might well be termed "a war casualty."

I know that all the Members of the House join with me in conveying to the people of his district our appreciation that they sent him to this body to serve them and our country during the trying years he was a Member of this House. We express our thanks to the Twenty-third District of Pennsylvania for sending him here to serve them as well as the Nation, but we also sympathize with them. They have sustained a great loss. The State of Pennsylvania has sustained a great loss. Our beloved country has sustained a great loss. BUELL SNYDER was a gentleman in every respect. He was a great American. His wife and daughter have sustained a great loss. To his beloved ones we express our deep and profound sympathy. Every one of us, particularly I, who knew that wonderful, noble, sterling character, has sustained a personal loss. We shall miss him greatly.

Mr. EBERHARTER. Mr. Speaker, I yield to the distinguished minority leader the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Speaker, we are all sad today by the death of one of our beloved colleagues, BUELL SNYDER, of Pennsylvania. BUELL SNYDER was a kindly, courteous man, generous in thought and action. He endeared himself to all of us, irrespective on which side of the aisle we sat, because of his integrity, his honesty, and his patriotism. As part of his duties he served on the important subcommittee of War Department expenditures in one of the most critical periods in the history of our country. Through his service on this committee BUELL SNYDER was an important factor in the building of our national defense; in bringing into existence the mighty armaments that made it possible for us to win a decisive war over the greatest military power of all time. Unquestionably the heavy responsibility that rested upon him and his close devotion to his work brought about his untimely death. We grieve the loss of a capable and efficient legislator and a great American. Our warmest sympathy is extended to his good wife and the members of his family.

Mr. EBERHARTER. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. KELLEY].

Mr. KELLEY of Pennsylvania. Mr. Speaker, little did I think when I said good-by to BUELL SNYDER last Friday evening that I would be standing in the well of the House today paying tribute to his memory. Such is life. I feel that BUELL SNYDER gave his life in the service of his country. He worked hard during the period of this war; exceptionally hard. He spent a great deal of himself in the interest of the Nation. He must have felt a great deal of satisfaction when he realized that the war was ended, and what his contribution had been toward the successful conclusion of the war. I, perhaps, have a deeper feeling than many people about BUELL SNYDER because he and I were neighbors back in Pennsylvania. His district and my district adjoin. When I came to Washington he was very kind and generous to me and helped me with his advice at every turn that I requested it. I shall

forever feel grateful to him for that help and assistance.

BUELL SNYDER was beloved in his district by both Republicans and Democrats. He was a noble character. He never questioned what political party one belonged to if he could do anyone a favor. They were his constituents, they were American citizens.

BUELL SNYDER was a great patriot, he was a great citizen, and he was a fine husband and father. I have a great affection for the memory of BUELL SNYDER, and I extend my sympathy to his family in this hour of sadness.

Mr. EBERHARTER. Mr. Speaker, I yield to the distinguished chairman of the Committee on Appropriations, the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. Mr. Speaker, the long lists of dead and wounded that streamed back from the front-line trenches of the great war did not include all the casualties of that titanic struggle. Back here at home, those who supplied the sinews of war, who kept the pipe lines open, who kept supplies and munitions moving forward, who saw that no man on the firing line, reaching behind him for another cartridge, failed to find one at hand, contributed their part to the winning of the war and many of them have fallen like their comrades at the front.

Congressman SNYDER was chairman of the subcommittee in charge of war appropriations throughout the war. It was an exacting and responsible position, probably the most responsible of any specific position in the Congress in that respect. He handled it with extraordinary expedition and efficiency. He was not merely content with the long hearings, with the exhaustive studies, with the meticulous scrutiny of each item by the committee over which he presided, as the war estimates came through the committee room, but he personally, sometimes with members of the committee, sometimes alone, by plane and train and ship, visited major installations, shore establishments, centers of production and distribution of war supplies, and by personal inspection kept in touch with every phase of the war-supply program on this side, as well as the rapidly shifting needs on the other side.

He was intimately acquainted with the military leaders of the Nation. He discussed with them personally the problems of the war. And he probably knew more of the inner secrets of the Allied strategy than any other civilian.

But his interest and the service he rendered was not confined to his war activities. He was a versatile man with many interests. He made notable contributions to many phases of legislation. He was an experienced and trained school administrator. Always his counsel was required and given in matters affecting educational legislation.

Few knew that he was a pioneer broadcaster, that he had substantial interests in radio and was in position to give practical and technical assistance in the administration of this rapidly growing industry.

Naturally, coming from a State where the coal industry is one of the prime industries, he gave special attention to and was in position to render exceptional service in the formulation of legislation affecting the industry. He was the coauthor of the original Guffey-Snyder Bituminous Coal Act, and he was known as the father of transcontinental superhighways.

He was elected seven times in a district which normally cast overwhelming majorities against his political affiliations, serving brilliantly through the most critical era in American history. Regardless of political vicissitudes, his people were so devoted to him and so grateful and appreciative of his services that they returned him time after time to the House of Representatives, and would have returned him indefinitely.

He has added, through his services here in the House of Representatives, another name to that long list of eminent and distinguished Pennsylvanians who have served the Nation in times of need, from the day of its founding down to this hour.

Mr. EBERHARTER. Mr. Speaker, I yield to the distinguished gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, J. BUELL SNYDER was a man of courage and character. He was a tireless worker and one who knew his subject well. Upon the Military Appropriations Committee he had a faculty of bringing forth from his committee a bill which would meet the general favor of the House. In conference with the Senate, he was a very valuable man. I have seen him many times suggesting solutions of difficulties that were holding up conferees from coming to an agreement on important bills.

He will be greatly missed in this body. I want to pay just this little tribute to his patriotism and to his contribution to the war effort and to express my sincere sympathy to those whom he has left behind.

Mr. EBERHARTER. Mr. Speaker, I yield to the distinguished gentleman from Pennsylvania [Mr. HOCH].

Mr. HOCH. Mr. Speaker, in the passing of J. BUELL SNYDER I have lost a friend.

He was one of the few Members of this House who seemed to take note of the fact that a change had occurred in the representation of the then Fourteenth District of Pennsylvania when the Seventy-eighth Congress convened.

Because he greeted me at that time, a friendship sprang up between us which grew as time passed.

Congressman SNYDER was not a spectacular Member of the House, but he was an effective Member and his work here will be appreciated more and more as the years come and go.

He was deeply interested in public roads and had visions of a network of superhighways that should cover the Nation.

Some of us recall that more than a year ago he addressed the House on this subject. At that time he exhibited a number of charts to illustrate his plans. Some day BUELL SNYDER'S dream will come true.

He was a man of vision—patriotic, friendly, kindly, and sincere.

We shall miss him, but shall continue to be guided by his advice and to be influenced by his exemplary and statesmanlike career.

Mr. EBERHARTER. Mr. Speaker, I yield to the distinguished gentleman from Pennsylvania [Mr. TIBBOTT].

Mr. TIBBOTT. Mr. Speaker, it is with great sadness that I have this opportunity to pay my brief tribute to our late colleague, Congressman JOHN BUELL SNYDER. Our associations and affection for each other were very well known. I was impressed with him from the first time I met him for his sincerity, enthusiasm, and kindness. He was one who loved his fellowmen. He was more than fair and considerate of others. His charitable deeds will always remain in my mind. He was a true Christian gentleman.

I had the honor to serve under his chairmanship of the Military and Civil Functions Subcommittee of the Appropriations Committee.

We know that he was fully advised of the threat to his health involved in a continued application to hard work, but with unflinching devotion he remained with his task. The answer to the charge sometimes heard that public service no longer furnishes examples of personal sacrifice to public duty is answered by the life and death of our former colleague.

Congressman SNYDER was always just what he was—no shadow of display, no pretense. He died with the deep respect and affectionate regard of the entire House.

Our deepest sympathy goes out to Mrs. Snyder and his family in their hour of bereavement.

Mr. EBERHARTER. Mr. Speaker, I yield to the distinguished gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, this morning we paid tribute to the lady from Georgia who came to our midst, and we rejoice with her in our association together.

At the same time during this day sorrow comes to us. It comes to us because of the loss of one of our valued Members, a Member with whom I have associated ever since I have been a Member of Congress.

J. BUELL SNYDER was one of the men of this Congress whom I consider one of my close friends. He was educated in his local community, and then he came to Lock Haven Teachers College. He knew all the conditions in and around the city of Lock Haven and around my home. So we had many things in common to discuss, as far as our State was concerned locally. We had much in common.

J. BUELL SNYDER was a friend. He always treated each and every one he met as a friend. He was kind in heart. He was desirous of doing something to make life brighter and happier and sweeter for those with whom he associated. In his passing I have lost a real friend; his State a good, honest citizen; and the Nation a faithful servant and legislator.

It so happens that he and I had breakfast together in the House restaurant last Friday morning. During the conversation I said to him, "I heard over the radio this morning that you are not going to run for Congress."

He said, "Yes, Bob, I have decided not to run for Congress again." He said, "I am getting to be about 69 years of age. My father and my brother at that age passed away very suddenly." He said, "I have decided the thing for me to do is to take life more easy. I have worked hard in Congress, and I want to take life easy and go back and live on the farm with my wife and family."

He was planning his work so that he could enjoy life for a greater number of years than his father or his brother. What a shock it was to me when I heard 48 hours after he told me he wanted to continue life because life was sweet to him that he should be taken to the Great Beyond. Life is so uncertain for all of us.

J. BUELL SNYDER was an honest, honorable citizen. He is in heaven today, I believe, if any Member of Congress ever gets there, because Buell led that kind of a life that would take him to the great white throne. Some day, if we are good, we will all meet him again, and it will be a great time when we have that opportunity. Our work over and the real joy of living will be ours. Sorrow will cease.

I think J. BUELL SNYDER sacrificed his life with the work he has been doing here in the last 10 years. He worked hard and diligently.

May God be gracious to his family and to the people whom he served.

BUELL SNYDER has gone to his reward. His work on earth is finished.

Mr. EBERHARTER. Mr. Speaker, I yield to the distinguished gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Speaker, it was not the privilege of many Members of the House to really know BUELL SNYDER as some of us knew him. Prior to 6 years ago I knew him simply as one other Member of Congress, but about that time I was placed on the subcommittee for the War Department appropriations. Then I began to really know the type of man BUELL SNYDER was. I learned to love him and to trust him.

Mr. SNYDER was not the type of man who undertook to know every detail of every proposition with which he was concerned; he trusted other men. But his greatness was in the fact that he knew in whom to place his trust. I often marveled at his ability to know men.

No Member could serve on the Military Appropriations Subcommittee and fail to love him and respect him. In his work on the civil functions program he had a difficult job. Members were coming to him saying: "Now, I want this project." "This project means so much to me politically in my district." "I just must have this, Mr. SNYDER." BUELL SNYDER had that remarkable quality of mind and character which enabled him to deal with all those friends and colleagues in such a way that never did I hear any Member say he felt he had received anything short of a square deal. He went as far as any gentleman, friend, and legislator could go to cooperate with his colleagues in the House.

BUELL SNYDER was not known for his brilliance in oratory or ready wit; he had other qualities of character and personality which were far greater than these. He was much beloved by the members of the subcommittee because of his consideration of them, Democrats and Republicans alike. I remember when I had the lowest rank in seniority of any member of the committee; yet insofar as the chairman's actions toward me were concerned, I was just as important, if not more so, than some of those who outranked me. All his colleagues and friends were important to him. He was that kind of man.

He loved his work. During the uncertain years just before the war he went all out for the program of preparation. The Secretary of War and the men in the War Department who were charged with our military program prior to and during the war never had occasion to hesitate or to wonder what BUELL SNYDER'S attitude would be. They always knew in advance that BUELL SNYDER would be for anything that would strehgthen and improve the military arm of the Government. Money meant little to him when balanced against American lives.

As the able chairman of the full Committee on Appropriations, the gentleman from Missouri [Mr. CANNON] has said, during much of Mr. SNYDER'S younger life he dealt with youth in the school systems of his great State. He loved youth very much and that was one reason why he hated so much to see American boys die in the Great War, and that was one reason why he never sought to block any appropriation that gave even a promise or hope that it might save lives and bring earlier victory.

His faith in his fellow-Pennsylvanian, General Marshall, knew no bounds. He stood on General Marshall's side in the general's demands for more and better equipment. I have thought that had General Marshall declared that in furtherance of the war effort he needed the dome off the Capitol, Mr. SNYDER would have undertaken to provide it, so complete was his faith in the leadership of our Chief of Staff.

In the haste and waste of war no doubt much money was spent unnecessarily, but I weigh my words when I say that Mr. SNYDER'S work and his able leadership as chairman of our subcommittee contributed to the saving of many American lives.

Mr. SNYDER was at his best in handling a project about which nothing was ever said on this floor, the atomic-bomb project—that hush-hush project of the days of the war prior to the dropping of the bomb on that August day of 1945. Many months and years before that bomb was dropped General Marshall came to the committee, and behind closed doors, impressed the members of the subcommittee with the necessity of money for this project. He received the cooperation of the committee from year to year, and every proper effort was made to disguise the funds that were placed in the bill for the atomic-bomb project. The success of our committee in keeping the secret has become historic. For that, much credit is due Speaker SAM RAYBURN, Mr. SNYDER, and the members of our subcommittee.

On May 27, 1945, the clerk of the committee, Mr. John Pugh, called me on the telephone and he said: "Mr. MAHON, can you be over at Chairman CANNON'S office promptly at 12 o'clock?" I said, "Sure, if it is important." He said, "It is important." When I got on the elevator to go up there I found that the Honorable Henry L. Stimson, Secretary of War, was on the same elevator. I noticed that he walked into the same room, Chairman CANNON'S office. Those present were Chairman Cannon, Mr. Taber, Mr. Engel of Michigan, Maj. Gen. Leslie R. Groves, manager of the atomic-bomb project, Mr. Snyder, and myself. The Secretary of War said, "Gentlemen, this project for which so much money has been expended is more than 99 percent assured of success," and, addressing Mr. CANNON, he said, "I want you gentlemen to go down to the Oak Ridge project in Tennessee and see something of the good work you have helped to make possible."

Yes, the highest tribute that could be paid to Mr. SNYDER from the standpoint of the faith and confidence of the War Department was paid to him in the fact that Secretary Stimson had trusted him implicitly with information of the very highest confidential nature.

So we went down to the project. We observed the amazing processes and listened to the explanations of the scientists. In going from building to building, I happened to be seated in the car with Mr. SNYDER, an Army car which was assigned to Brigadier General Farrell. Mr. SNYDER kept saying, "GEORGE, this thing may save a million lives." I do not know whether it did or not, but I suspect it might have.

I know that Mr. SNYDER'S interest in his fellow man and in the success of the war effort and in the fate and welfare of his country was very great indeed.

He was in a typical role last Thursday morning down in the House Restaurant when he entertained at breakfast the members of his subcommittee and their wives, John Pugh, Maj. Gen. George Richards, budget officer of the War Department, Mrs. Richards, General Lowry, Robert Lambert, clerk of our subcommittee, and a few others. The food for the breakfast had been brought down by special request from Somerset County, Mr. SNYDER'S home county, for our enjoyment. Never was a man more thoughtful of his friends.

He loved music and poetry very, very much indeed, and as I have gone about with him in various parts of the world where we had military installations I have often heard him quote these familiar lines from Thomas Moore:

Long, long be my heart with such memories filled,
Like the vase in which roses have once been distilled;
You may break, you may shatter the vase if you will,
But the scent of the roses will hang 'round it still.

The memory of this great and good man will linger on in the House of Representatives and in the hearts and minds of the people of Pennsylvania and elsewhere who knew him and loved him for his personality and good work.

Mr. EBERHARTER. Mr. Speaker, I yield to the distinguished gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, it is interesting how suddenly we can be confronted with the inescapable proof of the mystery of the universe, the enigma of life, the fortuity of this existence. How difficult it is to encompass the thought that only a day or two ago we were sharing the fellowship of our departed comrade in a committee room and today he lives in some far-off land. I find it so sustaining for that reason to participate in these memorial services. It brings to my mind an observation that an ancient Irish poet made that "every man's death diminishes thee because I am of mankind."

So I would say that the passing of every Member of this House at some time or other within the compass of our service diminishes us because we are a part of this body. And so he has gone. I find some enrichment of the spirit in being able to go back to those days of fellowship when we lived within the hour of a common effort in the committee room, and within this Chamber. So, now, once more a blue star upon the banner of this great legislative legion that began with the birth of the country has been transformed to one of iridescent gold as we remember him in fond recollection. I think he exemplifies somewhat the sentiments that William Jennings Bryan expressed to me a great many years ago. He said his wife had taught him to plan as if he were to live forever and live as if he were to die tomorrow. BUELL SNYDER was like that. He remembered not so long ago, because he was going to take his departure from this legislative Hall, that there were some who came with him in 1933. There were only 17 of them, and that number was diminished by the death of our late beloved colleague from Oregon, James Mott, to 16. Now his passing diminishes it to 15. But he wanted to have that little group together, so 2 or 3 weeks ago I received a very short message from him saying that on the 4th day of March 1946 it would be his pleasure to have a luncheon in the Speaker's dining room for those of the 150 who came in on the 4th day of March 1933 and who still remained in public service. What an amazing thing it is and what a fortuity there is about life that notwithstanding all that plan, he will not be here to share in that lovely and gracious fellowship on next March 4.

I can think of one suitable way to characterize him from that long service. I find it in an adjective which was used to characterize the man in the Scripture. It is with reference to that man who furnished the little plot of ground where the Man of Galilee was buried. The Scripture describes him as a good man. We take that adjective "good" so lightly. To me it is one of the great adjectives of our language. BUELL SNYDER was a good man. He was good in heart. He was good in spirit. He was good in his charitable compassion. He was good in his intent. He was good all through his public service. So the Nation, the great State of Pennsylvania, and this body, is diminished in spirit because of the passing of a good man, our colleague, J. BUELL SNYDER.

Mr. EBERHARTER. Mr. Speaker, I yield to the distinguished gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Speaker, it is a high honor and a great privilege to serve in the House of Representatives. Through the years it has been my observation that those elected to this body possess ability, accomplishment, or qualifications not possessed by their fellows. J. BUELL SNYDER was no exception. I recall when he came to the House. I understood that he had been a teacher. I soon came to know that he loved young people. I have a high regard for the person who enjoys being with children and young people.

J. BUELL SNYDER was a friendly person. I have never known a Member of the House who was more appreciative of a kindness done by a colleague. I recall one occasion on the floor in the Committee of the Whole when there was criticism of the flood-control appropriations handled by the subcommittee of which he was chairman. I was familiar with the matter and I made a statement in commendation of his work in connection with flood control. He never forgot it.

He was a loyal and devoted friend. He was dependable. I always found him to be fair. He was courageous and he had the courage of his convictions.

He not only loved his fellowmen, but he loved his country.

He was a patriot. He put his country first. None among us did more to promote the defense of our country than the late J. BUELL SNYDER. While he had his limitations, he had ability and he was intensely devoted to the United States.

As has been stated, he reported and secured the passage of the largest appropriations ever made for the prosecution of war by this or any other country, but he was interested in promoting the peace and prosperity of his country as well as in promoting victory in war. He was profoundly interested in transportation. He was particularly the champion of better highways and of inter-regional highways. He was devoted to the improvement of our national resources. As chairman of the committee he reported more appropriations for the improvement of rivers and harbors, for flood control, and for navigation than ever reported by any other chairman of a subcommittee of the Committee on Appropriations.

We shall miss him. The announcement a few days ago in the public press that he would not be a candidate for reelection brought regret to many of us who had known him throughout his service in the House, but the announcement of his sudden passing, following so closely the announcement of his planned retirement, brought universal sorrow to his colleagues.

He was industrious, he was capable. We recall our lamented friend today to remember him. J. BUELL SNYDER has left to his home, to his family, and to his country a good name and an honorable record of public service.

Mr. EBERHARTER. Mr. Speaker, I yield to the gentleman from Kentucky [Mr. O'NEAL].

Mr. O'NEAL. Mr. Speaker, for more than 11 years I served on the Appropriations Committee with my friend, the Honorable J. BUELL SNYDER. During that period, I have sat for hours with him in committee hearings. I learned to respect him, and I developed a deep personal affection for him. His personality attracted people to him, and during that entire period, I have never heard him speak unkindly of anyone. I have never known him to do a discourteous or unkindly act. As chairman of the War Department Subcommittee of the Appropriations Committee, his responsibility was a terrific one. He must have had the satisfaction that comes to anyone who has done a conscientious job of great importance.

The Army made no recommendations to him for the safety of this country and for the winning of the war that he did not put his entire heart into carrying out. In my opinion, the work of his committee was a most important factor in winning the war. His patriotism and loyalty to his country will long be remembered. It should give deep satisfaction to his friends and family, to whom we, who knew him and were devoted to him, extend our deepest sympathy.

Mr. EBERHARTER. Mr. Speaker, I yield to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Speaker, the news of BUELL SNYDER'S death came to me as a great shock. His going seems so untimely. I cannot adequately convey my feeling, but I do want to say a few words to indicate my appreciation of a great man and to express a deep sympathy with his wife and daughter.

What I have in mind now may seem a sort of anticlimax to the words of eloquence we have already heard concerning him and to the weighing of his great deeds by those who have preceded me. I have noticed that stress has been placed upon the fact that he sponsored and carried through the House the largest military appropriations in our history; but, counterbalancing that, it is equally true he sponsored the greatest appropriations for flood control, highway building, and such endeavors of peace in which he was deeply interested, as he was in matters of national defense.

I came here in the Seventy-fifth Congress a freshman Member. I presume that on the freshman Member of Congress, as on the freshman member of a school, acts of kindness by upper classmen make the deepest impression. BUELL SNYDER made a deep and favorable impression upon me from the beginning by his kindly consideration.

I recall the first two times I ever went before an Appropriation Committee to ask for an appropriation. Of course I was nervous. The first time the chairman of the committee, who now has also gone to his rest, was kindly to me and put me at ease. He was Chairman Buchanan, and it was in the Seventy-fifth Congress. I remember well the second time I appeared before an Appropriation Committee, which was a subcommittee on military appropriations. The chairman was BUELL SNYDER. I had come to speak concerning national defense in the very opening weeks of 1938, when war clouds were looming on the horizon. As

a schoolman and not a military man, I did not know as much as I should have known about what was necessary for national defense. I was received kindly by Chairman SNYDER, who not only put me at ease but encouraged me greatly. I received inspiration as well as instruction from that chairman of the subcommittee not only on that first occasion but upon later appearances. I received much instruction and much counsel and advice outside committee hearings from this kindly man. I found that his interest in youth corresponded to my own. In that respect, too, he and I had a common bond of sympathy and feeling.

I shall miss him, as I know every Member of this body will miss him, for he was a tower of strength. The Nation suffers a great loss, for he is needed to complete the victory which his efforts have done so much to advance.

Mr. EBERHARTER. Mr. Speaker, I yield to the distinguished gentleman from Florida [Mr. HENDRICKS].

Mr. HENDRICKS. Mr. Speaker, I feel sometimes that we pay tribute to the dead as a matter of form. This I do not do. It grieves me deeply to learn of the death of the chairman of one of my subcommittees and my close personal friend, Hon. J. BUELL SNYDER. Mr. SNYDER was a lovable personality. He made no pretense of possessing great wisdom or intelligence; yet he was wise and intelligent, as everyone who knew him realizes. He made no pretense of being big-hearted and kind and friendly; yet it was obvious to everyone who associated with him that he was kind and friendly and generous. He was deeply hurt when he thought that he had offended someone and was very sensitive to the attitude of others toward him. He was always willing to help and to do a favor when anyone called upon him. These are the attributes of a Christian gentleman. BUELL SNYDER was a Christian gentleman.

Mr. EBERHARTER. Mr. Speaker, I yield to the distinguished gentleman from Arkansas [Mr. NORRELL].

Mr. NORRELL. Mr. Speaker, it was my pleasure and honor to serve on the War Department Subcommittee on Appropriations under the chairmanship of Hon. J. BUELL SNYDER. I knew Mr. SNYDER when at work and also at play. He was a great statesman, a splendid scholar, a capable and hard-working legislator. He was a faithful husband and a considerate and loving father. He was an excellent citizen and a fine friend of all his fellowmen. Indeed, as chairman of the Military Affairs Subcommittee on Appropriations, he served his country during the recent horrible war. He was a soldier and is now a casualty of war, having fallen in the line of battle. He gave his life for his country. The Nation and the Congress sustain an irrevocable loss. My sympathy goes out to his good and gracious wife and the other bereaved members of his family.

Mr. EBERHARTER. Mr. Speaker, I yield to the distinguished gentleman from Alabama [Mr. PATRICK].

Mr. PATRICK. Mr. Speaker, in no place on earth can we see the footprints of the march of time more clearly than in the Congress of the United States. Today we see a new Member taking her place to undertake the burdens of making America, and in the same moment we grieve at the sudden passing of one who has been carrying that burden.

My association with BUELL SNYDER for some months has been close. His office was practically next to mine. Sometimes he would come to my office and sit down. He liked some of the same literature I like. He did love good literature. There were flowers to be found in his office at all times, beautiful azaleas and other flowers.

I do not know where great souls go when they depart this tragic, mundane bourne, but where they go BUELL SNYDER'S shade rests. His monument is secure. His people elected him to represent them. This representative body made him a member of the Committee on Appropriations. The Committee on Appropriations placed him at the head of a committee that has served this Nation so wisely and well during this great war crisis. What greater monument could there be to any man in this House than the monument shown by the confidence reposed in him when he asked for the sums necessary on a secret and quiet mission, where one's thoughts had to move on cat's feet, as the atomic-energy secret was being broken down in Tennessee. This quiet man—as my colleague from Illinois says, fortunately this good man—what a picture he presents. I remember an occasion that reflects the BUELL SNYDER just as well as anything I know.

There was a little woman with two children in his office when I was there one day. The door was open between his outer office and the office in which he worked. The two children would run through that door and play. The mother sought to quiet the two little girls. She said, "Girls, you are bothering Mr. SNYDER." He said, "No. For goodness' sake. They don't bother me. Those children help me."

Mr. Speaker, there has passed from this House a workaday man, a busy man, a man of responsibility and energy, who was helped in his office by the playing of little children.

May God rest his ashes.

Mr. EBERHARTER. Mr. Speaker, I yield to the distinguished gentleman from West Virginia [Mr. NEELY].

Mr. NEELY. Mr. Speaker—

We know when moons shall wane,
When summer birds from far shall cross the sea,
When autumn's hue shall tinge the golden grain—
But "(Death, oh)" who shall teach us when to look for thee?

Leaves have their time to fall,
And flowers to wither at the north wind's breath,
And stars to set—but all,
Thou hast all seasons for thine own, O Death!

Yesterday when the beloved BUELL SNYDER passed away the House of Representatives sacrificed to eternity and immortality one of its most illustrious Members. His life enriched the world. His death makes poorer all mankind. He was profound in intellect, great in heart, and sublime in soul. As a public servant he knew no dictator but his conscience, no guide but his judgment, and no purpose but to love and serve his God, his country, and his fellowmen. He walked the rugged road of right. Where duty led he followed, regardless of results, heedless of misfortunes, and thoughtless of rewards.

He was a righteous man, an affectionate husband, a devoted father, and a faithful friend. He was a patriot who loved principle more than party, a statesman who worshiped at the shrine of truth, a humanitarian who burned incense on the altar of universal good.

For his patriotism we honored him; for his ability we admired him; for his service to humanity we loved him. As we loved, admired, and honored him in life, so we revere him in death, mourn his loss, and cherish his nobility as a priceless possession. We wrap the spotless record of his outstanding achievements in the silver foil of appreciation, entwine it with the golden threads of affection, and deposit it in the spacious vault of fond recollection to be treasured there until we, too, return to dust.

Without a protest, a murmur, or a fear
Congressman SNYDER—

Sustained and soothed
By an unfaltering trust, approached his grave
Like one who wraps the drapery of his couch
About him, and lies down to pleasant dreams.

Dream on, O sainted dead, through winter's storm and summer's calm, through seed time and harvest, through sunshine and shadow until the angelic harbingers of the resurrection shall arouse thee from thy slumber and usher thee through the pearly gate into—

The city of temples and turrets of gold,
That gleam by the sapphire sea,
Like jewels more splendid than earth may behold,
Or are dreamed of by you and by me.

Mr. EBERHARTER. Mr. Speaker, I yield to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Speaker, the House has sustained a great loss in the passing of our colleague, Mr. SNYDER. I am sure we all knew him as a deeply considerate man, one in whom there was no pride or vainglory or conceit, one who stood among his fellows for what he really was, a true Christian gentleman. I sometimes think that the one thing that we can do for our children, which is our fundamental duty to them and the greatest service we can render, is to prepare them spiritually and enable them so to live that they need never be afraid to die. When I received the news of the passing of our colleague one of the things I thought about was that there were few if any Members of this House who were better ready to go than he was, and I think to us all that may be a benediction and guide to our actions and a message from him to us. On our part I am sure we will keep his memory green among us here and will be better people for having known him.

Mr. EBERHARTER. Mr. Speaker, I yield to the distinguished gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Speaker, this is one time I would prefer to remain silent and listen to the words of confidence,

love, and respect that have fallen from the lips of my colleagues. However, my associations with Mr. SNYDER outside of this House were such that I feel I would be unjust to myself and to his memory if I failed to say a few words.

This House and this Nation have sustained a great loss. He passed away at the very height of his usefulness and his power.

Thus wastes man: Today he puts forth
The tender leaves of hopes; tomorrow blossoms,
And bears his blushing honors thick upon him;
The third day comes a frost, a killing frost;
Which nips the tender shoot;
And while he thinks his greatness is still aspiring,
He falls like autumn leaves to enrich our Mother Earth.

I shall speak of Mr. SNYDER only with reference to my association with him on the outside. I think I am correct when I say I saw him more often than any other Member of the House when he was not on the floor, because we lived in the same building for at least 10 years and on adjacent floors. I was with him almost daily, and it is about his personal life I wish to speak.

I believe it was Longfellow who said:

I shot an arrow into the air,
It fell to earth, I knew not where;
For, so swiftly it flew, the sight
Could not follow it in its flight.

I breathed a song into the air,
It fell to earth, I knew not where;
For who has sight so keen and strong,
That it can follow the flight of song?

Long, long afterward, in an oak
I found the arrow, still unbroke;
And the song, from beginning to end,
I found again in the heart of a friend.

Those expressions of friendship and confidence on the part of his colleagues were always reflected in the responsive sentiments that came from the heart of J. BUELL SNYDER.

I know both his wife and daughter. Mrs. Snyder is one of the most lovely women I have ever known, and his brilliant daughter is one of the most attractive.

BUELL SNYDER was a Christian gentleman and a real American. It is that phase of his life about which I wish to speak. These waves of fanaticism sweeping over the world with their undercurrents of atheism, anarchy, and infidelity made no impression on J. BUELL SNYDER. He believed in the Constitution of the United States, he believed in the Declaration of Independence, he believed in the Bill of Rights, he believed in the American way of life, he believed in the Golden Rule, and he enjoyed that Christian faith expressed by America's greatest lay Christian leader, William Jennings Bryan, when he said:

If the Master deigns to touch with divine power the cold and pulseless heart of the buried acorn, causing it to burst forth into a new life, will He leave neglected in the earth the soul of man made in the image of his Creator?

If he stoops to give to the rose bush, whose withered blossoms float upon the autumn breeze, the sweet assurance of another springtime, will He refuse the words of hope to the sons of men when the frosts of winter come?

If matter, mute and inanimate, though changed by the forces of nature into a multitude of forms, can never die, will the imperial spirit of man alone suffer annihilation after it has paid a brief visit, like a royal guest, to this tenement of clay?

No; I am sure that there is another life as I am that I live today.

Some time ago while in Cairo I secured a few grains of wheat that had slumbered for more 3,000 years in an Egyptian tomb. As I looked upon those grains of wheat this thought came into my mind: If one of them had been planted on the banks of the Nile the next year after it was grown, and all its lineal descendants had been planted and replanted from that day to this, its progeny would today be sufficiently numerous to feed the teeming millions of the world. There is an unbroken chain of life which connects the earliest grains with the ones that we now sow and reap.

If there is an invisible something in a grain of wheat which enables it when warmed by the sunshine and nurtured by the rain to discard its old body and build out of earth and air a new one so much like the old that we cannot tell the one from the other and transmit its own likeness through 3,000 resurrections, I need not doubt that my soul will have the power to clothe itself with a new body, suited to another existence, when this earthly frame has crumbled into dust.

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent that all Members who have spoken today may be permitted to revise and extend their remarks, and I also ask unanimous consent that any Members desiring to do so may extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WHITE. Mr. Speaker, we have lost a good Congressman and a great man. The feelings of all of us in appreciation of the splendid record of our colleague and our sense of loss are so well expressed in the verses of the poet laureate of the House that they are contributed herewith:

CONGRESSMAN JOHN B. SNYDER

C-ongressman SNYDER, humanity's friend,
O-n all occasions, proved faithful and true—
N-ature's great nobleman, down to the end,
G-ently he slipped from this life to the new.
R-ich in experiences of many kinds,
E-ver enlarged by the passing of years,
S-hining among the most brilliant of minds,
S-eeking to merit the praise of his peers,
M-aster of measures, he was in demand,
A-lways, everywhere, all over the land,
N-ever neglecting to lend a glad hand.

J-ustice and mercy he blended in one—
O-nward and outward and upward he reached—
H-is labors all bore the mark of "Well done"—
N-obly he practiced whatever he preached.

B-ut sacred honor, in which he took pride,

S-tood first among the great virtues he loved—
N-ever, till he in his sleep slipped aside,
Y-ielded he to any measure that proved
D-angerous to the welfare of the land—
E-ver to aid his friends he took his stand,
R-eaching out to them to give a glad hand.

—*Horace C. Carlisle.*

Mr. PLUMLEY. Mr. Speaker, yesterday afternoon I heard over the radio the announcement of the death of my long-time friend, J. BUELL SNYDER. I cannot put on paper nor speak the words which measure the shock and grief I feel.

For BUELL SNYDER to die alone, in a hotel room en route to his home, for him to have died at all, seemed so impossible and almost beyond comprehension that I could not believe it were true.

It was true. And that is the tragedy of living.

For some 12 years he and I have had so many things in common; we have been so interested in the same subject matters; we have so enjoyed each other's confidences, he on Appropriations for the Army and I on Appropriations for the Navy, that I cannot yet appreciate nor realize that he has gone to that reward of a good and faithful servant which he merited and which certainly was accorded him as he crossed that threshold of the bourne from which no traveler has ever yet returned.

Others will pay him the tribute he is due and in language more forceful and fitting than I am constrained to use at this time; but it is to be said that no more genuine patriot than BUELL SNYDER ever worked out his heart or gave his life as a sacrifice. Nobody not conversant with the service he rendered and the tremendous load he bore can measure the magnitude of the burden he so unostentatiously but faithfuly carried to the end. We shall miss him—and to live in the hearts of those one leaves behind is not to die.

Mr. BRUMBAUGH. Mr. Speaker, it is with saddened heart that I pay my humble tribute to the memory of Representative J. BUELL SNYDER, a native of my home State of Pennsylvania and a distinguished colleague for whom I held the deepest admiration.

Representative SNYDER was born on a farm in Somerset County, Pa., and, as a son of the soil, he inherited the natural characteristics of good citizenship that flow from his communion with those who till the land and are affectionately regarded as "the salt of the earth." Possessing the necessary attributes of courage, honesty, and ambition, our deceased colleague by persistence in his pursuit of a higher education had the satisfaction of progressing to a responsible position in the field of public education in the State of Pennsylvania.

Fourteen years ago he came to Washington and presented his commission as a Representative in Congress. It is a coincidence that on February 22 he publicly announced his decision to retire from Congress when the present session adjourns. His service ended the following day when the Angel of Death with slippered feet visited him as he slept. BUELL SNYDER has heard the final summons and relinquished his commission as Representative in Congress to those who reposed confidence in him by honoring him with election to that high office. It is to his everlasting credit that he surrendered the commission without a blemish on it, for his spotless reputation reveals him as being fully worthy of the great honor bestowed upon him.

During Representative SNYDER'S career in Congress, he won the admiration and respect of his colleagues regardless of political affiliation. It was my good

fortune to value him as a friend, and the fact that we subscribed to different political tenets in life did not mar a friendship that was sincere and sustaining. In his sudden passing, I have lost a dear friend, but my life is richer for the privilege of having known a man of such lovable character and intensely human traits.

The glowing tributes that have been paid BUELL SNYDER by congressional leaders, scores of colleagues, and high-ranking military authorities are indicative of his strength of character and his flawless reputation. As chairman of the important subcommittee of the House Committee on Appropriations, it is now disclosed that he shared the secret knowledge of the atomic bomb which is an eloquent tribute of the confidence reposed in him by his Government. BUELL SNYDER was pardonably proud of the important assignment he held in channeling the funds for our national defense and for the successful prosecution of the war which sounded the death-knell to world despots. In aiding in the wholesale defeat of Hitler, Hirohito, and Mussolini, it is of interest to observe that he was spared to witness the extinction of such an infamous trio.

Representative SNYDER throughout his busy and useful life had in his devoted wife the companionship and love of one of Pennsylvania's most respected daughters, the former Miss Marion Buehler, who prior to her marriage was a teacher in the public schools of Altoona, Pa., in my congressional district, and who, with their daughter, Mrs. Yvonne Snyder Francis, survives his passing.

I join my colleagues in tendering sincere expressions of deepest sympathy to Mrs. Snyder and Mrs. Francis in this hour of great sorrow. I know from the beautiful life that has just closed they have received a legacy of love and devotion and that the precious memories of a loving husband and devoted father will prove a benediction to them as they seek consolation and comfort in their bereavement. May they also find a measure of solace in the words of the poet:

Death is only a quiet door,
Set in a garden wall;
On gentle hinges it gives, at dusk
When the thrushes call.
Along the lintel are green leaves
Beyond the light lies still;
Very willing and weary feet
Go over that sill.
There is nothing to trouble any heart,
Nothing to hurt at all.
Death is only a quiet door,
In an old garden wall.

Mr. EBERHARTER. Mr. Speaker, I offer a resolution (H. Res. 532).

The Clerk read the resolution, as follows:

Resolved, That the House has heard with profound sorrow of the death of Hon. J. BUELL SNYDER, a Representative from the State of Pennsylvania.

Resolved, That a committee of 12 Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provision of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

The SPEAKER. The Chair will later in the day appoint the members of the funeral committee.

The Clerk will report the remainder of the resolution.

The Clerk read as follows:

Resolved, That as a further mark of respect the House do now adjourn.

The resolution was agreed to.

Subsequent to the adjournment of the House the Speaker appointed the following Members on the part of the House to attend the funeral: Messrs. WALTER, ENGEL of Michigan, MAHON, BRADLEY of Pennsylvania, CASE of South Dakota, EBERHARTER, HENDRICKS, SIMPSON of Pennsylvania, NORRELL, SHERIDAN, TIBBOTT, and KELLEY of Pennsylvania.

ADJOURNMENT

Accordingly (at 1 o'clock and 19 minutes p. m.) the House, under its previous order, adjourned until tomorrow, Tuesday, February 26, 1946, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Federal Trade Subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m. Tuesday, February 26, 1946.

Business to be considered: Resume public hearings on H. R. 2390 (to amend the act creating the Federal Trade Commission) to complete list of proponent witnesses. Federal Trade Commission representatives will be heard in opposition commencing February 27, to be followed by other opponent witnesses.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

The Committee on Immigration and Naturalization will hold hearings on Wednesday, February 27, 1946, at 10:30 a. m., on H. R. 3663, in room 446, Old House Office Building.

COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

There will be a meeting of the Committee on World War Veterans' Legislation, in open session, on Thursday, February 28, 1946, at 10 a. m., in committee room 356, Old House Office Building.

COMMITTEE ON THE POST OFFICE AND POST ROADS

The Committee on the Post Office and Post Roads will hold hearings on Thursday, February 28, 1946, and Friday, March 1, 1946, at 10 a. m., on H. R. 5059, a bill to provide temporary additional compensation for postmasters and employees of the postal service.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1086. A letter from the Secretary of the Navy, transmitting a draft of a proposed bill to repeal section 1548, Revised Statutes (34 U. S. C. 592); to the Committee on Naval Affairs.

1087. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1946 in the amount of $37,500 for the National Mediation Board (H. Doc. No. 481); to the Committee on Appropriations and ordered to be printed.

1088. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1946, in the sum of $12,300, for the judiciary (H. Doc. No. 482); to the Committee on Appropriations and ordered to be printed.

1089. A communication from the President of the United States, transmitting a draft of a proposed provision affecting an existing limitation on an appropriation for the Department of Agriculture for the fiscal year 1946 (H. Doc. No. 483); to the Committee on Appropriations and ordered to be printed.

1090. A communication from the President of the United States, transmitting a draft of a proposed provision pertaining to existing appropriations for the Department of the Interior for the fiscal year 1946 (H. Doc. No. 484); to the Committee on Appropriations and ordered to be printed.

1091. A communication from the President of the United States, transmitting for the consideration of the Congress a draft of a proposed provision pertaining to an existing appropriation of the Securities and Exchange Commission (H. Doc. No. 485); to the Committee on Appropriations and ordered to be printed.

1092. A letter from the Chairman, Securities and Exchange Commission, transmitting the eleventh annual report of the Securities and Exchange Commission; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. O'HARA: Committee on Interstate and Foreign Commerce. H. R. 5544. A bill authorizing the village of Baudette, State of Minnesota, its public successors or public assigns, to construct, maintain, and operate a toll bridge across the Rainy River at or near Baudette, Minn.; without amendment (Rept. No. 1621). Referred to the House Calendar.

Mr. KEFAUVER: Committee on the Judiciary submits a report pursuant to House Resolution 138, a resolution authorizing the Committee on the Judiciary to investigate the official conduct of Albert W. Johnson and Albert L. Watson, district judges of the United States District Court for the Middle District of Pennsylvania; without amendment (Rept. No. 1639). Referred to the Committee of the Whole House on the State of the Union.

Mr. KEFAUVER: Committee on the Judiciary. H. R. 5413. A bill to accept the renunciation by Albert W. Johnson of pension under section 260 of the Judicial Code; without amendment (Rept. No. 1640). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COMBS: Committee on Claims. H. R. 1262. A bill for the relief of W. E. Noah; with amendment (Rept. No. 1622). Referred to the Committee of the Whole House.

Mr. DOYLE: Committee on Claims. H. R. 1352. A bill for the relief of Herman Feinberg; with amendment (Rept. No. 1623). Referred to the Committee of the Whole House.

Mr. DOYLE: Committee on Claims. H. R. 2156. A bill for the relief of Lee Harrison; with amendment (Rept. No. 1624). Referred to the Committee of the Whole House.

Mr. DOYLE: Committee on Claims. H. R. 2331. A bill for the relief of Mr. and Mrs. Grant Logan; with amendments (Rept. No. 1625). Referred to the Committee of the Whole House.

Mr. HOOK: Committee on Claims. H. R. 2750. A bill for the relief of Charles A. Marlin, Andrew J. Perlik, and Albert N. James; with amendment (Rept. No. 1626). Referred to the Committee of the Whole House.

Mr. STIGLER: Committee on Claims. H. R. 2885. A bill for the relief of Mrs. Frank Mitchell and J. L. Price; with amendment (Rept. No. 1627). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. H. R. 3065. A bill for the relief of Standard Dredging Corp.; with amendment (Rept. No. 1628). Referred to the Committee of the Whole House.

Mr. FERNANDEZ: Committee on Claims. H. R. 3076. A bill for the relief of Nellie P. Dunn; with amendment (Rept. No. 1629). Referred to the Committee of the Whole House.

Mr. COLE of Kansas: Committee on Claims. H. R. 3100. A bill for the relief of the legal guardian of Rolland Lee Frank, a minor; with amendment (Rept. No. 1630). Referred to the Committee of the Whole House.

Mr. HOOK: Committee on Claims. H. R. 3217. A bill for the relief of Mattie Lee Wright; with amendment (Rept. No. 1631). Referred to the Committee of the Whole House.

Mr. FERNANDEZ: Committee on Claims. H. R. 3355. A bill for the relief of Elisabeth Jones Hansel; with amendment (Rept. No. 1632.) Referred to the Committee of the Whole House.

Mr. COMBS: Committee on Claims. H. R. 3391. A bill for the relief of Lawrence Portland Cement Co.; without amendment (Rept. No. 1633). Referred to the Committee of the Whole House.

Mr. CASE of New Jersey: Committee on Claims. H. R. 3480. A bill for the relief of Miss Ruth Lois Cummings; without amendment (Rept. No. 1634). Referred to the Committee of the Whole House.

Mr. STIGLER: Committee on Claims. H. R. 4210. A bill for the relief of the estate of Bob Clark; with amendment (Rept. No. 1635). Referred to the Committee of the Whole House.

Mr. COMBS: Committee on Claims. H. R. 4400. A bill for the relief of Nolan V. Curry, individually, and as guardian for his minor son, Hershel Dean Curry; with amendments (Rept. No. 1636). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 4609. A bill for the relief of Jerome Dove; with amendment (Rept. No. 1637). Referred to the Committee of the Whole House.

Mr. FERNANDEZ: Committee on Claims. H. R. 4801. A bill for the relief of Raymond P. Guidoboni; with amendment (Rept. No. 1638). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COLE of New York:

H. R. 5569. A bill to authorize the payment of certain claims for medical treatment of persons in the naval service, to repeal section 1586 of the Revised Statutes, and for other purposes; to the Committee on Naval Affairs.

By Mr. HOFFMAN:

H. R. 5570. A bill to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce, to diminish unemployment, to establish a national policy for assuring continuing employment in a free competitive economy, and to protect the right to work; to the Committee on Labor.

H. R. 5571. A bill to prevent interference with interstate or foreign commerce and to prevent interference with public utilities serving communities engaged in interstate and foreign commerce; to the Committee on Labor.

By Mr. LEMKE:

H. R. 5572. A bill to prohibit experiments upon living dogs in the District of Columbia and providing a penalty for violation thereof; to the Committee on the District of Columbia.

By Mr. PRICE of Illinois:

H. R. 5573. A bill to require that surplus fire-fighting equipment be donated to fire-fighting districts and departments and to volunteer fire companies; to the Committee on Expenditures in the Executive Departments

By Mr. RANKIN:

H. R. 5574. A bill to amend paragraph 8 of part VII, Veterans Regulation No. 1 (a), as amended, to authorize an appropriation of $1,500,000 as a revolving fund in lieu of $500,000 now authorized; to the Committee on World War Veterans' Legislation.

By Mr. RANKIN (by request):

H. R. 5575. A bill to remove the limitation on the amount of compensation or pension payable under laws administered by the Veterans' Administration for service-connected and non-service-connected death; to the Committee on World War Veterans' Legislation.

By Mrs. ROGERS of Massachusetts:

H. R. 5576. A bill relating to veterans' priorities in purchasing surplus property suitable for residential purposes; to the Committee on Expenditures in the Executive Departments.

By Mrs. SMITH of Maine:

H. R. 5577. A bill to authorize lump-sum payments to the heirs or estates of Air Corps Reserve flying officers killed while on active duty; to the Committee on Military Affairs.

By Mr. VINSON of Georgia:

H. R. 5578. A bill to provide for the performance of military duties by voluntary enlistees of the United States Army in connection with the occupation of foreign territories; to the Committee on Military Affairs.

By Mr. WOLCOTT:

H. R. 5579. A bill to amend the National Housing Act by adding thereto a new title to provide for a housing expediter and to define his powers, providing for the allocation of building materials for the construction of homes, providing for preference to veterans of World War II in the purchase or rental of housing accommodations, to amend title VI of the National Housing Act, and for other purposes; to the Committee on Banking and Currency.

By Mr. ANDREWS of New York:

H. R. 5580. A bill to amend the Selective Service Act of 1940; to the Committee on Military Affairs.

By Mr. BUNKER:

H. R. 5581. A bill to repeal provisions of the Internal Revenue Code imposing a tax upon transfers of any interest in silver bullion; to the Committee on Ways and Means.

H. R. 5582. A bill to remove maximum prices on foreign and domestic silver; to the Committee on Banking and Currency.

By Mr. MILLER of California:

H. R. 5583. A bill to amend section 3 of the Fair Labor Standards Act of 1938, as amended, with respect to the operation of certain hotels and inns; to the Committee on Labor.

By Mrs. ROGERS of Massachusetts (by request):

H. R. 5584. A bill to amend Public Law 144, Seventy-eighth Congress, to provide increased pensions for orphans of deceased World War veterans with service-connected disabilities; to the Committee on World War Veterans' Legislation.

By Mr. BUNKER:

H. R. 5585. A bill to amend the Agricultural Adjustment Act of 1933, as amended; to the Committee on Coinage, Weights, and Measures.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER. Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to Federal legislation granting terminal furloughs and leaves to enlisted personnel of the armed forces of the United States; to the Committee on Military Affairs.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to relaxation of social-security restriction to permit recipients of aid to the aged to assist in the production of food to meet world needs; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. BARTLETT introduced a bill (H. R. 5586) for the relief of Moses J. Cruikshank, which was referred to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1623. By Mr. GRAHAM: Petition of 100 Pennsylvania Railroad employees, in support of House bill 1737, the Railroad Pension Act; to the Committee on Interstate and Foreign Commerce.

1624. By Mrs. ROGERS of Massachusetts: Petition of county commissioners of Essex County, Mass., in favor of legislation to provide payment of benefits under the unemployment security law to veterans of World War II who are unemployed by reason of stoppage of work which exists because of labor disputes in factories; to the Committee on World War Veterans' Legislation.

1625. By Mr HOPE: Petition of Mrs. B. C. Unruh and other citizens of Barton County, Kans.; to the Committee on Military Affairs.

1626. By the SPEAKER: Petition of the Pennsylvania State Association of County Fairs, petitioning consideration of their resolution with reference to request for adoption of legislation exempting from the Federal amusement tax all admissions charged to fairs operated by nonprofit corporations organized for the promotion of agriculture, horticulture, and domestic science and repealing the legislation which now imposes a tax on such admissions; to the Committee on Ways and Means.

1627. Also, petition of the city of Lorain, State of Ohio, petitioning consideration of their resolution with reference to retaining Federal control of the United States Employment Service offices; to the Committee on Labor.

1628. Also, petition of Reno Detachment, Marine Corps League, petitioning consideration of their resolution with reference to their unanimous opposition to the War Department merger plan of the services; to the Committee on Military Affairs.

1629. Also, petition of several citizens of New York, petitioning consideration of their

resolution with reference to the United States Congress defeating proposals for peacetime compulsory military training and seeking instead an international agreement to abolish conscription everywhere; to the Committee on Military Affairs.

SENATE

TUESDAY, FEBRUARY 26, 1946

(Legislative day of Friday, January 18, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Dr. Buford L. Nichols, of San Marcos, Tex., missionary to China under the Southern Baptist Foreign Mission Board, offered the following prayer:

Our Heavenly Father, we bow in humble gratitude for Thy grace and guidance in war and peace. For all the good that is in us, nationally and individually, we give Thee thanks; for all the evils among us, we bow in deep contrition. We pray for our President, the Congress, and all those in leadership responsibility throughout the Nation, for our men and women in the armed forces, and for those planning the peace and chartering the UNO. May industrial discord and social unrest give place to harmony and peace in our midst. Guide us, O God, as we seek in these days to reconstruct our economy, reconvert our industry, redeploy our manpower, and readjust our thinking. As we feel our way in international cooperation, grant unto us a place of noble service and worthy influence.

To that end, our Father, may Thy Holy Spirit permeate every area of our lives and Thy blessed truth dominate every phase of our thought. Grant us Thy pardon, purity, peace, and power. May the forces of righteousness ever find in our land the proper atmosphere and encouragement for growth and expansion. Through Jesus Christ our Lord, we pray. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, February 22, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On February 21, 1946:

S. 1405. An act to authorize the President to retire certain officers and enlisted men of the Navy, Marine Corps, and Coast Guard, and for other purposes.

On February 25, 1946:

S. 50. An act to permit settlement of accounts of deceased officers and enlisted men of the Army, Navy, Marine Corps, and Coast Guard, and of deceased commissioned officers of the Public Health Service, without administration of estates.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, communicated to the Senate the intelligence of the death of Hon. J. Buell Snyder, late a Representative from the State of Pennsylvania, and transmitted the resolutions of the House thereon.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on February 23, 1946, he presented to the President of the United States the following enrolled bills:

S. 323. An act for the relief of Thomas F. Gray;

S. 400. An act for the relief of Elisabeth Andersen;

S. 543. An act for the relief of Felix Frederickson;

S. 683. An act for the relief of Mrs. Marie Nepple, as executrix of the estate of Earl W. Nepple, deceased, and Mrs. Marie Nepple, individually;

S. 865. An act for the relief of the estate of Agnes J. Allberry;

S. 1084. An act for the relief of John C. May and Eva Jenkins May;

S. 1126. An act for the relief of Alice A. Murphy;

S. 1131. An act for the relief of Jess Hudson;

S. 1400. An act for the relief of Robert R. Rowe, Jr.;

S. 1423. An act for the relief of Charles L. Phillips;

S. 1588. An act for the relief of Mrs. Lona Wilson; and

S. 1618. An act to exempt the Navy Department from statutory prohibitions against the employment of noncitizens, and for other purposes.

REPORTS OF COMMITTEES FILED DURING THE RECESS

Under authority of the order of the 22d instant,

The following reports of committees were submitted on February 25, 1946:

By Mr. McKELLAR, from the Committee on Appropriations:

H. R. 5458. A bill making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes; with amendments (Rept. No. 990).

By Mr. BARKLEY, from the Committee on Banking and Currency:

H. J. Res. 301. Joint resolution to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes; with amendments (Rept. No. 991).

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

SUSPENSION OF DEPORTATION OF ALIENS

A letter from the Attorney General of the United States, transmitting, pursuant to law, a report stating all of the facts and pertinent provisions of law in the cases of 68 individuals whose deportation has been suspended for more than 6 months by the Commissioner of the Immigration and Naturalization Service under authority vested in the Attorney General, together with a statement of the reason for such suspension (with accompanying papers); to the Committee on Immigration.

TRANSPORTATION FOR PERSONNEL OF NAVAL ESTABLISHMENT AND NAVY CONTRACTORS

A letter from the Secretary of the Navy, transmitting, pursuant to law, a summarized report of adequate transportation to and from their places of employment for personnel attached to or employed by the naval establishment and Navy contractors (with an accompanying report); to the Committee on Naval Affairs.

REPORT OF SECURITIES AND EXCHANGE COMMISSION

A letter from the Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, the eleventh annual report of that Commission for the fiscal year ended June 30, 1945 (with an accompanying report); to the Committee on Banking and Currency.

AUTHORIZATION FOR VETERANS' ADMINISTRATION TO APPOINT AND EMPLOY CERTAIN RETIRED OFFICERS

A letter from the Administrator of the Veterans' Administration, transmitting a draft of proposed legislation to authorize the Veterans' Administration to appoint and employ retired officers without affecting their retired status, and for other purposes (with an accompanying paper); to the Committee on Finance.

PETITIONS AND MEMORIALS

The PRESIDENT pro tempore laid before the Senate petitions, etc., which were referred as indicated:

A joint resolution of the Legislature of the State of California; to the Committee on Claims:

"Senate Joint Resolution 6

"Joint resolution relative to a bill pending in the Congress providing for the relief of owners of gold mines affected by Federal regulation

"Whereas there is now pending in the Congress of the United States a bill introduced by Hon. CLAIR ENGLE, Representative from California, being designated as bill H. R. 4393; and

"Whereas said bill provides for relief to the owners of gold mines which were closed or had their production curtailed during World War II as the result of the issuance of War Production Board Limitation Order No. L-208, and provides that said owners may file claims for damage to their mines caused by cessation or curtailment of operation; and

"Whereas the gold-mining industry in the United States was largely shut down and rendered inoperative by reason of said Order No. L-208, and very little mining of gold was carried on in the mines of the country during the period of said war; and

"Whereas owing to the disuse of many of said mines and the period of time during which they have remained closed, a great many have become partially filled with water, and numerous cave-ins have resulted, and they have generally deteriorated to such extent that operation is impossible until extensive repair and rehabilitation work is performed; and

"Whereas the general rehabilitation of many gold mines will be so costly as to be prohibitive for the owners thereof and financial relief is necessary for this purpose; and

"Whereas for several generations the mining of gold has been one of our foremost industries in California and other Western States, contributing to the income and welfare of the people, and being the most important source of income for many communities. The product of these mines serves a very useful purpose in our industrial system and is necessary in a wide variety of businesses and crafts. The permanent disuse of such mines would adversely affect the economic well-being of the State and the country as a whole: Now, therefore, be it

"Resolved by the Senate and the Assembly of the State of California, jointly, That the Legislature of the State of California respect-

fully memorializes the Congress of the United States to provide relief for owners of gold mines which were damaged by the disuse resulting from the issuance of Regulation No. L–208, by the enactment into law of said bill H. R. 4393; and be it further

"Resolved, That the secretary of the senate be hereby directed to transmit copies of this resolution to the President of the United States, to the President pro tempore of the Senate, and the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Education and Labor:

"Senate Joint Resolution 5

"Joint resolution relative to memorializing the Secretary of Labor, the National Labor Relations Board, and the United States Conciliation Service, relative to the settlement of a jurisdictional labor dispute between the CIO Food, Tobacco, Agricultural, and Allied Workers' Union of America, and the American Federation of Labor Cannery Workers' Union, affiliated with the International Teamsters' Union

"Whereas there exists a jurisdictional labor dispute between the CIO Food, Tobacco, Agricultural, and Allied Workers' Union of America and the American Federation of Labor Cannery Workers' Union, affiliated with the International Teamsters' Union, which dispute has caused strikes and work stoppages in the food-processing industry throughout California and which dispute threatens to cause further strikes and disputes in the food-processing industry; and

"Whereas no issue of wages, hours, or working conditions is involved in the dispute; and

"Whereas the members of these two contending unions supply the labor necessary for the processing and packing of California fruit and vegetables crops; and

"Whereas the State of California produces an annual fruit and vegetable pack of more than 1,000,000,000 cans of fruits and vegetables; and

"Whereas continued high production is vital and essential to meet world food shortages; and

"Whereas unless this jurisdictional labor dispute is settled in the immediate future it may endanger the food supply of the entire Nation and may result in irreparable loss to consumers, workers, growers, and processors alike not only in California or in the Nation, but throughout the entire world: Now, therefore, be it

"Resolved by the Senate and the Assembly of the State of California, jointly, That the Secretary of Labor, the National Labor Relations Board, and the United States Conciliation Service be, and they are hereby, respectfully memorialized and requested to take all necessary steps immediately to settle the jurisdictional labor dispute now existing between the CIO Food, Tobacco, Agricultural, and Allied Workers' Union of America, and the American Federation of Labor Cannery Workers' Union, affiliated with the International Teamsters' Union, to the end that the danger of irreparable loss to the growers, packers, workers, and consumers of this Nation and the world may be averted; and be it further

"Resolved, That the secretary of the senate shall transmit copies of this resolution to the President pro tempore of the United States Senate, the Speaker of the House of Representatives, each Senator and Representative from California in the Congress of the United States, to Paul M. Herzog, Chairman of the National Labor Relations Board, and to Edgar L. Warren, Director of the United States Conciliation Service."

A joint resolution of the Legislature of the State of California to the Committee on Finance:

"Assembly Joint Resolution 8

"Joint resolution relative to amendment and extension of the Federal Social Security Act in respect to public assistance

"Whereas the Congress of the United States has, in the Social Security Act, provided for grants-in-aid to the States for public assistance to needy persons on a categorical basis, including therein grants for old-age assistance, aid to the blind, and to dependent children, and grants for other limited and specific purposes, but the categories do not cover the entire field of persons in need of public assistance, and no Federal provision for assistance is made in respect to residual categories; and

"Whereas major improvements in the provision and administration of public assistance within the past 10 years in respect to standards and amounts of aid have been made only in those fields in which the States have received Federal assistance, and which have been administered under the guidance and supervision of the Federal Social Security Board; and

"Whereas it is only in those fields in which State-wide uniformity has been achieved in respect to budgetary standards, application of rules of eligibility, rights of appeal, and like matters: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Congress and President of the United States are hereby memorialized and urged to enact such legislation as may be necessary to provide Federal assistance for, and to bring within the scope of the Federal Social Security Board, the entire field of public assistance to the needy, including assistance and maintenance for general hospitals, general relief, and aid to the deaf, physically handicapped and other categories of needy persons not presently receiving aid, on an equal matching basis with States and other political subdivisions, and to liberalize the provisions for assistance to categories of persons to whom aid now is provided so that the Federal assistance will amount to at least one-half of the aid provided, in all instances where the Federal assistance is now provided in a lesser amount; and be it further

"Resolved, That the chief clerk of the assembly is directed to transmit copies of this resolution to the President of the United States, the Presiding Officer of each of the Houses of Congress, and to each Senator and Representative from California in the Congress of the United States."

Two resolutions of the Assembly of the State of California; to the Committee on Finance:

"House Resolution 86

"Resolution relating to development of Alaska and amendment of Servicemen's Readjustment Act of 1944, extending benefits to veterans for Alaska homesteads

"Whereas Alaska is the approximate airway center of this continent to capitals of Europe and Asia; and

"Whereas the rapid development of world-wide air travel is accentuating its strategic position for national defense and commercial transportation; and

"Whereas it has vast natural resources to replace some of those depleted in the United States during the war; and

"Whereas only a few thousand acres are actually under cultivation contrasted with more than 1,000,000 acres suitable for farming and livestock raising; and

"Whereas it is the conviction of this Assembly that Alaska should be developed at the earliest possible date: Now, therefore, be it

"Resolved by the Assembly of the State of California, That the Assembly of the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to appropriate moneys necessary to build highways, harbors, railroads, and other facilities to develop the territory of Alaska; and be it further

"Resolved, That to provide employment for war veterans and encourage the migration to and development of Alaska, the Congress is urged to amend the Servicemen's Readjustment Act of 1944, as amended, to allow veterans of World War II, in lieu of receiving educational benefits under said act, to receive benefits in the same amounts for use in development of lands homesteaded by such veterans in the Territory of Alaska; and be it further

"Resolved, That the chief clerk of the assembly be hereby directed to transmit copies of this resolution to the President of the United States, the President pro tempore of the Senate, the Speaker of the House of Representatives, and the Senators and Representatives from California in the Congress of the United States."

"House Resolution 100

"Resolution relative to relaxation of social-security restrictions to permit recipients of aid to the aged to assist in the production of food to meet world needs

"Whereas there exists throughout the world a shortage of food so severe as to threaten widespread famine and starvation in many extensive and different areas; and

"Whereas the United States has adopted the policy of exerting every effort to make its resources for the production of food available to the persons in such areas, and the officials of the Government of the United States have urged farmers to increase their production of agricultural products suitable for use as human food, and have taken other measures to insure the maximum production of food and the maximum utilization of agricultural products as food; and

"Whereas the present provisions of title 1 of the Federal Social Security Act discourage recipients of old-age security aid from engaging in agricultural labor and other activities in connection with the production and processing of food; and

"Whereas the relaxation of the Social Security Act effected by subdivision (f) of section 5 of the Farm Labor Supply Appropriation Act of 1944 (Public Law 229) is not sufficiently extensive to encourage recipients of aged aid to use their best efforts in assisting in meeting the world-wide shortage of food: Now, therefore, be it

"Resolved by the Assembly of the State of California, That the Congress of the United States and the Federal Social Security Board are hereby requested to make such changes in the provisions and interpretation of the Federal Social Security Act as will permit recipients of aid to the aged to engage in the production and processing of food to meet the present desperate world need without thereby suffering any loss of or disqualification for the aid they would otherwise receive; and be it further

"Resolved, That the chief clerk of the assembly is directed to transmit copies of this resolution to the President of the United States, the presiding officers of both Houses of Congress, to each Senator and Representative from California in the Congress of the United States, and to the Federal Social Security Board."

A joint resolution of the Legislature of the State of California; to the Committee on Military Affairs:

"Senate Joint Resolution 4

"Joint resolution relative to Federal legislation granting terminal furloughs and leaves to enlisted personnel of the armed forces of the United States

"Whereas enlisted personnel of the military and naval service of the United States receive by regulation certain furloughs and leaves annually; and

"Whereas, due to the demands of combat service, the pressure or work in some non-combat areas, and the very great shortage of ships and rail transportation facilities, many enlisted personnel have of necessity been denied furlough and leave time accrued to them in the course of service and which has been lost to them under the rule that annual furloughs and leaves for enlisted personnel are not cumulative from year to year; and

"Whereas annual leaves to commissioned personnel are cumulative from year to year; and

"Whereas terminal leaves have been granted to commissioned personnel as an adjustment for earned leave denied them by the exigencies of wartime service; and

"Whereas this has resulted in a situation inequitable to the enlisted personnel of the armed services: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature of California urges the elected Representatives of the people of California in the National Congress to support Federal legislation granting terminal furloughs and leaves to enlisted personnel on the same basis that terminal leave for commissioned personnel is granted, with the further provision, applicable to all enlisted personnel discharged since December 7, 1941, that a cash payment be made to discharged enlisted personnel for furlough or leave time earned but denied to them by the demands of duty and forfeited at time of discharge; and be it further

"Resolved, That the secretary of the senate is directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A resolution of the Legislative Assembly of the Virgin Islands; to the Committee on Territories and Insular Affairs:

"Resolution petitioning the Senate of the United States to confirm the appointment of Judge William Hastie as Governor of the Virgin Islands

"Whereas President Truman has issued and sent to the Senate the nomination of William Henry Hastie to be Governor of the Virgin Islands of the United States; and

"Whereas the people of the Virgin Islands are confident that William Hastie, judging from his ability, experience, and knowledge of local affairs, is fully and eminently qualified to efficiently perform the functions of this important office; and

"Whereas the experience of the people of the Virgin Islands with respect to William Hastie during his incumbency in these islands as judge of the Federal district court shows conclusively that he is an ardent worker for the advancement of sound, progressive, democratic government, based on the ideals arising out of the American concept of democracy; and

"Whereas we feel this nomination of the President and its confirmation by the Senate would bring to the Government of the Virgin Islands an officeholder that would do much to enhance the relationship of the Republic and these Virgin Islands: Be it

"Resolved by the Legislative Assembly of the Virgin Islands in session assembled, That the Senate of the United States, in consideration of the premises hereinbefore set forth, be and is hereby respectfully petitioned and urged to confirm the Presidential appointment of William Hastie as Governor of the Virgin Islands of the United States; and be it further

"Resolved, That this resolution be sent to the honorable the President of the Senate, and that copies thereof be transmitted to His Excellency, the President of the United States, and the honorable the Secretary of the Interior, the Acting Governor of the Virgin Islands, and Judge William Henry Hastie."

A resolution adopted by the City Council of the City of Grand Forks, N. Dak., favoring an appropriation by the Congress for the construction of the Bald Hill Reservoir on Sheyenne River, N. Dak.; to the Committee on Appropriations.

A letter in the nature of a memorial from Mr. and Mrs. L. A. Erickson, of Chicago, Ill., remonstrating against the enactment of the so-called Case antistrike bill; to the Committee on Education and Labor.

A resolution adopted by the tenth annual convention of the United Rubber Workers of America, at Grand Rapids, Mich., favoring the enactment of legislation providing a permanent Fair Employment Practice Committee; ordered to lie on the table.

MINIMUM WAGE—TELEGRAM FROM HAYS (KANS.) FLOUR MILLS AND WHEATLAND ELEVATORS

Mr. CAPPER. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a telegram from D. B. Simpson, district manager, the Hays City Flour Mills and the Wheatland Elevators, Hays, Kans., relating to Senate bill 1349, providing a 65-cent minimum wage. This bill will soon be before the Senate for consideration, and I invite attention to the appeal made by this organization and other flour mills in my section of the country.

There being no objection, the telegram was received, referred to the Committee on Education and Labor, and ordered to be printed in the RECORD, as follows:

HAYS, KANS., *February 20, 1946.*

ARTHUR CAPPER,
Senator, Senate Office Building, Washington, D. C.

Minimum wage bill S. 1349 as approved by Senate Labor Committee should be confined to a 65-cent minimum and no effort made at this time to forecast conditions which will be pertinent 2 and 4 years hence. We are not fully advised of proposed extended coverage but by all means recommend that area of production employees who are required to deal with producers at all hours of day should continue exempt. In addition section 13-A should exempt any individual whose employment requires him to assume complete charge of plant or department thereof during his shift and who supervises other employees. This exemption was intended when act originally passed but administrator's definition of executive employee so narrow in its application to such small plans as ours that it leaves under coverage supervisory employees who are in complete charge of the plant on night shift.

D. B. SIMPSON,
District Manager, the Hays City Flour Mills and the Wheatland Elevators.

STRIPPER OIL FIELDS OF KANSAS—LETTER AND RESOLUTION FROM INDEPENDENCE (KANS.) CHAMBER OF COMMERCE

Mr. CAPPER. Mr. President, I have received a letter from Charles Spencer, secretary, Independence Chamber of Commerce, Independence, Kans., together with a resolution adopted by that chamber, urging the continuation of the stripper oil well subsidies to keep these small wells in production.

While I have the floor, Mr. President, I want to say that this is one kind of a subsidy that may be justified, in the interest of oil production and of conservation of petroleum, which is a valuable national resource. The subsidy on stripper-well production of petroleum will enable these wells to keep in production and prevent waste. The subsidy for this purpose is an entirely different proposition from an across-the-board subsidy for oil production, to which I would be unalterably opposed. It will not affect the price of crude oil, nor of any petroleum products.

I ask that the letter from Mr. Spencer and the attached resolution from the Independence Chamber of Commerce be printed in the RECORD and then referred to the Committee on Banking and Currency.

There being no objection, the letter and resolution were received, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

THE CHAMBER OF COMMERCE,
Independence, Kans., February 20, 1946.

ARTHUR CAPPER,
United States Senator, Washington, D. C.

DEAR SENATOR: The board of directors of the Independence Chamber of Commerce today adopted the enclosed resolution in relation to the welfare of the stripper oil fields of Kansas. You will understand that when flush production has passed in any field it then goes into the category of stripper production. Montgomery County and a very large section of southeast Kansas is entirely stripper territory, and has been for the past 20 years. However, it is definitely known that through secondary recovery methods and a reasonable price these wells will eventually produce twice as much oil over a period of years as they did through the flush production time. This is largerly true of other oil sections of Kansas. This situation is recognized now through a Federal subsidy of 15 to 35 cents a barrel in this territory, but this subsidy is to expire in June unless it is extended by legislation. We hope you will give this resolution consideration, and if you are not fully acquainted with its possible merit that you will make an effort to understand the problem as it concerns Kansas, so that you will be able to act with definite and well-founded conclusions when the subject comes up for consideration in Congress.

Sincerely yours,

CHARLES SPENCER,
Secretary.

Whereas Montgomery County has for 40 years been an important oil-producing area, and has proven productive areas exceeding 40,000 acres; and

Whereas oil has been a principal source of taxable revenue in Kansas for many years from which funds have been derived with which to build roads and maintain schools; and

Whereas many thousands of men are employed throughout the United States, and over 500 in Montgomery County in connection with lease work and the actual producing of oil from small (stripper) wells which produce a large percentage of all oil produced in the Nation and which, if abandoned, would leave in the ground, never to be recovered, approximately 5,000,000,000 barrels of oil representing about 25 percent of our known reserves; and

Whereas during the recent war a conservation payment (sometimes called subsidy) was granted by the Government to the producers of small wells in order to prevent the abandonment of these wells most of which were being operated at a loss because of increased costs of production, which payment today represents in most cases the difference between a loss and a small profit to the operator; and

Whereas the conservation payment, unless extended by act of Congress, expires June 30, 1946, and, if permitted to expire, will mean not only ruin to many small operators but a great loss to the royalty owners and great damage to the State from loss of taxable income as well as unnecessarily depleting our oil reserves at a time when we should be doing everything possible to preserve and utilize our known reserves; and

Whereas as an inducement to encourage secondary recovery methods for the purpose of recovering every barrel of oil possible from any well before it is abandoned, and for the purpose of doing justice to an industry which so loyally supported our Government in its conservation program during the war, and through whose efforts enough oil was produced and sold below the cost of replacement to defeat our enemies months or even years sooner than otherwise would have been possible, and in order to prevent wholesale abandonment of wells and cause hundreds of thousands of workers and their families needless hardships by being thrown out of work, and as premature abandonment of these wells will cause a great loss to this county and State through the loss of a taxable resource; and

Whereas all these disastrous consequences can be avoided by an act of Congress making the conservation payment permanent: Now, therefore, be it

Resolved by the Independence Chamber of Commerce in meeting assembled this the 19th day of February 1946, That each Senator and Representative in Washington from Kansas be urged to, as soon as possible, support and work for the passage of such legislation as will make the conservation oil payment a permanent price differential, with the proviso that any such payment shall be computed on a percentage of the posted price for crude oil in the area where the wells are located. Each day about 250,000 barrels of reserves are being lost by premature abandonment. This loss must be stopped by the earliest possible legislative action.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCARRAN, from the Committee on the Judiciary:

S. J. Res. 141. Joint resolution authorizing the President to proclaim April 19, 1946, as Students and Teachers Day in commemoration of their contributions in helping to bring about victory in the present war; without amendment (Rept. No. 992).

By Mr. ELLENDER, from the Committee on Education and Labor:

S. 1298. A bill to establish an office of Under Secretary of Labor, and three offices of Assistant Secretary of Labor, and to abolish the existing office of Assistant Secretary of Labor and the existing office of Second Assistant Secretary of Labor; without amendment (Rept. No. 993).

By Mr. BILBO, from the Committee on the District of Columbia:

S. 1841. A bill to amend an act entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the Superintendent of Weights, Measures, and Markets of the District of Columbia; and for other purposes," approved March 3, 1921, as amended; without amendment (Rept. No. 994); and

H. R. 5060. A bill to amend section 1 of the act entitled "An act to fix the salaries of officers and members of the Metropolitan Police force, the United States Park Police force, and the Fire Department of the District of Columbia," approved May 27, 1924; with an amendment (Rept. No. 995).

By Mr. HUFFMAN, from the Committee on the District of Columbia:

H. R. 4283. A bill to require parking facilities for the persons employed in Federal office buildings in the District of Columbia; with amendments (Rept. No. 996).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GUFFEY:

S. 1859. A bill to provide basic authority for the performance of certain functions and activities of the Bureau of Mines; and

S. 1860. A bill to reenact and amend the Organic Act of the United States Geological Survey by incorporating therein substantive provisions confirming the exercise of long-continued duties and functions and by defining their geographic scope; to the Committee on Mines and Mining.

By Mr. LUCAS:

S. 1861. A bill to record the lawful admission to the United States for permanent residence of Naka Matsukata Rawsthorne; to the Committee on Immigration.

By Mr. WALSH:

S. 1862. A bill to repeal section 1548 Revised Statutes (34 U. S. C. 592); to the Committee on Naval Affairs.

By Mr. THOMAS of Oklahoma:

S. 1863. A bill to provide for the protection of forests against destructive insects and diseases, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. THOMAS of Utah

S. 1864. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim or claims of the Aleutian Livestock Co., Inc.; to the Committee on Claims.

By Mr. RADCLIFFE:

S. 1865. A bill directing the Secretary of Commerce, through the Bureau of the Census, to make a survey of physically handicapped citizens; to the Committee on Commerce.

S. 1866. A bill to incorporate the American Merchant Marine Library Association; to the Committee on the Judiciary.

By Mr. BILBO:

S. 1867. A bill providing for the retirement of public-school teachers in the District of Columbia; to the Committee on the District of Columbia.

(Mr. JOHNSON of Colorado introduced Senate bill 1868, to authorize the Veterans' Administration to appoint and employ retired officers without affecting their retired status, and for other purposes, which was referred to the Committee on Finance and appears under a separate heading.)

AUTHORIZATION FOR VETERANS' ADMINISTRATION TO APPOINT AND EMPLOY CERTAIN RETIRED OFFICERS

Mr. JOHNSON of Colorado. Mr President, I ask unanimous consent to introduce for appropriate reference a bill to authorize the Veterans' Administration to appoint and employ retired officers without affecting their retired status, and for other purposes, and request that the bill together with a copy of a letter from Gen. Omar N. Bradley, Administrator of Veterans' Affairs, addressed to the President of the Senate, dated February 26, 1946, be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred, and, without objection, the bill, together with the letter, will be printed in the RECORD.

The bill (S. 1868) to authorize the Veterans' Administration to appoint and employ retired officers without affecting their retired status, and for other purposes, was read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That notwithstanding section 2 of the act of July 31, 1894 (28 Stat. 205), as amended (5 U. S. C. 62), or section 6 of the act of May 10, 1916 (39 Stat. 120), as amended (5 U. S. C. 58, 59), the Administrator of Veterans' Affairs may appoint to, and employ in, any civilian office or position in the Veterans' Administration, and pay any retired commissioned officer, or retired warrant officer, of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service. The retired status, office, rank, and grade of retired commissioned officers, or retired warrant officers, so appointed or employed and, except as provided in section 212 of the act of June 30, 1932 (47 Stat. 406), as amended (5 U. S. C. 59a), any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade, shall be in no way affected by reason of such appointment to or employment in, or by reason of service in, or acceptance or holding of, any civilian office or position in the Veterans' Administration or the receipt of the pay thereof.

The letter was ordered to be printed in the RECORD, as follows:

FEBRUARY 26, 1946.

The PRESIDENT OF THE SENATE,
The Capitol, Washington, D. C.

SIR: There is enclosed a draft of a proposed bill entitled "A bill to authorize the Veterans' Administration to appoint and employ retired officers without affecting their retired status, and for other purposes," with the request that the same be introduced and considered for enactment as soon as possible.

The purpose of the proposed measure is to enable the Veterans' Administration to secure the services of a number of outstanding physicians, executives, and hospital managers, who have had highly specialized training and experience in the management of hospitals and offices and who are urgently needed in the expanding organization of the Veterans' Administration to provide adequate care for World War II veterans, particularly those having service-incurred disabilities or who are entitled to benefits under the Servicemen's Readjustment Act of 1944, as amended. A number of such persons are retired officers of the military or naval forces of the United States and it is not possible for the Veterans' Administration to secure the services of certain of such officers under existing laws. Others, whose service will be needed, contemplate early retirement.

Under the provisions of the proposed bill, any retired officer could accept employment in the Veterans' Administration and receive his retired pay and the pay of his civilian position, except as provided by section 212 of the act of June 30, 1932 (47 Stat. 406), as amended (5 U. S. C. 59a), without affecting his status as a retired commissioned officer or retired warrant officer.

The laws which affect the employment of certain retired officers in civilian positions in the Government are section 2 of the act of July 31, 1894 (28 Stat. 205) as amended (5 U. S. C. 62), section 6 of the act of May 10, 1916 (39 Stat. 120), as amended, and section 212 of the act of June 30, 1942 (47 Stat. 406), as amended (5 U. S. C. 59a). Section 2 of the act of July 31, 1894 (23 Stat. 205), as amended reads:

"No person who holds an office the salary or annual compensation attached to which amounts to the sum of $2,500 shall be appointed to or hold any other office to which compensation is attached unless specially authorized thereto by law; but this shall not apply to retired officers of the Army, Navy, Marine Corps, or Coast Guard whenever they may be elected to public office or whenever the President shall appoint them to office

by and with the advice and consent of the Senate. Retired enlisted men of the Army, Navy, Marine Corps, or Coast Guard retired for any cause, and retired officers of the Army, Navy, Marine Corps, or Coast Guard who have been retired for injuries received in battle or for injuries or incapacity incurred in line of duty shall not, within the meaning of this section, be construed to hold or to have held an office during such retirement" (5 U. S. C. 62).

Section 6 of the act of May 10, 1916 (39 Stat. 120), as amended, reads:

"Unless otherwise specifically authorized by law, no money appropriated by any act shall be available for payment to any person receiving more than one salary when the combined amount of said salaries exceeds the sum of $2,000 per annum" (5 U. S. C. 58).

"Section 58 of this title shall not apply to retired officers or enlisted men of the Army, Navy, Marine Corps, or Coast Guard, or to officers and enlisted men of the organized militia and naval militia in the several States, Territories, and the District of Columbia" (5 U. S. C. 59).

Section 212 of the act of June 30, 1932 (47 Stat. 406), as amended, reads:

"(a) After June 30, 1932, no person holding a civilian office or position, appointive or elective, under the United Government or the municipal government of the District of Columbia or under any corporation, the majority of the stock of which is owned by the United States, shall be entitled, during the period of such incumbency, to retired pay from the United States for or on account of services as a commissioned officer in any of the services mentioned in title 37, at a rate in excess of an amount which when combined with the annual rate of compensation from such civilian office or position, makes the total rate from both sources more than $3,000; and when the retired pay amounts to or exceeds the rate of $3,000 per annum such person shall be entitled to the pay of the civilian office or position or the retired pay, whichever he may elect. As used in this section, the term 'retired pay' shall be construed to include credits for all service that lawfully may enter into the computation thereof.

"(b) This section shall not apply to any person whose retired pay, plus civilian pay, amounts to less than $3,000: *Provided*, That this section shall not apply to regular or emergency commissioned officers retired for disability incurred in combat with an enemy of the United States or for disabilities resulting from an explosion of an instrumentality of war in line of duty during an enlistment or employment as provided in Veterans Regulation No. 1 (a), part I, paragraph I" (5 U. S. C. 59 (a), (b)).

The proposed legislation will remove the restriction on appointment to positions in the Veterans' Administration as to certain retired officers not exempt from the provisions of section 2 of the act of July 31, 1894, as amended (5 U. S. C. 62), but the provisions of section 212 of the act of June 30, 1932, as amended (5 U. S. C. 59a), would apply to persons not exempt therefrom by the terms thereof, appointed as a result of the proposed legislation, so as to prohibit receipt of a combined amount of retired pay and civilian pay in excess of a rate of $3,000 per year, while permitting such persons to receive either the full amount of their retired pay or the full amount of their civilian pay if the retired pay amounts to or exceeds the rate of $3,000 per annum. The proposed legislation will exempt retired officers of the Coast and Geodetic Survey and Public Health Service when appointed and employed by the Veterans' Administration from the application of section 6 of the act of May 10, 1916, as amended (5 U. S. C. 58).

The need of immediate increase in personnel of the Veterans' Administration in Washington and in the field makes it imperative to secure the services of experienced and qualified personnel, if the laws providing benefits for veterans, particularly veterans of World War II, are to be adequately and promptly administered. Several of those best qualified at this time are on the retired rolls of the Army or the Navy or may soon assume that status.

Because of the restrictions under existing law, it will not be possible to secure the services of certain highly trained persons who, while in the armed forces during the war, demonstrated outstanding ability to handle large problems similar to those which now confront the Veterans' Administration. During the critical period which will continue for a number of years, the Veterans' Administration will be definitely handicapped if it is unable to utilize the services of such persons, who, under existing law, upon retirement may accept private employment without limitation.

It will be noted that under the act of July 31, 1894, as amended, heretofore cited, certain officers retired for disability are exempt from the restrictions therein contained. The considerations which justify exemption in the case of those retired for disability would appear to justify the proposed legislation to exempt other retired officers, particularly as the authorization for such exemption will be exercised only in a limited number of cases where there can be no question of the ability of the individual to discharge the responsibilities of the particular position.

In order that the Veterans' Administration may not be unnecessarily delayed in expanding its organization to serve World War II veterans, it is requested that the proposed measure receive prompt consideration.

Advice has been received from the Bureau of the Budget that there would be no objection by that office to the submission of this proposed legislation to the Congress.

Respectfully,

OMAR N. BRADLEY,
General, United States Army, Administrator.

TERMINAL FURLOUGHS WITH PAY AND ALLOWANCES TO ENLISTED MEN—AMENDMENT

Mr. JOHNSON of Colorado submitted an amendment in the nature of a substitute, intended to be proposed by him to the bill (S. 721) to provide for granting terminal furloughs with full pay and allowances to enlisted men upon separation from service, which was referred to the Committee on Military Affairs and ordered to be printed.

PRESERVATION OF TECHNICAL AND ECONOMIC RECORDS OF DOMESTIC SOURCES OF ORES OF METALS AND MINERALS—AMENDMENT

Mr. McCARRAN submitted an amendment intended to be proposed by him to the bill (S. 1575) to insure the preservation of technical and economic records of domestic sources of ores of metals and minerals, which was referred to the Committee on Mines and Mining and ordered to be printed.

INVESTIGATION OF PEARL HARBOR ATTACK—INCREASE IN LIMIT OF EXPENDITURES

Mr. BARKLEY submitted the following concurrent resolution (S. Con. Res. 56), which was referred to the Committee To Audit and Control the Contingent Expenses of the Senate:

Resolved by the Senate (the House of Representatives concurring), That the limit of expenditures authorized by Senate Concurrent Resolution 27, Seventy-ninth Congress, for the investigation of the Pearl Harbor attack, be, and the same is hereby, increased by an additional $25,000, one-half of said amount to be paid from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives, upon vouchers signed by the chairman of the Joint Committee on the Investigation of the Pearl Harbor Attack.

Mr. MAYBANK subsequently said: Mr. President, from the Committee To Audit and Control the Contingent Expenses of the Senate, I report favorably, without amendment, Senate Concurrent Resolution 56, submitted today by the Senator from Kentucky [Mr. BARKLEY], and I ask unanimous consent for its present consideration.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the concurrent resolution was considered and agreed to.

PRINTING OF ADDITIONAL COPIES OF PARTS 1 AND 2 OF HEARINGS BEFORE SPECIAL COMMITTEE ON ATOMIC ENERGY

Mr. McMAHON submitted the following resolution (S. Res. 232), which was referred to the Committee on Printing:

Resolved, That in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Special Committee on Atomic Energy be, and is hereby, authorized and empowered to have printed for its use 2,000 additional copies of parts 1 and 2 of the hearings held before the said special committee during the first session, Seventy-ninth Congress, relative to atomic energy.

AMENDMENT OF PAY READJUSTMENT ACT OF 1942 RELATING TO FLYING PAY, PARACHUTE PAY, ETC.

Mr. McKELLAR. Mr. President, in the Rescissions Act recently passed and more recently signed by the President there was a joint recommendation for revision of the Pay Readjustment Act of 1942, as amended, including but not restricted to recommendations with respect to increases authorized for flying pay, parachute pay, glider pay, submarine pay, and similar special pay allowances. The Secretary of War and the Secretary of the Navy were required to report to the Senate concerning those matters. Mr. President, I ask unanimous consent to have printed in the RECORD, first, a joint letter of February 26 from the Secretary of the Navy, Mr. Forrestal, and the Secretary of War, Judge Patterson, and secondly a copy of a proposed bill to amend the Pay Readjustment Act of 1942, as amended, and for other purposes. I request that the letter and proposed bill be appropriately referred.

There being no objection, the letter and proposed bill were referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

FEBRUARY 26, 1946.

HON. KENNETH MCKELLAR,
President of the Senate.

DEAR MR. PRESIDENT: In response to directive of the Congress which was included in the First Supplemental Surplus Appropriation Rescission Act of 1946 directing the Secretary of War and the Secretary of the Navy to submit to Congress on or before January 3, 1946 (subsequently changed to February 28,

1946), a joint recommendation "for revision of the Pay Readjustment Act of 1942, as amended, including but not restricted to recommendations with respect to increases authorized for flying pay, parachute pay, glider pay, submarine pay, and similar special pay and allowances," the Secretary of War and the Secretary of the Navy herewith transmit to you their recommendations.

The Secretary of War and the Secretary of the Navy recommend that the pay and the money allowances for subsistence and for rental of quarters of all persons in all the services mentioned in the title of the mentioned act be increased in the amount of 20 percent. Analytical economic studies conducted at the direction of the Secretary of War and the Secretary of the Navy were made in order to facilitate the making of proper recommendations relative to this matter. Based upon this study, there is inclosed a draft of bill which the Secretary of War and the Secretary of the Navy recommend be enacted into law for the purpose of implementing the foregoing.

After long and careful consideration, the Secretary of War and the Secretary of the Navy recommend that no changes be made with respect to increases in pay authorized for flying pay, parachute pay, glider pay, and submarine pay (or similar special pay and allowances). However, in recognition of the fact that all personnel of the services are now required to fly in connection with their official duties, a further recommendation is made that any personnel not in flying status who dies as a result of an aircraft accident which occurs at a time when such person is under orders or authorization of competent authority to engage in flights in military or naval aircraft that there shall be paid on account of such death a gratuity in the amount of $10,000.

The Secretary of War, the Secretary of the Navy, and officers of all of the services will be available to testify fully explaining the basis of the foregoing recommendations.

The Secretary of War and the Secretary of the Navy consider it appropriate to note that the heads of the Marine Corps, the Coast Guard, the Public Health Service, and the Coast and Geodetic Survey unanimously concur in the foregoing recommendations.

Cost of proposed legislation is estimated to be $28,185,098 per 100,000 personnel per year.

Respectfully,

ROBERT P. PATTERSON,
Secretary of War.
JAMES FORRESTAL,
Secretary of the Navy.

A bill to amend the Pay Readjustment Act of 1942, as amended, and for other purposes

Be it enacted, etc., That the Pay Readjustment Act of 1942, as amended, is hereby further amended—

(a) By inserting in lieu of each amount of pay specified in the second paragraph of section 1, in the first paragraph of section 7, in the second and third paragraphs of section 8, in the first paragraph of section 9, and in section 17, an amount 20 percent in excess of the amount now so specified;

(b) By increasing by 20 percent the value of one subsistence allowance specified in section 5;

(c) By increasing by 20 percent each amount of money allowance for rental of quarters specified in the second and third paragraphs of section 6; and

(d) By repealing the final paragraph of section 8.

SEC. 2. The increases in pay and allowances specified by section 1 of this act shall be applicable to all persons whose pay and/or allowances are governed by, or by reference to, those sections of the Pay Readjustment Act of 1942, as amended, which are specified by section 1 of this act.

SEC. 3. The provisions of section 1 and section 2 of this act shall become effective on the first day of second calendar month following its enactment, and no increase in pay or allowances for any period prior thereto shall accrue by reason of the enactment of this act.

SEC. 4. Whenever any member of the Army of the United States, Navy, Marine Corps, Coast Guard, or any component of such services, or any commissioned officer of the Coast and Geodetic Survey or Public Health Service, whether or not on active duty, who is not entitled to receive increased pay as provided in section 18 of the Pay Readjustment Act of 1942 (56 Stat. 368), as amended, dies as a result of an aircraft accident which occurs at a time when such person is under orders or authorization of competent authority to engage in aerial flight, and when such person is acting pursuant to, in furtherance of, or in connection with, such orders or authorization, there shall be paid on account of such death of each such person a gratuity in the amount of $10,000, which shall be in addition to all other sums of money, the payment of which is authorized by law: *Provided, however,* That said gratuity shall also be paid on account of such death of any such person who has been placed in an active duty status or a training duty status for a period of less than 30 days whether or not such person is entitled to receive increased pay as provided in section 18 of the Pay Readjustment Act of 1942 (56 Stat. 368), as amended: *And provided further,* That no gratuity shall be paid in any case where the decedent's death results from the decedent's own misconduct: *And provided further,* That an aircraft accident shall be construed to mean an accident in which any such person, whether or not on active duty, dies, or is killed, while an occupant of a military or naval aircraft, or as the result of jumping from, being thrown from, or being struck by, military or naval aircraft or any part or auxiliary thereof, or as the result of disease, injury, exposure, starvation, thirst, or drowning, resulting from the abandonment of military or naval aircraft, or in which appropriate medical authority of the mentioned services attests that death resulted from participation in duly ordered or authorized aerial flight. Such gratuity shall be paid as follows: (a) in the case of the death of a member of the Army of the United States or of a commissioned officer of the Public Health Service, to the person or persons to whom the death gratuity is payable under the provisions of the Act of December 17, 1919 (41 Stat. 367), as amended; (b) in the case of the death of a member of the Navy, Marine Corps, Coast Guard, or of a commissioned officer of the Coast and Geodetic Survey, to the person or persons to whom the death gratuity is payable under the provisions of the Act of June 4, 1920 (41 Stat. 824), as amended; (c) in the case of the death of a member of any component of the services mentioned in (a) above, on account of whose death a death gratuity is not payable under existing law, to the classes of persons, including dependent relatives, specified to be recipients of the death gratuity by the Act of December 17, 1919 (41 Stat. 367), as amended, and in the manner and order therein provided, without regard, however, to the designation of a dependent relative; and (d) in the case of the death of a member of any component of the services mentioned in (b), above, on account of whose death a death gratuity is not payable under existing law, to the classes of persons, including dependent relatives, specified to be recipients of the death gratuity by the Act of June 4, 1920 (41 Stat. 824), as amended, and in the manner and order therein provided, without regard, however, to the designation of a dependent relative. The gratuity herein provided shall be paid from funds appropriated for the payment of pay, wages and/or salaries by the department, service or agency having jurisdiction over the deceased person. The provisions of this section shall be administered by the head of the department, service or agency concerned under such regulations as the President shall prescribe. The term "military or naval aircraft" as herein used shall be deemed to include, without being limited to, National Guard aircraft and aircraft duly authorized for use by personnel of the Army of the United States, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service, or any component of those services, but shall not be deemed to include commercially operated aircraft.

THE RIGHT TO STRIKE—DEBATE BETWEEN SENATOR WILEY AND HERBERT S. THATCHER

[Mr. WILEY asked and obtained leave to have printed in the RECORD a debate on the subject Should Congress Restrict the Right to Strike? participated in by him and by Herbert S. Thatcher, associate counsel, American Federation of Labor, which appears in the Appendix.]

SUGGESTION THAT APOSTLE ISLANDS BE MADE SEAT OF UNITED NATIONS

[Mr. WILEY asked and obtained leave to have printed in the RECORD an open letter to the United Nations Organization entitled "Why Not the Apostle Islands?" published in the Washburn (Wis.) Times of February 21, 1946, which appears in the Appendix.]

TRIBUTE TO DR. GEORGE WASHINGTON CARVER BY SENATOR GUFFEY

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD an address delivered by him at a banquet in memory of the late Dr. George Washington Carver, held in Harrisburg, Pa., January 22, 1946, which appears in the Appendix.]

PENNSYLVANIA'S FARMERS — EDITORIAL FROM PHILADELPHIA EVENING BULLETIN

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD an editorial entitled "Pennsylvania's Farmers" from the Philadelphia Evening Bulletin of January 24, 1946, which appears in the Appendix.]

JEWISH RELIEF—ADDRESS BY BERNARD M. BARUCH

[Mr. GEORGE asked and obtained leave to have printed in the RECORD an address on Jewish relief by Bernard M. Baruch delivered in New York February 25, 1946, which appears in the Appendix.]

THE SCHOOL-LUNCH PROGRAM—EDITORIAL FROM WASHINGTON POST

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an editorial entitled "School Lunches," published in the Washington Post of February 23, 1946, which appears in the Appendix.]

DEFECTS IN ADMINISTRATION OF PRICE CONTROL ACT

Mr. WILEY. Mr. President, I ask unanimous consent that I may address the Senate for not exceeding 5 minutes.

The PRESIDENT pro tempore. Is there objection? The Chair hears none.

Mr. WILEY. Mr. President, OPA must go, or it must get some sense. Congress must not slip up on its obligation in this period. There appeared in the Washington Post under date of February 26 a paid-for editorial by James H. McGraw, Jr. This editorial might well be read by all Americans, because, in my

opinion, it states the problem with which we are faced. The title of this editorial is The President's Wage Price Policy Won't Work, and under it are the following subtitles:

First. Past Government policy fostered dissension.

Second. New policy differs little from old.

Third. The danger of inflation is real.

Fourth. Controls must be consistent and progressively relaxed.

I indicated, Mr. President, that I agreed with the general philosophy of this editorial. Congress must take appropriate action to see that the extension asked for is not granted except upon such terms and conditions as will make sure that the power granted will be used with judgment and common sense.

On January 19, 1946, I wrote to Mr. Chester Bowles who at that time was Director of the Office of Price Administration. I ask that my letter be placed in the RECORD at this point in my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The letter is as follows:

UNITED STATES SENATE,
COMMITTEE ON THE JUDICIARY,
January 19, 1946.

Hon. CHESTER BOWLES,
Office of Price Administration,
Washington, D. C.

DEAR MR. BOWLES: I am writing to you as one who regards the danger of inflation as the greatest single menace facing our country today but I also believe that your agency has badly muddled the crucial job of preventing inflation.

It is with the hope that you will effect some improvement in the present set-up that I am writing this communication to you. Unless you do effect such improvement, you will leave little alternative to Congress when it ponders its decisions regarding your future appropriations and the possible extension of price controls beyond June 30.

To what do I object in your present set-up? My objections, based on personal experiences with OPA and on innumerable letters and telegrams which have come to me from my own and other States in addition to personal talks with our citizens, are as follows:

1. The nature of your personnel: I believe that there is no single agency in the history of our country which has created so many czars out of pipsqueak juveniles who have no understanding of the functions of a public servant. I believe that your organization would profit by 50-percent reduction consisting of persons in authority who have never met a pay roll and by their replacement with unpaid industry men who know and believe in private enterprise.

2. The nature of your organization: I believe that your organization has needless layer upon layer of bureaucratic superstructure. I see no apparent justification for your regional offices. I believe your local offices can be reduced 50 percent and still help do a constructive anti-inflation job.

3. The nature of your public directives: I believe your regulations are confusing and confounding, filled with incomprehensible abstractions and verbosity. I believe that your directives can be vastly reduced, simplified, and clarified.

4. The nature of your enforcement: I believe your gestapo-like tactics and hirelings have infuriated and provoked the American people, often to resort to black markets. Your enforcement staff and procedure should be ridded of such individuals and methods. It should be greatly reduced in numbers. Such men as are assigned to it should have the fullest respect for the constitutional rights of the American citizen and faith in the inherent honesty and goodness of our people.

5. The guiding policy of your administration: I believe that your guiding policy is absolutely antithetical to the American system of private enterprise. By forcing companies to operate at a loss or at a negligible profit, you have been responsible for the severe reduction of production—the great factor in preventing inflation. If you were to grant price increases in justifiable cases sufficient to encourage private enterprise to maximum production, the resultant Niagara of goods produced would be the greatest possible anti-inflationary factor.

There are other objectives which I have raised to OPA in the past—all presented, I affirm, in a spirit of constructive suggestions to help America be adequate to meet the inflation challenge. Such an objection has been my continued protest against the grossly unfair "Plymouth plus-Wisconsin minus" price ceilings on cheese which have penalized my own State, which produces more cheese than all other States combined, and cost our producers over $10,000,000 since its imposition.

The square pegs who fill OPA's round holes must be eliminated. The American people demand this—Congress demands it.

This letter requires no response other than action which signifies improvements along the lines suggested.

Sincerely yours,

ALEXANDER WILEY.

Mr. WILEY. There are six points in this editorial to which I said I agreed. I ask Mr. President, that the six points be now printed in the RECORD.

There being no objection, the six points were ordered to be printed in the RECORD, as follows:

1. It must provide sufficient price relief to yield profits normal to high-level operation.

2. The basis for price relief must be clearly defined and geared to actual costs of operation at the earliest possible date.

3. OPA administrative procedures must be speeded up and streamlined, or the delays that characterized past administration will become intolerable.

4. It must see that, once established, the new line is held as long as wartime controls are continued by enforcing restrictions on wages as well as prices.

5. It must set an early date for the termination of all wartime controls and provide for progressive and bold steps for decontrol to be taken before that date, as soon as production levels in any field are sufficiently high to restrain runaway prices.

6. It must proceed without delay to marshal fiscal and monetary policies to combat inflation, in order that price controls may be discarded at the earliest possible date.

Unless Congress does this—and it will not be easy in an election year—we are headed for an explosion. It will come in one of two forms—either in a continuance of industrial strife, or in a rocketing inflationary boom that can only end in collapse and depression.

JAMES H. MCGRAW, Jr.

Mr. WILEY. Mr. President, I desire to comment briefly on two of the six points.

1. It must provide sufficient price relief to yield profits normal to high-level operation.

2. The basis for price relief must be clearly defined and geared to actual cost of operation at the earliest possible date.

Mr. President, a very distinguished Member of the other House yesterday told of an incident which may be multiplied throughout the country. He told of the incident of 60 grocerymen who were haled before OPA because they had made a mistake of 1 cent in the price of certain chocolate. A certain brand of chocolate should have been sold at 12 cents and another brand at 11 cents, but, because of mistake, the prices were reversed and the brand that should have sold at 12 cents was sold at 11 cents.

The Gestapo agents of the OPA said to the 60 men—think of saying this in free America—"If you will pay a $50 fine for this mistake you can go free; otherwise you will be taken into the Federal court; you will have to hire a lawyer, and it will cost you three or four hundred dollars."

That is one incident. I could speak of others. This was told me by a distinguished Member of Congress from the South.

Mr. President, this condition must stop. We do not authorize our servants to become masters or buccaneers; neither are they delegated to become Federal grafters or chiselers. OPA public servants, should use common sense and judgment—aid the harassed little businessman.

Now I desire to call attention to what I think is the most serious condition that exists in the OPA—and it arises from an utter failure by OPA to appreciate a very simple proposition. Businesses in my State and throughout the Union which were manufacturing certain products for civilian use, all at once went into war production back in 1940 and 1941. In war production their prices went up, but they were manufacturing for the Government, and the Government took care of the situation. Now they have been converted to peacetime production, and meanwhile the material that goes into peacetime production has risen from 25 to 50 percent and wages have gone up from 25 to 50 percent.

Yet time and again OPA has said, "You must produce this article which you produced in 1939, 1940, and 1941, at the same price at which you produced it in those years."

Mr. President, that is just foolishness, it is ignorance, if you please. The result has been that one little manufacturer in my State told me a few days ago that in December last his assets were $550,000, but that he has lost $50,000 a month ever since. He has asked for relief, but he cannot get it.

Frankly, this is the situation: OPA must "go," or Congress, when it extends it, must so provide that it cannot use these gestapo methods, and cannot impose upon the producers of this country the economic slavery that is evidenced in the case I have recited.

URGENT DEFICIENCY APPROPRIATION ACT, 1946

Mr. McKELLAR. Mr. President, I desire at this time to have the Senate take up for consideration the urgent deficiency appropriation bill. I understand there are some Senators who would like to have it go over, and I am wondering whether I can have unanimous consent to make it the unfinished business, with the understanding that it will go over until tomorrow. I make that request.

Mr. WHITE. Mr. President, the chairman of the committee has been kind enough to speak to me about the matter. I know of no reason why the request should not be acceded to.

The PRESIDING OFFICER (Mr. LUCAS in the chair). The clerk will state the bill by title.

The CHIEF CLERK. A bill (H. R. 5458) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. RUSSELL. I should like to have the request of the Senator from Tennessee clarified. I did not understand it.

Mr. McKELLAR. I merely desire to have the bill made the unfinished business. There are several Senators who want it to go over until tomorrow so that they may have additional time to look into it, and that is perfectly satisfactory to me. But I should like to have the bill made the unfinished business, and then let it go over.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. AIKEN. What is the bill?

The PRESIDING OFFICER. The bill will again be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 5458) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

Mr. McKELLAR. I have asked that the bill go over until tomorrow.

Mr. AIKEN. That is perfectly satisfactory.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

There being no objection, the Senate proceeded to consider the bill (H. R. 5458) making appropriation to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. McKELLAR. I now ask that consideration of the bill be postponed until tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOTICE OF ADDRESS BY SENATOR VANDENBERG

Mr. VANDENBERG. Mr. President, I rise to announce for the record that if I may be recognized tomorrow noon when the Senate meets, I should like to address the Senate in respect to the work of the United Nations at London, particularly in relation to Soviet-American relationships.

The PRESIDING OFFICER. The present Presiding Officer probably will not be in the chair at the time.

Mr. McKELLAR. I may say to the Senator from Michigan that that will be entirely satisfactory to the President pro tempore.

ONE HUNDREDTH ANNIVERSARY OF BIRTH OF WILLIAM F. CODY (BUFFALO BILL)

Mr. ROBERTSON obtained the floor.

Mr. McKELLAR. Mr. President, will the Senator yield to me to suggest the absence of a quorum?

Mr. ROBERTSON. I hope the Senator will withhold the suggestion.

Mr. McKELLAR. Very well.

Mr. ROBERTSON. Mr. President, today, the 26th day of February, my home town of Cody, my State of Wyoming, and the Nation will observe the one hundredth anniversary of the birth of Col. William Frederick Cody.

Colonel Cody, better known to everyone as Buffalo Bill, is remembered primarily as an Indian scout, a plainsman, and for his wild-west show. Mounted on his favorite horse, his white hair flowing down and across his broad shoulders, with rifle in hand, he rode around the arena of his show, and was a familiar sight to all people of a generation ago, here in the United States, in Britain, in France, in Germany, and throughout Europe.

The story of how he won the name of Buffalo Bill has become a part of the legend of the West. The legend, and the colonel himself, have become a part of the colorful history of the winning of our West.

Today in the town of Cody, Wyo., the town he founded and called his own, there is a magnificent equestrian statue of him, sculptured by Mrs. Harry Payne Whitney, and a museum, modeled on his ranch home, has been built to hold the trophies of his life.

But to the older people of the town, and to many whose memory goes back to the turn of the century, there is still another memorial near Cody—a living, vital, productive, and profitable memorial to the colonel. It is a memorial to him, not as a scout or a hunter or a showman, but as a builder of the great West, a man of foresight and vision, a man whose sun-faded eyes had envisioned new generations of people making their homes on the prairie land where he so often hunted. He could see coming from these lands, under the care of man, untold quantities of foodstuffs for a young and growing Nation. He could see beans and alfalfa, grain and potatoes, sugar beets and corn, growing where previously only buffalo grass waved in the wind. These things he could see even in this arid country, if only the magic touch of water could be brought to this parched land.

And so today, because of the vision and the determination of this pioneer of the West, we do have this water; we do have people making their homes on the prairie land; we do have corn and alfalfa and sugar beets and grains growing in abundance. And west of these fertile fields we have a high concrete dam and reservoir.

This dam and this reservoir, and the resultant thousands of acres of productive lands, are the living monument to which I refer. They are today known as the Shoshone Reservoir and the Shoshone Dam, but the Senate last week passed Senate Joint Resolution 136, which I introduced, to have these renamed the "Buffalo Bill Dam and Reservoir", and on Thursday last the House Irrigation and Reclamation Committee voted unanimously in favor of the joint resolution.

I knew Colonel Cody intimately. I recall his telling how in the summer of 1879 he first viewed the Big Horn Basin of Wyoming, looking down on it from the high summit of the Big Horn Mountains to the east. Then, he said, he envisioned the basin as a "breadbasket" of the West.

The rest, Mr. President, is a matter of history, properly recorded in our Archives Building here, and recently I have had occasion to review the facts as they are contained in letters and other documents filed there.

In brief, Colonel Cody tried to interest American capital in the development of irrigation out there. This was before the formation of the Bureau of Reclamation as we now know it.

Then—and I quote from page 64 of the New Reclamation Era of 1924—"Colonel Cody undertook one of the biggest private projects in the history of the United States back in the year of 1899."

On May 29, 1899, the Colonel and his associate, Mr. Nate Salsbury, acquired from the State of Wyoming a right to appropriate waters from the Shoshone River for the irrigation of 120,000 acres of land in the vicinity of what is now the town of Cody.

Owing to the magnitude of the enterprise, even though Cody and Salsbury had expended in excess of $25,000 in maps and surveys, the two men were never able to carry it to completion.

Rather than see this great development die, Colonel Cody made several attempts to secure outside aid, but was unsuccessful, and so, in September 1902, he decided to relinquish his water rights of 120,000 acres to the Government, with the understanding that the Government would take this project and put water on the land.

The deal was made. Cody was to turn the water right back to the State. The State was to turn it over to the Federal Government, which it did, and construction of the dam and necessary drainage canals and works began.

Colonel Cody conferred several times with his close friend, President Theodore Roosevelt, relative to the project, and no doubt he had much to do with Theodore Roosevelt's deep interest in the development of the West.

The records disclose that on February 13, 1904, Cody for the sum of $1 transferred to the Secretary of the Interior the right to appropriate water from the Shoshone River.

Thus we have the history of the Shoshone reclamation project with its accompanying dam and reservoir.

But let me for a few moments speak of the life of Colonel Cody. Colonel Cody was born in Scott County, Iowa, on February 26, 1846. He was only 15 years of age when he became one of the riders

of the Pony Express, and found the life clearly suited to his adventurous temperament. The whipping of the wind across his tanned face, the cries of the pursuing savages, the peculiar appeal of the great open spaces, all stirred within the breast of William Frederick Cody that something without which heroic souls are not born.

At the outbreak of the Civil War he was a Government scout, but desiring a yet more exciting life, in 1863 he enlisted in the Seventh Kansas Cavalry.

When the end of the war came Cody found himself without a job. Then it was that he contracted with the Kansas Pacific Railroad to furnish buffalo meat to its laborers who were engaged in constructing the line across the plains in the year 1867. There were 1,500 men for whom meat had to be supplied and the task was no light one. Cody took the job for the then fabulous wage of $500 a month. It was necessary to kill at least 12 buffalo each day, for nothing but the hams and the humps were eaten. Cody made good. During the 17 months he hunted on this contract he actually killed 4,280 buffalo, and thus earned for himself the title of "Buffalo Bill." Cody once told me that the greatest number of buffalo he ever killed on any one day was 132.

At the conclusion of the buffalo-meat contract Cody again joined the Army as a scout, and remained with the Regulars until 1872, in which year he was elected to the Nebraska Legislature. However, in the year 1876, when the terrible Sioux war broke out, we find him again in the Army as a scout and assigned to the crack Fifth Cavalry.

The Sioux gave our Army its heaviest fighting since the days of the Civil War. The Sioux, led by fighters of great ability, proved foemen worthy of the steel of any troops in the world.

It was during this war that Cody had his famous hand to hand duel with Chief Yellow Hand, one of the bravest of the Cheyenne Indians.

He served during the entire war, and in 1883 he organized his wild west show. He died on January 10, 1917, and is buried on Lookout Mountain, 15 miles west of Denver, Colo.

I knew him, and I think perhaps some other Senators did, when he grew elderly and gray, riding a docile horse around the arena, shooting with a Winchester rifle and breaking glass balls thrown in the air by a helper. Did not this man with the gray imperial represent the day of romance and intriguing adventure? Was not this the bold scout who had met the Sioux and Cheyenne face to face, had rescued beleagured immigrants, had conquired Chief Yellow Hand in a murderous duel, and on the wind-swept knolls of the far West had stood with his right hand shielding his eyes from the flaming sunset while his fierce gaze searched the plains for the approach of hostiles?

Buffalo Bill! Since childhood we have been wont to rank him with Richard, the Lionhearted; and Robin Hood. He was the stalwart hero of the far country—the hero of our boyish dreams. Grizzled old warrior of the plains! Courageous old Buffalo Bill, the last of the frontier scouts. His type has vanished, for the conditions that produced it exist no more, and the former things have passed away. The West is won.

And so today, Mr. President, we celebrate the one hundredth anniversary of the birth of this great American.

POLICIES AND PRACTICES OF THE OFFICE OF PRICE ADMINISTRATION

Mr. LUCAS. Mr. President, when price-control legislation was reported favorably a few years ago by the Committee on Banking and Currency I did everything within my power to see that that proposed legislation was enacted into law. I have no regrets for supporting that measure. I see no reason at this time why I cannot continue to support price control, at least in the case of commodities and materials the supply of which is insufficient to meet the demand. In my opinion, everyone who was primarily interested in keeping down inflation believed that the basic principles of price control, as enacted by Congress, were proper at that time. But, Mr. President, what I am complaining about today is a condition which has confronted me since price control became the law of the land, and that is the enforcement of the provisions of the Price Control Act.

When OPA was first inaugurated I had occasion at numerous times to discuss the question of proper enforcement with Leon Henderson, the Director. I complained rather severely from time to time of the methods which were employed by certain OPA investigators in the field in Illinois. In my humble opinion, based upon the evidence which was presented, those complaints were justified; but nothing was ever done about them.

I undertake to say that our country has been built primarily upon good public relations, and I submit that no agency of the Government can continue long to have the popular support of the Congress and of the people unless it has a sound public relations program.

When Prentiss Brown became Director of the OPA following Mr. Henderson, I discussed this same question with him. As a United States Senator he had piloted the price-control bill through this branch of the Congress, and he thoroughly understood what I was talking about. He did not remain in office sufficiently long to correct the existing evils in administration. His successor, Mr. Bowles, has made little or no progress along that line; and it strikes me that the best thing that could happen to OPA even at this late date, would be for it to establish a school of its own for the purpose of selling to itself a sound public-relations program.

Why do I say that? I dislike very much to discuss this question, because I am a believer in the basic and fundamental principles of the OPA legislation. I have received many complaints from the people of my own State who are familiar with what is going on. Persons of high repute and unimpeachable integrity have brought to my attention certain facts which no individual who has the best interests of the public in mind can overlook.

I should like to read to the Senate one of the most remarkable and far-reaching directives that has ever been handed down by any agency of the Government. It is dated November 26, 1945. It was issued by the Price Administration regional office in the city of Chicago. This is the directive which went to various OPA directors throughout the region of which Chicago is the center. All State directors in that region received this directive, and it was passed on to the investigators who had the duty of taking proper action.

This is what the directive says:

> Prompt action must be taken on every report submitted from the field. Treble damage open-end complaints should be filed "within 48 hours of the investigation," as indicated by our publicity.

Mr. President, the treble damage statute was abused and misused during wartime, when most people were too patriotic to complain, and it is still being abused and misused in time of peace.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. LUCAS. I shall be glad to yield in a moment.

Sometimes I feel that the Congress of the United States should take some kind of direct action with respect to the statute which permits an agency of the Government, upon a flimsy pretext, as is suggested in the first two lines of this directive, to file a treble-damage suit against the most innocent kind of a violator.

I now yield to the Senator from Iowa.

Mr. HICKENLOOPER. Mr. President, I congratulate the Senator from Illinois on his present realization of the evils of OPA. I recall that last May the conditions to which he refers were pointed out repeatedly on the floor of the Senate. Predictions were made that just these results would occur unless certain forceful and sensible corrections were made at that time. I believe that at that time the Senator from Illinois took violent issue with that position. I am glad to see that he now realizes that OPA has some frailties and that some correction is needed.

Mr. LUCAS. The Senator from Iowa has not followed very closely the record of the Senator from Illinois. I have always defended the basic principles of price control, and do today. If the Senator had followed my record carefully he would know that I have previously spoken on the floor of the Senate against certain practices on the part of the enforcement agency of this particular branch of government which I believed were subject to condemnation. It may be that the Senator remembers that I did defend the OPA from a basic viewpoint. I did so before the Committee on Agriculture and Forestry, and I did so on the floor of the Senate. However, as I have stated today, from the beginning I have conferred with the Administrators in charge—Henderson, Brown, and Bowles—in an attempt, in my limited way, to point out to those men the damage that was being done to good public relations throughout the country as a result of the type of enforcement which was being used.

Mr. HICKENLOOPER. Mr. President, will the Senator further yield?

Mr. LUCAS. I yield.

Mr. HICKENLOOPER. I do not wish to misinterpret the Senator's previous attitude or his present attitude. So far as my attitude is concerned, I have always believed that in wartime and for a reasonable period after the war, during reconversion, price control was essential. I merely wish to say that if the Senator believes that there are certain administrative practices which should be changed in the interest of reconversion I certainly am willing to join him. I have been on that side of the question for more than a year.

Mr. LUCAS. Mr. President, I desire now to proceed with this unusual order. If Senators will permit me, I should like to proceed in chronological order, without interruption—not that I do not like to yield to my colleagues, because I rather enjoy it.

The directive further states:

Attorneys will, of course, make the usual analysis of the reports to ascertain whether there is a sound cause of action. The suits should be filed consecutively as reports come in and not by mass filings. The newspapers should be advised daily of the names of the defendants and the nature of the violations.

The attorney should prepare and mimeograph form complaints. A safe number to reproduce is the sum of the number of investigators multiplied by 180. A suggested form for use in the Federal courts is attached. However, the advisability of filing cases under this program in the State courts should be considered. See section 6, part I, of Revised Enforcement Instruction No. 7.

If any reports indicate that a retailer has failed to prepare and file his pricing charts, the matter should be handled in the usual way by mandatory injunction. Note, however, that this is not a filing drive, but a program to determine compliance with pricing provisions.

This is one of the most important paragraphs in the directive, to which I take serious exception—

Attorneys should postpone all conferences with violators until after the suit is filed. Prior notice to retailers of the filing of the suit is not necessary and is not recommended.

Mr. President, that is not in accord with what is best for stable and orderly government in dealing with a most difficult and intricate question such as price control.

In other words, they tell the agents in the field that once they find a violation of a law, whether it be a willful or an innocent violation, they should not talk with the individual who has committed the violation, but should go back to the office, confer with a lawyer, immediately file suit, and bring the individual concerned into court, without notice. They also direct that the violation be sent to the local newspapers for publication. Remember, they are dealing with a citizen who has never violated the law in his life, who has over a period of many years established a reputation for honesty and fair dealing with the public. Yet, lo and behold, he wakes up one morning and finds himself involved in a case that is being tried in the newspapers as well as in the courts. His business is damaged; his reputation is impaired. Mr. President, once a matter of that kind gets into the court or into the newspapers, there is no way that the damage which has been done can ever be repaired. So I am complaining bitterly about that type of procedure. It is the very thing that is making it more and more difficult for Members of the Senate of the United States to go along with a program of this kind, although they fully realize the need and the justification for price control.

I read further from the directive:

There is no need to rush into an early adjustment of the case.

Mr. President, I wonder why.

I read further:

The basis for adjustment should be a certified self-audit covering all categories under MPR 580 and RMPR 330 sold by the retailer during the period October 1 to 15, 1945, inclusive, for $1 or more. This finding should then be projected for a 12-month period (from May 15, 1945, for MPR 580).

Just think of that. In other words, if they find a man guilty of an offense between those particular dates, they should project the damages over a period of 12 months. Mr. President, that is the most unreasonable assumption I have ever heard of in a democracy.

I read further from the directive:

Settlement may be made for this amount, i. e., single damages, but the case may not be settled for less than single without prior approval of the regional office.

Here is another:

Please note: No cases may be settled by office conferences. Suits must be filed in each instance.

Mr. President, I cannot understand such a procedure. If an investigator goes into a store which has a clean, honest record and finds that a violation has occurred, certainly the investigator or the price board, or those in authority in that county or community, should have the power to make a settlement with the owner or manager of the store when the alleged violation is pointed out to him and when he realizes that a violation has occurred—although it was a mistake, and an honest mistake, upon his part.

Then we find in the directive the following:

Since our drive can reach only a minute portion of retailers subject to MPR 330 and MPR 580, our prime purpose is to file a great number of lawsuits so that the attendant publicity will effectually strengthen future compliance.

Mr. President, I do not believe that is the proper way to proceed. If the Congress of the United States will not appropriate a sufficient amount of money to enable the OPA to send out a sufficient number of investigators in order to secure compliance, the OPA should not take upon itself the responsibility of filing lawsuits—the greatest number possible—in order to obtain the greatest amount of publicity as a deterrent to others in that community or in that part of the country as a means of preventing violations of the law.

I read further from the directive:

So, for the purpose of obtaining mass sanctions under this program—

Listen to this—

we feel that the extent of violations or good faith of the subject are material, so long as a cause of action is discovered.

One of the problems which have arisen in some districts has been the number of reports turned in by investigators with total overcharges so trivial that the section chief is reluctant to file suit thereon. Since our drive can reach only a minute portion of retailers subject to MPR 330 and MPR 580, our prime purpose is to file a great number of lawsuits so that the attendant publicity will do our work for us.

Notwithstanding that the investigators report minor infractions, nevertheless a lawsuit will be filed.

I read further:

Therefore, the accumulation of violation cases when filing suit is not a satisfactory result. Furthermore, the investigation under this program is so limited (both as to items checked and the period covered) that we can usually assume that total unrevealed overcharges are very substantial.

That assumption is to be made upon the basis of one spot check and investigation. If they find that one violation has occurred, then they will assume that over a period of time the person concerned has been guilty of numerous violations.

The directive further says:

In view of the foregoing, we should like to see suits filed on practically every violation case.

Mr. President, I could not believe my eyes when I was handed that directive. I immediately wrote to Mr. Fields, the counsel for the OPA. My letter is dated December 12, 1945, and in it I merely said:

I am herewith enclosing a directive which comes out of the Chicago office. I do not believe that you subscribe to everything that is in this unusual memorandum. Will you advise me, and oblige?

On February 11, I received the following reply:

OFFICE OF PRICE ADMINISTRATION,
Washington, D. C., February 11, 1946.

The Honorable SCOTT W. LUCAS,
United States Senate.

DEAR SENATOR LUCAS: This is in response to your letter of December 12, addressed to Mr. Richard H. Field, general counsel. I trust you will forgive the delay which was caused by the need to secure certain additional information from the Chicago regional office.

The extract to which you refer, with the exception of the last three paragraphs, is based on instructions issued to the district offices by the Chicago regional administrator after approved by his regional executives for enforcement, information, price, and board management. The program was scheduled to occupy 3 weeks, and concentrated on two major retail apparel regulations, namely, RMPR 330 and MPR 580.

But Mr. President, notwithstanding the statement that it was presumed to go on for 3 weeks, I will show the Senate that in certain sections of my State it is still going on.

I read further from the letter:

The last three paragraphs of the extract are from a letter from the Regional Enforcement Chief to the district enforcement chiefs handling apparel.

Both of these regulations establish ceilings by providing for the use of a retailer's individual historic mark-up, which is shown in the "pricing chart" filed by the retailer with OPA. The regulations thus allow each retailer to continue his customary pricing basic, with ceilings determinable by ready calculation. In addition, the regulations have been extensively publicized. It is generally agreed that there is particularly little

excuse for retailers to violate these regulations.

Our Chicago regional office reports that as the result of a price panel survey made last summer, it was revealed that the apparel retailers showed a surprising and distressing lack of compliance under MPR 580. These were not merely occasional mistakes, but a wide-spread negligence and indifference. In the Chicago region the survey covered 24,000 stores out of an estimated total of 28,000. Of those visited, only about 42 percent were found in full compliance.

Mr. President, 42 percent in full compliance with the rules and regulations which are issued in the OPA office is, in the humble opinion of the Senator from Illinois, an excellent record. However, I do not believe that the remaining 58 percent or any material portion of that percentage of merchants in the State of Illinois are willfully violating the law.

In the face of this showing, coupled with the known serious inflation in apparel, the Chicago regional office felt that there was need for an extensive, hard-hitting enforcement program.

Because of manpower limitations, it was obviously impossible to check thoroughly even a large percentage of the apparel retail outlets within a short time.

That is one of the difficulties, Mr. President, and if there is any blame to be attached for the law not being properly enforced, it is to be attached to the Congress of the United States because it has not appropriated a sufficient amount of money. But no OPA director or administrator should devise any methods of making possible the enforcement of the OPA law other than those which are legally available to him. In other words, he should use only the working tools which the Congress has furnished him, and nothing more.

The price panel survey was aimed at ascertaining a retailer's general state of compliance and operations under the regulations, not at proving violations on specific sales to be the basis for enforcement actions. It was felt, and again we believe properly, that with the limited manpower and time available, effectiveness in obtaining general compliance could be achieved only by eliminating time-consuming steps between discovery of violation and sanction action, by limiting investigation to sales of relatively few items in a comparatively short period rather than attempting to cover a full year's sales of all items, and by attempting to obtain full publicity for its deterrent effect on stores not investigated.

In other words, the discrimination which exists as a result of this type of enforcement stands out, it seems to me, in a way which I must condemn.

The enforcement survey did disclose extensive violations which were made the subject of suits. Practically all these cases have been or are being settled by agreement. It is believed, too, that the survey did have a great effect in stopping violations which were a daily drain on consumers' income.

Numerous communications were received by the participating offices from consumers in Illinois and the other States in our Chicago region, which either expressed gratification at the steps taken in their protection or requested additional investigations of retailers complained against.

It is the general policy of OPA enforcement that in most cases of violation our distric offices shall give noice prior to filing suit. However, our own statement of policy does recognize that there may be circumsances where the necessity for speed and wide coverage is such as to justify dispensing with any steps which might slow up the process of securing timely compliance.

Mr. President, I am in total agreement with that statement. There is no reason for the OPA using any other tools for the enforcement of the law than those which have been furnished it by the Congress of the United States.

Under the foregoing circumstances, it does seem to me that the Chicago regional office had ample basis to conclude that the instant filing of lawsuits upon determination of violation was the only effective device to be used to meet a truly serious problem. I wish to assure you, however, that wherever we find that notice is not given and that the reason for failure to give notice is inadequate, it is our policy to correct any of our district offices that fail to comply with our basic instructions.

If you desire any further information, please let me know.

In accordance with your request, I am returning your enclosure.

Sincerely yours,

GEORGE MONCHARSH,
Deputy Administrator for Enforcement.

In other words, it is one of those "do and do not" letters which we frequently receive.

Mr. President, I am not blaming the OPA investigators. I am not condemning the directors in the field. I am placing the responsibility for this drastic directive upon the heads of the OPA in the regional office at Chicago, whose actions have been agreed to here in Washington, D. C.

What has happened as a result of this directive? Senators, please listen to the following. I am going to read part of a letter from a man who was a board chairman. He is a citizen of one of the most prominent counties in the State. I will not reveal his name. He states as follows:

The Office of Price Administration finally became so rotten that I resigned my chairmanship as of November 1, 1945, after serving from the beginning of the board. When the Office of Price Administration changed over to an enforcement agency I could not look my fellow citizens square in the face. I was faced with one of two propositions, either I must resign or lose all my business, so I therefore resigned. The inspector came in one day and started to ride me for not turning in claims of overcharge to the Federal Government. He said that I had not turned in any for the past 18 months to which I told him that we settled our claims by calling in both parties and working out an amicable agreement between them and I thought my records and the records in the district office would bear out my claim.

Mr. President, that is the American way of doing business—compromise and settlement. The only justification for filing a suit is in the case where the person is willfully, knowingly, and continuously violating the law.

I wish to read from another case. Here is a lady in Peoria, Ill., whom I have known for a long time. My wife has purchased women's apparel from her for a number of years. She is as fine a lady as there is in her section of the State. She is a fine business woman with a good reputation. What happened to her? She was brought into court without any knowledge whatsoever of violating the law, and without any notice. I wrote the following letter to the OPA about her case. The letter was written on January 7, 1946, and is, in part, as follows:

The enclosed letter is of such importance that I thought you should read it. It is absolutely unbelievable that anybody in the OPA office would make this woman pay $73.68 over a 25-cent error. These are the little things that are causing us no end of annoyance in Illinois. I do not blame the office here, but surely the public relations in matters of this kind could be improved.

In other words, before I received an answer to the first letter I wrote, I was under the impression that the OPA office in Washington did not understand what was taking place, but I now must change my mind.

I continue reading:

I happen to know this woman. I know of her integrity and honesty, and a simple error of this kind should have been corrected without a violation charge. Return this letter to me when you have finished with it and oblige.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHEELER. I wish to invite the attention of the Senator to a situation about which I learned while I was in Montana last summer.

Mr. WHERRY. Mr. President, will the Senator raise his voice a little so that we can hear him?

Mr. WHEELER. I was about to say that a restaurant keeper came to me while I was in Montana last summer and told me what the OPA had done to him. He said that he had bought some coffee cups, and because he was unable to obtain the regular-size cups he bought some which were a little bit smaller. A representative of the OPA came to see him and said, "You are violating the law. You used larger cups at one time and now you are using smaller cups." The restaurant keeper replied, "Well, these are the only ones I could get. If you will tell me where I can get some of the larger cups, I will be glad to buy them." In the meantime they had charged him with violating the law by using cups which were smaller than he had been previously using, and thereby cheating the customers.

Mr. President, I agree with what the Senator from Illinois has said. The conditions about which he complains is causing more annoyance to the small merchants and businessmen throughout in the United States, and particularly in my State, than anything else of which I know.

Mr. LUCAS. I agree with the Senator that it certainly is creating an unusual amount of disturbance and real annoyance, and much unrest. I just cannot understand it.

Mr. President, I wish to read what this lady in Peoria wrote to me. This shows how the action of this agency affects people who have lived honest and decent lives, when they find themselves mentioned in the newspapers, with the Federal marshal on their trail to arrest them. This is a part of what she says:

The OPA checked prices in my shop on October 24. One week later, October 31, the enclosed article appeared in a Peoria newspaper.

It so happened that on this day I was in the beauty parlor and while I was under the dryer I asked for the paper. As I was reading, my eyes fell on the headline of OPA violators. Curiosity tempted me to read the article, only to find that my name headed the list. I had to read it three times before I could believe it. It made me so ill that I cried in distress, and three operators came running, thinking that I had been hurt.

That is typical of what a suit of this kind does to people who are honorable and fair and upright in their business dealings, as is Mrs. Schlipf, who runs the Band Box Dress Shop in Peoria, and has been a responsible businesswoman for many years.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHEELER. Another case came to my attention. It was said that in one town where the OPA sent investigators, in one store—a very reputable store, of which I know—they found one article marked up 1 cent, as I recall the amount. Then they went around to every other store and checked up on every article, and if they found a minor article that was 1 cent or half a cent out of line, they summoned the proprietor and were about to prosecute, or at least they played the matter up in the newspapers to wreck his business.

Mr. LUCAS. I am glad the Senator mentioned that, because I wish now to read a letter from a very close friend of mine, who is the head of one of the price boards in Illinois, and the letter deals with that very question.

The letter is dated February 21, 1946, addressed to me. It is a letter that broke the camel's back, so far as I was concerned, in regard to this question. I read the letter:

DEAR FRIEND SCOTT: As you perhaps know, I have been chairman of our local war price and rationing board, now the price control board, for over 4 years, and together with my board members, chief clerk, and her staff, we have, we believe, built up a good reputation here for honesty, impartiality, and good will.

We have been very much disturbed recently because of the manner of making surveys by personnel from the district office. According to reports received the district investigators go into the place of business of the merchant and proceed to investigate prices and refuse to disclose the authority under which they are working. This, it seems to me, is very un-American.

This man writing me happens to be one of the outstanding citizens of Illinois.

Another matter which disturbs us very much is under our survey. If one of our surveyors finds an overcharge of 1 cent on some article which has been erroneously marked by some clerk and of which marking the owner is not aware, we are required to process an Administrator's claim against him, regardless of his intention in the matter and even if it is only his first offense.

Mr. President, can that be going on in this country? It is almost unbelievable.

Mr. WHEELER. Will the Senator further yield?

Mr. LUCAS. I yield.

Mr. WHEELER. One merchant who, by the way, is a Democrat, one of the outstanding merchants and one of the most honorable merchants in the particular locality I was visiting, told me the investigators went all through his place, checked up on every little article, and if they happened to find one article that was marked a cent over, about which he did not know anything, they did to him exactly what the Senator's correspondent complains of.

Mr. LUCAS. Again referring to the letter, this gentleman further says—

We do not think that is American and we never have been required to do this until after the first of January of this year.

In other words, here is a new procedure, in my section of the country, starting January 1 of this year.

Prior to this new change if we found an error unintentionally made we corrected it and the merchant was always very glad to cooperate. But now if we find an error of 1 cent we must process a claim for $25 at least, which is the minimum Administrator's claim. We have always tried to give the merchant the benefit of the doubt as to the first offense, but if he repeats it we think it is proper that the Administrator's claim be processed.

Of course, that is the reasonable and fair way in which to operate. That is the American way.

Our entire board and personnel are in favor of price control—

I repeat, "Our entire board and personnel are in favor of price control"—

and think it should continue until such time as production is sufficient to prevent inflation but we definitely do not believe in Gestapo methods in securing compliance. The merchants of this city are practically 100 percent in favor of price control and are endeavoring to cooperate with the program but quite a little dissension is being caused by the practice of some of the district investigators.

He proceeds then to speak of the man who is the district director, and who he hopes will be able to adjust the differences.

Mr. President, the men who are out in the field in charge of these boards cannot be wrong in their analysis as given to me in their messages.

I have only another word to say in conclusion. The President of the United States has appointed a new man as Administrator of the Office of Price Administration, Mr. Paul Porter, an individual whom I personally know, and for whose ability, judgment, and dealings with his fellow men I have a tremendous amount of respect. It would be well for Paul Porter to investigate the enforcement agency of the OPA and call in the gentlemen who are responsible for making asinine and ridiculous regulations of the kind I have read, and admonish them that they either must change their ways or else. As I said in the beginning, now is the time to establish a school of public relations in the OPA.

Mr. President, these methods cannot continue. This type of enforcement of the price control law is making real enforcement more difficult all the time. It is a law which in my humble opinion has been of tremendous benefit to the consumers of America. It has kept down inflation over the years. It is charged in peacetime with protecting the purchasing power of the consumer dollar. This is a noble objective, but it cannot be done in this irregular way. It must be accomplished through friendly and courteous dealing. All that is necessary is to invoke the American ordinary, common sense procedure in the adjustment of everyday public relations.

Mr. WHERRY. Mr. President, I take this opportunity to thank the distinguished Senator from Illinois for the statement he has just made relative to the enforcement program of OPA. I am quite sure that what has happened in Illinois has generally happened in many other States of the Union. This is a matter for consideration by the United States Senate, because when the enforcement officers have gone into the different communities to enforce the law they have repeatedly stated that they were enforcing the will of Congress, and that Congress is responsible for the program and the policies of the Office of Price Administration in its enforcement of the law. I feel that that question should be brought before the Senate.

Inasmuch as the distinguished President of the Senate is now in the chair, and inasmuch as several members of the Committee on Appropriations are present, I should like to call their attention to the fact that the able presentation made by the distinguished Senator from Illinois, of the difficulties experienced in connection with enforcement in Illinois, only emphasizes the testimony relative to continuance of OPA which was adduced in the hearings held in the past few days by the subcommittee of the Committee on Appropirations having in charge the deficiency bill which will be considered on the floor of the Senate tomorrow. Approximately one-half of the funds provided in that measure for OPA are for law enforcement.

The PRESIDENT pro tempore. The Chair will state to the Senator from Nebraska that he has already called to the attention of the distinguished Senator from Illinois the printed record in connection with the deficiency appropriation bill, and the Senator now has it.

Mr. WHERRY. I thank the President of the Senate for that statement. I was at a loss, however, to find an amendment in the bill which we will consider tomorrow, which would correct in any way the evils which were so forcefully described by the distinguished Senator from Illinois. I, too, want law enforcement when the law should be enforced. But since cases are brought against individuals when there is no willful violation of the law, certainly something should be done to give such alleged violators the protection they need. So in committee the appropriation requested was cut in two, because we felt that additional enforcement officers should not be added at this time. We felt that was the only way to reach that matter. Possibly that is not the right way to approach the situation, but that issue will confront the Senate tomorrow. I wish to say that I will go along with any suggested amendment which will remedy the present situation, so that when the law is enforced by the OPA enforcement officers the will of Congress shall be carried out, and that no

gestapo methods shall be used in enforcing the law.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. WILEY. The Senator was in the Senate Chamber today when I spoke on this subject. I want to ask him if there has been any amendment under consideration which would make it mandatory upon OPA, when it fixes the price of manufactured articles, to provide for at least the cost of the articles, taking into consideration the appreciation in cost of materials and the appreciation in wage payments since 1939?

Mr. WHERRY. Mr. President, in answer to that question I will state that there is no amendment that I know of except the one which was offered in the Small Business Committee early in the session this year, which proposes that no maximum ceiling price be set which does not yield the traditional percentagewise mark-up based on current costs. But that amendment has not been acted upon by the committee, it is still in the committee, and hearings have not been held upon it.

So we come back to the original act itself. The original act provides that the Price Stabilization Administrator shall not set a maximum price which changes business practices or which does not yield to the farmer parity based on the relationship between agricultural costs and industrial costs, as set forth in the act, and which does not yield a profit to industry. The only chance of getting that profit is to make application under what was formerly known as the Little Steel formula, and which last August was superseded by the new price formula issued by President Truman, which provided for an increase in wages but ignored industry except that it might come back in 6 months and ask for relief, which formula was amended in February of this year by the President to permit industry to get relief immediately.

The difficulty with that wage and price formula issued by the President is that as a requisite for a business to be able even to apply for relief it must be shown that the profits of the particular business are below the profits made in the base period of 1936 to 1939. So I can say to the distinguished Senator from Wisconsin that there is no amendment pending, and there is no relief suggested outside of what has been suggested by the President, which I think gives very limited, if any, relief toward securing increased prices when there is an increase in wages or an increase in current costs. That is an issue which is before the Congress and an issue which we must meet if and when the Price Stabilization Act is extended.

Mr. WILEY. Mr. President, will the Senator yield further?

Mr. WHERRY. I yield.

Mr. WILEY. I have heard the Senator from Nebraska say on the Senate floor, as have many other Senators, that today the imperative need of America is production. If we are to get production, we must, by reason of the road block that exists in OPA, provide legislative machinery so that factories will not close and laborers will not be thrown out of employment. That is the most important domestic issue before America at the present time. It seems to me that the committee which deals with this subject, whether it be the Committee on Banking and Currency or some other committee, should devote itself entirely to finding a solution for that problem.

In my own State, and I know the statement is true as to other States, great numbers of industries have been hoping and praying that Congress will have sufficient wisdom to interfere with what the Senator from Nebraska has called the Gestapo methods of OPA.

Some industries have been holding on with considerable difficulty. I cited one instance today of a little company, with total assets of $650,000, which has been losing $50,000 a month since last September. The owner of that company said to me the other day—and I could see the discouragement in his eyes—"I have been applying to OPA for relief. I have been put off and put off month after month." He said, "One can never find the officials in the office of OPA on Saturday. When one goes there to see a certain official he is turned over to someone else, and the result is he gets nowhere."

Again we have heard it said, Mr. President, in relation to strikes, that the public interest is important. I say that the public interest in the matter of production is important, and unless Congress senses that, and finds a solution for the problem, we will find the small companies closing their doors, because they cannot continue to "take it" any longer. We will find unemployment increasing; we will find a multiplication of problems which we could easily solve now if we definitely provided by law, as has been suggested, that when OPA is applied to for relief, OPA must immediately take action, and must see to it that the increases in wages and the increases in the cost of materials which have come about because of the war must be taken into consideration and constructive action taken immediately.

Mr. WHERRY. Mr. President, I wish to make a further observation in respect to the statement just made by the distinguished Senator from Wisconsin. He, of course, is talking about the administration of OPA. I agree wholeheartedly with what he has said. I feel that production is paramount to prices, and that if we are to stop inflation, we simply must have maximum production.

I should like to refer the Senator, if he did not hear it, or if he has not previously read it, to the speech delivered recently in the Senate by the able Senator from Ohio [Mr. TAFT] in which he went into all the phases of this situation, including, I think, even the suggestions of control, and the entire program of the administration of OPA. I trust everyone will read the speech of the Senator from Ohio because when the question comes up for consideration in the Senate, if we are to extend the controls, certainly it must be done on a certain definite basis, which will assure production, otherwise we would be better off without controls.

I wanted to address myself now to the remarks made by the distinguished Senator from Illinois relative to the enforcement by OPA. That situation has become critical throughout the country. I wanted to emphasize the fact that when the deficiency appropriation bill comes to the floor for consideration tomorrow, the very timely remarks made by the senior Senator from Illinois should be considered in connection with our consideration of that appropriation measure.

HOUSING CONSTRUCTION

Mr. ELLENDER. Mr. President, I move that the Senate at this time proceed to the consideration of Calendar No. 995, Senate bill 1821, to amend section 502 of the act entitled "An act to expedite the provisions of housing in connection with national defense and for other purposes."

Mr. WHITE. I did not hear the Senator. To what bill is he referring?

Mr. ELLENDER. To Senate bill 1821.

Mr. WHITE. Is it the housing bill?

Mr. ELLENDER. Yes, a bill to provide an authorization for temporary housing.

Mr. WHITE. I had understood that a bill from the Committee on Banking and Currency was to be considered.

Mr. ELLENDER. This is the bill which it was intended would be considered today. In filing the report from the committee, I indicated I would move its consideration at the first opportunity.

Mr. WHITE. I understood that a bill in which the majority leader was interested would be brought up. Has that arrangement been changed?

Mr. ELLENDER. I do not know about that, but I do know that arrangements were made Friday taking up the housing bill this morning.

Mr. HILL. Is the Senator from Maine satisfied?

Mr. WHITE. I am satisfied.

Mr. HILL. It was understood that the housing bill was to be taken up, and immediately following action on that bill, then the school-lunch bill, in charge of the Senator from Georgia [Mr. RUSSELL], was to be taken up.

Mr. ELLENDER. That is correct.

Mr. RUSSELL. I shall endeavor to have the school-lunch bill considered following the one in which the Senator from Louisiana is interested.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Louisiana.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1821) to amend section 502 of the act entitled "An act to expedite the provisions of housing in connection with national defense and for other purposes," which had been reported from the Committee on Education and Labor with an amendment to strike out all after the enacting clause and to insert:

That section 502 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended (42 U. S. C. 1521), is hereby amended as follows:

(1) By striking out the figure "$160,000,000" in subsection (a) thereof and in-

serting in lieu thereof the figure "$410,000,000"; and

(2) By adding after subsection (c) thereof the following new subsections:

"(d) Upon approval of an application, made by any educational institution, State or political subdivision thereof, local public agency, or nonprofit organization, for temporary housing for the purposes of this title, the National Housing Administrator, if he determines that such action will aid in expediting the provision of such temporary housing, may—

"(1) Transfer hereunder to the applicant structures or facilities necessary or suitable to provide such temporary housing; and

"(2) Contract to reimburse the applicant (including the making of advances) for the cost, as certified by the applicant and approved by the Administrator, in the relocation or conversion (including the costs of disassembling, transporting, and reerecting structures and facilities, and connecting utilities from dwellings to mains, but not including the costs of site acquisition and preparation, or the installation of streets and utility mains) of such temporary housing and facilities.

"(e) The term 'administrative expenses,' as used in this title V, shall be deemed to include administrative expenses of the National Housing Agency in performing any functions with respect to priorities or allocations of materials or equipment for public or private housing, and of the Housing Expediter (including those of any Government agencies in carrying out part of the authorized veterans' emergency housing program of the Housing Expediter, to the extent that additional administrative expenses of such agencies are thereby involved) in performing any functions with respect to facilitating the provision of veterans' housing."

Mr. ELLENDER. Mr. President, it is understood that my motion to take up the bill will not displace the appropriation bill which was ordered to be the unfinished business for tomorrow.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, this bill received the unanimous approval of the Committee on Education and Labor. It will be recalled that during the closing days of the first session of the present Congress we authorized an appropriation of $160,000,000 so as to provide for 100,000 temporary housing units for distressed veterans and their families. The purpose of the pending bill is to authorize a further appropriation amounting to $250,000,000, so as to provide additional temporary dwelling units for our returning veterans and their families.

To illustrate the critical need for this emergency legislation, let me say that soon after the bill authorizing $160,000,000 was signed by the President, within the space of 30 days, 331,000 units were applied for by 557 local governments and 889 educational institutions. The Administrator of the National Housing Authority appeared before the committee a few days ago and stated that of the first 100,000 units which were authorized, 3,000 had been completed in the first month and 74,360 had been processed.

It goes without saying that this bill should be enacted at once. Personally, I do not like the idea of providing temporary homes for our returning veterans, but there are now many without a place in which to live, and it is our duty to help, even if only on a temporary basis. On the other hand, in order to conform with the provisions of the GI bill granting GI's the right to go to college, it is necessary that provision be made at once for necessary quarters for all of those who are taking advantage of more schooling. It is my hope that the bill will be enacted without delay.

Two amendments have been suggested to the bill: One providing that after an allocation is made to a college or to a municipality a contract may thereafter be entered into by the Authority, providing that the college shall have the right to remove such dwelling units as may have been allocated to it, on condition that the actual cost of removal shall be reimbursed by the Authority.

The second amendment has to do with the utilization of other agencies of Government, such as the Civilian Production Administration and the War Production Board, in providing for priorities and allocation of materials. This amendment gives the Administrator the authority to use money set aside for administrative purposes so as to pay such employees as may be engaged by those agencies in obtaining priorities and allocation of materials in order to facilitate this work.

That is about all the bill contains. I hope that the Senate will enact it.

I ask unanimous consent that there be printed in the RECORD at this point as a part of my remarks a summary of the statement by Mr. Wilson W. Wyatt, National Housing Administrator, before the Senate Committee on Education and Labor on February 15, 1946.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

Maximum use of the Federal Government's own housing resources is an integral part of the veterans emergency housing program which we are now carrying into action with maximum possible speed.

The legislation introduced by Senator MEAD and by Congressman LANHAM in the House to authorize the appropriation of $250,000,000 additional funds to finance the moving and reuse of temporary war housing, barracks, and other emergency facilites for exclusive use by veterans and their families is urgently needed to move ahead with that program.

These funds would enable the National Housing Agency to provide approximately 100,000 additional emergency dwellings, primarily through conversion of barracks into livable family quarters. Surveys by NHA and the War and Navy Departments have shown that sufficient barracks will become surplus during the near future to provide the facilities for the bulk of this further reuse program.

The critical need for additional emergency housing of this type is shown by the experience under the initial reuse program of 100,000 units now going forward under legislation and appropriations approved on December 31. Applications for this housing already exceed 331,000 units, or over 3 times more than can be supplied under the existing appropriation. A total of 557 local governments have applied for 191,000 units, while 889 educational institutions have applied for 140,000 units.

This additional appropriation of $250,000,000 will be needed promptly to help meet our target of starting 1,200,000 houses for veterans in 1946. That target includes 200,000 units through reuse of temporary housing and barracks, of which 100,000 can be undertaken only if this legislation is approved.

Reusing temporary housing and barracks is purely a stop-gap measure until sufficient permanent housing can be built to relieve the acute shortage. When that time comes, these temporary units should and will be removed from the housing supply.

As a stop-gap, however, this emergency housing can supply livable and decent shelter for veterans with relatively little outlay of new materials and labor. That fact is doubly important at a time when we are striving to use every resource to get materials and labor for the starting of 950,000 permanent houses for veterans in 1946.

Mr. TAFT. Mr. President, in December Congress appropriated $190,000,000 for the construction of temporary housing for veterans at colleges and in cities and industrial locations. That was to cover the tearing down of temporary houses, moving them to other locations, and setting them up. In each case the college or the city must provide the land and facilities, public utilities, streets, water, and so forth; but apart from that, the houses are delivered to the university or the city, and are then rented to veterans—in the case of universities, to veterans who are students.

After 2 or 3 years the houses must be torn down. In the meantime the expenses are paid, and if there is anything left over the Federal Government gets the money back; but I do not believe there will be a great deal to come back in the way of excess rents.

I stated at the time of the previous appropriation that I disliked to vote for an appropriation of $190,000,000 to be spent for housing which was purely temporary, which conceivably might last 5 years, but might be required for only 2 or 3 years. At the present time I dislike even more to vote for a further appropriation of $250,000,000 for an additional 100,000 houses. In this case the cost per unit is greater. It is $2,500, as compared with $1,900. We have already used practically all the temporary houses, and the additional 100,000 units are to come from barracks and larger buildings owned by the Government, which must be torn down, and considerably more work must be done in converting them into residential units.

Nevertheless, there is a tremendous demand for such housing. The demand from colleges alone is for approximately 300,000 units. Many cities are also requesting them. We all know that many veterans are wholly unable to obtain homes. The advantage of this program is that it takes a very small amount of materials away from the construction of new houses from new materials. The materials involved in this case have already been used, and are all secondhand. The program requires a certain amount of labor to set the houses up again. As I say, I dislike to spend $250,000,000 more for purely temporary housing, which will be entirely gone in another 2 or 3 years, but I do not see any alternative. The proposed program is certainly better than the program under which the Government would build new houses. It would not interfere with the development of the private building program. I believe that if we can take the edge off the demand, we may be able to reach the most serious cases of need and difficulty on the part of veterans who are

returning from the war and are unable to find places to sleep for themselves, their wives, and their children. So on the whole, I think the bill should be passed.

There is one amendment on page 3, which provides as follows:

(e) The term "administrative expenses," as used in this title V, shall be deemed to include administrative expenses of the National Housing Agency in performing any functions with respect to priorities or allocations of materials or equipment for public or private housing, and of the Housing Expediter (including those of any Government agencies in carrying out parts of the authorized veterans' emergency housing program of the Housing Expediter, to the extent that additional administrative expenses of such agencies are thereby involved) in performing any functions with respect to facilitating the provision of veterans' housing.

This is intended as an authorization for the expenditures of certain agencies, but as I see it it is not an authorization that an appropriation made to the Housing Administrator may be used by other agencies unless the Committee on Appropriations sees fit so to recommend, and the Congress provides the appropriation. I believe that it is a great mistake to make an appropriation and then say that the Government department which receives the appropriation may apportion it to other Government Departments. I believe that the other Government Departments ought to come to the Committee on Appropriations. I wish to make it clear that in agreeing to this amendment, to which I first objected, I regard it merely as an authorization, and that the Congress is free to appropriate money for the other agencies in such manner as it sees fit.

Mr. President, I believe that the provision for the additional 100,000 temporary units for colleges and cities is justified only by the obligation which we owe to the veterans. I hope that the appropriation will be nonrecurring, and that we may never have to make a similar appropriation in the future.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1821) was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend section 502 of the act entitled 'An act to expedite the provision of housing in connection with national defense, and for other purposes,' approved October 14, 1940, as amended, so as to authorize the appropriation of funds necessary to provide additional temporary housing units for distressed families of servicemen and for veterans and their families."

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3603) to provide for the sale of surplus war-built vessels, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 129. An act to provide for the barring of certain claims by the United States in connection with Government checks and warrants;

H. R. 2284. An act to eliminate the practice by subcontractors, under cost-plus-a-fixed-fee or cost-reimbursable contracts of the United States, of paying fees or kick-backs, or of granting gifts or gratuities to employees of a cost-plus-a-fixed-fee or cost-reimbursable prime contractors or of higher tier subcontractors for the purpose of securing the award of subcontracts or orders;

H. R. 3580. An act to authorize municipalities and public utility districts in the Territory of Alaska to issue revenue bonds for public-works purposes;

H. R. 3603. An act to provide for the sale of surplus war-built vessels, and for other purposes; and

H. R. 4932. An act to amend section 9 of the Boulder Canyon Project Act, approved December 21, 1928.

SCHOOL-LUNCH PROGRAMS

Mr. RUSSELL. Mr. President, I move that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Senate bill 962, Calendar No. 552.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 962) to provide assistance to the States in the establishment, maintenance, operation, and expansion of school-lunch programs, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Georgia [Mr. RUSSELL].

Mr. TAFT. Mr. President, I have no objection to the motion of the Senator from Georgia, but I feel that the bill is of very great importance. There has not been an opportunity to examine the bill which the House passed only yesterday or the day before. There may be a number of important issues which have not been brought to the attention of the Senate, and it seems to me that if the debate is to continue and there is a request that the bill go over until tomorrow for final disposition, the Senator should be willing to agree to such request.

Mr. RUSSELL. Mr. President, I always endeavor to be agreeable, and considerate of my colleagues in all things. I should not like to make a definite commitment to have the bill go over until tomorrow. I do not believe that there are any essential differences between the House bill and the Senate measure which cannot be pointed out easily and clearly. Certainly if there is any bill with which the Senate should be familiar, it is the school-lunch-program bill. The same philosophy which is adopted in this bill has been in appropriation bills for 4 or 5 years. The program has been the subject of committee hearings, not only before the standing Committee on Agriculture and Forestry, but also before the Committee on Appropriations. There is very little in the pending bill which is new or which goes beyond the program that is in actual operation at the present time.

Mr. TAFT. As I read the bill, it authorizes an appropriation for all time to come of $115,000,000 a year, which is a good deal more than Congress has ever appropriated for this purpose. I understand that the bill has been on the calendar for 6 or 8 months; but the very fact that it was there and nothing was done about it rather led all of us to neglect it for the time being, and not devote the study to it which we should have devoted. I feel confident that if during the course of the debate a request should be made to have the bill go over until tomorrow, the Senator will agree to it. I am only giving notice that I may make such a request.

Mr. RUSSELL. If we cannot clear up any difficulty about the measure, we can discuss that question a little later.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Georgia [Mr. RUSSELL] that the Senate proceed to the consideration of Senate bill 962.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry, with amendments.

The PRESIDING OFFICER. The clerk will state the amendments reported by the committee.

The first amendment of the Committee on Agriculture and Forestry was, under the heading "Title I—Assistance in Providing Food—Appropriations Authorized," in section 101, on page 2, line 9, after the figures "June 30", to strike out "1946" and insert "1947"; and in line 14, after the word "title", to strike out "For the fiscal year ending June 30, 1946, the funds made available to the Secretary under the item entitled 'School-lunch program', Department of Agriculture Appropriation Act, 1946, are hereby made immediately available for carrying out the provisions of this title during such year.", so as to make the section read:

SEC. 101. For each fiscal year, beginning with the fiscal year ending June 30, 1947, there is hereby authorized to be appropriated, out of money in the Treasury not otherwise appropriated, such sums as may be necessary, not exceeding $100,000,000, to enable the Secretary of Agriculture (hereinafter referred to as "the Secretary") to carry out the provisions of this title.

The amendment was agreed to.

The next amendment was, in section 104, on page 5, line 5, after the word "period", to strike out "1946" and insert "1947"; in line 21, after the word "section", to insert "and section 108 (d), respectively"; in line 24, after the word "certified", to insert "respectively"; in line 24, after the word "agency", to insert "and in case of schools receiving funds pursuant to section 108 (d), by such schools"; and on page 6, line 15, after the numerals "II", to insert "(and not withheld under sec. 108 (d))", so as to make the section read:

SEC. 104. (a) Funds apportioned to any State pursuant to section 102 during any

fiscal year shall be available for payment to such State for disbursement by the State educational agency, in accordance with such agreements not inconsistent with the provisions of this act, as may be entered into by the Secretary and such State educational agency, for the purpose of assisting schools of that State during such fiscal year, in supplying agricultural commodities and other foods for consumption by children in the school-lunch program under this title. Such payments to any State in any fiscal year during the period 1947 to 1950, inclusive, shall be made upon condition that each dollar thereof will be matched during such year by $1 from sources within the State determined by the Secretary to have been expended in connection with the school-lunch program under this title. Such payments in any fiscal year during the period 1951 to 1955, inclusive, shall be made upon condition that each dollar thereof will be so matched by $1.50; and for any fiscal year thereafter, such payments shall be made upon condition that each dollar will be so matched by $3. In the case of any State whose per capita income is less than the per capita income of the United States, the matching required for any fiscal year shall be decreased by the percentage which the State per capital income is below the per capita income of the United States. For the purpose of determining whether the matching requirements of this section and section 108 (d respectively, have been met, the reasonable value of donated services, supplies, facilities, and equipment as certified, respectively, by the State educational agency and in case of schools receiving funds pursuant to section 108 (d), by such schools (but not the cost or value of land, of the acquisition, construction, or alteration of buildings, of commodities donated by the Secretary, or of Federal contributions made pursuant to title II) may be regarded as funds from sources within the State expended in connection with the school-lunch program. The Secretary shall certify to the Secretary of the Treasury from time to time the amounts to be paid to any State under this section and the time or times such amounts are to be paid; and the Secretary of the Treasury shall pay to the State at the time or times fixed by the Secretary the amounts so certified.

(b) In the event that funds from sources within the State do not completely match, in accordance with the requirements of this act, the funds apportioned to the State under both titles I and II (and not withheld under sec. 108 (d)), the State educational agency may determine from time to time the application of funds from sources within the State against the matching requirements of the respective titles, except that funds from sources within the State used in connection with schools not participating in the school-lunch program under title I may not be used for matching funds under title I.

The amendment was agreed to.

The next amendment was, in section 108, on page 10, line 12, after the word "agency", to insert a semicolon and "and (4) 'nonprofit private school' means any private school exempt from income tax under section 101 (6) of the Internal Revenue Code, as amended."; and after line 15, to insert:

(d) If, in any State, the State educational agency is not permitted by law to disburse the funds paid to it under this title to nonprofit private schools in the State, or is not permitted by law to match Federal funds made available for use by such nonprofit private schools, the Secretary shall withhold from the funds apportioned to any such State under section 102 of this title the same proportion of the funds as the number of children between the ages of 5 and 17, inclusive, attending nonprofit private schools within the State is of the total number of persons of those ages within the State attending school. The Secretary shall disburse the funds so withheld directly to the nonprofit private schools within said State for the same purposes and subject to the same conditions as are authorized or required with respect to the disbursements to schools within the State by the State educational agency including, but not restricted to, the requirement that any such payment or payments shall be matched, in the proportion specified in section 104 for such State, by funds from sources within the State expended by nonprofit private schools within the State participating in the school-lunch program under this title. Such funds shall not be considered a part of the funds constituting the matching funds under the terms of section 104 or section 202 (c).

So as to make the section read:

SEC. 108. (a) States, State educational agencies, and schools participating in the school-lunch program under this title shall keep such accounts and records as may be necessary to enable the Secretary to determine whether the provisions of this title are being complied with. Such accounts and records shall at all times be available for inspection and audit by representatives of the Secretary and shall be preserved for such period of time, not in excess of 5 years, as the Secretary determines is necessary.

(b) The Secretary shall incorporate, in his agreements with the State educational agencies, the express requirements under this title with respect to the operation of the school-lunch program under this title insofar as they may be applicable and such other provisions as in his opinion are reasonably necessary or appropriate to effectuate the purposes of this title.

(c) For the purposes of this title, (1) "Secretary of Agriculture," during the existence of the War Food Administration, shall mean the War Food Administrator; (2) "State" includes the District of Columbia, Territory of Hawaii, Puerto Rico, Alaska, and the Virgin Islands; and (3) "State educational agency" means, as the State legislature may determine, (a) the chief State school officer (such as the State superintendent of public instruction, commissioner of education, or similar officer), or (b) a board of education controlling the State department of education; except that in the District of Columbia it shall mean the Board of Education, and except that for the period ending June 30, 1947, "State educational agency" may mean any agency or agencies within the State designated by the Governor to carry out the functions herein required of a State educational agency; and (4) "nonprofit private school" means any private school exempt from income tax under section 101 (6) of the Internal Revenue Code, as amended.

(d) If, in any State, the State educational agency is not permitted by law to disburse the funds paid to it under this title to nonprofit private schools in the State, or is not permitted by law to match Federal funds made available for use by such nonprofit private schools, the Secretary shall withhold from the funds apportioned to any such State under section 102 of this title the same proportion of the funds as the number of children between the ages of 5 and 17, inclusive, attending nonprofit private schools within the State is of the total number of persons of those ages within the State attending school. The Secretary shall disburse the funds so withheld directly to the nonprofit private schools within said State for the same purposes and subject to the same conditions as are authorized or required with respect to the disbursements to schools within the State by the State educational agency including, but not restricted to, the requirement that any such payment or payments shall be matched, in the proportion specified in section 104 for such State, by funds from sources within the State expended by nonprofit private schools within the State participating in the school-lunch program under this title. Such funds shall not be considered a part of the funds constituting the matching funds under the terms of section 104 or section 202 (c).

The amendment was agreed to.

The next amendment was, under the heading "Title II—Assistance in providing nutrition education and school-lunch facilities, appropriations authorized," in section 201, on page 11, line 20, after "June 30", to strike out "1946" and insert "1947", so as to make the section read:

SEC. 201. For each fiscal year, beginning with the fiscal year ending June 30, 1947, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary, not exceeding $15,000,000, to enable the United States Commission of Education (hereinafter referred to as the "Commissioner"), under the supervision and direction of the Federal Security Administrator, to carry out the provisions of this title.

The amendment was agreed to.

The next amendment was, in section 202, on page 13, at the beginning of line 11, to strike out "used; excluding", and insert "used, not counting funds excluded from section 104 by the last sentence of section 108 (d) and"; and in line 17, after "July 1," to strike out "1945" and insert "1946", so as to make the section read:

APPORTIONMENT AND PAYMENT TO STATES

SEC. 202. (a) The Commissioner shall apportion among the States during each fiscal year the funds appropriated for such year for carrying out the provisions of this title, less not to exceed $175,000 thereof hereby made available to enable the Commissioner to carry out his functions under this title. Such apportionment shall be made in accordance with the provisions of section 102 governing the initial apportionment of funds to the States under title I, except that the apportionment to any State under this title shall not be less than $10,000, and except that the apportionment of funds for use in Alaska, Territory of Hawaii, Puerto Rico, and the Virgin Islands shall not exceed $450,000.

(b) From the funds apportioned to it under subsection (a) for a fiscal year, each State having a plan approved under this title shall be entitled to be paid an amount, limited as provided in subsection (c), which shall be used by the State educational agency, either directly or through grants to schools and school systems, to establish, maintain, operate, and expand school-lunch programs, to provide related nutrition education, and to provide and train technical and supervisory personnel and to provide equipment and facilities for such programs; except that such funds may not be used for the acquisition, construction, or alteration of buildings or for the purchase of land or food.

(c) Funds apportioned to a State pursuant to subsection (a) during any fiscal year shall be available for payment to the State only upon condition that such funds will be matched during such year, in the proportion specified in section 104 for such State for such year, by expenditures from sources within the State which are either expenditures specified in section 104 (a) or expenditures for the purposes for which funds paid to the State under this title may be used, not counting funds excluded from section 104 by the last sentence of section 108 (d) and expenditures which the State educational agency has applied against the matching requirements of section 104.

(d) The amount to which each State is entitled under subsection (b) for each quarter, beginning with the quarter commencing July 1, 1946, shall be computed and paid in the following manner:

The Commissioner shall, prior to the beginning of each quarter, estimate the amount to be paid to the State for such quarter under the provisions of subsection (b). He shall then certify to the Secretary of the Treasury the amount so estimated, reduced or increased as the case may be, by any sum by which he finds that his estimate for any prior quarter was greater or less than the amount which the State was entitled to be paid for such quarter. Upon receipt of such certification the Secretary of the Treasury shall, prior to audit or settlement by the General Accounting Office, pay in accordance with such certification from the funds apportioned to such State under subsection (a).

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments. The bill is open to further amendment.

Mr. RUSSELL. Mr. President, I desire to make a brief statement with respect to the bill. As I stated a few moments ago, the subject matter of this bill is not new; it deals with a program which has been in effect for 10 years. There is nothing new in title I of the bill. It undertakes to enact definitive legislation of a permanent nature carrying on a school-lunch program similar to that which has been in effect for a number of years. It is a product of the experience which we have had in dealing with this program. It provides for legislative standards which will enable the schools of this Nation to know where they stand with respect to the program. Heretofore there have been schools which have hesitated to install school-lunch programs on account of the fact that the program was on a hand-to-mouth, year-to-year basis, and those who were charged with responsibility for operation of the schools have hesitated to incur the expenses which were necessary in order to purchase the equipment and embark on the program.

Mr. President, I may say that, in my opinion, this program has been one of the most helpful ones which have been inaugurated and promises to contribute more to the cause of public education in these United States than has any other policy which has been adopted since the creation of free public schools.

The bill, in following the program now in effect, authorizes an appropriation which can in no event exceed $100,000,000. I am referring to title I of the bill. At the present time the Congress is appropriating or has appropriated $57,500,000 for the program for the current fiscal year. Those funds will be exhausted in most of the States by April of this year, and an additional deficiency appropriation of $7,500,000 will be necessary if cooperation on the part of the Federal Government is to continue throughout the scholastic year with the schools now having the lunch program.

Under the school-lunch program which has been in effect by virtue of provisions in the agricultural appropriation bill, the funds would be distributed, as between the several States, on the basis of need. The pending bill, in section 104, spells out the definition of need which has been applied by the Department of Agriculture in providing for the distribution of the fund. I wish to point out, Mr. President, that this bill provides for acceleration in the contributions from the States. At the present time the school-lunch program is in effect in approximately one-fourth of the schools of the Nation and is enjoyed by more than one-fourth of the school children. Approximately 8,000,000 children enjoy the benefits of the program at the present time, as compared to a total school attendance of approximately 26,000,000.

Under this bill the program will be available to all the schools of the Nation by the imposition of an increase of only about $40,000,000 per annum on the part of the Federal Government, but the States will eventually be required to contribute $300,000,000. For the years 1947 to 1950, inclusive, the States must match this money on a dollar-for-dollar basis, such as that which obtains in the case of highways and in the case of the various other Federal grants-in-aid to education, including the vocational training programs and the other programs under laws already in effect for Federal aid with respect to various phases of education and advancement within the States.

Commencing in the year 1951, the State contributions must be stepped up to $1.50 on the part of the States for every dollar that is contributed by the Federal Government. The bill provides that after 1955 the States shall match the funds on the basis of $3 of State funds for every dollar contributed by the Federal Government, and the funds which will be available under the accelerated matching by the States, when added to the increase that is provided for in this bill to the Federal contribution, should at that time, unless there is a great increase in costs, enable practically every school in the Nation to participate in this program.

Mr. President, this bill provides that the Secretary of Agriculture or the War Food Administrator, so long as that office is in existence, shall deal with the departments of education of the several States. The interests of the Federal Government are protected by clauses which require an accounting and which give the right of examination of the books of those who are administering the funds.

There has been a great deal of misconception about the school-lunch program. In the first place, many of those who have opposed it object to the idea of giving free school lunches to the children. There is nothing on earth in this bill that provides or seeks to provide any free school lunch to all the school children of the Nation. The only children who are to receive a free school lunch are those who are certified by the local school authorities as being unable to pay for it. I do not mean to say that the Federal funds will not go into this program in the way of a partial subsidy, but no Federal funds can be expended for anything except food. Under title I, the Federal funds may not be expended for equipment, for the preparation or processing of food, or for the administration of the several school lunchrooms. They may be expended only for food. In every school of which I have any knowledge, in which this program is in operation, each of the children pays a small amount, such as 8 to 10 cents and as high as 20 cents, for his lunch when his parents are able to furnish the money for that purpose.

Seventy-five million dollars of the fund will be divided between the States to reimburse them for expenditures for food under the formula contained in section 101. The remaining $25,000,000 is to be used by the War Food Administrator, or after that office has expired, to the Secretary of Agriculture for the purchase and handling of foods which are surplus, or which have been produced in such quantity that they have depressed the market. This program came into being as a means of disposing of agricultural surpluses. It came into being when we were living in that paradoxical age when we had so much food to eat that people were starving, and farmers were producing so much that they were going into bankruptcy because they could not dispose of their products. The purpose of starting the school-lunch program was to acquire those surplus commodities in order to enable the farmer to receive at least something for his products.

Twenty-five million dollars would be used to continue that part of the program. For example, it is anticipated that within a few months there will be a great surplus of eggs, and, through this program and this portion of the appropriation available to the War Food Administrator, approximately 7,000,000 dozen eggs, which would otherwise depress the market, may be purchased. We are all familiar with the fact that under the Steagall amendment Congress has the responsibility of maintaining farm prices at a level of 90 percent of parity of most commodities which are essential in any nutritional diet. This means no new out-of-pocket expenditure on the part of the Federal Government, because the Secretary of Agriculture would be required, under the terms of section 32, to purchase these commodities in any event. This bill merely provides an outlet of distribution whereby the excess of production may be put to a good use without in anywise depressing the market.

Mr. President, there exists another popular misconception. Many persons have said that they were opposed to federalizing the public-school system, and that the school-lunch program is a step in that direction. I may say that the program has been in effect for about 10 years. We have had an opportunity during that time to see how much it would federalize the public-school system. The bill specifically forbids the Secretary of Agriculture from undertaking to make any requirement with respect to instruction or teaching personnel. He is given no authority whatever over the management of the schools. There is nothing new in the system. I doubt not that when the Morrill Act providing aid for land-grant colleges was passed—I believe the act was passed in 1862 or 1863, or at least during the 1860's—Senators stood on the floor and contended that Congress should not pass the bill to aid the various educational institutions of the country because to do so would be to federalize education. We

have seen the Morrill Act in operation for more than 80 years, and we know that the land-grant colleges have not been federalized. They are still operating under State control, and the Morrill Act has been of tremendous advantage in bringing benefits of college education to millions of Americans who otherwise might not have enjoyed them. We have other Federal grants in aid to education. We have the Smith-Lever Act, the George-Deen Act, and other acts wherein the administration is left to the State, and in no case have the prophecies of the Jeremiahs that education would be federalized come true.

Mr. President, I see nothing subversive in the school-lunch program. It has been attacked on the ground that it would bring about communism and perhaps socialism. In my opinion, a school child who has a good bowl of hot soup and a glass of sweet milk for his lunch will be much more likely to be able to resist communism or socialism than would one who had for his lunch a hard biscuit which had been baked the day before and which he had brought with him to school in a tin can.

This program has been of vast benefit in improving the standards of nutrition in this country. I have investigated the situation within my own State. I have found that what the children have learned in school concerning the preparation of food in the school and the value of various foods, was carried home to their parents. In some cases school children were able to educate their own parents as to a better use of food, and as to the nutritive values of various foods.

Mr. President, with reference to title II of the bill, I may say that it authorizes an appropriation of $15,000,000 to the Office of the United States Commissioner of Education. It represents an activity which is not now in effect. Statements which I have made as to our 10-year experience with this program do not apply to title II. However, we know that during the life of the National Youth Administration that agency furnished some skilled personnel to the schools to assist in the preparation and supply of school lunches. The WPA also had persons on its pay roll who were familiar with the handling of foods, and they were also available to the schools in the early days of the program. But title II provides for an appropriation as a grant-in-aid to the States which must be matched by the States to assist in furnishing training for those who will supervise the program, and to provide equipment and facilities for it. Of course, there is imposed the limitation that none of the funds may be used for the acquisition, construction, or alteration of buildings, or for the purchase of land.

Mr. President, this bill has been carefully drawn to protect the integrity of the State school system. It has been carefully drawn to endeavor to protect the rights of all school children of this Nation of whatever race, color, or creed. I may say that in 10 years of operation there has been no complaint that any State has discriminated against any child in any school because of his race, creed, or color. The program has been absolutely free of any charge of that nature. That policy is embodied within the pending bill.

Mention has been made of the fact that this bill authorizes a slight increase in the appropriation which has been previously made. Of course, funds must be matched on an increasing basis by the States. If the States do not match the funds, the appropriation will not be granted. But I am not so greatly concerned about this little increase in the Federal contribution which will enable the States to expand the program over the entire country. On the whole, it will amount approximately to only $40,000,000 more than we have been expending for the past 10 years for this work. I have seen the Senate of the United States, I believe without a record vote, appropriate $2,700,000,000 in order to provide for the starving and distressed peoples in Europe. I have seen that done by this Congress. That sum would provide for this small increase for more than a hundred years in the future, and would benefit the citizens of the United States to whom we must look to guide the destinies of this great Republic.

Mr. President, there are a few slight differences between this and the House bill. I shall presently move to substitute the Senate bill for the House bill. In the first instance, the bill as it comes from the House contains an authorization for only $50,000,000, which, as I have stated, would mean a reduction in the program instead of an increase, because we have already appropriated $57,500,000 for this purpose for the current fiscal year. The Senate voted to increase the fund to $65,000,000, and in the tortuous path that leads to the enactment of legislation it was necessary to surrender $7,500,000 of that appropriation in the conference.

Another difference between the bill as it passed the House and the Senate committee bill is that the House bill ran the maximum program up to $4 on the part of the States, whereas the Senate bill requires the States to put up only $3 for each Federal dollar when the program has reached its fullest expansion.

The House bill also required a much more rapid acceleration of the increased matching on the part of the States than does the Senate bill.

Mr. President, I think this statement briefly covers the principal differences between the bill as it passed the House and the Senate committee bill.

As I have stated, there has been no piece of legislation in the Congress during my tenure here that has been so thoroughly investigated and so carefully examined by the committees of the Congress. The subcommittee of the Committee on Agriculture and Forestry of the Senate conducted long and exhaustive hearings. We heard from a number of officials of the Government, and from a large number of private citizens who were familiar with the program. We have all received expressions of interest on the part of many persons who are anxious that the program be not crippled, but that it be expanded so that its benefits to the school children of the Nation may be increased.

Furthermore, before the Committee on Appropriations for a number of years we have had hearings on this program. It is one with which every Senator is familiar, and the issues are very simple.

First, is it desirable that the program be given a statutory basis so that those who operate the schools of the Nation may have some certainty that the program will remain in operation?

Second, should the authorization for the appropriation be in the amount of $100,000,000 a year?

Third—and this is the only other issue I can see—should or should not title 2 of the bill be adopted?

In my opinion all three of those questions can be answered only in the affirmative, and the bill should be enacted into law.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. TAFT. Can the Senator give me an idea of the cost of school lunches? Is there any figure accepted as to the ordinary cost of providing lunches for school children?

Mr. RUSSELL. The cost varies a great deal according to the section of the country. The bill provides that the school lunches shall be entirely on a nonprofit basis, that the schools may not make anything out of them.

Mr. TAFT. I understand that, but I wonder how extensive a program it is, and if all the school children in the United States, numbering at least 26,000,000, or, more likely, 30,000,000, under the Senator's bill, are to participate for, say, 200 days a year, 200 lunches apiece, what would the over-all cost be, not the Federal contribution, but the over-all cost?

Mr. RUSSELL. There are many imponderables, of course, such as what the prices of commodities will be, or what the wage rates will be for those who prepare the food. It is my own opinion that under present costs, at the time when the law has reached its maximum expansion, with the States required to contribute $300,000,000 to match the $100,000,000 provided by the Federal Government, it will be possible to install this program in practically every school in the United States.

Mr. TAFT. I understand that. That would mean that $400,000,000 would be available.

Mr. RUSSELL. Yes.

Mr. TAFT. For from 26,000,000 to 30,000,000 children. But as I understood the Senator, most of those children pay for their lunches. Is that so?

Mr. RUSSELL. They do not pay for all of the lunch. They do not pay for the contribution the Federal Government makes of food.

Mr. TAFT. Why should not my child, going to a public school, pay for his lunch?

Mr. RUSSELL. I know of no reason why the Senator's child should not pay, and I assume he does.

Mr. TAFT. I understood the Senator to say that the only children furnished free lunches were those who could not afford to pay.

Mr. RUSSELL. That is correct.

Mr. TAFT. What proportion of the total cost of lunches has to be subsidized, under this program?

Mr. RUSSELL. It varies, because we have not undertaken to write a bill which would apply an inflexible program to every school in the United States. I do not think it is possible to do so. Certain general principles are set forth in the bill. It provides that it shall be a nonprofit program, and that the lunches shall be served at cost to children who are determined by local school authorities to be unable to pay.

Of course, heretofore the Federal Government has borne practically the entire cost of the food used in the program. Where the school-lunch program has been in operation, and the nonprofit provision has applied to the child who could not pay anything, the Federal Government has borne the cost. It has varied in the different schools. Some of the schools have only utilized the food that has been furnished by the Department of Agriculture. In that case the cost to the school child was the amount that was necessary to pay for the preparation and the service of the food, and for the supervision of the lunchroom. The children have paid for that, or it has been contributed from local sources. What is paid by the child is considered as a part of the contribution that is made locally, a price which ran anywhere from 9 cents a meal up to as high as 20, depending on the character of the meal, and the location of the school, and local or State funds covered the cost of acquiring such food as was not furnished by the Federal Government, and the cost of personal services for preparing the lunch.

Mr. TAFT. What reason is there for three-fourths of the children of the country not paying the whole cost for their own lunches, including the food and everything else?

Mr. RUSSELL. My own opinion is that substantially more than three-fourths pay the cost, though not all of it.

Mr. TAFT. Why should not a family perfectly able to pay for its own food pay 15 cents if that is the whole cost, instead of 10 cents, and getting 5 cents subsidized? What is the purpose of that?

Mr. RUSSELL. One reason is that it is a means of disposing of surplus agricultural commodities without depressing the farmer's prices too much.

Mr. TAFT. That seems to me to be wholly unjustifiable, for obviously if the food were delivered at the school, and the children had a regular school lunch, they would not buy that much somewhere else. So it seems to me obvious that the total amount that is spent on school lunches is just the same whether the Federal Government furnishes the food or whether the Federal Government gives the cash with which the food may be bought. I do not see what difference it makes so far as the total amount of agricultural products is concerned.

Mr. RUSSELL. It certainly makes a tremendous difference, because where the Federal Government does not furnish the incentive to the program, the food is not consumed, the children do not have it, and that is one of the strongest arguments for the bill, that every dollar that is spent on it does double duty. One result is the disposing of some agricultural commodity that is in excess, or that threatens to become excess and depress prices. I want to be perfectly frank; that has not been true during these days of war scarcity, but we have given assurances to the farmers, through the enactment of the Steagall amendment, that the prices of his products would be maintained at 90 percent of parity, and as surely as that the sun shines today, it will be necessary for the Federal Government to acquire large quantities of foods within the next 2 years to protect that 90 percent of parity guaranteed the farmers. The other duty performed is to strengthen the children of the land and protect the national health by furnishing them a good meal and improving their diet.

Mr. TAFT. I suggest to the Senator that, so far as $25,000,000 worth of food doing that job is concerned, it is merely a drop in the bucket, and it seems to me that feature of this program is wholly unimportant, so far as solving the agricultural problem is concerned.

Mr. RUSSELL. The Senator overlooks the fact that the entire program of $100,000,000 is directed at the use of kinds of foods which are surplus or likely to become surplus, because not only does the Secretary of Agriculture have authority to expend $25,000,000 directly, but he has the authority to make requirements as to foods that are surplus within the several sections of the country, and as to the purchases which are made in local schools with Federal funds.

Mr. TAFT. I am only saying that it does not seem to me to be an additional argument for this particular program that the commodities should be distributed in that way, rather than to pay cash and let the children buy the food. If there is a school program the great bulk of the children are going to eat just about the same, I would guess, in the long run.

Mr. RUSSELL. The Senator is certainly guessing. The statement is not sustained by the evidence presented to two committees of which I am a member. Nor do I think his guess would be sustained by the facts, because school children had not had as much food at lunch, or as desirable food, as they have had, since the institution of this school-lunch program.

Mr. AIKEN. Mr. President, if the Senator from Georgia will yield, I will point out the fact that, so far as unemployment and farm surpluses are concerned, they go hand in hand. When we have unemployment and reduced purchasing power, we have larger farm surpluses. And when large surpluses and low prices reduce the farm purchasing power, we get greater unemployment in the cities.

So this plan will work automatically. As the market is sustained through the school-lunch program and reduces the farm surpluses, to that extent it not only reduces the surplus but increases the purchasing power of the people of the city at the same time. The two go together. When we have a surplus on a farm, we have unemployment in the cities. If anyone doubts that all he has to do is to look back over the last 15 years. There never was a more self-evident truth. I think that even the little bit represented by the school-lunch program will go a long way toward correcting both undesirable conditions, with respect to farm surplus and city unemployment.

Mr. TAFT. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. TAFT. I still do not understand the situation. The Senator says that to cover this whole field would cost $400,000,000. That is $400,000,000 of subsidy, as I understand it. How much more would the school children themselves have to pay to cover the whole cost of eating lunch every day?

Mr. RUSSELL. I think Mr. President, the amount that has been paid by the school children has been drawn into the total fund and has been considered a local contribution.

Mr. TAFT. I do not understand from the bill that those who pay for their own lunches are counted as a part of the local contribution.

Mr. RUSSELL. There is no question about that. That has been the case in all the 10 years during which the law has been in operation.

Mr. TAFT. Then it seems to me that the whole thing is not a matching idea. The States are not required to do anything. The Government does it all, except what individuals contribute.

Mr. RUSSELL. I realize, of course, that this program has never appealed to the Senator from Ohio. He raised the question about his son going to public school and paying for his lunch. I suggest that the Senator's son receives as much tuition in the public school as does the poorest child. They are on the same basis with respect to tuition, and might as well be on the same basis with respect to school lunches.

Mr. TAFT. We have long accepted the idea in this country that we are to give free tuition in public schools and free education, but not to feed everyone for nothing.

Mr. RUSSELL. The bill does not provide for feeding every child in the schools for nothing.

Mr. TAFT. Turning to page 5 of the bill, beginning in line 20, we find this language:

> For the purpose of determining whether the matching requirements of this section and section 108 (d), respectively, have been met, the reasonable value of donated services, supplies, facilities, and equipment as certified, respectively, by the State educational agency and in case of schools receiving funds pursuant to section 108 (d), by such schools may be regarded as funds from sources within the State expended in connection with the school-lunch program.

But I do not see anything that indicates that the money paid by the children for their own lunches is a contribution by the States for the purpose of matching Federal funds.

Mr. RUSSELL. That has always been the case, and it is proposed that that course shall be followed under this measure.

Mr. TAFT. Can the Senator point out to me the provision under which that interpretation could be made?

Mr. RUSSELL. I think that interpretation could be made under the language just read by the Senator from Ohio——

Mr. TAFT. No. I suppose it would be under the language in line 7 on page 5, which reads:

> will be matched during such year by $1 from sources within the State determined by the Secretary to have been expended in connection with the school-lunch program.

Mr. RUSSELL. I thank the Senator. That clarifies it.

Mr. TAFT. It seems to me that what the Senator suggests is a very broad construction even of that language.

Mr. RUSSELL. It all goes into furnishing the school lunch, does it not?

Mr. TAFT. So the Senator's idea is that $400,000,000 will cover the entire cost of all the lunches, not only the subsidized part, but the entire cost of the lunches for all the children?

Mr. RUSSELL. Unless there is a great increase in the cost of personnel services, it is my opinion that the $400,000,000 will substantially cover a school-lunch program for the entire school system of the country.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. AIKEN. That would cover it at a future date, when instead of 30,000,000 school children we will probably have nearer 40,000,000. This provides for matching up to 1955, does it not, or 10 years hence?

Mr. RUSSELL. I base my estimate on the estimated school population of 26,000,000 pupils.

Mr. AIKEN. At the present time?

Mr. RUSSELL. Yes; at the present time.

Mr. AIKEN. And that would mean probably from 30,000,000 to 32,000,000 by 1955.

Mr. RUSSELL. It should; yes.

Mr. TAFT. Mr. President, will the Senator from Georgia again yield?

Mr. RUSSELL. I yield.

Mr. TAFT. Does not the bill include kindergartens and nursery schools as well as 26,000,000 pupils in the regular schools?

Mr. RUSSELL. Oh, yes; it applies to nursery schools in certain cases, but the formula for the distribution of the funds applies only to children between the ages of 5 and 17.

Mr. TAFT. That is the formula, but as I understand, the permission to provide the lunches extends to kindergartens; to anything under high-school grade.

Mr. RUSSELL. I do not so understand the bill. In my opinion, it applies only to the public schools and to private schools, because the bill refers specifically to children between the ages of 5 and 17, inclusive.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. SALTONSTALL. I should like to ask the Senator from Georgia a question. Two years ago the Federal Government, in carrying out the program in Massachusetts, started to deal directly with the city authorities, bypassing the State authority entirely. That was finally stopped by an administrative understanding. Under the terms of this bill, is such action possible, in the opinion of the honorable Senator, or must the Federal Government deal through the State agencies?

Mr. RUSSELL. In my opinion, the effort which was made at one time by the Department to deal directly with several individual schools was one of the worst mistakes they ever made in respect to this program. This bill requires them to deal with the State educational agency, and where there is no educational agency now authorized by the law of the State, to deal with the Department of Agriculture. With respect to this program, the bill authorizes the Governor for a period of 2 years to designate any agency of the State, and the Department of Agriculture is required to deal with that State agency. That provision is made in order to give the legislature an opportunity to designate a State agency.

Mr. SALTONSTALL. But section 108 would permit the Secretary in certain cases to deal directly with nonprofit private schools; would it not?

Mr. RUSSELL. Yes. Section 108 (d), as I understand, is designed to enable the private schools which are now operating under the program, to continue to do so in the event there be a State law prohibiting the department of education of the State from dealing with a private, nonprofit school.

Mr. SALTONSTALL. On page 11 there would seem to be language which would permit the Federal Government to pay the whole cost of the lunches in the nonprofit private schools as opposed to the ordinary program in the public schools. In lines 6 and 7 we find the language: "including, but not restricted to, the requirement."

Does that go too far?

Mr. RUSSELL. I am glad the Senator has called that language to my attention. I had not caught that point in the amendments offered by the committee. Let me read the entire sentence:

> The Secretary shall disburse the funds so withheld directly to the nonprofit private schools within said State for the same purposes and subject to the same conditions as are authorized or required with respect to the disbursements to schools within the State by the State educational agency including, but not restricted to—

No; in my opinion that would require the nonprofit private schools to match.

Mr. SALTONSTALL. But if we continue that sentence with just one more line it would seem to indicate that the Federal Government could pay the whole cost.

Mr. RUSSELL. If that be true I should be happy to accept an amendment that the words "but not restricted to" be stricken. I think that would clarify the situation.

Mr. SALTONSTALL. Would it not be clearer if those words were stricken from the bill?

Mr. RUSSELL. I am inclined to agree with the Senator from Massachusetts.

Mr. SALTONSTALL. Would the honorable Senator care to offer such an amendment?

Mr. RUSSELL. I shall be happy to do so.

Mr. President, I move, on page 11, in lines 6 and 7, to strike the words "but not restricted to."

First, I ask that the committee amendment beginning in line 16 on page 10 and ending in line 14 on page 11 be reconsidered.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Georgia? The Chair hears none, and, without objection, the vote by which the amendment was agreed to is reconsidered.

The question is on agreeing to the amendment offered by the Senator from Georgia to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. MAYBANK. The distinguished Senator from Massachusetts asked some questions which are of some concern to me. I wish to ask the Senator from Georgia a question. In connection with the disbursement of these funds to the States, insofar as agricultural products are concerned, there is no expense whatsoever attached to the distribution of the food, is there?

Mr. RUSSELL. Some of the cost of distribution, processing, and handling the food may be borne out of funds apportioned under section 104.

Mr. MAYBANK. Therefore in many instances the States themselves afford that service?

Mr. RUSSELL. Those operations may be paid for by either State or Federal funds.

Mr. MAYBANK. That is what I wanted to find out. I mean the distribution in the schools themselves.

Mr. RUSSELL. Oh, no; the Federal Government can incur no cost respecting distribution in the schools themselves.

Mr. MAYBANK. Therefore in keeping with the statement of the Senator from Massachusetts, whomsoever the State superintendent of education designates, or if he does not have the legal power to do so, someone whom the governor may designate, furnishes the food in the schools through the Parent-Teachers Association or some other organization.

Mr. RUSSELL. That is done by whoever happens to be supervising the school-lunch program.

Mr. MAYBANK. And there is no cost chargeable in connection with that?

Mr. RUSSELL. There is no cost chargeable to the Government in connection with the foods actually served in the lunch room. Under section 103 of the bill I think the Secretary is authorized to expend funds for the handling of these commodities because he is authorized to purchase them. He certainly would have to have someone to handle them. I think he would be authorized to spend funds for that purpose.

Mr. MAYBANK. I thoroughly agree, from a casual study of the bill. But there is no provision in the bill to pay the cost of preparing and furnishing the food within a school district or school.

Mr. RUSSELL. No. The Federal contribution is limited to the purchase of

food. All the cost of handling, preparation, and serving of the food, and costs of supervision, must be borne by the State or local school authority. Of course, as the Senator states, in many cases the costs of those services are defrayed by the Parent-Teachers' Association, the Kiwanis Club, or other organizations which contribute to that end.

Mr. MAYBANK. Therefore there is a considerable local contribution in the form of services.

Mr. RUSSELL. At the present time the States, through contributions of services and in other ways, are contributing more than the contribution of the Federal Government.

Mr. MAYBANK. The statement of the distinguished Senator from Ohio [Mr. TAFT] was to the effect that, regardless of who the pupils in the school may be, they receive these lunches. In the public-school systems throughout the country it would be totally impossible to segregate the pupils and differentiate between them on the basis of income. Does the Senator agree to that statement?

Mr. RUSSELL. Of course, any funds which are paid in go to the common fund for the school-lunch program.

Mr. MAYBANK. Therefore, a great many people pay in money——

Mr. RUSSELL. All contribute except those who the local school authority say are unable to contribute.

Mr. MAYBANK. That statement is consistent with what the Senator said in connection with free tuition.

Mr. RUSSELL. That is correct.

Mr. MAYBANK. The public schools of this country are open to all. Those with larger incomes naturally pay larger amounts in taxes. Those who are less fortunate pay less. But the public-school system is open to all the people.

Mr. RUSSELL. That, of course, is correct.

Mr. MAYBANK. There is no State tuition fee in Georgia or South Carolina, and no differentiation on the basis of income.

Mr. RUSSELL. None whatever.

Mr. MAYBANK. The public-school system of our country is based on the common education of our people. The children, whether they be rich or poor, play together and go to school together, in the interest of a greater democracy.

Mr. RUSSELL. Of course, the public schools are available to all upon the same terms.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. DONNELL. I should like to ask the Senator from Georgia if he will be kind enough to state under what provision of the Constitution he thinks this bill is properly to be enacted by Congress.

Mr. RUSSELL. The Senator from Missouri is a profound constitutional lawyer. In my opinion, this bill comes under exactly the same powers of the Constitution under which we have been making appropriations for public improvements since the time of Thomas Jefferson, the same provision of the Constitution under which, since 1862, we have been making appropriations from Federal funds to every land-grant college in the country, including the great University of Missouri. It is the same provision of the Constitution under which we have been making contributions for vocational education in this country under the Smith-Lever Act, the George-Deen Act, and kindred laws, including aid to the blind and dependent children, under which grants-in-aid have been made by the Federal Government for purposes which the Congress of the United States deems to be of importance to the welfare and the progress of this country.

Mr. DONNELL. Will the Senator from Georgia please indicate precisely which section and article of the Constitution of the United States he refers to?

Mr. RUSSELL. I do not wish to enter into a constitutional argument with the Senator from Missouri.

Mr. DONNELL. I ask the distinguished Senator from Georgia if it is not a fact that the only possible constitutional basis on which the proposed law could stand would be the theory that it comes under the general welfare provision of the Constitution of the United States, namely, section 8 of article I of the Constitution of the United States?

Mr. RUSSELL. Appropriations have been made for kindred purposes for many years. If the appropriations are illegal, the Congress has violated the Constitution in this manner for more than a hundred years. I have heard the Senator from Missouri give very lengthy and learned discourses on the constitutionality of Federal appropriations, and I shall not enter into a discussion with the Senator as to the constitutional phases of this program. It has been in operation in this country for 10 years; and if no one has challenged the constitutionality of it up to this hour, I shall not debate it with the Senator from Missouri at this time.

Mr. DONNELL. I should like to ask the Senator from Georgia if he can place his finger on any provision of the Constitution of the United States under which such a statute would be authorized, except possibly section 8 of article I of the Constitution of the United States.

Mr. RUSSELL. I have already stated to the Senator—and I reiterate with all due deference and respect—that I shall not engage in any discussion of the constitutionality of this matter with the Senator from Missouri at this time. I have heard the Senator express his views at length on previous occasions.

Mr. DONNELL. Mr. President, I invite attention to the fact that on three separate occasions the Senator has declined, in substance, to indicate under what particular section or article of the Constitution he thinks the proposed statute would be valid.

If the Senator will be kind enough to yield for one further question, I should like to ask whether there is any provision in this bill to the general effect that a fund is to be set up, to consist of the proceeds of taxes, duties, imposts, or excises, from which fund the amounts to be appropriated, as authorized herein, shall be paid.

Mr. RUSSELL. Mr. President, with all deference to the Senator, I shall not enter into a constitutional discussion with him, and I shall decline to yield further to him. In the past I have listened to the profound constitutional discourses of the Senator, but I shall not do anything to provoke one of them in my time. The Senator may discuss the constitutionality of the measure in his own time.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. AIKEN. I wish to invite attention to something we have just done. I wonder whether we have done what we thought we were doing.

After the colloquy between the Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from Georgia [Mr. RUSSELL] we voted to strike out the words "but not restricted to" on page 11, lines 6 and 7. Evidently those words were interpreted as giving the Secretary the right to waive the matching of funds by private schools. I wish the Senator from Georgia would read that language again and see if he thinks we did what we thought we were doing in adopting the amendment. As I read it, the language would not give the Secretary the right to waive the matching of funds, but would permit additional requirements in the case of private schools.

Mr. RUSSELL. I think the language of this provision is very confused. However, in my opinion, the amendment which we just adopted cannot in any degree hurt the schools in which the Senator from Vermont is interested.

Mr. AIKEN. That is entirely possible. However, inasmuch as this discussion has taken place, I wonder if we could have printed in the RECORD at this point in the discussion the portion of the bill which we are now considering.

Mr. RUSSELL. I should be happy to have it done.

Mr. AIKEN. Because very evidently the words we struck out would not have exempted the private schools from paying their share of the expense, although of course they could not pay it from public funds. As the language stands, they should pay from funds which they collect from other sources. What we have done is simply to require the private schools to match the funds, but we do not give the Secretary the right to put in additional requirements with respect to the private schools. I am perfectly satisfied with the amendment.

Mr. RUSSELL. It has been done heretofore. The private schools have operated on the same basis that the public schools have operated upon. With respect to matching, the private schools have operated in the same way that the public schools have operated, and certainly under the provisions of the bill the Secretary would simply require them to match the funds.

Mr. AIKEN. But otherwise the bill would have permitted the Secretary to place additional requirements on the private schools.

Mr. RUSSELL. Does the Senator from Vermont favor the imposition by the Secretary of additional requirements on the private schools?

Mr. AIKEN. No.

Mr. RUSSELL. I did not think the language served any useful purpose

there; that was the impression I received in reading it over.

Mr. AIKEN. Yes; it was a rather perplexing paragraph. When we voted on it, I thought we were taking away from the Secretary the right to require the matching of funds on the part of the private schools. And from the discussion which occurred, I think other Members of the Senate thought the same.

However, I am perfectly satisfied with it as it is.

Mr. RUSSELL. I do not think we should waive the matching requirement on the part of any schools.

Mr. AIKEN. No.

Mr. RUSSELL. And I am satisfied that as the amendment now stands, these schools will be required to match the funds, regardless of any other restrictions which might be imposed.

Mr. AIKEN. I agree with the Senator, and I think the bill is better with the amendment. At the same time let me say that when the amendment was adopted I thought some Senators had the impression that it meant something else.

Mr. RUSSELL. From reading the section, I cannot see that that language added anything to it. I think it is just as well off without it.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MAYBANK in the chair). Does the Senator from Georgia yield to the Senator from Kentucky?

Mr. RUSSELL. I yield.

Mr. BARKLEY. I have had some correspondence with persons in my State who seem to object to what I have not been able to find in the bill—something with reference to the decisions to be rendered in any locality by the home economics associations or organizations. I find no such provision in the bill.

Mr. RUSSELL. There is no such provision in the bill. Title I requires the Secretary of Agriculture to deal with the head of the educational system within the State, and title II requires the Commissioner of Education to deal with the same State authority.

Mr. BARKLEY. Yes; of course, if he had any understanding or agreement or working arrangement with any local association for the distribution of the fund—any arrangement which was legal under the State laws—he could make any arrangement he saw fit to make.

Mr. RUSSELL. So long as he followed the requirements with respect to matching, keeping books, and similar requirements.

Mr. BARKLEY. Yes. I have had some correspondence with respect to section 203, on page 14:

STATE PLANS

SEC. 203. (a) In order to be approved a State plan for the administration of school-lunch programs must—

* * * * * *

(3) provide that the distribution to schools of funds paid to the State under this title, and equipment purchased with such funds, shall be only to public schools and school systems of high-school grade or under (including nonprofit private schools of high-school grade or under which receive public funds from the State or any school system thereof for payment of teachers' salaries), which undertake to furnish school lunches under agreements pursuant to title I.

In other words, if any private-school system in the State of Kentucky which undertakes to provide school lunches is willing to match the contribution of the Federal Government under the State school system, it will be eligible to receive assistance, under this subsection. Is that the Senator's interpretation?

Mr. RUSSELL. No; I do not think so. Under subsection (3), as I understand it, any nonprofit school which receives any public funds from the State would then be entitled to proceed under title II. Of course, all schools can proceed under the school-lunch program under title I. This provision of title II has to do with the furnishing of equipment to schools and the furnishing of training in the schools in connection with the handling of the school-lunch program.

Mr. BARKLEY. This section does not deal only with equipment, but it says:

In order to be approved a State plan for the administration of school-lunch programs must——

Mr. RUSSELL. That is title II. It has nothing whatever to do with the furnishing of food.

Mr. BARKLEY. But why does it mention school-lunch programs?

Mr. RUSSELL. Because it complements the program to furnish the food. Title II is to provide training for the technical personnel which will handle the program in the schools, as well as to assist in equipping them.

Mr. BARKLEY. Then it is the Senator's interpretation that the bill provides that schools which do not receive any distribution of State funds cannot in any way participate in the school-lunch program.

Mr. RUSSELL. No; the Senator is wholly in error.

Mr. BARKLEY. I am trying to draw the distinction.

Mr. RUSSELL. Any school, private or public, can participate in the school-lunch program as provided for in title I, where the Federal Government contributes food or funds to assist in the purchase of food for supplying the school-lunch program. Title II has nothing to do with that.

Mr. BARKLEY. Title II is the one to which my attention has been drawn by letters which I have received.

Mr. RUSSELL. Title II does refer to the school-lunch program.

Mr. BARKLEY. Yes.

Mr. RUSSELL. But it refers to that part of the school-lunch program which deals with training the technical personnel and with assisting in the acquisition of equipment, rather than the furnishing of the lunches.

Mr. BARKLEY. So under title I, a private school could participate in the distribution of the lunch fund; could it?

Mr. RUSSELL. That is correct.

Mr. BARKLEY. But it could not participate in the distribution of equipment for the purpose of making the lunch fund practicable and making it possible to serve the lunches; is that correct?

Mr. RUSSELL. That is my construction of that provision.

Mr. BARKLEY. I should like to get that point clear, because I have received some letters protesting against this provision of title II.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. ELLENDER. The reason is that the lunch fund is dedicated to the children of the Nation, that is, the funds are used to pay "for the cost of obtaining agricultural commodities and other foods for consumption by children in the school-lunch program"; whereas under title II whatever funds are appropriated are expended by the schools through the State agency in order "to establish, maintain, operate, and expand school-lunch programs to provide related nutrition education, and to provide and train technical and supervisory personnel and to provide equipment and facilities for such programs." That is the distinction which is made.

Mr. BARKLEY. That is no less for the benefit of the children. The equipment is just as much for their benefit as is the food itself.

Mr. ELLENDER. But it is against public policy to use Federal funds to pay teachers in private schools or to furnish equipment to private schools.

Mr. BARKLEY. That is true. But in my State they have adopted a practice of permitting the use of school busses, not only for children in public schools but for children in schools privately operated which are along the routes of the busses.

Mr. ELLENDER. But that is a service to the children themselves and the busses are publicly owned.

Mr. BARKLEY. Yes; that is true.

Mr. ELLENDER. I invite the Senator's attention to the case of Cochron and others against Louisiana State Board of Education and others, reported in United States Reports, volume 281, beginning at page 370, where the constitutionality of the Louisiana free schoolbook law was attacked by some of the taxpayers of my State. The law provided for the purchase and distribution of schoolbooks, free of cost, to the school children of the State. Some taxpayers contended that the legislation violated specific provisions of the constitution of the State and also section 4 of article IV and the fourteenth amendment of the Federal Constitution.

The United States Supreme Court held, in effect, with Chief Justice Hughes as the organ of the Court, that—

Appropriations by the State of money derived from taxation to the supplying of schoolbooks free for children in private as well as public schools is not objectionable under the fourteenth amendment as a taking of private property for private purposes where the books furnished for private schools are not granted to the schools themselves but only to or for the use of the children and are the same as those furnished for public schools and are not religious or sectarian in character.

That case makes a clear distinction in the use of public funds for the direct use of the children, in contrast to the use of public funds for the use of private institutions.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. KNOWLAND. I should like to address an inquiry to the distinguished Senator from Georgia relative to the section dealing with apportionment of the State funds. I merely wish to ask whether the apportionment is the same as that which is made under existing law, or whether a change has been made. I call particular attention to subdivision (2), on page 3, reading as follows:

the need for assistance in the States as indicated by the relation of the per capita income in the United States to the per capita income in the State.

I wish to ask whether that section is to be found in the existing law. Subsection (1) of the paragraph says that the apportionment shall be made on the basis of the number of school children in the State who are between the ages of 5 and 17, inclusive; and there is also a second condition. I wonder whether the second condition is a part of the existing law.

Mr. RUSSELL. The present authorization for this program is contained in an appropriations act. It is my recollection that the language simply says that the funds shall be apportioned by the Secretary of Agriculture on the basis of need, and it stops there. It is my further information that the formula which has been applied by the Secretary of Agriculture is what is embodied within this bill.

Mr. KNOWLAND. I am somewhat concerned about a new doctrine which is creeping into some of the legislation. Apportionment of funds under this bill seems to be based on the number of school children in each State, and that is the same as the general apportionment system which we have in California, predicated on the basis of the average daily attendance. There is one set of circumstances there, namely, the total number of children. When we bring in the other factor, it seems to me that in a way the States which are perhaps more progressive and are spending more on their educational institutions, and so forth, not only will carry their own burden but will also carry an additional burden for the States which are not quite up to those standards. Perhaps it might furnish an additional reason to take an active interest in raising the minimum wages, for instance, in order to bring up their per capita income, because an additional factor is found there. I wish to find out whether this formula is provided for in the existing law.

Mr. RUSSELL. It is not written out, because we have no statutory law on the subject at the present time. But it is being applied in the distribution of these funds. I may say to the Senator from California that I am not familiar with the laws of his State, but I would be very much surprised if he did not have in his State an educational equalization fund which is provided by the legislature of his State, a fund in the nature of a State equalization fund for education. I do not know a thing about the laws of the State of California, but if California does not have something in the nature of a State equalization fund to help the weaker and poorer schools, I venture to say it is the only State in the Union which does not have one, for every other State with which I have any familiarity whatever has a State equalization fund in its educational system, to help the poorer schools in the more remote areas, where there are lesser tax values—unless there is a State educational system paid for entirely by the State and with no control by local authorities.

Mr. MAYBANK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from South Carolina?

Mr. RUSSELL. I yield.

Mr. MAYBANK. Mr. President, I am glad to have an opportunity to say to the distinguished Senator from California that certainly in the Southern States the richer counties look out for the poorer counties by means of the State equalization fund. I wish to say that the only way to help the southern people is to raise the prices of agricultural products, so that those who work the land and till the soil will have an income commensurate with that had by the people of the richer States of the Union which are so highly industrialized, as is the distinguisher Senator's State, of which we are so proud.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. TAFT. One thing which interests me is that in the matter of apportionment, weight is given to the income payments of each State, with the result, for instance, that the State of Alabama receives $2,900,000 and the State of Ohio receives $2,600,000. In various places I have agreed to that kind of allocation. But the State of Ohio is more than twice as large and has twice as many children. In connection with the Senator's theory, I do not quite see why such an allocation is correct. If, when we reach the ultimate goal, $400,000,000 is being spent and if the Congress is appropriating $100,000,000 and if it has to be matched by the States on a basis of 3 to 1, it seems to me the apportionment of the $100,000,000 should be made in exact relation to the number of children who are being reached. Otherwise Ohio will have to match on the basis 8 to 1 or something of the sort, and the expenditure actually will be in the neighborhood of $500,000,000, $600,000,000, or $700,000,000, if we add all the additional money that will have to be provided by the other States.

Mr. RUSSELL. Mr. President, there may be instances in legislation where the sole factor in connection with the distribution of Federal funds is the idea of per capita distribution, but none comes to my mind at the present time. We certainly have never done it with respect to the distribution of Federal highway funds. In that connection we have a rather involved formula which takes into consideration the size of the State, the population of the State, the rural population, and various kindred matters.

There have been times when I have seen my State, which happens to be the largest State east of the Mississippi River, receiving less than other States east of the Mississippi River were receiving, and I wondered why. It was due to the factors involved in making up the formula for distribution of the funds. I do not believe there is anything unfair or unjust in——

Mr. TAFT. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. TAFT. I am now working on an aid-to-education bill, by which the State of Ohio would receive nothing. I do not object to the principle, but in this particular case I do not see how it would operate. The Senator is proposing that the whole matter be based on $100,000,000 from the Federal Government and $300,000,000 from the States, which will come almost entirely from the children themselves. When we once get to the point of covering the entire field, I do not see why the money should not be distributed in proportion to the number of children involved.

Mr. RUSSELL. Mr. President, since its inception this program has been based on need. If there is anyone in the world who believes that need can be met by a flat distribution on the basis of population in this country, I should like to hear his argument. There is only one way to get at the question of need. I refer to the ability to contribute to this fund on the part of those who put money into the funds which go to make up the matching quota which comes from the several States. This bill provides a formula to equalize opportunities between the children of the various sections of the country. No one should seek to deny a poor child in a poor State a lunch at school because both child and State are less able to pay than a wealthier child in a wealthy State.

Mr. TAFT. That might be a reason for Ohio contributing at a ratio of 6 to 1 in comparison to 3 to 1 in the South. It seems to me that the money should be related to the number of children involved.

Mr. RUSSELL. I do not think a program of this kind could be justified if it were not based on need. I do not think we could defend a flat distribution solely on population. I do not think it could be done with fairness. Under this bill, if any State does not utilize all its funds which have been apportioned to it, the Secretary of Agriculture can distribute those funds among the States which require additional funds. But certainly a program of this kind, which is based on need, should take into consideration the ability of the children and the parents of the children, as well as the local subdivisions of government, to contribute to a school-lunch program. I realize that I am a special pleader in that kind of a situation because I happen to represent a poor State. I am reliably informed that my State taxes itself for education more in proportion to its capital wealth than does any other State in the Union, and yet in such States as Ohio and California the teachers receive more sub-

stantial compensation than do the teachers of my State.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as part of my remarks a table showing the apportionment of funds to States on a basis of $100,000,000 under the provisions of Senate bill 9621.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Community school-lunch program—Apportionment of funds to States on basis of $100,000,000 under provisions of S. 962 [1]

Alabama	$2,944,800
Arizona	381,600
Arkansas	2,253,600
California	2,037,600
Colorado	533,200
Connecticut	496,800
Delaware	86,400
District of Columbia	187,200
Florida	1,130,400
Georgia	2,793,600
Idaho	288,000
Illinois	2,772,000
Indiana	$1,540,800
Iowa	1,231,200
Kansas	878,400
Kentucky	2,700,000
Louisiana	1,886,400
Maine	417,600
Maryland	756,000
Massachusetts	1,584,000
Michigan	2,145,600
Minnesota	1,483,200
Mississippi	2,880,000
Missouri	2,001,600
Montana	266,400
Nebraska	676,800
Nevada	43,200
New Hampshire	273,600
New Jersey	1,396,800
New Mexico	518,400
New York	3,895,200
North Carolina	3,650,400
North Dakota	374,400
Ohio	2,606,400
Oklahoma	1,742,400
Oregon	381,600
Pennsylvania	4,651,200
Rhode Island	237,600
South Carolina	2,167,200
South Dakota	403,200
Tennessee	2,599,200
Texas	4,399,200
Utah	331,200
Vermont	194,400
Virginia	$1,771,200
Washington	590,400
West Virginia	1,692,000
Wisconsin	1,533,600
Wyoming	144,000
Total	[2] 72,000,000

[1] Tentative. Subject to revision as later income and population information becomes available.

[2] Allows for deduction from total appropriation, according to the provisions of proposed legislation, as follows: (1) For direct apportionment to Alaska, Territory of Hawaii, Virgin Islands, and Puerto Rico, $3,000,000; (2) for administrative expenses, not to exceed 4 percent of the total, and for purchase of commodities for direct distribution, $25,000,000.

Mr. RUSSELL. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point as part of my remarks a table issued by the United States Department of Agriculture showing the participation in community school-lunch programs receiving USDA assistance and value of USDA contribution by States July 1, 1944, to June 30, 1945.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Participation in community school-lunch programs receiving USDA assistance and value of USDA contribution by States, July 1, 1944, to June 30, 1945

State	Programs receiving indemnity payments				Programs receiving direct distribution commodities			Total		
	Schools and child-care centers [1]	Children participating [1]	Meals served free daily [1]	USDA contribution	Schools and child-care centers [1]	Children participating [1]	USDA contribution [2]	Schools and child-care centers [3]	Children participating [3]	USDA contribution [2]
Alabama	700	127,221	20,065	$1,489,171	296	105,586	$66,279	1,064	186,610	$1,555,450
Arizona	137	25,692	2,284	301,130			6,871	137	25,692	308,001
Arkansas	617	78,428	10,252	904,516	570	96,687	151,438	737	115,138	1,055,954
California	979	150,728	9,997	1,691,935	5	2,000	53,715	984	152,753	1,745,650
Colorado	209	24,054	1,422	272,525	171	21,361	11,623	313	36,145	284,148
Connecticut	197	30,305	1,218	233,068	16	1,697	5,111	200	30,829	238,179
Delaware	75	11,627	1,218	150,593			10,741	75	11,627	161,334
District of Columbia	71	11,528	84	36,686				71	11,528	36,686
Florida	598	74,878	8,799	969,873	691	140,103	90,896	890	164,694	1,060,769
Georgia	1,243	173,799	25,793	2,103,673	2,033	331,723	461,689	2,118	342,379	2,565,362
Idaho	163	18,384	995	201,213				163	18,384	201,213
Illinois	1,565	316,689	21,315	2,437,528	195	100,452	67,135	1,572	336,020	2,504,663
Indiana	583	84,568	5,871	867,529	80	30,917	44,313	606	107,580	911,842
Iowa	543	61,264	4,320	580,948	40	6,299	2,504	548	63,459	583,452
Kansas	428	31,243	3,664	396,131	357	25,426	60,152	490	35,644	456,283
Kentucky	512	72,481	12,871	1,060,006	301	102,712	174,906	637	114,619	1,234,912
Louisiana	1,155	125,935	20,987	1,437,581	863	113,333	98,770	1,371	164,939	1,536,351
Maine	208	27,784	1,559	216,441	473	43,677	33,990	689	60,749	250,431
Maryland	233	35,056	6,526	273,164	895	193,062	32,233	1,103	225,100	305,397
Massachusetts	1,246	169,976	32,451	793,452	502	161,211	82,755	1,605	303,420	876,207
Michigan	1,018	190,072	9,163	1,494,170	136	34,486	30,029	1,025	205,015	1,524,199
Minnesota	946	117,682	13,512	902,007	498	151,260	58,545	1,072	225,556	960,552
Mississippi	604	69,166	7,233	912,903	389	49,738	111,781	722	115,385	1,024,684
Missouri	879	91,375	11,452	975,337	307	64,087	71,442	905	114,693	1,046,779
Montana	106	9,747	1,933	115,169	10	2,604	3,951	116	12,351	119,120
Nebraska	294	28,836	2,369	192,281	21	4,850	1,949	301	32,294	194,230
Nevada	26	2,360	401	27,612				26	2,360	27,612
New Hampshire	200	16,722	901	83,880	148	20,454	9,329	313	32,484	93,209
New Jersey	850	95,476	7,837	803,528	203	30,144	127,482	952	107,678	931,010
New Mexico	197	18,275	4,507	188,533	158	35,024	45,695	292	41,313	234,228
New York	1,912	385,093	40,762	2,971,632	952	175,199	76,423	2,710	537,639	3,048,055
North Carolina	895	176,727	17,239	2,255,659	1,016	246,815	262,990	1,157	271,301	2,518,649
North Dakota	382	18,044	5,322	125,182	33	3,168	3,990	385	18,426	129,172
Ohio	937	159,756	13,238	1,714,944	531	91,538	30,084	1,193	207,126	1,745,028
Oklahoma	1,170	84,305	16,292	1,004,066	1,121	100,072	93,094	1,414	117,585	1,097,160
Oregon	275	32,834	3,631	338,812			11,423	275	32,834	350,235
Pennsylvania	1,004	119,667	10,863	925,798	89	30,648	14,902	1,023	138,932	940,700
Rhode Island	176	21,217	684	138,694	324	91,649	24,087	493	111,335	162,781
South Carolina	1,867	183,369	28,458	1,938,555	2,996	378,860	381,856	3,096	386,593	2,320,411
South Dakota	183	12,440	3,276	167,573	48	5,547	13,215	196	14,531	180,788
Tennessee	1,165	122,863	15,770	1,639,902	551	145,712	124,374	1,479	187,629	1,764,276
Texas	2,088	224,539	30,376	2,936,803	1,891	298,019	205,079	2,642	375,202	3,141,882
Utah	232	42,711	1,302	308,917			9,226	232	42,711	318,143
Vermont	117	8,734	1,869	70,039	198	25,067	8,786	289	30,906	78,825
Virginia	657	85,537	11,766	909,950	496	112,008	46,114	924	169,287	956,064
Washington	409	63,655	3,711	642,221	98	24,840	14,876	507	88,495	657,097
West Virginia	988	68,024	11,304	740,503	1,141	103,475	113,261	1,384	119,653	853,764
Wisconsin	958	105,095	8,958	709,797	2	150	3,144	960	105,245	712,941
Wyoming	95	9,124	679	110,637				95	9,124	110,637
Alaska	5	622	380	10,704				5	622	10,704
Hawaii	146	57,488	3,310	274,695	50	32,569	31,901	196	90,057	306,596
Caribbean area					1,728	203,787	2,412,235	1,728	203,787	2,412,235
Total	32,543	4,273,195	480,189	42,047,666	22,623	3,938,016	5,796,384	43,480	6,655,458	47,844,050

[1] Participation data are for April 1945, the month when total participation was at its peak.

[2] Includes indemnity payments and the value of direct distribution commodities.

[3] Includes 11,558 schools with a participation of 1,547,655 children and 128 child-care centers with a participation of 8,098 who applied for and received both indemnity payments and direct donations of USDA commodities.

Mr. DONNELL. Mr. President, are amendments in order at this time?

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). The bill is before the Senate and open to amendment.

Mr. DONNELL. I send forward an amendment which I ask to have read.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 2, line 10, after the word "appropriated", it is proposed to strike out the words "out of money in the Treasury not otherwise appropriated", and insert in lieu thereof "out of the fund established under section 207";

On page 11, line 21, after the word "appropriated", to strike out the words "out of any money in the Treasury not otherwise appropriated", and insert in lieu thereof "out of the fund established under section 207"; and

At the end of the bill insert a new section as follows:

SEC. 207. The Secretary of the Treasury is authorized and directed, beginning with the fiscal year ending June 30, 1947, to deposit for each year in a special fund in the Treasury of the United States proceeds of taxes, duties, imposts, or excises in an amount equal to the aggregate of the amounts authorized to be appropriated for such year under this act. Amounts deposited in such fund shall be available for expenditure only pursuant to appropriations made under authority of this act. Any amounts remaining in the fund after the expiration of the period for which such amounts are available for expenditure shall be covered into the general fund of the Treasury.

Mr. DONNELL. Mr. President, I shall consume but little time of the Senate in discussing this amendment. It is based on the view which I presented rather extensively in connection with Senate bill 191 on December 10, 1945.

The view which I presented at that time is not entitled to be considered as an argument to the effect that this bill is itself unconstitutional without the inclusion of this amendment. I realize that this bill is, as was so clearly pointed out by the distinguished Senator from Alabama [Mr. HILL] last December with respect to Senate bill 191, merely an authorization bill. The same point may be made with respect to the ultimate appropriation bill. Nevertheless, Mr. President, I submit that the amendment which I have offered is an appropriate one, and that it should, in propriety, be adopted by the Senate to Senate bill 962.

The basis on which the amendment is presented is this: As could readily be determined from the line of inquiry which I addressed to the distinguished Senator from Georgia a few moments ago, there is no provision, so far as I know, in the Constitution of the United States under which an appropriation for the purposes sought in this bill can be made unless that provision be what is known as the general-welfare clause; namely, section 8 of article I of the Constitution of the United States. I made the point last December, with respect to Senate bill 191, that there is no general power conferred by the Constitution of the United States upon the Congress to enact legislation for the general welfare. The only power which exists in Congress to legislate along those lines, insofar as the general welfare is not included within the powers specifically subjoined after the first sentence of section 8, lies, as I have indicated, in section 8 of article I of the Constitution.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. PEPPER. Does the Senator recognize that the Congress has the authority to appropriate money for the national defense, and to provide for the security of the Nation?

Mr. DONNELL. Mr. President, in answer to the distinguished Senator from Florida, I think there are specific provisions in the Constitution which either expressly or by necessary implication confer authority on the Congress to raise armies, to carry on war, and to provide for the common defense.

Mr. PEPPER. Mr. President, the able Senator has not answered the inquiry which I addressed to him. A little while ago we discovered that approximately four and a half million men who are eligible for selective service by age were ineligible to serve their country because of mental, physical, or moral deficiencies. If the school-lunch program is for the purpose of improving the health of the boys and girls of the Nation, would it not contribute to the provision for the common defense, which is one of the cardinal fundamentals for which the Constitution was ordained and established?

Mr. DONNELL. Mr. President, in reply to the distinguished Senator from Florida, as I understand the law the Congress of the United States has no power which is not expressly or by necessary implication conferred upon it. There are distinct provisions in the Constitution which relate to the common defense. There are provisions with respect to the declaration of war, and to the carrying on of war, but there is no provision in the Constitution, as I am informed, which undertakes to authorize Congress generally to provide for the general welfare.

Mr. PEPPER. Will the Senator yield to me to ask one further question?

Mr. DONNELL. Certainly.

Mr. PEPPER. Does the Senator admit that the Congress has authority to legislate and to appropriate in aid of the national health?

Mr. DONNELL. I find nothing in the Constitution which authorizes such an appropriation, unless it be found in the portion of section 8 of article I which refers specifically to the general welfare.

Mr. BARKLEY. Will the Senator yield?

Mr. DONNELL. I shall yield in a moment. I do think there is power in the first clause of section 8 to cover the point to which the distinguished Senator from Florida refers. Nevertheless, if it be covered, it must be covered under and in compliance with the provisions of the first clause of section 8, and in a moment, after the distinguished Senator from Kentucky shall have addressed us, I shall be glad, if I may, to continue very briefly with my remarks.

Mr. BARKLEY. Mr. President, I merely wish to ask the Senator from Missouri under what provision of the Constitution Congress is specifically authorized to appropriate money out of the Treasury for relief in the case of great disasters, such as floods, fires, and earthquakes, as we have been doing for more than half a century. It might be difficult to find the specific provision in the Constitution which authorizes an appropriation to provide relief in cases of fire, or disasters such as floods and earthquakes, and other things, not only in the United States, but even in other countries. We have for more than half a century been appropriating money for those purposes without being required specifically to give by metes and bounds the limitations of the Constitution. Under what authority have we been doing that?

Mr. DONNELL. I know of no authority under which Congress can do it, notwithstanding the fact that it has been done; and I agree that it has been done. There is no provision in the Constitution of the United States to which, as I see it, attention could be called, authorizing an appropriation for relief in the case of floods or other disasters, save only under the general-welfare clause. I think that there is adequate provision under the general-welfare clause, provided the funds so used are derived solely from taxes, duties, imposts, and excises, to cover the situation to which the distinguished Senator from Kentucky refers.

Mr. WILLIS. Mr. President, will the Senator from Missouri yield?

Mr. DONNELL. I yield.

Mr. WILLIS. Is the Senator from Missouri conversant with the statement made by former President Grover Cleveland in vetoing a relief bill, that he could find nothing in the Constitution which permitted him to take the taxes of one group of people and give them to another?

Mr. DONNELL. I am not familiar with that reference, and I thank the Senator from Indiana for advising me of it.

Mr. President, the point which I make is, not that Congress is without power to provide for the general welfare. I make no such point as that. My point is, in substance, merely that Congress has no power to provide for the general welfare unless it does so under the provisions and the limitations of the first clause of section 8 of article I of the Constitution of the United States. To my mind that section gives adequate power, and permits Congress, within the limits therein specified, to make appropriations of the type to which I refer.

Mr. President, I was saying a few moments ago that as I understand the law, the Congress of the United States has no power unless it is found either expressly or impliedly within the Constitution of the United States. The Federal Government is not a government of unlimited powers, it is a government of limited powers, and the Federal Government of itself possesses no power independently of the Constitution of the United States.

Indeed, Mr. President, so careful were the framers of the amendments to the

Constitution to make sure that there should be no misunderstanding on this point that the tenth amendment provides expressly—

> The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

Mr. President, what is it that has been delegated to the Congress to do in respect to provisions for the general welfare? As I have said, there is no provision in the Constitution which even mentions general welfare save the first clause of section 8 of article I. It may be suggested, as indeed it has been by notable individuals in the past, that the preamble of the Constitution of the United States, by the use of the term "general welfare," itself indicates that Congress is possessed of the power to legislate generally for the general welfare. But that has not been the view taken by lawyers or by courts. The Supreme Court of the United States, in 197 United States, at page 11, speaking through Mr. Justice Harlan, said, in the case of Jacobson against Massachusetts:

> Although, therefore, one of the declared objects of the Constitution was to secure the blessings of liberty to all under the sovereign jurisdiction and authority of the United States, no power can be exerted to that end by the United States unless, apart from the preamble, it be found in some express delegation of power or in some power properly implied therefrom.

Story on the Constitution, volume 1, section 462, says this:

> Although that preamble indicates the general purposes for which the people ordained and established the Constitution, it has never been regarded as the source of any substantive power conferred on the Government of the United States or on any of its departments.

So, Mr. President, as I see it, under the holdings of the courts, the highest court in our land, and under the views taken by eminent lawyers such as Mr. Justice Story, it is clearly proved that the preamble of the Constitution of the United States does not confer upon Congress, or upon the Government itself, the general, unlimited power to which the distinguished Senator from Kentucky referred, to appropriate money generally for the general welfare, unless that authority can be found in the Constitution specifically or by necessary implication.

Mr. President, I have searched the Constitution. The distinguished Senator from Georgia declined a few minutes ago on three separate occasions to undertake to say under what clause of the Constitution an appropriation of this type is permissible.

I wish to make clear again, Mr. President, that I am not saying that this authorization bill is invalid because of the fact that it does not provide from which fund the appropriations ultimately shall be made. I do say, and I repeat, that it is appropriate to place in the bill a distinct statement, so that we may all know when we vote upon the bill, as to the funds from which these appropriations shall ultimately be made.

Mr. President, what is the provision of the Constitution of the United States with respect to the general welfare? Section 8 of article I, to which I have referred, reads, in part, as follows:

> The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States.

It has been distinctly held by the Supreme Court of the United States in the Butler case, in Two Hundred and Ninety-seventh United States Reports, that:

> The view that the clause grants power to provide for the general welfare independently of the taxing power has never been authoritatively accepted.

The Supreme Court of the United States says in the same case:

> The true construction undoubtedly is that the only thing granted is the power to tax for the purpose of providing funds for payment of the Nation's debts and making provision for the general welfare.

Mr. President, the amendment which I have proposed this afternoon undertakes to carry into effect the provisions of this article and section of the Constitution. It undertakes to set up a fund. I quote from my amendment:

> The Secretary of the Treasury is authorized and directed, beginning with the fiscal year ending June 30, 1947, to deposit for each year in a special fund in the Treasury of the United States proceeds of taxes, duties, imposts, or excises in an amount equal to the aggregate of the amounts authorized to be appropriated for such year under this act. Amounts deposited in such fund shall be available for expenditure only pursuant to appropriations made under authority of this act. Any amounts remaining in the fund after the expiration of the period for which such amounts are available for expenditure shall be covered into the general fund of the Treasury.

So, Mr. President, the amendment and the subordinate, ancillary portions of the amendment, which I have offered, carry into effect this provision of the Constitution of the United States. It enables Congress to authorize the appropriation of funds for general welfare, but solely from the specific portions of the revenues of our country which are recognized in section 8 of article 1 as the only sources from which appropriations for general welfare may be made, namely, taxes, duties, imposts, and excises.

Mr. President, I shall not press this point more extendedly. I went into it fully last December, and my views are set forth in the CONGRESSIONAL RECORD, volume 91, part 9, pages 11725 and following in the proceedings of the United States Senate of that date.

I desire to say, however, that this is not merely a technical captious point. In the first place, the appropriation, if it shall ultimately be made in pursuance to this authorization bill, cannot, as I see it, under the Constitution of the United States, be validly made unless that appropriation is limited to a fund derived from taxes, duties, imposts, and excises.

In the second place, Mr. President, there is sound reason why appropriations should not be made for the general welfare unless, as I have indicated, the objective sought to be attained is included in the specific powers subjoined under the welfare clause. There is good reason, I say, why such an appropriation for general welfare should not be made from sources other than taxes, duties, imposts, and excises, and that reason, Mr. President, is the fact that it is very wholesome indeed that this Nation should confine itself, so far as is possible, to its revenues for the objects of its expenditures.

I realize that in time of war, in time of great public disaster, there may be occasions when the Federal Government necessarily must resort to tremendous issues of bonds, as it has done, when it must increase the national debt, as it has done, until it is now, as I recall, approximately $280,000,000,000. There is adequate constitutional authority to increase the national debt for the defense of our country, for the maintenance of armies, and for the prosecution of wars; but, Mr. President, when in time of peace we come to consider subjects such as the school-lunch program—and I want to say that I have no opposition to the purpose of this bill; I am for a proper school-lunch bill, and think it is a good thing—it is very easy, unless the Congress of the United States shall recognize the limitations of its powers, to expend $400,000,000 here, $500,000,000 there, $2,000,000,000 some place else, and $500,000,000 in some other direction. And, Mr. President, how can it be done? Only by deficit financing.

I say that the time has come when the Congress of the United States should have brought back to it the realization that just as in the case of an individual, it behooves our Nation to confine itself within its revenues. This amendment of mine does not mean that every dollar that is paid out in school-lunch funds shall be derived in the same year in which it is paid out, from taxes, duties, imposts, or excises. There is a provision in the amendment, as I have indicated, for the setting up of the fund, and a provision for the return into the Treasury of moneys unexpended. But, Mr. President, my amendment undertakes to make Congress mindful of the fact that in these vast extensions of United States Federal Government functions we should confine ourselves within the limits of the Constitution of the United States, so that we shall not go into the ramifications and tremendous possibilities of deficit financing for the carrying on of projects which we have no power to carry on same only under the so-called general-welfare clause.

So, Mr. President, first on the ground that ultimately an appropriation cannot be validly made by the Congress for the purposes embraced by this measure unless the appropriation shall be limited to funds derived from the taxes, duties, imposts and excises; and, second, on the ground of sound public policy—sound public policy which would direct us to habits of industry and frugality and a policy of pay-as-you-go—I submit that my amendment should be adopted. We should not carry on, to an unlimited extent, all these vast projects of governmental expenditures by deficit financing.

Mr. President, I do not desire to consume longer the time of the Senate. I realize that the Senate passed upon this matter in connection with S. 191, but I deem it my privilege at this time to present again the point, and I urge at this time the adoption of the amendments which I have proposed, and which with my consent and with that of the Senate may be treated as one amendment, for the purpose which I have attempted to indicate.

Mr. ELLENDER. Mr. President, has the Senator any idea how much, by way of taxes, is obtained each year from the sources he has just specified?

Mr. DONNELL. I do not, Mr. President.

Mr. ELLENDER. If the Senator's amendment should be adopted would it not sound the death knell to this bill?

Mr. DONNELL. Mr. President, I do not know the effect. My judgment is that there are ample funds flowing into the Treasury from taxes, including income taxes, duties, imposts, and excises, to pay for a vast number of public enterprises of one kind or another. But, if it is indeed true that under existing revenue laws there is not sufficient money coming in from these sources, that in itself is a strong warning to our country to begin to haul in our sails and to prepare ourselves so that we will not engage year after year in deficit financing. If there is not sufficient money coming in by way of revenue, if sufficient money cannot be raised by revenue, then we had better know that fact.

The PRESIDING OFFICER. Is there objection to the request made by the Senator from Missouri that his amendments shall be acted on en bloc? The Chair hears none, and it is so ordered.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hart	Pepper
Austin	Hatch	Radcliffe
Bailey	Hayden	Reed
Ball	Hickenlooper	Revercomb
Bankhead	Hill	Robertson
Barkley	Hoey	Russell
Bilbo	Huffman	Saltonstall
Brewster	Johnson, Colo.	Shipstead
Bridges	Johnston, S. C.	Smith
Briggs	Knowland	Stanfill
Buck	La Follette	Stewart
Bushfield	Lucas	Taft
Butler	McCarran	Thomas, Okla.
Byrd	McClellan	Thomas, Utah
Capper	McFarland	Tobey
Carville	McKellar	Tunnell
Chavez	McMahon	Tydings
Cordon	Magnuson	Vandenberg
Donnell	Maybank	Walsh
Ellender	Mead	Wheeler
Ferguson	Millikin	Wherry
Fulbright	Mitchell	White
George	Moore	Wiley
Gerry	Morse	Willis
Gossett	Murdock	Wilson
Green	Myers	Young
Guffey	O'Mahoney	
Gurney	Overton	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS], and the Senator from New York [Mr. WAGNER] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from California [Mr. DOWNEY], the Senator from Mississippi [Mr. EASTLAND], the Senator from West Virginia [Mr. KILGORE], and the Senator from Texas [Mr. O'DANIEL] are detained on public business.

The Senator from Montana [Mr. MURRAY], and the Senator from Idaho [Mr. TAYLOR] are absent on official business.

The Senator from Texas [Mr. CONNALLY] is absent on official business as a representative of the United States to the General Assembly of the United Nations.

Mr. WHERRY. The Senator from Illinois [Mr. BROOKS] is recovering from a recent operation.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate on official business of the Small Business Committee, of which he is a member.

The Senator from New Jersey [Mr. HAWKES] is necessarily absent.

The PRESIDENT pro tempore. Eighty-two Senators have answered to their names. A quorum is present.

Mr. DONNELL. Mr. President——

Mr. BARKLEY. Mr. President——

Mr. DONNELL. I yield to the Senator from Kentucky.

Mr. BARKLEY. I wish the floor in my own right. I thought the Senator had yielded the floor.

Mr. DONNELL. No. Let me say to the Senator from Kentucky that in view of the fact that so few Senators were present when the amendments were offered that I thought I should make a brief statement. However, if the Senator wishes the floor, I shall yield to him.

Mr. BARKLEY. No; I thought the Senator had finished.

Mr. DONNELL. I had finished, except for the quorum call.

Mr. BARKLEY. I hope it will not be necessary to have another quorum call after the Senator finishes this time.

Mr. DONNELL. I hope not.

Mr. President, the occasion for the vote which is about to be taken is the presentation of an amendment to Senate bill 962. A few moments ago I stated to Senators who were present in the Chamber the view on which the proposed amendment is based. I ask the indulgence of the Senate for a few minutes, in view of the fact that a very considerable number of Senators are now present who were not present at that time, to state the basis on which the amendment depends.

The bill is entitled: "A bill to provide assistance to the States in the establishment, maintenance, operation, and expansion of school-lunch programs, and for other purposes."

The distinguished Senator from Georgia [Mr. RUSSELL], when on his feet earlier this afternoon, was interrogated by me as to the specific provision of the Constitution of the United States on which the bill depends. I should more correctly have asked upon which an appropriation made pursuant to the bill would depend.

Mr. President, I have offered three amendments, but they are all designed for the same purpose and may be considered together. They are as follows:

On page 2, lines 10 and 11, to strike out the words "out of money in the Treasury not otherwise appropriated" and insert in lieu thereof the words "out of the fund established under section 207."

A similar amendment is proposed on page 11, lines 21 and 22.

At the end of the bill I propose to insert a new section, to read as follows:

SEC. 207. The Secretary of the Treasury is authorized and directed, beginning with the fiscal year ending June 30, 1947, to deposit for each year in a special fund in the Treasury of the United States proceeds of taxes, duties, imposts, or excises in an amount equal to the aggregate of the amounts authorized to be appropriated for such year under this act. Amounts deposited in such fund shall be available for expenditure only pursuant to appropriations made under authority of this act. Any amounts remaining in the fund after the expiration of the period for which such amounts are available for expenditure shall be covered into the general fund of the Treasury.

Mr. President, the theory of this amendment is that the only possible basis on which the bill can depend is that it involves a contribution to the general welfare of the United States. If that be true, if that is the only basis upon which the bill can depend, the only authority for the appropriation which would ultimately be made is that contained in section 8 of article I of the Constitution of the United States, which reads, in part, as follows:

The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States.

The proposition to which I address myself is that the Government of the United States being one of limited powers, and the Congress of the United States being a body of that government of limited powers, there is no power to legislate generally for the general welfare of the United States, save only as that power is derived from section 8 of article I, from which I have read an excerpt. There are certain specific powers leading, of course, to the general welfare, which are subjoined in section 8 below the portion to which I have referred. Congress has power for illustration, to establish post offices and post roads. The mere fact that that contributes to the general welfare of the United States does not deprive the Congress of the right to establish such offices or roads, but as I have indicated, the power so to do is derived from an express provision contained in so many words subjoined below that portion of section 8 which I have read in exact words.

Mr. President, if the pending measure is based upon the proposition that it provides for the general welfare of the United States, there is no provision in the Constitution which even mentions the general welfare, save only the first clause of section 8 of article I, to which I have referred.

I pointed out earlier this afternoon that although the expression "general welfare" appears in the preamble to the Constitution, it has been held from time to time, and is uniformly admitted by both the courts and by distinguished writers, that the preamble carries no legislative power whatsoever and grants no legislative power.

I wish to read one sentence which I mentioned a while ago, from Story on the Constitution, volume 1, section 462. The learned justice said:

> Although that preamble indicates the general purposes for which the people ordained and established the Constitution, it has never been regarded as the source of any substantive power conferred on the Government of the United States or on any of its departments.

So, Mr. President, we come to section 8 of article I of the Constitution as the sole basis on which an ultimate appropriation for this school-lunch program can be made. I wish to say in passing, so that there may be no doubt about this matter, that I am not opposed to a school-lunch program. I think it is entirely possible to carry into effect the beneficence of such a program and to do so entirely in accordance with the provisions of the Constitution of the United States, but when we adopt legislation later on to make the necessary appropriation I think we must bring ourselves within the provisions of section 8 of article I to which I have referred.

Mr. President, the language I have read from section 8 clearly, as has been determined by the courts more than once, does not grant a separate power to provide for the general welfare of the United States. The Supreme Court, speaking in the Butler case in 1935, said:

> The view that the clause grants power to provide for the general welfare independently of the taxing power has never been authoritatively accepted.

The Court further said in the same case:

> The true construction undoubtedly is that the only thing granted is the power to tax for the purpose of providing funds for payment of the Nation's debts and making provision for the general welfare.

So, Mr. President, we are confronted by the fact that Congress is without power to make a general appropriation for general welfare, save only under the provisions of section 8 of article I which limit the sources from which the expenditures may be made, stating that they may be made only from taxes, duties, imposts, and excises.

The purpose of the amendment I have offered is to accomplish that very thing. A little while ago the distinguished Senator from Louisiana asked whether I knew of the amount of money that it is estimated will come into the Treasury at the current time. I take it, he meant by way of taxes, duties, imposts, and excises. I was unable to answer his question at the moment, although I recall that the distinguished Senator from Alabama [Mr. HILL], speaking last December, very kindly gave us figures which in the interim this afternoon I have located. The distinguished Senator from Alabama pointed out that the estimated receipts from income taxes, excise taxes, and customs duties for the year 1946 are $37,868,430,000, that the estimated receipts for the last year—1945—were $41,932,890,000, and that for 1944, the actual figures for receipts from those specific sources, which are the sources referred to in section 8 of article I of the Constitution, were $40,377,143,079.

So, Mr. President, the amendment to which I have referred, and which I have offered this afternoon, does not undertake to limit the expenditure of these funds to a minute, infinitesimal fund which may be found in some corner of the Treasury. There will be on hand, according to this estimate, thirty-seven-billion - eight - hundred-and-some-odd-million dollars, which will be available from the sources of taxes, duties, imposts, and excises.

Mr. President, my proposition is not based on a mere technicality. In the first place, I am one of those who believe that the observance of the Constitution of the United States is in itself not a mere technicality. I take it that the Congress of the United States, including all Senators, are bound by obligations to support and maintain the Constitution. While there may be differences of opinion as to what the Constitution may mean or what may have been in the minds of those who drafted it, nevertheless, agreeing—if we do—that this is the only provision which authorizes the expenditure of funds for general welfare purposes, I undertake to say that it is our duty under the Constitution, and not as a matter of a mere technical obligation on our part, to see to it that the appropriations for these purposes shall be held closely within the limit of taxes, duties, imposts, and excises, which are the only sources of funds under section 8 of article I of the Constitution from which a general appropriation of funds for the general welfare can be made.

Earlier this afternoon the distinguished Senator from Kentucky [Mr. BARKLEY], the majority leader, inquired as to the source of authority for paying moneys for relief in the event of a great disaster of some kind. I undertake to say that the same principle to which I have adverted this afternoon applies in such cases, and the mere fact that in the past the Congress may not have followed the provisions of the Constitution by limiting the appropriations to funds coming from the sources mentioned in section 8 of article I does not mean that we have the right to disregard that provision of the Constitution.

Mr. President, not because this bill, which is a mere authorization bill, will be unconstitutional without the inclusion of the amendment which I have caused to be prepared, but because the ultimate appropriation must be confined to an appropriation of funds coming from the sources I have mentioned, I submit that it is within the bounds of propriety that we should include within the bill itself a distinct provision showing the intent to pay those moneys from those sources exclusively.

The second point I have made this afternoon—and I repeat it now—is that, not merely from the standpoint of constitutional law, not merely from the fact that we are a body having limited powers, not merely from the fact that we have no authority to make any general provision for general welfare unless the funds shall be paid from taxes, duties, imposts, and excises, but from the standpoint of sound public policy it behooves us to see to it that we shall confine expenditures of this type within constitutional limits. I say that for the reason that we have seen the necessity in our country, very largely because of the great war in which we have been engaged, of having our debt mount to approximately $280,000,000,000, as I believe it now is. We have seen that done. We have seen it done, I take it, in large part by constitutional means, in the preservation of our Nation in prosecuting the war.

But when in time of peace hospital bills, school bills, school-lunch bills, and many other bills which have beneficent purposes are brought before us, in the first place it behooves us to see to it that we shall not indefinitely finance operations of this kind by means of deficit financing, by the expenditure of moneys derived from the sale of bonds, by the indefinite expansion of our credit, not only creating inflation, but ultimately bringing about disaster, to our country, unless we call a halt to it.

So Mr. President, in offering my amendments I say that they are based, first, upon sound constitutional principles, as I view them. Secondly, they are based upon the equally sound financial proposition that we in the Senate should see to it that the funds to be provided for purposes of this kind shall not be derived from deficit financing, but shall be taken from the only sources from which, under the Constitution of the United States, such moneys may be legitimately paid.

So, Mr. President, I have presented my amendment—in fact, three amendments, which I have indicated may be treated as one—and I thank the Senate for its attention to this further statement of my position.

The PRESIDENT pro tempore. The question is on agreeing to the three amendments offered by the Senator from Missouri [Mr. DONNELL], which are to be considered en bloc.

Mr. BARKLEY. Mr. President, I do not wish to detain the Senate for more than a few minutes, and I do not wish to engage in an extended argument relative to the question presented by the Senator from Missouri. To my mind, it would be almost incredible that the Senate should adopt the amendment proposed to the bill by the Senator from Missouri. In the first place, it is unnecessary, even in compliance with the Constitution as interpreted by the Senator from Missouri. In the next place, it has never been adopted as a policy of Congress, when appropriations of this kind are authorized or even made, that the Congress should set up in the Treasury a special fund for the purpose of consummating the authority or the appropriation.

I wish to refer to section 8 of article I of the Constitution merely by way of interpretation, even under the narrow and restricted interpretation given to it by the Senator from Missouri. Section 8 enumerates the powers of Congress. Among those powers is the power to borrow money on the credit of the United States. That is all it says on the subject. It does not say for what purposes money may be borrowed, but we may assume that the Congress has authority to borrow money on the credit of the United

States for any purpose for which it has authority to appropriate money. But the language of the Constitution is without limit or restriction as to the purposes for which money may be borrowed.

If we may paraphrase the first paragraph of section 8 of article I of the Constitution, which I think is not inappropriate, in order to find out what it means, we might read it this way—skipping the part about paying the debts:

> Congress shall have power to lay and collect taxes, duties, imposts, and excises for the purpose of providing for the common defense and for the purpose of providing for the general welfare of the United States.

Then it goes on to provide that all taxes, and so forth, shall be uniform.

The Congress is authorized, by that first paragraph of section 8 of article I, to provide for the common defense of the United States; that is to say, the Congress can raise an Army and a Navy and can indulge in whatever expenditures may be necessary in order to provide for the common defense of the United States.

In order to pay for those expenditures for the common defense we are authorized to lay and collect taxes. Those two clauses are not joined together like the Siamese twins. Not only has Congress the power to provide for the common defense of the United States, but to provide for the general welfare of the United States, and in consequence of that power, to lay and collect taxes for those purposes, and also to pay any debts which may be incurred.

The language does not say that Congress must set aside a special fund in the Treasury out of taxes, imposts, and excises for any particular purposes. There is no requirement that a special fund must be set aside in the Treasury out of anything which the Government collects in the way of taxes, or anything else, to perform a particular function for which Congress may provide. If, under the Constitution, we are required to set aside a special fund out of taxes in order to provide for the general welfare, and the Senator from Missouri admits that we have a right to provide for the general welfare, then we are likewise required to set aside a special fund in the Treasury to provide for the common defense.

Mr. DONNELL. Mr. President, will the Senator yiled?

Mr. BARKLEY. I shall yield in a moment.

Mr. President, no one has ever contended that we should do that, and it has never been done. No one ever raised the question of the propriety of not doing it for the common defense of the United States and under section 8, paragraph 1, the common defense, the general welfare, and the payment of public debts are all put on an equal basis, and with equal authority. There is no distinction to be drawn between them.

I now yield to the Senator from Missouri.

Mr. DONNELL. Mr. President, does not the Senator from Kentucky believe that in the case of common defense there is a special provision further down in the constitutional provision to which he has referred, giving Congress first the power to declare war, second, the power to raise and support armies, and third, the power to provide and maintain a navy? Those distinct provisions are in the Constitution.

Mr. BARKLEY. Oh, yes; they are there, but they are only in amplification of the provision in the first paragraph of section 8 providing for the common defense. The common defense may be provided for by an army or by a navy; those are particularizations of the manner in which we may provide for the common defense.

Mr. DONNELL. Under the first clause of section 8 of article I, it is true that Congress shall have the power to lay and collect taxes, duties, imposts, and excises, to pay debts, and provide for the common defense and general welfare of the United States. However, is it not also true that the only provision in the Constitution with respect to the general welfare is that in the sentence which I have just read, whereas the power to lay and collect taxes, and thus provide for armies, and thus provide for the common defense, and thus provide for and maintain a navy, are created by express powers? Consequently, of course, Congress would have the power, under this language, to lay and collect taxes, duties, imposts, and excises, and so forth, but there is no provision in the Constitution which mentions the words "general welfare," except as may be declared by one of the courts. I read the following language from Professor Rottschaefer, of the University of Minnesota. He cites the Butler case, and then continues:

> It is merely a specification of one of the purposes for which Congress may lay and collect taxes and for which it may appropriate the moneys raised by taxation, and constitutes a limitation thereon.

Mr. BARKLEY. Mr. President, I contend that if there were no further reference later on in section 8 about raising an army, or providing for a navy under the provisions of paragraph 1 authorizing Congress to provide for the common defense, we could raise an army as large as we wanted, or raise a navy as great as we wanted, because when Congress is authorized to provide for the common defense it is authorized to do whatever is necessary to provide for the common defense, and even if it were not mentioned in later language, we could raise an army and provide for a navy or do anything else necessary to provide for the common defense. Therefore, those later references are only amplifying provisions in the first paragraph of section 8, article I of the Constitution.

Mr. DONNELL. Why was it necessary or advisable to set forth distinct and specific provisions authorizing the Congress to declare war, raise and support armies, and provide for the maintenance of navies?

Mr. BARKLEY. Of course, the Senator knows that in writing language, its authors who are anxious that there may be no misunderstanding sometimes amplify and particularize. But the fact that they incorporate a specific provision authorizing the Congress to provide an Army or Navy does not in any way take away from the first paragraph of the section the power which Congress would have to provide for the common defense in any way it might see fit to do so, even if the language specifically empowering them were not present.

Mr. President, I promised that I would not go into a constitutional argument, and I shall not do so. I hope the amendment will be defeated because it is not necessary. The Constitution does not require it. If, when we undertake to provide lunches for children who cannot otherwise provide for themselves proper nutrition, we adopt amendments such as the one now proposed, we will establish a precedent which will plague us for days to come, because appropriations for the general welfare, or the common defense, or for the payment of debts would require that we set aside a fund for that purpose. I hope the amendment will be defeated.

The PRESIDENT pro tempore. The time having arrived to vote on the three amendments en bloc, the question is on agreeing to the amendments offered by the Senator from Missouri [Mr. DONNELL].

The amendments were rejected.

The PRESIDENT pro tempore. The bill is still before the Senate and open to amendment.

Mr. TAFT. Mr. President, I offer an amendment on page 2, line 12, after the word "exceeding", to strike out $100,000,000 and insert "$57,500,000."

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Ohio.

Mr. TAFT. Mr. President, I have listened with interest to the argument of the Senator from Missouri [Mr. DONNELL] and to the argument of the Senator from Kentucky [Mr. BARKLEY]. I believe that we have a gage, long established in the general practice of State-aid programs by which the Federal Government assists the States, which makes it too late to question the possibility or the constitutionality of this particular program. I do not see any advantage of fixing our bookkeeping, so to speak, so that these appropriations will be paid out of taxes, and we will borrow money for some other constitutional programs which are directly authorized by the Constitution. If we could, by that means, eliminate all deficits, there would be very much to be said in its favor. I believe, however, as the Senator from Missouri has pointed out, that there is no express constitutional authority for these State-aid programs, but we have gradually drifted into them. In all of them the Federal Government is assuming to put up Federal taxes for functions which are primarily those of the States, and localities concerned. Theirs is the primary responsibility, under the Constitution, for education. Theirs is the primary responsibility for help. Theirs is the primary responsibility for housing, and for all the social welfare activities in which Government today is engaged.

The question which has concerned me for a number of years is, What is the justification for, and under what circumstances should the Federal Government interest itself in helping the States to do the things which they are authorized to do and, under the Constitution, are primarily responsible for doing?

I think it may be said that the Federal Government is interested in all matters, but that its obligation is secondary, and it has the right to help the State when it is necessary to do so. I believe, however, there are certain conditions which should be attached to any assistance to be given the States. In the first place, I think we should make fairly certain that the States cannot do the work themselves. If they can do it, I think theirs is the responsibility for doing it.

Today the States and local governments raise approximately $10,000,000,000 annually for the purpose of paying their expenses. Their power to tax is limited. It is limited not so much by law or by actual circumstances. When the Government gets to a point where it is taking 25 percent of the national income, the large sources of taxation must be personal and corporation income.

No State can very effectively reach those incomes, because if the taxes of a given State become very much higher than those of other States, the people with the large incomes leave that State and go elsewhere, to Florida, perhaps, where there is no tax on incomes. If one State taxes corporations at rates higher than other States do, they are likely to build their next plant on the other side of the State line. We had that situation very clearly before us in Ohio and Pennsylvania when there was question as to where new steel plants were to be built. So there is a practical limit on the States' ability to tax and to raise money.

As the activities we are considering become of more importance, the only practical way in which they can be handled is by some Federal assistance. There are various matters in which the States are not able to go further. We had the most typical example in the relief situation, and we might have it again. A vast amount of unemployment creates conditions which the States are unable to handle. The States always have been responsible for poor relief and relief of all kinds, but the burden was so much greater than they could possibly meet that the Federal Government stepped in and helped them. In other fields we see the same thing, particularly in fields where a State has never operated. There is difficulty in the State increasing its revenues.

I opposed in part the program of Federal aid to general education, because State systems are generally tuned up to the support of education and payment for education. That is one thing the State tax systems have been built up to take care of, to a large extent, perhaps not completely, but nevertheless more so than as to other matters.

In health programs the States have not been very much accustomed to spending State and local money in such volume as is required for a complete health program. They have never spent much money on housing. So that there are fields in which the States cannot very well expand without upsetting existing services in which they are primarily interested.

The first requirement of any program is, I think, that we must be fairly sure that the State cannot carry it on. I have some doubt about this lunch program on that ground. The amount involved is not large. If the bill provided for $100,000,000, the State of Ohio would get only $2,600,000, and we are spending more than $100,000,000 on education. It would not be very difficult to squeeze out a little more money for school lunches. Yet, of course, it is true that the States never have spent money on school lunches, and are not spending any today. There may be some justification, therefore, for going into that field.

In connection with these matters the primary interest of the Federal Government must be in helping those who cannot help themselves, that is, not in helping everyone in the States, but helping those who do not have enough income to help themselves. Personally, I believe we should take an interest in seeing that the States provide a floor under subsistence, under housing, and under health. Education is already provided for to a large extent. It seems to me there is another requirement, however, that is, if we are to help the States, they will have to take an interest. They should take the initiative in the proposition. They should put up some money. So far as I can see, under the bill the States are not to do a great deal.

In connection with the housing bill the distinguished Senator from Louisiana [Mr. ELLENDER] has insisted that if any community wants a low-rent housing project for the poor people of the State, the State and the governing body of the locality affected shall take the initiative. Of course, under the housing bill they must put up, in the form of tax exemption or otherwise, at least 20 percent of the total money which is expended. The State must have the administration, or we will have Federal bureaus all over the country. It seems to me obvious that the State must put up some money, it must show it does take an interest by putting up money, it must take the initiative, and it must have the administration of the program.

By that test I am also rather doubtful about the bill, because under the plan described by the distinguished Senator from Georgia [Mr. RUSSELL] it is not clear that the States or localities are going to put up a cent to match the Federal money. They are supposed to put up $1, and later $3, for every dollar of Federal money, but the statement is that each dollar should be matched "during such year by $1 from sources within the State determined by the Secretary to have been expended in connection with the school-lunch program under this title."

The Senator from Georgia says the bill is intended to include the money school children pay for their own lunches, so that most of the matching that is done comes from school children or their parents. It does not come from the State; it does not come from the local school district. In some States local school districts do not put up a penny. In some places they do. I imagine that if they get up to a 3-to-1 matching basis, they will have to put up some money, but there is no real evidence of that fact.

Mr. President, there is one other requirement, namely, that the total amount of money expended by the Federal Government in helping the States should not be so great as to cause a deficit to be incurred by the Federal Government or reach such a figure as to impose an excessive tax burden on the citizens of the country. We have to remember that if the States cannot raise the taxes, cannot devise a taxing system to pay for these activities, it has been 15 years since the Federal Government has been able to devise a tax system under Federal law by which it can pay the expenses of the Federal Government. We hope we are coming to a day when that condition will not exist, but it is not at all certain that practical limitations on the Federal Government are not such as to make it impossible to spend the amount of money we seem to be planning to spend.

The next consideration is that when we approach State-aid programs we have to approach them with a view of making them as limited as possible, not spending more than we have to spend. I think we should have found out long ago what the fields are with which we are going to deal. There are bills in the Senate, in different committees, calling for the Government to pay three or four billion dollars a year for State aid under various projects. I do not consider that that can possibly be done. Under the absolutely essential requirements of the Government, our expenditures will be fairly close to the amount of money raised under the present tax system, and I have not seen how we could add three or four billion dollars of Federal expenditure in aid to States and hope to hold the tax system to figures which will not be so burdensome as absolutely to destroy the very industries from which the taxes must ultimately come.

Mr. President, I think the most important field of all with which we are concerned is health. I think that before we get through the Federal Government will have to appropriate a considerable amount for aid to the States in health programs. I think we are going to have to do something to help the situation in those States which are unable to provide proper education for their children. I think particularly the situation with the colored children in the South is one with which the Federal Government will have to concern itself. I believe very strongly we should concern ourselves with housing.

It seems to me that the hundred million dollars provided in the pending bill is out of all proportion to the rest of the program. As I see it, we cannot afford to spend more than half a billion to a billion, as little more than half a bill as possible, in these new State-aid programs, and it appears to me that $100,000,000 for this particular program is entirely out of proportion to the total scale of spending for State-aid programs which apparently are to come before us.

The whole housing program, covered in the bill introduced by the distinguished Senator from New York [Mr. WAGNER], the Senator from Louisiana [Mr. ELLENDER], and myself will cost the Federal Government, I estimate, less than $150,000,000 a year, and certainly

the housing of the poor people of this country is of much greater importance than providing lunches for the school children. After all, that really is part of a general health program. If it may be justified at all, it can be justified as part of a general health program, and it is only one feature of a general health program.

We are concerned about the health of children; we are concerned about the health of adults; we are concerned about adequate hospital service. When the hospital bill was before the Senate, the total appropriation was $100,000,000, and we cut it down to $75,000,000 merely because we could not foresee what the total program was going to be. We have various extensions of the Public Health Service. There are all sorts of public-health activities for which the Surgeon General estimates a requirement of $700,000,000 a year. I think we can provide for them for two or three hundred million dollars, and I do not mind including in that something for school lunches, as part of a general health program. But I think the hundred million dollars in the bill before us is out of all proportion to the other matters which the Congress is going to be called upon to do.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. RUSSELL. The Senator says he can appreciate the fact that the school-lunch program is a part of the health program. I am sure he will also agree that it assists in the general educational program, because a child that has a good lunch naturally is more receptive to teaching than one that has not.

Mr. TAFT. I think the relation to education is rather remote. I think it really must be justified on the ground of its relation to the health program.

Mr. RUSSELL. I shall not argue that, but I want to point out to the Senator that if his amendment were to prevail, not only would he freeze the present school-lunch program where it is in the States, but the funds he would allow would not even be sufficient to carry on the present program.

The Senate has already on another occasion in a deficiency bill adopted an amendment increasing the appropriation by $15,000,000. It was clearly demonstrated that amount would be necessary to carry on the program in the schools where it already is operating at the present time. And certainly it would seem to me unfair to discriminate against schools which have not heretofore gone into the program, by forbidding any expansion in the future. Now under the accelerated State contribution required by the bill and the $100,000,000 authorization we can soon reach all the schools. But if the amendment offered by the Senator were to prevail, those who have been awaiting enactment of statutory authority and who are anxious to have the school-lunch program, would be absolutely denied any Federal aid whatever.

Mr. TAFT. Let me suggest a way in which they can get the money. Today there is not a State in the Union that is putting up any State money, so far as I know, for a school-lunch program.

Mr. RUSSELL. The Senator is absolutely in error in making that statement. I did not correct him a few minutes ago when he made a similar statement. There are, however, a number of States which make a specific appropriation for that purpose. My own State makes a modest appropriation for that purpose. We make a specific expenditure out of State funds in each year. I know there are other States that make specific appropriations for that purpose. They are compelled to defray all the cost of supervision and administration within the State, and some of the States make additional appropriations for the purpose of the lunch program generally.

The Senator has stated, I think, in broad outlines a very fine formula for State grants in aid, but I cannot for the life of me see why he should want to circumscribe a philosophy of expansion such as this bill provides, by defeating an increase of funds from other than Federal sources.

Mr. President, it seems to me that we ought not to quibble so much over the relatively small amounts of money involved. The Congress of the United States, without batting an eye, appropriated $2,700,000,000 for UNRRA. That money goes overseas. There is nothing about UNRRA in the Constitution, I might say to my friend the Senator from Missouri, who said that there was nothing about school lunch spelled out in the Constitution; and therefore I say to him that there is nothing in the Constitution of the United States about UNRRA. Congress voted $2,700,000,000 for UNRRA. That amount of money would finance this whole program for 27 years, and if we were to add the interest that would accumulate over the 27-year period it would doubtless be sufficient to finance the program for 40 years. The appropriation for UNRRA was made without a record vote, or even an extended discussion. Yet we split hairs on such a matter as that which is now before us to help our own children.

Mr. TAFT. Mr. President, let me say that if we were to accept that particular argument it would make it impossible for us to oppose any expenditure of money. Once it is admitted we spent $50,000,000,000 for the war, once we admit that in cleaning up the war we are spending $13,000,000,000 for the armed forces this year, once we admit we are spending $2,700,000,000 to try to get the world on a peaceful basis and try to establish a permanent peace as a part of the aftermath of war—if that is to be used as an argument for spending any money at all at home, then there is no use of trying to oppose any measures which may come before us. Under the same argument we could increase our Budget $25,000,000,000 or $30,000,000,000 a year. If we accept such an argument, the whole basis of discussion is eliminated.

No, Mr. President; we have to get away from the war psychology. We have to consider what is to be our permanent Budget. We have to consider that now we must raise every year the money to pay for this particular expenditure and other expenditures. This is only one of thousands of expenditures at home, compared to one expenditure abroad. It seems to me that we must consider the expenditures of the Government in the light of the fact that we are limited to the amount of money we can raise, that we are limited to the amount of money the Government can pay, and that we have to consider each proposal on its own merits. We have to take all the proposals presented, which call for many times what we can afford to expend, and boil them down, and judge which are most important, and allot the right amount of money to those particular purposes.

This is a very elastic program. Here we are spending $57,000,000, and we are feeding only about 6,000,000 children, as I understand. Is that correct?

Mr. RUSSELL. Approximately 8,000,000.

Mr. TAFT. Approximately 8,000,000 children out of 24,000,000 are being provided lunches by an expenditure of $57,500,000. The Senator from Georgia proposes, by expanding the amount only to $100,000,000, ultimately to feed 24,000,000 children, three times the number of children now being fed. He is going to find that money somewhere else.

Mr. RUSSELL. The Senator knows that if the State funds are increased $3 to $1, and we here provide for a $100,000,000 program, we will wind up with eight times as much money as the Federal Government is contributing at this time.

Mr. TAFT. The Senator admits the States cannot increase the amount of their contributions. Under the formula of the bill, which counts as part of the 3 to 1 or 1½ to 1, the portion paid by the school children for their own lunches, we may never reach the point where the State has to put up any money, or where the local school district has to put up any money. It seems to me perfectly obvious that if the States and localities were to cooperate, and charge a little more to the children, say 6 cents instead of 5 cents, whatever the charge may be, we would find that it would be possible to stretch the $57,500,000 to cover the 24,000,000 children just as successfully as could be done with the proposed $100,000,000. After all, $100,000,000 is an estimate, a guess, and we have gotten into this thing up to $57,500,000. I do not like to cut it off. I can see some justification for it, even though I think it does not conform to all the requirements of a State aid program, but it is very clear to me that we can do the job which we want to do with $57,000,000, and that there is no reason to go higher.

I may say that the House of Representatives passed this bill yesterday with only $50,000,000 in it. I do not see why we should insist upon increasing the amount which the House of Representatives obviously considers entirely adequate for the particular purpose.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. ROBERTSON. I can understand and follow the argument of the distinguished Senator from Ohio so far as the State of Ohio is concerned, which receives its tax income from probably 95

percent of the total area of the State, but in the case of the Western States, which receive their tax incomes, many of them, from less than 50 percent of the total area of the State, the question is an entirely different one. Until the Federal Government sees fit to grant to the various Western States the acreage, the area, now held by the Federal Government, I feel that an appropriation of this kind is correct and proper, and I hope the Senator's amendment will be defeated.

Mr. AIKEN. Mr. President——

Mr. TAFT. I yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, I desire the floor in my own right.

Mr. TAFT. Mr. President, the difference is not so great as the Senator from Wyoming would indicate. I cannot find the figures just now, but will present them later.

Mr. AIKEN. Mr. President, I have listened attentively to the arguments for and against the school-lunch program. I appreciate the desire of the Senator from Missouri to put this country on a pay-as-you-go basis. I appreciate the sentiments expressed by the Senator from Ohio to the effect that the States can do more to take care of their own. But, unfortunately, as regards this bill, the arguments presented by the Senator from Ohio for reducing this appropriation are entirely unconvincing.

The health of our children, Mr. President, is the last thing with which we should deal in a miserly manner. I do not see that we can put a dollar value on the health of the boys and girls in the schools of this country regardless of the State in which they may live. The health of our children is a national problem. The health of a child in school in Alabama is almost as importan. to the people of the State of Ohio as is the health of a child in the State of Ohio. The health of the children in the poorer States, the low-income States, is certainly of vital importance to every person in the United States, whether he lives in a poor State or in a rich State.

If I am correctly informed, more than 50 percent of the rejections for the armed services are traceable to malnutrition during the childhood of the boy or girl who was seeking to get into the service. That certainly makes the health of our children a national problem, no matter where they may live.

The Senator from Ohio stated that this bill could not be regarded as an education bill, but as a health bill. Probably it can be called mainly a health bill; but, from my experience as a director of schools during a 15-year period, I know for a fact that a child that has enough to eat and has the right things to eat is definitely a better student than a child that goes to school with little of the proper food to eat. Perhaps at home he does not have enough for breakfast. If that is the case, the school-lunch goes far toward overcoming that great deficiency.

The school-lunch program and the amount required to carry it on have been carefully worked out by our educators, our home economists, our dietitians, and others in the Department of Agriculture. They know what is required properly to conduct the program.

As I have said, I do not believe that we should place a dollar value on the health of our children. I do not like to reduce our problems to terms of dollars when we consider our children. Certainly, having spent $300,000,000,000, or so, in the conduct of a war, we should not hesitate to spend $100,000,000 if necessary to maintain the health of the boys and girls of this country. The health of our children and the education of our children are in my opinion the two first lines of any national defense program which we may adopt. When we spend $300,000,000,000 for war and argue over whether we should spend $50,000,000 or $100,000,000 to maintain the health of the coming generation, which will have to take part in another war, if one should come, it seems to me that we are short-sighted. I know that we all hope and pray that there will never be another war, but until we are assured of that we must keep ourselves in readiness.

Mr. President, there are better ways to economize in our expenses of government than by neglecting the health of our children, and I earnestly hope that the amendment offered by the Senator from Ohio [Mr. TAFT] will be defeated.

Mr. TAFT. Mr. President, in reply to the Senator from Wyoming [Mr. ROBERTSON] I suggest that the figures show that the per capita income of Wyoming for 1940 is above the average for the United States, in spite of the lands which the Federal Government holds, or perhaps because of them.

Mr. ROBERTSON. Then the Senator from Vermont had no right to turn toward me every time he mentioned a poor State. [Laughter.]

Mr. TAFT. Not at all. The average per capita income payments in the United States in 1940 were $575; in Wyoming $605. That is not quite as high as the figure for Ohio, which is $643, but it is not substantially different.

I wish to add one word. I yield to no one in saying that I believe that the school-lunch program is a very excellent program. I think it has an important place in the health of the child, although it is only one of three or four different programs which affect the health of the child. Of course, the health of the child will always affect his education to a certain extent.

The point is, Why should the Federal Government pay for the lunches of every school child in the United States? Why should not the States do it? The Federal Government can help, but why should not the States put up something? There is nothing in this bill which requires the States or the school districts to put up a cent, except for supervision. All the rest of the cost can be charged to the children. So this is really not a matching bill in the ordinary sense in which matching bills have been drafted. It seems to me that the only way we can force the matching, unless we propose to rewrite the whole bill, is to reduce the amount, so as not to require the Federal Government to pay the entire subsidy of $100,000,000. Let the States put up the amount in excess of the $57,500,000 which is now spent.

I am not trying to reduce the appropriation for school lunches. The proponents of the bill are trying to increase the program by nearly 100 percent. They are trying to spend more money from now on than has ever been spent in the United States on this particular program.

I believe that the pending amendment should be adopted. I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. TAFT. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Morse
Austin	Guffey	Murdock
Bailey	Gurney	Myers
Ball	Hart	Overton
Bankhead	Hayden	Pepper
Barkley	Hickenlooper	Radcliffe
Bilbo	Hill	Reed
Brewster	Hoey	Robertson
Briggs	Huffman	Russell
Buck	Johnson, Colo.	Saltonstall
Bushfield	Johnston, S. C.	Smith
Butler	Knowland	Stanfill
Byrd	La Follette	Stewart
Capper	McCarran	Taft
Carville	McClellan	Thomas, Utah
Chavez	McFarland	Tobey
Cordon	McKellar	Tunnell
Donnell	McMahon	Tydings
Ellender	Magnuson	Vandenberg
Ferguson	Maybank	Walsh
Fulbright	Mead	Wheeler
George	Millikin	Wherry
Gerry	Mitchell	Willis
Gossett	Moore	Young

The PRESIDENT pro tempore. Seventy-two Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT].

Mr. TAFT. Mr. President, my amendment is to strike out "$100,000,000" and insert "$57,500,000," which is the amount currently being appropriated.

The PRESIDENT pro tempore. The amendment of the Senator from Ohio proposes, on page 2, line 12, to strike out "$100,000,000" and insert "$57,500,000."

Mr. RUSSELL. Mr. President, I merely wish to say that in the opinion of those who have been supporting the school-lunch program this amendment, if adopted, not only would prevent any expansion of the program, but might severely curtail the existing program.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REED (when his name was called). I have a general pair with the Senator from New York [Mr. WAGNER]. He is absent. Not knowing how he would vote, I withhold my vote.

The roll call was concluded.

Mr. THOMAS of Utah. I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the Senator from California [Mr. DOWNEY], who, if present and voting, would vote as I intend to vote. I vote "nay."

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS], and the Senator from New York [Mr. WAGNER], are absent because of illness.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from California [Mr. DOWNEY], the Senator from Mississippi [Mr. EASTLAND], the Senator from West Virginia [Mr. KILGORE], and the Senator from Texas [Mr. O'DANIEL] are detained on public business.

The Senator from Montana [Mr. MURRAY], and the Senator from Idaho [Mr. TAYLOR], are absent on official business.

The Senator from Texas [Mr. CONNALLY] is absent on official business as a representative of the United States to the General Assembly of the United Nations.

The Senator from Illinois [Mr. LUCAS], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Oklahoma [Mr. THOMAS], are detained on official business at various Government departments.

The Senator from New Mexico [Mr. HATCH] is detained at an important committee meeting. On this question he has a general pair with the Senator from Maine [Mr. WHITE].

If present and voting, the Senator from Florida [Mr. ANDREWS], the Senator from Mississippi [Mr. EASTLAND], the Senator from West Virginia [Mr. KILGORE], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] would vote "nay."

Mr. WHERRY. The Senator from Illinois [Mr. BROOKS] is recovering from a recent operation.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate on official business of the Small Business Committee, of which he is a member.

The Senator from New Jersey [Mr. HAWKES] and the Senator from North Dakota [Mr. LANGER] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] is absent on official business. He has a general pair with the Senator from Utah [Mr. THOMAS].

The Senator from Minnesota [Mr. SHIPSTEAD] is detained on official business.

The Senator from Wisconsin [Mr. WILEY] and the Senator from Iowa [Mr. WILSON] are detained on official business.

The Senator from Maine [Mr. WHITE] is detained in an important committee meeting. He has a general pair with the Senator from New Mexico [Mr. HATCH].

The result was announced—yeas 21, nays 50, as follows:

YEAS—21

Bailey	Cordon	Moore
Ball	Donnell	Saltonstall
Brewster	Gerry	Smith
Buck	Gurney	Taft
Bushfield	Hart	Tydings
Butler	Hickenlooper	Wherry
Byrd	Millikin	Willis

NAYS—50

Aiken	Bilbo	Chavez
Austin	Briggs	Ellender
Bankhead	Capper	Ferguson
Barkley	Carville	Fulbright
George	McClellan	Radcliffe
Gossett	McFarland	Robertson
Green	McKellar	Russell
Guffey	McMahon	Stanfill
Hayden	Magnuson	Stewart
Hill	Maybank	Thomas, Utah
Hoey	Mead	Tobey
Huffman	Mitchell	Tunnell
Johnson, Colo.	Morse	Vandenberg
Johnston, S. C.	Murdock	Walsh
Knowland	Myers	Wheeler
La Follette	Overton	Young
McCarran	Pepper	

NOT VOTING—25

Andrews	Hawkes	Shipstead
Bridges	Kilgore	Taylor
Brooks	Langer	Thomas, Okla.
Capehart	Lucas	Wagner
Connally	Murray	White
Downey	O'Daniel	Wiley
Eastland	O'Mahoney	Wilson
Glass	Reed	
Hatch	Revercomb	

So Mr. TAFT's amendment was rejected.

The PRESIDENT pro tempore. If there be no further amendments to be proposed——

Mr. TAFT. Mr. President, I move that title II of the bill be stricken out.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Ohio.

Mr. TAFT. Title II, as Senators will note if they will turn to page 11 of the bill, proposes that something entirely new in the way of the distribution of Federal funds to the States be done. It proposes to distribute $15,000,000 to enable the United States Commissioner of Education, under the supervision and direction of the Federal Security Administration, to carry out the purposes of the bill. The sum of $15,000,000 is to be apportioned between the various States. Of course, it will not bring a very large sum of money to any one State. It is intended that it shall be used by the State educational agency, either directly or through grants to schools, to provide related nutrition education for school programs, to provide and train technical and supervisory personnel, and to provide equipment and facilities for such programs, except that such funds may not be used for the acquisition of food.

It then proposes that standards be set up for food and nutrition, and nutrition experts are to be given the power to go around to all the schools and find out what the children are eating and to determine what they should eat. To set up a new Federal control over the diet and food of the people of this country seems to me to go beyond anything we have done heretofore and beyond the existing school-lunch program. I do not think anyone who has studied the program, except the nutrition experts, has had any particular interest in this provision, and I believe very strongly that it would give the Federal Government just one more bureau which would be attempting to supervise schools. If nutrition is to be controlled, I think each State should control it.

The amount of money required is insignificant. The employment of a few nutrition experts in each State to advise their own boards, if they wish to do so, is a matter which the States certainly can afford. They have surpluses, whereas the Federal Government has only a deficit.

I cannot see any reason for inventing this new program and putting it on as more or less of a tail to the popular school-lunch program which we have already discussed.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. GURNEY. If title II is not included in the bill, there will be extra money to spend for food, will there not? Would not that naturally follow?

Mr. TAFT. There would be that much more money in the Federal Treasury. But there are separate authorizations, one for the $15,000,000 for this purpose, and another for the $100,000,000 for food and the school-lunch programs.

I may say that the House of Representatives, after considerable debate on Friday, I believe, struck title II entirely out of the bill. It seems to me that the Senate should do the same.

Mr. AIKEN. Mr. President, I wish to say that, contrary to any impression which may have been given by the Senator from Ohio, there is nothing in title II so far as can be seen that would give the Federal Government control over any educational program or the administration of this program in the several States.

The duties of the Commissioner of Education and the Federal Security Administrator are to allocate the funds and then approve the plans submitted by the State. Section 203 (a) reads in part as follows:

SEC. 203. (a) In order to be approved a State plan for the administration of school-lunch programs must—

(1) provide that the plan shall be administered, or that its administration shall be supervised, by the State educational agency.

(2) provide that funds paid to the State under this title will be used solely for carrying out the purposes of section 202 (b) and that the amount of such funds spent during any fiscal year for administration and supervision by the State educational agency shall not exceed 15 percent of the funds apportioned to such State for such year under this title.

I see nothing in the bill which would give the Federal Government control over any educational program in the State.

Mr. TAFT. I did not say that it would give the Federal Government control over any educational program, but I stated that it would give control over a nutrition program. There would be many nutrition experts telling the parents of children in the various school districts what lunches they should serve to the children.

Mr. AIKEN. In order to counteract any erroneous impression which might be given by the Senator from Ohio's remarks, I have read the language as it appears in the bill.

Mr. ELLENDER. Mr. President, it is now but a few minutes from our usual hour of adjournment and I do not wish to delay a vote on the final passage of the bill. I believe it has been sufficiently debated to enable all of us to thoroughly understand it. I hope that the amendment proposed by the senior Senator from Ohio [Mr. TAFT] will be defeated. I consider title II a most necessary ad-

junct to the continuation and the expansion of our school-lunch program.

On page 12 of the bill, section 202 (c) reads in part as follows: "which shall be used"—that is, the funds allotted to each State—"by the State educational agency, either directly or through grants to schools and school systems, to establish, maintain, operate, and expand school-lunch programs, to provide related nutrition education, and to provide and train technical supervisory personnel and to provide equipment and facilities for such programs; except that such funds may not be used for the acquisition, construction, or alteration of buildings or for the purchase of land or food."

That language, Mr. President, indicates how the funds to be appropriated under title II are to be used. Now let me summarize why such funds are necessary and why title II should be retained in the bill.

First. To develop sound lunch programs and related nutrition education, school-lunch directors or supervisors must be trained and employed by State, county, and city school systems. While there are naturally wide variations in the number of such persons needed in the several States, fair estimates suggest that there are immediately needed several such directors and supervisors in each State department of education and one or more to have charge of school-lunch programs of each of the larger cities and of two or more counties grouped for this purpose. At the outset these would total about five or six hundred for all of the States. Eventually every county and city school system will need to employ this type of school-lunch leadership, totaling for the Nation about 10,000 persons. Some of these school systems are already employing such school-lunch directors and supervisors; others cannot do so without help. The work of these supervisors will have to be facilitated through research, planning conferences, demonstrations, publications, and other services carried on cooperatively by the State departments of education and the United States Office of Education.

The following briefly lists the major functions of these school-lunch directors or supervisors:

(a) Train school-lunch workers—supervisors, nutritionists, cooks.

1. On-the-job training through visits, conferences, workshops, institutions, short courses, demonstrations, circulars, and so forth.

2. Preservice training through job analyses, home economics courses, outlines for college courses, guided practice programs, and so forth.

(b) Develop suitable housing plans and equipment lay-outs.

1. With school-building directors they plan lunchrooms of various sizes.

2. With institutional management experts they determine types of equipment needed and where to place it for greater efficiency.

3. With health and sanitation experts they develop and enforce health and safety standards.

(c) Advise on plans for administering and financing school-lunch program.

1. Prepare written materials to show what can be done in schools and communities of different sizes and types.

2. Help work out budget plans, record forms, accounting systems, ways and means of using community resources.

3. Visit schools to help organize school-lunch committees, to develop community understanding and support, to organize and install school lunches.

(d) Develop nutrition education programs.

1. Work out techniques and procedures for making school lunches educational.

2. Help school principals integrate the school lunch with health instruction, home-economics instruction, and so forth.

3. Develop ways of working with parents on nutrition education problems.

Second. Thousands of schools will need help in employing trained lunchroom managers and operators if they are to make the wisest use of the aids provided through title I to channel food into school lunches and if they are to spread the benefits of this type of aid as widely and as fairly as possible. Since there is an inadequate number of persons trained or experienced in carrying on the business activities, the managerial functions, the large-scale cookery, and similar technical duties involved in running an efficient school-lunch program, training courses and activities must be worked out for these and made available. To be effective, such training activities must be provided both on a pre-employment basis in the State teacher-training institutions and on an in-service basis within the county and city school systems. It is estimated that more than 100,000 of the larger schools will need to employ such managers and operators of school lunches; at present fewer than one-third of these schools have lunchrooms and employ such managers. Through Federal assistance, the essential technical services can be made generally available and the health and safety of the children safeguarded.

Third. Without some help in providing equipment, school-lunch programs cannot be established in many of the schools now without such programs. A developmental program stimulated through Federal funds should therefore make it possible for State educational agencies to help such schools to procure the needed equipment. The amount and type of equipment needed will vary from a simple roll-away cabinet fitted to serve the needs of a one-teacher school to the more elaborate cooking and serving facilities needed in the larger lunchrooms. It has been estimated that at the outset an average Federal outlay of $100 or $200 per school would help many thousands of schools to establish school-lunch programs. If the State school systems were to pursue a policy of extending this type of Federal assistance chiefly to schools not having such programs, it is clear that even a modest amount of Federal funds could in time make the necessary equipment available to all of the schools.

Mr. President, I feel that the reasons herein given should be sufficient to justify the Senate in voting down the pending amendment. I desire to see this program expand so that it will reach all sections of the country, particularly the rural areas where such help is needed in order to foster and stimulate school-lunch programs.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Ohio [Mr. TAFT].

Mr. AIKEN. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. REED (when his name was called). I have a general pair with the Senator from New York [Mr. WAGNER]. I transfer that pair to the Senator from Indiana [Mr. CAPEHART] and will vote. I vote "yea."

The roll call was concluded.

Mr. THOMAS of Utah. I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the Senator from California [Mr. DOWNEY], who, if present and voting, would vote as I intend to vote. I vote "nay."

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from New York [Mr. WAGNER] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from California [Mr. DOWNEY], the Senator from Mississippi [Mr. EASTLAND], the Senator from West Virginia [Mr. KILGORE], and the Senator from Texas [Mr. O'DANIEL] are detained on public business.

The Senator from Montana [Mr. MURRAY] and the Senator from Idaho [Mr. TAYLOR] are absent on official business.

The Senator from Texas [Mr. CONNALLY] is absent on official business as a representative of the United States to the General Assembly of the United Nations.

The Senator from North Carolina [Mr. BAILEY], the Senator from Illinois [Mr. LUCAS], and the Senator from Wyoming [Mr. O'MAHONEY] are detained on official business at various Government departments.

The Senator from New Mexico [Mr. HATCH] is detained at an important committee meeting. On this question he has a general pair with the Senator from Maine [Mr. WHITE].

If present and voting, the Senator from Florida [Mr. ANDREWS], the Senator from Mississippi [Mr. EASTLAND], the Senator from West Virginia [Mr. KILGORE], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Idaho [Mr. TAYLOR] would vote "nay."

Mr. WHERRY. The Senator from Illinois [Mr. BROOKS] is recovering from a recent operation.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate on official business of the Small Business Committee, of which he is a member.

The Senator from New Jersey [Mr. HAWKES] and the Senator from North Dakota [Mr. LANGER] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] is absent on official business. He has a general pair with the Senator from Utah [Mr. THOMAS].

The Senator from Minnesota [Mr. SHIPSTEAD] is detained on official business.

The Senator from Wisconsin [Mr. WILEY] and the Senator from Iowa [Mr. WILSON] are detained on official business.

The Senator from Maine [Mr. WHITE] is detained in an important committee meeting. He has a general pair with the Senator from New Mexico [Mr. HATCH].

The result was announced—yeas 25, nays 47, as follows:

YEAS—25

Austin	Cordon	Moore
Ball	Ferguson	Reed
Brewster	Gerry	Taft
Buck	Gurney	Tydings
Bushfield	Hart	Vandenberg
Butler	Hickenlooper	Wherry
Byrd	Johnson, Colo.	Young
Capper	McCarran	
Carville	Millikin	

NAYS—47

Aiken	Huffman	Pepper
Bankhead	Johnston, S. C.	Radcliffe
Barkley	Knowland	Robertson
Bilbo	La Follette	Russell
Briggs	McClellan	Saltonstall
Chavez	McFarland	Smith
Donnell	McKellar	Stanfill
Ellender	McMahon	Stewart
Fulbright	Magnuson	Thomas, Okla.
George	Maybank	Thomas, Utah
Gossett	Mead	Tobey
Green	Mitchell	Tunnell
Guffey	Morse	Walsh
Hayden	Murdock	Wheeler
Hill	Myers	Willis
Hoey	Overton	

NOT VOTING—24

Andrews	Glass	O'Mahoney
Bailey	Hatch	Revercomb
Bridges	Hawkes	Shipstead
Brooks	Kilgore	Taylor
Capehart	Langer	Wagner
Connally	Lucas	White
Downey	Murray	Wiley
Eastland	O'Daniel	Wilson

So Mr. TAFT's amendment was rejected.

Mr. RUSSELL. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 998, House bill 3370, to provide assistance to the States in the establishment, maintenance, operation, and expansion of school-lunch programs, and for other purposes.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill.

Mr. RUSSELL. I move that the House bill be amended by striking out all after the enacting clause and substituting Senate bill 962.

The motion was agreed to.

The PRESIDENT pro tempore. The House bill is before the Senate and open to further amendment. If there be no further amendment to be offered, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 3370) was read the third time and passed.

The PRESIDENT pro tempore. Without objection, Senate bill 962 will be indefinitely postponed.

Mr. RUSSELL. Mr. President, I move that the Senate insist on its amendment, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. RUSSELL, Mr. ELLENDER, Mr. BANKHEAD, Mr. CAPPER, and Mr. AIKEN conferees on the part of the Senate.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his Secretaries.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. WALSH, from the Committee on Naval Affairs:

Maj. Gen. Harry Schmidt to be a lieutenant general in the Marine Corps, for temporary service, from the 1st day of March 1946.

By Mr. THOMAS of Utah, from the Committee on Military Affairs:

Sundry officers for promotion in the Regular Army of the United States, under provisions of law; and

Sundry officers for appointment, by transfer, in the Regular Army of the United States.

The PRESIDENT pro tempore. If there be no further reports of committees, the clerk will proceed to state the nominations on the Executive Calendar.

SELECTIVE SERVICE SYSTEM

The legislative clerk read the nomination of Vivian B. Collins to be State director for Florida.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

FOREIGN SERVICE

The legislative clerk proceeded to read sundry nominations in the foreign service.

Mr. BARKLEY. I ask unanimous consent that the foreign-service nominations be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the foreign-service nominations are confirmed en bloc.

TREASURY DEPARTMENT

The legislative clerk read the nomination of O. Max Gardner to be Under Secretary of the Treasury.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DEPARTMENT OF LABOR

The legislative clerk read the nomination of Maj. Gen. Graves Blanchard Erskine, United States Marine Corps, to be Retraining and Reemployment Administrator.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

ASSISTANT COMMISSIONER OF PATENTS

The legislative clerk read the nomination of Thomas F. Murphy to be Assistant Commissioner of Patents.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

COLLECTOR OF INTERNAL REVENUE

The legislative clerk read the nomination of Elmer F. Kelm to be collector of internal revenue for the district of Minnesota.

Mr. GEORGE. Mr. President, some objections were filed to this nomination. A subcommittee of the Committee on Finance was appointed, and the subcommittee reported unanimously to the full committee in favor of the confirmation of the nomination. However, as chairman of the Committee on Finance, I am in receipt of a telegram from George P. Phillips, president of the United Labor Committee for Political Action, in Minneapolis, Minn., which Mr. Phillips asks me to present to the Senate. I therefore ask unanimous consent that the telegram be printed in the RECORD.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

MINNEAPOLIS, MINN., *February 24, 1946.*

Senator WALTER F. GEORGE,
Chairman, Finance Committee,
United States Senate,
Senate Office Building,
Washington, D. C.:

With deep disgust we learn Senate Finance Committee, over protest of practically all Minnesota, has voted to replace efficiency in the conduct of the office of internal revenue collector in Minnesota with the spoils system, in voting to oust efficient and popular Internal Revenue Collector Arthur D. Reynolds to make a job for wealthy Banker Elmer Kelm.

Of course, if the Senate supports the action of the committee, it will be conclusive proof to the organized workers of Minnesota that the Democratic and Republican Parties have united in hostility to organized labor in Minnesota. It will be surprising if this united flouting of organized labor in Minnesota by both Democrat and Republican National Parties does not result in the reviving of the Farmer-Labor Party. Apparently the vote rolled up by the American Labor Party in the recent special congressional election in New York City did not teach either Democrats or Republicans anything. In behalf of 100,000 members of A. F. of L., CIO, and railroad brotherhoods in Minneapolis whom this committee represents, request you read this telegram to the Senate if the attempt is made to confirm wealthy Banker Elmer Kelm for internal revenue collector for the Minnesota district.

Yours very respectfully,

UNITED LABOR COMMITTEE
FOR POLITICAL ACTION.
GEORGE P. PHILLIPS,
President.

The PRESIDENT pro tempore. The question is, Will the Senate advise and consent to this nomination?

The nomination was confirmed.

COLLECTORS OF CUSTOMS

The legislative clerk read the nomination of John O'Keefe to be collector of customs for customs collection district No. 34.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Alexander H. Bell to be collector of customs for customs collection district No. 14.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. BARKLEY. I ask unanimous consent that the President be notified immediately of all confirmations of today.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith of all confirmations of today.

GROWTH OF MONOPOLIES

Mr. BARKLEY. Mr. President, I move that the Senate resume consideration of legislative business.

The motion was agreed to.

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks a letter I have received today from Mr. Henry L. McCarthy, executive director of the New Council of American Business, Inc. In his letter Mr. McCarthy points out the great need of legislation to check the sinister growth of monopolies.

I think it is unquestionably true that today the ill effects of monopoly control, and the spread of monopoly, are undoubtedly more serious than at any other time in the past 25 years, and in this very interesting letter Mr. McCarthy, representing a group of businessmen, suggests a legislative program to check the growth of monopolies. I find many points made by Mr. McCarthy exceedingly sound, and I propose to give very serious consideration to his suggestion, with the idea in mind of introducing at a later date appropriate legislation.

I renew my request that the letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NEW COUNCIL OF
AMERICAN BUSINESS, INC.,
Washington, D. C., February 25, 1946.

The Honorable WAYNE MORSE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MORSE: The New Council of American Business, Inc., a national organization of independent businessmen, recognizes that the greatest threat to our individual opportunities for survival and expansion is the growing power of big business which has reached monopolistic proportions in nearly every major industry in the Nation. The New Council has watched with great satisfaction the influence you have had on American thought. We believe your leadership in promoting sensible legislation affecting business interests has placed you in the forefront of public men to whom we look for assistance with our many problems. We believe that the program which we shall outline in this letter is consistent with every public expression you have made in Congress. We urge you to again take leadership on this front which is of vital importance to independent business everywhere in the Nation.

In order to strengthen the democratic character of our economy; to maintain an economy where new products and techniques can be developed; and to provide employment opportunities which must be created if we are to escape the industrial troubles and hardships of the thirties, small business must be aided by eliminating the threat of monopolistic practices by large corporations and by the control of already existing monopolies. At the present time, less than 2 percent of all manufacturing firms employ more than three-fifths of all manufacturing workers. In nonmanufacturing industries there has also been a constant decline in the position of the small concerns. Half a million small retail, service, and construction firms disappeared during the war. In 1939, firms with less than 50 employees employed a full third of all employees in American trade and industry. By 1943, the share of these small firms had shrunk to one-quarter.

The question of whether the increasing rate of wartime economic concentration will continue will, in a large measure, depend upon the dissolution of or the effective governmental control or regulation of monopoly interests and monopolistic tendencies which are now widespread.

It is obvious that we cannot turn back the clock in the industrial development of our country. Certain types of industries will always require huge concentrations of capital and labor. Other types such as railways and public utilities are, by their very nature, monopolistic. It would be unrealistic if we should suggest that these giants be reduced into smaller firms. We can, however, limit or reduce their power by adequate protection and assistance to smaller businessmen.

It is my suggestion that a comprehensive bill, such as the full employment bill which you supported, be introduced into the Congress covering the broad field of positive antimonopoly action. The goal of full employment can only be achieved by the effective regulation and control of current monopolies and the encouragement and expansion of the traditionally small businesses which reflect the democratic nature of our system.

The type of bill which I have in mind would establish a coordinated program of preventing or eliminating monopoly and monopolistic practices in order to contribute to the maintenance of full production through the full use of all the resources of free competitive enterprise. This type of bill would require that—

1. American business enterprises would be prohibited from participation in international cartels;

2. Discriminatory freight rates would be eliminated;

3. Financial services for small businesses would be provided;

4. More stringent inspection and penalties for violations of the antitrust laws would be applied;

5. Current patent restrictions be modified;

6. Other necessary policies and programs be initiated to compel existing monopolies to act in the public interest;

7. Monopolistic practices occurring among smaller units of business which have banded together in trade associations be prohibited.

The total interests of independent business will involve not only the passage of this suggested legislation but also of other pending legislation which provides for research and technical services to business, and for study of existing monopolistic practices in industry, trade, and agriculture. The entire program involves the maximum effective use of the statute I am suggesting, other legislation now pending before Congress, and a coordination of the control and regulatory activities of the several different governmental departments.

This type of program would require the establishment of a Presidential advisory antimonopoly board or commission which could coordinate, integrate, and activate the existing Government agencies now dealing with the problem of monopoly growth and monopoly control. This board should also be charged with the responsibility of advising the President as to additional necessary legislation which would be required to make effective the antimonopoly program.

I urge that you give early consideration to the drafting of such a bill and offer you the cooperation of this office in setting forth suggestions as to the exact language which should be incorporated in this measure.

I should be pleased at the opportunity for personal discussion with you at your convenience.

Sincerely yours,

HENRY L. MCCARTHY,
Executive Director.

DEATH OF REPRESENTATIVE SNYDER, OF PENNSYLVANIA

The PRESIDENT pro tempore. The Chair lays before the Senate resolutions from the House of Representatives, which will be read.

The Chief Clerk read as follows:

House Resolution 532

IN THE HOUSE OF
REPRESENTATIVES, U. S.,
February 25, 1946.

Resolved, That the House has heard with profound sorrow of the death of Hon. J. BUELL SNYDER, Representative from the State of Pennsylvania.

Resolved, That a committee of 12 Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provision of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect the House do now adjourn.

Mr. GUFFEY. Mr. President, I send to the desk a resolution, which I ask to have read and immediately considered.

The resolution (S. Res. 233) was read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. J. BUELL SNYDER, late a Representative from the State of Pennsylvania.

Resolved, That a committee of six Senators be appointed by the President pro tempore of the Senate to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The PRESIDENT pro tempore. The Chair appoints the Senators from Pennsylvania [Mr. GUFFEY and Mr. MYERS], the Senator from West Virginia [Mr. KILGORE], the Senator from Vermont

[Mr. AUSTIN], the Senator from Delaware [Mr. TUNNELL], and the Senator from Nevada [Mr. CARVILLE], as the committee authorized under the second resolving clause.

Mr. GUFFEY. Mr. President, as a further mark of respect to the memory of the deceased Representative, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 5 minutes p. m.) the Senate took a recess until tomorrow, February 27, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 26 (legislative day of January 18), 1946:

SECRETARY OF THE INTERIOR

Julius A. Krug, of Wisconsin, to be Secretary of the Interior.

REGISTER OF WILLS, DISTRICT OF COLUMBIA

Theodore Cogswell, of the District of Columbia, to be register of wills for the District of Columbia, vice Victor S. Mersch, resigned.

IN THE NAVY

Commodore James E. Maher, United States Navy, to be a commodore in the Navy, for temporary service, while serving as chief of base maintenance, Office of the Chief of Naval Operations, and to continue during any assignment which is commensurate with the rank of commodore, or until reporting for other permanent duty.

Commodore Arthur Gavin, United States Navy, to be a commodore in the Navy, for temporary service, while serving as commander, aircraft, Philippine Sea Frontier, and commander, Fleet Air Wing 10, and to continue during any assignment which is commensurate with the rank of commodore, or until reporting for other permanent duty.

Capt. Arleigh A. Burke, United States Navy, to be a commodore in the Navy, for temporary service, while serving as chief of staff and aide to commander, Eighth Fleet, and to continue during any assignment which is commensurate with the rank of commodore, or until reporting for other permanent duty.

Commodore Lemuel P. Padgett, Jr., United States Navy, to be a commodore in the Navy, for temporary service, while serving as petroleum attaché, Middle East, and to continue during any assignment which is commensurate with the rank of commodore, or until reporting for other permanent duty.

Pay Director Robert F. Batchelder, to be a pay director in the Navy, with the rank of commodore, for temporary service, while serving in the Material Division, Office of the Assistant Secretary of the Navy, and to continue during any assignment which is commensurate with the rank of commodore, or until reporting for other permanent duty.

Capt. John A. Snackenberg, United States Navy, to be a commodore in the Navy, for temporary service, while serving as chief of staff to commander, Joint Task Force 1, and to continue during any assignment which is commensurate with the rank of commodore, or until reporting for other permanent duty.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 26 (legislative day of January 18), 1946:

FOREIGN SERVICE

TO BE FOREIGN-SERVICE OFFICER OF CLASS 1, A SECRETARY IN THE DIPLOMATIC SERVICE, AND A CONSUL GENERAL OF THE UNITED STATES OF AMERICA

Monnett B. Davis

TO BE CONSULS GENERAL OF THE UNITED STATES OF AMERICA

Walton C. Ferris
Winthrop S. Greene

TO BE A CONSUL OF THE UNITED STATES OF AMERICA

Robert Grinnell

TO BE FOREIGN-SERVICE OFFICERS, UNCLASSIFIED, VICE CONSUL OF CAREER, AND SECRETARY IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

Robert W. Adams	Joseph J. Montllor
Edward W. Clark	Edwin C. Rendall
Richard M. Herndon	Malcolm Toon
William K. Leonhart	Kinsley Twining
James V. Martin, Jr.	Alfred W. Wells
Lee E. Metcalf	Gordon J. Wright

TREASURY DEPARTMENT

O. Max Gardner to be Under Secretary of the Treasury.

DEPARTMENT OF LABOR

Maj. Gen. Graves Blanchard Erskine, USMC, to be Retraining and Reemployment Administrator.

SELECTIVE SERVICE SYSTEM

Vivian B. Collins to be State director of selective service for Florida, with salary of $5,600 per annum.

ASSISTANT COMMISSIONER OF PATENTS

Thomas F. Murphy to be Assistant Commissioner of Patents.

COLLECTOR OF INTERNAL REVENUE

Elmer F. Kelm to be collector of internal revenue for the district of Minnesota.

COLLECTORS OF CUSTOMS

John O'Keefe to be collector of customs, collection district No. 34, with headquarters at Pembina, N. Dak.

Alexander H. Bell, customs collection district No 14, with headquarters at Norfolk, Va.

HOUSE OF REPRESENTATIVES

TUESDAY, FEBRUARY 26, 1946

The House met at 11 o'clock a. m.

Rev. Alfred Carpenter, superintendent of Baptist chaplains, Southern Baptist Convention, offered the following prayer:

During this moment of holy hush, wilt Thou, Heavenly Father, accept our gratitude for the opportunity of prayer and the privilege of Thy presence. Thou who are concerned for our best welfare, able and ready to supply our needs, with our destinies in Thy hand, hear us, we pray.

To the best of our knowledge we repent of sins committed, and through Thy mercies seek forgiveness. We implore Thee for sufficient wisdom for this day's responsibilities. Place in our hearts the supreme desire to please Thee.

Divine Heavenly Father, we realize our responsibility in representing the people of this Nation, and the obligation of this Nation in world affairs. We desire Thy guidance here, but in this prayer we seek a personal realization of Thy presence, and a clear knowledge of Thy will for us today. In our Lord's name, we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. PITTENGER asked and was given permission to extend his remarks in the RECORD in three instances and to include in each of two extensions a telegram and in the third a statement from a constituent.

Mr. CANFIELD asked and was given permission to extend his remarks in the RECORD and include an editorial from the Newark (N. J.) Star-Ledger against the St. Lawrence seaway project.

Mr. ADAMS asked and was given permission to extend his remarks in the RECORD and include an article from the Daily Metal Reporter of February 14.

Mr. BIEMILLER asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. ROGERS of Florida asked and was given permission to extend his remarks in the RECORD and include an editorial.

COL. JIMMY STEWART

Mr. GAVIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAVIN. Mr. Speaker, a rather unusual situation exists in Pennsylvania, the great Keystone State, where on the Republican side we have about 20 gubernatorial candidates and find it difficult to select one, while on the Democratic side my Democratic friends for whom I have a great affection are getting desperate for a candidate—in fact, the other day they grabbed Col. Jimmy Stewart, noted movie star, who has a distinguished record in World War II, who, I understand, graciously declined.

But, according to the Punxsutawney Spirit, which is published at Punxsutawney, Pa., in my district, the home of the ground hog, that great prognosticator of the weather, here is what Jimmy's father, J. M. Stewart, had to say, and I quote an editorial comment in the Punxsutawney Spirit:

> At a rotary club meeting in Indiana last week J. M. Stewart explained that his son, "Jimmy," movie star and lately a colonel in the Army Air Forces, had declined to submit his name as a Democratic candidate for Governor of Pennsylvania, not because he was adverse to serving the great Keystone State as its chief executive but because he happens to be a stanch Republican.
>
> Now, more than ever, Jimmy is my favorite movie star.

DEMOBILIZATION POLICY OF THE MARINE CORPS

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent to address the House for 1 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, it has been called to my attention through an editorial appearing in the Fort Lauderdale Daily News, and written by the owner, Gov. R. H. Gore, how three enlisted marines were thrown into the brig at Honolulu to await action of higher authorities because they allegedly circularized a petition to Congress protesting the slow demobilization policy

of the corps. Certainly, this is a violation of their constitutional right. The right of petition to adjust wrongs is one of the cornerstones of our democracy, but it appears that when a man dons an enlisted man's uniform he abrogates and loses that right. Should not Congress initiate some action to guarantee a bit of democracy in our armed forces?

We are now trying to build up an Army by voluntary enlistments, but such treatmen as accorded these three marines are grounds why enlisted men still in the services are clamoring to get out and back home, where they can be free citizens again and while others are failing to voluntarily enlist in the services of their country. Should not Congress, through its Military Affairs Committee, make an investigation of the jailing of these marines?

HON. LESLIE L. BIFFLE

Mr. GATHINGS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. GATHINGS. Mr. Speaker, it is a marvelous accomplishment to rise from page boy in this House to Secretary of the Senate of the United States. Yet, it is not uncommon in America that a man through his own efforts starts at the bottom and advances to the topmost rungs of the ladder. Leslie Biffle came to Washington as a page boy in the House of Representatives at a tender age from Boydsville, Clay County, Ark., in my district. He returned to Arkansas for additional schooling. In 1909 he came back to Washington as secretary to Hon. Bruce Macon, who represented the First Arkansas District. Afterwards, he worked in the folding room in the Senate for a time. At the recommendation of Senator Joe T. Robinson, majority leader, he was selected as secretary to the majority in the Senate. He held this position until he was unanimously chosen Secretary of the Senate in 1945. Coronet magazine in the current issue for February, carries a very good story on Leslie Biffle. In my opinion, it is good reading and I commend it to you. I do trust that we will keep America the land of opportunity where a young man can start out at the bottom, and through his initiative, application and energy, advance to the highest place of trust and responsibility. That is the American way. We in Arkansas are proud of our native son and rejoice at his accomplishments. His life, character, and service is an inspiration to the American youth.

The SPEAKER. The time of the gentleman from Arkansas has expired.

EXTENSION OF REMARKS

Mr. KEOGH asked and was given permission to extend his remarks in the RECORD and include therein an address delivered by Senator JAMES M. MEAD at a meeting of the labor and industry committee of the New York State conference in opposition to the St. Lawrence project.

Mr. CARNAHAN asked and was given permission to extend his remarks in the RECORD and include an editorial from the February 23 edition of the Fair Play, of St. Genevieve, Mo.

Mr. LANE asked and was given permission to extend his remarks in the Appendix of the RECORD and include therein a very interesting editorial by John Griffin which appeared in last Sunday's Boston Post; and secondly, to extend his remarks and include a resolution adopted by the General Court of Massachusetts.

REMOVE CEILING PRICE ON SILVER

Mr. BUNKER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nevada?

There was no objection.

Mr. BUNKER. Mr. Speaker, on Monday I am introducing three mining measures which call for removal of the ceiling price on silver, repeal of the tax on silver bullion and authority for the executive department to fix a price floor of $56 per ounce of gold and $1.29 per ounce of silver.

It is my opinion that a law removing the silver price ceiling, now 71.11 cents per ounce, would have more effect in raising the price of silver than all the monetary legislation introduced along those lines to date.

Silver mining is the only industry that is subsidizing the public. Where, ordinarily, tax money provides a subsidy to an industry, such as shipping, the Treasury now takes the miner's silver at 71.11 cents per ounce and creates money worth $1.29 for the benefit of the Nation at large. The profit to the Government comes directly from the pockets of the miner.

Furthermore, I am convinced that the silver transactions tax of 50 percent on proceeds from silver sales has stopped arbitrage operations by American silver brokers. The tax has produced virtually no revenue.

I am reliably informed by experts in international transactions in silver that removal of the tax would permit American brokers to move into the world markets to an extent that the silver control center would pass from London to New York. The resulting arbitrage operations would result in greatly increased world prices which would strengthen the domestic price very substantially.

Finally, the executive department should be given authority to fix the weights of both gold and silver and put a floor under gold of $56 and $1.29 for silver. The figure $56 for gold has the same logic behind it as the proportion between $35 per ounce and $56 per ounce used in reducing the gold backing from 40 to 25 percent last year.

EXTENSION OF REMARKS

Mr. SAVAGE asked and was given permission to extend his remarks in the Appendix of the RECORD and to include therein editorials from the Long View Daily News, of his district, and the Evening Star, of Washington, D. C.

Mr. DOYLE asked and was given permission to extend his remarks and include therein a statement of his declaration as a candidate for reelection to the voters of his district.

PERMISSION TO ADDRESS THE HOUSE

Mr. DOYLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[Mr. DOYLE addressed the House. His remarks appear in the Appendix.]

BRIG. GEN. HERBERT C. HOLDRIDGE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include certain excerpts from newspapers of the last few days and also from certain speeches made by certain individuals.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, it was my intention to rise to a question of personal privilege today, but, owing to the emergency that confronts us, I shall reserve that privilege until tomorrow, when I shall answer the attacks made by certain Communists and their fellow travelers on me and the Committee on Un-American Activities.

However, on yesterday, Mr. Speaker, there appeared in the newspapers and was sounded over the radio a statement by a man who calls himself Brig. Gen. Herbert C. Holdridge, retired, in which he demanded that I be removed as chairman of the Committee on World War Veterans' Legislation because he virtually says I am not communistic enough in that I do not attack my own State and my own people on the poll-tax question and that I do not fall for this communistic camouflage about the antilynching bill and because I did not support the communistic FEPC.

This man was examined during the war and found to be a neurotic, and they retired him. I shall demand that he be recalled and court-martialed or confined in a mental institution in order that he may not be a burden on the taxpayers and at the same time be going around spreading his communistic nonsense.

I have before me speeches he made, in one of which he says, "I shall support Norman Thomas for President," and in the other he says, "Why I shall support the Socialist ticket."

The SPEAKER. The time of the gentleman from Mississippi has expired.

EXTENSION OF REMARKS

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD and include an article on national forests by Mr. Neuberger.

SPECIAL ORDER GRANTED

Mr. ANGELL. Mr. Speaker, I ask unanimous consent that on tomorrow, following the legislative business of the day and any other special orders, I may address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, it seems to me we are stooping pretty low in this country when we defy the courts.

I have before me a copy of the Philadelphia Inquirer of Sunday, February 24, and I will read the headlines:

GE pickets defy court, mass at company's gates.

Union official calls injunction illegal, vows further fight.

Members of the United Electrical, Radio, and Machine Workers of America (CIO) yesterday engaged in mass picketing at the gates of the General Electric plant, Sixty-ninth Street and Elmwood Avenue, in open defiance of a court injunction.

The mass meeting will continue, according to David Davis, business agent of Local 155, of the international union, whose members substituted on the picket line for those of Local 119 yesterday, because the union considers that there is no legal basis for the injunction. At the same time he warned that any violence resulting from this action would be laid at the doorstep of the city administration.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

HOUSING LEGISLATION

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SMITH of Ohio. Mr. Speaker, today the House will consider the Patman political housing bill. This proposal, in the guise of aiding veterans to procure homes, seeks to have the bureaucracy seize the home-building industry, and further communize this Nation. It is the first venture by the bureaucrats to apply the wartime pattern of production to peace production. Just as our people were regimented to fight the war, so the Patman bill would now regiment us to make peace, and with a vengeance.

The SPEAKER. The time of the gentleman from Ohio has expired.

TRUMAN-WYATT HOUSING LEGISLATION

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, the bill that comes up today represents a program that has been adopted by the President of the United States, Mr. Truman. Mr. Wilson Wyatt prepared the program. I should say the bill adopts the President's program since it is intended to carry out the Truman-Wyatt housing program. It is to build houses for veterans. We gave war workers preference for 4 years, which we should have done. They are in those homes now that we helped them to get at fair prices and fair rentals. The object of this bill is to let returning veterans have priority for the next 2 years in getting homes in the same manner that the war workers obtained those homes during the war. Certainly they are entitled to a home if they can buy that home or if they can rent that home. The object is to channel building materials into the most deserving hands and quit building amusement places, honky-tonks, and bowling alleys until more homes are built for veterans.

The SPEAKER. The time of the gentleman from Texas has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. JENKINS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

[Mr. JENKINS addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks and include a bill she introduced to give veterans preference in the purchase of Government housing.

Mr. KNUTSON (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks in the Appendix of the RECORD and include excerpts from a radio address.

Mrs. LUCE (at the request of Mr. MARTIN of Massachusetts) was given permission to extend her remarks in the Appendix of the RECORD and include a radio address delivered last Thursday.

Mr. MICHENER (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks in the Appendix of the RECORD and include a news release.

Mr. RAMEY asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances, in one to include an article by Mr. Henry A. Page; and in the other to include an article on the Wyatt housing program.

Mr. MILLER of Nebraska asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter from a constituent.

Mr. BARRETT of Wyoming asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article from the Cody Enterprise of Cody, Wyo.

Mr. WHITE. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include an article on money facts and fallacies; also to extend my remarks in the Appendix of the RECORD and include therein a letter from Mr. R. H. Crowley of Spokane, Wash., the paragraphs of which are numbered, and also a copy of my reply to Mr. Crowley. On page 4 of my reply I have capitalized two words. I ask that in the printing of this letter these words may be capitalized as I have indicated.

The SPEAKER. Without objection, the requests of the gentleman from Idaho are granted.

There was no objection.

SPECIAL ORDER GRANTED

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent to address the House for 30 minutes tomorrow after the legislative business of the day and special orders entered for that day.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

UNWARRANTED ATTACKS UPON GOVERNMENT OFFICIALS

Mr. COX. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

[Mr. Cox addressed the House. His remarks appear in the Appendix.]

PROGRESS ON PROSTHETIC APPLIANCES

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to include as part of my remarks an advertisement by Mrs. Evalyn Walsh McLean.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I know those Members who have not seen the new laboratory which is progressing at Walter Reed Hospital for research and work on artificial hands would be very much interested in seeing this laboratory. It is conducted under Major Slocum who has a corps of very fine officers and enlisted men assisting him. They are doing superlatively good work. They are so interested, Mr. Speaker, that they work even Sundays and evenings. They are doing everything possible in an effort to make artificial arms and hands to be as nearly normal as possible and to make use of the arms, hands, and fingers in action so nearly like the action in real hands as possible. They have a great goal to reach.

The work is often discouraging, but they are progressing satisfactorily and deserve the greatest possible praise and appreciation.

The SPEAKER. The time of the gentlewoman from Massachusets has expired.

BUILDING MATERIALS

Mr. WHITE. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. WHITE. Mr. Speaker, I was very much interested in the proposition made by the gentleman from Texas in connection with the channeling of lumber and materials for the building of houses for veterans; however, from my recent experience it is my opinion there should be

a modification of an emergency clause inserted in any plan of this kind.

I may cite to the House a case in my capital city of Boise, Idaho, where the collector of internal revenue has had the house he lived in sold out from under him. He now has no place to go with his family. He can buy a lot but he cannot buy any materials with which to build a house, all of it being channeled into veterans' homes. In cases of this kind, if such a policy is to be adopted, there should be an emergency clause inserted to protect situations of this kind.

EXTENSION OF REMARKS

Mr. BELL asked and was given permission to extend his remarks in the RECORD and include an article from the Christian Science Monitor of February 23, 1946.

Mr. CELLER asked and was given permission to extend his remarks in the RECORD in four instances.

ANGLO-AMERICAN COMMITTEE ON INQUIRY ON PALESTINE

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, Bartley Crum, United States representative on the Anglo-American Committee on Inquiry on Palestine, after personally investigating conditions made a forthright statement concerning the courage, dignity, orderliness, and grim determination as well of the displaced Jews in Europe to go to Palestine. Mr. Crum said, "The Jews have taken about all they can. They are at the breaking point." Immediately thereafter, Sir John Singleton, British chairman, ordered the members of the committee, including Mr. Crum, into silence.

Are the American members to remain supine and allow gags to be placed in their mouths? What does Singleton want the committee to hide?

It is well known that British members are hewing close to the Bevin line, and will defend to the death the wretched British colonial policy in Palestine.

EXTENSION OF REMARKS

Mr. OUTLAND. Mr. Speaker, on February 21 I asked to have inserted in the Appendix of the RECORD a statement by Under Secretary of State Dean Acheson on the British loan. The Public Printer informs me that this will exceed two pages of the RECORD and cost $138.80, notwithstanding which I ask unanimous consent to have it inserted in the RECORD.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. OUTLAND. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[Mr. OUTLAND addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. FORAND asked and was given permission to extend his remarks in the RECORD and include a telegram from the Pawtucket Real Estate Exchange.

PERMISSION TO ADDRESS THE HOUSE

Mr. FORAND. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include a table.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

[Mr. FORAND addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. MANSFIELD of Montana. Mr. Speaker, I ask unanimous consent that in connection with some remarks I intend to make in the Committee of the Whole this afternoon I may be permitted to insert a copy of the bill H. R. 5515, and also a letter from Hon. John B. Blandford, Administrator, National Housing Agency.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. LYNDON B. JOHNSON asked and was given permission to extend his remarks in the RECORD and to include brief radio comments concerning the chairman of the House Committee on Foreign Affairs.

Mr. HILL asked and was given permission to extend his remarks in the RECORD and include a copy of a letter by Governor Vivian, of Colorado, to Wilson W. Wyatt, Housing Expediter, and also a telegram from Mr. Brandenburg, executive vice president, Denver Association of Home Builders.

PERMISSION TO ADDRESS THE HOUSE

Mrs. DOUGLAS of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

[Mrs. DOUGLAS of Illinois addressed the House. Her remarks appear in the Appendix.]

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

[Mr. KNUTSON addressed the House. His remarks appear in the Appendix.]

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to include a portion of a letter, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

[Mr. SPRINGER addressed the House. His remarks appear in the Appendix.]

SPECIAL ORDER GRANTED

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that on Thursday and Friday next I be permitted to address the House, following any special orders heretofore entered, for 15 minutes, speaking on un-American activities or anything else that may occur to me in the meantime.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF REMARKS

Mr. HOFFMAN asked and was given permission to extend his remarks in the RECORD on two subjects and include excerpts from letters and newspapers.

Mr. SHAFER asked and was given permission to extend his remarks in the RECORD in three instances, and to include in one an editorial and in another a telegram.

Mr. GILLIE asked and was given permission to extend his remarks in the RECORD and include a letter from Mr. Merle Bennett, president of Local 901, United Electrical, Radio, and Machine Workers of America, Fort Wayne, Ind., together with some telegrams.

Mr. McCORMACK asked and was given permission to extend his remarks in the RECORD and include an article appearing in the Boston Globe of February 21, written by Walter Lippmann, entitled "Our Military Power Not Disintegrating."

Mr. LEMKE asked and was given permission to extend his remarks in the RECORD and include an editorial from the Williston (N. Dak.) Herald.

Mr. BRADLEY of Michigan asked and was given permission to extend his remarks in the RECORD and include a radio broadcast recently delivered by himself.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I expect to make in the Committee of the Whole today and include a letter from Wilson W. Wyatt, and I further ask that the Clerk may read that letter at that time.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

CALENDAR WEDNESDAY BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order tomorrow, Calendar Wednesday, be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

LEAVE OF ABSENCE

Mr. BELL. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. SLAUGHTER] be granted leave of absence for 5 days on account of a death in his family.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include certain information.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[Mr. McCORMACK addressed the House. His remarks appear in the Appendix.]

CALL OF THE HOUSE

Mr. WILSON. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 32]

Andrews, Ala.	Feighan	Norrell
Arends	Fernandez	Norton
Baldwin, Md.	Fisher	O'Toole
Baldwin, N. Y.	Flood	Peterson, Ga.
Barden	Fulton	Pfeifer
Beall	Gardner	Plumley
Bloom	Gifford	Powell
Boykin	Gillette	Quinn, N. Y.
Bradley, Pa.	Green	Randolph
Brehm	Gwinn, N. Y.	Reece, Tenn.
Brumbaugh	Hart	Reed, N. Y.
Bryson	Hays	Rivers
Buckley	Heffernan	Robertson, N. Dak.
Burgin	Heselton	Robinson, Utah
Byrne, N. Y.	Holmes, Mass.	Sasscer
Cannon, Fla.	Hook	Schwabe, Mo.
Case, N. J.	Jarman	Schwabe, Okla.
Case, S. Dak.	Judd	Sheridan
Chapman	Kee	Simpson, Pa.
Chelf	Keefe	Slaughter
Chenoweth	Kerr	Somers, N. Y.
Chiperfield	Landis	Taylor
Clements	Latham	Vorys, Ohio
Clippinger	Luce	Walter
Cole, Kans.	Lynch	Weaver
Courtney	McConnell	West
Curley	McGlinchey	White
Dawson	McGregor	Winter
Dolliver	Morrison	Zimmerman
Domengeaux	Murray, Tenn.	

The SPEAKER. On this roll call 332 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MERCHANT SHIP SALES ACT, 1946

Mr. BLAND. Mr. Speaker, I call up the conference report on the bill H. R. 3603, an act to provide for the sale of surplus war-built vessels, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3603) to provide for the sale of surplus war-built vessels, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That this Act may be cited as the 'Merchant Ship Sales Act of 1946'.

"DECLARATION OF POLICY

"SEC. 2. (a) It is necessary for the national security and development and maintenance of the domestic and the export and import foreign commerce of the United States that the United States have an efficient and adequate American-owned merchant marine (1) sufficient to carry its domestic water-borne commerce and a substantial portion of its water-borne export and import foreign commerce and to provide shipping service on all routes essential for maintaining the flow of such domestic and foreign water-borne commerce at all times; (2) capable of serving as a naval and military auxiliary in time of war or national emergency; (3) owned and operated under the United States flag by citizens of the United States; (4) composed of the best-equipped, safest, and most suitable types of vessels, constructed in the United States and manned with a trained and efficient citizen personnel; and (5) supplemented by efficient American-owned facilities for shipbuilding and ship repair, marine insurance, and other auxiliary services.

"(b) It is hereby declared to be the policy of this Act to foster the development and encourage the maintenance of such a merchant marine.

"DEFINITIONS

"SEC. 3. As used in this Act the term—

"(a) 'Commission' means the United States Maritime Commission.

"(b) 'War-built vessel' means an ocean-going vessel of one thousand five hundred gross tons or more, owned by the United States and suitable for commercial use—

"(1) which was constructed or contracted for by or for the account of the United States during the period, beginning January 1, 1941, and ending with September 2, 1945; or

"(2) which, having been constructed during the period beginning September 3, 1939, and ending with September 2, 1945, was acquired by the United States during such period.

"(c) 'Prewar domestic costs', as applied to any type of vessel, means the amount determined by the Commission, and published by the Commission in the Federal Register, to be the amount for which a standard vessel of such type could have been constructed (without its national defense features) in the United States under normal conditions relating to labor, materials, and other elements of cost, obtaining on or about January 1, 1941. In no case shall the prewar domestic cost of any type of vessel be considered to be greater than 80 per centum of the domestic war cost of vessels of the same type.

"(d) 'Statutory sales price', as applied to a particular vessel, means, in the case of a dry-cargo vessel, an amount equal to 50 per centum of the prewar domestic cost of that type of vessel, and in the case of a tanker, such term means an amount equal to 87½ per centum of the prewar domestic cost of a tanker of that type, such amount in each case being adjusted as follows:

"(1) If the Commission is of the opinion that the vessel is not in class, there shall be subtracted the amount estimated by the Commission as the cost of putting the vessel in class.

"(2) If the Commission is of the opinion that the vessel lacks desirable features which are incorporated in the standard vessel used for the purpose of determining prewar domestic cost, and that the statutory sales price (unadjusted) would be lower if the standard vessel had also lacked such features, there shall be subtracted the amount estimated by the Commission as the amount of such resulting difference in statutory sales price.

"(3) If the Commission is of the opinion that the vessel contains desirable features which are not incorporated in the standard vessel used for the purpose of determining prewar domestic cost, and that the statutory sales price (unadjusted) would be higher if the standard vessel had also contained such features, there shall be added the amount estimated by the Commission as the amount of such resulting difference in statutory sales price.

"(4) There shall be subtracted, as representing normal depreciation, an amount computed by applying to the statutory sales price (determined without regard to this paragraph) the rate of 5 per centum per annum for the period beginning with the date of the original delivery of the vessel by its builder and ending with the date of sale or charter to the applicant in question, and there shall also be subtracted an amount computed by applying to the statutory sales price (determined without regard to this paragraph) such rate not in excess of 3 per centum per annum in the case of a vessel other than a tanker, and not in excess of 4 per centum per annum in the case of a tanker, for such period or periods of war service as the Commission determines will make reasonable allowance for excessive wear and tear by reason of war service which cannot be or has not been otherwise compensated for under this subsection.

"No adjustment, except in respect of passenger vessels constructed before January 1, 1941, shall be made under this Act which will result in a statutory sales price which (1) in the case of dry-cargo vessels (except Liberty type vessels) will be less than 35 per centum of the domestic war cost of vessels of the same type, (2) in the case of any Liberty type vessel will be less than 31½ per centum of the domestic war cost of vessels of such type, or (3) in the case of a tanker will be less than 50 per centum of the domestic war cost of tankers of the same type. For the purposes of this Act, except section 5, all Liberty vessels shall be considered to be vessels of one and the same type.

"(e) 'Domestic war cost' as applied to any type of vessel means the average construction cost (without national defense features) as determined by the Commission, of vessels of such type delivered during the calendar year 1944, except in case of any type of vessel the principal deliveries of which were made after the calendar year 1944, there shall be used in lieu of such year 1944 such period of not less than six consecutive calendar months as the Commission shall find to be most representative of war production costs of such type.

"(f) 'Cessation of hostilities' means the date proclaimed by the President as the date of the cessation of hostilities in the present war, or the date so specified in a concurrent resolution of the two Houses of the Congress, whichever is the earlier.

"(g) 'Citizen of the United States' includes a corporation, partnership, or association only if it is a citizen of the United States within the meaning of section 2 of the Shipping Act of 1916, as amended. The term 'affiliated interest' as used in sections 9 and 10 of this Act includes any person affiliated or associated with a citizen applicant for benefits under this Act who the Commission, pursuant to rules and regulations prescribed hereunder, determines should be so included in order to carry out the policy and purposes of this Act.

"SALES OF WAR-BUILT VESSELS TO CITIZENS

"SEC. 4. (a) Any citizen of the United States may make application to the Commis-

sion to purchase a war-built vessel, under the jurisdiction and control of the Commission, at the statutory sales price. If the Commission determines that the applicant possesses the ability, experience, financial resources, and other qualifications, necessary to enable him to operate and maintain the vessel under normal competitive conditions, and that such sale will aid in carrying out the policies of this Act, the Commission shall sell such vessel to the applicant at the statutory sales price.

"(b) At the time of sale, the purchaser shall pay to the Commission at least 25 per centum of the statutory sales price. The balance of the statutory sales price shall be payable in not more than twenty equal annual installments, with interest on the portion of the statutory sales price remaining unpaid, at the rate of 3½ per centum per annum, or shall be payable under such other amortization provisions which permit the purchaser to accelerate payment of the unpaid balance as the Commission deems satisfactory. The obligation of the purchaser with respect to payment of such unpaid balance with interest shall be secured by a preferred mortgage on the vessel sold.

"(c) The contract of sale, and the mortgage given to secure the payment of the unpaid balance of the purchase price, shall not restrict the lawful or proper use or operation of the vessel.

"CHARTER OF WAR-BUILT VESSELS TO CITIZENS

"SEC. 5 (a) Any citizen of the United States and, until July 4, 1946, any citizen of the Commonwealth of the Philippines, may make application to the Commission to charter a war-built dry-cargo vessel, under the jurisdiction and control of the Commission, for bare-boat use. The Commission may, in its discretion, either reject or approve the application, but shall not so approve unless in its opinion the chartering of such vessel to the applicant would be consistent with the policies of this Act. No vessel shall be chartered under this section until sixty days after publication of the applicable prewar domestic cost in the Federal Register under subsection 3 (c) of this Act.

"(b) The charter hire for any vessel chartered under the provisions of this section shall be fixed by the Commission at such rate as the Commission determines to be consistent with the policies of this Act, but, except upon the affirmative vote of not less than four members of the Commission, such rate shall not be less than 15 per centum per annum of the statutory sales price (computed as of the date of charter). Except in the case of vessels having passenger accommodations for not less than eighty passengers, rates of charter hire fixed by the Commission on any war-built vessel which differ from the rate specified in this subsection shall not be less than the prevailing world market charter rates for similar vessels for similar use as determined by the Commission.

"(c) The provisions of sections 708, 709, 710, 712, and 713, of the Merchant Marine Act, 1936, as amended, shall be applicable to charters made under this section.

"SALE OF WAR-BUILT VESSELS TO PERSONS NOT CITIZENS OF THE UNITED STATES

"SEC. 6. (a) Any person not a citizen of the United States may make application to the Commission to purchase a war-built vessel (other than a P–2 type or other passenger type and other than a Liberty type collier or tanker), under the jurisdiction and control of the Commission. If the Commission determines—

"(1) that the applicant has the financial resources, ability, and experience necessary to enable him to fulfill all obligations with respect to payment of any deferred portion of the purchase price, and that sale of the vessel to him would not be inconsistent with any policy of the United States in permitting foreign sales under section 9 of the Shipping Act, 1916, as amended; and

"(2) after consultation with the Secretary of the Navy, that such vessel is not necessary to the defense of the United States; and

"(3) that such vessel is not necessary to the promotion and maintenance of an American merchant marine described in section 2; and

"(4) that for a reasonable period of time, which in the case of tankers and 'C' type vessels shall not end before ninety days after publication of the applicable prewar domestic cost in the Federal Register under subsection 3 (c) of this Act, such vessel has been available for sale at the statutory sales price to citizens of the United States, or for charter under section 5 to citizens of the United States, and that no responsible offer has been made by a citizen of the United States to purchase or charter such vessel;

then the Commission is authorized to approve the application and sell such vessel to the applicant at not less than the statutory sales price. In case of application submitted by a citizen of the Commonwealth of the Philippines, paragraph (4) of this subsection shall not apply. Notwithstanding paragraph (4) of this subsection, not to exceed ten 'C' type vessels, except C–3's, may be sold to noncitizens at any time after such date of publication at not less than the statutory sales price.

"(b) Notwithstanding any other provision of law, no war-built vessel shall be sold to any person not a citizen of the United States, except in accordance with subsection (a), or upon terms or conditions more favorable than those at which such war-built vessel is offered to a citizen of the United States, but where the vessel so sold is being transferred to foreign register and flag, the mortgage securing the unpaid balance of the purchase price and interest thereon shall contain provisions according to such mortgage the priorities over other liens and encumbrances accorded such mortgages on merchant vessels under the laws of such registry and flag.

"ORDER OF PREFERENCES

"SEC. 7. (a) In exercising its powers under this Act and under other provisions of law with respect to the sale and charter of war-built vessels, the Commission shall give preference to citizen applicants over noncitizen applicants, and as between citizen applicants to purchase and citizen applicants to charter, shall, so far as practicable and consistent with the policies of this Act, give preference to citizen applicants to purchase. In determining the order of preference between citizen applicants to purchase or between citizen applicants to charter, the Commission shall consider, among other relevant factors, the extent to which losses and requisitions of the applicant's prewar tonnage have been overcome and shall in all cases, in the sale and charter of a war-built vessel, give preference in such sale or charter, as the case may be, to the former owner of such vessel, or to the person for whom the vessel was constructed but to whom delivery thereof was prevented by the United States. In determining the order of preference between noncitizen applicants to purchase, the Commission shall give preference to citizens of the Commonwealth of the Philippines, and in determining the order of preference between other non-citizen applicants to purchase shall consider the extent to which losses in prewar tonnage of the various member nations of the United Nations, incurred in the interests of the war effort, have been overcome, and the relative effects of such losses upon the national economy of such member nations.

"(b) After the cessation of hostilities, operation of vessels in commercial service by the United States, either for its own account or through operating agents under agency agreements, shall, except as to the Panama Railroad Company and other services specifically authorized by law, be continued only to the extent necessary to effect orderly transfer of vessels to private operation.

"EXCHANGE OF VESSELS

"SEC. 8. (a) The Commission is authorized to acquire, in exchange for an allowance of a credit on the purchase of any war-built vessel under section 4 or any vessel acquired through exchange under subsection (d) of this section—

"(1) Any vessel owned by a citizen of the United States, other than a vessel purchased under this Act; or

"(2) Any vessel owned by a foreign corporation, if—

"(A) the vessel was constructed in the United States, and has, after December 7, 1941, been chartered to, or otherwise taken for use by, the United States; and

"(B) the controlling interest in such corporation is, at the time of acquisition of such vessel hereunder, owned by a citizen or citizens of the United States, and has been so owned for a period of at least three years immediately prior to such acquisition; and

"(C) such corporation agrees that the war-built vessel purchased with the use of such credit shall be owned by such citizen or citizens and shall be documented under the laws of the United States.

"Such allowance shall not be applied upon the cash payment required under section 4. A war-built vessel shall be deemed a 'new vessel' for the purpose of section 511 of the Merchant Marine Act, 1936, as amended, and section 510 (e) of such Act shall be applicable with respect to vessels exchanged under this section to the same extent as applicable to obsolete vessels exchanged under section 510 of such Act.

"(b) (1) If, prior to December 31, 1946, the owner of a vessel eligible for exchange under subsection (a) makes a firm offer binding for at least ninety days, to transfer the vessel to the Commission in exchange for an allowance of credit provided in subsection (a), the amount of such allowance shall be the fair and reasonable value of the vessel as determined by the Commission under this section. In making such determination the Commission shall consider: (A) The value of the vessel determined in accordance with the standards of valuation established pursuant to Executive Order 9387 (8 F. R. 14105) as of the date of such offer, (B) any liability of the United States for repair and restoration of the vessel, (C) the utility value of the vessel, (D) the effect of this Act upon the market value of such vessel, and (E) the public interest in promoting exchanges of vessels as a means of rehabilitating and modernizing the American merchant marine. In no event shall the amount of such allowance, in case of dry cargo vessels and tankers, exceed (A) (1) if the vessel or vessels tendered in exchange are of equal or greater dead-weight tonnage than the war-built vessel or vessels being acquired, 33⅓ per centum of the statutory sales price (unadjusted) of the war-built vessel or vessels, or (2) if the vessel or vessels tendered in exchange are of lesser dead-weight tonnage than the war-built vessel or vessels, such proportionate part of 33⅓ per centum of the statutory sales price (unadjusted) of such war-built vessel or vessels as the dead-weight tonnage of such vessel or vessels tendered in exchange bear to the dead weight tonnage of such war-built vessel or vessels, or (B) the liability of the United States in connection with the repair or restoration of such vessel under any charter to which the United States is a party, whichever is the higher. In the case of passenger vessels tendered in exchange, the amount of the allowance shall not exceed the percentages of statutory sales price computed under (A) (1) and (2) above by gross tons instead of dead-weight tons, or such liability for the repair or restoration of such passenger vessel, whichever is the higher. In any case where the vessel tendered in exchange was acquired from the United States, the exchange allowance under this section shall not exceed the price paid the United States therefor plus the depreciated cost of any improvements

thereon. In the case of any vessel tendered in exchange which has been restored to condition by the United States for the purpose of redelivering such vessel to its owner in compliance with the charter of such vessel with the United States, or where, for such restoration a cash allowance has been made to the owner, there shall be deducted from the amount of the allowance of credit for such vessel determined by the Commission under this section, an amount equal to the liability of the United States for such restoration or such cash allowance made to the owner.

"(2) If, after such offer is made, and prior to its acceptance, or prior to the acquisition of the vessel, by the Commission, the vessel is lost by reason of causes for which the United States is responsible, then in lieu of paying the owner any amount on account of such loss, the offer shall, for the purposes of subsection (a) and this subsection, be considered as having been accepted and the vessel as having been acquired by the Commission under subsection (a) immediately prior to such loss.

"(c) The Commission is also authorized to make available any war-built vessel for transfer in complete or partial settlement of any claim against the United States (1) for just compensation upon requisition for title of any vessel, or (2) for indemnity for the loss of any vessel which was acquired for use by the United States, but only to the extent such vessel is available for sale to the claimant.

"(d) In the case of any vessel constructed in the United States after January 1, 1937, which has been taken by the United States for use in any manner, the Commission, if in its opinion the transfer would aid in carrying out the policies of this Act, is authorized to transfer to the owner of such vessel another vessel which is deemed by the Commission to be of comparable type with adjustments for depreciation and difference in design or speed, and to the extent applicable, adjustments with respect to the retained vessel as provided for in section 9, and such other adjustments and terms and conditions, including transfer of mortgage obligations in favor of the United States binding upon the old vessel, as the Commission may prescribe.

"ADJUSTMENT FOR PRIOR SALES TO CITIZENS

"SEC. 9. (a) A citizen of the United States who on the date of the enactment of this Act—

"(1) owns a vessel which he purchased from the Commission prior to such date, and which was delivered by its builder after December 31, 1940; or

"(2) is party to a contract with the Commission to purchase from the Commission a vessel, which has not yet been delivered to him; or

"(3) owns a vessel on account of which a construction-differential subsidy was paid, or agreed to be paid, by the Commission under section 504 of the Merchant Marine Act, 1936, as amended, and which was delivered by its builder after December 31, 1940; or

"(4) is party to a contract with a shipbuilder for the construction for him of a vessel, which has not yet been delivered to him, and on account of which a construction-differential subsidy was agreed, prior to such date, to be paid by the Commission under section 504 of the Merchant Marine Act, 1936, as amended;

shall, except as hereinafter provided, be entitled to an adjustment in the price of such vessel under this section if he makes application therefor, in such form and manner as the Commission may prescribe, within sixty days after the date of publication of the applicable prewar domestic costs in the Federal Register under section 3 (c) of this Act. No adjustment shall be made under this section in respect of any vessel the contract for the construction of which was made after September 2, 1945, under the provisions of title V (including section 504) or title VII of the Merchant Marine Act, 1936, as amended.

"(b) Such adjustment shall be made, as hereinafter provided, by treating the vessel as if it were being sold to the applicant on the date of the enactment of this Act, and not before that time. The amount of such adjustment shall be determined as follows:

"(1) The Commission shall credit the applicant with the excess of the cash payments made upon the original purchase price of the vessel over 25 per centum of the statutory sales price of the vessel as of such date of enactment. If such payment was less than 25 per centum of the statutory sales price of the vessel, the applicant shall pay the difference to the Commission.

"(2) The applicant's indebtedness under any mortgage to the United States with respect to the vessel shall be adjusted.

"(3) The adjusted mortgage indebtedness shall be in an amount equal to the excess of the statutory sales price of the vessel as of the date of the enactment of this Act over the sum of the cash payment retained by the United States under paragraph (1) plus the readjusted trade-in allowance (determined under paragraph (7)) with respect to any vessel exchanged by the applicant on the original purchase. The adjusted mortgage indebtedness shall be payable in equal annual installments thereafter during the remaining life of such mortgage with interest on the portion of the statutory sales price remaining unpaid at the rate of 3½ per centum per annum.

"(4) The Commission shall credit the applicant with the excess, if any, of the sum of the cash payments made by the applicant upon the original purchase price of the vessel plus the readjusted trade-in allowance (determined under paragraph (7)) over the statutory sales price of the vessel as of the date of the enactment of this Act to the extent not credited under paragraph (1).

"(5) The Commission shall also credit the applicant with an amount equal to interest at the rate of 3½ per centum per annum (for the period beginning with the date of the original delivery of the vessel to the applicant and ending with the date of the enactment of this Act) on the excess of the original purchase price of the vessel over the amount of any allowance allowed by the Commission on the exchange of any vessel on such purchase; the amount of such credit first being reduced by any interest on the original mortgage indebtedness accrued up to such date of enactment and unpaid. Interest so accrued and unpaid shall be canceled.

"(6) The applicant shall credit the Commission with all amounts paid by the United States to him as charter hire for use of the vessel (exclusive of service, if any, required under the terms of the charter) under any charter party made prior to the date of the enactment of this Act, and any charter hire for such use accrued up to such date of enactment and unpaid shall be canceled; and the Commission shall credit the applicant with the amount that would have been paid by the United States to the applicant as charter hire for bare-boat use of vessels exchanged by the applicant on the original purchase (for the period beginning with date on which the vessels so exchanged were delivered to the Commission and ending with the date of the enactment of this Act).

"(7) The allowance made to the applicant on any vessel exchanged by him on the original purchase shall be readjusted so as to limit such allowance to the amount provided for under section 8.

"(8) There shall be subtracted from the sum of the credits in favor of the Commission under the foregoing provisions of this subsection the amount of any overpayments of Federal taxes by the applicant resulting from the application of subsection (c) (1), and there shall be subtracted from the sum of the credits in favor of the applicant under the foregoing provisions of this subsection the amount of any deficiencies in Federal taxes of the applicant resulting from the application of subsection (c) (1). If, after making such subtractions, the sum of the credits in favor of the applicant exceeds the sum of the credits in favor of the Commission, such excess shall be paid by the Commission to the applicant. If, after making such subtractions, the sum of the credits in favor of the Commission exceeds the sum of the credits in favor of the applicant, such excess shall be paid by the applicant to the Commission. Upon such payment by the Commission or the applicant, such overpayments shall be treated as having been refunded and such deficiencies as having been paid.

For the purposes of this subsection, the purchase price of a vessel on account of which a construction differential subsidy was paid or agreed to be paid under section 504 of the Merchant Marine Act, 1936, as amended, shall be the net cost of the vessel to the owner.

"(c) An adjustment shall be made under this section only if the applicant enters into an agreement with the Commission binding upon the citizen applicant and any affiliated interest to the effect that—

"(1) depreciation and amortization allowed or allowable with respect to the vessel up to the date of the enactment of this Act for Federal tax purposes shall be treated as not having been allowable; amounts credited to the Commission under subsection (b) (6) shall be treated for Federal tax purposes as not having been received or accrued as income; amounts credited to the applicant under subsection (b) (5) and (6) shall be treated for Federal tax purposes as having been received and accrued as income in the taxable year in which falls the date of the enactment of this Act;

"(2) the liability of the United States for use (exclusive of service, if any, required under the terms of the charter) of the vessel on or after the date of the enactment of this Act under any charter party shall not exceed 15 per centum per annum of the statutory sales price of the vessel as of such date of enactment; and the liability of the United States under any such charter party for loss of the vessel shall be determined on the basis of the statutory sales price as of the date of the enactment of this Act, depreciated to the date of loss at the rate of 5 per centum per annum; and

"(3) in the event the United States, prior to the termination of the existing national emergency declared by the President on May 27, 1941, uses such vessel pursuant to a taking, or pursuant to a bare-boat charter, made, on or after the date of the enactment of this Act, the compensation to be paid to the purchaser, his receivers, and trustees, shall in no event be greater than 15 per centum per annum of the statutory sales price as of such date.

"(d) Section 506 of the Merchant Marine Act, 1936, as amended, shall not apply with respect to (1) any vessel which is eligible for an adjustment under this section, or (2) any vessel described in clause (1), (2), (3), or (4) of subsection (a) of this section, the contract for the construction of which is made after September 2, 1945, and prior to the date of enactment of this Act.

"LIMITATION ON ELIGIBILITY FOR BENEFITS OF ACT

"SEC. 10. No person shall be eligible to purchase or charter a war-built vessel under this Act, or to receive an adjustment under section 9, unless such person makes an agreement with the Commission binding upon such person and any affiliated interest to the effect that the liability of the United States under any charter party or taking for use, made or effected prior to the date of the enactment of this Act, for the loss, on

or after such date of enactment and prior to September 3, 1947, of any vessel owned by such person and under charter to the United States (excluding a vessel with respect to which an adjustment is made under section 9) shall be limited to an amount equal to just compensation as of the date of said loss, determined pursuant to existing law, or such amount as may be mutually agreed upon subsequent to the date of the enactment of this Act as just compensation under the provisions of existing law.

"NATIONAL DEFENSE RESERVE FLEET

"SEC. 11. (a) The Commission shall place in a national defense reserve (1) such vessels owned by it as, after consultation with the Secretary of War and the Secretary of the Navy, it deems should be retained for the national defense, and (2) all vessels owned by it on December 31, 1947, for the sale of which a contract has not been made by that time, except those determined by the Commission to be of insufficient value for commercial and national defense purposes to warrant their maintenance and preservation, and except those vessels, the contracts for the construction of which are made after September 2, 1945, under the provisions of the Merchant Marine Act, 1936, as amended. A vessel under charter on December 31, 1947, shall not be placed in the reserve until the termination of such charter. Unless otherwise provided for by law, all vessels placed in such reserve shall be preserved and maintained by the Commission for the purpose of national defense. A vessel placed in such reserve shall in no case be used for commercial operation, except that any such vessel may be used during any period in which vessels may be requisitioned under section 902 of the Merchant Marine Act, 1936, as amended.

"(b) Any war-built vessel may be made available by the Commission to any State maintaining a marine school or nautical branch in accordance with the Act of July 29, 1941 (Public Law 191, Seventy-seventh Congress; 55 Stat. 607).

"GENERAL PROVISIONS

"SEC. 12. (a) The Commission is authorized to reconvert or restore for normal operation in commercial services, including removal of national defense or war-service features, any vessel authorized to be sold or chartered under this Act. The Commission is authorized to make such replacements, alterations, or modifications with respect to any vessel authorized to be sold or chartered under this Act, and to install therein such special features, as may be necessary or advisable to make such vessel suitable for commercial operation on trade routes or services or comparable as to commercial utility to other such vessels of the same general type.

"(b) The provisions of section 202 of the War Mobilization and Reconversion Act of 1944 shall not apply to contracts of the Commission for or relating to construction of ships.

"(c) Notwithstanding the provisions of section 27 of the Merchant Marine Act, 1920, as amended (U. S. C., title 46, sec. 883), no vessel sold or chartered by the Commission under this Act to a citizen of the United States shall be prohibited from engaging in the coastwise trade of the United States while owned by or chartered to such citizen or citizen successors in interest merely because it was under foreign registry on or after May 27, 1941, and prior to its sale or charter under this Act to such citizen, if it is otherwise entitled under the laws of the United States to engage in such trade.

"(d) All moneys received by the Commission under this Act shall be deposited in the Treasury to the credit of miscellaneous receipts. The provisions of sections 201 (d), 204 (b), 207, 209 (a), and 905 (c) of the Merchant Marine Act, 1936, as amended, shall apply to all activities and functions which the Commission is authorized to perform under this Act.

"REPORTS

"SEC. 13. The Commission shall on July 1, 1946, and every three months thereafter, make a report to Congress with respect to all activities or transactions under this Act which have not been covered by any previous such report.

"TERMINATION DATE

"SEC. 14. No contract of sale or of charter shall be made under this Act after December 31, 1947."

And the Senate agree to the same.

S. O. BLAND,
J. J. MANSFIELD,
FRANK W. BOYKIN,
RICHARD J. WELCH,
FRED BRADLEY,
Managers on the Part of the House.

GEORGE L. RADCLIFFE,
JOSIAH W. BAILEY,
JOHN H. OVERTON,
OWEN BREWSTER,
THOS. C. HART,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill (H. R. 3603) to provide for the sale of surplus war-built vessels, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause. The conference agreement is a substitute for both the House bill and the Senate amendment. The conferees, however, have limited their changes in the text to those portions wherein the House bill and the Senate amendment differed in language, with only such incidental changes as were necessary because of the language changes made by the conferees in the differing portions of the House bill and the Senate amendment.

Language was inserted to clarify the status of Philippine citizens who are nationals (but not citizens) of the United States, pending independence, making them eligible until July 4, 1946, to apply for charters of dry-cargo vessels as may citizens of the United States. They were also given a preference over other noncitizens in buying vessels as noncitizens.

SHORT TITLE

The conference bill provides that the short title of the act shall be "Merchant Ship Sales Act of 1946."

DECLARATION OF POLICY

Section 2 (a) of the House bill and of the Senate amendment both follow very closely the declaration of policy in the Merchant Marine Act, 1936. The House bill added clause (5) and the Senate amendment transposed the reference to foreign and domestic commerce in the declaration to emphasize the necessity for an American merchant marine sufficient to provide for all the domestic water-borne commerce and to emphasize the maintenance (as well as the development) of both the domestic and foreign commerce. The Senate amendment also added to clause (5) a reference to shipbuilding and ship-repair facilities. The conference agreement includes all these changes. The changes from the declaration of policy in the 1936 act only state more specifically some points heretofore largely left to implication.

The Senate amendment inserted a clause in section 2 (b) adding a negative statement which might be construed so as to give rise to conflict in the application of policies otherwise affirmatively expressed in both the House and Senate versions of the bill. The conference bill omits this clause.

WAR-BUILT VESSELS

The House bill (sec. 3 (b)) applied to war-built vessels of 2,000 gross tons or more, whereas the Senate amendment applies to such vessels of 1,500 gross tons or more. The Senate figure would extend the coverage of the measure to smaller vessels suitable for coastwise trade (such as the N3 type), and is included in the conference bill.

The House bill (sec. 3 (b) (1) and (2)) applied to war-built vessels (Government-owned) constructed or contracted for by or for the account of the United States, on or before June 30, 1945, or which were constructed and acquired or reacquired by the United States on or before June 30, 1945. The Senate amendment covers vessels contracted for, or acquired by, the Commission or the War Shipping Administration (rather than the United States) on or before September 2, 1945 (instead of June 30, 1945).

The conference bill retains the House provisions as to construction or acquisition by the United States (rather than by the Commission only), and adopts the date of September 2, 1945 (instead of June 30, 1945).

PRICING PROVISIONS

Both the House bill (sec. 3 (c)) and the Senate amendment used prewar domestic-construction costs as the basis for computing selling prices. The House bill fixed the selling price for dry-cargo vessels at 55 percent to subsidized operators, and 50 percent to nonsubsidized operators, of the prewar domestic cost; and for tankers fixed at 100 percent of the prewar domestic cost (sec. 3 (d)). The Senate amendment fixed the price of dry-cargo vessels to all at 50 percent of prewar domestic cost and the tankers at 75 percent of the prewar domestic cost.

The conference bill fixes the price for dry-cargo vessels to all at 50 percent of the prewar domestic cost, and for tankers at 87½ percent of such cost.

FLOOR PRICES

Both the House bill and the Senate amendment establish floor prices below which selling prices cannot be reduced by adjustments for depreciation and other adjustment factors (sec. 3 (d)).

The House bill provided that in the case of dry-cargo vessels the floor price could not be less than 35 percent of the average construction cost (by types) for a nonsubsidized operator, nor less than 40 percent for any other operator, and in the case of a tanker could not be less than 50 percent of the construction cost. The Senate amendment fixes the floor price for dry-cargo vessels generally at 35 percent of cost, for Liberty types at 31½ percent, and 42 percent for tankers.

The conference agreement fixes the floor price for dry-cargo vessels to all buyers at 35 percent, for Liberty-type vessels at 31½ percent, and 50 percent for tankers.

The Senate amendment inserted a definition of "domestic war cost" which gives that term the same meaning as "average construction cost" in the House bill, and the conference agreement adopts the definition as a drafting simplification.

Under the Senate amendment all Liberty vessels are to be considered of one and the same type, whereas under the House bill this provision was limited to dry-cargo vessels. The conference bill adopts the former provision, thereby including Liberty tankers under the pricing provisions generally applicable to Liberty-type vessels, but with a perfecting corollary amendment which prevents Liberty-type tankers from being chartered under section 5, chartering provisions, which include Liberty dry-cargo vessels.

In section 3 (g) the Senate amendment adds a definition of the term "affiliated interest" as used in sections 9 and 10 of the measure. The conference report includes this definition as being a protective amendment.

SALES OF WAR-BUILT VESSELS TO CITIZENS

Section 4 of the House bill and of the Senate amendment both prescribe terms of sale of war-built vessels to citizens and differ only in that the House bill required a determination that the applicant possess "the ability, experience, and financial resources, and other qualifications necessary to enable the applicant to operate and maintain the vessel purchased under normal competitive conditions." The Senate amendment required only the possession of "qualifications necessary to enable the applicant to operate and maintain the vessel purchased under normal competitive conditions." The conference bill restores the House language.

CHARTERS OF WAR-BUILT VESSELS TO CITIZENS

In section 5 of both the House bill and the Senate amendment provision is made for charter of war-built vessels to citizens, but under the House bill tankers were not included, while the Senate amendment did include tankers. The conference agreement restores the House limitation so that tankers may not be chartered under the measure.

The House bill, in section 5, contains a prohibition on charter of a vessel until it had been offered for sale with no acceptance for at least 3 months. The Senate amendment had no comparable provision. The conference bill provides in lieu of this provision that no vessel may be chartered under the section until 60 days after publication of the prewar domestic cost as required in section 3 (c) of the measure. The bill would not affect the existing authority of the War Shipping Administration and the Maritime Commission to charter vessels to citizens of the United States, which may be necessary for limited periods to speed up the resumption of private steamship operation.

The Senate amendment included an additional provision forbidding the Maritime Commission from rejecting any application for the purpose of denying lawful operation of any kind and restricting or limiting competition in the ocean trade of the United States. The conference bill does not include this provision, inasmuch as the discretion placed in the Commission by the section as to chartering will be governed by the declaration of policy and other provisions of the bill.

SALES OF WAR-BUILT VESSELS TO NONCITIZENS

Both the House bill and the Senate amendment (sec. 6) prescribe terms of sale of war-built vessels to persons not citizens of the United States. Both prohibit the sale to noncitizens of passenger-type and bulk dry-cargo Liberty-type vessels. To this prohibition is added in the conference bill a prohibition against the sale to noncitizens of Liberty tankers as a corollary action of the conferees with respect to the pricing provisions for Liberty-type tankers for sale to citizens.

The conference agreement adopts certain minor changes in the Senate amendment relating to the administration of section 6 and procedure preliminary to sale of vessels.

The House bill permitted the immediate sale to noncitizens of not more than 5 C-type vessels which were under charter to noncitizens. The Senate amendment increased this number to 10, but excluded therefrom C3-type vessels. The conference bill adopts the larger number.

COMMERCIAL OPERATIONS AFTER CESSATION OF HOSTILITIES

Section 7 (b) of the House bill prohibits, except to the extent necessary to effect transfer of vessels to private operation, the operation of vessels in commercial services by the Maritime Commission. The Senate amendment in section 7 (b) made this prohibition applicable to the United States (including, of course, the Maritime Commission) but excepted from the prohibition any operation specifically authorized by law. The conference agreement adopts the Senate amendment with a further amendment expressly excepting the Panama Railroad Company in addition to other services which may be specifically authorized by law.

EXCHANGE OF VESSELS

The House bill and the Senate amendment in section 8 of each contain provisions with regard to the acquisition by the Commission of vessels in exchange for an allowance of credit on the purchase of war-built vessels.

The House bill provided that the trade-in allowances, to be determined by the Commission, should not exceed 10 percent of the average construction cost, having regard to the tonnage of the vessel being exchanged.

The Senate amendment fixed the maximum allowance at 33⅓ percent of the unadjusted statutory sales price where the vessel in exchange is of equal or greater dead-weight tonnage than the war-built vessel, and where the vessel in exchange is of lesser tonnage than the war-built vessel, the allowance should not exceed such fraction of one-third of the statutory sales price as the ratio of the dead-weight tonnage of the vessel offered in exchange bears to the tonnage of the war-built vessel.

The Senate amendment includes various standards for consideration by the Commission in making its determination of the credit allowance for the vessel turned in. These include values established under Rules of the Advisory Board on Just Compensation, the liability of the United States for repair and restoration of the vessel, the utility value of the vessel, the effect of the measure upon the market value of the vessel, and the public interest in promoting exchanges in order to rehabilitate and modernize the American merchant marine.

The conference agreement adopts the aforesaid standards of determination as a means of prescribing guides for the discretion of the Commission in making determinations.

The conference agreement also adopts the Senate provision for the limitation on the amount of the trade-in allowance.

The Senate amendment on trade-ins authorizes the trade-in allowance to be equal to but not more than the liability of the United States in connection with the repair or restoration of the trade-in vessel under any charter party with the United States. This provision was adopted in the conference agreement as in the interest of the Government and the merchant marine through placing war-built vessels in operation rather than expending large sums on restoring old vessels for return under charter.

Both the House bill and the Senate amendment (sec. 8 (b) (1)) contain a restriction against turning in of vessels for credit when the vessel had been restored by the United States for return under the charter or a cash allowance therefor had been made to the owner. The conference agreement adopts a modification of this restriction, which provides that any such vessel may not be turned in for a credit allowance on a new vessel unless the amount of the liability of the United States for restoration or the cash allowance therefor is repaid to the United States. This does not prevent turning in a vessel which has been returned to the owner or is to be returned to the owner with the removal only of the defense features at the expense of the United States, which cost is to be borne by the United States in any event.

The House bill (sec. 8 (b) (1)) contained a provision limiting the trade-in allowance on a turned-in vessel in any case where the vessel was acquired from the United States, to the price paid the United States therefor (plus the depreciated cost of betterments) unless the vessel has subsequently been acquired by a "bona fide purchaser for value." Under the Senate amendment no such exception is made. The conference agreement adopts the Senate provision.

The Senate amendment in connection with the limitation on the amount of the allowance when passenger vessels are traded in, uses gross tonnage in lieu of the deadweight tonnage. The conference agreement adopts this provision.

Both the House bill and the Senate amendment (sec. 8 (c)) include special provision for transfer of war-built vessels in settlement of claims arising in this war against the United States for just compensation in title requisition cases and for indemnity for loss in case of vessels lost while in use by the United States. The House provision limited this authority to such claims by citizens.

The Senate amendment does not so limit the status of the claims, but provides that no vessels may be transferred in settlement of a claim unless the vessel is available for sale under the bill to the claimant in question, to prevent evasion of the provisions of the bill with respect to the sale of vessels to noncitizens.

The conference agreement adopts this amendment.

The Senate amendment (sec. 8 (d)) included the transfer of vessels in exchange for vessels constructed in the United States since January 1, 1937, and taken for use by the United States in any manner. The vessels transferred in exchange must be a comparable type, that is of the same general type and adjustments are to be made for depreciation and differences in design and speed of the vessels involved. The conference agreement includes these provisions.

ADJUSTMENT OF PRIOR SALES TO CITIZENS

Section 9 in the House bill and the Senate amendment provides for the adjustment of prior sales to citizens. The House bill (sec. 9 (a)) excluded from adjustment any vessel, the contract for the construction of which was made after June 30, 1945, under the Merchant Marine Act, 1936, as amended. The Senate amendment would change the date to September 2, 1945, and the conference agreement adopts the latter date.

Both the House bill and the Senate amendment provided for (1) adjustment of the original purchase price, (2) adjustment of the charter hire, (3) adjustment of trade-in allowance in connection with the prior original purchase, and (4) adjustments of taxes paid on account of ownership of the vessel.

Under the House bill the owner would receive as an adjustment the difference between the statutory sales price of the vessel computed as of the date of enactment of the act and the price he originally paid for the vessel. The owner would return all charter hire previously received or allowed by the Government during his ownership of the vessel. The owner would be allowed 3½ percent interest on his original purchase price (but where there was a trade-in, only on the difference between his original purchase price and the allowance under the trade-in). Under the House bill where the original purchase involved the trade-in of an old vessel, the trade-in allowance is adjusted in accordance with the trade-in standards prescribed under section 8 of the House bill (top limit of 10 percent of the war cost). The owner would be allowed charter hire on the traded-in vessel.

Under the Senate amendment the owner would receive as an adjustment the difference between the original price (depreciated at 5 percent plus 3 or 4 percent war service) and the statutory sales price for the vessel determined as of the date of enactment of the measure. Under the Senate amendment the owner would return the difference between the charter hire he received from the Government while he owned the vessel and the charter hire he would have received had the price of the vessel been the adjusted price arrived at under the act. Under the Senate amendment the owner would receive credit for the interest he actually paid to

the Government on the deferred account of his original purchase price. The Senate amendment also provides for an adjustment of the trade-in allowance for a vessel traded in on the original purchase, in accordance with section 8 of the Senate amendment (which prescribes a top limit of one-third of the unadjusted statutory sales price). Under the Senate amendment no provision is made for allowance for charter hire of the traded-in vessel.

The conference agreement restores the House provisions on the points stated in the two preceding paragraphs.

The House bill and the Senate amendment both contain provisions relating to the adjustment of taxes and, in accord with the action of the conferees on the above-described differences, the conference agreement adopts the House text with a modification. The modification is in section 9 (c) (1) of the House bill and provides that amounts credited the applicant for interest under subsection (b) (5) shall be treated for Federal tax purposes as having been received and accrued as income in the taxable year in which falls the date of enactment of the act.

Under the House bill the owner desiring an adjustment on one vessel would be required to adjust on all vessels (sec. 9 (c)). Under the Senate amendment the owner may choose the vessels on which he wants an adjustment of price (sec. 9 (d)). The conference agreement adopts the latter provision.

The House bill (sec. 9 (d) (2)) requires the owner who adjusts to agree that the liability of the United States under a charter party for the use of the vessel on or after the enactment of the act shall be limited to 15 percent of the statutory sales price of the vessel as of the date of enactment. Under the Senate amendment (sec. 9 (d) (1)) the owner who adjusts must agree that the liability on the part of the United States for the use of the vessel under any charter party made prior to the enactment of the act shall be limited to 15 percent of the adjusted price of the vessel. The conference agreement restores the House provision on this point.

The House bill (sec. 9 (c) (1)) requires the owner to agree that in case of the loss of the vessel under any charter party, the liability under the charter shall be determined on the basis of the statutory sales price as of the date of enactment of the act, depreciated at the rate of 5 percent per annum plus 3 percent war-service depreciation. The Senate amendment (sec. 9 (d) (2)) required the owner to agree that in such case the liability of the United States shall be determined on the basis of the adjusted purchase price of the vessel depreciated at the rate of 5 percent per annum. The conference agreement restores the House provision omitting the provision for 3 percent war-service depreciation.

The Senate amendment (sec. 9 (d)) provided that, in order to receive an adjustment of a prior sale, the owner must agree that any payment or claim on account of loss or requisition of any vessel built subsequent to January 1, 1935, shall be determined or settled in an amount not to exceed the adjusted basis of the vessel in the hands of the owner determined under section 113 (b) of the Internal Revenue Code. There was no such provision in the House bill, and the conference agreement omits the Senate provision.

Under section 9 (d) of the House bill, section 506 of the Merchant Marine Act, 1936 (relating to the use of a vessel in coastwise service) would not apply with respect to any vessel on which an adjustment is made under section 9. The Senate amendment (sec. 9 (f)) provides that such section 506 should not apply with respect to any vessel eligible for an adjustment under section 9 nor to any vessels described in section 9 (a) (1), (2), (3), or (4), the contract for the construction of which is made after September 2, 1945, and prior to the date of enactment of the act. The conference agreement adopts the latter provisions.

LIMITATION ON ELIGIBILITY FOR BENEFITS OF THE ACT

The House bill and the Senate amendment (sec. 10) include provisions applicable to the purchasers or charterers of war-built vessels, and to persons receiving adjustments under section 9, requiring such persons, in cases of use by the United States or loss of a vessel while under charter to the United States, prior to September 3, 1947, to accept in settlement of the liability of the United States an amount equal to just compensation. Such compensation is to be determined or agreed upon pursuant to section 902 of the Merchant Marine Act, 1936, in the House bill, and pursuant to existing law under the Senate amendment. The reference to existing law includes recent determination of various controversies in connection with the determination of just compensation. The conference agreement adopts the reference to existing law in the interest of clarifying the intent and avoiding disputes.

NATIONAL DEFENSE RESERVE FLEET

The conference agreement adopts a change of date in section 11 from September 3, 1947, to December 31, 1947, with respect to the closing date for placing vessels in the defense reserve when not sold within the time limit. Vessels contracted for under the provisions of the Merchant Marine Act, 1936, after September 2, 1945, are excluded as provided in the Senate amendment, inasmuch as there is no intent to place new postwar construction in the defense reserve if it should come back to or be retained in Government ownership.

Both the House bill and the Senate amendment contain similar provision authorizing war-built vessels to be made available to State marine schools or nautical branches, and the conference agreement (sec. 11 (g)) adopts the Senate language which includes specific reference to the applicable existing law involved.

GENERAL PROVISIONS

Both the House bill and the Senate amendment contain in section 12 (c) a provision to make it clear that war-built vessels covered by the bill which were placed under foreign registry for war purposes may be eligible to operate in the coastwise trade. The conference agreement includes the insertion of the Senate language "or after" with reference to the clause "on May 27, 1941, and prior to its sale or charter under this Act", to make it clear that vessels of this class may be admitted to domestic trade when owned or chartered to citizens of the United States under the act.

The Senate amendment definitely required receipts under the act to be deposited in the Treasury to the credit of miscellaneous receipts. The conference agreement includes this provision.

REPORTS TO CONGRESS

The House bill provided for reports of activities and transactions under the measure at the beginning of the second regular session of the Seventy-ninth Congress and every 6 months thereafter. The Senate amendment required a weekly report to be made within 10 days after the expiration of each calendar week and also a report every 6 months summarizing the weekly reports. The conference agreement provides for the first report of activities and transactions under the measure on July 1, 1946, and requires a report every 3 months thereafter.

TERMINATION DATE

The House bill fixed the termination date for making contracts of sale or charter under the bill at September 2, 1947. The Senate amendment fixed the date at December 31, 1947, and the conference agreement adopts the latter date.

S. O. BLAND,
J. J. MANSFIELD,
FRANK W. BOYKIN,
RICHARD J. WELCH,
FRED BRADLEY,
Managers on the Part of the House.

Mr. BLAND. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, the conference report that is now before the House is the culmination of the activities and work of the Committee on the Merchant Marine and Fisheries for about 2 years. The first bill that was introduced was, as I recall, on March 27, 1944. Since that time up to this good hour I do not believe the consideration of the measure has been out of the mind of this speaker in one form or another. I am delighted to have it now presented to the House for its final confirmation.

The report is a unanimous report. It has been agreed upon by all of the conferees of the House and of the Senate. Of course, there are some matters in the bill that some of us would like to see changed, but, as in the case with all bills of this magnitude, the report is an attempt to agree on something.

The bill was reported to the House in June of last year just before the recess—too late to take it up at that time. It was heard in the House and given 2 days' consideration, October 1 and 2, and finally agreed upon. The conference report as it is presented does not, except in one particular, go beyond the range of the differences between the House and the Senate. While the House bill was stricken out and the Senate bill was substituted, so that under the rules of the House there was an opportunity to write a new bill, the conferees confined themselves to the limits which had been imposed by the two bills. In only one particular was any new matter inserted, as I recall. That was an amendment inserted at the instance of the Commissioner from the Philippines, which gives priority to the Philippine Islands over foreigners but not over Americans. The bill seeks to take care of Americans first.

When you realize the great number of ships that have been constructed you will realize the problem that is before us. We have to sell ships to foreigners or we will not dispose of the surplus. Our tonnage at the beginning of the war was about 11,500,000 dead-weight tons. Our war-built tonnage amounted to 58,000,000 tons. The prewar world tonnage in 1939 was about 75,000,000. Our postwar tonnage is about 95,000,000. Estimating as large as possible a use in America, the postwar need will be from 15,000,000 to 17,000,000 tons. I mention this in order that the House may have before it the magnitude of the problem.

The limitation in size of ships to be included was reduced from 2,000 tons to 1,600 tons. That was done in order to afford an opportunity to the Alaskans and to the Filipinos and others who might use ships of smaller tonnage to buy them if they found it convenient to do so. The complexities have been many, the problems serious, diverse interests conflicting, and unity of action and

opinion out of the question. We have reported a bill which we hope will uphold and maintain our merchant marine upon the seas to the end that our national defense may be assured, our national economy protected, our national trade may be promoted, and out national prosperity advanced. Statistics compiled by the Maritime Commission show that by far the greatest gain in the war period was in the United States fleet, the reason being the unprecedented shipbuilding during the war years. Considering only ships of 1,600 gross tons and over, the United States possessed in September 1945, 5,529 seagoing merchant ships as compared with 1,401 in 1939. The Commission pointed out that in 1939, less than one-fourth or 3,000,000 dead-weight tons of the United States merchant fleet was employed in the foreign trade. This wartime construction was necessary. This construction was necessary to win the war and it did win the war. The Postwar Economic Policy and Planning Committee of the House of Representatives made an exhaustive study on postwar merchant marine policy and reporting to the House said that "the maintenance of American-flag merchant shipping is an indispensable part of our naval strength and an instrument for our national security and peace."

That committee said two reasons indicate the necessity for planning an American merchant marine above its prewar size. First, our shipping situation at the outbreak of the war serves as a warning that our merchant marine must be prepared in an emergency to handle a greatly expanded volume of traffic. Second, since the operational sphere of American effective naval strength is presumably to be expanded, it will be necessary to increase our merchant marine above the size which would have previously been considered adequate.

Elaborating on the strategic necessities of an expanded merchant marine, Admiral King and General Marshall are quoted in the report as showing the absolute necessity therefor. May I say to you gentlemen that for 24 years I have been following this problem. I was a member of the committee in 1922 when the committee considered the Harding Alaska ship-subsidy bill. I voted against that bill. When I did so, many of my warmest friends felt that I was making a very bad mistake. We went from bad to worse thereafter until 1935 when that great President of the United States, Franklin D. Roosevelt, said:

> We are giving one aid or another, and all nations are giving aid. If we are going to give aid, let us call it a subsidy.

He championed the increase of the merchant marine, and there was passed the act of 1936. Bear in mind that we are considering today the important act of 1936. It may need improvement, I am not in a position to say.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield.

Mr. ROBSION of Kentucky. The gentleman has referred to the bill brought in during the administration of President Harding at a special session of the Congress called to consider that bill alone. Like the gentleman, I did not agree with that bill and I, too, voted against it on the ground of the subsidies being paid. Is there anything in this conference report if it becomes the law on this subject that provides substantially for ships; and if so, to what extent and to whom?

Mr. BLAND. The subsidies are in the Merchant Marine Act of 1936. I am unable to say to what extent those subsidies will be carried in the bill, but they would unquestionably, if the ship enters into a contract for the carrying of goods, in what are known as essential trade routes. I refer to the operating differential; and there are construction subsidies that are being paid on certain types of construction; but there is no authority in this bill for subsidies as such. They are in the 1936 act. If that act is not desired, let a bill be introduced for its repeal.

Mr. MANSFIELD of Texas. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield.

Mr. MANSFIELD of Texas. Is it not a fact that the Shipping Act of 1936 provides subsidies to the extent of equalizing the cost in this country with that in foreign countries?

Mr. BLAND. The construction differential is the differential between the construction cost in this country and the construction cost abroad.

The operating differential is a differential between the operation of ships, a matter essentially for the building up of the trade of the United States. Both were provided for in the act of 1936. We do not undertake to change or repeal those provisions.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield.

Mr. CELLER. I believe all of us are deeply sympathetic toward the idea of making as much progress as possible with reference to our merchant marine, but does not the gentleman from Virginia believe that the Civil Aeronautics Authority is slowing down the wheels of progress? American marine transportation companies have been denied aviation permits to supplement their marine transportation routes.

Mr. BLAND. I thoroughly agree with the gentleman, and that is a problem that must be met and must be settled. We have a different problem in this bill. I may say that the air services have their profits practically guaranteed. Ship operators have asked that they be given the right to fly airplanes, but they are denied that right because they are surface carriers. I hope sooner or later, without encumbering the record at this time on this bill, that we may go into that problem thoroughly.

Mr. CELLER. I thank the gentleman. It places American companies at an unfair advantage. For example, take the Cunard White Star Line, they can have their surface ships going, say, to Cairo from New York and then supplement that with airplane service to Johannesburg; whereas an American ship line that goes to Cairo has not the same privilege as the Cunard White Star Line or the French Line.

Mr. BLAND. We are well aware of that and will try to handle it; but time is of the essence in disposing of the ships we have; and if we want to preserve an American merchant marine we must dispose of this bill now, in my opinion, without encumbering it with other matters. This bill is absolutely essential, especially when we recall how we went down and down and down from 1924 and only reversed the trend in 1936. We all remember the splendid work that has been done since that time. The improvement of the American merchant marine is essential. Without it we could not have won this war. I have testimonials here from Admiral King and General Marshall that they carried the soldiers, carried the munitions, and they carried what was necessary to all parts of the world in order to win the war.

What I am pleading for is that we shall not permit that condition to prevail again. We will do it unless we act upon the conference report that will dispose of these ships.

I have heard it said, "What will it cost?" I answer that the cost is far more to keep them tied up in rivers, to keep them tied up in creeks, and around docks, at a cost of five or six thousand dollars per unit.

Mr. Speaker, I reserve the balance of my time, and I now yield 5 minutes to the gentleman from Washington [Mr. JACKSON], a member of the committee.

Mr. JACKSON. Mr. Speaker, as the author of several amendments to the ship-sales bill, H. R. 3603, I should like to explain my position on the conference report which is before the House today for consideration.

Although I consider the conference bill unsatisfactory and inadequate in many respects, I feel it is most important that the House take final action on this matter now. Time is of the essence. If there is any further delay in the establishing of a ship-sales policy, I am fearful that it will lead to chaos in the shipping industry. The merchant marine is in a transitional state and Government policy should be set in order to effect a smooth transfer to peacetime operations. I am convinced that any additional delay might lessen the chances of a fair and adequate price being obtained for these surplus ships.

I am frank to say that I think the conferees could have written a much better bill than was accomplished in conference. I shall not attempt to go into minute detail as to the differences between the House and Senate bills and the decisions reached by the conferees on all points. I shall touch on two of the features which I think are of utmost importance so far as the public interest is concerned.

The bill which passed the House provided a ceiling for trade-in allowances on new vessels. This ceiling was determined by permitting a maximum trade-in allowance on each new vessel purchased equal to 10 percent of the wartime construction cost. The Senate changed the trade-in formula by allowing a maximum trade-in allowance of

33⅓ percent of the statutory sales price. The conferees have deleted the House trade-in formula and instead have approved the Senate version. The following table will indicate the differences between the maximum allowances permitted by the House bill and those allowed in the conference report on trade-ins:

Type	House bill	Conference report	Percent increase over House bill
C 1	$256,000	$323,000	26
C 2	260,000	350,000	35
C 3	317,000	410,000	29
Victory-15 knot	243,000	324,000	33
Victory-17 knot	280,000	355,000	27
Tanker-14 knot	297,000	693,000	133
Tanker-15 knot	301,000	700,000	133
Tanker-16 knot	397,000	787,500	98

It will be noted that the conference report increases the trade-in allowances over the House version from 26 percent on a C–1 type of vessel to a 133-percent increase for trade-ins on tankers. I think it is apparent to any responsible person that the sales price on new vessels can readily be vitiated by permitting unreasonable trade-in allowances. If the Maritime Commission in the administration of this law takes the position that the maximum to be allowed on trade-ins should also be the minimum, then the statutory sales price will have very little meaning. I think this body should make it clearly understood that the maximum to be allowed on any trade-in will mean exactly that and nothing more. I think further that the maximum trade-in allowances should only be granted where the facts justify such an allowance. Certainly, there is no justification for allowing the maximum trade-in allowance where the vessel actually has no value other than scrap value. It must be remembered that it is the intention of the Maritime Commission to scrap all vessels built prior to 1925. Congress has, in effect, fixed an artificial value on trade-ins far in excess of their true value. This is nothing more or less than a trade-in subsidy. The primary purpose for making this trade-in subsidy is to give an incentive to shipowners to remove their old ships and replace them with modern vessels. This, in turn, will help improve the standard of the American merchant marine as a whole. However, the trade-in provisions must not be used to defeat the purpose of this bill, which is to assure the maximum return to the Treasury consistent with the advancement of the merchant marine.

I have given this detailed information regarding trade-in allowances because I feel that it goes to the heart of the policy to be followed in the disposal of these ships. In addition, I have been greatly disturbed by some of the trade-in allowances approved by the Maritime Commission during the past several years. In the previous discussions of this legislation I pointed out some of the excessive allowances approved by the Commission. Since this bill was debated last in the House I have been advised of certain trade-ins which were approved by the Commission and of which I think the House should be advised. On the day the ship sales bill passed the House, namely, October 2, 1945, the Commission approved the following trade-in allowances on nine vessels owned by the United Fruit Co.:

Name	Year built	Scrap value	Allowance
Toloa	1917	$43,000	$551,471.66
Cartago	1908	27,000	380,531.25
Santa Marta	1910	27,000	378,708.75
Abangarez	1909	30,000	407,215.32
Hibueras	1920	9,000	57,796.88
Turrialba	1909	30,000	406,694.99
Atenas	1909	30,000	407,273.44
Carillo	1911	30,000	417,259.68
Zacappa	1909	30,000	410,987.82
Total		256,000	3,417,939.79

These vessels were traded in on the purchase of nine new refrigerator ships costing $2,799,000 apiece. The total scrap value of the vessels traded in, $256,000. The Maritime Commission has allowed, however, a total of $3,417,939.79. The allowance granted in this case is more than 13 times the scrap value and more than 50 percent of the original construction costs, the average age of the vessels being 33 years. The interesting part of this is that, on the day the Commission approved the transaction, the House had definitely fixed a maximum for trade-in allowances which would have prohibited the Commission from granting exorbitant adjustments. Prior to the action of the House, the Merchant Marine Committee had approved a committee amendment containing the provision which passed the House. Certainly this should have put the Maritime Commission on notice as to the attitude of the Congress on such trade-in allowances. However, in spite of such notice from Congress, the Maritime Commission saw fit to approve a transaction which could not have been permitted either under the House bill or the Senate bill. The average maximum trade-in allowance permitted by the House bill in this transaction was $280,000 and the maximum allowed under the bill approved by the conferees was $370,000. The average allowance approved by the Commission was $420,000 for vessels which would eventually be scrapped by the Government. Transactions of this nature cannot but shock the public conscience. Many people will wonder whether similar transactions are to be countenanced by the Commission in the future.

In this same connection, it might be well to call to the further attention of the House a change made by the conferees on the extension of time for adjustment on prior sales made by the Maritime Commission. The bill which passed the House stipulated that no price adjustments could be made on sales made by the Commission subsequent to June 30, 1945. However, the conferees have seen fit to extend this period to September 3, 1945, resulting in an adjustment on three reefers purchased by the United Fruit Co. between June 30 and September 3. It is interesting to note that the United Fruit Co. is the only operator affected by this extension. This is the same company, incidentally, which was given the exorbitant trade-in allowances on nine vessels which I have already mentioned. The contract construction cost of these reefers amounts to $4,500,000 apiece. Under the Merchant Marine Act of 1936, permitting a construction differential subsidy, the price to the United Fruit Co. is $2,250,000, or one-half of the construction cost. Not satisfied with this subsidy, the United Fruit Co. have now obtained, under the terms of the pending measure, a further reduction of $450,000 on each vessel, making the net cost to them $1,800,000 for a vessel which will cost the United States Government $4,500,000 to build. On the purchase of three vessels, this company will receive a windfall of $1,350,000. This is the same concern that apparently did not want to be considered under the ship-sales legislation so far as trade-in allowances were concerned because they would not have been eligible to receive the exorbitant trade-in allowances which the Maritime Commission approved on October 2, 1945. However, they apparently were anxious to have the benefit of this amendment as it would mean a saving of $1,350,000 to them. It looks as though they are at least one concern that are able to have their cake and eat it.

The conference report will fool no one in regard to the sale of tankers. Ostensibly, the differences between the House and Senate positions have been compromised. The House said, No subsidies to the oil companies. The Senate proposed the sale of tankers at 25 percent below the prices paid for tankers before the war. The conferees have reported a 12½-percent reduction.

However, the back door has been left open, and again it is on the question of trade-ins. Whereas the increase of 12½ percent in sales price over the Senate version adds about $300,000 to the price, the accompanying increase in trade-in allowances over the House provision is $400,000, an over-all loss of $100,000 to the Government on each such transaction.

I am as anxious as any Member of this House to build up a strong American merchant marine. I want to se our shipowners and our seamen prosper in this great postwar undertaking. It has been a great struggle to build up our merchant marine to what it is today. There have been many dark pages in its past history which were so well brought out in the now famous Black investigation. I, for one, would not like to see a repetition of that nature but certainly if transactions such as I have outlined here today are permitted to continue in the future, the American public will rapidly lose its confidence in the integrity of the American merchant marine.

Mr. BLAND. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. WEICHEL], a member of the committee.

Mr. WEICHEL. Mr. Speaker, the conference report on the ship-sales bill only comes from meager facts and half-truths that the Maritime Commission and the War Shipping Administration saw fit to tell the Committee on the Merchant Marine.

Failure of information and suppression of facts seem to be predicated on said lack of power of subpena and requirement to tell the full truth under penalty of perjury.

In this way the real facts about war-built ships were suppressed and withheld.

At the time this House passed the Surplus Property Act, the sale of surplus ships was specifically excepted from the act for exclusive sale by the Maritime Commission, while at the same time there was suppressed and withheld from the Committee on the Merchant Marine and this House what the Maritime Commission and the War Shipping Administration were doing with $22,000,000,000. Shady and unholy deals were whitewashed and so-called ship contractors were handed free money running into untold millions up to the fall of 1943, and no one knows how much thereafter.

Without any mention of the shady transactions of the Maritime Commission and the War Shipping Administration, which had identical directing personnel, the money transactions up to June 1943 do not check out to the tune of $5,000,000,000, according to the audit report of Lindsay Warren, Comptroller General, which report was first disclosed by insertion in the CONGRESSIONAL RECORD of January 23, 1946.

This gross irregularity and unpublished ones should have been disclosed to this House and the Committee on the Merchant Marine before consideration of this legislation.

Mr. Speaker, this conference report will give the sale of surplus ships to the Maritime Commission and War Shipping Administration—the very same agencies who have mishandled $22,000,000,000 and who secured exclusive right to sell surplus ships by suppressing reports of their money irregularities, and also until after this House passed the bill on which this conference report is based.

Mr. Speaker, when can the investigation begin?

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. WELCH. Mr. Speaker, will the gentleman yield?

Mr. WEICHEL. I yield to the gentleman from California.

Mr. WELCH. Is it understood that the gentleman from Ohio [Mr. WEICHEL], who is a member of the Committee on Merchant Marine and Fisheries, is not opposed to the conference report?

Mr. WEICHEL. I am not opposing the report. It might be the best that can be done under the facts that we have, but I am not admitting that we have all of the facts.

Mr. BLAND. Mr. Speaker, I yield such time as he may desire to the gentleman from North Carolina [Mr. BONNER].

Mr. BONNER. Mr. Speaker, the general purpose of the bill is obvious. It is designed to establish in advance of sales certain statutory prices for which merchant vessels constructed for or by the United States during the war period may be sold. Of course, a necessary correlative to the establishment of fixed prices for the various classes of vessels is to limit quite completely the scope of discretion to be exercised by the Maritime Commission in connection with these sales. In other words, if it were left to the Commission to dispose of these vessels upon the best terms possible from the standpoint of the United States, whether by competitive bids or otherwise, the Commission would be charged with the responsibility for disposing of some ten billion dollars' worth of vessels. It is understood that in view of what happened after World War I the Commission does not want that responsibility.

It is easy to understand why the Commission wants to have the Congress itself assume responsibility for fixing the price at which merchant vessels can be sold so that in the event the bottom drops out of the market at some future date the finger of blame can be pointed only at the Congress. But aside from that, a strong argument can be made for the proposition that the only sound method for disposing of these ships is to let them go to the highest bidder.

If the bottom is to drop out of the market, a statutory sales price certainly will not hold it in. If the market values of vessels of the type and size covered by this proposed legislation ever drops below the statutory sales price, then it takes no great store of common sense to see that sales of vessels under this bill will stop.

It could be argued rather strongly that if the authority for disposing of these vessels most advantageously to the United States—both from the standpoint of getting the most money from them and from the standpoint of retaining sufficient vessels for national defense purposes—was vested in a board or commission thoroughly acquainted with the nature of the problem and with the work before them, and especially, if such board or commission had the interest of the United States at heart, a much better deal all around could be obtained than by the enactment of any legislation of the nature here involved. But the practical difficulties of finding the right personnel for such a board, well may be considered sufficient reason for not electing to employ that method of disposing of the vessels.

Turning attention to the conference report itself, the effect of the provisions of section 4 (a) considered in the light of the definitions contained in section 3 for the terms "prewar domestic cost" and "statutory sales price" is to authorize the sale to a citizen of the United States of a war-built dry-cargo vessel for 50 percent of what it would have cost to construct that vessel on January 1, 1941, less depreciation. In the case of a tanker, the sales price is 87½ percent of the prewar domestic cost.

For unsubsidized operators the Senate bill is the same as the House bill in this respect. However, the Senate bill eliminates any mention of subsidized operators who, under the House bill, would have to pay 55 percent of the prewar cost. Moreover, in the case of tankers the House bill would have required a sales price of 100 percent of the prewar cost, whereas the Senate bill reduces this to 87½ percent.

Whether it is sound to establish different prices for subsidized and unsubsidized operators, I am not prepared to say. However, I doubt very much that it makes much difference either way in that I would be surprised if a subsidized operator would decide not to buy a vessel he needed merely because he had to pay a comparatively small amount more than an unsubsidized operator. The report of the Senate committee states that the reason for eliminating the distinction is to give effect to its decision that there should be no restrictions on the use of vessels under the subject legislation. It would seem to me, however, that the restrictions which are imposed on vessels operated by subsidized operators derive from the provisions of the 1936 act and the operating-differential agreement rather than from any legislation now to be enacted. In other words, it is my thought that if a company purchased a vessel under the proposed legislation and then desired an operating-differential subsidy it could get one by making proper application to the Maritime Commission and by complying with certain conditions, among which conditions would be restrictions on trade rights, et cetera.

It was stated in the debates on the bill in the House that the tanker people did not protest in the establishment of a statutory sales price of 100 percent of prewar construction costs, as was provided in the House bill. The gentleman from Washington [Mr. JACKSON] stated that it was a matter of surprise to the committee that no such protest was made. The impression I gathered was that apparently the tanker people were perfectly satisfied with the price set in the House bill. Consequently, I am completely at a loss to understand why the Senate committee elected to reduce the statutory sales price for tankers.

I note that under section 5 (a) of the House bill no vessel could be chartered unless it had been offered for sale for at least 3 months, which provision is eliminated in the Senate bill. Having in mind that the policy of the present legislation is to get these merchant vessels to private ownership, it is my view that the restriction contained in the House bill in this connection is desirable.

Section 6 of the House and Senate bills seems to be about the same with the exception of a provision inserted at the end of section 6 (a) by the Senate, under which it would be required that where a vessel is being transferred to foreign registry and flag the mortgage securing the unpaid balance of the purchase price should contain provisions according to such mortgage, the priorities which the laws of the foreign country give such mortgages. I believe this is a salutary provision.

Section 8 of the two bills is entitled "Exchange of Vessels." To anyone who believes that the price provisions of the bill are too liberal, this section is doubly bad, for not only would the United States be selling a vessel for too low a price to a person coming under the said section 8, but the United States would be taking in exchange for such vessel an old vessel and allowing as a credit too high an amount for the old vessel. The House bill contains a limitation upon the amount of such allowance; the Senate bill increases the amount of such limita-

tion. That a limitation upon the amount of such credit allowance is necessary seems certain, but the nature and extent of such limitation is purely a question of judgment. It would be my personal view that a very strict limitation be provided, inasmuch as I would assume that from the standpoint of the United States it would be better to sell merchant vessels outright than to be saddled with an "old crock" in return. In other words, let us try to get rid of these vessels on an outright sales basis first and then if it becomes necessary at some future date to liberalize the exchange provisions in order to dispose of the vessels a future amendment to that effect can be made.

Incidentally, as an example of what can happen under these so-called exchange provisions, I refer to the case of nine obsolete vessels recently turned in by the United Fruit Steamship Corp. for an allowance of credit toward the cost of nine new vessels. The pertinent data in respect to the nine old vessels is as follows:

	Year built	Scrap value	Value based on 20-year life	Sound condition replacement value	Value for just compensation as of Oct. 20, 1945	Value based on General Order 37 depreciated to Oct. 20, 1945
Toloa	1917	$43,000	$52,179	$957,000	$338,417.95	$551,471.66
Cartago	1908	27,000	15,780	368,000	271,180.07	380,531.25
Santa Marta	1910	27,000	14,390	405,000	263,313.74	378,708.75
Abangarez	1909	30,000	14,416	313,000	353,844.07	407,215.32
Hibueras	1920	9,000	9,600	187,702	57,796.88	57,796.88
Turrialba	1909	30,000	14,416	313,000	350,199.31	406,694.99
Atenas	1909	30,000	14,416	313,000	355,689.32	407,273.44
Carillo	1911	30,000	14,416	346,835	327,518.83	417,259.68
Zacappa	1909	30,000	14,416	313,000	368,941.73	410,987.82
Total		256,000	164,029	3,516,537	2,686,901.90	3,417,939.79

The Maritime Commission approved a credit allowance for the above vessels in the total amount of $3,417,939.79. The original cost of construction of the vessels is shown in the record to be $6,557,341. Therefore, the amount allowed as a credit toward the construction cost of the nine new vessels is more than 50 percent of the original cost of the old vessels, which old vessels average 33 years of age. This transaction comes within the scope of authority granted by section 510 of the 1936 act. Under section 8 of the proposed bill the Government would lose on both ends; namely, the credit allowance and the price charged for the war-built vessel.

There is one other point in connection with section 8 that I should like to mention. It will be noted that under subsection 8 (b) (1) the allowance of credit is to be the fair and reasonable value of the vessel and that in making its determination of such value the Commission is directed to consider five elements. The first element is the value of the vessel "determined in accordance with the standard of values established pursuant to Executive Order 9387." The President established the Advisory Board on Just Compensation and charged it with the function and duty of prescribing standards of valuation to be followed by the War Shipping Administration in fixing just compensation for vessels requisitioned under section 902 of the 1936 act. Such standards of valuation the Advisory Board subsequently established.

It will be recalled further that under date of November 28, 1942, the Comptroller General of the United States rendered a decision as to the meaning and effect of the enhancement clause in section 902; that this decision gave rise to a controversy between the War Shipping Administration and the Comptroller General's office on the question; and that in prescribing its standards of valuation and in giving its interpretation of the enhancement clause in section 902, the Advisory Board stated that it did not undertake to decide whether such standards and interpretation were inconsistent in any way with the Comptroller General's decision.

What may not be known is that from the date the standards and interpretation of the Advisory Board were given the War Shipping Administration forthwith disregarded the Comptroller General's decision of November 28, 1942, in favor of the advice given it by the Advisory Board. Recently, in a letter dated November 27, 1945, written by Admiral Land, War Shipping Administrator, to the Comptroller General, the Administrator, in effect, refused outrightly to certify that amounts fixed by him as just compensation for small vessels requisitioned under section 902 were consistent with the principles laid down in the 1942 decision. The basis for such refusal was in substance that Congress has ratified, by repeated mention in subsequently enacted legislation on Executive Order 9387 and the Advisory Board's standards of valuation, and has adopted it as its own. That Congress has mentioned Executive Order 9387 in subsequent legislation is not to be denied; but that Congress has intended by such mention to adopt the full contents of the Advisory Board's rulings, even if inconsistent with decisions rendered by its properly constituted officers, is certainly open to doubt.

All that the Senate committee intended by the first element recited under subsection 8 (b) (1) was the market value of the vessel. If that is the case, then why not say so—everyone knows the standards established by numerous decisions of the Supreme Court for determining market value. In my opinion, the mention of Executive Order 9387 is part of a general scheme on the part of the War Shipping Administration to relieve itself of responsibility for just compensation payments.

Section 8 (c) of the bill as it passed the Senate—CONGRESSIONAL RECORD, volume 91, part 9, page 12256—authorizes the Maritime Commission to settle claims, first for just compensation, or second for insurance losses by transferring a war-built vessel to the claimant. An amendment proposed by Congressman HOBBS in the House—which amendment was never adopted—would have authorized the settlement of any claim against the United States in this manner. As was pointed out by the Comptroller General in a letter addressed to the Honorable JOHN J. COCHRAN under date of October 12, 1945, if such an amendment were adopted it might permit the settlement of such old stale claims as the Carden and Herd claim. However, since I have been advised the bill as it passed the Senate restricts such settlements to claims for just compensation and insurance losses, it would not be possible for the Maritime Commission to effect settlement of a claim like the Carden and Herd claim under the bill in its present form.

Section 9 provides, in effect, that citizens of the United States who have purchased war-built vessels from the Government will be entitled to adjustment of the sales price of such vessels—it being proposed to refund the difference between the sales price and the price established by the present bill. This adjustment is, of course, nothing more nor less than a pure gratuity. The adjustment is designed to equalize the sales price of all like vessels whether sold before or after the act, as a matter of fairness to the industry as a whole. It has been contended that a failure to make such adjustment would have a demoralizing effect. While I doubt that seriously, I can well see the basis upon which it was been determined proper to make such adjustments. The Government probably should not take advantage of those who came in early to buy vessels.

Section 12 entitled "Reacquisition by United States" is designed to protect the United States in the price it will be required to pay in the event the vessel is needed for national-defense purposes after it has been sold. However, it seems to me that the provision affords the United States about as much protection as a bathing suit affords an Eskimo. It is provided that a contract for the sale of a vessel under the act shall contain provisions to the effect that the subject vessel may be reacquired by the United States at its depreciated book value any time "prior to the termination of the existing national emergency declared by the President on May 27, 1941, or prior to the expiration of 5 years from the termination of such emergency." Bearing in mind that the bill also provides for the establishment of a large national-defense reserve fleet and bearing in mind world conditions at the present time, I would think that there is not one scintilla of likelihood that any vessel sold under the act will be needed either during the present emergency or for 5 years after it is proclaimed at an end.

However, having regard also for the unforeseeability of wars, who can now say that 20 years hence this country may not have need for this vessel in a national emergency. And, if such need arises, are we to suffer the same experience as has been suffered with respect to vessels

sold by the United States after the last war? Numerous examples could be cited of cases where the Government sold vessels in 1922 and 1923 for $50,000 or less and then upon requisitioning in 1942 were required to pay as just compensation 5 or even 10 times the amount for which the vessel had been sold.

Mr. BLAND. Mr. Speaker, I yield 6 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

(Mr. WIGGLESWORTH asked and was given permission to revise and extend his remarks and include a recent letter from the War Shipping Administration and quotations.)

Mr. WIGGLESWORTH. Mr. Speaker, I have been critical of this legislation all along the line for certain fundamental reasons.

First, under the Surplus Property Act the Maritime Commission now has full authority to dispose of surplus ships to the highest competitive bidder. Unless, therefore, the legislation before the House is to result in greater returns to the Treasury of the United States, it is unnecessary.

Second, whether the legislation under consideration will in fact result in greater returns to the Treasury is, to my mind, very doubtful. It is impossible to read the proposed provisions in regard to putting vessels "in class" in regard to supplying desirable features, in regard to normal depreciation, in regard to execessive wear and tear, in regard to tax adjustment and trade-in allowances without reaching the conclusion that the returns to be realized from the sale of the ships will be relatively meager.

Third, the legislation proposed, in my opinion, may well be used as a vehicle for attempted white-washing or condoning some of the sins in the past of the Maritime Commission and the War Shipping Administration, particularly in respect to purchase prices, charter hire rates and insurance premiums and losses.

When the bill was being considered on the floor of this House on October 1 of last year, as the Members will recall, I offered 12 specific objections to the bill in the form it was then in. Some of those objections have been eliminated, but there are still major objections to the conference report, as I read it.

For example, I do not like section 10 of the bill, if I understand it correctly. As I read it, and this applies also to section 8, it is so worded as to in large measure wipe out section 902 of the Merchant Marine Act, the section which provides that the ships may be taken over in time of emergency for just compensation without enhancement growing out of the emergency.

If I read it right it is so worded as to make it possible to wash up long-standing claims against the Government in respect to purchase prices, charter hire, and insurance, running into many millions of dollars, on a basis in excess of that heretofore contemplated by the Congress and at the people's expense.

If I understand it correctly, it proposes to ratify settlements made and to be made on the basis of the so-called advisory opinion by a board of three judges, an opinion which has no binding effect legally whatsoever, an opinion which is most difficult to interpret, an opinion which has been characterized by the distinguished gentleman from Virginia [Mr. BLAND], in charge of this bill, as "almost a study in Greek."

I do not like section 9 of the bill providing for reduction to the tune of $89,000,000 in the prices of ships which have already been sold, the $89,000,000 going, as we are told, largely to subsidize operators who have already had such liberal treatment in regard to charter hire, in regard to agency fees, in regard to enormous tax-free funds out of which they have been permitted to operate, and in other respects.

The basis for the proposed payment of $89,000,000 as I understand it is to be found in representations made by the Maritime Commission as formerly constituted in respect to ship sales of a year or 2 ago to the effect that if there should be ship sales legislation providing more favorable terms for purchases in the future, then the Commission would recommend to the Congress that the reductions in question be made. In other words, we are asked to make this bill retroactive in its effect to the tune of at least $89,000,000.

Surely, Mr. Speaker, the Commission has no authority to make any binding commitments of this character. Surely the purchasers knew that it had no such authority at the time. For my part, I can see no obligation on the part of Congress to make good the representations made by the Commission without any authority whatsoever.

I do not like section 8–C of the proposed legislation inasmuch as no definite minimum limitation is provided for the valuation of ships to be transferred in partial or full settlement of existing claims. I am advised by a member of the committee in charge of the bill that, in his opinion, the limitation exists under the general provisions of the bill. I hope this is a fact, but the specific language, which I offered as an amendment and which the House adopted, to make certain beyond any possible doubt that no ship could be transferred in partial or full settlement of a claim at a value less than the statutory sales price, has been deleted by the conferees.

There are other objections to the proposed legislation which available time does not permit me to go in to. I may mention in passing, however, that the language of the bill is, in many instances, so involved and complicated as to suggest the possibility of another advisory opinion by some board of judges acting with no binding authority with a view to interpreting our presumed intent today as we approve this bill.

I understand, Mr. Speaker, that the former chairman of the Maritime Commission, after resignation, sat in the conference as a consultant in respect to this conference report. I further understand that the conferees have not obtained the opinion of any of the present members of the Commission who will be charged with the responsibility for administering this act. It has been suggested that it would be advisable to return the conference report to the conferees in order that the opinion of these gentlemen may be obtained.

Mr. Speaker, on January 23 last, I inserted in the CONGRESSIONAL RECORD two audits by the Comptroller General of the United States, one with respect to the Maritime Commission, one with respect to the War Shipping Administration, both with respect to the fiscal year 1943, the latest audits available.

These audits on February 18 last, were characterized on the floor of the Senate by the junior Senator from Vermont [Mr. AIKEN] as the most severe indictment of any agency of the Government in his entire experience as a Member of the Senate. He pointed out that according to these audits over $5,822,000,000 had been improperly accounted for.

Under leave to extend my remarks I insert at this point in the RECORD another report made by Eric L. Kohler, a certified public accountant, in December 1943 for and at the request of Mr. Lewis Douglas, then Deputy Administrator for the War Shipping Administration, at a time when he presumably had been called to that office to straighten out some of the financial difficulties of the agency:

WAR SHIPPING ADMINISTRATION,
Washington, D. C., February 13, 1946.

The Honorable RICHARD B. WIGGLESWORTH,
House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN WIGGLESWORTH: This will acknowledge your letter of February 8, in which you request copy of a financial auditing report completed about December 1943 by Mr. Eric Kohler. I am attaching hereto copy of said report in accordance with our telephone conversation of today. I will call you on Monday in order to arrange a suitable time to discuss this matter with you personally.

Sincerely yours,

GRANVILLE CONWAY,
Acting Administrator.

DECEMBER 14, 1943.

Mr. LEWIS W. DOUGLAS,
Deputy Administrator, War Shipping Administration, Washington, D. C.

DEAR MR. DOUGLAS: At your request I have reviewed the fiscal and accounting organization and procedures of the War Shipping Administration. As the result of the review I am submitting the five recommendations appearing below; the basic argument which led to these recommendations; and brief notes on certain organizational units in the present structure, pointing to the need for change.

RECOMMENDATIONS

1. The fiscal and accounting staff now serving jointly the Maritime Commission and the War Shipping Administration should be divided at once between the two organizations.

2. A comptroller should be secured for the War Shipping Administration. This individual should be selected from outside the organization and should be a certified public accountant with a broad business background and preferably, though not necessarily, some experience with the Federal Government. He should be given a rank equivalent to that of the assistant deputy administrators, and he should report to yourself as deputy administrator.

3. Broad-term fiscal policies (delegations of authority to incur expenditures, setting of expenditure limitations, establishing reporting requirements of agents and contractors and of War Shipping Administration operating units, determining audit scope, etc.) should be fixed by yourself with the assistance of the comptroller; their administration should be in his hands.

4. Day-to-day fiscal, accounting, and budget responsibilities should be centered in the comptroller. By fiscal responsibilities is meant, not all the items now charged to the Assistant Deputy Administrator for Fiscal Affairs, but that portion relating to fiscal forecasts, cost controls, the management of funds, and War Shipping Administration's financial relations with other Government agencies and with the outside world.

5. Subsidiary accounting records containing operating income and expense, and the budgetary administration relating thereto, should be located at the place of business of the assistant deputy administrator responsible for such operations (i. e. ship operations and ship repairs) with full functional controls remaining in the hands of the comptroller.

These five recommendations are, I believe, conditions precedent to any orderly reconstitution of War Shipping Administration's fiscal administration. Within this framework, a number of other necessary changes are suggested in the argument.

ARGUMENT

1. Need for separate fiscal administration: A joint staff, numbering 1,700, now services the fiscal needs of the Maritime Commission and the War Shipping Administration. This arrangement is thoroughly unsound and should be ended at once. The primary loyalties of the staff tend to be with the Commission, and many of the staff members, regarding their assignment to War Shipping Administration as temporary, seem to possess little relish for their work. From the point of view of good management, the joint responsibility weakens where it does not totally destroy an effective line of authority. The results are what might be expected: too many incompetent, untrained employees; irresponsible, staff-building supervisors; work loads often including wholly unnecessary activities such as the employment of document "manifests" and registers; failure to convert leisurely peacetime work to wartime speeds; poor division of labor; vague and overlapping activities; frequent jurisdictional disputes; dependence on time-consuming conference procedures when prompt administrative decisions are required; and the imputation to lack of manpower wherever a failure to perform has been recognized.

Lack of manpower is, indeed, an all-too-common complaint throughout the joint fiscal group. In most cases the need indicated by supervisors is the excess of the number and grade of jobs established when the 1944 Budget was prepared more than a year ago over the number and grade of employees now actually on the pay roll. This universal emphasis on the building up of organizations rather than maximizing the use of the limited staff available to get the job done is a striking weakness of the joint staff. Somewhere between one-third and one-half of its activities are claimed to be War Shipping Administration work, but in the reorganization herein recommended it is suggested that the new comptroller be given a free hand to pick his staff from that now jointly engaged and to secure what further assistance is needed from outside sources. A competent division of labor among the accountants obtainable for War Shipping Administration work will quickly lay the ghost of manpower shortage.

2. Appointment of comptroller: A comptroller having a broad business background should be secured for the War Shipping Administration. He should have the highest professional qualifications and be able to deal with assistant deputy administrators as equals. He should have a large capacity for organizing a staff, disposing of difficult problems, and, generally, getting things done with competence and dispatch. His knowledge of the shipping industry should be held to be entirely secondary.

At present there is no serious recognition at the operating level of the job to be done. Until the last 2 weeks no more than polite efforts had been made to obtain voyage accounts from agents, and even then the emphasis was on the need for preparing War Shipping Administration's budget for the coming year. But without properly audited voyage accounts, advances to agents of hundreds of millions of dollars have not adequately been accounted for. Until the propriety of the expenditures by agents has been established, War Shipping Administration cannot claim for itself any responsible financial management.

To accelerate the movement in the direction of better and more prompt accounting and auditing, a strong comptroller is essential. Not only must he reorganize the present staff but he must reorganize the thinking of industry management with respect to its responsibilities to the Government. He will have to simplify the industry's procedures in the interests of hastening and improving its accounting. He will have to initiate a training program for his staff and the industry's staff, establish new reporting techniques for berth subagents, and devise more effective methods of control over, and the reporting of, expenditures at foreign ports. He must be a person of great energy and unlimited resourcefulness.

3. Determination of fiscal policies: To establish the comptroller in his proper sphere, to clothe him with the authority he needs for the responsibilities already referred to, and to inform his staff, his associates in War Shipping Administration, and the industry and others without the War Shipping Administration of such responsibilities, a dozen simple but forthright statements of fiscal policy should be prepared and promulgated by you. I suggest these be couched in simple language interpretable by all the interests mentioned. Such statements would include a brief outline of the Comptroller's field of authority and action; his position as budget preparer and administrator, his power to interpret and enforce the accounting and reporting requirements imposed on agents and contractors, his authority to devise and revise programs and procedures under which audits of agents' and contractors' accounts are to be conducted, his reporting responsibilities, and his relations to other divisions of activity within the War Shipping Administration.

Also included among fiscal policies should be clear delegations by you to employees of authority to incur or to contract to incur obligations or disburse funds, accompanied by the institution of such methods as may be deemed necessary by the Comptroller to insure adequate current controls over the exercise of such authority.

Simple declarations of this sort would give the Comptroller all needed authority, and at the same time establish between yourself and him the necessary line of responsibility.

4. Centering of responsibility: The emphasis given here to the need for centering responsibility in one person arises from the present unfortunate scattering of both effort and control. At present a budget officer, although nominally responsible to the Comptroller, reports directly to you. An operating-cost control group reports directly to the Assistant Deputy Administrator for Fiscal Affairs as does also a newly appointed budget officer. Several field-audit staffs report to the Comptroller, although functionally under the regulatory jurisdiction of an auditing and financial analysis section. The relation between the Comptroller and the Assistant Deputy Administrator for Fiscal Affairs is imperfectly defined. The result is an organizational mélange confusing to everybody.

What is proposed is a straight line of authority emanating from you and exercised by one person, the comptroller. He should be held accountable for the administration of the budget, the handling of funds, the keeping of adequate accounts, the audit of agents' and contractors' transactions and their periodic financial statements, the prompt issuance of reports, effective working relationships with the operating management. All these items are so closely related that their continued separation means an endless cycle of duplication, absence of controls, a slowing down of orderly processes, misunderstandings, buck-passing, a deplorable waste of manpower.

Under wartime conditions it is impracticable to separate auditing, accounting, and reporting functions within the Administration. The main job that lies ahead will be a joint accounting and auditing effort to secure a full, informative, and accounts reporting by the agents and contractors through whose hands the great bulk of the Administration's expenditures is now flowing. The appointment of a single head for these functions will do much to speed the work and will obviate the confusion that now arises when different branches of the Administration make demands on agents and contractors for information.

5. Decentralization of operating records: To strengthen further the line of responsibility just described, it is suggested that subsidiary accounting records covering operations, along with suitable staffs to maintain them, be moved into the offices of the Assistant Deputy Administrators in charge of ship operations and ship repairs. An intimate knowledge of the data reflected in relevant income-and-expense accounts is indispensable to these operating executives. Little or no operating-cost information is now available to them. This proposal has been discussed at some length with Assistant Deputy Administrators Helmbold and Seabury. Both have the same opinion: It would give them useful information when they want it, and they could supply much needed pressure in stepping up the reporting schedules of War Shipping Administration's agents and contractors.

A similar combination of effort is needed in the conduct of field audits. At present War Shipping Administration auditors working on the accounts of repair contractors have little or no opportunity of physically inspecting the completed job. An essential for any worth-while review of an invoice for ship repairs is a combination of engineering and auditing staffs whose joint approvals precede invoice payments. Assistant Deputy Administrators in charge of operating programs should assist actively in the formulation and enforcement of the audit scope and audit standards applied to payments to agents and contractors; and they should have available for constant consultation with and assistance to field auditors a staff of cost engineers and engineering inspectors capable by appraisal of determining the existence of physical quantities and work done. By this joining of forces, a much more competent audit program can be instituted, and its pace can be greatly accelerated.

ACTIVITIES OF PRINCIPAL WASHINGTON ACCOUNTING UNITS

Following are notes on the activities of three of the principal accounting units, collectively employing approximately two-thirds of War Shipping Administration's fiscal personnel:

Budget and Accounts Section: The Budget and Accounts Section keeps War Shipping Administration's books of account, along with collateral information. This work consists of coding, posting, and the preparation of financial statements and budgetary estimates. There are three branches; the Accounts Branch which codes and posts, the Budget and Statement Branch which prepares financial statements and budget estimates, and the Agency Accounts Branch which maintains subsidiary records for voyage accountings by agents.

The Accounts Branch has fallen behind in its work, a condition which it ascribes to its lack of sufficient personnel and bookkeeping machines. The latter deficiency, if it ever existed, has recently been remedied: there are nine bookkeeping machines now at the disposal of the branch. More serious are the difficulties encountered by the branch in its coding of entries and the thousands of adjustments arising therefrom. The Review and Coding Unit, a group within the Accounts Branch, has no connection, from the standpoint of operations of auditing, with the transactions underlying the documents coded. As a result, a large number of errors are made which are not located until long after the items have been placed on the books.

In addition, the chart of accounts provides for many suspense and clearance accounts. A suspense account is used when the account to which an item should be posted cannot be immediately determined. Clearance accounts are used for certain classes of items which require analysis before arriving at the proper accounts to be charged. A large portion of the work of the Agency Accounts Branch is the analysis of two of the clearance accounts, "Undistributed vessel expense" and "Undistributed vessel repairs." In the case of the latter account, an analysis of the previous fiscal year's transactions has not yet been completed and the current year's transactions, therefore, have not been distributed. Since a portion of the repair charges are either subject to reimbursement from other Government agencies, or recoverable from others or from insurance, financial statements prepared from the books will be extremely inaccurate.

The Budget and Statement Branch has been unable to complete financial statements for the fiscal year ended June 30, 1943. No plans exist for monthly or quarterly statements thereafter.

A statement of cash receipts and disbursements, prepared within 3 or 4 weeks after the end of each month, purports to be a classified break-down of income and expense. However, not only are expense items included with asset and liability items but receipts and disbursements are given a preliminary classification before the ultimate coding is determined. This statement can never be reconciled with the books of account.

A financial statement (form 370) is sent monthly to the Treasury Department. It is a manufactured list of assets and liabilities which does not agree with the books. It is prepared by adding to the previous month's trial balance, unadjusted, the cash schedules for the current month available at the time the statement is prepared. The statement fails to reflect actual assets and liabilities at any date.

The Agency Accounts Branch, previously mentioned, records the voyage accountings received from the agents. War-risk insurance and expenses paid directly by the War Shipping Administration are distributed to the voyages affected. These records are necessarily incomplete, since agents have thus far submitted less than 25 percent of the total voyages terminated. There is no use to which the information kept in this branch is put; the Division of Operating Costs Control develops vessel operating costs and prepares budget estimates of operating revenues and expenses.

The Budget and Accounts Section has a total of 292 employees, distributed as follows:

Administrative (including Lend-Lease Administrative Unit)	19
Accounts Branch	156
Budget and Statement Branch	73
Agency Accounts Branch	44
Total	292

The branches are subdividted into units and in some cases subunits. Unit heads are allowed complete freedom in the operating methods they employ. The may keep whatever control or memorandum records they see fit and may even devise and use new forms. There is much duplication and unnecessary record keeping. No over-all procedural studies have been made to unify and simplify bookkeeping methods and records.

The total number of documents handled for coding and entry by the Budget and Accounts Section runs from about 60,000 to 70,000 per month. Approximately 30 percent are War Shipping Administration items.

In general the work of this section is badly hampered by lack of organization, the presence of uncoordinated, quasi-independent operating units, and a work schedule that is being permitted to fall further and further behind.

Disbursements Section: The Disbursements Section audits and authorizes for payment all "public" vouchers received by the War Shipping Administration in Washington. These vouchers are received from the Washington, Baltimore, Philadelphia, and South Atlantic areas generally, except that passenger and freight vouchers and lend-lease items other than repairs are received from all areas.

There are 414 employees in the Disbursements Section, assigned as follows:

Administrative Office	5
Service and Investigation Branch	151
Auditing and Examining Branch	184
Regional offices (entirely Maritime)	74
Total	414

The Service and Investigation Branch is subdivided into five units. The Receiving and Recording Unit lists all vouchers received on vendors' cards and distributes the vouchers to the appropriate unit in the Auditing and Examining Branch. The Contract Unit sets up files of purchase orders and contracts to be referred to by the Audit Units in the Auditing and Examining Branch. The Exception and Investigation Unit obtains additional information or supports required on vouchers to which the Audit Units have taken exception. The other two units in the Service and Investigation Branch are the Filing Unit and the Financial Analysis and Statement Unit. The latter unit is engaged almost entirely on work pertaining to the Maritime Commission.

The Auditing and Examining Branch consists of three Audit Units and a Final Review Unit. The three Audit Units differ from each other only in regard to the type of vouchers they work on. The audit consists of examining the voucher to see that everything is filled in properly; examining the corresponding purchase order or contract to see that the voucher complies with its terms; and, where the voucher covers materials, inspecting the attached delivery receipt.

The Final Review Unit presents the vouchers to an authorized certifying officer for certification, assigns numbers (governed by the appropriation affected) to the vouchers, lists the vouchers on schedules of disbursements, and forwards them to the Treasury Department for payment.

The Disbursements Section was set apart from the Budget and Accounts Section in order to speed up the payment of vouchers. Under the present system there are no accounts payable, but the vouchers are entered on the books of account after they have been paid. However, the improvement, if any, does not seem to have been material since many cash discounts are still being lost. The present organizational arrangement has brought about a duplication between the two sections of work performed and a complete duplication of files, vouchers, schedules of disbursements, purchase orders, and other forms.

The Disbursements Section has an elaborate method of controlling voucher locations. Each voucher received is given an identification number by the Receiving and Recording Unit and is recorded in a numerical register. When vouchers are sent to another unit they are accompanied by a manifest. Each unit keeps a control register for the receipt and transmittal of the vouchers. This system was devised because vouchers pile up from time to time in various units, resulting in inquiries from vendors as to why payment is being delayed.

Total vouchers sent to the Treasury for the fiscal year ended June 30, 1943, is quoted as 342,669 of which approximately one-eighth were War Shipping Administration items. A count during the week ended November 20, 1943, indicated 6,847 vouchers sent to the Treasury of which roughly one-fifth were War Shipping Administration vouchers. Approximately 6,000 vouchers are being held in the Exception and Investigation Unit alone, the average turn-over being about 1 month.

The Disbursements Section does not audit all the vouchers it receives. Certain types are merely examined for proper form and supports. Repair vouchers are audited in the field, lend-lease vouchers are audited by the New York district office, vouchers covering agents' compensation and advances are audited by the port auditors, while freight and express vouchers will be postaudited by the General Accounting Office.

As a whole the Disbursements Section also suffers from the lack of organization and good management. Its work is essentially auditing and should, therefore, be joined with that of other suits having audit functions. Simpler procedures that will permit less frequent and more expeditious handling of documents received must be devised.

Auditing and Financial Analysis Section: The Auditing and Financial Analysis Section is engaged in auditing agents' corporate records at their place of business, and in procuring and analyzing agents' financial statements which form the basis of compensation adjustments under General Order 12.

There are 42 employees in this section distributed as follows:

Administrative office	3
Financial Analysis Branch	10
Travel Audit Branch	10
Audit Control Branch	19
Total	42

The Financial Analysis Branch, which spends most of its time on War Shipping Administration matters, secures quarterly and annual statements from the agents and examines the computation by which compensation is adjusted. Agents have been extremely lax in transmitting these statements. In view of the fact that substantial monetary amounts are involved, the failure of the Comptroller's office to take the necessary steps to procure these statements is difficult to understand.

The Financial Analysis Branch develops statistics on net worth and working capital for the Committee of Allocation in connection with the allocation of additional tonnage to agents. The committee has apparently made its allocations in the past without definite financial standards since a dozen or more of the agents now functioning do not meet the committee's present invested-capital or working-capital requirements.

The Travel Audit Branch, which devotes itself almost entirely to War Shipping Administration matters, conducts annual audits of agents' corporate records. The purpose of these audits is to determine the propriety of general and administrative and selling expenses on which the agent has based his adjustment of compensation under General Order 12. The head of this branch could give no definite rules by which an expense could be considered allowable or unallowable. The expenses are compared to prior years' figures, and reliance is placed on the judgment of the individual auditor. This, in effect, allows the Auditing and Financial Analysis Section to decide policy matters. There is an unquestioned need for someone

with authority to decide the amount and type of expenses the agents will be permitted in adjusting their compensation.

The Audit Control Branch, largely engaged in War Shipping Administration work, prepares auditing and accounting instructions and handles the clerical details in arranging for agents' special bank accounts. This branch receives copies of the bank statements and examines them in order to make sure that the balances authorized are not exceeded.

For the most part, the work of this section, primarily auditing, suffers from poor management. Its coverage is important but its importance is too dependent on the judgment of individual auditors. Expenditure standards and an audit manual are badly needed.

I shall be glad to amplify these remarks, at your convenience.

Sincerely yours,

E. L. KOHLER.

Among other things you will find this statement in that report:

Hundreds of millions of dollars have not adequately been accounted for.

The full report is worth careful reading.

Mr. Speaker, one thing is abundantly clear. The manner in which this bill, if enacted into law, is administered is of the utmost importance. If the people's money is to be properly protected, there must be a complete change in the financial standards of the Maritime Commission. The Commission is undergoing some reorganization. I hope that the essential change will be forthcoming. There is no member of the House, I am sure, who wants to see this ship "sales" bill become a ship "gift" bill.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. BRADLEY of Michigan. Mr. Speaker, may I ask the distinguished gentleman from Virginia [Mr. BLAND], if he will be good enough to yield the gentleman two additional minutes to answer a question?

Mr. BLAND. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. BRADLEY of Michigan. Mr. Speaker, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Michigan.

Mr. BRADLEY of Michigan. The gentleman referred to section 9 of the bill and the matter of adjustment. I think certainly in all fairness the gentleman does not mean to contend that a shipowner who purchased a ship several years ago from the Maritime Commission, and put his dollars on the line, should now be placed in an unfavorable position, competitively speaking, with a man who buys a ship today under this bill. I think in all fairness he is entitled to an adjustment. May I say to the gentleman that the Committee of the House and the Committee of the Senate and the conferees worked very splendidly to try to arrive at an honest, equitable solution that would not penalize any of the interests.

Mr. WIGGLESWORTH. Why does not the gentleman from Michigan go back 5 or 10 years if he is going to proceed on that basis?

Mr. BRADLEY of Michigan. Because this bill applies to ships that were built during the war, to serve the war purpose, during the emergency. It has nothing to do with ships that were built prewar, but solely to the war built surplus fleet.

Mr. WIGGLESWORTH. For my part I can see no obligation insofar as this Congress is concerned to pay out $89,000,000 on the strength of unauthorized statements made by the Maritime Commission.

Mr. BRADLEY of Michigan. The obligation as far as this Government is concerned is to preserve the Maritime fleet on the high seas and keep our flag flying.

Mr. WIGGLESWORTH. The gentleman sees eye to eye with me in that respect. We both want a 100-percent merchant marine. I do not believe, however, that the suggested payment of $89,500,000 is necessary to that end.

Mr. BRADLEY of Michigan. I think the gentleman will agree with me that regardless of the bill or the conference report, it is necessary that we establish a definite policy, which is all important, and I understand it is the purpose of the chairman of the Committee on the Merchant Marine and Fisheries to appoint a subcommittee to keep a constant check on the application of this bill.

Mr. BLAND. That is correct.

Mr. WIGGLESWORTH. I am glad to hear the gentleman and the chairman make that statement.

The SPEAKER. The time of the gentleman from Massachusetts has again expired.

Mr. BLAND. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. McCORMACK. Mr Speaker, we all know that a bill of this kind, such a far-reaching organic act, is a very hard one to consider and in the legislative processes must go through various amendments, and compromises must be arrived at. Those of us who have followed this bill realize the extreme difficulty the members of the committee have had. We congratulate them on the extraordinary work they have done in the great length of time they have been considering this bill, culminating in their bringing the bill out on the floor of the House.

The bill before us is the result of the legislative processes of the Congress. Many compromises have been necessary. There are some parts of the bill that I do not like myself, but the bill as a whole is a very good one. It puts on the statute books the organic act which is so important in the disposal of the vessels and in getting our merchant marine to work. I agree with an observation made by a gentleman a few moments ago that the important thing is to get our merchant marine to work.

This bill represents the best that can be done at the present time. As we obtain experience, in the light of that experience the proper committees of the House and the Senate can consider it and both branches of the Congress can consider amendments to the bill. This is a very important bill. I means a lot to powerful and legitimate interests of our country and it means a lot to our Nation and to the future progress of our Nation and the economic progress of our people. I hope the conference report will be agreed to. We can rest assured that after this bill becomes a law the committee of which the able gentleman from Virginia [Mr. BLAND] is chairman will continue to watch the situation closely. As conditions arise which warrant and justify amendments to the organic act that we are considering now, the House Committee on the Merchant Marine and Fisheries can and will consider and promptly act upon the necessary amendments.

I congratulate the chairman of the committee and all the members of the committee on the devoted work they have done in considering and reporting out the bill and in following it in its various stages up to the present time. Bringing out a conference report is an arduous task. Compromise is necessary. They have worked out a reasonable, fair bill, one that is the basis for action and as experience show the basis for future amendments if necessary, to make it work more effectively.

Mr. Speaker, I hope the conference report will be agreed to.

Mr. BLAND. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. WELCH].

Mr. WELCH. Mr. Speaker, H. R. 1603, as reported by the conferees is the final result attained after hearings and consideration by the Committee on Merchant Marine and Fisheries extending over 2 years. The Maritime Commission sent no less than six ship-sales bills to Congress during this time, wavering from one extreme to the other.

No bill of this kind can be perfect, but every effort has been made to make this bill equitable by fixing flexible prices. The success or failure of this bill, when enacted into law, will largely depend upon its administration, which is as it should be in legislation of this kind. Confidence must be given to administrative officials who carry the will of Congress into effect. I believe that the Maritime Commission will have our confidence to do this.

It is inevitable that in this type of legislation some inequalities will exist but if this develops, Congress can take necessary action at the proper time.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. WELCH. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I understand no provision has been made here for priority for veterans in the purchase of ships. Is that true?

Mr. WELCH. No, I do not know that there is any priority for veterans.

Mrs. ROGERS of Massachusetts. I am very much troubled over that. Persons are contacting me about that. Some veterans or groups of veterans have expressed interest in purchasing some of the surplus ships that should have a priority and these are given priorities under the bill.

Mr. WELCH. I do not know that there is any priority for veterans with reference to the purchase of the class of ships provided for in this bill.

Mrs. ROGERS of Massachusetts. But groups of veterans could purchase them,

of course. I suppose now it would be impossible to put an amendment in the conference report?

Mr. WELCH. It would be impossible to amend the conference report at this time.

Mrs. ROGERS of Massachusetts. But the veterans ought to have preference in purchasing them.

Mr. WELCH. I do not see how they can give them preference.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks on this bill which is so important to the development and maintenance of our American merchant marine for many years to come.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BLAND. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Speaker, this conference report should be referred back to the House conferees with instructions to confer with the Ways and Means Committee of the House because the bill contains some tax-refund features which involve a great deal of money. In fact, it is possible that the tax refunds may reach as much as $100,000,000. The bill also permits of tax-free moneys being held in account with interest to the depositor until taxes may have been lowered, with the possible resultant loss of millions of dollars in taxes to the Treasury.

Section 9 of the bill provides that prices of vessels already purchased and delivered can be readjusted and the owners refunded the difference between the prices paid and the floor price of 31½ to 50½ percent of construction costs. These vessels were chartered to the Government at exorbitant hire rates during the war and these charter hire fees, involving millions of dollars, are to be retained.

Section 8 provides that credit on trade-ins on hundreds of obsolete vessels which have been taken in on trade-ins involving hundreds of millions of dollars may be placed in tax-free deposit accounts. These accounts can be held tax-free and also drawn from later when taxes have been reduced, and we hope to lower taxes in the not too distant future if Congress will stop making needless appropriations.

Mr. BLAND. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. BLAND. The tax refund and tax exemption provisions were in the 1936 act, but I did not know that there are any such provisions in this bill.

Mr. KNUTSON. May I call the attention of the gentleman to the last paragraph on page 17 of the report. I assume the gentleman has read the report.

Mr. BLAND. Of course, I have.

Mr. KNUTSON. Of course—I say, I assume the gentleman has, because he is always alert in the performance of his duties. I congratulate the gentleman, but I nevertheless feel that this conference report should be voted down.

Mr. WELCH. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. WELCH. May I call the attention of the gentleman from Minnesota to the fact that the report of the conferees was published in the CONGRESSIONAL RECORD on February 6 of this year, approximately 3 weeks ago. Up to this time, no complaints have been registered with members of the committee with reference to the conference report.

Mr. KNUTSON. I register a complaint now.

Mr. WELCH. This is quite a late date.

Mr. KNUTSON. The policy of the House Membership in referring matters of taxation to various committees of the House is a bad policy and is going to result in the break-down of our tax system.

All legislation pertaining to taxes and refunds of taxes should be channeled through the Ways and Means Committee just like all legislation pertaining to banking and currency should go to that great committee, and legislation pertaining to interstate and foreign commerce should go to that committee. That is what we have these committees for. But if you are going to disembowel the Ways and Means Committee by spreading its functions around among various committees of the House, you will soon have a hodgepodge tax structure that will fall down ultimately.

This conference report should be rejected and the conferees should be instructed to confer with the Ways and Means Committee so we could find out just how much is involved in the way of tax refunds.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. DINGELL. It is quite evident that this attempt to drag out this question and distribute it among other committees is getting worse rather than better. We have seen it recently with regard to legislation having to do with Civil Service, and we have the same thing in other bills that were referred to other committees not having proper jurisdiction.

Mr. KNUTSON. It is time the procedure was reversed.

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. BLAND. Mr. Speaker, I yield 5 minutes, or so much time as he may desire, to the gentleman from Michigan [Mr. BRADLEY].

Mr. BRADLEY of Michigan. Mr. Speaker, this conference report is a sincere effort on the part of the conferees of the House and of the Senate to select from the two bills, on which these two great bodies worked about a year and a half, the very best possible compromise we could arrive at, and to select the best parts of each of those bills.

The conferees met in a very amiable spirit in trying to work out what we felt was the best basis to dispose of the surplus merchant fleet, and, as I said a while ago to the gentleman from Massachusetts [Mr. WIGGLESWORTH] keeping in mind the paramount responsibility of this Congress to maintain the present dominant mechant marine of this United States and keep our flag floating on all the seas of this world.

The gentleman from Minnesota [Mr. KNUTSON] just referred to the question of taxation. Our responsibility in preparing this legislation was to set a price on these ships at which they could be sold to the American operators. Included in the cost of anything is the question of taxes. I assure the gentleman from Minnesota that nobody that I know of more fully appreciates the prerogatives of the Ways and Means Committee than do the members of the Committee on the Merchant Marine. We do not want other people treading on our toes either. But this is the case of applying a price to ships, including adjustments of price of ships previously purchased, that would enable them to be sold to the American public and maintain them on the high seas.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. BRADLEY of Michigan. I yield.

Mr. KNUTSON. The bill clearly would lay down a new policy in the matter of tax adjustments.

Mr. BRADLEY of Michigan. I beg the gentleman's pardon. The bill does not, except insofar as was found necessary to cope with an entirely new problem.

Mr. KNUTSON. If the gentleman will read the last paragraph on page 17 of his own report—I know the chairman has read it because he told me he had.

Mr. BRADLEY of Michigan. I have read it, too.

Mr. KNUTSON. If the gentleman will read that last paragraph he will find it there, sticking out like a sore thumb.

Mr. BRADLEY of Michigan. May I say this: We have had this bill under consideration for over 2 years. Why did not the Ways and Means Committee come to our committee and tell us if they wanted certain tax provisions put into the bill.

Mr. KNUTSON. We did not even know that the committee would attempt to usurp the functions of the Ways and Means Committee.

Mr. HERTER. Mr. Speaker, will the gentleman yield?

Mr. BRADLEY of Michigan. I yield.

Mr. HERTER. Is it not true that the tax provision now being discussed, setting up a tax during construction reserve, was provided for in 1936?

Mr. BRADLEY of Michigan. It was provided for in the 1936 act, and we have not heard it questioned heretofore.

Mr. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. BRADLEY of Michigan. I yield.

Mr. CHURCH. Is it not true that every time this question came up in our committee during the past 2 years any questions of fact were denied and referred to as coming under the jurisdiction of the Ways and Means Committee, and we were not allowed to take into consideration the tax features of this bill?

Mr. BRADLEY of Michigan. That is true insofar as we were able to do it. Now I wish to make one more observation at this point.

Mr. CHURCH. The statement on page 17 to which the gentleman from

Minnesota refers deals only with a law that was passed back in 1936.

Mr. BRADLEY of Michigan. That is correct.

Mr. MANSFIELD of Texas. Mr. Speaker, will the gentleman yield?

Mr. BRADLEY of Michigan. I yield.

Mr. MANSFIELD of Texas. The question of taxation was not raised in the conference at all.

Mr. BRADLEY of Michigan. That is right.

I wish to make one final observation. When we brought the original bill to the floor of the House this committee did not go before the Rules Committee and ask for a closed rule as seems to be the habit with the great Ways and Means Committee. It seems to me the gentleman's observations might have been more timely when we discussed and passed the House version of the bill last October and which provisions the conferees accepted.

Mr. Speaker, I yield back the balance of my time.

Mr. BLAND. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. BUCK].

Mr. BUCK. Mr. Speaker, it has been said before here today that this probably is not a perfect bill. Perfection, however, depends largely on the point of view. I doubt if another year's work would produce a better bill.

There is urgency in the situation if we are going to have an American merchant marine in the years ahead. I hope therefore the conference report will be adopted.

Mr. Speaker, I yield back the balance of my time.

Mr. BLAND. Mr. Speaker, I yield such time as he may desire to the gentleman from Maine [Mr. HALE].

Mr. HALE. Mr. Speaker, I am strongly in favor of the adoption of this conference report. It represents the consummation of an enormous amount of effort and study over a period of some 18 months. Practically every word in the bill has been debated and discussed and I am confident that the bill in its present form is as good, humanly speaking, as it can be made. It is not precisely the bill that I would write if I could write it all by myself, nor do I assume that anybody else, on or off the committee, would have written this identical bill. For example, the statutory sales price of tankers as fixed in section 3 of the bill at 87½ percent of the prewar domestic cost, is, in my opinion, too high to enable the sale of as many vessels of this type as we ought to sell. I think it will drive business interests into the purchase of tankers abroad, but this statutory sales price represents a compromise and there would be no sense in rejecting the conference report merely on this account. In virtually every case I think that the conferees have shown great discrimination as between the respective provisions of the House and Senate bill and have adopted in the conference report the better provisions.

I do not think that the objection raised by the gentleman from Minnesota [Mr. KNUTSON] is well founded, nor do I think that the paragraph at the foot of page 17, which occasions him so much concern, has the meaning which he appears to imagine. The tax provisions occur in the Merchant Marine Act of 1936. Section 9 of the bill imposes no new taxes, but section 9–c does make provision as to the date when, for income-tax purposes, certain credits shall be deemed to have accrued. I scarcely think it necessary that a provision so obviously reasonable should necessitate the delay of referring the bill back to the Committee on Ways and Means.

We have a great fleet of merchant vessels and we want to start getting rid of them now. I should hope for unanimity in the adoption of this conference report.

Mr. BLAND. Mr. Speaker, I yield to the gentleman from Texas [Mr. MANSFIELD] such time as he may desire.

Mr. MANSFIELD of Texas. Mr. Speaker, I shall not go into the details and technicalities of the bill. The Committee on the Merchant Marine and Fisheries, as has been stated here several times, has been working on this bill off and on for about 2 years.

The purpose of the bill is to get our surplus shipping into movement, into private hands, if possible. All ocean shipping during the war and up to this time has been under Government operation practically. We want now to dispose of these ships, place them in the hands of private parties so they can get into operation as soon as possible. It is very important that it be acted on without further delay because we have a large number of these ships.

I shall not go into the details of tonnage or anything like that, but, roughly speaking, we have about 3,000 what we might term surplus dry-cargo ships, and also between 400 and 450 tankers on hand. Sixty-two of these tankers are what is known as the slow type—the Liberty type—that were used during the war. They haul only about 75,000 barrels of gasoline in a full cargo, whereas all modern tankers haul practically double that amount at practically the same cost of operation.

It is going to be a hard matter to dispose of these ships. They are not suited for peacetime operation. They were built almost exclusively for war use and they served a good purpose during the war, for they helped us win it; without them we never could have gained the war for that matter because it was fought overseas.

After the First World War we had great difficulty along this same line. We had ships on hand. I went down with the Corps of Engineers and others below Quantico and saw where they burned 175 wooden ships in one holocaust. They could not dispose of them, they could not sell them, they could not give them away. They just put them together, covered them with oil, set them on fire and the ships burned down to the water level. The adjoining landowners sued the men who were salvaging these ships in the Federal court over in Baltimore. The case was finally compromised and dismissed because the salvage company agreed with the adjoining landowners and paid their claims.

The wreckage there covered some 35 acres of water. It was a tremendous thing. We do not want to have to go through things like that again. We want to get these ships into operation if we possibly can. Some of them never will be. Furthermore, we have to keep a large number of them in reserve. Down in my State they are parking about 500 ships for future use of the Navy and for future use or disposition as may be made of them hereafter.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD of Texas. I yield to the gentleman from Kentucky.

Mr. MAY. As I understand the proposition, generally speaking it is to get these ships disposed of to private owners in order that they may be utilized in commerce on the seas?

Mr. MANSFIELD of Texas. That is correct.

Mr. MAY. In addition to that, there are a great many repairs, changes, or alterations to be made on many of them before they can be utilized and it will take some time to do that. That is another reason for expedition in this matter?

Mr. MANSFIELD of Texas. The gentleman is entirely correct.

Mr. BLAND. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD of Texas. I yield to the gentleman from Virginia.

Mr. BLAND. Is it not also the evidence that it will cost the Government from $3,000 to $5,000 per ship for the ships laid up?

Mr. MANSFIELD of Texas. That is the information we have, I may say to the gentleman. Where they are putting these ships down in my district the private interests there are spending $750,000 to dredge the lake in which they are storing the ships. They are expecting to get that back, of course, in repairs. They have to keep the ships painted and in repair and it costs about $5,000 per year for each ship, they tell me.

Our merchant marine has had a sad history in many respects, as, for example, a few years ago we only carried between 8 and 9 percent of our foreign commerce in American bottoms. Under the Merchant Act of 1936 we succeeded in raising that up to about 33⅓ percent and we hope to get it up to 50 percent if possible. Other maritime countries were carrying 50 percent of their foreign trade. England, Germany, Holland, and other European maritime countries did that before the war. I do not know what they are doing now of course.

We hope that we may be able to keep the American flag on our merchant marine the world over and carry as much of our freight as is possible.

The dry-cargo ships we have for sale consist almost entirely of what is known as the Liberty type. They are large, slow ships. They will carry 11,000 tons. They were well adapted for carrying large cargoes of trucks, bulldozers, and other heavy types of Army equipment. They served well the purpose for which they were intended, but they are not suitable to compete for the postwar trade. The ship operators all know these things. They have shown a willingness to purchase the Victory and the

C types, which are much faster than the Liberty ships, but few, if any of them have shown any intention of buying the large, slow ships

The conferees are limited to points in dispute between the House and Senate bills. No objections have been heard to the conference agreement on those points. The objections we have heard apply to provisions in the original bill which were in it before it was acted upon, and approved by both House and Senate. Those questions are not now open for consideration. They have already been passed upon and approved in both bodies.

All salable ships should be disposed of without further delay. The longer we delay, the greater will be our loss of trade.

Mr. BLAND. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. HERTER].

Mr. HERTER. Mr. Speaker, a year ago when this bill was being considered by the committee, we had conflicts presented to the committee, not alone from the different members of the industry, the subsidized and the unsubsidized operators, but from four different Government departments. The War Department had an interest in this bill. That Department, although many did not know it, operated a very large fleet of its own. The Navy Department had a direct interest in this bill because of the importance of the merchant marine to the future of our defense.

The Maritime Commission submitted to us six drafts of bills, no two of which contained the same provisions. The State Department had very definite views as to what should be done in regard to selling ships to foreigners.

Those conflicts were resolved by degree until this House in October passed a bill. The Senate in turn made a number of modifications in that bill. Then the conference committee, in my opinion, did an excellent piece of work. The conferees took the very best features of the Senate and House bills and even though there may be some provisions in this bill that individuals can object to, considering the conflicts with which we started out, considering the difficulties that had to be surmounted, this bill is an excellent piece of work, and I hope the conference report will be agreed to.

Mr. BLAND. Mr. Speaker, I yield myself the remainder of the time.

Mr. Speaker, if the Members would or could read the various shipping reports and shipping news coming out from all over the world they would find out that Great Britain is not asleep. Norway is not asleep. Our competitors in foreign countries are not asleep. They are on the job to get ships and to get foreign trade and to build up foreign trade. If we want to pay our debts we must build up our foreign trade, too; and the only way we can do that is with American ships, American owned, and sailed by Americans.

I read from the Shipping World—British—January 30:

Statistics are becoming available which suggest the main pattern of British shipbuilding in the postwar years. There are some 160 oceangoing ships, of approximately 1,400,000 tons gross, actually under construction, while orders for a further 106 ships, totaling about 730,000 tons gross, await vacant berths.

There is another statement to the effect that British blocked sterling balances held by Norway, Holland, and Greece, are expected to be paid off in large part by British services in rebuilding the merchant fleets of these countries. Are we to repeat the great tragedy of 1920 when we were selling ships for $5 a ton, and later taking them back, getting nowhere—the time when our merchant marine was driven off the seas? I am pleading for the promotion of trade. I am pleading for some method of paying the taxes that Mr. KNUTSON talks about. I am pleading for the promotion of commerce and, more than all, for a sufficient merchant marine for national security in time of emergency.

Mr. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield to the gentleman from Illinois.

Mr. CHURCH. I want to commend the gentleman from Virginia who is our able chairman of the Committee on the Merchant Marine and Fisheries for the fine hard work that he has done on the various bills on this subject of ship sales in the last 2 years. There has been a great deal said about differences in the committee. Some of these differences were brought about by the State Department, in one case by reason of the fact that it urged some preferences for foreigners, in terms of sales. Our able chairman helped to resolve those differences. Thank God we have a bill finally that does not favor foreigners and that will enable Americans to own and operate these ships. I want to again commend the able chairman for his arduous work during the past 2 years in finally bringing this bill to passage today.

Mr. BLAND. I thank the gentleman.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and on a division (demanded by Mr. DIRKSEN) there were—ayes 116, noes 14.

Mr. DIRKSEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 233, nays 115, not voting 82, as follows:

[Roll No. 33]

YEAS—233

Adams	Barry	Brown, Ga.
Allen, Ill.	Bates, Ky.	Brown, Ohio
Almond	Beckworth	Brumbaugh
Anderson, Calif.	Bell	Bryson
Andrews, Ala.	Bender	Buck
Andrews, N. Y.	Bennet, N. Y.	Bulwinkle
Angell	Bishop	Burch
Arnold	Blackney	Burgin
Auchincloss	Bland	Butler
Bailey	Bolton	Camp
Barrett, Pa.	Bradley, Mich.	Campbell
Carlson	Hare	O'Neal
Carnahan	Harness, Ind.	O'Toole
Case, N. J.	Harris	Patman
Celler	Havenner	Patrick
Church	Hedrick	Peterson, Fla.
Clark	Hendricks	Philbin
Cochran	Herter	Phillips
Cole, Mo.	Hess	Price, Fla.
Cole, N. Y.	Hill	Priest
Combs	Hinshaw	Rabaut
Cooley	Hobbs	Rabin
Cooper	Hoch	Rains
Corbett	Holifield	Ramey
Cox	Holmes, Wash.	Rankin
Crosser	Hope	Rayfiel
D'Alesandro	Howell	Reece, Tenn.
Davis	Izac	Reed, Ill.
Delaney, James J.	Jenkins	Resa
	Johnson, Calif.	Richards
Delaney, John J.	Johnson, Luther A.	Robertson, Va.
		Rockwell
D'Ewart	Johnson, Lyndon B.	Rodgers, Pa.
Dingell		Roe, Md.
Dondero	Kearney	Roe, N. Y.
Doughton, N. C.	Kee	Rogers, Fla.
Douglas, Ill.	Kefauver	Rogers, Mass.
Doyle	Kelley, Pa.	Rogers, N. Y.
Drewry	Kelly, Ill.	Rooney
Eaton	Keogh	Rowan
Eberharter	Kilday	Ryter
Elliott	King	Sabath
Ellsworth	Kinzer	Sadowski
Elsaesser	Kirwan	Sasscer
Elston	Kopplemann	Scrivner
Engle, Calif.	Kunkel	Sharp
Ervin	LaFollette	Sheppard
Fallon	Lane	Sikes
Fenton	Lanham	Simpson, Ill.
Flannagan	Larcade	Simpson, Pa.
Fogarty	Lea	Smith, Maine
Folger	LeFevre	Smith, Va.
Forand	Lemke	Sparkman
Fuller	Lesinski	Spence
Gallagher	Link	Starkey
Gamble	Ludlow	Stewart
Gardner	Lyle	Stigler
Gary	McCormack	Sullivan
Gavin	McCowen	Sundstrom
Gearhart	McDonough	Talbot
Gerlach	McKenzie	Tarver
Gibson	McMillan, S.C.	Thomas, N. J.
Gillespie	McMillen, Ill.	Thomas, Tex.
Gordon	Maloney	Thomason
Gorski	Manasco	Tibbott
Gossett	Mankin	Tolan
Graham	Mansfield, Tex.	Torrens
Granahan	Martin, Mass.	Towe
Grant, Ala.	Mathews	Traynor
Gregory	May	Trimble
Griffiths	Merrow	Wadsworth
Gross	Michener	Weichel
Hale	Miller, Calif.	Welch
Hall, Edwin Arthur	Monroney	Wolcott
	Morgan	Wolfenden, Pa.
Hall, Leonard W.	Murdock	Wolverton, N. J.
	Murphy	Wood
Halleck	Neely	Woodhouse
Hancock	Norblad	Woodruff
Hand	O'Brien, Ill.	

NAYS—115

Abernethy	Fellows	Mansfield, Mont.
Allen, La.	Gathings	Marcantonio
Andersen, H. Carl	Geelan	Martin, Iowa
	Gillie	Mason
Andresen, August H.	Goodwin	Miller, Nebr.
	Gore	Mills
Barrett, Wyo.	Granger	Mundt
Bates, Mass.	Grant, Ind.	Murray, Wis.
Bennett, Mo.	Gwynne, Iowa	Norrell
Biemiller	Hagen	O'Brien, Mich.
Bonner	Harless, Ariz.	O'Hara
Brooks	Healy	O'Konski
Buffett	Henry	Outland
Byrnes, Wis.	Hoeven	Pace
Canfield	Hoffman	Patterson
Chelf	Horan	Pickett
Clason	Huber	Pittenger
Clements	Hull	Ploeser
Clevenger	Jackson	Plumley
Coffee	Jennings	Poage
Colmer	Jensen	Price, Ill.
Cravens	Johnson, Ill.	Rees, Kans.
Crawford	Johnson, Ind.	Rich
Cunningham	Johnson, Okla.	Rizley
Curtis	Jones	Robsion, Ky.
De Lacy	Jonkman	Russell
Dirksen	Kean	Savage
Dolliver	Kilburn	Shafer
Douglas, Calif.	Knutson	Short
Durham	Lecompte	Smith, Ohio
Dworshak	Lewis	Smith, Wis.
Earthman	McGehee	Springer
Ellis	Madden	Stefan
Engel, Mich.	Mahon	

Stevenson	Voorhis, Calif.	Wickersham
Stockman	Vursell	Wigglesworth
Sumner, Ill.	Wasielewski	Winstead
Taber	White	Worley
Talle	Whitten	
Thom	Whittington	

NOT VOTING—82

Arends	Fisher	Norton
Baldwin, Md.	Flood	Peterson, Ga.
Baldwin, N. Y.	Fulton	Pfeifer
Barden	Gifford	Powell
Beall	Gillette	Quinn, N. Y.
Bloom	Green	Randolph
Boren	Gwinn, N. Y.	Reed, N. Y.
Boykin	Hart	Riley
Bradley, Pa.	Hartley	Rivers
Brehm	Hays	Robertson, N. Dak
Buckley	Hébert	Robinson, Utah
Bunker	Heffernan	Schwabe, Mo.
Byrne, N. Y.	Heselton	Schwabe, Okla.
Cannon, Fla.	Holmes, Mass.	Sheridan
Cannon, Mo.	Hook	Slaughter
Case, S. Dak.	Jarman	Somers, N. Y.
Chapman	Judd	Sumners, Tex.
Chenoweth	Keefe	Taylor
Chiperfield	Kerr	Vinson
Clippinger	Landis	Vorys, Ohio
Cole, Kans.	Latham	Walter
Courtney	Luce	Weaver
Curley	Lynch	West
Daughton, Va.	McConnell	Wilson
Dawson	McGlinchey	Winter
Domengeaux	McGregor	Zimmerman
Feighan	Morrison	
Fernandez	Murray, Tenn.	

So the conference report was agreed to.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. Randolph with Mr. Taylor.
Mr. Heffernan with Mr. Latham.
Mr. Sheridan with Mr. Holmes of Massachusetts.
Mr. Lynch with Mr. Brehm.
Mr. Quinn of New York with Mr. Arends.
Mr. McGlinchey with Mr. Hartley.
Mr. Murray of Tennessee with Mr. McGregor.
Mr. Pfeifer with Mr. Beall.
Mr. Curley with Mr. Reed of New York.
Mr. Bunker with Mr. Heselton.
Mr. Hook with Mr. Schwabe of Missouri.
Mr. Bloom with Mr. Judd.
Mr. Flood with Mr. Keefe.
Mr. Vinson with Mr. Schwabe of Oklahoma.
Mr. Somers of New York with Mr. Gifford.
Mr. Buckley with Mr. Chiperfield.
Mr. Baldwin of Maryland with Mr. Vorys of Ohio.
Mr. Courtney with Mr. Case of South Dakota.
Mr. Boren with Mr. Chenoweth.
Mr. Morrison with Mr. Fulton.
Mr. Kerr with Mr. Clippinger.
Mr. Hart with Mr. Gillette.

Mr. VOORHIS of California, Mr. MARCANTONIO, Mrs. DOUGLAS of California, Mr. OUTLAND, Mr. DE LACY, Mr. ALLEN of Louisiana, Mr. GILLIE, Mr. LEWIS, Mr. CUNNINGHAM, and Mr. MADDEN changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

Mr. BLAND. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include certain material and I also ask unanimous consent that all Members may have five legislative days to extend their remarks on the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

BUFFALO BILL DAM AND RESERVOIR

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Joint Resolution 136, changing the name of the Shoshone Dam and Reservoir to Buffalo Bill Dam and Reservoir in commemoration of the one hundredth anniversary of the birth of William Frederick Cody, better known as Buffalo Bill.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That in commemoration of the one hundredth anniversary of the birth on February 26, 1846, of William Frederick Cody, better known as Buffalo Bill, the name of the Shoshone Dam and Reservoir in Park County, Wyo., is changed effective February 26, 1946, to the "Buffalo Bill Dam and Reservoir."

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

Mr. MURDOCK. Mr. Speaker, today, February 26, is the one hundredth anniversary of the birth of William S. Cody, better known throughout the West and throughout the world as Buffalo Bill. It seems fitting that we should commemorate this day in a manner that will place this unique westerner in a firmer place in our minds and memories. Such is the very purpose of Senate Joint Resolution 136, which has just passed the House by unanimous consent. This measure was sponsored in the Senate by Senator ROBERTSON, whose home is at Cody, Wyo., and who himself was a lifelong friend of William F. Cody. It is because of that friendship and the feeling which I know to exist among the people of Wyoming that I was glad to report favorable action on the part of the House Committee on Irrigation and Reclamation in its unanimously reporting this measure favorably, which the committee did on February 21.

As a boy I never lost an opportunity to see Buffalo Bill, and I regarded his exhibitions and feats of showmanship as surpassing anything of similar character in the world at that time. Of course, I thrilled in reading his exploits by which he earned the title "Buffalo Bill," and I recognized the value of his services in helping to build railroads across the western country and thus bringing civilization in the wake of the iron horse. I have always contended that the sober truth regarding these great western characters was more thrilling than the dime-novel literature which has crowded our newsstands and book stalls for lo these many years. Well, I am told that Buffalo Bill did more than astonish and startle the world by feats of marksmanship and horsemanship, and that he was a real builder in his chosen part of the West, that he had much to do in promoting irrigation and reclamation, and, from that standpoint, it was appropriate that his name should be attached to one of the great reclamation structures.

As to the propriety of names given to engineering structures, I do know that there is a difference of opinion. There are some who say that dams, roads, bridges, and the like, should be named after eminent engineers or public officials. Others say that geographic names or names with local meaning, but which are impersonal, should be used. For my own part, I think that depends upon circumstances, and I think it is well to apply the name of a great personage to a work to which his efforts have contributed to a major degree. I think always the attitude and feeling of the people in the community should be given first consideration. If I may judge from the evidence heard, it is the desire of Wyoming that this engineering work should be named after the great man who gave his name to the nearby city, and which community he did so much to bring to full development.

POSTAL SERVICE

Mr. BURCH. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4652) to provide credit for past service to substitute employees of the postal service when appointed to regular positions; to extend annual and sick leave benefits to war service indefinite substitute employees; to fix the rate of compensation for temporary substitute rural carriers serving in the place of regular carriers in the armed forces; and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 22, after "promotions" insert ": *Provided further*, That upon appointment of a substitute employee to a regular position he shall not be placed in or promoted to a grade higher than the grade to which he would have progressed, including benefits authorized by section 23 of Public Law 134, approved July 6, 1945, had his original appointment been to a regular position of grade 1: *And provided further*, That employees shall not be allowed credit for service performed under temporary or war-service appointments except when such service is continuous to the date of appointment as a classified substitute or regular employee."

Page 2, after line 22, insert:

"SEC. 2. Employees who have been separated or shall hereafter be separated from the field service of the Post Office Department for military duty shall be given credit under the provisions of section 1 of this act for the periods or terms of substitute service immediately preceding their entry into military service and pro rata credit shall be given for the time engaged in military service. Employees who are reinstated to positions in the field service of the Post Office Department may be given credit for the periods or terms of continuous substitute and regular service immediately preceding their separation, but they shall not be placed in a grade higher than the grade to which they would have progressed in continuous service."

Page 2, line 23, strike out "2" and insert "3."
Page 3, line 4, strike out "3" and insert "4."
Page 3, line 11, strike out "4" and insert "5."

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

HOUSING STABILIZATION

Mr. SABATH. Mr. Speaker, I call up House Resolution 530 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 day, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, later I shall yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. Speaker, before I say anything about the rule, I wish to answer the gentleman from Ohio who charged on the floor that this is a political bill. If aiding the war veterans and the masses to obtain homes is political, then, of course, it is political, but otherwise it is nonpolitical.

This rule provides for spending the entire day in general debate. Tomorrow the bill will be considered under the 5-minute rule, with ample opportunity being afforded to every Member to offer amendments and express his views.

Personally, I think that if ever there was a need for legislation there is extreme need for this legislation at the present time. You all know of the shortage of housing, of the conditions that unfortunately exist, so it is not necessary for me to explain the need. You all agree that something must be done. Under this bill houses can be and will be built.

I am not going to detain the House any longer than absolutely necessary, but I must state that the delay in granting the rule was due to the fact that some members of the Committee on Rules feared that the Committee on Banking and Currency might offer amendments with which some of the members did not agree.

Members of the Committee on Banking and Currency who appeared before the Committee on Rules indicated that virtually all members of the committee are in favor of the principle of the bill. The members of the Committee on Rules are in favor of the principle of the bill. But there was some apprehension, as I have stated, that certain provisions which already had been stricken from the bill would be offered as committee amendments. The Committee on Banking and Currency has agreed, however, not to offer amendments either to place ceiling prices on old homes or to authorize $600,000,000 for housing subsidies. Whether such amendments will be offered by any other Member of the House, but not as a committee amendment, I do not know and have no way of knowing. Under the rule, any Member has the right to offer any amendment which he believes will strengthen the bill. I have no doubt but that amendments will be offered which would weaken the bill. I hope no weakening amendments will prevail. We need in this bill all the strength we can give it if the urgent problems of building homes for the American people are going to be solved. I myself believe, Mr. Speaker, that it may be well if an amendment is offered to place ceilings on the resale of old homes, but not on the original sale. In other words, if you own a home and you want to sell it legitimately, you would not be restricted as to the price; but if the purchaser buys it for the purpose of resale, in the role of a speculative dealer, then there should be a ceiling on the resale price; otherwise, speculators may take advantage of the situation and instead of helping the housing program may hurt it.

I feel and am fully satisfied that the Administrator will see to it that houses will be built, and in a short time, I believe, relief will be forthcoming. The gentleman who has been appointed for that important position by the President, Mr. Wilson Wyatt, is an extraordinary man, a man with real ability, a man who is not wasting time. Already within a short space of time he has made tremendous progress. He has constructive ability, and from what I learn from him and others I know he has a plan that will work. He aims to bring about the placing of a ceiling on all materials that go into home construction to eliminate the shortage. If I am not mistaken, he has also found the solution of the problem of additional labor to aid in the construction of homes through his agreements with the building crafts to take on needed apprentices. He has already taken that up with the organizations so that they will permit additional membership in the various crafts, and thus obtain from two to three hundred thousand additional men in the home construction program.

I fully appreciate from what has been said, from what I have read and what I have heard, that there is a shortage of lumber. There has long been a shortage of lumber. I think Mr. Wyatt is making progress in bringing about increased production of lumber. That is a step in the right direction. However, he also feels that many of these homes can be built out of brick. I know from my own knowledge that brick homes can be built at a very small increase over what it costs to build homes of lumber. Just this morning I have talked with the people who feel they can aid in construction, if they will have an opportunity to start immediately, to produce additional quantities of aluminum. I have been furnished by an outstanding organization a circular which shows that they feel they can aid in building at least two or three hundred thousand homes within a year, with the material they can produce, without any increase in price.

As to the ceiling on new homes, it is absolutely necessary. Personally, some of my very close friends are interested in the construction of these homes, and they have built quite a few and contracted for some, and they think it is wrong that I should be in favor of placing ceilings on the new homes. But I feel that the interest of the war veterans, and of the thousands upon thousands of people in the country who are seeking homes, is greater than profit for a few men here and there, even though they are personal friends.

In that connection I regret that the real-estate organizations and the builders' organizations have sent out circulars protesting against this bill. Again, I do not blame them for wanting to make all the money they can, and they are opposed to ceilings, but it is high time that they too should take an interest in the welfare of our Nation and should realize and recognize that the boys who served us across the seas are homeless and are entitled to consideration at our hands.

Mr. SPRINGER. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield for a question.

Mr. SPRINGER. Would this ceiling apply to the building of new farm homes—homes out in the country?

Mr. SABATH. I think it should be applied everywhere on new homes, because even on the farms the contractors out in the country are not in business to lose money. Personally, in view of conditions, I think we should all give a little and not seek too much. I have no objection to contractors and real-estate operators making a decent profit. I believe in it. But I am against unreasonable and unfair profits, especially at this time when thousands upon thousands of servicemen and their families and of other worthy American citizens are without shelter.

I also know there has been and is a great demand on the part of gentlemen who own a great many apartment buildings in various cities, asking that we remove the ceilings on rents. I know some of those people who have acquired many of those large apartment buildings at very low prices during the bad years, and I asked them, "Is not your income at least 10 or 12 percent on your investment?" They say, "But what did the building originally cost?" I said, "But you did not pay that. You paid only 10 or 12 or 15 percent for that building, and therefore your request that we remove the ceilings on rents is manifestly unfair." I am of the opinion that the program provided for in this bill is sound and must be carried out if we are to be honest with our servicemen and with the thousands of homeless families in this country.

Before our committee there was no opposition to the bill or the rule when matters were finally explained. I, therefore, hope there will be no opposition on the floor. There may be some contest on those two questions.

One other question may arise but again I feel that perhaps we should provide adjustment upon buildings that have been started and are in course of construction, that in such case allowance should be made as to costs, because it is not our intention that anyone lose money when in good faith he started to relieve the housing shortage. With that amendment and perhaps with the

amendment placing a ceiling on the resale of old homes I think we will have a splendid bill, one in the right direction. It will be in efficient hands. I do not know of any man with whom I ever had any dealings in whom I have greater confidence than the former mayor of the great city of Louisville, Mr. Wyatt, who I think is exceptionally well-fitted for this critically important task and will render great service to the country and expedite the construction of homes.

With that, Mr. Speaker, I reserve the balance of my time and yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

EXTENSION OF REMARKS

Mr. MASON of Illinois asked and was given permission to extend his own remarks in the RECORD and include an editorial.

Mr. JOHNSON of California asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

SPECIAL ORDER GRANTED

Mr. MASON. Mr. Speaker, I ask unanimous consent to address the House for 30 minutes on Thursday, February 28, following the legislative business of the day and special orders heretofore entered for that day.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

HOUSING STABILIZATION

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, our chairman has stated in a general way what this is all about, and I think the speech he made should surely secure some housing for Chicago.

Mr. SABATH. How about Detroit?

Mr. MICHENER. An analysis of the Patman bill makes it clear that it contemplates three objectives.

Section 1 declares a policy of the Government to the end that adequate housing for our people may be available at the earliest possible moment. No fault can be found with this objective. There is a distressing shortage of housing in every State, city, and community throughout the country. Apparently this fact is recognized by all and, by the same token, the entire Congress is anxious to overcome this scarcity just as soon as it is practicably and humanly possible. At least that is the way I feel about it, and I am sure I speak for a vast majority of my constituents.

If we are all in favor of providing adequate housing, then it is just a question as to the best method to bring this about. Here is where the rub comes. Should the job be undertaken under minute Government regulations and controls affecting materials, prices, ceilings, construction work, and all the rest, or should the Government keep hands off, lift all ceilings, remove all controls, and attempt the policy of "Business as usual," so far as meeting the housing demands are concerned?

Naturally those who want to regiment and control all activities of the people feel that here is a good place to practice their philosophy. On the other hand, that group, which feels that all controls should be lifted, shouts that here is the place and now is the time to make a beginning.

My study and experience have taught me that neither of these groups should prevail. Only such controls and regulations should be continued as are absolutely necessary, and these for a limited period only. I am not yet convinced that subsidies are wise in this instance. Nevertheless, I am approaching the whole field with an open mind and believe that should be the attitude of all of us, until full explanations are made, cause shown, and adequate reasons given by the Banking and Currency Committee.

Subsection (a) of section 2 of the bill creates still another Government bureau, which will be headed by a Director, who will receive $12,000 per annum. This Director is authorized to appoint such employees as he deems necessary to carry out the provisions of the bill. He is not limited at all as to the size of the bureau or the number of employees. He is given very unusual and extensive authority. He is made a virtual czar in the house-building field.

Beginning with subsection (b) of section 2, 14 pages of the bill are devoted to outlining specific powers, authority, and control to the Director who, it is fair to presume, will be Mr. Wilson Wyatt. Some may call him an expediter but the Patman bill calls him the Director.

Mr. Speaker, I have read the last 14 pages of the bill very carefully and I think a lot of time and a lot of words have been wasted. In all this language there is not a single instance of a limitation being placed on the Director's power. In fact, an attempt is made to be sure and see to it that the Director has ample and all-inclusive authority. The reading of these pages is conclusive proof of the fact that another bureau is to take hold, in determined fashion, of the building industry of the entire country; that is, the materials used in construction, the time and manner of use, the cost, the sale price, the profits, the losses, and all the rest. The whole building industry is to be made completely subservient to the discretion of the Director.

Now I think you all recognize that I believe in writing as short laws as possible, in as plain language as possible, and with as little doubt as to the meaning of the law as possible. So many words, sentences, paragraphs, and pages make for confusion and provide opportunity for misunderstanding the intent of the Congress. Therefore, this bill might be shortened up by having subsection (b) read as follows:

> The Director shall formulate and develop a comprehensive national program to effectuate the purposes of this title, all laws of the land to the contrary notwithstanding.

I want to impress upon you that this Director is given dictatorial power just that broad. Do we want to do that? Will such surrender of power to any individual be good, wholesome legislation? I doubt it.

Mr. Speaker, I do not believe there is any opposition to this rule. I voted to bring the matter before the House where the Members may consider the Patman bill, which has committee approval, and make such changes as they feel desirable. I am advised that the gentleman from Michigan [Mr. WOLCOTT] the ranking minority member on the committee, will shortly discuss a substitute which he will offer on tomorrow for the Patman bill. That substitute will be printed in today's CONGRESSIONAL RECORD so that we may all read it before we must vote on it tomorrow. There has been some criticism because, as we are advised, the Banking and Currency Committee expects to offer an amendment to the bill providing $600,000,000 as a preliminary subsidy, together with ceiling prices on old and new housing construction. May I say that the Rules Committee tried to ascertain the facts from the Banking and Currency Committee regarding such proposals. Indeed, I asked that if such amendments were to be offered they be printed in the CONGRESSIONAL RECORD last week so that the rest of us might not be taken by surprise and be unprepared to act intelligently on such amendments. As yet the committee has kept its own counsel and we do not know what committee amendments will be offered.

For my part, I am not going to vote for a bill containing surprise amendments that I do not understand and about the effect of which I am not advised. It seems but reasonable that the House should take this same position. If any new matter, on which no hearings have been held and about which adequate information is not available, is included in the bill, then it should be recommitted and sent back to the committee for proper hearings where all interested groups and individuals may be permitted to express their views. Building houses is not the vocation of Members of Congress. We are certainly laymen in that field and need all possible information before making the blueprints which must be followed to get the houses.

I note that my time is exhausted and possibly I will be able to complete my remarks later in the discussion.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I consider this bill H. R. 4761, one of the most important measures which will come before the Congress during the present session. In my opinion, it is a bill to which we should give careful study and attention, not alone for what is contained in this particular measure, but also for what is contained in the substitute which will be offered therefor, and because of what will be contained in various amendments that I understand will be offered by members of the Banking and Currency Committee to the original measure in behalf of the administration.

Everyone wants housing, not only for the veterans—and I think we all agree they are entitled to priority and preference—but for all good American citizens who need homes. Homes have been

a growing need here in America for the past decade or more, and ever since VE-day our people have been promised by the administration that something would be done about the housing situation.

This bill, and the proposed amendments thereto, is seemingly the administration's solution to the pressing housing problem that confronts us. However, the administration, instead of doing first things first, instead of getting greater production of the building materials that are needed, instead of eliminating some of the bottlenecks that have existed as the result of the ineffectiveness of its operation of the Government, is coming here to the Congress with a suggested legislative program of piling another new bureaucratic agency, with great and broad dictatorial powers, on top of all of the other existing bureaucratic agencies, which already have and exercise the same dictatorial powers—some of them for many, many months and years past—and yet have completely and miserably failed to solve the housing problem.

It is a very fundamental question we have before us today—whether the addition of this proposed new bureaucratic agency to the already top-heavy structure of Federal Government will in any way actually bring relief to those we desire to help? If we enact this legislation as presented, we are again granting dictatorial powers to one individual—not to the President of the United States, who has the responsibility under the Constitution, or to any other elective official responsible to the people, to administer our laws, but, rather, to an agent of the Congress, a new individual official, an expediter or administrator, or whatever they call him, who will have all the power in the world to do almost anything he wants or desires to do as far as housing is concerned. It is a grave question whether we want to give to any individual the great, broad, and dictatorial powers contained in this bill, or whether that responsibility should be placed, if it is necessary at all—and I seriously question that it is—in the the hands of the President of the United States or some other constitutional officer responsible to the people.

We talk a great deal, as we go about the country or see our constituents, as to how we are against bureaucratic control of government, how we are against waste and extravagance, and the creation of new jobs, and yet here we are discussing again the creation of a new governmental agency, and the granting of new dictatorial powers, and, on top of it all, through amendment, the voting of some $600,000,000 as a subsidy instead of following the ordinary and honest method of permitting price ceilings to be realistic, and thus making it possible for private industry to furnish the building materials and the homes we need.

Can anyone wonder why we have shortages of building materials? Why, for months now, house flooring—finished tongue-and-groove flooring—has been selling at a lower ceiling price, as fixed by OPA, than the ceiling price on the rough lumber from which such flooring is manufactured. The same situation has existed in house siding. Yet we stand around and wonder why we do not have flooring with which to build needed homes; why we do not have siding to cover the walls of such homes and to keep out the weather. The same thing is true all along the line. It is both an example and result of ineffective administration. The other day I talked to Civilian Production Administration officials who told me it is practically impossible to find or purchase almost anything in the nature of woodworking machinery. Why? Simply because the price ceilings fixed by OPA on woodworking machinery have been so low that no one is manufacturing much of it. Go out and try to buy machinery or equipment to make cement blocks, so essential to the construction of homes. It is almost impossible to find such machinery. Only a few companies are making it. There is a great backlog of orders—and back orders are not production machines and do not help to solve the housing problem.

Legislation alone will not build a single home. What builds homes are workmen and available materials, and we better look at this thing realistically.

I want to suggest to all of you—because it is of the utmost importance—that we scan this legislation carefully; that we study every amendment presented to this measure; and thoughtfully listen to the debate, because by what we do here we will probably fix the future of America, and decide the kind of a country we are to live in for many years to come.

Mr. SMITH of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Wisconsin.

Mr. SMITH of Wisconsin. Does the gentleman believe this bill will result in the erection of even one new home?

Mr. BROWN of Ohio. I do not know, but I am certain of one thing: It will not result in any increase in construction of homes unless many other things are done or changed first.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, I think all of us have fervently hoped ever since VJ-day that we had reached the point where we would begin to do away with bureaucratic control over the lives and the businesses of our private citizens. I regret the necessity, if there is a necessity, of here setting up another bureau that will exercise those functions which we thought when we were passing laws were to be exercised only in the wartime emergency when the guns were being fired.

I do not know whether this bill ought to be enacted or not, but I do want to say to the House that I think we ought to consider very carefully before we vote for it. In the first place, the Committee on Banking and Currency came before our committee, the Committee on Rules, with this bill, and it developed at the first hearing that while this was what was offered for a rule it was in contemplation that there would be an executive meeting of the committee when some other things would be brought out, and apparently the committee could not give us assurance as to what they would contain. I understood there would be an amendment to fix prices on existing housing, that there would probably be something about a large subsidy to be granted to people for building houses. I know the Committee on Banking and Currency are trying to deal with a situation that they think needs to be dealt with; but you can pass all the laws you choose, you can put all the restrictions on human beings you choose, but you cannot build a house without some planks and some nails. That is exactly what we need. What we need is production of building materials.

This thing of writing a lot of words in a bill and saying an American citizen cannot do this or he cannot do that or cannot do the other just is not going to build you a house. I feel that these restrictions are not only not going to add any houses but they are going to keep people from building houses. I have been more or less of a jack-leg businessman all my life. If I wanted to build a house—and I have built some—today, and I looked at this bill and saw that after I got done building that house I could not sell it to anybody, I could not rent it to anybody, and I could not do anything with it until I came here to Washington and got the consent of some bureaucrat who might have been a soda water jerker before he began pricing houses, I just would not build a house. Frankly, I would not build a house under this bill if it is passed. Lots of people may not agree with me. Other builders may build their houses, I will not say they will not. I can only give you my own reaction to this proposition.

Let us take the provisions of this bill about what the Director may do. The Director is authorized to require any person who deals in, sells, rents, or buys, or offers to sell, rent, or buy any housing accommodations to furnish information under oath, to make him keep records and make reports, and do this and do that and do the other.

All right; we have the OPA and in the OPA they have a rent control, and you cannot rent anything today unless you have the authority of the OPA. Now they are going to set up another OPA under this bill under a different agency, and that OPA is going to compete with the existing OPA in requiring you to file answers to questions for information on fixing rents, and so forth. I do not know why the committee wants that in the bill. Here is another thing I believe we ought to think about. I hope I will not be considered as making too much of an assault on this bill because I realize the dangers of inflation. I want to see something done about it, but I do not want to do something that is going to do more harm than good. Consider the existing real estate situation. Inflation in existing real estate, housing, and buildings is getting out of hand. I realize this. I see it every day in my home city. I do not know what the answer is.

The SPEAKER pro tempore. The time of the gentleman from Virginia has expired.

Mr. SABATH. Mr. Speaker, I yield three additional minutes to the gentleman.

Mr. SMITH of Virginia. I do not know what the answer is. I do not believe this bill is the answer. I am afraid I do not so believe. Although I believe I would come nearer to voting for the proposed amendment to fix the first sale of existing real estate as the maximum price than I would to vote for this thing about new houses.

Mr. BARRY. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from New York.

Mr. BARRY. May I point out the situation to the gentleman with reference to the returning millions of soldiers? There is a greater housing shortage now so far as they are concerned than there was during the war, that is, under the free market as we have it at the present time.

Mr. SMITH of Virginia. I know what the gentleman is talking about. I know there is a housing shortage. Everybody knows that. The question is, What is the answer?

Mr. BARRY. But is it not true that in the free market we have at the present time the prices of the houses are way out of line to the great majority of returning veterans, that is, regarding both new and old houses?

Mr. SMITH of Virginia. I believe the prices that are being charged returning veterans for real estate in the present markets is a crime which is being perpetrated on them. Returning veterans are now paying from 33⅓ to 50 percent more than the property is worth.

Mr. PATRICK. Mr. Speaker, if the gentleman will yield for a question at this point, may I ask him, Does not this bill provide that the initial sale of the real estate will assess the top valuation at which the property can be sold?

Mr. SMITH of Virginia. No.

Mr. PATRICK. Is not that the way this bill sets that up?

Mr. BARRY. No; that is not in this bill.

Mr. SMITH of Virginia. No. After the property has once been sold, that is, new property, then that is the ceiling price, but the new OPA is going to fix the ceiling price before you can sell the property. My theory is that any builder who has any responsibility or who is risking anything of his own is not going to take a chance to build houses to sell when he knows he cannot sell them until the OPA tells him what the price is going to be.

You have in this bill this further feature which I am afraid of. This fixes the price, not only on houses to be built hereafter, but on houses now under construction. Suppose a man is building 50 houses and they are in a stage of construction between the roof and the cellar as of today. Suppose tomorrow we passed this bill. He cannot turn a wheel on selling those houses which he has already put his money into when we come along and pass this ex post facto law and proceed to fix the price that he can sell the property for, on a proposition where the builder has already committed himself and has obligated himself before this bill has been passed. Now, I say what I have said with apologies because I realize the dangers that these gentlemen are trying to avert, and it is a real danger. I do believe we ought to examine this thing very carefully before we go this far.

The SPEAKER. The time of the gentleman from Virginia has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 10 minutes to the gentlewoman from Illinois [Miss SUMNER].

Miss SUMNER of Illinois. Mr. Speaker, the bill before you does not give the Administration any more power than it already has except that the bill enables the Administration to put price ceilings on houses. As most of you already know from reliable people in your own community and from everybody in the housing industry who can manage to wire or get down here, price ceilings are going to discourage the building of houses. The building industry is literally up in arms against the communistic Patman-Wyatt housing program of which this bill is a part and the rest of which will probably be put on either by amendments or otherwise unless you, the Congress, resist it.

There is plenty of reason to suspect that the main people pushing this program are doing so in an effort to perpetuate and extend over the housing industry and home owners and home seekers the communistic OPA wartime controls. Also it is motivated, I suspect, by those political favorites, including the CIO, and such people as Kaiser, who see in this Wyatt-Patman housing program a chance for a bonanza, to go into the business of mass production of houses made out of aluminum and other weird materials. The favorites will have the assistance of all the precious money the veterans have been able to save with which to buy them, and Government assistance in the way of subsidies, free Government factories, free distribution, and even free markets. You begin to see what is behind all this fanfare about a housing program when you talk personally with the producers of strategic materials, materials without which you cannot build houses.

For months past, at the very time that Mr. Bowles and other officials were before the Senate and House committees pushing up this matter, trying to generate enthusiasm for some such program as the Wyatt-Patman housing program, the OPA was deliberately and maliciously preventing the production of houses through preventing the production of the very strategic materials which you must have to build houses. Lumber, brick, tile, clay products, soil pipe, windows, et cetera, et cetera. These producers were absolutely denied and delayed the necessary increases sufficient to cover their increased cost and increased wages, much less profits, until many of them were completely and absolutely driven out of business.

Mr. SABATH. Mr. Speaker, will the gentlewoman yield?

Miss SUMNER of Illinois. No; not now. Later, if you please.

Read the press releases and the hearings on the bill, and see how artful the officials have been in trying to sell the committee on a continuation of OPA controls and the extension of price ceilings as a means of getting houses built. They have tried to instill into your minds the idea that unless private industry can do the job, then the Government will have to step in and do it, or at least subsidize it. All the time they were the ones who were preventing private industry doing the job. They keep holding before your eyes the possibility that we could get mass production of houses in no time, made of aluminum, if only the Government would pay the expense of it.

It is downright wrong. It is wrong for politicians and Government officials to use their powers thus to force veterans to buy these glorified garbage cans to live in. Veterans want and deserve the right to have the good kind of houses that other people live in and which the OPA is preventing them getting. But the communistic Patman-Wyatt housing program which they are going to use every effort to put over on you will enable these political profiteers to get free factories, billions of dollars in subsidies ranging it is said from $600,000,000—you will have to pay $4,000,000,000 at least before you are finished with it—free markets, guaranteed price control on existing industry, guaranteed insurance for what they want to do in the way of experiment.

Mr. SABATH. Mr. Speaker, will the gentlewoman yield?

Miss SUMNER of Illinois. Not now.

The bureaucrats assure you, and OPA assures you, and Bowles assured us that they are and have been doing everything in their power to release every restriction on housing construction; but OPA still sits on its policy that prevents reconversion, as stubbornly as a hen trying to hatch a glass egg. The only OPA restriction they have lifted as far as I know is Bottleneck Bowles. He is lifted up to be the Economic Stabilizer, but OPA is still the economic "staller."

Theoretically, price control should be useful as a brake to slow down inflationary price increases; instead it is used to break the industry that would produce the production that would cure the inflation in price. The big red letters OPA mean only Opposition to Producing Anything. OPA discourages production in everything except inflationary subsidies, shortages, exorbitant black market prices, and dishonesty. Industry loathes and dreads subsidies; and, as the gentleman from Nebraska [Mr. BUFFETT] has pointed out, they did not get an hour of chance before the committee to protest against subsidies. Men in the housing industry know that if OPA can maneuver them into a position where they will have subsidies, subsidies will mean all the difference between a profit and bankruptcy, and they will be completely enslaved by Government, as businessmen in Nazi Germany were enslaved.

Because of its price-control provisions this bill is certain to discourage housing. OPA has no right to claim any credit whatever for the building of 50,000 airplanes during the war. Mr. Patterson, of the War Department, successfully resisted the vigorous effort of OPA to move in on war production and put its clammy hands on the throat of war production. Instead, thanks to the admirable efforts

of the War Department's Mr. Patterson, industry was given whatever money it asked to do the job limited only by renegotiation of contracts and the excess-profits taxes. The experience with airplanes shows that if you will only give industry a fighting chance they will give you the volume of houses you want and at a decreasing cost. After the first period in which prices go up you can get plenty of housing at decreasing cost if only you have the courage and stand up and defeat the Patman-Wyatt housing program.

The SPEAKER pro tempore. The time of the gentlewoman from Illinois has expired.

Mr. SABATH. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. KELLEY].

Mr. KELLEY of Pennsylvania. Mr. Speaker, sharp condemnation has been voiced by Albert J. Fitzgerald, general president of the United Electrical, Radio, and Machine Workers of America, UE–CIO, of C. E. Wilson, president of the General Electric Co., "for giving misinformation concerning wages paid General Electric employees to President Truman and the public yesterday in an effort to force a change in the administration's present price policy."

Mr. Fitzgerald stated that the General Electric president recently "presented inaccurate information concerning wages paid 200,000 electrical workers now on strike against GE, Westinghouse, and General Motors, electrical division, for $2-a-day wage increases."

Contrary to Mr. Wilson's statements—

Mr. Fitzgerald stated—

GE employees, for example, have already lost since VJ-day the greater part of the 15½-cent wage increase received during the past 7 years, while the cost of living, by the most conservative estimate, has increased 33 percent.

RCA, Ford, and Chrysler corporations have given substantial wage increases to their employees under the present price policy of the national administration—

Mr. Fitzgerald said.

The three corporations against whom UE–CIO workers are on strike must do the same. General Electric, Westinghouse, General Motors, by virtue of their vast profits and tremendous reserves, are better able to grant the wage demands of their employees than even RCA, Ford, or Chrysler.

The only reason why these companies refuse to reach a settlement with their employees under the administration's wage policy—

The union head stated—

is because they know that profits made in the current year will clearly show that a further price increase for refrigerators, washing machines, radios, and other electrical appliances is completely unwarranted.

General Electric and Westinghouse have a combined wartime profit of $424,000,000, with reserves at a current figure of $398,000,000—

Mr. Fitzgerald said.

These companies can easily afford to meet the union's wage demand under the administration's present price policy.

GE, Westinghouse, and GM employees are on strike because they cannot live on the wages paid them by these immensely wealthy companies. The only means of settling the current strike is by paying a living wage, bargaining in good faith, and abiding by Government provisions regulating price levels.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from Oklahoma [Mr. RIZLEY].

Mr. RIZLEY. Mr. Speaker, some of us who sometimes listen to Fred Allen's program will remember that the Senator who immediately preceded Senator Claghorn always had the answer to every public question of the day when Fred propounded it. His answer was, "I have introduced a bill."

Mr. Speaker, all of us realize the acute situation which exists with reference to housing, and I commend the committee for trying to do something, but, as has been suggested here, you are not going to build houses by legislation. It requires brick and mortar, lumber and nails. We have plenty of builders, plenty of carpenters, plenty of everything except building materials, and if the committee can convince me that by setting up a new agency we can get building materials, certainly I will supoprt the bill.

Mr. Speaker, I take this time to talk about another racket. The House has passed a bill which is smoldering over in the Judiciary Committee of the other body, the so-called Hobbs bill, and while that bill still smolders over there this teamster racketeering still goes on. Up in Connecticut last week by force and violence they closed two dairies.

I will not have time to read a very good article which appeared in the March issue of the Farm Journal, but I recommend it to your reading and I hope that if you have any influence over on the other side of the Capitol you will try to get the Hobbs bill out of that committee, get it passed, so that we can stop this racketeering.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I yield to the gentleman from Michigan.

Mr. CRAWFORD. The gentleman is a very smart lawyer, a man in whom I have great confidence. Has he seen anything in this bill now before us which convinces him it will bring forth more building materials?

Mr. RIZLEY. Not a thing on earth. Everyone who pretends to know anything about the building difficulties, everyone who has anything to do with building materials anywhere, practically everyone who has testified about the subject states that materials is the bottleneck.

Mr. BARRY. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I yield to the gentleman from New York.

Mr. BARRY. I want to remind the gentleman that before the war, when there was a lull in building and a great shortage, we stimulated building by passing the FHA Act, and hundreds of thousands of homes were built as a result of it. During the war we also stimulated building in the emergency through the National Housing Act. Is that consistent with the gentleman's present statement?

Mr. RIZLEY. The trouble about that is that we have reached a place where the lack of finances, as was the case when FHA was thought necessary, no longer exists. Mass construction as we had under national housing is no longer possible; we do not have the materials. OPA bottlenecks are preventing production and now you want to set up another agency.

Under leave granted to revise and extend my remarks, I desire to call attention to an article appearing in the Farm Journal, March edition, page 132. The article speaks for itself.

Notwithstanding the situation described in this article, the Hobbs anti-racketeering bill, which has been passed by the House on two different occasions, still sleeps, so I am advised, in the Senate Judiciary Committee, and the racketeering continues.

The article follows:

Does the teamsters' union own the milk business and the public highway as well?

Farmers and everyone else around New Canaan, Conn., have been asking this question since a crowd of teamsters' union pickets invaded their countryside, beat up a young war veteran, overturned another man's car, slashed the tires on one woman's car, terrified several other women, and caused the permanent closing down of two locally owned dairies.

Because most farm products have to be trucked, at one point or another, agriculture has had trouble with the teamsters before. The situation is disturbing.

The experience of both dairies, Norman Bros. Dairy and Miller Bros., was pretty much the same. Let's see what happened at the Miller plant.

These brothers sold high-butterfat Jersey and Guernsey milk to special customers. The Millers were satisfied with their little business, and so were their patrons.

Then along came Teamsters Local 338. First it "organized" the Millers' eight drivers. Then it produced the standard metropolitan contract, and told the brothers to sign. There was no negotiating. It was just "take this and like it."

The brothers didn't like it. It would have prevented them from working in their own dairy (although the union decided later to allow them to do this). And, as they figured it, it would have forced up the pay roll more than 50 percent. So they didn't take it.

The union started picketing the little plant to keep the milk from getting out. But customers came to the plant. That was what made local 338 decide to take over the public highway.

One morning the Millers looked out of their window and saw 200 hard-faced men marching shoulder to shoulder in front of the plant.

A dairy supply salesman, who was absolutely no party to the dispute, tried to drive in on his own business. He and his car were turned over on the side of the road.

Customers who came to make their daily purchases were told to "keep moving." One woman refused to be cowed, because she wanted milk for her child. She got into the plant, but three of her tires were slashed.

Without a by your leave, the pickets took over a neighbor's field, built a bonfire on it, and used the field for other purposes as well. When the woman of the house came out to protest, they jeered and booed her.

Other tires were spiked with ice picks. Innocent citizens, men and women, were booed and threatened, until State troopers arrived. But the troopers left the pickets where they were.

The whole thing ended when the Millers decided to close up. It was a union "victory" and a dead business.

The SPEAKER pro tempore. The time of the gentleman from Oklahoma has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield one-half of the remaining time on this side to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Speaker, perhaps no district in the country has a more acute housing shortage than the one which I have the honor to represent. The proof of the pudding, however, is in its eating. I favor every realistic effort to provide homes for our returning veterans.

Yesterday, from Pontiac, Mich., I received a telephone call from Paul Kern, president of the real estate board of that city and a veterans' appraiser. A firm from Bay City, Mich., went down to Pontiac and built two prefabricated houses in order to determine whether or not it was possible to build houses fit to live in under the $6,000 ceiling. Here are the figures of cost, and I think you will be interested in them.

The houses cost without basement and without the lot, $6,444.99. If the cost of the basement is added the cost of the house is $7,343.81. And the cost of the lot must be added to that figure. It is contended that a house fit to live in cannot be built for $6,000.

In the report on this bill which the committee made I find the following language, which is rather disturbing to me, is found on page 5 of the report:

> The committee did not include any limitations as to the maximum cost of new housing accommodations, but it is hoped that a substantial portion of the available materials and facilities will be allocated for homes selling for $6,000 or less. Private enterprise must assume the leading role in this task.

They state that private enterprise must assume the leading role in this task. Private enterprise has already tried to build houses in my district within the limitations suggested, and find it cannot be done, much less provide a basement or the cost of the lot on which to build such houses. All admit scarcity of building material is the bottleneck in the production of homes. Release control under OPA or increase the price will aid production without paying enormous subsidies.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Speaker, we ought to go pretty carefully in our deliberations on this measure. I want to quote from section 703 of the Patman bill, H. R. 4761:

> The Director is authorized to make such studies and investigations, to conduct such hearings, and to obtain such information as he deems necessary, or proper to assist him in formulating policies, issuing regulations, and performing any other functions under this title.

I placed the following construction upon that language:

> It would give power to the housing czar to go into the books and files of every person, firm, or corporation engaged in the production, distribution, sales, or handling in any manner of any article that goes into the construction of a home, including land and improvements.

I then asked Mr. Carl McGowan, associate general counsel, Office of War Mobilization, whether my interpretation of this language was correct, and he replied that it was.

The housing czar has the power of subpena under this bill, so you can see what this would mean if it went through. This is a dictator bill, and was intended to be such. You recall that just a short time ago the country was shocked at the attempt the President made to force General Motors to open its books to his fact-finding committee. This would make legal that which shocked the Nation.

Mr. SABATH. Mr. Speaker, from time to time various Members use the word "dictator" or "bureaucrat" and so on, the same as the gentlewoman from Illinois, who is so desirous to place all the responsibility and burden on communism, yet at this time she is ready to admit and gives credit that the Communists want to build homes for the returning soldiers and for the masses. I am amazed that she gives them that much credit, because I know in whom she is interested, but I am not going to speak about that.

Mr. Speaker, I yield the remainder of my time to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and I also ask unanimous consent to revise and extend the remarks which I expect to make in Committee of the Whole House this afternoon and include certain tables, statements, editorials, and excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

HIGH-PRESSURE LOBBYING

Mr. PATMAN. Mr. Speaker, the gentlewoman from Illinois made the statement that industry did not have an opportunity to be heard on this bill; that the opposition did not have the privilege of being heard. I want to correct that statement. Chairman Spence, of the Committee on Banking and Currency, heard every person and gave every person permission to testify who asked for that privilege. Everyone, not nearly all of them, but all of them, had the opportunity.

The Members, no doubt, received a copy of this little propaganda sheet. The title of it is "Headlines." It was gotten out by the National Association of Real Estate Boards. It is a message to all realtors. It says:

> Action is needed. By the time you read this, your Congressman may be voting. There is no time to lose. The situation is critical.

It refers to this bill, which is President Truman's plan, the plan of the President of the United States, to build homes for returning war veterans. It is President Truman's plan. This circular states further:

> That program has never had a public hearing. It has been railroaded onto the floor of the House in a way seldom seen in Washington. Industry and private citizens have never had a chance to testify on it or to submit facts about the effect it will have. They should have that chance. If they are denied that right, then the bill should be killed. Voting on the bill has been deliberately shoved ahead several days so that the amendments could be railroaded through.

That is a sample of the greedy, vicious propaganda that is in circulation, and that is being used in order to deny war veterans an opportunity to obtain decent housing after being gone 3 or 4 years from the United States.

What are the facts? I have a copy of the printed hearings. You may secure a copy if you will ask a page to bring you one. After hearing Mr. Bowles and Mr. Snyder and Mr. Blandford, who was at that time head of the National Housing Agency, the fourth witness was a witness representing the building trades, representing, if you please, the National Association of Real Estate Boards, the very organization that got out this statement signed by Herb Nelson. On page 101 of the hearings you will find the testimony of the chairman of this Real Estate Board's committee, and Herbert Nelson was sitting by his side during his testimony and assisting him. The very man who is circulating this misleading and false propaganda. Turn to the testimony and see for yourself. It consumed an entire day. He was asked questions by a number of Members. He assumed a very patriotic attitude toward veterans of the war. "Yes; we want to give them preference; we will even put out people who are not in the service and put veterans in if you will write the bill that way." But under questioning he wanted all rent controls removed before he would do that; in other words, he was willing to be patriotic and to put other people out and put veterans in if he could double the rent on the veterans who went in. That is how patriotic they were. They wanted all controls, prices, and rents taken off.

During the 17 years I have had the honor of serving in this body I have never known so much false, misleading, deceitful, and greedy propaganda as has been put out against this bill. All in the world this bill does is give the returning veterans for 2 years an opportunity to acquire homes in a market where the homes are already filled. During the war for 4 years every war worker had an opportunity to buy a home at a reasonable price or rent one for a reasonable rental. Who gave them that opportunity? The Congress of the United States. We voted for it. We took care of the war workers. It was our duty to do it. Now returning veterans are coming back. They were not here to seek homes, they had no such opportunity during the 4 years of the war, and they are asking in this bill that we give them the same opportunity, not for 4 years but for 2 years only, to seek homes. Our Republican friends are trying to reduce that time to approximately 1 year.

Yes; materials are scarce. We do not have enough materials. We need more production. But the materials we have that can be used for residential housing units should be used for that purpose and not for the purpose of building roadhouses, honky-tonks, domino halls, bowling alleys, and amusement places. Let

us channel these materials into the building of the greatest number of residential units for veterans of World War II.

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution wa agreed to.

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 4761, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. SPENCE. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, it has been said that we should consider this bill with care and deep concern. I agree. We all know, and I come with no statistics, that there is an acute housing shortage. It came about because for 4 years we were the arsenal of democracy. Instead of manufacturing and building things that our people needed, such as consumers' goods and houses, we were building ships and tanks and guns and planes to preserve not only our liberty but the liberty of liberty-loving peoples all over the world. Not only did we do that during the war, but even before we went into the war through lend-lease we kept our allies supplied with material. As a result, victory came to our arms. There is a shortage in housing, but the shortage came about through no fault of the administration. It resulted from the fact that we led the world in the defense of liberty. Everybody knows that. Now, what are we going to do? We must take some action to produce houses for our people. There are some who complain of bureaucracy. There is no self-executing law. Call it what you may, we must have people to execute the laws. Otherwise, they would not be executed. Out of that, it is true, grows bureaucracy. Men complain because they are restrained in their liberties. They complain that they are controlled and regimented. It is true that to a certain extent that happens. But the liberties of our people must bend a little for the common good. Everybody knows that during the war we were subjected to restraints which were beneficial for us in the long run and in which we were willing to acquiesce because of the ultimate good to be gained. That is what is happening in this case. We must subject ourselves to some of these impositions in order that those who are unable to protect themselves may have a little more liberty and more opportunity to enjoy themselves and that they may have the homes which they so desperately desire.

Now, what will happen if we have no regimentation, if we have no restrictions of this kind? There is a shortage of building material. There is no doubt about that. Everybody knows it. Where is that building material going unless there is allocation and priorities? It is going to the field which will produce the greatest profit. It is going to the amusement field. They will build theaters, bowling alleys, roadhouses, night clubs, and other things where the profits will be greater. There is no profit in a home. Therefore, unless we do allocate this material to those who need it for home building, it will not go there. That seems to me to be a simple problem. And unless we do it, a catastrophe is going to come to the American people that is indescribable. It is not only the homes we want, but the home is necessary for the job. A man cannot hold a position unless he has a home in which to live. Not only is that true, but the home is the very basis of our liberties, the very basis of the strength of America. When we give people homes, we not only give them shelter but we give them a greater interest in the community. We give them greater interest in their Government. A man who can put his foot on the land and say, "This belongs to me," feels a dignity that other men may not feel. The home has a tradition in the laws. Justice Coke long ago said:

> A man's house is his castle. It may be built of rough boards, roofed with thatch, the winds may blow through it and the rains may enter it, but the king cannot.

The home still has that dignity in America. It is the patriotic and humanitarian duty on the part of Congress to try to furnish homes to the returning veterans. They have had no opportunity to provide themselves with homes. Ten million of our men and women have been away from their homes, and when they return this shortage is going to become greater and greater.

Is this bill necessary? No one has suggested anything superior to it. If we do not pass legislation such as this, we will pass no legislation. If we do not pass any legislation, there is no doubt about the result.

The ceiling that Mr. Wyatt wanted on existing homes was not an arbitrary ceiling, fixed by the Administrator. I would not be in favor of that. I think that would be a delegation of power that would be entirely unconstitutional. I think it would be taking a man's property without due process of law. That is not the ceiling he wanted put on existing homes. He wanted to put a ceiling on the existing home that would prevent a spiral of inflation. He wanted a man who owned a home to put that ceiling on it in the open market, the highest price he could get would be the price that would be fixed upon that house.

I remember after the last war how men gambled in homes as they gambled on the stock market. I know men in my own community who started to build homes for themselves, and before they completed them they were offered prices that they could not refuse to take, and they sold the homes that were built for themselves.

The greatest possession of the people of America is their homes. There are 28,000,000 of them now. We did not want gambling to start on those homes. If you do not want the spiral of inflation, what other remedy have you? What can you suggest? To put a ceiling on existing homes is certainly a reasonable thing unless you want those homes to share in the spiral of inflation, where the people who really need them will never get them. Under the bill ceilings are at the discretion of the Administrator. I think there must be reasonable ceilings. It is not necessary to expend the same amount of money to build a habitable home in Mississippi that it would be in northern New York or in Montana or in some of the northern sections of our country. Necessarily it would cost more to protect against the rigors of the climate, to build in the northern sections than in the southern. That discretion is given to Mr. Wyatt. You have to give it to somebody. Is it arbitrary and dictatorial? Well, if it is, it is necessary.

You must remember there is a great emergency confronting our people, an emergency that is as great now as it was during the war. To meet those emergent conditions we must have emergency measures. This is an emergency measure.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield for a question?

Mr. SPENCE. I yield.

Mr. JOHNSON of California. Are substantially all of the materials that go into a house, the lumber, cement, bricks, hardware, subject to ceilings now?

Mr. SPENCE. Yes; I believe they are, but they are not subject to allocations.

Mr. JOHNSON of California. Did the gentleman's committee go into the question of whether or not those ceilings are too low or too high? We hear it said they are so low they retard production.

Mr. SPENCE. Answering the gentleman's question I may say that those are entirely administrative functions. You have got to give discretion to someone to administer the law. These are purely administrative features of the law. The committee cannot go into every minutia of detail.

Mr. JOHNSON of California. I grant all that, but I want to find out whether those ceilings are so low that they retard production.

Mr. SPENCE. I believe in some cases probably the ceilings may be too high, in some cases too low.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. SPENCE. Mr. Chairman, I yield myself five additional minutes.

If you make the ceilings too high it means that those who ought to obtain the homes probably will not; if you make them too low you will not get the production that is required.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. BROWN of Georgia. Under the President's Executive order, which was based on the Second War Powers Act, they are allocating now 50 percent of the

physical building materials to soldiers. Is that right?

Mr. SPENCE. Yes; I believe it is 50 percent.

Mr. BROWN of Georgia. They can continue to do that under the Executive order based on title 3 of the Second War Powers Act. Is that right?

Mr. SPENCE. Yes; as I understand, that is what they are doing; and it was necessary. It will, of course, be advisable to divert some of this material to necessary industrial construction for the purpose of converting our industry to peacetime production, but the great part of it will have to go to home building if we are going to house the men and women who are coming home.

This is not only a housing problem but also it means a lot to the stability of our institutions. It is not only a question of the stability of housing but also of our institutions, one of the greatest of which is the American home. I believe we have got to see that this material is put into the channels where it will go into home building.

I believe some amendments will be offered to the bill. The committee has approved no amendments and has reported none. The bill was reported before Mr. Wyatt's plan was formulated and approved by the President. The provisions of the bill he wants. There are other things he believes he should have in order to make it effective. I am willing to trust him. I do not like arbitrary power any more than you do, but you have got to place it somewhere if you are going to carry out these policies that mean much to the American people.

Mr. Wyatt is not a man who would go into this thing without the deepest consideration. His past experience indicates that he is a man of capacity and judgment. He was a lawyer. He stood at the top of his profession. He became mayor of Louisville and was a good mayor of Louisville. Because of his past experience and because of the fact that he did administer that office with conspicuous ability the President selected him as Administrator of this great trust which is now reposed in him.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Iowa.

Mr. JENSEN. Does Mr. Wyatt know anything about the building industry? Has he ever had any experience in building homes?

Mr. SPENCE. I do not know.

Mr. JENSEN. It takes one with experience more than an attorney to build houses.

Mr. SPENCE. I do not think so. I do not think a man should have to be a practical builder to administer the broad duties of this bill.

Mr. JENSEN. Does not the gentleman think it would help?

Mr. SPENCE. No. I would want to know what his judgment and what his character and what his capacity to administer were and what has been his experience in governmental affairs. He might be a most excellent builder, and he may have no capacity to administer this bill. I do not think this is a builder's bill. It is a bill that is so broad that a man ought to have a conception of the general purpose of the plans of the bill and I think Mr. Wyatt has that capacity.

Mr. JENSEN. According to the gentleman's idea, then, it would be all right to have a lumberjack operate on him, for instance?

Mr. SPENCE. I do not think that is a fair conclusion at all.

Mr. JENSEN. Why, it certainly is.

Mr. SPENCE. That is not a fair conclusion.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Arkansas.

Mr. HARRIS. We all realize that the big trouble is the shortage of building material. Is there anything in this bill that will encourage or induce an increase in the production of building material?

Mr. SPENCE. Mr. Wyatt wants the authorization to use premium subsidies; that is, where there are high-cost producers in building materials, instead of raising the price line, he wants to encourage all to get into production by premium subsidies.

Mr. HARRIS. Is there anything in the bill that will authorize the bringing in of subsidies?

Mr. SPENCE. No; not in the bill as it is. It may be introduced as an amendment.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. SPENCE. Mr. Chairman, I yield myself two additional minutes.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. What provision is there in the bill that would give the returning veterans a priority in the building of houses?

Mr. SPENCE. It gives the returning veteran a preference.

Mrs. ROGERS of Massachusetts. Is it a preference or a priority? It seems to me preference means very little, while priority is a very definite thing.

Mr. SPENCE. It would give him a preference in the bill and the administrator can give him a priority.

Mrs. ROGERS of Massachusetts. I have a bill which would provide for the sale of surplus Federal housing units to veterans. In that I found it necessary to use the word "priority" in order to insure that they would get a priority.

Mr. SPENCE. We have given them preference.

Mrs. ROGERS of Massachusetts. Would the gentleman be willing to change the word to "priority"?

Mr. SPENCE. I have no authority to change the bill.

Mrs. ROGERS of Massachusetts. I am going to offer an amendment to that effect.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from California.

Mr. VOORHIS of California. Are there powers in the bill that will prevent the building of nonessential structures at the present time in order to make it possible for those materials to be devoted to the building of houses?

Mr. SPENCE. Yes. The building materials will be under allocation and priority. The Administrator can channel these materials into the construction of buildings he thinks most essential to the American people.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I would like to have the distinguished chairman of the Committee on Banking and Currency make clear to the Members the following point: Someone over here has asked if the present bill before us carries subsidy payments, and I think the gentleman has replied that it does not.

Mr. SPENCE. It does not.

Mr. CRAWFORD. I believe the gentleman also stated that Mr. Wyatt would like to have the Congress approve subsidy premium payments in order to facilitate the production of these units?

Mr. SPENCE. That is the plan.

Mr. CRAWFORD. Is it not a fact that this bill was reported by our committee in the form now before this committee at noontime prior to the release of the Wyatt program by the President that evening?

Mr. SPENCE. I do not remember if it was the same day or not. It was reported prior to the release of the Wyatt program, yes.

Under leave to extend my remarks and include therein a letter from Hon. Wilson Wyatt, it is herewith inserted:

OFFICE OF WAR MOBILIZATION AND RECONVERSION,
Washington, D. C., February 26, 1946.

Hon. BRENT SPENCE,
Chairman, House Banking and Currency Committee, Old House Office Building, Washington, D. C.

MY DEAR MR. CHAIRMAN: I am advised that H. R. 4761, the housing bill which has heretofore been reported by your committee, will be up for consideration on the floor of the House today and tomorrow. Because of the primary responsibility which rests upon me for the speedy and successful execution of the veterans' emergency housing program, the disposition to be made of this bill by the House of Representatives is of the greatest interest and concern to me.

I do not need to urge upon you the seriousness of the present housing crisis. I have made my feelings in that regard plain in connection with the announcement of the veterans' emergency housing program. I do want to point out that the fate of that program is inextricably interwoven with the fate of the legislative measures which are required to put it into effect. H. R. 4761 covers a vitally important segment of the necessary legislation. I should be greatly obliged if you would communicate to your colleagues in the Congress my earnest hope that this bill, with the revisions and additions discussed below, will be passed.

To make the final bill as useful a measure as it should be in carrying out the veterans' emergency housing program, it is of the highest importance that five changes be made in the bill as reported by your committee. I shall discuss them below in the order in which I understand they will arise during the reading of the bill for amendment.

1. Extension of the life of the act by six months: H. R. 4761, as originally introduced, provided for its expiration on December 31, 1947, or upon such earlier date as might be specified in a concurrent resolution of the Congress. The bill as reported by the committee has reduced this possible life by 6

months, namely, to June 30, 1947. Inasmuch as the veterans' emergency housing program has been worked out on a 2-year basis—the minimum period in which it is felt that effective action can be taken to alleviate the present housing crisis—it is important that this later date be restored.

2. Housing Expediter: H. R. 4761, as reported by the committee, sets up a new Office of Housing Stabilization, to be headed by a Director of Housing Stabilization. An amendment will be offered substituting for this provision the Office of Housing Expediter, with power in the President to designate an existing official to such office. As between these two alternatives, it is felt that it is better to write into statutory law the present office of Housing Expediter, including the power with which he has heretofore been vested by the President and the Director of the Office of War Mobilization and Reconversion. The procedure proposed by the amendment is preferable to that contained in the bill as reported, for the reason that it is confusing from an administrative standpoint to have a third office created.

3. Price ceilings on existing homes and building lots: H. R. 4761, as originally introduced, contained certain provisions directed against speculative dealings in existing homes during the emergency period. The plan provided was that, in those areas where the sales prices of existing homes threaten to get completely out of hand, there could be imposed a system whereby the next sale after the passage of the act would set the limit (subject, of course, to such revisions upward as might be justified by improvements or structural changes over and above ordinary repair and maintenance) beyond which no subsequent sale during the emergency period could be made. It has become increasingly apparent that land sites suitable for the construction of houses are becoming subject to the same abuses and that a similar system should be applied to them.

This antispeculative provision was eliminated by the committee. Its restoration, with the inclusion of building sites, is essential if grave injustices are not to be done with respect to the abilities of veterans to purchase homes and building sites at fair prices. The system contemplated does not involve price-fixing in the ordinary sense, nor is any of the debate now raging about OPA pricing on other commodities at all relevant. The ceiling price will be determined solely—and automatically—by what the present owner can get in the open market on the next sale after the passage of the act. It merely prevents the buyer, or any subsequent buyer, from reselling during the emergency period at a higher price.

It is, to repeat, not price-fixing in the usual sense but rather a prohibition against unjust and unfair speculative dealings in homes during the emergency period. The present owner, and the man who buys a house to live in rather than to turn at a profit, cannot, in any real sense, be hurt by such a system. On the other hand, the man who buys a house solely for the purpose of reselling on the rising markets which now exist will have his normal freedom restricted.

The justification for this restriction is the unassailable one that this is no time to permit speculators to bid up the prices of houses and, by rapid turn-over during the next year and a half, to profit unconscionably at the expense of veterans who are seeking homes to shelter their families.

4. Premium payments: A basic item in the veterans' emergency housing program is the use of premium payments, whenever necessary, for the purpose of increasing the supply of conventional and new types of building materials. To provide legislative authorization for this key part of the program, an amendment will be proposed providing that such premium payments, in an amount not to exceed $600,000,000, shall be made by the Reconstruction Finance Corporation in such instances and upon such terms and conditions as the head of the housing program may determine. In determining when to employ such premium payments, the latter is directed to take into consideration the extent to which other methods would not be as effective in increasing the production of building materials or would be likely to result in enhanced sales or rental prices of the housing accommodations to be constructed with the use of such materials.

The immediate expansion of the production of building materials will, in the case of certain materials and certain producers, involve many temporary factors contributing to increased costs. All of these factors must be met in the emergency period if increased production is to be achieved. One way would be to give general price increases. Another would be to make premium payments to individual producers in relation to their increased production and to the extent that their costs have increased. General price increases would, obviously, be reflected in the sales and rental prices of finished housing accommodations. Premium payments would not. If homes are to be made available at prices which veterans can afford, the temporary increased costs of materials must not be permitted to show up in the price of the finished homes.

Premium payments will be directly related to increased production. If a producer fails to increase his output he will get no premium. This is not true of general price increases.

The premium payments contemplated by this amendment are designed for the producers of building materials and not for builders of homes of either conventional or prefabricated types. Inasmuch as the larger part of all building materials affected by this program will go into conventional homes, builders of this type will be the principal beneficiaries of the premium payments.

5. Title VI of the National Housing Act: During the war there was enacted, for the purpose of providing housing for purchase or rent by war workers, a more liberalized scheme of FHA mortgage insurance on new construction. There is general agreement that the continuance of this scheme of mortgage insurance during the emergency demand for housing by veterans would be most helpful in meeting current needs. Accordingly, an amendment will be proposed, adding to H. R. 4761 the mortgage insurance plan now contained in title VI of the National Housing Act, adapted for use in connection with the veterans' emergency housing program.

The enactment of H. R. 4761, with the foregoing amendments, will be a great stride in the direction of achieving the objectives of the veterans' emergency housing program. The realization of those objectives as fast as possible is something which, I am sure, is very close to the hearts of all citizens who see on all sides the desperate housing conditions with which our returning veterans are confronted. Each day's delay in getting the program under way means a loss of 3,000 homes.

Sincerely,

WILSON W. WYATT,
Housing Expediter.

The CHAIRMAN. The time of the gentleman from Kentucky has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, there should not be any question in anyone's mind but that there is an emergency in respect to housing. Why we have a shortage of housing is an academic question, and nothing can be gained, I presume, by calling attention to the fact that one of the reasons why we have a shortage of housing is because the material which would otherwise have gone into the construction of homes has gone into the manufacture of weapons of war. It is quite generally recognized also that one of the reasons for the housing shortage today is because there are not available sufficient building materials to get the maximum construction in the home-building field. There is no shortage of money. There is no shortage of risk capital or investment capital. There is no shortage in the "know how." There is no shortage in the desire to build homes for our returning veterans and needy civilians. The bottleneck in housing is in the building-supply field. Of course, this Congress should cooperate, and I think intends to cooperate, to do everything it possibly can to get the maximum amount of production of building materials. If we succeed, or if the Expediter succeeds, or if industry itself, independently of Congress or the Expediter, succeeds in getting adequate supplies of building material, unless we put restrictions on the industry then we can be assured that gradually this emergency will be licked. It is estimated that we have immediate need for 2,700,000 homes. As evidence of the emergency, it is said also that even after we build these 2,700,000 homes we are going to have to build something like 600,000 homes a year for the next 10 years in the United States to satisfy all of our needs. So in the full realization of the need for doing something to encourage the production of building materials we must dispassionately, without demagogy and without emotion, settle down to a clear understanding of these problems.

The gentleman from Texas introduced a housing bill last November 20. I do not think anyone on the committee took that bill seriously until the President sent down his message asking for the enactment of the bill, H. R. 4761. Previous to that he had appointed an expediter. The Patman bill was recognized, I think, by a majority of the committee at the time it was introduced, as unsound legislation, and because we did not think that the committee would be foolish enough to report out the Patman bill as it was written, and because of the opposition on both sides to the bill as introduced, I say, we did not take the matter seriously, but the President asked for the enactment of this legislation. Then we started having hearings in earnest. But the industry had been told that they should not take the Patman bill seriously, because I do not know of anyone on the committee except the gentleman from Texas who did take the bill seriously up to the time the President sent down his message.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Texas.

Mr. PATMAN. Who told the industry that?

Mr. WOLCOTT. I think the very action of the committee itself was a clear indication that it did not take the bill seriously.

Mr. PATMAN. We had 2 months of hearings starting December 3.

Mr. WOLCOTT. Up to the time the President sent his message down, there was an average of perhaps 6 or 7 mem-

bers of the 26 members of the committee present at the hearings.

I am not making anything of this, it is purely academic. It merely goes to show what a tremendous job the committee had before it in trying to make something out of the Patman bill even after the President's message came down.

We do not argue about whether the industry had sufficient time to develop its case or not. The industry was represented before the committee, and I think that the industry talked individually with probably most of the members of the committee, so that the industry's position is pretty well known.

Mr. Wyatt came down before the committee at our invitation before he had formulated a program, even before the Executive order was granted giving him broad powers to coordinate all the activities of Government in the building field, to get a maximum production of building materials. I think Mr. Wyatt refreshed us with his enthusiasm, his willingness to work late hours in trying to get a program together. I do not think Mr. Wyatt has been given all the cooperation that is essential to give an expediter in the formulation of a program and the development of a program, but I do think Mr. Wyatt was enthusiastic even if he perhaps was misguided in certain phases of his program.

Mr. Wyatt testified before the committee, Mr. Small testified, and Mr. Snyder testified, and then we went into executive session. But Mr. Wyatt had told us that in a few days he would have his program prepared and he wanted to come back before the committee after he had prepared his program and submit his program to the committee. Many of us thought Mr. Wyatt should have had the opportunity to come back with his formulated program and submit it to the committee, and we thought it was absolutely foolish of the committee to try to act on any housing bill which was designed to carry out a program without first knowing what that program was. But the committee met in executive session and reported out a bill. If you are interested in the trouble the committee had in respect to trying to harmonize the so-called Patman bill with that part of the program we had been informed about up to that time, all you will have to do is take a look at the bill and count the amendments which the committee offered and adopted.

The day on which we reported out the bill H. R. 4761, and we reported it out shortly after 12 o'clock, some of us were notified at 2 o'clock that Mr. Wyatt had his program formulated, and at 4 o'clock that afternoon the President announced Mr. Wyatt's program through the press. If we had delayed the reporting out of this bill until the next morning or a day or so anyway, as has been suggested, to give Mr. Wyatt an opportunity to present his program, we would not have all of this chaos and all of this hysteria in respect to this housing program. But that is academic: here is the bill. We have to do the best we can with it. As I see it, the issues in this discusison are going to resolve themselves into two questions. The first is: Shall we put ceilings on old homes and newly constructed homes and, second, shall we authorize Mr. Wyatt or some agency of the Government to pay subsidies to obtain the maximum amount of building materials? I think those are basically the issues in this legislation. I think we are all agreed, surely all of the committee are agreed, that Mr. Wyatt should have the authority to allocate materials and should give preference in the allocation of those materials to homes intended to be purchased by veterans of World War II. There cannot be very much controversy about that. I do not believe there is any controversy or at least there should not be any controversy about granting to Mr. Wyatt legislatively all of the powers which he now has under an Executive order, which powers were granted to him under the provisions of the War Powers Acts. Those powers are broad. Under those powers, Mr. Wyatt can today formulate plans and a program to increase the supply of housing materials. Under that Executive order and under the substitute which I propose to offer to this bill, Mr. Wyatt will be authorized not only to formulate plans and a program but to direct the effectuation of that program by other agencies of the Government. Now, what does that mean? It means that Mr. Wyatt can direct the OPA if in his judgment it should be done, to adjust the maximum price on building materials in order that a maximum amount of production of building materials may be obtained.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. VOORHIS of California. May I ask the gentleman whether the provision he is talking about is in subsection (b) of section 702? Is that where that power is given?

Mr. WOLCOTT. I might say in clarification of that, that I have introduced a bill, H. R. 5579, which is printed and is available and which I intend to offer as a substitute for the bill, H. R. 4761. That power is contained in section 701 (c) (2) on page 3 of H. R. 5579.

Mr. VOORHIS of California. Is that power not in the bill which is now before us?

Mr. WOLCOTT. No, the power to direct the other agencies of the Government to carry out his program is, in the bill which the committee reported out, in very vague language. He is authorized on page 3 of H. R. 4761 to issue directives on policy to those Federal departments, but he does not have the authority under that bill to direct the agency to carry out those policies as he has now under the directive of the President and would have under the substitute which I expect to offer.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from California.

Mr. HINSHAW. The gentleman recognizes, I hope, that in giving the Director the power to regulate the prices of building materials so that they may be made available, he at the same time gives the Director the power to do harm so far as concerns the production of one kind of building material in setting a price too low and at the same time to encourage the production of other kinds of building material at a higher price.

Mr. WOLCOTT. That authority is going to continue until June 30, whether or not we like it. He has the authority to do it now and the only difference between his present authority and the authority contained in the substitute bill is that we legislate that authority separately and apart from the War Powers Act.

At the present time the War Powers Act is being used to allocate building materials. It is being used to allocate or control tin. It is being used with respect to the sugar program. It is being used in connection with copper, lead, and zinc. So we lift from the War Powers Act the authority which he now has to allocate these materials, add to it the power to direct the OPA and other agencies to carry out his directives, and legislate separate and apart from the War Powers Act. If you do not want the Expediter to have those powers now—now—then, of course, you should be giving consideration to the repeal of the War Powers Act, under which the President has the power today to direct the Expediter to do this job.

Mr. HANCOCK. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. HANCOCK. How long does the gentleman propose to let Mr. Wyatt have the power to establish priorities, allocations, and make rationing rules?

Mr. WOLCOTT. In the building supply field, until June 30, 1947.

Mr. HANCOCK. The gentleman knows that the Committee on the Judiciary is considering the extension of War Powers Act No. 2, now?

Mr. WOLCOTT. Yes.

Mr. HANCOCK. And that is one of the questions involved.

Mr. WOLCOTT. Yes.

Mr. HANCOCK. So you are assuming jurisdiction over that part of War Powers Act No. 2?

Mr. WOLCOTT. I assume so, but I hope the gentleman will not object to our assuming jurisdiction in order to get the job done, because we have deferred so much of the Wyatt program to other committees, if we had not kept that part of it we would not have any subject on which to do the job at all.

Mr. DONDERO. Mr. Chairman, will the gentleman yield to me?

Mr. WOLCOTT. I yield to the gentleman.

Mr. DONDERO. Was there any evidence before your committee which indicated that by placing controls on the production of material you were going to get more building material than you get now?

Mr. WOLCOTT. No.

Mr. DONDERO. Without the payment of subsidies?

Mr. WOLCOTT. No.

Mr. DONDERO. That is the bottleneck—the production of material for building homes.

Mr. WOLCOTT. I will discuss the subject of subsidies later on.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mrs. ROGERS of Massachusetts. I was wondering if the gentleman would be willing to use the word "priorities" everywhere in the bill? I notice he uses the word "preference" in the beginning of the bill, and in other places the word "priorities." There seem to be quite a difference between "preference" and "priorities."

Mr. WOLCOTT. In the first part of the bill is a declaration of policy, and in the provisions of the substitute priority is spelled out in simple, understandable language. It is a direct allocation to established priorities.

Mrs. ROGERS of Massachusetts. That is very definite, I know.

Mr. WOLCOTT. What the gentlewoman has reference to in the first part of the bill is merely a declaration of policy.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. JENKINS. The gentleman may have discussed this proposition, but I wanted to know if he makes any provision for increased production.

Mr. WOLCOTT. Yes. The burden is on the Expediter to get the maximum amount of production in any way he sees fit. As I said, he can direct, at the present time under Executive order, and he can under the substitute, if it is adopted, the effectuation of any plan or proposal which he formulates. Of course, that includes directing the establishing of price ceilings on building material if he finds it necessary in order to get the necessary amount of production.

Mr. JENKINS. We have heard so much talk about the Patman bill and that what we are trying to do is to build houses. Everybody sings that same song, but I have always maintained that in order to build houses you have to produce the material with which to build them.

Mr. WOLCOTT. Yes; that is right.

Mr. JENKINS. If you set up a bill that has everything set out, how he can make his application, and so on, and where he can get the money, that is one thing, but if you do not do anything with reference to increasing production except to say that the Expediter shall do these things, why has not some expediter done it before this time?

The CHAIRMAN. The time of the gentleman from Michigan his expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself 10 additional minutes.

There is not anything in the Wyatt proposals except ceilings and veterans' preferences that is not contained in existing authorizations.

Miss SUMNER of Illinois. Subsidies.

Mr. WOLCOTT. Just a moment. So it is academic as to why they have not done it, and, whether he exercises these powers judiciously or not is something over which we do not have any control. You cannot legislate common sense into the administration of any law.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. JOHNSON of California. I want to ask the gentleman right along that line about subdivision 2 of section (c) on page 3. In the building of these houses frequently one particular thing is short, such as shingles, paint, or something like that. As I read this language that I think the gentleman wrote, if he found a bottleneck in any of those things and found that the ceiling was too low he could direct the OPA to raise the ceilings to get the production needed to cut the bottleneck.

Mr. WOLCOTT. Absolutely.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. HARNESS of Indiana. Can they not do that now without any additional legislation?

Mr. WOLCOTT. Yes; under OPA they could do it. The only new authority in the Wyatt program is ceilings on the finished homes and the authority to channel materials to homes for veterans.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield for a further question?

Mr. WOLCOTT. I yield.

Mr. JOHNSON of California. But under this law this man can direct OPA to raise the ceilings.

Mr. WOLCOTT. That is right.

Mr. JOHNSON of California. And if they do not do it he can do it.

Mr. WOLCOTT. That is right, but he does not have this right under present law, but will get this authority if my substitute, H. R. 5579, is adopted.

I do not believe Mr. Wyatt has as yet gotten into a position where he has a persecution complex. I do not think he is in the same position that Mr. Leon Henderson was and Mr. Bowles seems to be now. They never seemed to think they were doing a good job unless they are being criticized or giving cause for criticism; and it is to be hoped that because Mr. Wyatt has responsibility for doing these things that he will not exercise the authority given to him under this bill in defiance—we will put it that way—of the OPA policies which have heretofore strangled our reconversion and production effort.

This question of ceilings is not in my substitute. Ceilings are not authorized in the substitute. The reason why ceilings are not authorized in my substitute is because you do not need ceilings. You do not need ceilings if the other powers are judiciously used to control the prices for these homes that are to be built.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. WOLCOTT. Mr. Chairman, I believe the Chair misunderstood me. I yielded myself 10 minutes. However, I now yield myself an additional 10 minutes.

The CHAIRMAN. The gentleman is recognized for 10 additional minutes.

Mr. WOLCOTT. At the present time the expediter can control the ceilings on building materials. At the present time the expediter can channel building materials into homes to cost not over a certain amount of money; and you can follow that priority, or preference, or whatever you want to call it, right through to the final transaction under which the GI or anyone else buys the home and closes the deal. There is, therefore no necessity for holding that sword of Damocles over the head of the industry, because they have told me and they have told you that if a ceiling is placed with these constantly increasing costs they cannot estimate from one day to the next what their costs are going to be and they are not going to drive a nail; so your ceilings must be flexible, flexible enough to give industry the opportunity to lay out a program and complete that program.

We now come to the question of a ceiling on old homes that they are talking about. What does it amount to? It just so happens that many of us were in World War I—a little too old and too fat to get into World War II—and no one has more feeling than many of us for the veteran of World War II. We came back, got married, had children, established homes.

They have a perfect right to establish homes. Prices were sky high then. I remember the first civilian suit of clothes I bought in Detroit when I was discharged in 1919 cost me $100. I could not afford to buy a home; I could not afford to buy many things I wanted to buy; but under the proposal of the gentleman from Texas the GI would take every dollar of inflation in the first purchase of the home. That is not doing him any service, no service at all. A house is built for $6,000 and it is bid up to the point where he has to pay $10,000 for it. He has $4,000 of water in that house. It is not doing a GI any good to compel him to pay $4,000 more than the house actually is worth. It is not doing him any good to burden him with a debt of $70 to $90 a month during the rest of the constructive years of his life. I dare say that 95 percent of the Members of this House who were in the First World War, when they came out, could not afford to pay $70 to $90 rent for a home, and no more can these GI's afford to obligate themselves for 25 years to the extent of $70 to $90 a month for homes. It is not doing them a service to put them in the position where they have to assume all of the inflation. That can be otherwise controlled.

In the Patman bill there is a very interesting proposal in section 705, page 11, which reads:

> Whenever in the judgment of the director there is a shortage in the supply of any material or of any facilities suitable for the construction of housing accommodations, he may allocate—

And so forth. Do you want to give Mr. Wyatt or any other single individual the authority to allocate roads, streets, sewers, water lines, and electric lines? Of course you do not. I have stricken that out in the substitute which I propose to offer. I have stricken the word "facilities" out. No department or government should have that broad authority.

The gentleman from Texas [Mr. PATMAN] in his bill sets up a new bureau of Government. He creates the Office of Housing Stabilizer and authorizes the director of that housing stabilization bureau to employ, subject to the civil service laws, such persons as he deems necessary in order to carry out his functions and duties, and fixes their compensation. That is the establishment of a bureau.

Under my substitute I authorize the President to appoint an expediter, either within or independently of any existing agency of government. He has appointed an expediter already within an agency of the Government. His salary, therefore, is controlled by the laws and regulations incident to the salaries in that agency of the Government.

Under this program they ask for $250,000,000 of so-called Lanham construction funds. We did not think we wanted to assume jurisdiction of the Lanham committee so we referred that part of the program to the Lanham committee. I understand the Lanham committee has acted on it favorably and that it will come out in due course.

Another part of the program provides for tax amortization. We thought that that was within the jurisdiction of the Committee on Ways and Means, so we did not trespass upon that committee's jurisdiction at all. We thought that that matter should be left to the Committee on Ways and Means.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. I think the gentleman should tell the people whom "we" are.

Mr. WOLCOTT. The gentlewoman can speak for herself. When I say "we" now, I mean the committee. We did not want to assume the jurisdiction of the Committee on Ways and Means with respect to tax amortization, and we, the committee, did not want to trespass upon the jurisdiction of the Lanham committee with respect to Lanham construction. Neither do we of the Committee on Banking and Currency or we of the Committee of the Whole want to trespass upon the legislative prerogatives of the great Committee on Appropriations, or should not. So, in the matter of subsidies, which is not included in my substitute but which I understand will be offered as an amendment, there is no reference to subsidies. The reason is obvious if we remember what has gone on in this Congress in years gone by. They have always had the authority to pay subsidies since the enactment of the first Price Control Act. Section 2 (e) of the Price Control Act provides in part:

> That whenever the Administrator determines that the maximum necessary production of any commodity is not being obtained or may not be obtained during the ensuing year he may, on behalf of the United States—

Then he goes on to say that he may sell at a loss or pay subsidies to obtain the maximum amount of production.

All he has to do to pay subsidies is to come to the Committee on Appropriations and get his appropriations. The Committee on Appropriations, I am sure, will refer it to this House, and we will decide whether subsidies shall be paid by OPA. The act goes on further to say that when the President defines a commodity as strategic or critical material, then that subsidy shall be paid by an RFC subsidiary corporation.

So all the President has ever had to do to give the RFC jurisdiction to pay subsidies was to put building materials on his list of critical and strategic materials, and building materials today, in the face of this emergency, are critical, and nobody could blame the President for doing that.

The only sticker to that is the so-called Taft amendment which was put on in 1944. That amendment provides as follows:

> That after June 30, 1945, neither the Price Administrator nor the Reconstruction Finance Corporation nor any other Government corporation shall make any subsidy payment or buy any commodities for the purpose of selling them at a loss and thereby subsidize directly or indirectly the sale of commodities unless the money required for such subsidies or sale at a loss has been appropriated by the Congress for such purpose—

Let us stop there and see what happens. Down to that point it already becomes a Budget transaction. The Budget at any time within the last 2 years could have sent down to the Committee on Appropriations a supplemental budget asking for an appropriation to pay subsidies. You may say there is no authority for it. Let me read the final and perhaps controlling sentence:

> and appropriations for such purpose are hereby authorized to be made.

That authorizes the payment of subsidies to obtain a maximum production of building materials. There is nothing clearer than that that you could possibly write into the law. So there is no reason why we should argue here in respect to this bill as to whether we should appropriate money to be paid as a subsidy any more than we should assume jurisdiction over Lanham construction, any more than we should assume jurisdiction over tax amortization. The question of subsidies is clearly one for the Budget Bureau and for the Committee on Appropriations.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. Will the gentleman advise the House whether or not he is in favor of the use of subsidies for the stimulation of the production of building materials at this time?

Mr. WOLCOTT. I would prefer a judicious increase in prices to obtain the maximum amount of production.

Mr. MONRONEY. Will the gentleman say whether or not he is in favor of using subsidies?

Mr. WOLCOTT. I do not think that is in this issue at all. Do not think for a minute that I am going to be sidetracked onto something that is absolutely irrelevant to the issues before us, because at this particular time subsidies are not before the Congress.

Mr. MONRONEY. The gentleman has talked for 5 minutes about subsidies.

Mr. WOLCOTT. There is no need for us to be contending with this very controversial subject of subsidies when authority is already contained in the law for the payment of them.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from New York.

Mr. BARRY. The gentleman stated that placing a ceiling on old homes, that is, after the first sale, after the bill is passed will compel a GI to absorb the present inflationary price. Will the gentleman tell the House how the GI can escape absorbing that price now, under present law?

Mr. WOLCOTT. He cannot.

Mr. BARRY. What is the point the gentleman is making, then?

Mr. WOLCOTT. Under present law the GI when he sells that house can get what he paid for it plus his improvements. Under the amendment which I think probably will be offered he cannot, because there has always been a controversy in OPA rent control as to whether improvements are improvements or whether they constitute current maintenance. They have never made any clear distinction between what is current maintenance and what are improvements. So unless you do leave it as it is, then you are liable to put the GI in a position where, after paying this inflated price, he will not be able to sell it for that price plus what he spends on the house.

Mr. BARRY. Does the gentleman think the GI is going to buy a house, when he has no home, and then sell it again and continue inflation?

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Will the gentleman refer to the bottom of page 5 of the Patman bill? I wish to submit a question on the matter of the ceiling on old homes. Section 704 (a), lines 21 to 23, include the words, "the construction of which is completed after the effective date of this title."

Then, going to the top of page 6, I think the language "housing accommodations" is sufficiently wide to enable the Director to place ceilings on old homes. I raise that point so the gentleman can give us the benefit of his thought on that subject.

Mr. WOLCOTT. I would say that technically the gentleman is right, but I do not think in all fairness to the situation that it was the intent of the committee that it be interpreted in that manner.

Mr. CRAWFORD. I agree with the gentleman that it was not the intent of the committee that the Director be permitted to place ceilings on old homes.

Going now to page 10, lines 16 to 19, I think the language there again specifically authorizes the director to place ceilings on old homes.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself 5 additional minutes.

Mr. BARRY. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BARRY. Mr. Chairman, the debate on this bill is to continue for today. If the gentleman continue yielding himself time, he can use all the time. I want to know whether or not there is a limit to this debate or whether all the time is to be consumed by the gentleman.

The CHAIRMAN. The gentleman is entitled to yield himself 1 hour, and he has not exceeded that time up to this

point. The gentleman can proceed for more than an hour only by unanimous consent.

Mr. WOLCOTT. I hope the Chair will call my attention to the fact if I do yield myself more than an hour, because it is not my intention to do so.

Mr. CRAWFORD. I think the gentleman is doing a good job, and he can certainly use my time if he wants to keep on.

Now about lines 16 to 19 on page 10.

Mr. WOLCOTT. I think we have the same problem there. The answer to it all is that the Committee of the Whole should consider a clear bill and not try to get into the intricacies of the language difficulties which we know we had in the short time we were in executive session on the bill.

Mr. ROE of Maryland. Mr. Chairman, will the gentleman yield for a question?

Mr. WOLCOTT. I yield.

Mr. ROE of Maryland. Did the committee study whether the regulations of the OPA had affected our construction of houses seriously or not?

Mr. WOLCOTT. I think there was some discussion in connection with it. Of course, we are holding hearings now on the OPA bill and it is expected that the committee will go into the effect of the new wage price policy on production and the effect which prices have on production. We will take that up with the OPA bill.

Mr. ENGEL of Michigan. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. ENGEL of Michigan. Did I understand the gentleman to say there would be an amendment offered to place a ceiling on the first sale of the house?

Mr. WOLCOTT. According to the bill introduced by the gentleman from Texas, with reference to old construction, the first price for which the old construction sells after the enactment of the law becomes the ceiling price.

Mr. ENGEL of Michigan. Let us assume for the sake of argument that there are 40 houses in a block and 1 house is sold. Therefore, there is a ceiling on that house. But then there are 39 other houses without a ceiling on them which can be sold for anything that they want to sell them for. Is that right?

Mr. WOLCOTT. That is right.

One of the proposals made by Mr. Wyatt was for the continuation of title VI. I felt that that was needed so in the substitute I have inserted it. I thought it would be very helpful for several reasons. It makes it much easier for returning veterans to finance the construction and purchase of homes if title VI is reenacted and extended. Therefore, in the substitute which I intend to offer for this bill, I have reenacted title VI and made it possible to apply title VI to homes, the construction costs of which have increased since title VI was adopted originally. I will not try to review that matter but may I call to your attention, in that connection, that I believe it will be entirely satisfactory to you because although there are no ceilings on the construction costs, there are ceilings upon the amount which the FHA may insure, that is, 90 percent or $5,400 or $7,200, under the formulas. There is one thought you must keep in mind and which we all ought to keep in mind when we consider setting ceilings on new construction. The FHA when they insure a title VI mortgage control the price at which that House is going to be sold. That is another reason why we should not put a ceiling on the price of new homes.

Mr. KEAN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. KEAN. How much additional authority under title VI does the gentleman propose?

Mr. WOLCOTT. If the gentleman will refer to section 707 on page 8 of H. R. 5579, there it is set out that the authority is increased by a billion dollars, from $2,800,000,000 to $3,800,000,000. Of course, that is insurance authority and there is no appropriation involved.

Mr. SCRIVNER. Was there any discussion as to the constitutionality or lack thereof of a provision similar to that proposed by the gentleman from Texas or the gentleman's substitute?

Mr. WOLCOTT. No. However, I am inclined to think that the committee bill as reported, as well as my substitute, is constitutional under the decisions of the Supreme Court. That is why the bill starts out with the statement that the Congress declares that an emergency exists wherein there are insufficient facilities for housing large segments of the population, and so forth. I had definitely in mind making the language conform to the requirements of constitutionality as set forth in some of the decisions of the Supreme Court. They held even before the war that if the Congress declares an emergency exists that the Constitution may be flexed in certain particulars.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. JENNINGS. Very definitely, in my opinion, under the provisions of the so-called Patman bill, this man who is put in charge of housing in this country can put a ceiling price on old homes and hogtie a man who owns a house and keep him from selling it and perhaps making a profit that may be very insufficient.

Mr. WOLCOTT. We have not brought about any production increases by putting ceilings on anything. I do not think any of us who has ever gone along with price control has ever advocated that the putting of ceilings on any commodities would get maximum production.

Just the opposite is true, of course. So you are not going to get any new homes constructed by putting ceilings on them.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. SPENCE. Mr. Chairman, I yield 18 minutes to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, I am supporting this bill as reported. I introduced an amendment to strike out subsidies, and it was passed. I introduced an amendment striking out ceilings on existing homes, and it was passed. The Patman bill, as it now appears here, was approved by the committee by a vote of 13 to 9. I find myself this afternoon defending this orphan child. Those on my left have a substitute. My good friend, the author of the bill, has an amendment, as well as the chairman.

Now, I am asking you on both sides of this aisle to defend this orphan child, because it passed the committee by a vote of 13 to 9.

Now, what is in this bill? As a matter of fact, none of the agencies at first wanted anything except extending the powers under title III of the Second War Powers Act. That is about all there is in the Patman bill now, except that it places a ceiling on new homes. There cannot be any objection to that, because you have ceilings on the material. You are selecting some and giving them a preference. If they are given a preference they would not object to a ceiling on the particular home.

So the gentleman from Michigan [Mr. WOLCOTT], has gone a little too far, I think, on that, and that is about all we have in the Patman bill that does not exist in the Second War Powers Act. I think we should extend the power relative to buildings and materials, because that act will expire on the 30th of June next. Therefore, I think this bill will carry out the wishes of most of the Members of this House when they thoroughly understand it.

Now, you are talking about veterans. Yes, we want to help the veterans in every way we can, but we are doing it today under Executive order, based upon the Second War Powers Act. The President can allocate 50 percent of scarce building materials to the soldiers of our country, and I understand from the chairman that this is being done. He can give them a priority and can give them preference, which I am told is being done now, but when you help the soldiers of this country, let us not merely help them in words. Ninety percent of them do not have the money with which to buy a home. A great many of them in my section of the country will not be able to borrow the money from the banks. The banks will not loan them 50 percent to match the Government, because they are 25-year loans, and again because they will probably suffer some loss, and they are loaning the money that belongs not to them but to their depositors. So I think the FHA should be authorized and instructed to make practically all their loans to help the veterans in this emergency. Let us be realistic about it. That is about the only benefit they will get, because the FHA puts up 90 percent. Local people are not afraid of the FHA loan because it is local money, local labor, and for local construction, and we have suffered practically no loss from the homes heretofore built by the FHA.

Let us help the veterans build homes and allocate to them this scarce material. We cannot do more than that. Let us not get this building program too complicated.

On the question of subsidies, some Members are going to try to put subsidies back in the bill. We fought the subsidy proposal all through the hearings. And then they are going to try to place a ceiling on existing homes. I want to show you the fallacy of both.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield at that point of ceilings on old homes?

Mr. BROWN of Georgia. I am going to cover what I believe the gentleman has in mind; suppose he asks his question later.

I am not sure there is any further legislation needed to give the Housing Expediter all the powers he needs. We only have to extend present legislation under which he operates for a period necessary to meet his needs. When Mr. Wyatt was before the Banking and Currency Committee, I asked him if he needed any other powers than those he now had and he said that he did not need any further powers, but that what he was concerned about was that those powers would expire on June 30 next, unless renewed. Of course, it is a very simple matter to extend the legislation now on the books which is necessary in order to carry out this program.

There is no Member of this House who more fully appreciates the housing situation in many areas of this country or who appreciates more than I do the tragic plight of so many of our returning veterans. My position will not jeopardize the success of the emergency housing program but will, in my judgment, improve it. I doubt the necessity for implementing new legislation, which always takes time, and there will be no danger of inconsistencies developing between this legislation and that which we already have.

I do not mind accepting one amendment that will be offered to increase the lending authority of the FHA by $1,000,000,000. That is a good thing to go in the bill for nobody is against it on either side. It is in the substitute. The amendment will be introduced by either the gentleman from Texas [Mr. PATMAN] or the Chairman; and when that is adopted you will help these veterans secure more homes through the FHA.

Mr. Chairman, a ceiling on existing homes will bring on more inflation by making the first sale the ceiling price. This will freeze future sales because the owner cannot obtain a larger amount for his property. It will force the first sale—which will be the ceiling price—higher than the market value for the purchaser knows that he cannot buy after the first sale. The owner who desires to sell—if you can find such an owner—will advertise his home for sale, and there will be not only one or two prospective buyers, but a flock of buyers, bidding against each other because they know they cannot buy the home after the first sale. The owner would probably obtain 25 or 30 percent more than he would in a free and orderly market. The owner would be in the position of a continued auctioneer, always selling to the nervous and exciting bidders, never closing the deal until he is assured of two or three times more than the market value. The buying public in the mad rush is brought to the conclusion that this is the last opportunity to buy a home in the community of his choice.

Why should a man sell his home if he needs it? He knows he cannot buy another home. Do you know of a sale of an existing home recently that brought more than it will cost now to construct that same house? If you go out and buy the material and pay the masons and carpenters to construct it, you will find out the real and present value of your house.

Let me ask this question: Should a man be required to take less than the replacement value of his home? If the house is destroyed by fire, the insurance company will pay him the replacement value for his loss.

Yes, existing homes are too high, far too high, but what made them too high? It is the advanced cost of material and labor, so the construction and ceiling on new homes will control the selling price on old homes; you can buy any house today, if for sale, for less money than you can build the same house.

How foolish it is, then, for a man to sell his home and turn around and place the same amount in a new home when he knows that he will have to pay income tax on the profit of the sale of his existing home. No benefit could result from ceiling on old homes. Why then would you want the additional expense of hundreds of thousands of men running around and checking up on 40,000,000 homes, the sacred castles of our citizens.

Suppose there was some small gain in the ceiling. Would it compensate for the expense of all these Government agents harassing and irritating all the home owners of America.

I know we have gotten away from free enterprise, and perhaps in many instances justified in an emergency, but I never thought that my Government and your Government would undertake to regulate and control the sacred homes of 40,000,000 people. Let us defeat or postpone this one regulation.

I am brought to the conclusion, and I think a correct one, that since existing homes are so high that ceiling on material and on new buildings will from now on control the price of existing homes, and then we will get rid of the expense of thousands of employees checking up on old homes and save the people in every home of America from being irritated and molested by such a policy.

Mr. CAMP. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Georgia.

Mr. CAMP. In regard to this subject of subsidies, I notice in the morning edition of a local Washington newspaper, a newspaper that has been against subsidies all the time, that they now support subsidies. Is the trend, as the gentleman sees it and as the gentleman's committee sees it, coming back to these subsidies or not?

Mr. BROWN of Georgia. May I reply to my distinguished friend that the Washington newspapers are like the Washington weather. If you do not like what they say just wait for the next issue.

Mr. CAMP. What about subsidies? Does the gentleman find there is a demand for subsidies now?

Mr. BROWN of Georgia. There is not only no demand but you will not get a sawmill owner or any producer of lumber to accept subsidies in this crisis.

Subsidies will not increase production of building materials. Who in the sawmill business, who engaged in the production of lumber or the manufacture of brick has asked for subsidies? These people will not take the handouts from the Government here in Washington. They desire to operate their own business with ceilings high enough for fair profit on their operations. You will not find one producer in the field of building materials who desires or has asked for subsidies. This new subsidy plan will postpone the production of building material. The owner of the timber will let trees grow larger and cut same in the years ahead, when the tax burden is not so heavy, unless he is permitted a fair price. Timber is quite different from other commodities in that the trees live and grow larger. The owners who are against the policy of subsidies, since the war is over, will take their profit in growing timber rather than to produce now without profit.

I do not recall a single witness at the hearing who was in favor of subsidies. Practically all of them were against that part of the original Patman bill.

My amendment to strike out the section of the Patman bill relative to subsidies received almost a unanimous vote. The proposed subsidy amendment is practically the same as was in the original Patman bill.

They call it a premium payment in this amendment, and it is different only in name. Why such a change all at once on the part of many members of the committee?

Subsidies will retard and delay a real solution of the housing problem. I can tell you now we must come back to free, competitive enterprise if you want more lumber.

The principal witnesses for the Government, Mr. Snyder and Mr. Wyatt, did not ask for subsidies. As a matter of fact, on page 430 of the hearings, the evidence shows that at that time Mr. Wyatt had not endorsed the policy of subsidies, and on page 428 Mr. Wyatt strongly intimated in this testimony that all he wanted was extension of existing powers of the Second War Powers Act.

The kind of subsidies proposed to be set up is a subsidy given to establish new plants, to equip plants which do not have sufficient equipment, and to pay bonuses to high-cost producers. How long do you think it would take to set up the machinery to do this? The simplest and quickest way to do it is to put the industry into production by permitting it to charge a price which will produce a fair profit. This can be done at once, and if it is done, in my judgment, production will immediately start, and will procure the much-needed materials.

Subsidies are not only expensive, but in the end are reflected in the taxpayers' pockets. To that extent the buyers of these houses will pay the subsidy twice over, while those who receive no benefit from such a program must also pay its costs.

The answer to inflation in real estate, as in every other commodity, is production. Production is a problem of materials and wages. This subsidy is supposed to encourage production. But the manufacturers do not want it. They want no such pork barrel from the Government. They fear—and rightly—that injustice and favoritism will result, putting many producers, particularly the small producer, entirely out of business. They fear—and again rightly—that regimentation and control will result. They fear the end of free private enterprise.

And will such subsidies bring down the cost of housing? Will not they rather tend to keep it up? Will not the effect be inflationary rather than otherwise? And what happens when the subsidies are stopped—as certainly they must some day be?

I ask you again to stand by me and vote for the Patman bill in its present form, the one that came from our committee by a vote of 13 to 9. I am standing by the committee bill and it has been a rule and a precedent for years and years that if you do not thoroughly understand a difficult bill you support the committee's action.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. In common with a good many members of the committee I am terrifically bothered about section 703 giving the power of subpena. We refused to give that power in labor legislation and we refused to give it in other legislation, and I am wondering if the gentleman can give us any good reason why the power of subpena should be incorporated in this bill.

Mr. BROWN of Georgia. Take, for instance, the sale of an old house. They can ask the fellow to bring in his records.

Mr. WHITTINGTON. Exactly so, and that is what I am wondering about.

Mr. BROWN of Georgia. I do not see anything very wrong with that. The thing you might object to is this broad power given to the Expediter. To be perfectly frank with you, while I am for this bill as it is, I would rather have the President have all of those powers than any other one man.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. BARRY].

Mr. BARRY. Mr. Chairman, as a member of the committee I am not certain just what this bill will accomplish, but I do know from my own personal experience that we face a very critical and dangerous situation today. We have in my part of the country, and I know in the districts of the gentleman from New York [Mr. GAMBLE] and others who live in the large metropolitan areas, hundreds of thousands of returned veterans who are living with their mothers-in-law or their brothers or their uncles or others. That is not a very happy situation. We also have those few houses that are available in my part of the country priced at $10,000 and up. My own brother-in-law, who got out of the service about 3 months ago, canvassed the entire Long Island area and finally was lucky enough to obtain a six-room house that cost him $14,500. That is a condition and not a theory.

I say I do not know what this bill is going to accomplish because every builder in the greater New York area to whom I have spoken, and I have spoken to many, has told me that they cannot build a house under $10,000, and that price is out of the range of 95 percent of our returning veterans. That is the problem we face today.

We in this House have paid out subsidies. We have paid them to the consumers, we have paid them to the processors, we have paid them to the farmers. Subsidies are not a new thing. To my mind, this situation is as dangerous as any situation we have ever faced in this Nation, because a dissatisfied group of three or four or five million veterans can certainly raise havoc with this Nation, and they will have a great tendency to drift toward the left if we do not meet their essential needs.

You talk about the OPA and the price ceilings. If we had placed price ceilings on the old homes years ago when we first started OPA these boys would not now be faced with an inflationary price such as exists today, 50, 60, 70, or 80 percent above the old cost-of-construction price.

Talking about the ceilings on old homes, very many people seem not to realize that this ceiling does not go on until after this bill is passed and until after the first sale is made, so that the ceiling, as the gentleman from Michigan [Mr. WOLCOTT] has pointed out, is bound to be an inflationary one.

I cannot help but recall about 20 years ago when I got out of college and went down to see what the land boom looked like in Florida. I remember the main road of the city of West Palm Beach and the main highway at Palm Beach. I saw that property in less than 8 months go from $600 a front foot to $2,500 a front foot. I saw houses that were priced at $15,000, $16,000, and $17,000 when I first arrived there—and I stayed there for a year—go up to $25,000, $35,000, $45,000, and $75,000. I can see that the tendency today in many parts of the country is moving rapidly in that inflationary direction.

If the Patman amendment is too severe, I wish the House would take into consideration the so-called Monroney amendment, which provides in substance that a ceiling be established only on those houses where the purchaser does not live there for less than 6 months. If anyone is going to buy a house for residential purposes he will certainly live there more than 6 months. If he buys it for less than that time, the chances are, 99 times out of a hundred, that the house is being bought for speculative purposes.

I want to bring you back again to the people about whom we are mainly concerned, the millions and millions of young men who lost 3 or 4 years out of their lives fighting for us, and who have come back and now find no shelter for themselves and their wives and children. From my point of view, that is the most important purpose of this legislation. Every argument that has been made here today has been more or less the same old arguments. We do not want bureaus. We are against bureaus. But we have had them during the war. We had to have them because of war created emergencies. This emergency which we have today, even though the war is over or the shooting is over, is still a war baby and it is our duty in the House of Representatives to treat it as such.

The CHAIRMAN. The time of the gentleman from New York has expired.

TRUMAN-WYATT HOUSING PROGRAM

Mr. SPENCE. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, I would like to discuss the merits of this bill. We are in a great emergency insofar as housing for veterans is concerned, just as much of an emergency as we experienced during the war when we needed housing for war workers near war plants in order to produce planes, tanks, ships, and guns. This Congress provided that housing that should be provided for war workers. It was our duty. They were performing a very essential part of the work in the winning of the war. We provided those homes. We made rules and regulations. We had regimentation—we were at war. That regimentation gave those war workers an opportunity to buy a home at reasonable prices. We made it possible by laws that we voted for. If they wanted to rent a home, they could rent one at a reasonable rent because of laws which we voted for. That was 4 years during the war. After VE-day and VJ-day we have seen 30,000 servicemen returning daily to our shores to be discharged. Many of them were married. During the war their wives and children were living with their in-laws and doubling up. One of the things the veteran was fighting for overseas was an opportunity to come back to a free country and live in a home of his own with his wife and children—only one family under one roof. When he comes back home, he sees all these homes filled and none for sale at a reasonable price and no homes for rent at a reasonable rental. Consequently, between two and three million veterans' families are doubled up today living with their kinfolks and their in-laws and friends. That is the best they can do. That is not always conducive to the best kind of home life. Since this Congress provided for the war workers during the war as they should have provided, is it not logical, reasonable, and right that when these veterans come back home after 4 years abroad, veterans who have not had an opportunity to buy a home while they were away fighting for our country, is it not logical, reasonable, and right that we consider this emergency so far as they are concerned as continuing until we can give them a reasonable opportunity to get a home? Why should we say we will take off all rules and all controls when the war is over? That is fine for the people who were here and who could get homes, but for the fellows who were not here and had no opportunity to get homes it is not giving them a square deal. This bill is for the purpose of giving a chance to those

boys who were away, not for 4 years as those of us who stayed here during the war—we had 4 years to get a home—we are not giving them 4 years after they get back, but we are expecting to give them 2 years—this year and next year.

President Truman recognized this as being a great national emergency. It is approaching, if it has not already become, a national scandal, a national disgrace. We could not help it. We were using all the materials in the war. The war suddenly ended. Men commenced to be demobilized quickly, by the millions. If we had foreseen it, probably we could not have done much more about it. but we can now do our best to correct it. That is what we are called upon now to do. So this bill recognizes that we do not have enough materials. We know that. We must have production, but it will cause more homes to be built, and I will tell you why.

Today, practically all building materials are going into the construction of buildings that we can do without. Why? Because the people who build those buildings can make more money out of construction of that type. It is perfectly natural and reasonable that they would do that. They built two theaters in one section of this city just recently, where enough materials were used to build homes for a hundred veterans' families.

Suppose this bill will not manufacture any more lumber or materials. It will certainly channel the materials that now exist, scarce as they are, away from nonessential building, like amusement houses, bowling alleys, race tracks, and nonessential buildings like that, where the contractors make the most money, into the construction of the largest number of residential housing units, giving preference to those boys who have been gone 4 years and who were not here and who had no opportunity to seek and obtain homes for themselves and their families.

Why should we shut off all these controls exactly at the time when they are coming back, and have the only opportunity they have had in 4 years to try to get a home? We do not like regimentation. We do not like any kind of controls. But why should we become so indignant at all controls, so determined to cut them all off, at the very time when it will hurt most the men who saved our country in time of war? How are we going to answer that when we go back home to our constituents? They will say: "Well, you provided these war workers with homes. You voted for that. You believed in regimentation and you believed in controls. But when we come back and we get married and we want a home, you say you are against all these controls, and you are against regimentation, and you stop it. You cut it off at the very time I have a chance to get a home for myself."

I think it is time we should consider that.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. SMITH of Virginia. Would the gentleman tell the House why, with the present OPA rent control, rigid as it is, we are placing into this bill another agency and another rent control?

Mr. PATMAN. This is an all-powerful agency. This is so serious that we feel we should have one person who has overall power in housing. He is over the OPA in this, and should be.

Mr. SMITH of Virginia. In rents?

Mr. PATMAN. Yes, sir. Absolutely, in rents.

Mr. SMITH of Virginia. How will it work?

Mr. PATMAN. The FHA will enforce this. The OPA is not going to do it. The FHA is going to enforce it. The FHA has satisfactorily performed the duties it has had to perform. It will have charge of that part of the program, and we will use that agency. I know we will never have any controls that will be satisfactory to all people, but the point I make is: Why should you become so hard against controls, after giving them to everybody else for 4 years, giving them the benefit of controls, holding down prices, and enabling them to get homes at fair prices—why should we become so indignant right at the time these millions of veterans are returning, when they could get the benefits of that policy? That is what I cannot understand.

Mr. SMITH of Virginia. Would the gentleman tell us whether he proposes to continue the OPA rent control and this rent control also?

Mr. PATMAN. One does not touch the other, side, edge, or bottom. This only controls as to new construction. The rent control in OPA applies to everything.

Mr. KOPPLEMANN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. KOPPLEMANN. In view of the tremendous cut that has been made in the appropriation for OPA, is it not now necessary more than ever that some agency be employed for the purpose of controlling rents?

CONGRESS INFLATIONARY

Mr. PATMAN. I am glad the gentleman mentioned that. If we have inflation this Congress will be responsible for it. The reason is that in the case of every law we have passed we have hamstrung the administration of it and have not given the administrator enough money to enforce it. We have cut the OPA to one enforcement officer for each county. There are 3,071 counties in the United States. The OPA recently asked for more money to do an enforcement job and the House came mighty near not giving it to them, and in the other body I understand they actually cut it in half. We have not cooperated with the executive branch of our Government. If we have inflation this Congress must bear the responsibility for it.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. WHITTINGTON. I agree with the gentleman that the building of places of amusement should be subordinated to the building of homes for veterans, but under the powers granted in this bill would not the director have power to exercise priority over highway construction and flood-control improvement cutting down the very things that would protect the property and lives of people who buy houses that had already been constructed?

Mr. PATMAN. Possibly he would have that power, but not a directive to do it; and I would not vote for the bill if I were not willing to trust the one whom the President wanted to administer it. I am not going to say that the administrator would have the power to do or not to do certain things, for he is given tremendous power and he should have it because we are trying to meet a great emergency. But, listen: We are using the word "preference" in here, giving veterans preference and their immediate families. But Mr. Wyatt has already said that he is going to have an elastic hardship clause, he is going to take care of churches, schools, and any needed improvements where it will give work and where it will cause additional material to be manufactured. For instance, the gentleman, we will say, has a plant in his home town which needs materials to build an addition. When the addition is completed it would be able to manufacture building materials. Certain materials will be allocated for that purpose. They would be used for any needed purpose, but veterans are given preference to build moderate priced homes; and if you are going to give veterans preference why not give them preference?

Mr. WHITTINGTON. But he could change priorities that had already been granted to highway improvement projects and flood control projects, the very things that may be necessary in many areas so they can get these homes.

Mr. PATMAN. Oh, no. The gentleman need not be disturbed about that. Every needed improvement will be met once the preference to veterans in housing has been met. I do not believe Mr. Wyatt would cause veterans to live in a pasture for the lack of some improvement.

Mr. WHITTINGTON. That was not my question; we are not talking about veterans living in pastures.

Mr. PATMAN. I do not think the gentleman would expect that to be done. I gave that merely as an absurd illustration to quickly make my point.

Mr. WHITTINGTON. The gentleman is not answering my specific question. If he does not want to answer it, let me answer it.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. MONRONEY Probably not over 2 percent of the veterans' preference material would be of the type used in flood control and highway construction, for most of that is heavy concrete and reinforced materials. They would not be used in building $3,000 and $4,000 homes.

Mr. WHITTINGTON. The gentleman has not attempted to answer my question, but the gentleman, with all due deference to him, is conducting himself like these czars that will have the right to fix priorities.

Mr. PATMAN. I am disappointed in the gentleman's not being willing to extend confidence to the man whom the President of the United States would

appoint in such a great emergency and for such a great purpose. I am willing to permit him to have any power he needs, but I do not believe he should have too much power. Even though it should prove to be more power than he needed I feel he would not use it like a czar.

Mr. WHITTINGTON. It is just a question of not giving him what he ought not to have; and he ought not to have it according to the gentleman's statement.

Mr. PATMAN. I am willing to give the President's appointee any power he should have, and I am willing to give the veterans preference over everything that is not absolutely needed until we have taken care of their needs.

Mr. GAMBLE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. GAMBLE. He has that power now, has he not, under the President's directive and has not used it to take materials away from any other work.

Mr. PATMAN. The gentleman from Mississippi discusses an exception, not the general rule, just like the exportation of lumber. There are a lot of people here who would put a clause in this bill absolutely to forbid the exportation of lumber. What are the facts? The facts are that we import three times as much lumber as we export. The lumber that we export is chiefly for the construction of railroads and trestles, and things like that, heavy construction; and the lumber that we import is for housing construction. If you follow up the lumber that we exported last year you will find that a large part of that lumber went to the islands for the purpose of protecting sugarcane and the sugar crop in order to preserve it and bring it back here to the States. We need sugar. Are you going to prevent the exportation of a small amount of lumber in order to save the sugar crop out on one or more of these islands? Why, of course not. It would be absolutely ridiculous, it would be absolutely silly; so this question of the exportation of lumber means very little and we would be harmed so much that it should not be considered, like the case of the gentleman from Mississippi, as a general rule, but, rather, as an exception. We have presumed, and I will ask the gentleman from Mississippi to presume, that the right thing will be done by the expediter. If it is not, President Truman will remove the expediter.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. I do not want to trespass upon the gentleman's time, but it does strike me that the reasonable answer to my question is there should not be any conflict and that the heavy materials and equipment required for flood control and highways will not be necessary in the construction of these houses for veterans. I think that would have been the reasonable answer to my question.

Mr. PATMAN. Let me agree with the gentleman that that is right, like the exportation of lumber elsewhere. We export big, heavy materials for construction and we import housing material.

What is the object of the bill? The first is we have an expediter. He is given lots of power. Next, we give him the power to allocate materials. That is obvious. We want these materials allocated to the making of the greatest number of homes possible, the greatest number of places that veterans can buy or rent for shelter.

Next, there is preference to the veterans. Next the prices on old homes. I want to explain that prices on old homes.

I agree with the gentleman from Michigan that whenever you fix a price by saying that the first ceiling of that property or home after the law is passed will become the ceiling price during the emergency, a lot of inflation will be in that price because some of them will get twice as much as their place is worth. But if we do not pass a law they will get it just the same and if we pass the law we will stop this spiralling inflation that we always have. After the last war a house sold for $5,000, the next week it would be sold for $6,000, the next week the agent came around and said, "I can get $10,000." The same agent or same speculator would sell the same house a dozen times and make a profit every time.

Mr. Chairman, I can see why a speculator would be against this. The speculators do not want it. I do not say everybody is a speculator who does not want it, not at all, like my good friend, the gentleman from Georgia [Mr. BROWN]. He is as honest and sincere about it as he can be. He is not a speculator. He has a conviction along that line. But I cannot see why a home owner should object. He can sell his house for any price that he can get after the law is passed. However, I can see where a speculator will object. It will keep these speculators from selling that house every week, and every month, and making a big profit on it. It will stop this spiral of inflation that we had after the other war.

In this bill there is provision also for prices on new houses. It is not hidebound, it does not put a builder in a strait-jacket, by any means. Mr. Wyatt will be as lenient as he can in his rules and regulations. He is not a bureaucrat in the sense that the word "bureaucrat" is commonly used here on the floor of the House and elsewhere on the street. He wants to get a good job done, he wants to do a good job, and he is not going to tie people up in red tape. He is going to cut red tape, he is going to break bottlenecks, and if we give him the power to do it he will build 2,700,000 houses during this year and next year, including prefabricated houses and trailers. But, Mr. Chairman, we have a duty to perform here. Mr. Wyatt cannot do this job alone, neither can President Truman, unless Congress cooperates. Congress is not cooperating unless it passes a law that will give the President and Mr. Wyatt this power. Therefore, we can stymie the whole building program for veterans right here if we do not pass the right kind of a law.

After we have allocations, preferences, and prices on old homes and new homes, the gentleman from Oklahoma [Mr. MONRONEY] is going to offer an amendment for premium prices which he will explain to you. I think it should pass. It is a part of Mr. Wyatt's program. He says he cannot succeed without it, so let us give it to him. Let us not hold from him any power that he needs in order to build the maximum number of houses within the next 2 years. Let us give him all the power that he needs.

Mr. Chairman, I expect to offer an amendment providing for title VI. War houses were built under title VI. That is the best plan for mass production of homes. Title VI, I think, should be in this bill, and I expect to offer an amendment for that purpose. This is not governmental interference. This is governmental protection, that is all it is. We are not interfering with the veterans. We are protecting the veterans against ruinous inflation.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CRAWFORD. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Michigan.

Mr. CRAWFORD. If I understood the gentleman correctly, he informed the gentleman from Virginia [Mr. SMITH] that the bill as here submitted by the committee gives the Administrator or Director or Expediter the power to override the rulings of OPA. Where in the bill can we find that item?

Mr. PATMAN. In connection with housing.

Mr. CRAWFORD. Where is that in the bill?

Mr. PATMAN. He has the right to issue directives and establish any policy that he wants to. It is in the bill.

Mr. CRAWFORD. I would like to have the gentleman point that out in the bill so we will have the language in the RECORD tonight.

Mr. PATMAN. It certainly is in there. I do not know where it is, but I know it is written in there.

Mr. CRAWFORD. That is a very important phase of this discussion.

Mr. PATMAN. All right. H. R. 4761, page 3, line 20, reads:

> The Director shall formulate and develop a comprehensive national program to effectuate the purposes of this title. In order to carry out this program, the Director shall have the power to issue directives on policy to those Federal departments and agencies which have functions relating to or affecting housing.

Insofar as housing is concerned, he is the over-all expediter and administrator.

Mr. CRAWFORD. Then it is upon that language that the gentleman relies for the power of the expediter?

Mr. PATMAN. I think there is other language in here, too, but I just happened to remember that.

Mr. CRAWFORD. I want the gentleman to point that out. I understood the gentleman to say that this bill gives the expediter power to override the rulings of the OPA.

Mr. PATMAN. Does the gentleman want him to have that power?

Mr. CRAWFORD. The gentleman has made the statement, and I want him to show us where it is.

Mr. PATMAN. The gentleman yields me 2 minutes, which is insufficient.

Mr. CRAWFORD. The gentleman can put it in the extension of his remarks. That is all I am after.

Mr. PATMAN. All right.

I am inserting herewith a statement relative to lumber exports. It is as follows:

1946 LUMBER EXPORT ESTIMATES

(From the Civilian Production Administration)

To date, only requirements for the first quarter of 1946 have been agreed upon. Under export procedure, exporters submit their requests to the Office of International Trade of the Commerce Department. The OIT screens these requests, then submits them to the Civilian Production Administration for further study. The CPA considers the requests in the light of how much the export will hurt the domestic situation, and what types of lumber are included. Then CPA approves the licenses on that part it thinks should be estimated.

However, due to shipping difficulties, canceled shipments, the stringency of licensing, not all of that approved by CPA actually gets shipped.

For the first quarter of 1946, exporters submitted requests to the Office of International Trade to ship 1,070,000,000 feet of lumber abroad. Most of this was for railroad ties, construction, etc.

The OIT screened these requests down to 320,000,000 board-feet.

Finally the OIT recommended to the CPA that only 295,000,000 feet be shipped.

The CPA cut this total further and approved shipments totaling 225,000,000 feet.

Of this, export licenses were granted to cover only a total of 190,000,000 feet.

John Small, CPA Administrator, estimated that based on last year's experience, only about 150,000,000 feet actually would be shipped.

So that out of original requests of 1,070,000,000 board-feet, only 150,000,000 feet actually will be sent abroad.

Against this figure, imports during the first quarter are expected to total 250,000,000 board-feet, about 100,000,000 feet more than exports. I do not have exact percentages, but CPA says a far greater portion of the import lumber is suitable for construction of homes than that which we export.

Total United States lumber production during this period, the first quarter of 1946, is estimated at 6,250,000,000 feet.

Also figures on exports and imports of lumber for 10 years:

United States lumber production, exports and imports, 1935–45

[In thousand board feet]

Period	Production [1]	Exports		Imports		
		Total [2]	Percent of production	Total	Percent of production	Percent from Canada
1935	21,832,833	1,301,384	5.97	438,017	----------	80.0
1936	27,626,440	1,272,147	4.61	662,264	----------	80.0
1937	29,003,953	1,413,852	4.88	686,629	----------	84.3
1938	23,413,497	947,641	4.05	529,116	----------	91.1
1939	28,581,705	1,050,093	3.67	707,172	----------	92.7
5-year total	130,458,428	5,985,117	4.59	3,023,198	2.32	86.0
Average prewar year	26,091,686	1,197,003	4.59	604,640	2.32	86.0
1940	31,159,126	850,046	2.72	724,257	----------	91.4
1941	36,537,628	572,608	1.59	1,349,999	----------	93.0
1942	36,332,248	357,488	.98	1,510,261	----------	95.2
1943	34,288,757	268,253	.78	839,194	----------	87.5
1944	32,553,901	325,577	1.00	977,994	----------	90.0
5-year total	170,871,661	2,373,972	1.39	5,401,705	3.16	92.0
Average war year	34,174,332	474,795	1.39	1,080,341	3.16	92.0
10 months, 1944	27,867,012	[3] 264,109	.95	817,504	2.93	88.7
10 months, 1945	24,030,975	[4] 310,330	1.29	851,729	3.54	90.3
Estimated, 1945	27,500,000	375,000,000	1.36	1,040,000,000	3.80	91.0

[1] Compiled by Lumber Branch, CPA.
[2] U. S. Bureau of Census.
[3] Of this amount 66,692 was southern pine.
[4] Of this amount 67,656 was southern pine.

NOTE.—Includes sawn timbers, boards, planks, scantlings, small hardwood, dimension and hardwood flooring.
Source: Civilian Production Administration, Lumber and Lumber Products Branch, Export-Import Section, Dec. 26, 1945.

PRESIDENT TRUMAN'S STATEMENT ON MR. WILSON WYATT'S HOUSING PROGRAM

STATEMENT BY THE PRESIDENT

(February 8, 1945)

When I called Mr. Wilson Wyatt to Washington, I gave him only one instruction: "to make no little plans."

For 5 weeks Mr. Wyatt has been hard at work preparing his plans in consultation with all Government agencies concerned and with the principal business, labor, and veterans' groups involved.

He has recommended a veterans' emergency housing program which is bold, vigorous and eminently practical. It has the complete and unqualified support of the administration. All agencies of the Government are directed to use every resource at their command to fulfill this program. The Budget Director has of course been asked to review the Budget recommendations in the light of the new housing proposals.

I urge the Congress to enact promptly the legislation necessary to carry out the program.

I call upon every public-spirited organization to muster its forces behind the program. I ask each community leader, each citizen, to do his utmost to make the plans a reality in his community.

FEBRUARY 7, 1946.

THE VETERANS' EMERGENCY HOUSING PROGRAM

A REPORT TO THE PRESIDENT FROM THE HOUSING EXPEDITER

DEAR MR. PRESIDENT: On January 2 I came to Washington at your request to study the critical housing shortage which confronts America today and to recommend and execute a plan of action. In the past 5 weeks I have met with more than 30 groups from industry, labor, veterans, and Government. I have listened closely to their recommendations, and I have examined the principal available data.

Two sobering and inescapable facts emerge from this study in bold relief:

First, there is an urgent need for some 3,000,000 moderately and low-priced homes and apartments during the next 2 years.

Second, we can meet this need only by bringing to bear the same daring, determination, and hard-hitting teamwork with which we tackled the emergency job of building the world's most powerful war machine 4 years ago.

When, in a recent radio message to the American people, you called for the immediate production of an unprecedented number of homes, I could not help but recall the goal of 50,000 aircraft which President Roosevelt set in the early days of the war. Though many people considered it impossible, that goal and others like it were achieved and passed.

We met in full our obligation to our men and women in uniform.

To meet our obligation to those same men and women in civilian life, we will need the same drive and ingenuity on the part of American business and American labor and the same Government stimulus and financial assistance that made possible the miracle of war production in that earlier emergency.

Our sights must be raised far above the present target of four or five hundred thousand homes in 1946.

I am therefore recommending that the following program of emergency measures be put into effect immediately:

1. Construction of 2,700,000 low and moderate cost homes must be started by the end of next year. The target for 1946: 1,200,000 homes started, of which 700,000 will be conventional houses; 250,000 permanent prefabricated houses, and houses assembled on-site from prefabricated parts and materials; and 250,000 temporary units. The target for 1947: 1,500,000 homes started, of which 900,000 will be conventional houses; 600,000 permanent prefabricated houses and houses assembled on site from prefabricated parts and materials. (The previous all-time high was 937,000 homes in 1925; in 1945, only 240,000 homes were built.) Except for 200,000 units of temporary re-use war housing and 50,000 new trailers all of these will be permanent homes. On the assumption that the recommended legislation is authorized promptly the program should move into high gear by the end of the first quarter of 1946. Within 2 years from that time the urgent need figure of some 3,000,000 homes should be met under this program.

2. Preference for veterans and their families in the rental or purchase of these homes with appropriate provisions for nonveteran hardship cases.

3. Greatly expanded production of conventional and new type materials obtained by firm and timely use, where necessary, of: (a) premium payments for increased production; (b) guaranteed markets for materials manufacturers; (c) priorities and allocations of equipment and materials; (d) wage-price adjustments or price increases where they are necessary and not inflationary; (e) use of war plants and new facilities to increase present production capacity; (f) rapid tax amortization for plants which are newly built or converted to produce essential building materials; and (g) absorption by Government of undue risks in developmental work on new type materials.

4. Recruitment and training of 1,500,000 additional workers on-site and off-site by the middle of 1947. This means more than tripling the present labor force engaged in residential construction.

5. Postponement of all deferrable and nonessential construction for the balance of 1946 to release needed materials and labor for veterans' homes and for essential and nondeferrable projects.

6. Rapid expansion of factory fabrication of materials and parts, as well as complete low-cost homes by making materials available and guaranteeing the market for the product.

7. Priorities and allocations to home builders for equipment and materials.

8. Federal cooperation and assistance where necessary in the development of home sites.

9. Channeling the largest part of materials into homes and rental housing, both farm and urban, selling for not more than $6,000 or renting for not more than $50 per month.

10. Curbing of inflation through more effective price control on building materials, ceilings on new and existing homes, and on building lots, and through the continuation of rent controls.

11. The early adoption of S. 1592, the Wagner-Ellender-Taft bill.

12. Insured mortgages on low-cost homes up to 90 percent of value and based on necessary current costs.

13. New temporary legislation to support the program, including $250,000,000 for temporary re-use war housing.

14. Community participation paralleling Federal action through emergency housing committees in cities and towns throughout the country.

15. The Reconstruction Finance Corporation to play a major role in financing the program. In addition, authorization from Congress wil be required immediately to provide $600,000,000 for premium payments.

I believe that the success of a program of this magnitude will depend on several basic elements of policy which must influence every step that is taken.

Private enterprise must assume the leading role in this task as it did in the task of war production. And to that end the building industry and financial institutions must be relied upon as the mainstay of the production program. In addition, industry is entitled to a fair return for all-time record production of good materials and good homes at low prices.

Labor is entitled to a fair return for its share in the task. And that means higher wages in some contributing industries where workers have been historically low paid.

It will take a dynamic program to achieve this goal. Neither business as usual, labor as usual, building as usual, nor government as usual will suffice.

THE SIZE OF IMMEDIATE HOUSING NEEDS

The present housing emergency is the culmination of more than 10 peacetime years and 4 war years during which an inadequate number of new homes has been constructed.

In October 1945, 1,200,000 families were living doubled up with other families. At that time the situation was critical. It is rapidly becoming worse. The following table shows with shocking clarity that even without reducing the number of families which were doubled up October 1945 we would have to build approximately 3,000,000 new homes by the end of 1947 just to keep the situation from becoming worse:

Families living doubled up with other families in October 1945—at least	1,200,000
ADD	
Married veterans who will be needing homes by December 1946	2,900,000
Nonveterans marrying who will be needing homes by December 1946	560,000
Total	3,460,000
SUBTRACT	
Existing vacancies and new vacancies occurring during 1946 as the result of deaths and dissolutions of families	945,000
Additional families needing homes by end of 1946	2,515,000
Additional families needing homes by end of 1947 (1,110,000 new families less 430,000 vacancies occurring as the result of deaths and dissolutions of families)	680,000
Total need by end of 1947—with at least 1,200,000 families still doubled up	3,195,000

Our target is 2,700,000 homes and apartments started by the end of 1947.

Approximately 1,200,000 must be started in 1946. Of these, some 700,000 will be conventional houses; 250,000 permanent prefabricated homes and homes assembled on the building lot from prefabricated parts and materials; and 250,000 temporary units. (Two hundred thousand temporary re-use war housing and 50,000 trailers.)

Approximately 1,500,000 homes must be started in 1947. Some 900,000 of these will be conventional homes and 600,000 will be permanent prefabricated homes and homes assembled on-site from prefabricated parts and materials. No temporary units will be built under this program in 1947.

In my judgment we can hit this target. We must—unless we are to fail in our duty to the veterans. Without bold, emergency action I am convinced that only about four hundred to five hundred thousand new homes would be built in 1946.

It will take time, under any program, to produce materials and to build houses in quantity. Because the program will start slowly and will speed up as materials and manpower become available in greater quantity, each month's delay in getting under way in 1946 will mean a loss of about 75,000 units, a number equal to almost one-third of the 1945 production of homes.

During the past few weeks I have heard the fear expressed that gearing our building industry to meet the present emergency will result in an over-expanded industry. The facts contradict this far. The figure of some 3,000,000 homes needed by the end of 1947 does not take into account the more than 10,500,000 homes which are substandard and which must and can be replaced in a healthy, full production economy. Each year, in addition to the existing substandard dwellings, about 200,000 additional units drop into the substandard class or are destroyed. Approximately 400,000 net additional new families are created each year. These figures do not include farm homes or the temporary housing which was built during the war and which must be replaced.

THE PROBLEM OF MATERIALS

Increasing the flow of building materials is the essential first step in meeting the problem. Necessary restrictions through the war years have closed down many mills and factories; production in others has been severely curtailed. Inventories of all building materials have been sorely depleted.

These conditions mean that shortages of materials would be encountered even in building the 400,000 to 500,000 homes previously contemplated for 1946. The proposed Veterans' Emergency Housing program tremendously increases this problem.

For example, in 1945 residential construction consumed about $400,000,000 of building materials. In 1946 this program will require $2,000,000,000 of building materials, and in 1947 it will require $3,250,000,000. This represents an eight-fold increase in requirements between last year and next year.

Requirements of all materials and supplies—lumber, brick, wall board, lath, cast-iron soil pipe, electrical, plumbing, and heating supplies, roofing materials, and others—far exceed foreseeable production unless emergency action is taken.

These materials deficits must be made up by greatly expanded production of conventional materials and by the use of new types of materials. The possibilities in this direction are significant. The use of metal window sash and framing instead of lumber has already been introduced. Composition and plastic materials are available for flooring to supplement scarce seasoned hardwoods. Preassembled unit bathrooms and kitchens can economize both material and manpower. Examples of this sort can be multiplied.

To achieve the necessary expansion, both of conventional and of new-type materials, three fundamental steps are called for:

1. All existing plants must be brought to capacity operation as speedily as possible.

2. Unused war plants and facilities must be converted for the production of new as well as conventional materials.

3. Beyond this, new capacity must be built to the degree necessary to meet the requirements of the program.

The additional cost and risk of expansion, whether through increases in output or additions to existing plants, conversion of old ones, or construction of new ones, must—when clearly necessary—be shared by the Government just as it was during the war. This requires more rapid than usual amortization of the plant for tax purposes; Government underwriting of sales of new-type materials at prices sufficient to cover developmental costs; adequate short- and long-term Government credit, where private capital is not available, and premium payments in selected cases for increased production of conventional and new-type materials, achieved over and above a carefully selected base period. Premium payments will also be necessary in cases where production costs rise due to the payment of overtime or the addition of another shift.

Such premium payments will bring production to a high level without increasing the cost of the completed house to the veteran.

The total national outlay for materials for the housing program will be about $2,000,000,000 this year and about $3,250,000,000 in 1947. Of the 2-year total of $5,250,000,000, $4,250,000,000 will probably be spent for conventional materials. While it is impossible at this time to determine accurately how much will be needed for premium payments, it is estimated that about 10 percent of the total national outlay for conventional materials or approximately $400,000,000 may be required.

Premium payments from this fund will be made selectively. Increased production of some materials can be secured without such payments; for others a slight additional payment will be sufficient; in a limited number the premium will have to be substantial to secure the needed output.

In addition to premium payments for conventional materials we must recognize that proportionately greater risks will be encountered in production of new materials. One billion dollars' worth of new or substitute materials will be required. It is estimated that approximately 20 percent of the amount or $200,000,000 will be required to encourage increased production.

THE PROBLEM OF MANPOWER

Serious manpower shortages will have to be overcome if we are to attain our goal of 2,700,000 dwelling units by the end of 1947. There are at present 650,000 workers employed (both off-site and on-site) in producing homes. To meet our goal, a peak of 2,150,000 workers will have to be on the job—1,150,000 actually constructing houses and

1,000,000 at work producing and distributing the materials going into home building. This means that by mid-1947 we must have more than triple the number of workers presently engaged in the industry.

Vigorous action will be needed to attract an additional 1,500,000 workers. Recruiting programs pointing up the long-term prospects of a revitalized industry will have to be started at once. Veterans should be given every inducement to participate. A large scale apprentice program should be undertaken promptly to produce the skills that are necessary.

Wherever wages in industries producing materials are abnormally low and stand in the way of recruiting the necessary manpower, wages will have to be raised. In specific cases where it is absolutely necessary, wage increases will be cared for by premium payments in order to stimulate maximum production.

CONSTRUCTION TO MEET THE NEEDS

No matter how successful we are in stepping up the supply of materials and in training and recruiting manpower, the most vigorous and imaginative measures will be required in the construction industry itself to build 2,700,000 homes in less than 2 years.

In 1946 we cannot escape the use of converted barracks and the movement and reuse of surplus temporary houses. These are not the kind of homes people like but in the present emergency they are acceptable. It should not be necessary to provide any more of them in 1947. They will be located on publicly owned land and will be torn down as soon as the increase in the supply of permanent homes makes their use unnecessary.

Both the construction industry and labor groups must gird themselves for far greater effort than ever before. The Nation expects maximum efficiency from both industry and labor to reduce housing costs. Our target of 1,500,000 homes to be started in 1947 is more than twice the production in 1941, when 715,000 units were built. And it far exceeds the record of 1925, the biggest home-building year in our history when 937,000 units were built.

In order to meet our goal, we must step up conventional construction. This will be facilitated by utilizing some of the improved techniques developed during the war emergency. Under pressure of war needs, some of the leading builders pioneered in mass production methods and on-site fabrication. As a result they were able to accelerate and increase construction and to reduce costs. We will need more widespread use of these mass production methods in conventional building. We will gain great advantages from the use of prefabricated parts for houses, such as complete bathroom and kitchen units, as well as new types of materials. The ingenuity of the industry should extend and improve these methods to meet the needs of this program.

A job of this magnitude is going to require the best efforts of the entire building industry including both large builders and small, both builders of apartment houses and large developments and builders of individual homes. Large scale production of materials will enable the big builders to go ahead rapidly with the larger housing developments. And at the same time, it will assure the small builder, both rural and urban, that he will get his share of materials.

While we must depend for the bulk of our homes on building by conventional methods, we will also need to stimulate a large program of factory fabrication of homes. Increased emphasis on factory fabrication is also important from the point of view of manpower since this method requires a smaller percentage of highly skilled workmen. Greater reliance can thus be placed on semiskilled and unskilled manpower which can be quickly trained. This is essential since the magnitude of this program cannot be met even by the use of every skilled worker who can be recruited or trained. Furthermore, it is expected that greater production of lower-priced homes may be achieved.

A factory prefabrication program lends itself to the use of surplus plants, as well as assuring the full utilization of the existing prefabrication industry. The program is also well adapted to the use of substitute materials.

This program for factory fabrication contemplates the development of permanent homes which will meet accepted standards.

In addition to a shortage of materials, a serious obstacle in the way of the production of 250,000 prefabricated units this year and 600,000 in 1947 is the industry's lack of distribution facilities. The fact that manufacturers do not have established sales outlets tends to keep production down.

Under these circumstances we must encourage private firms to go into this field and do the job, with the Government assuring them of a market for the houses they build. This can be accomplished by giving a Government purchase contract to producers who sell new-type houses through normal private channels of distribution. To qualify for such a purchase contract assuring full capacity operation, the producer should establish that:

1. He is prepared to produce a house which has been approved by the Government as meeting sound and tested standards of safety, durability, livability, and health.

2. The house will be sold in the lower-priced field at approximately $3,500 for a one-bedroom house plus approximately $500 for each additional bedroom (f. o. b. plant, including the necessary equipment, but excluding the cost of land and erection).

3. He had formulated an effective plan for distribution and erection which will be placed into operation to insure that houses will be put up promptly.

4. He can and will produce a specified number of houses for the 12 calendar months after the date of the Government purchase contract which assures him of a market.

Under the purchase contract, the Government will take delivery of the houses only when the producer is unable to market them within a reasonable period following their production. In that case, the Government will dispose of the homes for use in veterans' housing, in the same manner that it now disposes of surplus property of the Government. Some loss may result from this program, but the amount of that loss is expected to be relatively small in relation to the size of the program and to the benefits to be derived.

It should be recognized that conventional builders and construction workers will not only have to do their regular job of home building, but will also have to play a big part in the erection of factory fabricated houses. Thus, the building industry is assured of a leading role in the emergency job. In addition, we can create in a brief period a mass production building industry comparable in size, in opportunity for investment, and in employment with the automobile industry of the twenties.

LAND AND FACILITIES

The Veterans' Emergency Housing Program contemplates building a larger number of homes during the next 2 years than in any comparable period of our history.

As manpower and materials become available sufficient number of lots must be ready, so that veterans' housing may go forward without delay. The number of lots improved with sewer, water, and other facilities is far short of the requirements for the housing program. Vigorous action of all concerned will be required to overcome this shortage.

While it is clear that the central responsibility in this problem rests with the community, it may prove necessary for the Government to assist in providing facilities and in the development of sites.

POSTPONEMENT OF DEFERABLE AND NONESSENTIAL CONSTRUCTION

It will be impossible to achieve our housing goal for the year 1946 without diverting critical materials and manpower from deferable and nonessential construction, both public and private. Only in this way can we secure an immediate expansion of essential residential construction. It will be a matter of months before we can effectively expand material capacity and recruit and train needed manpower. In the meantime, the deferral of the less essential projects provides the one immediately available source of manpower and materials. It is hoped that the materials and manpower shortage will ease sufficiently by the end of 1946 to permit the relaxation of restraints on nonresidential construction. The determination of what constitutes essential and nondeferable construction must be made in terms of well-defined standards and administered on a decentralized basis with the advice of local communities. Appeals from decisions made locally will be reviewed in Washington.

HOMES WHICH VETERANS CAN AFFORD

Recent surveys conducted by the War Department at separation centers reveal that most veterans expect to be able to pay less than $50 monthly for the rental or purchase of a home. A large proportion of these veterans plan to rent rather than purchase homes.

This makes it clear that while there are definite advantages in retaining the present price ceiling of $10,000 (and rental ceiling of $80) on new construction, the largest part of residential building materials must be channeled, through priorities and allocations, into homes selling for $6,000 or less including land, or renting for not more than $50 per month.

To provide moderately priced homes with a maximum of rental units, it is necessary for the Government to offer greater incentive for the building of such housing. This can be achieved by insuring mortgages on low-cost homes for builders to the extent of 90 percent of value. Furthermore, such mortgages must be based on necessary current costs of construction rather than on long-term economic value, and they should be amortized over a long period. These techniques were successfully followed during the war under title VI of the National Housing Act.

The Government can further reduce financing costs by lowering interest rates on insured mortgages and providing other aids to home purchasers.

A complete plan must also include aid for the expansion of the housing program for families of low income, with preference to veterans.

THE DANGER OF INFLATION

An inflationary spiral would be fatal to the housing program. By creating uncertainties it would impede production and lead to inventory hoarding and speculation. It would result in such high prices on homes as to put them completely out of reach of veterans' incomes.

Prices of building materials have already risen 35 to 40 percent above prewar levels. We cannot afford any further rise. Houses are being sold at prices in many cases far above even today's increased costs of replacement. Here again we cannot afford any further rise. Many who want to rent are forced instead to buy at inflated prices. An inflation of housing costs like that which followed the last war would inevitably put prices beyond the reach of millions of veterans and others and would prevent a sustained high level of construction activity.

To curb inflation, the Government must use its present powers to the full, including strict control over prices of materials, and the continuation of rent controls. Legislative authority is needed for ceiling prices on old and new housing and on building lots in urban areas.

COMMUNITY ACTION

No program of this magnitude can be directed from Washington alone. We are going to need the advice and active participation of courageous community leaders in cities and towns throughout the country.

During the past few weeks I have had several meetings with representative mayors and governors, many of whom already have well-developed programs of local action. Together we have mapped out uniform plans for further activity to tie in with the veterans' emergency housing program.

As a first step we agreed that local emergency housing committees should be formed wherever they do not already exist. These committees will be composed of representatives from local government, veterans, labor, builders, building materials producers, financing institutions, chambers of commerce, and other interested groups. The basic purpose of these committees will be to clear away obstacles which might impede the progress of the local housing program.

They will:

1. Undertake to assure first preference to veterans on existing houses offered for rent or for sale.

2. Develop temporary home-sharing programs for veterans.

3. Aid in securing the extension of emergency building codes and the modernization of existing codes.

4. Encourage conversions to provide additional dwelling units.

5. Speed up inspections and issuance of building permits by local authorities.

6. Provide sites for Army and Navy barracks which can be demounted, transported, and converted at Federal expense.

7. Discourage black market activity in building materials and in rents and support price ceilings.

8. Assist in recruiting and training labor.

9. Break local bottlenecks in building materials.

10. Establish centralized information centers to refer veterans to available housing.

11. Assist in arrangements for adequate transportation and services for new developments.

12. Help prepare land and facilities to accommodate new dwellings.

In many instances States will find it necessary to adopt legislation which will expdite the veterans' emergency housing program.

LEGISLATION REQUIRED

Existing laws do not provide sufficient authority to enable us to achieve the objectives of this program. The prompt passage of additional legislation is imperative.

We must have legislation promptly which will:

1. Provide funds for premium payments to secure increases in production of conventional and new types of building materials. Authorizations of $600,000,000 are needed for the purpose.

2. Make funds available to the extent necessary to stimulate technical research into new construction methods and materials by private research groups and to absorb certain developmental costs involved in devising new materials or new methods.

3. Permit the rapid tax amortization of new plant facilities which produce new materials or manufactured homes.

4. Permit the construction of additional rental units and low-cost homes through insured mortgages up to 90 percent of value and recognizing the necessary current costs.

5. Extend to December 31, 1947, the authority for priorities and allocations.

In addition to these measures which are needed to increase and accelerate the construction of permanent housing, legislation is needed which will:

(a) Provide 100,000 additional temporary housing units required to meet the most urgent needs for veterans' housing in cities and in colleges. This additional housing should be provided through the reuse of surplus Army and Navy barracks and other temporary housing. The relocation and conversion of these structures to dwellings requires a minimum of new materials. An additional appropriation of $250,000,000 is needed for this purpose.

(b) Stop inflation in the prices of homes through price control on housing and housing sites. While production is the long-range solution for inflation, we should protect the veteran against excessive prices if he buys a home now.

(c) Extend the necessary financing and other aids provided in S. 1592 (the Wagner-Ellender-Taft bill), to make decent homes available for families of all incomes within their means. This would include the expansion of sound Government insurance of mortgage loans to encourage housing for families of moderate income and necessary aid for the expansion of the housing program for families of low income.

The permanent housing legislation recommended in your recent message on the State of the Union is essential to achieve emergency housing objectives, while at the same time it launches the comprehensive action required to meet our basic housing problem.

Mr. President, you asked me to prepare a bold and realistic plan to meet the pressing housing needs of our veterans.

This is that kind of plan. It is attainable.

This is a plan to meet an emergency which has grown out of the war just as surely as did our need for 50,000 aircraft in 1942. I believe that Americans will face this task in the same spirit in which they faced the fighting part of the war. I believe that the veterans will get their homes.

WILSON W. WYATT,
Housing Expediter.

The Washington Post of February 24, 1946, contained an interesting editorial on subsidy retention. It is as follows:

SUBSIDY RETENTION

With extreme reluctance we are forced to support Mr. Bowles' appeal for an extension of food subsidies for another year. Last fall, when Secretary of Agriculture Anderson was looking forward to speedy elimination of all food subsidies, we rejoiced at the prospect. We pointed out at the time that extensive employment of food subsidies is incompatible with maintenance of a free economy and that controls over production and prices are indispensable accompaniments of a subsidized food program.

However, it was then believed that the pressure on food supplies and prices, following cessation of hostilities, would be greatly relieved, making it safe to abandon these wartime emergency production aids without inviting a sharp rise in prices and living costs. Unfortunately the optimistic forecasts of a few months ago have not been realized, as President Truman confessed in his Budget message. Instead of an anticipated decline in retail food prices, the pressure on price ceilings has increased. To remove subsidies that enable ceiling prices to be maintained without unduly squeezing the producer would necessitate advances in the prices of such essential foods as meats, butter, milk, bread, sugar, and other products. It is officially estimated that the food cost of living index would, as a result, increase by more than 8 percent.

Despite the strong objections in principle to continuance of subsidy payments, it is not feasible to dispense with them under present conditions. Rising labor costs of production have already made it necessary to liberalize pricing formulas and raise ceiling prices on numerous articles. It will be extremely difficult to hold the new price line even under reasonably favorable conditions. If a further sharp rise in living costs were to result from sudden wholesale abandonment of subsidies, we think Mr. Bowles is justified in concluding that it would set off a new cycle of wage increase demands and wreck the control system.

It seems expedient, therefore, to delay action and gradually reduce food subsidies as inflationary pressures subside and production costs begin to decline. Delaying action of this sort is politically dangerous, because subsidies are like protective tariffs: people cling to them long after they have ceased to fulfill their purpose. But the subsidy program is, after all, an integral part of the food-control program. Hence we cannot risk discarding it, so long as the danger of inflation remains and the need for price control continues to be felt.

I am inserting herewith an editorial from the Washington (D. C.) Post of Friday, February 22, 1946:

"CEILINGS" ON HOMES

Much of the opposition to establishment of so-called ceiling prices on existing homes comes from a misunderstanding of what is intended. There was talk some months ago of trying to fix a ceiling for each house on the basis of its intrinsic value or a recent sales price if it changed hands. That idea was discarded because of the obvious impossibility of administering it satisfactorily. What is now proposed is an attempt not to fix ceiling prices on individual homes but merely to ban speculative resales.

Under the amendment which Representative PATMAN intends to offer to his housing bill when it reaches the floor of the House, no limit would be imposed on the price at which a home owner could dispose of his house on the first turn-over. Mr. PATMAN explained the other day, "anybody could sell his home at any price." Once a sale had been made, however, the price paid would become the ceiling price of the house in question. Speculators could not continue to boost the price of real estate by selling the same dwelling over and over again at higher prices each time.

This is not only a sensible arrangement but also an essential safeguard for the protection of returning veterans and others who must find shelter. It would not penalize the home owner. He would not be compelled to accept 1939 or 1941 values for his home. Any attempt to push values down to a predetermined level would merely discourage sales and leave returning veterans and other home seekers in a worse position than they occupy today. What is desired is a normal turn-over of real property without speculative boosting of prices to a level that would be conducive to a crash later on. That is precisely what the proposed ban on speculative resales would do. This provision was in the Patman bill when it went before the House Banking and Currency Committee. We suspect that the committee's action in eliminating it may have been influenced by misunderstanding or prejudice carrying over from previous unwise price ceiling proposals. In any event, we hope that the House and Senate will accept the ban on speculative resales as a happy substitute for unworkable price ceilings on homes.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. CRAWFORD. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. BRUMBAUGH].

Mr. BRUMBAUGH. Mr. Chairman, the need for immediate relief from the housing shortage is one of the most urgent problems confronting Congress and the American people. The plight of returning veterans in being unable to obtain suitable living quarters is a challenge to our Nation and borders upon ingratitude to the defenders of our flag. In short, it reveals us as being tardy in

recognizing an obligation that we cannot in good conscience refuse to meet with positive and effectual action.

However, I am opposed to the plan of granting subsidies to the housing industry because I am convinced that such procedure is unnecessary and economically unsound. We can avoid such indirect deficit financing if we meet the underlying cause for the housing shortage by removing the bottleneck of scarce building supplies through proper attention to the need for price-control relief in deserving cases. The private building industry is fully able to cope with the housing problem if given assistance by removing the shackles imposed upon it by OPA directives.

The payment of subsidies as a means of keeping prices down is nothing short of a mirage because the public eventually pays in the form of increased taxes as the total is added to our growing national debt. If subsidies were to aid the low-income groups and assist veterans, there would be logic in approving such a proposal. However, the proposed subsidy payments will benefit the entire populace, and even includes factories, office buildings, and residences of those considered to be in the upper strata of social life. Restore the normal flow of building materials and supplies and there will be no need to saddle the American taxpayer with the cost of a subsidy program that is impractical and unsound.

Furthermore, the subsidy program is designed to aid in the building of houses that from the standpoint of being sturdy and practical serious doubt is entertained. To aid in such "mushroom construction methods" will only contribute to future slum conditions and morally we will be guilty of short-changing our veteran population by sacrificing veterans on the altar of expediency. Our veterans when they build homes are entitled to the best possible houses of the sturdiest construction and their credit dollars should not be exchanged for a "House built upon the sands." From a purely administrative standpoint the task of allocating subsidy payments assumes monumental proportions and reveals the necessity of further extending the evils of bureaucracy to the housing field. It is not difficult to understand the delay and inefficiency that will result from attempting to administer the subsidy program which should be discarded for the more practical plan of affording regional price control relief in the various States based upon local conditions.

The granting of subsidies to the building trade would bring about mass production of prefabricated homes and would have a tendency to destroy the small business in practically all the local communities. When the present emergency program is terminated these communities would be left without any local building industry which would work a definite hardship because there would be no one to take care of repairs and the additional building that would be essential as the community's population increased.

In addition, to place ceiling prices on newly constructed homes instead of serving the purpose for which this bill was originally drafted it would simply mean that most of these local builders would find it practically impossible to keep within a fixed ceiling unless they would use inferior material. Inasmuch as there is now a ceiling on every item used in the building of homes to place a further ceiling on building would mean that ceilings would have to be placed on wages and I am sure Congress would be opposed to such a measure.

I am in favor of utilizing existing public housing units as a means of temporary relief from the present situation as such buildings should be made available for occupation during the present emergency. However, the private building industry should not be hampered in its efforts to attain full production, because any encroachment in that particular field will prove detrimental to the thousands of skilled craftsmen who have spent years in learning their respective trades and upon whom we can depend to construct housing units that are sturdy and practical and which will stand as monuments to the genius of American labor.

Another important reason for removing current restrictions on the private building industry is the fact that the manufacturers of building materials and equipment, together with the skilled craftsmen who fashion these materials into practical and sturdy homes, represent an important segment in small business circles in America. Since small business concerns are the backbone of our industrial and commercial life, it is shocking to our national conscience to even meditate upon the adoption of any program that would stifle production and retard the normal expansion of such an important phase of our national economy.

Instead of an increase in the building of homes for veterans, if this law is enacted, a heavy burden will be placed on the local builders, which will mean fewer, rather than more, homes. I am of the opinion that these regulations will either place the building of homes in the hands of large industrialists on a mass-production basis or force the Federal Government to attempt to solve the housing problem by creating additional Government bureaus.

I have unbounded faith in the genius of American industry and labor because this twin combination startled the world by its concerted efforts in establishing production records during wartime that staggered the imagination and won world-wide acclaim. In peacetime private industry can meet the challenge if given an opportunity to do so, and it is our obligation to see that no hastily conceived legislative proposals are allowed to impede the building industry in its efforts to give account of its stewardship to the American people.

Mr. CRAWFORD. Mr. Chairman, I yield such time as he may desire to the gentleman from Nebraska [Mr. BUFFETT].

Mr. BUFFETT. Mr. Chairman, no oratory is necessary to emphasize the current need for housing.

The question is, "What can this House intelligently do to remove the barriers that are preventing large-scale home building for veterans?

Everyone is in favor of temporarily channeling a large percentage of necessary building materials into homes selling under $10,000. But some allowance must be made for both farm repairs and urban maintenance and additions to existing residential units. Beyond these items, it would seem that industrial, commercial, and public construction should be held to a minimum.

There is general agreement that veterans should have substantial priority in the purchase or rental of new residential units.

There is general agreement that the necessary channeling and priority powers shall be extended for a period beyond June 30, 1946.

Beyond these points are two important areas of dispute. One is over the proposal for fixing ceiling prices on existing houses. That radical move demonstrates the panicky state of mind of the inflation-spenders who now hope to evade inflation by outlawing its symptoms.

The other scheme is the demand for a vast outlay of subsidies, aggregating at the start $600,000,000, for the alleged purpose of accelerating the production of building materials and housing.

Mr. Speaker, this housing emergency is not just a "war baby." The testimony before the committee indicated otherwise. OPA "too-little too-late" delays and bungling in the price fixing of building materials has multiplied the intensity of our house-building problem.

Let us take a quick look at how OPA has hamstrung the production of building materials. Last June 4, during the House hearings on the extension of OPA, Mr. Bowles made this flat statement: "We must in no event stand in the way of production." That was the promise. What was the performance?

In March 1945 the brick industry, with hundreds of plants closed, asked OPA for a price increase. It was six long months, to September, before a price increase was granted. The price increase was mostly passed along to labor, and in 2 months production was up 30 percent.

If the OPA had acted on this price request promptly, there would be no shortage in the supply of brick in the United States today. Measure that performance against Mr. Bowles' promise, "We must in no event stand in the way of production."

The clay sewer-pipe shortage represents another critical problem. Here again 6 months elapsed between the application for a price adjustment and the date OPA finally acted.

Enameled plumbing fixtures are short. Three months elapsed in this industry before a price adjustment was acted upon. In brass plumbing fixtures, it took OPA 4 months to act when the producers asked OPA for action.

In coal furnaces and air conditioning 5 months have elapsed since the application for price relief was made and still no action is reported, but Mr. Bowles says, "We must in no event stand in the way of production."

In millwork over 18 months were required to induce the OPA to permit adjustments in individual company prices.

In window screens, 5 months' delay occurred before price adjustments were made. A delay in any one item keeps a home from being completed.

In gypsum board, the first producer asked for relief in February 1945. Six months went by before this producer got a price adjustment. Nine months elapsed from February 1945, before a general adjustment was made.

Regarding lumber production, somebody will probably write a book, sooner or later, about the OPA-created bottlenecks and confusion in this industry. I will only take one example. The red cypress people asked for a price adjustment on May 30, 1944. On August 31, 1945, 15 long months later, they received a price adjustment representing partial relief.

Does this square with Mr. Bowles' promise, "We must in no event stand in the way of production"?

The lumber situation is highlighted by the fact that lumber was known to everyone, except the OPA, as the No. 1 problem in the building industry. Early in May 1945, WPB Chairman Krug, wrote the Lumber Industry Trade Association:

> Lumber's availability may well be the deciding factor in the partial reconversion period following VE-day.

What did the OPA do then in this critical reconversion problem?

During the same month that Krug made this declaration, the OPA turned down a request of producers in a major lumber region for higher ceiling prices and in that connection OPA admitted:

> Marginal production, accounting for approximately 25 percent of the total volume will not be on a profitable basis under existing ceiling prices.

Mr. Chairman, I could go on and on, but this brief factual data illustrates the real cause for the critical home-building shortage. The cause is the OPA. It has resulted from Mr. Bowles' refusal to keep his pledge to the Congress and the people, "We must in no event stand in the way of production." The promise was fine, the performance was failure.

Mr. Bowles and the OPA have stymied, hamstrung, and crippled the production of building materials. The blame should be placed squarely on the OPA where it belongs. The building industry should not be crucified by socialistic subsidies because of the deception and failure of a governmental agency—the OPA.

Mr. Chairman, the strategy of the six hundred million subsidy proponents should be brought into full view. By exploiting the veterans plight resulting from the OPA accelerated shortage of housing, the inflation-spenders expect to force the Members to vote for this six hundred million subsidy.

How? By creating the impression that a vote against the subsidy scheme is a vote against the veterans. The maneuver is very seductive. But it will not succeed, if the membership will appraise this situation realistically.

Here are the facts. American boys were sent all over the world to fight for our free economic system. Now, when they come home, they find their own Government attempting to take over the housing industry because of an acute shortage caused by governmental controls and bureaucratic red tape.

American boys were sent abroad to fight for free enterprise. Then it should be given a chance to function upon their return. It will be a hollow victory for the veteran if he is provided a make-shift home at the cost of destroying the very system for which he was told he was fighting to preserve.

Some Members have said, "Well, I am against the subsidy socialization scheme, but I am afraid that if I vote "No" the veterans will misunderstand my vote.

That alibi, Mr. Chairman, would be an insult to the intelligence of the veterans. If any Member of this House truly believes that the veterans are going to be confused so easily, that Member may get a rude awakening.

Let us review this picture. The OPA has bungled the pricing of building materials for over a year. A so-called housing bill is before Congress. When the bill gets on the floor, a $600,000,000 blank check is asked for a bureau to take the building industry apart and see what makes it tick.

Will you tell your veterans that you shut your eyes and voted for a $600,000,000 experimental subsidy scheme, which had received not one hour's discussion in the appropriate committee—a subsidy scheme on which the Members of Congress have no information except the glamorous verbal rainbows painted in a few minutes debate in the House?

Are you going to tell your veterans that you voted a six hundred million blank check to bureaucrats for a scheme on which the building industry had no hearing and no voice?

Are you going to tell your veterans that you favored the method of "lynch law" for a bureaucratic blitzkrieg to take over the housing industry?

Mr. Chairman, I have full confidence that the veterans of my district are competent enough to accurately appraise my vote against this subsidy scheme. I believe they will approve of a "No" vote on a six-hundred-million blank check to a politician turned house builder by Presidential edict. I believe the veterans of every district in America are fully competent to discover the fraud in this method of procedure.

Mr. Chairman, this subsidy is a brazen attempt by the inflation spenders to use the veterans as a shield in their drive for national socialism.

Mr. Chairman, as that is the purpose behind this six-hundred-million proposal, I hope that the veterans and the Congress will recognize it immediately. No one in America has as vital a stake in a balanced budget and an honest dollar as do the veterans. The future of the widow, orphan, and wounded, plus the opportunities of the GI bill, depend on restoring a balanced budget now.

This House should defeat this first large-scale attempt by the inflation spenders to exploit our honored veterans.

This House should insist that free enterprise have a fair chance to build houses.

This House should demonstrate to the veterans that we will protect the system of full production by free men, for which 350,000 Americans died in this war.

To surrender or compromise that free system without even a trial or a hearing would be a shameful betrayal of every American who died in World War II.

Mr. CRAWFORD. Mr. Chairman, I yield such time as he may desire to the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. Chairman, this Patman housing bill is in reality a bill to prevent the building of houses.

If the Congress is going to pass any measure that is before it, it should take the Wolcott substitute. I propose to offer an amendment to the Wolcott substitute. It will be offered on page 4 of the Wolcott substitute, after line 16. We should insert a new subsection, which reads, as follows:

> Subsection (5). To approve the price ceilings on lumber and other building materials, and no price ceilings heretofore or hereafter established by any other agency on lumber and other building materials, shall be effective until the same is approved in writing by the housing expediter.

The purpose of this amendment is to empower specifically the official who is responsibile for the construction of homes with authority to control the price ceilings on the materials from which homes are made. In other words, it fixes responsibility. It is an amendment to prevent delays and hindrances by a divided authority.

Recently the Nation was faced with a price ceiling established on finished flooring which was below the price ceiling of the rough lumber from which it is made. The Office of Price Administration has made many ridiculous rulings of like character. All of these have prevented the building of homes for our veterans and others. Certainly, the individual responsible for the building of houses in America should have authority to overcome that obstacle.

Mr. CRAWFORD. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. REES].

THE PROPOSED COMMITTEE AMENDMENTS WILL NOT SOLVE THE HOUSING PROBLEM

Mr. REES of Kansas. Mr. Chairman, it is obvious to every American that the present scarcity of living accommodations is a threat to normal peacetime adjustments. It is not necessary for me to describe the critical housing shortage, but I should like to discuss, briefly, whether this particular bill will solve the problem.

One of the purposes of this bill is to create a new agency—the Office of Housing Stabilization. This agency is to formulate a comprehensive housing program. Mr. Chairman, since there is in existence a National Housing Agency, why must we perpetuate emergency after emergency by the creation of a new emergency agency.

The principal purpose of the bill deals with the question of ceiling prices on new homes. From the standpoint of pure logic, the present Office of Price Administration is already vested with the power to set ceiling prices on new homes.

The bill also relates to priorities and allocations, all of which are vested in the Civilian Production Administration. It is doubtful whether these powers regard-

ing priorities and allocations of building material can be better administered by a new emergency agency in any different manner than by the present Civilian Production Administration.

Mr. Chairman, in analyzing this bill, it is difficult to see how it is going to solve the housing shortage. This legislation will not really provide one additional foot of lumber or put a single roof over the head of one veteran. I believe the way to provide for more houses for our veterans and for prospective home owners is for private enterprise to build more homes. Government agencies in existence have ample power and authority to allocate and channel scarce materials and equipment into the hands of builders and contractors and to otherwise deal with this critical problem.

We have Government agencies loan up to 80 or 90 percent of the cost of the homes for purchasers who find it necessary to borrow the money.

It occurs to me that Government agencies, instead of sponsoring additional emergency legislation, ought to bend their efforts and use their influence to increase production, thereby providing builders with materials at prices which the prospective home owner is able to pay.

If price ceilings are necessary as an emergency measure, that should not be used as an excuse to create a superagency in the housing field, which is already encumbered by Federal regulation and control. This bill, if passed in its present form, will make the housing industry more chaotic than it is today. We do not need an Office of Housing Stabilization to tell us that a housing shortage exists. We do need, very definitely, a settlement of wage disputes affecting the lumber and building trades industry and a proper enforcement of revised building codes and a channeling of all building materials into the home building field, with priority for veterans, and Government encouragement of full production of housing materials.

It is agreed that veterans want homes at moderate prices, costing between five and seven thousand dollars. I find nothing in this bill which will provide such housing accommodations for veterans. In fact, unless the Federal Government is going to subsidize the entire housing industry, I do not believe any legislation will substitute for 1 or 2 years of full all-out production of homes. As I have stated on the floor of the House, I find no substitute for all-out production to bring prices on all commodities within the reach of every citizen.

As I understand it an amendment to this bill is to be considered that will provide ceiling prices on used homes at prices to be set after the passage of this act. I can understand how ceiling prices may be placed on new homes because the cost factors are obtainable. It seems to me that it would be almost impossible to place ceiling prices on used homes. Such action might encourage black markets and enforcement would be a difficult problem. The more you think about it, the more complicated the problem becomes. Of course, ceiling prices on new homes, if that becomes necessary, will affect the housing market to such extent, it would be unwise for the Government to dominate the transfer of every home in the country.

Consideration is being given to the payment of subsidies to manufacturers of building materials in order to induce the increase of finished homes. This again is inflationary and becomes doubly harmful because subsidies cannot be equitably distributed among the producers of building material.

I am in favor of and want to support any action that may be reasonably taken to stabilize the building industry and to provide for a maximum number of homes in the shortest period of time.

If it is deemed necessary to amend acts that have been passed by Congress, we might do that, but I do not believe that the creation of another agency with all the powers and authority provided in this legislation, would be the means of speeding up the building of homes in this country.

What this Government needs to do is to lend every assistance and every encouragement for the highest production of an abundance of building materials of all kinds so we can have more and more houses at the earliest possible date.

Mr. CRAWFORD. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, I have never heard so much hokum, bunkum and baloney expressed on the subject of a bill since I have been in this Congress as I have heard this afternoon. There has been a greater display of ignorance on the part of Members of this House concerning home building than on nearly any other subject I have heard discussed so far. I think I can say that because I have attended the session this afternoon quite religiously and have listened to everything said.

I have built a few homes myself in the past and I think I know something about home building. I have sold homes and bought homes. I have not seen anyone yet or heard anyone yet this afternoon that has made a sound statement concerning that subject.

In the first place, what is a real-estate market? A real-estate-market price is set by a buyer who is willing and able to buy and a seller who is willing to sell, and they jointly agree upon a price and that is the market. What is the valuation of a piece of property? There are valuations based on use and there are valuations based on straight appraisal. The value of a piece of property at the time of its being appraised, is its reproduction cost less depreciation and obsolescence. That is all very simple. That is what the value of a piece of property is. It is current reproduction cost less depreciation and obsolescense. That is all it is, nothing else at all.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Has not that principle been recognized in our courts and in our procedure for 165 years?

Mr. HINSHAW. Absolutely. It has been recognized by every court in the Nation and by every intelligent buyer or seller of property.

Mr. RABIN. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from New York.

Mr. RABIN. Would the gentleman include the value of present availability also?

Mr. HINSHAW. No; that would come into the market price, but that would not be included in an appraisal. That would come into the market price as a question of availability, quite so. When there is an oversupply, then availability is a negative factor. Right now it is a positive factor in price.

Mr. CRAWFORD. Has not that principle also been recognized by the insurance companies in settling for fire losses and tornado losses?

Mr. HINSHAW. Of course, it is recognized by every insurance company. It is recognized by every lender, including the FHA, the NHA, and anybody else that has anything to do whatsoever with lending, selling, and construction.

Before I go further, the gentleman from Mississippi [Mr. WHITTINGTON] a moment ago asked the gentleman from Texas [Mr. PATMAN] whether or not this bill permitted any materials to be taken away from flood control and the building of highways, and so forth. I believe that he assured the gentleman that it did not. Is that correct?

Mr. WHITTINGTON. I am not quite certain from his answer. I do not know what it would do under the amendments I understand the gentleman intends to offer. From what I have heard, and the amendments have not been printed, priority would not be given for any flood control, river and harbor, or highway work.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Texas.

Mr. PATMAN. Veterans would be given preference. Does the gentleman favor the veterans' preference?

Mr. HINSHAW. That has nothing to do with it. Of course, I favor veterans' preference in home building, but the veterans have to ride on highways and they have to be protected from floods, and they have to be provided with sewers, electric street lights, and a lot of other things, not only in the place they actually live but on the way from there to their work and where they work. Yours is a very demagogic statement, in my humble opinion.

To the gentleman from Mississippi may I say that concrete and steel are commonly used in the construction of homes, particularly for foundations; soil pipe, hinges, doorknobs, nails, and almost everything else that has to do with a home requires steel. Concrete and steel, cement, rock, sand, and gravel are commonly used. The authority given in this bill will be to divert such materials from any other purpose to this purpose.

Mr. WHITTINGTON. That is the reason I asked the question, because I had the same understanding.

Mr. HINSHAW. Of course.

Mr. WHITTINGTON. I further had the understanding that that priority authority ought not to be given because the veterans are as much interested in flood

control and in bridge and highway construction as any other citizens.

Mr. HINSHAW. They are even more interested than other citizens. They need jobs and buildings and tools in which and with which to work, and ways to get to work and back.

Mr. PATMAN. They certainly ought to be specifically included.

Mr. HINSHAW. Having been in the building business at one time, I have taken an interest in building situations wherever I have been. Here in Washington I have had occasion from time to time to talk to people in that business to find out what was going on, and to price properties and price construction. The prices of property in Washington, D. C., have gone up approximately 30 percent in the last 5 years, and I have checked that market myself to find out, while the cost of construction has gone up in the neighborhood of 40 to 45 percent in the same time. Construction costs have risen faster than resale prices.

If you go to a man and say to him, "Mister, I want to buy your property," and he says, "Now, I paid $5,000 for this property in 1940, and I will sell it to you for $6,000," the man is crazy, because he cannot reproduce that property for less than $7,000 today. Why should he sell his property for $6,000? It is ridiculous. He should sell his property on a fair valuation, which would be the reproduction cost new, less depreciation.

In other parts of the country the cost of construction has gone up even higher than here. I personally built a house for my own use in 1938, just before I came to Congress. I lived in it 6 weeks and then came here, and later sold it. That property cost me $3.50 a square foot to build, in 1938. On my return to California this last Christmastime I inquired of the general contractor and the architect who built and designed that property what it would cost to reproduce it today. Their answer, much to my surprise because I would hardly have believed it, was that the reproduction of that property today was from $9 to $11 a square foot if they could get the material and have it delivered on the job on time. Just figure that one out. That is about 3 times the price that it cost me in 1938. The reason for it, of course, was that at that time there was an availability of material in surplus at low prices and an availability of labor. Incidentally, I hired 100-percent union labor on that job at fair wages, at current union wages of the day. I would do so again. But in that area, the wages of plasterers, carpenters, and plumbers, and all the rest of the building-trade labor have gone up very materially and there has been a great shortage of that kind of labor because of the war and because we have built thousands and thousands of homes out there. Some of the workmen say, "Well, we do not want to work on Monday, but we will work on Saturday if we can get time and a half." That adds onto the bill. They want that time and a half. That is what is happening in the building industry. Now, you say, "Yes, it costs the veteran $7,000 to buy a $5,000 home." That is true because the cost of labor and materials has gone up that much. It is not a question of speculation, as my friend the gentleman from Texas would say. The speculators are those who catch the people who own property and do not know the value of it. The speculators buy property from owners at less than its current value and then sell it at the current market value. Those former owners are the people who lose by that game—by selling below the market to the speculators. I am sorry if those people do not keep abreast of the market situation insofar as reproduction costs less depreciation are concerned, but the owner does not have to sell unless he wants to. The speculator does not raise the market. He buys properties that are offered below the market and sells at the market.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield for a question?

Mr. HINSHAW. I yield to my colleague from California.

Mr. JOHNSON of California. Does not the factor of supply and demand have something to do with the situation?

Mr. HINSHAW. The factor of supply and demand has a great deal to do with it. Suppose I own a house and a man comes to me and says, "I want to buy your house." I say, "I do not want to sell." He says, "What do you want for it?" I say, "Well, I do not care to sell." He says, "Well, you must have paid about $5,000 for it 3 years ago and I will give you $6,000." I say, "No, I do not want $6,000. I would rather not sell." Pretty soon he says, "I will give you $7,000." I say, "Well, that is $2,000 profit." So I go out and look and see what I can get for $7,000. Maybe I will be able to get a new house that I like better than the one I live in. So I go out and buzz around the contractors and real-estate brokers. Soon I discover I cannot either buy or build anything better than I have for the price that he offered to pay for the house. "No," I say, "I will not sell for $7,000. I cannot better myself by doing that." He says, "I will give you $8,000." Then he begins to strain on my heartstrings a little bit because here I have really a market profit this time. But I do not want to take the trouble to move and go through the transfer of title business and all the rest of it so I say, "No." Finally, when he offers me enough so that I have enough profit in the proposition for trip back to Kansas to visit the folks, I say, "All right, brother, you can have it. I am going to Kansas." That is the way it goes. Then March 15 rolls around and the profit, which is really not much of a profit on the basis of reproduction cost less depreciation, is taxable as income and a substantial part of it goes to the collector of internal revenue.

The reason why the buyer bids above the real value is because there is a shortage of houses and in order to get someone to sell he must offer a substantial inducement. Putting ceilings on houses won't make houses available. Building plenty of new ones will eventually break the bottleneck, and that is the only way it can be broken.

Mr. JOHNSON of California. Out in our section of the country there are probably three times as many veterans who want homes as there are homes that can be built.

Mr. HINSHAW. Of course, that is absolutely true.

Mr. JOHNSON of California. That has raised the price.

Mr. HINSHAW. Out of 6,000 veterans who were discharged from Camp Pendleton in a recent week, 3,100 decided that they are going to live in California. That is one reason why we are having quite a serious problem when it comes to veterans' houses in California. If those who really live elsewhere would go home for a while it would help ease the present terrible situation.

In this bill there is the greatest possibility in the world for some of the finest rackets you ever saw in the building industry, if you please. I will tell you how they can work. With the authority given to the Administrator under this bill, and do not think that authority is not used, he can practically designate, if he chooses, for example, on what particular piece of land he will permit the priorities to be used. Is that not correct? They did it during the war under title VI for housing. I can mention specific cases, but I will speak only in general and show you how that racket works. This will be only one way out of a great many ways that the racket could work. Suppose there is a certain piece of vacant subdividable land one square mile or 600 acres in size less the bounding highways along the property. Let us say one highway is a good business street. A man who is a political racketeer with allies in the right places in Washington goes out and takes an option on that 600 acres. He may pay $25,000 for the option to purchase 600 acres net at say $500, or perhaps $1,000 per acre. When he has taken that option, he finds himself a likely and friendly contractor who is able to build and build in quantity, and he says: "Now, brother, I have got an option on this piece of land. I will sell you the option and you buy the land, and you build 2,500 houses on that 600 acres."

The contractor says: "No. I don't want that deal at all, because I don't have any priorities to build on that land, and it is not within the building-area limitations that are set forth by the Housing Expediter, or the Administrator, or the OPA, or the WPA, or the NHA, or the FHA, or whatever it might be."

He says: "Don't worry about that. I will take care of the priorities and all that—I have friends."

"Do you guarantee it?"

"Yes."

"What is your price for the option?"

"I'll tell you what I'll do. I'll give you the option if you will deed me back 1,500 feet of frontage zoned for business on this main business artery for the option."

He says: "That is a fair deal. That is about the value of it as acreage."

So he gets the 1,500 feet of business frontage down on the main drag, and the contractor gets the rest of the property and the priorities and preferences.

What happens? He builds 2,000 or 2,500 houses on this land without any trouble or delay. The other fellow has 1,500 feet of business frontage which has cost him almost nothing, practically.

That business frontage, with 2,500 families behind it, and other places across the way and around the block is worth probably not less than a thousand dollars a front foot, and that political racketeer has $1,500,000 worth of business property to his credit, that cost him $25,000, because he has friends in the right places.

That is one of the rackets that can be worked in this game, if you have friends among those who issue the priorities and determine the places where the veterans' homes can be built.

There are some other rackets I would like to delineate to you because I understand how these things work. I have talked with some people who have been close to that business and who have done a great deal of building during the war, and I know whereof I speak. It is all quite legal they say.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. Yes; I yield.

Mr. RABAUT. I am very interested in the gentleman's remarks. I have had a great deal of experience in the real-estate business. I wonder what you suggest? We are trying to suggest something here.

Mr. HINSHAW. I will tell you what I would suggest, and I appreciate the question. I would suggest that this racket of priorities and this racket of the control of prices, to the point where nobody but the favored few can afford to produce stuff to sell, should be abolished and abolished now. And I will tell you why. Take a certain building material that was not necessary during the war, because it was not needed in connection with the war, but it is a very widely used building material. Let us pick one out of the blue and say cellulose wallboard, three-quarters of an inch thick. The price on that material was the same in 1938, 1939, 1940, and 1941. In 1942 a ceiling was put on it in March, and since then there has been comparatively little use for it except by the Army and Navy, and they have made special contracts. So the price ceiling is still the same ceiling that was on there in 1942.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. CRAWFORD. Mr. Chairman, I yield the gentleman four additional minutes.

Mr. HINSHAW. It comes along now to the point where the wallboard is badly needed in the building industry, as one of the cheapest and best things with which to build. The manufacturer of this building material comes down to Washington and says, "I should have an increase in price now because I am paying my labor 30 percent more; a 15-percent increase during the war and 15 percent which I just granted, and I should have an increase in my price on that material so that I can come out. Otherwise, I cannot afford to make it."

They say, "We are sorry, but you have got to stick by 1942 prices. We are holding the line."

So there is none of that product made. Where do you as a veteran home builder get off? You have got to buy more expensive material, if you can get it at all on the market, and the other stuff is not being produced.

Mr. RABAUT. Mr. Chairman, will the gentleman yield further?

Mr. HINSHAW. I yield.

Mr. RABAUT. I have been attending hearings upstairs the last few days, and I have not heard all the discussion, but I am very interested in this bill. I understood there was to be an amendment offered here for subsidies for the purposes of production. Would not that take care of the situation we are talking about?

Mr. HINSHAW. It might in the governmental sense but that does not take care of it for me because when first there are subsidies then immediately comes the thumb of the bureaucrat. I do not believe in subsidies. No businessman wants subsidies, he wants a fair price. Government subsidies have to be paid for by the people through buying bonds and paying taxes. Subsidies are like dope.

Mr. RABAUT. The gentleman's idea, then, is that we should just let things find their own level, just let things go.

Mr. HINSHAW. I will say this to the gentleman from Michigan, I believe that if this country could be turned loose to exercise its productive genius without restriction and without strikes, that you would find prices lower than they are now or proposed to be, inside of 6 months. But as long as you keep up all these restrictions you create the very bottlenecks that you seek to break. And strikes only create greater shortages at the very time we need production.

Mr. RABAUT. I realize the gentleman's seriousness in the matter, but the history of World War I refutes every point he has made.

Mr. HINSHAW. I beg to differ with the gentleman. I went through World War I.

Mr. RABAUT. So did I.

Mr. HINSHAW. I served in the Army, and when I got out went into business.

Mr. RABAUT. So did I. I was in the building business too.

Mr. HINSHAW. I was not in the building business; I was in the manufacturing business at the time working on the assembly floor of a factory as a grease monkey. I know that back in 1921 they dumped the surplus war goods on the market, surplus war materials. That is what started that depression, but in this war they will not even turn them loose. They have thousands and thousands of kegs of nails in warehouses in Chicago, so I am told, yet we cannot get one keg of those nails out on the west coast, and we cannot continue construction for long out there because we cannot get nails. No; the nails have to go to local distributors in the Chicago area under the regulations, and they never reach the west coast. We have shortages of other things too because of the regulations of the bureaucrats down here in Washington.

Mr. ELLSWORTH. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. ELLSWORTH. Substantiating what the gentleman said about wallboard, the panel fir plywood industry on the present basis produces only about 5 percent of its output in house building board, I think that is three-eighth-inch panels, and so far they have not even yet had a price set on the 1942 basis. As the gentleman pointed out, since the end of the war they have not even had a price established on the coast based on cost of production.

Mr. HINSHAW. No; and if they were a smaller outfit, they would pretty soon find some cheap chiseling racketeer politician coming to them and saying: "I think you need a representative in Washington to represent you down there; I understand you are having difficulty with the OPA. If you will pay me a $2,500 retainer, I have an office in Washington that is friendly with the right people. We will get your price fixed for you, and we will get even more for you than you think you ought to have."

I have known that to happen more than once to manufacturers in my own district.

Mr. ELLSWORTH. The Housing Expediter has said he needs 50 percent of their output; still they have not done anything about fixing a price on it.

Mr. HINSHAW. That political racketeering and these restrictive laws and senseless regulations are the things that are causing the great housing shortage today, and we ought to get rid of them.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. SPENCE. Mr. Chairman, I yield 15 minutes to the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Chairman, I believe the House today faces a very vital decision. I think we can be overcautious and oversimplify this decision and come up with the wrong answer. Or I think we can show a little native American courage, a little native American business vision, and come up with the right answer. By that I mean we can take action in the House when this bill is read tomorrow to give to America a real and genuinely effective housing program.

A great deal has been said here today about wanting to do something for the returning veteran. I am in favor of that, and every man in the House is in favor of doing that.

HOUSING AND JOBS NEEDED

I am interested not only in doing something for the GI's, in finding them a decent place to live instead of in reconditioned gasoline stations, chicken coops, jamming up three or four families with mothers and two small children, sleeping on the floor of an in-law's house, but I am also interested in seeing real, honest job opportunities opened up for the GI's to go to work in.

In my own home town there are over 4,500 GI's registered today for employment and less than 200 job opportunities filed there.

We have the great task to build homes for these servicemen who are arriving 20,000 to 25,000 each day on the boats as they come back from overseas. We must also build for the backlog of the four or five million veterans who have returned since VJ-day.

We will not be able to find homes or jobs for these men unless we pass legislation that will make possible the breaking of the bottlenecks that today exist in the housing industry.

FREE ENTERPRISE MUST PROGRESS

It is all right to talk about preserving the sanctity of free enterprise. I believe in free enterprise to the very depths of my soul, but I do not believe that there is any sacred-cow entitlement in free enterprise to resist constructive change and improvement. Or to tenaciously cling to limitations and habits they have had during the past 10, 20, or 30 years.

As Wilson Wyatt said, you cannot do this job with business as usual. You will do it under the capitalistic system, you will do it under free enterprise, but you will see a progressive, free enterprise change a few of the old rules and musty habits of the game. That has happened in countless times in America and it has made our country great.

DEAD HAND OF THE PAST

If we had listened to the argument of the buggy whip manufacturers, of the men who made the shafts, we would not have had an automobile industry today. If we had listened to the arguments of the ice people we would not have electric refrigeration today. Almost every single step in America's progress toward prosperity has resulted in the free enterprise industrial system being alive to meet modern conditions.

So I can see no great danger, no socialistic housing program as some have jeered at this legislation, when we simply recognize as a Congress, as a free people, that we have a gigantic task to do and we must do it in the progressive American way.

NEED 2,700,000 HOMES

Let us see what this job is. There are 2,700,000 homes needed in this country today for veterans. The very best estimate that you can get under present techniques, that you can get under the laissez-faire policy of "let well enough alone," not giving any help to the veteran or to the builder who is trying to help the veteran, is about 300,000 homes per year—600,000 homes versus 2,700,000 homes in 2 years.

There is prosperity and employment for the returning veterans when we help them to build their own homes, when we permit them to work for men who we have helped in getting priorities and materials to build these homes. This is far better than having those veterans homeless, walking the streets, jobless, discouraged, drawing unemployment compensation from their Government, which they do not wish to do, at the rate of $20 per week over a period of 52 weeks.

I think America should have the courage to do as Wilson Wyatt has done, and as the President has directed him to do when he said, "Do not bring in a small program. We want a big plan."

CREATE A NEW INDUSTRY

Mr. Chairman, you talk to the men in the housing industry who have vision, men who are not hidebound by old-fashioned hammer-and-saw technique, and they will confess to you that the housing industry after this war offers the best opportunity of a new giant industry in this country. An industry that can create untold billions of values to our country, untold millions of jobs and resulting in millions of homes for veterans and for others in the process.

Yet because a little bit of this legislation tramples on the toes of hidebound tradition in this industry or that industry it is called socialistic housing.

This is a bill designed to enable free enterprise to become bigger, better, more efficient, and to meet the needs of an America that is somewhere between five and six million houses short of fulfilling the land of promise that every soldier thinks he is returning to.

MATERIALS MUST BE EXPANDED

We cannot possibly build anywhere near the number of houses that we need and must have with the materials that are available today. You can blame the OPA if you want to; you can criticize the bureaucrats and all that, but you all know there have been many other factors besides the OPA involved in this thing. I remember about a 3-month strike after VJ-day on the Pacific coast which stopped almost all lumber production. It was a labor difficulty, perhaps. Maybe it was a sit-down against paying further excess-profits taxes up to the January 1 deadline.

There are many causes for the material shortages. Take your labor trouble, your dislocation by reason of the war, your repeal of the excess-profits taxes—these are only a few. The OPA is not alone to blame. I grant you that there are many cases where you can single out grievous errors that have been made in the pricing of housing material, but I also know that there have been dozens and dozens of price increases given, and yet as these price increases were had, you still did not get the production that you sought for. It still dries up, and somehow price alone does not give the production that is needed and which determines whether we are going to have these homes for the returning veterans.

PRODUCTION INCENTIVE PAYMENTS

I propose to offer an amendment recommended by Mr. Wyatt in the President's program that he be allowed to have a ceiling of $600,000,000 for use in material subsidies to stimulate additional production of building supplies.

Unless we have that amount of help—and it is a maximum figure and it has to be vitalized with an appropriation by the Committee on Appropriations—I do not think we can break the bottlenecks to stimulate hundreds of the high-cost producers, the man who is on the ragged edge and cannot get going. Unless we do that I do not think you will possibly get the materials you need to even support a 300,000-home-per-year program, let alone the 2,700,000 that this country needs today.

This matter of production subsidies is not entirely revolutionary; in fact, Member after Member during the war, as we were struggling to get the goal of war material up to where it could turn the tide to victory, stood on this floor and praised the subsidies on copper, lead, and zinc and on the other basic critical materials needed for war. That program was well run, and it enabled us to hold reasonably the ceiling on the low-cost producer and still get production from the marginal high-cost producer that was the difference between adequate supply and not nearly enough supply for all.

FIGURES ABOUR 3 PERCENT

So I think, although the $600,000,000 figure sounds like a large figure, that when you break it down as to the cost of these 2,700,000 homes, it represents something slightly over 3 percent of the cost of the whole program. If a 3 percent expenditure will help us to get a flood of material, to break the little troublesome bottlenecks, on things that need only a few thousands of dollars to get them into full production, then I think this House can wisely and judiciously effect that.

We have appropriated $191,000,000 to move temporary housing that we know is going to be torn down in 4 years. In the Senate there is another $200,000,000 going through, and the House will probably support that, to use this temporary housing and reconvert it for 3 or 4 years use only to make housing for this emergency situation. Yet you will only get about two or three hundred thousand housing units out of this sum. Out of that almost $400,000,000 that must be written off we get only a fraction of our goal in housing units. Here we are asking you to amortize, not appropriate, the use of $600,000,000 in subsidies to break troublesome material bottlenecks for production that will get this machine rolling under a free-enterprise system of 2,700,000 homes.

CONGRESS SHOULD ACT

I am glad that the gentleman from Michigan, although he did not wish to comment on it on the floor, has said in the past, if he is quoted in the press correctly, that these subsidies are necessary. I disagree with him on the fact that we do not need an authorization from the Congress. As a matter of fact, if we did not need an authorization from the Congress, if the law were broad enough so that Mr. Wyatt could use $1,000,000,000 in subsidies, I happen to have enough respect for Congress and the legislative processes of Congress that I want the Congress to set the ceiling on the amount and make the authorization for carrying on this production stimulation so that we can get the production we need.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. The gentleman says that one of the troubles now is a bottleneck in the production of building materials.

Mr. MONRONEY. Exactly.

Mr. ZIMMERMAN. We may all agree on that, I think. A few days ago I attended a dairy meeting here in Washington where the dairymen of our country pointed out that there is a shortage of butter and other dairy products, yet they have been given a subsidy. They said that the subsidy, and compelling them to operate under a subsidy, had forced dairymen to go out of business,

and instead of stimulating production it had in fact curtailed production. May I ask the gentleman if he has given serious thought to that situation? Will the employment of subsidies here in fact stimulate production and break this bottleneck, or will it do what some say, stifle production and leave us with a shortage?

Mr. MONRONEY. I would say that the best analysis, since we are dealing with hard materials, firm materials, such as we dealt with all through the war—and the subsidies were eminently successful—is that we got copper production, zinc production, lead production, and other materials through the use of subsidies to bring into production the marginal producers. I hope the gentleman will not confuse this issue. The price control bill will be here in a few weeks, and he will then have a chance to go over the butter question, the milk question, and many other of these perplexing things. But I do say that our experience with basic material subsidies during the war, in which they were used for 5 years and were so eminently successful that not a man stood on the floor here and tried to discontinue them, certainly leads me to believe that this is a program that is well worth use at this time in view of the emergency that faces us in the present shortage of materials.

Mr. ELLSWORTH. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Oregon.

Mr. ELLSWORTH. The gentleman mentioned the west coast lumber strike a moment ago. May I call attention to the fact that that strike was settled with a substantial increase in hourly rates, 15 cents, to be exact, but no adjustment whatever has been made in the manufacturers' prices and so far as I know there is no move to do that, even though a similar situation developed in steel and a very large increase was given the manufacturers. Meanwhile, the production of lumber in the Northwest, in the same area where this increase of wages took place, has declined 29 percent in these 2 months of the year as compared with the same 2 months a year ago. I think if we would not fool with subsidies but do exactly with lumber, a prime building material, what has been done with steel and some of the other commodities, we might not have to worry about subsidies on materials.

Mr. MONRONEY. May I say to the gentleman that one of the main purposes of this bill is to centralize the control of price bottlenecks as well as supply bottlenecks. You surely cannot expect to handle a situation as big as the west coast lumber situation with $600,000,000 in subsidies.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. SPENCE. Mr. Chairman, I yield five additional minutes to the gentleman from Oklahoma.

Mr. MONRONEY. By passing this bill and by adopting the language of an amendment which I shall offer, and which incidentally happens to be the first part of the amendment of the gentleman from Michigan, you do give the housing expediter a right to override all other agencies in Government on the determination of price, to break the price bottleneck. But you cannot simplify this to a single issue of breaking the price bottleneck.

You have to have a subsidy leeway there so that you are not going to raise all of the low-cost producers, who might happen to be in a very good profit position, up to the level where you bring the high-cost producers into production. I think it makes good common sense. I think if we intend to have the kind of a housing program that will meet the needs of a free America we will have to pass the subsidy provision and carry it out. I do not think anything else will meet this challenge.

Mr. ELLSWORTH. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. ELLSWORTH. Does not the gentleman agree that by treating a critical industry, such as the lumber industry, the same for example as steel, with an idea of increasing the incentive for production, it might save the necessity of going into the Federal Treasury for subsidy money?

Mr. MONRONEY. I believe you will find that the lumber ceilings are not the uniform ceiling. Each manufacturer and each mill has its own ceiling.

Mr. ELLSWORTH. That is not so.

Mr. JENSEN. Mr. Chairman, the gentleman is exactly wrong.

Mr. MONRONEY. I do not believe I am wrong on that. The OPA has been plagued and the building material people have complained that only 3 weeks ago, I got this from about 50 of my own lumber dealers, that the complexity and the difficulty of a thousand different price schedules on lumber was one of the contributing causes as to why they could not possibly bring about an adequate supply of lumber.

Mr. ELLSWORTH. I believe I can answer that. There are a great number of items in a lumber schedule, but there is no divergence between one mill and another. The price rate is straight across the board, that is, the ceiling price. I am positive on that point because a constituent of mine who manufactures lumber thought, due to the situation in which he found himself, his mill might be granted a slight concession, but after spending a great deal of time here, he found that that could not be done. That is not the case. But if the gentleman will permit a further observation, lumber prices and building materials and housing materials are now set on the basis of 1942 at prewar figures. During the war most of the lumber production went into items that are not usable for houses.

Mr. MONRONEY. That is correct. It went into railroad materials and materials for shoring in shipyards and things such as that.

Mr. ELLSWORTH. Six months ago it was perfectly obvious to everyone that housing lumber was needed and the same price schedules that operated during the war are still in effect 6 months later as of today. I am not talking about an increase of price; I am talking about a readjustment of price which would bring the same net amount to the mill but readjusting it so that we get the lumber that the country wants and needs.

Mr. MONRONEY. I am told that the OPA for the past 3 months has been endeavoring to work out a satisfactory lumber schedule.

Mr. ELLSWORTH. They have been talking about it only.

Mr. MONRONEY. I have been told by my own constituents and lumber people that they are trying to get it but they are stalled by many practices that have grown up in the lumber industry. Some mills open a retail yard right at their front door. They take their full production from the mill and move it across the street into the retail yard to sell to home builders at a retail figure. I do not think it is very good business and I do not think any Member of Congress could approve of that method of evasion. But under the law, if you let a few mills operate retail outlets, they change their distributive system. But it is now being used as a major point of evasion of wholesale price ceilings. Does not the gentleman agree with me on that?

Mr. ELLSWORTH. The lumberman is not more saintly than any other individual in America. You will find the same type of evasion, if such exists in the lumber business, in every line of industry and business in this country. That does not alter the situation that in the 6 months period since VJ-day the OPA has failed to meet this situation. I recognize that this has to do with the price of lumber and also with the supplies of lumber.

Mr. MONRONEY. Is that not a good argument for making the Housing Expediter powerful enough to break these price bottlenecks and expediting that lumber production?

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. PATMAN. Mr. Chairman, I yield the gentleman one additional minute.

Mr. JENSEN. Does the gentleman think subsidies as he has explained them would cure a condition such as I am about to recite? For example, rough green vertical grain B and better, fir flooring 4 inches by 12 inches by 12 feet long—now, that is a big, heavy timber, 4 inches by 12 inches by 12 feet long, can be sold under OPA regulations for $75 per thousand board feet. When the same item put through many expensive additional operations comes out as 1 by 4 and 12 feet long B and better, flat grain fir flooring the OPA ceiling price is only $45 per thousand.

Mr. MONRONEY. Of course, the gentleman knows subsidies will not correct that. The question was not asked to determine that. The question was asked to prove the OPA ceiling was in error. The gentleman surely knows that the reason that high price was placed on that heavy lumber was to provide the necessary heavy lumber during the war for carrying on the war. At this time that should be off, and we should kill out this extra price for extra-size lumber.

Mr. JENSEN. Absolutely. If we had corrected that condition we would have had lumber production by this time.

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. MONRONEY] has expired.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Utah [Mr. GRANGER].

Mr. GRANGER. Mr. Chairman, I would like to call to the attention of the House, the almost unanimous support which the Nation's press has given to the Veterans' Housing Program.

The New York Herald Tribune of February 11 classified Mr. Wyatt's report on housing as "an inspiring document" which "refuses to be daunted by obstacles and very appropriately points to the manner in which the impossible was achieved by the United States in building the world's most powerful war machine 4 years ago."

Terming the "courageous realism" of Mr. Wyatt as a "challenge to the United States," the editorial asserted that "he has outlined the problem and suggested remedies in such a fashion as to permit Congress and the people to tackle the subject with understanding."

The Detroit Free Press of the same date lauded this comprehensive housing program for the Nation as a "great job" and said:

The Nation has desperately needed a bold program to meet the emergency, and to end the fumbling and piecemeal approaches to this basic problem. With these proposals such a policy is on the way to attainment. From here on, speed and wholehearted cooperation are the first essentials.

The Philadelphia Record of February 17 termed Mr. Wyatt's proposal "an imaginative, decisive program which meets the problem head-on." The editorial added:

Congress should give him the legislation he need promptly and let him go to work. He deserves the cooperation of all interested groups—labor, industry, Government, and the public.

The Philadelphia Inquirer of February 10 in commenting on the housing problem said:

Shelter for the millions who have been hunting homes in vain is the first consideration. Here is a crisis not only warranting but absolutely demanding Government aid because of the immensity of the program. * * *

Let the Government now take a hand in earnest, give the intial push to this movement and homes for all Americans will be no longer a dream but a cheering reality.

The Cincinnati Enquirer of February 11 defined the proposal as "basically a good program to meet an exceeding grave national problem of stupendous dimensions." It continued:

Irrespective of minor changes which may seem necessary, legislation to implement this housing program should be enacted in a few weeks. We owe it to the men coming back from overseas to see that they have homes to come back to. And we owe it to the youngsters of America to see that they do not have to grow up in trailers, hovels, cabins, unsafe tenements or piano boxes. America can do better than that.

The Minneapolis Tribune of February 12 termed this plan "the boldest and most comprehensive housing program ever formulated in the United States" and added:

It is a challenge to the construction industry which has lagged in the mass-production economy on which most of the Nation has embarked.

Attributing the construction industry lag in large part to "lack of coordination of our construction resources and abilities," the editorial asserted that "Wyatt's program provides the sort of coordination which the industry needs."

Commenting on the plan proposed by its former mayor, the Louisville Courier-Journal of February 10 says:

If the sights are high, they are no higher than the need. Therefore it should follow in the most lucid of processes that they be realistic, not grandiose. One disposed to look at them as visionary should look again, and see the solid quality of their implementation—subsidies to absorb cost increases, guaranteed markets to eliminate risks, priorities for smooth flow of material, recruitment of manpower, sound financing and mortgage insurance. If Mr. Wyatt has not yet actually started to fulfill his promise to break bottlenecks, at least he demonstrates that he recognizes the shape and location of them and has lined them up for systematic demolition.

The Asheville (N. C.) Citizen-Times of February 10 commented:

More mature consideration may suggest some modifications in the Truman program. But its basic principles and objectives are sound. The fundamental plan should not be emasculated by unwise alterations. The housing shortage is too acute for protracted debate. Congress should tackle the situation without further delay and pass the legislation that is required.

The Greenville (S. C.) News of the same date asserted that "there is much reason to look with approval upon the basic features of the President's home-building program" and added:

The essential thing now is to get construction of homes, mostly moderate priced homes, going at full scale. We have got to have more houses as quickly as possible and this emergency need of the country justifies some emergency governmental measures to hasten that program.

The Atlanta (Ga.) Constitution of February 13 expressed satisfaction that Mr. Wyatt had heeded the President's injunction "to make no little plans," and said:

It is to be hoped that Congress will move with all alacrity to enact whatever legislation is necessary to get the sorely needed building program under way. Too long already have we delayed in the hope that it could be solved by halfway measures.

The Chicago Sun of February 18 pointed out that the "so-called natural forces of supply and demand did not give us a vast program of homebuilding after VJ-day," and said:

War veterans who know from personal experience the vast productive power of this country will not be satisfied with explanations instead of houses.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Mr. Chairman, the bill under discussion, H. R. 4761, with constructive amendments, will, to my mind, prove to be the only practical solution toward releasing our homeless citizens and former veterans from the present housing crisis.

The great Calumet industrial region of Indiana which I have the honor of representing in this body, is undergoing the most critical housing shortage of any area in the United States. Thousands of families moved into this area at the beginning of the war in order to make their contribution toward defense production. The housing situation in my district was critical before VE- or VJ-day, but owing to the fact that thousands of veterans have returned in the last 9 months, we find a great majority of them are unable to find a place in which to live. From a survey made in the city of Hammond, Ind., it was revealed that 68 percent of house or apartment seekers are returned veterans.

This bill provides for a housing expediter with broad powers to issue directives to other agencies so as to concentrate the Government's attack upon this problem. It sets up a priority program to channel scarce building materials into housing for veterans. It also provides for ceiling prices on new and existing homes. It permits the housing expediter to use subsidies as they were used during the war to increase production of building materials. The provisions of this bill will terminate on December 31, 1947, and during these 18 months, this great national housing emergency should have passed. By enacting this bill, a major step will have been made to provide for the 2,700,000 homes in the next 2 years.

Unless some kind of supervision is enacted, millions of dollars worth of scarce building materials will be directed into building channels where great profits can be derived, such as nonessential construction, places of amusement, and so forth.

I think it is comomn sense that a great percentage of these newly constructed homes should have a ceiling price of not over $6,000, as very few returning veterans can afford to pay ten, twelve, or fifteen thousand dollars for a place to live. The average returning veteran is desirous of owning a modern home which he can call his own and enjoy the mental satisfaction of reestablishing himself to civilian life and raising his family.

The need for housing in the lower cost bracket is great and the records reveal that more than one-half of the families of this country could not afford to build a home costing more than five or six thousand dollars. Furthermore, as construction material becomes more plentiful and modern building methods develop through research, there should be a progressive lowering of the price for all moderate and low-cost housing.

The returning GI's can be classified as members of the average American family and they have a right to expect help from Congress in achieving a decent security and a place to live which they can afford to maintain.

I realize this legislation in its present form is not perfect, but I hope that if amendments are adopted they will not cripple the original intent of this bill, which is to provide a low-priced home for the veteran and the average American citizen.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Washington [Mr. SAVAGE].

Mr. SAVAGE. Mr. Chairman, it is extremely important as we consider the specific legislation, the Patman bill,

which is necessary to make the veterans' emergency housing program work, that we be fully aware of the almost unanimous support for this program which exists throughout the country. The press, labor, veterans' organizations, industry representatives, public interest groups, mayors, governors, Federal, State, and local officials, all have endorsed it and have asked for immediate legislative action to put its various phases into operation.

Support and endorsement has come from both political parties, from producer and consumer groups alike. Our housing crisis, which is getting worse daily, and the Nation-wide demand for action now means that we must pass the necessary legislation immediately and get this program into action.

As evidence of support and endorsement of the veterans' housing program I would like to quote briefly some excerpts from statements made by various individuals and representatives of industry and agriculture. These are only a very few of the hundreds of similar endorsements that have been made of this program:

Henry J. Kaiser, industrialist. In an interview with the Christian Science Monitor, Mr. Kaiser said:

There are simply no bottlenecks yau cannot break. The Truman-Wyatt housing program will electrify the Nation. Can a nation that built and delivered hundreds of billions in armaments be baffled by the task of building homes?

Harry H. Steidle, manager, Prefabricated Homes Institute:

Mr. Wyatt's program is a courageous, comprehensive and highly commendable plan to solve our No. 1 domestic problem. It can be attained if Government, labor, and industry will cooperate in peace as they did in war. * * *

Recent surveys of the prefabricated home manufacturers' industry indicated a known productive capacity of nearly 200,000 permanent for 1946, and with the aid of some newcomers who are converting over from war enterprises the goal of 250,000 houses this year which Mr. Wyatt assigned to prefabrication seems well within the realm of possibility.

However, this will be the case only if plywood, lumber, flooring, and millwork, together with the equipment items, are made to flow in steady and adequate quantity to the prefabricators, for this is just as much a mass-production industry as the production of automobiles.

Henry Morgenthau, Jr.:

Mr. Wyatt's building program attacks the housing problem vigorously and intelligently. It provides the necessary governmental assistance to bring new construction techniques, new material, and new organization into the residential housing field. With this program, we will have made a tremendous step forward toward realizing the hopes of millions of Americans for new homes at low cost. I am convinced it should receive the support of all farsighted businessmen. I sincerely hope it will succeed.

Brig. Gen. David Sarnoff, president, Radio Corp. of America:

The need for low-cost housing has been evident for years and the program developed by Mr. Wyatt promises to fulfill that need. I congratulate Mr. Wyatt on the approach he has taken to this most difficult problem. It deserves the wholehearted support of the people of our country.

Nathaniel Dyke, Jr., operator of lumber and building-materials firms in 12 Southern States:

Wilson Wyatt's bold and intelligent plan to provide housing for veterans deserves the support of all Americans. It has my enthusiastic endorsement. * * *

Wilson Wyatt as Housing Expediter is ready to lend the assistance of the Government in this crisis, but it is free enterprise that must put his program over. The construction industry, in all its thousands of units, material producers, labor, home financing, should accept this challenge to produce the housing that is so badly needed.

Speaking from years of experience in the production and distribution of building materials, I believe that Mr. Wyatt's plan, with the cooperation of the whole construction industry, should prove effective in maintaining long-run stability in the construction and building materials industries generally. Therefore, it is to the interest of these industries as well as to the interests of the public to lend their wholehearted support to Mr. Wyatt's plan.

James G. Patton, president of the National Farmers Union, in a letter to Mr. Wilson Wyatt:

The vigorous, intelligent, and comprehensive emergency housing program just announced is like a breath of fresh air in Washington. I congratulate you on the energy with which you have attacked what is certainly the major economic problem immediately before us.

Solution is essential because, first, of course, the Nation simply cannot afford to put up with a condition wherein literally millions of people cannot find shelter of minimum adequacy. The spectacle of returning veterans forced to house whole families in a single room, in flimsy shelters, and in extreme cases even in tents is one that shames us.

But solution is necessary also because the construction industry is a key industry in reconversion and in the maintenance of full peacetime production and employment. The ramifications of the industry spread throughout the economic structure.

I am particularly happy that the program attacks forcefully the problem of prefabricated housing and of the use of new materials and earnestly hope that it will lead to a tremendous expansion in the construction of low-cost housing. Action of this kind, moreover, can make a real contribution to long-time programs for improving rural housing. To my mind there is no way of meeting the housing crisis without putting almost entire emphasis upon low-cost residential construction. I agree, too, there is no way of meeting it without some Government subsidy. * * *

You may be sure of the support of the National Farmers Union in attempting in every way possible to make the new program work.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Montana [Mr. MANSFIELD].

Mr. MANSFIELD of Montana. Mr. Chairman, I am glad that the House is at last considering a bill to take care of the housing needs of our veterans and our families of average income. I am, however, dismayed at the talk of $6,000 to $10,000 as being the price of a home. Surely, this does not apply to ordinary American families whose income is so small that they cannot even think of a house on that basis. I feel that the little people of the country are entitled to every possible consideration in this respect, and with that in mind I introduced H. R. 5515 on February 19. H. R. 5515 would require that of available building materials and facilities 50 percent would be used for constructing homes selling for $5,000 or less, 25 percent would be used for housing accommodations selling for more than $5,000 but not more than $8,000, and 25 percent would be used for other purposes.

This distribution of building materials would, in my opinion, be a fair means of allocating these materials so that the many desiring to build on a $5,000 or less basis would be given the opportunity to do so. When we consider the income of the great majority of our people it would appear that houses in this category are the ones which will be in greatest demand. It is high time that we give every possible consideration to our lower-income groups, because there the need is greatest and the danger to our future, unless alleviated, is most apparent. Bad housing, insufficient housing, or no housing creates problems such as juvenile delinquency, marital discord, ill health, and slums. One of the ways to overcome these difficulties is in the building of adequate houses on a level within the financial reach of these families.

It is my belief that a housing program on a large scale will not only satisfy the needs of our people, but will also serve as a check on inflation and a means to create employment to the maximum degree. The building of houses will not only tax the capabilities of the construction industry but it will also create business in plumbing fixtures, furniture, electrical appliances, and so forth, and also expedite research in building which will help to develop new types and new materials which can and should be used.

It can be seen, Mr. Chairman, that this program will offer limitless opportunities in many lines and will fit in very nicely with our economy and our goal of full employment. Not only is the need great, but the future will be, once this program gets under way, very encouraging. It is imperative, in view of the times, that we undertake a housing program on the scale envisioned by President Truman and Wilson Wyatt whereby a goal of 2,700,000 houses within the next few years will be built. To fall down on this important assignment will be for us to confess defeat to those men who have fought for us to victory and who expect and need the assurance of adequate housing now.

Mr. Chairman, the number of married veterans who will need homes by the end of 1946 will, according to official estimates, total 2,900,000 families. Add to this other families, totaling 1,200,000, who are living on a doubled-up basis and another group of 560,000 nonveterans who are married will need homes by December 1946 and you can begin to get some idea of the difficult housing problem which confronts our Nation today.

Furthermore, to complicate the situation, it is estimated that 3,395,381 units—or 14.2 percent of existing housing—are in need of repairs and that in 24 percent

of existing housing, improvements with respect to running water, plumbing, private baths, and so forth, are required, even where major repairs are not.

Mr. Chairman, under unanimous consent, I am inserting at this point in my remarks a copy of H. R. 5515 and a letter from the Honorable John B. Blandford, Director, National Housing Agency, which indicates that good houses costing $5,000 or less can be built:

H. R. 5515

A bill requiring that of available building materials and facilities 50 percent be used for constructing homes selling for $5,000 or less, 25 percent be used for housing accommodations selling for more than $5,000 but not more than $8,000, and 25 percent to be used for other purposes

Be it enacted, etc., That the President shall allocate, and shall establish priorities for the delivery of, materials and facilities suitable for the construction of housing accommodations in such manner, upon such conditions, and to such extent as he deems necessary in order that of the aggregate supply of such materials and facilities 50 percent thereof will be used for the construction of homes selling for $5,000 or less, 25 percent thereof will be used for the construction of housing accommodations selling for more than $5,000, and 25 percent thereof will be available for purposes other than for use for the construction of housing accommodations selling for $8,000 or less.

SEC. 2. This act shall cease to be in effect June 30, 1947.

NATIONAL HOUSING AGENCY,
Washington, D. C., February 7, 1946.

Hon. MIKE MANSFIELD,
House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN MANSFIELD: While it is true that the cost of both labor and material for housing has advanced considerably since the prewar days of 1940, there is sufficient evidence at hand to warrant the statement that acceptable housing can be built for $5,000 or less. Naturally, location, climatic conditions, heating requirements, etc., have an effect on the price of housing. However, reports received on the operation of the priority system for channeling materials into housing within the price limitation of $10,000 are encouraging.

Report of the first week of operation, January 15 to 18, PR 33 applications for priority assistance totaled 8,741 applications quoting a sales price. Of these, 518 quoted a sales price under $5,000. In the week ending January 25, 15,948 applications quoting sales price were filed; of these 1,461 applications quoted sales price of less than $4,500; an additional 1,121 applications quoted a sales price between $4,500 and $5,500.

San Antonio, Tex., reported a large number of applications quoting a sales price under $5,000. On one day in the second week of priority control, out of a total of 755 applications throughout the country quoting a sales price of less than $4,500, 716 were filed in the San Antonio office. The Omaha office, for the week of January 25, reported 64 applications requesting priority assistance and quoting a sales price. Of these 64 applications, 10 were in the $4,500–$5,500 price range and 15 in the $5,500–$6,500 range.

Details on the type of housing proposed are not available, but the information quoted above shows that a reasonable percentage of housing accommodations are being built for sale in the $5,500 range.

Many manufacturers of prefabricated housing are scheduling their operations to produce houses that will sell, erected on a suitable lot, for $5,000 or less. Some of these manufacturers are expecting to produce two-bedroom houses in volume at a sales price of less than $4,000 including lot.

The need for housing in the lower cost bracket is great. Studies reveal that more than half of the families in need of housing are in the income bracket that would not warrant the expenditure of more than $5,000 for a house. As new construction materials and methods are developed through research, there should be a progressive lowering of housing costs and with the will and determination to provide adequate housing at low cost the job can be accomplished.

Sincerely yours,

JOHN B. BLANDFORD, Jr.,
Administrator.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Iowa [Mr. GWYNNE].

Mr. GWYNNE of Iowa. Mr. Chairman, no one doubts the serious nature of the housing problem. Thousands of returning war veterans are without a home. This is a situation which should not be allowed to exist, and the entire country is crying out for its solution.

The only difference of opinion lies in the type of remedy to be applied. Shall we solve this problem by a return to tried and true methods, or shall we give the public another dose of patent medicine. It is not even a new medicine; it is the old snake-oil remedy of Government regulations and subsidies.

In the past America has built millions of satisfactory homes. For comfort and convenience they are unequaled in any nation on earth. These houses were not built by the Government. They were built by well-trained and experienced people operating in a system of free enterprise. If we would remove some of the present restrictions and let that system operate, we would soon get more building material.

One of the great hardships under which private enterprise now operates is the slowness with which the OPA functions in rendering decisions covering prices. This is well set out in a booklet recently published by the Brookings Institution entitled "Should Price Control Be Maintained?" I quote from page 25 of this report:

Owing to shortages of raw materials in 1943 and 1944, several stove producers were forced to make slight changes in design. In consequence of the resulting higher costs, they filed applications for new price ceilings. During the period from January 1, 1943, through September 1944, decisions had been made by the OPA on 78 applications for new ceilings on stoves. In 50 percent of these cases, 31 to 90 days were required from the time the request was received until a decision was rendered. For 30 percent of them the elapsed time ranged from 90 to 286 days. Only 20 percent were decided in 30 days or less.

A similar record was made in the furniture industry:

In the 28-month period—November 1942 though February 1945—decisions were reached on 49 applications. Thirty-seven percent of these required from 43 to 90 days and 63 percent of them required 91 to 334 days. No decisions were made in less than 43 days.

Another authority points out the same situation in regard to brick and tile plants. With 400 of such plants closed, it took 6 months for the OPA to adjust prices. Since then an additional 125 plants have opened and production is up 35 percent.

OPA ceiling prices during the war resulted in putting out of business many small sawmills. Furthermore, under Government regulations it has been more profitable to produce certain types of lumber not adapted for home building, or to produce lumber for export.

As an example of the effect of the OPA on the lumber industry, I quote from a letter written by an experienced dealer:

The OPA regulations and amendments affecting our business are not clear, are not consistent, are not fair or reasonable, and are almost impossible to procure from OPA offices. Our executive officers have been spending most of their working time for years in trying to figure out what the OPA expects us to do. * * *

As matters stand today, shipments are long delayed, many items are back-ordered or canceled, and many substitutions are made. We cannot commit ourselves to supply a single item unless we have it right in our warehouses. Under this condition our contractors or builders cannot make definite plans. In other words, the production line is all balled up. This increases expense all along the line, and the ultimate consumer pays too much after too long a delay, or he does not get a home at all.

As we see the picture today, the brilliant economic planners employed at fancy salaries and by the millions in Washington have made a dismal failure. There is no record to compare with it in the history of this great Nation—and we want them out.

The proposal for subsidies is particularly obnoxious. Subsidies have usually created more problems than they have solved, as many nations have learned to their sorrow. The experience of the Roman Empire in this field is related by James Anthony Fronde in his book, Caesar: A Sketch. The author gives a vivid picture of the subsidized distribution of grain to the people. I quote from the final chapter of this book:

Finally riots broke out and extended day after day. Caius Gracchus was at last killed * * *, and under cover of the disturbance 3,000 of his friends were killed with him.

In spite of the bally-hoo of the OPA, subsidies have not been a success in this country. Producers have uniformly opposed them. I quote the following from a resolution adopted at the special delegates' meeting of the National Cooperative Milk Producers Federation, held in Washington, D. C., on February 19, 1946:

Last year the national income exceeded $145,000,000,000 dollars, but Congress still authorized the consumer subsidies amounting to $2,416,000,000 in this the one year in history when people were best able to pay for what they eat and wear. Of this amount $694,000,000 was authorized for the benefit of consumers of dairy products which is about 20 percent of the wholesale market value of all dairy products at the farm. Continuation of the subsidy policy leaves dairy farmers subject to the shifting winds of administration policy with a price structure resting in the sand. Dairy farmers are threatened with a permanent regimentation and dependence upon Government if the President's policy to maintain ceilings and subsidies until the cost of living turns downward is sustained by Congress.

The Dairy Branch in the Department of Agriculture has predicted the greatest drop

in history in dairy production for 1946. This is proof of the ineffectiveness of the subsidy and ceiling system and a warning to consumers of much more drastic shortages to come. If Congress considers that consumers still need subsidies in a time of highest wages and highest employment, let the subsidies be paid direct to those whom Congress feels are unable to pay.

In a free market, prices tend to right themselves. Under a subsidy program there is no incentive toward efficient production. There eventually is nothing but a clamor for more subsidies. Even in our brief experience during the war the amount of subsidies paid tended constantly to rise. For example, the subsidy on choice meat rose from $1 in October 1943, to $2 in January 1945. The subsidy on wheat in the Pacific coast area rose from 15 cents in December 1943, to 26 cents in May 1944. Substantial increases also occurred in dairy subsidies.

The proposal to subsidize prefabricated houses is particularly dangerous. It affords a great opportunity for favoritism at the expense of the small builder and the regular building-material manufacturer.

Mr. WOLCOTT. Mr. Chairman, I yield 20 minutes to the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Chairman, subsidies are paid in Government printing-press money. Government printing-press money is inflation, and there is no other inflation but Government printing-press money. So a person who advocates subsidies and price control at the same time is trying to blow out a fire with his breath while pouring oil on it.

Mr. Chairman, the Patman bill, H. R. 4761, now being considered by the Congress is a delusion and snare. It is disguised in sheep's clothing as a measure designed to provide homes for veterans but when its true nature is disclosed it is found to be nothing less than a scheme for the Federal bureaucracy to seize control of the building industry and thus to further communize our economy.

Obviously, the majority of Congressmen and also the public, are anxious that homes be provided for our veterans. However, we should first inquire why it is that homes for veterans or for other people are not being built. Here is a market, the veterans and the public are waiting cash in hand, the building industry is straining at the leash to supply the materials for homes. What, then, is delaying the building of homes? The answer is to be found in the restrictive policies of the Government itself. Just so long as ceiling prices on building supplies are fixed at less than the cost of production, and just so long as the OPA and other bureaucratic agencies are permitted to impose upon the home-building industry their unconscionable rules and regulations and red tape we can hardly expect any building to be done. Outside of Government, no business can long continue to operate at a loss.

Common sense would therefore dictate that we ought to get rid of the restrictions, but such a procedure would be far too simple to satisfy our Government planners. Some device must be found to further restrict and regiment the people, and at the same time furnish soft jobs for the deserving. So we have the Patman bill.

There is no point to the claim that priorities, allocations of material, and price ceilings are needed. The hearings will clearly show that the Government already has those powers and can use them as efficiently without the aid of the Patman bill as with it.

My contention is that the main purpose of the Patman bill is not to provide homes for veterans but to set up a dictatorial Government agency to seize power and promote the totalitarian state.

It is blithely stated by supporters of this measure that the veteran would be benefited by the provisions in the bill which places ceiling prices on new homes. This contention needs examination. The fact is that the Government already has authority to fix ceiling prices on all of the materials that go into the construction of homes. About all the bill does is give the Government authority to fix the price which the person who builds the home charges for his services. In fact, the procedure resolves itself into a cost-plus proposition. After the total cost of all the materials delivered on the building site are in, and the home is completed the builder is allowed a fixed fee for his services.

What an opportunity this cost-plus arrangement would provide for running up the building costs. Have we not had enough experience with the outlandish waste and inefficiency which has attended the Government's cost-plus contracts? Obviously such an arrangement would greatly relieve home builders of the responsibility for keeping construction costs low. Home builders who testified on this bill said as much.

Not a bit of testimony was given before the House Committee on Banking and Currency to substantiate the claim that veterans would be able to buy houses cheaper under the Patman bill than they would if the OPA and other Government agencies raised ceiling prices on building materials and allowed wages to rise sufficiently to permit full production of those supplies. All of the evidence bearing upon this subject was to the contrary.

There would be the additional cost of bureaucratic administration, filling out yards of useless and time-consuming forms, inspecting the materials and work that go into the house, appraising the lots and searching into whether any speculation might be involved in their price. There would be the usual delays and interruptions which are normal accompaniments of bureaucratic administration. Then there would also be the loss of time by the prospective buyer, and the builder, caused by their being compelled to keep records and make reports and furnish, under oath or otherwise, whatever information the building czar might ask for.

Add to the cost of bureaucratic administration that which would surely develop under the cost-plus arrangement and the chances are just about a million to one that if the Patman bill is passed veterans and other persons will be compelled to pay more for new homes than they would without the cost-plus arrangement, and if the Government allowed ceiling prices on building materials and wages to rise sufficiently to permit full production and a free flow of those materials into the communities where new homes are needed.

The Patman housing bill is an outright dictator bill. Sec. 703 (a) would empower the home building czar to go into the books and files of any person, firm, or corporation who is engaged in producing, selling, distributing, or is in any way whatsoever connected with any material or article that goes into the construction of a home, including land and improvements. This is the interpretation given me by Mr. Carl McGowan, associate general counsel, Office of War Mobilization. If this is not dictatorship, what is it?

Just recently the Nation was shocked by the attempt which was made by the President to force General Motors to open its books to his fact-finding board. Public sentiment forced him to abandon that venture. Undaunted and determined, we see that attempt repeated in the Patman bill.

Section 703 (a) would further empower the housing czar to force any person who deals in, sells, rents, or buys, or offers to sell, rent, or buy any housing accommodation to furnish information under oath or affirmation or otherwise, to make and keep records, and to make reports in respect of such dealings, sales, rentals, purchases, and offers. The czar would have the power of subpoena to force such person to make available to him records and documents for his inspection, to furnish any information under this section, to appear before him to testify and produce documents at any place he designates. He is empowered to direct the district courts to make any person obey his orders. An innocent mistake on the part of any person in complying with these provisions could condemn him to prison for a year and the payment of a $5,000 fine.

The knowledge of these facts alone would so frighten thousands of home builders as to drive them out of business. That would be, of course, sauce for the bureaucrats, for they could then repeat their sweet refrain, "private enterprise can't do the job, so the Government must step in."

Is this Congress going to impose such bedevilment as this upon as fine and valuable a group of citizens as the Nation comprises? Is this Congress going to vote outright to make this land of ours a dictatorship?

Just as a part—more than 40 percent—of the war cost was paid with Government printing-press money, so it is proposed in the Patman subsidy amendment that the peace costs for housing shall be met in part with Government printing-press money. It should not be overlooked that the financial foundation of the New Deal has always been Government printing-press money. A large portion of the so-called recovery measures during the 1930's was met by this means.

It is probably apropos to explain at this point how the payment of subsidies in the building of homes would affect veterans. The claim that shortage of goods is causing inflation is a falsehood.

I know of no instance in all history where a shortage of goods in itself caused true inflation. If there is a shortage of goods and no increase in the total amount of money there can be no inflation. Shortage of goods causes price rises, but not inflation. As soon as the shortage is relieved prices drop back to their former level. But not so when inflation, that is, when Government printing-press money has been injected into the economy, for even should the shortage of goods be made up, prices rise until a balance is reached between the volume of production and the volume of Government printing-press and other money.

The fact is that inflation causes shortages of goods and not the other way around, as so many would have us believe. It does this because Government printing-press money continues to depreciate, lose its buying power, which is reflected in higher and higher prices. This has the effect of disordering all financial transactions, making them uncertain, which in turn disrupts production.

Since the money to pay subsidies must be raised by way of the Government printing press, whatever benefit a veteran might derive from a subsidy on his home he would more than lose in higher costs of living engendered by the increase in the volume of money created by the Government printing press.

Of course, if subsidies were used only for veterans they might derive a doubtful benefit, but it is the principle of the procedure which is the evil, and which is bound to injure them along with everyone else. If subsidies for veterans' homes, then subsidies will be paid to other groups as well. It is the effect of the total amount of subsidies that are paid out which must be measured to determine the damage done veterans, not only the effect which the particular subsidy they might receive.

Subsidies are most powerful instruments for the development of communism. Socialist Germany had and Communist Russia has plenty of subsidies. Free enterprise and liberty are wholly incompatible with subsidies. This is the all-important consideration respecting subsidies for veterans' homes.

In any event, the subsidies which the Patman amendment would provide would not go to veterans at all. It is not even proposed that they shall. They would go to producers of building materials, and much, if not most, might go to manufacturers of prefabricated houses. It would be a mighty small trickle that would ever get to the veteran.

I have made the charge that the real purpose of this proposal is not to furnish homes for veterans but to give the Government power to capture and socialize the building industry. Throughout the war the communistic element in the Government has been devising ways and means for setting up a program of all-out production in peacetime based on the formula that was used to produce war goods.

We now have before us the first attempt to carry out that policy. Just as the New Deal regimented everybody and everything to fight the war, so now it proposes to regiment everybody and everything to fight the peace.

What the bureauracy is after here is to have all the war powers made perpetual. It seeks not only to make permanent the OPA and all the other Federal agencies which exercise powers over prices, wages, allocations, and priorities, but to enlarge their authority and intensify their activities. This is all too evident. A sample of the proof of this is to be found in their present efforts to enlarge the OPA staff so that it can crack down harder on our people who are already overborne by its brow-beating tactics.

But the overpowering urge that motivates the bureaucrats to have the war formula of production applied in peacetime is their craving to hold on to their jobs.

The Congress is now considering the first attempt by the planning cult, whose God is political power, through Government printing-press money, to carry out their avowed policy of applying the war-production formula to peacetime production. Just as we had all-out or total production of, say, war planes, so now we are being asked to pass legislation empowering the doctrinaire social planners to set up a program for total production of homes for veterans.

The self-same powers that regimented our people to make war are now to be used to regiment them to build houses. And, judging by the looks of the provisions in the Patman bill and other ominous signs appearing in the political skies, it is reasonable to assume that the powers that be in Washington intend that the goose stepping become more intensified and onerous in peace than it was in war.

The shortage of homes caused by the war is being aggravated and exploited by the bureaucracy to usher in the policy of applying the war pattern of production to peacetime production.

Just as the bureaucracy seized upon the sufferings, deaths, and terrors of the war to enlarge its force and more securely entrench itself in power, so now it seeks to further aggrandize itself, not only by preying upon the hardships which have been occasioned by the war, but by intensifying them. As though there were no limit to the excesses of this monstrous evil it seeks in the Patman bill to pounce upon the need of veterans for shelte to protect themselves and their families from cold and storm as a shield to hide its real designs.

We should not overlook the more far-reaching and enduring effects the Patman bill would have upon the veterans. Supposing the miraculous were to happen, and they did receive some benefit from it in the way of lower prices on homes, and more of them, would such evanescent good be worth the loss of freedom they and their children would have to bear?

My colleagues, if the Federal bureaucracy succeeds in this attempt to communize the home-building industry, how shall we be able to stop it from going all the way and completing the totalitarian state? Will it not be much more difficult to prevent it from doing this if we pass this bill? Once this bill is passed and the war formula of production has been adopted, then the pattern will have been set, and, considering the great inroads communism has already made in all parts of the economy, the task of halting the advance of this, the greatest of all social evils, will be immeasurably increased.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentleman from Arizona.

Mr. MURDOCK. The gentleman comes before us as an authority on money. I notice that in the first part of his remarks he several times used the expression "Government printing-press money."

Mr. SMITH of Ohio. Yes.

Mr. MURDOCK. Will the gentleman indicate what part of the money we now have known as reserve of purchasing power is Government printing-press money?

Mr. SMITH of Ohio. Anywhere from $225,000,000,000 to $275,000,000,000.

Mr. MURDOCK. Do you regard Federal Reserve notes as Government printing-press money?

Mr. SMITH of Ohio. Not all of them, but some.

Mr. MURDOCK. Do you regard silver certificates as printing-press money?

Mr. SMITH of Ohio. Yes.

Mr. MURDOCK. What about bank credit represented by check money? That would not be included as Government printing-press money, would it?

Mr. SMITH of Ohio. There is about $100,000,000,000 as check money in the commercial banks which has been created by the Government printing press.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. WOLCOTT. Mr. Chairman, I yield one additional minute to the gentleman.

Mr. CRAWFORD. Did not Mr. Marriner Eccles, Chairman of the Board of Governors of the Federal Reserve System, testify only yesterday that the Government had through its fiscal policy which it has been following brought about the monetization of about $95,000,000,000 to $114,000,000,000 of this very printing-press money about which the gentleman has been asking questions?

Mr. SMITH of Ohio. That is what I had in mind.

Mr. CRAWFORD. Only yesterday we had that testimony from the top man of the Board of Governors in the Federal Reserve System.

Mr. SMITH of Ohio. That is correct.

Mr. CRAWFORD. He begged and pleaded with us to discontinue that operation and pointed out that the OPA could not succeed in this undertaking unless we change our course.

Mr. SMITH of Ohio. Which meant that the OPA cannot succeed unless we also stop subsidies, because they are provided by the Government printing press.

Mr. CRAWFORD. Certainly.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield further?

Mr. SMITH of Ohio. I yield.

Mr. MURDOCK. I have always regarded one kind of money as deserving of the name printing-press money, and that is the Lincoln greenbacks. I cannot understand how you can say that Fed-

eral banknotes are Government printing-press money.

Mr. SMITH of Ohio. I did not say all of them are.

Mr. MURDOCK. I will admit that they are printed by the Government on Government printing presses, but they are backed by United States bonds.

Mr. SMITH of Ohio. It so happens that United States bonds may also be Government printing-press money. That is the trouble.

Mr. WHITE. Mr. Chairman, will the gentleman yield for a question?

Mr. SMITH of Ohio. I yield.

Mr. WHITE. The gentleman says that silver certificates are Government printing-press money. Does he regard gold certificates in the same category as printing-press money?

Mr. SMITH of Ohio. No; let me modify my statement to this extent. Silver certificates are Government printing-press money by the amount their nominal value exceeds the world market price of silver.

Mr. WHITE. Does the gentleman appreciate the fact that if restrictions were off silver today, silver would go much higher than its monetary value in the United States and that it is now higher in many parts of the world?

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentlemar from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, my purpose in taking time at this particular moment is to place in the RECORD two amendments which I propose to offer tomorrow, if I have an opportunity, to the bill H. R. 4761.

On page 11, section 705 (a), line 15, after the word "accommodations", insert "in rural and urban areas, and for the construction and repair of essential farm buildings,".

Then, on page 11, line 24, after the comma following the word "prices", insert "(2) The need for the construction and repair of essential farm buildings."

On page 11, line 24, strike out the numeral (2) and insert (3).

On page 6, line 1, after the word "accommodations", insert "the construction of which is completed after the effective date of this act."

On page 10, line 17, following the word "accommodations", insert "the construction of which is completed after the effective date of this act."

On page 12, line 16, following the word "accommodations", insert "completed after the effective date of this act."

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. HINSHAW. Why does not the gentleman give the people who have already started building a chance by changing that to "work that has been begun after the effective date of this act"?

Mr. CRAWFORD. That is a very fine suggestion.

Mr. HINSHAW. After all, these fellows who have been trying to complete jobs at the present time and have been unable to do so because of the intervention of the new priority system, are in a terrible fix.

Mr. CRAWFORD. It would be unfair if the Congress should penalize the very group that has been trying to alleviate the housing shortage.

Mr. HINSHAW. I have a telegram from my district which says:

> Between twelve and fifteen thousand houses can be finished with proper assistance rendered now, but that assistance comes in the nature of priorities under a new priority system.

And if they cannot complete them, there they stand, without flooring, without hardware, and many other things that they cannot get, and they should have a chance to finish those houses and sell them.

Mr. CRAWFORD. I would be willing to go along with the gentleman on that.

Mr. GAMBLE. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. GAMBLE. Could that not be cured by saying, "the construction of which was commenced before the effective date of the act, and which is not completed"?

Mr. HINSHAW. If you are going to except these from the terms of the act, you give those fellows a chance, at least except them from certain parts of it, and include them for priority purposes, so that they can get materials with which to finish the houses, we will have twelve or fifteen thousand more houses in an area that needs a hundred thousand.

Mr. GAMBLE. That question was raised in the hearings the other day.

Mr. CRAWFORD. The first three amendments offered are for protecting those who are attempting to produce this foodstuff under the pressure which is being placed on farm operators and farm workers by the Department of Agriculture for increased output.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield further?

Mr. CRAWFORD. I yield.

Mr. HINSHAW. In the part of the country from which I come, particularly in my home city, it is reported by the city fathers that there are from 500 to 800 livable dwellings that could be rented if the OPA would give the owners of that property a chance to rent them at a little advance so that they could afford to pay for plumbing repairs, roof repairs, and redecorating, and so forth, and still break even. Likewise, to give them a chance to evict tenants who are destructive. The gentleman has his new bill before the committee, and I hope he will give that matter consideration in order to increase the housing available.

Mr. CRAWFORD. Let me assure the gentleman that is not my bill.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado [Mr. GILLESPIE].

Mr. GILLESPIE. Mr. Chairman, it has been stated this afternoon that the Government under this bill could build some 2,700,000 homes in a 2-year program, but that private industry could only build around 400,000. No one has shown why private enterprise could not build as many homes as government-managed economy can build, and if private enterprise cannot build as many as a government-managed economy, it is because of the red tape imposed on private industry.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. GILLESPIE. I yield.

Mr. PATMAN. The gentleman does not assume that it is a Government public-building project?

Mr. GILLESPIE. No. It is not a Government building project, but it is tied up with Government regulations.

Mr. PATMAN. No. It is private enterprise, strictly. We are trying to stay away from public building.

Mr. GILLESPIE. But it is all tied up with a building czar, rules, and regulations even tighter than they are today.

Mr. PATMAN. For the protection of people who would suffer if they did not have it.

Mr. GILLESPIE. I cannot see how it is protecting anyone when it is the very policy itself that has held things back and has prevented production because prices in many instances have been below the cost of production. If the subsidy acts in this case as it did in the case of the dairy industry it certainly will not help to get materials out to build anything.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. GILLESPIE. I yield.

Mr. GORE. I am sure the gentleman recognizes that the proposed production incentive payments in this case are intended to be and will operate differently from the dairy subsidy. The dairy subsidy was a consumer subsidy; this is a production incentive to bring out an increased production by bringing the high-cost producers into production.

Mr. GILLESPIE. Whatever the subsidy is called, whether you call it a subsidy to the manufacturer or to the consumer, it is Government money, and anyone who buys anything under it should get that benefit. In other words, it would seem to me as though we were just kidding ourselves, and complicating an already complex situation. Any good executive will tell you that success lies in making complicated things simple and not complicating simple things.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield further?

Mr. GILLESPIE. I yield.

Mr. CRAWFORD. Here is a bill which says in effect the Government can set the price of a job on a cost-plus basis, if you please, and the Government may pay a subsidy to get the materials produced to go into that job. If that is not a consumer subsidy I wish someone would educate me on what a consumer subsidy is. This is a 100-percent consumer subsidy.

Mr. GILLESPIE. If it is not a consumer subsidy the money is wasted.

Mr. CRAWFORD. The producer certainly does not need a subsidy if he can get a fair price for the stuff he produces, if you will let him produce it at a little profit.

Mr. GILLESPIE. There is not a producer or manufacturer of building materials today who cannot sell many times

what he can manufacture; so he does not need any subsidy if he can get the price that he has to have. He has to have an increase in price to pay this advanced cost of manufacture. Given that, he can go ahead and do business; and I can see no reason why the people of America today should go further into debt than they are to give subsidies for things of this kind, and mess around with subsidies for future generations to pay.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. GILLESPIE. I yield.

Mr. GORE. I am sure the gentleman recognizes that at a given price some producers can make a reasonable profit whereas at the same price other producers with higher cost factors involved would have to operate at a loss and, therefore, we would be denied the production which this high-cost producer could turn out.

Mr. GILLESPIE. Then you are paying a subsidy or a premium to the least efficient manufacturer at the expense of those who are doing a better job and are really paying a subsidy for inefficiency and poor management; one of the basic rules of economics is that we would produce materials where they can be best produced for the least money. The subsidy proposal puts a premium on inefficiency and waste in operation and brings up the total price.

How would the Government determine how inefficient a manufacturer would have to be before he would be allowed the subsidy, and would the subsidy be different for different degrees of inefficiency and uneconomical operation. The chances are they would send out a highly educated but totally inexperienced, individual who knows very little if anything about practical business, have him go over the books and determine just how inefficient the particular manufacturer happened to be and then the subsidy would be paid to that manufacturer, in exact proportion to his particular inefficiency, where his competitor in the same line of business would be denied the subsidy because he was managing his business better. Then again, if this highly educated and inexperienced Government employee happened to take a liking to one manufacturer and a dislike to the other, that might be the determining factor as to who would get the subsidy. Then, too, in some cases there might be other valuable considerations which would not be mentioned in the Government findings. The subsidy is just another way of doing it wrong and would certainly retard production.

Mr. GORE. For the purpose of obtaining increased production it is vitally needed at this time.

Mr. GILLESPIE. We can get all the production we require if we raise the price just enough to cover the additional cost of manufacture, and if a subsidy is paid it should be paid directly to the veteran, who is certainly more entitled to it than anyone else. Why not fit the veteran to the economy rather than the economy to the veteran. The Government did not subsidize colleges in order to reduce tuition for veterans. It gave the veterans a direct subsidy to attend college. In the final analysis, all of the people of America have to have living quarters, and eventually will have, but under the subsidy plan the veteran would have no advantage over anyone else and the veterans know that they are the ones who will eventually have to pay the most of this enormous tax load.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. WOLCOTT. Mr. Chairman, I yield five additional minutes to the gentleman from Colorado.

Mr. GILLESPIE. If we of this House make the mistake of authorizing a grant of subsidies on building materials, don't forget we are borrowing every dollar that it takes to do it, and that not only is inflationary, but it is inflation. And whether we do it by selling bonds or printing money, in the last analysis, it could be called printing-press money. My friend from Arizona a while ago asked what printing-press money was. Whether it is bonds or greenbacks, if the Government prints it without metallic backing it is printing-press money.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. GILLESPIE. I shall be pleased to yield to the distinguished gentleman from Idaho.

Mr. WHITE. The gentleman is 100 percent right. The only difference between greenbacks or the so-called Treasury notes issued by the administration of President Lincoln and the money we are issuing today is that once the money and the bonds are removed from the printing press interest charges begin to run on every dollar that circulates through our Federal Reserve notes, and we are paying a huge interest income to banks for the use of money backed by Government credit. Whether it is money or bonds, they are both backed by Government credit, the one directly and the other, bonds, indirectly. Both stem from the same source, Government credit.

The gentleman is 100 percent right.

Mr. GILLESPIE. I thank the gentleman for his contribution as everyone in this House values his opinion as an expert on "hard money." As a matter of fact, wherever inflation has gotten out of control in the world, silver and gold have disappeared from circulation. There is not a single exception to that rule. If you go into any country of Europe where they have had wild inflation, you will not be able to get a piece of silver the size of a dime.

Mr. WHITE. I wonder if the gentleman appreciates how right he is. Two years ago we had a surplus of some billion seven hundred and fifty million in silver. Today we have less than a million dollars of surplus of silver in this country. It has all disappeared. It is supposed to have gone for the greenback bills, but I would like to trace that silver to see if it has gone into foreign countries. It has disappeared as far as America is concerned.

Mr. GILLESPIE. Much of it has undoubtedly gone into foreign countries. We are treading on dangerous ground if we print bonds and greenbacks unless we have metal back of them. I am willing to trust metal, but I am not always willing to trust men.

The CHAIRMAN. If there are no other requests for time, the Clerk will read the bill for amendment.

Mr. WOLCOTT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. Mr. Chairman, as I understand it, the whole bill must be read as a section, is that correct?

The CHAIRMAN. The gentleman is correct. There is only one section to the bill.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that the bill be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The bill follows:

Be it enacted, etc., That the National Housing Act, as amended, is amended by inserting after title VI thereof a new title, as follows:

"TITLE VII—STABILIZATION OF HOUSING PRICES

"SEC. 701. (a) The purposes of the title are to stabilize the prices of real estate to be used for housing purposes, and to prevent speculative, unwarranted, and abnormal increases in the selling prices of such real estate; to eliminate and prevent profiteering in the sale of real estate for housing purposes, the hoarding of materials necessary for the construction of housing and other buildings, and other disruptive practices; to encourage the production of housing at a fair profit; to improve the housing of the people of the Nation in order to foster their health and general welfare; to encourage employment in the housing construction industry, and to maintain such industry at a high level of productivity; to prohibit an undue dissipation of the savings of the people in the Nation in the purchase of homes at speculative prices; to permit returning veterans to acquire housing at fair prices; and to prevent a post-emergency collapse of values in the housing field and to promote a swift and orderly transition to a peacetime economy.

"(b) The provisions of this title, and all regulations and orders issued thereunder, shall terminate on December 31, 1947, or upon the date specified in a concurrent resolution by the two Houses of the Congress declaring that the provisions of the act are no longer necessary to deal with the existing national emergency, whichever date is the earlier.

"(c) The provisions of this Act shall be applicable to the United States, it Territories and possessions, and the District of Columbia.

"SEC. 702. (a) There is hereby created the Office of Housing Stabilization, which shall be headed by a Director of Housing Stabilization (hereinafter called the "Director"). The Director shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of $12,000 per annum. The Director may, subject to the civil-service laws, appoint such employees as he deems necessary in order to carry out his functions and duties under this title, and shall fix their compensation in accordance with the Classification Act of 1923, as amended.

"(b) The Director shall formulate and develop a comprehensive national program to effectuate the purposes of this title. In order to carry out this program, the Director shall have the power to issue directives on policy to those Federal departments and

agencies which have functions relating to or affecting housing.

"SEC. 703. The Director is authorized to make such studies and investigations, to conduct such hearings, and to obtain such information as he deems necessary or proper to assist him in formulating policies, issuing regulations, and performing any other functions under this title. The Director is authorized to require any person who owns, holds an interest in, deals in, or offers to sell or to buy any housing accommodations to furnish information under oath or affirmation or otherwise, to make and keep records, and to make reports. The Director may require any such person to permit the inspection and copying of records and other documents and the inspection of housing accommodations. For the purpose of obtaining any information under this section, the Director may by subpena require any such person to appear and testify or to appear and produce documents, or both, at any designated place. In case of refusal to obey a subpena served upon any person under this section, the court for any district in which such person is found or resides or transacts business, upon application by the Director, shall have jurisdiction to compel compliance with such subpena.

"No person shall be excused from complying with any requirements under this section because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (U. S. C., 1934 edition, title 49, sec. 46), shall apply with respect to any individual who specifically claims such privilege.

"SEC. 704. (a) Whenever in the judgment of the Director the sales prices of housing accommodations have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this act, he may by regulation or order establish maximum sales prices for housing accommodations in accordance with the provisions of this title. Any such regulation or order may be limited in its scope to such geographical area or areas and to such types or classifications of housing accommodations as in the judgment of the Director may be necessary to effectuate the purposes of this title. Before issuing any regulation or order under this section, the Director shall, so far as practicable, advise and consult with representative members of industries affected by such regulation or order, and he shall give consideration to their recommendations and to any recommendations which may be made by State and local officials concerned with housing conditions in any area affected by such regulation or order.

"(b) Any regulation or order issued under the authority of this title establishing maximum sales prices for housing accommodations the construction of which is completed after the effective date of this title shall provide for the fixing of a maximum sales price consisting of (i) the actual costs of the construction of the unit which are not in excess of the legal maximum prices of the materials and services entering into such construction, (ii) the fair market value of the land sold with the housing accommodation, but in no event less than the actual cost of land purchased prior to the effective date of this act and (iii) a margin of profit reflecting the generally prevailing margin of profit upon comparable units during the calendar year 1941. Any prospective seller of such housing accommodations may apply for the establishment of a maximum sales price at any time, including before the commencement of construction, during its progress, or after its completion. In any case where a maximum sales price has been fixed on a basis of estimated costs the prospective seller may, at any time before the first sale and upon a showing that the actual legal costs have substantially exceeded the estimated costs, apply for such revision of the maximum sales price as may be justified under the circumstances; and the Director may similarly reduce the maximum sales price if the estimated costs were substantially in excess of the actual legal costs. No subsequent sale of such newly constructed housing accommodation shall be at a higher price than that established for the first sale.

"(c) Any regulation or order issued under the authority of this title establishing maximum sales prices for housing accommodations in existence and occupied on or prior to the effective date of this title shall establish as the maximum prices the price of the first bona fide sale of such housing accommodations after the effective date of this title.

"Any regulation or order under this subsection shall provide for the making of appropriate adjustments in the maximum sales price where substantial improvements have been made subsequent to the last sale.

"(d) The Director may promulgate such regulations as he deems necessary and proper to carry out any of the provisions of the title and may exercise any power or authority conferred upon him by this title through such department, agency, or officer as he shall direct. Any regulation or order under this title may contain such classifications and differentiations and may provide for such adjustments and reasonable exceptions as in the judgment of the Director are necessary or proper in order to effectuate the purposes of this title.

"(e) Whenever in the judgment of the Director such action is necessary or proper in order to effectuate the purposes of this title, he may by regulation or order make such provisions as he deems necessary to prevent the circumvention or evasion thereof and he may regulate or prohibit speculative or manipulative practices (including the requiring of the purchase of land prior to or as a condition of undertaking construction work or the requiring of the purchaser of housing accommodations to buy additional land or any commodity or service as a condition of securing such housing accommodations) in connection with the sale of any housing accommodations which in his judgment are equivalent to or likely to result in price increases inconsistent with the purposes of this title.

"SEC. 705 (a) Whenever in the judgment of the Director there is a shortage of building materials for the construction of needed housing accommodations, he may by regulation or order allocate such materials in such manner and upon such conditions as he deems necessary and appropriate in order to effectuate the purposes of this title, with particular regard for the need for the construction of low-cost housing accommodations and the need for housing accommodations for rental.

"(b) Whenever in the judgment of the Director there is a shortage of housing accommodations, he may by regulation or order give preference in purchase or renting of housing accommodations, the construction of which is completed after the effective date of this title, in such manner and upon such conditions as will effectuate the purposes of this title, with particular regard for the housing needs of veterans of World War II and their immediate families.

"SEC. 706. Whenever in the judgment of the Director there is no practicable alternative method for securing the construction of adequate housing accommodations in an area where the shortage of housing accommodations is acute, he is authorized to subsidize the construction of new low-cost housing accommodations. Any such subsidy assistance shall be granted on terms involving the minimum expenditure of funds necessary to secure the needed construction, and upon such other terms as are necessary and appropriate to effectuate the purposes of this title. Appropriations are hereby authorized to be made for subsidy payments under this section.

"SEC. 707. It shall be unlawful for any person to effect, either as principal or broker, a sale of a housing unit at a price in excess of the ceiling price which shall be applicable under the provisions of this title, or to offer, solicit, attempt, or agree to making any such sale. Notwithstanding any termination of this title as contemplated in section 701 (b) hereinabove, the provisions of this title, and of all regulations and orders issued thereunder, shall be treated as remaining in force, for the purpose of sustaining any proper suit, action, or prosecution with respect to any such right, liability, or offense.

"SEC. 708. Any person who is aggrieved by any action taken pursuant to any regulation or order issued under the authority of this title may petition the district court of the district in which he resides or has his place of business for a review of such action, and such district court shall have jurisdiction to enjoin or set aside, in whole or in part, such action or to dismiss the petition. No such action shall be enjoined or set aside, in whole or in part, unless the petitioner establishes to the satisfaction of the court that such action is not in accordance with law or is arbitrary or capricious.

"SEC. 709. (a) Whenever in the judgment of the Director any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of section 707 of this title, he may make application to the appropriate court for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, and upon a showing by the Administrator that such person has engaged or is about to engage in any such acts or practices a permanent or temporary injunction, restraining order, or other order shall be granted without bond.

"(b) Any person who willfully violates any provision of section 704 of this title, and any person who makes any statement or entry false in any material respect in any document or report required to be kept or filed under section 703, shall, upon conviction thereof, be subject to a fine of not more than $5,000, or to imprisonment for not more than 1 year or to both such fine and imprisonment. Whenever the Director has reason to believe that any person is liable to punishment under this subsection, he may certify the facts to the Attorney General who may, in his discretion, cause appropriate proceedings to be brought.

"(c) The district courts shall have jurisdiction of criminal proceedings for violations of section 707 of this title, and, concurrently with State and Territorial courts, of all other proceedings under the section. Such criminal proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred. Such other proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred, and may also be brought in the district in which the defendant resides or transacts business, and process in such cases may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found. Any such court shall advance on the docket and expedite the disposition of any criminal or other proceedings brought before it under this section. No costs shall be assessed against the Director or the United States Government in any proceeding under this title.

"(d) If any person selling housing accommodations violates a regulation or order prescribing a maximum selling price, the person who buys such housing accommodations may, within 1 year from the date of the occurrence of the violation, bring an action for treble the amount by which the consideration exceeded the maximum selling price, plus reasonable attorney's fees and

costs as determined by the court. If the buyer fails to bring an action under this subsection within 60 days from the date of the violation, the Director may bring such action on behalf of the United States within 1 year from the date of the violation. If such action is brought by the Administrator, the buyer shall thereafter be barred from bringing an action for the same violation.

"SEC. 710. There are authorized to be appropriated such sums as may be necessary or proper to carry out the provisions and purposes of this title.

"SEC. 711. If any provision of this title or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the title and the applicability of such provision to other persons or circumstances shall not be affected thereby."

Mr. PATMAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. SPARKMAN, having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4761), to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes, had come to no resolution thereon.

APPOINTMENT TO COMMITTEES

Mr. COOPER. Mr. Speaker, I offer a privileged resolution (H. Res. 533) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That the following-named Members be, and they are hereby, elected, members of the following standing committees of the House of Representatives:

Education: JOHN S. WOOD, Georgia.

Elections No. 2: HELEN D. MANKIN, Georgia.

Elections No. 3: JOHN S. WOOD, Georgia.

Civil Service: HELEN D. MANKIN, Georgia.

Claims: HELEN D. MANKIN, Georgia.

Military Affairs: J. LINDSAY ALMOND, Jr., Virginia.

Post Offices and Post Roads: SAM J. ERVIN, Jr., North Carolina.

Revision of the Laws: HELEN D. MANKIN, Georgia.

War Claims: JOHN S. WOOD, Georgia.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. RABAUT asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances, in the first on the subject of the St. Lawrence seaway and power project, and in the second to include an article from the Detroit Democratic News.

Mr. MONRONEY asked and was given permission to extend his remarks in the RECORD and include copies of two amendments which will be proposed to the pending bill on tomorrow.

INVENTORY OF MINERAL RESOURCES

Mr. WHITE. Mr. Speaker, today I introduced a bill to provide for the remonetization of unobligated silver in the Treasury. I ask unanimous consent that that bill may be printed at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Idaho?

There was no objection.

The bill referred to follows:

A bill to provide for the monetization of the unobligated silver in the Treasury to make an inventory of our national mineral resources, and other purposes.

Be it enacted, etc., That for the purpose of making an inventory of the mineral resources of the United States and its Territories and for the examination, exploration, and development of the potential mineral resources therein, and for the purchase and stock piling of strategic metals essential to national defense and security, the Secretary of the Treasury is authorized and directed to create a special fund by setting aside all unobligated silver held in or belonging to the United States Treasury to be known as the "mineral resources reserve". The term "unobligated silver" shall mean all silver now held by the Treasury or later purchased by the Treasury which is not now monetized and held as a reserve against silver certificates now in circulation.

SEC. 2. (a) Such inventory shall be conducted by the United States Bureau of Mines and the United States Geological Survey under the direction of the Secretary of the Interior and shall include investigation, examination, and exploration of potential mineral resources by geophysical, diamond drilling, and other recognized and approved mining methods.

(b) Upon application by the owner or operator of a mining property, a preliminary examination shall be made by a representative of the Department of the Interior and if such examination justifies diamond drilling or other exploration, such exploration shall be carried out as promptly as possible.

(c) Purchase and stock piling of strategic metals shall be made upon the recommendation by, and under the supervision of, a board comprised of the Secretaries of War, Navy, and Interior.

(d) When an application is made to the Secretary of the Interior by any owner and/or operator of any mineral of placer claim, or group of mineral or placer claims, located on the public domain or within a national forest of the United States, for the construction of a road and bridges necessary for the transportation of mineral products of, or supplies for, such mineral or placer claims, it shall be the duty of the Secretary of the Interior to cause an examination of said mineral or placer claims by a qualified representative of the United States Geological Survey or the United States Bureau of Mines, and when it is shown to the satisfaction of the Secretary of the Interior that development on a mineral or placer claim or group of claims situated on the public domain or within any national forest of the United States has proved the existence of mineral or ore bodies in quantity and commercial value sufficient to warrant the expenditure of public moneys for the construction of roads and bridges to facilitate the operation and development of such mineral or placer claims, the Public Roads Administration is authorized to provide the construction, reconstruction, or repair of roads, trails, and bridges on the public domain or within the boundaries of any national forest in aid of the development and operation of such mineral claims.

(e) Any road, trail, or bridge constructed or reconstructed or repaired as provided in this act shall be available for the use of the general public, under such rules and regulations as may be prescribed by the Public Roads Administration.

SEC. 3. (a) All costs and expenses incurred by such inventories, examinations, explorations, access roads, and purchase and stock piling of metals shall be paid by the issuance of silver certificates secured by silver monetized from the above referred to mineral resources reserves. As such costs and expenses are from time to time certified by the Secretary of the Interior, the Secretary of the Treasury is authorized and directed to issue silver certificates in such denominations as he may prescribe in payment thereof. There shall be maintained in the Treasury as security for all such silver certificates issued in payment of these expenditures an amount of silver in bullion or standard silver dollars of a monetary value equal to the face amount of such silver certificates.

(b) All such silver certificates issued shall be legal tender for all debts, public and private, public charges, taxes, duties, and dues, and shall be redeemable on demand at the Treasury of the United States in standard silver dollars; and the Secretary of the Treasury is authorized to coin standard silver dollars for such redemption.

(c) Expenditures under section 2 of this act shall not exceed the profit accruing to the United States Treasury because of the monetization of silver in said mineral resources reserve, the profit to be determined by deducting the cost price of said silver from the monetized price of same, less such deductions for brassage, coinage, and other mint charges as the Secretary of the Treasury with the approval of the President shall have determined, not to exceed the actual cost thereof.

The balance of the silver in this mineral resources reserve not designated above as profit shall be available for the mining of silver coins of $1 or less denomination, or as security for other silver certificates.

EXTENSION OF REMARKS

Mr. ROWAN asked and was given permission to extend his remarks in the RECORD and include an editorial from the Washington Star and also to extend his remarks and include an editorial from the Chicago Times.

Mr. PLUMLEY (at the request of Mr. GAMBLE) was given permission to extend his remarks in the RECORD and include an article.

Mr. REECE of Tennessee (at the request of Mr. GAMBLE) was given permission to extend his remarks in the RECORD and include a speech.

Mr. McDONOUGH (at the request of Mr. GAMBLE) was given permission to extend his remarks in the RECORD in two instances; to include in one a letter, and in the other a resolution.

Mr. GAMBLE asked and was given permission to extend his remarks in the RECORD in two instances and include editorials and news items.

Mr. O'KONSKI asked and was given permission to extend his remarks in the RECORD in two instances and include newspaper articles in each.

FOREIGN LEGIONS FOR THE UNITED STATES OF AMERICA

Mr. O'KONSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. O'KONSKI. Mr. Speaker, there are millions of freedom-loving people throughout the world without a country and without a home. By the hundreds

they are committing suicide rather than go back to where they came from. Millions know that to go back to Finland, Latvia, Estonia, Lithuania, Poland, Jugoslavia, Bulgaria, Rumania, Austria, or Hungary means death or slavery.

It is against every segment of decency to force these millions to go back against their will. They, more than anyone else in the world, know what fate awaits them should they return. These millions were among the most loyal and faithful allies during the entire war. Today they are men and women without a country.

Since our Nation had a part in shaping up this condition, it is our responsibility to take care of them. They are reliable and dependable people who have always been willing to do more than their part. They have suffered perhaps more than any people in this war. They have been victims of concentration camps and slave labor. What are we going to do with these people? That is the burning question of our time.

At the same time our own boys in the service who have made victory possible are tired and weary. They want to come home. Not a day passes where a Congressman does not get mail from our boys pleading that they be brought home. They are weary and tired. The war is over and we cannot blame them for feeling as they do. They should be brought home.

There is no reason why our country cannot enlist help from among these millions who have no country. They would be more than willing to enlist in the armed forces of the United States of America and take over the duty of occupation. Our own boys could easily be replaced with these unfortunate victims of appeasement.

Mr. Speaker, I am today introducing a resolution giving authority to the Military Affairs Committee to make a study to determine the advisability of providing for the establishment of an American Foreign Legion by accepting enlistments from among the citizens of foreign countries for military service in the armed forces of the United States.

While this would be a new departure, in a military sense, for our country, it is certainly in line with the Nation's new departure into world-wide internationalism. It seeks to help to implement, by military force, our international commitments made up to date and which will be made in the future.

There are 300,000 well-trained Polish soldiers who are still under arms, some of them being used in the army of occupation in Italy and other countries and many of them in England and other countries who dare not return to Poland. There are hundreds of thousands of trained Finns, Latvians, Estonians, Lithuanians, Serbs, and Slovaks in the same category. These soldiers rendered exceptional and heroic services in the defeat of the Axis Powers and doubtless great numbers of them would regard it as a godsend to be able to join an American Foreign Legion where, as professional soldiers, they could be used in the army of occupation or wherever the military leaders of our Government deemed necessary.

Mr. Speaker, it is quite possible that with the proper standard of pay and benefits which could be worked out, that a force of 500,000 men could be enlisted within the next few months in an American Foreign Legion and probably within less time after the plan had been worked out. This force could completely take over our army of occupation serving under Regular Army officers.

The proposed foreign legion should have its own uniform and should be housed, clothed, fed, and paid in accordance with American Army standards and should be officered, above a certain rank, by our Regular Army officers.

We know now that the American soldier, his friends and relatives, do not want him retained for months and years overseas after victory is won and hostilities have ceased. If we insist on keeping the homesick soldiers overseas after they have won the victory for us, it lowers their morale and, to a certain extent, destroys the confidence of the people in maintaining a strong military force in peacetime. To that extent, we are playing into the hands of certain powers and we are weakening our efforts for peace throughout the world. We are encouraging, by the weakening of our military position, other nations to reach out for territorial and military power and are, in fact, sowing the seeds of World War III.

Mr. Speaker, it is my belief that the thought contained in this resolution is worthy of the serious and early consideration of the Members of the House and the Military Affairs Committee. I sincerely hope that the Members of the House will approve the resolution and that the proper committee will contact the Secretary of War, General Patterson, the Chief of Staff, General Eisenhower, and other military leaders in an effort to get their thought and advice on this most important subject.

I believe that the announcement of the formation of an American Foreign Legion would be a proper and a great step for this Nation to take at the present time. It would hold out a new hope for hundreds of thousands of men who have fought in various military organizations for the freedom they hoped would come after victory. It might well make up the major military force which we will be called upon to supply under the United Nations Organization; and certainly one could easily visualize that it might succeed to the extent that it could furnish practically all of the troops necessary for our armies of occupation in Europe and in Japan.

Mr. Speaker, such a move, I believe, would be welcomed by the American people. It would provide seasoned and trained men for the armies of occupation rather than the continuous drafting of our teen-age boys, disturbing their opportunities for an education by sending them to Germany and Japan to do police work in the army of occupation.

I believe the thought is worthy of most serious consideration by our military leaders and by the Members of this Congress.

Resolved, That the Committee on Military Affairs is authorized and directed to conduct a study and investigation to determine the advisability of providing for the establishment of an American Foreign Legion, to be under the leadership of officers of the United States Army, and the members of which would be enlisted from among citizens of foreign countries.

The committee is also authorized to study and recommend legislation regarding the possibility of granting American citizenship to such enlistees after a certain period of honorable service in the armed forces of the United States.

The committee shall report to the House (or to the Clerk of the House if the House is not in session) as soon as practicable during the present Congress the results of its investigation and study, together with such recommendations as it deems advisable.

For the purpose of carrying out this resolution the committee is authorized to sit and act during the present Congress at such times and places within the United States, whether the House is in session, has recessed, or had adjourned, to hold such hearings, and to take such testimony, as it seems necessary.

TOLEDO, PEORIA, AND WESTERN RAILROAD

Mr. PRICE of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE of Illinois. Mr. Speaker, in the recent weeks our Nation has been beset with many labor disputes and work stoppages. Many of these stoppages have been Nation-wide in their scope and have involved many thousands of workers and their families. It is to the credit of these workers and their employers that by far and large the majority of the strikes have been conducted in an atmosphere of mutual concern and orderly demonstration by both sides.

Unfortunately, however, this has not been the case in all instances. On the Toledo, Peoria, & Western Railroad there has recently occurred as brazen an action by management employees as has been witnessed in this country since the days of the Pinkerton thugs and the mine police. The management of the T. P. & W. have culminated a long campaign of refusing to bargain collectively with its employees by hiring paid thugs who have caused the death of two employees of the railroad and seriously injured three more. There is no place in our modern industrial economy for such blatant disregard of all civil and moral law. Steps must be taken that will correct the causes of this tragedy.

I have introduced in this House a resolution directing that the Committee on Interstate and Foreign Commerce conduct an investigation into this labor dispute to determine who is responsible for this outrageous miscarriage of modern collective bargaining. I feel that the House should investigate the conduct of the president of the Toledo, Peoria & Western Railroad in this matter. I feel that the allegation that this man has recently purchased firearms in wholesale lots should be the concern of every man in this body. Certainly the widows of Irwin Paschon and Arthur Brown as well as their children expect that this

Government take every necessary step to correct the situation that has resulted in the deaths of these unionists.

I hope that my resolution will be adopted and that the inquiry will proceed as quickly as possible in order that future tragedies of this sort may be avoided. I am sure that the Members of the House will agree that the long history of peaceful settlement of disputes that has characterized the activity of our railroad labor organizations entitles these fine organizations to the investigation that my resolution would authorize.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. SCHWABE of Missouri (at the request of Mr. MARTIN of Massachusetts), on account of illness in family.

To Mr. CASE of South Dakota (at the request of Mr. MARTIN of Massachusetts), for 4 days, on account of illness in family.

To Mr. HOLMES of Massachusetts (at the request of Mr. MARTIN of Massachusetts), for 1 month, on account of illness.

To Mr. DAUGHTON of Virginia (at the request of Mr. DREWRY), for 3 days, on account of important matters to attend to.

To Mr. JARMAN (at the request of Mr. HOBBS), for an indefinite period, on account of official business.

To Mr. WEAVER (at the request of Mr. MURRAY of Tennessee), for the remainder of the week, on account of illness.

ENROLLED BILLS SIGNED

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 129. An act to provide for the barring of certain claims by the United States in connection with Government checks and warrants;

H. R. 2284. An act to eliminate the practice by subcontractors, under cost-plus-a-fixed-fee or cost-reimbursable contracts of the United States, of paying fees or kick-backs, or of granting gifts or gratuities to employees of cost-plus-a-fixed-fee or cost-reimbursable prime contractors or of higher tier subcontractors for the purpose of securing the award of subcontracts or orders;

H. R. 3603. An act to provide for the sale of surplus war-built vessels, and for other purposes;

H. R. 3580. An act to authorize municipalities and public utility districts in the Territory of Alaska to issue revenue bonds for public-works purposes; and

H. R. 4932. An act to amend section 9 of the Boulder Canyon Project Act, approved December 21, 1928.

ADJOURNMENT

Mr. PATMAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 58 minutes p. m.) the House adjourned until tomorrow, Wednesday, February 27, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

FEDERAL TRADE SUBCOMMITTEE OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Federal Trade Subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m. Wednesday, February 27, 1946.

Business to be considered: Resume public hearings on H. R. 2390, to amend the act creating the Federal Trade Commission. Federal Trade Commission representatives will commence statements in opposition, to be followed by other opponent witnesses. Hearing announced on Tuesday, February 26, canceled.

HOUSE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

The Committee on Expenditures in the Executive Departments will hold hearings on surplus property on Wednesday, Thursday, Friday, beginning at 10 a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1093. A letter from the Secretary of the Navy and Secretary of War, transmitting a draft of a proposed bill to amend the Pay Readjustment Act of 1942, as amended, and for other purposes; to the Committee on Military Affairs.

1094. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated September 29, 1945, submitting a report, together with accompanying papers and illustrations, on a review of reports on a waterway connecting the Tombigbee and Tennessee Rivers, requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on January 2, 1945 (H. Doc. No. 486); to the Committee on Rivers and Harbors and ordered to be printed, with three illustrations.

1095. A letter from the Administrator, Veterans' Administration, transmitting a draft of a proposed bill to authorize the Veterans' Administration to appoint and employ retired officers without affecting their retired status, and for other purposes; to the Committee on Military Affairs.

1096. A letter from the Acting Secretary of the Interior, transmitting a draft of a proposed bill to amend the laws authorizing the performance of necessary protection work between the Yuma project and Boulder Dam by the Bureau of Reclamation; to the Committee on Rivers and Harbors.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. BYRNES of Wisconsin: Committee on Claims. H. R. 3703. A bill for the relief of the city and county of San Francisco; without amendment (Rept. No. 1650). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLAND: Committee on the Merchant Marine and Fisheries. H. R. 3973. A bill to amend the act entitled "An act to provide reemployment rights for persons who leave their positions to serve in the merchant marine, and for other purposes," approved June 23, 1943 (57 Stat. 162), and for other purposes; without amendment (Rept. No. 1651). Referred to the Committee of the Whole House on the State of the Union.

Mr. LANHAM: Committee on Public Buildings and Grounds. H. R. 5455. A bill to amend section 502 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, so as to authorize the appropriation of funds necessary to provide an additional 100,000 temporary housing units for distressed families of servicemen and for veterans and their families; with amendment (Rept. No. 1652). Referred to the Committee of the Whole House on the State of the Union.

Mr. ELLIOTT: Committee on the Public Lands. H. R. 2418. A bill to authorize the United States Commissioner for the Sequoia National Park to exercise similar functions for the Kings Canyon National Park; without amendment (Rept. No. 1653). Referred to the Committee of the Whole House on the State of the Union.

Mr. BARRETT of Pennsylvania: Committee on the Public Lands. H. R. 3553. A bill to authorize revisions in the boundary of the Hopewell Village national historic site, Pennsylvania, and for other purposes; without amendment (Rept. No. 1654). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON of Florida: Committee on the Public Lands. H. R. 3796. A bill to quiet title to certain school-district property in Enid, Okla.; without amendment (Rept. No. 1655). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON of Georgia: Committee on the Territories. H. R. 4731. A bill to authorize the Alaska Railroad to engage in the business of operating oceangoing vessels; without amendment (Rept. No. 1656). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAY: Committee on Military Affairs. H. R. 5195. A bill to govern the distribution of war trophies; without amandment (Rept. No. 1657). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAY: Committee on Military Affairs. S. 1532. An act to authorize the appointment of certain persons as permanent brigadier generals of the line of the Regular Army; without amendment (Rept. No. 1658). Referred to the Committee of the Whole House.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KEOGH: Committee on claims. H. R. 2217. A bill for the relief of Rae Glauber; with amendment (Rept. No. 1641). Referred to the Committee of the Whole House.

Mr. BYRNES of Wisconsin: Committee on Claims. H. R. 3161. A bill for the relief of Mrs. Ruby Miller; with amendments (Rept. No. 1642). Referred to the Committee of the Whole House.

Mr. FERNANDEZ: Committee on Claims. H. R. 3185. A bill for the relief of George Lassila; with amendments (Rept. No. 1643). Referred to the Committee of the Whole House.

Mr. BYRNES of Wisconsin: Committee on Claims. H. R. 3400. A bill for the relief of Herbert W. Rogers; without amendment (Rept. No. 1644). Referred to the Committee of the Whole House.

Mr. BYRNES of Wisconsin: Committee on Claims. H. R. 3823. A bill for the relief of Gertrude McGill; without amendment (Rept. No. 1645). Referred to the Committee of the Whole House.

Mr. BYRNES of Wisconsin: Committee on Claims. H. R. 3967. A bill for the relief of Ahto Walter, Lucy Walter, and Teddy Walter; with amendment (Rept. No. 1646). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. H. R. 4803. A bill for the relief of Benjamin Keizer; with amendment (Rept. No. 1647). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on Claims. H. R. 4884. A bill to relieve certain em-

ployees of the Veterans' Administration from financial liability for certain overpayments and allow such credit therefor as is necessary in the accounts of Guy F. Allen, chief disbursing officer; with amendment (Rept. No. 1648). Referred to the Committee of the Whole House.

Mr. BYRNES of Wisconsin: Committee on Claims. H. R. 4948. A bill for the relief of Herbert C. Rockwell; without amendment (Rept. No. 1649). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND:

H. R. 5587. A bill to amend the Canal Zone Code, and for other purposes; to the Committee on the Merchant Marine and Fisheries.

By Mr. ELLIOTT:

H. R. 5588. A bill to exempt from the Federal amusement tax all admissions charged to fairs; to the Committee on Ways and Means.

By Mr. FORAND:

H. R. 5589. A bill to provide for retirement of certain commissioned officers, commissioned warrant officers, chief warrant officers, warrant officers, and enlisted men of the Army, Navy, Marine Corps, and the Coast Guard thereby providing vacancies for promotions in order to stimulate voluntary enlistments; to the Committee on Military Affairs.

By Mr. McCORMACK:

H. R. 5590. A bill to provide for the uniform administration of efficiency ratings; to the Committee on the Civil Service.

By Mr. DINGLE:

H. R. 5591. A bill to provide for the consolidation of packages of distilled spirits in internal revenue bonded warehouses and the elimination of wine gallons from certain records, entries, and returns covering distilled spirits, and for other purposes; to the Committee on Ways and Means.

By Mr. OUTLAND:

H. R. 5592. A bill to amend certain provisions of the Social Security Act and the Internal Revenue Code in order to bring within the scope thereof industrial operations performed on agricultural commodities and to confine exemptions to farming and related activities; to the Committee on Ways and Means.

By Mr. WHITE:

H. R. 5593. A bill to provide for the monetization of the unobligated silver in the Treasury, to make an inventory of our national mineral resources, and for other purposes; to the Committee on Coinage, Weights, and Measures.

By Mr. PETERSON of Florida:

H. R. 5594. A bill to reserve for the use of the United States all deposits of fissionable materials contained in the public lands; to the Committee on the Public Lands.

By Mr. O'KONSKI:

H. Res. 534. Resolution to establish a foreign legion in the American armed forces; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to provide for an increase in the national minimum wage structure; to th Committee on Labor.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to encouraging the resumption of gold mining; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to proposed reparations to American residents of the Philippines detained during the war in Japanese prison camps; to the Committee on War Claims.

Also, memorial of the Legislature of the State of California, relative to the settlement of a jurisdictional labor dispute between the CIO Food, Tobacco, Agricultural, and Allied Workers' Union of America, and the American Federation of Labor Cannery Workers' Union, affiliated with the International Teamsters' Union; to the Committee on Labor.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mrs. DOUGLAS of California:

H. R. 5595. A bill for the relief of Marjorie See; to the Committee on Immigration and Naturalization.

H. R. 5596. A bill for the relief of Edward A. Cupp; to the Committee on Claims.

By Mr. HINSHAW:

H. R. 5597. A bill for the relief of Harry C. Goakes; to the Committee on Claims.

By Mr. LUTHER A. JOHNSON:

H. R. 5598. A bill for the relief of John Camera; to the Committee on Immigration and Naturalization.

By Mr. BUCK:

H. R. 5599. A bill for the relief of Alice Johnson; to the Committee on Claims.

By Mr. POWELL:

H. R. 5600. A bill for the relief of Kenneth Michel; to the Committee on Immigration and Naturalization.

By Mr. RAYFIEL (by request):

H. R. 5601. A bill for the relief of Joseph W. Beyer; to the Committee on Claims.

By Mr. ROBSION of Kentucky:

H. R. 5602. A bill granting a pension to Henry Combs; to the Committee on Invalid Pensions.

By Mr. SHARP:

H. R. 5603. A bill for the relief of Wilford B. Brown; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1630. By Mr. ARNOLD: Petition of constituents in Princeton, Mo., urging support of the Poage bill, House bill 1742, to authorize appropriation of $5,000,000 so that Rural Electrification Administrator might prepare comprehensive plans for electrification of rural areas, and to authorize the Reconstruction Finance Corporation to make additional loans to the REA aggregating $585,000,000 by June 30, 1948; to the Committee on Interstate and Foreign Commerce.

1631. By Mr. LUTHER A. JOHNSON: Petition of Claude King of Mexia, Tex., favoring legislation to require full taxation of earnings of all co-ops; to the Committee on Ways and Means.

1632. By Mr. LANE: Petition of the legislative department, board of aldermen, city of Chelsea, Mass., proposing the establishment of separate United States Employment Service offices, and dividing the United States Employment Service into two separate branches, so that one could be devoted exclusively to serving veterans and staffed by World War II veterans. This petition is submitted in cooperation with the protest of the national headquarters of the American Veterans against the way veterans are served under the existing United States Employment Service set-up in the Department of Labor; to the Committee on World War Veterans' Legislation.

1633. By Mr. MARTIN of Iowa: Petition of members of the university district of the Iowa State Dental Society, opposing Senate bill 1606 and House bill 4730 and supporting Senate bill 1099 and 190; to the Committee on Interstate and Foreign Commerce.

1634. By Mr. SMITH of Wisconsin: Petition of Walter J. Menden, route 1, box 22, Racine, Wis., In re: Price control, changing corporation taxes, and housing; to the Committee on Banking and Currency.

1635. Also, petition of R. J. Mosher, secretary, local No. 195, Racine, Wis., In re: Price control, confirmation of Edwin Pauley, loan to Britain, Case bill, and James Petrillo; to the Committee on Banking and Currency.

SENATE

WEDNESDAY, FEBRUARY 27, 1946

(Legislative day of Friday, January 18, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal Father, most real when most invisible, ere our wistful yearnings break into faltering words, Thou seest our deepest needs; past sobs and sighs and stammering tongues Thou knowest that as the hart panteth after the water brook so thirst our souls after Thee.

Save us from presumptive pride that feigns an understanding that it does not possess. Open our inner eyes that with all our seeing we may not miss the beauty and strength of a spiritual world more real even than the driven dust beneath our feet or the feathered songsters that wing their trackless way above our heads. Make us fit vessels to receive the glory and the good Thou desirest to give to us, and through us to all the waste places of this stricken earth. In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, February 26, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on February 26, 1946, the President had approved and signed the act (S. 1618) to exempt the Navy Department from statutory prohibitions against the employment of noncitizens, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed without amendment the joint resolution (S. J. Res. 136) changing the name of the Shoshone Dam and Reservoir to Buffalo Bill Dam and Reservoir in commemoration of the one hundredth

anniversary of the birth of William Frederick Cody, better known as Buffalo Bill.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 4652) to provide credit for past service to substitute employees of the postal service when appointed to regular positions, to extend annual and sick leave benefits to war service indefinite substitute employees, to fix the rate of compensation for temporary substitute rural carriers serving in the place of regular carriers in the armed forces, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

H. R. 854. An act for the relief of Isabel Carlson;

H. R. 1315. An act for the relief of B. Pendino;

H. R. 1464. An act for the relief of Leonard Hutchings;

H. R. 1489. An act for the relief of Harold B. Alden and Walter E. Strohm;

H. R. 1848. An act for the relief of Max Hirsch;

H. R. 2168. An act for the relief of Charles Zucker;

H. R. 2171. An act for the relief of Solomon Schtierman;

H. R. 2240. An act to credit certain service performed by members of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service prior to reaching 18 years of age for the purpose of computing longevity pay, and for other purposes;

H. R. 2270. An act for the relief of Harry C. Westover;

H. R. 2289. An act for the relief of Arnold Mecham;

H. R. 2393. An act for the relief of Elsie Peter;

H. R. 2452. An act for the relief of Sam Kalak;

H. R. 2661. An act for the relief of W. D. Jones and Ethel S. Jones;

H. R. 2724. An act for the relief of the legal guardian of Forest Eldon Powell;

H. R. 2728. An act for the relief of R. H. Sindle;

H. R. 2769. An act for the relief of C. Frank James;

H. R. 2963. An act for the relief of William Phillips;

H. R. 2974. An act for the relief of the estate of Bobby Messick;

H. R. 3028. An act to amend the act of August 17, 1937, as amended; relating to the establishment of the Cape Hatteras National Seashore Recreational Area in the State of North Carolina;

H. R. 3046. An act for the relief of Thomas A. Butler;

H. R. 3444. An act to grant the title of public lands to the town of Safford, Ariz., for the use of its municipal water system;

H. R. 3514. An act for the relief of the legal guardian of Olga Stanik, a minor;

H. R. 3614. An act to ratify and confirm Act 33 of the Session Laws of Hawaii, 1945, extending the time within which revenue bonds may be issued and delivered under chapter 118, Revised Laws of Hawaii, 1945;

H. R. 3657. An act to ratify and confirm Act 32 of the Session Laws of Hawaii, 1945;

H. R. 3730. An act granting the consent of Congress to the State of West Virginia to construct, maintain, and operate a free highway bridge across the Monongahela River at or near Star City, W. Va.;

H. R. 3784. An act for the relief of C. H. Brumfield;

H. R. 3940. An act to revive and reenact the act entitled "An act granting the consent of Congress to Rensselaer and Saratoga Counties, N. Y., or to either of them, or any agency representing said counties, to construct, maintain, and operate a free highway bridge across the Hudson River between the city of Mechanicville and Hemstreet Park in the town of Schaghticoke, N. Y.," approved April 2, 1941;

H. R. 4249. An act for the relief of Lucy Delgado and Irma M. Delgado;

H. R. 4652. An act to provide credit for past service to substitute employees of the postal service when appointed to regular positions; to extend annual and sick leave benefits to war service indefinite substitute employees; to fix the rate of compensation for temporary substitute rural carriers serving in the place of regular carriers in the armed forces; and for other purposes; and

S. J. Res. 136. Joint resolution changing the name of the Shoshone Dam and Reservoir to Buffalo Bill Dam and Reservoir in commemoration of the one hundredth anniversary of the birth of William Frederick Cody, better known as Buffalo Bill.

CALL OF THE ROLL

Mr. VANDENBERG obtained the floor.

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hart	O'Mahoney
Austin	Hatch	Overton
Bailey	Hawkes	Pepper
Ball	Hayden	Radcliffe
Bankhead	Hickenlooper	Reed
Barkley	Hill	Revercomb
Bilbo	Hoey	Robertson
Brewster	Huffman	Russell
Bridges	Johnson, Colo.	Saltonstall
Briggs	Johnston, S. C.	Shipstead
Buck	Kilgore	Smith
Bushfield	Knowland	Stanfill
Butler	La Follette	Stewart
Byrd	Langer	Taft
Capper	McCarran	Thomas, Okla.
Carville	McClellan	Thomas, Utah
Chavez	McFarland	Tobey
Cordon	McKellar	Tunnell
Donnell	McMahon	Tydings
Downey	Magnuson	Vandenberg
Ellender	Maybank	Walsh
Ferguson	Mead	Wheeler
Fulbright	Millikin	Wherry
George	Mitchell	White
Gerry	Moore	Wiley
Gossett	Morse	Willis
Green	Murdock	Wilson
Gurney	Myers	Young

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from New York [Mr. WAGNER] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from Pennsylvania [Mr. GUFFEY] is a member of the committee attending the funeral of the late Representative from Pennsylvania, Hon. J. Buell Snyder, and is therefore necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Illinois [Mr. LUCAS], and the Senator from Texas [Mr. O'DANIEL] are detained on public business.

The Senator from Montana [Mr. MURRAY] and the Senator from Idaho [Mr. TAYLOR] are absent on official business.

The Senator from Texas [Mr. CONNALLY] is absent on official business as a representative of the United States to the General Assembly of the United Nations.

Mr. WHERRY. The Senator from Illinois [Mr. BROOKS] is recovering from a recent operation.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate on official business of the Small Business Committee, of which he is a member.

The PRESIDENT pro tempore. Eighty-four Senators having answered to their names, a quorum is present.

REPORT ON UNITED NATIONS MEETING IN LONDON

Mr. VANDENBERG. Mr. President, I am presenting a brief report to my Senate colleagues regarding the recent meeting of the United Nations in London, where, thanks to your generous confirmation of the President's appointment, I sat as an American delegate in the first General Assembly.

I had expected to postpone this statement until the return of the Senate's other representative at London, the distinguished chairman of the Senate Foreign Relations Committee, the Senator from Texas [Mr. CONNALLY]. But events seem to recommend these observations now. The Senator from Texas will be back in the near future. I compliment him in the highest possible terms for his sterling services in London. He filled important and often difficult assignments with wisdom, vigor, tenacity, and success. He was distinctly a credit to the Senate, to his country, and to the great cause which he embraced with typical earnestness and zeal.

Mr. President, I say frankly, at the outset, that I return from London with mixed emotions. I return with no illusions that automatic peace awaits the world just because the machinery of the United Nations is now in gear. But I return also with an over-riding conviction, even more emphatic than before, that the world's only hope of organized peace and security in inseverably linked with the evolution and the destiny of this United Nations Organization. I return in the convinced belief that the more complex or ominous the world's international relations may become, in that same degree the greater becomes the critical need that the peace-loving peoples of the earth shall strive to make this enterprise succeed. I return in the belief that it can succeed unless Russia, Britain, and the United States, individually or collectively, make it impossible.

I can share your disappointments over some phases of the London record. I can share your anxieties over some of its disturbing trends. I can share your desires that the San Francisco Charter should be improved in certain aspects. I intend to speak frankly about some of these things. But I cannot—and I do not—share the melancholy pessimism, heard in some quarters, that the United Nations, as a result of this experience, will be unable to cope with world realities as disclosed in current history. It would be silly to ignore the hazards. It would be sillier to ignore vindicated hopes. The amazing thing is not that at London there were areas of disagreement but that the areas of agreement were so vast and so significant.

In my opinion, Mr. President, I repeat—because it is so dreadfully important—that the United Nations must be made to succeed if we are to avoid unspeakable catastrophe in this atomic age when decisive war may be waged in minutes instead of years and when the first casualty list may be the last. To those who are already earnestly suggesting substitutes, I prayerfully suggest that if the United Nations compact, as a starter, cannot command the agreement and cooperation essential to success, then any more ambitious program would obviously multiply these obstacles. Any less ambitious program would die of international pernicious anemia. This Charter clearly has its imperfections. We must be constantly alert to opportunities for its improvement. It is helpful that the earnest friends of peace should press these discussions. But it seems clear to me that we must first learn to live with what we have. It seems clear to me that our challenge is to make the United Nations work. It is particularly a challenge to the so-called five great powers. More particularly it is a challenge to three of them. Still more particularly, it is an individual challenge to the Union of Soviet Socialist Republics, upon the one hand, and to our own United States, upon the other, as I shall presently undertake to demonstrate.

Now, Mr. President, let us look at London. In 37 days the United Nations turned a blueprint into a going concern. It turned an ideal into a reality. On January 10, 1946, we had only a pious dream. On February 16, 1946, we had organized, in working detail, the complete machinery for the General Assembly, for the Security Council, for the Court of International Justice, for the Social and Economic Council, and for the functioning of every instrument of peace which the Senate envisioned when it underwrote this dream last July with but two dissenting votes. On January 10 we had a scrap of paper. In 37 days we gave it life. The supreme need, in the name of flesh and blood and human hearts and hopes, is that it shall not return to the status of a scrap of paper.

There was sharp controversy and competition in some of these organizational decisions. But all of them were accepted in good spirit by all concerned. There was not a suspicion of insincerity or sabotage. In other words, the original purpose—and what was intended to be the exclusive purpose—of this first General Assembly was carried out with complete comity and with significant success. There was healthy rivalry. But there was equally healthy agreement. In athletic parlance, the team was learning to play team ball. The temporary quarters of the United Nations is already rising in the United States. The machinery is all in gear. Indeed they were 37 momentous days.

All this involved great labor and the composition of many differing points of view. For example, I was chairman of the subcommittee which dealt with administration and with budgets. Starting from zero, we had to create the frame-work for a tremendous institution. Fifty-one nations, spanning the gamut of race, color, language, and tradition, had to concur. They did—with ultimate unanimity. I venture to ask, with great respect, how long, and with what travail, it would have taken our own Congress to complete a comparable task. Obviously it was possible only with the highest degree of cooperation; with the best of mutual good will; and with a common dedication to a common purpose. And it is highly significant that there were no exceptions to this rule.

I should say, at this point, that UNO will be financed from a so-called working capital fund of $25,000,000; and that its provisional budget for 1946, including the Court at The Hague, is $21,500,000. Our provisional share is 25 percent. In other words, the United States will spend for peace, on this account far less per annum than it spent per hour on war.

So, Mr. President, let us put this first big entry in the credit ledger. When we look at London and at the first General Assembly of the United Nations, let us remember that its organizational phase was a phenomenal success and a vigorous omen of hope for the tolerant cooperations which are the lifeblood of this adventure in behalf of the collective security for which men and women pray, in a hundred different tongues, at the war-scarred hearthstones of the world. Again in athletic parlance, let us anticipate that when the team has played together a little longer it will be invincible.

Let us remember some other things about this first General Assembly.

Let us remember that it initiated the joint studies which should lead to the international control of atomic energy, on a basis requiring adequate and dependable security and inspection arrangements as a mandate prerequisite to any disclosures of any nature at any time. This is the way to save civilization from the use of atomic energy as a lethal curse to humankind.

Let us remember that this General Assembly—this town meeting of the world—sounded reveille against the famine which threatens countless peoples with pitiful extermination. Of course, the call to service is not itself alone enough. Action must follow words. But it is heartening to find the world thus equipped with a new and powerful weapon with which to attack the social and economic, as well as the political, ails of the human family everywhere.

Let us remember that this General Assembly—this vocal conscience of the earth—unanimously offered new hope to dependent peoples everywhere through the expression of our mutual purpose to encourage their self-government.

Let us remember that it pledged itself to encourage a world-wide free press through instrumentalities to be created at its next session in September. Blackouts and iron curtains are not the insignia of liberty nor the trade-marks of peace.

Let us remember that this General Assembly encouraged the hopes of war refugees—the pathetic derelicts of recent conflict—by refusing, on a decisive roll call, to sanction their involuntary repatriation.

Let us remember, Mr. President, that this General Assembly has now put itself in full position to proceed hereafter to implement dynamic article XIV of the Charter. This means that it can recommend the peaceful adjustment of any situation, regardless of origin, which it deems likely to impair the general welfare or to infringe upon equal rights and self-determination of peoples.

All this, and more, the General Assembly did in 37 days. Let us put this entry in the credit ledger.

No; it is not the whole story. I shall come to that in a moment. But it is enough of the story to hearten men of good will to refuse any defeatism in their attitudes and to carry on. We have the greatest encouragements to believe that the United Nations can gather strength and moral power to meet the major issues which may threaten international peace and security, or, as an alternative, to organize the conscience of the world against any aggressor who defies these precepts.

Ah, yes, you say; but how about the Security Council? Well, Mr. President, let us look at the Security Council. By all means, let us look at the Security Council. First, let us remember that the Security Council was put to unexpected test just 6 days after it came into being—before it had any of the Charter instruments intended for its use—before it even had any rules for its own procedure. That was like expecting a motor car to run on one wheel—and yet it did. Or, changing the metaphor, it was like asking General Eisenhower to invade the Continent 20 minutes after we declared war on Germany. It took 4 years to integrate the machine that won the war. I respectfully submit to those who are impatient with the London story that we are entitled to at least a few months of grace in the winning of a lasting peace. Even if it took as long as the winning of the war, still it would be a miracle, in the light of man's dismal failures for 1,900 years to follow in the footsteps of the Prince of Peace. Or, again changing the metaphor, I would suggest a study of our own swaddling days and of the time and travail involved in accommodating ourselves to our own Constitution. The truth is, Mr. President, that the brief, preliminary record made by the Security Council is, under the circumstances, much more notable for what it did than for what it did not do.

Four controversies, each involving the presence of foreign troops in lands other than their own, were submitted to the Security Council, upon which sit Britain, China, France, Russia, the United States, Egypt, Mexico, Netherlands, Australia, Brazil, and Poland. In each instance, after full hearing, the four controversies were left, on conciliatory American initiative, to further negotiations between the nations in direct concern. But that qualifying phrase, "after full hearing," is of paramount importance.

Mind you, these were the raw materials out of which wars have sprung in other days. But here the contestants were not meeting on a battlefield. They were meeting at the council table, in the white light of full publicity, in the presence of their peers, under the searching eyes of a watching world and under the impulse of a solemn pledge to

keep the peace. Here, words which would have been fighting words in other days were the substitutes for guns and swords. Here the frankest imaginable discussions were taking place, eye to eye, cheek by jowl. Here the contestants shook hands at the termination of the jousts. Here there was a clear verdict rendered on the facts by the member nations sitting in their judgment seats, as each representative spoke into the record. It was the "open diplomacy openly arrived at" of which men heretofore have dreamed in vain. It was an epoch in the hopes of humankind. Let us put that in the credit ledger.

Both World War I and World War II have been chaptered with secret agreements; and the serial postscripts still continue to appear. This new fraternity of nations may lay claims to high values, at least in its emphasis upon daylight diplomacy.

To be sure, the ultimate disposition of each case, after full hearing, was a reversion to direct negotiation between the parties involved, instead of some affirmative act of penalty or of enforced restraint. This may have been a disappointment to some of our more impatient direct-actionists who would like a god of peace as militant and as relentless as the gods of war. But I remind you that the United Nations Charter does not contemplate the techniques of the meat-axe. It is not built to hasten sanctions and the use of force. It is built to prevent, if possible, the use of sanctions and of force. It is built to stop war; not to make it. It requires the exhaustion of all possibilities of direct negotiation, and of inquiry, and of mediation, and of conciliation, and of arbitration, and of judicial settlement before we turn to grimmer disciplines.

And this, Mr. President, is desperately important. I venture to assert that the renewal of direct negotiations in the four instant cases, after these full hearings, is calculated to be quite a different thing than it was before. Now these negotiations will proceed in the presence of the necessity for an ultimate accounting not only to the Security Council but also to the critical opinions of mankind. Now the record, be it good or ill, defies distortion in the future conduct of these events. In most instances, I dare to believe there will be adequate results. By way of example, I point only to the fact that the Soviet Union immediately opened negotiations with Iran—after months of previous refusal to confer at all—and that, in the midst of the Indonesian discussion the Netherlands announced new plans for an autonomous Indonesian Commonwealth. This, too, goes on the credit ledger.

I say again that this is the wholesome pattern of a great hope—even as it also has its danger spots. I do not intend to deny the latter, as will presently appear. But neither do I intend to ignore the former, lest we be treacherously misled against our own best destiny. The price of failure is too great.

By way of concrete illustration, Mr. President, let me submit a blow-by-blow account of the final contest before the Security Council. Within it are found all of our hopes and fears—all of the credits and the liabilities—all of the encouragements and all of the warnings for the future.

Lebanon and Syria were asking the simultaneous withdrawal of French and British troops. Just linger for a moment, Senators, upon this unprecedented scene. Two of the newest and smallest and humblest of governments in the world were complaining against two of the Five Great Powers—against two of the permanent members of the Security Council. The difference in relative power and authority could scarcely approach greater extremes. Yet little Lebanon and little Syria were invited to temporary seats at the council table, pursuant to the mandate of the Charter. There they sat, with the mightiest of earth, to have their untrammeled day in this court of world opinion. It was indeed the triumph of an ideal.

They spoke without limitation and without curb. French and British troops had been necessary in Lebanon and Syria once upon a time, particularly the British, who had entered upon invitation, and who were staying by request until such time as both the British and French could retire together. Lebanon and Syria testified that the need for these foreign troops was done, but that negotiations for their withdrawal had been unsuccessful. Frankly, without rancor, they laid their facts upon the table and petitioned for relief. At long last here, indeed, was at least an approach to the parliament of man. Another large entry on the credit ledger.

When Lebanon and Syria had finished, sturdy Ernest Bevin, Foreign Minister of the United Kingdom, promptly announced that he would be willing and glad to withdraw the British troops at once. Monsieur Bidault, the able Foreign Minister for France, immediately followed with a statement in kind. He said that there were technical arrangements to be concluded; but that he would gladly press their speediest possible negotiation. The controversy gave promise of amicable composition at one sitting of the Council. Our own distinguished Ambassador Stettinius, speaking for the United States, offered a resolution at this point which took note of the record; asserted the Council's general belief that there should be no unwanted troops on foreign soil in time of peace; expressed the Council's confidence that the case could be safely remanded to the parties in interest for final negotiation; and asked that the Council be kept advised of these developments. It appeared to be a prompt and happy and effective composition of the incident. The dove of peace flew in the window. But unfortunately, quickly it flew out again.

At this point the brilliant Soviet Commissar, Vishinsky, intervened. He wanted no such easy peace. He was not satisfied, he said, thus to let the matter rest. Long and bitterly he indicted the action particularly of France in Lebanon and Syria. Instead of being closed, the incident then blazed into two more days of intense and futile debate. He offered amendments to the American resolution which both France and Britain—and most of the Council—interpreted as stinging and unwarranted rebukes. This was not oil on troubled waters. It was salt in reopened wounds. The chairman of the Security Council finally called for a vote. Mr. Vishinsky said he, too, was ready, provided the vote was taken under the provisions of the Charter prohibiting the participation of members of the Council who were parties to a dispute which threatens international peace and security. Both Bevin and Bidault hotly protested that this was not a "dispute threatening international peace and security"; that, therefore, they were entitled to vote and that they could not accept the Vishinsky implication. But they then announced that, upon their own responsibility, they would voluntarily abstain.

Vishinsky's amendment was voted down with only its author on its side. The American resolution was then given the seven affirmative votes required by the Charter. The chairman announced that it was carried. But he was wrong. The Charter also required that these seven votes had to include the concurring votes of the permanent members of the Council. This is the famous veto of which so much has been heard. Mr. Vishinsky promptly challenged the chairman's announcement. He was wholly within his rights, as, indeed, he was from start to finish. The resolution was lost by veto. That left little Lebanon and little Syria just where they started. But then came the thrilling climax. Bevin, for Britain, and Bidault, for France, magnificently asserted that they would voluntarily accept the terms of the resolution and abide its terms precisely as though it were the law of the Council. Put that high up on the credit ledger.

Mr. President, I confess that I was proud of western democracy that night. And the life of the United Nations took on new assurance and new expectancy, in the pattern of their attitudes. On the other hand, I trust I am not unfair in also confessing that it seemed to me the distinguished Soviet delegate—one of the ablest statesmen I have even seen in action—seemed to be less interested in helping Lebanon and Syria than he was in baiting France and Britain—less interested in peace at this point than he was in friction. I am certain it posed the same question in all our minds which I am now finding almost every day, in one form or another, in every newspaper I read—"What is Russia up to now?" It is, of course, the supreme conundrum of our time. We ask it in Manchuria. We ask it in eastern Europe and the Dardanelles. We ask it in Italy where Russia, speaking for Yugoslavia, has already initiated attention to the Polish legions. We ask it in Iran. We ask it in Tripolitania. We ask it in the Baltic and the Balkans. We ask it in Poland. We ask it in the capital of Canada. We ask it in Japan. We ask it sometimes even in connection with events in our own United States. "What is Russia up to now?" It is little wonder that we asked it at London. It is less wonder that the answer—at London and everywhere else—has a vital bearing on the destiny of the United Nations. And, Mr. President, it is a question which must be met and answered before it is too late.

It would be entirely futile to blink the fact that two great rival ideologies—democracy in the west and communism in the east—here, find themselves face to face with the desperate need for mutual understanding in finding common ground upon which to strive for peace for both. In the final analysis this means that the two greatest spokesmen for these rival ideologies—Soviet Russia and the United States—find themselves face to face with this same need for mutual understanding, both in and out of the United Nations. Indeed, if this does not oversimplify the problem, it might even be said that the future of the United Nations itself is wrapped up in this equation.

If this be so, Mr. President, I assert my own belief that we can live together in reasonable harmony if the United States speaks as plainly upon all occasions as Russia does; if the United States just as vigorously sustains its own purposes and its ideals upon all occasions as Russia does; if we abandon the miserable fiction, often encouraged by our own fellow travelers, that we somehow jeopardize the peace if our candor is as firm as Russia's always is; and if we assume a moral leadership which we have too frequently allowed to lapse. The situation calls for patience and good will; it does not call for vacillation.

Let me make it wholly clear that I do not complain because Russia speaks—indeed, Mr. Vishinsky probably spoke in this Security Council more than the spokesmen of all the other powers combined. I am glad she speaks. She ought to speak. That is what this forum is for. But it is for others, too, Mr. President—just as Mr. Bevin used it upon more than one eloquent and courageous occasion. It is, I repeat, for others, too. All should feel an equal freedom, an equal duty, and an equivalent responsibility. The governments of the world suddenly find themselves in the presence of a new technique in international relations. It is in this forum of the United Nations where the most dominant of all debates and decisions are hereafter calculated to occur. It would be impossible to overemphasize the importance of our own role and our own performance in such epochal events, and the need for positive foreign policies as our consistent guide therein.

Speaking in New York last week at a celebration in honor of the great Red Army which Marshal Stalin certifies will be kept at a progressive peak, our new American Ambassador-designate to Moscow, Lt. Gen. Walter Bedell Smith, said: "It is imperative that our national temperatures remain at normal." I agree. He said that "both nations want nothing so much as peace and security." I not only agree; but, in addition, if what still bothers Russia is really a security fear against resurgent aggression, I would renew my offer of 1 year ago for a direct treaty of mutual defense, under the United Nations, in the event an aggressor axis ever rises again.

General Smith said that "the United States is willing to go a long way in meeting its international associates, but that it must be watchful of its own vital interests and hold to the line beyond which compromise cannot go." Again I heartily concur. There is a line beyond which compromise cannot go; even if we have previously crossed that line under the pressures of the exigencies of war, we cannot cross it again. But how can we expect our alien friends to know where that line is unless we reestablish the habit of saying only what we mean and meaning every word we say? I have the deep conviction that this way is the dependable way to permanent peace and concord between us, with its inevitable effect upon the United Nations. Indeed, I have the feeling it is the only way. I have the feeling it is the best way to win Soviet respect and Soviet trust. Respect must precede trust; and both are indispensable to peace.

General Smith said that "America and the Union of Soviet Socialist Republics, given honest and frankness on both sides, can get along together in the future just as well as they have for almost 150 years, in spite of the fact that our Governments and our economic systems have been quite different." Again I associate myself with that sentiment. But the honesty and frankness must be mutual.

Sometimes it is a useful, albeit painful, thing to search our own souls in critical hours like these. Was Sumner Welles, the late President Roosevelt's long-time Under Secretary of State, right in a recent statement from which I quote:

> If the United States is to exercise any potent influence in promoting world peace and in establishing a better international order, other nations must be confident that this Government will abide by our professions. American foreign policy must possess the all-important quality of dependability. * * * The United States continues to possess the influence in world affairs which is derived from its potential military might and from its material resources. But the moral influence which it possessed during the war years because of the belief that this Government was determined to support those principles which are indispensable to be established is rapidly vanishing. * * * It would be better far to refrain from giving assurances, however noble they may be, than to fail to carry them out. For the United States cannot exercise any effective leadership until all nations know that it means what it says.

Mr. President, this sort of an analysis does not detract for an instant from the notably loyal and richly helpful record which the United States has made to the foundations of the United Nations. I have been privileged to be so placed that I could see these great works of ours at first hand. We have a right to be eternally proud of America's part in launching this new argosy of peace upon the seas of time. The startling fact at London—I cannot repeat too often—is not that it sometimes trembled in the gale but rather that it so stanchly weathered all the storms. But, sir, we would be dubious mariners if we did not look back upon this pioneering journey to assess the dangers that developed and to put up warning signals for journeys yet to come.

Therefore, in addition to what I have already said, I must add two further admonitions.

I confess that in this first meeting of the United Nations I missed the uplifting and sustaining zeals for a great, crusading, moral cause which seemed to imbue the earlier Charter sessions at San Francisco. Perhaps it was because the agenda was so largely confined to the humdrum routine of organizational details. Perhaps it was the burden of anxiety over the misgivings that are inevitable in launching a peace project which never yet has succeeded in the history of civilization; or, on the other hand, perhaps it was the accumulated tiredness which dampens ardor and easily surrenders to the expedient notion that "all's well." Perhaps it was because, in the aftermath of war, we confront too many grim realities that are utterly at odds with the precepts of justice which we presume to defend. In any event, and whatever the cause, we are on notice that the peoples of the earth must never cease to evangelize this struggle for peace if it shall reach full flower.

Again, Mr. President, I sensed at London what seemed to be too great a tendency to relapse into power politics, in greater or less degree, and, as someone has said, to use the United Nations as a self-serving tribune rather than as a tribunal. It will require constant, consistent, courageous guidance to keep the United Nations within the main channel of its obligations—and here again is a clear call to America always to act in its traditional character for liberty and justice, and not to lapse, as I fear we may have done on some occasions.

Mr. President, I have endeavored faithfully to report both the credits and the debits on the United Nations' ledgers as a result of the first meeting of the General Assembly. I fear it has been illy and inadequately done. But I want to leave the positive and emphatic conclusion that the credits utterly preponderate with a heavy, a significant, a wholesome and an encouraging balance.

Those, sir, were 37 vital days in London. They are freighted with hope—solidly justified hope—in respect to collective security in this atomic age. In such an age there can be no security which is not collective. With unwavering fidelity we must carry on the great adventure. If there be any failure, let not the blood be upon our hands nor the tragedy upon our souls.

The United States has no ulterior designs against any of its neighbors anywhere on earth. We can speak with the extraordinary power inherent in this unselfishness. We need but one rule. What is right? Where is justice? There let America take her stand. [Applause, Senators rising.]

Mr. WILEY. Mr. President, when our distinguished associate who has just addressed the Senate, the Senator from Michigan [Mr. VANDENBERG], left for Europe, it was my privilege to say a few words on the floor of the Senate about his voyage into a far country. At that time it was the wish and the prayer of all his associates in the Senate that God would speed him, and give him the health and the strength and the vision to carry through.

History is a record of great men. We have heard a great American report to

us on one of the great events in world history. He has done a great job. I wish that every person in America could read his address. I think it will rank as one of the great addresses of all time delivered in this Chamber.

The Senator from Michigan has done several things which are of utmost importance. He has brought to America a great hope. He has shown that the meeting in London was not a failure, as so many have said. He has demonstrated to us clearly, by a factual recital of what took place there, that to a large extent judgment, common sense, and reason were in the saddle in London. I have stated that history is the record of great men, and I believe that the record here established indicates that great men were in action in London.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

PROTECTION WORK BETWEEN THE YUMA PROJECT AND BOULDER DAM

A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to amend the laws authorizing the performance of necessary protection work between the Yuma project and Boulder Dam by the Bureau of Reclamation (with an accompanying paper); to the Committee on Irrigation and Reclamation.

AMENDMENT OF NATIONAL SERVICE LIFE INSURANCE ACT OF 1940

A letter from the Administrator of the Veterans' Administration, transmitting a draft of proposed legislation to amend certain provisions of the National Service Life Insurance Act of 1940, as amended (with an accompanying paper); to the Committee on Finance.

REPORT OF UNITED STATES EMPLOYEES' COMPENSATION COMMISSION

A letter from the Secretary of the United States Employees' Compensation Commission, transmitting, pursuant to law, the annual report of that Commission for the fiscal year ended June 30, 1945 (with an accompanying report); to the Committee on Education and Labor.

STATISTICS OF NATURAL GAS COMPANIES

A letter from the Chairman of the Federal Power Commission, transmitting, pursuant to law, the 1944 edition of Statistics of Natural Gas Companies (with an accompanying report); to the Committee on Interstate Commerce.

PETITIONS AND MEMORIALS

The PRESIDENT pro tempore laid before the Senate the following petitions, and so forth, which were referred, as indicated:

A joint resolution of the Legislature of the State of California; to the Committee on Banking and Currency:

"Senate Joint Resolution 8

"Joint resolution relative to encouraging the resumption of gold mining

"Whereas the price of gold being fixed at $35 per ounce, the gold miner has been foreclosed from any relief through an advance in the price of his product; and

"Whereas the cost of operation of marginal gold miners has so greatly increased since the imposition of WPB order L-208, that gold mines operating profitably under prewar costs would show a loss if reopened and operated under present costs: Therefore be it

"Resolved, by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the Congress of the United States to provide relief for owners of gold mines by providing a subsidy on newly mined gold in the United States, thereby permitting and encouraging the resumption of gold mining; and be it further

"Resolved, That the secretary of the senate be hereby directed to transmit copies of this resolution to the President of the United States, to the President pro tempore of the Senate, and the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Claims:

"Senate Joint Resolution 3

"Joint resolution relative to proposed reparations to American residents of the Philippines detained during the war in Japanese prison camps, and memorializing Congress in regard thereto

"Whereas numerous American residents of the Philippines were detained for years in Japanese prison camps and upon their return to the United States have been given only emergency relief from Federal funds disbursed by local welfare agencies; and

"Whereas a great many of these American residents who were prisoners of the Japanese in the Philippines have been returned to the United States through California ports and a great many of them have remained in the State of California for the purpose of regaining their health: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California (jointly), That Congress is respectfully memorialized to provide for the payment of reparations to American civilians detained in Japanese prison camps during the war, the latter reparations to compensate fully for all injuries sustained by reason of such detention in Japanese prison camps, whether as a result of loss of time, of health, of contacts, of technical or professional skill, or otherwise; and, be it further

"Resolved, That the Secretary of the Senate is directed to transmit copies of this resolution to the President of the United States, the President pro tempore of the Senate of the United States, the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, and to the Secretary of the Interior."

Two joint resolutions of the Legislature of the State of California; to the Committee on Commerce:

"Assembly Joint Resolution 16

"Joint resolution relative to memorializing the Congress of the United States to provide for a survey of the fisheries of the Pacific Ocean

"Whereas observations during the war in the Pacific have disclosed that great schools of tuna and other valuable food fish abound in the waters comprising a broad belt on both sides of the equator; and

"Whereas a comprehensive survey of the fish resources of the Pacific should be undertaken in order to determine the nature and extent thereof, the possibilities of conducting large-scale commercial fishing operations from islands under the control of the United States by nationals of the United States, and the possibilities of conducting such operations from islands under the control of other nations; and

"Whereas there is pending in the Congress of the United States a bill designated H. R. 3230 which provides for a survey of the fishing industry of the Territory of Hawaii and of the adjacent waters, primarily for the benefit of the residents of Hawaii; and

"Whereas the development of the food fish resources of the Pacific will add tremendously to the food supply of the Nation and the by-products thereof will augment the supply of proteins available to agriculture; and

"Whereas modern methods of taking and handling fish permit the operation of fishing fleets in the far reaches of the Pacific and once it has been determined that the fish are there in quantities sufficient to warrant commercial fishing operations private enterprise will assure that the resources will be utilized: Now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California (jointly), That the Legislature of the State of California hereby respectfully memorializes the Congress of the United States to take such steps as may be necessary to cause to be made a comprehensive survey of the fish resources of the Pacific Ocean as provided in H. R. 3230, the extent to which and the methods by which commercial fishing may be encouraged and developed to the maximum level consistent with proper conservation, and the means of controlling such fisheries by treaty or otherwise; and be it further

"Resolved, That the chief clerk of the assembly is directed to transmit a copy of this resolution to the President of the United States, the President pro tempore of the Senate of the United States, the Chief of Fish and Wildlife Service of the Department of the Interior, and to each Senator and Representative in the Congress of the United States from California."

"Assembly Joint Resolution 17

"Joint resolution relative to the development of tuna fishing in the Pacific Ocean

"Whereas observations during the war in the Pacific have disclosed that great schools of tuna exist throughout the tropical waters of that ocean and constitute a virtually untapped natural resource of immense value; and

"Whereas a committee of California residents comprising eminent marine biologists and practical businessmen engaged in large-scale commercial fishing operations has studied the matter and has reported that the development of a large tuna fishing industry in the Pacific would be feasible if bases of operation could be established on islands in that ocean; and

"Whereas the United States now controls only a portion of the islands upon which the proposed tuna-fishing fleets would have to be based; and

"Whereas in order to conduct the fishing operations successfully it will be necessary to arrange for bases on islands under the sovereignty of Great Britain, France, the Netherlands, Australia, and the Philippine Commonwealth; and

"Whereas such bases will be necessary in order to provide for replenishment of water and supplies, for securing of bait, for facilities for repair and for the anchoring of large mother ships and of individual tuna clippers; and

"Whereas the United States now controls a great number of islands formerly under Japanese mandate, and in order to cover the entire area bases would be required at the Marquesas, Tuomotus, the Society Islands, the Tubais, the Tongas, the Fijis, New Caledonia and dependencies, the New Hebrides, the Solomons, New Guinea, the Gilberts, the Elliott Islands, and the Philippines; and

"Whereas in view of the present relations between the victorious powers the time is propitious for the United States to secure from the foreign nations involved the rights required to use the Pacific islands under their sovereignty in order to establish a tuna fishing inlustry to be conducted by nationals of the United States: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California hereby respectfully memoralizes and requests that

the President and Secretary of State of the United States negotiate such treaties or other arrangements whereby the bases referred to in this resolution may be acquired, and that the Senate of the United States ratify such treaties if and when made; and be it further

"Resolved, That the chief clerk of the assembly is hereby directed to transmit copies of this resolution to the President of the United States, the Secretary of State of the United States, the President pro tempore of the Senate and to each Senator and Representative in the Congress of the United States from California."

A joint resolution of the Legislature of the State of California; to the Committee on Education and Labor:

"Assembly Joint Resolution 18

"Joint resolution relative to memorializing Congress to provide for an increase in the national minimum-wage structure

"Whereas legislation is pending before the United States Congress to increase the minimum wage prescribed under the Fair Labor Standards Act of 1938; and

"Whereas since 1938 the purchasing power of the dollar has declined sharply along with an increase in prices and cost of living, all of which has resulted in an actual decrease in the amount of real wages represented by the minimum wage of the Fair Labor Standards Act; and

"Whereas the need of protecting the national purchasing power and maintaining a minimum standard of living necessary for the health, efficiency, and well-being of wage earners may be at least partially achieved by increasing the present minimum wage; and

"Whereas in view of the demonstrated capacity of our country to produce far beyond prewar levels and the need of attaining an economy of full production and abundance, the raising of the minimum standard is a reasonable beginning to this ultimate goal: Now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California (jointly), That the Congress of the United States is respectfully memorialized to enact legislation at the earliest possible date to provide for an increase in the national minimum-wage structure; and be it further

"Resolved, That the chief clerk of the assembly is directed to transmit copies of this resolution to the President of the United States, the President pro tempore of the Senate of the United States, the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Military Affairs:

"Assembly Joint Resolution 22

"Joint resolution memorializing Congress to make farm machinery, implements, and housing available

"Whereas it appears that this Nation is facing a serious shortage in its food supply by reason of the obligation it has accepted to feed a large portion of the population of this world; and

"Whereas many veterans have returned to the farm and have acquired or leased land for farming, but have been unable to procure machinery, implements, and housing for farm purposes; and

"Whereas it is reported that the United States is the owner of a vast amount of surplus machinery, equipment, and housing facilities suitable for use in farming operations; and

"Whereas many farmers other than veterans are now seriously hindered in their farm operations by shortages of machinery, implements, and housing facilities: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California (jointly), That the Congress and administrators of the United States Government are requested to take such action as may be necessary to make such surplus machinery, equipment, and housing facilities immediately available to farmers generally for the purpose of producing the world's food supply; and be it further

"Resolved, That in such distribution preference shall be given to veterans; and be it further

"Resolved, That the chief clerk of the assembly shall transmit copies of this resolution to the President of the United States, the Speaker of the House of Representatives, President pro tempore of the Senate, the Honorable Clinton Anderson, Secretary of Agriculture, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Public Lands and Surveys:

"Senate Joint Resolution 9

"Joint resolution relative to establishment of national parks

"Whereas there are several national parks within the State of California embracing large areas of forest land, and providing recreational facilities for many thousands of tourists; and

"Whereas certain of these national parks could be further developed to accommodate more people, and many forested areas could be made accessible which are now inaccessible to motorists; and

"Whereas the establishment of new national parks in this State is not necessary in those areas containing redwood forests; and

"Whereas the State has established and is maintaining State parks in various parts of California, including the Redwood Highway area, which includes a large portion of Humboldt, Mendocino, and Del Norte Counties; and

"Whereas the creation of new national parks in counties which depend to a large measure on the lumber and sawmill industry would remove areas of valuable land from the county tax rolls and reduce the revenues of such counties, and tend to impair their financial structure: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California (jointly), That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States that no more national parks be established in the forested areas of California, especially those areas containing large redwood forests; and be it further

"Resolved, That the secretary of the senate be directed to transmit copies of this resolution to the President of the United States, the President pro tempore of the Senate, the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Assembly of the State of California; to the Committee on Public Lands and Surveys:

"House Resolution 114

"Resolution relative to the investigation of the United States Forest Service

"Whereas the United States Forest Service has undertaken a general program of reducing the number of livestock on forest ranges, and has reduced permitted numbers as much as 60 percent in some areas and has eliminated livestock from some ranges entirely; and

"Whereas the method used by the Forest Service in determining the extent of the cuts and effecting them are arbitrary, dictatorial, and inconsiderate of the interests of the permittees whose homes and lifetime investments are at stake; and

"Whereas it is vital to the stability of the livestock industry and to the food supply of the Nation that forest permittees have the right to a fair and impartial adjudication of the issues arising between them and the United States Forest Service, and that such permittees be given more security of tenure so that they may plan their livestock operations intelligently: Now, therefore, be it

"Resolved by the Assembly of the State of California, That the Assembly of the State of California hereby memorializes the Congress of the United States to make a thorough investigation of the United States Forest Service and the basis of its policies for the purpose of enacting legislation which would prevent the aforementioned evils and limit the Service to the performance of administrative functions; and be it further

"Resolved, That the chief clerk of the assembly shall transmit copies of this resolution to the President of the United States, the Presiding Officers of each House of the Congress, and to the Senators and Representatives in the Congress from California."

STABILIZATION OF AMERICAN ECONOMY—RESOLUTION OF HUTCHINSON (KANS.) TEACHERS' ASSOCIATION

Mr. CAPPER. Mr. President, I have received a resolution adopted by the Hutchinson (Kans.) Teachers' Association urging the Government to maintain a stabilized economy so as to avoid inflation during postwar years and keep the cost of living under control. I ask unanimous consent to present the resolution, and that it be referred to the Committee on Banking and Currency and printed in the RECORD.

There being no objection, the resolution was received, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Resolution commending the Federal Government for its efforts to maintain a stabilized economy and urging further action to avoid inflation during postwar years

Whereas living costs have been partially held in check during the war years; and

Whereas many powerful forces are now exerting extreme pressure on the Government to remove restrictions on inflation; and

Whereas many millions of workers can never hope to secure salary increases fast enough to catch up in a race with inflation: Therefore be it

Resolved by the Hutchinson Teachers' Association of Hutchinson, Kans., That suitable agencies and individuals of the United States Government be highly commended for their heroic efforts to keep the cost of living under control while the war was being fought; and be it further

Resolved, That suitable agencies and individuals of the United States Government be urged to stabilize our economy and exert every effort to avoid further inflation during the postwar years.

GOLDA CRAWFORD,
President, Hutchinson Teachers' Association, Hutchinson, Kans.

SCHOOL-LUNCH PROGRAM—LETTER FROM PRESIDENT OF AMERICAN DIETETIC ASSOCIATION

Mr. CAPPER. Mr. President, I have received a letter from Bessie Brooks West, president of the American Dietetic Association, Manhattan, Kans., praying for enactment of Senate bill 962, known as the school-lunch bill, for which I voted yesterday. I ask unanimous consent to

present the letter and that it be appropriately referred and printed in the RECORD.

There being no objection, the letter was received, ordered to lie on the table, and to be printed in the RECORD, as follows:

THE AMERICAN DIETETIC ASSOCIATION,
February 11, 1946.

Senator ARTHUR CAPPER,
United States Senate, Washington, D. C.

DEAR SENATOR CAPPER: The American Dietetic Association is giving its hearty support to bills S. 962 and H. R. 3370 for the following reasons:

1. There is a need for legislation providing for a permanent school-lunch program.

2. This permanent program should make provision for proper supervision and adequate nutritional education.

3. There should be cooperation on the Federal level between the Department of Agriculture and the Office of Education directed toward intelligent coordination of activity. Likewise, provisions should be made for cooperation and coordination on the State level. Otherwise, political implications arise which tend to obscure the whole point of the program as it reaches State levels.

4. A strong and independent division within the Department of Agriculture should be established to direct this important assignment. This division should be staffed with individuals having adequate training to assume the responsibility of a program directed toward improving and maintaining the nutritional well-being of American school children.

5. Provisions for coordination and cooperation between the United States Department of Agriculture and the Office of Education are essential for the sort of program desired by this group.

In addition to the immeasurable benefits that this legislation will mean to the children of our Nation, it will also be an aid to the farmer by providing an orderly distribution of his farm products. You may recall that in 1945, the United States Department of Agriculture reported a total expenditure of $89,547,160 for food, estimated on the basis of contractual requirements contained in agreements between the War Food Administration and school-lunch-program sponsors.

When S. 962 is considered by the Senate, it is my hope that you will vote in favor of its passage.

Sincerely yours,

BESSIE BROOKS WEST,
President, American Dietetic Association.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LANGER, from the Committee on Indian Affairs:

S. 1305. A bill to confer jurisdiction on the State of North Dakota over offenses committed by or against Indians on the Devils Lake Indian Reservation; without amendment (Rept. No. 997).

By Mr. MORSE, from the Committee on Claims:

S. 1591. A bill to relieve certain employees of the Veterans' Administration from financial liability for certain overpayments and allow such credit therefor as is necessary in the accounts of Guy F. Allen, chief disbursing officer; without amendment (Rept. No. 998);

H. R. 1090. A bill for the relief of Mrs. Margaret McWilliams; without amendment (Rept. No. 999);

H. R. 2008. A bill for the relief of the village of Cold Spring, Minn.; with an amendment (Rept. No. 1009);

H. R. 2748. A bill for the relief of the Dubuque & Wisconsin Bridge Co.; without amendment (Rept. No. 1000); and

H. R. 3224. A bill for the relief of Mrs. Lionel Comeaux and New Orleans Public Service, Inc.; without amendment (Rept. No. 1001).

By Mr. ELLENDER, from the Committee on Claims:

S. 1504. A bill for the relief of Edith Roberta Moore; with an amendment (Rept. No. 1003);

H. R. 3904. A bill for the relief of Haymond C. Campbell; with an amendment (Rept. No. 1004); and

H. R. 4269. A bill for the relief of Ida Barger, Hazel A. Beecher, Etta Clark, Jesse Ruth France, John W. Nolan, Anna Palubicki, and Frank J. Schrom; without amendment (Rept. No. 1002).

By Mr. EASTLAND, from the Committee on Claims:

H. R. 3012. A bill for the relief of George W. Murrell and Kirby Murrell, a minor; with an amendment (Rept. No. 1005).

By Mr. HUFFMAN, from the Committee on Claims:

S. 1609. A bill for the relief of Catherin Gilbert; with an amendment (Rept. No. 1007);

S. 1627. A bill for the relief of Mrs. Isabel N. Mifflin; with an amendment (Rept. No. 1008); and

S. 1840. A bill for the relief of the Danvers Shoe Co., Inc.; without amendment (Rept. No. 1006).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Utah:

S. 1869. A bill to amend the Pay Readjustment Act of 1942, as amended, so as to provide an increase of 20 percent, and for other purposes; to the Committee on Military Affairs.

By Mr. MAGNUSON:

S. 1870. A bill to authorize the appointment as Foreign Service officers of persons who have served honorably in the armed forces of the United States during World War II but are now precluded from such appointment by reason of certain citizenship requirements; to the Committee on Foreign Relations.

By Mr. WALSH:

S. 1871. A bill to authorize the conveyance of a parcel of land at the Naval Supply Depot, Bayonne, N. J., to the American Radiator & Standard Sanitary Corp.; and

S. 1872. A bill to provide for the rank of original appointments in the Corps of Civil Engineers of the United States Navy, and for other purposes; to the Committee on Naval Affairs.

By Mr. HART:

S. 1873. A bill granting the consent of Congress to the State of Connecticut, acting by and through any agency or commission thereof, to construct, maintain, and operate a toll bridge across the Connecticut River at or near Old Saybrook, Conn.; to the Committee on Commerce.

By Mr. ROBERTSON:

S. 1874. A bill to increase and stabilize the United States domestic wool production and to further stabilize the importation of raw wool from foreign countries; to the Committee on Agriculture and Forestry.

By Mr. PEPPER:

S. 1875. A bill to authorize and request the President to undertake to mobilize at some convenient place in the United States an adequate number of the world's outstanding experts, and coordinate and utilize their services in a supreme endeavor to discover means of curing and preventing cancer; to the Committee on Foreign Relations.

NATIONAL HOUSING POLICY—AMENDMENT

Mr. MURDOCK (for himself and Mr. WAGNER) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 1592) to establish a national housing policy and provide for its execution, which was referred to the Committee on Banking and Currency and ordered to be printed.

WAR DEPARTMENT CIVIL APPROPRIATION BILL, 1947—AMENDMENT

Mr. PEPPER submitted an amendment intended to be proposed by him to the bill (H. R. 5400) making appropriations for the fiscal year ending June 30, 1947, for civil functions administered by the War Department, and for other purposes, which was referred to the Committee on Appropriations and ordered to be printed, as follows: On page 6, line 16, strike out the figure "$97,883,250" and insert in lieu thereof the following: "$158,578,650, or such portion thereof as the Chief of Engineers may estimate can be economically expended during the fiscal year ending June 30, 1947, and in accordance with his recommendations to Congress."

MARINE INSURANCE ON CERTAIN UNITED STATES EXPORTATIONS

Mr. RADCLIFFE submitted the following concurrent resolution (S. Con. Res. 57), which was referred to the Committee on Banking and Currency:

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that any loan made by the Export-Import Bank of Washington or any other instrumentality of the Government for the purchase of United States products for exportation, or any part of which may be used for such purchase, should be conditioned upon an agreement by the borrower that any marine insurance placed on such products shall be placed in the United States with companies lawfully doing business in one or more of the States, unless the Maritime Commission, after investigation, shall certify to the lending instrumentality that such insurance with respect to the particular products involved is not available in the United States at reasonable rates and on reasonable terms and conditions.

ADDRESS BY SENATOR MYERS AT ANNUAL FOUNDER'S DAY DINNER OF THE GENERAL ALUMNI ASSOCIATION OF TEMPLE UNIVERSITY

[Mr. MYERS asked and obtained leave to have printed in the RECORD an address delivered by him at the annual founder's day dinner of the General Alumni Association of Temple University, Philadelphia, February 15, 1946, which appears in the Appendix.]

WASHINGTON'S BIRTHDAY ADDRESS BY SENATOR MAYBANK

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an address delivered by him on February 22, 1946, before the Washington Light Infantry, at Charleston, S. C., which appears in the Appendix.]

UNITED NATIONS ORGANIZATION—ADDRESS BY SENATOR PEPPER BEFORE INDEPENDENT VOTERS OF ILLINOIS

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an address delivered by him before the Independent Voters of Illinois, at Chicago, Ill., on June 29, 1945, on the subject of the United Nations Organization, which appears in the Appendix.]

INTERNATIONAL EXCHANGE OF STUDENTS—EDITORIAL COMMENT

[Mr. FULBRIGHT asked and obtained leave to have printed in the RECORD an article entitled "Idea for Friendship," written by William Philip Simms and published in the

Washington Daily News of February 26, 1946, and an editorial entitled "Student Exchange," published in the Washington Post on February 19, 1946, on the subject of international exchange of students, which appear in the Appendix.]

LABOR UNIONS IN THE NATIONAL ECONOMIC PICTURE—EDITORIAL FROM WABASH PLAIN DEALER

[Mr. WILLIS asked and obtained leave to have printed in the RECORD an editorial entitled "Is This Paper Against Unions?" published in the Wabash Plain Dealer, which appears in the Appendix.]

CARL SCHURZ AND THE REBIRTH OF GERMANY

Mr. WILEY. Mr. President, I derive inspiration from many lives of the past. We all have our personal friends in history—philosophers, statesmen, poets, men of the church. In our own history Washington, Lincoln, Webster, Hamilton, Jefferson, Beecher, and many others, have contributed to my little store of knowledge.

When a boy I became interested in an American by the name of Carl Schurz. March 2, 1946, will mark the one hundred and seventeenth anniversary of the birth of this great American, a great German-American.

In anticipation of this anniversary, I should like to say a few words about a subject which would be dear to the heart of this great statesman—the rebirth of Germany along the lines of progress, peace, and her true, illustrious culture.

This is a subject dear to the hearts of all Americans of German descent, men and women who have made an indispensable contribution to the economic, political, and social life of our beloved Nation. It is a subject also of vital interest to every American who respects the Germany of culture and science.

It is particularly appropriate to consider the redirection of the great German talents along peaceful lines at this time when:

(a) There is grave concern as to the adequacy of administration of the American-occupied zone of Germany with its 15,000,000 souls.

(b) There is concern for the well-being of the stricken population of all of Germany and Austria in the present food crisis.

(c) There is anxiety over the conflicting policies of Russia, England, France, and the United States with regard to the rebirth of Germany.

I know, Mr. President, that in even daring to raise these issues, I shall be attacked in certain quarters as being everything from a Germanophile to a Nazi-lover.

Recently I have been in correspondence with our American authorities in Germany on behalf of adequate relief there. For my efforts, I have been subject to sneering attacks from several sources, particularly those who have hysterically alleged some mystic biologic condition in the German people which makes them eternal enemies of mankind.

Mr. President, in listening today to our distinguished associate [Mr. VANDENBERG], I am sure we were all impressed by the realization that the great United Nations Organization cannot and will not be a success unless there is back of it the great peoples of earth with the will, the desire, the purpose, and the vision to cooperate. That is true of the 70,000,000 Germans who need to be reborn. That is the problem.

MY POSITION ON GERMANY

Let me deny these base accusations against myself and against this people who have given so much that is good and true and helpful to the arts, the sciences, and all phases of humanity's endeavor.

My whole purpose in raising this subject is this:

To make certain that we and our allies do everything possible to help the German people to help themselves, to get them back on their feet, so that they can make their vital, peaceful contribution to Europe and to the world.

Because I am concerned with food conditions in Germany does not mean that I am one bit less concerned with food conditions among those who fought alongside us in the war just concluded.

Because I am anxious to see Germany make peaceful contributions to the world does not mean that I am one bit less anxious to see that Germany never again takes up the sword.

It is on this basis that I have urged that the members of the Voluntary Relief Committee which recently toured Germany be invited to testify before the appropriate Senate committee on the facts regarding food conditions there.

It is on this basis that I am now awaiting a reply from Gen. Mark W. Clark on food conditions in Austria.

It is on this basis that I shall continue to point out the strengths and weaknesses of Allied policy regarding Germany.

GERMANY CAN BE HELPED BACK TO THE ROAD OF PEACE

In the February issue of the Reader's Digest there is an article by Frederic Sondern, Jr., one of the editors of this widely read magazine. The title of Mr. Sondern's article is We Are Bungling the Job in Germany.

Editor Sondern's comments have been substantiated by on-the-spot observations from other objective reporters which have appeared in our daily press and many prominent periodicals, including the Saturday Evening Post.

Mr. Sondern said in part:

> With the establishment of American Military Government over a quarter of Germany and 15,000,000 Germans, we undertook the most difficult and important foreign political task in our history. We are not doing well at it. Our Berlin headquarters is deadlocked in disagreements with our allies. Our Military Government, which redeployment is rapidly stripping of its experienced men, is becoming a laughing stock in the Reich. And the population, which has learned little from defeat, is not impressed by our works or our representatives.

This alleged record of general failure is the more tragic and the more inexcusable in the light of two facts:

First. In isolated, specific instances our Military Government has been successful in weaning Germans away from the Nazi way of thought.

Second. In the United States, Americans of German ancestry have been among the most effective contributors to national defense in time of war and to national welfare in time of peace, with the progress of this Republic ever present in their minds and in their hearts.

A Member of the House of Representatives who visited the American zone of occupation in Germany had this revealing incident to relate, indicative of the possiblities of winning the German people away from the Nazi ideology:

The Congressman was asked to accompany a constituent of his, a German-speaking sergeant, to a meeting in a village hall. The Congressman did not speak German, and the sergeant volunteered to give him an account of what was taking place. The burgomeister called the meeting to order. For some minutes there was a serious discussion. Then the burgomeister called upon the sergeant for a few words. The sergeant began by reading a few rules of conduct expected of the community. After that, he abandoned his prepared speech and launched into a swift flow of German. This had gone on for only a minute or two when, from the back of the room, the older men burst into loud cheers and hand clapping. The burgomeister hastily adjourned the meeting. When the Congressman asked the sergeant what had brought on the demonstration, the sergeant replied: "I merely told the older men, 'Now, you are the heads of your own families. If your children do what you think is wrong, you can now punish them without fear of having them turn you over to the gestapo.'"

By those simple words, discipline had been restored in over a score of German homes. Old teachings, true teachings—precepts of honor and of honesty—could once more be uttered without the looming horror of the concentration camp. The tragedy of this picture is that a like liberation could not take place or did not take place throughout our entire occupation area.

What all this evidence points to is that there still remains some assurance that there is hope for the German people of today if—and it is a big if—our occupation policies bring out the good which remains in them. The whole world may be at peace, but heredity and environment are at war still in Germany. We must throw our weight on the side of heredity. We must change their environment from a Nazi environment to a free environment. We cannot just mark time, waiting for the coming of the Hitler of 1960.

Somewhere in the past the German people stood at a point where two roads branched. Their people had produced scientists, musicians, philosophers, engineers, artists, religious and educational leaders. Some of the German people—in fact, most of them—followed false leadership down the wrong road to national socialism and ultimate defeat after the most devastating war in all history. Other Germans, when personal freedom was dead in their own country, fled to the United States. Here, under our Constitution, they built their lives anew and have become an integral part of the social, economic, and political development of our Nation.

GERMANY'S CONTRIBUTIONS TO AMERICA

On January 24, 1946, the Senator from Alabama [Mr. BANKHEAD] declared:

Let us consider the Germans. Relatively speaking, this country is full of Germans. There are in the United States, of foreign born, 1,237,772 Germans. I got those figures from the Census yesterday. There are of Germans born in the United States, one or both parents German, 3,998,850, nearly 4,000,000 mixed-breed Germans.

The Senator's figures, however, only took into consideration Americans born in Germany and Americans one or both of whose parents were born in Germany. What of the unnamed millions of Americans—the so-called second, third, fourth, and fifth generations of Americans—whose remote ancestors were of German origin? What of the unnumbered Americans of German ancestry who have Americanized their names so that the traces of their German origin have been lost in time? The father of the late Senator George Louis Wellington took that name and dropped his own name of Weissgerber when he was naturalized. The well-known name of Rockefeller was known to the German members of that family as Rogenfelder.

Let us look at what Germans, individually and collectively, did for America and for these United States before the continental Germans chose the totalitarian road.

As far back as 1486, Martin Behaim, the Nuernberg astronomer, served King John of Portugal by making researches in navigation. These experiments helped to lay the groundwork for the voyage of Columbus 6 years later. Martin Waldseemuller of Freiburg gave the very name "America" to the New World. In 1507 he suggested in his book, Cosmographiae Introduction—

I do not see why anyone may justly forbid it (the New World) to be named after Americus, its discoverer, a man of sagacious mind, Amerige, that is the land of Americus, or America, since both Europe and Asia derived their names from women.

I can point to many German pioneers in the Western Hemisphere: to the Fugger colony in Peru, the Welser colony in Venezuela and San Domingo, to the Germans whom Capt. John Smith mentioned as being among the early settlers in Jamestown, to John Ledered of Hamburg who was commissioned by Governor Berkeley of Virginia to lead exploring expeditions. I can tell of German settlements in New York, in Pennsylvania, of the "Cote des Allemands"—the German Coast—of Louisiana, and of the pioneering Germans in the midwestern States of Missouri, Ohio, Illinois, Iowa, Minnesota, Nebraska, and my own Wisconsin. How many know that Washington's bodyguard was made up of Germans commanded by Major von Heer, that one of the first American heroines, Molly Pitcher, was born Marie Ludwig? That the Schells, the Zanes, and the Wetzels were names to conjure by on our first frontiers? I could show the great waves of German immigration during the Nineteenth Century which added so much to the commerce, the culture, and the communities of the United States. I could present the picture of Wendeln Grimm, laterly arrived in Minnesota from Germany with a sack of seeds that were later to become the basis of the great American alfalfa crop. I could use as an example the service of agricultural chemist, George Hoffer, in building soils with nitrogen, potash, and phosphorus.

And who can dispute the German origin of such names as Kruger, Nimitz, and Eisenhower?

I have shown what Americans of German ancestry contributed to this country. If time permitted I could show even more. But the valuable service of all Americans of German heredity can best be shown by examining the life of one of their number. I refer to that great and distinguished American, Carl Schurz.

CARL SCHURZ—GREAT GERMAN-AMERICAN

Mr. President, I stated that I desired to say a few words about Carl Schurz. He was born on March 2, 1829, near Cologne. He refused to take the turning of the road that led to totalitarianism. He fought the trend which ended in Hitler. When he could no longer resist that trend, he left Germany for the United States. For a time, he lived in Philadelphia. Wisconsin knew him as a resident of both Watertown and Milwaukee—prominent in Republican affairs since 1856, as chairman of the Wisconsin delegation to the Republican National Convention of 1860. Illinois knew him as a speaker, fighting for Abraham Lincoln during the historic Lincoln-Douglas debates. Michigan knew him as the editor of the Detroit Post. Missouri knew him as coproprietor and editor with Emil Praetorious of the St. Louis Westliche Post and as United States Senator from Missouri. New York knew him as a contributor to Harper's Weekly, as editor in chief of the New York Evening Post and as a pioneer in civil-service reform. The North knew him as a brave and able general during the War Between the States. The South knew him for his fearless report to President Johnson in which he advocated the readmission of the Confederate States with complete restoration of rights and a full investigation of further needs by a congressional committee. The country as a whole knew him as an honest, far-seeing Secretary of the Interior, the office for which Mr. Krug has been nominated.

Significantly enough, it is Carl Schurz who provided the key to the present situation in the American zone of occupation in Germany. Once, when the late Senator Carpenter, of Wisconsin, tried to overwhelm one of Schurz arguments with Decatur's slogan "My country—right or wrong," Schurz delivered his now famous retort: "My country, right or wrong; if right to be kept right, if wrong to be set right."

THE CHALLENGE TO AMERICA FOR A PEACEFUL GERMANY

It still lies within the power of this country today to keep right those conditions in our zone of occupation in Germany which are right and to set right those conditions that are wrong. It is a great task. But it is, also, a great challenge. The German people must be diverted back onto that road of progress from which they were taken away over a century ago. Will we help them to their destiny of being contributors to civilization? Or will we allow them to remain on the evil road of totalitarianism to be—in another generation—once again the destroyers of civilization? We must act—fearlessly, honestly, speedily—as Carl Schurz would have wanted us to act. This is our job. This is our responsibility. For the sake of our children and our children's children, we dare not fail.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 3370) to provide assistance to the States in the establishment, maintenance, operation, and expansion of school-lunch programs, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. FLANNAGAN, Mr. COOLEY, Mr. ZIMMERMAN, Mr. PACE, Mr. HOPE, Mr. KINZER, and Mr. ANDRESEN were appointed managers on the part of the House at the conference.

LEAVE OF ABSENCE

Mr. WILEY. Mr. President, in view of the fact that I have to be in Buffalo tomorrow, I ask consent that I may be excused from attendance on the Senate this afternoon and Thursday.

The PRESIDING OFFICER (Mr. MURDOCK in the chair). Without objection, the leave is granted.

MODIFICATIONS IN THE AUTHORIZATION FOR CERTAIN SUBSIDIES

Mr. BARKLEY. Mr. President, I ask unanimous consent that the unfinished business, which is the deficiency appropriation bill, be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1000, House Joint Resolution 301.

The PRESIDING OFFICER. The clerk will state the joint resolution by title.

The LEGISLATIVE CLERK. A joint resolution (H. J. Res. 301) to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky?

There being no objection, the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Banking and Currency with amendments.

Mr. BARKLEY. Mr. President, I wish to make a brief statement with reference to House Joint Resolution 301, which the Committee on Banking and Currency has unanimously reported, instead of similar resolutions which were pending before the committee and which had been introduced in the Senate.

In the present law Congress authorized an over-all subsidy expenditure of $1,500,000,000. That covered a great many commodities, some of which have been released from the subsidy provisions. In other words, subsidies have either been discontinued or reduced on some articles; but the joint resolution provides for the continuation of the subsidy on sugar beyond the first of July, and also provides for a subsidy on processed vegetables

which will be processed prior to June 30, and on flaxseed which is harvested prior to July 1, 1946. It also provides for $125,000,000 for meat subsidies and $25,000,000 for flour subsidies, which will not require any additional authorization, but will be payable out of the authorization already made, and which is available because of the reduction or discontinuance of other subsidies.

The situation in regard to sugar is, briefly, as follows: There is a scarcity of sugar in this country, as we all know. The Government of the United States, in order to encourage sugar production, especially in Puerto Rico and Hawaii, provided a subsidy, and also authorized the expectation of an increase in the price of sugar. That was for the planting of the crop in 1945, but it is known as the 1946 crop of sugar. It is necessary in order that such sugar may be imported into the United States and relieve the shortage of sugar, that there be an increase in price of one-half cent a pound. That means that the Government will lose, by reason of the subsidy, approximately six-tenths of a cent or three-fifths of a cent a pound in addition that cannot be absorbed by the increase. That will cost the Government between $23,000,000 and $25,000,000 for the period of 1946, because we do not limit the subsidy payments on this sugar to June 30, 1946, as we do in the case of the other items contained in the bill. So that in order that we may facilitate the importation and distribution of this sugar, which is a very scarce commodity in the United States, we have provided that the sugar subsidy may continue through 1946, and beyond July 1, because it will not be entirely marketed by that date, but will be marketed throughout the year.

The committee also provided that the subsidy might be continued on processed vegetables which are processed prior to July 1. That will cost a total of from $5,000,000 to $8,000,000.

The committee also by an amendment provided for the continuation of the subsidy on flaxseed harvested prior to July 1. That will cost approximately $1,000,000.

We have provided in the joint resolution that the subsidy on meats shall continue until the 30th of June, and we have allocated out of the funds heretofore authorized, but, as I said, it will not involve any increased authorization, $125,000,000 for meats and $25,000,000 for flour. The truth is that the $25,000,000 for flour in part is made necessary because wheat is selling at approximately parity, and at the ceiling price. It went up a little faster and a little sooner than was expected, and this extra $25,000,000 is necessary in order to carry on this program for the remainder of the fiscal year ending June 30.

I might also make a further statement, Mr. President, in view of the situation existing in the meat-packing industry. What I shall speak of is not in the joint resolution, and it is not necessary to be in the measure, but I desire to make the statement so it will be in the RECORD because it developed too late to print it in the report. There have been certain wage increases in the packing industry, and, as a consequence, there will be certain increases in the price of meat. I think the increase will be approximately 1½ cents a pound. The wage increases in some cases will be retroactive to January 26, but there is no way by which to make ceiling prices retroactive. Therefore, there is a gap between the effective date of the wage increases and the effective date of the ceilings on processed meats, and it will be necessary for the Government to bridge that gap, which will cost about $15,000,000. It takes about 60 days for the Office of Price Administration to work out the schedule of ceilings to correspond with the increases which have been made in wages.

This briefly is an explanation of the joint resolution. It has passed the House, and was unanimously reported by the Committee on Banking and Currency. Its enactment is necessary in order to carry on the program for the remainder of the present fiscal year, and extend the sugar program beyond the 1st of July. As I have said, it involves no additional authorization, but will be paid out of funds heretofore authorized to carry on the subsidy program.

Mr. TAFT. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hart	Overton
Austin	Hatch	Pepper
Bailey	Hawkes	Radcliffe
Ball	Hayden	Reed
Bankhead	Hickenlooper	Revercomb
Barkley	Hill	Robertson
Bilbo	Hoey	Russell
Brewster	Huffman	Saltonstall
Bridges	Johnson, Colo.	Shipstead
Briggs	Johnston, S. C.	Smith
Buck	Knowland	Stanfill
Bushfield	La Follette	Stewart
Butler	Langer	Taft
Byrd	McCarran	Thomas, Okla.
Capper	McClellan	Thomas, Utah
Carville	McFarland	Tobey
Chavez	McKellar	Tunnell
Cordon	McMahon	Tydings
Donnell	Magnuson	Vandenberg
Downey	Maybank	Walsh
Ellender	Mead	Wheeler
Ferguson	Millikin	Wherry
Fulbright	Mitchell	White
George	Moore	Wiley
Gerry	Morse	Willis
Gossett	Murdock	Wilson
Green	Myers	Young
Gurney	O'Mahoney	

The PRESIDING OFFICER. Eighty-three Senators have answered to their names. A quorum is present.

Mr. TAFT. Mr. President, the joint resolution is in the nature of a deficiency subsidy measure. Last year the Congress fixed the subsidy program, under the provisions of the law which was enacted forbidding subsidies to be paid without express authority of Congress. Congress then, in two laws, one for the RFC and one for the Commodity Credit Corporation, established the subsidy program. The total authorized subsidy payments contained in the law relating to the RFC amounted to $1,503,000,000. In that sum is contained a subsidy for meat in the amount of $595,000,000, and a subsidy for flour in the amount of $190,000,000. The meat subsidy will expire about the first of May. The butter subsidy has been partially discontinued. The sum of $190,000,000 which was allocated for flour will expire sometime around the first of May.

The last amendment in the pending measure is designed to increase the meat subsidy by $125,000,000 and the flour subsidy by $25,000,000, so as to enable the present subsidies to be continued until the 1st of July.

Mr. President, so far as I am concerned, I have always been opposed to these subsidies.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. REVERCOMB. Will the Senator explain how the flour subsidy is paid and to whom it is paid?

Mr. TAFT. The flour subsidy is paid to the millers. The reason given for the required increase in the flour subsidy is that the price of wheat has increased above the figure at which the subsidy was originally calculated. So, in order to hold the price of flour at the same figure where it was, the millers have been paid a gradually increasing subsidy and have used up in 10 months a subsidy which was intended to last for 12 months. That is approximately the situation in respect to flour.

Mr. AIKEN. Mr. President, let me inquire of the Senator whether the price of wheat is now above parity.

Mr. TAFT. The testimony was that the price of wheat is exactly at parity, and has been for several months.

Mr. AIKEN. Then, the subsidy is to cover the increased cost of milling, so as to hold down the price of bread. Is that correct?

Mr. TAFT. Yes; it is to hold down the price of bread.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. LANGER. I wish to refer to the time when the distinguished senior Senator from Ohio was assistant to Herbert Hoover, at the time Mr. Hoover was Food Administrator during World War I. Is it not true that today the price of wheat is almost half what it was at that time?

Mr. TAFT. Yes; my impression is that at that time the maximum price for wheat was $2.25 a bushel, and subsequently, as I recall, it was $2.50 a bushel. For the crop in 1919, according to my recollection, the price was $2.50 a bushel. Today it is about $1.65.

Mr. LANGER. Yes. I wonder whether the Senator can tell us whether anything the farmer buys is cheaper now than it was during World War I.

Mr. TAFT. I am afraid I do not know. My impression is that it is not, but I could not make an unqualified statement on the subject because I do not know the facts.

Mr. LANGER. Coming from an agricultural section of the country, as I do——

Mr. TAFT. I am glad to yield to the Senator.

Mr. LANGER. And knowing the situation there, I can say that the truth of the matter is that farm machinery, for example, costs more today than it did during World War I. At that time farmers were receiving $2.26 for their wheat in Minneapolis. At the present time, as the Senator from Ohio has said,

wheat is selling for 60 cents or more cheaper. The farmer receives that much less for his wheat.

Mr. SHIPSTEAD. And, Mr. President, at that time, during the First World War, beef was selling for 17 or 18 cents a pound.

Mr. LANGER. Yes.

Mr. TAFT. Of course, Mr. President, not only is the price of farm machinery high, but with the increase granted to steelworkers and with the increase in the price of steel it will be necessary to increase the price of farm machinery. The result will be that the price of farm machinery will be higher, rather than lower.

Mr. LANGER. I should like to have the distinguished Senator tell me how the farmers are going to exist, with wages increasing and the price of farm machinery increasing, if the prices paid for crops are lower than they are now. How are the farmers going to exist with eggs, for example, selling at 22 cents a dozen?

Mr. TAFT. I am afraid that question is one which I cannot answer. I do not have the figures, and I do not know the facts. I cannot say whether it can be done or cannot be done; I cannot give a proper answer.

Mr. REVERCOMB. Mr. President, will the Senator further yield?

Mr. TAFT. I yield.

Mr. REVERCOMB. The able Senators who have asked questions have made a point about the low price of wheat, as compared to the price of wheat following and during World War I. The very point of the inquiry I made a few moments ago—I asked where the subsidy was paid, and the direct answer of the Senator from Ohio was that it was paid to the processor or miller—was that it does not in any way, as I understand, affect the price the farmer receives for his wheat.

Mr. TAFT. I think the subsidies paid today are consumer subsidies. Certainly these two are, and perhaps all food subsidies are. Today the effect is to pay out $60,000,000 a month in order to make it unnecessary to increase the price of meat 4 cents a pound. That means we are drawing from the Treasury of the United States $720,000,000 a year which we would not have to draw from the Treasury if we were willing to increase the consumer's price of meat by 4 cents a pound. The testimony was that that would be the increase in the wholesale price, and that in the process of distribution the increased cost to consumers might be 5 cents a pound.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. In speaking of the effect the subsidy would have on the prices paid for farm products, particularly wheat and meat, let me say there is an indirect benefit growing out of the fact that if it were not for the subsidy the purchaser of wheat or livestock would have to reduce the price paid to producers or would have to increase the price charged to consumers. So in a sense the subsidy does enable them to pay for both wheat and livestock the prices they are paying, and not have to increase the cost of the finished products to the public. That happens by reason of the subsidy we are providing for. That may be an unsound policy, but it does work both ways.

Mr. TAFT. If the subsidy were abolished, it might be that that increase in price would be charged back to the farmer. But as I analyze prices and wages at the present time, the price level is below the wage level and in some cases it is below the cost of production. If we wish to have any production at all, I think the course suggested, namely, of turning this back at a lower price to the farmer, is an utterly impractical course. If we took off the controls, I think the increased price would be passed on to the consumers. The subsidies we are paying today result, as a practical matter, simply in holding down the prices to consumers. In theory, of course, the increase might go back to the farmer.

Mr. BARKLEY. Yes.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. SHIPSTEAD. What is the total amount of food subsidies paid at this time?

Mr. TAFT. Food subsidies are being paid at a rate in excess of $1,500,000,000, in fact, about the rate of $1,700,000,000, I think. The largest item is the one to which I have referred, namely, $720,000,000 for meat. Added to that is $568,000,000 for dairy products, making a total of $1,300,000,000.

Mr. SHIPSTEAD. Yes.

Mr. TAFT. With this addition the flour subsidy will amount to more than $200,000,000. So the total will be $1,500,000,000. Then there are various incidental subsidies which I think bring up the total figure to approximately $1,700,000,000.

Mr. SHIPSTEAD. $1,700,000,000?

Mr. TAFT. That is correct.

Mr. SHIPSTEAD. Subsidies in that amount are paid in order to keep down the price of food at the present time. Is that correct?

Mr. TAFT. That is correct.

The President said in his speech that to take off these subsidies would increase the cost of living by 3 percent, which he considered so outrageous that he refused to consider a decrease in the subsidies. He proposed that the subsidies continue during the entire year 1947, although at the same time he is recommending a wage increase and salary increases for Government employees amounting to anywhere from 15 percent to 20 percent, which certainly should enable them to pay an increase of 3 percent in the cost of living.

Mr. SHIPSTEAD. Mr. President, will the Senator further yield?

Mr. TAFT. I yield.

Mr. SHIPSTEAD. The essence, then, is that we are now borrowing money, which is to be paid back in the future, in order to keep the prices of food at the present levels. Is that correct?

Mr. TAFT. That will be the case so long as the Government is operating at a deficit and so long as we add this additional expenditure, which incidentally is not included in the President's Budget for the year 1947. It means a further addition to the national debt.

Mr. SHIPSTEAD. In other words, it means that we shall be postponing the payment of a good share of our board bill for the food we are now eating, to a time in the future when payment will be made out of the taxes paid into the Treasury by the people, or from the proceeds of the bonds which are now being sold.

Mr. TAFT. The Senator is entirely correct.

Mr. BARKLEY. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. BARKLEY. The Senator mentioned the increase of 15 or 20 percent in salaries and wages which the President is recommending, and the Senator said that as a result of that increase the workers should be able to pay a 3-percent increase in the cost of living. Of course, the Senator realizes that the increase mentioned by the President related not alone to the cost of food which is being subsidized. Three percent would not in any way represent the total increase in the cost of living if all controls were removed and if commodities not subsidized at all were taken into account. In that event, the increase in the cost of living might amount to as much as the increases of wages which the President has recommended.

Mr. TAFT. The Senator makes a proper point. I may also suggest that we reduced taxes 3 percent last year in order to help consumers pay the additional cost-of-living bill.

Mr. BARKLEY. This measure has nothing to do with the general problem of subsidies to be paid after the 1st of July. That question will arise in connection with legislation dealing with the OPA and with the question of what subsidies are to be paid in the future. As the Senator has said, this measure is in the nature of a deficiency measure for subsidies already authorized.

Mr. TAFT. As I have said, I did not vote for them and I did not propose them, because I do not approve of such subsidies.

One of the questions we confront is whether to continue these subsidies for 2 months at the present rate, and make the main fight on the subject of subsidies in connection with consideration of the bill which is now before the House of Representatives and which proposes to continue these subsidies at the rate of $1,500,000,000 or $1,700,000,000 for the next fiscal year, or whether we should say, "No; now is the time to stop. Begin to taper off your subsidies at this time."

Mr. LANGER. Mr. President——

Mr. TAFT. I yield.

Mr. LANGER. I wish to find out for what months the $190,000,000 is proposed.

Mr. TAFT. The $190,000,000 for flour?

Mr. LANGER. Yes.

Mr. TAFT. It is for the period from the 1st of last July to the 1st of next July, and it will run out along about the 1st of May. For flour we are paying at the rate of $20,000,000 a month from the Treasury. The testimony was that if the price of bread were increased 1 cent a pound, it would more than pay the entire subsidy. So, again, it is a consumer's subsidy. In order to prevent the increase in the price of bread by 1 cent a pound, the Federal Government

is now proposing to pay $215,000,000 a year out of the Federal Treasury, and add it to the public debt. That is what the subsidy policy means. As I have said, the pending joint resolution is merely a deficiency subsidy measure.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. LANGER. Why is not the $190,000,000 to be paid for wheat instead of for flour?

Mr. TAFT. Because it has always been a consumers' subsidy. The purpose is not to give the farmer more money, but to keep down the price of bread. Before the enactment of the provision requiring that authority be obtained from Congress, it was not possible to pay the subsidy. We tried to abolish it but the President vetoed the bill. Then Congress enacted a provision requiring that express authority be obtained from Congress.

Mr. LANGER. The farmer does not sell flour; he sells wheat.

Mr. TAFT. I have already said that this subsidy is not for the benefit of the farmer. It is for the benefit of the consumer.

Mr. LANGER. I received the impression from the distinguished majority leader that it is for the benefit of the farmer.

Mr. BARKLEY. Oh, no; I did not say that. I said that if it were not for the subsidy millers would be required to reduce the price paid to the farmer for wheat, or it would be necessary to increase the cost of bread, and in order to avoid an increase in the cost of bread the millers were subsidized to that extent. But without the subsidy there would be either an increase in the cost of bread, or the price paid the farmer for wheat would necessarily be lower. So the proposal is an indirect benefit to the farmer in that the price of wheat will not be reduced. Obviously, parity cannot be paid on wheat while at the same time bread is being sold at the price which has obtained. So there must be a reduction in the price of wheat, or an increase in the price of bread, and the purpose of the proposal is to absorb the difference.

Mr. LANGER. The farmer is supposed to receive parity for his wheat. Now he is required to pay taxes on $190,000,000 out of his profits, if he has any profits, in order that the subsidy may be paid.

Mr. BARKLEY. As the Senator from Ohio [Mr. TAFT] has said, we have not subsidized the grower in any of these subsidy programs. In the case of flour made out of wheat, and in the case of sugar, some provision has been made, and also with respect to the processing of vegetables, and there is one direct subsidy, I would say, namely, that on flaxseed. We provided an extension of the pay period to the 1st of July, because the amount allocated together with other expirations will come to an end about the 1st of May. The subsidy program only indirectly helps the farmer. It is useless to try to deceive anybody about that. But there is an indirect benefit received through the prevention of a reduction in the price of the farmer's product, or through the prevention of an increase in the price of the finished product to the consumer.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. DOWNEY. I know that the distinguished Senator from Ohio always desires to have the record accurate. In connection with his statement that the President recently urged an increase of from 15 to 20 percent in the salaries of Federal employees, I wish to point out that since 1940 the only basic increase which the Federal worker has received amounts to less than 16 percent, while the cost of living has increased 33 percent. So the proposed increase will do no more than restore to the Federal worker the same real purchasing power he had in 1940.

Mr. TAFT. The recommendation of the President of a 17½-percent increase in the wages of those who are, in many respects, among the highest paid industrial employees, has set a pattern for the entire Nation in respect to the payment of wage workers which brings their compensation to a point nearly 50 percent higher than the prewar rates. I merely contrasted the inconsistency of that policy with the policy which says that it is absolutely outrageous to increase the cost of living 3 percent, while at the same time the increase in wage rates to which I have referred is taking place.

Mr. McCLELLAN. Mr. President, as I understand, there has been effected a saving in certain subsidies which have been authorized in the past. The pending joint resolution is for the purpose of making certain that that money will be available for meeting deficiencies which will arise with respect to certain other subsidies which have been authorized. Am I correct in my understanding?

Mr. TAFT. Most of the savings is in connection with the $290,000,000 heretofore paid to petroleum and petroleum products. The moment the war with Germany came to an end there was no longer the slightest necessity to pay all the vast amounts involved in the transportation of gasoline. That money was saved. But, Mr. President, we cannot now say that we are not adding money to the Government expenditures by passing this bill, merely because money which was appropriated for another purpose has already been saved. It is true that the money was not needed for the purpose for which it was appropriated. But to say now that we are not really increasing the budget because the total of $1,500,000,000 is not any greater, seems to me to be a misrepresentation of the effect of the joint resolution.

Mr. McCLELLAN. That is the point which I wish to emphasize. It is true that the war has come to an end, and it may have resulted in certain savings of money authorized to be spent for specific purposes in connection with the acquisition of needed war material. But what we are proposing now to do is to increase food subsidies and make use of the money which was originally intended for other purposes. The argument is being made that by so doing we are not increasing the budget or spending any more money than at the beginning we had planned to spend. Have I stated the situation correctly?

Mr. TAFT. The Senator is correct. Not only that, but the estimates of expenditures for the fiscal year ending July 1, 1946, in which the President anticipated a deficit of $15,000,000,000 or $20,000,000,000, were based on the assumption that there would be no such expenditures, so we are adding to the deficit for the fiscal year 1946 by making the requested appropriation.

Mr. McCLELLAN. Mr. President, I hope the Senator from Ohio will yield to me for a further statement. I do not intend to speak at length, but I must leave the Chamber within a few moments to attend a committee meeting, and I wish to say that I am very anxious that a point be reached when we can eliminate the spending of money for subsidies. During the wartime many expenditures were justified. We spent vast sums of money and engaged in deficit spending, all of which was absolutely necessary. But I honestly believe that the time has come when we should get within the Budget and remain there. I cannot, for the life of me, see any justification at this time for continuing the payment of a subsidy to consumers in America. If it is imperative that it be done at this time, it will be necessary hereafter to do so, and we will thereby be establishing a permanent governmental policy with respect to subsidizing consumers. I believe the time has come when it should be stopped. I do not see how I can possibly go along with this program when wages are being raised all over the country, and we are undertaking to maintain the national income at the level at which it has been maintained in the past, and must tax our people further, and incur additional deficits which future generations will have to pay. I do not believe it makes sense. I believe the time has come for the American Government and for the people of America to become self-sustaining. If we cannot live on the high national income which now prevails, I see no hope of ever doing so in the future.

Mr. TAFT. Mr. President, I agree with the Senator. I have an additional statement to make with respect to the meat subsidy, a matter which did not come before the committee. Of the $125,000,000, $15,000,000 will be used to add to the packers' subsidy for the purpose of meeting additional wage costs involved in the increased compensation of 16 cents an hour to the workers in the packing industry. Mr. President, I wish to make that clear. Mr. Bowles is going to increase the price of meat 1½ cents a pound, I believe that is the figure, 3 weeks from now. He says that the increase subsequent to that date will not be in subsidies. But, he proposes to increase the subsidy in order to meet the increase which will occur between now and 3 weeks from now, and also the retroactive increase which was granted to the packers in many cases, running back to the beginning of the controversy some time in January or the first of February.

Fifteen million dollars is not a tremendous amount, but, in principle, I think if we are to permit an increase of wages, and then compensate for it by subsidy out of the Treasury, we have reached the point where the Government out of the Treasury is simply paying people to do the things the Government wants them to do. It is yielding to a pressure group because it says, "If you do this we will pay you so much for doing it." I do not think we can afford to adopt, in principle, the theory that the Government should pay for wage increases granted by industrial employers, or otherwise.

I myself am going to vote against the joint resolution. I think it is a doubtful question as to when the present practice should stop. When the matter is brought up in July I think I shall take the position that it should be tapered off, so that this increase will not occur all in one lump sum. I think it should be tapered off rather rapidly.

I wish to say a few words in regard to the sugar subsidy. There is a sugar subsidy today, as there has been for some time. The sugar question is a complicated one. In effect, the Government fixed one price for Cuba, another for Puerto Rico, another for Hawaii, and another for the beet-sugar industry.

Mr. LANGER. Will the Senator yield on that point?

Mr. TAFT. In a moment. These are pooled, because, of course, sugar all has to be sold at one uniform price. In order to do that some kinds of sugar are subsidized; the Government pays the difference, and then sells the particular sugar for less, and spreads the whole thing out.

Last spring, or sometime during the summer months, the officials came before us and said, "We think we are going to have to pay more for the Cuban sugar crop, and we want authority to pay a subsidy for the increased price we will have to pay the Cubans for sugar." The committee immediately objected to that, and said, "No; if you are going to pay more for the Cuban sugar crop you will have to raise the price of sugar to compensate for it." They did have to pay more for the Cuban sugar crop, and they raised the price of sugar by forty-five one-hundredths of a cent. They did not do quite the whole job, because even with that increase in the price of sugar a subsidy of $15,000,000 more is required in order to handle the crop.

Why the administration did not increase the price fifty-five hundredths of a cent and pay the whole thing, I do not know, and I cannot understand. I am not perfectly certain about the total figures, but I think an increase of 1 cent or 2 cents, if the tariff were restored, would pay the entire sugar subsidy, which is now running at the rate of $115,000,000 a year.

I do not see why Mr. Bowles should not increase the price of meat, instead of 1½ cents, by 2 cents a pound. Then we would not have to provide this $125,000,000 provision.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER (Mr. TUNNELL in the chair). Does the Senator from Ohio yield to the Senator from Kentucky?

Mr. TAFT. I yield.

Mr. BARKLEY. As I stated a while ago, the increase in wages is retroactive; and that is the result of Government action. The Government took over the packing plants, and the increase in wages was made retroactive. It is impossible for the machinery to be worked out overnight to increase the prices to take care of the increase in wages. It has to be done in an orderly way, and the additional $15,000,000 of which the Senator speaks is to take up the gap between the effective dates of the increase in wages, which the Government itself brought about, and the increase in prices which it will bring about.

Mr. TAFT. It makes no difference to the packer in May whether he gets a subsidy or whether he gets an increased price for his products sold in May or June. The whole $15,000,000 can be taken care of if, instead of increasing the price 1½ cents, it is increased 2 cents a pound.

Mr. BARKLEY. The packer cannot get an increase in price for either January or February.

Mr. TAFT. That is perfectly true, but the packer does not get the subsidy anyway until about May, and he might just as well get the cash from the consumers in the increased price of meat he sells in May. This fifteen million could be eliminated entirely if Mr. Bowles were willing to increase the price 2 cents instead of 1½ cents for 2 months, and that is a perfectly possible thing for him to do.

Mr. LANGER. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. LANGER. Can the Senator tell me why it happens that the producers in Cuba get more for their sugar than those in Puerto Rico, which is part of our own country?

Mr. TAFT. No; the producers in Cuba do not get more than those in Puerto Rico.

Mr. LANGER. They get a larger subsidy. A Puerto Rican cannot compete with the producer in Cuba when it comes to selling sugar, because our Government helps Cuban sugar producers at a larger rate than it does those in Puerto Rico.

Mr. TAFT. That is not quite correct. Today the price paid for Cuban sugar is less than the price paid for Puerto Rican sugar. In normal times the price paid is about 75 cents a hundred pounds more, which is the amount of the tariff. Cuba has to pay the tariff in normal times, and Puerto Rico does not. So Puerto Rico gets about 75 cents a hundred pounds more than Cuba gets. But now, under an Executive order of the President, the tariff has been taken entirely off Cuban sugar.

Mr. LANGER. That is the point exactly.

Mr. TAFT. Still, I do not think the Cubans are paid today as much as the Puerto Ricans are paid, while there may not be as much differential as there was.

Mr. LANGER. If the distinguished Senator will take the trouble to investigate, he will find that since the tariff has been taken off, the Cuban producer is being preferred at the expense of the producer in Puerto Rico, to quite a considerable extent.

Mr. TAFT. It is quite expensive to produce sugar in Puerto Rico, and unless there is a differential, the Puerto Rican sugar industry will be wiped out.

I wish to refer to one other matter in the joint resolution which is now pending. In it there is a provision which reads:

> Neither the last paragraph of section 2 (e) of the Emergency Price Control Act of 1942, as amended, nor the act of June 23, 1945 (59 Stat. 260), shall be construed to apply to purchases by the Reconstruction Finance Corporation of such tin ores and concentrates as it deems necessary to insure continued operation of the Texas City tin smelter.

It is not entirely certain that that is required to be authorized by special act. We are apparently losing about $12,000,000 a year on the operation of the smelter in Texas, using low-grade Bolivian ore, but probably from a national defense standpoint it is wise to continue the operation of that plant at a loss.

I rather objected to taking this out of the general provision that these things must be authorized, until it was pointed out that under the Byrd-Butler Act that operation must be submitted in the Budget as part of the program of the RFC for the coming year. That program will be submitted in a short time, and will be open to action by Congress. So I see no objection to including it in this bill, although if the provision should be rejected I do not think anything would be lost as a result.

Mr. BARKLEY. Will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. BARKLEY. The Senator knows that the tin smelter referred to in the joint resolution is the only tin smelter in the Western Hemisphere.

Mr. TAFT. I understand that.

Mr. BARKLEY. The Director of Reconversion and the stabilization officers, after consulting with the other agencies of the Government, have recommended that it is essential at the present juncture to continue the operation of that one smelter in the Western Hemisphere for the production of tin. How long it will be necessary I cannot predict, but it is the only one in operation, and if it is not continued, even at a loss—which I think has been running at the rate of about $12,000,000 a year—the result will be serious.

Mr. TAFT. However, the funds contained in the original act are sufficient to cover any possible loss up to the first of July, so I am merely saying this is not an absolutely essential provision at the present time.

Mr. President, while I recognize the arguments of the Senator from Kentucky, so far as I am concerned I am not willing to vote in favor of continuing the subsidy program at full speed, and to some extent at an increased speed, from May 1 to July 1, and therefore I propose to vote against the joint resolution.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. LANGER. I am not on the committee, and I should like to ask if this is not in the nature of a deficiency matter?

Mr. TAFT. Yes, because as it turned out, the money under the original act did not last for 12 months, but only for 10.

Mr. LANGER. Can the Senator give us any idea when hearings will be held and we can see to it that Puerto Rico is taken care of the same as Cuba is, so far as sugar is concerned?

Mr. TAFT. This is the last chance to do anything about that, I think, unless there is a desire to pass a special bill, because so far as sugar is concerned, this sets the program for the entire calendar year 1946. It does not call for any additional money, but with the additional authority granted, and using the money provided for sugar last year, the administration can carry out the entire 1946 sugar program. So I do not think the question of sugar will arise again in a general subsidy bill. It may, but it will not be for this calendar year, it will be for the following calendar year, perhaps.

A general bill covering subsidies is now pending in the House of Representatives as part of the OPA program, and I assume the House will take another month or so to dispose of that bill before it comes to the Senate and is considered by the committee. If I may guess, I should say that sometime in April we will have a hearing on the general subject of subsidies.

Mr. LANGER. I am sure the Senator is familiar with the sufferings of the people of Puerto Rico.

Mr. TAFT. I am, yes.

Mr. LANGER. Does not the Senator think the people of Puerto Rico are entitled to at least as much benefit in producing sugar as are the people of Cuba?

Mr. TAFT. I think the people of Puerto Rico should under any plan receive at least 75 cents a hundred pounds more for their sugar than the people of Cuba.

Mr. LANGER. When this matter comes before the Banking and Currency Committee is the Senator going to offer an amendment to that effect, if it should be necessary to do so?

Mr. TAFT. Yes, if we can work out the intricacies of this program so that that may be done. The chief trouble is this: There is an old provision, passed during the First World War, or before that, which provided that a naval vessel coming back from the foreign port, picking up stores in a foreign port, could bring such stores into the United States without their being subject to the tariff. Under that provision the President of the United States—I think with complete lack of authority of any kind—issued an Executive order which extended that authority so as to permit, without being subject to the tariff, any essential commodities to be brought into the United States by any department of the Government, although the statute related only to the Navy Department. Under that order the tariff on sugar from Cuba has been set aside. I certainly propose to do everything I can to see that that Executive order is nullified at the earliest possible date. It could only be justified, if at all, by the grossest extension of the war powers, and it seems to me it should come to an end at once, which automatically would take care of the situation to which the Senator has referred.

Mr. BARKLEY. Mr. President, in that connection I wish to say to the Senator from North Dakota, as I intimated to him a while ago, that the whole question in substance, and even the extension of the OPA, is coming up in a bill now pending in the House committee, on which the committee is holding hearings. The bill is to carry out a program for the remainder of the present fiscal year, which is already in progress with respect to meat and flour, and the sugar crops in Puerto Rico and Hawaii of 1945, that is planted in 1945 but harvested and marketed in 1946. There is not any quarrel between Puerto Rico and Cuba, or Hawaii and Cuba with respect to this matter.

When we come to consider a permanent program of subsidies for sugar or anything else to be effective after July 1, the Committee on Banking and Currency, I can assure the Senator, will go thoroughly into that subject, will have hearings on it, and make a determination of it. But this is a matter to which we have committed ourselves. It is a program for the fiscal year 1946, ending on the 1st of next July, which we have found it necessary to inaugurate, which was recommended by the Department of Agriculture, the Commodity Credit Corporation, the Reconstruction Finance Corporation, and which was adopted by the House of Representatives practically without opposition.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. The House has not passed on the subsidy for meat or the subsidy for flour.

Mr. BARKLEY. No, the House left those items out, but passed the bill I am talking about, containing the sugar provision, the provision respecting the tin smelter, and other provisions. The Senate committee placed in the measure the additional provision respecting flour and meat. It was necessary to do that by reason of the fact that the cost of wheat to the millers has been greater than was anticipated, because the price of wheat rose to parity more rapidly than was expected at the time the program was prepared.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. LANGER. When I was in Puerto Rico some months ago I went among the farmers who raise sugar. They told me they simply could not compete with the Cuban sugar because the Cuban sugar raisers had a preference from the United States Government. I promised the Puerto Rican farmers to whom I spoke that I would try to see that they were given a square deal, and I want to make good on that promise.

Mr. BARKLEY. Mr. President, almost since the time of Cuban independence the people of Cuba have received a preference. It was a part of the arrangement we made originally, and for years some preference has been given to Cuba. It was not a subsidy. It was a long-time policy of the Government. It may have been unjust, but it has been the settled policy of the Government for two or three decades, or even longer.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. That preference, though, is only a preference over foreign nations. In other words, the general tariff rate, we will say is 90 cents, and Cuba pays only 75 cents. Puerto Rico has always had that advantage of 75 cents a hundred pounds until the tariff requirement was completely removed by the Executive order.

Mr. AIKEN. Mr. President, will the Senator yield for one question?

Mr. BARKLEY. I yield if I have the floor.

Mr. AIKEN. Do I understand the Senator correctly that the appropriation made in this joint resolution is for the purpose of carrying out agreements already made?

Mr. BARKLEY. It is to carry out a program which is already in progress. In regard to sugar, we made the promise last year, as an inducement for planting as large a crop as possible. That crop, while planted last year, is not harvested until this year. It is for that reason that the provision respecting sugar extends through the entire year 1946. But the meat-subsidy program is in progress. The flour-subsidy program is in progress. We authorized $190,000,000 for the flour subsidy. The joint resolution provides $25,000,000 more for the remainder of this fiscal year, which will make it altogether $215,000,000, but it will be necessary to cut off the subsidy entirely on the 1st of May unless this measure is passed, and then either the price of wheat will go down or the price of bread will go up. There is no way to get around that. The same applies to meat.

Mr. AIKEN. This appropriation is for the purpose of carrying on a program which is now in progress.

Mr. BARKLEY. It is an understanding between the Government and the producers of flour and meat that we would carry it on during the fiscal year 1946 ending the 1st of next July. If we do not pass this legislation we will not have kept our word with them in holding out the hope that it would be a year-long program ending the 1st of July. Everybody understood that when the new OPA bill should come before Congress we would then determine whether the program should be extended beyond the 1st of July.

Mr. AIKEN. Does the Senator believe that meat has been produced under the expectation that the subsidy would be paid until July 1?

Mr. BARKLEY. There is no doubt about that. The whole program of stimulation which was inaugurated by the subsidy, and the preservation of the price to the grower by reason of the subsidy, though an indirect benefit, has been tied in with the whole program of production, subsidy, and the price to the consumer. It is all an integrated program. I would not be able to say, and I would not state that it has resulted in any individual contract between the Government of the United States and

any particular person. It is a program which we have inaugurated.

Mr. TAFT. Mr. President, I should say that the Government is bound in no way to continue the subsidy under the provisions of this joint resolution. What is the choice? The choice is simply that if we do not pass the subsidy legislation Mr. Bowles will have to increase the price of meat. That is the only difference. The farmer gets the same money. The producer gets the same money. The packer gets the same money. The only thing is that the consumer would not continue to get quite as large a subsidy for quite so long a time as he would if the joint resolution were passed. So there is no obligation of any kind. I am told that the flour millers should know what the program is to be 60 days in advance. This money will run for 60 days, so there is really no question in that respect. The flour millers might find it difficult to protect themselves if this program were cut off overnight, but the money already appropriated with respect to flour will continue to be available for flour until May 1, at any rate for at least a period of more than 2 months.

Mr. BARKLEY. While there is no legal contract which is enforcible between the Government and any person receiving the subsidy, everyone knows that it was contemplated and arranged that the subsidy should continue for the entire fiscal year. Everyone understood that.

Mr. TAFT. Not at all. It was provided that it should not cost more than $190,000,000. If the officials of the Government have spent that amount of money in 10 months, instead of in 12 months, there can be implied no obligation whatever which would make it necessary to have a deficiency appropriation for the last 2 months.

Mr. BARKLEY. On the basis of the price of wheat at the time the program was inaugurated it would not have cost another dollar, but the price of wheat has increased.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. AIKEN. Is an adequate amount of money appropriated to continue the dairy subsidies until July 1? That is, to pay the subsidies on milk and butter and other dairy products?

Mr. BARKLEY. I understand there is an amount adequate to pay the subsidies on dairy products.

Mr. AIKEN. Until July 1?

Mr. BARKLEY. Until July 1.

Mr. TAFT. I understand the $568,000,000 appropriated to the Commodity Credit Corporation is ample for that purpose. No deficiency is requested for that item.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. LANGER. I note the intention to take care of the flour millers and the packers. I noted particularly what the Senator from Kentucky said in reply to the Senator from Ohio about the Government making good its word. If it is true that the Government should keep its word in that regard, I want to know why the farmers of South Dakota and Montana did not, in 1943, receive the $10 an acre which was promised them for seeding flax.

Mr. BARKLEY. I cannot answer that question. I do not know why the farmers did not receive it. But I do not know what that has to do with the pending measure.

Mr. LANGER. It has this to do with it, that the farmers were then promised $10 an acre in the form of a subsidy for planting flax.

Mr. BARKLEY. There may be many circumstances connected with that matter with which I am not familiar. I do not want to give a curbstone answer to that question because I do not know what the answer is.

Mr. LANGER. It simply seems as though the packers and the flour millers are taken care of pretty well by this measure.

Mr. BARKLEY. It is not a question of taking care of the packers and the flour millers. This whole program was inaugurated, as everyone knows, to prevent an increase in the cost of food. It absorbed an increase that would have been necessary if it had not been provided through this subsidy both in the case of flour and of meat.

Mr. LANGER. But the Senator well knows that in 1943 the Government stated it needed flax. The distinguished Senator from Nebraska [Mr. WHERRY] is familiar with that situation.

Mr. BARKLEY. We are trying to take care of flax in this measure. It contains a provision that flax harvested up to July 1 shall be included, and a million dollars is provided for that purpose.

Mr. LANGER. That is to provide $5 an acre for planting flax last year. But the Senator well knows that the farmers did not receive a dollar for planting flax in 1943. The farmers seeded their land to flax, but never received the $10 which was promised them.

Mr. WHERRY. I will verify that statement.

Mr. BARKLEY. I think there are circumstances in connection with that matter which would be worth going into.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHERRY. I told the majority leader I would not make a speech with respect to this program, and I want to keep my word. But I wish to ask him a question.

Mr. BARKLEY. I want the Senator from Nebraska to understand that I did not exact such a promise from him, because I always enjoy hearing him speak, even when he is opposed to me.

Mr. WHERRY. I should like to ask the distinguished majority leader a question about the $125,000,000 which I understand is the meat subsidy. There is a new item of expense of $15,000,000 in the appropriation to pay the increase in wages to labor in the packing plants.

Mr. BARKLEY. There is nothing in the joint resolution about that. Of the $125,000,000 provided for, about $15,000,000 would be used to bridge the gap between the effective date of increased wages and the effective date of increased prices for meats. The increase in meat prices will take care, from that date on, of the increase in wages of the workers.

Mr. WHERRY. That is the point about which I wished to ask. As I understand, the increase in wages is retroactive.

Mr. BARKLEY. It is retroactive to January 26.

Mr. WHERRY. What about prices?

Mr. BARKLEY. Prices must be worked out now. They have not been increased. I am advised by the OPA and the Department of Agriculture that 3 or 4 weeks will be required to devise schedules so as to place the increases on an orderly basis. During that period the men who are working for the packers will be receiving increased wages, and the packers will receive no increased prices during that period. That is the gap to which I am referring.

Mr. WHERRY. When the gap is finally closed, will the increase in prices be reflected all the way back?

Mr. BARKLEY. The increase in wages will be reflected in increased prices for meat.

Mr. WHERRY. I can see that from now on that will be true; but how is the retroactive increase in wages to be reflected in prices?

Mr. BARKLEY. A great deal of meat has been sold since January 26, under present existing prices, but the wage increases go back to that date. There is no way to make price ceilings retroactive, so as to allow the packers to collect an increase on the meat which they have already sold, during the period when the increased wages took effect.

Mr. WHERRY. I think I have that point clear. I should like to ask the distinguished majority leader one further question: Does this subsidy go back beyond the packer?

Mr. BARKLEY. No. It is a subsidy to the processor.

Mr. WHERRY. I am speaking particularly in the interest of those who produce and feed cattle. They are still subject to the Vinson directive, which establishes a ceiling price on grade A cattle of not more than $18.

Mr. BARKLEY. Except in such cases—if there be any—in which the ceiling has been removed.

Mr. WHERRY. None of the ceilings have been removed. There was no testimony to that effect.

Mr. BARKLEY. That is true.

Mr. WHERRY. I wish to make it plain that, so far as the producer or cattle feeder is concerned, this subsidy does not reflect a higher price to him, because he is limited now by the Vinson price directive.

Mr. BARKLEY. He is not directly affected; but without the subsidy the packer or the processor might have been required, in order to live, to reduce the price paid to the producer of cattle. That was inevitable, with a ceiling on the price of meat and a ceiling on the price of cattle. Many small packers became squeezed between the upper and nether millstones. Many of them came here. I saw many of them, as did the Senator from Nebraska. The smaller packers had a real case as between the price they had to pay for the livestock

and the price they received for processed meats. But indirectly the subsidy has benefited the grower, in that the purchaser did not have to reduce the price below the ceiling in order to make himself whole in the process.

Mr. WHERRY. The argument advanced by the majority leader is that if the subsidy is paid to the processor because his current costs have been increased, the processor or the packer will not reduce the price of cattle in the open market by the amount of his increased costs.

Mr. BARKLEY. That is true.

Mr. WHERRY. So therefore the price which the processor pays the cattle feeder would not be disturbed if the subsidy made up the difference in his current costs.

Mr. BARKLEY. That is correct.

Mr. WHERRY. Mr. President, I wish to have the RECORD show that I am in total agreement with the majority leader as to the theory of the effect of the subsidy. But it does not reach out to the producer as a subsidy, because the processor has to have the subsidy to pay current costs. The only chance the cattle feeder has for maintaining his price on cattle is within the range of the Vinson price directive, and under this program there is no inducement to the cattle feeder to increase the supply of beef.

All this emphasizes the importance of Senate Joint Resolution 118, which is now before the Committee on Banking and Currency. The Congress of the United States is responsible for the prices established by the Price Administrator. If we are to keep faith with the provisions of the original act, the Price Administrator should not be permitted to set a price below the traditional percentagewise profit. Certainly when the Price Administrator sets the price it should be partly figured on current costs. If it is not, we shall find more cattle feeders going out of business. The price of corn is high. About the only way it can be obtained is through black-market operations. I point that out to the majority leader because in the consideration of any suggested price relief certainly the traditional percentagewise mark-ups must be maintained in the light of current costs in order to get production.

While I appreciate the theory of the argument advanced by the distinguished majority leader, which is correct, that whatever help the packer gets should be reflected to some extent in the price on the open market, but that does not work out in practice. It is my belief that the original law itself provides that the Price Administrator shall impose a maximum ceiling which must permit the parity price or the highest price paid between the months of January and September 1942. Unless we get that relief, regardless of the subsidy to the packer, which may or may not be reflected in the price to the cattle producer, we are not going to have cattle in the feed lots to provide meat for the families of America. I hope that the Committee on Banking and Currency will give the suggested resolution consideration. It has been worked out with great care to place prices on a level which will permit production above current cost. If we do not get production, we shall not be able to control inflation, regardless of what price legislation we place upon the statute books.

Mr. BARKLEY. No Member of the Senate and no one in the United States will rejoice more vociferously or enthusiastically than will I when the time comes when we can remove all artificial restrictions or stimulations which have been necessarily imposed during the war and get back to an economy based upon the law of supply and demand, which will fix prices in the over-all picture of our industry and agriculture. But that time has not yet come. We expect to go into that question within the next month. It is now being considered in the House committee; and when it comes before us for consideration, we shall go into it thoroughly. If on the 1st of July the Congress wishes to put an end to subsidies, or to refuse to extend the OPA another day, that will be the responsibility of Congress. But this bill is in the nature of an additional authorization to carry out a program which was contemplated for a year, and not for 10 months.

Mr. WHERRY. Mr. President, will the Senator yield for a further observation?

Mr. BARKLEY. I yield.

Mr. WHERRY. I thank the distinguished majority leader for his remarks, especially those relating to a return to the free competitive system, on the basis of supply and demand. I agree with him in toto.

But I am speaking about the difficulty which is an impediment now. I think we all agree that we want maximum production. The question is, How are we to get it? Some feel that we should have a more flexible price system. I am simply bringing to the attention of the distinguished majority leader—and I know that he will give it consideration—the point that whether we have controls beyond June or not, success in achieving maximum production will depend upon the establishment of maximum prices which will permit such production based on current cost.

In the pending measure, so far as the $15,000,000 is concerned, there is an attempt to increase the wages of labor without increasing prices, except through a subsidy. The producer does not receive the subsidy except through a reflection in the price in the open market, which I think is most doubtful.

Mr. BARKLEY. The increase in wages is already an accomplished fact.

Mr. WHERRY. I am not disputing that; but it is not taken into consideration in the prices. If it had been, there would be no need for a subsidy now.

Mr. BARKLEY. It will be taken into consideration. It is being taken into consideration; and as soon as the machinery can be put in operation the increased prices of meats will absorb the increased labor costs. However, there is a gap which needs to be filled.

Mr. WHERRY. I believe that the Committee on Banking and Currency should give particular consideration to this question, because unless prices are established which permit production between now and the time about which the Senator speaks, when we can remove all controls and allow our economy to be governed by the law of supply and demand, we shall not have production. We want an economy of maximum production instead of scarcity; and unless we change the price system we shall not have cattle in the feed lots.

Mr. BARKLEY. As a member of the Committee on Banking and Currency, I can assure the Senator that that subject will be gone into in detail when we get to the point of details, and when we come to consider what policy we shall recommend by way of further legislation.

Mr. TAFT. Mr. President, in line with the remarks of the Senator from Nebraska [Mr. WHERRY], I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article from the Cincinnati Enquirer of February 26, 1946.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PACKERS ARE TO SHUT DOWN FRIDAY; FED UP WITH HARASSMENT BY OPA

Seventeen independent meat wholesalers supplying 70 percent of the meat to greater Cincinnati and northern Kentucky decided at a meeting last night to shut down their packing plants for an indefinite period at the close of business Friday.

"It is no longer possible for us to continue in business under the harassing restrictions and complicated regulations imposed by the Office of Price Administration," a spokesman for the group declared. "We are going to shut down our plants to support the movement in St. Louis, where 35 plants are closing Thursday."

Another packer issued the following statement:

"We cannot operate without subsidies, and we cannot operate with subsidies. The OPA gives us subsidies on condition that we abide by the regulations. If we do not abide by the regulations, it threatens to take away the subsidies, plus 6 percent interest from the time they were awarded.

"None of us are honestly able to abide by the regulations because none of us understand them. Nobody on this side of heaven understands them. And yet they bring us into court if there is a single unintentional violation of regulations that no genius could come close to understanding."

It was pointed out that the Government forces the taxpayers of greater Cincinnati and northern Kentucky to pay meat subsidies totaling approximately $15,000,000 a year. An almost equal sum, it was said, is being paid on a yearly basis by these taxpayers for salaries to Government employees who have to check and recheck subsidy claims.

"The OPA regulations should be canceled or revised," a packer said. "This will permit these Government men to change to more gainful and useful occupations and it will permit us to resume our business without being tied hand and foot by red tape."

The 17 Cincinnati and northern Kentucky packers who will shut down their plants are:

Gus Juengling & Son, Howard Pancero & Co., C. Rice Packing Co., Joe Rice Packing Co., J. B. Ireton Co., William G. Rehn's Sons, G. Ehrhardt Sons, Inc., Herman Kemper Sons, Lester Pancero, Ernest Eckerlin, Henry Meyers Sons, Inc., Jacob Schlachter Sons, Inc., Jacob Bauer Sons, A. Koch's Sons, S. W. Gall Sons, William Reinders & Co., and John Hilberg & Sons Co.

These packers said they would do their last butchering Friday, killing whatever livestock remained on hand at that date. If they go through with their original plans, their plants will continue to be shut down until the OPA revises or cancels its Meat Price Regulation 574, which governs packers in their initial operation—the purchase of live cattle—and

follows through to the final operation of obtaining Federal subsidies.

At present three of the packers involved in the shut-down have been cited to court by the OPA which seeks to recover subsidies it has paid and 6 percent interest in addition. All three packers assert that if they have been guilty of violating sections of MPR-574, these violations have been unintentional, and due to the fact that they do not understand the regulations.

Mr. TAFT. I wish to read a portion of the article.

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"The OPA regulations should be canceled or revised," a packer said. "This will permit these Government men to change to more gainful and useful occupations, and it will permit us to resume our business without being tied hand and foot by red tape."

That situation is continuing indefinitely. I am citing only one example of the complete mismanagement of control of subsidies, including the meat subsidy. So far as I am concerned, I shall ask for a vote against the committee amendment which proposes continuation of the meat subsidies at the present rate, together with the flour subsidies at the present rate.

I think the sugar subsidy program is so complicated that I do not desire to interfere with it. But so far as the meat and flour subsidies are concerned, the only possible result of our refusing to adopt the proposal as to those subsidies will be to force the OPA at an earlier date to increase the price somewhat and to reduce the subsidies. I think the lesson to them that the Congress is dissatisfied with their procedure as to the meat subsidy and is dissatisfied with their procedure as to other subsidies, is going to be a very healthy warning. The House refused to adopt the amendment and I think the Senate should reject it.

Mr. BUTLER. Mr. President, I should like to ask the majority leader, as acting chairman of the Committee on Banking and Currency, whether he can give us an answer on this point: It has been stated that approximately from 160 to 175 pounds of meat are available per capita for all persons in the United States during the coming year. Apparently there is an abundance of meat. I think we can agree on that statement.

Mr. BARKLEY. Yes; I think the estimate is that, on a per capita basis, there will be more meat available to consumers in the United States in 1946 than there was in 1945.

Mr. BUTLER. I think that is correct. If we drop the subsidy program on meat, am I correct in the assumption that it will require an advance of about 5 cents a pound in the price of meat in order to give the producer what he is entitled to under the present arrangement? In other words, would not an increase of about 5 cents a pound in the cost of meat to the consumers make up for an abandonment of the subsidy program?

Mr. BARKLEY. The abandonment of the subsidy would either increase the cost to the consumers by about 5 cents a pound or else it would result in a decrease in the price received by the growers or producers of meat products. The change in price for them probably would be less than 5 cents a pound, because the 5-cents-a-pound figure is based on the finished products. But it would either result in a 5-cents-a-pound increase in the cost to the consumers or in a reduction in the price paid to the producers of the livestock from which the meat is processed.

Mr. BUTLER. I am not certain that the consumers can stand an increase in the price of meat. I am certain that the Government can impose a ceiling on meat, just as it does on grain and other commodities. The average person does not eat a pound of meat a day, so the result would not be to increase the cost of living for the people of the United States more than a maximum of 3 cents a day.

I think the time is here when the people of the United States are in a better position to assume their own board bill and the responsibility for paying their way, without having recourse to money from the Treasury of the United States in the form of subsidies. I do not think the result would be disastrous at all if an additional amount were not made available for the continuance of the subsidy program after May 1, if the funds should be exhausted by that time.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BUTLER. I yield.

Mr. TAFT. The rejection of this amendment would not necessarily force the OPA to abandon the subsidy program. It would force them to use in 4 months the money they expected to use in 2 months. That would mean that the subsidy would have to be cut in half, and that would mean an increase of 2½ cents a pound in the price paid by the consumer, instead of 5 cents.

Mr. BUTLER. Mr. President, I should like to make a statement in connection with the subsidy to flour millers. Of course, we cannot expect them to operate at a loss, but we certainly can permit an increase in the cost of bread to take care of that situation, since the increase would not possibly be more than 1 cent a day per capita. I think the taxpayer would be far better off to assume that 1-cent-a-day responsibility, rather than to assume at least a 2-cents-a-day responsibility if the program is handled through the Treasury, because about as much is spent for administration as for the payment of the subsidy itself.

Mr. LANGER. Mr. President, did I understand the distinguished senior Senator from Ohio to say that he will ask for a vote on the amendment?

Mr. TAFT. I shall ask for a vote on the last committee amendment.

Mr. LANGER. The committee amendment includes flaxseed.

Mr. TAFT. That is the first committee amendment. I have no objection to it. I refer to the last committee amendment, on the last page.

The PRESIDENT OFFICER. The clerk will proceed to state the amendments reported by the committee.

The first amendment of the committee was, on page 1, in line 6, after "the words", to strike out "'1945 and 1946 crop program operations'; and", and insert "(A) 1945 crop program operations and (B) 1946 crop program operations relating to sugar, vegetables processed prior to July 1, 1946, and flaxseed harvested prior to July 1, 1946."

The amendment was agreed to.

The next amendment was, on page 2, line 7, after the word "smelter", to insert "and (c) allocations for meat and flour provided in the act of June 23, 1945 (59 Stat. 260) are hereby increased by $125,000,000 and $25,000,000, respectively: *Provided, however*, That this shall not be construed to increase the aggregate amount allocated by said act of June 23, 1945, for subsidy payments and anticipated losses for the fiscal year ending June 30, 1946."

Mr. TAFT. Mr. President, on this amendment I ask for the yeas and nays.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested, and the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to to their names:

Aiken	Hart	Myers
Austin	Hawkes	O'Mahoney
Bailey	Hayden	Overton
Ball	Hickenlooper	Pepper
Barkley	Hill	Radcliffe
Bilbo	Hoey	Revercomb
Brewster	Huffman	Robertson
Bridges	Johnson, Colo.	Russell
Briggs	Johnston, S. C.	Saltonstall
Buck	Kilgore	Shipstead
Bushfield	Knowland	Smith
Butler	La Follette	Stanfill
Byrd	Langer	Stewart
Capper	McCarran	Taft
Carville	McClellan	Thomas, Okla.
Chavez	McFarland	Thomas, Utah
Cordon	McKellar	Tobey
Donnell	McMahon	Tunnell
Downey	Magnuson	Tydings
Ellender	Maybank	Walsh
Ferguson	Mead	Wheeler
Fulbright	Millikin	Wherry
George	Mitchell	Willis
Gerry	Moore	Wilson
Green	Morse	Young
Gurney	Murdock	

The PRESIDING OFFICER. Seventy-seven Senators have answered to their names. A quorum is present.

The question is on agreeing to the second committee amendment on page 2, line 7.

Mr. TAFT. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. TAFT. Mr. President, I merely wish to say that I am opposed to the amendment. I think that a vote against subsidies would be a "nay" vote on the amendment. A vote for additional moneys for subsidies would be a "yea" vote on the amendment.

Mr. BARKLEY. Mr. President, the Senator from Ohio is seeking to defeat a committee amendment which was recommended by the Secretary of Agriculture, the Department of Agriculture, the Reconstruction Finance Corporation, and the Commodity Credit Corporation, in order to enable the completion of a subsidy program with respect to meat and flour for the fiscal year ending June 30, 1946. Otherwise the program will have to come to an end on May 1. When it was entered into it was understood that the program would cover the entire fiscal year. The question of subsidies after July 1 next is not involved in the amendment in any way. We will deal with that matter when we come to consider the proposed legislation for the extension of the OPA Act and the Stabilization Act. I hope the Senate will agree to the amendment.

Mr. TAFT. The Senator made the statement that the program will have to cease on May 1 if the amendment is not agreed to.

Mr. BARKLEY. That is true, or the amount of the subsidy will have to be thinned out over a period of 4 months.

Mr. TAFT. The amount of the subsidy will have to be thinned out over a period of 4 months, or the increase in the price which the consumer must pay will be a very insignificant one.

Mr. BARKLEY. Whatever the amount may be, the program will either have to stop on May 1, or funds now available will have to be thinned out over the additional period which would be a violation of the program which we understood to be in existence at the time we planned for the entire fiscal year. I hope the amendment will be agreed to.

The PRESIDING OFFICER. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REED (when his name was called). I have a general pair with the senior Senator from New York [Mr. WAGNER]. Not knowing how he would vote if present, I withhold my vote.

The roll call was concluded.

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from New York [Mr. WAGNER] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from Pennsylvania [Mr. GUFFEY] is a member of the committee attending the funeral of the late Representative from Pennsylvania, Hon. J. Buell Snyder, and is therefore necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Illinois [Mr. LUCAS], and the Senator from Texas [Mr. O'DANIEL] are detained on public business.

The Senator from Montana [Mr. MURRAY], and the Senator from Idaho [Mr. TAYLOR] are absent on official business.

The Senator from Texas [Mr. CONNALLY] is absent on official business as a representative of the United States to the General Assembly of the United Nations.

The Senator from Alabama [Mr. BANKHEAD] and the Senator from New Mexico [Mr. HATCH] are detained at important committee meetings.

The Senator from Idaho [Mr. GOSSETT] is absent on official business at one of the Government departments.

On this question the Senator from New Mexico [Mr. HATCH] has a general pair with the Senator from Maine [Mr. WHITE].

If present and voting, the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Montana [Mr. MURRAY], the Senator from Idaho [Mr. TAYLOR], and the Senator from New York [Mr. WAGNER] would vote "yea."

Mr. WHERRY. The Senator from Illinois [Mr. BROOKS] is recovering from a recent operation.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate on official business of the Small Business Committee, of which he is a member.

The Senator from Maine [Mr. WHITE] has a general pair with the Senator from New Mexico [Mr. HATCH].

The Senator from Wisconsin [Mr. WILEY] has been excused. He is absent on official business.

The Senator from Michigan [Mr. VANDENBERG] is detained on official business.

The result was announced—yeas 44, nays 33, as follows:

YEAS—44

Aiken	Hoey	Morse
Bailey	Huffman	Murdock
Barkley	Johnson, Colo.	Myers
Bilbo	Johnston, S. C.	O'Mahoney
Briggs	Kilgore	Pepper
Capper	La Follette	Radcliffe
Carville	Langer	Shipstead
Chavez	McCarran	Stewart
Cordon	McFarland	Thomas, Utah
Downey	McKellar	Tobey
Fulbright	McMahon	Tunnell
George	Magnuson	Walsh
Green	Mead	Wheeler
Hayden	Millikin	Young
Hill	Mitchell	

NAYS—33

Austin	Gerry	Robertson
Ball	Gurney	Russell
Brewster	Hart	Saltonstall
Bridges	Hawkes	Smith
Buck	Hickenlooper	Stanfill
Bushfield	Knowland	Taft
Butler	McClellan	Thomas, Okla.
Byrd	Maybank	Tydings
Donnell	Moore	Wherry
Ellender	Overton	Willis
Ferguson	Revercomb	Wilson

NOT VOTING—19

Andrews	Capehart	Glass
Bankhead	Connally	Gossett
Brooks	Eastland	Guffey
Hatch	Reed	White
Lucas	Taylor	Wiley
Murray	Vandenberg	
O'Daniel	Wagner	

So the amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the joint resolution.

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution (H. J. Res. 301) was read the third time, and passed.

BROADCASTING OF NONCOMMERCIAL CULTURAL OR EDUCATION PROGRAMS

The PRESIDING OFFICER (Mr. TUNNELL in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 63) to amend the Communications Act of 1934, as amended, so as to prohibit interference with the broadcasting of noncommercial cultural or education programs, which were to strike out all after the enacting clause and insert:

That title V of the Communications Act of 1934, as amended, is amended by inserting after section 505 thereof the following new section:

"COERCIVE PRACTICES AFFECTING BROADCASTING

"SEC. 506. (a) It shall be unlawful, by the use or express or implied threat of the use of force, violence, intimidation, or duress, or by the use or express or implied threat of the use of other means, to coerce, compel, or constrain or attempt to coerce, compel, or constrain a licensee—

"(1) to employ or agree to employ, in connection with the conduct of the broadcasting business of such licensee, any person or persons in excess of the number of employees needed by such licensee to perform actual services; or

"(2) to pay or give or agree to pay or give any money or other thing of value in lieu of giving, or on account of failure to give, employment to any person or persons, in connection with the conduct of the broadcasting business of such licensee, in excess of the number of employees needed by such licensee to perform actual services; or

"(3) to pay or agree to pay more than once for services performed in connection with the conduct of the broadcasting business of such licensee; or

"(4) to pay or give or agree to pay or give any money or other thing of value for services, in connection with the conduct of the broadcasting business of such licensee, which are not to be performed; or

"(5) to refrain, or agree to refrain, from broadcasting or from permitting the broadcasting of a noncommercial educational or cultural program in connection with which the participants receive no money or other thing of value for their services, other than their actual expenses, and such licensee neither pays nor gives any money or other thing of value for the privilege of broadcasting such program nor receives any money or other thing of value on account of the broadcasting of such program; or

"(6) to refrain, or agree to refrain, from broadcasting or permitting the broadcasting of any radio communication originating outside the United States.

"(b) It shall be unlawful, by the use or express or implied threat of the use of force, violence, intimidation or duress, or by the use or express or implied threat of the use of other means, to coerce, compel or constrain

or attempt to coerce, compel or constrain a licensee or any other person—

"(1) to pay or agree to pay tribute for the privilege of, or on account of, producing, preparing, manufacturing, selling, buying, renting, operating, using, or maintaining recordings, transcriptions, or mechanical, chemical, or electrical reproductions, or any other articles, equipment, machines, or materials, used or intended to be used in broadcasting or in the production, preparation, performance, or presentation of a program or programs for broadcasting; or

"(2) to accede to or impose any restriction upon such production, preparation, manufacture, sale, purchase, rental, operation, use, or maintenance, if such restriction is for the purpose of preventing or limiting the use of such articles, equipment, machines, or materials in broadcasting or in the production, preparation, performance, or presentation of a program or programs for broadcasting; or

"(3) to pay or agree to pay tribute on account of the broadcasting, by means of recordings or transcriptions, of a program previously broadcast, payment having been made, or agreed to be made, for the services actually rendered in the performance of such program.

"(c) The provisions of subsection (a) or (b) of this section shall not be held to make unlawful the enforcement or attempted enforcement, by means lawfully employed, of any contract right or legal obligation.

"(d) Whoever willfully violates any provision of subsection (a) or (b) of this section shall, upon conviction thereof, be punished by imprisonment for not more than 1 year or by a fine of not more than $1,000, or both.

"(e) As used in this section the term 'licensee' includes the owner or owners, and the person or persons having control or management, of the radio station in respect of which a station license was granted;" and

Amend the title so as to read: "An act to amend title V of the Communications Act of 1934 so as to prohibit certain coercive practices affecting radio broadcasting."

Mr. WHEELER. Mr. President, I move that the Senate disagree to the amendments of the House, ask for a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. JOHNSON of Colorado, Mr. TUNNELL, Mr. MYERS, Mr. WHITE, and Mr. AUSTIN conferees on the part of the Senate.

WILLIE H. JOHNSON

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1129) for the relief of Willie H. Johnson, which was, on page 1, line 6, to strike out "$600" and insert "$350."

Mr. PEPPER. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

COVERAGE OF CERTAIN DRUGS UNDER FEDERAL NARCOTIC LAWS—CONFERENCE REPORT

Mr. GEORGE submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2348) to provide for the coverage of certain drugs under the Federal narcotic laws, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate; and agree to the same.

WALTER F. GEORGE,
D. I. WALSH,
JOS. BAILEY,
ROBT. M. LA FOLLETTE, Jr.,
Managers on the Part of the Senate.

R. J. DOUGHTON,
JERE COOPER,
JOHN D. DINGELL,
A. WILLIS ROBERTSON,
HAROLD KNUTSON,
D. A. REED,
ROY O. WOODRUFF,
Managers on the Part of the House.

Mr. GEORGE. Mr. President, I move the adoption of the conference report.

The report was agreed to.

URGENT DEFICIENCY APPROPRIATION ACT, 1946

The Senate resumed the consideration of the bill (H. R. 5458) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

Mr. McKELLAR. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with, that it be read for amendment, and that the committee amendments be first considered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will state the amendments of the Committee on Appropriations.

The first amendment of the Committee on Appropriations was, under the heading "Legislative," on page 2, after line 1, to insert:

SENATE

For an additional amount for clerical assistance to Senators (including chairmen of standing committees) at the rate of $2,400 per annum, effective March 1, 1946, fiscal year 1946, $76,800.

The amendment was agreed to.

The next amendment was, on page 2, after line 6, to insert:

Notwithstanding the provisions of the act of May 10, 1916, as amended by the act of August 29, 1916, the Sergeant at Arms of the Senate is hereby authorized during the Seventy-ninth Congress to employ, whenever necessary, the services of Government employees for folding speeches and pamphlets at the prevailing rates provided by law.

The amendment was agreed to.

The next amendment was, under the subhead "House of Representatives," on page 2, after line 15, to insert:

For payment to the widow of J. Buell Snyder, late a Representative from the State of Pennsylvania, $10,000.

The amendment was agreed to.

The next amendment was, under the heading "Executive Office of the President—Office for Emergency Management—Civilian Production Administration," on page 3, line 9, after the numerals "1946", to strike out "$1,500,000" and insert "$750,000."

Mr. HAYDEN. Mr. President, I desire to be heard in opposition to the committee amendment. I desire to invite the attention of the Senate to the fact that the amount of money carried in the bill as it passed the House is the amount contained in the Budget estimate, and that it was adopted by the House on a unanimous report from its Committee on Appropriations, and that the leadership on both sides in the House supported it.

I quote from the CONGRESSIONAL RECORD the statement by Mr. CANNON of Missouri, the chairman of the House Committee on Appropriations, who said this appropriation—

deals with the disposition of every commodity, and especially, at this time, housing items, lumber, steel, and building materials, of which the whole country is so desperately in need. It has already relaxed many of its restrictions, but due to the change in the economic situation and delay in the reconversion program, it is necessary now to continue many of its activities and resume some of those discontinued to insure an adequate supply of materials and facilitate their distribution.

Then Mr. TABER, the Republican leader on the House Committee on Appropriations, said:

This bill does not call for an enormous sum of money. The total involved is something in the neighborhood of $3,500,000. One of the major items is the Office of Civilian Production. I can see where a very considerable additional activity temporarily and for a few months after the severe strike situation that the country is facing, will be placed upon that Administration, because there probably will have to be for a little while allocations of some of the critical materials. We probably could not break away from that immediately.

The committe report, which is unanimous, points out that it has become necessary to retain an effective operating organization in addition to activities concerned in orderly liquidation. That is due to the strike situation, to the fact that unemployment was not so great as had been expected, and therefore there is a shortage of labor. As pointed out in the report there were 23,000 employees in the Office of War Production when the war with Germany came to an end. After that the number was reduced. When VJ-day came the number was down to 11,000. Mr. Small, who is head of the organization, appeared before our committee last fall and said they were continuing to reduce the number of employees; that by the first of the year they would have cut down the number to 2,500; that by this time they would have cut down the number to 2,300, and by the 1st of April, if they were given no more money, the number would be reduced to 400, and the 400 would wind up the Civilian Production Administration.

The coal strike was then in progress, and Mr. Small stated at that time that if there was a continuance of labor disturbances which interfered with production it would be necessary to channel material. He agrees with everyone that production is the essence of this situation. He said that if ample production could be obtained it would not be necessary to channel material. In the absence of ample production, caused by strikes, by the unavailability of labor, or whatever it may be, it is necessary for a time to continue to channel materials, particularly in the building industry. For that reason we are confronted with this question: Do we, out of a total of 23,000, want to keep on the pay roll from

April to the 30th of June 2,300 experts who know how to channel these materials? It takes this much money to do it. The House has appropriated it. I think the Senate should appropriate it.

Mr. McKELLAR. Mr. President, I regret very much that my distinguished friend, the Senator from Arizona, whom I admire and esteem most extravagantly, should take the position that this appropriation ought to be increased. The question is perfectly simple. The matter of housing has recently been placed in the hands of a housing administrator, Mr. Wyatt, who, from what I hear of him and from what I have seen of him, seems to be a very excellent man. The Administration of which Mr. Small is the head is the old War Production Board. Last fall the War Production Board, like all the war agencies, was asked to make a thorough examination and cut down its appropriations, have them rescinded and the money placed back in the Treasury. Mr. Small did that.

In the meantime that agency had been changed from the War Production Board to the Civilian Production Administration. It is remarkable that that should have occurred at the time it did occur, to say the least. Why should the name be changed? If the agency was doing good work in wartime, it could continue to do good work in peacetime if it were necessary to retain it. It was not necessary to change the name. That in itself is somewhat peculiar.

But that is not the real trouble, Mr. President. The real trouble is that they are now undertaking to justify a larger appropriation by saying that they are going to use the money to help the housing situation. Unless the whole system of government has been changed from what it was during the 35 years I have been connected with it, we all know that the Housing Administration will not get started before about the 1st of July. If it is able to start by that time, it will be doing well. It will do something, but it will not become very vigorous or active before the 1st of July. In the meantime one and a half million dollars will be spent by the other agency, which is not a housing agency, but which seems very kindly disposed toward the new Housing Administration and is willing to keep many of its old employees on the pay roll of the new agency under the excuse, as it seems to me, and as I think anyone may infer from the testimony, that this money will be spent for the benefit of the Housing Administration, which, Mr. President, has not really yet been set up.

Mr. President, it seems to me for the Congress to appropriate money under such circumstances is not justifiable, and I am opposed to that kind of legislation. Perhaps I may be wrong. It may be that the Senator from Arizona is right. Perhaps Mr. Small will allocate this money in such a way that it will do the Housing Administration some good. I do not know. It will certainly provide salaries for members of the old War Production Board until July 1, and it seems to me to be unnecessary even to allow half the amount for that purpose. I think it would be better if they had not made a request for money. Now that the war is over, we will have to end many of the war agencies at some time.

Mr. President, keep in mind that this agency is really the War Production Board. The War Production Board should have been one of the first agencies to go out of existence. Instead of that they made request for appropriation last fall. They reduced the number of employees very considerably, and that was entirely proper; but I think the War Production Board should pass entirely out of the picture by July 1, next. I think it would be regrettable that that should not happen; but surely the Senate ought not to appropriate more than the committee recommended. This subject was very thoroughly examined into by the committee. There was a very great difference of opinion. The matter was very carefully considered and voted on, not once, but several times, as I remember, in one way or another. For that reason it seems to me that the recommendation of the committee is about the best we can do in the matter.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. CORDON. I inquire of the distinguished Senator from Tennessee whether it is his understanding that the Housing Authority at the present time has the legal authority to allocate lumber and other building material, as has the Civilian Production Administration, successor to the War Production Board? That seems to be the field in which the Civilian Production Administration intends to work.

Mr. McKELLAR. We had a great deal of evidence on the question. As I understand, the Civilian Production Administration has assumed to take that duty on itself for the Housing Authority, and I do not believe that that ought to be done. I do not believe that we should establish one organization to do certain work, and then let another organization come along and say, "We will take over a part of your duties. Let Congress appropriate so much money for us, so that we may keep our employees on the rolls, and we will do all we can for housing." That is what this amounts to, and frankly I am very much opposed to it.

Mr. President, I yield the floor.

Mr. CORDON. Mr. President, I am one of those who believe in reducing appropriations. However, in connection with this particular item I believe that we should do one of two things. We should either appropriate sufficient to let the skeleton administration function, or we should eliminate it entirely. As I understand, the chief duty now devolving upon the Civilian Production Administration, which by executive order succeeds the War Production Board and has the same authority, is to require the allocation of building materials to home building purposes rather than to other purposes.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. CORDON. I am glad to yield.

Mr. McKELLAR. Does the Senator say that it is his understanding of the law that the War Production Board, as changed by Executive order, has the authority to say how much shall go into civilian construction? Does it have control over the allotment of materials which enter into civilian construction?

Mr. CORDON. That is my understanding.

Mr. McKELLAR. I am quite sure the Senator is mistaken.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. HAYDEN. I can state positively that no other agency of Government except the Civilian Production Administration has authority of law to allocate building materials, to channel machinery, and to do the other things necessary to break the bottlenecks of business. No other agency has such authority.

Mr. McKELLAR. Can the Senator refer to the law?

Mr. HAYDEN. Let me ask the Senator this question: Can he read to me any law which shows that any other agency has the authority? Neither of us has any law books before him, but I know what I am talking about.

Mr. McKELLAR. In my judgment no organization has such authority. The War Production Board has not been changed since the war closed. I do not think it has authority over civilian production of housing. I do not think there is any other agency which has such authority. I do not know of any authority, under perfectly well-known rules of constitutional law—and I still think we have a Constitution, although sometimes I am in doubt—which would justify or authorize an appropriation of this kind.

Mr. CORDON. Mr. President, may I inquire of the distinguished Senator from Tennessee what his idea is of the duty of the Civilian Production Administration, as it is now constituted?

Mr. McKELLAR. Since the War Production Board has changed its name, and perhaps done other things, I do not know, and I do not believe anyone else knows, what its authority is in time of peace. It was not established as a peacetime organization. As we all know, it was established as a wartime organization. I do not believe that merely because its name has been changed it has any authority whatsoever over peacetime housing.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. FULBRIGHT. I cannot cite the law, but it seems to me that under the War Powers Act the President, by Executive order, has given such power to the War Production Board.

Mr. CORDON. The War Production Board exercised that power throughout the war. It was the establishment of priorities by that Board which made it possible for war production to be conducted in an orderly manner, and to reach the heights which it reached during the war.

The War Production Board, as such, was substantially cut of business shortly after VJ-day. The President, by Executive proclamation, continued the authority of the Board under the name of "Civilian Production Administration." Personally, I did not have the opportunity to hear Mr. Small's testimony;

but, as I understand the present situation, the Civilian Production Administration is now functioning almost entirely in the field of allocation of building materials of various kinds, in the attempt to expedite the housing program in the United States. Very frankly, I am gravely doubtful as to whether it will succeed in that field.

I submit that we should do one of two things. We should either give the agency sufficient money to enable it to do the job, if it can be done, or else cut the appropriation off entirely.

At the present time the Civilian Production Administration requires, under its order, that all lumber sales be made for housing purposes, up to a certain major percentage of the lumber available at retail yards. It also requires certain set-asides at the production end of the lumber business. Sawmills are required at the present time to cut 40 percent of their cut in housing lumber. Again, I say frankly that I believe that order was ill-advised. I believe it will have to be changed. But the fact remains that this is the agency, and the only agency, so far as I know, which can change it. It is the agency which promulgated the order and the agency which has the authority to do it. It seems to me that the least we can do, if we are to maintain the agency in existence at all, is to give it sufficient personnel to do the last remaining part of its job in time of peace. I believe that it will require the amount allowed, $1,500,000.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. HAYDEN. As I understand the Senator, he has the facts the same as I have them. During the war the War Production Board was created and functioned. The War Production Board was not created by act of Congress.

Mr. CORDON. That is correct.

Mr. HAYDEN. The President created the War Production Board after several other agencies had tried to do the job; and that agency, under that name, allocated materials so as to facilitate the winning of the war. It allocated materials to the places where they were needed in order to win the war.

Then, by the same authority by which the President created the War Production Board, the war being over and the President being anxious that civilian production be resumed, by Executive order he changed the name from War Production Board to Civilian Production Administration.

Mr. CORDON. That is correct.

Mr. HAYDEN. I believe I am correct in stating that recently the President issued an Executive order with respect to the channeling of materials into housing.

Mr. WHERRY. Through this agency?

Mr. HAYDEN. Just a moment. I am asking my friend from Oregon a question.

I understood Mr. Wyatt to say the other day in an address which he delivered that two things were to be done. One was to put into effect immediately an Executive order of the President which would assist in channeling materials toward housing. The other was the enactment of legislation authorizing certain appropriations to stimulate production.

Mr. CORDON. In the nature of subsidies.

Mr. HAYDEN. Yes. I have not seen the text of the order, but if I correctly understood Mr. Wyatt, the order had already been issued that day—this was 2 or 3 days ago—whereby the President directed that materials available in the United States which are now uncontrolled should again be placed under control and channeled into housing. Is that the Senator's understanding?

Mr. CORDON. That is my understanding.

Mr. HAYDEN. If that be the case, what other agency of Government can do the channeling except this agency?

Mr. CORDON. There is no other agency in existence, to my knowledge, in the Government establishment.

Mr. HAYDEN. Furthermore, when Mr. Wyatt was making this address I specifically asked him, "Do you have authority, or do you expect to have authority, to channel materials into housing?" He said, "No; I have no such authority, and I do not expect to have it. It would be utterly impossible for me to try to set up a new organization to do something which the Civilian Production Administration is perfectly capable of doing, and has had experience in doing over these many months."

Does the Senator understand that to be the situation?

Mr. CORDON. I am in accord with the Senator from Arizona in my understanding.

Mr. HAYDEN. Those are the facts, as I understand them to be.

Mr. AUSTIN. Mr. President, will the Senator yield to me?

Mr. McKELLAR. Mr. President, if the Senator from Vermont will pardon me, let me say that if there are any such facts I shall be delighted to have the Senator read the Executive order referred to and any other Executive order which provides for having the Civilian Production Administration take over housing or channel materials for housing, as the Senator calls it, or do anything else along those lines. The truth of the matter is that no law provides for that being done. The House of Representatives and some members of the Senate committee wish to appropriate $1,500,000 to this defunct organization which the Senator from Arizona [Mr. HAYDEN] just said has done away with about nine-tenths of its employees, I believe, although it wishes, and is very anxious, to keep the rest of them, and believes it is the proper organization for this purpose.

Mr. President, something more than belief is required in order to establish an organization. In time of war it can be done by the President, under authority given by the Congress. In view of modern tendencies, it is remarkable that some persons still think—and I am one of those old-fashioned persons—that we have a Constitution and laws and that it is the duty of Congress to uphold the Constitution and to pass the laws in accordance with it. Of course, I know I am old-fashioned, perhaps even superannuated. But I still believe in the Constitution which all of us swore to protect and defend. To my mind, it is unthinkable and unbelievable that the Congress should make this appropriation merely because some man who has not yet been appointed to office or whose nomination has not yet been confirmed or who has not yet been sworn in to serve in an office thinks this organization might help, and that the Congress should appropriate $1,500,000 for it.

Mr. CORDON. Mr. President, let me inquire of the Senator from Tennessee what justification is there for making a $750,000 appropriation, in view of the Senator's constitutional position. If the Civilian Production Administration has no legal standing, then by what right may the Congress appropriate $750,000, rather than $1,500,000? I cannot follow that line of thought.

Mr. McKELLAR. I am just as much opposed to the $750,000 appropriation as I am to the $1,500,000 appropriation. But the committee out-voted me.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. CORDON. I am glad to yield.

Mr. AUSTIN. Mr. President, I do not have before me a complete copy of the order creating the Civilian Production Administration, but there is enough of it here, I think, to settle the question whether there is authority for this organization to allocate the products of the United States. At page 533 of the most recently published Congressional Directory, the following appears:

> The Civilian Production Administration was established within the Office for Emergency Management by Executive Order 9638 of October 4, 1945. The same order terminated the War Production Board, effective at the close of business November 3, 1945, and transferred its functions and powers to the Civilian Production Administration. The order provided that the functions and powers transferred shall "be utilized to further a swift and orderly transition from wartime production to a maximum"—

Mr. McKELLAR. Mr. President, will the Senator pardon me for a moment? The Senator left out two or three words, although I know it was unintentional.

It should read:

> The functions and powers transferred by this order shall, to the extent authorized by law—

And so forth. Does the Senator contend that there is a law providing for this?

Mr. AUSTIN. Yes, I do. Of course there is a law.

Mr. McKELLAR. What is the law which authorizes the appropriation of this money for the use of the Civilian Production Administration for the purpose of public housing?

Mr. AUSTIN. The law to which I refer, which is the foundation of the Executive order, is the First Emergency War Powers Act. I am not familiar with the language of the recent statute passed by the Congress enabling the President to terminate functions, transfer agencies, and so forth, but I am confident that that authority justifies this particular transfer.

Now I should like to continue, and I am not misquoting the order. All I am doing is reading what is contained in the Congressional Directory. I started the quotation definitely at the verb. I shall start the sentence again. The first part of it is not a quotation:

The order provided that the functions and powers transferred shall "be utilized to further a swift and orderly transition from wartime production to a maximum peacetime production in industry free from wartime Government controls, with due regard for the stability of prices and costs."

That is all that appears in the Congressional Directory, but that seems to me sufficient to determine the question whether this authority was transferred to that agency. That does not indicate at all which way I intend to vote on this question, but I am satisfied that the Civilian Production Administration has as one of its functions the matter of making such allocation of the products of our fields, forests, and factories as will expedite and attain the maximum degree of orderly and swift transition from wartime to peacetime production.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

Mr. CORDON. I ask the Senator to pardon me for one moment. First I desire to express my appreciation to the Senator from Vermont for his contribution.

Now I am pleased to yield to the Senator from Tennessee.

Mr. McKELLAR. Mr. President, of course, I did not intend to say that the Senator from Vermont had misread the language in any manner, shape, or form at all. I know the Senator from Vermont too well to think that he would do that. But I happened to have a copy of the Executive order in my hand. It reads in this way:

3. The functions and powers transferred by this order shall, to the extent authorized by law—

We still think of a law, I believe, as an order or authority or statute passed by the Congress and signed by the President—

be utilized to further a swift and orderly transition from wartime production to a maximum peacetime production in industry free from wartime governmental controls—

Mr. President, if there ever was governmental authority over the products in question it exists right now. This order seems to refer to something else—

with due regard for the stability of prices and costs.

I am not sure whether that refers to the question we have in mind. At any rate, regardless of whether the order refers to it, the administration headed by Mr. Small—the so-called Civilian Production Administration—went before the House committee and persuaded it to recommend an appropriation of $1,500,000, and the House of Representatives voted that appropriation—for what? Mr. Small and the witnesses with him said the House did it for the purpose of expediting the handling of housing, for which Mr. Wyatt is the administrator. When Mr. Wyatt was asked about it—and this is my recollection of what he said, as stated in the newspapers; I do not think he said it in the committee—his position was that he wanted any sort of help, and, of course, if the Congress gave $1,500,000 to a wartime control agency, such as the War Production Board, to enable it to keep a number of employees in office and to make it possible to pay salaries to them, that was all right with him.

Mr. President, I do not think it is right, and I hope the Senate will vote it down.

Mr. CORDON. Mr. President, again I thank the Senator from Tennessee for his contribution.

In closing, let me say that the Civilian Production Administration has the same legal standing that the War Production Board had, due to the fact that, regardless of declarations to the contrary, we are still in the war period. Let me say that I have grave doubts as to whether the President will be able to get the housing job done by following the plan he has enunciated. However, that is the plan. Orders channeling materials required for housing and giving priorities for the use of lumber for other purposes have been issued. The only agency which now is in a position to require performance is the Civilian Production Administration. If we are going to operate in the housing field at all, that agency should have an opportunity to function. Otherwise I feel that we should eliminate the appropriation entirely and thereby do away completely with the agency. In view of the fact that the remainder of the program is on its way, I prefer to see a fair opportunity given for the achievement of success in that field, and I hope that the committee amendment will be rejected and that the amount will be left at $1,500,000.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, on page 3, line 9, to strike out "$1,500,000" and insert "$750,000." [Putting the question.] The Chair is in doubt.

Mr. AIKEN. I ask for a division.

Mr. MORSE. Mr. President, I suggest the absence of a quorum.

Mr. HAYDEN. Let us first have a division.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	Myers
Austin	Hart	O'Mahoney
Bailey	Hawkes	Overton
Ball	Hayden	Pepper
Bankhead	Hickenlooper	Radcliffe
Barkley	Hill	Reed
Bilbo	Hoey	Revercomb
Brewster	Huffman	Robertson
Bridges	Johnson, Colo.	Russell
Briggs	Johnston, S. C.	Saltonstall
Buck	Kilgore	Shipstead
Bushfield	Knowland	Smith
Butler	La Follette	Stanfill
Byrd	Langer	Stewart
Capper	McCarran	Taft
Carville	McClellan	Thomas, Okla.
Chavez	McFarland	Thomas, Utah
Cordon	McKellar	Tobey
Donnell	McMahon	Tunnell
Downey	Magnuson	Tydings
Ellender	Maybank	Vandenberg
Ferguson	Mead	Walsh
Fulbright	Millikin	Wheeler
George	Mitchell	Wherry
Gerry	Moore	Willis
Gossett	Morse	Wilson
Green	Murdock	Young

The PRESIDING OFFICER. Eighty-one Senators have answered to their names. A quorum is present.

The question is on agreeing to the committee amendment on page 3, line 9.

Mr. McKELLAR. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. O'MAHONEY. Mr. President, I desire to add a word or two in support of the position which has been taken by the distinguished Senator from Arizona.

The decision in the committee to reduce the appropriation from $1,500,000 to $750,000 was made by a vote of 11 to 9. In other words, there was a substantial minority in the committee who believed that the Civilian Production Administration should not be deprived of the amount which the House had allowed. I do not recall whether or not the Senator from Arizona pointed it out, but——

Mr. McKELLAR. Mr. President, I may say that the Senator is correct in the figures which he has given.

Mr. O'MAHONEY. Yes. The Bureau of the Budget sent a recommendation to the Congress, as I recall, for $1,700,000, or $1,750,000. The House committee reduced the Budget Bureau's recommendation to $1,500,000.

It seems to me that the issue before the Senate is a perfectly simple one. By practically unanimous action Congress recently continued the Second War Powers Act until the 30th of June 1946, in the belief it was absolutely essential, in the interest of reconversion, that authority such as that which is exercised by the Civilian Production Administration should be preserved until at least the 30th of June. There was a substantial opinion in the Senate and in the House that those powers should have been extended for a year. But, by a narrow margin of one majority the Senate decided against a year's extension and granted only a 6-month extension.

Mr. President, the point I make, however, is this: The extension was legislatively granted for 6 months, that is to say, until the 30th of June. In its legislative capacity Congress said in effect, "We need to exercise these controls until at least the 30th of June." The appropriation, which was recommended by the Bureau of the Budget and passed by the House, was an appropriation to implement that legislative decision. How important it is that we should exercise control is illustrated by the crisis existing in connection with housing, and in connection with the shortage of lumber.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. McKELLAR. After VE-day and after VJ-day the President asked the various departments to make calculations and ascertain how much they would need to perform the work assigned to them on a peacetime basis, because we did not expect any more war between then and, at least, next July. Those departments were asked to make their estimates and send in their recommendations.

This organization made that examination and reported to the President of

the United States that it needed so many employees, and that it would need so much money. The remainder of the appropriation was rescinded by a bill which was signed only a few days ago. Congress passed that bill. So Congress has acted upon the report of this organization. Later the housing situation became acute, with the result that the organization of the old WPB, now the Civilian Production Administration, reexamined its report, and concluded to request the money necessary to help the new Housing Administrator to carry out his work. I do not mean that the CPA has been authorized by anybody to do the Housing Director's work, but the Housing Director says, in a published interview, I believe, that it would be all right with him. I do not know what else he could have said under the circumstances. Certainly it is the desire of a portion of our committee to reappropriate some money in order that that might be done. That is the whole question.

In my judgment, we cannot pay too much attention to the CPA, for the reason that it has already operated in this matter twice. It certainly made a mistake the first time, according to its own admission, and I think it made a worse mistake the second time.

Mr. O'MAHONEY. Mr. President, I think the Senator does an injustice to the Civilian Production Administration when he says it made a mistake. If a mistake was made, it was the mistake of repealing too soon controls which our civilian economy did not admit of being released.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. HAYDEN. I wish to quote again from Mr. CANNON, the chairman of the House committee. He said:

> Due to the change in the economic situation and the delay in the reconversion program, it is necessary now to continue many of its activities—

That is, the activities of this agency—

> to insure an adequate supply of materials and facilitate their distribution. So, out of the $10,000,000 we took away from them under the assumption that their activities could shortly be dispensed with, we here provide for the return of $1,500,000. I think no one will question the importance of continuing these essential activities until war conditions are more fully alleviated and the reconversion program is further advanced.

Mr. O'MAHONEY. I thank the Senator. That is precisely what the situation is as it has appeared to me from the evidence before the Committee on the Judiciary and the evidence before the Committee on Appropriations.

The fact is that the wartime controls were released with such speed and to such an extent that many small businesses in the country are unable, without the assistance of CPA, to obtain the supplies which they need to continue in business. It is a protection of little business in this country to grant this appropriation.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. BARKLEY. I suppose we are all familiar with the shortage in lumber—a commodity which is very essential in connection with the housing program which we are seeking to inaugurate. There is not only a shortage of lumber but of many other commodities.

I happened to have called to my attention very recently a situation existing with reference to the supply of a certain cloth out of which men's suits are made. There was a supply on hand in the whole country of 5,000,000 yards. There were requests for 20,000,000 yards. Obviously, unless there were some control of the distribution of the 5,000,000 yards among all those who wanted 20,000,000 yards, the large concerns which were able to rush in and buy, and even probably bid up prices, would have gotten all of the 5,000,000 yards, whereas the Civilian Production Administration allocated that yardage among manufacturers of men's clothing in the United States, so that the small manufacturer in the small town got his proportionate share of the goods, and was able to proceed to make clothes for men. Would the reduction in this appropriation cripple that sort of an operation on the part of the Civilian Production Administration?

Mr. O'MAHONEY. It most certainly would because it would make it impossible for the Civilian Production Administration to maintain the personnel necessary to make these allocations effective.

Mr. BARKLEY. There may be many other commodities which are in the same situation, but I happen to know about this one because a plant which operates in my old congressional district, and within 25 miles of my home, is the one which was making application for some of these goods, and it was necessary that the Civilian Production Administration take charge of the allocation of the goods; otherwise that little plant probably would have been denied any at all, and it might have been compelled to close its doors, and for the time being stop the manufacture of the suits it was producing.

If the personnel for which the appropriation is asked is needed for a thing of that sort, and in many other lines of business which it is easy for us to imagine, it seems to me that in the interest of the small manufacturer, the small businessman, and in the interest of fair distribution of whatever is available among those who demand it, we should not cripple the staffing of this agency, which probably has found that we lifted some of the controls a little bit too soon, and some of them have to be reinstated.

Mr. O'MAHONEY. My recollection is, I will say to the Senator, that evidence in the hearings before the Committee on the Judiciary on the extension of the War Powers Act show that out of some 4,000-plus orders and controls which were in effect on VJ-day in various agencies, less than 300 remain outstanding. In other words, the Civilian Production Administration has demonstrated by its action its desire to remove the controls as rapidly as possible, and, as has been pointed out by the reports of the chairman of the House Committee on Appropriations, just read by the distinguished Senator from Arizona, $10,000,000 was surrendered by CPA of an appropriation that was available to it, and here we are restoring to it only a million and a half of the ten million which was taken away, because since that action it has become clear that we must maintain this agency in partial activity.

Mr. BARKLEY. In other words, we were all in a hurry to lift the controls; we were impatient to get rid of them, and the chances are, as we look back now, that we realize that we were so anxious to do it that we went too far, and now have to back up a little. That is probably what has happened with respect to CPA.

Mr. O'MAHONEY. My position is simply that we should not, by withdrawing $750,000 of this appropriation, risk the crippling of this agency in the performance of an essential work in the interest of our economy.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee on page 3, line 9.

Mr. REVERCOMB. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. REVERCOMB. As I understand, a vote "yea" is a vote for $750,000, and a vote "nay" is a vote for a million and a half.

The PRESIDING OFFICER. The Senator is correct.

Mr. OVERTON. Mr. President, we all talk about economy; we return to our homes and talk to our constituents and say we are in favor of economy, that too much money is being spent, that the budget should be balanced, that something should be done and that we are going back to Congress and do it, but when we are confronted face to face with an issue of economy we generally vote against economy and in favor of the continuance of a spending program.

As a member of the Committee on Appropriations, I find it very difficult to bring about a reduction in the appropriations for any agency. The only witnesses who appear before us represent the department or agency concerned. We hear their statements and we undertake to analyze them as best we can. Their statements, however, are ex parte statements and they are altogether in favor of a continuance of a spending program in behalf of the particular agency or department. We listen to what representatives of the agencies have to say and we find out, so far as the testimony before us goes, that it will be not only almost ruinous to the agency but will be very detrimental to the Government and its functioning if we should reduce an appropriation. They say they need all the employees they now have, and they need more besides, and they must spend money for this and they must spend money for that.

This particular agency, the Civilian Production Administration, came before us when we had under consideration the rescission bill, and they submited, I suppose under the direction of the Bureau of the Budget and the President, a pro-

gram of restricted spending, a program of economy. We had gotten away from the War Production Board and all the activities in which that Board was engaged, and continued in a very limited way some of its activities under the name of the Civilian Production Administration. So the rescission was made. That bill has just become law. But no sooner did it become law than representatives of the Civilian Production Administration came knocking at our door and said, No; that is all wrong. We cannot enter on any program of economy as contemplated. We need $1,500,000 more." Their statement was that they could not undertake further to reduce their personnel. They are still to keep every employee they have on their pay roll until the end of the present fiscal year.

Mr. President, I do not believe that is right, and when we analyze the situation it will be found that it is not right. The Civilian Production Administration can perform its limited functions, which have to do with the funneling of material, with the personnel they now have under the existing appropriation. It is not necessary to proceed to pour $1,500,000 or $1,750,000 more into it. As a matter of fact, I took the position in the committee that the agency should not have any further appropriation, and I think I was right. I think it can function under the present appropriation, under the money left to it after the rescission knife was applied to that item.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. McKELLAR. The Senator will recall that Mr. Small testified, and in answer to a question I asked him as to whether they could get along with a small amount, he said:

> What is the use. We will be coming back to you immediately for more.

The Senator recalls that statement very well, does he not?

Mr. OVERTON. He said that even if he were given the total appropriation he would be coming back for more. We shall not get rid of this agency so long as we supply it with the funds to keep up its personnel and maintain it in operation.

Mr. McKELLAR. If the Senator will permit me, I will read Mr. Small's statement which appears on page 32 of the hearings. The Senator remembers he was asking for $1,700,000, and not for the $1,500,000 appropriated by the House. He said:

> In the event this additional $1,700,000 is not approved, it will be necessary to terminate all employees, except approximately 400, to be effective April 15, 1946, in order that payment may be made of accrued annual leave and other liquidation costs during the current fiscal year.

I call the attention of the Senator to that testimony by Mr. Small because the whole question is sewed up in that one statement. What they are going to do if we do not grant this appropriation they ask is to cut down the number of the employees of the Government. The War Production Board had already cut off a great many of its employees and certified that fact to the Congress and to the President. Yet Mr. Small bobs up serenely when he comes to the point where he must cut off the employees because of the lack of money, and says "We will have to have more money or we will have to cut down the number of employees." That is the whole question. If the Senate of the United States feels that all our wartime employees should be retained this is the way to do it. The way the various departments and agencies of the Government have undertaken to do it is to hold onto their employees all along the line. If we want to do that, Senators, I can stand it as well as can anybody else. I do not know what other Senators will do; But I hope they will not approve such action.

Mr. OVERTON. I agree with the Senator from Tennessee that if Senators do not back up the Appropriations Committee in trying to economize we shall have to abandon the whole idea of economizing. Let us consider the housing situation. Many Government agencies are concerning themselves with the matter of housing. Housing is something which should be under one control. But we have the National Housing Administration, the FHA, and we have the new Wyatt administration. We have the Civilian Production Administration that is moving into the field with all its present force, and with an application for an increased force. When any particular subject, such as the subject of veterans, becomes popular, different agencies of Government jump in and try to take charge of it. Various agencies say, "We want to do this or do that to aid the veterans." That subject was before the Appropriations Committee for a long time. Now the subject of housing has become popular, and many governmental agencies want to get into the housing field, so they can ask for more money.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. BARKLEY. We have a bill before the Banking and Currency Committee now, upon which we have been holding daily hearings, which would place the entire housing program of the Government under one agency.

Mr. OVERTON. I am glad of that, Mr. President, and I shall support an appropriation for that agency.

Mr. McKELLAR. I am delighted to hear it.

Mr. OVERTON. But I am not willing to distribute the funds of our Government among Tom, Dick, and Harry agencies which are simply trying to survive and to continue functioning.

Mr. McKELLAR. Mr. President, will the Senator from Louisiana yield to me so I may ask the Senator from Kentucky a question?

Mr. OVERTON. I yield.

Mr. McKELLAR. The Senator from Kentucky, who is a very able and distinguished member of the Banking and Currency Committee which has the subject of the housing program in charge, serves with distinction on that committee, as well as on other committees. This is the last day but one of February. Does the Senator expect that bill to become law before June?

Mr. BARKLEY. I will say to the Senator that the committee held exhaustive hearings upon the bill. It is now in the hands of a subcommittee which I think will complete its work tomorrow. We hope to be able to report the bill to the full committee perhaps on Friday, certainly early next week, and to report the bill and get it on the floor of the Senate and consider it in the very near future.

Mr. OVERTON. I hope that bill will be reported by the committee. I think it will not only be a step in the right direction, but that it is a necessary step to take in connection with the problem. The matter of housing should be under one control.

Mr. BARKLEY. The Senator will find that the legislation which is under consideration is comprehensive, and I might say complicated, too, because it is an effort to coordinate and unite all the housing agencies under one head, and when we start in to do that we find it is not an easy matter.

Mr. McKELLAR. Mr. President, I am happy to agree with that proposal. But think for a moment of what we are doing. The proper committee is undertaking to hear and to determine what sort of housing bill should be reported. In the meantime the head of a war agency which is still in existence says that those who are in the agency will lose their salaries if the agency is not continued. Without waiting for the Committee on Banking and Currency to act it is now proposed in the Senate to appropriate one and a half million dollars for this agency whether it ever gets to work or not; and I doubt very much whether it will get to work before the first of July. I doubt it exceedingly; I doubt it even more than exceedingly. If I were a betting man I would bet that between now and the first of July there would not be anything done by this housing agency.

Mr. OVERTON. Mr. President, I desire to ask the Senator from Kentucky a question. In the consideration of the legislation pending before the Committee on Banking and Currency is it proposed to set up another agency than the Civilian Production Administration to channel the material?

Mr. BARKLEY. No; we are not dealing with the allocation of civilian goods. We are dealing with the problem of constructing houses and encouraging the construction of houses on the part of private capital in cities and communities under a coordinated plan. But the distribution and allocation of materials of all kinds, of course, cannot be taken over by a housing administration.

Mr. HAYDEN. Mr. President, during Mr. Small's testimony the Senator from Tennessee read from the House Report on the reasons why additional appropriation is necessary, as follows:

> During the past 90 days, labor-management difficulties have increasingly retarded the reconversion program.

If reconversion is retarded, the allocation of materials must be changed.

> Shortages have continued far beyond the time when it was believed they would be eased for practically all purposes.

Mr. Small did not say, and there is nothing in the record to show that he

would have to have more money unless a large housing program were adopted; and if it were, the number of employees now in that agency could not do the work. There would have to be more employees, and an additional appropriation.

I have found no one who knows anything about the situation who has proposed to establish a new agency to wipe out the present one. We should do one of two things. The Senator from Louisiana [Mr. OVERTON] is absolutely correct. Either we should appropriate no money at all or we should give the agency sufficient money to enable it to do the job. If we do not appropriate anything, on the first of April this agency will discharge down to 400 employees, and the 400 employees will be used to bundle up the papers, the agency will go out of business, and there will be no one to do the work. There will be no agency to do any channeling.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. McFARLAND. I have been trying today to obtain the floor. I wish to submit certain amendments to the housing bill which has been mentioned, and I intend to submit them.

This appropriation will not be a drop in the bucket compared with the housing bill if it is adopted in the form it has been introduced, and is not amended. That bill would make permanent all these war agencies. So I hope Senators will not commit themselves on all features of the bill. It has some good features. I wish to offer some amendments which will avoid making all the war agencies permanent. I hope the Senator from Tennessee [Mr. McKELLAR] and other Senators will not commit themselves too soon on all the features of that bill. It does have good features. We can adopt this little appropriation, and it will not be a drop in the bucket.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 3, at the beginning of line 9, to strike out "$1,500,000" and insert "$750,000." On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BRIDGES (when his name was called). I have a pair with the Senator from Utah [Mr. THOMAS]. I am informed that if he were present he would vote "nay." If I were at liberty to vote I should vote "yea."

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from New York [Mr. WAGNER] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] and the Senator from Utah [Mr. THOMAS] are necessarily absent.

The Senator from Pennsylvania [Mr. GUFFEY] is a member of the committee attending the funeral of the late Representative from Pennsylvania, Hon. J. Buell Snyder, and is therefore necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Illinois [Mr. LUCAS], and the Senator from Texas [Mr. O'DANIEL] are detained on public business.

The Senator from Montana [Mr. MURRAY], and the Senator from Idaho [Mr. TAYLOR] are absent on official business.

The Senator from Texas [Mr. CONNALLY] is absent on official business as a representative of the United States to the General Assembly of the United Nations.

The Senator from Alabama [Mr. BANKHEAD], the Senator from New Mexico [Mr. HATCH], and the Senator from Montana [Mr. WHEELER] are detained at important committee meetings.

On this question the Senator from New Mexico [Mr. HATCH] has a general pair with the Senator from Maine [Mr. WHITE].

If present and voting, the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Illinois [Mr. LUCAS], the Senator from Montana [Mr. MURRAY], the Senator from Idaho [Mr. TAYLOR], and the Senator from New York [Mr. WAGNER] would vote "nay."

Mr. WHERRY. The Senator from Illinois [Mr. BROOKS] is recovering from a recent operation.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate on official business of the Small Business Committee, of which he is a member.

The Senator from Kansas [Mr. REED], who is detained on official business, has a general pair with the Senator from New York [Mr. WAGNER].

The Senator from Maine [Mr. WHITE], who is detained in important committee hearings, has a general pair with the Senator from New Mexico [Mr. HATCH].

The Senator from Wisconsin [Mr. WILEY] has been excused. He is absent on official business.

The Senator from California [Mr. KNOWLAND] is detained on official business.

The result was announced—yeas 44, nays 30, as follows:

YEAS—44

Bailey	Hart	Revercomb
Ball	Hawkes	Robertson
Bilbo	Hickenlooper	Saltonstall
Brewster	Hoey	Shipstead
Briggs	Huffman	Smith
Buck	Johnson, Colo.	Stanfill
Butler	Johnston, S. C.	Stewart
Byrd	McCarran	Thomas, Okla.
Capper	McClellan	Tydings
Donnell	McKellar	Vandenberg
Ellender	Maybank	Wherry
Ferguson	Millikin	Willis
George	Moore	Wilson
Gerry	Overton	Young
Gossett	Radcliffe	

NAYS—30

Aiken	Hayden	Morse
Austin	Hill	Murdock
Barkley	Kilgore	Myers
Carville	La Follette	O'Mahoney
Chavez	Langer	Pepper
Cordon	McFarland	Russell
Downey	McMahon	Taft
Fulbright	Magnuson	Tobey
Green	Mead	Tunnell
Gurney	Mitchell	Walsh

NOT VOTING—22

Andrews	Glass	Taylor
Bankhead	Guffey	Thomas, Utah
Bridges	Hatch	Wagner
Brooks	Knowland	Wheeler
Bushfield	Lucas	White
Capehart	Murray	Wiley
Connally	O'Daniel	
Eastland	Reed	

So the committee amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, on page 3, in line 9, to strike out "and the amount available for printing and binding is hereby decreased from '$648,000' to '$398,000'" and insert "and the amount available for printing and binding fixed at $346,000 by the First Supplemental Surplus Appropriation Rescission Act, 1946, is hereby increased to $372,000."

The amendment was agreed to.

Mr. LANGER. Mr. President, I should like to have an explanation as to why the amount is increased from $346,000 to $372,000.

Mr. McKELLAR. We cut the figures in the second item so as to make them accord with those in the first item. We cut the first item, and the second one is changed merely so as to accord with them; that is all.

Mr. LANGER. Very well.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, under the subhead "Office of Price Administration," on page 4, line 2, after the numerals "1946", to strike out $1,854,000" and insert "$927,000."

Mr. HAYDEN. Mr. President, I wish to be heard in opposition to the amendment. I think the committee made a mistake in voting to cut in half the appropriation for the Office of Price Administration. If we are to have any kind of controls over prices during the remainder of this fiscal year, the amount of the Budget estimate will be necessary if the work is to be done. This amendment is another one in regard to which the committee was very closely divided. I think the Senate should exercise a sober second thought in regard to it.

If it is desired to sabotage the OPA, if it is desired to ruin the OPA, the simplest way to do it is to cut off the money. But that is not my way of carrying out a law enacted by Congress.

Yesterday the Senator from Wisconsin [Mr. WILEY] directed attention to a full-page editorial published in the Washington Post, entitled "The President's Wage-Price Policy Won't Work." The advertisement, inserted by the McGraw-Hill Co., contains several very significant paragraphs which I think deserve the attention of the Senate. Perhaps the company is correct in its view. Perhaps its opinion as to the OPA is correct, namely, that it will not work. It makes specific suggestions as to what we may do by amending the law so as to provide for a program that will work. But all agree—and the sentiment is expressed in the advertisement in the strongest kind of language—that with no control at all we are bound to have wild inflation. No one favors that.

Under such circumstances, it seems to me it would be a very grave mistake upon the part of Congress not to allow the amount of money estimated by the Bureau of the Budget as necessary. This item was thoroughly debated in the

House of Representatives; and on a motion to strike it out there was a record vote, and the House, by a majority of 77 votes, fixed this amount of money as the proper sum needed to carry on the work of the OPA from now until the 1st of July.

Between now and the 1st of July we shall have to pass a bill extending the life of the OPA. If we follow the suggestions made by the McGraw-Hill Co., and other suggestions of a similar nature, we can lay down standards by which to tell the OPA how to operate so as to make the needed corrections.

But the OPA cannot operate without money. If the committee reports a bill providing for such standards, and if the bill becomes the law, those standards will immediately go into effect. But if we cut off the money now, we shall not have an effective OPA.

I simply cannot follow the idea of cutting off the money. In the committee it was asserted that about half of the increase would go for enforcement. I wish to know if any Senator is willing to stand up on the floor of the Senate and say that the reason why the sum of money should be cut in half is that we wish the reduce the number of officers available to enforce the OPA law and regulations. If we are not to have anyone to do the enforcement, then why have an OPA at all? I can agree with Members of the Senate that the methods of enforcement and the kind of enforcement officers should be changed in accordance with the law, but I will not say that it is a sound or wise policy on the part of anyone to vote to have no OPA enforcement at all, which will be the result if the pending amendment is adopted.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. HICKENLOOPER. In response to the Senator's invitation, I will say exactly that. In the Federal Government there is no more sprawling agency, no more inefficient agency, no more stupid agency than the OPA. The OPA has had some 60,000 paid employees who are inflicting regulations covering minute details against a law-abiding public which is attempting to cooperate in respect to enforcement of the law. I think it is high time that we reduce the amount of surplus money which the OPA has the power to use to inflict such procedures on the public, and I think the OPA should establish some sensible and proper rules for the control of prices which will stimulate production in this country. I think the amount of money which the OPA has been voted by the committee is ample for the purposes of the OPA, and that it can thereby obtain some efficiency.

Mr. HAYDEN. Mr. President, let me ask the Sentor whether he is in favor of extending the life of the OPA at all.

Mr. HICKENLOOPER. I am in favor of price control during wartime, and I hope I can be in favor of a sensible and businesslike control of our economy during the emergency period following the war.

Mr. HAYDEN. Does the Senator think the Congress is capable of passing a bill to provide for that kind of control?

Mr. HICKENLOOPER. I think the Congress has failed to enact such a statute, in view of the law which was passed, together with the interpretations made by the courts in sustaining the OPA.

Mr. HAYDEN. Then it is the fault of Congress.

Mr. HICKENLOOPER. Very well. If Congress does not meet that issue and correct the OPA's sabotage practices, there will not be any reconversion in this country to the extent that is needed, and inflation will not be stopped, and our national economy will continue in the doldrums.

Mr. HAYDEN. Then the logic of the Senator's argument is that we should not have any OPA, and for that reason under present circumstances the Senator does not wish to appropriate sufficient money to enable the OPA to function.

Mr. BALL. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. BALL. The cut made by the committee would still leave the OPA with 4,379-plus employees for enforcement. That would not exactly strip the OPA of all enforcement officers.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. OVERTON. I simply wish to state that, without this appropriation, the OPA has over $28,000,000 for its operations up to the end of the present fiscal year. Now the OPA is asking for an additional $1,854,000. The amendment would give the OPA $927,000, which is exactly $927,000 too much.

Mr. HAYDEN. There again the Senator takes the point of view that we do not need any enforcement and should not have an OPA.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. WHERRY. The Senator from Louisiana does not mean that those who are in favor of the committee amendment do not wish to have law enforcement.

Mr. HAYDEN. The law cannot be enforced unless someone is employed to see that it is enforced.

Mr. WHERRY. But the Senator from Arizona said that if the Senate should adopt the committee amendment it would sabotage the OPA, and that then there would be no law enforcement under the Emergency Price Control Act. As the distinguished Senator from Louisiana [Mr. OVERTON] and the distinguished Senator from Minnesota [Mr. BALL] have pointed out, the OPA has $26,000,000 or $28,000,000 for its use until the end of June of the present fiscal year, and even if the proposed cut is made the OPA will still have approximately 4,000 or 4,500 employees for enforcement purposes. The OPA argued that approximately one-half of the appropriation was for the purpose of obtaining additional law-enforcement officers. The facts reveal that at the period of high tide in OPA operations, in July 1945, the OPA had approximately 6,000 enforcement officers.

Mr. HAYDEN. And even then it did not have a sufficient number.

Mr. WHERRY. Whether it had a sufficient number to satisfy the Senator from Arizona is not the question.

The statement I made is that at the peak of wartime enforcement of controls, the OPA had 6,000 enforcement officers.

If we cut down this appropriation, there will still remain more than 4,000 officers to continue enforcement of the OPA law and regulations, and we would cut the personnel of the OPA by nearly 50 percent, clear through the list. So we would not be taking away as many enforcement officers as we would be taking away other employees.

The committee voted to grant one-half of the appropriation requested because the OPA wished to have more personnel for pre-ticketing of construction materials for housing. One-half of the appropriation will meet the OPA's requirements.

What the committee did not do was to agree to vote for the appropriation of $1,854,000 to enable the OPA to have more enforcement officers to operate as a gestapo and to institute lawsuits causing trouble throughout our land.

In connection with this point, I should like to refer to the remarks made in the Senate yesterday by the Senator from Illinois [Mr. LUCAS]. I ask Senators to begin to read the CONGRESSIONAL RECORD, at page 1602, and see what the Senator from Illinois said at that time. To insert his statement in the RECORD would be to duplicate unnecessarily a great deal of printing. Many Senators heard his speech. He said, in effect: "In Illinois we have a gestapo." "A gestapo" is what the Senator from Illinois said. He said, "We must stop this kind of browbeating tactics of enforcing the law against little retailers and food distributors who are not willfully violating any law whatever."

Mr. HAYDEN. Mr. President, I should like to make a statement in my own time. The Senator from Illinois made the speech to which the Senator has referred. After he had finished making his speech I asked him what he was going to do about this appropriation, and he said he would vote for the full appropriation. He said in effect, "I do not want it to be said that after making the charges which I have made against the Office of Price Administration I would take money away from it which is needed to inaugurate proper reforms which I am advocating."

Mr. WHERRY. The fact nevertheless is that the statement which the Senator from Illinois made yesterday was, in effect, against the gestapo practices of the OPA. The OPA are attempting enforcement by what I call unethical methods. They are enforcing regulations against American grocers and merchants who are as fine a class of individuals as can be found anywhere. According to the testimony which was adduced before the committee, in the majority of cases of alleged violation which have been prosecuted, there had been no willful violation of the law. It is unfair for the distinguished Senator from Arizona to make the statement on the floor of the Senate this afternoon that because those of us who believe in economy and do not believe in the type

of law enforcement which has been carried on by the OPA, and are willing to vote for the committee amendment, are trying to sabotage the enforcement program of the OPA. I am as anxious to have the law enforced against willful violators as is the Senator from Arizona, or any other Member of this body, but the Senator must remember that there are still more than 4,000 employees on the OPA pay roll, and that the OPA still has $28,000,000 with which to carry on its program until next June. We are not trying to sabotage the OPA. We are trying to have inaugurated a constructive program of enforcement, and the OPA has plenty of officers to enforce the law with the funds which it now has.

Mr. HAYDEN. Mr. President, in my own time I assert that I totally and utterly disagree with the Senator.

Mr. WHERRY. The Senator has a right to disagree with me, and to make any statement which he chooses to make; but it is not fair to state that those who believe in a constructive law enforcement program are trying to sabotage the law.

Mr. AIKEN. Mr. President, I inquire of the Senator from Arizona if the amount approved by the House is the amount which was requested by the Bureau of the Budget?

Mr. HAYDEN. It is. The House debated the question just as we are debating it here. By a yea-and-nay vote in the House the amount of money as shown in the House bill was argeed to by a majority of 77.

My honest belief with reference to the OPA has been from the beginning that Congress has been niggardly in its appropriations. In many instances we have not had the kind of enforcement which we have wished for, because insufficient funds have been appropriated by Congress. I feel exactly as does the Senator from Nebraska with respect to some of the OPA officials who have gone about harassing persons. I think it would be better to place OPA enforcement in the hands of United States district attorneys than in the hands of civil-service employees with no background of experience. Congress can write a law, but the suggestion that a bad Federal administrative situation can be cured merely by reducing the number of employees engaged in doing the work required by the act, to my way of thinking, is not tenable.

Mr. WHERRY. Mr. President, there is one more thing which I should like to say. In the testimony of witnesses who had been persecuted by gestapo methods of the OPA it was shown almost entirely that the witnesses blamed Congress for the gestapo methods which were being used. I think it is time for the Congress to make clear and plain that it does not sanction such type of law enforcement. I think the record should show that such methods were conceived in the enforcement division of the OPA, and that they do not have the sanction of Congress.

Mr. HAYDEN. Wher the time comes again to extend the life of OPA I shall be willing to cooperate with the Senator from Nebraska in writing a law to prevent the things being done about which he has complained. But in the meantime, believing as I do that the responsibility is on the Congress, I am not willing to have it said that the reason for lack of enforcement is that Congress is so niggardly it will not appropriate the money necessary in order properly to do the job.

Mr. BRIDGES. Mr. President, the Senator from Arizona speaks about Congress being niggardly. I think that is the most absurd statement I have heard. Congress has not been niggardly in appropriating money for the OPA, or for any other Federal agency. Congress has been far too liberal. If we start now to cut down a few appropriations it will be in accordance with good common sense.

Mr. McKELLAR. Mr. President, I am afraid we will not reach a vote this afternoon.

Mr. WHERRY. Oh, let us vote on the amendment. Let the other amendment go over until tomorrow.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 4, line 2, to strike out "$1,854,000" and insert "$927,000."

Mr. MAYBANK. Mr. President, on this question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BALL. Mr. President, before a vote is taken on the committee amendment I wish to point out that in addition to an appropriation of $1,854,000 the OPA wishes to add by July 1, 2,881 more employees than it had planned to have on that date; 53 of those employees are to be added to the OPA's information department, resulting in that department having 487 employees in carrying on its propaganda program. One hundred and fifty-five employees would be added to accounting. One thousand, five hundred and eighty-five employees would be added to enforcement. That would make a total of 5,964 employees in enforcement as compared with 6,022 on July 1, 1945, when OPA's task was at its peak, and when it was rationing meat, vegetables, and nearly everything else. It now has only one rationing program, namely that of sugar. There would be added only 538 employees to the Price Division, and 550 in the Rent Division. Under the reduction proposed by the committee, the OPA would be enabled to more than take care of the additions to their staff.

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 4, line 2, which will be stated.

The CHIEF CLERK. On page 4, line 2, under the subhead "Office of Price Administration", after the numerals "1946," it is proposed to strike out "$1,854,000", and insert "$927,000."

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BRIDGES (when his name was called). I have a general pair with the Senator from Utah [Mr. THOMAS]. If he were present he would vote "nay." If I were permitted to vote I should vote "yea."

The roll call was concluded.

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from New York [Mr. WAGNER] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] and the Senator from Utah [Mr. THOMAS] are necessarily absent.

The Senator from Pennsylvania [Mr. GUFFEY] is a member of the committee attending the funeral of the late Representative from Pennsylvania, Hon. J. Buell Snyder, and is therefore necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Illinois [Mr. LUCAS], and the Senator from Texas [Mr. O'DANIEL] are detained on public business.

The Senator from Montana [Mr. MURRAY] and the Senator from Idaho [Mr. TAYLOR] are absent on official business.

The Senator from Texas [Mr. CONNALLY] is absent on official business as a representative of the United States to the General Assembly of the United Nations.

The Senator from Louisiana [Mr. ELLENDER], the Senator from Maryland [Mr. TYDINGS], and the Senator from Massachusetts [Mr. WALSH] are detained at an important committee meeting.

The Senator from Nevada [Mr. McCARRAN], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Georgia [Mr. RUSSELL], and the Senator from Montana [Mr. WHEELER] are absent on official business at various Government departments.

If present and voting, the Senator from Louisiana [Mr. ELLENDER], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Illinois [Mr. LUCAS], the Senator from Montana [Mr. MURRAY], the Senator from Idaho [Mr. TAYLOR], the Senator from New York [Mr. WAGNER], and the Senator from Massachusetts [Mr. WALSH] would vote "nay."

If present and voting the Senator from Nevada [Mr. McCARRAN] and the Senator from Maryland [Mr. TYDINGS] would vote "yea."

Mr. WHERRY. The Senator from Illinois [Mr. BROOKS] is recovering from a recent operation.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate on official business of the Small Business Committee, of which he is a member.

The Senator from Kansas [Mr. REED], who is detained on official business, has a general pair with the Senator from New York [Mr. WAGNER].

The Senator from Wisconsin [Mr. WILEY] has been excused. He is absent on official business.

The Senator from Maine [Mr. BREWSTER], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from New Hampshire [Mr. TOBEY] are detained in an important committee meeting.

The result was announced—yeas 45, nays 25, as follows:

YEAS—45

Austin	Buck	Carville
Bailey	Bushfield	Cordon
Ball	Butler	Donnell
Bilbo	Byrd	Ferguson
Briggs	Capper	George

Gerry	McMahon	Stanfill
Gurney	Maybank	Stewart
Hart	Millikin	Taft
Hawkes	Moore	Thomas, Okla.
Hickenlooper	Overton	Vandenberg
Hoey	Radcliffe	Wherry
Johnston, S. C.	Revercomb	White
Langer	Robertson	Willis
McClellan	Shipstead	Wilson
McKellar	Smith	Young

NAYS—25

Aiken	Hayden	Mead
Bankhead	Hill	Mitchell
Barkley	Huffman	Morse
Chavez	Johnson, Colo.	Murdock
Downey	Kilgore	Myers
Fulbright	Knowland	Pepper
Gossett	La Follette	Tunnell
Green	McFarland	
Hatch	Magnuson	

NOT VOTING—26

Andrews	Guffey	Taylor
Brewster	Lucas	Thomas, Utah
Bridges	McCarran	Tobey
Brooks	Murray	Tydings
Capehart	O'Daniel	Wagner
Connally	O'Mahoney	Walsh
Eastland	Reed	Wheeler
Ellender	Russell	Wiley
Glass	Saltonstall	

So the amendment was agreed to.

NATIONAL HOUSING POLICY

Mr. McFARLAND. Mr. President, is it the intention of the majority leader to finish the consideration of the appropriation bill this evening?

Mr. BARKLEY. No.

Mr. McFARLAND. When will we adjourn to?

Mr. BARKLEY. I propose to ask that we go over until Friday.

Mr. McFARLAND. I desire to detain the Senate for but a few minutes, but I wish to ask unanimous consent to have printed and referred to the Committee on Banking and Currency two amendments which I expect to offer to Senate bill 1592. I also ask that the amendments be printed following my remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. McFARLAND. Mr. President, that this country faces a crisis in housing is clearly evident to all who know anything of the problem. A 5-year moratorium in the building of dwelling units coupled with an increase in population, the return of millions of our soldiers and sailors who desire to establish homes, and a shortage of building materials, all combine to produce this critical situation.

Something must be done to alleviate this condition. None of us can be indifferent to its importance to the Nation both from a social and an economic standpoint. There is no need to recite platitudes. The home is the foundation stone of family life; ownership or occupation of a decent home is essential to the growth of a strong democracy. There is an intimate relationship between the quality of the place where men and women live and the sense of responsibility that they, as citizens, will have. There can be little argument that clean, wholesome, and sanitary housing facilities and a clean, decent, and happy environment have a direct bearing on the amount of disease and crime in any community.

Not everyone can own a home, but to the degree that home ownership can be increased will we have increased the strength and stability of our democratic institutions. Home ownership brings a sense of responsibility to the individual which makes him a better citizen, alertly interested in the economic and financial policies of his Government.

For this reason, if for no other, the pending Wagner-Ellender-Taft housing bill is deserving of our most intelligent and serious consideration. It broadens present law in the direction of making possible a far larger percentage of individual home-ownership in this country. That is all to the good.

But, Mr. President, though the objective is good, the method may carry with it grave dangers for our economy—and even for our form of government. I refer, of course, to the plan for so-called national housing; in short, to the idea of federally promoted housing, to the idea of putting the Federal Government into the housing business.

Mr. President, we have grown accustomed in these recent years to call on the Federal Government far too much. I am not criticizing; I am merely commenting and pointing out. We have come through a grievous war in which the individual has been subordinated to the state. That is necessary in war; but it is a concept wholly alien to the theory of free democratic government. Someplace, somewhere, we will have to call a halt; someplace, somewhere, we must return to the idea of individual initiative and personal enterprise. If we do not do it soon, and do it completely, we will drift inevitably into state socialism; into a system in which a paternalistic state does everything for the citizen. And, of course, the corollary of that is self-evident—the state feeds on itself, becomes increasingly powerful at the expense of the individual, and democracy becomes a hollow sham—a fondly remembered dream.

Mr. President, I am fully aware that there are crises in which only the power of the Federal Government is ample to cope with a problem. Such crises may occur in peace as well as in war. And I am fully aware that the present housing situation is a crisis that will tax the good will and ingenuity of our people. I do not, for one moment, argue against the premise that it is essential that our people in the lower income brackets should have decent housing. I do not contend against the idea that every effort should be made to eradicate slums, and replace them with decent, clean, sanitary dwellings. But, Mr. President, how far should we go with such a program; to what extent should the Federal Government continue in this field?

Let us look at the facts. What uniformly has been our experience in the creation of new agencies, departments, and establishments of Government? Without exception, they grow and grow, expand and expand, become greater and greater, continually showing the need for their continuance. Think for a moment of what we give life to when we create a new Federal agency actively to promote the building of public housing. It can expand only by promoting the building of more public housing. In a few short years through the buying power it will have, it can create the most powerfully backed lobby for its expansion that we have had in all our history.

That is the negative aspect of the situation. What is the affirmative side? Only a few weeks ago this body passed, and a few days ago President Truman signed, the Full Employment Act. Have we forgotten already the purposes and intent of that legislation? Were we tilting at windmills in passing that legislation? Are men who voted for that bill now arguing, in effect, that it will not accomplish its purpose, that we will continue to have so large a class of low-income people that the Federal Government must dominate and subsidize housing? Are we now arguing that only through this form of Federal subsidy will people be able to have decent living quarters? If the Federal Government must subsidize the individual citizen, there must be a better way to help him own his home than through this dangerously direct method of the Federal Government sponsorship of public building, owning, and making available housing to the citizen.

I have referred to the full employment bill as one method of meeting this problem. Obviously we have not given that act an opportunity to work. It has not been on the statute books long enough. Nor do I want to confuse the issue by suggesting that it alone will cope with the present emergency. It must, however, be given serious consideration in any long-time planning on housing. And whatever anyone may say about the present emergency in housing, the plain fact is that unless we are extremely careful we will take measures in the emergency which will continue for years and years long after the emergency is past.

There is a second factor to be considered in connection with the present emergency housing situation. That is the provision for meeting the housing problem for the returning veteran—which is, after all, the basic and important question now. Long before the war was over, the Senator from South Carolina [Mr. MAYBANK] and I introduced legislation which would provide a means for veterans to buy and own their own homes. I worked closely with the American Legion, VFW, and other veterans' organizations in drafting the loan provisions of the GI bill of rights. Those provisions would have enabled veterans to borrow up to 100 percent of the purchase price of homes. Unfortunately, not all these provisions were finally adopted by the other Chamber, and the housing-loan section of the GI bill was not as advantageous as it might have been. However, in recent months, the bill has been amended and I am confident that the measure will work out very favorably in promoting the purchase of homes by veterans.

I believe the Senate should give serious consideration to the GI bill of rights provisions for home ownership before we rush pell-mell into enacting new Federal housing legislation May I remind the Senate that under this legislation the Federal Government guarantees loans up to $4,000 to veterans, and up to one-half of the cost of a home or a farm that may be built or purchased by a veteran. Moreover, a veteran may obtain a GI

home loan for a period running over 25 years, which, together with the relatively low rate of interest, permits the purchase or building of a $5,000 home at a cost as low as $27 per month. It has other provisions regarding business loans, but I advert only to the home-purchase provisions at this time. Moreover, the legislation sets up a plan that is relatively free of red tape and undue bureaucratic delays, and I now understand that the Veterans' Administration has nearly completed regulations which will satisfactorily implement the law.

I have cited the full-employment bill and the GI bill of rights to emphasize that action has been taken by the Federal Government to meet the emergency housing problem as it affects the veteran and low-income groups. I believe that these sound provisions of law should be given an opportunity to prove themselves before we rush headlong into the creation of another Federal agency. I am inclined to believe that there is far too much of a tendency for Congress to meet every problem by simply creating another Federal agency and then forgetting about the problem.

Actually, our major problem in housing today lies not so much in the absence of adequate legislation or machinery as in the absence of a sufficient quantity of building material. And this is a good place to remind ourselves that whatever material is diverted to the construction of Federal housing developments deprives the veteran of the material necessary to build his own little home. I am firmly of the opinion that we will do far more to implement the building industry and meet this housing crisis by serious consideration of methods to speed the flow of building materials for construction in this country. Moderately priced homes for veterans must come first and moderately priced homes for others second in priority in allocating building materials.

I do not want what I have said regarding this legislation to be interpreted as opposition to any program of slum eradication in this country The elimination of slums in our metropolitan cities is a major and urgent Nation-wide problem. The existence of slums and the economic and social problems they create pose important questions. They are areas of economic waste in our cities; they add greatly to the cost of municipal functions, and they breed crime, disease, and moral conditions that are shocking in this day and age.

I agree that the Federal Government has a concern with this problem, but only to the extent that States, cities, and local municipalities require assistance in meeting these slum problems. I believe that this assistance can and must be given in such manner as does not involve the Federal Government in the ownership, management, or continuing control, direct or indirect, in the development of such reclaimed slum areas. The Federal Government's interest in this problem should end, in my opinion, with its financial assistance on a pro rata basis with States or cities in the purchase of the slum area land. We have a pattern, already well established and proven sound, for this type of assistance in the Federal-aid program of road building.

To accomplish this purpose of Federal aid in slum clearance, and to meet the objections I have heretofore outlined with respect to the creation of a new Federal agency for housing, I am offering two amendments to the bill S. 1592.

My first amendment strikes out titles I and II of the bill, which provide for the permanent organization of the National Housing Agency and authorize the permanent agency to conduct on its own account and through State agencies extensive research.

In place of this new agency, this amendment would create a policy board consisting of the Secretary of the Treasury, as chairman, the Chairman of the Federal Home Loan Bank Board, the Federal Housing Administrator, the Administrator of the United States Housing Authority, the Administrator of Veterans' Affairs, and the Secretary of Commerce. This board would be authorized to coordinate the general policy of all agencies of the Government dealing with housing and housing financing. In addition, it would make such recommendations to the President and Congress in connection with housing matters as it deems desirable.

I have also provided in the first amendment that the policy board must give due consideration to the rehabilitation of veterans of World War II, and must, in adopting rules and regulations, provide preferences which will assist them in acquiring homes and materials for building homes.

The Department of Commerce would be authorized to continue and enlarge its functions in general housing research so as to meet the needs of the housing and housing-financing industries as well as the agencies of the Government dealing with housing.

My second amendment strikes out title VI of the bill dealing with slum clearance. It would substitute in lieu thereof a simple formula by which the Federal Government may assist States and cities in meeting housing problems. The formula provides for grants amounting to one-half of the difference between the purchase price of the land in slum areas plus the cost of its preparation for redevelopment and the use value of the land for the purpose of low-cost housing, parks, and other improvements. The plans would be prepared by the city or State, not by the Federal Government.

This amendment would eliminate the complicated machinery set up in the present title VI of S. 1592, and, in my opinion, would be far less costly in administration. Moreover, it would establish a formula which is very simple, under which the Federal Government has no continuing interest in these developments other than to assist in the purchase of the land in somewhat the same way as it assists in the building of public roads.

Mr. President, in offering these amendments it is my sincere purpose to aid our peacetime economic recovery. I have taken some pains to acquaint myself with the history of our economic development. I would like to remind my colleagues of some facts. It was the construction of the railroad systems of this Nation in the latter part of the last century which resulted in one of the important events in our economic history. That construction ushered in an era of full employment and a high level of industrial activity. That development was carried on entirely by private enterprise, but the Federal Government aided in the program by grants of public land. I am contending for the same kind of tried and proven program in housing. Two decades ago the development of the automobile industry and the expansion of the public utilities again carried this Nation to a new high level of industrial activity.

I believe it no exaggeration to assert that today housing offers this Nation an opportunity for a third economic boom. The tremendous pent-up demand for housing in this country can be the same sort of economic prop to the American people and play the same role that the building of the railroads and the development of the automobile and public-utility industries did in their time. It can be that kind of economic prop, if undertaken in an appropriate economic environment and under a legislative program, which will encourage individual enterprise. I believe the amendments which I am offering will contribute to that desired goal.

The office and work of the National Housing Expediter, created by Executive order of January 26, 1946, shall in no way be affected by this amendment for the term of his appointment and the duration of said Executive order.

Mr. President, I ask unanimous consent that the amendments which I have offered be printed in the RECORD following my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendments intended to be proposed by Mr. MCFARLAND to the bill (S. 1592) to establish a national housing policy and provide for its execution are as follows:

Strike out all of the provisions of Title I—National Housing Agency, and Title II—Research Market Analysis and Local Planning, beginning with line 14 on page 3 and ending with line 6 on page 19, and insert in lieu thereof the following:

"TITLE I—FEDERAL HOME LOAN AND HOUSING BOARD

"SECTION 101. There is hereby created a Federal Home Loan and Housing Board to be composed of the Secretary of the Treasury, or his designee, as Chairman, the Chairman of the Federal Home Loan Bank Board, the Administrator of the Federal Housing Administration, the Administrator of the United States Housing Authority, the Administrator of Veterans' Affairs or his designee, and the Secretary of Commerce or his designee. The members of said Board shall serve ex officio and without additional compensation.

"SEC. 202. The Board shall meet from time to time at the call of the Chairman and at least once a month. It shall have authority to employ a secretary and such other clerical assistance as may, in the judgment of the Board, be necessary for the proper performance of its duties. It shall consider and coordinate the general policies which are from time to time adopted and followed by agencies of the Government in reference to housing and real estate financing and the

conflicts arising therefrom, and the Board in establishing all policies shall give due consideration to the housing needs of World War II veterans and shall, where necessary, provide preference for such veterans in all rules and regulations which will assist them in the acquisition of homes or materials for building homes, and shall make such recommendations as it may determine desirable to the President and to Congress for such executive action and legislation as, in its judgment, may be appropriate. Said Board shall not interfere with the administrative duties or functions of said housing or real estate financing agencies. The administrative expenses of the Board shall be borne and paid in equal portions by the Federal Home Loan Bank Board, the Federal Housing Administration, and the United States Housing Authority, and they are respectively authorized to use their annual appropriations, to the extent necessary, for such purposes.

"SEC. 103. The Department of Commerce is authorized to continue and enlarge its functions of general research, market analysis and planning in the field of home ownership and housing to the extent provision is made therefor by appropriations by Congress. The other agencies of the Government concerned with home ownership, home financing, and housing may continue to provide such research and operating statistics as may be necessary in the performance of their functions as now provided by law."

Strike out all of Title VI—Land Assembly for Participation by Private Enterprise in Development or Redevelopment Programs, from line 1, page 58, to and including line 9, page 76, and insert in lieu thereof the following:

"TITLE VI—SLUM CLEARANCE

"SECTION 601. In order to assist any State, county, parish, municipality, or other public body (hereinafter referred to as the applicant agency) to clear slum and blighted areas and to assist in protecting the public health, public morals, and the general welfare, the Reconstruction Finance Corporation is authorized to make grants and loans as provided in this act.

"SEC. 602. Any applicant agency is authorized to apply to the Reconstruction Finance Corporation for grants and loans for the clearance of slum or blighted areas and said corporation is authorized to make such grants and loans as herein provided. Such loans and grants are to be used by the State, county, parish, municipality, or other public body to acquire title to slum and blighted land by purchase or process of condemnation and to clear such acquired land for redevelopment insofar as possible for private taxpaying ownership according to the highest and best use of the land, whether for commercial or industrial uses, housing including apartments or single-family homes, parks, playgrounds, or appropriate public uses as determined by a redevelopment plan for the area provided for in section 604. The land, when cleared, shall be sold or transferred to an individual, partnership, cooperative, corporation or other legal entity or public body agreeing to develop the land to its highest and best use in accordance with the redevelopment plan. The land cleared for redevelopment shall be offered for sale free of tax or assessment liens or other encumbrances at a fair and reasonable price with due regard for the new use of the land. Sale of the land shall be handled in such a manner that the public interest will be amply protected.

"SEC. 603. An applicant agency shall include in its application a description of the area which has been determined to be a slum or blighted area by its governing body, together with a plan for the redevelopment of such area to its highest and best use whether public or private uses in a manner consistent with any existing city plan or other plans for the use of land in such area and approved by the governing body of the applicant agency. Said redevelopment plan shall include a plan for roads and other public ways, public utilities, and a designated use under a zoning law or other land-use regulation for each tract of land in such redevelopment area. Such application shall include an estimate of the cost of the land to be acquired and estimate of all clearance costs and an estimate of the value of land as cleared under the use provided in the redevelopment plan. Said application and redevelopment plan shall provide for the conveyance of such lands with reasonable restrictions or conditions to assure the redevelopment of same as contemplated in such application and plans. The applicant agency shall show ability to pay in cash at a reasonable time one-half of the difference between the estimated acquisition and clearance cost and the estimated value of the land as cleared as provided in section 607. The Reconstruction Finance Corporation is authorized to make any investigations it deems to be appropriate to determine the wisdom of the proposed clearance of such slum or blighted area and reasonableness of the proposed use or usage of said estimates. The application, estimates, and redevelopment plan may be amended from time to time.

"SEC. 604. (a) The Reconstruction Finance Corporation is authorized to grant an applicant agency a sum not in excess of one-half of the difference between the estimated total acquisition and clearance cost and the estimated sale or new use value. Such grants shall be payable in a manner to assure that such funds are applied by the applicant to the purchase price and clearance cost of land in such slum-clearance area. In making such grants the Reconstruction Finance Corporation is authorized to restrict insofar as possible the use of Federal funds in reimbursing owners of property which is not in conformity with local health, safety, sanitary, and building laws.

"(b) The Reconstruction Finance Corporation is authorized to lend an applicant agency an amount equal to the estimated value of the land when cleared: *Provided*, That if the sale price of the land exceeds the amount of the loan, one-half of that amount in excess of the loan shall be returned to the Reconstruction Finance Corporation to reduce the original grant made to the applicant agency. Such loans shall be secured by the lands acquired or by contracts providing for the repayment of such loans from the proceeds of the sale or transfer of such lands.

"SEC. 605. No grants or loans as provided for in section 604 shall be made until the applicant agency has shown the Reconstruction Finance Corporation that it is legally authorized to provide cash equal to one-half of the difference between the estimated total acquisition and clearance cost and the estimated sale or new use value and until the applicant agency has committed itself in a manner considered sufficient for the Reconstruction Finance Corporation to rely upon it to provide such cash, and until the application and plans submitted by the applicant agency provide for the prompt clearance of such slum or blighted area and also provide for the prompt sale of the same upon an equitable basis, without discrimination and for the full new use value of such lands.

"SEC. 606. Families dispossessed by reason of the acquisition and clearance of land pursuant to this act who are not able to obtain other suitable housing accommodations within their income shall be given immediate accommodations in any low rent housing project receiving Federal subsidies under the United States Housing Act of 1937, as amended, or such dispossessed families shall be provided rental assistance for a reasonable period by the applicant agency as a condition for the receipt of grants and loans.

"SEC. 607. (a) In order to carry out the purposes of this act, the amount of debentures which the Reconstruction Finance Corporation is authorized to issue and have outstanding at any one time is hereby increased by $1,000,000,000.

"(b) There is hereby authorized to be appropriated to the Reconstruction Finance Corporation the sum of $1,000,000,000 at the rate of not more than $200,000,000 in any fiscal year for the making of grants and loans to any State, county, parish, municipality, or other public body to accomplish the purpose of this act as herein provided."

SOCIAL PROTECTION PROGRAM

Mr. PEPPER. Mr. President, some days ago the able Senator from Georgia [Mr. GEORGE], the distinguished Senator from Wisconsin [Mr. LA FOLLETTE], the distinguished Senator from Ohio [Mr. TAFT], and I introduced Senate bill 1779. I ask unanimous consent to have printed in the RECORD at this point as part of my remarks a statement which I have prepared in explanation of that bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Prostitution, venereal disease, promiscuity, and sex delinquency are evils affecting the lives of our people, and the health and well-being of our communities. During the last 5 years, as a war measure, the Federal Government took special action to combat these evils. Today we are faced with the problem of continuing and extending the gains made during the war period, or else of permitting a return to vice conditions that will be regretted by all decent men and women.

Since 1941 the Federal Security Agency has conducted its social protection program with a very substantial measure of success. This program has led the way in the organization of community controls and has made outstanding contributions in combatting prostitution and venereal disease. Examples of its effectiveness include:

1. Over 700 communities have closed houses of prostitution.

2. Over 200 local social protection boards have been established.

3. Widespread improvement of law enforcement in prevention of prostitution and juvenile delinquency have resulted from the Federal Security Agency's recommendations.

4. Considerable pioneer work in the redirection of sexually delinquent girls, stimulated and assisted by the Social Protection Division, has been accomplished.

5. America has the lowest wartime venereal-disease rate of any military force in any country. The importance of the social-protection program as a factor in this achievement is attested by the Surgeons General of the Army, Navy, and the United States Public Health Service.

As a result, vice has been greatly reduced in cities where it was uncontrolled before the war. The immediate future will decide whether the advances already made are to be extended or whether the results of the investment of time and money expended by Federal, State, and local governments and private organizations and individuals are to be lost.

Vice interests and operators of houses of prostitution recognize that the Federal social-protection program was set up on a war basis and, counting on an early cessation of Federal activity, as well as a general postwar let down, they are now making plans for renewing operations. In many communities they have retained titles or leases on the properties in which they formerly did business. Some cities have already experienced a rise in commercialized prostitution. In many communities the decision between a clean town and an open town hangs in the balance.

The vice interests will fight—they have a big financial stake. Because of the pressure of organized vice, State and local officials need the continued support and assistance of the Federal Government. The present situation is described in the following excerpts from a letter which Bascom Johnson, director of the division of legal and protective measures of the American Social Hygiene Association, recently wrote to the Federal Security Administrator:

"Since VE-day our field investigations show conditions which indicate an increasing relaxation of efforts by local communities. Our studies indicate also that the main reason for this relaxation of effort is that many of these communities have looked upon the repression of prostitution as an activity which the Federal Government had promoted as a war measure which it would surely abandon at war's end—an example which these local communities feel they would be justified in following.

"The association has recently made an analysis of 181 cities in or near which commercialized prostitution had been easily accessible sometime within the 2-year period prior to the war. During the war nearly all these cities improved these conditions substantially with the cooperation of the Federal Government. As of December 4, 1945, however, commercialized prostitution had again become easily accessible in 50 of these cities."

In the last few years the active support of repression has been secured from 92 percent of the police chiefs of America. Mayors and chiefs of police, however, state frankly that continued repression depends upon Federal assistance and upon active civilian support. In asking the social protection division to help him create and keep active a permanent local social protection board, the chief of the vice squad in Houston said: "The shysters, the pimps, the madams, prostitutes, promoters, shady real-estate owners, and the whole rotten gang, plus their so-called respectable front men, are the only ones we hear from. The decent public doesn't know we exist, and the pressure we get is from the underworld."

Another problem which causes great concern is the fact that the average age level of sex delinquents has been dropping and today many of those spreading venereal disease are of juvenile court age, rather than hardened prostitutes. The repression of commercialized prostitution over the past 5 years has further high lighted the problem of the promiscuous girl or "pick-up." Coordinated community activity becomes most important in dealing with these young girls. The battle against promiscuity and the redirection of young people before social patterns become hardened require special attention. A first step in the solution is, of course, the complete elimination of commercialized prostitution. Delinquency breeds in commercial prostitution areas. Families live next door to brothels. Children see a sordid life that may look glamorous and profitable. Children run errands for prostitutes and procurers. Houses are constantly recruiting young girls as inmates. There are examples of free "service" to high-school boys as a bait for future patronage.

These hazards must be eliminated. Other necessary steps for the prevention of promiscuity and the redirection of sex delinquents are: Proper court and detention facilities, a sound program of redirection by probation and social agencies, and the widest public education on the social responsibility of all citizens, young as well as adult. An enlightened community is a powerful weapon against the insidious evils of promiscuity and prostitution.

A year ago an increase in venereal disease was predicted. What were predictions then have now become facts. Reports from communities and from the Army show a definite increase in venereal-disease cases over the past few months. Compared with the tremendous strides in medical treatment of venereal disease, the problem of reducing the source of infection is relatively untouched. Venereal disease is now recognized as a social problem with a medical aspect, and preventive social treatment is quite as necessary as curative medical treatment.

As representatives of an impartial Federal agency assisting the States, the staff of the Social Protection Division—with the approval of the State officials—works continuously with police chiefs and city officials in developing local social protection programs. They help to improve methods of law enforcement, protective policing, detention of both adults and juveniles and to encourage the use of policewomen. Successful procedures developed in one community are rapidly made known to other police departments. Through printed materials and meetings of field representatives with civic leaders and community groups, an understanding of the dangers and costs of prostitution and promiscuity is developed together with citizen support for strong law enforcement and other preventive measures. The Social Protection representatives have joined with the State and local authorities to bring about increasing understanding and cooperation among public law enforcement and health agencies, civic authorities, private welfare organizations, and citizens groups. Such united action provides the only way a city can be kept clean in this field of health and welfare.

The Social Protection Division, as a Federal agency working on a national problem, has had the cooperation of large national organizations, such as the National Association of Chiefs of Police, the National Probation Association, and the American Social Hygiene Association. Through the National Advisory Committee on Social Protection and Venereal Disease and the National Women's Advisory Committee, the Division has the cooperation of a representative group of leading citizens and national, professional, and membership organizations.

Mr. GEORGE, Mr. TAFT, Mr. LA FOLLETTE, and I have sponsored a bill which authorizes the Federal Security Agency to continue its program of assistance to the States on social-protection problems. It would be hard to imagine any decent citizen wanting to go back to the earlier vice conditions; many States and communities need help if that is to be prevented. The vice interests throughout the Nation will oppose this bill, but they will have difficulty in finding spokesmen and the arguments of those they do find will be completely foreign to the real reason for their opposition. People do not frankly advocate the rotten business of traffic in women.

I trust the Education and Labor Committee will give S. 1779 the most serious and favorable consideration and that this Congress will act on the bill in a manner I believe to be necessary to the national welfare and authorize the continuation and extension of the Federal social-protection program.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. BAILEY, from the Committee on Commerce:

Admiral Russell R. Waesche, United States Coast Guard, to be placed on the retired list of the Coast Guard, with the rank of admiral, effective the 1st day of January 1946; and

Lorne G. Taylor of the Coast and Geodetic Survey to be junior hydrographic and geodetic engineer with rank of lieutenant (junior grade) in the Coast and Geodetic Survey, from the 24th day of October 1945.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

CONSIDERATION OF NOMINATIONS

Mr. BARKLEY. Mr. President, I ask unanimous consent that the Executive Calendar may be considered as in executive session. It contains only routine promotions in the Marine Corps and the Army.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and the clerk will proceed to state the nominations on the executive calendar.

THE MARINE CORPS

The legislative clerk read the nomination of Harry Schmidt to be lieutenant general in the Marine Corps.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. BARKLEY. I ask unanimous consent that the Army nominations be confirmed en bloc, and that the President be immediately notified.

The PRESIDENT pro tempore. Without objection, the Army nominations are confirmed en bloc; and, without objection, the President will be immediately notified of all nominations confirmed this day.

RECESS TO FRIDAY

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon on Friday next.

The motion was agreed to; and (at 5 o'clock and 27 minutes p. m.) the Senate took a recess until Friday, March 1, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 27 (legislative day of January 18), 1946:

ASSISTANT SECRETARY OF STATE

Maj. Gen. John H. Hilldring, United States Army, to be an Assistant Secretary of State.

POSTMASTERS

The following-named persons to be postmasters:

FLORIDA

Lawrence H. Raker, Crawfordville, Fla., in place of H. J. Cooper, resigned.

IOWA

Richard W. Carlson, Yarmouth, Iowa. Office became Presidential July 1, 1945.

KANSAS

Alice M. Howe, Mount Hope, Kans., in place of W. R. Ives, transferred.

Alvin L. Sparks, Zurich, Kans. Office became Presidential July 1, 1944.

KENTUCKY

James T. Linville, Fourmile, Ky. Office became Presidential July 1, 1944.

H. Clay Darnall, Hardin, Ky., in place of D. B. Hughes, transferred.

Earl D. Enlow, Hodgenville, Ky., in place of D. E. Creal, resigned.

LOUISIANA

Pierre D. Lorio, Jr., Hahnville, La. Office became Presidential July 1, 1943.

Oscar B. Buck, Mansfield, La., in place of J. G. Hewitt, deceased.

Bernice L. Crespo, St. Rose, La., in place of D. C. Elfer, removed.

MARYLAND

Elmer G. Armstrong, Olney, Md., in place of R. P. Soper, retired.

MICHIGAN

Alma Hill, Covington, Mich. Office became Presidential July 1, 1945.

A. Spalding Friedrich, Traverse City, Mich., in place of Jerome Wilhelm, removed.

MISSISSIPPI

Alex Polk, Oak Vale, Miss., in place of Katie Boyd, deceased.

MISSOURI

Edward J. Murphy, Jr., Strafford, Mo., in place of A. B. Grier, resigned.

NORTH DAKOTA

Agnes Dettman, Judson, N. Dak. Office became Presidential July 1, 1945.

OHIO

Lauris D. Glass, Alpha, Ohio. Office became Presidential July 1, 1945.

OKLAHOMA

Robert G. Blackwell, Calvin, Okla., in place of O. E. Bailey, resigned.

OREGON

Ada M. McFall, Camas Valley, Oreg., in place of R. L. Richter, resigned.

Oliver C. Gardner, Nelscott, Oreg., in place of C. P. Nelson, retired.

SOUTH DAKOTA

Floyd O. Clark, Bison, S. Dak., in place of J. T. Homme, resigned.

TENNESSEE

Pearl I. McCamish, Calhoun, Tenn., in place of J. A. Henry, transferred.

Edward B. Simmons, Westmoreland, Tenn., in place of R. D. Shoulders, transferred.

TEXAS

Herbert R. Burton, Price, Tex. Office became Presidential July 1, 1942.

UTAH

Harold M. Creer, Spanish Fork, Utah., in place of R. W. Creer, deceased.

VIRGINIA

Samuel Washington West, Lynchburg, Va., in place of J. H. Cave, deceased.

WEST VIRGINIA

Jennings C. Minnix, Haywood, W. Va., in place of I. N. Martin, resigned.

Thelma B. Rogers, Yukon, W. Va., in place of M. R. Cook, resigned.

WISCONSIN

Melvin B. Arnes, Barronett, Wis. Office became Presidential July 1, 1945.

Hollis E. Hoskins, Grandmarsh, Wis. Office became Presidential July 1, 1944.

Earl Roberts, Ogema, Wis., in place of G. V. Anderson, transferred.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 27 (legislative day of January 18), 1946:

IN THE MARINE CORPS

Harry Schmidt to be a lieutenant general in the Marine Corps, for temporary service, from March 1, 1946.

IN THE ARMY

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY OF THE UNITED STATES

To Adjutant General's Department

Lt. Col. Eustace Maduro Peixotto
Maj. Elvin Hamilton Burger
Maj. George Henry McManus, Jr.

To Quartermaster Corps

First Lt. Joseph Stephen Kujawski

To Finance Department

Capt. George Lowe Eatman

To Corps of Engineers

First Lt. Arthur Harold Lahlum

To Ordnance Department

First Lt. Robert Sears Blodgett

To Signal Corps

Maj. Lee Roy Williams
Capt. Ewing Chase Johnson

To Field Artillery

Second Lt. Hanford Nichols Lockwood, 3d

To Infantry

First Lt. Herbert Mead Bowlby, Jr.

To Air Corps

Maj. Oscar Carl Maier

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

To be majors, Air Corps

Wilbur Erickson
Lilburn Dimmitt Fator
Archibald Meyer Kelley
Ralph Orville Brownfield
Joel Edward Mallory
Warren Herbert Higgins, subject to examination required by law.
Willard Reno Shephard, subject to examination required by law.
George Washington Hansen
Minton William Kaye
Aubry Lee Moore
Ronald Roosevelt Walker
Lloyd Harrison Tull
Frederic Ernst Glantzberg, subject to examination required by law.
Eugene Herbert Rice, subject to examination required by law.
Leland Samuel Stranathan
Ernest Keeling Warburton, subject to examination required by law.
LeRoy Hudson
Roland Ogden Strand Akre
Paul Ellis Shanahan
Roger Vincent Williams
Frederick Archibald Pillet
Reginald Heber, subject to examination required by law.
Homer LeRoy Sanders
Draper Frew Henry
Walter Robertson Agee
Hansford Wesley Pennington
Guy Frost Hix
Murray Clarke Woodbury
Paul Bernard Wurtsmith, subject to examination required by law.
William Alexander Robert Robertson

MEDICAL CORPS

To be colonel

James Rhea McDowell

To be lieutenant colonel

James Ogilvie Gillespie, subject to examination required by law.

To be majors

Fred William Seymour
Lester Orville Crago
Joseph Arthur Baird
Allan Arthur Craig, subject to examination required by law.

DENTAL CORPS

To be major

John Castle Hampson

CHAPLAIN

Paul Bertram Rupp to be chaplain, with rank of colonel, United States Army.

HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 27, 1946

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thou who art the perfect revelation of the Father's glory, with praise and adoration we call upon Thy holy name. Breathe upon our thoughts and let Thy will be our fullest and deepest joy. Be pleased to overlook our imperfections and to accept the sincerity of our devotion, confident that our great Shepherd cannot lead us wrong. When our faith falters and we drift, when our vigilance ceases and we stumble, be Thou our guide and our refuge.

In our service to our fellow men, may we so abide in Thy love that nothing worth keeping will be swept away. Frown upon any group of our citizens that would clog the open road of unity and stifle the highway of comfort and prosperity, refusing to be restrained by the crying needs of the people. Help us to bring light where there is darkness, and understanding where there is prejudice. O keep us from that spiritual paralysis in which the soul no longer climbs toward God. O Christ, be in us the inspiration of duty, the influence and power that restrains temptation and fortifies courage. In Thy holy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3370. An act to provide assistance to the States in the establishment, maintenance, operation, and expansion of school-lunch programs, and for other purposes.

The message also announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. RUSSELL, Mr. ELLENDER, Mr. BANKHEAD, Mr. CAPPER, and Mr. AIKEN to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 1821. An act to amend section 502 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, so as to authorize the appropriation of funds necessary to provide additional temporary housing units for distressed families of servicemen and for veterans and their families; and

S. Con. Res. 56. Concurrent resolution increasing the limit of expenditures for the investigation of the Pearl Harbor attack.

The message also announced that the Senate had adopted the following resolution (S. Res. 233):

Resolved, That the Senate has heard with profound sorrow the announcement of the

death of Hon. J. BUELL SNYDER, late a Representative from the State of Pennsylvania;

Resolved, That a committee of six Senators be appointed by the President pro tempore of the Senate to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased the Senate do now take a recess until 12 o'clock meridian on tomorrow.

The message also announced that pursuant to the provisions of the above resolution the President pro tempore of the Senate had appointed Mr. GUFFEY, Mr. MYERS, Mr. KILGORE, Mr. AUSTIN, Mr. TUNNELL, and Mr. CARVILLE members of the committee on the part of the Senate.

DEPARTMENT OF AGRICULTURE APPROPRIATIONS, 1947

Mr. TARVER, from the Committee on Appropriations, reported the bill (H. R. 5605) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1947, and for other purposes (Rept. No. 1659), which was read a first and second time and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. DIRKSEN reserved all points of order on the bill.

COMMUNISTS AT THE COMMITTEE ON UN-AMERICAN ACTIVITIES

Mr. RANKIN. Mr. Speaker, I ask uanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

WILLIAM Z. FOSTER

Mr. RANKIN. Mr. Speaker, on yesterday I announced I would today answer the attacks of William Z. Foster, the head of the Communist Party, and others who are making violent attacks on the Committee on Un-American Activities. I have been requested to postpone that answer until the first of the week. I expect to take it up later. But this propaganda which is being put out, which I shall exhibit here, signed by William Z. Foster, follows the same Communist line as the other attacks made in the House. William Z. Foster made this statement and repeated it before our committee:

> MR. RANKIN. In 1930, when you appeared before the Fish committee, Mr. Bachman, I believe of West Virginia, was on the committee, and he asked you a question about statements that you had made before, and I am going to read it to you now and ask you if this is your view at the present time. He says: "You made this statement: 'No Communist, no matter how many votes he should secure in a national election, could, even if he would, become President of the present Government. When a Communist heads the Government of the United States—and that day will come just as surely as the sun rises—the Government will not be a capitalist government but a soviet government, and behind this government will stand the Red Army to enforce the dictatorship of the proletariat.'"
>
> You made that statement, did you?
>
> MR. FOSTER. I think so.
>
> MR. RANKIN. That was your view?
>
> MR. FOSTER. I made that statement; yes.
>
> MR. RANKIN. You made that statement. Now again—

That is the source of the opposition to and the attacks on the Committee on Un-American Activities.

The SPEAKER. The time of the gentleman from Mississippi has expired.

EXTENSION OF REMARKS

Mr. JONKMAN asked and was given permission to extend his remarks in the RECORD and include a letter and a newspaper editorial.

INVESTIGATION OF TRANSPORTATION SITUATION

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 318, Rept. No. 1660), which was referred to the House Calendar and ordered to be printed:

Resolved, That the Committee on Interstate and Foreign Commerce, or any duly authorized subcommittee thereof, be authorized and directed to investigate the transportation situation with a view to recommending legislation that will result in a consistent public policy fair to all competing agencies of transport, to the using and investing public, and to labor, to the end that the country's commerce may be moved with the greatest possible degree of economy, safety, and dispatch.

SEC. 2. The committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times, to require by subpena, or otherwise, the attendance of such witnesses and the production of such books, papers, and documents, to administer oaths, to take such testimony, to procure such printing and binding, and to make such expenditures within the limits hereinafter fixed, as it deems advisable.

SEC. 3. (a) The committee shall have power to employ and fix the compensation of such assistants, experts, and employees, as it deems necessary in the performance of its duties under this resolution.

(b) The committee is authorized to utilize the services, information, facilities, and personnel of the departments and agencies of the Federal Government.

SEC. 4. The committee shall, from time to time, in its discretion, make such preliminary report or reports to the House of Representatives as it deems desirable; and shall, during the present Congress, report to the House the results of its investigation and study and submit its recommendations.

EXTENSION OF REMARKS

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD in four instances; one, to insert an advertisement by the Lumber Retail Dealers of Jacksonville, Fla., endorsing the Wyatt housing bill; two, a statement by John W. Snyder, Director of War Mobilization and Reconversion, before the Committee on Banking and Currency, today on the extension of the Price Control and Stabilization Act; three, an editorial from the New York Herald Tribune of yesterday, February 26, 1946, endorsing the housing program; four, a radio speech delivered by me last night over the Columbia Broadcasting System.

SCHOOL-LUNCH PROGRAM

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3370) to provide assistance to the States in the establishment, maintenance, operation, and expansion of school-lunch programs, and for other purposes; with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Virginia? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. FLANNAGAN, COOLEY, ZIMMERMAN, PACE, HOPE, KINZER, and AUGUST H. ANDRESEN.

COMMITTEE ON UN-AMERICAN ACTIVITIES

Mrs. DOUGLAS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from California?

There was no objection.

Mrs. DOUGLAS of California. Mr. Speaker, Congress has written a blank check—giving unlimited powers to a superfluous committee called the Un-American Activities Committee—which itself is coming to be known for acts which are thoroughly un-American.

Why—because no committee, no group of men in or out of government should be vested with such power as we have given this committee.

The root of the trouble is not one of personalities; rather it is a too sweeping delegation of power—a power so vast that it would take a committee of Holmeses and Brandeises to use that power and still preserve the constitutional liberties guaranteed every American person.

Is it to be wondered that its employees feel free to run wild and in any direction? They are encouraged to do so by action of this House.

The blank check is being used to attack innocent people, to vilify them, frighten and intimidate them. And I tell you the righteous indignation of the American public is rising.

What is the result of this? Individuals and groups suffer—certainly.

But who suffers most?

Congress itself suffers most.

QUESTION OF PERSONAL PRIVILEGE

Mr. RANKIN. Mr. Speaker, a point of order. I rise to a question of personal privilege.

The SPEAKER. The gentleman will state the ground of the question of personal privilege.

Mr. RANKIN. The Member from California [Mrs. DOUGLAS], who has just left the floor, has repeated almost verbatim the attacks made on the Committee on Un-American Activities by William Z. Foster, head of the Communist Party, and by doing so has questioned the integrity of the members of that committee, and in that way violated the rules of the House.

The SPEAKER. What is the gentleman's question of personal privilege?

Mr. RANKIN. The question of personal privilege is this: That the Member who has just spoken attacked a committee of this House of which I am a member, and attacked the members of that committee, reflected on the integrity of the members of that committee by misrepresentations that are calculated to bring the members of that committee and the committee itself into disrepute.

The SPEAKER. The gentleman's remedy was to ask that the words be taken down at the time they were uttered. The Chair does not believe he can establish a precedent in the House of permitting Members to rise to a question of personal privilege because some Member has criticized the Member or a committee of this House. The Chair is compelled to hold that the gentleman does not state a question of personal privilege.

Mr. RANKIN. Mr. Speaker, with all deference, I appeal from the ruling of the Chair, and I ask to be heard on the appeal.

Mr. McCORMACK. Mr. Speaker, I move that the appeal be laid on the table.

Mr. RANKIN. The gentleman is too late.

Mr. HOFFMAN. Mr. Speaker, I raise the point of order that a quorum is not present.

The SPEAKER. The gentleman from Massachusetts [Mr. McCORMACK] was within his right in moving that the appeal be laid on the table.

Mr. HOFFMAN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

Mr. RANKIN. I will take on the gentleman from Massachusetts on this issue whenever he wants.

Mr. McCORMACK. And I will answer the gentleman from Mississippi any time.

The SPEAKER. The gentlemen will both take their seats. Both gentlemen are out of order.

Mr. SABATH. Mr. Speaker, I ask that the words of the gentleman from Mississippi be taken down.

The SPEAKER. A call of the House has been ordered.

The Clerk will call the roll.

CALL OF THE HOUSE

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 34]

Arends	Courtney	Hobbs
Baldwin, Md.	Curley	Holmes, Mass.
Baldwin, N. Y.	Daughton, Va.	Hook
Beall	Dawson	Hope
Bloom	Doughton, N. C.	Jarman
Boykin	Eberharter	Judd
Byrne, N. Y.	Engel, Mich.	Keefe
Cannon, Fla.	Feighan	Kelley, Pa.
Case, S. Dak.	Fernandez	Kelly, Ill.
Chapman	Fisher	Kerr
Chenoweth	Gathings	Kirwan
Chiperfield	Gifford	Landis
Cole, Kans.	Gwinn, N. Y.	McConnell
Colmer	Harless, Ariz.	McGlinchey
McGregor	Reed, N. Y.	Sumners, Tex.
Mahon	Rivers	Taylor
Murphy	Robertson,	Tibbott
Murray, Tenn.	N. Dak.	Vinson
Norrell	Robinson, Utah	Walter
Peterson, Ga.	Sasscer	Wasielewski
Quinn, N. Y.	Schwabe, Mo.	Weaver
Rains	Simpson, Pa.	Winter
Randolph	Slaughter	Wood

The SPEAKER. On this roll call, 360 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

UN-AMERICAN ACTIVITIES

Mr. RANKIN. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. RANKIN. Mr. Speaker, I am going to make a point of order. Therefore I ask unanimous consent to withdraw my appeal from the ruling of the Chair in order that I may proceed with the point of order.

Mr. MARCANTONIO. We have not heard the request, Mr. Speaker.

Mr. COCHRAN. Mr. Speaker, I demand the regular order.

The SPEAKER. The gentleman from Mississippi asks unanimous consent to withdraw his appeal from the ruling of the Chair.

Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, I rise to a point of order.

The SPEAKER. The gentleman will state the point of order.

Mr. RANKIN. On February 19 the gentleman from Illinois [Mr. SABATH] extended his remarks in the RECORD in which he reflected on the Committee on Un-American Activities, and I will proceed to read his statement.

The Committee on Un-American Activities, Mr. Speaker, is a committee of this House.

Mr. SABATH. Mr. Speaker, a point of order.

The SPEAKER. The gentleman from Mississippi is stating a point of order.

Mr. SABATH. I have risen for the purpose of raising a point of order because, if the gentleman is going to quote from my letter which I placed in the CONGRESSIONAL RECORD, I urge that the entire letter be read.

Mr. RANKIN. I am not trying to pander to the wants of the Member from Illinois.

The SPEAKER. The gentleman will proceed.

Mr. RANKIN. This committee of Congress that is struggling to try to protect this Government, to save this Republic and our American way of life, that is being attacked by the enemies of this Nation, the Communist Party, as I showed a while ago, and being maligned and slandered on this floor, still has some rights, Mr. Speaker, that the American people recognize.

In the first place the gentleman from Illinois [Mr. SABATH] wrote his own headline, and on that headline he used these words: "The House Un-American Committee."

That is the Communist line, Mr. Speaker, that is being followed by these enemies of our country, in their attacks on the Committee on Un-American Activities.

Mr. SABATH. Mr. Speaker, a point of order. I ask that the gentleman's words be taken down, Mr. Speaker.

The SPEAKER. The gentleman from Illinois asks that the words of the gentleman from Mississippi be taken down.

Mr. RANKIN. All right.

The SPEAKER (after a pause). The Chair has some words before him.

Mr. RANKIN. May we have them read?

The SPEAKER. They do not mean a great deal if they are not taken in connection with something else and the "else" is not in the statement that the Chair has before him. The Chair has before him this:

> Mr. RANKIN. That is the Communist line, Mr. Speaker, that is being followed by these enemies of our country in their attacks on the Committee on Un-American Activities.

Mr. SABATH. He has reference to me.

The SPEAKER. Did the gentleman from Mississippi have reference to the gentleman from Illinois [Mr. SABATH].

Mr. RANKIN. I was trying to tell the House that he is using the line "the un-American committee" that is used in the Communist Daily Worker and every other Communist publication and used by every individual Communist who attacks us throughout the country.

Let the chips fall where they may.

The SPEAKER. Was the gentleman from Mississippi referring to the gentleman from Illinois?

Mr. RANKIN. Now, Mr. Speaker, my words are plain.

The SPEAKER. But the Chair has the right to interrogate the gentleman from Mississippi.

Mr. RANKIN. I repeat what I said: This is the Communist line being used by Communist publications and Communists throughout the country to attack the committee.

Mr. SABATH. Again I ask that the words be taken down.

The SPEAKER. The Chair asks the gentleman——

Mr. RANKIN. Why, certainly not. I was merely calling attention to what was inserted in the RECORD in violation of the rules of the House.

The SPEAKER. The gentleman from Mississippi denies he was referring to the gentleman from Illinois, and the Chair therefore holds that the words complained of were not unparliamentary.

Mrs. DOUGLAS of California. Mr. Speaker, a point of order. I would like to know if the gentleman from Mississippi was referring to me in those words?

The SPEAKER. The gentleman from Mississippi can reply to that.

The Chair was under the impression he was talking about remarks that had been formerly made by the gentleman from Illinois.

Mr. RANKIN. I cannot cover the whole field. I answered her attack on the committee a while ago. I will refer to a statement which was inserted in a 1-minute speech a little while ago which, in my opinion, violates the rules of the House.

The SPEAKER. That is not in controversy right now. The gentleman can certainly answer "Yes" or "No" as to whether he was referring to the gentlewoman from California.

Mr. RANKIN. Mr. Speaker, it comes with poor grace from Members of the House to come on this floor and put such stuff as this into the RECORD and then when we get on the Communist Party they get up and want to know if we are referring to them.

Mr. SABATH. You are making more Communists every day than anybody else.

The SPEAKER. Just a moment. Will the gentleman from Mississippi answer the question propounded by the gentlewoman from California?

Mr. RANKIN. Mr. Speaker, I was not referring——

Mr. THOMAS of New Jersey. Mr. Speaker, a point of order.

The SPEAKER. The Chair has the floor right now. The Chair is trying his best to straighten this out if possible.

The gentleman from Mississippi was asked to answer a question.

Mr. RANKIN. I was referring only to those Communists, those enemies of our country, who are trying to undermine and destroy our form of government, destroy our way of life, destroy our Christian civilization; and I was not referring to any individual in this House.

The SPEAKER. The Chair thinks that is an answer to the question.

Mr. RANKIN. Mr. Speaker, if Members of this House want to get in on it, I cannot help that.

The SPEAKER. The gentleman from Mississippi will state his point of order.

Mr. RANKIN. Mr. Speaker, I am trying to do that, and I am trying to do it in as plain terms as I know how.

As I pointed out in the beginning, the Member from Illinois, Mr. ADOLPH SABATH, on Tuesday, February 19, 1946, inserted in the CONGRESSIONAL RECORD an attack on the Committee on Un-American Activities, a committee set up by the House to investigate those organizations and individuals who are attempting to undermine and destroy this Government. In doing so he used these words, and there is a heading: "The House Un-American Committee."

That is the same line that is being used in the Communist publications throughout the country, that is the same line that is being used by William Z. Foster, the head of the Communist Party.

Mr. GALLAGHER. Mr. Speaker, will the gentleman yield for a question?

Mr. RANKIN. No; not now.

Mr. GALLAGHER. I thought not.

The SPEAKER. The gentleman declines to yield. The Chair trusts the gentleman will state his point of order pretty soon.

Mr. RANKIN. Mr. Speaker, that is one of them.

The SPEAKER. What point of order has the gentleman stated?

Mr. RANKIN. Mr. Speaker, I am referring to the point of order that this entire statement violates the rules of the House, and if my point of order is sustained I am going to move to strike it from the RECORD. But I want to call the attention of the Chair to some other statements that are contained in this extension of remarks.

To show that this was no accident, the Member from Illinois [Mr. SABATH] makes this statement down in his extension of remarks which, of course, he did not quote on the floor of the House. He says:

> That is why, Mr. Speaker, I have been shocked by the revelations made in recent weeks regarding the procedures of the Un-American Committee and the attitudes of its staff.

That is twice that that Communist line has been used. It is being used in every Communist publication, by every Communist speaker, to malign and smear the Committee on Un-American Activities. It is being used every day by this same man, William Z. Foster, who uttered the following statement:

> No Communist, no matter how many votes he should secure in a national election, could ever, if he would, become President of the present Government.

That means the Government of the United States.

> When a Communist heads the Government of the United States—

He says—

> and that day will come just as surely as the sun rises, the Government will not be a capitalistic government but a soviet government, and behind that government will stand the Red Army to enforce the dictatorship of the proletariat.

Mr. Speaker, what more dangerous doctrine can anyone imagine?

Mr. SABATH. Mr. Speaker, a point of order.

The SPEAKER. What is the gentleman's point of order?

Mr. SABATH. Mr. Speaker, the gentleman is not reading from my letter on the point of order on which he has obtained the floor and on which he has asked and requested the floor. He is reading something by a man by the name of William Z. Foster, whom I never knew, whom I do not know today. I do not read his articles and I do not read the paper. I do not want to be connected with Foster or any other Communist that he is connected with.

The SPEAKER. The Chair thinks the remedy of the gentleman from Mississippi is not in a point of order. This is an extension of remarks and whether or not it violated the privileges granted the gentleman from Illinois [Mr. SABATH] would be a question for the House to pass on, not the Chair.

Mr. RANKIN. Then, Mr. Speaker, I move to strike it from the RECORD and on that I ask recognition.

Mr. MARCANTONIO. A point of order, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. MARCANTONIO. Must not that motion be in writing, Mr. Speaker?

The SPEAKER. If any Member demands it, the motion must be put in writing under the rules of the House.

Mr. RANKIN. Then, Mr. Speaker, I will write it out. It will take but a minute.

Mr. MARCANTONIO. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. MARCANTONIO. I ask for the regular order now.

Mr. RANKIN. Mr. Speaker, I would like to be heard further.

Mr. BIEMILLER. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. BIEMILLER. Is the gentleman from Mississippi recognized to make a motion or to make a point of order?

The SPEAKER. The gentleman is in the process of making a motion.

Mr. McCORMACK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. McCORMACK. For the benefit of the House, may I inquire what the rules of the House provide concerning one Member's referring to another Member? In what way should one Member refer to another Member?

The SPEAKER. He should refer to the gentleman from a certain State or the gentlewoman from a certain State.

Mr. MUNDT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MUNDT. In line with the parliamentary inquiry propounded by the majority leader, in speaking of the rules of the House, when one Member refers to a committee of the House, is it considered appropriate language to misname the committee?

The SPEAKER. The Chair will decide that question when it is before him.

The Clerk will report the motion offered by the gentleman from Mississippi.

The Clerk read as follows:

> Mr. RANKIN moves to strike Mr. SABATH'S remarks on page A922 from the RECORD.

The SPEAKER. The question is on the motion.

Mr. RANKIN. Mr. Speaker, I ask for recognition.

Mr. MARCANTONIO. Mr. Speaker, I move to lay that motion on the table.

Mr. RANKIN. Mr. Speaker, I ask for recognition.

Mr. COCHRAN. A motion to lay on the table is not debatable.

The SPEAKER. The question is on the motion offered by the gentleman from New York to table the motion offered by the gentleman from Mississippi.

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 79, noes 154.

Mr. CELLER. Mr. Speaker, on that, I demand the yeas and nays.

The yeas and nays were ordered.

Mr. COFFEE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. COFFEE. Is it not in order to have the letter to which objection has

been raised read in full, or is it parliamentary to have a vote taken on the extirpation of a letter from the RECORD without even having it read?

The SPEAKER. The yeas and nays have been ordered on the motion to lay the motion to expunge on the table, and nothing else is in order at this time.

The question is on the motion offered by the gentleman from New York [Mr. MARCANTONIO].

The question was taken; and there were—yeas 103, nays 249, not voting 78, as follows:

[Roll No. 35]

YEAS—103

Bailey	Granger	Norton
Barrett, Pa.	Green	O'Brien, Ill.
Bennet, N. Y.	Harless, Ariz.	O'Brien, Mich.
Biemiller	Hart	O'Toole
Bradley, Pa.	Havenner	Outland
Buckley	Healy	Patman
Bunker	Hedrick	Patrick
Burgin	Heffernan	Patterson
Byrne, N. Y.	Hoch	Pfeifer
Celler	Holifield	Powell
Clark	Huber	Price, Ill.
Cochran	Izac	Quinn, N. Y.
Coffee	Jackson	Rabin
Crosser	Johnson,	Rayfiel
D'Alesandro	Lyndon B.	Resa
Dawson	Kee	Rogers, N. Y.
De Lacy	Kefauver	Rooney
Delaney,	Kelly, Ill.	Rowan
John J.	Keogh	Ryter
Dingell	King	Sabath
Douglas, Calif.	Kirwan	Sadowski
Douglas, Ill.	Kopplemann	Savage
Doyle	Lane	Sheppard
Engle, Calif.	Lesinski	Sheridan
Fallon	Link	Somers, N. Y.
Feighan	Ludlow	Spence
Flood	Lynch	Starkey
Fogarty	McCormack	Sullivan
Folger	Madden	Thom
Forand	Mankin	Thomas, Tex.
Gallagher	Mansfield,	Tolan
Gardner	Mont.	Torrens
Geelan	Marcantonio	Traynor
Gordon	Miller, Calif.	Voorhis, Calif.
Gorski	Nee'y	Woodhouse
Granahan		

NAYS—249

Abernethy	Chelf	Gossett
Adams	Church	Graham
Allen, Ill.	Clason	Grant, Ala.
Allen, La.	Clements	Grant, Ind.
Almond	Clevenger	Gregory
Andersen,	Clippinger	Griffiths
H. Carl	Cole, Mo.	Gross
Anderson, Calif.	Cole, N. Y.	Gwynne, Iowa
Andresen,	Colmer	Hagen
August H.	Cooley	Hale
Andrews, Ala.	Cooper	Hall,
Andrews, N. Y.	Corbett	Edwin Arthur
Angell	Cox	Hall,
Arnold	Crawford	Leonard W.
Auchincloss	Cunningham	Hancock
Barden	Curtis	Hand
Barrett, Wyo.	Davis	Hare
Barry	Delaney,	Harness, Ind.
Bates, Ky.	James J.	Harris
Bates, Mass.	D'Ewart	Hartley
Beckworth	Dolliver	Hays
Bell	Domengeaux	Hébert
Bender	Dondero	Hendricks
Bennett, Mo.	Drewry	Henry
Bishop	Durham	Herter
Blackney	Dworshak	Heselton
Bland	Earthman	Hess
Bolton	Eaton	Hill
Bonner	Elliott	Hinshaw
Boren	Ellis	Hobbs
Bradley, Mich.	Ellsworth	Hoeven
Brehm	Elsaesser	Hoffman
Brooks	Elston	Holmes, Wash.
Brown, Ga.	Ervin	Horan
Brown, Ohio	Fellows	Howell
Brumbaugh	Fenton	Hull
Bryson	Fuller	Jenkins
Buck	Fulton	Jennings
Buffett	Gamble	Jensen
Bulwinkle	Gathings	Johnson, Calif.
Butler	Gavin	Johnson, Ill.
Byrnes, Wis.	Gearhart	Johnson, Ind.
Camp	Gerlach	Johnson,
Campbell	Gibson	Luther A.
Canfield	Gillespie	Johnson, Okla.
Carlson	Gillie	Jones
Carnahan	Goodwin	Jonkman
Case, N. J.	Gore	Kean
Kearney	O'Hara	Smith, Ohio
Kilburn	O'Konski	Smith, Wis.
Kilday	O'Neal	Sparkman
Kinzer	Pace	Springer
Knutson	Philbin	Stefan
Kunkel	Phillips	Stevenson
LaFollette	Pickett	Stewart
Lanham	Pittenger	Stigler
Larcade	Ploeser	Stockman
Latham	Plumley	Sumner, Ill.
Lea	Price, Fla.	Sundstrom
LeCompte	Priest	Taber
LeFevre	Ramey	Talbot
Lewis	Rankin	Talle
Luce	Reece, Tenn.	Tarver
Lyle	Reed, Ill.	Thomas, N. J.
McCowen	Rees, Kans.	Thomason
McDonough	Rich	Towe
McGehee	Richards	Trimble
McKenzie	Riley	Vorys, Ohio
McMillan, S. C.	Robertson, Va.	Vursell
McMillen, Ill.	Robsion, Ky.	Wadsworth
Maloney	Rockwell	Weaver
Manasco	Rodgers, Pa.	Welchel
Martin, Iowa	Roe, Md.	West
Martin, Mass.	Roe, N. Y.	Whitten
Mason	Rogers, Fla.	Whittington
Mathews	Rogers, Mass.	Wickersham
May	Russell	Wigglesworth
Merrow	Schwabe, Okla.	Wilson
Michener	Scrivner	Winstead
Miller, Nebr.	Shafer	Wolcott
Mills	Sharp	Wolfenden, Pa.
Monroney	Short	Wolverton, N. J.
Mundt	Sikes	Woodruff
Murray, Wis.	Simpson, Ill.	Worley
Norblad	Smith, Maine	Zimmerman

NOT VOTING—78

Arends	Gifford	Poage
Baldwin, Md.	Gillette	Rabaut
Baldwin, N. Y.	Gwinn, N. Y.	Rains
Beall	Halleck	Randolph
Bloom	Holmes, Mass.	Reed, N. Y.
Boykin	Hook	Rivers
Burch	Hope	Rizley
Cannon, Fla.	Jarman	Robertson,
Cannon, Mo.	Judd	N. Dak.
Case, S. Dak.	Keefe	Robinson, Utah
Chapman	Kelley, Pa.	Sasscer
Chenoweth	Kerr	Schwabe, Mo.
Chiperfield	Landis	Simpson, Pa.
Cole, Kans.	Lemke	Slaughter
Combs	McConnell	Smith, Va.
Courtney	McGlinchey	Sumners, Tex.
Cravens	McGregor	Taylor
Curley	Mahon	Tibbott
Daughton, Va.	Mansfield, Tex.	Vinson
Dirksen	Morgan	Walter
Doughton, N. C.	Morrison	Wasielewski
Eberharter	Murdock	Welch
Engel, Mich.	Murphy	White
Fernandez	Murray, Tenn.	Winter
Fisher	Norrell	Wood
Flannagan	Peterson, Fla.	
Gary	Peterson, Ga.	

So the motion to lay on the table was rejected.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. Jarman with Mr. Schwabe of Missouri.

Mr. Randolph with Mr. Arends.

Mr. Courtney with Mr. Beall.

Mr. Kelley of Pennsylvania with Mr. Holmes of Massachusetts.

Mr. McGlinchey with Mr. Baldwin of New York.

Mr. Peterson of Georgia with Mr. Judd.

Mr. Vinson with Mr. Keefe.

Mr. Rooney with Mr. Gillette.

Mr. Baldwin of Maryland with Mr. Halleck.

Mr. Mansfield of Texas with Mr. Dirksen.

Mr. Rivers with Mr. Chiperfield.

Mr. Kerr with Mr. McGregor.

Mr. Doughton of North Carolina with Mr. Reed of New York.

Mr. Mahon with Mr. Simpson of Pennsylvania.

Mr. Bloom with Mr. Rizley.

Mr. Slaughter with Mr. Taylor.

Mr. Burch with Mr. Hope.

Mr. Hook with Mr. Tibbott.

Mr. Wasielewski with Mr. Gifford.

Mr. Cravens with Mr. Chenoweth.

Mr. HAND changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The gentleman from Mississippi is recognized on his motion.

Mr. RANKIN. Mr. Speaker, I pointed out in my remarks a few moments ago that this insertion in the CONGRESSIONAL RECORD violates the rules of the House. It attacks a committee of this House as being un-American, or refers to it as an un-American committee. This committee was created by Congress because of the dangerous situation that prevails throughout the country. We are working diligently to try to protect this Nation against subversive elements at home and abroad. Yet here comes this statement together with a letter, accusing us—now listen to this—in addition to referring to the committee as an un-American committee twice:

> Too, I think the whole House has a duty and a right to know what is going on in this committee, which we have clothed with certain powers to investigate actual un-American activities, and not to indulge in witch hunts.

If you will get the Communist Daily Worker you will find those words "witch hunt" written on almost every page almost every day, and if you will look on your desk you will find an attack by William Z. Foster, the head of the Communist Party, branding this committee as a witch hunt—it calls it "The Rankin witch hunt"—and demanding its abolition.

Mr. Speaker, whom do we represent here? Are we supposed to represent the Communists who are seeking to destroy the Constitution of the United States?

Are we supposed to represent the Communists who are seeking to destroy our American way of life? The Communists who would close every church in America, whether Catholic or Protestant? Are we supposed to represent them? Are we to submit to being branded as "witch hunters" because we are trying to protect this Government, this American way of life, and our American institutions for which these boys have been dying?

I want to say in this connection that I have no quarrel with any man about his religion. Any man who believes in the fundamental principles of Christianity and lives up to them, whether he is Catholic or Protestant, certainly deserves the respect and confidence of mankind.

I refuse to join in these attempts to try to destroy our civilization which is based on the fundamental teachings of Jesus Christ.

Now, let us see a little further. Mr. SABATH goes on to say:

> I wish the gentleman from Georgia—

Referring to the chairman of the committee, Mr. WOOD—

> would tell us how many Members have been investigated, if any, and who they are, if he knows.

I will answer that question right now. The Committee on Un-American Activities has never investigated a Member of Congress, and when we do that Member will certainly be notified first.

In addition to this statement, the Member from Illinois [Mr. SABATH] wrote a letter to the gentleman from Georgia [Mr. WOOD] which, in my opinion, violated the rules of the House in a dozen places. He not only inserted that letter in the RECORD but he wrote a

letter to every Member of the House, I suppose, and inclosed a copy of an editorial from a local paper that has been fighting the Committee on Un-American Activities ever since its creation.

Let us see what is said in that letter. He refers to the sworn affidavit of Prof. Clyde Miller, of Teachers College, Columbia University, who reports an alleged conversation.

Mr. SABATH. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. SABATH. Is the gentleman reading from my insertion in the RECORD or from my letter to the chairman of that committee?

Mr. RANKIN. I have said that I am reading from the RECORD and from the letter which he inserted in the CONGRESSIONAL RECORD at page A922 on February 19, which was addressed to the Honorable JOHN S. WOOD, chairman of the Committee on Un-American Activities.

Mr. SABATH. That is what I want to know.

Mr. RANKIN. He goes on to attack the committee because of an alleged statement this Professor Miller says Commander Nikolas made when he was with the committee, which was as follows:

> You should tell your Jewish friends that the Jews in Germany stuck their necks out too far and Hitler took care of them and that the same thing will happen here unless they watch their steps.

Let me say just a word about Commander Nikolas. This man Miller came down here to try to get his name erased from the records of the Dies Committee. He says that that statement was made in the presence of Mr. Adamson, counsel for the committee. Mr. Adamson says no such conversation ever took place in his presence.

Let us see who Commander Nikolas is. He is no longer with the committee and has not been for, oh, 4 or 5 months. Commander Nikolas was a commander in the Navy in this war. He went through the hell and horrors of the Southwest Pacific. He told me with tears in his eyes that he had buried 1,700 of his buddies on the bleak and barren island of Peleliu. The men who attack Commander Nikolas are putting words in his mouth, when he has a Communist record of his own, and worse than a Communist record.

I say that in justice to Commander Nikolas, one of the heroes of this war and one of the finest Americans I ever met. In my opinion, this expression is nothing in God's world but the propaganda statement of this alleged Professor Miller, whose record with the Dies Committee reeks to high heaven.

Mr. SABATH goes on in this letter to Mr. WOOD and says:

> that you may unsuspectingly harbor subversive individuals on your committee rolls.

He is referring to Commander Nikolas. I want to say that when the battle was hard, when the night was dark, when the storm was fierce and the stars were dead, when men were dying by the thousands, Commander Nikolas was there fighting through those terrific battles.

I resent this insinuation. I think it is nothing but a trumped-up statement by this fellow Miller in order to try to smear the Committee on Un-American Activities. The gentleman from Illinois [Mr. SABATH] further says:

> It is significant that the committee gave to Gerald L. K. Smith an open forum to vent that seditionist's Fascist bill before members of the press.

What a ridiculous statement. Members of this House, and one of them who is sitting before me now, wrote us letters and wanted us to investigate Gerald L. K. Smith. We knew nothing about his record, but we summoned him to appear before the committee and invited these Members of Congress who had been demanding that he be investigated to come before the committee and make their statements or cross-examine him. Instead of coming and making their statements and cross-examining him, they came and filed a statement reflecting on the committee and then walked out.

Were they afraid to submit to cross-examination?

I want to say to you now that this committee is not going to be bluffed and browbeaten. Whenever we invite one of you before the committee, or when you come there of your own free will, to testify in these investigations, you are going to be cross-examined.

In this letter the gentleman from Illinois [Mr. SABATH] attacks us for bringing some men before us in a closed session. Yes, we have executive sessions. We are having closed sessions at times because we are trying to find out who is undermining and destroying this Government, or attempting to do so. But the Smith hearing was public.

But the gentleman from Illinois [Mr. SABATH] says that—

> while he finds time, curiously enough, to bring before the committee in closed executive session Dr. Edward Barsky, an eminent surgeon, because Dr. Barsky is chairman of the Joint Anti-Fascist Refugee Committee—

Now, we called him before the committee because we have information that this is a Communist-front organization. When we demanded of Gerald L. K. Smith that he show his books, he said, "Any investigator of your committee or any member of your committee can take our books and go through every paper of them at any time."

If the organization that Barsky is head of is not engaged in subversive activities, why do they object to investigators of this committee, which has a standing equal to that of the FBI—why do they object to them seeing their books?

In my opinion, this is a dangerous Communist-front organization.

Now, I am not going to give you all the information we have. We have a good deal of it.

Mr. THOMAS of New Jersey. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from New Jersey.

Mr. THOMAS of New Jersey. Mr. Speaker, I have been on this committee from its very inception. I was on the Dies committee from the beginning to end. I never saw a time when either one of those two committees were not attacked by the radicals, by the Communists, or the bund members, or other un-Americans whom we were investigating. But I am convinced of this one thing: That whenever we were attacked we had struck pay dirt. Now we have struck pay dirt on this Barsky matter. Barsky is doing everything he possibly can to intimidate our committee and to influence the Members of Congress against it. I do not think either the Dies committee or this Committee on Un-American Activities has ever investigated an organization or an individual that has needed to be investigated more than this Joint Anti-Fascist Refugee Committee. They are the ones that have been trying to bring in Communists to this country. We have testimony before our committee within the last few days that every person, every refugee, that this Joint Anti-Fascist Committee has tried to bring into the United States had a Communist record, a Communist record over in Hungary or France or Spain or somewhere else. Yet they have had contributed to the organization hundreds of thousands of dollars from persons who did not know just what the Joint Anti-Fascist Refugee Committee was trying to do. They will not tell us what they did with these vast sums of money they have collected, nor will they show us a single paper in their files. But they are doing this: They are getting in touch with Members of Congress, telling them that this is an un-American committee. They have used those words. Others have used them, and probably the leading Communist-front organization today is this Joint Anti-Fascist Refugee Committee. And I want to tell you this: We are going right to the bottom of it. I think every member of our committee, both on the Democratic side and on the Republican side, is resolved to look into the Joint Anti-Fascist Refugee Committee, and the leaders of it, thoroughly. You can count on it that when we make our report to this Congress it will astound you all.

Mr. RANKIN. I thank the gentleman from New Jersey.

Now, let me read another thing in this letter of Mr. SABATH'S to the chairman of this committee. He says:

> Radio commentators, requested by Adamson to submit their scripts to him, discovered the request had been made a public document. The action could have been designed only to smear the commentators and to frighten them from the air.

We did just what every Member of Congress has a right to do. We asked for those scripts after they had been broadcast. There were some things in some of them that we questioned. Some of them we did not. We simply asked for those scripts. We did not subpena a single one of them. But I want to tell you now, some of this stuff that is going over the air should be stopped. Of all the dirt and filth I ever heard, these filthy attacks on me and the Committee on Un-American Activities by Walter Winchell and others are the worst.

Walter Winchell is doing the Jews of America more harm than any other man alive. He is stirring up more anti-

Semitism than any other man in America.

These men who attack us are not doing their cause any good whatsoever.

Now, I read further. This is Mr. SABATH writing to Mr. JOHN WOOD:

> In the light of his acceptance of the venomous statements of an underling, I wonder if his demand that the National Committee to Combat Anti-Semitism submit to his inquisition does not reflect the same bitter bias against American citizens who are Jews by religion.

Now, as a matter of fact, there is a division among the Jewish people. The Zionists and the anti-Zionists. I am not going to go into that battle today. But whenever we find an organization that we think is un-American, and engaging in un-American activities, we are going to investigate it to the limit. That is what we are doing here.

You see these Reds in California have got out this brochure: "Introducing Representative JOHN ELLIOT RANKIN." This book is as full of smear and lies as it can hold. They are afraid we are going to uncover some of the perfidity that is going on with reference to the pollution of the picture shows in Hollywood.

Mr. BRADLEY of Michigan. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. BRADLEY of Michigan. Is it not a fact that every radio commentator is required to submit his script to the radio station for filing with the Federal Communications Commission? I know I have to do that in my weekly broadcasts.

Mr. RANKIN. Yes.

Mr. BRADLEY of Michigan. So what is wrong with asking for a radio script to look it over by your committee or any other committee?

Mr. RANKIN. When I write to Lowell Thomas or call Earl Godwin and ask for a copy of the script he delivered, he sends it by return mail. Nobody except the ones who have a suspicious attitude object to their scripts being read after they have been broadcast over the radio.

The gentleman from Illinois [Mr. SABATH] defended Walter Winchell and called him a commander in the Reserves. Last year when the Dies committee demanded that he get out of uniform or get into the service, he stripped off his uniform, went before the microphone and denounced Congress as "the House of Reprehensibles."

Yes. We are going to get the scripts whenever they deliver anything over the air that is detrimental to the welfare of this country; we are going to try to get them and to handle them in the proper way.

This main fight is coming, as I said——

Mr. SABATH. Will the gentleman yield?

Mr. RANKIN. No.

Mr. SABATH. For a simple question?

Mr. RANKIN. No.

Mr. SABATH. And information?

Mr. RANKIN. No, sir; not just now.

Mr. SABATH. I would like to have the House be made familiar with my letter. That is all I ask.

The SPEAKER. The gentleman from Mississippi declines to yield.

Mr. RANKIN. Mr. Speaker, today we are in graver danger at home than we have been perhaps in all the history of this Nation as a result of the subversive elements. There are subversive spies throughout this entire country just as there are in Canada. They are plotting the overthrow of this Government and they are using the Communist Party and the Communist publications to carry out their designs.

We brought this William Z. Foster, head of the Communist Party, before the committee, and I want to read you some things he said.

We read from a booklet he wrote years ago on syndicalism.

Mr. SABATH. Mr. Speaker, the gentleman has no right to read from——

Mr. RANKIN. I want to show that in investigating these things our committee had demanded of William Z. Foster, head of the Communist Party——

Mr. SABATH. A point of order.

The SPEAKER. The gentleman will state it.

Mr. SABATH. He is trying—the gentleman from Mississippi is trying—to connect me with Foster and read into my speech a statement by Foster. Well, I said before, I do not know Foster, never spoke to him in my life.

Mr. RANKIN. I want to show, Mr. Speaker——

Mr. SABATH. And he has no right to read into my speech any statements made by Foster or anyone else.

The SPEAKER. The gentleman will proceed in order.

Mr. RANKIN. We put Foster on the stand, and we read from a pamphlet that he wrote years ago when he was 33 years old, and I want to show that this is right down the Communist line, and I am afraid it is misleading some Members. And do not forget this is going to be an issue in every congressional district in the United States this year, in the primaries, and in the general elections.

Those boys who have been shedding their blood on foreign fields to protect this country are not going to have their country destroyed by these subversive elements at home if they can help it.

Listen to this. He says:

> The syndicalist is characterized by the harmony that exists between his theories and his tactics.

Mr. MARCANTONIO. Mr. Speaker, a point of order.

Mr. RANKIN. And the capitalist class is a mortal enemy——

The SPEAKER. The gentleman from New York will state his point of order.

Mr. MARCANTONIO. The gentleman from Mississippi is reading from a document and pamphlet. It is out of order and cannot be done except by obtaining the consent of the House.

Mr. RANKIN. Mr. Speaker, if the House does not want me to read from the Communistic syndicalistic doctrines of William Z. Foster——

Mr. MARCANTONIO. I ask for a ruling.

Mr. RANKIN. Of course, I do not want to punish the House, if it does not want to hear me. I am trying to point out to you the dangers that are now lurking and the attempts that are being made to destroy this Government, and what these men and women are flirting with when they follow the Communist line.

Mr. MARCANTONIO. I ask for a ruling.

The SPEAKER. The gentleman from Mississippi will suspend.

Mr. MARCANTONIO. Mr. Speaker, I ask for a ruling.

The SPEAKER. On what?

Mr. MARCANTONIO. I was asking for a ruling on my point of order.

The SPEAKER. If the gentleman from Mississippi is reading from something that the House does not want to hear, it is entirely within the power of the House to decide the question, not the gentleman from New York.

Mr. MARCANTONIO. Does he not have to have consent to read a document?

The SPEAKER. The gentleman from Mississippi is speaking to his motion, and that gives him a rather wide latitude. If the gentleman is reading something the House does not want to hear, then the House has its remedy.

Mr. SABATH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SABATH. Mr. Speaker, is it not the duty of the Speaker to pass on the point of order or to pass on whether the gentleman is speaking in order or not? I think it is up to the Speaker. The gentleman here has been reading from Foster or Thomas, or whatever the man's name is, something he has written or said some years ago, today or yesterday, trying to make the House believe that I have had something to do with the articles that Foster has written.

The SPEAKER. The Chair did not have the specific rule before him when he answered the inquiry of the gentleman from New York [Mr. MARCANTONIO].

Rule XXX states:

> When the reading of a paper other than one upon which the House is called to give a final vote is demanded, and the same is objected to by any Member, it shall be determined without debate by a vote of the House.

Mr. MARCANTONIO. Mr. Speaker, that bears out my contention and I definitely object.

The SPEAKER. Does the gentleman object?

Mr. MARCANTONIO. I do, Mr. Speaker. I object to the dragging of an irrelevant red herring into this discussion.

The SPEAKER. The question is: Shall the gentleman be permitted to proceed to read the paper from which he is now reading?

The question was taken; and the House decided that Mr. RANKIN be permitted to proceed with the reading.

The SPEAKER. The gentleman from Mississippi will proceed in order.

Mr. RANKIN. Mr. Speaker, Mr. Foster goes on to say, and I wish the Members would listen to this:

The syndicalist realizes that the capitalist class—

That means everybody who wants to own his own home, his store, or his filling station, or his farm, or factory—

He realizes that the capitalist class is his mortal enemy, that it must be overthrown, the wages system abolished, and a new society he has outlined established if he is to live; and he is proceeding to the accomplishment of these tasks with unparalleled directness. He allows nothing to swerve him from his course and lead him in another indirection.

That is William Z. Foster speaking at the age of 33. There will be no wages paid. If the Communist Party gets control every laborer in America will be the slave of the commissar.

He goes on:

The syndicalist knows that capitalism is organized robbery, and he consistently considers and treats capitalists as thieves plying their trade.

The man who wrote that is the man who coined that expression, "Un-American Committee" and applied it to the Committee on Un-American Activities. He goes on to say:

The syndicalist knows they (the capitalists) have no more right to the wealth they have amassed than a burglar has to his loot, and the idea of expropriating them without remuneration seems as natural to him as for the footpads' victim to take back his stolen property without paying the footpad for it.

Now listen to this:

He knows (the syndicalist) that in modern society, as in all ages, might is right and that the capitalist hold the industries they have stolen and daily perpetuate the robbery of the wages system simply because they have the economic power to do so.

He has fathomed the current system of ethics and morals, and knows them to be just so many auxiliaries to the capitalist class.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Am I correct in assuming that the gentleman from Mississippi made a motion to strike because he thought the insertion in the record reflected on the patriotism of the members of the committee?

Mr. RANKIN. It reflects on everybody connected with the committee.

Mr. HOFFMAN. If the gentleman will recall, unless I am mistaken, when the gentleman from Illinois [Mr. SABATH] asked for permission to insert those articles, I asked him if they reflected upon any Member of the House, and he said that they did not. Perhaps he did not so intend; I do not know.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I do not yield further at this time.

Listen to this man who wrote this pamphlet branding the activities of the Committee on Un-American Activities as a "witch hunt." Listen to this man who heads the Communist Party:

In his choice of weapons to fight his capitalist enemies the syndicalist is no more careful to select those that are fair, just, or civilized than is a householder attacked in the night by a burglar. He knows he is engaged in a life and death struggle with an absolutely lawless and unscrupulous enemy, and considers his tactics only from the standpoint of their effectiveness. With him the end justifies the means. Whether his tactics be legal and moral or not, does not concern him, so long as they are effective. He knows that the laws, as well as the current code of morals are made by his mortal enemies, and considers himself about as much bound by them as a householder would himself by regulations regarding burglary adopted by an association of housebreakers.

The other day when we had the same Foster before the committee, 30 years after that was written, I asked him this question:

In 1930, when you appeared before the Fish committee, Mr. Bachman, I believe, of West Virginia, was on the committee, and he asked you a question about statements that you had made before, and I am going to read it to you now and ask you if this is your view at the present time. He says:

"You made this statement: 'No Communist, no matter how many votes he should secure in a national election, could, even if he would, become President of the present government. When a Communist heads the Government of the United States—and that day will come just as surely as the sun rises—the Government will not be a capitalist government but a Soviet government, and behind that government will stand the Red Army to enforce the dictatorship of the proletariat.'"

You made that statement, did you?

Mr. FOSTER. I think so.

He was under oath both times.

Mr. RANKIN. That was your view?

Mr. FOSTER. I made that statement; yes.

Mr. Speaker, that is what these Communists are driving at in this country.

It is time for both the United States and Canada to round up these spies, and these traitors, and forever put a stop to their subversive activities, before it is too late.

I give you this in order to let you know that the attacks that are being made on our committee have their bases in the minds of an element that wants to destroy the American form of government and the American way of life.

Mr. MUNDT. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from South Dakota.

Mr. MUNDT. Mr. Speaker, I think it should also be brought out that William Z. Foster, who has been quoted at such length, and who holds such radical views, so much more nearly represents the point of view of the Communist Party in America today that at their last convention they rejected as their National Commander Earl Browder, whom they dismissed as too conservative, and elected this same William Z. Foster. Those people who feel that communism in this country is not on the march and is not radical and complete in its objectives might well study the reasons why Earl Browder, who served the party all during the war, has now, by unanimous vote, been expelled from the party and dismissed as its secretary, and they might also ponder why the Communists have chosen this ever so much more radical individual, William Z. Foster, as reflecting their present point of view.

Mr. RANKIN. They threw Earl Browder out because, they said, he had cooperated with the United States in this war, and put this radical at the head, this William Z. Foster. They are carrying on this campaign, as I said, and the Committee on Un-American Activities is doing its best to protect this country from them.

Mr. BRADLEY of Michigan. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Michigan.

Mr. BRADLEY of Michigan. Does Mr. Foster hold those same views today that, if I understood the gentleman correctly, he held some years ago?

Mr. RANKIN. He claimed that he had changed his mind on some of them, but the statement that I quoted, wherein he predicted that the Communists would take over this country and be backed up by the Red Army, was made before the Committee on Un-American Activities under oath less than 3 months ago.

Mr. BRADLEY of Michigan. He still holds that view, then?

Mr. RANKIN. Why, certainly. He made that statement before the Fish committee and I think before the Dies committee. He holds those views today.

I know some good men have been misled and they have gone out and got preachers and others who did not know what was going on to join some of these Communist-front organizations. I know there are men in this House who do not know the facts. I say that we owe Canada a lasting debt of gratitude for coming out the other day and exposing a spy ring that was undermining both Canada and the United States.

Mr. Speaker, I move the previous question.

Mr. SABATH. Mr. Speaker, may I be heard?

Mr. MARCANTONIO. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MARCANTONIO. If the previous question is ordered, that means that the gentleman from Illinois will have no opportunity to defend the insertion that he placed in the RECORD or answer the charges made by the gentleman from Mississippi?

The SPEAKER. It means there will be no further debate, if the previous question is ordered.

Mr. SABATH. Mr. Speaker, I ask unanimous consent that my statement and my letter be read before a vote is taken, being positive that, with the exception of a few words which 2 days ago I asked be stricken from the RECORD, there is not a single word that would be considered as unfair and unjust to the House or a violation of the rules in any way, shape, or form.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. RANKIN. I object, Mr. Speaker, and I insist on my motion for the previous question.

Mr. SABATH. I ask that the letter be read; that is all I ask.

The SPEAKER. Objection is heard.

The question is on ordering the previous question.

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 139, noes 80.

Mr. CELLER. Mr. Speaker, I demand the yeas and nays on ordering the previous question.

The yeas and nays were ordered.

The question was taken; and there were—yeas 161, nays 185, not voting 84, as follows:

[Roll No. 36]

YEAS—161

Abernethy	Fellows	Mason
Allen, Ill.	Fenton	Mathews
Allen, La.	Fuller	May
Andersen, H. Carl	Gamble	Merrow
Anderson, Calif.	Gathings	Morrison
Andresen, August H.	Gavin	Mundt
Andrews, Ala.	Gearhart	Murray, Wis.
Andrews, N. Y.	Gerlach	O'Konski
Arnold	Gibson	Peterson, Fla.
Auchincloss	Gillespie	Phillips
Barden	Gillie	Pickett
Barrett, Wyo.	Goodwin	Pittenger
Bates, Mass.	Gossett	Ploeser
Beckworth	Graham	Plumley
Bell	Grant, Ala.	Price, Fla.
Bennett, Mo.	Grant, Ind.	Rankin
Bishop	Gregory	Reece, Tenn.
Blackney	Griffiths	Reed, Ill.
Bonner	Gross	Rees, Kans.
Bradley, Mich.	Gwynne, Iowa	Rich
Brooks	Hall, Leonard W.	Richards
Brown, Ohio	Hancock	Riley
Brumbaugh	Hare	Rockwell
Bryson	Harness, Ind.	Rodgers, Pa.
Buck	Harris	Roe, Md.
Butler	Hartley	Rogers, Fla.
Campbell	Henry	Rogers, Mass.
Carlson	Hess	Schwabe, Okla.
Church	Hill	Shafer
Clark	Hobbs	Sharp
Clevenger	Hoeven	Short
Clippinger	Horan	Simpson, Ill.
Cole, Mo.	Jenkins	Smith, Ohio
Colmer	Jennings	Smith, Wis.
Cooper	Jensen	Springer
Cravens	Johnson, Ill.	Stewart
Cunningham	Jones	Sundstrom
Curtis	Jonkman	Taber
Davis	Kilburn	Talbot
D'Ewart	Kilday	Thomas, N. J.
Dolliver	Kinzer	Towe
Domengeaux	Knutson	Vorys, Ohio
Dondero	Lanham	Vursell
Doughton, N. C.	Larcade	Wadsworth
Drewry	Latham	Weichel
Durham	LeFevre	West
Dworshak	Lewis	White
Earthman	McCowen	Whittington
Eaton	McGehee	Wickersham
Elliott	McKenzie	Wilson
Ellis	McMillen, Ill.	Winstead
Elsaesser	Maloney	Wolcott
Elston	Manasco	Wolfenden, Pa.
	Martin, Mass.	Woodruff

NAYS—185

Adams	Cole, N. Y.	Geelan
Almond	Cooley	Gordon
Angell	Corbett	Gore
Barrett, Pa.	Cox	Gorski
Barry	Crawford	Granahan
Bates, Ky.	Crosser	Green
Bender	D'Alesandro	Hagen
Bennet, N. Y.	Dawson	Hale
Biemiller	De Lacy	Hall, Edwin Arthur
Bloom	Delaney, James J.	Halleck
Bolton	Delaney, John J.	Hart
Bradley, Pa.	Dingell	Havenner
Brehm	Douglas, Calif.	Hays
Brown, Ga.	Douglas, Ill.	Healy
Buckley	Doyle	Hedrick
Buffett	Ellsworth	Heffernan
Bulwinkle	Engle, Calif.	Hendricks
Bunker	Ervin	Herter
Burgin	Fallon	Heselton
Byrne, N. Y.	Feighan	Hinshaw
Camp	Fernandez	Hoch
Canfield	Flood	Hoffman
Carnahan	Fogarty	Holifield
Case, N. J.	Folger	Holmes, Wash.
Celler	Forand	Howell
Chelf	Fulton	Huber
Clason	Gallagher	Hull
Clements	Gardner	Izac
Cochran	Garmatz	Jackson
Coffee		

Johnson, Calif.	Miller, Nebr.	Sabath
Johnson, Ind.	Mills	Sadowski
Johnson, Luther A.	Monroney	Sasscer
	Murdock	Savage
Johnson, Lyndon B.	Neely	Scrivner
	Norblad	Sheppard
Kean	Norton	Sikes
Kearney	O'Brien, Ill.	Smith, Maine
Kee	O'Brien, Mich.	Somers, N. Y.
Kefauver	O'Hara	Spence
Keogh	O'Neal	Starkey
King	O'Toole	Stefan
Kirwan	Outland	Stevenson
Kopplemann	Pace	Stigler
Kunkel	Patman	Stockman
LaFollette	Patrick	Sullivan
Lane	Patterson	Talle
LeCompte	Pfeifer	Tarver
Lesinski	Philbin	Thom
Link	Powell	Thomas, Tex.
Ludlow	Price, Ill.	Thomason
Lyle	Priest	Tolan
Lynch	Quinn, N. Y.	Torrens
McCormack	Rabin	Traynor
McDonough	Rains	Trimble
McMillan, S. C.	Ramey	Voorhis, Calif.
Madden	Rayfiel	Wasielewski
Mankin	Resa	Welch
Mansfield, Mont.	Robsion, Ky.	Wigglesworth
	Roe, N. Y.	Wolverton, N. J.
Marcantonio	Rogers, N. Y.	Woodhouse
Martin, Iowa	Rooney	Worley
Michener	Rowan	Zimmerman
Miller, Calif.	Ryter	

NOT VOTING—84

Arends	Granger	Poage
Bailey	Gwinn, N. Y.	Rabaut
Baldwin, Md.	Hand	Randolph
Baldwin, N. Y.	Harless, Ariz.	Reed, N. Y.
Beall	Hébert	Rivers
Bland	Holmes, Mass.	Rizley
Boren	Hook	Robertson, N. Dak.
Boykin	Hope	
Burch	Jarman	Robertson, Va.
Byrnes, Wis.	Johnson, Okla.	Robinson, Utah
Cannon, Fla.	Judd	Russell
Cannon, Mo.	Keefe	Schwabe, Mo.
Case, S. Dak.	Kelley, Pa.	Sheridan
Chapman	Kelly, Ill.	Simpson, Pa.
Chenoweth	Kerr	Slaughter
Chiperfield	Landis	Smith, Va.
Cole, Kans.	Lea	Sparkman
Combs	Lemke	Sumner, Ill.
Courtney	Luce	Sumners, Tex.
Curley	McConnell	Taylor
Daughton, Va.	McGlinchey	Tibbott
Dirksen	McGregor	Vinson
Eberharter	Mahon	Walter
Engel, Mich.	Mansfield, Tex.	Weaver
Fisher	Morgan	Whitten
Flannagan	Murphy	Winter
Gary	Murray, Tenn.	Wood
Gifford	Norrell	
Gillette	Peterson, Ga.	

So the motion for the previous question was rejected.

The Clerk announced the following pairs:

Additional general pairs:

Mr. Bailey with Mr. Reed of New York.

Mr. Cannon of Florida with Mr. Case of South Dakota.

Mr. Boykin with Mr. Enge' of Michigan.

Mr. Granger with Mr. Hand.

Mr. Poage with Mr. Byrnes of Wisconsin.

Mr. Morgan with Mr. Gwinn of New York.

Mr. Bland with Mr. Landis.

Mr. Cannon of Missouri with Mr. Cole of Kansas.

Mr. Johnson of Oklahoma with Mrs. Luce.

Mr. Murphy with Mr. McConnell.

Mr. Sparkman with Mr. Robertson of North Dakota.

Mr. Sheridan with Mis Sumner of Illinois.

Mr. Walter with Mr. Taylor.

Mr. Murray of Tennessee with Mr. Winter.

Mr. Randolph with Mr. Schwabe of Missouri.

Mr. HINSHAW, Mr. BREHM, Mr. COLE of New York, Mr. HOWELL, Mr. CLASON, Mr. ANGELL, Mr. COX, Mr. ELLSWORTH, Mr. BUFFETT, Mr. MILLS, and Mr. ALMOND changed their votes from "yea" to "nay."

Mr. STEVENSON changed his vote from "present" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. For what purpose does the gentleman from Illinois [Mr. SABATH] rise?

Mr. SABATH. Mr. Speaker, I rise in opposition to the motion of the gentleman from Mississippi.

The SPEAKER. The gentleman from Illinois is recognized for 1 hour.

Mr. SABATH. Mr. Speaker, I am grateful and appreciative to the Members for having voted down the motion of the gentleman from Mississippi [Mr. RANKIN] for the previous question, for otherwise, under the rules, I would have been denied even 1 minute to answer the unfair demand to strike from the RECORD my remarks and the letter which I addressed to the chairman of the Committee on Un-American Activities. I am glad to have the opportunity of being heard.

It has always been my aim to give the minority, or anyone, the right to defend himself and speak in his defense, or to oppose any legislation. After I had sent that letter to the chairman of the committee on February 19, I inserted it in the CONGRESSIONAL RECORD, after obtaining unanimous consent of the House. Later I observed, Mr. Speaker, as you will recall, that there were words therein which I thought should be deleted. On page 1539 of the daily RECORD, shortly after the matter was inserted, you will find I rose on the floor of the House and made the following request:

> Mr. Speaker, I ask unanimous consent that I may delete from the permanent RECORD certain words in a letter which I sent to the Honorable JOHN S. WOOD, chairman of the Committee on Un-American Activities.
>
> The SPEAKER. Is there objection to the request of the gentleman from Illinois?
>
> There was no objection.

So, Mr. Speaker, I had done what I thought was the manly thing because I never, during nearly 40 years of service, have desired to hurt the feelings of any man. Oh, I have criticized the Republicans when I have thought they were wrong. I feel as a Member of Congress I have the right to express my views. I also believe in freedom of speech and freedom of the press, though I have been subjected to many attacks. If I were to follow the tactics of the gentleman from Mississippi, I could be here every second day on the floor asking to obtain the floor on a question of personal privilege.

I believe firmly in the right of the press to criticize what they believe needs criticism, even though I have been frequently and unfairly attacked by unfriendly newspapers, just as I insist upon my right, as a Member of Congress, to express my views. I only wish, Mr. Speaker, that you would read, for your benefit and for the benefit of the gentlemen here, the entire letter which I addressed to the chairman of the Committee on Un-American Activities, and also the full text of the introductory remarks. I venture to say there would be few Members, outside of the gentleman from Mississippi, who would find in that letter anything unparliamentary or unfair or unjust. I have received many complaints, Mr. Speaker, about two men connected with that committee; one of them is a gentleman by the name of

Adamson who criticized the views of some individuals as being "democratic" and therefore "un-American." Naturally, I resented that, and having obtained information and letters from various sources, I embodied in my letter the information which came to me, together with that which I received from such sources as the New York Federation of Churches and similar organizations above any questioning.

I did not wish to reflect upon the chairman of that committee, because I believe he is an honorable, honest man, and I think the majority of the gentlemen on that committee are fair. Unfortunately, I feel that the gentleman from Mississippi, as he does sometimes on the floor with the great ability and strength that he possesses, sways the viewpoint of the committee, and I feel that that committee has gone far afield and has not really penetrated the real un-American activities or those guilty of subversive acts.

The gentleman from Mississippi [Mr. RANKIN] is trying to bring into my speech and my letter the statements and writings of Foster and of others. I want to assure you, and I do not think it is necessary for me to assure the country, that I am not a Communist; never believed their doctrines; I have fought them as hard as any man. I even fought socialism long before I came to Congress. I believe in democratic principles. I love my country. I owe it a great deal, and during these years I have tried to the best of my ability to be fair and to be just and to serve my country to the best of my ability. I feel that I have never been guilty of anything else but rendering to the people of my Nation and my country the best that was in me.

During my long service, Mr. Speaker, I have had a great many opportunities to obtain more lucrative positions in business, or by devoting my full time to practice of law. I have refused, and I shall refuse in the future as I have in the past, because I feel, with my years of experience here, that I can continue to be of service to my country and to my party.

I appreciate that there are some gentlemen on the other side who may feel I have been at times a little too strong in my criticism, but, on the other hand, I could not sit here and listen to some of those attacks which I felt were unfair and unjustifiable, and I answered them. We all do that from time to time, and I hope that the country will continue to have the two-party system, and that we will differ from time to time on certain matters. In that connection I will say I believe honest criticism is a healthful and beneficial thing.

Mr. TARVER. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. TARVER. The gentleman made it clear that he had asked and obtained unanimous consent of the House to take out certain words that occurred in his extension of remarks. I wish the gentleman would make it clear just what words he has taken out under that permission.

Mr. SABATH. I do not have it before me now. I was not prepared for this today, but I did ask to have stricken out anything that could be in any way objectionable to anyone or that would in any degree reflect——

Mr. TARVER. Did the gentleman have stricken out the words describing the Committee on Un-American Activities as "The Un-American Committee?"

Mr. SABATH. I am afraid I did not designate the exact words but my request to strike out was broad enough to include them. However, if there is any question, I again ask unanimous consent to change these words. Unfortunately, I did not have time to go over them before the remarks were sent to the Government Printing Office.

Mr. TARVER. Will the gentleman now ask unanimous consent that that part be stricken?

Mr. SABATH. I will repeat my unanimous-consent request again and again to strike out those words. I want to assure you they were not mine.

Unfortunately, my office is tremendously busy. I have two new secretaries whose services I succeeded in obtaining after months of hard effort, and one of them unfortunately put that in without my knowledge, and I want to assure you that I am telling you the honest-to-God fact and truth. I never noticed it. I did not see it until my attention was called to it.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. THOMAS of New Jersey. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I cannot yield.

Mr. THOMAS of New Jersey. The House yielded to you.

Mr. SABATH. As to the gentleman, he is a member of that committee. He made his speech a little while ago. I know of his activities on that committee while Mr. Dies was the chairman, and I know his viewpoint. Of course, I never had a word with him——

Mr. THOMAS of New Jersey. I want to help the gentleman.

Mr. SABATH. And I do not want to have a word with him today. He is entitled to his viewpoint.

Mr. THOMAS of New Jersey. I want to help the gentleman.

Mr. SABATH. And I hope he will give me credit and say I am entitled to my viewpoint, and that he will not, like the gentleman from Mississippi, try to make a Communist out of me or a man undeserving to serve in this House.

Mr. THOMAS of New Jersey. Will the gentleman yield? I want to help the gentleman.

Mr. SABATH. I will yield; I always welcome any help from any gentleman at any time, and consequently I shall yield to the gentleman.

Mr. THOMAS of New Jersey. Will the gentleman from Illinois then explain in detail whether he has taken out the words "House Un-American Committee" in the title?

Mr. SABATH. Yes. That was a mistake and not intended.

Mr. THOMAS of New Jersey. And has the gentleman taken out the words down below "Un-American Committee"?

Mr. SABATH. Yes, sir; that has been done.

Mr. THOMAS of New Jersey. It has been done? When was that done?

Mr. SABATH. When I asked unanimous consent here on this floor.

Mr. THOMAS of New Jersey. Both places?

Mr. SABATH. Both places; yes.

Mr. THOMAS of New Jersey. Did the gentleman also write a letter of apology to the chairman of the committee?

Mr. SABATH. I will say this to the gentleman from New Jersey——

Mr. THOMAS of New Jersey. There is nothing wrong with that.

Mr. SABATH. I will say this to the gentleman from New Jersey, I have not, because I thought that if the chairman, in whom I have the utmost confidence, had seen anything wrong in the letter I addressed to him, he would have called my attention to it or he would have answered me.

Mr. THOMAS of New Jersey. He has not answered yet, though.

Mr. SABATH. He has not.

Mr. THOMAS of New Jersey. The chairman is going to answer.

Mr. SABATH. I will say this, if you or any other man can point out a single line that is objectionable to the chairman of that committee I will gladly strike it out, and I would even be willing to strike the whole speech out, but there is nothing in there that is objectionable, unfair, or unjustifiable. I meant no disrespect to anyone, and never did.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Georgia.

Mr. COX. I should like to say to the gentleman that his conduct is most admirable and is obliged to be disarming to those who have felt aggrieved because of what has taken place in the last hour or so. If the gentleman has not as yet actually stricken from the RECORD the language objected to, will he now ask unanimous consent to do so?

Mr. SABATH. I will do so with pleasure, and I thank the gentleman from Georgia for his statement.

Mr. COX. With that leave given, Mr. Speaker, I think this whole controversy ought to end.

Mr. SABATH. Now, Mr. Speaker, I renew my unanimous-consent request, that I may have the privilege to delete from the speech, from the letter, and from the headline those words that are even to me objectionable, and that I did not intend anyway should be put in as they were, but it was merely a mistake on the part of a clerk. I repeat, the title should read: "Committee on Un-American Activities," and that was the intention.

Mr. HOFFMAN. Mr. Speaker, reserving the right to object, and I do so just to get information, that is all.

Mr. SABATH. All right, but please hurry.

Mr. HOFFMAN. When this matter came up—and the gentleman will find it on page 1444, I reserved the right to object, and asked if the gentleman was making an attack upon any Member of Congress; and you replied that you were not.

Mr. SABATH. I did not make any attack.

Mr. HOFFMAN. In that request you were asking permission to insert an editorial and a letter. Now, when you inserted your remarks you included here that offensive to some "un-American committee."

Mr. MARCANTONIO. Mr. Speaker, I ask for the regular order on the consent request.

The SPEAKER. The gentleman from Illinois has yielded.

Mr. HOFFMAN. Then there is the third paragraph. As I understand it, any and all charges that the committee is un-American in its activities are eliminated?

Mr. SABATH. I feel I have made my position clear.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. RANKIN. Mr. Speaker, reserving the right to object, of course, there are other things that have been put in the RECORD that I object to and the committee objects to, but I want to say to the gentleman if he had notified the members of the committee that those things that are in the RECORD were deleted we would have known of it. The committee was not notified of this request.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. RANKIN. Mr. Speaker, reserving the right to object, if anything reflecting on this committee is put in the RECORD again, you will hear from me.

Mr. SABATH. The gentleman is withdrawing his motion, and I presume that is the result of the vote just taken, which indicates that the House would have acted fairly and would not have sustained the motion. Had the gentlemen been able to hear me before the vote on the previous question was taken I am sure the majority against it would have been still greater.

Mr. Speaker, it has always been my policy that if I cannot do a person any good I will not do him any harm; and I am so constituted that I cannot help resenting unfairness and unjust attacks, whether made against me or against someone I do not even know. We have given up almost a whole day to this debate, and I have asked unanimous consent to strike from my remarks words which I did not intend to be there, and especially the words, "House Un-American Committee," and substitute therefor the words, "House Committee on Un-American Activities," as it was intended they should read, both in the headline and in the text of my remarks, and to delete certain other words which I believe myself were improper, and I assure you were inadvertent.

I again wish to assure you, Mr. Speaker, and to assure the House that it was not my intention to reflect upon the House. On the contrary, I have at all times tried to the best of my ability to eliminate anything said by anyone that might place the House in disrepute, and I am always alert to anything which might detract from the dignity of the House. While I have permission to extend my remarks, the lateness of the hour leads me to conclude at once, so that this may appear in today's RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. RANKIN. Mr. Speaker, I withdraw my motion if he is going to withdraw those offensive remarks from the RECORD.

The SPEAKER. The motion is withdrawn.

HOUSING STABILIZATION

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 4761, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The bill was read last evening. The first committee amendment is now in order for consideration.

The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 1, line 6, insert:

"SEC. 701. (a) The Congress declares that an emergency exists wherein there are insufficient facilities for housing large segments of the population, that large numbers of veterans of the armed forces are returning to civilian life in need of housing accommodations which are not available, and that it is necessary for the health and safety of the people that all facilities of the United States Government be made available and coordinated to obtain a maximum amount of housing."

Mr. HINSHAW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to ask the members of this committee a question concerning this amendment, and I presume my question relates to other portions of the bill. A portion of the committee amendment states:

That all facilities of the United States Government be made available and coordinated to obtain a maximum amount of housing.

Then it assumes elsewhere that the provision is to permit the veterans to have preference in priority in connection with housing.

Is there anything in this bill that would prevent the misuse of this privilege by persons who would merely obtain the consent of a veteran for the use of his name in obtaining priority? Is there anything to prevent anyone from financing a veteran to build a home which the veteran would immediately resell to him?

Mr. SPENCE. The Administrator, under the bill, has the power to issue regulations, and that matter would be taken care of, I assume, by the regulations. It is an administrative matter. Of course, the Administrator is going to see that the materials are not diverted for purposes for which they were not intended. The bill gives him the power to regulate those matters.

Mr. HINSHAW. What provision is there in the bill for permitting the completion with priorities of a great many thousand homes which are already under construction, the construction of which has been stopped because the previously granted priorities are not recognized under the new HH priority system? There are, according to my information, in the area in which I live some 12,000 to 15,000 homes now under construction which cannot be completed because they are unable to obtain the new HH priorities, and these housing facilities therefore remain idle because they are uncompleted.

What provision is there for the early completion of the present unfinished housing? I say that, Mr. Chairman, for this reason, that after all, a housing shortage affects all people, and while we want to give priority to the veterans in obtaining this new housing, at the same time any alleviation of the shortage will be to the benefit of the veteran and all concerned.

Mr. SPENCE. The Administrator has the power to grant priorities. The veteran will have the preference, but that does not limit the Administrator's power to grant priorities and to provide for the completion of the houses that are under construction. If this bill passes and the house is completed after the effective date of the act, we will have the power to put a ceiling upon it.

Mr. HINSHAW. I thank the Chairman. That is what I was afraid of.

I would like to read a letter concerning a case that I am talking about, which is a case in point. A veteran who is a builder recently made application for an HH priority on a five-room home which he estimated would cost $8,200, $6,000 for the house and $2,200 for the lot. When he came to make his new application for priorities his priority application was returned approved provided the house, lot, broker's commission, and his own profit, he being a contractor, would come within the ceiling price that came along with the provisional approval, a price of $7,800, which was $400 less than the house actually cost. Just think of it. How does anyone in the world expect, if the housing Director or the Office of Price Administration are going to administer the law in that way, that they are going to get housing? They are not going to get housing. That is exactly the type of asinine regulation that is stifling home building today.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Texas if he can answer that question.

Mr. PATMAN. May I invite the gentleman's attention to page 8 of the bill, about one-third down, where he will find a sentence, I think, that will take care of his problem:

Any prospective seller of such housing accommodations may apply for such certification at any time, including before the

commencement of construction, during its progress, or after its completion.

Mr. HINSHAW. Yes; I have read the language, and I thank the gentleman. I hope that will be included if this bill is passed. He can make application for it, but there is no requirement whatsoever that the application shall be granted on a fair price and cost basis.

A little later on, in the language that follows, it says that he—

may, at any time before the first sale, apply for such revision of the maximum sales price previously certified as may be justified by a showing of special circumstances arising during the course of construction and not reasonably to have been anticipated at the time of the issuance of the earlier certification.

There is no requirement whatsoever that the Director shall or must actually issue a price to him which shall cover his cost and allow him to pay brokerage fees, and so forth, on the sale of the property.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. If the gentleman can explain it.

Mr. BARRY. On the first question about the veteran having the house built——

Mr. HINSHAW. I have passed that question and I have come to another one, and I would like an answer to it.

Mr. BARRY. The veteran cannot sell the house and make a profit on it, so there is no point in selling it to anybody.

Mr. HINSHAW. That is another place where you have stuck the veteran. You have fixed him so that he cannot get anything, whereas everybody else can. That is a direct discrimination against the veteran. He is really stuck under the terms of this bill.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. CRAWFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wish to add to the remarks of the gentleman from California. As I understand this bill—I do not claim to be the last authority on this bill, and I do not know anybody who does—I do not know of anything in this bill that would prohibit me, if I were a veteran, from joining with my friend the gentleman from California, a contractor, so that I would obtain the permits and my friend from California would do the constructing. We could combine our efforts and bring to ourselves a profit, time and time again, through the applications which I, a veteran, could submit and have approved and under which we could then go out and build houses. It is fine to pray a prayer in the name of the veteran, but writing language which will prevent that privilege from being abused, is a different proposition.

I do not think the gentleman from California [Mr. HINSHAW] had a clear-cut answer to his question. I do not want him to be misled, and I do not want to mislead him, either. I do not think this bill prohibits a veteran from obtaining a permit and disposing of the house, taking whatever profit is protected in that first deal, and coming back and getting another application, building another house, and taking the profit, and repeating that time and time again, with the veteran and the contractor benefiting by these repeated transactions.

Mr. HINSHAW. Any contractor who is a veteran can do that one time right after another all the way down the line, according to this bill.

Mr. CRAWFORD. I do not think the contractor has to be a veteran.

Mr. HINSHAW. No; but if the contractor is a veteran, and a great many of them are, he can do that one time right after another.

Mr. CRAWFORD. That is my understanding.

Mr. HINSHAW. He can sell the property for any price he wants to on his first sale, and then the fellow who buys it is stuck for a resale.

Mr. CRAWFORD. Another proposition, what is there in the language of the bill that prevents a person who obtains the privilege from selling his option on that privilege?

Mr. HINSHAW. I do not know of anything that prevents that.

Mr. CRAWFORD. Neither do I.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. Further, when they were selling surplus property some of us Congressmen had applications from people who wanted tractors and trucks, and they were told, "Get a veteran to bid for you." From that experience, there would be no reason to anticipate that there would be anything to stop it in this operation.

Mr. CRAWFORD. If the language is in there, I hope somebody will point it out, because I should like to know if it is in there; that is, language to prevent repeated profits being made under this bill by anyone who can obtain the privilege and wants to misuse it.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Kentucky.

Mr. SPENCE. The gentleman from California said the veteran could sell the house at any price he desired. Of course, the veteran cannot sell the house at any price he desires because there is a ceiling on the house and that ceiling freezes the price. The first seller cannot sell the house for more than the ceiling, and the buyer cannot sell it for more than the ceiling. The price is frozen. There would be no purpose in speculating in those houses unless a man could get a higher price than the law permits him to get. He cannot speculate in them at all.

Mr. CRAWFORD. Mr. Chairman, it will certainly not be argued that the first price set by the Director does not include a profit. If the first price set by the Director does include a profit when the first sale is made, a profit is gained by the operator, and if he repeats the operation, he makes a second profit, and then may even make a third profit, and so on. See the language of the bill on page 8.

Mr. SPENCE. The very purpose of the bill is to provide homes for veterans and for those who have priorities. If a man should go in this business purely for speculative purposes, having the desire to evade the purpose and the intent of the law, he could be taken care of by regulations by the Administrator. There is no doubt about that. If he received one priority and came back asking for another priority, of course, that would be evidence that he was committing fraud on the administration. I think that argument has no weight whatever.

Mr. CRAWFORD. Mr. Chairman, I yield to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. If the veteran builds the house for himself, for his own use, and so certifies, and then actually moves in, and lives in the house and furnishes it, there does not have to be a ceiling price on it at all.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. GIBSON. Mr. Chairman, I move to strike out the last two words.

My purpose, of course, is to defeat this entire measure. It is beyond me to comprehend what has come over this body of men.

Section 701 (a) sounds like a letter from a smart, but very young little girl to Santa Claus; one who knows only how to want and who has no conception of the possibilities of attaining her goal. Listen to the magnanimous words, and then in a sober reflection just realize how far they are from the accomplishment of anything but destruction and confusion. I quote:

The purposes of this title are to stabilize the prices of real estate to be used for housing purposes, and to prevent speculative, unwarranted, and abnormal increases in the selling prices of such real estate; to eliminate and prevent profiteering in the sale of real estate for housing purposes, the hoarding of materials necessary for the construction of housing and other buildings, and other disruptive practices; to encourage the production of housing at a fair profit; to improve the housing of the people of the Nation in order to foster their health and general welfare; to encourage employment in the housing construction industry, and to maintain such industry at a high level of productivity; to prohibit an undue dissipation of the savings of the people in the Nation in the purchase of homes at speculative prices; to permit returning veterans to acquire housing at fair prices; and to prevent a post-emergency collapse of values in the housing field and to promote a swift and orderly transition to a peacetime economy.

If this Congress and the executive department does not come down from the clouds and practice, at least, the use of common judgment in dealing with national problems, then it would be well in the national interest that we all go home and the President take a vacation; and let the old ship of state sail under her own power. Every move we make serves but one purpose, and that is to create more confusion, place more restraints on those who would like to proceed with reconversion, and set up new bureaus to consume the tax moneys of those upon whom we levy such high taxes.

In short, what would this bill do if enacted into law? It would definitely assure that no one would build or sell even a chicken house. One would be afraid to attempt to, for with all the far-

fetched requirements, the jail would be the only house one could get on his mind, for that is where he would be headed.

Let us analyze a little. Section 702 (a) creates another bureau with a Director at $12,000 per year with the power to "appoint such employees as he deems necessary in order to carry out his functions and duties under this title," and do not think he would not deem plenty. When his recruits began piling into Washington, it would look like the gates of every community in the United States had been left open. There would be no one left to build houses.

Section 703 (a) provides as follows:

The Director is authorized to make such studies and investigations, to conduct such hearings, and to obtain such information as he deems necessary or proper to assist him in formulating policies, issuing regulations, and performing any other functions under this title. The Director is authorized to require any person who deals in, sells, rents, or buys, or offers to sell, rent, or buy any housing accommodations—

(1) to furnish information under oath or affirmation or otherwise,

(2) to make and keep records, and

(3) to make reports,

in respect of such dealings, sales, rentals, purchases, or offers. The Director may require any such person to permit the inspection and copying of records and other documents and the inspection of housing accommodations. The Director may administer oaths and affirmations. For the purpose of obtaining any information under this section, the Director may by subpena require any such person to appear and testify or to appear and produce documents, or both, at any designated place. In case of refusal to obey a subpena served upon any person under this section, the court for any district in which such person is found or resides or transacts business, upon application by the Director, shall have jurisdiction to compel compliance with such subpena.

Can you imagine a sane businessman walking into such a fly trap as this? Can you face your constituency after attempting to set up such a dictatorship as this? If some of this foolishness is not stopped, there is going to be a bunch around here that will quit having constituents, but will become a fellow constituent.

Section 704 (a) provides as follows:

Whenever in the judgment of the Director the sales prices of housing accommodations the construction of which is completed after the effective date of this title have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this act, he may by regulation or order establish maximum sales prices for housing accommodations in accordance with the provisions of this title. Any such regulation or order may be limited in its scope to such geographical area or areas and to such types or classifications of housing accommodations as in the judgment of the Director may be necessary to effectuate the purposes of this title. Before issuing any regulation or order under this section, the Director shall, so far as practicable, advise and consult with representative members of industries affected by such regulation or order, and he shall give consideration to their recommendations and to any recommendations which may be made by State and local officials concerned with housing conditions in any area affected by such regulation or order.

The OPA with all its powers that were so viciously used would look like a minnow beside a whale, if this monster is placed in existence.

Section 704 (b) provides as follows:

Any regulation or order issued under the authority of this section with respect to housing accommodations the construction of which is completed after the effective date of this title shall provide that no sale of any such housing accommodations shall take place until after the builder thereof has filed with the appropriate agency designated by the Director a description of such accommodations, including a statement of the proposed maximum sales price, and has received from such agency a certification that such price is reasonably related to the value of the accommodations to be sold, taking into consideration (1) reasonable construction costs not in excess of the legal maximum prices of materials and services required for the construction, (2) the fair market value of the land (immediately prior to construction) and improvements sold with the housing accommodations, and (3) a margin profit reflecting the generally prevailing profit margin upon comparable units during the calendar year of 1941. Any prospective seller of such housing accommodations may apply for such certification at any time, including before the commencement of construction, during its progress, or after its completion. In any case where a certification of approval of a proposed maximum sales price has been issued prior to the completion of construction, the prospective seller may, at any time before the first sale, apply for such revision of the maximum sales price previously certified as may be justified by a showing of special circumstances arising during the course of construction and not reasonably to have been anticipated at the time of the issuance of the earlier certification. The first sale of housing accommodations the construction of which is completed after the effective date of this title shall not be made at a price in excess of the maximum sales price certified under this subsection. The actual price at which any such housing accommodations is first sold, plus any increases authorized pursuant to subsection (c), shall be the maximm sales price for any subsequent sale of such housing accommodations.

What statesman, architect, philosopher, or magician could, through combined efforts, work out the meaning of all these words? I doubt if there are many Members of this House, or if there would be many among the personnel of this proposed new agency, that would know a sleeper from a rafter, or a cellar from an attic; yet with that compilation of words, you expect to labor and produce houses for veterans. God, pity the veterans, if from this effort, their roofs must come.

Section 705 (a) provides as follows:

Whenever in the judgment of the Director there is a shortage in the supply of any material or any facilities suitable for the construction of housing accommodations he may by regulation or order allocate, or establish priorities for the delivery of, such material or facilities in such manner, upon such conditions, and to such extent as he deems necessary and appropriate in the public interest and to effectuate the purposes of this title.

Here is an attempt to set up another WPB—to form another bottleneck—by red tape and confusion unsurmountable. In other words, you are trying to set up a combination OPA-WPB. What will you think up to saddle on the people next?

Section 708 (b) provides:

Any person who willfully violates any provision of section 706 of this title, and any person who makes any statement or entry false in any material respect in any record or report required to be kept or filed under section 703, shall, upon conviction thereof, be subject to a fine of not more than $5,000 or to imprisonment for not more than 1 year, or to both such fine and imprisonment. Whenever the Director has reason to believe that any person is liable to punishment under this subjection, he may certify the facts to the Attorney General, who may, in his discretion, cause appropriate proceedings to be brought.

Here is where your last hope goes. When one who knows how to build, and, if permitted to do so, would build, reads this, again I say the jailhouse is the only house he would ever think of again. The American people have had quite a bit of experience with these dumb, wise boys out of Washington, and do not think for a moment a man of any degree of intelligence is going to risk his freedom to the whims and wild brainstorms of these boys from the bureaus.

Now, we have covered a few of the high points in this manifesto of the creative minds of Washington. Let us come down to earth for once, where we can look around us and see things through the natural eye—see them as they are.

To anyone who will permit himself to think, it is easy to see why there is a housing shortage, and, for that matter, a complete economic crisis in this country today. I hate to make this statement, but, more than that, I hate to know that it is true. There are two reasons, and two only, why we are not very nearly over the hump in reconversion and back to normal living in this country.

First, this administration through years of appeasement and yielding to the CIO and its fellow travelers, has built up a monster in the form of labor racketeers that have just about taken over this country. Were it not for the strikes, which in practically all instances are totally unjustifiable throughout the land, there would be an abundance of building material and a great start would be made toward furnishing automobiles, frigidaires, and other household equipment and farm machinery and equipment needed throughout the land for normal living and abundant production for the happiness and welfare of the people of this Nation.

Besides the fact that this administration must assume the responsibility for the creation of this monster, which has assumed complete control of the destiny of the people of this Nation, this Congress has sat idly by and hog-tied industry and free enterprise and refused to make any constructive effort toward the regulation of the thugs and racketeers operating under the banner of organized labor. This Congress has seen every form of violence and destruction of property committed by this gang in violation of every fundamental law of this Commonwealth and in the face of such conditions, have constantly refused to make any sincere effort toward correction of these evils. I will give you just one example of the nefarious outlawry practiced by this gang: Under date of February 2, 1946, Mr. W. B. Gillican, of the Star Naval Stores Co., Inc., of Homerville, Ga., advised me that some

time ago they shipped to the Worthington Pump Co. at Harrison, N. J., several worn and broken parts of a Worthington pump for replacements. On December 31, 1945, they were promised shipment of these replacements; then on February 1, 1946, this company was advised by the Worthington Pump Co. that the shipment could not be made on account of a strike at the Harrison plant. Star Naval Stores Co. then requested the return of the parts, with the purpose in view to have them duplicated in a local machine shop. Upon receipt of this request, the Worthington Pump Co. advised the Star Naval Stores Co. that they could not return the parts as strikers would not allow the management access to the plant in which the broken pump parts were stored and, therefore, they could not get to them to return them. If this is not confiscation of private property without due process of law, in the name of God I ask what could constitute a violation of this provision of the Constitution of the United States? This is only one of many millions of unlawful acts that have retarded a proper reconversion. Furthermore, one of the causes of the lack of houses in this country today is the fact that farm prices have been depressed and not permitted to rise along with industrial wages and that strikes have prevented farmers from getting machinery absolutely necessary to the operation of their farms and, therefore, returning veterans have declined to return to the farms throughout the land where there is a surplus of vacant houses.

The next fundamental cause that lies right at the door of this administration is the fact that we have set up every conceivable agency to regiment the very heartbeat of every person in this country who has had any desire to work and produce anything. The OPA has developed a dictatorship like which a free people have never been subjected to before. They have gone far beyond any scope of authority that was ever expected to be vested in them. In the city of Valdosta, Ga., last fall a man with plenty of means started to build 100 houses for rent, and he found that everywhere he turned he ran into some wise guy from Washington who had to tell him just what he could do and just what he could not, and he, as many hundreds of others in these United States who know how to do things and who have the means to perform, declined to proceed further.

If this bill is passed, I assure you that there will be no houses built in the United States unless they are built by the Federal Government. It is my hope that the Government will never put out to build houses, as we had a very sad experience with its ability in this line during the war-housing period at a time, of course, that it was absolutely necessary that the Government get in that field. I can cite you instances where they came to the Congress with evidence to show that it was absolutely necessary at certain points to expend great sums for the construction of dwelling accommodations where people were camping and living in trailers. In one such instance in California they built a big apartment house or dormitory at a cost of more than a million dollars and were never able to rent but very few of the apartments. In another instance they spent hundreds of thousands of dollars to construct an apartment house in the Northeast, hauled furniture there and furnished it, and it is my information that they never rented the first apartment. The Government cannot do business, and all that may be expected, if we turn these bureaus loose to do this construction, is an absolute waste of the taxpayers' money and the building material in this country. It is inconceivable to me for a body of men presumed to be of normal intelligence to think of setting up another housing agency.

Today there exists at least four housing agencies, and here we come along seeking to set up another bureau at the cost of millions of dollars to taxpayers to add only to the confusion, inefficiency, and destruction of national wealth. If this Congress wants to serve the best interest of this Nation, it will take steps to disband all of these many bureaus trying to regulate the most minute details of the citizenry and industry of this country, and let the business people of this Nation proceed to advance forward, which policy has made the United States of America the greatest country on the globe. Another step that could well be taken by this body would be to stop the flow of raw materials badly needed in this country to foreign countries who have nothing but a boiling pot of confusion brought about by their mad scrambles to communize and socialize their nation. We could well also stop the flow of the taxpayers money to these nations, and for once, give some sober thought to the welfare of the economy of these United States, and the peace, happiness, and protection of the returing veterans who we sent forth by an act of Congress to fight the wars abroad.

Unfortunately, the bureaus established here with unlimited and unheard-of powers to be granted any board or bureau in a land inhabited by free people, in too many instances exert their efforts toward playing politics with a view to getting votes and maintaining themselves in positions of power and glory.

While on this subject I want to bring to the attention of this Congress and the Nation one of the blazing and damnable acts of discrimination against a decent people that has ever been practiced by anyone in power, irrespective of the injustice of the heartbeats of such one exercising said power. The OPA has fixed price ceilings on pulpwood throughout the United States as follows:

Area	Pine	Hardwood
Alabama	$7.60	$8.10
Florida	7.60	8.10
Georgia	7.60	8.10
South Carolina	7.60	8.10
Tennessee	7.60	8.10
Louisiana (east of Mississippi River)	7.60	8.10
Arkansas	8.35	8.80
Texas	8.35	8.80
Louisiana (west of Mississippi River)	8.35	8.80
Maine	12.75	13.75
Minnesota	12.75	10.00
Michigan	12.75	10.00
Wisconsin	12.75	10.00
New Hampshire	13.25	14.75
Vermont (part)	13.25	13.50
Do	13.25	14.75

For many months several Members of Congress from the South have been protesting with this all-powerful bureau, the manifest and outrageous discrimination practiced against the South on these ceilings. The officers of the OPA have never yet offered any ligitimate excuse for this brazen steal. It is nothing but downright thievery from my people and the other people of the South through the authority of power granted this agency by this Congress. It will be noted that through the North the ceilings provide practically twice the sum per unit for pulpwood that our producers are permitted to receive. Through many months of effort we have been able to get the OPA to increase our ceiling $1.40 per cord, which even though affords a little help, is nothing short of a grand insult toward rectifying, as stated before, a downright steal. Playing politics by any rule is beneath the position of a man in high office, but it transcends the lowest depth of cowardice and dogishness when it is practiced against the hands that have fed those in power. The reason, and the sole reason for this discrimination against the South is that the South through the years has consistently and uniformly supported the Democratic Party. It is an outrage and an insult to the intelligence of our people.

I am here and now putting this bureau on notice that unless we are granted an even ceiling with every other section of the country, that I shall not only vigorously oppose the extension of the powers of the OPA when the measure reaches the floor to extend its powers, but will use all of the influence at my command to cause others to so vote. I concede that this agency could function to the interest of the American people if it could for once quench its thirst for power and destruction. If it would only seek to hold down prices on actual necessities of life and permit the business people and laboring people of this Nation to go forward in the American way without being subjected to the whims of impractical wise guys from Washington, it could, as said before, function to the advantage of the Nation.

Finally, and at last, if we are ever to bring ourselves back to the American way of doing things, we must meet that period in which we are bound to have some inflation. The only natural balance that we may ever expect will be when a sufficient supply of merchandise reaches the markets to again set up a system of competition and permit the people to spend their surplus money for the actual necessities of life that they have been denied through the last few years. It is unfortunate but true that the OPA and other bureaus are more responsible than all other causes combined for the shortage of commodities today. I could cite instance after instance where their unfair rules and regulations have strangled and stifled the life out of the productivity of this Nation.

Another thing that is disturbing to me and should be to the American people, is the fact that instead of getting rid of great surplus personnel on the Federal pay rolls, we are continually increasing it at a useless expenditure of public funds. It is amazing and unthinkable

that the appropriations throughout have been greatly increased in a period following a destructive war and at a time that all appropriations and expenditures should be cut to the bone.

It is high time that the American people look closely into the activities at Washington. If some power does not rise up to cause this Congress to again make sober and sane approaches to the problems facing this country, nothing but destruction awaits our posterity.

Mr. KNUTSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is encouraging when a Member on the majority side will rise and make a frank, timely statement, such as was just made by the gentleman from Georgia [Mr. GIBSON].

I was impressed late yesterday afternoon while listening to the opening remarks of the chairman of this great committee when he repeatedly mentioned that we are in an emergency. Well, that is nothing new. We have had a series of emergencies ever since the New Deal came in. When our late colleague, Bruce Barton, left the House in 1941, he had then compiled a list of 38 emergencies that had arisen under the New Deal. We have been living in a constant era or age of emergencies for 13 long years.

This housing shortage is nothing new. President Roosevelt, away back in the early days of the "Misdeal," told us that one-third of our people were ill-housed, ill-fed, and ill-clothed, and he spent $18,000,000,000 on relief work. If the housing situation was then so serious, why did he not devote most of that $18,000,000,000 to building homes, rather than using it for raking leaves and robbing our people of initiative?

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Yes; I yield.

Mr. SPENCE. I was here during the last 2 years of the Hoover administration. There was not an emergency at that time, but there was such a depression you could see the stars at noonday.

Mr. KNUTSON. Yes; so the gentleman says. Does the gentleman remember that the Democrats were then in control of the House and they blocked Mr. Hoover at every turn?

Mr. SPENCE. Since I saw the change that came over our country when Mr. Roosevelt came in, it was a very beneficial change.

Mr. KNUTSON. The depression was the aftermath of the war you Democrats promised to keep us out of back in 1916.

There were yet over 10,000,000 men out of work when the Japs struck at Pearl Harbor after spending eighteen billions on relief and you had increased the debt from $22,000,000,000 up to $67,000,000,000.

Mr. ERVIN. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. No; I do not yield. Mr. Chairman, I prefer that these hatchetmen speak in their own time.

Now if the bureaus could build houses, there would be no need for any further legislation, because God knows there are Government bureaus all over the country. You now propose to create another bureau. A bureau for what? To build houses. No, my friends; you are not going to get houses with more bureaus. You are going to get houses through production. You are going to get houses by getting people back to work and producing the things that are necessary to build houses. You are not going to do it with more bureaus. In the 13 years you have been in power you have increased the number of bureaus and commissions from 68 to nearly 1,200. You have tried that remedy repeatedly. You tried to regulate the dairy industry with OPA, and today we read in the morning papers that there is only a 2 days' supply of butter in the entire Nation. No, my friends; you are again on the wrong track. You will have to find the right method, and the right method lies in more production. We all are for homes for all, but we do not deceive ourselves that we shall get them with more bureaus.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

VETERANS' HOUSING SHOULD NOT BE POLITICAL

Mr. PATMAN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I dislike very much to see this issue made a partisan political issue; it should not be, and I want to appeal to my Republican friends to desist and refrain from attempting to or making it a political issue. It is too serious for that.

When VE-day and VJ-day came we made arrangements immediately for the demobilization, the quick demobilization of millions of men. That upset our economy here in the United States. It was right that we should demobilize them just as quickly as possible. We did what we should have done, but at the same time we did not have the materials and we did not have the plans, we did not have the program to provide for the housing of these millions of veterans. It is true, as the gentleman from Minnesota stated, that our national debt is very, very high, but regardless of any national debt, this war is not over with the 15,200,000 men and women who served in the armed forces during World War II until we get them readjusted in our American economy and until we can give them the freedom and the rights that they were fighting for upon the battlefields of the world. This is one of the first steps in that direction, to give them a decent place in which to live. Good shelter? Yes. It is true that our country was ill-housed many, many years ago, and it has become increasingly worse every year by reason of a matter over which we had no control, World War II.

During the year 1925 we produced 937,000 residential housing units in the United States, the highest number which was ever produced before or since in this country. It was the only year that enough residential housing units were completed to take care of the actual demand. Since 1925 the number of residential housing units has been going down, down, down every year; and last year when public housing should have been adequate there were fewer than a quarter of a million residential housing units constructed in the United States of America. Therefore the problem that we had with us before the beginning of World War II has become increasingly worse by reason of these problems over which we have no control.

I want to appeal to my Republican friends not to make this a political issue; it is too serious for that, it involves these men whom we voted to send to war; it involves their families; it involves a debt that we have to perform for these men and their families, and anything like that should transcend political lines in the House of Representatives or any other legislative body.

PRESIDENT TRUMAN'S PROGRAM

It is true that we shall have a difficult time producing enough houses within 2 years even to halfway satisfy the demand for these houses. But President Truman with the help of Mr. Wyatt has a program. That program calls for 2,700,000 houses during the years 1946 and 1947. The President of the United States is calling upon this Congress, pleading with this Congress to give him cooperation to the end that he can satisfy the homes and families of at least 2,700,000 veterans during this year and next, veterans who are now doubled up with their in-laws living the best they can. Do you not think we have a duty to perform in the matter?

You supported these appropriation bills that came before this House. You helped increase the national debt. You did the right thing by doing so. It was the only thing you could do. When we needed housing for war workers you voted unlimited amounts to build those houses for war workers. You voted public money to be used to guarantee mortgage loans that would enable a war worker at any time during the 4 years of this war to buy a home for a reasonable price. The laws that you passed helped to keep those prices down. If they wanted to rent a home the laws that we passed, the laws that you voted for, helped to keep the rental down, even if it required the expenditure of funds from the Public Treasury.

We did exactly right during those 4 years. We did exactly as we should have done. Now, when the war is over and these servicemen are coming back here at the rate of 30,000 a day, commencing soon after VJ-day, what is our duty toward these men who have been away 4 years, who have been on one or more of the 55 battle fronts of the world, who have been fighting the battles to save our country? Many of them have come back for the first time in 4 years. Do you not think we should give them preference and the opportunity for just 2 years to secure a home?

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CUNNINGHAM. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, the passage of H. R. 4761 in its present form will, in effect, repeal title III of the GI bill of rights, which is the loan title. This is not a bill to aid the veterans, but, on the contrary, a bill that will hinder the veterans for the following reasons:

In 1944 this Congress passed the original GI bill of rights. Title III of that bill provided for loans to veterans with a guaranty up to $2,000 and provided that these loans should be approved by the

Veterans' Administration. After that bill became law and the regulations were issued by the Veterans' Administration we discovered that two appraisals were required for each loan, one by the lender and one by an authorized appraiser of the Veterans' Administration. Regulations were issued by the Veterans' Administration running as high as 18 and 20 typewritten pages for 1 paragraph of the bill.

The result of that was confusion and chaos. The veteran was disillusioned, disheartened, disappointed, and after an attempt or two on the part of the veteran he gave up in disgust and no longer endeavored to take advantage of the loan provision of the GI bill. He had to pay for two appraisals, he had to wait from 8 days to 10 weeks to find out whether the loan was approved, there were more of these applications being turned down than approved because of red tape.

Following that, in 1945, the Committee on World War Veterans' Legislation presented to the Congress a bill, which was passed, to simplify in particular the loan title of the GI bill of rights and at the same time that bill raised the guaranty to $4,000 and extended the period of time during which a loan for a farm had to be paid up to 40 years, on all others 25 years; and also provided for an automatic guaranty to the end that if the lender lent an amount not in excess of the appraised value fixed on the property by an authorized appraiser of the Veterans' Administration, the loan would be automatically guaranteed. Two appraisals were not necessary.

In that amendment we provided also a 90-day waiting period, a 90-day period during which loans under the original bill may be cleaned up in order to start on the new bill. That period has just about expired. They have already started making loans under the amended GI bill. It is meeting with great satisfaction and great approval from all over the country because at last we are making it possible for the veteran to get a home at not an excessive price, reserving to him all of the priorities.

Now look at the bill before you, on page 4, section 703 (a). What does it say?

> The Director is authorized to require any person who deals in, sells, rents, or buys, or offers, to sell, rent, or buy, any housing accommodations—

Then it goes on and requires him to make reports and keep records, and so forth. Remember, the veteran is buying these homes with the money he gets through the loan under the GI bill. You have put him right under the provisions of this bill, and he will have to qualify with all of the red tape, all of the regulations, and all of the rules set up in this bill by the director before he will know whether or not he can get a property on which he can go to a lender and get a loan approved. By enacting this bill you are going further, however, than we did under the original GI bill of rights. You are loading up the veteran with more delay, more disillusionment, more discouragement and more red tape than he had under the original GI bill, which was such a failure and disappointment and which we have now corrected.

I want to say one thing more. I have given this bill very, very careful consideration. I cannot find a single word in it that provides that a single veteran will get a single home. What he will get is confusion and red tape. There is no provision in it that the Government will provide and build homes for the veterans at reasonable prices. All you are doing is destroying the GI bill of rights as far as the loan title is concerned, adding a lot of confusion and disillusionment to the veteran with additional red tape.

I say, if you want to aid the veteran, defeat this bill. If you want to hinder the veteran, vote for it.

Mr. BUFFETT. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I have taken this time to call to the attention of the committee an amendment which I propose to offer at the appropriate time. It appropriately should be called a small business or competitive enterprise amendment. It reads as follows:

> (f) In order to achieve maximum production of materials suitable for use in the construction of housing accommodations the Director is authorized and directed to issue a directive on policy to the Price Administrator requiring the Price Administrator to establish within 60 days after the date on which this title becomes effective a maximum price with respect to each such material: *Provided*, That no maximum price shall be established or maintained with respect to any such material which (1) is below a price which will reflect to producers, manufacturers, wholesalers, distributors, jobbers, and retailers dealing in such material a fair and reasonable profit per unit, based on current costs, or (2) will reduce or result in the reduction of the dollar-and-cents trade discounts or dollar-and-cents mark-ups with respect to such material below the dollar-and-cents mark-ups with respect to such material below the dollar-and-cents discount or dollar-and-cents mark-ups applicable on January 1, 1945.

Mr. Chairman, this amendment is designed to give the small businessman in the building materials industry a fair chance to survive. Most Members of this House believe in small business. Most Members of this House believe in free competitive enterprise. This amendment, or an amendment of this type, is necessary if this House is going to prevent small business from being squeezed out of the building materials field.

This amendment would prevent price manipulation policies that are squeezing the little businessman out of the picture. If we want to get the houses built, we should give small business a chance to stay in the game.

The Members of this House do not want to see the business of the Nation concentrated in giant corporations. This amendment would be a constructive move toward preserving small business and a truly competitive enterprise system.

Mr. SMITH of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Texas does not want this made a political issue. He should not have brought the bill out if he did not want that done, because the bill itself creates a political issue. The nature of the bill does that. It does not take the Republican side to make this a political issue.

I intend to offer a substitute to the Wolcott amendment which, if adopted, will really do something to build more houses. This is a simple, straightforward amendment. It goes to the root of the matter, so far as this is possible under the existing circumstances.

It provides that the Director of War Mobilization and Reconversion be directed to prevent maximum prices being established or maintained in respect of building materials which result or are likely to result in discouraging the production, manufacture, or processing of building materials to be used in the building of homes.

It does not provide for creating any new agency. The task of carrying out the provisions of this act would be vested in the existing Director of War Mobilization and Reconversion. My amendment further provides that no duty or function imposed or conferred upon the Director may be transferred under the First War Powers Act, 1941, or otherwise, to any other office or agency of the United States.

Whenever any maximum price is established or maintained in respect of any building material needed in the building of homes at a price which discourages the production, manufacture, or processing of such material, the Director is authorized and directed to issue an order directed to the Office of Price Administration and to the Price Administrator requiring the maximum price to be raised so that it will no longer discourage the production, manufacture, or processing of such material.

The Director is specifically directed to take into consideration the need of granting wage or salary increases to permit—not to encourage, but to permit—free production, manufacture, or processing of such material.

My amendment specifically prohibits the use of subsidies.

This is a sensible American proposition I am asking you to consider. I cannot conceive a valid objection that can be offered to it. It does not remove price controls over materials that go into the construction of homes. It merely directs the Director of War Mobilization to prevent the OPA from placing ceilings on prices of these materials that are so low they cannot be produced. What is wrong with that? There cannot be anything wrong with it. It is the way and the only way to do this job and provide homes for veterans at the lowest possible cost.

It is the grossest delusion that the use of subsidies could benefit veterans or anybody else. Subsidies would have to come from Government printing-press money which would mean more inflation and hence higher costs of living. Subsidies are a subterfuge and only lead to more regimentation which means shackling still further production, thus speeding up the vicious cycle that is leading the Nation to ruin.

The Government already has all the powers required for giving priorities and allocations for building homes for veterans. There is nothing provided in the Patman bill in this respect that the

Government does not already have power to do.

I want to call the committee's attention in particular to the provision in my amendment which directs the Director to permit wages to rise wherever he thinks it necessary to permit production. This is a fair provision. The Government has not been impartial in its policy of permitting wages to rise. It has allowed them to rise in large industries but not in small ones, and the small ones are just as important in getting the economy going as the large ones.

It is true my amendment would give the Director of War Mobilization what would amount to dictatorial powers but in this instance his powers would be used not to choke the life out of the economy but remove Government shackles so that it may breathe and live again. If we have to have a dictator, and I don't say that we do, let us have one that will dictate the Nation back to free enterprise and not down the road toward communism.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I have been very much interested in the gentleman's remarks. May I call his attention and the attention of the House to a statement which appeared in the Wall Street Journal of yesterday relative to the ceiling prices on finished flooring, which I mentioned in debate yesterday when I told how the ceiling price of finished tongue-and-groove flooring had been fixed at a lower level than the ceiling price on the rough lumber from which the flooring was manufactured. On the same day the Wall Street Journal carried a story from Washington saying that the retailers will absorb the 10 percent rise in mill price ceilings granted on flooring. This increase in the ceiling prices on flooring has been granted suddenly by the Office of Price Administration after the matter had been discussed in the Committee on Rules and after there had been an attempt for seven long months by the industry to get such a price increase.

RETAILERS WILL ABSORB 10 PERCENT RISE IN MILL PRICE CEILINGS ON FLOORINGS

WASHINGTON.—Retail ceiling prices on several types of flooring must be computed on the basis of producers' ceilings last December 1, the Office of Price Administration announced.

By requiring retail redistribution yards to set their prices on last December mill ceilings, which were 10 percent lower than current ceilings, the OPA is demanding full absorption by retailers. Wholesalers may compute their ceilings on the basis of the adjusted mill prices.

The flooring items affected by the 10 percent mill price increase are: Oak and pecan, and hardwood of miscellaneous species cut in the southern, south central, and Appalachian hardwood regions.

Southern retailers were permitted by the OPA to increase their mark-ups on these flooring items by an additional 5 percent.

Mr. BARDEN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I must confess I am a rather disappointed man today. I rushed back, traveled all night to get here for the purpose of voting for the veterans' housing bill. I asked for a copy of the bill this a. m. and they brought me this H. R. 4761. After looking through it, I said, "Certainly that cannot be the bill." But it so happens that it is. The first few pages of this bill simply set up about the most high-powered bureau I have ever seen in my life. Much of it is duplication. I hope the gentleman from Kentucky or the gentleman from Texas will correct me if I am wrong.

Mr. PATMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. BARDEN. Yes; I am glad to yield to the gentleman for a question or for any information that anybody can give me so that I can get some little encouragement on this proposition.

Mr. PATMAN. We have worked on this bill for 3 months. I do not see how the gentleman could come back here last night or this morning and just pick up the bill and find out so much about it. I recognize he is a man of great ability and I personally have great respect for him.

Mr. BARDEN. Let me tell you I have seen a lot of people work for 6 months on something that I could read in 5 minutes and understand it, and I must confess I am not so sure I understand this. I do not understand why there should be this duplication of power which the rent-control department of the OPA has right now. That is piling bureaucracy upon bureaucracy. May I say to the gentleman right now, and I think the gentleman knows it just as well as I do, that the big obstacle today is not the lack of legislation such as this, but it is the production of building materials.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. MAY. When I was down home last week I saw the beginning of a real-estate inflation. This bill starts out and declares a policy of preventing that inflation in real estate. Can the gentleman tell me what provision of this bill will do that?

Mr. BARDEN. That is the $64 question. Frankly, our sawmills all over the country are shutting down.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield briefly.

Mr. BROOKS. In Louisiana just the other day the Tremont Lumber Co. closed down and gave as its reason the fact that the price control was such that it could not operate. That mill normally produces 30,000,000 board feet of lumber a year. I brought that to Mr. Bowles' attention and I got a report from him. He says he does not know why the mill closed down. But the fact is we are short now 30,000,000 board feet of lumber.

Mr. BARDEN. Why, I am sure that is true. The largest lumber mill in the State of North Carolina is within a half mile of my home and it has not cut a board since January 1.

Mr. PATMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. BARDEN. I am glad to yield to the gentleman.

Mr. PATMAN. There will be an amendment offered which will be for the purpose of breaking just such bottlenecks as have been mentioned by the gentleman.

Mr. BARDEN. Well, then, I say let us give that amendment the title of this bill and pass the amendment.

Mr. PATMAN. The subject of the amendment is contained in the original bill, I will say to the gentleman. I hope the gentleman will not commit himself against it because I think when he finds out all about it he is going to be for it because he will find that it will help building and will channel lumber into the most deserving hands.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield for a question?

Mr. BARDEN. I yield.

Mr. BROWN of Georgia. Does the gentleman from Texas refer to the provision which appeared in the original Patman bill?

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. PATMAN. I refer to the amendment which will be offered by the gentleman from Oklahoma [Mr. MONRONEY], which will provide for a premium payment plan, the kind that our Republican friends have always supported to help production. They have always supported production subsidies.

Mr. BROWN of Georgia. Mr. Chairman, I ask unanimous consent that the gentleman from North Carolina may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. BROWN of Georgia. I am glad to hear the gentleman from Texas [Mr. PATMAN] state that the gentleman from Oklahoma [Mr. MONRONEY] will offer an amendment called a premium amendment, but the gentleman will remember he said previous to that that this same amendment was in the bill, the one that was voted out of the committee.

Mr. BARDEN. I am sorry I am not familiar with what took place in the committee.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I want to be generous with my time——

Mr. PATMAN. In justice to me, will the gentleman yield? I assure him I will not ask any more.

Mr. BARDEN. If the gentleman will make it brief.

Mr. PATMAN. I intended to say that the subject matter of that amendment was contained in this bill, and I reiterate that; it is. I insist on it.

Mr. BARDEN. In all seriousness, I want to say that my people are just as anxious to be of assistance to the veterans as any people in America, but I am not going to be a party to fooling my veterans. I am not going to take this well and shout out in strong language, "Are you against helping the veterans?" until I have something that I think is genuinely of assistance and is sound. The average veteran is going to think of this—they are not thoughtless fellows,

you know. They are going to think of this, when you start your subsidies; that is, that they know they are going to eventually have to pay the bill.

When I read of all this power and authority, about their coming in and inspecting my house, and inspecting your house, there are enough folks running around my house now. Frankly, a fellow could take the power contained in the first four or five pages of this bill and do just about anything he wanted to, and then issue a directive against another governmental agency and make them do it too.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Miss SUMNER of Illinois. The gentleman knows that every business that has had OPA ceilings has had a terrible time trying to get justice, trying to get ceilings that would cover the cost. Does the gentleman think it is fair to the veteran to put an OPA ceiling over their house and make them try to get cost, when nobody else does from OPA?

Mr. BARDEN. I will say this. I have at times been critical of the OPA, and I find it necessary sometimes to be so now. At the same time I think it certainly is not without some virtue, and it has rendered a great service in a very distressing time. But I think they can carry it to the point of being an absurdity. The OPA now is struggling for existence. I want it to get along and operate normally, but certainly I am not anxious for it to grow very much. I would like to trim it down a little.

Frankly, I am serious about this. I will ask the gentleman from Texas this question: Have not virtually all the powers in the first two or three pages of this bill already been granted to the OPA?

Mr. PATMAN. No, not necessarily.

Mr. BARDEN. Well, I do not want any "No, not necessarily." I want to know if they have been granted.

Mr. PATMAN. I cannot answer the gentleman categorically. It requires some explanation. In the Second War Powers Act I think the President has practically all the powers which he has delegated to the present Expediter, Mr. Wyatt, contained in this particular bill, but those powers expire on June 30. You cannot carry out a 2-year program to build 2,700,000 houses in just a few months.

Mr. BARDEN. I think I get the gentleman's trend on that.

Would the gentleman just cite me the housing section in this bill where you are going to help with the housing?

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. What section is that?

Mr. PATMAN. No. 1 is barring further use of materials for the construction of theaters, honky-tonks, and race tracks, and compelling them to use that material to build residential housing units for veterans. That is No. 1.

Mr. BARDEN. I do not know which is the worst, trying to build a honky-tonk or trying to get one of these things through a bureau in Washington. We want to make it easier.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. CARLSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have followed the debate on this housing legislation very closely. Everyone agrees that the housing shortage is concrete and real and, therefore, should respond to a program that is sound and practical. Millions of our boys are returning from foreign battlefields and are in need of houses. The American home is one of the most sacred institutions of the country. It is one of the bulwarks of democracy. I contend it is a moral and sacred obligation on the part of all of us to assist these returning veterans in every way we can to secure housing facilities.

On the other hand, this problem will not be solved by demagogic statements and emotional appeals. I think it will respond to a practical, common-sense program which will provide lumber, cement, bricks, hardware, and other building material.

The pending Patman bill would place the control of these materials in the hands of an expediter or housing czar. It would be a complete regimentation of every phase of our construction industry.

This expediter would have control over the allocation of materials for flood control, highways, and other essential building programs that are of great concern to the veterans, as well as every other citizen. If you want regimentation and bureaucratic control which smacks of dictatorship, then the proposed bill should meet every requirement. It is my contention that we do not need Government action to stop the housing shortage. What we do need is to abolish the impractical, ill-conceived bureaucratic restrictions of the OPA and our housing program will be on its way.

On January 15 a CPA news release stated that 80 percent of the southern pine lumber produced was going black market. Those intimately concerned with the lumber business felt that this was a fair if conservative estimate. This means that today mills willing to take a chance are shipping lumber at black-market prices which the home builder is ultimately going to pay while production will remain low because relatively few mills will take this chance. However, if OPA would recognize the situation and adjust their prices to approximate the cost of present small black-market production we would immediately see the beginning of tremendous legitimate production which would go far to relieve the bottleneck which is denying home construction today.

Not only is there a black market in the lumber industry, but the present price ceilings are such that it is impossible to secure any type of lumber needed for building. For instance, the OPA allows only $3 per thousand for sawing a 3-inch plank into two more boards for sheathing. The cost is normally about $7.50 per thousand, so the mills make dimension lumber instead of boards. Under these circumstances it is, of course, impossible to get the type of lumber needed for construction of houses. Following are some reasons why we do not get needed lumber:

The fir lumber mills are permitted to charge from two and one-half to six times as much for rough green ship decking as they can charge us for 1 by 4 to 1 by 12 common boards, or 2-inch framing material for housing purposes. There are still 650,000 people employed in shipyards in this country.

One-inch rough green boards may be sold for railroad cars at 25 to 80 percent more than the mills may charge us for No. 1 common boards and framing lumber for housing purposes.

Rough green clear timbers, 12 by 12, may be sold at the mills at 15 to 50 percent more than they may charge us for B and better top-grade kiln-dried flooring and siding.

During the debate there has been considerable discussion about the exports of lumber and the usual stock answer is that we export only a negligible amount of lumber and import much more. Regardless of that, we are anticipating an export of about 1,000,000,000 feet of lumber this year, and that would construct a large number of houses.

My attention has just been called to an article on page 3 of the Daily News, Los Angeles, Calif., Monday, January 28, 1946, of a yard in Mexicali, Mexico. This yard is brim full of lumber, even in the driveways the lumber is piled high. In Mexicali there is a building boom, residential as well as commercial. This paper states that Mexicali has grown, in 4 years' time, from a city of 12,000 population to a city of 35,000 population, and has managed, despite ever-rising inflationary conditions, to keep its residential and commercial building from lagging too far behind.

Across the border from Mexicali is the picture of another lumber yard, in Calexico, Calif. The Calexico yard is apparently bare. It is unable to stock one-tenth of the lumber stocked by the yard just across the border in Mexicali. Obviously there is a reason for this, and in my opinion the reason is the bungling OPA policies.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. CARLSON. I yield to the gentleman from California.

Mr. HINSHAW. The only thing that separates those two lines is an international fence and the laws and regulations of our country.

Mr. CARLSON. There is no question about that.

There is another matter I want to discuss before closing, and that is subsidies. Most everyone must agree that money and credit are not the problem in home construction. In fact, both of these are available in every community in the Nation. Therefore, it seems most absurd to suggest a subsidy for houses. Those who argue vociferously in favor of subsidies are the same people who contend to be greatly concerned about inflation. After all, what does bring about inflation faster than a program of subsidies? At the present time we are taking money out of the Federal Treasury to assist the people in paying for their own grocery bills. Now it is suggested that

we do it for homes. This may be a sound program to some but it is not the type of economics I learned in the schools I attended. If we enter into a program of subsidies for the building of houses it will be natural that we establish a large number of fly-by-night prefabricating plants in the country that will flood the Nation with cheap, poorly constructed homes that will have no lasting value. We will saddle the cost on the veterans and in the long run will not be doing them a service. In fact, it will be a disservice.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. CARLSON. I yield to the gentleman from New York.

Mr. BARRY. In my part of the country and in most parts of the country with which I am familiar the price of new homes today and old homes is far out of range of the pocketbook of the veteran or at least the great majority of the veterans. Will the gentleman tell me how by lifting the ceiling prices and increasing the price of materials we are going to put those homes within the range of the veteran's pocketbook?

Mr. CARLSON. I do not know how you are going to put them in the price range of the veteran's pocketbook, but I do know if you take off these ceiling restrictions it will get homes in this country and that is what we need. We can make other provisions for aiding the veteran in home purchases.

Let us use some common sense in working out this program by getting our construction program started through the increased production of every type of material. We have the money, the credit, labor, and all we lack is a little common-sense thinking.

Mr. Chairman, I am including three letters received from citizens in my district regarding the pending legislation:

HOLYROOD RURAL HIGH SCHOOL,
Holyrood, Kans., February 17, 1946.

Hon. FRANK CARLSON,
Representative, Washington, D. C.

HONORABLE SIR: I have been reading a protest by you over the lumber situation and the shipping of the same from this country. Why cannot something be done about the situation? Yes; all of this ballyhoo about 2,000,000 homes is in a large measure just another expenditure for the taxpayer. These homes are not permanent and will not satisfy or justify the expenditure. The Government will underwrite the cost of these units and in a large measure they will be paid for by the average citizen through taxes. Why must we send lumber abroad when it is needed so badly at home? Mass production of homes will stiffen labor problems throughout the country and the cost of prefabrication will be largely centralized in another section of the country. This does not make for economic adjustment in any State or in any part of a State.

Note what has happened to the average small contractor throughout the country. He was not large enough to take a Government contract on building of war camps. He suffered. Now materials have deprived him of a chance again to make an honest living. Now with a new restriction on, he must get a 4–H rating and build for a problematic GI in order to live. Tell me just why we cannot have free enterprise and materials with which to build. We cannot buy brick for construction without a priority rating. Why?

We cannot buy inch stock or boards for building. Why? The OPA allows only $3 per thousand for sawing a 3-inch plank into two more boards for sheathing. The cost is normally about $7.50 per thousand. So the mills make dimension lumber instead of boards. Contractors on the west coast have purchased about 60 percent of small mills to have a source of supply. They can make their own boards. Where is the OPA? I was expediter during the building of Smoky Hill base and the lumber purchased for this project averaged $55 and now the same dealers get $80 in Salina for an inferior lumber. Tell me why? If some of the situations are not corrected soon, I predict a disaster that will make the depression of 1931–40 look like a shoolboy's holiday.

Yes, I read Time. I could say as much about the article on cotton. I have tried for more than a year for some new shirts. The picture is not a pleasant one. I am still looking for shirts. Well, keep up the fight, we may be a long way from winning the peace.

Respectfully,

LEN HARDEN.

GEORGE M. BEAVER LUMBER CO.,
Colby, Kans., February 11, 1946.

Hon. ARTHUR CAPPER, *Senator,*
Hon. FRANK CARLSON, *Congressman,*
Washington, D. C.

GENTLEMEN: Wish to insert part of a letter written by a wholesale lumber dealer. In part it says:

"The situation is very bad, but really looks worse than it is. The problem is an OPA problem all around and if somebody can dynamite the OPA office, some lumber might start coming down the 'crick.' The men who can make rough timbers and plank won't take orders so long as OPA is threatening to reduce rough prices. They want to see the price schedule before they go ahead. OPA might put it so low they'll want to shut down. On the other hand, they won't take orders for rough boards and dimensions so long as a 12 by 12 is more profitable than a 2 by 4. Right now the problem is 100 percent the problem of OPA trying to run the industry and falling down at it."

That, gentlemen, is the whole story. As long as this exists, the small businessman, like myself, just as well fold up as we depend wholly upon the wholesaler to secure lumber for us and as long as they cannot add a little commission for their troubles, no inducement for them to try and buy lumber for their customers. I do hope Congress will do something about this.

Yours very truly,

GEO. M. BEAVER.

GEO. D. TUBBS LUMBER CO.,
Norton, Kans., February 26, 1946.

The Honorable FRANK CARLSON,
House of Representatives,
Washington, D. C.

DEAR MR. CARLSON: I wired you last night as follows: "If Patman bill H. R. 4761 includes subsidies to manufacturers of building materials or prefabricators it will actually curtail production and work against needed housing for veterans. Industry needs and wants relief from the stringencies of OPA, not subsidies and priorities. I speak from experience. Trust you will oppose such legislation." I am sorry that I did not know sooner that this bill was, with a proposed amendment, about to be brought onto the floor of the House today, for I would have liked to have written you a long letter in regard to it. I, as you know, have spent many years in the retail lumber business. Have been in close touch with the manufacturing end, as well as having a lot of experience with the actual construction of housing. I speak from actual experience when I say that the lumber business is today in by far the worst condition I have ever seen it, and instead of getting better it grows daily worse. A lot of legislation that is now being urged in the name of help to ease the housing shortage, help the returning veterans to find a home, etc., will, if adopted, not only fail to help these things, but will actually work against the very things they are supposed to help.

Business as a whole has always done a pretty good job of taking care of things if given a chance, but it looks as if some in power are determined to have more regimentation and control of private industry instead of letting things get back to normal.

In this community, and in about all others with which I am familiar, the building of homes would outstrip the market for same in a short time if we could only get materials. Money and credit are not the problem. Either are easy to get. In fact, there is too much money and too much credit in most communities for the ultimate good of things in general, but you can't build houses for returning veterans if the only things you have to work with are money, credit, subsidies, and priorities. It takes material to build homes.

I wonder who it is that has helped to build up communities such as ours. Is it the retail lumbermen and the local contractors or is it the prefabricating companies located on the coast? Why is such an extreme effort being made to get materials into the hands of the prefabricator and even give him a subsidy and guarantee him a market for his prefabricated house when nothing is being done to get materials into the hands of those who could and would build better homes if materials were available? I might call your attention to the prefabricated farm structures, such as granaries, etc., which were built during the war. The same racket was used then, only it wasn't as bad as the one proposed at present. Prefabricating outfits were given priorities to get materials. They built granaries from the poorest material possible, the workmanship was worse, the designing of the buildings was anything but good, the finished product was not what the farmer wanted, and the price was higher than it would cost him to build from regular materials had they been available, but instead of doing something to make them available and channel them into regular sources of distribution they were handled the other way, with the result that many of them are still unsold throughout the country and a large majority of those that were purchased by farmers are now the poorest thing in the way of equipment he has on his farm.

The same thing is and will be true of prefabricated houses. When the time which is consumed in making them up is taken into consideration and added to the time it takes to erect them, nothing is saved along that line. The material used will not be as good. The cost to the veteran or other customer is more, the design is not as good, and the house is not as practical.

Why not do something to help the legitimate manufacturer of materials by taking the OPA off from his neck? Why not do something to stop this black market in lumber, which they all know exists, and which keeps honest people from getting materials? Subsidies and priorities are not the answer. They are not needed. All the industry needs is a chance to get materials. Give them that and the housing program will take care of itself in a short time. Priorities Regulation No. 33 has only disrupted the normal flow of lumber. I hope you will do your best to see that production is not further curtailed by the adoption of more legislation along these lines.

Very truly yours,

GEO. D. TUBBS.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. MURDOCK. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. MURDOCK. Mr. Chairman, while trying to keep an open mind with regard to the two bills before us at this time, I want to direct my attention and urge yours to another matter which is desperately critical. My friend from Minnesota said here earlier today that we have been fed up with a lot of emergencies. He seemed to be playing down the fact that there is an emergency. Perhaps I have not quite quoted him correctly, but, anyway, it is called to our attention that we are now in an emergency—another emergency. Now, I cannot make light of this emergency of lack of veteran's housing, and no Member of the House may minimize the emergency which exists right now. We are indeed in an emergency.

Mr. Chairman, if it had come to our attention in the midst of the recent war that an army of this country on foreign soil was without food or ammunition, would we not call that an emergency? Certainly we would. Today these men are home, and thousands are without dwelling places. I am getting letters from men in Phoenix, Ariz., making certain startling observations. I have received several letters within the last few days from Arizona from a veteran of the First World War, a man in whose judgment I have confidence, and his statements disturb me greatly.

What does he tell me? He tells me that out of the 30,000 veterans returning to this country from abroad every day, 200 of them are coming daily to Phoenix, Ariz. Where can they go? Dwellings cannot be rented nor built. Where can they go? No doubt that situation is typical.

Mr. Chairman, I want to drive home this point: Think what it means. Two hundred of the veterans of this war are coming to Phoenix, Ariz., every day; and this has been the case for some time. This friend of mine, a veteran of the First World War, a man interested in veterans, said that he took a drive out into the country just recently and on that drive he picked up 15 ex-servicemen to ride a portion of the way. About two-thirds of those men were not Arizona people. They had come to Arizona from other States. Every one of them was living on the $20 compensation which he gets. Not one of them had found a place in which to live in Arizona. He says they are bitter. I do not know how many of them found employment, but they cannot find a place in which to live. No doubt if they move on they will find similar conditions elsewhere.

This same keen and sympathetic Arizona observer cries out against the high and rising cost of living, as the line has been very inadequately held to his knowledge. He says that he himself has seen, and that many returning veterans bitterly complain of, large buildings going up in Phoenix with apparently sufficient materials, whereas veterans cannot buy a shingle for a home. He declares that these angry and disillusioned young men are demanding to know why these things are so. Are these conditions what we promised them?

I listened to what my colleague from Iowa, PAUL CUNNINGHAM, said concerning our extended and liberalized GI bill of rights. I know the splendid part he played in shaping that desirable and necessary legislation, and I know his sincere interest which prompted his great heart to work for liberal and generous provisions for those veterans who were fortunate enough to return. I have the same interest in them as I know he has, but I have less opportunity to give expression to it in the shaping of veteran legislation. But this is the question in my mind:

If we remove controls and price ceilings as some are advocating and let the law of supply and demand operate, will not the cost of building run so high that even the latest and more generous provisions of the GI bill of rights be entirely inadequate for the average veteran to make a beginning on obtaining a home? If the cost of the most humble sort of dwelling is to run up to eight or ten thousand dollars, and the chances are that under the operation of supply and demand it would run far beyond that, how would the latest and most generous version of the GI bill of rights help in that situation? Are we willing to again modify the loan provisions of the GI bill and double or treble its home-owning benefits? If we are not willing to do that, I can see in the proposals made here by some of the opponents of the Patman bill, the enactment of a different kind of legislation which will indeed result in building homes but they will not be homes for veterans. Rather they will be pretentious and expensive homes for the war profiteers who have made their pile while the soldiers fought and died and who now after the war are enabled to get their building construction through action of this Government done in the name, and for the cause of, those same veterans. Is this the type of legislation that business is demanding and the Nation wants? I can see more than one way this situation could prove a mockery to veterans.

The compensation we are paying veterans is not adequate with rising prices. How can they buy homes? I want to tell you that jobs and homes for these men who are coming back constitute as great an emergency as this country has ever faced, even in war. Neither industry nor Government has done enough to meet it. I hope we can meet this emergency by the right kind of legislation. If this bill is not the right kind of legislation, for God's sake let us get the right kind of legislation and get it quickly.

The CHAIRMAN. The time of the gentleman from Arizona has expired.

Mr. MURRAY of Wisconsin. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, 2 years ago I remember that we had many tears shed about whether they were going to vote the soldiers or let the soldiers vote. But I had not seen anyone worrying much about it before they went to war and I have not seen anyone worrying much whether or not they are going to allow them to vote in the various States since their return. Surely, we can get into an emergency and we can get into a mess and I have come to the conclusion that the present administration is in both of them most of the time. They get into most of them themselves. Why have not they allowed homes to be built these many months?

I have a little town in my district. They have considerable timber and lumber in the community. We do not use all of the land for producing milk. I have a man that wants to start up in the lumber business in this little town of around 800 people. What reason do you suppose the OPA gives for not letting him go into the lumber business? The OPA will not let him go into the business to sell lumber that he gets from a company because he happens to have an interest in the lumber company. He cannot buy lumber from that company. If a veteran in that community wants to build a house, he surely is not going to get any lumber from that particular company, because they tell him he could not buy from this would-be retail lumber dealer. A veteran cannot obtain lumber to build a home from this man. These people up there who have to repair their buildings and build milk houses to take care of their products out in the country when it is 10° and 15° below zero do not need the OPA to tell them what to do with their lumber. The war is over. If you want people to have houses and be in a position to repair farm buildings, you should not put a lot of restrictions in there that I do not believe this Congress or any other Congress ever intended to be in any act.

This man who wants to go into the lumber business is a prominent man, chairman of the county board of his county, a man who is looked upon very highly in his community. They will let him sell cement, and so forth, but he just cannot get lumber. I would just like to have someone tell me how a veteran in that community is going to build a house, even if the lumber is piled up all over the town. Somebody in Washington tells him he thinks it ought to be sent somewhere else to build a theater or something of that kind, I suppose.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Michigan.

Mr. CRAWFORD. The gentleman has referred to lumber for farm buildings and repairs to farm buildings. I think it may be admitted here in debate that unless we amend this bill before us on page 11, lines 15 and 24, to provide for repairs and construction of essential farm buildings, that the Adn inistrator can freeze out of operation such construction. So when the time comes and that amendment is offered by me, I hope the gentleman will support it so that the farmers will have the opportunity to purchase this material.

Mr. MURRAY of Wisconsin. I thank the gentleman. I will support his amendment. I would like to support an amendment that would let a man furnish lumber to the citizens of the community. I would like to ask the gentleman from Michigan [Mr. CRAWFORD], the

member of the committee, if he knows of any legislation that has been passed that the OPA can tell a man that he cannot be in the lumber business because he happens to have an interest in a wholesale lumber institution.

Mr. CRAWFORD. I sincerely believe that under the Stabilization Act and the War Powers Act and the OPA Act, all of which are still working, that OPA has authority to prevent this man to which the gentleman refers from purchasing lumber from the company in which he is interested, and processing that lumber and putting it in the market in that community. I think they have the power to do it.

Mr. MURRAY of Wisconsin. Regardless of the needs of the people in the community?

Mr. CRAWFORD. Yes.

Mr. MURRAY of Wisconsin. We better be getting the Government back to the people.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from California.

Mr. HINSHAW. I cannot make this as a personal statement, but the gentleman from New York [Mr. TABER], told me earlier this afternoon that there still remains in effect what is known as MPR 26 which was promulgated for the purpose of channeling lumber into the heavy lumber use of the Navy and the Army, and that for 6 months since VJ-day that has still been in effect, and consequently the production of lumber for use in building houses is practically at a standstill. For goodness sake, if they want to build houses, why do they not lift MPR 26 and have it removed?

Mr. MURRAY of Wisconsin. I thank the gentleman. I would like to see some lumber channeled to the rural areas for the use of veterans, would-be home builders, and farmers.

Mr. CRAWFORD. Mr. Chairman, if the gentleman will yield further on that point, if, under MPR 26 they place a ceiling, we will say, of $75 per 1,000 board feet, of the type referred to by the gentleman from Ohio [Mr. BROWN] and then set a price of $40 per 1,000 board feet on flooring made out of that lumber which cost $75 per 1,000 board feet, you can see what it does in preventing the production of flooring.

Mr. MURRAY. This situation is not surprising. Old cars even will soon be selling for more than new ones.

Mr. BARRY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it amuses me to see Members from the Farm Belt get up here in succession and talk about subsidies, as though they were something new in the American form of government. I remember in the years before the war when farm prices were low, and time and time again the House voted parity payments. If they are not a subsidy I do not know what a subsidy is. I also remember voting for soil conservation and other incentive payments.

The problem that faces the veteran today is just as serious as the problem that faced the farmers 4, 5, 6, and 7 years ago. There is much talk about the OPA. The records reveal that the average farm-commodity price was about 85 percent of parity before we got into this war. Since that time their production has increased from 25 to 35 percent, by the hard work of the farmers and in spite of the shortage of labor. Farm prices have increased from about 85 percent of parity to 117 or 118 percent of parity, a figure which represents approximately a 50 percent increase. That was under the OPA.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. They held our production down. They would not let us produce.

Mr. BARRY. With the great shortage of labor we had during the war, I should like to know how any production was held down. It just does not make sense.

Maybe this is not a bill to cure this problem, but I tell you here today, and you will find it is true, that unless we subsidize the veterans somehow, whether in this way of payments to builders, or giving the veterans a down payment—we are going to subsidize the veterans today or tomorrow or a year from now or the veterans coming back will not have homes.

When you recognize what is going on all over the world, the left wing, Socialist, communistic swing in Europe and Asia and in countries like England and France, it gives us something to think about, even when you watch the Gallup poll in this country, which reveals that Henry Wallace is runner-up to Truman and that Harold Stassen is runner-up to Dewey, you find there is a distinct left-wing swing in this Nation. Do not kid yourselves. If we have millions of veterans piled up with their in-laws, their friends, their relatives, breaking down their morale, we are going to have a very definitely increased left-wing trend in this country very shortly. This is not a light or simple problem. I say again this bill may not be the cure-all bill for it, but we are going to face that problem and soon in another bill if we do not pass this one.

In my part of the country, and I know it prevails in Chicago, Philadelphia, Boston, and Los Angeles, 90 percent of the veterans cannot pay $8,000, $9,000, or $10,000 for a home. If we eliminate the OPA certainly that will not lower these prices. Increased production will not lower these prices for at least 3 or 4 years. We cannot stand by and see millions of veterans piled up with in-laws and other people during that period.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. Does the gentleman know that the payment of subsidies in the European countries has been one of the greatest forces to produce communism?

Mr. BARRY. I know that subsidies are in the direction of socialism—I do not know about communism—but we have been doing that through the emergency. Before the war the farmers have received subsidies, and the gentleman has voted for them, and they will receive subsidies in the future if their prices fall.

Mr. SMITH of Ohio. Let me explain this to the gentleman. Subsidies are created by Government printing-press money. There is your trouble.

Mr. BARRY. I refuse to yield further. I understand the gentleman's theory on that score. Subsidies are not desirable but there are things that are less desirable. I do not want to see a march on Washington of millions of veterans and their wives and children and mothers demanding shelter. They have been away 3 or 4 years while everybody in this country with the exception of the white-collar class made money—the manufacturer, the farmer, organized labor, all made money. If we produce these houses at a high price, the veterans will not be able to buy them. They will be bought by organized labor's workers, or people who have saved money while they fought, such as manufacturers or people in business. Under the OPA in the last few years there have been fewer business failures in these United States than ever before in its history. Those are the figures of Dun and Bradstreet and not of the OPA.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. DIRKSEN. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. Mr. Chairman, it is about 650 years ago that the old English poet, Geoffrey Chaucer, said:

> Thou shalt make castles then in Spain, and dream of joy all but in vain.

Now you can make an air castle in Spain out of a daydream but you cannot build a house for a veteran out of anything quite so tenuous and quite so flimsy. It requires materials. Let us consult then a high administrative official of Government and see what the score is. Let us rely, not upon a newspaper clipping, not upon hearsay, but upon the man who is charged with the responsibility at this moment of providing for materials. His name is J. D. Small and he is the Administrator of the CPA. The letters CPA do not stand for certified public accountant. They stand for the Civilian Production Administration.

On the 6th day of February 1946, Mr. Small appeared before the Subcommittee on Deficiencies of the Committee on Appropriations. I read to you from his testimony recorded on page 23 of the hearings:

> The bottleneck today on construction is basic construction material, such as cast-iron pipe, clay products of all kinds, clay sewer pipe, and things of that kind.

Who said that? Mr. J. D. Small, who is invested with the authority to carry on where the War Production Board left off and he exercises the power to allocate materials today.

On page 28, to continue with Mr. Small, he said:

> Well, to use a typical example, take cast-iron soil pipe. As I said here today earlier,

before the war there were 52 foundries producing approximately 50,000 tons a month. That dropped to 28 foundries making 12,000 tons a month. We are desperately short of soil pipe. If we had 50,000 tons a month, we could cover the present program. Out of 52 foundries, only 28 are operating. One of the reasons is lack of manpower; one of the reasons for that is low wages; and one of the reasons for that is they cannot afford to pay more. I went to the OPA and told them we had to have an increase on cast-iron soil pipe. After some delay, they gave one of $3 a ton.

Then, on page 29, the gentleman from Massachusetts [Mr. WIGGLESWORTH] asked this question:

Have you had success in achieving a reasonable increase in the price ceilings of building materials to date?

Mr. SMALL. I would say, Congressman, that we have had some success in it, but it has been a pretty tough struggle to get the increases through, and they have been pretty meager.

He is the man who allocates housing materials today. He is the man who has been charged by the President of the United States with the responsibility to allocate building materials. So do not rely upon newspaper stories and clippings. Rely upon the man appointed by President Truman, who says it is tough to get even meager results; that if he could get results these materials that constitute, in his language, the bottleneck of the building industry, would begin to flow. You are not going to build houses for veterans of the stuff out of which air castles in Spain are built. You will build them out of gypsum, plaster, lime, cement, lumber, and all the rest of the things that enter into that picture.

Now, it is said there ought to be subsidies. Let me answer the gentleman from New York [Mr. BARRY] and particularly the question he addressed to the gentleman from Kansas [Mr. CARLSON] a moment ago. He says, "In that spread, how are you going to get houses at a moderate price unless you subsidize?" Let us look at it. It is only a year ago that the particular agency that operates the basic act to which this is an amendment, made a survey of housing in the country. Do you know what they found on all housing? They found that the proportion of materials that goes into housing in the average was approximately 45.7 percent of total cost. Multiply it out on a $6,000 house and what is it? It is around $2,700 plus. Suppose you give material manufacturers a 10-percent increase in the basic material in a house where the building material is only 46 percent, and what is the increase? Roughly, about $150. You go along with this subsidy proposal, and you fly like a blunderbuss over the whole building industry of the country, and you will not come out under $200 per house or perhaps $300 per house. Yet here is Mr. J. B. Small, Administrator of Civilian Production, who allocates and dispenses priorities, who is the administrator of the HHH orders, or whatever they are, who says he has been trying to get an increase in prices in order to get a flow of the basic materials that build housing, and "the results have been very meager."

Why talk about a housing bill unless there is a provision for production of material, first of all? You will not find it in this bill, except one and one-half lines in the declaratory statement in section 1. Look at the power that is given to the Director of Stabilization in this bill. It gives him the power to allocate materials that are already short, but not to add to the supply of material. There should have been written here the power to allocate materials for the production of machinery with which to produce goods and commodities and materials that go into housing.

I am just as much interested in housing for veterans as anybody, but you are not going to build them out of dreams. And let us not kid them. Look at some of the serious implications here. If you do it too fast, if you try to get too much of this program of 2,700,000 units in 2 years, what will happen? Do you want to foist upon an ex-serviceman a house built with green lumber and have him put on it a mortgage of five or six or seven thousand dollars, only to find that 2 years later he will be able to put a brawny fist right through the side or the corner? If you try to expedite in that fashion, look out. I would rather follow the people who have had skill and talent in the business of producing building materials, and give the veteran a show for the little equity he will have in one of these houses.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes; I yield.

Mr. PATMAN. May I invite the gentleman's attention to the fact that in section 705 of this bill facilities for construction and building may be allocated.

Mr. DIRKSEN. I am sorry to say I do not share with my friend from Texas the view as he interprets that word "facilities" in connection with the rest of the context, that it will have very much to do with the business of producing material out of which these houses are expected to be built.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. BARRY. Does the gentleman contend that under a policy of laissez faire the veteran will get any houses in the next couple of years that they can buy?

Mr. DIRKSEN. Definitely not; but I want to help.

Mr. BARRY. How will you help?

Mr. DIRKSEN. First of all, go back to the original source of our difficulty, as expressed, not by a Member of this House by the name of DIRKSEN but by a man who is a successful businessman, who was selected by the President of the United States to break the bottleneck on material, in the hope that out of it there would be an acceleration of industry that would build houses. Now he goes right back to OPA in connection with soil pipe and other basic materials and he said that if they had given the proper increase of $10 a ton that would have made a difference of $5 or $6 in a single house, but they would never have to worry about any rainstorms.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. BARRY. Does the gentleman advocate then that this whole situation is going to be cured by merely raising the price of building materials?

Mr. DIRKSEN. No; but I think this bill ought to have a lot more consideration than has been given it. We have not heard enough from people who know something about it.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. MARTIN of Massachusetts. Mr. Chairman, I ask unanimous consent that the gentleman from Illinois may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BARRY. Mr. Chairman, will the gentleman yield further?

Mr. DIRKSEN. I yield.

Mr. BARRY. I am trying to find out—and I have great esteem for the gentleman from Illinois—I am trying to find out if he does not like this program, what he would advocate in place of it other than raising the price of materials?

Mr. DIRKSEN. Let me answer that by asking the gentleman this question: How many people who are skilled in the building industry who must do this work came before your committee and spelled out some of the practical difficulties that are involved? How many?

Mr. BARRY. That is not an answer to my question.

Mr. DIRKSEN. It certainly is. You ought to hear from somebody who has had some experience with it.

Mr. BARRY. We had some. I would not object to a further hearing. I think this whole problem has not been given adequate consideration; but that is not an answer to my question. Suppose we had further hearings, what would the gentleman suggest?

Mr. DIRKSEN. I would suggest first that you go back to these people of skill and experience in the industry, get them around a table and say, "Look, here is what we are going to try to do. How can we best do it? What are the difficulties involved, what material is available? What do you think is necessary by way of modification of OPA or other restrictive regulations which are now in effect?"

I will ask the gentleman whether he called the expediter of the program, this Mr. J. D. Small, the Administrator, before the committee?

Mr. BARRY. Yes.

Mr. DIRKSEN. I have not examined the hearings, but I think those charged with responsibility should be consulted.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. TABER. Does the gentleman realize that on September 1 last, when the war ended, OPA had in effect MPR–26, which prevented the production of lumber by manufacturers and required a certain percentage of deck lumber? And that that order has not yet been changed?

Mr. DIRKSEN. That is right.

Mr. TABER. It is holding down the production of lumber; and that in itself keeps us from having housing.

Mr. DIRKSEN. Further in this connection I call the gentleman's attention to this language on page 6 of the bill:

Before issuing any regulation or order under this section, the Director shall, so far as practicable, advise and consult with representative members of industries affected by such regulation or order.

Why not make it compulsory? Why make it "so far as practicable?"

Why did not the committee consult with those who have been building houses in this country for several generations? Is there any reason for leaving them out? Is there any reason for suspicion or distrust of them?

Mr. BUFFET. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. BUFFETT. I have a letter here from William H. Shaw, Chief of the Construction Statistics Section of the Department of Commerce, about this question, in which he states:

You will note that substantial increases in the present rate of production are necessary to meet the estimated requirements of 1946. We believe that these increases are possible. However, to assure them, it will probably be necessary to solve the numerous labor and pricing problems that are now perplexing the various industries.

Then he said it would appear that capacity will not be a serious limiting factor. In other words, the capacity is there in the industry now if they are given a chance to operate.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Very briefly.

Miss SUMNER of Illinois. I wish to state to the gentleman that Mr. Small did appear before our committee and the gentleman will find his testimony on page 365 of the hearings. He will see there his statement on the need for a price incentive and that the OPA has prevented the production of lumber by their policies.

Mr. DIRKSEN. In the short time remaining to me I want to call the Members' attention to a statement appearing in the Prentice-Hall's press release recently.

The very first thing one encounters on a house is the doorknob. Now, let us take the case of the Gate-Way Manufacturing Co., of Los Angeles, who thought they would start making doorknobs. So they took it up with OPA on May 21, 1945. They waited a month. Finally OPA replied, "Unable to determine jurisdiction." Three weeks later OPA stated, "Send photos of doorknobs."

Early in September Gate-Way wires Washington:

Production stopped. Workers laid off.

Washington wires back:

Expect decision next week.

September 20: Gate-Way wires Washington:

Can we do anything to expedite?

September 27: Los Angeles regional office urges Gate-Way to keep after Washington.

October 1: Los Angeles regional office itself wires Washington.

October 3: Washington's answer to Los Angeles regional office:

Gate-Way can sell its doorknobs at price just equal to cost of manufacture.

October 4: Gate-Way appeals Washington's decision.

October 12: Washington denies Gate-Way's appeal.

October 13: Gate-Way decides not to make doorknobs.

That was 6 months later.

If that is the case with doorknobs, what will it be with other things that are produced in connection with home construction and that are indispensable to home building?

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. BROWN of Georgia. Mr. Chairman, I ask unanimous consent that the gentleman may have one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. My distinguished friend from Texas referred to section 705 of this bill, and read it, which states that the veterans under this section will have allocated to them certain scarce materials. I would like to call attention to the fact that that power is already in the Executive order of the President based on the War Powers Act. The only difference is the War Powers Act will expire on June 30. You will find the same regulations and the same power in the Executive order as you will find in this bill.

Mr. DIRKSEN. Let me read the language which says:

or of any facilities suitable for the construction of housing.

It does not say, "suitable for the manufacture of machinery with which to make the products that go into a house."

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Texas.

Mr. PATMAN. Mr. Small testified and 50 pages of his testimony appear in the hearings. Every witness was heard who wanted to be heard and we heard experienced people.

Mr. DIRKSEN. I recommend Mr. Small's testimony before the Appropriations Committee to every Member of this House because it goes to the very heart of the problem now before us. In conclusion, let me say that as a veteran of World War I, I am only too anxious that we develop a workable, feasible housing program that will actually produce serviceable worth-while houses and not air castles in Spain.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. MONRONEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hate to take issue with my genial, able friend from Illinois on this matter, but I cannot agree with him that this bill has been hastily considered, that evidence has not been taken. I think the committee that started to work before Christmas and worked up until a week or two ago heard a great number of witnesses, a pretty well-balanced number of witnesses on all sides.

I cannot agree either with my friend from Illinois or the others that we can simplify this question by not doing anything about it and expect the returning 11,000,000 veterans to automatically find homes under a laissez-faire policy.

Mr. Chairman, everything that has been said on the floor in condemnation of this bill I believe with study of the bill could be resolved in the minds of the Members.

RECOGNIZE PRICE BOTTLENECKS

We recognize especially that there are bottlenecks caused by prices; we also recognize that there are bottlenecks in the construction of veterans' houses caused by lack of present materials, and we also recognize that there is going to be a scarcity of veterans housing due to great industries expanding and remodeling from the small and scarce available supply of materials that will go into unneeded or not so urgent construction.

The best illustration I can use in answer to the statement of the gentleman from Illinois [Mr. DIRKSEN], is the following: When we found everything all balled up in the synthetic-rubber program, with everybody all over the country having a piece of it to administer, we finally called in a very distinguished American, Bill Jeffers, and we said to him:

"You are going to be rubber expediter. We are going to give you the power to get rid of these bottlenecks. We are going to give you the overriding power over every other agency to get it done because it is the No. 1 job of the war."

They gave that job to the rubber expediter, and you had great volumes of synthetic rubber in time to make a material contribution toward the winning of the war.

POWER SIMILAR TO JEFFERS

The same thing and the same philosophy is behind the appointment of a production expediter of veterans' housing as is being done here, a man who can override these price bottlenecks that you so ably and aptly described. To get production, where a few dollars is hindering the adequate production of materials because of price. But price alone is not going to give us an ample supply of materials to build 2,700,000 houses in the next 2 years. I, for one, want to build them. I want to build them not only to take care of the returning veterans, and I feel they are entitled to have a roof over their heads, but I want to help build up this Nation's industry so that these returning veterans can earn a dollar by their own efforts in home building. I hate to see it urged to throttle this program of homes and jobs while we pay veterans $20 per week unemployment compensation because they cannot find useful jobs quickly in private industry.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Illinois.

Mr. DIRKSEN. I do not believe the gentleman's analogy of synthetic rubber holds at all. There we were dealing with an industry that did not exist and had to be built from the ground up to produce rubber at finally about $1 a pound when you amortize all of the facilities. Here we are dealing with the building industry, one that is Nation-wide, that has been established since the beginning of the Republic, and it can do the job if we only give it a little encouragement.

REPEAL OF ORDER L–41

Mr. MONRONEY. The gentleman is saying, then, that we should step out of this field and let industry undertake it without priorities or help. I want to say that that siren song was heard in October when L–41 was taken off the books.

Mr. DIRKSEN. In the first place, I want to see some kind of a program, but more important than that is this: Is Mr. Wyatt going to be the man to actually build the houses? You are going to have to gather up the masons, the carpenters, and the bricklayers who work for contractors throughout the country, unless you want to project the Government itself into the physical job of actually building the houses, and that is not even contemplated in this bill.

Mr. MONRONEY. That is exactly true, and unless we have an expediter to give adequate cost relief in an endeaver to break the bottlenecks in both price and supply and help build homes by private enterprise, the next demand on the floor of this House will make it hard for the Members to resist. Members will say that we have not built the housing for the veterans under our system of free enterprise that we here today defend, and so you will have men urging on the veterans and throughout this country a twenty- or thirty-billion-dollar public housing program, and that is exactly what I am trying to avoid.

I say, if we do not approach this thing from a common-sense angle, if we do not break these bottlenecks, if we do not get someone whose one job is to get houses, just as Mr. Jeffers' job was to get an adequate supply of synthetic rubber, we are not going to get these houses built. There are 100 men in OPA each of whom has a different piece in this housing and material problem that they are trying to handle.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. MONRONEY. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MONRONEY. Furthermore, when we break the material bottleneck system and the price bottlenecks we have another bottleneck, and that is as to supply. I do not think you are going to get the supply if you break all the price bottlenecks unless you go out and bring into production new material—unless you bring into production the high-cost producers who cannot possibly operate under a normal ceiling.

HELP GET EXTRA PRODUCTION

The very case the gentleman mentioned of soil pipe is a very good example. Twenty-five manufacturers, I believe the figure was, were able to exist and make good on profits production, but the other 25, the high-cost producers, were frozen out of the soil-pipe business. So the idea is to bring in, just as we brought in during the war, a few of the high-cost producers who may have to ship their materials a little farther than the low-cost producers.

We may have another economic obstacle to overcome, and it may be necessary to put in a little subsidy payment to get that extra production we must have that will mean the difference between success and failure of our housing program. It may also mean that we will have to build, if you please, a few drainage pipes out of aluminum. Maybe we will have to go into many, many new materials in order to supply the needs for materials that have to be put in these homes in order to get the goal that we seek.

GET NEW MATERIALS

These men have never built, perhaps, aluminum parts for plumbing, or something else, and we are going to have to pay them a little bit extra on the first 100,000 or 200,000 units of their production; but once we get them tuned up and they have the know-how of making these, then we will have added additional production and they can take hold and give us the extra and added supply that we need then at competitive normal costs.

Bear in mind that that is going to cost money. It is going to cost $600,000,000 to do that for a 2,700,000-home volume. Yet your Appropriations Committee—and I think they acted wisely—when they get the bill back from the Senate will have appropriated almost $400,000,000—$391,000,000 to be exact—for the relocation of temporary housing to take care of only 200,000 veterans. We have a subsidy there of almost $400,000,000 that is out the window in 4 years, completely subsidized by the Government to take care of 200,000 veteran families. I do not think we are going very far afield when we argue for $600,000,000 in production subsidies to bring in a vast new supply of material that will help us reach this goal to give these veterans houses.

We can say we do not like this bill because of this reason or that reason or another reason, but it is the job of the House, if we do not like the bill that is before us, to amend it.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Illinois.

Mr. DIRKSEN. By the gentleman's own figures, 2,700,000 units at $600,000,000 is over $200 a house, yet here are experts in the building game and in the manufacturing and materials business who have pointed out that for $150 or even less you can get a flow of the critical materials that are stopping the housing program.

STILL HAVE SCARCE MATERIALS

Mr. MONRONEY. I disagree completely with the gentleman. You get a flow of the critical existing materials, perhaps, a few of which are frozen off the market, but you are not going to bring in the answer to this volume production unless you get new producers into the business, unless you use new material, unless you can find and use different kinds of materials.

You do not have the lumber to build 2,700,000 houses, you do not have many of the necessary things. You may be making bathtubs out of aluminum and be using a lot of other stuff in these homes, and we will be helping to create some new industries that will help America.

I think we have to face this thing with a little bit of courage. I do not think it is going to be any excuse or justification to say to the veterans, "You cannot have a house to live in, and furthermore, you cannot even have a job to build your own houses, because we were not willing to give to anybody, we were not willing to trust an appointee of the President to have the right to route priorities into veterans' housing, to have the right to break the material bottlenecks that are caused by bad pricing, if you please, or to break the bottleneck that exists because you cannot bring into new production the kind of supplies you need."

Mr. DIRKSEN. I do not think the implications of the gentleman's remarks are quite fair to those who are interested in the housing program and who are interested in a stabilizer, but we do say this: Why not tap the prime source of materials that has stood in the way of a housing program? Why not get a modification of these price ceilings which are to hand and do not require the building of new factories and the fabricating of aluminum bathtubs and all the rest of the things the gentleman mentions?

Mr. MONRONEY. If the gentleman will read the bill, if he will read the hearings, he will find that the thing he is asking for is one of the prime parts of this bill, but we do not think that is enough. We do not think you are going to get enough extra material by breaking the price bottleneck. You will get materials for about 300,000 homes if you break the price bottleneck, but you will not get materials for a 2,700,000 program over the next 2 years by just simply saying, "Well, OPA is to blame. If we get rid of OPA everything will be all right."

PRICES ALREADY UP 60 PERCENT

And do not fail to bear in mind that the veteran today has to pay 60 percent more for his home than he would have had to pay before the war. That is a 60-percent increase in his cost, according to the figures given to me by my own builders in Oklahoma City. Most of the Members on this side of the aisle that have talked about this program have only one answer in mind and that is "Let us put some more price onto the home the veteran is trying to buy."

Mr. VURSELL. Mr. Chairman, I hope this body will throw the Patman bill, theoretically, out the window and substitute in its stead H. R. 5579. If we do this we will be making considerable

progress. The Members can then decide, after they have properly buried this iniquitous and ill-advised Patman bill, whether we can sufficiently amend the Wolcott bill so that it will help in fact to build more homes for veterans.

The Patman bill, as one could well expect, gives unthought-of powers with which a bureaucrat here in Washington can bludgeon and punish the people, control and further regiment them. It seeks to build up another great bureau furnishing everyone with a political job whom the Administrator might kindly bestow upon them. It seeks to cover up the maladministration of the past under the OPA which has prevented the production of lumber, brick, soil pipe, and every article that would go into the construction of a home, by piling another and bigger bureau on top of the one which has failed. It follows the New Deal policy of adding more legislation, more controls which would further confuse everyone connected with the production of houses.

I favor the Wolcott substitute H. R. 5579, because it does not provide for inflationary subsidies, and particularly because it would give the new Administrator the power to override the OPA in increasing the price of building material where it is necessary to get greater production. If this is done there would then be no argument for subsidies. This must be done before we can build the houses which are so badly needed for the veterans and before we can build other construction work which is necessary and must be provided for to take care of business expansion which is necessary to provide jobs for the veterans and others. If we channel too much building material into veterans' homes we may prevent the veteran from securing a job through which he could earn the money to make the payments on a home by preventing business expansion which has been planned by business organizations all over the Nation which would provide and house business organizations that will provide them with jobs.

Mr. Chairman, the administration rushes in again shouting, "We have a crisis." We have been in a crisis for 10 years because of the bungling of one bureau after another so this crisis is nothing new. This crisis is not new to the administration because whether or not it so intended, they planned it that way.

Mr. Chairman, they did not have the foresight apparently to stop the exportation of billions of feet of lumber to other countries which is now needed for homes for the veterans and for business expansion, for repairs and new buildings for the farmers who have been short of material for 4 years due to the war.

They planned it that way when they shipped this material away and are still continuing to ship it and when they allowed Chester Bowles of the OPA to put such restrictions and prices on the brick industry, the soil-pipe industry, at a figure so low that they practically shut down for the past 2 or 3 years most of the concerns manufacturing these articles.

They planned it that way when they helped to drive the smaller sawmill owners and operators out of business by the thousands throughout this country during the past 2 or 3 years and up to the very present by investigating them, regulating them, persecuting them, prosecuting them, and holding their price levels, in so many instances, so low that they could not manufacture at a profit.

Now they discover a lawyer, Mr. Wilson Wyatt, a mayor of the city of Louisville, Ky., who has never had any experience in the building and contracting line, and with a hysterical crisis shout, come in here with a bill which is impractical, unworkable, and that will not produce houses. Granted, that Mr. Wyatt will do the best he can, yet, we must understand that houses cannot be built by thousands of words written into a legislative bill.

Our responsibility to all of the people of the Nation and to the veteran, in particular, is to attempt, if legislation will do it, to write an act that will encourage production, because production of lumber, plumbing material, brick, and building material generally, and greater production that will put a roof over the veteran's head, is the only thing that will make it possible to build houses, business buildings, and make it possible for the farmers to buy lumber which they so badly need on hundreds of thousands of farms throughout the Nation.

No one is more interested in taking care of the veterans than the Members of this Congress and certainly no one has the responsibility to the extent as do we Members.

This being the case, we must move with caution and with certainty in attempting to set up legislation to that end.

Mr. Chairman, yesterday I received a copy of a letter directed to President Truman from Chicago, Ill., which reads, in part, as follows:

> After 3 days of thoughtful deliberation by 1,222 Illinois retail lumber and building material dealers assembled in annual convention at Chicago, having studied the causes of our inability to get building materials, we are fully convinced that the Office of Price Administration is more to blame than all other factors combined.
>
> OPA, while attempting to control prices, actually creates shortages, causes inflationary prices, and stimulates black-market operations in lumber and building materials.
>
> It is fruitless to try to reform OPA's philosophy or to get reasonable administration of the law, and, therefore, the only cure for the situation is complete and immediate elimination of OPA on building materials.
>
> We recognize that for a time this might result in prices higher than present ceilings, but not higher than the prevalent black-market prices. It might create new and possibly distressing hazards for many of us, but we are willing to take that risk because it is the only possible way to bring us to a satisfactory market condition, with adequate supplies and reasonable prices. Signed by 1,222 Illinois lumber and building-material dealers.

Now, Mr. Chairman, this is a terrible indictment of the administration of OPA with regard to building material. Certainly it must speak the truth, because it comes from practical men who are as patriotic as any bureaucrat who ever graced a chair here in Washington; men who, in my judgment, are not seeking to make a few extra dollars with taking a chance on inflation, but who have been driven to an honest conclusion by the persecution and the arbitrary and maladministration policies of the OPA which has prevented production which we must have to house the veterans or anyone else.

Mr. GALLAGHER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I come from Minneapolis, a city that was made by lumber. We have many lumber dealers in the city of Minneapolis. They have met me and discussed their problems with me. After having discussed the problems, I asked, "Have you been making money?" Each one of them said, "Yes."

There is another question that I want to bring to the attention of the House. I have heard a great deal about subsidies. What is the difference between a subsidy and a tariff? Tariffs are paid by the consumers, and the only break a consumer gets, whether soldier or not, is by a subsidy.

I am in favor of quick building of homes for the soldier boys. It is an emergency and we need the housing. I am sorry we took 2 hours today to advertise a certain political party rather than to go on with this bill.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. ELLSWORTH. Mr. Chairman, I think it is about time someone gave some facts regarding the lumber situation.

Since I come from a district which is currently producing more lumber than any other congressional district in the country, I think I am probably the one to put out those facts.

I do congratulate the proponents of this bill on one point. The debate on this bill has inspired the OPA to hasten the effective date of the order which readjusts the prices on lumber. This order should have been in effect 6 months ago. That readjustment has been moved forward 6 days. It was previously announced that this readjustment would take place on March 6. Yesterday afternoon when I returned to my office I found that an order had been issued that it is to be effective March 1. So we have done a little expediting by means of 1 day's debate. Perhaps if we carried on another few days we could expedite a few more things of this kind.

Here is why it has taken so long for this pricing order to be issued. I refer to the readjustment from war-material prices to housing-material prices. It has taken 6 months. The procedure is something like this: The price executive in the Lumber Section in OPA, Mr. Peter Stone, is a competent man, a lumberman who knows the business from A to Z. It was obvious when the war ended that price emphasis must be placed on housing lumber. Mr. Stone goes out to the industry, talks to the advisory committees. They work out a readjustment of prices, not so much a readjustment as a shifting of emphasis on production. Mr. Stone then writes his report. It goes to some higher body in the OPA known in the industry as the OPA debating society. They apparently debate the matter for weeks. Then it comes back to Mr. Stone and is again discussed with the advisory

committee. The recommendations of the debating society are found to be completely out of line with practical lumber production and the order has to be rewritten. And that circular plan of OPA operation has been going on for 6 months, Mr. Chairman.

The basis on which the actual pricing of lumber from sawmills is made by the OPA is this: If the prices listed by the OPA will enable 75 percent of the mills to break even or better those prices are adopted. The effect of that obviously is to reduce production by 25 percent, for the manufacturer who is in the unfortunate position of not being able to produce at the listed ceiling price is going to stop producing. The OPA policy in this regard has been eminently successful. In the year 1944 western Douglas fir lumber production was 8,000,000,000 board feet. In the year 1945 OPA policies had proven exactly right, if what they wanted was less lumber, for lumber production dropped to 6,000,000,000 board feet, a reduction of exactly 25 percent. For the first 2 months of this year the reduction is 29 percent. So this year the policy is working out just a little better than they anticipated. Now we face an emergency because we lack lumber and other materials with which to build houses.

What we are doing with this bill is bringing on an Expediter by legislation who will have the job of telling the OPA what to do about lumber prices. I do not see why that should be necessary. It seems to me the OPA has had ample experience. It has competent men in the Lumber Pricing Section. I do not see why we need legislation for this purpose. The Expediter will not be able to get a single board-foot of lumber at below the cost of production; it just cannot be done, and it is not going to be done.

All this bill does is to set up another bureau. We are going back to the same old business of declaring an emergency and creating another office and setting up another agency to watch over us.

I have another complaint with reference to this very Expediter who is now on the job. Last week a man was here from Portland, Oreg., where there is an inflationary real-estate market. That man has plans made for the production of 3,000 homes in that city of some 350,000 to 400,000 population. The immediate construction of 3,000 homes would, I believe, completely end the inflationary market on homes.

This man came back here to get final approval of his program. He talked to a gentleman in the office of the Expediter whom we are now about to legalize; and last week, that construction program for 3,000 new homes was halted, it was stopped by the Expediter we are trying to legalize in this bill. Is that the sort of expediting we are expected to approve by passing this Patman bill?

Mr. CELLER. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, this is a bill concerned with dwellings. It does not directly apply to business property or to land or real estate appurtenances used or to be used for commercial purposes. However, under section 701 to section 705, inclusive, the director has wide powers over all building materials used not only for private housing and dwellings but as well for buildings used for commercial purposes. He is given power to issue orders of priority and to allocate building materials of every nature and description and for all purposes.

I have a situation in Brooklyn where a time-honored firm operates an important department store covering practically a whole city block facing on a main thoroughfare of Brooklyn. This establishment, now well nigh 75 years old, is composed of three structures, a central building facing Fulton Street and two wings on two other streets. All three structures mold into a gigantic store. The old central building, except a small portion thereof on Fulton Street, has been entirely demolished and is in the process of being rebuilt. Architect's plans have been perfected and contracts for the rebuilding have been let and reconstruction has been started.

I discussed with the gentleman from Texas [Mr. PATMAN], the author of the bill, this Brooklyn department store situation and queried whether this firm would be precluded or hampered in procuring a flow of materials for the completion of the reconstruction and reconversion of its business structure. He replied that under the circumstances he doubted any difficulty and felt sure that the Director in any request for allocation of materials for this reconstruction, considering the importance of the structure and its essentiality to the Brooklyn community, and, further, in view of the fact that contracts for construction have been made, the Director would consider the application in a favorable light and would give the applicant most equitable consideration.

It was my intention to offer an amendment to this bill to cover the situation; but I am loath to clutter this bill up with amendments when such explanation as I am making will suffice. Such explanation is in the nature of a congressional directive to the Director after he is appointed. It is a guide and a ruling for him. Otherwise a severe injustice would result. The people of Brooklyn are entitled to a speedy reconstruction of the building. The economy of Brooklyn is involved. Hundreds of jobs impend. Many thousands of Brooklynites are affected; hence my statement.

As is usual, the debates and statements made in the well of this House must be used in any interpretation of the statute, if there is any doubt, and in order to clear up any such doubt I make this statement.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from California.

Mr. JOHNSON of California. Does the gentleman think that the mere statement of a Member in debate would be a directive if the language itself does not have that directive meaning?

Mr. CELLER. I think the language could be interpreted in the way I indicated, but supplementing my statement by the discussion I have had with the author of the bill in reference to this matter and the explanation which I read, should have additional weight when the director interprets that particular section, to wit, section 705.

Mr. JOHNSON of California. I want to help the gentleman, but I think the rule is that you can only use those arguments and statements in the event of ambiguous language.

Mr. CELLER. That is right.

Mr. JOHNSON of California. If the language does not cover what the gentleman wants, then the argument will not supply it.

Mr. CELLER. I am making assurance doubly sure. I agree with the gentleman except to say that there should not be any doubt as to the interpretation, but if there is any doubt existing in the mind of the director, I hope my explanation will clear up that doubt.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes, had come to no resolution thereon.

COVERAGE OF CERTAIN DRUGS UNDER THE FEDERAL NARCOTIC LAWS

Mr. COOPER submitted a conference report and statement on the bill (H. R. 2348) to provide for the coverage of certain drugs under the Federal narcotic laws.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following resignation from a committee:

FEBRUARY 26, 1946.

Hon. SAM RAYBURN,
Speaker of the House of Representatives, Washington, D. C.

DEAR MR. RAYBURN: Having been appointed to the Committee on Appropriations, I hereby tender my resignation as a member of the Committee on the Post Office and Post Roads, effective immediately.

With assurance of my highest esteem, I am,

Very sincerely yours,

J. VAUGHAN GARY.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

COMMITTEE ON RULES

Mr. BATES of Kentucky. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

EXTENSION OF REMARKS

Mr. PATTERSON asked and was given permission to extend his remarks in the RECORD.

Mr. CELLER asked and was given permission to extend his remarks in the RECORD in three instances.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. HOFFMAN (at the request of Mr. CRAWFORD) was given permission to revise and extend the remarks he made today and to include certain quotations.

Mr. STEFAN (at the request of Mr. CRAWFORD) was given permission to extend his remarks in the RECORD and include an address by the Commissioner from the Philippines, Mr. ROMULO.

Mr. SMITH of Ohio asked and was given permission to revise and extend the remarks he made today and include an editorial.

Mr. THOMAS of New Jersey asked and was given permission to extend his remarks in the RECORD on the subject of Michael J. Quill.

Mr. LAFOLLETTE asked and was given permission to extend his remarks in the RECORD and include an address delivered by his colleague the gentlewoman from Connecticut [Mrs. LUCE].

Mr. CARLSON asked and was given permission to revise and extend the remarks he made today and include three letters.

Mr. SADOWSKI asked and was given permission to extend his remarks in the RECORD in two instances, and include excerpts.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include an article on the city of Boston.

HOUR OF MEETING TOMORROW

Mr. BROWN of Georgia. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

SPECIAL ORDER GRANTED

Mr. LANE. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore entered, I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from Washington [Mr. SAVAGE] is recognized for 30 minutes.

INVESTIGATION OF EXPENDITURES OF CERTAIN LOBBYING ORGANIZATIONS

Mr. SAVAGE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and to include two newspaper items; one from the Omaha World-Herald and the other from the New York Times.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. SAVAGE. Mr. Speaker, I wish today to call upon the Congress of the United States to institute an investigation of the expenditures and of the corrupt practices of certain lobbying organizations which are becoming a menace to democratic processes and a threat to our national well-being. I shall name three of these organizations and also several individuals. An investigation would surely add at least two other national associations to the list.

In recent months we have found that many of the same big business firms and individuals who sought for years to block the development of Grand Coulee Dam are now tied together in so-called reclamation associations—State and National—and in this new National Association of Electric Companies and in the United States Chamber of Commerce, and they are now out to block further development of our great national resources, and are seeking to get control of many of them.

Big money from power companies, railroads, certain banking interests, and other similar corporations is pouring into the coffers of the three lobbying organizations, and they are all combining to rob the common people of the benefits of our great wealth of natural resources.

They tried for years to block the development of Grand Coulee Dam and Bonneville Dam in my State; they fought George Norris' efforts to get the TVA started and now they are centering their attention against the Columbia Valley Authority legislation.

A small group of men, led by a former Insul company official, is spearheading the organization, financing the operation of these three high-sounding organizations; the Reclamation Association, the National Association of Electric Cos., and the natural resources committee of the United States Chamber of Commerce. They are tied together as tightly as two peas in a pod in their plan to rook the American people.

They do not want the Government to build dams, but if in spite of their opposition the Government has built a dam, they are determined that they will buy the power at the bus bar. They are determined to repeat their Muscle Shoals steal. At Muscle Shoals, the Government built a dam during World War I, and after the war these power companies bought power at the bus bar, paying the Government less than 2 mills per kilowatt-hour—one-fifth of a cent. And then they turned around and sold that power to the people of that area, and how much did they charge? They forced the people to pay 10 cents a kilowatt-hour for that power right next to Wilson Dam, 50 times as much as it cost them.

That is the kind of private enterprise these lobbying organizations are trying to perpetuate. They have a stranglehold on a good thing—on one of the necessities of life—electricity. They have a monopoly on it and they are determined to ride that monopoly to the limit for all it is worth.

Uncle George Norris freed the people of Tennessee Valley of their stranglehold—he helped those southerners break out of the clutches of the overlords of monopoly.

But how about our people out in the Northwest? Guided by the Electric Bond & Share Co. and other remote holding companies in the East, the power companies have and are trying to secure a stranglehold on the greatest resource we have out there—our Columbia River power.

No; they did not want the Government to build those dams and other facilities—the dams which produced 40 percent of the aluminum for all of the planes which were so indispensable to the winning of this war—the dams which produced the atomic bombs and built a substantial part of our ships. These outfits which are fighting our CVA now tried every angle and device to block our little group of Washington State people who had the vision to see the possibilities of damming the mighty Columbia. They fought us out there and they fought us back here in the Halls of Congress.

But after the dams were built they proceeded to lay plans to place them in their clutches, as far as was in their power to do. They have tried to block the REA, they have tried to block our public-power districts, and recently they have tried unsuccessfully to influence one of the fine committees of this House of Representatives.

They also tried, through referendum 81 of the United States Chamber of Commerce, to get support for legislation placing Columbia River power into their hands at the bus bar. If that provision had gone into the rivers and harbors bill, we would have been deeding over all of our great power streams—lock, stock, and barrel—to a group of slick eastern and midwestern promoters. They are trying every possible underhanded device to get their hands on those dams and thus rob the people as they did at Muscle Shoals, and they will do it unless this Congress and our people are forewarned.

Gentlemen, I urge you to get out the Federal Trade Commission's volumes resulting from Senator WALSH's resolution and you will then have an excellent preview of what we can expect in the next 5 years of utility lobbying. Nearly every imaginable corrupt practice was shown up by Senator WALSH's investigation, which resulted in passage of the Holding Company Act. Now, these power companies, working through innocent-looking organizations such as the Reclamation Association, have entered into a definite conspiracy to break the Holding Company Act. But this is only one of the angles from which they are striking.

Electricity is a necessity of life—of modern life—and its distribution is a natural monopoly. You cannot have two different corporations running power lines down every street any more than you can have two different corporations running water lines down every street. Water lines are a natural monopoly and so are power lines. They cannot be privately owned, apparently, because there is no such thing as controlling rates where they are privately owned. Federal studies have shown that rates are higher

where they are under supervision than where they are not.

Electricity should be available to the American home at low prices just the same as water is available at a low price; they are necessities. They must also be available to our private enterprises at low prices so that private enterprise can thrive by making use of them.

But these lobbying associations—the reclamation association, the National Association of Electric Companies, and the United States Chamber of Commerce are attempting to influence this House to secure for private gain the benefits which flow from publicly-owned water falls.

This lobbying association of electric companies is headed by a former executive of one of the Insull companies who is now being paid handsomely to live here in Washington and direct their activities throughout Congress and through all of the Government agencies and departments. It would be worth while for this House to look into the background of those associated in the formation of the new private power lobby which has been recently set up in the capital city.

This is the largest lobby of its kind in all power history.

It is much larger than the lobby which was created to defeat the Walsh resolution covering an investigation of power-trust financing and propaganda. The activities of this former lobby and its twin brothers, the National Electric Light Association and the United States Chamber of Commerce, are well known to those who were in Washington, D. C., before the depression.

The objective of this new lobby is just the same as the objective of the one which operated before the Walsh investigation. That 1926 lobby was directed by Sam Insull through his control of the old National Electric Light Association. The demise of the National Electric Light Association, because of adverse public opinion, is well known.

Following the Insull scandal the National Electric Light Association and its lobby adjunct was forced out of business. It was succeeded by the so-called Gadsden committee which functioned in Washington, D. C., during the formative period of Bonneville and Grand Coulee. During the war the Power Trust, through having its own people in control positions at the War Production Board, concluded that a lobby was not necessary as they could stop expansion through the control of war materials. This tie-up is clearly shown by the recent testimony before the Senate Appropriations Committee, when the first deficiency bill for 1946 was under consideration. I can give you the names of men who worked against us there, men who are now being rewarded with fat jobs on the electric companies' pay rolls.

This new lobby organization—the National Association of Electric Companies—has now been formed to take up where the Gadsden committee left off. Its objective is the same as the two previous lobbies, namely, to eliminate the benefits of low-cost power now enjoyed by our farmers and domestic consumers.

The formation of this new lobby organization has been outlined on page 88 of the Electrical World of July 21, 1945, and on page 16 of the issue of July 28, 1945. The principal officers are Mr. Purcell L. Smith and Mr. Kinsey M. Robinson of the Washington Water Power Co., and they have their offices here in this city. From an investigation of the records I find that Mr. Purcell Smith was formerly treasurer of the Illinois Power & Light Co. which was jointly owned by Sam Insull and the North American Co. Mr. Smith left the Illinois Power & Light Co. to go to a New York bank and from that bank he went back to the original Insull Holding Co. as president, namely the Mid-West Corp. From the Mid-West Corp., Mr. Smith transferred his efforts to the initial Insull operating company, namely, the Commonwealth Edison Co. of Chicago. He is now receiving $65,000 a year for his lobbying efforts.

The Illinois Power & Light was also closely allied with the Union Electric Co. of Missouri in many activities. Both of these companies were brought into the Federal courts due to the exposures resulting from the diligent work of the St. Louis Post-Dispatch. Both organizations were found guilty of wholesale bribery of public officials. The president and the two vice presidents of the St. Louis company finally were sentenced to the penitentiary in a Federal court and the Illinois Power & Light Co. admitted guilt and was fined $10,000 under the penalty provisions of the Holding Company Act. Anyone who wants the extensive details of these slush-fund operations can find abundant material in the files of the St. Louis Post-Dispatch.

This same Purcell L. Smith, of the Insull empire, and his men are working here today; do not be surprised if you find their shadow at any meeting or office where their cause can be served. These men and their associates are spending hundreds of thousands of dollars a year influencing legislation, and they are determined to get their money's worth.

I have here a photostat of a story from a recent issue of the Omaha World-Herald telling how Bozell & Jacobs, a publicity firm employed by the power companies, bribed a Mr. Charles Starr with an offer of $42,000 to get him on their side in the Nebraska power fight. They paid him $23,340.23, and when they failed to pay the remainder he sued them and a district court jury awarded him $18,659.77 more.

For every one such instance of bribery which comes to light the chances are there are 500 instances where the bribe is paid and no one knows about it. So that you may all know the details of this case—and there are certainly many more similar and worse—I shall ask leave to extend my remarks and place the entire story in the RECORD at this point.

[From the Omaha World Herald of October 20, 1945]

SUIT BARES PAY DEAL IN NPC'S FIGHT—EX-BOZELL FIRM AID DESCRIBES ORAL PACT WHICH STARTED IN '38

Ghosts of the activities of Bozell & Jacobs, Omaha advertising and publicity firm, in their attempts to prevent public ownership of the Nebraska Power Co. flitted about the courthouse this week.

Bozell & Jacobs were the advertising and publicity agents for the power company under holding-company ownership. They have not represented the company since it came under the control of the nonprofit Omaha Electric Committee, Inc.

Spread upon the court records was a story of how Bozell & Jacobs silenced one municipal ownership advocate.

It was the case of Charles E. Starr, construction engineer, 5018 Lafayette Avenue.

A district court jury Thursday afternoon awarded Mr. Starr a verdict of $18,659.77 against Bozell & Jacobs. He charged they had broken a verbal contract with him for work as a public-relations engineer.

Bozell & Jacobs, the evidence showed, paid Mr. Starr $23,340.23 from September 1938 until December 1944. He charged that they agreed to pay him $42,000. The verdict was for the difference between those two amounts.

GOT CALL FROM BOZELL

It all began back in 1938. Mr. Starr, who said he has "always believed in municipal ownership," testified that he was circulating petitions calling upon the city council to call an election on municipal ownership of NPC.

He said he began the circulation September 19, 1938. A few days later he received a call from Leo Bozell, of Bozell & Jacobs, he added. On September 23, he testified, he went to Mr. Bozell's office.

This, Mr. Starr testified, was part of the conversation:

Mr. BOZELL: "Well, you know we want you; we need you. We must get those petitions out of circulation."

Mr. STARR: "Well?"

TOO SUDDEN

Mr. BOZELL: I want to employ you. I want to employ you as our public-relations engineer."

Mr. STARR: "Leo, just what do you have to offer me?"

Mr. BOZELL: "Well, what do you want?"

Mr. STARR: "I don't know; it is too sudden for me. I don't know what I want."

After further conversation, Mr. Starr testified, he said he would give his answer the following day. The next day, he continued, he called Mr. Bozell, who gave him the number of a room at the Paxton Hotel and said they would meet there.

NO WRITTEN CONTRACT

This, Mr. Starr testified, was part of the conversation in the hotel room:

Mr. BOZELL: "Well, what is your offer and what is your decision, Charlie?"

Mr. STARR: "Leo, I want $60,000 in payments of three to five hundred dollars a month, which can be extended over a period of 10 years, and a written contract."

Mr. BOZELL: "Well, I cannot give you a written contract."

Mr. STARR: "Why not?"

REPORT NEED TOLD

Mr. BOZELL: "Well, in the first place, we want nobody to know what you are doing. In the second place, we will have to make a report to the Securities and Exchange Commission, also to the Power Commission at Washington."

Mr. Starr said he then suggested a cash consideration to bind the contract, and suggested 5 percent. Mr. Bozell, he testified, answered:

"I don't know if Mr. Davidson—J. E. Davidson, president of NPC—will go that high on this deal, but I will take it up with Mr. Davidson and I will let you know and call you."

OFFER $42,000

Later, Mr. Starr testified, he was called to Mr. Bozell's office. Part of the conversation, he testified, was this:

Mr. STARR: "What is your proposition, Leo?"

Mr. BOZELL: "Well, first of all we will make a contract for $42,000, with payments of $350

a month over a period of 10 years, and 2½ percent cash consideration to consummate this contract."

Mr. Starr testified that Morris Jacobs, other partner in the firm, said:

"Charlie, you had better take this; it is a good proposition."

PROMISE FULL AMOUNT

Mr. Starr said he asked what protection he would have if NPC changed ownership. Mr. Bozell replied that the full amount would become due at the time ownership changed, he testified.

The agreement was made, he testified, and Mr. Bozell sent an employee upstairs to get the cash payment.

Mr. Starr testified Mr. Bozell told him:

"Charlie, the first thing we want you to do is get yourself a nice office over in the Brandeis Theater Building, or the Saunders-Kennedy Building. We want you a little far away from our office. Buy nice furniture and fix it up very lovely, so the people will admire the place when they come in and look it over."

WILL BURN PETITIONS

Bozell & Jacobs paid all office expenses until it was closed in September 1941 he testified.

Messrs. Bozell and Jacobs, he testified, told him to bring in the petitions he had been circulating. Mr. Jacobs, he said, commented: "We will burn them up."

After 1941, Mr. Starr testified, he took another job and was just on call with Bozell & Jacobs. His payments from Bozell & Jacobs were reduced to $250 a month, he said.

For a time, he said, he went to Bozell & Jacobs office to pick up his check. Later, he said, Mr. Bozell told him not to come to the office, and the checks would be mailed to his home.

WIRE USED IN AD

Mr. Starr testified that in 1943 he sent a telegram to the Securities and Exchange Commission on whether NPC had to be sold.

He signed it as a member of the International Brotherhood of Electrical Workers, which he is. The telegram and the SEC's answer later were used by the NPC in advertising.

Mr. Starr said he also assisted the IBEW in "having a resolution passed on the suggestion of Mr. Bozell opposing creation of the Peoples Power Commission by the city of Omaha." The resolution was passed by the Central Labor Union.

Those were the only two things he did in 1943, he asserted.

PAY STOPPED IN 1944

When the NPC common stock was sold in December 1944, he testified, his payments were stopped and Bozell & Jacobs did not pay him the rest of the $42,000.

Mr. Bozell testified that NPC was his firm's best client and it was "our business to get circulation of those petitions stopped." He said:

"We told him we would pay the expenses, but would not give him any gift or anything like that for it. But we would employ him for the time being to report to us and to keep us generally informed about public opinion because we had learned that he had a way of getting around a lot of places and knowing what was going on." The original payment of $1,050, which Mr. Starr said was to bind the contract, was actually the expenses agreed upon, Mr. Bozell said.

Mr. Jacobs testified that he had worked with Mr. Starr, but didn't remember much about the circumstances under which he was hired. He said Mr. Starr's work was "sampling public opinion, gathering information, making contacts."

The Nebraska State Legislature held a 2-year investigation of the power purchase and found that the local power company was using all sorts of fictitious organizations, paying lobbyists, and so forth, all to their own end. The same thing is being done all over the country.

An attorney by the name of Ritchie, who is carrying on the power trust fight in Nebraska, was formerly attorney for a big advertising firm handling the power company business, and naturally was not taken along by the new public owners.

Out in my State these same people have organized what they call the Washington State Reclamation Association, and here is a letter which they have just distributed over the State. It says:

To all officers, directors, and members Washington State Reclamation Association:

GENTLEMEN: We have advice from Washington, D. C., that because further hearings on the Missouri Valley Authority bill have been indefinitely postponed, and for other reasons, it is possible to have hearings before the Rivers and Harbors Committee of the House of Representatives on Columbia Valley Authority bill, H. R. 5083, called off if enough opposition to such legislation is registered with JOSEPH J. MANSFIELD, chairman Committee on Rivers and Harbors, House of Representatives, Washington, D. C.

Please wire or write to him that you, or your organization is opposed to such legislation in general, and CVA in particular.

Yours truly,

GEORGE R. THOMPSON,
President.

I sincerely hope that the gentleman from Texas, Judge MANSFIELD, will not be misled by this innocent-sounding title, reclamation association. We know how it was organized, where they get their money, and who directs their activities. An investigation will show that 21 representatives of power companies and railroads were present when this organization was created.

This organization gets its money from the same power companies and other big corporations that financed the campaign to block Grand Coulee and Bonneville Dams, and if Senator Norris were here today he would tell us that he had to fight this same kind of money.

They have unlimited funds, funds which they collect in our light bills, and they use this money in every imaginable way. They pour it into their associations and these associations sometimes send checks back here to pay the transportation for public officials to attend their meetings.

The activities of the power companies in the State of Washington and neighboring States have been fully investigated by the Federal Power Commission and can be found in Docket No. I. T. 5647, which shows some of the methods used to defeat or delay the development of low-cost power to preferential customers. A second citation can be found in the Commission's opinion No. 59 on this investigation. Quoting from opinion 59:

> The investigation shows that the five electrical utilities during the period 1935 to 1940 expended large sums of money to further their political and legislative interests, and to influence public opinion.

Expenditures for definitely political purposes, as taken from the books of these few companies, amounted to $790,653.07, and the expenditures for other propaganda purposes, which were undetermined as to parts, amounted to $246,863.44. These items represent cash donations and do not include the direct expenditures of the company representatives in services of officers and employees and their expense accounts. Over $1,000,000 which was definitely identified on the books is in addition to direct expenditures buried in their operating accounts.

Also out in our State they publish a reclamation journal in which they cater to and seek the intimate friendship of the Bureau of Reclamation and the United States engineers. Whether these fine Government agencies and executives fall for the journal's filthy flattery or not remains to be seen.

A friend of mine asked the writer of the afore-mentioned Reclamation Association letter where their money was coming from, and he freely admitted that much of it came from the power companies. And I am told that one railroad out there spends over $100,000 a year financing such activities. Gentlemen, the future of our form of government will be jeopardized if these outfits are permitted to continue the use of their monopoly-made revenues to undermine constructive programs. They are now raising a huge fund to be used for working through Congress and the departments in an effort to stop the CVA legislation.

They are misusing and corrupting great organizations such as the United States Chamber of Commerce and attempting through a definite conspiracy to flout or destroy the Holding Company Act. No stone will be left unturned to nullify this act and to cripple REA and other constructive programs which are intended to give the common people the benefits of our falling water and other great natural resources.

Gentlemen, these organizations will stop at nothing.

This same story can be repeated scores of times, with slight variations, for other opponents of these projects. One after another they are rewarded for their obstructive activities by going on the power company pay rolls, either directly with the companies or as employees of these lobbying organizations.

There is no limit to the amount of funds they are willing to spend. Why should there be? They charge it to operation costs and collect it at the meter.

Gentlemen, the time is here for an investigation.

First, there should be a complete investigation of this new power lobbying association. The investigation should also cover their lobbying associates such as the Washington State Reclamation Association and the National Reclamation Association. I also call attention to the racket being operated here by E. W. Rising. Congress should determine who is supplying the funds for the Rising activities. Source of funds of the National Reclamation should be investigated as well as the lobbying activities of Leighton & Gamble, consulting engineers, of Washington, D. C.

Congress should find out who is promoting the articles appearing in Public Utilities Forthnightly which are attacking the REA. Further, Congress should find out who is financing a book now in

preparation by Mr. C. J. Green for the national resources department of the Chamber of Commerce of the United States. This forthcoming publication by C. J. Green is an attack on the TVA. Congress should find out also who is supplying the funds for an Illinois organization called the Investors League, and what prompted the insertion of Purcell Smith's speech before said Investors League on November 29, 1945, as is covered in the Appendix of the CONGRESSIONAL RECORD January 21 last.

This former Insull associate recently stated that 95 power companies are supporting his office here in Washington—95 companies are pouring money into his coffers. I repeat, they will stop at nothing. We will find their handiwork in every bureau and department in Washington and in much of our legislation, in the most unexpected places.

You would not expect to find them in a reclamation association, an organization which is supposed to deal only with irrigation of lands, but they are the very founders of this organization; they finance it and they run it.

Out in Washington State our people, by State-wide referendum, voted for setting up public-power districts to acquire the power systems, and I personally have worked on these committees.

In Spokane, Wash., we have the Washington Water Power Co., a subsidiary of the Electric Bond & Share Co.—EBASCO, it is called. In their efforts to block Grand Coulee Dam they tried to tie up upstream power sites and they carried on all kinds of expensive campaigns, using hundreds of thousands of dollars of money which they extracted from the pockets of our own people.

Kinsey Robinson, president of the Washington Water Power Co., has been lobbying against Columbia River legislation since 1937. Anyone who wants the evidence can find the same in the record of the Senate and House Appropriations Committees starting with 1939 as well as the hearings before the Rivers and Harbors Committee on H. R. 7642, Seventy-fifth Congress, first session. The Senate hearings show definitely that if Mr. Robinson's ideas had been followed by Congress our fighting men would have been denied the tools of victory in our war with Germany, Japan, and Italy. Our Columbia River power supplied over one-third of all the materials for our great air program and for the vast atomic-bomb plant at Hanford. Anyone who reads the record as well as the speeches made on this floor between 1939 and 1942 will find full evidence covering the crippling efforts of Mr. Robinson, who is now one of the leaders in this power lobby.

Kinsey Robinson is a leader in the drives here in Congress to overturn the Holding Company Act, to discredit TVA, to block CVA, to cripple REA, to thwart our public-power programs and to prevent construction of other dams. He would force us to burn millions upon millions of barrels of our oil to generate electricity rather than put dams across the rivers and make use of our wasting water power.

I personally know of many of Mr. Robinson's activities and many of my colleagues here know that Mr. Robinson is a leader in the resource committee of the United States Chamber of Commerce, a leader of this association of electric companies, and a power behind the reclamation associations. He was on the United States Chamber committee which drafted the vicious referendum 81.

I believe the time has come when these expenditures and efforts should be exposed; there should be a congressional investigation of their present drive to nullify the Holding Company Act. All of their other activities should be thoroughly screened. I have heard a report from the Dakotas that one of these former Insull associates is again inserting power propaganda in school textbooks just as they did so flagrantly all over the United States prior to the Walsh investigation.

You would think that the United States Chamber of Commerce would be above participating in these nefarious programs, but recently when a nationally known weekly magazine published an article which appeared to be favorable to regional authorities, including the TVA, big business corporations called the publishers and threatened to cancel large advertising contracts. They did not say the article was untrue; those threats were inspired by an organization which does not want the truth known. They are throttling our so-called free press everywhere and every man here knows it.

If we are to uphold our form of government and preserve our free enterprise profit system Congress must give attention to such evils, must take some drastic action to clean up this ever-recurring power trust canker.

I am told that there is one region in this country—not our Columbia Valley—where almost everybody wants a regional authority such as TVA but the power company controls the press by running their big advertisements in all of the little weekly papers every week; it controls the legislators and most of the local and State-wide organizations so that no man of influence dares try to buck them. The power company has everything organized so it can pick off its opponents one by one every time they raise their heads. No legislator or anyone else dares to publicly oppose them.

Gentleman, they have been trying to do just this out in Washington State for years. They even put their people into our little community betterment groups; they propagandize every element of society in the State. But our grangers and our laborers are next to them.

I know from my own experience in the Washington State Legislature what these lobbyists are trying to accomplish. As an example of their efforts I include at this point an article from the New York Times of February 17, 1946:

[From the New York Times, February 17, 1946]

THE UPPER SOUTH—TVA "RIPPER BILL" STIRS SHARP FIGHT IN KENTUCKY

(By Virginius Dabney)

RICHMOND, February 16.—The TVA "ripper bill" has passed the Kentucky senate and is now before the house, where a similar bill died on the closing day of the 1944 session. The measure is termed "an outrage" by the chairman and two directors of TVA, who declare that its consequences will be "disastrous" to the people of Kentucky.

The bill is in the form of an amendment to Kentucky's TVA Enabling Act of 1942, and it has been branded as giving perpetual franchise to private utilities, barring Kentucky cities from acquiring their own systems, and keeping rates higher in Kentucky than elsewhere.

President R. M. Watts of the Kentucky Utilities Co. admitted frankly that the bill had been prepared by the company and its lawyers, and that some of the cities affected by its passage had been consulted. Opponents of the bill include lawyers representing the Greater Paducah Assocation and the Taxpayers League of Kentucky.

This debate in Kentucky over hydroelectric power comes at a time when heavy rains threaten floods in this whole area. At Richmond, the city government and the chamber of commerce have united in approving a flood-control program to cost them more than $2,000,000, of which the city would furnish $1,000,000 and the Federal Government the rest.

Time and again right here in Congress these utility holding companies have been on the verge of gaining control of our entire Columbia River. Gentlemen, this is a serious threat to all of the people out our way, and to this Nation as well.

In closing, I want to appeal to the progressive and informed members of this House to get busy and clean up this situation, and at the same time I wish to warn my conservative colleagues who are often on the side of the power trust; I wish to point out that these power companies—these power monopolies—are the worst enemies of private competitive enterprise that we have in America today.

SPECIAL ORDER GRANTED

Mr. GAMBLE. Mr. Speaker, I ask unanimous consent that the special order heretofore granted the gentleman from California [Mr. PHILLIPS] to address the House for 30 minutes today be vacated and that he be allowed to address the House for 30 minutes on Friday, March 1, following the legislative business of the day and any special orders that may have been entered for that day.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER. Under the previous order of the House the gentleman from Oregon [Mr. ANGELL] is recognized for 15 minutes.

OLD-AGE SECURITY

Mr. ANGELL. Mr. Speaker, I have here petitions which have been signed, I am advised, within the last 6 months by residents of my congressional district. There are 14,002 signatures to the petitions, giving the address of each signer, and the petitions were circulated by voluntary workers receiving no compensation who were interested in Federal legislation providing for old-age security. The petitioners particularly requested that bills H. R. 2229 and H. R. 2230, which are companion bills and one of which I introduced, be accorded a hearing before the Ways and Means Committee and then by the Congress as a whole. In the State of Oregon 35,022 have signed these petitions, and in seven States of the Union over 300,000 signa-

tures have been secured. I call this to your attention to show the widespread and sincere interest there is in an old-age security program by the people of the Nation. Many Members of the House have signed a request to the Ways and Means Committee to give a hearing on this legislation.

I am sure that all of us who are sponsoring a Nation-wide Federal program for the relief of our senior citizens of 60 years and over are not so much concerned with the particular provisions of these bills or any other bills pending covering this subject, as we are to secure a full hearing on the legislation and have a bill reported to the Congress which will grant relief to these old people. That is the reason why we are requesting a full hearing so that all phases of such legislation may be considered, divergent views harmonized, and a forward-looking legislative program presented to the House for a vote. The Social Security Board reports that for August 1945 the average monthly allowance for aid to the aged in all the States of the Union was $29.97. It ranged from the high of $49.25 to the low of $12.79. In these postwar days, with high costs prevailing for the necessities of life, it does not require argument to demonstrate that such a niggardly payment for the care of our old folks is not only indefensible but a blot upon the good name of America, which is presumed to be foremost in providing care for its citizens. We are expending billions from the Federal Treasury for relief in foreign countries, but we permit our old people to eke out an existence in this land of plenty on the miserly sum of $29.97 a month, which is wholly insufficient to maintain an old person in decency and health.

Under the provisions of these proposed bills, all of our people would contribute in proportion to their income in providing the funds to meet these monthly payments, and every citizen, on attaining the age of 60 years and not gainfully employed, would be entitled to share on equality with every other citizen in like circumstances in the fund. Furthermore, it would replace many elderly citizens with younger men in the industrial and commercial work of our country and thereby give additional jobs to those on the unemployed rolls.

Before our entry into the war, it was estimated that in 1941 of the persons 60 years of age and over in the United States 54.9 percent were supported wholly or partially by public or private social agencies or were dependent on children, relatives, or friends for their subsistence and care. A considerable proportion of the remainder received part or all of their support from various pension systems—Federal, State, and municipal, industrial or private.

It is interesting to note that the Gallup poll on old-age pensions, taken before our entry into the war, showed that the American public in response to the question, "What do you think is the smallest income per month that a couple over 60 years of age needs for a decent living in your community?" answered $73. This is arrived at by averaging the answers throughout the United States. The South obviously was considerably lower, namely, $59. The West Central States gave a similar sum as the South. The West and the New England and East Central States gave the higher sums of $74 and $78.

This poll shows that 91 percent favor Government old-age pensions and the majority approved lowering the age to qualify to 60 years. We should pass legislation for the security of these old people and for adequate wage scales for low-paid Federal employees before we consider the proposals for increasing our own salaries or providing for ourselves retirement allowance. The old folks should come first.

Mr. Speaker, it is not my intention or purpose in this brief statement to discuss the merits of this or similar legislation, but merely to call the attention of my colleagues to the necessity of action now upon this important legislation which was sidetracked during the war. As a result of our ingenuity and accomplishments in adapting scientific processes and power machinery for mass production, our workers have not only been able to produce a much greater volume and variety of goods than heretofore to provide food, clothing, and shelter, as well as a higher standard of living for our people, but in the process we have eliminated a large segment of our population from participation in the processes. As a result, together with other contributing factors, from 1929 to the beginning of our national-defense program, some 10,000,000 or more of our workers were unable to find employment in productive enterprise, and even now with the increased demand for manpower in postwar production, we still have many unemployed workers. These calculations in the main do not take into consideration that larger group of unemployed who are 60 years of age or over, most of whom are denied the right to participate in productive enterprise. It is interesting to note that the United States census for 1890 shows at that time 75 percent of all our people over 65 years of age were gainfully employed. At the present time, 80 percent of our citizens 60 years of age or over are unable to obtain the minimum for decency and health.

The science of production has submerged the science of distribution. The very achievement of our goal, maximum of production with minimum of employment, has undermined our economy by reason of our failure to provide that distribution shall keep pace with production.

If we are to preserve the American way of life and protect our own democracy from disintegration and collapse, we must find a solution for our unemployment problems as well as providing a decent living for those of our citizens who under our economy are unable to be provided with remunerative employment in our system of production. The severest indictment that has been lodged against us is that while we are the richest and most favored Nation on earth, and while we have developed the greatest and most effective productive enterprise the world has ever known for providing the necessities of life—more than sufficient for all—we have failed miserably to provide a method by which the fruits of our industry may be shared equitably by all groups of our people.

National recovery without inflation in the United States is entirely dependent upon full production and an adequate and sustained purchasing power in the hands of the American people. If business and industry are to be assured of opportunity for the steady production of goods with reasonable profits, and if labor is to be assured stable and sufficient employment, with fair wages, purchasing power must keep pace with production. Economic stability depends today almost entirely upon the expansion of demand balanced with full production. With the adequate purchasing power available, demand for commodities and services will come naturally, and this demand will force increased production and in turn stabilize employment and make more work available.

The aged, through no fault of their own, cannot take part in production. In this age it is almost impossible for a man to get a job after he reaches the age of 60. This group over 60 years of age, who have toiled the longest, should not be deprived of taking part in the consumption of goods. They are the victims of an industrial system for which they are not responsible. We owe a duty to our old folks, and we can perform this duty by establishing a national annuity system on a pay-as-you-go basis.

I urge that all of you who are interested in an adequate legislative program for the care of our senior citizens join with us in the request to the Ways and Means Committee for an early hearing on old-age-security legislation so that a bill may be reported out for a vote on the floor of the House.

The SPEAKER. Under the previous order of the House, the gentleman from Massachusetts [Mr. LANE] is recognized for 10 minutes.

PALESTINE JEWISH HOMELAND

Mr. LANE. Mr. Speaker, now that the world takes inventory of human sufferings; of human blood consumed by the ravages of war; of the many victims sacrificed on the altar of nazism, we find startling confirmation of what we regarded at one time as gross exaggeration.

All of us aspired to supreme sacrifice which led to the defeat of nazism. One people, however, gave one-third of its population in the course of this conflagration. Unlike the soldier on the field of battle, these human beings met their death through the gas chambers and crematories. In the modern history of mankind, nay, in the entire history of mankind, such infamous carnage has never been perpetrated. We find no parallel to such atrocities.

I am speaking of the Jewish people; not a member of the United Nations; not represented on the Repatriations Commission, but well represented in the toll of human sacrifice. This people has contributed a greater percentage in human lives than all of the United Nations combined except Russia. One-third of 17,000,000 Jews have perished so that the remnant of Jewry may be restored to its

rightful place among the United Nations, so that democracy may survive.

But, alas, what have we? When Prime Minister Churchill called upon the United States of America, "give us the tools and we will finish the job," America's magnificent answer made a brilliant gleam in those dark pages of history. Our children and children's children will not in their lifetime complete payment for the tools we sent. Now, however, it looks as if these tools are being used not to finish the job for democracy, for decency, but to finish a job that Hitler began and did not succeed in finishing.

These lease-lend tools which we have sent across, totaling $6,000,000,000—with the United States receiving only 10 cents on the dollar—are now being used for the expansion of imperialism. Great Britain now concentrates its military and naval power—its warships, its submarines, its airplanes, motorized divisions, and air-borne troops—all this power is being mobilized and concentrated on the shores and on the soil of the tiny country—a territory smaller than Ohio—against a peaceful and peace-loving population half that of Indiana.

That might of the Empire is being massed against the survivors of Osweicim and Bergen-Belsen—of the death factories and crematoria—against those wretched survivors whom Hitler did not quite succeed in exterminating.

For reasons incomprehensible to humane civilizations, Great Britain insists that the 1,400,000 survivors remain in the concentration camps behind barbed wire, on starvation rations, with ragged prison clothes, in the hope that natural hazards will contribute to their depletion and ultimately solve the problem. Nothing has changed in the concentration camps of Europe. Only the landlords have changed.

All this is being done, not by an enemy nation to an enemy nation but to a people who were Hitler's first adversaries and victims—to a people who gave the first warning of the impending storm. All this is being done, not on British soil but in a country which does not even belong to Great Britain—a territory that was entrusted to her by international agreement—not to dominate, not to control, not to subjugate, not to enslave, not to rape, and not to plunder, but to look after as a faithful trustee, so that these people and their country may redeem life and dignity and the pursuit of happiness.

Through intrigue, manipulations, and questionable motives, the British have purportedly united feudal Arab lords into an Arab league to represent a semblance of opposition to Jewish hopes and aspirations, the nature of this opposition, according to yesterday's press—and I quote the Minister of Saudi Arabia to the United States—is "Palestine cannot support the homeless Jews of the world when its Arab inhabitants have been able for centuries to eke out only the most meager existence." What a mockery of fact. What a primitive challenge to the truth. The Arabs in Palestine have repeatedly credited their prosperity and higher standard of living to universal Jewish wealth which was poured into Palestine. The standard of living in other Arab countries, including Saudi Arabia, wherein to this day arch war criminals are being sheltered, falls far behind in comparison with Palestine. The British propagandists in the United States should indeed keep closer watch on their puppets.

These facts were supplied to me by the Political Action Committee for Palestine, Inc., of which I am a member, in conjunction with the Call for Judgment scheduled for March 5 at Madison Square Garden, under the auspices of the Palestine Emergency Fund. This Call for Judgment is a dramatization of facts; of evidence against the British Colonial Office; a series of violations of international agreements; of broken faith and desecrated ideals; of the curtailment of civil liberties of Palestine; of concentration camps and imprisonment without trial. The American people will on that evening serve on the jury; I have been asked to invite the Members of this Chamber who so ably guard the Constitution of the United States to also serve on this jury.

EXTENSION OF REMARKS

Mr. MARTIN of Massachusetts (at the request of Mr. GAMBLE) was given permission to extend his remarks in the Appendix of the RECORD and include a statement made today before the Military Affairs Committee.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DAUGHTON of Virginia (at the request of Mr. BLAND), for February 27 and 28 and March 1, on account of official business.

To Mr. GILLETTE (at the request of Mr. WOLFENDEN of Pennsylvania), for the remainder of the day, on account of illness.

To Mr. ALMOND, of Virginia, for February 28 through March 4, on account of official business.

SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 56. Concurrent resolution increasing the limit of expenditures for the investigation of the Pearl Harbor attack; to the Committee on Accounts.

ENROLLED BILLS SIGNED

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 854. An act for the relief of Isabel Carlson;

H. R. 1315. An act for the relief of B. Pendino;

H. R. 1464. An act for the relief of Leonard Hutchings;

H. R. 1489. An act for the relief of Harold B. Alden and Walter Strohm;

H. R. 1848. An act for the relief of Max Hirsch;

H. R. 2168. An act for the relief of Charles Zucker;

H. R. 2171. An act for the relief of Solomon Schtierman;

H. R. 2240. An act to credit certain service performed by members of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service prior to reaching 18 years of age for the purpose of computing longevity pay, or for other pay purposes;

H. R. 2270. An act for the relief of Harry C. Westover;

H. R. 2289. An act for the relief of Arnold Mecham;

H. R. 2393. An act for the relief of Elsie Peter;

H. R. 2452. An act for the relief of Sam Kalak;

H. R. 2661. An act for the relief of W. D. Jones and Ethel S. Jones;

H. R. 2724. An act for the relief of the legal guardian of Forest Eldon Powell;

H. R. 2728. An act for the relief of R. H. Sindle;

H. R. 2769. An act for the relief of C. Frank James;

H. R. 2963. An act for the relief of William Phillips;

H. R. 2974. An act for the relief of the estate of Bobby Messick;

H. R. 3028. An act to amend the act of August 17, 1937, as amended, relating to the establishment of the Cape Hatteras National Seashore Recreational Area in the State of North Carolina;

H. R. 3046. An act for the relief of Thomas A. Butler;

H. R. 3444. An act to grant the title of public lands to the town of Safford, Ariz., for the use of its municipal water system;

H. R. 3514. An act for the relief of the legal guardian of Olga Stanik, a minor;

H. R. 3614. An act to ratify and confirm Act 33 of the Session Laws of Hawaii, 1945, extending the time within which revenue bonds may be issued and delivered under chapter 118, Revised Laws of Hawaii, 1945;

H. R. 3657. An act to ratify and confirm Act 32 of the Session Laws of Hawaii, 1945;

H. R. 3730. An act granting the consent of Congress to the State of West Virginia to construct, maintain, and operate a free highway bridge across the Monongahela River at or near Star City, W. Va.;

H. R. 3784. An act for the relief of C. H. Brumfield;

H. R. 3940. An act to revive and reenact the act entitled "An act granting the consent of Congress to Rensselaer and Saratoga Counties, New York, or to either of them, or any agency representing said counties, to construct, maintain, and operate a free highway bridge across the Hudson River between the city of Mechanicville and Hemstreet Park in the town of Schaghticoke, New York", approved April 2, 1941;

H. R. 4249. An act for the relief of Lucy Delgado and Irma M. Delgado; and

H. R. 4652. An act to provide credit for past service to substitute employees of the postal service when appointed to regular positions; to extend annual and sick leave benefits to war service indefinite substitute employees; to fix the rate of compensation for temporary substitute rural carriers serving in the place of regular carriers in the armed forces; and for other purposes.

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S. J. Res. 136. Joint resolution changing the name of the Shoshone Dam and Reservoir to Buffalo Bill Dam and Reservoir in commemoration of the one hundredth anniversary of the birth of William Frederick Cody, better known as Buffalo Bill.

ADJOURNMENT

Mr. BROWN of Georgia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 16 minutes p. m.) the House, pursuant to its previous order, adjourned until tomorrow, Thursday, February 28, 1946, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

There will be a meeting of the Committee on World War Veterans' Legislation, in open session, on Thursday, February 28, 1946, at 10 a. m., in committee room 356, Old House Office Building.

COMMITTEE ON THE POST OFFICE AND POST ROADS

The Committee on the Post Office and Post Roads will hold hearings on Thursday, February 28, 1946, and Friday, March 1, 1946, at 10 a. m., on H. R. 5059, a bill to provide temporary additional compensation for postmasters and employees of the postal service.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1097. A letter from the Administrator, Veterans' Administration, transmitting a draft of a proposed bill to amend certain provisions of the National Service Life Insurance Act of 1940, as amended; to the Committee on World War Veterans' Legislation.

1098. A letter from the Chairman, Federal Power Commission, transmitting a copy of the 1944 edition of Statistics of Natural Gas Companies; to the Committee on Interstate and Foreign Commerce.

1099. A letter from the Secretary of the Navy, transmitting a draft of a proposed bill to provide for the rank of original appointments in the Corps of Civil Engineers of the United States Navy, and for other purposes; to the Committee on Naval Affairs.

1100. A letter from the Acting Secretary of the Interior, transmitting a complete report and financial statement of the Bonneville Administrator covering the transmission and sale of electric energy for the fiscal year ended June 30, 1945, made under the provisions of section 9 (c) of the Bonneville Act (Public Law 329, 75th Cong., approved Aug. 20, 1937); to the Committee on Rivers and Harbors.

1101. A letter from the Secretary, United States Employees' Compensation Commission, transmitting a copy of the annual report of the United States Employees' Compensation Commisison covering the fiscal year ended June 30, 1945; to the Committee on the Judiciary.

1102. A communication from the President of the United States, transmitting a proposed revision for the Department of Agriculture, in the form of amendments to House Document 437, Seventy-ninth Congress (H. Doc. No. 487); to the Committee on Appropriations and ordered to be printed.

1103. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1946 in the amount of $247,000 for the legislative branch, House of Representatives (H. Doc. No. 488); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. TARVER: Committee on Appropriations. H. R. 5605. A bill making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1947, and for other purposes; without amendment (Rept. No. 1659). Referred to the Committee of the Whole House on the State of the Union.

Mr. SABATH: Committee on Rules. House Resolution 318. Resolution to authorize the investigation of the transportation system; without amendment (Rept. No. 1660). Referred to the House Calendar.

Mr. CANNON of Missouri: Committee on Appropriations. H. R. 5604. A bill reducing or further reducing certain appropriations and contract authorizations available for the fiscal year 1946, and for other purposes; without amendment (Rept. No. 1671). Referred to the Committee of the Whole House on the State of the Union.

Mr. DOUGHTON of North Carolina: Committee of conference on the disagreeing votes of the two Houses. H. R. 2348. A bill to provide for the coverage of certain drugs under the Federal narcotic laws (Rept. No. 1672). Ordered to be printed.

Mr. SABATH: Committee on Rules. House Resolution 536. Resolution waiving points of order on H. R. 5605, a bill making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1947, and for other purposes; without amendment (Rept. No. 1673). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. JENNINGS: Committee on Claims. H. R. 2509. A bill for the relief of the legal guardian of Jimmy Martin, a minor; with amendments (Rept. No. 1661). Referred to the Committee of the Whole House.

Mr. HEDRICK: Committee on Claims. H. R. 2682. A bill for the relief of John Doshim; with amendment (Rept. No. 1662). Referred to the Committee of the Whole House.

Mr. FERNANDEZ: Committee on Claims. H. R. 2848. A bill for the relief of the legal guardian of Wilma Sue Woods, Patsy Woods, Raymond E. Hilliard, and Thomas E. Hilliard, minors; with amendments (Rept. No. 1663). Referred to the Committee of the Whole House.

Mr. FERNANDEZ: Committee on Claims. H. R. 3365. A bill for the relief of Kay Beth Bednar; with amendment (Rept. No. 1664). Referred to the Committee of the Whole House.

Mr. COMBS: Committee on Claims. H. R. 3591. A bill for the relief of Addie Pruitt; with amendment (Rept. No. 1665). Referred to the Committee of the Whole House.

Mr. RAMEY: Committee on Claims. H. R. 3846. A bill for the relief of Lt. Samuel Adams Lynde, United States Navy; with amendment (Rept. No. 1666). Referred to the Committee of the Whole House.

Mr. RAMEY: Committee on Claims. H. R. 4270. A bill for the relief of Southern California Edison Co., Ltd.; without amendment (Rept. No. 1667). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. H. R. 4414. A bill for the relief of Eva D. Champlin, Robert H. Howell, Emily Howell, and Stella Ward; with amendment (Rept. No. 1668). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on Claims. H. R. 4537. A bill for the relief of Lillian Jacobs; without amendment (Rept. No. 1669). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. H. R. 4607. A bill for the relief of Margaret Lee; with amendment (Rept. No. 1670). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CANNON of Missouri:

H. R. 5604. A bill reducing or further reducing certain appropriations and contractual authorizations available for the fiscal year 1946, and for other purposes; to the Committee on Appropriations.

By Mr. LAFOLLETTE:

H. R. 5606. A bill authorizing the Indiana State Toll Bridge Commission to construct, maintain, and operate a toll bridge or a free bridge across the Wabash River near Mount Vernon, Ind.; to the Committee on Interstate and Foreign Commerce.

By Mr. O'BRIEN of Michigan:

H. R. 5607. A bill to amend the act of February 3, 1944, known as the Mustering-out Payment Act of 1944, so as to extend the time within which application may be made by members of the armed forces discharged prior to the enactment of the act; to the Committee on Military Affairs.

By Mr. POAGE:

H. R. 5608. A bill relating to the disposition of certain surplus property located outside the United States; to the Committee on Expenditures in the Executive Departments.

By Mr. KEARNEY:

H. R. 5609. A bill authorizing a preliminary examination and survey of the Mohawk and Hudson Rivers, N. Y., with a view to the elimination of the water chestnut; to the Committee on Rivers and Harbors.

By Mr. RIZLEY:

H. R. 5610. A bill relating to the disposition of certain surplus property located outside the United States; to the Committee on Expenditures in the Executive Departments.

By Mr. TARVER:

H. Res. 535. Resolution providing for the consideration of H. R. 5605, a bill making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1947, and for other purposes; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to establishment of national parks; to the Committee on the Public Lands.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FARRINGTON:

H. R. 5611. A bill for the relief of Tsuta Matsumoto, alias Tsuta Kubo; to the Committee on Immigration and Naturalization.

By Mr. FOGARTY:

H. R. 5612. A bill for the relief of James R. Glynn; to the Committee on Claims.

H. R. 5613. A bill for the relief of George E. Robinson; to the Committee on Claims.

H. R. 5614. A bill for the relief of Lula M. Robinson; to the Committee on Claims.

By Mr. HENDRICKS:

H. R. 5615. A bill to correct the naval record of former members of the crews of the revenue cutters *Gresham, Fessenden,* and *Morrill;* to the Committee on Naval Affairs.

By Mr. PETERSON of Florida:

H. R. 5616. A bill for the relief of Maj. Ralph M. Rowley and First Lt. Irving E. Sheffel; to the Committee on Claims.

H. R. 5617. A bill conferring jurisdiction upon the Court of Claims to hear and determine the claims of Trent Trust Co., Ltd., a corporation of the Territory of Hawaii, and Cooke Trust Co., Ltd., a corporation of the Territory of Hawaii, as receiver for said Trent Trust Co., Ltd.; to the Committee on Claims.

By Mr. SHAFER:

H. R. 5618. A bill for the relief of W. O. Goodwin; to the Committee on Claims.

H. R. 5619. A bill for the relief of Claude A. Mutchler; to the Committee on Claims.

By Mrs. SMITH of Maine:

H. R. 5620. A bill for the relief of Roger Edgar Lapierre; to the Committee on Immigration and Naturalization.

By Mr. WEST:

H. R. 5621. A bill for the relief of Pete C. Rosales, Sr.; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1636. By Mr. ARNOLD: Petition of constituents in Linneus, Mo., urging support of the Poage bill (H. R. 1742) to authorize appropriation of $5,000,000 so that the Rural Electrification Administrator might prepare comprehensive plans for electrification of rural areas, and to authorize the Reconstruction Finance Corporation to make additional loans to the REA aggregating $585,000,000 by June 30, 1948; to the Committee on Interstate and Foreign Commerce.

1637. By Mr. HART: Petition of the Polish American Congress of Jersey City, N. J., recommending the enactment of House Concurrent Resolution 109, relative to displaced persons and refugees in foreign countries; to the Committee on Foreign Affairs.

1638. By Mr. HESS: Petition of the City Council of Cincinnati, Ohio, petitioning the Congress of the United States of America to expedite action in the matter of price control over building materials; to the Committee on Banking and Currency.

1639. By Mr. RICH: Petition of the Commission on Maternal Welfare of the Pennsylvania State Medical Society, opposing any legislation which will perpetuate the present EMIC plan or any legislation which shall set up any similar plan for maternal and child welfare; to the Committee on Appropriations.

1640. By Mrs. ROGERS of Massachusetts: Petition of the General Court of the Commonwealth of Massachusetts, urging increase of aid to dependent children program; to the Committee on Appropriations.

1641. By Mr. WELCH: California Senate Joint Resolution 9, relating to establishment of national parks; to the Committee on Agriculture.

1642. Also, California Assembly Joint Resolution 25, memorializing the President of the United States to appoint a westerner Secretary of the Interior; to the Committee on the Judiciary.

1643. Also, California Legislature House Resolution 100, relating to relaxation of social-security restrictions to permit recipients of aid to the aged to assist in the production of food to meet world needs; to the Committee on Ways and Means.

1644. Also, California Senate Joint Resolution 8, relating to encouraging the resumption of gold mining; to the Committee on Mines and Mining.

1645. Also, California Senate Joint Resolution 3, relating to proposed reparations to American residents of the Philippines detained during the war in Japanese prison camps and memorializing Congress in regard thereto; to the Committee on Foreign Affairs.

1646. Also, California Legislature House Resolution 114, relating to the investigation of the United States Forest Service; to the Committee on Agriculture.

1647. Also, California Assembly Concurrent Resolution 20, relating to the creation of a joint committee on the housing emergency; to the Committee on Banking and Currency.

1648. Also, California House Resolution 111, memorializing Federal Government agencies to relinquish office space to returned lawyer-veterans in Los Angeles County; to the Committee on Public Buildings and Grounds.

1649. Also, California Assembly Joint Resolution 22, memorializing Congress to make farm machinery, implements, and housing available; to the Committee on Banking and Currency.

1650. Also, California Assembly Joint Resolution 20, relating to the surplus potato crops in California; to the Committee on Agriculture.

1651. Also, California Senate Joint Resolution 10, relating to the permanent establishment of Camp Beale; to the Committee on Military Affairs.

1652. Also, California Assembly Joint Resolution 18, memorializing Congress to provide for an increase in the national minimum wage structure; to the Committee on Labor.

1653. Also, California Assembly Joint Resolution 17, relating to the development of tuna fishing in the Pacific Ocean; to the Committee on the Merchant Marine and Fisheries.

1654. Also, California Assembly Joint Resolution 16, memorializing the Congress of the United States to provide for a survey of the fisheries of the Pacific coast; to the Committee on the Merchant Marine and Fisheries.

1655. Also, California Senate Joint Resolution 4, relating to Federal legislation granting terminal furloughs and leaves to enlisted personnel of the armed forces of the United States; to the Committee on Military Affairs.

1656. By the SPEAKER: Petition of the executive board of the Michigan Federation of Post Office Clerks, urging consideration of their resolution with reference to salaries and retirement of our national legislators; to the Committee on the Judiciary.

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 28, 1946

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thou who art touched with the feeling of our infirmities, yet without sin, reconcile all men to Thy teaching. As we mingle today, O give us strength of self-control and patience to bear and to endure. May we not yield easily to the things which try and disturb us, or be of those who, having put their hand to the plow, turn back before the task is done. We claim no exemption from duty, but we do pray for divine guidance in all our efforts, that we may follow after things which make for peace, and things whereby we may edify one another. As servants of the public weal, make us to see the path that leads to Thee, dealing justly and loving mercy in all things. Direct us by Thy spirit, and Thine shall be the glory forever. This we ask in the name of Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H. J. Res. 301. Joint resolution to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1129. An act for the relief of Willie H. Johnson.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 63) entitled "An act to amend the Communications Act of 1934, as amended, so as to prohibit interference with the broadcasting of noncommercial cultural or educational programs"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JOHNSON of Colorado, Mr. TUNNELL, Mr. MYERS, Mr. WHITE, and Mr. AUSTIN to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2348) entitled "An act to provide for the coverage of certain drugs under the Federal narcotic laws."

AUTHORIZING PERMANENT APPOINTMENT IN THE GRADES OF GENERAL OF THE ARMY, FLEET ADMIRAL OF THE NAVY, AND GENERAL OF THE MARINE CORPS OF CERTAIN INDIVIDUALS

Mr. MAY. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 1354) to authorize the permanent appointment in the grades of General of the Army, Fleet Admiral of the United States Navy, and general in the Marine Corps, respectively, of certain individuals who have served in such grades during the Second World War.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. MILLER of Nebraska. Mr. Speaker, reserving the right to object, will the gentleman from Kentucky please make a short explanation of the bill? In the last few days I have been contacted by several Members of both the War Department and the Navy Department asking whether I would object to this bill when it came up. They understood that I was the chief objector in the House. I did object at one time to a bill to give a special medal to General Marshall previous to the Pearl Harbor investigation. I thought giving a medal at that time was premature. When it came up the second time I did not object because the hearings on Pearl Harbor were completed. They tell a not too nice story of who were responsible for that crime. The American people have not been fooled by testimony that was presented to the Pearl Harbor Committee, and I am sure that General Marshall and Admiral Stark knew where they were on December 6, although they swore before the committee they did not know. The President knew the orderly knew where

to find Admiral Stark. However, this particular bill has merit. We pension our Federal and other judges when they reach retirement age, and it does seem to me that such a bill gives men like General MacArthur, General Eisenhower, and others a deserved retirement pay. They are entitled to it just as much as retiring Federal judges. I understand under this bill the five-star generals will get retirement pay of three-fourths of their present pay; these generals have given their best and long years of service to their country. We should give this service proper recognition.

Mr. MAY. I would like to say this to the gentleman from Nebraska, that the bill came from the Senate with complete, full retirement pay without any deduction whatsoever. The House Committee on Military Affairs, in considering the measure, reduced it to the same level as other officers of the Army, to three-quarters of the regular pay of five-star generals, and it is reported in that form. However, some of the men have been retired already and some have not retired, and I will have an amendment at the proper time to take care of that situation.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Nebraska. I yield to the gentleman from Minnesota.

Mr. KNUTSON. How many five-star generals are there, all told?

Mr. MAY. There are four of them: General MacArthur, General Eisenhower, General Arnold, Chief of the Army Air Corps, and General Marshall, Chief of Staff.

Mr. KNUTSON. Does that include the Navy admirals?

Mr. MAY. There will be an amendment offered to take care of the Navy officers.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Nebraska. I yield to the gentleman from Mississippi.

Mr. RANKIN. I have introduced a bill to give the Congressional Medal of Honor posthumously to the greatest general of this war, Gen. George S. Patton; and if we are now going to confer honors, let us begin where honors are most due and confer it on the greatest general of this war.

Mr. MAY. The gentleman from Mississippi does not have any higher regard for General Patton than I have. I am his champion.

Mr. RANKIN. I understand that, and I congratulate the gentleman from Kentucky. But I want that bill reported so that we may do justice to the man who has been the most abused, most maligned, and most mistreated of any man who ever wore the uniform of an American general.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Nebraska. I yield to the gentleman from Pennsylvania.

Mr. RICH. Does this bill give recognition to General Short and Admiral Kimmel until after the Pearl Harbor investigation is completed?

Mr. MAY. No.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Nebraska. I yield to the gentleman from Illinois.

Mr. SABATH. I would like to know what the bill is. I would like to have the gentleman explain it.

Mr. MAY. I have previously made the statement that it is proposed to retire the five-star generals on three-quarters pay.

Mr. SABATH. Is that a Senate bill?

Mr. MAY. It is Senate 1354.

Mr. SABATH. Is that the bill that a rule was asked for?

Mr. MAY. No. I have not asked for a rule on it. I talked to the gentleman about it, and he said if it was not agreed to here he would give me a hearing.

Mr. SABATH. That is the bill, is it?

Mr. MAY. Yes.

Mr. SABATH. Why was not General Patton's name added to it? Is there any reason? I, too, think he was a good man.

Mr. MAY. We have another bill to take care of that.

Mr. SABATH. What is the amendment that the gentleman proposes?

Mr. MAY. Simply to take care of those who have not yet been retired.

Mr. SABATH. All right.

Mr. MILLER of Nebraska. Mr. Speaker, I withdraw any objections I might have to the bill, because I think these men who have rendered outstanding service during this war are entitled to a decent pension when they reach retirement age.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the President is hereby authorized, by and with the advice and consent of the Senate, to appoint to the permanent grade of General of the Army any individual who shall have served in such grade after December 14, 1944, and before August 14, 1945, and to appoint to the permanent grade of Fleet Admiral of the United States Navy any individual who shall have served in such grade after December 14, 1944, and before August 14, 1945. The officers appointed under the provisions of this section shall take rank in the manner provided in the act of December 14, 1944 (Public Law 482, 78th Cong.), and shall receive the pay and allowances prescribed by section 4 of such act. Any officer on the active list, or any retired officer, who is appointed under the provisions of this section and who may hereafter be retired or relieved from active duty, shall be entitled to have his name placed on the retired list with the highest grade or rank held by him on the active list or while on active duty, and shall be entitled to receive the same pay and allowances while on the retired list as officers appointed under this section are entitled to receive while on active duty.

SEC. 2. The President is hereby authorized, by and with the advice and consent of the Senate, to appoint to the permanent grade of general in the Marine Corps any individual who shall have served as Commandant of the Marine Corps, with the grade and rank of general, after March 21, 1945, and before August 14, 1945. Any officer appointed under the provisions of this section shall receive the pay and allowances prescribed by section 3 of the act of March 21, 1945 (Public Law 19, 79th Cong.); and any such officer who may hereafter be retired or relieved from active duty shall be entitled to have his name placed on the retired list with the highest grade or rank held by him on the active list or while on active duty, and shall be entitled to receive the same pay and allowances while on the retired list as officers appointed under this section are entitled to receive while on active duty.

With the following committee amendment:

Page 2, line 13, after the word "and", strike out "shall be entitled to receive the same pay and allowances while on the retired list as officers appointed under this section are entitled to receive while on active duty" and insert "while on the retired list shall be entitled to receive 75 percent of the base pay of a rear admiral of the upper half and 75 percent of the personal money allowance prescribed by section 4 of such act of December 14, 1944."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: On page 3, line 8, strike out the remainder of line 8 after the word "and", and lines 9 and 10 and 11, and insert "while on the retired list shall be entitled to receive 75 percent of the base pay of a rear admiral of the upper half and 75 percent of the personal money allowance prescribed by section 3 of such act of March 21, 1945."

Mr. KNUTSON. What would that make the retired pay amount to?

Mr. MAY. Nine thousand seven hundred and fifty dollars.

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 3, line 16, at the end of the bill, insert:

"SEC. 3. The President is hereby authorized, by and with the advice and consent of the Senate, to appoint to the permanent grade of admiral in the Coast Guard any individual who shall have served as Commandant of the Coast Guard, with the grade and rank of admiral, after March 21, 1945, and before August 14, 1945. Any officer appointed under the provisions of this section shall receive the pay and allowances prescribed by section 3 of the act of March 21, 1945 (Public Law 20, 79th Cong.); and any such officer who may hereafter be retired or relieved from active duty shall be entitled to have his name placed on the retired list with the highest grade or rank held by him on the active list or while on active duty, and while on the retired list shall be entitled to receive 75 percent of the base pay of a rear admiral of the upper half and 75 percent of the personal money allowance prescribed by section 3 of such act of March 21, 1945."

Mr. MAY. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. MAY: On page 3, line 25, immediately after the word "who", insert "has been or."

Mr. MAY. Mr. Speaker, I would like to make this explanation of that amendment. It simply means that under Public Law No. 19 of the Seventy-ninth Congress provision was made for these retirements. Some of these officers have been retired and some of them have not been retired. This amendment would make the language read as follows:

and any such officer who has been or may hereafter be retired or relieved from active duty.

And so forth. My amendment simply adds the words "has been or."

Mr. COCHRAN. Mr. Speaker, I move to strike out the last word. I am not going to oppose the amendment or oppose the bill, but I want the RECORD to show and I want the Members to realize just exactly what we are doing. We are providing for the retirement of officers in the armed forces.

This is nothing new. The Congress has been doing this for a long period. The bill will provide for an increase in the amount that the retired officer can be paid.

Under this policy, which I say has existed for a long time, the officers are entitled to be retired and they receive a very liberal retirement allowance, every dollar of which comes out of the United States Treasury. Of course, whatever is in the United States Treasury comes out of the pockets of the taxpayers. The officer is not required to make any contribution whatsoever to any retirement fund. Under the Retirement Act providing for the retirement of Federal civilian employees those employees make a monthly contribution based upon their salary. In other words they create an annuity and when they have had a certain length of service and reach a certain age they are subject to retirement and receive the annuity for the rest of their lives.

The reason I am making this statement is that in a few days we are expected to consider a bill which will provide an amendment to the Retirement Act for civilian employees that will grant recognition to Members of Congress, provided the Members of Congress make a contribution equal to that paid by all Federal employees. Now if we can provide laws such as this certainly we should not hesitate to enable ourselves to create an annuity for ourselves, provided, as I say, that we make a monthly contribution based upon our salary. As I understand the bill that will be before us, the amount that we will receive in the event we are retired would be based upon our length of service plus the amount that we paid into the retirement fund.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Pennsylvania.

Mr. RICH. Why should we permit Army officers to retire under provisions different from those applying to any other officers of the Government? Should not they all be classified alike, to make it uniform?

Mr. COCHRAN. It has been a policy that has been in force for many years.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Kentucky.

Mr. MAY. The only reason this committee reported this bill was the fact that we know, as all of you know, that every district judge of the United States, every circuit court of appeals judge, and every judge of the Supreme Court is retired after a few years of civilian service on full pay. These men that become the beneficiaries of this bill have served their country as professional soldiers in several wars and have served it well in this war, as everybody knows. That is the only reason we make this distinction.

Mr. COCHRAN. Let me add to what the gentleman from Kentucky has said that we provide for the retirement without any contribution by those who are eligible to retire in the Army, Navy, Marine Corps, the Coast Guard, the Public Health Service, and the Coast and Geodetic Survey, as well as members of the judiciary.

GEN. GEORGE S. PATTON

Mr. RANKIN. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, may I ask the chairman of the committee if he would be willing to accept an amendment at this time to confer the Congressional Medal of Honor on Gen. George S. Patton?

Mr. MAY. I would not, for the reason that the amendment would not be germane. Further, the gentleman from Mississippi, who has the floor, has a bill pending in my committee for that purpose. I would like to be able to report that bill to the House if my committee agrees with me, in order to give General Patton the distinction the gentleman desires him to have.

Mr. RANKIN. I want that bill to come before the House at an early date and be passed without delay.

I want to show how the smear bund in Washington under the pressure of the so-called antidefamation league stirred the feeling of the American people against General Patton, the greatest general who has ever worn the uniform of this Nation, at least since the War Between the States.

I never saw General Patton until this trouble arose. But when I saw and heard over the radio how these slime-mongerers attempted to destroy the greatest general we had in the war, who had swept across north Africa in a blaze of genius and whipped General Rommel for the first time, when Rommel had been burning rings around British generals; when I saw General Patton drive through Sicily, and then when we came to the invasion, when everything was ready, when the Germans were more afraid of George Patton than they were of any other man alive—then this smear bund got busy and dug up a little incident that had happened 4 or 5 months before, and started the radio and a certain element of the press to smearing General Patton in such a way that it disturbed the administration and disturbed General Eisenhower, who wanted to put him in command of a certain army; when those attacks slowed down, or delayed, if you please, the invasion and cost the lives of from 10,000 to 50,000 of the finest American soldiers who ever lived—then I came to the defense of General Patton on this floor, turned the light on and helped drive his detractors to cover.

Then when he went with his command into Bavaria he wanted to treat those people decently. Of all things a victor can afford it is to be magnanimous. George Patton was a gentleman. He would not permit the rape of the innocent women that took place in other occupied areas. He would not permit the murder of innocent individuals. He would not permit the robbing and plundering of the poor peasants of their stock and their household goods, as was done in other areas of the occupied zones.

General Patton manifested that same magnanimity that he always manifested, and that same courage that he had manifested on the battlefield; but the smear bund got busy again and had him removed from his command. Today he sleeps amidst the white crosses that mark the last resting places of those brave boys who went down fighting under him.

His name will live and his fame will grow throughout the coming centuries.

I am going to demand, if it is the last thing I do, that this Congress vote to Gen. George S. Patton a Congressional Medal of Honor. It should have been done long ago.

The SPEAKER. The time of the gentleman from Mississippi [Mr. RANKIN] has expired.

Mr. RIZLEY. Mr. Speaker, I rise in opposition to the pro forma amendment.

Mr. Speaker, certainly I would not want to withhold any word of praise from General Patton or any other high, distinguished officer in the Army or in the Navy. They have all done a very excellent job during this war and have demonstrated as generals, admirals, rear admirals, and on down that in the entire history of the world no greater leadership has existed, and they have never been surpassed as naval and military strategists.

However, I do want to say that sometimes I think we overstress the high command and underestimate the part played by those who are in the ranks and that great array of civilian officers who come up the hard way—National Guard and Reserve officers, if you please. Right now I have in mind a colonel from my own congressional district who enlisted in the First World War as a buck private, and who fought in every major engagement in that war and came out as a first lieutenant. He entered this war and came out as a full colonel, a Reserve officer. He was shot up over in India. He has given all of the best part of his life in his country's service. I seriously doubt if this officer or thousands of others in his category, men in active service, but who are disabled, will have a chance under present regulations for retirement. They may have served long, well, and regardless of what has happened to them, they cannot get much consideration from retirement boards. Some consideration should be given these men as well as admirals and generals.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I yield.

Mr. RANKIN. Under the present law, as passed in 1928, disabled emergency officers with 30-percent disability are entitled to retirement pay.

Mr. RIZLEY. I am not against retiring them, but I think the Committee on Military Affairs and the Committee on Naval Affairs should look into the whole retirement program.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I yield to the distinguished gentleman from Massachusetts.

Mr. McCORMACK. The gentleman from Oklahoma has in mind a different

retirement law than the gentleman from Mississippi. The gentleman has in mind retirement with reference to officers in active service.

Mr. RIZLEY. That is right.

Mr. McCORMACK. Not for the purpose of criticism, but in the same spirit in which the gentleman from Oklahoma approaches the subject, I think there is a great deal to what he says, and the retirement boards should be more careful in the consideration of veterans, particularly in relation to Reserve officers.

In the consideration of their receiving retirement or pension direct from the War Department, the Army, I might say, however, and I believe, in fact, the gentleman from Oklahoma appreciates it and does not want to have the record confused in relation to his own remarks, the bill we are now considering is an entirely different retirement, and that is based on longevity of the period of service. In the Army and Navy, of course, we must recognize that those men are giving their whole lives to a career of service to their country with our armed forces, and it is only just that their retirement system should be a straight one and not based upon deductions from compensation or salary.

Mr. RIZLEY. I agree wholeheartedly with everything the distinguished majority leader has said. I understand this has nothing to do with the retirement I was speaking about. I merely took this time to call the attention of the chairman of the committee to this retirement question.

Mr. KEARNEY. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I yield.

Mr. KEARNEY. I may say to the gentleman that I have a bill now pending before the Committee on Military Affairs which provides in substance for the retirement of National Guard and Reserve officers.

Mr. Speaker, no one wants to take away anything from those men who have given their life's work to preparing for the day when all their skill and ability be directed against the common enemy. The culmination of their efforts was rewarded first on VE-day and later on VJ-day.

We must remember, however, another group of patriotic Americans. Those of the National Guard and those of the Reserve Corps. Men who, week in and week out, devoted years to the military game to the exclusion of their own business. Many of the gentlemen have served their country for many, many years and come this October some will have been in the service of their country for 6 long years. These are the men I referred to when I spoke about a retirement bill I introduced, now pending before the Military Affairs Committee of the House. In its total it is a mere pittance compared to the retirement pay of the Regular Establishment, but at least it is in a small measure some compensation for those who have returned after their years of service and find themselves unable to secure jobs, the practice of their chosen professions gone, and their businesses wrecked. It is this class of our soldiers I am asking consideration for—that vast army of citizen soldiers.

Mr. McKENZIE. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I yield.

Mr. McKENZIE. May I point out in line with the remarks of our distinguished majority leader that, as he said, these Regular Army and Navy officers follow military service as a career and what he says of their retirement is true. Does he however realize that the man who does not follow the military service as a career is the man who makes the real sacrifice, the man who left his business, the man who left his family. He comes back many times a physical wreck, unable to pick up where he left off, his business gone, and finds he must completely rehabilitate himself. I think the National Guard and the Reserve officers and men should be given just as much consideration in retirement programs as the Regulars. These civilian soldiers pay the real price of war. During times of peace they devote their spare time, their nights, and their vacation periods to training and preparation and study, and when war comes they carry the burden of the fight in the field while the Regular is probably in some safe command post or at a desk in Washington. We give the National Guard and Reserve men recognition for this service in figuring their "faggies" or longevity pay—so we have established the principle. Why not give them, both officers and men, the same credit toward retirement, 5 percent for each 3 years served? If we do this we can again have a strong National Guard and Reserve force.

Mr. MAY. Mr. Speaker, I move the previous question on the amendment to the committee amendment.

The amendment to the committee amendment was agreed to.

The committee amendment as amended was agreed to.

Mr. MAY. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MAY: Page 2, line 10, immediately after the word "who" insert the following: "has been or"; and on page 3, line 5, immediately after the word "who", insert the following: "has been or."

Mr. MAY. Mr. Speaker, I move the previous question on the amendment.

The previous question was ordered.

The amendment was agreed to.

Mr. ANDREWS of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDREWS of New York: On page 2, line 3, strike out the word "August" and substitute therefor the word "December."

Mr. ANDREWS of New York. Mr. Speaker, I offer this amendment for the purpose of including within the provisions of the bill Admiral Halsey, who was created a five-star admiral after August and therefore if the date be not changed he would be precluded from the benefits of this act. When the original five-star act was passed it provided for four five-star generals and four five-star admirals. At that time President Roosevelt appointed only three five-star admirals. Subsequent to President Roosevelt's death, President Truman appointed Admiral Halsey to five-star rank.

This amendment is offered with complete approval of and at the request of the chairman of the Committee on Naval Affairs of the House, the gentleman from Georgia [Mr. VINSON].

Mr. MAY. Mr. Speaker, I move the previous question on the amendment.

Mr. MARTIN of Massachusetts. Mr. Speaker, will not the gentleman withhold his motion? Several Members on this side have been seeking an opportunity to speak on this bill.

The SPEAKER. Will the gentleman withhold the motion?

Mr. MAY. Yes; I withhold the motion, Mr. Speaker.

Mr. SCRIVNER. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, we are all agreed that these great admirals and generals to whom reference has been made have given a great deal to this Nation, but too many times when some speak of these high rankers they apparently forget that without 15,000,000 or so GI's fighting under them these officers could not make the record they made. These Regular Army officers and Regular Navy officers are able to take care of themselves. These 15,000,000 men are not professional soldiers. They were civilians called into service by their Government. When these officers leave the service they have their terminal leave, 60, 90, or 120 days' pay. Why not furlough pay for these young men whose duties in the fighting kept them from enjoying their furloughs?

A bill has been prepared by the subcommittee of the Committee on Military Affairs which will right this wrong and provide for these returning GI's terminal furlough pay just as these high rankers get their terminal leave pay. I feel this bill is something to which the Military Affairs Committee should give prompt and favorable consideration.

Mr. GAVIN. Mr. Speaker, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. Mr. Speaker, I want to compliment the distinguished gentleman from Kansas on his remarks; his concern for welfare of the veteran is well known. I have listened with a great deal of interest to the statements as to leadership of the five-star generals and the five-star admirals and I was wondering when somebody would stand up and say a word about the great record of the GI and the ordinary seaman, our boys who have gone through the cold, the heat, the filth, the fatigue, the misery, the mud, and the horrors of mechanized warfare in order to carry on the fight. I am of the opinion that like consideration should be given these boys on every occasion. And while we discuss the great leadership of our generals and admirals, give due credit to the magnificent performance turned in by our boys who carried out their orders.

Mr. SCRIVNER. Yes. These youngsters with one, two, or three stripes on their sleeves are entitled to the same honor and consideration as the five-star generals.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Kentucky.

Mr. MAY. I do not think the gentleman wants to be critical of the House Military Affairs Committee.

Mr. SCRIVNER. No. I am merely making a suggestion of a hope of speedy action.

Mr. MAY. We have been meeting every day for weeks and we are in session today. We have had that bill reported to the whole committee for 4 weeks and we cannot get time to take it up in the House.

Mr. SCRIVNER. I hope, after 4 weeks' study, the time will come very shortly when we will get it up and that it will be considered on the floor of the House. I am glad to learn some progress has been made.

The SPEAKER. The time of the gentleman from Kansas has expired.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I move to strike out the last two words.

Mr. Speaker, I, too, am very glad that these admirals and generals, who have done such splendid work in winning the war for us and the world, are receiving some recognition. I agree with the gentleman from New York that more should be done for the Reserve officers and enlisted men. The enlisted men, too, should have terminal pay. They need it much more than the officers need it.

Mr. Speaker, I am thinking of introducing a resolution that it is the sense of the House that the examining boards for retirement of the Army and Navy shall be more careful in considering cases of Reserve officers for retirement. Those who have been watching this retirement situation for me tell me that they believe that the benefit of the doubt, if there be any, is given to the Regular men but not to the Reserve officers. That certainly should be watched and checked, and remedied.

Speaking of the GI's, there are many things that we can do for them in seeing that they get the benefits that are due them, that they get the proper supplies and good housing, not cheap houses. The GI's should have the best that we can provide them and they should certainly be allowed to purchase Government-owned houses at a reasonable rate. I have introduced a bill to bring that about.

Mr. MAY. Mr. Speaker, I move the previous question on the pending amendment.

The previous question was ordered.

The SPEAKER. The question is on the amendment offered by the gentleman from New York [Mr. ANDREWS].

The amendment was agreed to.

Mr. RANKIN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RANKIN:

On page 2, after line 10, insert a new section to read as follows:

"SEC. 3. The President of the United States is authorized and directed to award posthumously, in the name of Congress, a Medal of Honor to Gen. George S. Patton, Jr., in recognition of his leadership as a field commander of unsurpassed ability, courage, and gallantry, and his invaluable service to the Nation in hastening the day of victory and thus saving the lives of countless American fighting men."

Mr. MAY. Mr. Speaker, I make a point of order against the amendment.

Mr. RANKIN. Will the gentleman withhold that for a moment?

Mr. MAY. The gentleman has already spoken on it.

Mr. RANKIN. I just want to again speak to the gentleman from Kentucky on it. I urge him not to make a point of order.

Mr. MAY. I reserve the point of order, Mr. Speaker.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Pennsylvania.

Mr. RICH. It seems to me that the chairman of the committee a few moments ago gave the gentleman from Mississippi his assurance that he would give this matter consideration, and I do not see why we should tack it onto this bill.

Mr. RANKIN. If the chairman of the committee [Mr. MAY] constituted the whole committee, I would say to the gentleman from Pennsylvania that I would be perfectly satisfied. But I know that opposition has come and always will come from what we call the brass hats to giving these Congressional Medals of Honor under these conditions, and I know there is going to be opposition from various sources in this instance.

I am appealing to the gentleman from Kentucky now to withdraw his point of order and let this amendment go through. It cannot hurt a thing on earth. It will not cost anything, and it will not in any way injure the cause of any other man who is mentioned in this bill, but it will be doing a small measure of belated justice, as I said, to the greatest military genius of this war.

What I am afraid of is that unless we get this amendment adopted, opposition may develop and we might not get the measure out of the committee at all. So, if the gentleman will just withdraw his point of order and let the amendment go through, we will do this belated justice to this great hero who never sent a man where he was not willing to go himself, who suffered one of the hardest fates that ever befell a victorious general, and who was to be smeared out of his command by those invidious elements, some of whom hated him for his very successes, and would destroy the Government for which he fought.

I hope the gentleman from Kentucky will withdraw his point of order and let this amendment go through, because there will not be a dozen votes against it.

Mr. MAY. Mr. Speaker, for many good and sufficient reasons, I insist on my point of order.

The SPEAKER. The point of order is sustained.

The question is on the third reading of the bill.

The bill was ordered to be read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

The title was amended so as to read: "An act to authorize the permanent appointment in the grades of General of the Army, Fleet Admiral of the United States Navy, general in the Marine Corps, and admiral in the Coast Guard, respectively, of certain individuals who have served in such grades during the Second World War."

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. SHAFER asked and was given permission to revise and extend his remarks.

COVERAGE OF CERTAIN DRUGS UNDER THE FEDERAL NARCOTIC LAWS

Mr. ROBERTSON of Virginia. Mr. Speaker, I call up the conference report on the bill H. R. 2348 to provide for the coverage of certain drugs under the Federal narcotic laws, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2348) to provide for the coverage of certain drugs under the Federal narcotic laws, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate; and agree to the same.

R. L. DOUGHTON,
JERE COOPER,
JOHN D. DINGELL,
A. WILLIS ROBERTSON,
HAROLD KNUTSON,
D. A. REED,
ROY O. WOODRUFF,
Managers on the Part of the House.

WALTER F. GEORGE,
D. I. WALSH,
JOS. BAILEY,
ROBERT M. LA FOLLETTE, Jr.,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2348) to provide for the coverage of certain drugs under the Federal narcotic laws, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The purpose of the Senate amendment is to make it possible for millers to produce hemp fiber from the hemp plant without incurring liability for the tax which is imposed upon transfers of marihuana. Marihuana and hemp fiber are produced from the same plants. When the Congress passed the Marihuana Tax Act of 1937 for the purpose of regulating the use of marihauna as a narcotic, it was understood that the act would not interfere with the operations of millers engaged in producing hemp fiber. However, it has now developed that the millers may be liable for the payment of the transfer tax on marihuana by reason of the transfer to them of the hemp plants. The rate of the tax is very heavy, being $1 per ounce in certain cases and $100 per ounce in other cases,

and would make it utterly impossible for the millers to continue operations if they were required to pay the tax.

Under present law the tax is imposed upon marihuana as the term is defined in the law. The term is defined to include all parts of the hemp plant except the mature stalk thereof. It appears that under the regular practice in the industry a small quantity of leaves still adhere to the stalks when they are transferred to millers for the production of fiber. It is because of these leaves, which are included within the definition of marihuana, that the liability for the transfer tax might be incurred.

The Senate amendment to this bill provides for the registration of millers producing fiber from the hemp plant and provides that transfers of marihuana may be made to millers so registered, without payment of the transfer tax. A number of special requirements relating to the registration of millers for this purpose are contained in the amendment and are set out in the text of the amendment below.

The text of the amendment is as follows:

"AMENDMENTS RELATING TO MARIHUANA

"SEC. 10. (a) Exemption for certain transfers to millers: Section 2591 of the Internal Revenue Code is amended by adding at the end thereof a new subsection (e) to read as follows:

"'(e) Exemption for certain transfers to millers: Nothing in this section shall apply to a transfer of the plant Cannabis sativa L. or any parts thereof from any person registered under section 3231 to a person who is also registered under section 3231 as a taxpayer required to pay the tax imposed by section 3230 (a) (6).'

"(b) Special tax on millers: Section 3230 of the Internal Revenue Code is hereby amended by adding at the end of subsection (a) a new subdivision (6) to read as follows:

"'(6) Millers: Any person who at a mill manufactures or produces from the plant Cannabis sativa L. any fiber or fiber products, $1 per year or fraction thereof during which he engages in such activities.'

"(c) Registration of millers: Section 3231 of the Internal Revenue Code is hereby amended by inserting at the beginning thereof, before the word 'any' the following: '(a) In general:'; and by adding at the end of such section a new subsection to read as follows:

"'(b) Special requirements for millers: The Secretary shall not permit the registration of any person under this section as a person required to pay the tax imposed by section 3230 (a) (6), unless in the opinion of the Secretary such person (or if a corporation, each officer thereof) is a person of good moral character and unless in the opinion of the Secretary such person is a person of suitable financial standing, intends to engage in good faith in the business of manufacturing or producing fiber or fiber products from the plant Cannabis sativa L. on a commercial basis, and is not seeking registration under this section for the purpose of facilitating the unlawful diversion of marihuana. Any person who is registered under this section and has paid the tax imposed by section 3230 (a) (6) shall afford agents of the Bureau of Narcotics ready access at all times to any part of the premises of the mill or other premises of such person and the right to inspect any and all books, papers, records, or documents connected with the activities of such person in dealing in, manufacturing, and processing Cannabis sativa L. and fiber or fiber products thereof, and the handling of marihuana. The Secretary may cancel or may refuse to renew, after notice and opportunity for hearing, the registration of any such person if he finds that such person has not complied or is not complying with the requirements of this subsection, or if he finds that grounds exist which would justify the refusal to permit the original registration of such person under this section.'"

R. L. DOUGHTON,
JERE COOPER,
JOHN D. DINGELL,
A. WILLIS ROBERTSON,
HAROLD KNUTSON,
D. A. REED,
ROY O. WOODRUFF,
Managers on the Part of the House.

Mr. ROBERTSON of Virginia. Mr. Speaker, the major purpose of this bill is to bring new synthetic drugs of a habit-forming character under our general narcotics acts and to treat them as we do opiates. The hemp amendment was inserted on the Senate side. Both the House and the Senate were unanimous in support of the major provisions of the bill. We had a conference on the Senate amendment and the conferees were unanimous in agreeing to accept the Senate amendment, feeling that it is necessary to protect the hemp industry without imperiling our control of dangerous narcotics.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. ROBERTSON of Virginia. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Would it be possible to include barbiturates under this bill, or is this a special provision for hemp?

Mr. ROBERTSON of Virginia. This merely provides that hemp, from some of the dead leaves of which marihuana may be taken, may be transported from the field to the factory without making the factory liable for the heavy tax that is imposed upon the handlers of marihuana which, as my distinguished colleague knows so very well, is a very dangerous drug.

Mrs. ROGERS of Massachusetts. Will the gentleman assist me in trying to secure legislation to control the abuse of barbiturates? In many States today they can be obtained without any prescription and are causing a great many suicides. They are also causing a great deal of trouble for young people who are taking them without realizing that they are dangerous.

Mr. ROBERTSON of Virginia. This bill is broad enough to cover any drug that is found to be habit forming and of an opiate character. We do not attempt to specify any particular drug. The occasion for this bill was the development of a new German synthetic drug over which we had no control at all, and which is just as dangerous as opium in its effect and in its habit-forming character.

Mrs. ROGERS of Massachusetts. The barbiturates would be included in this without any doubt?

Mr. ROBERTSON of Virginia. I feel that undoubtedly they would be included.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. ROBERTSON of Virginia. I yield to the gentleman from Minnesota.

Mr. KNUTSON. May I say to the gentlewoman from Massachusetts that after this measure has become law she might ask the Food and Drug Administration for a ruling and, if it is held that the particular drug in which the gentlewoman is interested is not covered under this law, I think I am safe in assuring the gentlewoman that the Committee on Ways and Means will be glad to take further action if necessary.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. ROBERTSON of Virginia. I yield to the gentleman from Pennsylvania.

Mr. RICH. Is there anything in this bill that will permit marihuana to come into this country and be used freely by people in any way in which it should not be used?

Mr. ROBERTSON of Virginia. No. The amendment was very carefully drawn. We feel that the use of the drug marihuana is safeguarded. We hope so. We have the cooperation of the hemp manufacturers, and we should anticipate no real trouble.

Mr. RICH. We just want that assurance.

Mr. CARLSON. Mr. Speaker, will the gentleman yield?

Mr. ROBERTSON of Virginia. I yield to the gentleman from Kansas.

Mr. CARLSON. As the gentleman from Virginia knows, we in the committee reported out a very stringent bill and it passed the House. Do I correctly understand that it comes back here with provisions that weaken it?

Mr. ROBERTSON of Virginia. No, it does not affect our bill at all. This amendment amends the Marihuana Act, which was an act we had passed previously.

It grows out of the fact that the Narcotics Division of the Treasury Department issued a new and very stringent regulation affecting the raw hemp industry in this Nation. They said they could not operate under that regulation. This amendment gives them an opportunity to operate under certain supervision and safeguards which the Treasury reported to us they hoped would be adequate. The Treasury report was kind of a yes-and-no report which in a way justified the regulation and backed off of it at the same time.

Mr. CARLSON. That brings me to my point. We have taken this away from the Treasury Department and placed it in the hands of a board. Is that correct?

Mr. ROBERTSON of Virginia. No, no, we do not do that.

Mr. CARLSON. As I heard the reading of it, it was a new board.

Mr. ROBERTSON of Virginia. No; the Treasury still has control of the hemp industry with respect to the production and use of the drug.

Mr. SMITH of Ohio. Mr. Speaker, will the gentleman yield?

Mr. ROBERTSON of Virginia. I yield.

Mr. SMITH of Ohio. I am somewhat puzzled by a statement the gentleman made that the particular drugs are not designated, which means that those who will have control of this matter may decide what drugs to keep off the market. It seems to me that is giving pretty broad powers.

Mr. ROBERTSON of Virginia. That provision has unanimously passed both the House and Senate. The conference

report only deals with this amendment offered by Senator LA FOLLETTE to take care of the hemp industry in about four Midwestern States. The drug provision was very carefully drawn and we have no objection from any doctor or any medical association or anybody else about it, but there was great support from a lot of sources to bring these habit-forming, synthetic drugs under control or else we might turn into a nation of drug addicts before we know it.

Mr. SMITH of Ohio. Of course, we do not want the Nation to turn into drug addicts. Nevertheless, there are drugs which are on the border line and to give this agency arbitrary power to decide a matter of that kind, it seems to me is giving it pretty broad powers. I should like to register my protest against that sort of a proposition.

Mr. ROBERTSON of Virginia. I assure our distinguished colleague the gentleman from Ohio, Dr. SMITH, that he is unduly alarmed about what is going to be done under this bill.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

AMENDING FIRST WAR POWERS ACT

Mr. CELLER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4571) to amend the First War Powers Act, 1941, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 7, line 11, after "proceeds", insert ": *Provided*, That except as provided in subsections (b) and (c) hereof, no person to whom a return is made pursuant to this section, nor the successor in interest of such person, shall acquire or have any claim or right of action against the United States or any department, establishment, or agency thereof, or corporation owned thereby, or against any person authorized or licensed by the United States, founded upon the retention, sale, or other disposition, or use, during the period it was vested in the Alien Property Custodian, of the returned property, interest, or proceeds."

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. SPRINGER. Mr. Speaker, reserving the right to object, may I say I do not intend to object, but am making this reservation so the gentleman from New York can make an explanation of the bill and the amendment for the benefit of the Members of the House.

Mr. CELLER. Mr. Speaker, this amendment has been approved by all departments interested, to wit, the Treasury Department, the Department of Justice, the Office of the Secretary of State, the Alien Property Custodian, and the Bureau of the Budget. The bill in the main provides that friendly aliens; that is, aliens of France, Belgium, Holland, and so forth, whose property was vested for protective purposes in the Alien Property Custodian might now get that property back. If they get their property back, for instance a patent, they should not have the right to bring action against the United States for an infringement of the patent.

In simple language, that is the purport of the Senate amendment.

Mr. SPRINGER. And that is the only provision the amendment contains?

Mr. CELLER. That is all.

Mr. SPRINGER. May I ask the gentleman if it is not true that the amendment is unanimously agreeable to the Committee on the Judiciary?

Mr. CELLER. That is correct.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. CELLER]?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. BIEMILLER asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. BRYSON asked and was given permission to extend his remarks in the RECORD and include an address he delivered at Valley Forge on Sunday.

Mr. OUTLAND asked and was given permission to extend his remarks in the RECORD and include a statement by several national organizations on the necessity for renewing price control.

Mr. WASIELEWSKI asked and was given permission to extend his remarks in the RECORD and include an editorial from the Milwaukee Journal of February 21, 1946.

Mr. WASIELEWSKI asked and was given permission to extend his remarks in the RECORD and include a statement he made before a subcommittee of the Foreign Relations Committee with reference to the St. Lawrence seaway.

Mr. VINSON asked and was given permission to extend his remarks on the Case bill and to incorporate a letter from the Georgia Farm Bureau president.

Mr. MADDEN asked and was given permission to extend his remarks in the RECORD and include a letter from a veteran of World War II.

Mr. MADDEN asked and was given permission to extend his remarks in the RECORD and incorporate an editorial from the Times-Herald of today.

Mr. LUDLOW asked and was given permission to extend his remarks in the RECORD in two instances—in one, to include an editorial from the Washington Post, and in another to include a statement he made before the House Committee on Post Offices and Post Roads this morning.

Mr. STEWART asked and was given permission to extend his remarks in the RECORD and include a letter from Floyd E. Kirby, a returned veteran from World War II.

Mr. ROBERTSON of Virginia asked and was given permission to extend his remarks in the RECORD and insert an article by Henry W. McLaughlin entitled "A Remedy for Strikes."

Mr ROMULO asked and was given permission to extend his remarks in the RECORD with reference to a Filipino war hero.

Mr. ROMULO asked and was given permission to insert in the RECORD a letter on the Filipino disabled veterans.

Mr. TIBBOTT asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. GAVIN asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. HENRY asked and was given permission to extend his remarks in the RECORD and include an editorial which appeared in the Wisconsin State Journal of Madison, Wis., February 22.

Mr. WOODRUFF asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. WOODRUFF asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. RIZLEY asked and was given per mission to extend his remarks in the RECORD and include two newspaper articles.

SPECIAL ORDERS GRANTED

Mr. BRYSON. Mr. Speaker, I ask unanimous consent that on Monday next, after all other business and any other special orders, I may address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent that on Wednesday next, after the legislative business of the day and any other special orders, I may address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

EXTENSION OF REMARKS

Mr. LAFOLLETTE asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and to include two addresses which he made.

Mr. AUCHINCLOSS asked and was given permission to extend his own remarks in the Appendix of the RECORD.

Mr. STEVENSON asked and was given permission to extend his remarks in the Appendix of the RECORD and include therein an Associated Press release printed in the LaCrosse Tribune, of LaCrosse, Wis., on February 24, under the title "Retail Lumber Men Blame OPA for Building Material Shortage."

Mr. BENDER (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his own remarks in the Appendix of the RECORD.

Mr. MICHENER asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. FORAND asked and was given permission to extend his remarks in the Appendix of the RECORD and include a round-table conference held under the auspices of the agricultural interests in Rhode Island.

Mr. HOFFMAN asked and was given permission to extend his remarks in the Appendix of the RECORD and include excerpts.

CALL OF THE HOUSE

Mr. PATMAN. Mr. Speaker, I make the point of order a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 37]

Adams	Curley	Peterson, Ga.
Allen, La.	Daughton, Va.	Randolph
Almond	Dawson	Reece, Tenn.
Baldwin, Md.	Douglas, Calif.	Reed, N. Y.
Baldwin, N. Y.	Eaton	Rivers
Beall	Fernandez	Robertson, N. Dak.
Boren	Fisher	Robinson, Utah
Bradley, Mich.	Gardner	Roe, N. Y.
Brumbaugh	Gifford	Schwabe, Mo.
Burgin	Gwinn, N. Y.	Short
Byrne, N. Y.	Hart	Slaughter
Camp	Holmes, Mass.	Starkey
Cannon, Fla.	Jarman	Taylor
Cannon, Mo.	Keefe	Thomas, N. J.
Carnahan	Kerr	Tolan
Case, S. Dak.	Landis	Vursell
Chapman	McGregor	Walter
Chelf	Merrow	Weaver
Chenoweth	Murphy	White
Chiperfield	Murray, Tenn.	
Cole, Kans.	Norton	
Courtney	Patrick	

The SPEAKER. On this roll call, 364 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

HOUSING STABILIZATION

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 4761, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read, as follows:

Committee amendment: On page 2, line 25, strike out "December 31" and insert "June 30."

Mr. PATMAN. Mr. Chairman, I desire recognition on this amendment.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

DEVASTATING AMENDMENT

Mr. PATMAN. Mr. Chairman, this amendment goes to the heart of the bill. To my mind, it is a devastating amendment and will scuttle the Truman-Wyatt housing program.

If you will take the bill as reported by the committee, at the end of page 2 you will notice "December 31, 1947," was stricken out, and the words and figures "June 30, 1947," inserted instead. That means that this will end on June 30, next year.

We know it is going to take some time to get this bill passed—if it is passed—probably 60 days. That means that the law will be effective only about 1 year. On some things 1 year would probably be enough, but on house building it is not enough. It takes time to build houses. If you put a termination date in here, June 30, 1947, it means that all these contractors will get priorities on their materials, they can be building on their houses, and they can see the end of the law coming in a few weeks from the time the houses will be finished. What is the natural thing for them to do? The natural thing for them to do is to slow up and wait until the law has expired so they can sell the house for which they have had priorities to build at any price on earth they are able to get. They will be able to get two or three times what the houses are worth.

So a vote for this amendment, to my mind, is a vote to scuttle the proposal by President Truman at the request of Mr. Wilson Wyatt. They cannot do this job in 1 year or 18 months' time. The program is predicated upon 2 years. It is scheduled, it is planned, all plans are formulated for a 2-year period, to build 2,700,000 houses. If you adopt this amendment you will scuttle the Truman-Wyatt proposal to build houses for veterans of World War II.

EVERY MEMBER INTERESTED IN VETERANS

I am assuming, and I know it is right—there is no doubt in my mind about it—every Member of this House is interested in veterans. No one has a monopoly on doing things for veterans; we are all for the veterans. The veterans assume that. They are not writing and wiring Members of Congress because they assume that we are familiar with the critical housing shortages that are existing over this Nation, and they expect us to do what is necessary to alleviate that housing shortage. We are all for the veterans equally, every one of us.

PRESIDENT TRUMAN'S PLAN

All we want to do is to pass a law that will come nearer getting the job done. Now we have this plan. Weeks of time were spent on formulating this plan. It is a plan of the President of the United States. He says that he wants 2 years, and he says that anything less than that is not sufficient; anything less than that will scuttle this legislation. So a vote for this amendment, in all seriousness, is a vote against an effective housing bill. For this reason I hope the amendment is voted down.

Mr. BROWN of Georgia. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am afraid the statement of the gentleman from Texas is a little confusing. He said this was a committee amendment. It is true that this amendment was in the original Patman bill, but by an amendment offered by me we defeated it and we struck out the provision that this bill should expire on December 31, 1947. My amendment limited the bill to the 30th of June 1947.

The reason for this limitation is that OPA has been extended only for 1 year. The present bill before my committee today proposes to extend OPA until June 30, 1947.

What is in this housing bill? It contains controls similar to certain controls in the OPA bill. A new Congress will be here on January 1, and can take a look at the housing situation early next year.

Let me say that the committee voted for my amendment and I am still supporting the bill as reported by the committee. I want to say to my friends that two other amendments will be offered as committee amendments, but in reality they are not committee amendments. They were stricken out by our committee. One deals with subsidies and the other with ceilings on old houses.

Mr. Chairman, if you do not stand by the Patman bill as reported by our committee and vote down the amendments now offered by some members of the committee who voted for the bill as reported, then you are likely to have your bill defeated.

I ask you: Why should we extend the operation of this housing bill longer than we extend the operation of OPA? It is part and parcel of the same thing, and you are only transferring some of the authority relative to ceilings to the Housing Authority from OPA. I feel therefore that both should expire at the same time, and neither should be extended for more than 12 months.

Miss SUMNER of Illinois. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I wish to call the attention of the House regarding this bill which the gentleman from Texas is trying to disclaim and call the Truman bill. The gentleman from Texas is always trying to say that industry will hold back and not produce in the hope of having the controls removed. Industry, of course, does hope controls will be removed.

I call your attention to the statement made by the gentleman from Texas on page 366 of the hearings. He accused the lumber mills of the South of producing at only 50 percent of capacity for the same reason he has stated here, that they were trying to hold back part of their production until control is removed. The gentleman from Texas said:

They only produce so much timber a year, anyway, and I can see how one would possibly reason that "I now have just so much timber to cut, and the less I cut now the more I will have to cut when price controls and restrictions are removed, and if I cut it now, I will get so much for it, whereas if I wait, I will get a much higher price for it."

You see, it is the same argument. He said to Judge Collet, the stabilizer:

I wonder if that is entering into this picture in a very large way?

What do you think the stabilizer said? He answered, and you will find this in the

hearings right here, that he had investigated that situation thoroughly and he concluded:

The estimates varied in different mills, of course, very largely, but answering your question specifically I did not reach the conclusion that there was any deliberate withholding on any appreciable scale of production for the reason that you mentioned.

Mr. MONRONEY. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, this amendment of the committee to reduce the term of this bill to a mere 1 year's effectiveness goes to the very core of this bill. I think we would be playing perhaps the worst trick in the name of the veterans that this Congress could play to advertise throughout the length and breadth of this Nation of ours that we are going to give preference in materials, preference in expediting the construction of veterans' houses, and in exchange for that help to be given to private builders to build these houses, we keep controls on just long enough for these houses to be ready for sale. Then we would remove all the price ceilings and veterans purchase preference that were intended to protect the veterans right when the homes became ready for sale. The builders will get a great deal of help and benefit out of the priority for veterans' houses. They are building them on a close margin. They are trying to put these houses out under HH priorities to keep the ceilings down to a cost that the veteran can pay. Now comes the committee amendment which would take off all controls on prices, all controls even for those houses that are to be sold to the veterans for which priorities were given for the construction, taking all these controls off on June 30, 1947, about the time that most of the houses will come to the market for sale.

If this committee, if the Congress, wants to work a trick like that in the name of the veteran, take scarce materials and channel them to builders, then not even require the homes to be sold to veterans or require them to be sold at a reasonable price to veterans, then pass this committee amendment and you will do that.

Any reasonable man knows this bill cannot get through and be signed by the President under about 60 days. You know the difficulties and the delays that will be occasioned in getting the mass of housing for veterans ready. You also know that by fixing the date for the end of all powers in this act as June 30, 1947, you will be taking away the very protection to the veteran for which you have given special priority and special treatment to help solve their problems. Shorten the life of this bill and you help the builders but not the veterans.

Mr. CRAWFORD. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Kentucky.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 35 minutes, the last 5 minutes to be reserved to the chairman of the Committee on Banking and Currency.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. CRAWFORD. Mr. Chairman, I think it is again necessary for us to point out that H. R. 4761 as here presented is not the administration's housing program. I bear correction in this if I am in error. So far as I know, this bill was reported on the noon of a day when the President announced his housing program that evening. At the time the bill was reported, which was after 12 o'clock noon, I interrogated our chairman and asked if it would be in order to make a point of order against reporting the bill, in view of the fact that the House was in session. The chairman sustained that. I said, "Well, I am not going to make a point of order against reporting the bill." But I felt then, as I have found out since, that the committee was in error in reporting the bill at that time before the administration announced its housing program. I wanted to get that into the RECORD. This is not the administration's housing program as set forth in this bill, so far as I know, and I hope that will stick now.

With respect to the expiration date which the gentleman from Texas [Mr. PATMAN] has asked to be placed as of December 31, 1947, I am opposed to extending the date to that time. I am in favor of the committee amendment which lets it expire as of June 30, 1947. I hope and I still believe that there will be a Congress in session here the first 6 months of 1947. Certainly, it will be a new Congress.

Now, there will be an effort made to extend the OPA until June 30, 1947, and there is every reason on earth, in my opinion, why these two propositions should run jointly, if they are going to run. Therefore, I hope that the amendment to extend the time to December 31, 1947, will be defeated. As I have said before, this proposition is part of the web and woof of the fabric of all of these economic controls. There is no way that you can separate the OPA from this bill that we are considering. It is a part of the same approach.

The argument is continually made here, "What have you Republicans to offer besides subsidies?" Now, just this morning we had before us the president of the Federal Reserve Bank of Boston, Mr. Ralph Flanders, head of the Committee for Economic Development. And, do not misjudge the proposition; that committee has some standing in this Congress and in this country. Mr. Flanders recommends that OPA be extended only until next March 31, 1947. Quoting him directly, he says:

I do not think that business can live with price control in its present form for another year. We must modify it so that it can live and be lived with. It should be liberalized and streamlined to reduce delays, inequities, and obstacles to production. Four changes are needed:

(1) Extend the area of automatic, self-assigned pricing with OPA review.

(2) Base prices on actual costs, not forecasts.

(3) Vigorously and positively seek out the areas in which ceilings may be suspended.

(4) Raise the standards for price relief to prevent profit squeezes which deter production and discriminate against enterprise.

Then he proceeds to point out that we have got to do some other things besides setting up these controls to control inflation. He points out that we have got to correct this fiscal policy if we are going to get anywhere, and that OPA cannot do this job alone. Now, that is something in opposition to just subsidies.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. Mr. Flanders also said that in extending the act we should specifically write into it a provision for permanently terminating OPA March 1947.

Mr. CRAWFORD. He takes the position that now is the time to serve notice that control must be done away with, so let us have these controls run concurrently if we are going to let them run at all.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, I desire to discuss H. R. 4761, the bill introduced by the gentleman from Texas [Mr. PATMAN] and reported to the House by the Committee on Banking and Currency. This bill adds a new section to the National Housing Act and its professed purpose, as expressed in the caption, is to prevent speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes. The bill has been severely criticized by members of the committee which reported it to the House. The gentleman from Michigan, Representative JESSE WOLCOTT, ranking Republican member of the committee, and Democratic Members of the House are outspoken in their denunciation of the bill. In effect, they have said that its provisions, if they were not a tragic assault on the liberties of the citizens of this country, do not arise to the dignity of respectable nonsense. Many Members of the House feel that it should be sent back to the committee and that the real-estate dealers of the country, the builders of the country, and various veterans' organizations and men of long and practical experience in the production of building materials and the building of houses should be heard by the committee, to the end that a bill may be reported to the House that will enable the manufacturers of lumber, brick, cement, steel, and other housing materials to produce and sell at lawful, living prices the materials that are absolutely essential to the building of a house. The first section of the bill starts out by declaring that an emergency exists; that the facilities for housing large numbers of the population are lacking and that large numbers of veterans of this war are returning to civilian life in need of housing accommodations; that houses are not available for the veterans; and that it is necessary for the health and safety of the people that all facilities of the United States Government be

made available and coordinated to obtain a maximum amount of housing.

We all know that there is a shortage of houses in this country and that not only civilians but thousands of returning veterans are anxious to buy or rent homes. The fallacy and weakness of the proposed measure is expressed in its own words. The bill proposes that all facilities of the United States Government be made available and coordinated to obtain a maximum amount of housing. The United States Government is top-heavy with governmental facilities. The Federal Government has established the National Housing Agency, the Federal Savings and Loan Insurance Corporation, the Home Owners' Loan Corporation, the Federal Housing Administration, the Federal Public Housing Authority, the Civilian Production Administration, the guaranty of home and farm real-estate loans to veterans of the Second World War, under the terms of which a veteran may obtain a loan on a home or a farm guaranteed by the Government up to a maximum of $4,000. And last, but not least, we have the OPA, heretofore headed by Mr. Chester Bowles and now headed by Mr. Paul Porter. It has been pointed out in the debate on this bill on Wednesday of this week by the able Representative from Iowa, Mr. PAUL CUNNINGHAM, a veteran of the First World War, that the passage of the Patman bill as reported to the House will in effect repeal title 3 of the GI bill of rights which is the title authorizing the above guarantee loans to veterans up to $4,000. Representative CUNNINGHAM then charged, and no one offered or could offer a successful contradiction of his charge, and I quote him: "This is not a bill to aid the veterans, but, on the contrary a bill that will hinder the veterans." The fact is that under the amended bill of rights loans are now being made to veterans without the hindering, confusion, and delay that will be brought about by the enactment of the Patman measure. We have had all of these Federal agencies with their tens of thousands of confusing and unworkable directives, orders, interpretations, and attempted explanations of the bewildering red tape with which they have bound and strangled the industries in this country which produce lumber, brick, cement, and all other building materials since the war began in 1941. The incompetency and bullheaded stubbornness of these governmental agencies have produced in this country "confusion worse confounded." What justification is there for anyone thinking that the bureaus and the bureaucrats who have dried up the source of building materials in this country can or intend to cure the intolerable situation with which they have crushed and destroyed the building of homes in this country? This bill, if it becomes a law, will be a humilitative expression by Congress of its lack of faith in itself and in the people of the Nation.

Even making all due allowances for the fact that lumber in unprecedented quantities was required in the war effort, the fact remains that throughout the length and breadth of the land sawmills have been put out of business, foundries which produce soil pipe, plants that make plumbing materials have been reduced in number and output. The production of all building materials has been curtailed by the unworkable rules and regulations of the Office of Price Administration and other kindred governmental bureaus and agencies.

The deck has been reshuffled and Chester Bowles has been kicked upstairs to the Office of Economic Stabilizer and Paul Porter has been made head of the OPA. And it is now proposed, through the provisions of the Patman measure to create the office of Housing Stabilization, to be headed by a Director of Housing Stabilization. This new director is to be appointed by the President by and with the advice and consent of the Senate, at a salary of $12,000 per year. This director is well named. He is to be called the Director of Housing Stabilization. If he functions according to his name he will make permanent and add to the present confusion in the building industry, and the present inability of anyone to build who desires to build a home in which to live or rent.

This housing stabilizer is given the power to appoint an unlimited number of employees and to fix their salaries. He is given the power to undertake to formulate a program. By this bill the Congress surrenders to the super-bureaucrat sought to be created by the bill the power of Congress to legislate not only for this proposed new department but for all Federal departments and agencies which have power relating to housing. He is given the unprecedented power to require a citizen of this republic who deals in, sells, rents, buys, offers to sell, rent or buy, any house, to furnish to him information under oath or affirmation, to make and keep records and to make reports with respect to every deal, sale, rental, purchase, or offer to sell any housing accommodation. He is given the power to invade and ransack the privacy of such person's papers, their records, and to invade the home of any such person. He is given the power to issue subpenas to require any citizen in the land engaged in any deal with respect to a house which he proposes to build, or which he owns and desires to sell or rent to appear and testify in some kangaroo court and to produce all of his papers at any designated place. In other words, under this unprecedented delegation of legislative power, this czar it is proposed to set up by this measure, may yank a citizen from New York to San Francisco, or from Detroit to Miami, or to any other remote place in the country where such citizen is to be put through the third degree authorized by this measure. For any refusal of any citizen to obey such subpena the autocrat set up by this measure is authorized to go into any district in which such person is found or resides, or transacts business, and to compel his compliance with such subpena. Under the drastic and unprecedented provisions of this measure such citizen may be required to testify even though such testimony would incriminate him. And the despot created by this bill if he sees fit may disclose such information wrung from his victim.

Under section 704 of this bill the housing czar may set and freeze prices or rental on any citizen's home that he now owns or that he may build for the purpose of sale or rent.

The provision that the dictator thus created shall advise and consult with representative members of industries affected by any regulation or order he may make is innocuous and meaningless because it is left to his discretion whether he shall so consult with people who know about the building industry, or about the value of lands and the value of houses or what are just and equitable rental charges. Under this section of the bill the Director created by it may forbid the citizen to sell and rent his property without the dictator's permission and a certificate that the proposed sale price or rental conforms with the whim and caprice of the man clothed with these unlimited powers. And it places intolerable further restrictions upon any subsequent sale of the property. The czar proposed to be created by this bill is given the power over all of the housing industries of this country to say to whom and for what price they shall be permitted to sell their product. This section gives the dictator further power to issue orders, directives, and decrees having all the force and validity of laws enacted by the Congress, and to make these orders, decrees, and regulations promulgated by him and his subordinates applicable to all other agencies and departments of the Government which have anything in the world to do with the production and selling of building materials. Under the powers conferred upon the dictator, he can prevent a veteran who has bought a home and who wishes to sell it from selling it for a profit. He has the power to fix or freeze the price of building lots as well as building materials. Under section 705 of the measure he may force every producer of, and dealer in, building materials to sell his materials to any person or persons designated by the dictator. A provision in this section that veterans shall have preference is meaningless because a reading of the proposed measure discloses that there is not a syllable or a provision in it that provides for the increase of production of building materials.

Section 706 makes it unlawful for any citizen to violate the terms of any regulation or order issued by the dictator. And it is further provided that even after the expiration of this proposed law a citizen who it is claimed has violated any of the rules or regulations promulgated by the czar may be pursued, harassed, prosecuted, and condemned in the courts of the country.

Section 707 permits any person aggrieved by any action of the dictator to hire a lawyer and go into court to protect himself against any injustice that may be inflicted upon him. This is small consolation to the citizen who has been deprived of his rights to dispose of his property at a price which any other citizen is willing and able to pay for it.

The provisions of this act are violative of the fifth amendment to the Constitution which provides that no person shall be deprived of life, liberty, or property without due process of law; and that private property shall not be taken for public use without just compensation.

This proposed measure by one fell swoop pushes aside all the provisions of the law providing for the taking of private property for public use and giving the citizen whose property is to be taken from him the right to a trial with respect to its value before a court and a jury of his peers.

Section 708 of the act gives the dictator power to go into court and enjoin the free and lawful disposal of his property and the rental of it by a citizen for a price which he deems just and fair and which another citizen is willing to pay. For a violation of any rule, or regulation that the dictator may promulgate a citizen shall, upon conviction, be subject to a fine of not more than $5,000 or to imprisonment of not more than 1 year, or to both such fine and imprisonment.

By section 708 of the measure it is provided that any citizen who violates any regulation or order of the czar in the selling or renting of his property may be sued in an action for three times the amount of the consideration for which he sells or rents his home. And if the purchaser or renter of the citizen's property does not bring this action the czar may bring it on behalf of the United States. It is thus seen that the czar created by this measure has more than the power of the Gestapo and that he may put to the sword any citizen of this country who has been guilty of the crime of success or who undertakes to improve his condition by the legitimate construction of houses and the rental and sale thereof. This bill is outstanding in its lack of faith in the people of this country and in its expression of disbelief in our system of free enterprise by free men and free women in a free country under the law of the land. The vast majority of the houses and the homes of this country have been built under our system of free enterprise. It is time that the people of good sense realized that production is the key which has unlocked the vast natural resources of this country and fashioned them into the materials out of which houses are built.

In the name of countless emergencies created by bureaucrats themselves Congress has heretofore been induced to surrender the vast powers with which the far-flung bureaucracy in Washington has hamstrung and bound with red tape the productive ability of the people of the Nation. We may well exclaim "Oh, emergency, what crimes have been committed in thy name."

And then the sponsors of this bill are attempting to use the veterans as a stalking horse to accomplish this assault on free enterprise. Since when did our returning veterans become the wards of those who are seeking to saddle from now on upon the backs of the American people the intolerable restrictions that have stopped the production of building materials in this country? These returning veterans are not children and they do not wish to live within the suffocating confines of a bureaucratic straitjacket. They did not come home from the war which they fought and won to preserve American freedom to be put in leading strings by self-appointed guardians in Washington. They are men, full grown, trained and battle hardened, who have come home to take their places in the rebuilding of America and to participate in the re-creation and revitalization of free enterprise and constitutional government in this country. Be it said to the everlasting credit of the American soldiers who have fought and won all our wars that when they have come back from the camp and the battlefield they have taken their place as citizens of this country like the waves melt back into the sea.

The proposal to subsidize the building of homes means that homes shall be built for the few at the expense of the many. The proposal of this measure forcibly calls to the minds of the people of this country that "eternal vigilance is the price of liberty." Our Government was set up by our forefathers and has been maintained by their offspring for the protection of the people of the Nation against foreign aggression and for the protection of the citizens against the fraud and violence of the lawless elements of society. Yet from the beginning the citizen has been forced to defend his liberties against the creeping paralysis of unlawful governmental control of his daily life.

The President has named Mr. Wilson W. Wyatt, of Louisville, Ky., a lawyer and a former mayor of Louisville, as Housing Expediter and head of the National Housing Agency. He is without any experience whatever in the manufacture of building materials or in the building industry. And yet he has been telling everyone since he was clothed with his unprecedented powers that he approaches the performance of his gigantic task with optimism and with enthusiasm and he is going about the country speaking pieces that have been written for him by bureaucrats in Washington who do not believe in our system of free enterprise. The thirst for power and for its unbridled exercise by men clothed with a little brief authority has plagued the human race from the dawn of history to this good day. Once they get it, they never want to surrender it. Power feeds upon itself and when those who seize it or to whom it is delegated get it in their hands, they, like Oliver Twist and the fisherman's wife, cry for more and more and more.

I know from constant contact with the producers of building materials and the builders of houses in my district that the OPA, through its senseless rules and regulations and exercise of price control, have set a ceiling price on lumber that makes it impossible for lumber producers and lumber dealers to comply with the law and produce and sell lumber at the prices fixed by bureaucrats here in Washington.

The man has never been born of woman who can come to Washington and surround himself with a board of theorists and run and regulate the diverse and complex business of this country carried on throughout its vast reaches, by different men at different costs, and under different conditions. These bureaucrats cannot agree among themselves. Bowles and Snyder testified that living costs will not rise and yet Mr. Marriner Eccles, Chairman of the Federal Reserve Board, testified a few days ago that the administration's new wage-price policy would in all probability force an increase of 10 percent, resulting in an over-all increase of 40 percent above prewar levels. The men who thus have a strangle hold upon the industry of this country, and who unblushingly proclaim themselves prophets, were never heard of until they were clothed with the vast powers they are now exercising. Chester Bowles was in the advertising business in Connecticut. Paul Porter received his industrial and business training in a Federal office in Washington, and Mr. Wyatt proudly prophesies that, if he is clothed with and can exercise the vast powers he is seeking to exercise over the building industry, he can bring about the construction of 2,700,000 houses—low-cost homes for veterans—within the next 22 months. Just how did he arrive at this round and stupendous figure? Can he call up houses from the "vasty deep," and if he calls, will they come? He further claims that failure to enact this proposed measure will cost veterans 3,000 homes per day. Why 3,000 instead of 3,001 or 2,999? The truth of it is these men are talking through their hats. Not one is a prophet. No one of them has ever shown his credentials. Not one of them is even adorned with a beard. All of them are smooth shaven.

No one of them has ever proposed a constructive, workable plan for increasing the production of building materials without which houses cannot be built.

Let us bring in and pass a measure that will free the industries producing building materials. Let us recapture the vast powers delegated to the President and the executive agencies that have been and are being used to throttle free enterprise. When we do this the veterans and all others who are without homes will sooner get them than under the stumbling, fumbling bureaucrats who are grabbing for a perpetuation of their misused powers.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, first of all let me restate the proposition which is before the House. The committee, by a majority vote, suggests that the power which is afforded under this bill terminates on June 30, 1947. The gentleman from Texas, and I think the gentleman from Oklahoma, my friend Mr. MONRONEY, feel that the power ought to be extended. The burden of the argument is that there is not time enough to bring this program into effect. In that connection the gentleman from Oklahoma [Mr. MONRONEY] pointed out it may be 60 days before this bill can be engrossed and become law. Let us see what the gentleman from Texas said to us yesterday. In response to a question propounded by the gentleman from North Carolina [Mr. BARDEN] the gentleman from Texas [Mr. PATMAN] said:

> In the Second War Powers Act I think the President has practically all the powers which he has delegated to the present expediter, Mr. Wyatt, contained in this particular bill, but those powers expire on June 30, that is, of this year.

But he has the power, and whether this bill is ever enacted into law does not

make any difference so far as the next 4 months are concerned. He can still proceed until June 30 under the power that the President has already delegated. In fact, Mr. Wyatt is proceeding. In fact, Mr. Wyatt is probably in Chicago right now addressing the builders' convention. In fact, priorities are being issued. You may have noticed on your desk this morning the monthly report of the Administrator of Civilian Production Administration. I suggest that you read it. It is a very heady and very informative document. On page 18 of that document, he says:

Since January 15 when P. R. 33 became effective applications for H. H. preference ratings have been filed covering more than 125,000 housing units.

That is in the last 30 days. Do not let anyone delude you as to whether these powers are being articulated. Already for all practical purposes, the Expediter is on the job. So we can figure the time from now until June 30, 1947. That should be enough. The proposal, of course, to carry these powers until the 1st of January 1948 indicates only too clearly what is in the wind; the War Powers Act must remain on the books. The war has come to an end or at least hostilities ended in August 1945 but there will be an effort to continue and perpetuate these powers and to continue the emergency in this country. Then what will happen to freedom and the free enterprise system, to free markets, and the free method of doing business in our country? Let that control harden for another couple of years and then you will be at pains to ever get rid of them and to shake it out of the economy of the country. It seems to me my two good friends on the other side make the best case against this kind of a bill in its present form better than anyone else. They stand here and freely confess that you cannot articulate this program in that space of time and that is a confession that it is not going to work. If I had faith in the pending bill as commensurate with the high and abiding faith that they ought to have, I would feel certainly that by June 30, 1947, which is 14 or 15 months from now, that there would be a flow of material. There would be a flow of houses; and in proportion as the production is finally placed in full swing, it should have its impact upon ceilings, upon controls, upon regulations, and upon directives so that it would not become necessary. It is in effect now.

There is nothing in this argument that it is going to take time to get this bill on the statute books because these powers are on the books at the present time, in the hands of the Commander in Chief.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. MONRONEY. If this amendment is agreed to and a house is completed in August 1947 will a veteran, under your plan and under the committee amendment, have any priority to obtain that house?

Mr. DIRKSEN. Let me ask the gentleman from Oklahoma whether by June 1947 or August 1947 in your judgment, you will not have made sufficient progress in order to get rid of these controls and bring this to a conclusion? Then, if not, why have a bill at all? We might just as well forget the debate and the argument first as last.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

The gentleman from Michigan [Mr. JONKMAN] is recognized.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. JONKMAN. I yield.

Mr. CRAWFORD. It might be well to ask the gentleman from Oklahoma [Mr. MONRONEY] what the situation would be as of June 30, 1964, if the program is still in operation and houses are under construction that have not been completed. It would apply just as well then as June 30, 1947.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. JONKMAN. I yield.

Mr. MONRONEY. I think if we have priorities and the assistance hereafter provided in this bill, and amendment, we will do something to solve this in 2 years. But if we follow the program advocated by some Members of this House, it will be 1967 before we have any veterans' housing.

Mr. JONKMAN. Mr. Chairman, last Saturday night Paul A. Porter, the new Administrator of OPA succeeding Chester A. Bowles, made a speech which was referred to and quoted in the newspapers as his opening address as Administrator and may, therefore, be called his declaration of policy.

The newspapers quoted Mr. Porter as making the following significant statement:

Permit me to emphasize that in spite of what you may hear to the contrary, OPA is not in receivership. I have not assumed the job of a liquidator. OPA is a going concern with a faithful and loyal staff that has done much for America and is going to do more.

In this statement Mr. Porter seems to take the position of the successor of Solomon who, when the people came to him to ask that he ease the burdens that had been placed upon them by Solomon, replied:

I will add thereto, and you will find that my little finger will be as big as my father's loins.

If this is to be the policy of the OPA under Mr. Porter, and it seems to have been under Mr. Bowles, then it is contrary to every expectation of the Congress and the American people, to my way of thinking. The objective of OPA at the present time is generally expected to be the reestablishment of a free economy. OPA's status at the present time, therefore, is a receivership.

Shortly after Japan's agreement to surrender, President Truman made the following statement:

The Government has a major responsibility to assist in the achievement of an orderly transition from war production to civilian production.

Now, while there might be violent disagreement on whether this orderly transition can be best accomplished by a direct return to a free economy as against a controlled economy, there can be no question that the price-control economy is certainly, under the statement of President Truman, not to mention the intent of Congress, temporary and a receivership for the return to a free economy.

Further, if OPA is a receivership, then it must also follow that Mr. Porter is a liquidator; whether the liquidation takes 6 months or 18 months is immaterial. He is and must be a liquidator. As such he must be seeking as rapidly as possible the return of industry and production to a free economy, piecemeal or otherwise.

However, the third statement of policy by Mr. Porter that OPA is "a going concern with a faithful and loyal staff that has done much for America and is going to do more," goes very much further than a mere denial of the fact that OPA is a receivership, and that he, Porter, is a liquidator. It boldly states that OPA and its personnel is a going concern. It must follow, therefore, that OPA seeks continuous and perpetual existence. Now, on what basis can OPA seek and expect continuous and perpetual existence? Certainly, not for the temporary expedient of bringing us from a wartime-controlled economy back to a peacetime free economy. As a going concern OPA can have no other objective than the perpetuation of price control and a controlled economy, or, to put it bluntly, to change the free economy in peacetime which we have enjoyed for 150 years to the controlled, collectivist economy which is foreign to the American way of life and to all our free institutions. Here we have, then, in one short paragraph, an ultimatum as to the destiny of this Nation under the New Deal.

It is true that each time proponents seek new or extended favors from Congress to further rivet their shackles on the American people they pretend to seek eventual restoration of free enterprise at such time, they say, as supply shall equal demand in the market.

But the above paragraph of Mr. Porter, as well as their actions, do belie their tongue. We have only to remember the citrus-fruit fiasco of last November. Although the citrus-fruit industry asked OPA to take price control off citrus fruits in July, when supply was equal to demand, OPA steadfastly ignored them until when?—the 17th day of November, when the Valencia orange crop was about consumed and the navels would be a few weeks coming in. This, of course, is an annual occurrence, and causes an annual tightening of the market and prices at that time. So OPA chose that time of all times of the year to lift control of prices on citrus fruit. Even then the result was increased prices above the ceiling only for the choicest fruit in certain localities, while the general market remained away below ceiling prices. But the Bowles-Hitler propaganda mill was all set for publicizing all over the country what they knew must follow, even though it was very negligible. All the press was fed simultaneously with a flood of propaganda about the outrageous increase in the price of citrus fruits, the thorough failure of lifting price control, and the dire need of immediately slapping price controls back on, which, of course, was done automatically.

OPA never gave it a chance to work. They were afraid to, for we are told that adjustment would have been automatic with the passing of the strong holiday trade demand for the choice fruit. Supposing that OPA had given it a fair trial, would anybody have been hurt considering the fact that that risk involved the first step back to economic freedom? Couldn't the people who made their great sacrifices to win a war take the risk of this first step also for the achievement of what we fought for?

But when is supply going to equal demand in our present economy if, as Porter says, he is going to hold the "present price line in spite of 'terrific pressure' to break it"? What causes that "terrific pressure" against his price line? It is the American public with a purchasing power of two hundred and seventy-five billions, hitting that line for consumer and durable goods, while the price line itself is stifling and starving production of those very things, thereby intensifying the pressure.

Everybody who thinks at all knows that the two elements which threaten us with inflation—and have already brought a serious inflation upon us—are printing press money and lack of production. I do not want to go in the administration's fallacious financial policy creating the first part of this inflationary situation. But, as I said above, the American people have one hundred and twenty-five billions of demand deposits and currency, three times the amount of 1940, one hundred billions of Government bonds, eight times the amount of 1940, and fifty billions of savings, or twice the amount of 1940, and they want to spend a goodly part of these sums for goods.

But before they can do this, the goods must, of course, be produced. And there will be no production to speak of if it must be produced at a loss to the producer. And the less we produce the greater will be the "terriffic pressure" of this tremendous purchasing power for this reduced volume of goods. And yet, in spite of increased cost of raw materials and wages, as well as overhead, OPA has been telling thousands of small industries, "you produce at 1941 prices or you can go out of business." OPA stifles the only answer and remedy it has against inflation when it thus stifles production, all the while scaring us to death with its loud howling that its status as a going concern is necessary to ward off future inflation. How does OPA, how does the administration get away with it? The answer is as I said above, the power of propaganda. The gentleman from California [Mr. PHILLIPS] referred to it a few weeks ago as "the Hitler-Bowles method," and taken from Mein Kampf, page 108:

> What we mean by the word "public opinion" depends only to the smallest extent on the individual's own experience or knowledge, and largely on an image, frequently created by a penetrating and persistent sort of so-called "enlightenment."

The "enlightenment" of the American people under this method has been OPA propaganda thunder about the terrific danger of threatened inflation while actually creating that very inflation.

Just take the housing bill, under consideration today, which is misleading the GI's and the general public with an apparent attempt to create housing, to allocate materials, and even to provide subsidies, as well as to keep down prices for this purpose. But what is the good of allocating, of subsidizing, and keeping down prices if the building materials are not in existence or produced? What we need is thousands of sawmills now idle, thousands of manufacturers of hardware now closed, thousands of manufacturers of plumbing fixtures now nonproducing, get into production so there will be building materials wherewith to build, and to allocate, if allocation be necessary.

And who is closing these sawmills, hardware manufacturers, and plumbing supply producers? Nobody other than OPA with its asinine "hold the line" stone wall; OPA, which can thrive and survive as a going concern only in a price-control collectivist economy as against these hundreds of thousands of small producers. They can thrive and survive only in a free economy, as they have for a hundred and fifty years, in a demonstration of the greatest economic success in the history of the world.

The American people, by this Hitler-Bowles planned propaganda, are being misled into the most collossal fraud and the most colossal collapse in the history of nations.

Let us examine another phase of this propaganda.

When, about 2 weeks ago, the news broke about the new wage-price policy or stabilization policy that purported to settle the steel strike, the newspapers in streamer headlines announced "Chester Bowles Wins Smashing Victory." Now, the truth was that Chester Bowles, and the entire administration leadership which had preached warranted wage increases without price increases, had suffered a smashing defeat. Irresistible Bowles had met the immovable basic steel industry—and all industries are immovable without profit incentives—and was himself smashed.

But such is the power of propaganda, the power of those who control that propaganda, and therefore the power to rule the thinking of the people, that in the public mind they can propagandize defeat as victory.

Chester Bowles had decreed that there would be no increase of prices for steel, neither $4 a ton nor $2.50 a ton, nor anything. "We're going to hold the line." Yet the price of steel was allegedly raised $5 a ton. I say "allegedly" for the news of this was so soft-pedaled that few people know the fact. This was, of course, to more easily put over the "smashing victory" propaganda.

There followed the time-honored New Deal shuffling of masks, but the offices and personalities and ideologies went right on without a ripple.

Like all dictators, they could not afford to let the public know of this smashing defeat. Chester Bowles had held the line against smaller units of the economic body, destroying them, cutting off ears, toes, and fingers, and even feet and hands, and what have you. To them he had said, "We can do without you and if you cannot produce at 1941 prices, we will just cut you off and leave you to die."

In other words, the hundreds of thousands of smaller concerns, each standing alone, or at best in insignificant groups, could not withstand the terrific, deafening and devastating barrage of OPA and other administration propaganda artillery that was directed against them. They just folded up when attacked.

But the steel industry, the basic industry spread over the entire country, and woven into the warp and woof of our entire economy, was too much for the OPA propaganda machine to shell and destroy. And so, when it met defeat, OPA uses its barrage to cover a retreat without disclosing its smashing defeat.

Public opinion must not have a chance to lose faith in the Bowles ideologies. So what actually happened was smoke screened with a lot of "it is said" and "Government officials believed" news, and "Chester Bowles has won a smashing victory," instead of "Chester Bowles was defeated on all fronts." So Chester Bowles pulls himself, his associates, and his ideologies together and proceeds with his destructive program, through a new WSB, a revived OES, and new OPA Administrator, and still in full control of the propaganda mill. Chester Bowles knows the secret of power. As one of my constituents wrote me this week, "Power now lies in the control and dissemination of publicity, the control of newspapers, periodicals, radio stations, filmmaking concerns, the movies. Power is with those who control the press, the movies, and the radio. They are the ones who rule."

Mr. Chairman, that power controls even Presidents. That power controlled President Truman when, more than a month in advance of the General Motors strike, and several months in advance of the steel strike, he reluctantly joined the Bowles-Davis-Snyder-Wallace propaganda mill in proclaiming the doctrine that wages, which according to the National Economic Conference Board, constitutes 85 percent of prices, could be raised substantially without increasing the prices themselves, a doctrine which has now been factually smashed by the increased price of steel.

And then think of this one after the increase in the price of steel. Quoting Edward T. Folliard in last Sunday's Washington Post:

> President Truman, asked if a new price line had been established, said that, no, it was simply a bulge in the old one. If everybody cooperated, he said, it would be possible to prevent a break-through.

How simple, how naive. A price increase to the basic industry that must be passed all along the line and affects all the rest of the line, is not going to affect that line, but will simply remain a bulge in the line. Figure that one out if you can. All the processors of steel and users of steel in manufactured goods are expected to cooperate and do what the basic industry could not do, and the bureaucrats did not dare to compel them to do. They did not dare to compel Steel to operate at a loss. They knew it would be fatal, and fatal to all industry. And

OPA is not quite ready to take over the whole economy, although it did reach the discussion stage.

I suppose OPA will now again begin to lop off limbs, toes, and fingers from the body of our economy, for the OPA must continue to operate as a going concern, whatever may happen to the smaller free enterprises as going concerns.

Mr. Chairman, if we could have an administrator functioning with due regard for the earliest possible return of a free economy; one who would realize that OPA is a receivership, and that he is a liquidator of war-necessitated controls, I think the informed American people would go along with him.

Such an administrator would eliminate all controls, including the maximum average price program, that stand in the way of legitimate production. He would grant producers a price sufficient to manufacture prewar quality goods at current costs with an opportunity for profit.

Without these minimum requirements, OPA is a menace to our economy, and to the country. With Paul A. Porter at the head of OPA, under his aforenamed declaration of policy, we are heading for confusion, chaos, and collapse.

The veterans as well as the public are willing to pay what their purchases, of whatever nature, cost, and they should not be misled into a belief of allocation and price control of things that simply do not exist, and are not in production.

The CHAIRMAN. The gentleman from Michigan [Mr. WOLCOTT] is recognized for 5 minutes.

Mr. WOLCOTT. Mr. Chairman, if I remember correctly, I offered this amendment in the Committee to reduce the time from December 31, 1947, to June 30, 1947; and it was done for the purpose of giving the Congress as much control as it could possibly get under the circumstances of all these so-called emergency programs.

You must bear in mind that for some years now many of us have been opposed to making permanent these emergency controls, and I believe the House recognizes now that if the amendment which was offered and defeated by only a few votes on the extension of OPA to cut the continuance of OPA down to December 31, 1945, instead of June 30, 1946, had passed, this House would have been assured of an opportunity last fall to have rewritten the bill to fit OPA into the reconversion program. We do not want to make the mistake again of losing jurisdiction over this emergency legislation to the extent that we are not assured of periodic reviews.

I am a little disappointed in the speech that Mr. Wyatt made in Chicago yesterday. Mr. Wyatt used about the same language in respect to much of the program that the gentleman from Texas used this morning with respect to this particular amendment. The gentleman from Texas said that we would be scuttling the housing program if this amendment were adopted. Mr. Wyatt said in Chicago, as reported in the press this morning, that every day of delay in the Congress was preventing the construction of 3,000 homes. I believe he also said that if we did not subsidize the acquisition of building materials that that would scuttle his program. It seems that every part and parcel of the Wyatt program is going to be scuttled unless we give him every iota of the program which, of course, anticipates the passage of the Wagner-Ellender-Taft bill which is not before the committee, not before the House, and will not be for some weeks to come.

There is absolutely no authority contained in the bill as reported out which Mr. Wyatt does not have at the present moment except veterans' preferences; and he has had this authority ever since the directive of January 28.

The President has had the authority to delegate this authority to somebody for years. So Mr. Wyatt makes the mistake of blaming the Congress for delaying the program. If through inaction there is a failure to build 3,000 homes a day the responsibility today is that of the Expediter, the fault is his in not using the broad powers which have been delegated to him. He has the power under the directive to raise the prices of building materials to get the maximum amount of production. The President had had the authority since 1942 to pay subsidies to acquire a maximum amount of material. Since the passage of the War Powers Act the President, and now Mr. Wyatt, has had the authority to direct every department and agency of the Government to effectuate Mr. Wyatt's or the President's program. So we cannot be blamed, of course, for any delays in connection with this program, and I hope Mr. Wyatt will not make the mistake of blaming the Congress for any failures which appear up to the present moment to be the result of his own inaction. Mr. Chairman, why are we not getting building materials? It is not the fault of the Congress that we are not getting building materials. We have vested in the President and the President has vested in Mr. Wyatt now all of the authority contained in the emergency acts or in any of the war acts and Mr. Truman, the President, and Mr. Wyatt now, has all of the authority which has ever been delegated to the President to carry on the war in order to break the bottlenecks.

I hope Mr. Wyatt will not again make the mistake of blaming the delay in this program on the Congress of the United States.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. MCCORMACK] for 5 minutes.

Mr. MCCORMACK. Mr. Chairman, I do not think any criticism of Mr. Wyatt is justified or that there has been any inaction on his part. If I have ever met a dynamic figure it is Mr. Wyatt. I can remember about 2 weeks ago a conference held in the Speaker's office, which was attended by Mr. Wyatt in order to see representatives of both parties. It was my impression after that meeting that there was only one real issue in dispute and that was the question of ceilings on the sale and resale of property. Certainly Mr. Wyatt has been very active. I do not think there is any justifiable criticism of the Congress to date; but the criticism will be justified from now on if we do not pass an effective act to meet the acute emergency situation that now exists.

The amendment now before us was adopted, as I read from the newspapers, and I therefore quote the newspapers, by a solid Republican vote and by a few of our Democratic Members who I am sure misunderstood, temporarily, I hope, the situation.

Mr. Chairman, we are confronted with a 2-year program. Why give a man power for 1 year when we have a 2-year program confronting us? The first year there are 1,200,000 units and the second year 1,500,000 units to be built.

It seems to me that the amendment put in by the committee should be defeated in the Committee of the Whole or by a roll-call vote in the House, and I hope that such action will be taken, because to continue this bill for 1 year to June 30, 1947, with a 2-year program in mind, would be in a sense a limited mockery on the veterans of the country and the other deserving nonveterans who will benefit by this bill and the results that flow therefrom if the bill passes.

I am sorry to see in a news item which today appeared in the Washington Post the statement made by the gentleman who wrote the article, and I think he was justified, as follows:

> In yesterday's debate it was obvious that the housing measure has developed into a partisan issue.

If this develops, and the vote will soon show, it will be most unfortunate to have partisan politics prevent the passage of a real, workable bill that means so much to our veterans; those who have returned and those who are returning. There are over 16,000,000 persons who have served during the recent war, and they come from every community of our country and from almost every family.

There is a keen interest in this bill, and it is being watched closely, as it should. For some years, some of the Members of Congress, like myself, have fought for appropriations providing for low-cost housing. We were attacked and attacked because we looked ahead and saw the appropriations sharply cut to a mere dribble and we opposed such reductions. We are now suffering from such reduced appropriations. The Members who opposed those appropriations seem to be opposing the program of the administration as set forth in this bill. They are for housing for veterans and others "but"—and that is the trouble, that "but"—which is the difference between success and failure of this bill.

I might also say that I have seen many lobbyists operate in this Chamber and in this body during my 17 years as a Member. Oh, I have seen that old invisible hand operate so effectively; that old voice coming from some place that is indiscernible. But we detect it here, today. One of the most powerful groups that has ever operated in my time is the lobby that is operating against the passage of a workable bill. The very people we are fighting for do not seem to know what is happening and what the lobby is doing. It has worked secretly for several weeks. I saw it coming. But it has worked so secretly that it was only within the past

2 or 3 days that it has come to the surface with full force.

Yes; I hope that partisan politics will not be injected into this matter, and I sincerely hope that this lobby, one of the most powerful lobbies that I have ever seen, with its pocketbook appeal against the best interest of the veterans, will not be successful.

I hope this amendment will be defeated and that the committee provision will be adopted. I also hope that premium payments will be included in this bill because that is also necessary for the successful operation of this law.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE] to close debate.

Mr. SPENCE. Mr. Chairman, we are considering this bill under an open rule. The Banking and Currency Committee asked for an open rule. Any germane amendment can be offered and considered. Are we going to say at the very opening of the consideration of this bill that we want to deny to the people for whom we are attempting to get the housing that is necessary, any opportunity to obtain that privilege after a year from June 30, 1946? There has been comparison made between the contemplated housing organization and the OPA, but no analogy can be drawn between those two organizations. I have no doubt that before long consumers' goods will become adequate to meet the demand. When that is done probably the controls can be removed on a great many articles, and eventually on all of the consumers' goods. But it is generally recognized that the shortage in housing cannot be supplied for years to come. No one contends that next year or the year after there will be adequate housing in the United States.

I assume we are all for the objectives sought to be achieved by this bill. Are the gentlemen to my left merely the opposition party? Are you opposed to consideration under reasonable conditions of a bill that is meant to give relief to the American people? Are you at the outset going to say that you do not want this agency to continue longer than a year? Will not that be a confession that you not only are opposed to the bill but have no constructive measures of your own to submit for a condition that exists, a frightful condition, the settlement of which means so much to the American people, to the returning veterans, and others? The lack of housing in the United States is acute, and everyone knows it. It will be more acute when our returning veterans get home. What are we going to do? Are we going to take no action? Where are the materials going unless some restrictive measures are passed? Those engaged in the building materials business will seek the profit field. No money profit comes to the owner from a home. While the home is the most necessary thing in America, it does not bring a man a profit. It is a source of expense. The amusement field, the theaters, the moving picture shows, the billiard halls, and other buildings of that type will get all the material, because they are built for profit, and those who build them can pay the highest prices.

It will be some time before this program gets under way. It will be 2 or 3 months, probably, before it gets well under way. Then before the conclusion that is definitely set in the bill there will be a period of weakening and disintegration of the organization because those who are employed by it and those who are subject to it will know that it will be discontinued at a definite time.

Why is the Congress so afraid of giving this expediter power that will last a year and a half? By the very terms of the bill the Congress can take away that power by a concurrent resolution. It can be done by the act of the Congress itself. It is not subject to veto.

I implore you not to weaken the bill, not to say at the very commencement of the consideration that you do not want to consider it in fairness and in a desire to achieve the objective sought.

The CHAIRMAN. The time of the gentleman from Kentucky has expired. All time has expired.

Mr. ROE of Maryland. Mr. Chairman, I ask unanimous consent that the committee amendment again be read.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk again reported the committee amendment.

The CHAIRMAN. The question is on the committee amendment.

The question was taken; and on a division (demanded by Mr. PATMAN and Mr. GALLAGHER) there were—ayes 109, noes 76.

Mr. SPENCE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. SPENCE and Mr. WOLCOTT.

The Committee again divided; and the tellers reported there were—ayes 145, noes 88.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

On page 3, line 3, strike out the word "act" and insert "title."

Mr. PATMAN. Mr. Chairman, this is just a corrective amendment. I do not think there is any opposition to it.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. O'NEAL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, no law is better than those who are to administer it. All of us in our experience in business know that unless a business is handled properly it is of little avail.

I rise at this time to pay a brief personal tribute to a citizen of my city and my State, a close personal friend, a man for whom I have the greatest respect and confidence, Mr. Wilson Wyatt. I rise to tell the membership of this House something of this man, because his administration is highly important. No matter what kind of law you pass, if he is not sound, able, intelligent, and honest, the law will accomplish little good.

Wilson Wyatt came to my home city from the rural districts of Kentucky. His life was not dissimilar to that of many other great men in American history. He came there and, through his own efforts, went to college and equipped himself with a splendid education. He was taken into a leading law firm. The business of this firm was largely corporation law. He went into that firm without friends, influence, or anything except that which was in Wilson Wyatt. He became a member of the firm and one of the most trusted members in that firm, and one of the most able and prominent lawyers in my community.

Like a good citizen he always took interest in public affairs. He made but one mistake. When I made my first race for Congress I wanted him to manage my campaign, and he agreed to become my campaign manager. That is the only serious mistake he has made that I know of; and he was so competent that even with the handicap of the candidate he had he managed to bring victory to the Democratic Party.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. O'NEAL. I yield.

Mr. VOORHIS of California. I am sure there are 434 other Members in this House who would disagree with the gentleman from Kentucky that Mr. Wyatt made a mistake in that instance.

Mr. O'NEAL. I appreciate that very much.

Wilson Wyatt, from a monetary standpoint, left the practice of law under a great hardship to accept the mayoralty of my home city at a salary of $5,000 a year. There is not a man of either political faith in my home city who will not testify that we have not had an abler executive in the mayor's chair and perhaps any place else in my home city than Wilson Wyatt. No one has ever taken over a job with more zeal, nor applied himself with more energy and ability than did he: and he has left the city of Louisville with the respect and admiration of the people of my home city. He did not care to come to Washington, he wanted to retire to his own business and take better care of his personal affairs; but he has a high sense of public service, and he came to Washington as a matter of duty although he well knew from long experience that a man who takes over such a job is in for a hard time when it comes to unjust criticism. My sympathy has gone out so many times to the so-called bureaucrat. As a Congressman I have had criticism, as have all of you, but for a bureau executive, a man who holds a job in Washington, it is next to impossible to escape unfair and unjust treatment.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. O'NEAL. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. O'NEAL. I would assure my friends in the House that if a job like this can be done it will be done by this man Wilson Wyatt. I assure you that if

you are seeking a public servant who will be honest, faithful, energetic, intelligent, and fearless that no mistake has been made in choosing this young man from my home city, Wilson Wyatt.

Mr. DIRKSEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DIRKSEN. Under the rule are we considering the bill as one section?

The CHAIRMAN. There is just one section in the bill.

Mr. DIRKSEN. That means that all the committee amendments will be considered before any other amendment may be offered?

The CHAIRMAN. The gentleman is correct.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, when I noticed some time ago that the President had appointed a lawyer, Mr. Wyatt, to build houses on a national scale I was reminded of a little incident that happened last year when I walked into a room where there was a hearing being held in connection with the manufacture of paper. They had there a man who was in charge of the national paper program and he had been cutting logs, getting them into the paper factory and turning out paper. When he could not answer questions he just cracked up and said, "Well, gentlemen, I do not know. I am a glass blower."

That is about what we can expect of this lawyer when it comes to building houses.

This bill should be defeated. The only thing this bill will do is set up another Government bureau with offices in every community with thousands of Government employees. It will never produce houses. There is just a certain amount of material available, and that is what it takes to build houses. There is just so much material available to build those houses, and the builders that have always been doing that work should be permitted to build them and the Government should confine itself to making it possible for that material to be made available. Many houses would be reconverted right now, yes, thousands and thousands of houses would be reconverted right now if only the various bureaus of government could agree and let the people reconvert their houses, and that could be done quickly in a few weeks' time. Now they talk about training carpenters. Why, they do not need to train any carpenters. Just give us the material to work with, and the carpenters we have will soon have a lot of houses built. This is just some more regimentation, more red tape wrapped around one of our great industries.

The best evidence that I have that the Government does not need to go into the building business and that our local builders are capable of building houses is the information I received today about a small contractor in York, Pa., who, with meager supplies, is completing houses at the rate of four per week. There are 24 in this project and will sell at $5,000 per home.

Yesterday we heard the story about the Gateway Manufacturing Co., a company that wanted to manufacture door knobs. After going through Government red tape for 6 months trying to get the green light, they decided that they were not going to make door knobs, and that is just the thing that is going to happen to our whole building program. There will be just more red tape wrapped around it, and the houses that will be built will be wrapped with red tape, if they are ever constructed.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. Has the gentleman read the Wolcott amendment?

Mr. GROSS. No; I have not.

Mr. SMITH of Ohio. The gentleman is not able to tell us then whether the Wolcott amendment does anything more than to set up a new Government agency?

Mr. GROSS. I cannot say but I am going to vote against this bill, because the industry throughout the country that has built the homes in days gone by can build these houses, and is capable of building the houses that we need today. The sooner we get it into our heads that it is necessary to get rid of some of these bureaus here in Washington, the sooner we are going to get down to normalcy. We must push the Government back into Washington where it belongs and we have to make up our minds in this country pretty soon that we have to work and work together. That is one of our greatest jobs in this country, not alone building houses but getting this Nation back to where it belongs. The answer to our problems is production and more production. We must build houses, not Government agencies.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, I have asked for this time in order to tell the House something which should have been told in a 1-minute speech at the beginning of the day, but for quite proper reasons the Speaker did not recognize anyone for that purpose today. But there are some boxes of very excellent oranges back in the cloak rooms. I want to tell the House that they were sent to the Congress with the compliments of Mr. Harry Damerel, one of the finest citizens in the Twelfth California District, and therefore of the United States, who hopes, as I do, and as all other orange growers in our section do, that the Members will enjoy them. We also hope that the time will come when every single child in America will be able to have either a fresh orange or a glass of fresh orange juice every day for we know what that would mean for the health of the Nation. I also want to tell the House that I am quite sure that after you have had a chance to eat these oranges you will agree that we have the very best oranges that are grown any place in the world.

Mr. ROBSION of Kentucky. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. ROBSION of Kentucky. Mr. Chairman, none of us has a monopoly on sincere interest in our veterans. Many of us who do not agree with the Patman bill have sons and daughters who have been serving our country that have returned and are returning. My only son returned last Sunday after 4 years' service. I do not yield to any man in my interest in behalf of the defenders of this country and their dependents; in fact, I have never voted against any measure that was helpful to our defenders and their dependents.

Of course we desire that our veterans have adequate housing. We differ as to the best plan to secure these houses. We are told there is an emergency. We have heard nothing but emergencies for the last 13 or 14 years. We have had one emergency after the other. Under the Roosevelt and Truman administrations there has been no time that we have not had some great emergency. We are never out of one emergency until we are in two or three more.

In their first great emergency we had too many pigs and mother sows and therefore we would have to burn and kill many millions of these. We had too much wheat, meat, corn, and cotton, and other agricultural products and therefore they said it was necessary to pay the people to plow up and destroy their crops and cut out thirty or forty million productive acres. I did keep count of the emergencies until we had more than 50 so-called emergencies.

We have had several since that time and now they say we are threatened with other emergencies in housing, food, clothing, butter, and so forth.

Unfortunately every time the administration has undertaken to deal with one of these emergencies they have hurt and not helped the situation; they have not relieved conditions; they have increased the debt and tax load of the American people, have further regimented and further upset the economic life of the Nation.

The housing shortage is not due to lack of laws or powers or to lack of authority to expend money. It is due to the scarcity of building materials, and this scarcity has been brought about by the blighting influence of the bureaucracy here in Washington. We have prevented production. We have through the years traced our scarcity of meats and lard, butter, sugar, clothing, and many other commodities, largely to the unwise New Deal policies of the Roosevelt and Truman administrations. We have prevented production of building materials. The records are full of facts showing that thousands of producers of lumber are now idle, not because they desire to be idle but because of the regulations and directives of men sitting here in Washington, many of whom do not understand and are not fitted for the jobs they are undertaking to do.

Our good friend from Louisville, Mr. O'NEAL, expresses great admiration for the man he terms his "dear friend, supporter, and constituent, Hon. Wilson

Wyatt," who has been appointed expediter for the housing program.

It is only natural that the gentleman from Kentucky [Mr. O'NEAL] should speak in that vein, and no doubt he speaks sincerely. I am not quarreling with our colleague the gentleman from Kentucky [Mr. O'NEAL] for that. He states that Mr. Wyatt came up, as many other great men have. I know of no achievement of Mr. Wyatt that would properly class him as one of the great men of the Nation. They do claim that Mr. Wyatt is a good lawyer, and I have no quarrel with that. Mr. Wyatt's friends claim he is a good lawyer and that he represented corporations, including the Louisville Street Railway Co., and he was elected mayor of the fine city of Louisville.

Does that qualify him to put a ceiling on 28,000,000 homes in the United States that have already been built? Does it qualify him to build 2,700,000 more homes, or to direct the expenditure of billions of dollars including six hundred million in subsidies to start with, or to be a czar over the allocating of billions of dollars, of thousands of different kinds of materials and to exercise autocratic control over all the homes built and that may be built and the many thousands of producers of these materials and equipment?

I am looking into the faces of many Members sitting before me today who have reached distinction in the legal profession in this country and who are recognized as great lawyers throughout the Nation—men who have won much more fame as lawyers and in executive positions than Mr. Wyatt. It does not necessarily follow that they have the training, experience, and executive ability, to become the autocrat and czar of the entire material and housing businesses, which includes the production and allocation of materials and the construction of 2,700,000 homes and placing ceilings on 28,000,000 homes already built.

I do not agree with my distinguished colleague the gentleman from Kentucky [Mr. SPENCE], who is chairman of the Banking and Currency Committee and has charge of this bill. In the course of his remarks the other day he referred to Mr. Wyatt as an able lawyer. The gentleman from Iowa [Mr. JENSEN] inquired if that qualified Mr. Wyatt for this position as expediter of this great program and the gentleman from Kentucky [Mr. SPENCE] stated that it did; and even expressed in general terms that he would prefer that type of man for this position to someone who had had experience in the housing field.

Mr. JENSEN. Does Mr. Wyatt know anything about the building industry? Has he ever had any experience in building homes?

Mr. SPENCE. I do not know.

Mr. JENSEN. It takes one with experience more than an attorney to build homes.

Mr. SPENCE. I do not think so.

Mr. JENSEN. Doesn't the gentleman think it would help?

Mr. SPENCE. No.

It is my information that Mr. Wyatt has never built a house for himself or anybody else. If there is anyone here who knows of his building a house for himself or anybody else I wish he would speak up.

It is urged that Mr. Wyatt was elected mayor of Louisville and that he made a good mayor. He was elected mayor and served from 1941 to 1945. It is not my purpose to question whether he made a good mayor or did not make a good mayor. I understand the facts to be that Mr. Wyatt, after he had been mayor 4 years and had become the most powerful man politically in his party in Louisville, could not run himself for reelection; but with his influence in his party he was able to select the Democrat candidate for mayor—I understand a very able and splendid man—and he was able to help select the 12 Democratic candidates for aldermen and the candidates for city offices and for the county of Jefferson.

The Democrats carried Louisville in 1944 by more than 20,000 majority. The Republicans elected all 12 of the aldermen—including 1 colored man—in 1945, and elected practically all of the city and county officials. Mr. Wyatt was elected mayor by a big majority in 1941.

As we have heard, Mr. Wyatt was the attorney for the street railway company in Louisville before and at the time he was elected mayor; but he resigned his connection with the street railway company. He urged and did what he could, as I understand it, to have the Board of Aldermen of Louisville pass an ordinance for the city of Louisville to buy up the street railway system. He was unable to get the ordinance passed. This was one of the issues in the campaign of 1945.

Of course, he had the aid of thousands of Democrat city, Federal, county officials, and Democratic workers in the city of Louisville, and he had the backing of the leaders of the Democrat Party of Kentucky, and he had the benefit of all the millions of dollars that had been spent in Louisville, and he had the two great daily newspapers—the Courier-Journal and the Louisville Times—backing his candidates. Yet the election resulted, as I have stated, in electing 12 Republican nominees for aldermen, and an overwhelming majority of city and county officials. Mr. Wyatt's candidate for mayor did go through with a majority of fewer than 230 votes.

Of course, the voters of Louisville knew Mr. Wyatt and his record as an executive, and they passed on the question.

I merely call attention to these facts for whatever bearing they may have on Mr. Wyatt's executive ability and his ability to undertake the execution of the tremendous powers and the expenditure of billions of dollars that will be involved, the production and allocation of billions of dollars of every kind of material that enters into the construction of buildings, and the equipping of buildings. We must take it as true that Mr. Wyatt has had no experience in this particular field. I am not here and it is not my purpose to in any way reflect upon the character of Mr. Wyatt. I concede that he is now, and has been since he became mayor of Louisville, in full sympathy with the policies of the New Deal.

Mr. RANKIN. Do you mean he drove the Republicans into the black market in Louisville?

Mr. ROBSION of Kentucky. He must have done something. It was a disastrous upset for Mr. Wyatt and his Democratic friends in Louisville, and a very unusual victory for the Republicans.

You know the gentleman from Kentucky [Mr. SPENCE], the chairman of this great committee, as I have stated, on being asked what the qualifications of this man were to build houses, stated that he was a good lawyer.

Mr. SPENCE. The gentleman was a very distinguished lawyer and I understand he had one client who paid him $25,000 which would indicate that he was a man of some intelligence and judgment.

Mr. ROBSION of Kentucky. I have said nothing, and it is not my purpose to say anything, that will reflect on Mr. Wyatt. He may have had this client which, I understand, was a street railway company. They were not engaged in the building of houses or in the production of building materials or equipment. His services as an attorney had nothing to do with bringing together tens of thousands of large and small producers of lumber and other materials for constructing houses, or in bringing together the millions of person who would be involved in one way or another in the construction of 2,700,000 homes, and in putting a ceiling on 28,000,000 homes already constructed.

I challenge anyone to show that Mr. Wyatt ever built a house for himself or anybody else. The press carries a statement from Mr. Wyatt indicating that he has in mind to train 1,500,000 people to put over this job. Yes, if we give him all this power handling billions of dollars' worth of materials and equipment and give him six hundred millions for subsidies to start with, as provided in the Patman bill, he may put this number on the Government pay roll; but I predict now that he will have several times more people on the pay roll than he will have houses built.

According to the telegrams and letters and the statements of various building organizations of the country, we have thousands of sawmills shut down, we have thousands of processors of lumber idle, contractors are idle, and so are carpenters. We must get these thousands of sawmills and processors and contractors and carpenters and mechanics into action and get all these people back into production. That is the answer which will build houses and bring about prosperity. It cannot be done if the blighting hand of bureaucracy continues to harass and throttle private enterprise and have these activities carried on by inexperienced men like Mr. Wyatt here in the city of Washington.

THE POWER AND THE MONEY

Under the Second War Powers Act, the Price Control Act, and other legislative enactments, the President, and through him, his Expediter, Mr. Wyatt, and Mr. Bowles, OPA Administrator, have all the powers and more than would be granted

in the Patman bill to secure materials and equipment and allocate them; build houses, equip them and put a price ceiling on them. The President has had this power which he could and can delegate to Mr. Wyatt, Mr. Bowles, or any other person or agency of the Government since 1942. All hostilities ceased in Europe almost a year ago and hostilities ceased in the Pacific 6 months ago. This emergency housing shortage existed more than a year ago and has ever since but no real action has been taken by the administration to meet these conditions, and now Mr. Wyatt and some of his associates are meeting and saying that in a short time they are going to begin discussions about housing shortage and how to meet it. But for the fumbling of the administration, the housing program would be well on in production. Now Mr. Wyatt tells a group in Chicago, according to the press on yesterday, that every day the Congress delays in passing this Patman bill we lose the building of 3,000 houses. Congress has not delayed action. This statement is amazing in view of the fact that Mr. Truman, Mr. Bowles, and Mr. Wyatt have all the powers and more than this bill proposes to give to them in the way of allocation of materials and equipment, payment of subsidies and fixing of ceiling prices. Why have they not been active? This Patman bill will be a great disappointment and Mr. Wyatt is already looking for alibis.

Why is there a shortage of lumber and other building materials? It can be laid to the OPA and the administration as well as Mr. Wyatt. It has been proved beyond the question of doubt that in many instances the OPA has fixed the prices on finished lumber lower than the rough lumber itself cost. They have fixed such prices and such onerous conditions on the producers of lumber as to close down, not hundreds but literally thousands, of sawmills and other producers of lumber and plants that are processing lumber and other equipment for housing construction. They refuse to fix a price that will enable these thousands of large and small concerns to continue in business. They had to close down, and this stopped construction. It had even a more disastrous affect on building-materials equipment than the OPA prices had on meat, clothing, butter, and other products. They refused to permit those who understand the production of lumber and materials to carry on their work. They insist on running the business of this country, both large and small, through this powerful bureaucracy here in Washington. They claim to be the friends of free enterprise, but their policies day by day are strangling private enterprise to death. The attempt made in this bill is to give Mr. Wyatt authority to fix prices and allocate materials and price ceilings which he already has. Mr. Bowles of the OPA has the authority, and we are just setting up another great and powerful bureaucratic OPA.

If this would start the wheels of industries, put to work contractors, carpenters, and mechanics, and build houses, I would be willing to try it, but it will have the opposite effect in the house-building program as it has had on everything else in this country. This crowd of bureaucrats, who are in control, want to extend this authority to December 31, 1947. They are mad for power and more power. They are unwilling to surrender the powers they already have. The war is over, but they want more power and the war powers they have extended.

The question arises, When will the American people be permitted to carry on their affairs under the Constitution and in the American way? With few exceptions, the 28,000,000 homes and other buildings have been constructed under private enterprise, and if we ever have a real building program it will have to be done by experienced men and women under free enterprise and not under the heavy and blighting hand of bureaucracy. These Government agencies have created a black market in everything, and their policies have created a black market in lumber materials and equipment.

THE VETERANS

I was here following the last war in the administration of President Wilson, and many projects and programs were proposed in the name of the veterans and patriotism. Our veterans must have homes at reasonable prices. They are entitled to preference, and there is plenty of law without this autocratic measure to provide for such homes, and the American people will provide such homes if they are given a fair opportunity to do so. Whoever heard of the Government being able to produce a home or any other article at a cost as low as the cost would be if such home or article was produced by private enterprise? These homes that will be produced by the Government will not measure up in quality or in price with those produced by private enterprise. The soldiers and everybody else will pay more and get less value.

We now have a great army of civilian officeholders of 3,500,000 or more here and abroad. This bill creates another new and powerful bureaucracy, duplicating the work of other agencies of the Government, and no one can tell how many tens of thousands of officeholders will be added onto the backs of the veterans and the American people. I am in favor of giving preference in the way of allocation for homes for veterans and in giving them opportunities to build their homes. There are literally thousands of veterans who have been and will be engaged in the lumber and equipment business, and tens of thousands who are contractors, mechanics, and carpenters and who understand the house-building game much better than Mr. Wyatt and other bureaucrats here in Washington.

I was very much impressed by the speech of our colleague Mr. CUNNINGHAM, of Iowa, a World War veteran and a man who has taken special interest in legislation helpful to the veterans, and also the speech of our colleague the gentleman from Mississippi [Mr. RANKIN], chairman of the Veterans' Committee of the House. No men in the House have been more sincere and devotedly interested in the welfare of the veterans and their dependents than these two distinguished veterans. They are opposed to this Patman bill. They say that it would not help the veterans but on the other hand would do them very great harm. They point out that it would take away the benefits of the GI bill of rights to the veterans in the way of securing loans and securing homes. There are other veterans of World War I and World War II who are opposed to this Patman bill. We must not permit ourselves to be stampeded into giving these bureaucrats this tremendous power over all the building material and equipment industries and the construction of these homes and place ceilings on 28,000,000 other homes already built in the name of the veterans and, at the same time, set up another powerful bureaucracy in Washington that would cost billions of dollars of the taxpayers money and in the end be paid at least in part by the veterans themselves.

Mr. Bowles and Mr. Wyatt, if they desired, they could fix a fair price on lumber and a fair price on these houses that are built for the veterans and others. They do not have to have the Patman bill do that, and they even could extend subsidies. Unless the Patman bill is very substantially amended so that we may have assurances that they are going to build houses with these tremendous powers and these billions of dollars instead of building up a great bureaucracy and political machine, I shall be compelled to cast my vote against the bill. It now looks as if the Patman bill will be overwhelmingly defeated. It is such measures as this that has prevented production in this country of the things that the American people need and has encouraged increase of prices and inflation.

Mr. RANKIN. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. RANKIN moves that the Committee do now rise and report the bill back to the House, with the recommendation that the enacting clause be stricken out.

Mr. RANKIN. Mr. Chairman, I ask unanimous consent that I may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Chairman, there is no use carrying on this shadow-boxing over unimportant amendments to this so-called housing bill.

In my opinion, all the perfumes of Arabia would not sweeten it in its present form.

In my opinion it will drive the building industry either out of business or into the black market.

In my opinion, it will drive every small sawmill man out of business or into the black market.

In my opinion, it will destroy the business of every man who is in the building supply business, or drive him into the black market.

When they go into the black market, then they lay themselves liable to being dragged to Washington, or elsewhere, and punished as a common criminal—or worse.

Now, Mr. Chairman, let us see what this measure means. What the American people want today is to be let alone, so they can build their own houses.

I know every once in a while when I get up here to speak some little pink fellow with a hand about as wide as your three fingers refers to me as a Bourbon, reactionary, a southern aristocrat, who does not know anything about work.

There is probably not a man in this House who has done more hard work at a sawmill than I have. I have been everything from the dust-monkey to the sawyer. I know what a sawmill man is up against. If I were running a sawmill or a building material firm and this bill were passed, I would go out of business. It is bad enough for a man who runs a little sawmill down on the creek to try to make buckle and tongue meet, it is bad enough for a man who buys materials and employs labor and supplies them, to try to make buckle and tongue meet, without being harassed by a lot of bureaucrats, if you please, or "commissars," if you want to express it that way, to dictate to him and to punish him and threaten him and browbeat him at every turn of the road.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield for a question.

Mr. MAY. I happen to have a sawmill of my own that has been shut down for 4 months because I could not understand the regulations of OPA.

Mr. RANKIN. When I worked at a sawmill we used Davies' old arithmetic, and the boys used to say that it "took 10 mills to make a cent." If this measure passes, they may not even make a cent. The little sawmill man will probably be driven out of business entirely.

If the Committee on Banking and Currency wants to cure something, let them go at it in the right way. They talk about preventing inflation. What is inflation? Inflation is an expansion of the circulating medium. I want to show you where we have gone in expanding the currency, right under the noses of the members of the Committee on Banking and Currency. You men who are trying to reverse the laws of nature by acts of Congress or edicts of the OPA or the Housing Authority make me think of old Lightning when he said they sent him out to take a swarm of bees to Arizona. He undertook to walk and drive them instead of taking the queen and putting her in a hive.

When you go out to try to control this country by fixing the prices of thousands and thousands of articles instead of controlling the money supply at the root, to me it sounds perfectly silly. I certainly am astonished to hear men—intelligent men—argue that this bill is a veterans' bill. Do you not think the veterans did enough to win the war without having all this responsibility piled up on them?

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I will yield for a question; but make it brief, for I cannot get any more time.

Mr. HOFFMAN. I will. I hope the gentleman from Mississippi will not feel badly when some of us on this side who want to recommit the bill vote against his motion.

Mr. RANKIN. Now, if you want to run out and hunt a storm cellar, all right; if you are hunting a political black market, that is the way to find it. But I suggest that you stand up and be counted.

Mr. HOFFMAN. Just a minute, now.

Mr. RANKIN. No; I cannot yield further.

Mr. HOFFMAN. If the gentleman will yield, I want to tell him why.

Mr. RANKIN. Mr. Chairman, I cannot yield any further. Why do you not stand up now and be counted rather than running out on the theory they are going to get a motion to recommit? If you want to do that, all right.

Mr. HOFFMAN. Mr. Chairman, I ask that those words be taken down, that we are running out.

Mr. RANKIN. Now, Mr. Chairman, I do not yield.

Mr. HOFFMAN. The gentleman does not yield to have his words taken down?

Mr. RANKIN. No.

Now, Mr. Chairman let me show you what is going on. Prices in a free country are governed by two things, the volume of a Nation's currency and the velocity of its circulation.

Today the volume of your currency is going up at the rate of $200,000,000 a month. In 1930 we had $4,426,000,000 in circulation. Do you know how much we have now? Do the members of the Banking and Currency Committee know how much we have in circulation now? I will tell you what we had on November 30, 1945.

The last statement that came from the Treasury, on November 30, 1945, shows that instead of having $4,426,000,000 in circulation we had $28,210,000,000 in circulation; and by now, the amount has probably reached $29,000,000,000.

Now, you undertake to hold prices down vicariously, and this great volume of printing-press money, if you please, continues to swell. If you do not change the program and go to the root of the trouble you are going to wreck the country.

Mr. HENDRICKS. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. For a question.

Mr. HENDRICKS. I would like for the gentleman to discuss how this bill will affect the veterans. That is what I am interested in. Will the gentleman get to that?

Mr. RANKIN. Yes; it will affect him just as it will affect others. It will probably drive him out of business or into the black market.

One of the most ridiculous propositions I have ever heard is the claim that this is a veterans' bill, a soldiers' bill. I challenge any man in this House or out of it to show where he has worked harder or taken more abuse for the veterans of this country than I have.

Here is what you are going to have to do if you want to cure this situation. Do not make it any worse. It will spread the black market all over the country and put building-material men out of business. Do not put every sawmill man out of business.

You can bring in a law here to take over the Federal Reserve System and stabilize the currency at a given volume and require that when it sinks below that volume the Government shall issue United States notes with gold reserves behind it to keep it stabilized at that point, and permit the American people to live and work out their own salvation.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. SCRIVNER. Does the gentleman not feel that if this is a veterans' bill it might well have been referred to the Committee on Veterans' Legislation to have studied?

Mr. RANKIN. Why certainly, and it never would have reached the floor of this House in its present form.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from New York.

Mr. TABER. Would not the effect of the bill be to keep the veterans from getting houses?

Mr. RANKIN. My honest opinion is that if this bill passes it is going to prevent the building of houses for veterans or for anyone else, and will prevent the veterans themselves from building their own houses.

Miss SUMNER of Illinois. Mr. Chairman will the gentleman yield?

Mr. RANKIN. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. The experts, including Mr. Mowbray, have stated just what the gentleman has said about small builders. On page 104 of the hearings Mr. Mowbray said:

> The net effect of this legislation, therefore, would be to help the big builder who has the accounting facilities, the legal advice, and the experience with wartime controls which are necessary. Let me urge, therefore, that in the interest of the survival of the small builder this legislation not be passed.

Mr. RANKIN. Mr. Chairman, I hope the motion is agreed to and that the bill will be sent back to the committee with the enacting clause stricken out.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that the gentleman from Georgia [Mr. BROWN] may have five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. BROWN of Georgia. Mr. Chairman, the committee had under consideration the problem of acute housing conditions for almost 2 months. We all appreciate the effect of the critical housing situation.

I know that the Members of the House believe in fair play. The committee has reported a bill. If it is not what you want, let us debate it, let us amend it; then, when we get through, if you do not want the bill, vote it down. I believe in fair play. I do not believe in cutting off speeches on consideration of an important matter as this. For this reason I voted yesterday to give my good friend the gentleman from Chicago, Mr. SABATH,

a chance to defend himself. Every man is entitled to the right of fair play and defense, so I voted against the previous question at that time, and gave the gentleman a right to explain his position.

Mr. Chairman, we have reported a bill. There are a number of amendments to be offered and I think we ought to discuss them freely and find out what we want rather than send the bill back to the committee. To do otherwise would not be fair to the committee.

Mr. Chairman, there is a great deal of talk about veterans, and we want to help them. I want to discuss one provision in this bill that will be very helpful to the veterans. That has to do with priorities and allocation of materials to veterans. We must allocate to the veterans a large part of the scarce materials. No one within the sound of my voice is against that provision. Under the present law that can be done, but the War Powers Act expires on the 30th of June. Many people did not believe that the Second War Powers Act would be extended and therefore it was necessary to give some thought to a bill for the extension of the priorities and allocations now.

I took the position all along that down in my section of the country the veterans, under the GI bill of rights, were not going to get any money because the local banking institutions in the small towns will not put up 50 percent of $8,000 toward building a home.

These loans will have 25 years to run. Eighty percent of these boys that come back do not have any money to build houses, and therefore the position I took before my committee, and which I take today, is that the FHA must build most of the houses for these boys. They can secure 90 percent of the cost of construction through this Agency. There will be introduced, and there exists in the substitute bill offered by the gentleman from Michigan, a provision by which the FHA will be empowered by a billion dollars additional increase to secure mortgages to build these houses. By sending this bill back you are saying to the veteran, "I do not want to help you."

I think every man within the sound of my voice has a right to be heard. This is an important matter, and one of the most important matters that we have ever had in Congress, and we must do something for the relief of these veterans. Do not send it back to the committee and say, "Here it rests for all time."

Mr. OUTLAND. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from California.

Mr. OUTLAND. I was astounded to hear the chairman of the Veterans' Committee of this House say that this bill will not help the veterans. Let us hear from a group of veterans themselves, and I am sorry I do not have the time to quote the statement in full. It was issued this morning by the chairman of the American Veterans' Committee, and I will quote only a paragraph or two to the effect that the veterans and their families in all the communities of the land took heart when Wilson Wyatt, Housing Expediter and National Housing Administrator, announced his program to provide for 2,700,000 homes by the end of 1947. The statement goes on to say that this particular veterans' organization favors this bill and the amendments that will be submitted on this floor.

If this bill is returned to committee, do not tell me that it is not going to be opposed to the veterans of America.

Mr. BROWN of Georgia. I do not agree with the distinguished gentleman about voting for the amendments. We cut out subsidies in the committee. We cut out ceilings on existing homes, and they should be cut out. I am still standing for the amended bill as we reported it from the committee. But I do say there ought to be free discussion, and after we get through, if it is not what you want, then vote it down. The bill can be perfected whereby we can help the veterans of this country, and the only way you can help them in my section of the country is through the FHA guaranteeing 90 percent of the cost of the houses.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from California.

Mr. HINSHAW. I just want to say that I agree with the gentleman entirely. We should continue the discussion of this bill until we are through with it.

Mr. BROWN of Georgia. The gentleman is right.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from New York.

Mr. BARRY. Has any Member of the House who opposes this bill offered any program other than raising ceiling prices?

Mr. BROWN of Georgia. No. I am advocating the bill that we brought from the committee, cutting out ceilings on existing homes and eliminating subsidies, and fixing the time just like we did a while ago. If you want to cut out the powers given to the expediter, give them to the President. The Expediter has, under this bill, the same powers that the President has under the Second War Powers Act. It might be all right to give the President the power, but we must give those powers to someone in order to allocate the scarce materials to the soldiers of this country whom we are trying to help.

Therefore, if you want to amend it, it is all right with me, but I am against all these proposed amendments, and I do not think the members of the committee who voted in favor of my amendments in the committee ought to leave me at this particular time. You ought not to offer on the floor those amendments to restore the provisions which we cut out in the committee. Let us perfect this bill to make it workable and one that will really give results to the veterans of this country.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Texas.

Mr. PATMAN. Is it not a fact that if we strike out the enacting clause the bill will not only be sent back to the committee but it will be dead for this session?

Mr. BROWN of Georgia. I absolutely agree with the statement of the gentleman from Texas. I want to say to him that we are close friends, almost like Damon and Pythias. To illustrate what I mean, when he left his bill, I took hold of the orphan and am trying to nurture it and give it strength enough to become law.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Michigan.

Mr. DINGELL. Would it not be a good idea if we did vote for the motion in order that we might get a roll call on the question and thus separate the sheep from the goats?

Mr. BROWN of Georgia. I have confidence in the Members of the Congress of the United States, and they are going to approve some helpful bill.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from New York.

Mr. BARRY. The program offered by the opposition, to increase the ceiling prices on materials, offers the veteran as a program a higher cost for a house. Is not that so?

Mr. BROWN of Georgia. I think as far as materials are concerned they ought to be allocated and controlled as long as they are scarce. I am for the principle of controlling the materials, and I do not object to ceilings on new houses as long as building materials are so scarce. If you do not control the materials at this time when they are so scarce, none of the soldiers will get any. Let us control these materials and allocate them to the soldiers and build houses for them through the FHA mortgage system. Help me in this effort and defeat the motion of the gentleman from Mississippi [Mr. RANKIN] to recommit the bill, and I will guarantee you that the soldiers and the great majority of the American people will be satisfied.

The CHAIRMAN. The time of the gentleman from Georgia has expired. All time has expired on the pending motion.

Mr. RANKIN. Mr. Chairman, I ask unanimous consent that my preferential motion be again reported.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk again reported the motion.

The CHAIRMAN. The question is on the motion offered by the gentleman from Mississippi.

The question was taken; and on a division (demanded by Mr. RANKIN) there were—ayes 29, noes 143.

So the motion was rejected.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 6, strike out "act" and insert "title."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: On page 4, line 1, after 703 insert "(a)."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: On page 4, line 6, strike out after the word "who" the rest of the line and lines 7, 8, and 9, and the words "to make reports", in line 10, and insert "deals in, sells, rents, or buys, or offers to sell, rent, or buy, any housing accommodations—

"(1) to furnish information under oath or affirmation or otherwise,

"(2) to make and keep records, and

"(3) to make reports,

in respect of such dealings, sales, rentals, purchases, or offers."

Mr. WOLCOTT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think it should be understod that our silence on this particular amendment should not be interpreted as consenting to it. As a matter of fact, the whole section should come out. This section is one of the factors which inspired the introduction of H. R. 5579, which in due course will be offered as a substitute to this bill. This is known as the snooping section of the bill and would authorize the Expediter or Director, or whatever he might be called, to investigate and inspect the books of anyone having to do with the building industry from the production of building materials to the final sale, including the rental of the property. Of course, it should not be enacted. It gives more authority than should be given to any single individual. I think we should have in mind always that under the Executive order the Expediter, Mr. Wyatt, has been given more authority to do this job than any other single individual has ever been given in any field of endeavor, except the President himself. Surely we should not vest him with any more authority than has been vested in him by the Executive order. I do not think the House wants to vest in the administrator or expediter or director these very new and unusual powers, with the right to go into every real-estate office, even to the extent of issuing a subpena to a home owner if he puts his home up for sale, with the right of going into the private life of a home owner and finding out how much he paid for the home, how much he has invested in it, and everything of that nature. That surely will not encourage the building of homes for veterans or anyone else. I just want to clarify the situation and bring out the fact that we are not moving to strike out this provision at this particular time because this provision is not included in the substitute which will be offered later on. By the adoption of the substitute we will not be enacting this provision as part of the law.

Mr. PATMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this amendment changes the language proposed in the original bill. It merely gives the expediter the power to enforce the act. Of course, we do not like to have enforcement officers around. We do not like supervision probably under certain conditions. But we cannot enforce a law unless the person who is authorized to enforce the law also possesses the power to compel it. We must give him the tools to work with and give him the right to control allocations and priorities and give preference to veterans. Then when he goes to investigate a flagrant case of violation of the law, if he does not have the power to do so, we may just as well not have any law at all. If we are not going to have enforcement provisions, we might as well not have any law.

This merely provides that where a person charged with the violation of the act, the expediter may cause that person to furnish him information under oath or affirmation. Is there anything unreasonable about that? How else can you enforce a law that involves 29,000,000 existing homes, if you put in the provision for existing housing? How can you supervise the construction of 1,200,000 houses this year and sell, lease, or rent them unless you have the power to require those people who get the priorities, to make a statement under oath as to whether or not they have complied with their promises, which enables them to get these scarce materials? I cannot understand why anybody would oppose a provision that would make it possible for the expediter to enforce the law.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. HARRIS. Would this apply to all houses?

Mr. PATMAN. No. It just applies to the new houses, up to this time. The next is to make them keep records and to make reports. Mr. Wyatt testified there is nothing in this requirement that you do not have in order to fill out your income-tax returns. If this builder who makes a promise to Mr. Wyatt, "If you will let me have the scarce and critical materials, I will use those materials to build residential housing units for veterans of World War II and their immediate families," then Mr. Wyatt would have no power on earth, if this is stricken out, to come back later, when he knows he has violated that promise. Possibly he has used the material to build a race track or an amusement house, but if this language is striken the Expediter cannot say a word. He has no power. This is the enforcement provision. It goes to the heart of this bill.

Mr. HOOK. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. HOOK. Is there any provision at all for hardship nonveteran cases?

Mr. PATMAN. Certainly. Mr. Wyatt has the power, and he will have essential nonveteran cases for commercial buildings or for residential units. It should be an elastic hardship clause, and I am assured it will be. This is not going to be any strait-jacket, that everything should go right down to the veterans. We know that if houses are lost by reason of storms or floods or fires or things like that and there is an emergency, whether any member of the family ever served in any war, he should have the right to get materials to rebuild that home. There are certain commercial problems that are just as important to the veteran as residential housing.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Miss SUMNER of Illinois. Does not the gentleman know that before we started all this communistic stuff they managed to enforce the laws without going into the banks and searching people's safe deposit boxes and making them keep records?

Mr. PATMAN. Of course, if the income-tax records are communistic, then nearly everybody here voted for it. The lady knows more about communism than I do. I am just against it. I am against fascism, too. I am against both of them—both communism and fascism. I am not willing to make one the alternative of the other.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield further?

Mr. PATMAN. No; not now, if you please.

So I ask you in all seriousness not to strike out this provision. That would be giving the Expediter power to control materials, the power to let different people have materials for a specific purpose, and then, when he goes to investigate whether or not they have used the materials for that purpose, he would not have adequate power to determine if they had used the materials for that purpose.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BARDEN. I presume the gentleman is discussing the section on page 4?

Mr. PATMAN. That is right.

Mr. BARDEN. Where it says the Director is authorized to require any person who owns, holds an interest in, et cetera——

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Yes; that is it.

Mr. BARDEN. You mean you want all this power and authority vested in Mr. Wyatt, to tinker with every man who owns a house?

Mr. PATMAN. Not tinker with them, no; I am against tinkering with them.

Mr. BARDEN. Why use that phrase, "Everyone who owns"?

Mr. PATMAN. No; that applies only to new houses. The way the bill is written that applies only to new houses. As the bill is written now that language is stricken out, and better language is inserted. The better language is the language in italics. All of this information is required by the Bureau of Internal Revenue anyway, and since they have got to keep it, are compelled to keep it under the law in order to pay their income taxes, why should not the Expediter who is giving such valuable privileges to different people have a right to determine whether or not they have exercised that power as they should?

Mr. HINSHAW. Mr. Chairman, would the gentleman yield?

Mr. PATMAN. I yield.

Mr. HINSHAW. I should like the gentleman to explain why it does not apply to anyone who sells or rents a house he

owns. Even the language substitute says:

Any person who deals in, sells, rents, or buys, or offers to sell, rent, or buy, any housing accommodations.

Mr. PATMAN. I know, but that is connected up with another provision of the bill.

Mr. HINSHAW. And what is that other provision?

Mr. PATMAN. The other provision is 704. It applies to houses the construction of which is completed after the effective date of this title. So it applies only to new houses, as it is written.

Mr. HINSHAW. I beg to differ with the gentleman.

Mr. PATMAN. In my opinion it applies only to new houses which are completed after the effective date of this act, and it applies only to housing under the provisions of this title.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CRAWFORD. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I am in favor of eliminating the language in lines 6, 7, 8, 9, and 10, in the original bill. In other words, I want to strike out the language which the gentleman from Texas has argued should be retained in the bill; and I seriously question the committee amendment. Now, let me read this to you. You are a home owner:

Section 703 (a)—

Now, remember, you own a home—

The Director is authorized to make such studies and investigations, to conduct such hearings, and to obtain such information as he deems necessary or proper to assist him in formulating policies, issuing regulations, and performing any other functions under this title. The Director is authorized to require any person who deals in, sells, rents, or buys, or offers to sell, rent, or buy, any housing accommodations—

(1) to furnish information under oath or affirmation or otherwise;

(2) to make and keep records; and

(3) to make reports, in respect of such dealings, sales, rentals, purchases, or offers.

I contend that language is sufficiently broad that if I want to sell my home they could throw that law down under my nose and say: "Listen, brother, you have got to furnish this information or you cannot sell your home."

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. If the gentleman can clear this up.

Mr. PATMAN. That is what I want to do; I want to clear this up.

I am in favor of striking out that language in lines 6, 7, 8, 9, and 10, and substituting the other. Then it applies only to houses the construction of which is completed after the effective date of this title.

Mr. CRAWFORD. If I understood the gentleman's argument, he was arguing against striking out the language in the lines that are indicated as stricken out.

Mr. PATMAN. No; I am for the committee amendment. I am glad the gentleman asked the question.

Mr. CRAWFORD. All right; let us assume that you are for the committee amendment; how can I escape the clutches of the requirements to file these reports if I offer to sell my home or even rent it under the language of the committee amendment? Can some smart lawyer clear that up for me?

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. HINSHAW. If the gentleman will go on and read further:

The Director may require any such person to permit the inspection and copying of records and other documents and the inspection of housing accommodations.

They can send their people right into your home and snoop all over the place.

Mr. PATMAN. Mr. Chairman, will the gentleman yield? I have but one desire and that is to make this thing absolutely right.

Mr. CRAWFORD. I yield, because I want to try to clear up this language.

Mr. PATMAN. Remember, any act that is performed must be under the functions of this particular title.

Mr. CRAWFORD. I disagree with the gentleman on that.

Mr. PATMAN. It applies only to this one title, this particular title.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. WOLCOTT. I feel, of course, that all this section should go out.

Mr. CRAWFORD. So do I.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. CRAWFORD. Yes; I yield.

Mr. WOLCOTT. If the committee amendment is agreed to, inasmuch as the bill has been read as one section, and a substitute is offered, if the substitute is defeated, would it be in order then to move to strike out the whole of this section?

The CHAIRMAN. It would.

Mr. WOLCOTT. Notwithstanding the fact that the committee amendment has been agreed to. That was my understanding of the parliamentary situation. If the substitute which I shall offer is defeated, then it is our purpose to move to strike out this entire section.

The CHAIRMAN. The gentleman is correct.

Mr. PATMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. PATMAN. What is the question before the Committee right now? Is it not the question of striking out the language from line 6 down to line 10 and inserting the language from line 10 to line 16 on page 4?

The CHAIRMAN. The gentleman is correct. The question is on the committee amendment to which the gentleman refers.

Mr. RICH. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I question very much whether we should adopt this amendment. It seems to me that we have gone far enough in regimentation in our country. The Congress in the last few years has gone very far in making laws which take away from the American people the freedoms they have enjoyed for such a long time. Give men their freedom and they do things, they produce commodities and homes and agricultural produce, yes, they produce everything we need.

As I view this bill, it is quite unreasonable and it will not do what the Members of the House who champion it state it will do. The price of labor today has been increased, yet the price of materials has been held down by OPA to such a point that you have virtually stopped production. That is the trouble with the whole situation, and that is the reason houses are not being built. We are paralyzed. Yes, you stopped production. Materials are scarce and inflation is now rampant.

Mr. Chairman, if we try to legislate on everything that everybody does in this country we might just as well do the same thing that Hitler did in Germany or Mussolini did in Italy and what some other nations still alive are doing today. Regimentation and regulation, and next usurpation. That is the New Deal.

Mr. HENRY. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Wisconsin.

Mr. HENRY. Can the distinguished gentleman give us some idea as to how many thousands of jobs are involved in what the gentleman from Texas is trying to accomplish?

Mr. RICH. All kinds of jobs, I would say—thousands of them. Well, there are 32,000 people on the Government pay roll today doing propaganda work for the present administration. We are paying $185,000,000 a year for that propaganda. They are trying to convince the people of this country that we ought to be Russianized, and this bill helps brings us to that point. It will only hasten the day. And I have voted to prohibit it so far as I am concerned.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I know the gentleman is of a practical mind. Does he think a bureau of this type and scope can be set up in this country to handle the construction of 1,200,000 or 2,700,000 homes and to deal with the other home propositions involved in here with a personnel of less than 25,000?

Mr. RICH. I do not think they can. This bill is designed to set up 50,000 more jobs and this amendment may double the snoopers.

Mr. CRAWFORD. It certainly is.

Mr. RICH. That is what they are continually doing. They are always creating more jobs. Twelve years ago we had 500,000 people on the Federal pay roll; today there are 3,000,000 on the Federal pay roll and the administration is trying to hold all those people on the pay roll—they mean votes you know. No consolation to the taxpayers, however.

It is time that the American people wake up and get rid of the New Deal or we will have a Russianized form of government or some other form of government in this country through which the people will lose their freedom, their independence, and their American rights

as guaranteed under the Constitution of the United States. It is time to stop this and to strike this bill from the calendar. It is only more regulation and regimentation.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. HINSHAW. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I would not say that the gentleman from Texas was misleading this House in the statement that he made, because I am sure he is sincere. But I beg the gentleman to read the language on page 3, line 6, which reads:

> The purposes of this title are to stabilize the prices of real estate to be used for housing purposes, and to prevent speculative, unwarranted, and abnormal increases in the selling prices of such real estate.

That is one of the purposes of the bill. Then if you turn to section 703 (a) you will find that—

> The Director is authorized to require any person who deals in, sells, rents, or buys, or offers to sell, rent, or buy, any housing accommodations—

Which includes every owner of real property, every man who owns his own home, every man who rents a house to somebody else or rents it from an owner, and every one who purchases a piece of property—

> (1) to furnish information under oath or affirmation or otherwise;
> (2) to make and keep records, and
> (3) to make reports.

Then it says that the Director may make an inspection of housing accommodations.

It does not say anything about limiting his right to make inspections of the new housing accommodations provided for in this bill. He can make an inspection of any house or home in the United States under this bill whether it is offered for sale or not.

Over on the next page we find that they magnanimously put in an amendment on line 17 which says:

> Any person subpenaed under this section shall have the right to make a record of his testimony and to be represented by counsel.

Why is it necessary to place language like that in any bill passed by this Congress? It seems to me that any man or woman in the United States has the right to make a record of his testimony before any agency, be it a court or otherwise, and to be represented by counsel. Is not this bill big-hearted.

Turning to section 706, you will find this language:

> It shall be unlawful for any person to violate the terms of any regulation or order issued under the provisions of this title.

On page 14, section 706 (c) you will find the penalty for the violation of any provision of section 706 from which I have just quoted, and you will find that any home owner in the United States who refuses to allow the entry into his home of one of these snoopers can be fined $5,000 and placed in jail for 2 years. Refuse to let them inspect your home and you become a felon.

What kind of a bill is this, I ask you?

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. Yes; I yield to the gentleman from Texas, if he has an answer to that.

Mr. PATMAN. Why should the expediter want any information about a transaction over which he has no control whatsoever?

Mr. HINSHAW. Then why do you want to give him the power so that he can do those things? I know the way some of these people have operated in the past under the OPA and elsewhere, and I want to tell you that I do not want them snooping around my home just because they may have a right to do it under this bill, if it passes.

Mr. PATMAN. At the same time, I know that the gentleman agrees that we have got to have proper law enforcement if we pass a law, and he would not want a law without any way to enforce it.

Mr. HINSHAW. I have seen some of the regulations that have been put forth under the various agencies of this Government. It seems to me that this is a gestapo set-up. They will have more power than any agency presently has. I want to tell you that they are not going to come into my house and snoop, whether I want to sell it or not. It is none of their d—— business.

The Bill of Rights says in big type that "The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched and the person or things to be seized." In this country a man's home is to be secure from any Government snooping unless there shall be a warrant issued based upon probable cause. That language was not put in the Bill of Rights just for show, but because our forefathers had experienced some of the very actions that this bill now proposes to make possible. Any man has a right to protect his home from entry by anyone unless a proper warrant be sworn out authorizing the entry by an agent of the law.

Mr. HOOK. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I have been interested in this housing situation. A group of Democratic Members of Congress decided to go to Michigan, voluntarily, at our own expense, hold hearings, and make an investigation as to what the situation was, and give all the help we could in this housing situation.

We found in the metropolitan area of Detroit alone that they were short at least 75,000 homes. I went up into my district in the northern section of Michigan and I found in every county of my district a shortage of homes. Every county made a survey. I called their representatives together and we had a report on it. I went into the county of Dickinson, and especially the city of Iron Mountain. I found a rather unusual situation existed. There was a shortage of homes. The public-spirited citizens of that community, after they had read the Wyatt report, in accordance with that report worked out a plan. This is a city of about 12,000 people. These public-spirited citizens gathered together $100,000, not less than $1,000 apiece and not over $5,000, to form a corporation. They gathered options on several hundred lots throughout the city. They said the options were not to exceed $200, when lots in that city outside of those options had risen from $100 to $1,000 apiece. Rents in that area have not only doubled but trebled in the last couple of months. Lots have skyrocketed. The purpose of this public-spirited organization is to build homes in accordance with the Wyatt proposal, with veteran and nonveteran hardship cases to be preferred. That is the spirit that should exist in every community in the United States.

Mr. HENRY. Mr. Chairman, will the gentleman yield?

Mr. HOOK. I yield to the gentleman from Wisconsin.

Mr. HENRY. As I understood the gentleman, he said that rents in that community had doubled and trebled.

Mr. HOOK. Yes.

Mr. HENRY. Will the gentleman tell me if there was a break-down in rent control in that community?

Mr. HOOK. There was no rent control in that area.

Mr. HENRY. Why?

Mr. HOOK. The reason is that we did not produce war goods up there except for iron ore and copper that went into the war program, together with food and a few other odd commodities. There was no rent control. That is a good illustration of why we should have rent control. I have asked that rent control be established in that area. That is the reason we need such a bill as this, with public-spirited citizens of the kind that have combined in that city getting together to see that veterans get homes at a reasonable cost within a reasonable time, and that nonveteran hardship cases be taken care of, so that people can have homes to live in. This corporation that will be formed can conform to every phase of this bill. They can make their reports because they are not out to gouge the public, they are not out to gouge the people. They are organizing for the purpose of bringing to the people low-cost housing at a reasonable cost. When you have done that you will have served this Nation. I hope that the path that has been blazed by this pioneering group in that city will be followed by groups in other cities throughout the United States, and that they will form such organizations and cooperate with the Housing Expediter to bring homes to veterans and to nonveteran hardship cases. The Iron Mountain plan is one of the first of its kind.

Mr. DONDERO. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the Sage of Monticello once said that if we must ask Washington when to sow and when to reap, we would soon want bread. It seems to me if Thomas Jefferson were alive and here today on the floor of the House, he might well paraphrase the statement he made in the long ago and say, "If we must ask Washington when to build and when not to build, we would soon want houses." Those who propose any kind of a bill for the control of material and the building of houses for veterans go upon the the-

ory that the competitive spirit of America is dead, the law of supply and demand is dead, and that the free-enterprise system no longer exists in the United States; and in its place there must be substituted a planned economy and regimentation. This country grew great and strong under a free economy and not a regimented planned economy.

Several Members took the floor yesterday, one gentleman in particular, and expressed apprehension that if there were any buildings under construction when this bill became law, the building materials needed to complete such building could very well be diverted or allocated to other places or to other buildings by the Director. There is great force in that contention. Under section 705 (a) it is provided that—

SEC. 705. (a) Whenever in the judgment of the Director there is a shortage in the supply of any material or of any facilities suitable for the construction of housing accommodations he may by regulation or order allocate or establish priorities for the delivery of, such material or facilities in such manner, upon such conditions, and to such extent as he deems necessary.

I received a letter this morning from the president of Michigan State College at Lansing, Mich., also expressing apprehension that if this bill becomes law the building program which the State of Michigan is now engaged in in an effort to supply housing for veterans who desire to take advantage of the GI bill and further their education might be curtailed. I want to give to the House the program that is now in operation for the building of housing facilities for veterans. This is what Dr. John A. Hannah, the president of that great college, which expects an enrollment exceeding 10,000 people this coming fall, says regarding this subject. He says:

To meet the situation, Michigan State College is now building 5 large dormitories, 6 apartment buildings for married veterans, and 52 Quonset houses are being installed, all without Federal aid.

He also says that they have under construction a large classroom building, a home management laboratory, and intend within a short time to construct a science building, a physics building, and others deemed essential if veterans are to have opportunity for the kind of education they expect.

That letter was written on February 26 to Mr. Wyatt, who is supposed to administer this law, if adopted. He, too, is apprehensive whether or not the materials for the construction of these buildings might be shut off and allocated to other parts of the country and the building of facilities for veterans stopped immediately. That is a serious question. I trust that the membership of the House will give it consideration when they vote on this bill.

What would I propose in its place? I still have faith in the American system of doing business. I believe that if controls were lifted from building materials we would again move forward under the law of supply and demand, and the people of this country who have made such great progress under that system would again give proof to the world that they can build houses and other facilities for our returning veterans without having the control of their business originate from Washington. For that reason, I am in grave doubt about this bill. It might do more harm than good by preventing the building of houses for the men who wore the uniform of our country. The day before yesterday I took this floor and pointed out that a $6,000 ceiling on veterans' houses has already been tried in Pontiac, Mich., and has proved unworkable. They did build two houses, and found that they cost $6,400 without the lot and basement. How are we going to provide houses for our veterans when it has already been shown they cannot be built under this bill, at least a house decent enough for veterans to live in?

The CHAIRMAN. The question is on the committee amendment.

The question was taken; and on a division (demand by Mr. PATMAN) there were—ayes 67, noes 51.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

On page 4, line 19, after the period, insert "The Director may administer oaths and affirmations."

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 5, line 4, insert "(b)."

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

On page 5, line 10, insert:

"(c) Witnesses subpenaed under this section shall be paid the same fees and mileage as are paid witnesses in the district courts of the United States.

"(d) The Director shall not publish or disclose any information obtained under this title that he deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information.

"(e) Any person subpenaed under this section shall have the right to make a record of his testimony and to be represented by counsel."

Mr. HOFFMAN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. HOFFMAN. Mr. Chairman, in these days when sentiment is overwhelmingly in favor of doing something for the veterans, not a few groups and some individuals want to crawl onto that bandwagon. The gentleman from Texas [Mr. PATMAN] several times has told us we ought to do something for the veterans. I think we should, but we should not hold out some false hope to them, as does this bill.

Back in 1935 or 1936, along there somewhere, there was before this House the question of whether a bonus should be paid to the veterans of the First World War. Some who were here then remember how that question was held up and not decided for a period of a year or more because the gentleman from Texas [Mr. PATMAN], a great friend of the veterans, so he told us then, did not want them to be paid the bonus the Vinson way; he wanted them paid the Patman way, by the printing of money, or something like that. So the veterans waited for their bonus.

Hence, just because the gentleman so states, I do not take a great deal of stock in the idea that this is a bill to aid the veterans. It is a fine thing to get on that veteran bandwagon if you are looking for votes, if you are making speeches back home, but it has been stated time after time during the debate that this bill, with all the money that the United States might be able to borrow—note I did not say all the money in the United States Treasury, I said all the money the United States might be able to borrow—will not build a single house.

Now, there is something else to it. Who wants to be told what kind of a house he is to live in, even if he is a veteran? Who wants to be told whether there will be a kitchen on the front side next to the road, or a living room? Who wants to be told whether he is to have a basement or an attic or a second story on his house?

Some of us who have watched bureaucrats in the OPA and who are familiar with what they do know very well that if a Government agency or bureau has anything to do about the building of these houses the veterans and everyone else—and there are some others who want to have a roof over their heads—are going to have trouble with their wives. And the agency will have trouble of its own with the wives. The wife wants this thing there, something else over here, and then comes some fellow from Washington who says: "Put it over there." If there is anything a bride looks forward to doing it is the building of her own home on her own plan in her own way.

When the farmer builds a pen for the pigs, when he builds a coop for the chickens, when he puts the stanchions in the barn for the cows he does not ask the animals what they want, he just puts them where he wants them, in the places he builds for them. Now, the proposition of the gentleman from Texas is to tell the veterans and all the other people who want to get in out of the wet, get under a roof, what kind of a roof it shall be, what kind of second story, if there is going to be one, what kind of first story, and where the living room is to be, and where they are to put the bathroom.

Mr. KNUTSON. And the bed.

Mr. HOFFMAN. Yes; and the bed. And so on all the way down the line. That is what they will do. They propose to treat the veterans as we treat animals on the farm. The veterans and those needing homes deserve better treatment than that.

Where is that gentleman from Nebraska [Mr. BUFFETT] who had that clipping from the RECORD which he showed to me just a minute ago—the remarks put in by the gentleman from Texas?

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Are you the one who showed it to me?

Mr. CRAWFORD. Yes.

Mr. HOFFMAN. What was it the gentleman from Texas [Mr. PATMAN] said about the veterans—about being so solicitous about the veterans?

Mr. CRAWFORD. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan may proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CRAWFORD. The head of this speech made by the gentleman from Texas [Mr. PATMAN]—and it is found in the printed RECORD at page A1012 of the Appendix—refers to the revelation of a million-dollar slush fund. But permit me, as a member of the committee, to say that I have not seen any evidence of a slush fund; it has not been revealed to me.

Mr. HOFFMAN. Slush fund?

Mr. CRAWFORD. A million-dollar slush fund.

Mr. HOFFMAN. It may be part of that $500,000,000 that is going to go to the contractors who are to build the homes, I do not know. I never heard of it before. Go ahead.

Mr. CRAWFORD. The gentleman from Texas, in discussing this proposition, said:

> For a month Washington representatives of the real-estate interests have been buttonholing Congressmen, urging them to vote against houses for veterans.

Nobody has asked me to vote against housing for veterans.

Then he also says:

> Why should these lobbyists stoop to such practices? I believe there is a quite obvious answer to that. Should this legislation pass, they will be denied the greatest sucker market in history.

Mr. HOFFMAN. The what?

Mr. CRAWFORD. Sucker market.

The veterans of my district are not suckers. I deny the charge.

Mr. HOFFMAN. Of course they are not. Oh, it well may be that the gentleman from Texas [Mr. PATMAN] did not intend to refer to them as being suckers. We will assume that he did not; I like to be charitable. The gentleman from Texas did not intend to refer to the veterans as suckers. That would cost him votes to say that. He does not do that. He just got steamed up. He was just being oratorical.

That is another illustration of the careless way in which the gentleman from Texas uses words. It is just an illustration, just another proof of the fact that we should not as Members of the House place too much weight on what he says, because he does not always mean what he says. It is just like that chain-store legislation when he went up and down and around and across the country speaking for it or against it, I have forgotten which, but it was a fine thing, whichever way it was, for the gentleman from Texas. It continued for a long, long time. He followed his best judgment. I do not criticize him, perhaps I envy him, I do not know. But in any event you cannot build houses for veterans if you do not have materials. The materials are not available in my district, nor in the Fifth District represented by the gentleman from Grand Rapids, Mich. [Mr. JONKMAN]. The OPA has got down to cement blocks there. Everybody knows that a house has to start down at the bottom, you have to have something under it, but the OPA has got their hands on the underpinning, now. In Holland in the gentleman's district the OPA is ordering the sale of blocks at a price which may put them off the market. And then there are the rafters and the roof. That is all right, but there has to be some materials in between the foundation and the shingles.

Now, I wonder why he does not do something about fixing it so materials can be produced and sold. If you want to do something basic to help the veteran, why do you not fix it so these veterans who have returned can go to work and get a job without paying the political ally, the UAW-CIO and the CIO, the administration's political ally, so that those boys who are coming back who are here can get work without having to join up? Why do you not do something about that, why do you not fix it so they can find work building their own houses over the country? Why do you not get the yoke off the necks of the would-be purchasers of milk in the city of Detroit—open up factories so they can produce—so all can buy—instead of always calling for deficit spending, always wanting more purchasing power.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. The gentleman talked about bathrooms.

Mr. HOFFMAN. What do you want a bathroom for?

Miss SUMNER of Illinois. If you do not take OPA off of the plumbing industry you will not have any bathrooms in houses.

Mr. HOFFMAN. You do not absolutely need a bathroom. You can get along without a bathroom. But if somebody wants a bathroom my point is it is none of anyone else's business. Mr. Ickes, I understand, had one down in the Interior Building all fixed up, a bathroom in colored marble. If a man wants to have a bathroom or a tin tub or take a bath in the watering trough, I think he is entitled to do so.

The administration has not been slow to get on the veterans' bandwagon. This week's effort is with a proposal to build homes for veterans. Everyone knows there is a shortage of housing facilities. Veterans and others—and do not forget the others—find difficulty in finding places to live. This is due in part to a shortage of construction during the war; in part to the tendency in many rural regions to congregate in the cities in order to hold more lucrative jobs. Factory workers, drawing from 75 cents to a dollar and more per hour, were the envy of many a farmer and farm boy. That looked like big money. It was—very good money—until the cost of living skyrocketed.

In any event the Nation as a whole needs more homes. So this latest plan of the bureaucrats and the spenders to create another Federal agency; pay contractors building houses, in addition to the prices paid by veterans, $600,000,000 in subsidies out of borrowed Federal funds; spend some more money under rules, orders, and directives promulgated by a Federal dictator.

As was pointed out on the floor, passing a law and appropriating money will not build homes. Building homes requires lumber and other materials, all of which are scarce. The scarcity is due in part to the enormous use of such materials during the war and to OPA regulations.

For example: Flooring is off the market, one reason being that the price of the lumber which goes into flooring is in some instances higher than the finished product. So who is going to manufacture flooring when he can sell his lumber in the rough for more money? Other materials, soil pipe, metal fixtures, cement blocks for foundations—are, in some instances, required to be manufactured for less than the cost of production.

Until OPA and other Government agencies get their fingers out of the pie, their spoons out of the broth, we will be in a mess and there will be a shortage which will prevent the supplying of the need, the building of homes, the repairing of old ones.

UP OR DOWN

From the administration we have heard overmuch about holding the price line. Time and again Bowles has told us that the cost of living would be kept down, the price line held. "Hold that line" was an early slogan of Truman. Time and again Bowles has told us that the line has been held; that it will be held; that prices have not gone up; that they are not going up; but the housewife knows better.

The fabricators of steel are faced with the ultimatum of the union, backed by the Government, that a wage increase of not less than 19 percent must be granted. Faced by the fact that the administration has granted the manufacturers of steel an increase in the price of steel, the fabricator must buy steel at an increase in price of as much as $9 per ton. They cannot meet the increased wage and material cost, sell at the old figure, and continue in business. Would-be home builders will find it difficult to purchase hinges, locks, faucets, pipe, which are part of bathroom, kitchen, and other equipment.

The administration tells first this industry, then that—if its employees happen to be members of the administration's ally, the CIO—that wage increases must be granted, that it must immediately resume production; then later on, if the industry can prove it cannot continue to pay the increased wage, the added cost of material, and stay in business, OPA may, if it is convinced of that fact, grant an increase in the price of the company's product. Unfortunately, producers and businessmen, knowing, no matter what OPA says, that they cannot do business without a profit, not only will not, but they cannot, go along with that policy. So along comes another bottle-

neck either in this or that needed merchandise.

Eccles, Chairman of the Federal Reserve System, says the Government's wage policy will hike the cost of living 10 percent. Others equally competent say it will go up 20 to 30 percent. Bowles, former OPA chief, now stabilizer autocrat, and Snyder, of Reconversion, reply: "No such thing." And a bewildered people, a confused Congress begin to scratch their heads and to wonder if it would not be well to just throw away the figures of the so-called economists, the theories of the planners, and all of us, using a little common sense and the lessons of experience, go back to work.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. FOLGER. Mr. Chairman, I move to strike out the last word. I ask unanimous consent that the pending amendment may be again read.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk again read the pending amendment.

Mr. FOLGER. Mr. Chairman, I shall offer an amendment to strike out the language beginning in line 20, page 4, and the remainder of the section down to subsection (b). If the amendment should be well thought of by the membership of the committee, the amendment now offered by the committee and pending would be surplusage and unnecessary.

Mr. Chairman, this section reads:

> The director may require any such person to permit the inspection and copying of records and other documents and inspection of housing conditions. The director may administer oaths and affirmations. For the purpose of obtaining any information under this section, the director may by subpena require any such person to appear and testify or to appear and produce documents, or both, at any designated place. In case of refusal to obey a subpena served upon any person under this section, the court for any district in which such person is found or resides or transacts business, upon application by the director, shall have jurisdiction to compel compliance with such subpena.

Mr. Chairman, the language "any person who deals in, sells, rents, or buys, or offers to sell, rent, or buy, any housing accommodations" is exceedingly broad. That can be worked out later in conference, however. Because a man offers to sell or to rent a house it is going a long way to require him to make a report to the housing expediter or somebody else.

But be that as it may, if one violates the substantial provisions of this law, which are intended to provide homes at reasonable cost to veterans, there is in the law a jurisdiction conferred upon the district court of that district where the violator lives or where he transacts business in connection with which he is charged with a violation of the law.

In addition to that we have voted in the amendment which provides that the expediter or the director may require that information be furnished under oath or affirmation, and to make and keep records and to make reports in respect to all such dealings had. Then it is stated:

> The director may require any such person to permit the inspection and copying of records and other documents and the inspection of housing accommodations.

We have provided all that. Tell me why in the world it is necessary then to add to all of this machinery for subpena when no action is pending. There is the requirement that he shall keep records, that those records shall be open to inspection. He may be required to submit them under oath, and, in addition to that, it is to be provided that he may be subpenaed anywhere in the United States to come and tell something about something not at issue. I think that that ought to be stricken out, and that paragraphs (c), (d), (e) would not be necessary at all. I am not in a position to vote for these amendments. It can do nothing but scare the building industry and serve no other beneficial object.

Mr. KNUTSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from North Carolina has made a contribution to the debate in pointing out some more absurdities in this legislation. The trouble with the country today is that Congress is out of touch with the people. We are becoming increasingly out of touch, the reason being that we do not have time to go home and find out what the people want. This condition commenced when we did away with the short sessions of Congress back some 15 or 16 years ago.

If the chairman of the Committee on the Judiciary is present I would like to suggest to him that his committee bring out an amendment to the Constitution restoring the short session, as it was prior to the time that these "new gooders" took over. We have to get back in touch with the people or the people are going to send representatives down here who are more in touch with what they want, and who better know what the conditions are back home.

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from North Carolina.

Mr. FOLGER. Allow me to say that in my opinion this added subpena provision will have no effect except to frighten enterprise in undertaking to perform their duties and does not have any substantial part in this bill.

Mr. KNUTSON. I am not so sure but that the main purpose behind all of this freak stuff is to frighten enterprise, drying the country up at its source so that the "long-haired" boys can take over.

Mr. FOLGER. I would not say that was the purpose.

Mr. KNUTSON. Whether it is the purpose or not, the effect would be the same. Congress, as the custodian of the Government, must reestablish its contacts with the people, else bureaucracy will completely take over. The only way this can be done is by giving the chosen representatives of the people enough time at home each year to learn their wishes. In no other way can we hope to maintain representative republican government.

Mr. KEFAUVER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, many of us who have been here during all of this debate, for the past 2 days, feel a little disappointed with the remarks that have been made by some of the Members who have spoken on this bill. The general attitude of many Members is far from encouraging. The personal and insidious statements of some Members reflect unfavorably upon them as legislators. It seems too bad that when we are faced with a great national question like this, when we are confronted with a situation as the boys who have returned from the service are confronted with, they and their families, that this House of Representatives cannot more seriously get down to the business of working out a program to help solve this crisis.

I am certain, Mr. Chairman, that these young men and their families who are hopefully looking to the Capitol today to see what kind of plan we will adopt to enable them to get their families together in a little home are not going to be very much pleased with the demagoguery, the jeering, and the sneering remarks that have been heard so frequently here today.

Furthermore, Mr. Chairman, it is most unfortunate and reprehensible that in this Congress, and at this time, when we need patriotic men who are willing to enter public service to do some of the many jobs this Nation has before it, that inevitably, when they answer the call for public service, they have to be held up to ridicule and scorn as they have been here today.

I do not know Mr. Wyatt but I admire him, and I think he has a fine spirit and a real sense of patriotism for leaving a better-paid position to come here and spend 18 hours of his time every day in trying to help with this problem. He deserves something better from the Members of this House than the sneers and belittlement he has received here. He has been accused of wanting to build up a political machine, his motives have been impugned and he has been attacked personally. Why? Just because he was persuaded to tackle a difficult public job.

Also one way to attack something when you cannot attack it in a frontal way, is to try to make fun of, disparage, or speak lightly of the sponsors of the measure. I do not know of anyone in the Congress who has worked more diligently in trying to find some effective and workable approach to this problem than the gentleman from Texas [Mr. PATMAN]; yet how is he rewarded? He is rewarded by having little, sneering remarks made of him. He is made the victim of personal attacks. He must submit to remarks about legislation he has sponsored or had some connection with in the years past, which has nothing to do with this measure. He could if he wished answer and demolish these jobs. But their purpose is to divert the course of the debate to irrelevant matters and it speaks well for the character and bigness of the gentleman from Texas that

he refuses to be led into this trap. The boys who are anxiously looking for homes are not going to appreciate this kind of approach to this important problem.

Mr. Chairman, a whole lot has been said about taking off all the controls and letting the good old law of supply and demand do the work. I do not think there is anybody in this Congress who does not believe firmly in the doctrine of free enterprise, the law of supply and demand. But let us consider a minute that we are not dealing with an average kind of situation. A great strength of this Nation is that in an emergency it can and the people have the vision to concentrate power in order to get that job done. Would anybody argue that the operation of the law of supply and demand would have built the great war factories and the great housing projects we had to have in order to house the workers? Could we have won the war without emergency measures to throw the full weight of our resources into the struggle? Today even the bitterest critic of this bill would not say that. Yet by sending these boys abroad, by the dislocation of war workers, we now have the aftermath. This gives us as great an emergency, in some lines of our economy, as we had in the beginning; housing is one of them.

When veterans are trying to get settled down in homes, when we are trying to work out a readjustment of the situation which this emergency brought on, shall we answer by saying, "Let the law of supply and demand operate and it will do the job"?

The main thing this bill is going to do, as I see it, is to center responsibility for putting over this program. It will enable us to see that the scarce materials which are available for building go to the place they are needed now, first and foremost, in building homes. This bill says that other things can wait. Certainly it will be to the credit of this great democracy that we can do that for the men who have fought our war for us.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman from Tennessee be permitted to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. KEFAUVER. I appreciate the request of the gentleman from Massachusetts.

I was recently down home and attended a meeting with a large group from veterans organizations. Those men who are looking for housing are not thinking particularly about whether the law of supply and demand is going to work. They feel that this is an emergency. They want and demand some houses to live in. I think they have a right to have a sincere hearing given the problem by their Representatives in Congress. I think the sponsors of this measure, which is aimed at doing that for them, should not need to be subjected to unkind side remarks and belittling statements such as they have been subjected to on the floor here this afternoon.

I do not see anything substantially wrong with this bill. It may have some defects that need to be ironed out. The fundamental purpose of this bill is to channel materials into the place where they are most greatly needed. It seeks to keep the price of new houses within the range of the GI's pocketbook.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I wonder if the gentleman will explain to the House why it has been that for the past 10 months, since VE-day in Europe, with the present administration having the power and the authority to channel these materials into the construction of homes for veterans, and having the power and the authority to change the price ceilings and the other regulations which have interfered with the production and the construction of homes, you have not yet done so, but now come in and ask for greater authority and something else to cover up your mistakes of the past.

Mr. KEFAUVER. I will say to the gentleman that some time back the Administration thought that by takig off the controls in L 41 supply and demand would do the job and would result in the building of all the houses that were needed. What did we find? We found that everything else but houses for veterans were built. Many people argued then as they do now: Remove all controls, and the problem will solve itself. We saw what happended when L 41 was removed. I personally think that if those controls had been kept on so that materials could have been channeled to homes for veterans, we would have a much better situation today. Our experience with L 41 should teach us that we have to reestablish some system of getting controls back on these supplies so we can build more homes.

Mr. BROWN of Ohio. Were you right or wrong then?

Mr. KEFAUVER. The gentleman's remark indicates, and it is very regrettable, that there is entirely too much of a desire to make political capital of this housing bill. We have made mistakes. They have made many mistakes at the OPA. I have criticized them many times, but I am not willing to say, as the gentleman says, that their efforts have not been sincere and that on the whole they have not been in the public interest.

Mr. BROWN of Ohio. When the gentleman refers to making political capital he is referring to our side, I assume. Is not the gentleman a member of a special political committee to defend the administration activities? And is he now speaking as a member of that committee?

Mr. KEFAUVER. May I say to the gentleman that I have not actually joined yet, but I have told the gentleman from Tennessee [Mr. GORE] that I desire to join. We want to keep the record straight, and I think that a worthy purpose.

Mr. BROWN of Ohio. Are you acting now as a member of that committee?

Mr. KEFAUVER. The gentleman is one of those to whom I have referred, who whenever they try to make a constructive argument or try to be constructive are unable to resist the temptation of trying to drag politics into the argument. What we ought to be sincerely concerned about is getting a constructive plan for houses adopted. If we are sensible, we will lay aside politics and stop taking potshots at one another and get down to work on this program. Let us improve this bill and amend it if it needs amending. But let us get something done. Those looking for homes are not going to be very well pleased, and justly so, if we do not do so.

Mr. SCRIVNER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I assure the gentleman that I will speak without rancor. This bill was originally referred to as a housing bill, but in recent days in the debate we hear it now referred to as a veterans' bill. I repeat the question asked earlier in this debate If it is a veterans' bill, why was it not referred to the Committee on World War Veterans' Legislation so that it could be discussed and integrated with other veterans' legislation that has been passed or is now pending? I assume that it is not veterans' legislation, and that is the reason it was not referred to that committee. Let us see what this bill does say about veterans, to ascertain whether references to veterans do more than give this bill a sentimental appeal. It mentions, on the bottom of the first page, "that large numbers of veterans of the armed forces are returning to civilian life in need of housing accommodations which are not available."

That is a fact. There are a lot of people without homes, including veterans. This is a national problem and not merely one relating to veterans. When it is solved on a national scale, it will be automatically solved for our veterans and the solution is production of building materials.

What else does the bill say about veterans? Down close to the bottom of page 2, it sets out the pious platitude, "to permit returning veterans to acquire housing at fair prices." To permit—I repeat—no requirement, mere permission. Then again, on page 12, we find that it is hoped that the Director will make certain regulations which will do what? "Provide regulations for satisfying the housing requirements of the veterans of World War II and their immediate families."

That is another hope and prayer.

Nowhere is there any definite direct priority or preference given veterans.

If this is a veterans' bill, let us see what a veteran himself says, a construction man who has served 22 months overseas in the Pacific and in the Atlantic. Incidentally I might suggest if you want houses constructed that you get the construction men, many of whom were with the Navy Seabees—construction battalion—give them materials and you will get some houses built. But houses are not built by legislation such as this.

What does this returning veteran, Ralph O. Taylor, Overland Park, Kans., say? He says—he is speaking for himself and his wife and family:

> We have 46 acres lying empty and idle, which if given the go signal, will be built upon immediately.

We, the builders, can and will build the necessary homes if we can obtain the necessary materials and not be restricted with regulations.

Does this measure give them materials? No; it gives them red tape—more pushing around. This measure says that if a veteran proposes to buy a house he will have to make a report. If he proposes to sell it, he must make a report. If he proposes to rent a house from me, he will have to make a report. If I propose to rent a house from him I will have to make a report.

This veteran says further in his letter:

I want a home that my family can live in for years to come, not a temporary, something-to-get-by-on home located in some out-of-the-way, undesirable location, which, no doubt, would be the case if homes costing $6,000 are built.

Do not force me and my wife to invest our hard-earned service pay, which we have diligently saved for years, in a home we do not want.

We want to build the home of which I long dreamed while I was gone, and we get very discouraged when we think that after we have fought the war for the things we want and have in this country, we cannot have the home we've dreamed of, saved, and fought for.

Mr. Chairman, these are the views of a veteran. He deserves to have his dreams come true.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. SCRIVNER] has expired.

Mr. GRANGER. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. GRANGER. Mr. Chairman, a great deal of the discussion today has been resolved around the necessity of having homes for veterans.

I want to pay my respect to the man whom I think has done more for the American veterans over the last 25 or 30 years than any other man I know of; that is the gentleman from Texas [Mr. PATMAN]. When we speak of doing something for the veterans, the gentleman from Texas does not use his position and arguments for demagoguery or to raise false issues, or to fool the veterans of this or any other war.

Years ago his voice was a lone voice in the wilderness, when he was advocating adjusted compensation pay for veterans of World War I. He is a veteran in his own right. He has the interest of the veterans at heart. It did not take any special dispensation to make him a member of the American Legion as it has other great advocates of veterans.

He sponsored another bill recently, the full employment bill, and many others that have been made law and have benefited the people generally. He is an objective thinker. If he makes a move it will be in an objective, aggressive, and progressive direction. He will never go down in history as an obstructionist. He is here again today, not only in the interest of the veterans but in the interest of the American people, to find ways and means to build homes for veterans and others.

It seems to me we should lay aside much that appears to be politics today, and if the bill we are now considering is inadequate or goes too far, let us amend it and present it to the House that we may vote on it intelligently.

It is easy to come down here in the well of the House and criticize. It is easy for a minority member after a committee has worked for months and months on a bill to step down here in the well of the House, read the title of the bill and then tell the committee it is not any good. It seems to me it is a reflection upon the work of a great committee for Members to come here on short notice and say this legislation should not be passed. I think it should be passed. There is a shortage of houses at every crossroads and in every community in the land, and something must be done, some objective step must be taken, in order to remedy this shortage of houses. We have an opportunity here today to take a step in that direction and I trust the membership will support the committee in passing this bill.

Mr. DIRKSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, earlier this afternoon, the majority leader, for whom I have a deep affection, indicated that there was a great invisible lobby that was seeking to roll back the veteran and every interest that we might have in him. I think that was a most regrettable statement. I certainly would not have made it. There is a note of confession in it sometimes, and I mean that in the most charitable and compassionate sense. If the Members of this House have been pressured by any lobby, it is really the lobby of Federal agencies who leave no stone unturned to obtain the broad delegated powers like those contained in this measure, under which they can, by rule and regulation, regiment the citizens of this country.

Is there anybody here who does not believe way down deep that every Member of this House is interested in the veteran? Here sits the gentleman from Kansas [Mr. SCRIVNER] who left the floor a moment ago. If I remember rightly, he was State commander of the American Legion in his State, and I believe also that he received the Purple Heart and was awarded the Silver Star. Has the kinship of the uniform so far departed from the heart of the gentleman from Kansas that he is not interested in the veteran? One becomes the commander of a veterans' organization for an entire State only by long, diligent, and faithful service to the cause of veterans.

Sitting back here somewhere is the gentleman from Pennsylvania, Dr. FENTON. If you look at his lapel, you will see that he wears the Silver Star from the last war. Do you think he is wanting in charity, wanting in a sense of justice, willing and able to do anything that he can and honestly and effectively do for the veteran?

Sitting over here is the gentleman from West Virginia [Mr. ELLIS]. He was a commander of the American Legion in his State and served honorably and with distinction.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. GRANGER. May I say the gentleman also has a very distinguished service record?

Mr. DIRKSEN. I appreciate that gracious compliment from my friend.

Mr. PATRICK. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. PATRICK. By their fruits ye shall know them.

Mr. RANKIN. That ought to be taken down.

Mr. TRAYNOR. I have served 7 years in the armed forces of this country. They are not all over on that side.

Mr. DIRKSEN. That is right. My friend simply anticipated me for a moment, for I was coming over to that side.

Mr. TRAYNOR. I thank the gentleman.

Mr. DIRKSEN. If I remember Will Kennedy's story correctly—and Will did a great job of publicizing the background of Members of the House and Senate, the sons and daughters that they had in the armed services—there were probably 3,000 people from Capitol Hill who served in the armed services of this country. There are over 200 veterans of World War I in this body. Have they become so wanting in that feeling that holds the present to the past, have they become so wanting in their devotion, their affiliations and their affections for the younger veterans of World War II that they would willingly and consciously undertake any act upon the floor of this House whether by word or by recorded vote that would be inimical to the veterans of World War II?

In 1943 when Will Kennedy of the Washington Star completed his survey of the military records of men in the House and in the Senate he found that 32 Senators and 165 Members of the House had served in four great wars. That was the Seventy-eighth Congress and since that time the number has been substantially increased.

More than one-half of the Members of the Senate, namely 50 Senators, and 135 Members of the House had sons or daughters or other kinfolks in the armed services in World War II.

There are Members of this House who have had many members of their families in the service and some have lost precious sons on foreign soil.

If time permitted, I would read the whole list into the record but unfortunately it would be too long at this point. Suffice to say that the Members of both bodies of Congress by ties of blood have a deep and abiding interest in the veterans of World War II and it is inconceivable that any person could entertain the thought that the great majority of this Congress is not deeply anxious to find the right solution for the proposed housing program so that there will actually be houses and not castles of disillusionment for those in whom we are interested. It becomes necessary to refresh the minds of the membership that the problem before us is not whether or not there should be a housing program that will produce houses but what kind of a program.

The chairman of the Committee on Banking and Currency asked for fair consideration for the pending bill. I

agree with him and will do my bit to see that it is not only fairly but thoroughly considered.

After all this Congress has had much experience with administrative agencies and with delegated powers which were spelled out by rule, regulation, and directive in such a fashion that the intent of the Congress was so often ignored, disregarded, or flouted.

We are all striving in the right direction for the right answer to this problem; but frankly I do not feel that the answer can be found in the bill that is now pending. After a while a substitute will be offered, carefully considered, carefully worked out but free, I think, from many objectionable features that you will find in the pending bill. That substitute will be offered by the ranking member of the committee handling the bill today, the gentleman from Michigan [Mr. WOLCOTT].

But, Mr. Chairman, I supplicate you, that nobody come down in this well again and make it appear on the part of a great deliberative body, so many of whose Members served not only in World War I, but in the Spanish-American War like my friend the gentleman from Michigan, ROY WOODRUFF, sitting there, and like some of our youngsters who wear the discharge button of World War II, and make it appear that we are wanting in interest or zeal to find a solution for the problem which is fair, durable, and effective.

Mr. PATRICK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I remember in the reading of the Master, when the disciples were declaring their great love for Him, He said, "If you love me, keep my commandments."

I remember the boy who went to the mill. He had three roads to go. He could go the main highway, the valley road, or the mountain road. He had great difficulty in choosing the road, and when he got to the mill he wondered what the miller would say. He got to the mill, the miller looked at him and said, "How much corn have you got there?" Never a word was asked by the miller as to which road he came over.

Of course, you Members opposed to this bill love the veterans as well as we do. But you have veterans in your district, and they are asking for houses in your district, whether you are a member of the Banking and Currency Committee or not. That committee started hearings on this legislation last December. Every Member of Congress, I take it, was invited to go there and lay his grist before the mill. The committee chairman nods assent. Thank you. Every Member was invited and was not asked on the basis of whether a Democrat, Republican, or whatnot.

We knew then, in December, Mr. Chairman, that we had veterans coming home. All Congressmen knew the problems that were mounting already for housing. It seems to me to be not the most diligent representation to wait till we come to consider a bill reported by the Banking and Currency Committee and then to find fault here and find fault there when we could have been contributing to the veterans needs before. When it comes time to vote for a Congressman next fall the veterans are not going to ask, "Were you on the Banking and Currency Committee?" They are going to ask, "Were you in the Congress of the United States when I asked for bread and was given stone." We have a bill here today. How much have you contributed to it? How much of it is yours? You are wailing and gnashing your teeth about this bill, but how much of it did you put in? How many times did you appear before the Banking and Currency Committee to help out? Or did you wait until the bill got on the floor, then find this or that obstacle that you thought was so big you could not hop over it, then lay all the blame on the committee?

When I hear men on the floor here in debate I sometimes wonder if we have not all been placed on the wrong committees. A committee will be put to work on a bill, it will work hard and report a bill. Other Members seem to know all about that legislation, however, a bit tardy about revealing that knowledge, though they are not always so hot in their own committees. They come out revealing their great grasp by opposing the reported bill they could have helped so much in shaping but neglected entirely. So I think sometimes that most everybody in Congress is on the wrong committee. Personally I am not a member of the Banking and Currency Committee. Mine is the Committee on Interstate and Foreign Commerce. The members of the Committee on Banking and Currency, in my judgment, have done an excellent job. I am here to support them and help the veterans. They have brought out something. They have arranged to get what material we can get, what is available under the regulations that we have, and for my part I do not think OPA controls over these materials should be released vet. We have to channel them for some time. If we let the law of supply and demand entirely govern in times like these we will always get crossed up. The truth is, it is not accurate to refer to the force as the law of supply and demand. That term is a short cut. It is the law of the relation of the supply to the demand. This is what we really mean when we refer to the law of supply and demand.

In times like these the demand runs away off and leaves the supply. Every bright schoolboy knows that. The regulation that we must have keep it from running farther and spiraling into a great inflation. We now have such regulations and directives, and you cannot handle the work without a board.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATRICK. So we have to come forward and do the best we can with what is available, and we say that instead of building entertainment arenas and instead of building picture shows, and instead of building other things, that which can be done, what can be applied shall be applied to giving the veterans homes. It is our duty to do this. It will not be giving the veteran everything he wants. We may not be able to get the bathroom as some finicky wife would like it; that is not what we are after. Half a loaf is better than none. So we should get busy. We must get busy. The responsibility is yours, and when you get back home the veterans are going to ask you, "Well, if you could not do all you would like to, did you do the best you could?" If you are forced to say "No," you are going to be a lost ball.

Mr. SABATH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, about 11 years ago this House appointed a special committee to investigate the so-called protective bondholders committees which were then operating throughout the country. At that time my colleague the gentleman from Illinois [Mr. DIRKSEN] was a member of that committee. He must recollect the overwhelming evidence with respect to the investment bankers who negotiated the sale of over $20,000,000,000 in real-estate bonds, and who, when the crash came, succeeded in having their officials or representatives appointed as members of the protective bondholders committees, whereupon they obtained powers of attorney from the bondholders and assumed complete control of thousands of apartment buildings. Then followed the appointment of members of these investment-banking concerns, or their agents, as receivers and trustees, and, as such, in control of these buildings, other agents or representatives of the selfsame investment-banking concerns acquired the bonds on the buildings at 5 cents, 8 cents to 12 cents on the dollar. Excessive fees were levied against these properties for the services of the trustees and receivers and for their attorneys; with high management and other charges added current income was dissipated and taxes could not be paid, all to the ultimate loss of the distressed bondholders.

REMEDIAL LEGISLATION EMASCULATED

After 2 years of exhaustive investigation by the committee on real estate bondholders reorganizations and the submission of its report to the House recommending remedial legislation, the Committee on the Judiciary reported a bill which proposed to protect and safeguard the interest of the bondholders by providing for the appointment of Federal receivers to have supervision of the bonds on all buildings for which the courts had authorized the appointment of protective bondholders committees. While the bill passed the House it, unfortunately, was emasculated by amendments in the other body and only a few of the protective provisions were in the bill when it finally was enacted. These provisions to some degree prevented a repetition of certain unethical practices of some of the bondholders committees and the trustees and receivers, and resulted in the saving of some buildings to the bondholders; but, in the main, most of the buildings remained in the clutches of the agents of the investment bankers

and manipulators, and their friends in dummy organizations.

Not only that these unscrupulous groups had acquired the bonds at a few cents on the dollar by means of the power of attorney which they had obtained by misrepresentation and which power they abused; but they sold many of these apartment buildings, hotels, office buildings, et cetera, to their henchmen, their representatives, and to cliques which they organized. The opposition today to the pending bill comes from the representatives of the owners of the properties which I have described that were bought for a song, of which the bondholders were robbed, and it is they who are behind the outrageous lobby and propaganda that has been going on to remove the ceiling on rentals, because the fewer homes built the greater will be the profits and incomes derived from these illegally acquired buildings.

POWERFUL LOBBY OPPOSES BILL

My colleague the gentleman from Illinois [Mr. DIRKSEN] is aware of the situation and what transpired, and must concede that what I have stated is beyond successful contradiction. The selfish groups opposing the bill are not interested that homes be built for the discharged veterans and the returning servicemen who are unable to find homes to live in, or in the hundreds of thousands of other Americans who are in like position.

This lobby, which has been referred to by the majority leader, is one of the worst I have ever observed in the Capitol and he is fully justified in his statement.

Mr. Chairman, being familiar with the existing conditions in 1941 and viewing the approaching shortage of homes in the District of Columbia, and feeling that it would be impossible to provide living accommodations for the many thousands of needed Government employees and that there was then an existing shortage of homes and quarters for those employed in offices here, I introduced a resolution to relieve the situation. It provided for the decentralization or removal of bureaus and divisions of the departments and other Government agencies to other cities where plenty of homes, apartments, and office space were available. At that time there were some Members, as there are today, who ridiculed the proposal. Despite this I laid the matter before the President, and pointed out the seriousness of the situation and that it was absolutely necessary that something be done to remedy it. Wher upon the President, by Executive order, directed the decentralization and transfer of certain divisions and bureaus of departments and some agencies to Chicago and other cities.

HOUSING SHORTAGE IS REAL

During the war all materials and labor were allocated to the production of urgently needed war supplies and to construction of barracks, camps, and so forth. While we were able to provide housing for war workers, we were unable to provide housing for other civilians or for the returning servicemen. In this connection many of you recall my fight in 1942 or 1943 for an additional $800,000,000 appropriation for home construction. Had that appropriation been made I know the housing situation would not be as alarming as it is today. You gentlemen all concede that there is a great housing shortage. However, some of you are opposed to the bill which aims to relieve that shortage. For what reasons, may I ask? I cannot help but feel that you are being influenced by this unholy alliance between the real-estate operators and manipulators and the various manufacturing and commercial boards who for selfish reasons urge you to vote against the bill and thereby deny to veterans the same aid in obtaining homes as was provided for the war workers. The various manufacturers and suppliers who control the material required for home construction do not want to be restricted by price ceilings, and it is apparent that some Members are willing to vote for the bill if all price restrictions are removed at the expense of the returning veterans and to enable the manufacturers and suppliers to obtain a still greater profit in the sale of materials that go into the construction of homes. I have stated on the floor and have advocated for many months that priority should be extended on all building materials and that the construction of homes should have first call on labor. It is not that I am opposed to builders, dealers, and real-estate owners making a profit; but I am against depriving 2,000,000 veterans and returning servicemen and homeless citizens of the opportunity of obtaining homes for their families. The imperative need for the passage of this legislation is evidenced by a press report which I just read that gives an account of conditions in Frederick, Md., and surrounding counties where the cost of homes has advanced 58 percent in the past 6 months. This report indicates that, if ceilings on materials are removed and no limitation placed on the construction of new homes, prices would go sky-high.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I am sorry, I cannot yield.

Mr. HOFFMAN. I want to pay the gentleman a compliment on his foresight. Will the gentleman yield? It is a compliment.

Mr. SABATH. No; I appreciate what my colleague has said, but I want to bring some information to the House.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. SABATH. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. I repeat, we all realize a shortage of housing exists. That is an undisputed fact. My colleague the gentleman from Illinois [Mr. DIRKSEN] has cited men who served in both the First and Second World Wars who, he states, are opposed to some of the provisions of this bill; and they, he has suggested, would be interested only in the welfare of ex-servicemen. My colleague's correspondents do not, perhaps, have the gentleman's same high ethical standards. I fear they are swayed by self-interest; or perhaps they have been misled by the tons of propaganda poured out by the real-estate and construction lobby. Or perhaps the Republican leadership is playing its usual game of extracting every possible political advantage from any given situation. If, by winning some Democratic votes, this bill can be defeated or weakened so that it cannot be effective in solving the urgent housing problems, the Republicans will say, and rightly, that the Democrats had a majority in the House; and if they are taxed with their own opposition they will intimate that the bill was opposed by veterans' organizations. This bill should not be used for political advantage. The need and the urgency are too great. I am confident that the vast majority of veterans favor the enactment of this legislation. They want homes, now, at prices they can pay.

NOTWITHSTANDING THE OPPOSITION OF THE GENTLEMAN FROM MISSISSIPPI

The gentleman from Mississippi [Mr. RANKIN] has moved to strike out the enacting clause. This would kill the bill. If the gentleman's motion prevails, the ex-serviceman would have to abandon all hope of obtaining the home which he needs and is entitled to. He served his country; but his country would show that it refuses to serve him. It is difficult for me to understand the motives which underlie the gentleman's efforts to kill this bill. I have in my possession hundreds of letters and telegrams from veterans, from their organizations, from their families, and from just ordinary Americans, pleading for and urging the enactment of this legislation. Do you not recognize the need for more homes? Are you more interested in selfish builders and real-estate operators than in the veterans and homeless citizens? Please do not be led astray by this insidious propaganda which has been filling your mail in the form of telegrams, circulars, brochures, letters, petitions, and resolutions. That is mass production of one of the most intelligent, skilled, and heavily financed lobbies this National Capitol has ever seen. That lobby is not of just one industry or one business. It is an integrated and interrelated grouping of many Nation-wide interests, none of them in business for pleasure, skillfully organized and thoroughly regimented. This mass pressure is set off almost as easily as pressing an electric-light switch when the time comes to set the combined forces in motion.

INFLATION THREATENS

Mr. Chairman, if steps are not taken immediately to provide for priorities on building materials, as contemplated in the provisions of this bill, it will not reflect credit upon this House. The industry's own figures show that material now is going into the high-priced business and industrial building, not into housing. Our new and energetic Housing Expediter, Mr. Wilson Wyatt, has recommended urgently the authority for imposing preferential priority ratings for home construction; the building of homes cannot begin until those priorities are established, for at the present time the materials are being used in high-priced

and nonresidential building. There are those of us who have an interest in our discharged veterans and in our returning servicemen, and we have an interest in our country and in the people of our country. We feel strongly that the people of this country are entitled to decent homes; and we do not believe that they can get decent homes under present conditions without aid from the Congress.

This bill has received long, careful, and thoughtful consideration from the great Committee on Banking and Currency. It embodies recommendations of the Housing Expediter, who was appointed by, and has the full support of, the President. If we are honest and sincere in saying we want to help get homes for the people, and in warding off disastrous inflation, then we feel it is our duty to pass this bill. If we fail in that duty, we are inviting the wild and dangerous inflation that followed the First World War and ended in world economic collapse in the late 1920's under the inept Republican administration. We do not want that; but when people are outbidding each other for a place to live, we are going to have it.

Mr. Chairman, I cannot conclude without saying this: It has been my privilege to meet Wilson Wyatt, who has been appointed by the President to expedite and coordinate the efforts to provide construction of homes in this acute emergency. In all candor, I want to say that I have met many capable, honest, and sincere men; but I have never met a man possessing more constructive ability and determination to serve the Nation than Mr. Wyatt. I know if you would meet him personally you would recognize his great ability and his earnest desire to serve our country. You would agree with me that in his able hands this program, for which I hope you will vote, will be managed economically and effectively so that the best interests of our country will be served, and homes will be built for the homeless thousands of veterans and citizens who are clamoring for a place to live; who roam the streets and highways of our Nation looking for a home they can call their own.

Mr. Chairman, it is my hope that all the provisions in this bill will be favorably considered, and that early action will be had in the Senate to enable Mr. Wyatt to initiate his program at the earliest possible moment in order to relieve the state of acute emergency that now exists.

Mr. RANKIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, may I say in reply to the gentleman from Alabama [Mr. PATRICK] that I have had a great deal of experience with veterans' legislation.

There is not a Member of this House who is not a friend of the veterans. Nobody has a monopoly on that friendship. There is a difference of opinion as to how to help the veterans. Right now on this measure, the opinions divide most drastically. There is a difference between doing something for the veteran and doing something to him.

The advocates of this measure calling it a veterans' bill, remind me of an incident that happened near the town of Nettleton where I used to live.

A Negro undertook to ford the creek one night. The creek was up and his horse went down and the Negro was drowned. The next morning all the colored people of the surrounding country gathered, together with a large number of the whites, to try to recover his body. The creek used to go almost dry in the summertime, but a few fishermen had some old rickety boats which they let the Negroes have on this occasion. They filled those boats just as full of Negroes as they would hold. They accidentally ran those boats together and knocked the ends out of both of them. To the horror of everybody, they went down and filled the creek full of drowning, screaming, plunging Negroes. There was one old fellow, old Uncle Alf, sitting in the stern of one of those boats. He saw what had happened and knew what it meant. He jumped just as far down the creek as he could. He could not swim worth anything, but he would go down, hit the bottom, and come up again, plunge a little, and blow the water out of his nostrils, and then go down again. He drifted down the creek while everybody was trying to get the others out, and eddied in toward the bank and was beginning to reach for a willow limb that hung down over the water's edge. In another moment he would have had it in his grasp, when an old Negro woman saw him, rushed down to the bank of the creek and said, "Lord, look at Uncle Alf." She picked up a great big trunk and pitched it to him; hit him right on top of the head; he went down, and we never saw Uncle Alf again.

That is what I am afraid this measure will do to the veterans.

Mrs. DOUGLAS of Illinois. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, whatever our sympathies for the veterans, the fact remains that we sent 13,000,000 men into service to fight, we said, for their homes and their country. When they came back, there were millions who could not find adequate homes. When we needed them, we overcame every obstacle in order to get them first-class equipment to fight for us. When they needed us, there were many who thought that we could and should do nothing for them. Mr. Wyatt's program is the equivalent in peacetime of the wartime goal of 150,000 planes a year launched in 1941. Mr. PATMAN's bill, I believe, is a constructive program for implementing that program.

Mr. VURSELL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I was very much interested, and I know the Members of the House were, in the very splendid references made in the remarks of the gentleman from Illinois [Mr. DIRKSEN]. Of course, we are all interested in veterans. The only question is how we can best serve them. He spoke of the interest of the Members and the reason for the interest of the Members in the veterans. His reference in his attempt to answer the majority leader was indeed timely and I think sound and wholesome. There is another thought I had in mind when the majority leader was addressing the House this morning, and as others have. They say we should not bring politics into this; that this is commencing to be a partisan issue.

Now, who is trying to bring politics into this? Certainly the Members on my side are not. I think I am the first one who has referred to it, and I am referring to it in the hope that in the future those who are supporting the Patman bill will not try to put those of us in the minority party in the position of trying to bring politics into this bill. There is no place for politics in this bill. If you want to indict us and try to cast aspersions on us, you are casting aspersions on many Members on the majority side of the House, because we see eye to eye with them, according to the votes that have been taken. I hope that in the future those who address the House will not try to bring politics into this bill. We are all interested in the veteran. When he asks for bread we do not want to give him a stone. We want to try to work out a housing bill that will get shelter for the veterans.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I cannot yield now.

The only question is, How are we going to approach it? I think the Patman bill, as I said yesterday, should be thrown out the window, and I am satisfied that is what will happen. Then the Wolcott bill, which is permeated with a lot of good sense, will be offered. I think that bill furnishes a vehicle on which we can build an act whereby the veteran, when he asks for bread, will not be given a stone. I think we can amend that bill so that we can exert the power of this Congress to try to get more housing for the veterans.

Now, some of us point out occasionally why the veteran does not have housing. I have a letter here directed to the gentleman from Illinois [Mr. ARENDS] under date of February 19 from Peter A. Stone, of the OPA. I will burden you with only one paragraph of it, and I quote:

> This Office, realizing, however, that the demand for building material since VJ-day has rendered price differentials contained in the present regulations obsolete, in connection with the Industry Advisory Committees covering Douglas fir and western red cedar, has arrived at compensatory changes in the regulations which will, we believe, promote the production of building items such as flooring, drop siding, etc., and contemplates discussing this same matter with the advisory committees representing ponderosa pine and redwood within the next 2 weeks.

That letter was dated February 19. For 6 months since VJ-day they recognized, by their own letter, that some of these regulations which have been preventing the production of lumber and building materials were obsolete, and now, within the next few weeks, they hope to discuss it. Why have they neglected to right these wrongs for 6 months, holding back production of building material? Some of us who want to get housing for the veterans must point out that the thing that has brought us to this crisis at the present time has been because of delay in correcting mistakes by the OPA, too much regulation

that has prevented the very materials that must be produced in order to get housing for the veterans. Those are some of the reasons for the shortage of material and the great need of housing.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. VURSELL. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield.

Mr. BUFFETT. That letter is from the OPA, and they say now, in February, that their regulations were obsolete on VJ-day?

Mr. VURSELL. Yes; that is right.

Mr. BUFFETT. And that was 6 months ago?

Mr. VURSELL. Yes; but they are going to discuss it soon with the advisory committees after 6 months' delay.

Now, the gentleman from Texas [Mr. PATMAN] made some statements that we were importing more lumber than we were exporting. I have a letter from the National Retail Lumber Dealers Association from which I wish to read:

NATIONAL RETAIL LUMBER DEALERS ASSOCIATION,
Washington, D. C., February 27, 1946.

Hon. CHARLES W. VURSELL,
House of Representatives,
Washington, D. C.

MY DEAR MR. CONGRESSMAN: Congressman WRIGHT PATMAN, speaking in support of his bill H. R. 4761, stated on the floor of the House on Tuesday, February 26, that the United States imported three times as much lumber as it exported. That statement is misleading, and I think that the Members of the House are entitled to a true and accurate statement on the export-import situation, and I hope that you will use your good office to inform all Members of Congress as to the true situation.

I am attaching a table showing the export and import figures from 1923 through 1945. The source of this information is the Bureau of Domestic and Foreign Commerce.

You will notice from these figures that during peacetime exports have always exceeded imports. Only since the beginning of the war have imports exceeded exports. You will also notice that during the war the import and export figures on lumber are practically negligible as compared to normal.

It should also be pointed out that normally the Orient was the largest export market. Until 1938 Japan was the leading export market for fir lumber, and until 1940 Argentina was the leading southern pine export market. Until 1936 Germany and Italy were substantial buyers of United States softwoods. Of the total softwoods exported between 30 and 40 percent went to the Orient until 1938, at which time exports of softwoods to the Orient dropped to about 20 percent. Obviously when the war was declared these export markets were cut off. This accounts to a large measure for the very small exports during the war period. Over 90 percent of the softwoods—the type used in construction—have always come from Canada, yet Canada normally only receives from 2 to 6 percent of the softwoods exported from the United States.

As you realize from the attached figures the import and export figures from 1941 through 1945 are practically meaningless, and I believe that if Mr. PATMAN knew all the facts he would not have made the statement on the floor last Tuesday.

Yours very truly,
NATIONAL RETAIL LUMBER DEALERS ASSOCIATION,
H. R. NORTHRUP,
Secretary-Manager.

Lumber exports and imports

[Millions of board feet]

Year	Exports	Imports
1923	2,465	1,971
1924	2,747	1,742
1925	2,611	1,846
1926	2,826	1,899
1927	3,063	1,744
1928	3,243	1,468
1929	3,197	1,542
1930	2,352	1,219
1931	1,701	748
1932	1,155	381
1933	1,281	359
1934	1,348	287
1935	1,313	438
1936	1,284	662
1937	1,443	688
1938	977	530
1939	1,104	718
1940	972	740
1941	696	1,360
1942	524	1,540
1943	310	855
1944	360	999
1945 [1]	474	1,037

[1] Preliminary and subject to adjustment.

When we get back in the House I shall secure consent to place these tables in the RECORD. These tables show that the gentleman from Texas has been mistaken and has not given the House the real and proper information as to imports and exports.

Mr. Chairman, I yield back the balance of my time.

Mr. GAVIN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I have listened with a great deal of interest to this debate on the housing bill and I may say as an overseas veteran of World War I that my concern for the veteran is well known, and I defer to no Member of this House in my interest in the veteran and veterans' affairs. I stand on my record. Instead of the Members of the House confining their remarks to the merits of the bill it appears as though the debate has revolved around whether we are for or against the veterans. Every man in this House is for the veterans. In recent months every piece of legislation presented to the House seemingly centers around the veteran and I personally for one am rather tired of the catalog act that is brought out here on every piece of legislation charging that the legislation is for the veteran. There are other people interested in this housing program who will benefit as well as the veterans, so why bring in the veterans constantly? There are some of us here who have a right to have our ideas on this proposed legislation. Personally I do not like the $600,000,000 proposal for subsidies. If we are sincerely interested in the veterans why do we bring in the subsidies that we know the veterans will have to help pay for in taxes?

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I do not yield at this time. All of last year we talked about our great interest and concern in the veteran, yet we increased the Commodity Credit from $3,000,000,000 to $4,750,000,000. Now if we are interested in the veterans why do we want to pay subsidies all the way down the line to add to the tax bill, put off the time of paying, making it necessary for the veteran who has been over there doing the fighting for us to come back home, take off his coat, and go out and find a job and earn the money to pay through taxes for that which we have spent and which we should have paid ourselves, we who at home had security and good wages or salary.

So I want to say right now that through this proposed $600,000,000 housing subsidy we are again putting off the time of payment until the veteran comes home, gets a job, and has to go out and earn the money to pay through taxes this $600,000,000 that we are proposing to spend in this housing program.

If we are honest with ourselves and if we are interested in the welfare of the veterans and their families, we will cut out spending, take the shackles off of business, effect economy in the operation of the Government, reduce expenditures, cut down the pay roll, balance the budget, cut out deficit spending and get down to business. Discontinue piling up the national debt which will burden the veteran and his family for the next 50 years. Then we will really be doing something in a practical way for the veteran and the record will prove our sincere interest in the veteran and his welfare.

Mr. MONRONEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we all know that there will be some 13,000,000 citizens of the United States at a tremendous disadvantage in trying to find houses in the next 2 years. These veterans need our help, since they have been away for 3 or 4 years, and upon returning find all of the available housing taken up.

The veteran is entitled to help, even if a subsidy of $600,000,000 for extra materials is required in order to try and help get housing for them. I can remember not so many months ago when the gentleman who preceded me voted for the waiving of $6,000,000,000 in taxes that were due at that time under the Ruml plan and foisted that plan on the veteran while the veteran was away.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I disagree with the distinguished gentleman from Oklahoma when he says that we should grant the $600,000,000 subsidy for the veteran. He has to pay it anyway. If he does not pay it now he has to pay the taxes to pay the subsidy when it falls due. So what difference does it make?

Mr. MONRONEY. The gentleman makes a very interesting point. The whole solution offered by the gentleman's side has been, well, we will merely raise the price of the veterans' houses and that will cure everything.

Mr. Chairman, OPA is the whipping boy in this whole thing. They say, "We will saddle on the veteran the present 60-percent increase in housing costs that has occurred while he was away fighting, then we will give him another 30-percent increase in home costs and let him pay it."

Mr. GAVIN. Would it not be better to pay the bill now—let those of us who had security and big wages pay it now rather than forestall the time until the veteran comes home and he has to pay it?

Mr. MONRONEY. The gentleman apparently has not listened at all to the discussion that has gone on as to what these incentive-production payments are.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Texas.

Mr. PATMAN. Mr. Chairman, first I ask unanimous consent that the gentleman may be allowed to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. I want to ask the gentleman if it is not a fact that although the gentleman from Pennsylvania is very much opposed to the subsidy in this bill he was one of the advocates of subsidies for stripper oil production?

Mr. MONRONEY. I believe that is correct.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. That was at a time when the country was demanding and needing oil.

Mr. MONRONEY. And at this time the country is demanding extra production of construction materials.

Mr. GAVIN. That may be, but the war is over. Let us pay the bill as we go along now. We could not get any relief in the form of an increased price in oil at that time, I may say to the gentleman from Texas [Mr. PATMAN], and it was necessary from the economic standpoint that we get some incentive help or that particular field I represent would have gone out of the picture and would not have produced any oil.

Mr. PATMAN. I agree with the gentleman on that, but this is just as much of an emergency.

Mr. GAVIN. But we ought to pay the bill now, not 2 years from now. We should pay it as we go along.

Mr. GILLESPIE. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Colorado.

Mr. GILLESPIE. The gentleman mentioned that the cost of housing has gone up 60 percent.

Mr. MONRONEY. That is the information I have.

Mr. GILLESPIE. A good deal more than half of the 60 percent is in additional wages, is it not?

Mr. MONRONEY. There is some of that in additional wages, but there is a tremendous additional cost in materials, I may add.

Mr. GILLESPIE. That is wages, too, is it not?

Mr. MONRONEY. Materials?

Mr. GILLESPIE. Materials and wages.

Mr. MONRONEY. Perhaps, but there were some pretty good profits and some charge-offs, too.

Mr. Chairman, I have a statement which should interest the committee. The main part of this bill provides for a housing expediter to channel and give priority to veterans in housing. If the Members of the House are not in favor of giving those priorities to the veterans they ought to vote against this bill. But 90 percent of the Members of the House want the veterans to have priorities. They want these veterans to have priorities, so it is necessary to set up a production expediter.

It has been charged that Wilson Wyatt never drove a straight nail in his life or does not know how to saw a 2 by 4 and is not an experienced construction man. I would like to say to the people who have urged this position that he is not an experienced construction man; that intimate knowledge is not necessarily a prerequisite. The best job that has been done by an expediter during my years in Congress was done by Mr. Bill Jeffers in connection with the synthetic-rubber program, and I do not believe he ever made a pound of synthetic rubber in his life before he became a production expediter.

Going to this matter of breaking production bottlenecks that are caused by price limitations—and that has been about 90 percent of the criticism on the Republican side of the aisle—we are asking for an expediter who can break those price bottlenecks and give you a flow of material.

The other feature that I see as important on production subsidies is to bring in not just enough materials to enable us to build about three or four hundred thousand units per year for the veterans but to bring an ocean of materials that will enable us to build a million houses a year for the veterans.

This program has been charged with being communistic and socialistic and harebrained.

I would like to read a statement I received just a few minutes ago from Mr. Wilson Wyatt, who has just finished attending the National Association of Home Builders at Chicago. I am sure you men on the Republican side of the aisle know who they are. They are the biggest representative group of private-home builders in the country.

This is from Mr. Wyatt:

The National Association of Home Builders in Chicago endorses the following provisions of the Wyatt program without qualification:

(1) Legislation designed to carry out in full the premium-payment program through amendment to the Patman bill.

That is the so-called subsidy provision of $600,000,000 that I intend to offer when the bill is read for amendment.

(2) Legislation relating to title VI of the National Housing Act through amendment to the Patman bill.

That amendment will be offered by the gentleman from Texas [Mr. PATMAN] and put into this bill when the bill is read for amendment.

(3) Extension of the priorities time limit to June 30, 1947, as reported by the committee in the Patman bill.

(4) The powers to be vested by legislation in a housing expediter now embraced in the Executive order by the President and to be offered as an amendment to the Patman bill and also to be offered by Mr. WOLCOTT in his substitute.

Those are the amendments that the gentleman from Texas [Mr. PATMAN] and I intend to offer, and I believe the gentleman from Michigan [Mr. WOLCOTT] intends to offer a portion of this; that is, embracing in the authority of the housing expediter the same powers that are now given in the Executive order.

So you can see with all the criticism, with all the words of tirade that have been directed against this bill, almost every single item in the bill with the exception of ceilings on newly constructed houses, which are not mentioned here in their endorsement, is provided for in the endorsement. The National Association of Home Builders is composed of the men that we must look to to carry out the major part of this gigantic housing program.

I think it is very significant that the men who know what the material situation is, who know their own inability to find and get the added supplies of material that we must have if we are going to build a million houses a year, come out and flat-footedly advocate the production incentive program that is offered by Mr. Wyatt and that I will offer as an amendment when the bill is read.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Illinois.

Mr. CHURCH. Who gets the subsidy?

Mr. MONRONEY. The subsidy goes to the small producers who find themselves unable to continue the production of critical supplies of building material either through present price ceilings or through competitive ceilings that might be in existence after price control is out.

Mr. CHURCH. Will the men who passed this resolution get the benefit of that subsidy?

Mr. MONRONEY. No, they get the benefit of the additional supply of materials becoming available, which they, as builders, know does not exist today. They are anxious to work. They have their plans made, but they see across this land of ours submarginal producers that are frozen out of production because they cannot quite produce at the same price at which a big manufacturer can bring out a product and make a substantial profit.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new

title relating to the prevention of speculation and excessive profits in the sale of housing and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes, pursuant to House Resolution 530, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. JUDD asked and was given permission to extend his remarks in the RECORD and include a newspaper excerpt.

Mr. KEFAUVER asked and was given permission to extend his remarks in the RECORD.

Mrs. BOLTON asked and was given permission to extend her remarks in the RECORD and include an article appearing in the Post on Mount Vernon.

Mr. MILLER of California asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. BLAND asked and was given permission to extend his remarks in the RECORD and include an article from Science.

Mr. GORDON asked and was given permission to extend his remarks in the RECORD and include a letter he had received from the Industrial Society of Polish Mechanics, Group 3.

Mr. JOHNSON of Indiana asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

COMMITTEE ON PATENTS

Mr. HENRY. Mr. Speaker, I ask unanimous consent that the Committee on Patents be permitted to file a supplemental report on the bill H. R. 5311, in order to comply with the Ramseyer rule.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

AMENDMENT OF BANKRUPTCY ACT

Mr. HOBBS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5504) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman explain the bill?

Mr. HOBBS. This is simply an extension for 15 months of the so-called Lemke Act. It has the unanimous endorsement of the Committee on the Judiciary, and I have spoken to the ranking members of our subcommittee.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 75 (c) (U. S. C., title 11, sec. 203) of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States," as amended, be and is amended to read as follows:

"(c) At any time prior to June 4, 1947, a petition may be filed by any farmer, stating that the farmer is insolvent or unable to meet his debts as they mature and that it is desirable to effect a composition or an extension of time to pay his debts. The petition or answer of the farmer shall be accompanied by his schedules. The petition and answer shall be filed with the court, but shall, on request of the farmer or creditor, be received by the conciliation commissioner for the county in which the farmer resides and promptly transmitted by him to the clerk of the court for filing. If any such petition is filed, an order of adjudication shall not be entered except as provided hereinafter in this section."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMITTEE ON APPROPRIATIONS

Mr. McCORMACK. Mr. Speaker, I offer a resolution (H. Res. 537) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That during the remainder of the Seventy-ninth Congress the Committee on Appropriations shall be composed of 45 Members.

The resolution was agreed to.

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. MASON] is recognized for 20 minutes.

EXEMPTION FROM ANTITRUST LAWS OF ACTIVITIES AND OPERATIONS OF MUTUAL NEWS-GATHERING COOPERATIVES

Mr. MASON. Mr. Speaker, on November 13, 1945, I introduced H. R. 4665, a bill "to amend the act of July 2, 1890, commonly known as the Sherman Antitrust Act, as amended, so as to exempt therefrom the activities and operations of mutual news-gathering cooperatives."

If the provisions of H. R. 4665 should be enacted into law, it would mean, practically speaking, that the Congress proposes to veto the split decision of the Supreme Court of the United States in the case of the Associated Press against the United States of America, a decision, by the way, which Justice Roberts designated as "Government by injunction with a vengeance."

The passage of H. R. 4665 would also clarify the status of the AP and the mutual news-gathering agencies such as the UP and the INS insofar as the provisions of the Sherman Antitrust Act are concerned. The bill is designed to carry out the clear intent of Congress when it passed the Sherman Antitrust Act, for neither in the debate on the Sherman antitrust bill, nor in the committee report that accompanied the bill, nor yet even in the printed report of the committee hearings on the bill, can be found even a slight indication that the Congress intended the act to apply to the AP or any other mutual news-gathering agency. In fact, I go so far as to say that not one Member of Congress who voted for the Sherman Antitrust Act even dreamed that the provisions of that act would someday be applied to our mutual news-gathering agencies. Yet, in an opinion of the Supreme Court, handed down by Mr. Justice Black on June 18, 1945, it was declared that the AP did come within the provisions of the Sherman Act; that the AP was subject to the provisions of that act; and that the AP must cease and desist from its practices, which the Court considers monopolistic.

In this connection it is interesting and very significant to note one statement Justice Murphy made in his dissenting opinion. I quote:

As I view the situation, the members of the Associated Press were entirely within their legal rights in forming a cooperative organization with facilities for the collection and exchange of news and in limiting the membership therein. Members of an incorporated society, as a general rule, may extend the privilege of membership or withhold it on such terms as they see fit. And if exclusive access to these facilities and reports gave the members of the Associated Press a competitive advantage over business rivals who were not members, that alone would not make the advantage unlawful. In restricting the admission of business rivals they were merely trying to preserve for themselves an advantage that had accrued to them from the exercise of business sagacity and foresight. Such an advantage, as I see it, is not a violation of the Sherman Act. Nor does this advantage require the Associated Press to share its products with competitors. Such a doctrine would discourage competitive enterprise and would carry the anti-trust laws to absurd lengths.

Mr. Justice Roberts, in calling attention to the inconsistencies and absurdities contained in the majority report, used these words:

I am unable to determine on which * * * grounds the judgment of illegality is rested. The Court's opinion blends and mingles statements of fact, inferences and conclusions, and quotations from prior opinions wrested from their setting and context, in such fashion that I find it impossible to deduce more than that orderly analysis and discussion of facts relevant to any one of the possible methods of violation of the Sherman Act is avoided, in the view that sepaparte consideration would disclose a lack of support for any finding of specific wrongdoing.

Mr. Justice Roberts, with his keen analytical mind, insisted that the real question before the Court in the case was:

Are the members of the AP acting together with the purpose of destroying competition?

In answering that question he said:

I have not discovered any allegation in the complaint to that effect. The court below has not made any such finding.

Justice Roberts in his dissenting opinion, which was concurred in by Chief Justice Stone, made a careful analysis of the majority opinion of the Court. In that analysis he uses the following illustration which reduces the opinion to an absurdity:

It is said in the opinion that the bylaws, as obstacles to membership, tend to make it difficult to obtain news furnished by AP or its members and that it is apparent that the exclusive right which AP members have gives many newspapers a competitive advantage over their rivals. But the events of life are open to all who inquire. There is no dearth of those willing to inquire and report those events, for proper compensation. Thus the court must here be holding that if a concern gathers from the air, from the sunlight, or from the waters of the sea, by its effort and ingenuity, something that others

have not garnered, it must make the results of its activity open to all, for if it sells to some and not to others the former will have a competitive advantage.

Then Justice Roberts asks:

Have AP and its members intended, or attempted, to monopolize a branch of trade? As I have already pointed out, the events happening in the world are as open to all men as the air or the sunlight. The only agency required to report them is a human being who will inquire. Surely the supply of reporters is not less difficult to monopolize than the events to be reported. * * *

Have the defendants created an organization of such proportions as in fact to monopolize any part of trade or commerce? In answering the inquiry I need do little more than refer to the facts already summarized * * * I cannot perceive how, if AP falls within the deunciation of the statute, UP and INS do not equally, and by the same test. No significant feature of the practices of the one is absent in those of the others.

Justice Roberts concludes his caustic analysis of the opinion as follows:

Suffice it to say that it is a novel application of the Sherman Act to treat it as legislation converting an organization, which neither restrains trade nor monopolizes it, nor holds itself out to serve the public generally, into a public utility because it furnishes a new sort of illumination—literary as contrasted with physical—by pronouncing a fiat that the interest of consumers—the reading public—not that of competing news agencies or newspaper publishers—requires equal service to all newspapers on the part of AP and that a court of equity, in the guise of an injunction, shall write the requisite regulatory statute. This is government by injunction with a vengeance. * * *

For myself, I prefer to entrust regulatory legislation of commerce to the elected representatives of the people instead of freezing it in the decree of courts less responsive to the public will. I still believe that "The courts are without authority either to declare such policy, or, when it is declared by the legislature, to override it."

Mr. Speaker, freedom of the press is a heritage deeply imbedded in our traditions and inseparably linked to our freedom. Down through the ages people have fought for freedom of expression. It has always been an essential part of man's eternal struggle against ignorance and oppression to criticize freely; to print freely the facts without fear of censorship; and to encourage the free flow of information among readers. Our American concept of free press means freedom of men's minds to seek the truth. So fundamental is this concept that our founding fathers saw fit to safeguard it by inserting in the Constitution itself the restriction against Congress that no law shall be passed "abridging freedom of speech or of the press."

Thomas Jefferson very frequently emphasized the importance of a free press. Said he on occasion:

Whenever the people are well informed, they can be trusted with their own government. * * *

Where the press is free, and every man able to read, all is safe. * * *

The liberty of speaking and writing guards our other liberties. * * *

The only security of all is in a free press. The force of public opinion cannot be resisted when permitted freely to be expressed. The agitation it produces must be submitted to. It is necessary to keep the waters pure. * * *

Our liberty depends on the freedom of the press, and that cannot be limited without being lost.

Mr. Speaker, it is my firm conviction that when Congress passed the Sherman Antitrust Act abolishing monopoly and restraint of trade, it did not intend to include the application of its provisions to our mutual news-gathering agencies. I cannot believe that any Member of Congress who voted for the Sherman Act ever intended to tread upon this fundamental freedom which guarantees to the American people unobstructed channels for gathering and disseminating news.

Yet the precedent established, or at least favored by Mr. Justice Frankfurter in his past interpretations given to statutes, still seems to be in vogue and rampant in decisions rendered by this Nation's highest tribunal. Both the Congress and the Nation were startled when Justice Frankfurter said:

The notion that, because the words of a statute are plain, its meaning also is plain is merely pernicious over-simplification (*United States* v. *Monia*, 317 U. S. 425).

This statement still plagues the Court's judicial interpretations of legislative intent.

Why is it that the facts presented by the Government in any given case are so frequently obscured and distorted that the learned justices themselves find it difficult, if not impossible, to understand?

It seems to me, Mr. Speaker, that our Government today deliberately tries to obtain judicial decisions that are without foundation in order to strengthen its design to harness private enterprise and individual freedom. Sometimes these decisions are based on the distortion of the intent of Congress in passing legislation and therefore have the effect of statutory law. Should this continue there may be no future need for a legislative body to carry out the expressed wish of the American people. Indeed, if this sort of distortion of the law continues the Congress may well come to a point where, regardless of the clarity with which it expresses its acts and intents, it will not know what the effects of its acts may be until some court tells it what it meant to say.

The case before us shows the dangerous present-day tendency of the Supreme Court to read into an act something clearly not intended by the legislative branch when it passed the act. In fact, the Supreme Court today even goes so far as to state in its decisions what the Congress should have meant. By doing so the Court assumes the function of the Congress by actually providing "Government by injunction with a vengeance." This forces us to pass legislation which has the effect of correcting or vetoing the strained decisions of the Supreme Court in order to protect our own legislative responsibilities.

Mr. Speaker, I have reviewed this case, quoting the substance of the decision of the Court, and quoting at some length from the dissenting opinions, for one purpose, and one purpose only, and that is to show the present-day tendency of the Supreme Court to read into an act something clearly not intended by the legislative branch when it passed that act. That is the reason for the introduction of H. R. 4665, and that is why it should be passed by this Congress.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BLAND, from March 1 to March 5, inclusive, on account of official business.

To Mr. HOCH, for today, Friday, and Saturday, on account of official business.

To Mr. BONNER, Mr. DOMENGEAUX, Mr. HERTER, Mr. HALE, Mr. MCCONNELL, and Mr. BUCK (at the request of Mr. BLAND), from March 3 to March 7, both inclusive, on account of official business at the Panama Canal in making official studies for the Committee on Merchant Marine and Fisheries.

BILLS PRESENTED TO THE PRESIDENT

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee did on February 27, 1946, present to the President, for his approval, bills of the House of the following titles:

H. R. 129. An act to provide for the barring of certain claims by the United States in connection with Government checks and warrants;

H. R. 854. An act for the relief of Isabel Carlson;

H. R. 1315. An act for the relief of B. Pendino;

H. R. 1464. An act for the relief of Leonard Hutchings;

H. R. 1489. An act for the relief of Harold B. Alden and Walter Strohm;

H. R. 1848. An act for the relief of Max Hirsch;

H. R. 2168. An act for the relief of Charles Zucker;

H. R. 2171. An act for the relief of Solomon Schtierman;

H. R. 2240. An act to credit certain service performed by members of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service prior to reaching 18 years of age for the purpose of computing longevity pay, or for other pay purposes;

H. R. 2270. An act for the relief of Harry C. Westover;

H. R. 2284. An act to eliminate the practice by subcontractors, under cost-plus-a-fixed-fee or cost reimbursable contracts of the United States, of paying fees or kick-backs, or of granting gifts or gratuities to employees of a cost-plus-a-fixed-fee or cost reimbursable prime contractors or of higher tier subcontractors for the purpose of securing the award of subcontracts or orders;

H. R. 2289. An act for the relief of Arnold Mecham;

H. R. 2393. An act for the relief of Elsie Peter;

H. R. 2452. An act for the relief of Sam Kalak;

H. R. 2661. An act for the relief of W. D. Jones and Ethel S. Jones;

H. R. 2724. An act for the relief of the legal guardian of Forest Eldon Powell.

H. R. 2728. An act for the relief of R. H. Sindle;

H.R. 2769. An act for the relief of C. Frank James;

H. R. 2963. An act for the relief of William Phillips;

H. R. 2974. An act for the relief of the estate of Bobby Messick;

H. R. 3028. An act to amend the act of August 17, 1937, as amended, relating to the establishment of the Cape Hatteras national

seashore recreational area in the State of North Carolina;

H. R. 3046. An act for the relief of Thomas A. Butler;

H. R. 3444. An act to grant the title of public lands to the town of Safford, Ariz., for the use of its municipal water system;

H. R. 3514. An act for the relief of the legal guardian of Olga Stanik, a minor;

H. R. 3580. An act to authorize municipalities and public utility districts in the Territory of Alaska to issue revenue bonds for public-works purposes;

H. R. 3603. An act to provide for the sale of surplus war-built vessels, and for other purposes;

H. R. 3614. An act to ratify and confirm act 33 of the Session Laws of Hawaii, 1945, extending the time within which revenue bonds may be issued and delivered under chapter 118, Revised Laws of Hawaii, 1945;

H. R. 3657. An act to ratify and confirm act 32 of the Session Laws of Hawaii, 1945;

H. R. 3730. An act granting the consent of Congress to the State of West Virginia to construct, maintain, and operate a free highway bridge across the Monongahela River at or near Star City, W. Va.;

H. R. 3784. An act for the relief of C. H. Brumfield;

H. R. 3940. An act to revive and reenact the act entitled "An act granting the consent of Congress to Rensselaer and Saratoga Counties, N. Y., or to either of them, or any agency representing said counties, to construct, maintain, and operate a free highway bridge across the Hudson River between the city of Mechanicville and Hemstreet Park in the town of Schaghticoke, N. Y." approved April 2, 1941;

H. R. 4249. An act for the relief of Lucy Delgado and Irma M. Delgado;

H. R 4932. An act to amend section 9 of the Boulder Canyon Project Act, approved December 21, 1928; and

H. R. 4652. An act to provide credit for past service to substitute employees of the postal service when appointed to regular positions; to extend annual and sick leave benefits to war service indefinite substitute employees; to fix the rate of compensation for temporary substitute rural carriers serving in the place of regular carriers in the armed forces; and for other purposes.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 15 minutes p. m.) the House adjourned until tomorrow, Friday, March 1, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE POST OFFICE AND POST ROADS

The Committee on the Post Office and Post Roads will hold hearings on Friday, March 1, 1946, at 10 a. m., on H. R. 5059, a bill to provide temporary additional compensation for postmasters and employees of the postal service.

COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

There will be a meeting of the Committee on World War Veterans' Legislation, on Friday, March 1, 1946, at 10 a. m., in open session, in the committee room 356, Old House Office Building.

COMMITTEE ON THE JUDICIARY

Subcommittee No. 4 of the Committee on the Judiciary has scheduled a hearing for Monday, March 4, 1946, with respect to the extension of the Second War Powers Act, 1942, as amended. The hearing will begin at 10 a. m., and will be held in room 346, House Office Building.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Federal Trade Subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m., Monday, March 4, 1946.

Business to be considered: Continuation of public hearings on H. R. 2390, a bill to amend the Federal Trade Commission Act. Opposition witnesses will be heard.

There will be a meeting of the Public Health Subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m., Thursday, March 7, 1946.

Business to be considered: To commence hearings on the bill S. 191, an act to amend the Public Health Service Act to authorize grants to the States for surveying their hospitals and public-health centers and for planning construction of additional facilities, and to authorize grants to assist in such construction.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. BOYKIN: Committee on Patents submits a supplemental report on H. R. 5311, a bill to amend Revised Statutes, 4921 (U. S. C. A., title 35, Patents, sec. 70), providing that damages be ascertained on the basis of compensation for infringement (Rept. No. 1587, pt. 2). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. O'BRIEN of Michigan:

H. R. 5622. A bill to increase the compensation of postmasters, officers, and employees in the postal service; to the Committee on the Post Office and Post Roads.

By Mr. HENDRICKS:

H. R. 5623. A bill to amend the act entitled "An act defining the compensation of persons holding positions as deputy clerks and commissioners of United States district courts, and for other purposes," approved June 16, 1938; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 5624. A bill to provide that the pension, compensation, or retirement pay of World War I and World War II veterans shall not be reduced during hospitalization or receipt of institutional or domiciliary care; to the Committee on World War Veterans' Legislation.

By Mr. MAY:

H. R. 5625. A bill to amend the Pay Readjustment Act of 1942, as amended, so as to provide an increase of 20 percent, and for other purposes; to the Committee on Military Affairs.

H. R. 5626. A bill to authorize the Veterans' Administration to appoint and employ retired officers without affecting their retired status, and for other purposes; to the Committee on Military Affairs.

By Mr. PIÑERO:

H. R. 5627. A bill to amend section 5 of the Home Owners' Loan Act of 1933, as amended; to the Committee on Banking and Currency.

By Mr. PRIEST:

H. R. 5628. A bill to amend the Public Health Service Act to authorize grants to the States for surveying their hospitals and public health centers and for planning construction of additional facilities, and to authorize grants to assist in such construction; to the Committee on Interstate and Foreign Commerce.

By Mr. McDONOUGH:

H. R. 5629. A bill to assure to all persons within the District of Columbia full and equal privileges of places of public accommodation, resort, entertainment, and amusement, and for other purposes; to the Committee on the District of Columbia.

By Mr. HAYS:

H. R. 5630. A bill to amend section 5155 of the Revised Statutes with respect to the establishment of branches by national banking associations; to the Committee on Banking and Currency.

By Mr. VINSON:

H. Con. Res. 130. Concurrent resolution creating a joint committee to consider joint recommendations of the Secretary of War and the Secretary of the Navy with respect to increases authorized for flying pay, parachute pay, glider pay, submarine pay, and similar special pay and allowances; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BENDER:

H. R. 5631. A bill for the relief of Joseph John Gmurczyk, Jr.; to the Committee on Military Affairs.

By Mr. MARCANTONIO:

H. R. 5632. A bill for the relief of Yesdore Andrew Belbo; to the Committee on Immigration and Naturalization.

H. R. 5633. A bill for the relief of Frank Collaci; to the Committee on Immigration and Naturalization.

By Mr. MILLER of California:

H. R. 5634. A bill for the relief of Mrs. Masuyo (Marjorie) Sudo Cromley; to the Committee on Immigration and Naturalization.

By Mr. PFEIFER:

H. R. 5635. A bill for the relief of Marguerite Lante; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1657. By Mr. ARNOLD: Petition of constituents in Jameson, Mo., urging support of the Poage bill, House bill 1742; to the Committee on Interstate and Foreign Commerce.

1658. By Mr. GOODWIN: Resolution of the Board of Aldermen of the City of Medford, Mass., for action to release surplus building materials for construction of veterans' homes; to the Committee on Banking and Currency.

SENATE

FRIDAY, MARCH 1, 1946

(Legislative day of Friday, January 18, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God, whose love for Thy children reacheth to the ends of the earth, in the golden glory of a new dawn as the cur-

tain of darkness is folded back, Thou grantest us the high privilege of faring forth to be laborers together with Thee in the coronation of goodness, as Thy kingdom comes. We wait for Thy benediction that we may face whatever the day brings in the gladness of Thy guidance, in the glory of Thy service, and in the solemn realization that we are, indeed, our brother's keeper.

As leaders of the Nation in these tempestuous days, give us kind hearts, clear thought, and quiet faith; and among ourselves and in our dealing with all the peoples of the world, in nations great and small, may we be so transparently just and fair that falsehood and every evil that shuns the light may be banished by the truth which makes men free. Amen.

THE JOURNAL

On request of Mr. THOMAS of Utah, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, February 27, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On February 28, 1946:

S. 400. An act for the relief of Elisabeth Andersen;

S. 543. An act for the relief of Felix Frederickson;

S. 683. An act for the relief of Mrs. Marie Nepple, as executrix of the estate of Earl W. Nepple, deceased, and Mrs. Marie Nepple, individually;

S. 1084. An act for the relief of John C. May and Eva Jenkins May;

S. 1126. An act for the relief of Alice A. Murphy;

S. 1131. An act for the relief of Jess Hudson;

S. 1400. An act for the relief of Robert R. Rowe, Jr.;

S. 1423. An act for the relief of Charles L. Phillips; and

S. 1588. An act for the relief of Mrs. Lona Wilson.

On March 1, 1946:

S. 323. An act for the relief of Thomas F. Gray.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 1354) to authorize the permanent appointment in the grades of General of the Army, Fleet Admiral of the United States Navy, and General in the Marine Corps, respectively, of certain individuals who have served in such grades during the Second World War, with amendments in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 4571) to amend the First War Powers Act, 1941.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2348) to provide for the coverage of certain drugs under the Federal narcotic laws.

The message also announced that the House had passed a bill (H. R. 5504) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (S. 1129) for the relief of Willie H. Johnson, and it was signed by the President pro tempore.

FOREIGN LOAN POLICY OF THE UNITED STATES

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read and, with the accompanying papers, referred to the Committee on Banking and Currency.

(For message this day received, see proceedings of the House of Representatives on p. 1828.)

LAWS OF FIRST CONGRESS OF THE PHILIPPINES

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read and, with the accompanying papers, referred to the Committee on Territories and Insular Affairs.

(For message this day received, see proceedings of the House of Representatives on p. 1827.)

RESOLUTION OF CUBAN SENATE RELATING TO THE ARGENTINE PEOPLE

The PRESIDENT pro tempore. The Chair lays before the Senate a letter from the Secretary of State, transmitting a resolution of the Senate of the Republic of Cuba relating to the Argentine people.

Mr. GEORGE. Mr. President, the communication from the presiding officer of the Senate of the Republic of Cuba, dated October 9, 1945, was originally directed to the President of the United States and incorporated a resolution of the Senate of the Republic of Cuba concerning the Argentine people. I ask unanimous consent that the letter from the Secretary of State, together with the resolution of the Senate of the Republic of Cuba just laid before the Senate by the President pro tempore, be printed in the RECORD and referred to the Committee on Foreign Relations.

There being no objection, the letter and resolution were referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, February 26, 1946.

The Honorable KENNETH MCKELLAR,
President pro tempore of the Senate.

MY DEAR SENATOR MCKELLAR: I transmit herewith, for such action as you may deem appropriate, two copies in translation of a communication to the Presiding Officer of the United States Senate from the office of the presiding officer of the Senate of the Republic of Cuba, dated October 9, 1945. This communication, which was originally directed to the President of the United States, incorporates a resolution of the Senate of the Republic of Cuba concerning the Argentine people.

Sincerely yours,

JAMES F. BYRNES.

[Enclosures: Two copies of communication from office of presiding officer of senate of Republic of Cuba to the Presiding Officer of United States Senate concerning Argentine people.]

[Translation]

REPUBLIC OF CUBA,
OFFICE OF THE PRESIDING
OFFICER OF THE SENATE,
Habana, October 9, 1945.

The PRESIDING OFFICER OF THE UNITED STATES SENATE.

HONORABLE SIR: The Senate of the Republic of Cuba, in a session held on this date, approved the motion which, copied literally, states the following:

"America, before being a reality, was a dream, a spiritual necessity of the Old World which had a presentiment of its existence before coming to know it. For centuries it was a chimera and a legend, until destiny, inspired by the immortal Genovese who discovered it, created a recognized geographic region.

"Its very appearance caused two contradictory sentiments to flourish in the hearts of men: In some, eagerness for adventures and riches, impelled by egotism and ambition; in others, in those who, in remote places of the world, suffered under the inexorable lash of despotism and intransigence, it was a land of promise and of hopes. The first conquered, colonized, oppressed. The second were, in truth, the great builders of towns in America. For these latter, the unknown and recently discovered region would be a refuge for liberty.

"That was America to be, the same for the Pilgrims of the *Mayflower* as for the millions of beings who, throughout four and a half centuries, have arrived upon its noble shores. Impregnable bulwark of freedom of conscience, cradle of republican hopes—that was, is, and shall be our America, in the still forceful dream of Bolivar.

"A centuries-old tradition of liberty and democracy, the forging of which cost torrents of blood and the sacrifice of the lives of the most illustrious sons of the continent, from Hidalgo and Morelos to our [own] Maceo and Martí, serves as a guaranty that government of the people, by the people, and for the people shall be maintained in America for an example to all the nations of the earth.

"And every time that tyranny oppressed any of these peoples, free consciences would arise to combat it until they succeeded in exterminating it.

"Those are our blazons; and they constitute the greatest, the most legitimate and reasonable of our sources of pride.

"Public international law prohibits nations from interfering in the internal problems of other nations; and that postulate was consecrated in 1933 in the Pan-American Conference at Montevideo; but over and above that principle of public international law are the sentiments shared in common by the peoples of this hemisphere, which also determine common opinions, common sorrows, and common attitudes.

"The nature of American solidarity is such that these countries have never felt themselves isolated, nor have they solved their problems alone. All of us were and are obligated to give each other moral or material collaboration in our vicissitudes.

"Liberty in America had four centers of radiation. Two in North America, the United States and Mexico, personified in Washington and Morelos. Two in South America, Venezuela and Argentina, personified by Bolivar and San Martin.

"These latter two centers of radiation, running from the Plata to Chile and from there to Peru, and from Venezuela to New Granada and to Quito, drew their amazing vitality from the blinding flash of Ayacucho.

"Our own liberty, to which we had such well-earned right, was culminated with the powerful final effort of North America. There is, then, nothing strange in the fact that the grief of one American country is the grief of the whole continent. Today the native land of San Martin, who liberated Chile and Peru, is suffering the horrors of a ravenous tyranny. Having subjected the Argentine people to a despotic regime, it first forced them into an absurd and inconceivable position of isolation in the great war conflict now happily ended; and now, when they are struggling valiantly and determinedly to throw off tyranny, it is subjecting them to the greatest injustices and cruelties.

"The principle of nonintervention, which prevents nations from taking any material and compelling action to combat the oppression which the republic on the Plata now suffers, can be no obstacle to prevent the people of Argentina from being reached by our voice of solidarity and new inspiration, bringing with it the spiritual strength which all the moral forces of the free countries of America proffer them.

"For all these reasons,

"The Senate of the Republic resolves:

"First. To send to the Argentine people a spiritual message of complete unity in the name of the people of Cuba, in these times of struggle and of sacrifice; and our prayers that they may succeed, by the strong and decided attitude which they have assumed, in regaining the free exercise of the democratic life, to which they have so much right, by virtue of their sentiments and their history.

"Second. The Senate of the Republic, in the name of the Cuban people, most energetically condemns the acts of repression practiced by the tyrannical government under which Argentina suffers, and especially the outrages committed against the universities and centers of education of the sister Republic and by virtue of which the professors and student bodies, representing Argentine youth, were victims of official violence and terror.

"Third. To send copies of this message to all legislative bodies of the American Republics, to the end that they may know the thought of the Cuban Senate, which expresses that of our people, in complete unity in the noble and valient struggle which the Argentine people are carrying on."

I have the honor to communicate the above to you, in compliance with part three of the afore-mentioned motion, availing myself of this opportunity to renew to you the assurance of my highest consideration, and remain,

Very truly yours,

[SEAL] EDUARDO SUAREZ RIVAS,
Presiding Officer of the Senate.

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on February 27, 1946, he presented to the President of the United States the enrolled joint resolution (S. J. Res. 136) changing the name of the Shoshone Dam and Reservoir to Buffalo Bill Dam and Reservoir in commemoration of the one hundredth anniversary of the birth of William Frederick Cody, better known as Buffalo Bill.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT OF NAVY CLUB OF UNITED STATES OF AMERICA

A letter from the national commandant of the Navy Club of the United States, Rockford, Ill., transmitting, pursuant to law, a report of the proceedings and activities of the club and a statement of its receipts and expenditures from January 1, 1945, through December 31, 1945 (with accompanying papers); to the Committee on the Judiciary.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

The PRESIDENT pro tempore laid before the Senate the following petitions, etc., which were referred as indicated:

A joint resolution of the Legislature of the State of California; to the Committee on Banking and Currency:

"Assembly Joint Resolution 3

"Joint resolution relative to memorializing Congress to enact S. 1592, to establish a national housing policy and to provide for its execution

"Whereas there is now pending in the Senate of the United States S. 1592, known as the Wagner-Ellender-Taft housing bill, to establish a national housing policy and to provide for its execution; and

"Whereas it appears that this legislation, if enacted, will provide aid to local planning; will improve existing aid to privately financed housing; will enable private enterprise to serve families of lower income; will make possible direct private investment in housing for families of moderate income; will make possible direct private investment in the development or redevelopment of slum and other areas in local communities; will further aid local communities in slum clearance and low-rent housing; will provide for the effective disposition of federally owned war housing, with preference to families of servicemen and veterans; and will set forth and make effective a sound national policy with respect to residential housing, to the benefit of the general health, welfare, and security, and for the encouragement of private enterprise in this important field; and

"Whereas the objectives thus sought to be accomplished are highly to be desired: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California (jointly), That Congress is respectfully memorialized to enact S. 1592 (79th Cong., 1st sess.) and to do so with the utmost expedition in the interests of the general health and welfare of the people and of the communities in which they reside; and be it further

"Resolved, That the chief clerk is directed to transmit copies of this resolution to the President of the United States, the President pro tempore of the Senate of the United States, the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Indian Affairs:

"Assembly Joint Resolution 14

"Joint resolution relative to certain bills concerning California Indians pending in the Congress of the United States

"Whereas certain bills have been introduced in the House of Representatives of the Congress of the United States by the Honorable ELLIS E. PATTERSON, Representative from California, and are now pending therein, being designated Nos. H. R. 3604, H. R. 3605, and H. R. 3606; and

"Whereas said bills contain provisions affecting the rights of certain tribes and bands of Indians within the State of California with respect to Indian lands and claims against the United States; and

"Whereas it is reported that said bills, if enacted into law without amendment, may not be entirely adequate to protect the rights of the Indians of California and to provide complete compensation for their claims for lands taken by the United States; and

"Whereas the Legislature of California, by Joint Resolution 41 (1945 Statutes of California, ch. 132), filed June 10, 1945, brought to the attention of the Congress the manifest injustice to the Indians of California which has resulted from the enactment of the California Indians' Jurisdictional Act of 1928 (45 Stat. 602), as amended April 29, 1930 (46 Stat. 259), and the attention of the Congress is respectfully directed to said resolutions: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California (jointly), That the Legislature of the State of California respectfully memorializes the Congress of the United States to withhold any action on bills Nos. H. R. 3604, H. R. 3605, and H. R. 3606 relative to the Indians of California, until the Congress and an interim committee of said legislature have investigated fully all of the facts pertaining thereto, including the effect such bills would have if enacted, upon the rights of California Indians.

"Resolved, That the chief clerk of the assembly be hereby directed to transmit copies of this resolution to the President of the United States, the President pro tempore of the Senate, the Speaker of the House of Representatives and to each Senator and Representative from California in the Congress of the United States, and to the respective chairman of the Indian Affairs Committees of the Senate and the House of Representatives."

A resolution adopted by the City Council of the City of Woodbury, N. J., favoring the enactment of legislation to grant immunity and exemption to the States and their political subdivisions or any agency thereof from the provisions of the Emergency Price Control Act; to the Committee on Banking and Currency.

A letter in the nature of a petition from Mrs. Frederick Roth, of Philadelphia, Pa., relating to legislation providing for an adequate peacetime army, etc.; to the Committee on Military Affairs.

Petitions from several citizens of Brooklyn and New York City, N. Y., praying for the enactment of legislation increasing the salaries of postal employees; to the Committee on Post Offices and Post Roads.

Resolutions adopted by the Kansas City Branch, Railway Mail Association, of Kansas City, Mo., and the St. Paul Branch of the Railway Mail Association, of St. Paul, Minn., favoring the enactment of legislation to restore the air-mail field and terminal clerks to their former grades, and certain other legislation beneficial to railway-mail clerks; to the Committee on Post Offices and Post Roads.

UNIVERSAL MILITARY TRAINING—STATEMENT OF WALTER JOHNSON

Mr. LANGER. Mr. President, I ask unanimous consent to present for appropriate reference and printing in the RECORD, a statement by Walter Johnson, of Heathsville, Va., chairman of the national legislative committee of the Military Order of the Liberty Bell before the Committee on Military Affairs, House of Representatives, Washington, D. C., on the subject of universal military training.

There being no objection, the statement was received, referred to the Committee on Military Affairs, and ordered to be printed in the RECORD, as follows:

Mr. Chairman and gentlemen of the Committee on Military Affairs, my name is Walter Johnson and I reside at Heathsville in Virginia. I appear before you to set forth the views of the Military Order of the Liberty Bell on the proposed universal military training bill.

Our organization was formed on December 7, 1942. Eligibility to membership covers all men with honorable service. Thus we are all men who have served honorably and faithfully in the armed forces of our country. We are men of all faiths, races, and creeds. We are not war veterans as such though most of us have served through a war or two. Predominantly we are men of the Regular Establishment as distinguished from men who have served temporarily through a war period. I served as an enlisted man in the Navy from the First World War until 1930 when I was dropped for disability. Some of our members are older men; men who served on the plains as far back as shortly after the War Between the States.

At our last national convention we considered the problem of universal military service. We discussed it quite thoroughly. Then we voted in opposition to it. We did so for several reasons.

We do not believe that the alien concept of forced training has any place in our country. Whereas in time of war we do draft the youth of this land and the draft has worked quite well in war because in time of war a national emergency is involved and men are more willing to fight for their country. In time of peace such conditions do not prevail. A man who does not like the service is unhappy and discontented and a drag. He cannot be forced to like the service by being forced into it.

At this time the people are thinking in terms of war. It might be that they would tolerate forced service. But as time goes on and they get away from thoughts of war they will surely put a stop to forced service because it is against every concept of freedom and because of the heavy costs involved in training the entire youth of the land. When that time comes, as it surely must come, then would come repeal of forced service and at a time when the people would be in a mood not to carry the costs of a large military establishment. As a result we could expect to go from one extreme to the other. To go back to a half-starved and poorly paid Army and Navy as we have done after every other war. It would be far better at this time to adopt a more moderate program such as could be sustained through the years to come.

As I have said we always, after every war, have gone back to an extreme condition of half starving our services to death. Within the memory of all of us are the conditions which prevailed between these last two wars. Pay was cut to the very bone. Promotion became stagnant. Appropriations were so low that aviation, above all things, was allowed to stagnate to a great extent in the matter of development.

In 1862 pension rates for line of duty death or disability were established and were amended in 1883. Following World War I these rates were increased for war-period casualties but the Regulars were left at the 1883 rates until 1933 when, under the Economy Act, substantial reductions were made. From 1933 to 1939 pension rates for line of duty death or disability for the Regulars was 45 percent of the rates for the war-period casualties and in 1939 the rates were raised to 75 percent where they now are. Enlisted men of the Regular Establishment were never granted disability retirement on the same basis as the officers.

During those years pay in the services was $21 per month for a private, as compared with $30 per month for a CCC boy. Of course, the CCC boy had dependents, but so did the soldiers. Not only was the CCC boy paid much higher but protection against line-of-duty death or disability was at a much higher rate than that which applied to the soldiers. So we were raising a generation of youth, the youth we would have to look to in time of war, to look down with scorn at the economic status of the soldier because it was so much lower than the relief rates.

Those were the conditions which preceded this war and which the public state of mind permitted. This writer tried to ease those conditions. I tried to improve the lot of the soldier in the Regular Establishment as well as that of the sick and maimed of the Regular Establishment. During the 1934–37 period I worked and I talked and I wrote. But I was a Government employee. I was silenced. I was investigated and harassed for month after month, and finally found guilty, without hearing, of "seeking legislation." I spoke the same words later spoken by President Roosevelt and then by President Truman. The Civil Service Commission had, by rule, prohibited employees from petitioning their Government under color of prohibiting the "seeking of legislation."

That is now water over the dam. I recite it, not in complaint but as showing the conditions which can and do arise when there is no immediate threat of war and as showing why it is now essential that a sound and practicable program be adopted which can be sustained through the years. Any program which would require that the people be held under a constant war scare in order to sustain the program would be a mistake.

We believe that a voluntary program of training is the answer to the problem of national defense. We believe that far better results can be had by leading youth than by driving them.

We would suggest a program of training which invites youth and which places something ahead of them to work for. Let training programs be worked out. Invite boys to accept the training for a year. From those who have had that training select the appointees to the Military and Naval and Coast Guard Academies. Secondarily, select from it young men to be sent off to school and college to train for the staff such as doctors, dentists, engineers, and other specialists. Then take off a third layer to be sent to trade schools to train as artificers for the services. In a fourth layer take off the young men wanting to enter upon careers as enlisted men to start as privates or as second-class seamen. Let the balance return to civilian life.

Such a program would, of course, require that Members of Congress give up their present appointments to the Academies. But that sacrifice ought not to be too hard, considering the sacrifice youth would be called upon to make.

In conclusion, let me say that while other veterans' organizations urge universal training we oppose it. Yet, as men with long service, we fully recognize the need for adequate national defense. We stand as strongly for national defense as does anyone. We differ only as to the method. We urge that youth be led instead of driven. We believe that voluntary training is far superior; that it is far superior as a national policy over forced training; and that as a program it can be maintained and sustained because it is moderate and reasonable and in accord with our way of life.

Thank you, gentlemen.

BALD HILL RESERVOIR ON SHEYENNE RIVER, N. DAK.—RESOLUTION OF BARNES COUNTY (N. DAK.) BOARD OF COUNTY COMMISSIONERS

Mr. LANGER. Mr. President, I ask unanimous consent to present for appropriate reference and printing in the RECORD a resolution adopted by the Board of County Commissioners of Barnes County, N. Dak., favoring an appropriation by the Congress for the construction of Bald Hill Reservoir on the Sheyenne River, N. Dak.

There being no objection, the resolution was received, referred to the Committee on Appropriations, and ordered to be printed in the RECORD, as follows:

Whereas flood control, water conservation, and stream-flow regulation in the basin of the Sheyenne River, N. Dak., and in the Red River of the North Basin, of which it is the principal western tributary, are more important and necessary now, and will be even more so in the immediate future than when the proposed project for improving the same was recently justified, and approved by the Congress: Be it

Resolved by the Board of County Commissioners of Barnes County, N. Dak., That the Committee on Appropriations of the United States Senate be, and it is hereby, requested and urged to recommend adequate funds in the War Department, civil functions appropriation bill for 1947, for the construction of the project for the Bald Hill Reservoir on the Sheyenne River, N. Dak., substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 193, Seventy-eighth Congress, second session, as authorized in the Flood Control Act of 1944; and be it further

Resolved, That this resolution be forwarded to the Honorable KENNETH MCKELLAR, acting chairman, Senate Committee on Appropriations, and that copies thereof be sent to Senators WILLIAM LANGER and MILTON R. YOUNG, of North Dakota, and to Senators HENRIK SHIPSTEAD and JOSEPH H. BALL, of Minnesota.

Dated this 8th day of February 1946.

BOARD OF COUNTY COMMISSIONERS,
BARNES COUNTY, N. DAK.

By PHILIP J. SAUER,
Chairman of the Board of County Commissioners, Barnes County, N. Dak.

Attest:

C. T. BECHTLE,
County Auditor, Barnes County, N. Dak.

REPORT OF COMMITTEE ON PRINTING

Mr. HAYDEN, from the Committee on Printing, to which was referred the bill (S. 1679) to authorize additional compensation for work performed on a legal holiday by employees of the Government Printing Office, reported it without amendment and submitted a report (No. 1010) thereon.

PERSONS EMPLOYED BY COMMITTEES WHO ARE NOT FULL-TIME SENATE OR COMMITTEE EMPLOYEES

The PRESIDENT pro tempore laid before the Senate a report for the month of February 1946 from the chairman of the Committee on Public Lands and Surveys, in response to Senate Resolution

319 (78th Cong.), relative to persons employed by committees who are not full-time employees of the Senate or any committee thereof, which was ordered to lie on the table and to be printed in the RECORD, as follows:

SENATE COMMITTEE ON PUBLIC LANDS AND SURVEYS

FEBRUARY 28, 1946.

To the Senate:

The above-mentioned committee hereby submits the following report showing the name of persons employed by the committee who are not full-time employees of the Senate or of the committee for the month of February, in compliance with the terms of Senate Resolution 319, agreed to August 23, 1944. (See attached memorandum.)

CARL A. HATCH,
Chairman.

By STEWART A. HATCH,
Clerk.

To Senator CARL A. HATCH,
Chairman, Senate Committee on Public Lands and Surveys.

From Senator PAT MCCARRAN,
Chairman, Subcommittee To Investigate the Administration and Use of Public Lands.

The following persons are detailed from the Department of Agriculture to assist with the work of the above subcommittee:

E. S. Haskell, senior administrative officer, Forest Service, CAF-12; basic salary, $5,000 per year.

Elizabeth Heckman, clerk, CAF-5, basic salary, $2,000 per year.

NOTICE OF HEARING ON THE POSITION OF THE INDEPENDENT COMPANY IN THE PETROLEUM INDUSTRY BEFORE SPECIAL COMMITTEE INVESTIGATING PETROLEUM RESOURCES (PT. 2 OF REPT. NO. 179)

Mr. O'MAHONEY. Mr. President, from the Special Committee Investigating Petroleum Resources, I ask unanimous consent to submit, pursuant to Senate Resolution 36, Seventy-ninth Congress, extending Senate Resolution 253, Seventy-eighth Congress, a report relating to the position of the independent company in the petroleum industry. I request that the report may be printed in the RECORD.

There being no objection, the report was received and ordered to be printed in the RECORD, as follows:

THE POSITION OF THE INDEPENDENT COMPANY IN THE PETROLEUM INDUSTRY

The study of petroleum resources in the United States in relation to the national welfare, which was initiated under Senate Resolution 253 of the Seventy-eighth Congress and continued under Senate Resolution 36 of the Seventy-ninth Congress, will enter its final phase on March 19, 1946, when the position of the independent company will be presented to the committee at an open public hearing in the caucus room of the Senate Office Building at 10:30 a. m.

On April 7, 1945, the Senate Special Committee Investigating Petroleum Resources announced a hearings agenda, which included the following subjects:

1. Cartels in relation to petroleum in world trade.
2. New sources of petroleum in the United States.
3. The independent company.
4. Postwar disposal of pipe lines, refineries, and tankers.
5. Petroleum requirements in the United States.
6. American petroleum interests in foreign countries.

All of these subjects, with the exception of that dealing with the position of the independent company, have been developed at carefully prepared public hearings. The study began with the presentation of the cartel problem, in cooperation with a subcommittee of the Committee on the Judiciary, on May 17, 1945. The other hearings were held as follows:

New sources of petroleum in the United States, June 19 through June 25, 1945.

American petroleum interests in foreign countries, June 27 and 28, 1945.

Petroleum requirements in the United States, October 3 and 4, 1945.

Postwar disposal of pipe lines, refineries, and tankers, November 15, 16, and 17, 1945.

A review of PAW wartime petroleum policy, November 28, 29, and 30, 1945.

The objective of the hearings to begin on March 19, 1946, will be primarily to determine whether or not the position of the independent company in the petroleum industry has been improved or injured as a result of the war and, what recommendations, if any, the Special Committee Investigating Petroleum Resources should make with respect to Government policy. An over-all question will be the outlook for competition in the production, refining, and marketing of oil and its derivatives. This will include the relationship of the independent to the integrated companies, and the extent to which the independent may depend upon supplies of petroleum or petroleum products. It will also include the effect upon competition of Government policy during the war.

The opportunity will be afforded to the independent operator in every branch of the industry to analyze facts and opinion from the point of view of the independent. Special preparation has been made for these hearings by the Independent Petroleum Association of America, the president of which, Mr. B. A. Hardey, is also acting as chairman of a special industry committee on the independent company.

There is listed below an outline of the subjects and a list of the witnesses who have been asked by the Independent Petroleum Association of America to appear:

Opening statement: B. A. Hardey, president, Independent Petroleum Association of America, and chairman of the committee, on the independent company.

History and character of the independent oil producer: Russell B. Brown, general counsel, Independent Petroleum Association of America, Washington, D. C.

The production of oil and gas: O. C. Bailey, Bailey & Trimble, El Dorado, Ark.; (a) second recovery, D. T. Andrus, immediate past president, Pennsylvania Grade Crude Oil Association, Bradford, Pa.; (b) the conservation of stripper wells, H. M. McClure, president, National Stripper Well Association, Alma, Mich.

Taxes: Charles R. Bell, controller, Kerr-McGee Oil Industries, Inc., Oklahoma City, Okla.

Costs and price of oil: Merle Becker, vice president, W. C. McBride, Inc., St. Louis, Mo.

Imports: Wirt Franklin, past president, Independent Petroleum Association of America, Ardmore, Okla.

The independent company in the refining of oil: Fayette B. Dow, National Petroleum Association, Western Petroleum Refiners Association, Washington, D. C.

Summary: H. B. Fell, executive vice president, Independent Petroleum Association of America, Ardmore, Okla.

Requests for an opportunity to participate in the hearings have been received from many other representatives of the independent petroleum operator. A list of these persons follows:

Mr. Fred W. Herlihy, president, National Oil Marketers Association, Orangeburg, S. C.

Mr. H. L. Thatcher, chairman, National Council of Independent Petroleum Associations, Chattanooga, Tenn.

Mr. Clyde G. Morrill, secretary, Atlantic Coast Oil Conference, Inc., New York City, N. Y.

Mr. James L. Beattey, Indianapolis, Ind.

Mr. E. M. Callis, president, Petrol Corp., Philadelphia, Pa.

Mr. Robert A. Warfel, executive secretary, Ohio Petroleum Marketers Association, Inc., Columbus, Ohio.

Mr. Louis M. Faber, executive secretary, Retail Gasoline Dealers Association of Milwaukee, Inc., Milwaukee, Wis.

Mr. Angus G. Wynne, president, Pacific War Emergency Pipelines, Inc., Dallas, Tex.

Mr. E. C. Bratt, Sterling Stations, Inc., Fitchburg, Mass.

The hearing will be open to all, but in order to facilitate the orderly presentation of evidence, the committee has requested every person who desires to appear to prepare and submit a statement in advance so that this committee hearing, like those which have preceded it, may be conducted upon a basis of open discussion rather than on the basis of reading prepared statements. By the presentation of written statements in advance, the members of the committee will be enabled to participate more fully in the discussion of the subjects involved than would otherwise be the case. This method also makes it possible to expedite the presentation of evidence, saving the time of both the members of the committee and the witnesses.

All persons who desire to appear should immediately notify the chairman of the committee in writing. Attention is called to the fact that Government agencies, the functions of which have to do with the petroleum industry in any of its branches, are being invited to participate in this hearing as in all of the preceding hearings. The object is to develop as well rounded a presentation of the petroleum problem as possible.

The announcement of these hearings has been delayed pending the return to the United States of Senator TOM CONNALLY, of Texas, and Senator ARTHUR H. VANDENBERG, of Michigan, members of this committee, who, since early in January, have been in attendance at a meeting of the General Assembly of the United Nations Organization.

These hearings will reveal the present and future position of the independent, particularly in the relationship to the integrated company and the Government. The evidence already taken by the committee shows that a high degree of managerial authority was exercised by the Government over every phase of the petroleum industry during the war. What effect the withdrawal of these controls will have upon the independent company and what effect will follow also from new international arrangements, will doubtless be the subject of much discussion at the hearings.

It is the aim of the committee to close the hearings by the 22d of March 1946.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

(Mr. GREEN (for himself and Mr. LUCAS) introduced Senate bill 1876, to facilitate voting by members of the armed forces and certain others absent from the place of their residence, and to amend Public Law 712, 77th Cong., as amended, which was referred to the Committee on Privileges and Elections, and appears under a separate heading.)

(Mr. GEORGE introduced Senate bill 1877, to amend par. 8 of pt. VII, Veterans Regulation No. 1 (a), as amended, to authorize an appropriation of $1,500,000 as a revolving fund in lieu of $500,000 now authorized, which was referred to the Committee on

Finance, and appears under a separate heading.)

By Mr. MAYBANK:

S. 1878. A bill to revive and reenact the act granting the consent of Congress to the State Highway Department of South Carolina to construct, maintain, and operate a free highway bridge across the Pee Dee River, at or near Cashua Ferry, S. C., approved April 30, 1940; to the Committee on Commerce.

By Mr. WILEY:

S. 1879. A bill to authorize the attendance of the Marine Band at the national convention of the United States Spanish War Veterans to be held in Milwaukee, Wis., August 4 to 10, inclusive, 1946; to the Committee on Naval Affairs.

By Mr. WALSH:

S. 1880. A bill for the relief of the Crosby Yacht Building & Storage Co., Inc.; to the Committee on Claims.

(Mr. O'MAHONEY (for himself and Mr. HAYDEN) introduced Senate bill 1881, to provide for the flow of revenues from Federal reclamation projects into miscellaneous receipts of the Treasury and to provide that revenues from Federal reclamation projects hereafter financed wholly from general funds of the Treasury shall be covered into miscellaneous receipts of the Treasury, which was referred to the Committee on Irrigation and Reclamation, and appears under a separate heading.)

(Mr. LANGER introduced Senate bill 1882, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

(Mr. LANGER also introduced Senate bill 1883, which was referred to the Committee on Education and Labor, and appears under a separate heading.)

(Mr. LANGER also introduced Senate bills 1884 and 1885, which were referred to the Committee on Agriculture and Forestry, and appear under separate headings.)

(Mr. LANGER also introduced Senate bill 1886, which was referred to the Committee on Post Offices and Post Roads, and appears under a separate heading.)

(Mr. LANGER also introduced Senate bill 1887, which was referred to the Committee on Agriculture and Forestry, and appears under a separate heading.)

(Mr. LANGER also introduced Senate bill 1888, which was referred to the Committee on Education and Labor, and appears under a separate heading.)

(Mr. LANGER also introduced Senate bill 1889, which was referred to the Committee on Post Offices and Post Roads, and appears under a separate heading.)

(Mr. LANGER also introduced Senate bill 1890, which was referred to the Committee on Finance, and appears under a separate heading.)

(Mr. LANGER also introduced Senate bill 1891, which was referred to the Committee on Education and Labor, and appears under a separate heading.)

(Mr. LANGER also introduced Senate bill 1892, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

By Mr. WALSH:

S. J. Res. 144. Joint resolution establishing a national shrine commission to formulate plans for the construction of a permanent memorial building to the memory of the Veterans of the Civil War, both North and South; to the Committee on the Library.

AMENDMENT OF SERVICEMEN'S ABSENTEE VOTING LAW

Mr. GREEN Mr. President, for myself and the Senator from Illinois [Mr. LUCAS], I ask unanimous consent to introduce a bill to amend the soldier vote law by eliminating absentee voting by Federal ballot and continuing voting by State absentee ballot under State procedures.

The bill retains many of the provisions in the present law relating to voting by State absentee ballots, but includes practical modifications founded on operations of the agencies charged with administration of servicemen voting in 1944 elections. By this bill the benefits of free postage in the United States mails, including air mail, are granted to official postcards, State absentee ballots, ballot envelopes, and instructions for voting used in connection with absentee voting by the persons covered by the bill. These persons are members of the armed forces, members of the merchant marine and civilians outside the United States officially attached to and serving with the armed forces of the United States.

The first portion of the bill is devoted to recommendations to the several States as to legislative and administrative improvements in order that they may provide servicemen, members of the merchant marine, and the "attached civilians" a maximum opportunity to use State absentee voting procedures. Succeeding portions set forth the responsibilities, to the extent practicable and compatible with military operations, of certain designated Federal agencies in cooperating with the States in the operation of State procedure. These include the printing of postcard applications for State absentee ballots, making these cards available to the absentee voters, making available information received from the secretary of state of the several States relating to elections, attesting and administering oaths required in applying for and voting by State ballot, and transmitting postcards and ballots to and from the persons to whom the bill is applicable. Insofar as practicable and compatible with military operations, ballots executed overseas are to be returned by air, as provided by the present law.

The bill retains the existing law's safeguards as to secrecy of the ballot, freedom from coercion, and the prohibition against taking polls of members of the armed forces.

With the abolition of the Federal ballot, the United States War Ballot Commission established by the existing law is also terminated, because its functions were primarily concerned with the Federal ballot. The Secretary of War and the Secretary of the Navy are made responsible for cooperating with the States insofar as members of the armed forces and the "attached civilians" overseas are concerned, but the Secretary of the Treasury is made responsible for the Coast Guard and civilians overseas officially attached to and serving with the Coast Guard. The Administrator of the War Shipping Administration is charged with administration for the members of the merchant marine. Each of these agencies may delegate its functions to one or more of the other agencies, with the latter's consent. The Postmaster General whose duties relate to transmission of material has also been specifically required by the bill to cooperate with the States.

I trust the bill may receive early consideration and action. I ask that it be referred to the Committee on Privileges and Elections.

The PRESIDENT pro tempore. Without objection, the bill will be received and referred as requested by the Senator from Rhode Island.

The bill (S. 1876) to facilitate voting by members of the armed forces and certain others absent from the place of their residence, and to amend Public Law 712, Seventy-seventh Congress, as amended, was read twice by its title and referred to the Committee on Privileges and Elections.

REVOLVING FUND FOR VETERANS' ADMINISTRATION

Mr. GEORGE. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill to amend paragraph 8 of part VII, Veterans' Regulation No. 1 (a), as amended, to authorize an appropriation of $1,500,000 as a revolving fund in lieu of $500,000 now authorized.

The appropriation is for a revolving fund, and is exactly like appropriations made under the World War Veterans' Act of 1924, as amended. Under section 13 of that act, $1,671,623.62 was advanced to veterans who desired to undertake courses of vocational rehabilitation. All that sum of money has been repaid with the exception of about $1,648.95, which is yet outstanding, and which will be paid, because under both the World War I act and the existing act, Public Law 16, passed during the Seventy-eighth Congress, these advancements, which cannot exceed $100 in any one case, are repaid by proper deduction from future payments of pensions or retirement pay or other benefits going to the veterans. So that it is strictly a revolving fund, which will come back into the Treasury.

There being no objection, the bill (S. 1877) to amend paragraph 8 of part VII, Veterans Regulation No. 1 (a), as amended, to authorize an appropriation of $1,500,000 as a revolving fund in lieu of $500,000 now authorized, was received, read twice by its title, and referred to the Committee on Finance.

APPOINTMENT OF FACT-FINDING BOARDS TO INVESTIGATE LABOR DISPUTES—AMENDMENT

Mr. BYRD submitted an amendment intended to be proposed by him to the bill (S. 1661) to provide for the appointment of fact-finding boards to investigate labor disputes seriously affecting the national public interest, and for other purposes, which was referred to the Committee on Education and Labor and ordered to be printed.

NATIONAL HOUSING POLICY—AMENDMENTS

Mr. MITCHELL submitted two amendments intended to be proposed by him to the bill (S. 1592) to establish a national housing policy and provide for its execution, which were referred to the Committee on Banking and Currency and ordered to be printed.

HOUSE BILL REFERRED

The bill (H. R. 5504) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto, was read twice by its

title and referred to the Committee on the Judiciary.

PRINTING OF ADDITIONAL COPIES OF SENATE REPORT NO. 925 RELATING TO INVESTIGATIONS OF RAILROAD TRUSTEESHIPS AND RECEIVERSHIPS

Mr. WHEELER submitted the following resolution (S. Res. 234), which was referred to the Committee on Printing:

Resolved, That there be printed 1,000 additional copies of Senate Report No. 925, current session, accompanying Senate Resolution 192, authorizing an investigation of railroad trusteeships and receiverships under section 77 of the Bankruptcy Act and in equity, for the use of the Committee on Interstate Commerce.

AUTHORIZATION FOR THE PRINTING BY THE SUBCOMMITTEE ON WARTIME HEALTH AND EDUCATION OF ADDITIONAL COPIES OF SUBCOMMITTEE MONOGRAPH NO. 1

Mr. PEPPER submitted the following resolution (S. Res. 235), which was referred to the Committee on Printing:

Resolved, That in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Senate Subcommittee on Wartime Health and Education authorized by Senate Resolution 74, Seventy-eighth Congress (extended by S. Res. 62, 79th Cong.), be, and is hereby authorized and empowered to have printed for its use 1,500 additional copies of its Subcommittee Monograph No. 1.

FLOOD PROBLEMS ON AMAZON CREEK, OREG. (S. DOC. NO. 138)

Mr. BAILEY. Mr. President, I present a letter from the Chief of Engineers, United States Army, dated February 2, 1946, transmitting an interim report, together with accompanying papers and illustrations, on a review of reports on the Columbia River and tributaries covering the flood problems on Amazon Creek, Oreg., in connection with the Columbia River development. I ask unanimous consent that the letter, together with the report, papers, and illustrations, be printed as a Senate document.

The PRESIDENT pro tempore. Without objection, it is so ordered.

NEW YORK-DELAWARE RIVER SECTION OF INTRACOASTAL WATERWAY

Mr. BAILEY. Mr. President, I also present a letter from the Secretary of War, together with a letter from the Chief of Engineers, United States Army, dated July 14, 1942, submitting a report, with accompanying papers and illustrations, on a review of reports on the New York Bay-Delaware River section of the intracoastal waterway requested by a resolution of the Committee on Commerce, United States Senate, agreed to on December 15, 1936. I ask unanimous consent that the letter, together with the report, papers, and illustrations, be printed as a Senate document.

The PRESIDENT pro tempore. Without objection, it is so ordered.

CALL OF THE ROLL

Mr. THOMAS of Utah. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	Radcliffe
Austin	Hart	Reed
Bailey	Hatch	Revercomb
Ball	Hayden	Robertson
Bankhead	Hickenlooper	Russell
Barkley	Hill	Saltonstall
Bilbo	Huffman	Shipstead
Brewster	Johnson, Colo.	Smith
Bridges	Johnston, S. C.	Stanfill
Briggs	Knowland	Stewart
Bushfield	La Follette	Taft
Butler	Langer	Thomas, Okla.
Byrd	McCarran	Thomas, Utah
Capper	McClellan	Tobey
Carville	McFarland	Tunnell
Cordon	McKellar	Tydings
Donnell	McMahon	Vandenberg
Downey	Magnuson	Walsh
Ellender	Maybank	Wherry
Ferguson	Mead	White
Fulbright	Millikin	Wiley
George	Mitchell	Willis
Gerry	Moore	Wilson
Gossett	Murdock	Young
Green	O'Mahoney	
Guffey	Overton	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from New York [Mr. WAGNER] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. HOEY], the Senator from West Virginia [Mr. KILGORE], the Senator from Illinois [Mr. LUCAS], the Senator from Pennsylvania [Mr. MYERS], the Senator from Texas [Mr. O'DANIEL], the Senator from Florida [Mr. PEPPER], and the Senator from Montana [Mr. WHEELER] are detained on public business.

The Senator from Montana [Mr. MURRAY] and the Senator from Idaho [Mr. TAYLOR] are absent on official business.

The Senator from Texas [Mr. CONNALLY] is absent on official business as a representative of the United States to the General Assembly of the United Nations.

Mr. WHERRY. The Senator from Illinois [Mr. BROOKS] is recovering from a recent operation.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate on official business of the Small Business Committee, of which he is a member.

The Senator from Delaware [Mr. BUCK] and the Senator from Oregon [Mr. MORSE] are necessarily absent.

The Senator from New Jersey [Mr. HAWKES] is absent on official business for the Committee on Interstate Commerce.

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). Seventy-six Senators having answered to their names, a quorum is present.

SENATOR RADCLIFFE—ARTICLE FROM BALTIMORE SUN

Mr. McKELLAR. Mr. President, I wish to place in the RECORD an article which was published in the Baltimore Sun of February 21, 1946.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DENNIS HEADS VOTE CAMPAIGN FOR RADCLIFFE—EX-CHIEF JUDGE OF BENCH OPPOSES O'CONOR IN SENATORIAL PRIMARY

(By Louis J. O'Donnell)

After years of retirement from politics, Samuel K. Dennis, former chief judge of the Supreme Bench of Baltimore—the foremost lieutenant of the late John Walter Smith in the days when he ruled the Democratic Party in Maryland—has returned to the arena to direct the campaign of Senator RADCLIFFE for renomination.

Mr. Dennis, an Eastern Shoreman who was credited with having one of the most astute political minds in the State, during the Smith lieutenancy in the first two decades of the century, announced yesterday that he would head an executive committee in behalf of Senator RADCLIFFE's renomination.

For the first time, except one, in Governor O'Conor's political career, Mr. Dennis said, he finds it necessary to oppose him in the primary for the senatorial seat.

ANXIOUS TO SERVE

"Many years, many men have passed since I left the political field, as, I supposed, never to return, to watch the game as an interested spectator from the sidelines," said Mr. Dennis. "Now I find myself anxious to serve in any capacity within the scope of my abilities in the aid of the candidacy of Senator GEORGE L. RADCLIFFE.

"For the first time, except one, in his long political career the State's attorney, attorney general, governor—I cannot back Governor O'Conor, a matter of sincere regret, for our relations have been close.

"It is no reflection upon him that I now support his rival for nomination as United States Senator, not for personal reasons, but upon impersonal public grounds which in my judgment should be controlling upon the Democratic voters of the State at large."

RADCLIFFE'S HANDICAPS

"Senator RADCLIFFE starts with seeming practical political handicaps. He is not a politician by profession, practice, or by background. He started out in life from the farm to teach—and to specialize as a student of history. He took his learned degree of doctor of philosophy, wrote a biography of acknowledged merit, seemed dedicated to lifelong scholarship.

"Then he studied law, stood second in his class, became head of the legal department of a security company, and now is recognized as one of the leading men in the surety business in America—poor preparation for practical politics.

"He has built up no political machine to automatically register his nomination, never will, never tried to. So he is handicapped if a machine equipped and greased by patronage and professionals must be necessary to success."

SUPPORT WELL ORGANIZED

"But he has well-organized support, voluntary support. Among his active backers are office holders, high and low, State central committeemen, party workers, and those who seldom vote—a strange trait."

"Senator RADCLIFFE can't cultivate a grudge, is no 'denouncer,' is forgiving, trusts people even after proof of unworthiness. People do diabolical things to him and next time he serves them willingly, smilingly, just the same.

"Nor is he partisan. He has an idea his services belong to anyone, everyone. Hence men of high and low degree, of all political affiliations, in business and in office alike, find him approachable, amiable, infinitely kind and obliging.

"The old political schoolmasters I knew taught no such political doctrines. Gouge, gore opponents; keep all the prizes, benefits, and emoluments; forget, forgive no enemy. Such was their catechism, their mottoes upon the caucus-room walls."

RADCLIFFE UNORTHODOX

"But Senator RADCLIFFE is unorthodox throughout. He became invaluable to his company, not as master of routine but in stranger fields as 'trouble shooter' idea man, pioneer thinker, policy maker, diplomat. A colleague said: 'Give George time enough and let him do it his own way and he will move the Pyramids from Egypt to Druid Hill Park.

"Again, he lacks selfishness, will not claim even his due; has no flair, no gift for showmanship, does a thousand good turns for just and unjust; then forgets them. At least, he never reminds the debtor of the debt.

'Nor does he make politics his master. Even in campaigns he puts a tremendous amount of time on the polio campaigns, on historical subjects, and a lot of other matters when perhaps his political welfare would require that he devote such precious time to campaigning."

HE WILL WIN THIS TIME, TOO

"Defying all orthodox political patterns and while bearing those same handicaps, heretofore he has won in every primary—and he has faced fierce ones—and in every election.

"He will win this time, too." For the masses love him, respect him, vote for him, and the politicians admire him for being the loyal friend and magnanimous sportsman he is.

"The controlling reasons for returning RADCLIFFE to the Senate are his immense utility to the State and Nation, and the superb energy, intellect, and fidelity he applies to his duties; all with signal success.

"Corporations in Maryland, now wonderfully prosperous, owe their existence in large part to Senator RADCLIFFE'S subtle intellect, character, and influence in Washington. His thorough understanding of the country's war problems, his faithful devotion to every measure, every effort to win the war cannot be overestimated."

UNDERSTANDING CHAMPION

"The shipping and banking interests of the country, as do many others, know how earnest, helpful, and able he is. Canners, seafood dealers, farmers, poultry raisers, industries of every type in Maryland find in him an understanding champion.

"No successor can fall heir to the good will, of the seniority claims to powerful committees, or experience he has acquired in eleven active, busy years, which include the most terrible and troubled years in our history.

"He likes everybody. He has courageously voted upon many, many highly controversial measures—damned-if-you-do, damned-if-you-don't measures.

"Therefore I do not embrace all his friends; nor do I agree with all his votes. But at that, no Senator I ever knew, including my mentor, patron, and best friend, Senator John Walter Smith, on the whole, was ever more sound, sane, and right."

WORLD STEEPED IN SORROW

"The time has passed when our sympathetic Senator must seek to ease the anxiety or bereavement of parents whose offspring—as did his son—bore the dangers of war and who faced its gigantic tragedy. The shooting is over. Yet the whole world is steeped in sorrow.

"The United States is in a quagmire of difficulty and division. The task of reconstruction is, of course, too vast for computation or for successful treatment. Something—it may be only a little—may be done by using the best instruments available to forestall chaos.

"Who will say that we should do any less than our best; that we owe anything less to this created-suffering earth, especially to our own torn, demoralized country, groping to find solutions for its war-created griefs?

"Which means at the instant that we hold fast to that man who has demonstrated his worth in the Senate, that man who has of his own ability and quality won influence and no little fame in Washington; who has acquired an expert knowledge and experience which only schooling for years and years in the Senate itself can possibly supply to anyone, whatever his gifts and natural abilities may be."

Mr. McKELLAR. Mr. President, I shoud like to read a paragraph from this article.

Senator RADCLIFFE can't cultivate a grudge; is no denouncer; is forgiving; trusts people even after proof of unworthiness. People do diabolical things to him and next time he serves them willingly, smilingly, just the same.

Nor is he partisan. He has an idea his services belong to anyone—everyone. Hence men of low and high degree, of all political affiliations, in business and in office alike find him approachable, amiable, infinitely kind and obliging.

Mr. President, this article is so entirely in agreement with my own view about our colleague, GEORGE RADCLIFFE, that I wish to place it in the RECORD, and I ask Senators of all political persuasions to read it tomorrow. They will enjoy the beautiful statements which are made about the Senator from Maryland.

TWENTY-FIFTH ANNIVERSARY OF THE AMERICAN CIVIL LIBERTIES UNION—MESSAGES FROM PRESIDENT TRUMAN AND GOVERNOR DEWEY OF NEW YORK

Mr. GUFFEY. Mr. President, last November the American Civil Liberties Union celebrated its twenty-fifth anniversary. It is appropriate that that occasion should be noted in the CONGRESSIONAL RECORD, and I, therefore, ask that there be printed in the RECORD as a part of these remarks, messages addressed to the union on that occasion by the President of the United States and the Governor of the State of New York.

There being no objection, the messages were ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, D. C., November 24, 1945.

Dr. JOHN HAYNES HOLMES,
Chairman, Board of Directors, American Civil Liberties Union, New York:

I s nt you warm greetings upon the completion of 25 years of fighting for the civil rights of all Americans. The union is most publicized for its protection of minority groups, but I know that your over-all objective is that inherent constitutional privileges be granted to every person, citizen, or alien, with no thought of race, color, or creed. I know, too, that you fight for the rights of majorities threatened by illegal monopoly and repression.

I believe with your members that whatever a man's political thinking, whatever his background, environment, or education, he must, if he be a real American, respect the aims of organizations such as yours. The integrity of the American Civil Liberties Union and of its workers in the field has never been, and I feel, never will be questioned. Officers, directors, and members of the union have performed outstanding service to the cause of true freedom.

HARRY S. TRUMAN.

NOVEMBER 23, 1945.

Dr. JOHN HAYNES HOLMES,
Chairman, Board of Directors,
American Civil Liberties Union.

DEAR DR. HOLMES: I am happy to send warm greetings to all members of the American Civil Liberties Union and all men and women present at the national convention you are holding on November 24, on the theme "What's Ahead for American Liberties."

It is a matter of just pride to the citizens of New York State that the American Civil Liberties Union was incorporated under the laws of the Empire State on whose soil so many hotly contested struggles for the liberty and dignity of the individual were fought and won, struggles not only on the battlefield but in the courts and other arenas of the unending contest for freedom.

Of the quarter century of your existence you have established an enviable record. You have established, also, beyond all possible doubt, proof that the American Civil Liberties Union is an essential part of American life. It is essential not merely to the individuals whom you have helped against injustice, but to the self-respect of the community and of all citizens who appreciate our priceless heritage of personal, political, and religious liberty and regard for the dignity of the individual.

The war for freedom is an endless one. The worst attacks are those which do not affect the majority—the insidious attacks. Without the American Civil Liberties Union there would be no organization to take up the cudgels for lone, oppressed individuals.

It has been inspiring to observe that the American Civil Liberties Union has stood unwavering on the principle of defending everybody's rights without distinction. It has championed the rights of unions and of employers, of union workers and nonunion workers, of Catholics, Protestants, and Jews. On the racial front it has stood firmly for the liberty of every racial minority.

It is a pleasure, therefore, to hail the gallant part that the American Civil Liberties Union has taken in upholding the principles for which this Republic was founded and to extend my warm wishes for continuing success.

Sincerely yours,

THOMAS E. DEWEY.

ST. LAWRENCE SEAWAY AND POWER PROJECT

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter dated February 12, 1946, dealing with the St. Lawrence seaway and power project, addressed by former President Herbert Hoover to the Senator from New Mexico [Mr. HATCH], chairman of the subcommittee of the Senate Foreign Relations Committee.

I also ask unanimous consent to have printed in the RECORD an editorial entitled "A Strong Case for the Seaway," published in the Watertown (N. Y.) Times of February 21, 1946, dealing with the same subject.

There being no objection, the letter and the editorial were ordered to be printed in the RECORD, as follows:

NEW YORK, N. Y., *February 12, 1946.*

Hon. CARL A. HATCH,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I have your request for my views upon the construction of the St. Lawrence waterway.

At my instance, as Secretary of Commerce, President Coolidge in 1924 created the first St. Lawrence Waterway Commission. I served as chairman of that body until 1928. A parallel body was created by the Government of Canada and under the two commissions exhaustive economic and engineering investigations were completed. The economic studies demonstrated great public usefulness of the undertaking and the engineering studies greatly advance the engineering problems.

In 1929, as President, I initiated negotiations for a treaty with Canada providing for the construction of the waterway and settling various interrelations in respect to it. This treaty was signed on July 18, 1932, and was sent by me to the Senate with an urgent recommendation for its ratification.

During this period of nearly 8 years of close association with the problem, I made something like 30 statements, addresses, and reports, and appeared a number of times before congressional committees, all advocating the undertaking. In those statements I canvassed the reasons for and against the construction, and, except for minor changes which time implies, those statements are applicable today.

No doubt these statements and reports can be had from the files of the Department of Commerce if they are wanted, and it is unnecessary for me to repeat the gist of them now.

I did not at the time of my association with the problem believe—and I do not now believe—that the Federal Government should undertake to operate and distribute the electric power which will be a byproduct of the enterprise. The sale of the power on a long-term contract to public bodies and private power companies under regulations which protect the consumer, as in the case of the Colorado River Dam, will be in much greater public interest.

I do not consider the construction of the waterway will injure the existing American transportation system or our ports. The natural increase in goods movement which should take place during the long period of construction should more than compensate any diversion.

Nor should we begrudge any added prosperity to Canada that may come from this enterprise, for her prosperity is as much our prosperity as that of any group of our own States.

It was obvious in 1924 that aside from its great peacetime importance, the waterway would have been of immense value in prosecuting World War I. Had the treaty of 1932 been ratified at that time, and construction followed, the waterway would have directly or indirectly paid for itself several times over in World War II. There can be no doubt as to its value as a defense measure.

From an economic point of view, it could be said as an axiom that every improvement of transportation brings not only visible economic benefits but a host of invisible ones—for cheapening of transport benefits both the producer and the consumer in lessening costs. I have no hesitation in my belief as to the economic value of the project.

I remain,

Yours faithfully,

HERBERT HOOVER.

[From the Watertown (N. Y.) Times of February 21, 1946]

A STRONG CASE FOR THE SEAWAY

Seaway advocates have had their innings at the Washington hearings this week. They have presented a strong case, stronger, it seems to us, than has been presented at other hearings in the past. Testimony was well organized. Witnesses were on hand from all sections of the country and the evidence was factual and convincing.

Here are some of the important points already established:

1. The seaway and the power development will be less costly than any comparative development ever made in this country for the reason that the work is already largely completed. Only the International Rapids remain to be canalized.

2. The St. Lawrence power is the largest undeveloped hydroelectric power in the United States and, once developed, can be sold at a fraction of the cost of electric energy generated by steam.

3. The argument that development of the St. Lawrence power will result in a decreased use of coal is refuted by what happened after the TVA development. The use of coal increased in the territory served by this development.

4. The old allegation that organized labor is against the seaway was disproved by representatives of the CIO textile workers and the CIO auto workers, totaling about 2,000,000 members, who expressed themselves as strongly in favor of the project.

5. It was again established that the seaway is enthusiastically favored by the Board of Army Engineers. A former Chief of this Board testified that, if the cost of the seaway were 50 percent higher than estimated, it would still be economically justified.

William T. Field, of this city, who heads the delegation from the Northern Federation of Chambers of Commerce, added considerably to the strength of the seaway case by his testimony given yesterday. So did the brief of Frank Augsbury, of Ogdensburg, filed by Mr. Field. It was Mr. Field who laid before the committee the figures regarding the use of coal in the Tennessee Valley. It was Mr. Augsbury who pointed out that lack of cheap power in northern New York was closing industries.

Later on the opponents of the seaway will have their opportunity. That there will be strong opposition we all know from experience, but this time the seaway foes will have a strong case to overcome. The seaway advocates have done well.

RETURN TO JUSTICE—ADDRESS BY SENATOR TAFT BEFORE MISSOURI REPUBLICAN CLUB

[Mr. TAFT asked and obtained leave to have printed in the RECORD an address entitled "Return to Liberty," delivered by him before the Missouri Republican Club, at Kansas City, Mo., on February 12, 1946, which appears in the Appendix.]

RETURN TO JUSTICE—ADDRESS BY SENATOR TAFT TO REPUBLICANS OF TEXAS

[Mr. TAFT asked and obtained leave to have printed in the RECORD an address entitled "Return to Justice," delivered by him to the Republicans of Texas, at Dallas, Tex., on February 14, 1946, which appears in the Appendix.]

WHAT SHOULD WE DO ABOUT THE BRITISH LOAN?—STATEMENT BY SENATOR JOHNSON OF COLORADO

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD a statement entitled "What Should We Do About the British Loan?" made by him at a round-table discussion on American Forum of the Air on February 26, 1946, which appears in the Appendix.]

BROTHERHOOD OR BOMBS, WHICH?—ADDRESS BY FREDERICK TAYLOR WILSON

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an address entitled "Brotherhood or Bombs—Which?" delivered by Frederick Taylor Wilson at the Church of the Reformation, in Washington, D. C., on February 28, 1946, which appears in the Appendix.]

REPLY OF ROBERT R. WASON TO CRITICISM BY CHESTER BOWLES OF PRICE-CONTROL ATTITUDE OF THE NATIONAL ASSOCIATION OF MANUFACTURERS

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD a radio address delivered by Robert R. Wason, president, Nation Association of Manufacturers, in reply to criticism by Mr. Chester Bowles of the attitude of the National Association of Manufacturers on price control, which appears in the Appendix.]

THE ORDNANCE VICTORY SYSTEM—ARTICLE BY LT. GEN. L. H. CAMPBELL, JR.

[Mr. RUSSELL asked and obtained leave to have printed in the RECORD an article entitled "The Ordnance Victory System," written by Lt. Gen. L. H. Campbell, Jr., Chief of Ordnance, and published in the spring, 1946, issue of the magazine Dixie Business, which appears in the Appendix.]

RESTORATION OF FORD'S THEATER

[Mr. YOUNG asked and obtained leave to have printed in the RECORD an article entitled "Plan To Restore Ford's Would Fill Last Panel in the Lincoln Tragedy," written by Nelson B. Bell, and published in the Washington Post of February 24, 1946, which appears in the Appendix.]

URGENT DEFICIENCY APPROPRIATION ACT, 1946

The Senate resumed consideration of the bill (H. R. 5458) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

The PRESIDING OFFICER. The remaining amendment of the Committee on Appropriations will be stated.

The amendment was, under the heading "Department of Agriculture—Rural Electrification Administration," on page 4, line 10, after the word "amended", to insert a colon and the following proviso: "*Provided*, That no part of this fund shall be available to the Rural Electrification Administration for the making of any loan for the construction of a generating plant unless the Federal Power Commission shall first certify that there is not sufficient electric current available in the area concerned at reasonable rates."

Mr. GURNEY obtained the floor.

Mr. MCKELLAR. Mr. President, will the Senator yield to me?

Mr. GURNEY. I yield to the Senator from Tennessee.

Mr. MCKELLAR. This amendment was offered in committee by the distinguished Senator from South Dakota. He made the argument that this appropriation was for the purpose of extending rural electric lines to the people of the country rather than to build electric plants, and that where electricity could be procured from existing lines at reasonable prices it was useless to spend most of this money or a very large part of it for building electric plants, but that the principal work should be the building of the lines. As I recall, the committee unanimously agreed with him. I think that statement is a correct one. I think there were no opposing votes.

Mr. RUSSELL. Mr. President, I was not present in the committee when the bill was acted on, but I was opposed to the amendment.

Mr. MCKELLAR. I do not think the Senator from Georgia was present at the time, because, as I remember, the vote for the amendment was unanimous. However that may be, the amendment was proposed by the Senator from South Dakota. That is all I desire to say.

Mr. BILBO. Mr. President, will the Senator yield?

Mr. GURNEY. For what purpose?

Mr. BILBO. I should like to ask the Senator from Tennessee [Mr. MCKELLAR] a question.

Mr. GURNEY. On the pending amendment?

Mr. BILBO. Yes.

Mr. GURNEY. First, I should like to make an opening statement, if I may.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. GURNEY. I yield to the Senator from Washington.

Mr. MAGNUSON. Mr. President, I rise for the purpose of making a point of order against the pending amendment, on the ground that it is legislation on an appropriation bill. The amendment itself would alter the basic policy of the Rural Electrification Act. It goes to the very core of the intention of the act. I therefore make the point of order.

Mr. McKELLAR. Mr. President, I wish to be heard on the point of order.

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). The Chair overrules the point of order, and holds that the amendment is not general legislation, but constitutes a limitation upon the use of the funds provided for in the bill.

Mr. McKELLAR. I thank the Chair. It is not necessary that I be heard.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAGNUSON. As I understand, the Chair construes the amendment to be a limitation, rather than legislation.

The PRESIDING OFFICER. The Chair holds that the amendment is not general legislation, but constitutes a limitation upon the use of the funds provided for in the bill.

Mr. GURNEY. Mr. President, I believe it is the intention of Congress in appropriating money for rural-electrification lines to furnish electricity for farms. Therefore in presenting this amendment to the Committee on Appropriations I sought to justify the amendment on the basis that we should allocate these funds for farm-line building, so as to serve as many farmers as possible with rural electric lines.

The background for my amendment originated 3 or 4 years ago, at which time I had quite a bit of information—and still have it in my files—to the effect that in several States in the Northwest REA funds had been allocated and used for the purpose of purchasing small, municipal light plants, small privately owned light plants in villages, small towns, larger towns, and even possibly cities, if we consider a city to be a community of more than 5,000 population. REA funds appropriated by Congress were used to build or buy generating plants, thereby cutting down the number of farm lines which could actually be built. In some instances, with the aid of the electricity furnished to the citizens of those towns, it was possible to show a profit on such lines.

I feel that Congress wants farm lines built, and farm lines only. I did not offer this amendment in any way to stop the building of farm lines, or in any way to hinder the REA Administrator in the efficient administration of the funds appropriated by Congress to be allocated by him. Under the terms of the pending amendment, the Administrator would be required to obtain certification from the Federal Power Commission that electricity is not available at reasonable rates. He would then have full authority to build such generating plants as might be needed in any area.

I shall not speak at length on this amendment. It is submitted to the Senate on an open and aboveboard basis. It would not stop the REA for any length of time if it had a bona fide project to which it wished to allocate funds.

I ask for the adoption of the amendment.

Mr. BUTLER. Mr. President, will the Senator yield for a question?

Mr. GURNEY. I yield.

Mr. BUTLER. I dislike very much not to be in agreement with the distinguished Senator from our neighbor State; but I wonder if he thinks there would be any danger of the Administrator of the rural-electrification program attempting to build a generating plant when it would definitely cost more than to buy current from the available source, whatever it might be?

Mr. GURNEY. Yes. I am sure the evidence is quite conclusive that generating plants have been built, are now in process of construction, and are contemplated to be built later, under circumstances in which the cost of generating power with REA funds is much higher than the cost of purchasing electricity from available sources.

Mr. BUTLER. I have not had the years of experience which the distinguished Senator has had in South Dakota in connection with this program; but the experience which I have had up to date indicates an extremely economical administration by the officers of the REA. Personally I am not worried about them making a contract which is not to the best interests of the customers whom they are trying to serve.

Mr. GURNEY. Let me say to the Senator that if the REA can show that exorbitant rates are being charged, it will not be hurt by this amendment in any manner, shape, or form.

Mr. BUTLER. At one time the REA was an independent agency. Personally I think it should still be an independent agency. However, it was placed under the Department of Agriculture, and now if in order to carry on its program it must clear its way with some other Federal bureau or department, it means further delay. We have had delay enough in these programs, and I am anxious to see them proceed without undue delay.

Mr. GURNEY. If the Senator from Nebraska will permit a question in return, does he feel that the REA should establish an organization so as to have at its fingertips the available power in every section, State, and area of the whole United States? My information is that the Federal Power Commission has all the necessary information, and that it acts as a Federal agency for all branches of the Government when it comes to the question of power. It furnishes information to the Bureau of Reclamation and to the Army engineers. It can furnish such information to REA. Let me ask the Senator from Nebraska just what the function of the Federal Power Commission is if it is not meant to be an expert agency on the question of electrical energy all over the United States?

Mr. BUTLER. I am certain that if the REA or any other Government agency needs information which is in the possession of the Federal Power Commission it undoubtedly will ask for it. Certainly it has cooperated with the Federal Power Commission in the past. But I do not like to see further restrictions placed upon the REA at this time in furthering its program, because in the postwar era one of the large programs which we are trying to complete for the farmers and producers of the country is the extension of rural electric service. I do not like to see any impediment placed in the way of progress in that direction.

Mr. MAGNUSON. Mr. President, I rise in opposition to the amendment. Let me say to the Senator from Nebraska [Mr. BUTLER] that I believe he is entirely correct.

I agree with the distinguished Senator from South Dakota that the purpose of the REA is to give to farmers as much available electricity as possible. I do not need to go into the history of rural electrification and relate how the farmers of this country were retarded by the very power companies themselves from obtaining electricity for their farms, because of the high cost of power lines. I do not need to go into the history of the REA itself which has done a splendid job and has electrified a great many farms in this country, in some States more than in others. I believe the rural areas of my own State are probably 85 percent electrified at this time. That is an outstanding record. It has been possible because we have the power available. But prior to the time when we had the power available, our State was one of the most backward States of the Union in respect to farm electrification.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. GURNEY. I was wondering whether the Senator had considered that possibly these REA funds might be used in a territory to put up an REA line where public power already was available, but because they did not get along with the public power body they decided to build their own generating plant. Does not the Senator think the Federal Power Commissioner or the Federal Power Commission would be a good arbitrator to step in at that point and say, "Well, power is available from the public body at reasonable rates, and you shall buy it from them."

Mr. MAGNUSON. Of course, I think the Federal Power Commission would be a good arbitrator if it would arbitrate. But this amendment goes to the very heart of the rural-electrification program. It means that all the rural communities that want cheap electricity for the farms would be deprived of their bargaining power with the private power companies. If the private power companies would not give them rates which they considered reasonable, of course they would go to the Federal Power Commission, but the Federal Power Commission could hold up for as long as 1 or 2 years the determination of what was a reasonable rate. I personally have sat in many rate cases, and I know how long they can drag on.

Furthermore, in this amendment there is no restriction which would compel the acceptance of what might be a reasonable rate. The important question in connection with electric power has always been what are reasonable rates. This amendment would delay action in cases in which rural electrification is needed and in which it might be neces-

sary to build a generating plant. The Senator from Nebraska hit the nail on the head when he said, "Why, of course, in the efficient operation of the REA they would not build a generating plant if they were getting reasonable rates." But what are reasonable rates has always been the question in these cases.

This amendment will do what the Senator from Nebraska said; it will retard the rural electrification program by causing all these questions to be referred to a bureau in Washington, where lengthy arguments may be made on the question of rates. In some instances in the courts rate cases have taken as long as 3½ years before the question was determined.

Although the Senator from South Dakota may be motivated by very laudable aims and a laudable desire to more or less restrict the Rural Electrification Administration to one specific purpose, I think the amendment will do just the opposite.

The Senator from South Dakota mentioned as a reason that there has come to his attention the fact that in the Northwest there are some small communities in which the Rural Electrification moneys have been used, as I understood him to say, for the purpose of purchasing small municipal plants. That is true; but the reason why the Rural Electrification Administration granted the loan and the reason why the plant had to be purchased was that that was the only generating source in the area from which lines could be extended into the nearby rural community.

I think the REA should be in the same position as any other Federal loan agency. If cooperatives or if any group of farmers can come to the REA and can show it a good reason why they should be loaned money, and if it is a good financial risk and if they have paid back almost every loan they have obtained in the past, there should not be any restriction on it. If it is necessary for them to build a generating plant in order to have bargaining power with the electric company, so as to enable them to get reasonable rates, they should be permitted to do so.

But only by means of the Federal Government will rural electrification be extended to the extent that every Senator on this floor wants to have it extended.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. SHIPSTEAD. I agree wholeheartedly with the Senator from Washington. I have had a good deal of personal experience with bargaining for electricity. Where I live the area was surveyed for rural electrification in the winter of 1935. We started in early January. I selected the engineer to lead the survey. We got funds from Emergency Relief. On the basis of that survey we applied for a loan, after the Rural Electrification Agency established by Executive order in early May. We were all ready to get money with which to build a plant. There were three different sources of private enterprise which were generating electricity. We went to them and asked them to furnish us with electricity. They would not even discuss rates with us. They would not even discuss the possibility of giving us any rates. We were able to get them to sit down and discuss rates with us only after we had threatened to go to the Federal Government and request a loan of $500,000 from the Public Works Administration to enable us to electrify the area in the State of Minnesota. Then we got a rate, and a very satisfactory rate, because we had bargaining power. We are still getting electricity from the same source.

As the Senator from Washington has said, the amendment would take away the bargaining power of the cooperatives. I have never been in favor of building, by public money, plants for cooperatives, so long as they can get a decent rate from private sources. I would not buy a store and fill it with goods if a merchant would sell to me at a reasonable price; and I feel the same way about electricity.

The cooperatives should be permitted to do their own bargaining and be free. They should not be required to go to the Federal Power Commission and have it come between them and the power interests. They can get competent engineers to advise them regarding what is a just rate, based on the potential power required. The cost can be known. I think that so far the cooperatives have been very successful, generally speaking, in making satisfactory bargains with private industry, and it saves them a great deal of overhead, interest, and so forth. So far as I am concerned, I do not wish to have that program interfered with by turning it over to a commission in Washington, no matter what its name.

Mr. MAGNUSON. Of course, Mr. President, the Senator from Minnesota is exactly correct. This is what happens and what is happening in my State: There may be a bus bar of a public power line in the area, but a private power company is serving the area. Of course, the farmer would just as soon buy the power from the private power company as from the public power bus bar. But the farmers ask the private power company for a rate. The private power company says, "We will give you a rate of so many cents per kilowatt-hour, which we think is a reasonable rate." In the meantime, if the farmers' cooperative or the farmers' group, whether cooperative or not, says, "We do not think it is a reasonable rate," the matter goes to Washington, and that means delay. The actual completion of that electrification line could be delayed so long that sometimes possibly 2 or 3 years would elapse before the matter was settled. The core of the whole thing is the question as to what is a reasonable power rate. Even if the Federal Power Commission then decided what was a reasonable rate, either under this amendment or under the act, no one would have to accept it. They could go on wrangling from then on.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. MAGNUSON. I am glad to yield.

Mr. BRIDGES. When the Senator from Washington says that it would require 2 or 3 years, or more, to obtain a decision, evidently he does not believe in the New Deal bureaucracy.

Mr. MAGNUSON. I do not think that a New Deal or a Republican bureaucracy could determine in a short period of time what is a reasonable rate, when, under the rules of the various commissions, private attorneys may appear and call any number of technical witnesses.

Mr. AIKEN. Mr. President, the Senator from New Hampshire has said that the Senator from Washington evidently does not believe in bureaucracy. I would say that the Senator from Washington evidently knows all about the ability of the private utility companies to drag matters out for a number of years through various commissions and courts. I assume that the Senator from New Hampshire also recognizes the ability of the utility companies to drag out issues. Delay is one of their strongest weapons. The Senator from Washington has told us that the threat of generating their own power which the cooperatives are able to exercise in the event the power companies attempt to hold them up on rates has been of benefit to the cooperatives.

Mr. President, I should like to read into the RECORD at this point certain evidence which bears out the statement of the Senator from Washington. I believe that it was on November 21 that Mr. Wickard appeared before the House Committee on Interstate and Foreign Commerce and gave the committee some figures showing what had been saved to the farm cooperatives and the REA cooperatives, through the bargaining power to which reference has been made. I wish to give some examples of savings which have been effected.

The table from which I shall read is headed "Savings accruing to distribution cooperative through the purchase of energy from REA-financed generation-transmission cooperatives which supply power to more than one distribution cooperative." The data covers the States of Minnesota, North Dakota, Wisconsin, and others. Take, for example, the Dairyland Power Cooperative. The private company would not sell them power for less than 1.8 cents per kilowatt-hour.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. AIKEN. I do not know that I have the floor.

The PRESIDING OFFICER. The Senator from Washington [Mr. MAGNUSON] has the floor.

Mr. MAGNUSON. I yield to the Senator from South Dakota.

Mr. GURNEY. Of course, Mr. President, all the Federal Power Commission would have to do would be to certify that 1.8 cents per kilowatt-hour is too high, and they would certainly rule that way, and there would be no delay.

Mr. AIKEN. And, of course, all the power companies of South Dakota would have to do is to go before the Federal Power Commission and drag their case out through several months or year, and the farmers of South Dakota would take a licking.

Mr. GURNEY. The Senator was talking about a case in Wisconsin.

Mr. AIKEN. I will talk about it, if the Senator will allow me.

Mr. HILL. Mr. President, is it not a fact that before any REA funds may be

used for the construction, operation, or enlargement of a generating plant, consent from the State public service commission must be obtained? The State authority, under the law, has to pass on the matter.

Mr. AIKEN. I think that it probably depends upon the State law.

Mr. HILL. Most of the States have authorities covering such matters. Allow me to read from Public Law 605, Seventy-fourth Congress, to provide for rural electrification, and for other purposes. I read from section 4, on page 3:

Provided further, That no loan for the construction, operation, or enlargement of any generating plant shall be made unless the consent of the State authority having jurisdiction in the premises is first obtained.

Mr. MAGNUSON. Mr. President, the Senator from Vermont [Mr. AIKEN] wishes to place some figures in the RECORD. Of course, in many cases consent of the State authority is engineering consent to use the plant. In many cases it does not deal with rates at all.

Mr. HILL. And in some cases it does deal with rates.

Mr. MAGNUSON. Yes. But I may also say that in the States which have the greatest amount of rural electrification, the Senator's statement would not apply.

Mr. HILL. But in some of the States, it does apply.

Mr. MAGNUSON. Yes.

Mr. AIKEN. Mr. President, I should like to put some figures in the RECORD to show what the REA cooperatives have been able to save through obtaining loans in order to construct their own generating plants. I shall start again with the Dairyland Power Cooperative. It is located, I believe, where the Minnesota, Iowa, and Wisconsin State lines come together. The power company asked 1.8 cents per kilowatt-hour for electricity. The cooperative installed its own generating plant and produced the needed electricity for 1.28 cents per kilowatt-hour, thereby effecting an annual saving of $330,000 for the farmers of Minnesota, Iowa, and Wisconsin.

Then let us take the Rural Cooperative Power Association. The amount which that company would have been charged was 1.8 cents per kilowatt-hour. The cooperative installed its own plant and generated power for 1.14 cents per kilowatt-hour, thereby saving $92,000 a year for the farmers of that community.

In the case of the Border Counties Cooperative, the private power company would have charged 1.8 cents per kilowatt-hour. The cooperative was enabled to generate its own power for 1.50 cents per kilowatt-hour, thereby saving to the farmers $3,600 a year.

In the case of the Minnkota Power Cooperative, the private power company would have charged it 1.8 cents per kilowatt-hour. It was able to produce its own power for 1.33 cents per kilowatt-hour, and thereby was enabled to save $42,000 a year.

Now let us get down into the State of Iowa. The Federated Cooperative Power Association, which would have had to pay 1.5 cents per kilowatt-hour for electricity, produces its own power at 1 cent per kilowatt-hour, thereby saving $110,000 a year.

Take the case of the Central Electric Federated Cooperative Association. It would have been required to pay to the private-power companies 1.5 cents per kilowatt-hour, but it generates its own power for 99 cents per kilowatt-hour, resulting in a saving of $82,000 a year.

The total savings resulting to these companies was $659,600 a year.

Mr. President, that is not the whole story, by any means. In many instances it was necessary only for the REA to grant a loan to the cooperative, and the power companies voluntarily reduced their rates to meet the rate at which power could be generated by the cooperative itself.

Here are some cases in Texas. The Brazos Transmission Cooperative and Farmers Generation and Transmission Cooperative was about to be charged by the Texas Power & Light Co. 1.2 cents per kilowatt-hour. The cooperative obtained a loan from the REA, and the Texas Power & Light Co. reduced its rate to 0.56 cent per kilowatt-hour. The result was a saving of $137,000 annually to the farmers in that part of Texas.

The list I have includes also cooperatives of the States of Arkansas, Louisiana, Oklahoma, Minnesota, Wisconsin, North Dakota, Iowa, Alabama, Mississippi, Georgia, South Carolina, and North Carolina. Other States are not included in this list. But in the States which I have named—15 in all—through the bargaining power, or ability to construct plants for their own purposes, the cooperatives saved the farmers a total of $2,265,600 annually. That is the sum which those farmers would have had to pay had an amendment such as the one being proposed to the pending bill been incorporated in the REA law.

I wish also to say, if the Senator from Washington will yield to me further——

Mr. MAGNUSON. I yield.

Mr. AIKEN. If this amendment is agreed to, it will handicap and hamstring farmers of this country at a time when it is necessary for them to reduce their costs in every possible way. The cost of labor has greatly increased during the past few years. One way the farmer can meet the increased cost of labor is by installing more electrical equipment and obtaining power at a reasonable rate.

Again I wish to call attention to the fact that during the war many cooperatives which already had their own generating plants were unable to generate sufficient power to meet the expanding number of members who have come into the cooperatives during the last 4 or 5 years. It is necessary now for them to add additional units if they are to meet the demands. If the pending amendment should be adopted, it would be impossible for them to do so without incurring long delay. Assuming that the Federal Power Commission eventually grants authority to construct the additional generating units, it would be months or possibly years before they could get around to doing it. In the meantime, the cooperatives would be absolutely at the mercy of the private utility companies and would have to pay whatever prices were charged them.

I might illustrate by citing an instance in my own State. In Washington County, Vt., a few years ago a rural electric cooperative was organized. They tried their best to buy power from the local company. They were asked 1.92 cents a kilowatt hour. They did not feel they could pay that, and so they installed a Diesel plant away up in the mountains, where a great deal of power is generated from waterpower. They had to put in a Diesel plant. I do not know what it cost them to generate, but I understand it was about a cent and a quarter a kilowatt hour. The result was that after 3 or 4 years the private utility company made them an offer to furnish them the power they needed for approximately half what they proposed to charge them 4 or 5 years previously.

I see the senior Senator from New Hampshire [Mr. BRIDGES] in the Chamber. I think the rural electrification cooperative in New Hampshire pays about the highest rate charged any cooperative in the country. A letter received a short time ago from George Duncan, the president of that cooperative, informed me that although they had, as I recall, the figure, a base rate of 1.23 cents a kilowatt hour, yet there was an escalator clause in the contract, and other charges, because of which the cost is brought up to almost 3 cents a kilowatt hour. If that New Hampshire electrification cooperative, which has been in financial distress, can find any way to lower the wholesale cost from the 2.8 cents, which I think is the exact figure the president gave me, I say let us help them to do it. At a time such as this we simply must help the farmers lower costs in every way possible.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. AIKEN. I do not have the floor.

Mr. MAGNUSON. I yield to the Senator from Vermont if he desires to yield to the Senator from New Hampshire.

Mr. AIKEN. I think I am practically through, except that I should like to say, Mr. President, that at no time has there been a more determined effort on the part of the utility interests to destroy farm cooperatives, and particularly the REA, than there is at this moment. At no time have they maintained a more powerful lobby in the city of Washington. We meet them in the corridors, we meet them on the elevators, we meet them downtown. I do not think they are aware of the fact that I know them, but I recognize a good many of them, and I know they are here. At no time have they been more active in the construction of spite lines into REA territory which they previously had refused to serve, for the purpose of destroying the efforts of the farm population to better their own condition.

We have had two such instances in my State. In one locality, in Moretown, the REA started construction of several miles of lines. The private-utilities company brought in all their men whom they could get from all over the State and built a line directly alongside the REA line, and the last I heard they were serving only three farms.

Another case arose in the southern part of the State, a case which is now in court, with the utility company defendant. In the small town of Windham there were

about 70 farms and rural residents who wanted to get electricity. They have wanted it for years. They had appealed to the private utility company, but they could not get it, their application being turned down every time. They made their last appeal last July, and were turned down again. They then signed up with the REA, and according to the charge made, which I think is true, the rural cooperative acquired a right-of-way for several miles of line. The cooperative cleared the right-of-way, and then the private-utility company rushed in men and started setting their poles in the right-of-way which had been bought and cleared by the rural electrification cooperative.

Fortunately, ex-Senator Gibson, whom many here know, returned to Vermont about that time and took up the cudgels for the rural electrification cooperative, and by suit and injunction stopped the construction of the private line on the right-of-way which had been acquired and cleared by the rural electrification cooperative.

Mr. President, that illustrates the situation which confronts us now. Propaganda against farm cooperatives is being distributed all over the country, in every town in the United States, and if we accept this amendment we will be aiding in destroying the effort of the farmer to help himself through rural electrification cooperatives.

Mr. President, I ask unanimous consent that the table to which I have been referring be printed in the RECORD in connection with my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Annual savings in the cost of power supplied to REA cooperatives attributable to REA allotments for generation and transmission

A. SAVINGS ACCRUING TO DISTRIBUTION COOPERATIVES THROUGH THE PURCHASE OF ENERGY FROM REA-FINANCED GENERATION-TRANSMISSION COOPERATIVES WHICH SUPPLY POWER TO MORE THAN ONE DISTRIBUTION COOPERATIVE

	Average rate of power companies before REA generating plant was considered	Present average rate charged to member distribution cooperatives by REA-financed generation-transmission cooperatives	Annual savings based on present amount of energy purchased by distribution cooperatives
Minnesota, North Dakota, and Wisconsin:	*Cts. per kw.-hr.*	*Cts. per kw.-hr.*	
Dairyland Power Cooperative	1.8	1.28	$330,000
Rural Cooperative Power Association	1.8	1.14	92,000
Border Counties Power cooperative	1.8	1.50	3,600
Minnkota Power Cooperative	1.8	1.33	42,000
Iowa:			
Federated Cooperative Power Association	1.5	.00	110,000
Central Electric Federated Cooperative Association	1.5	.99	82,000
Total savings			659,600

B. SAVINGS RESULTING FROM REDUCTIONS IN THE WHOLESALE POWER RATES OF POWER COMPANIES, DIRECTLY EFFECTED BY REA ALLOTMENTS FOR GENERATION-TRANSMISSION FACILITIES TO SERVE MORE THAN ONE DISTRIBUTION COOPERATIVE

Cooperatives and power companies	Average rate of power companies before REA generating plant was considered	Present average rate	Annual savings to cooperatives based on present volume of power purchased
1. Texas:			
Brazos Transmission Cooperative and Farmers Generation and Transmission Cooperative:	*Cts. per kw.-hr.*	*Cts. per kw.-hr.*	
(a) Texas Power & Light Co	1.12	0.56	$137,000
(b) Southwest Gas & Electric Co	1.28	.56	96,000
(c) Texas Electric Service Co	1.25	.56	31,000
(d) Central Power & Light Co	1.35	.70	65,000
(e) Gulf States Utility Co	1.29	.825	16,000
2. Arkansas, Louisiana, and Oklahoma:			
Ark-La Cooperative; Kamo Cooperative; Western Electric Cooperative:			
(a) Oklahoma Gas & Electric Co	1.2	.6	93,000
(b) Arkansas Power & Light Co	1.25	.57	98,000
(c) Public Service Co. of Oklahoma	1.3	.70	30,000
(d) Louisiana Power & Light Co	1.37	.80	23,000
3. Minnesota, Wisconsin, and North Dakota:			
Dairyland Cooperative and other generation and transmission cooperatives in those areas:			
(a) Northern States Power Co	2.0	1.15	203,000
(b) Interstate Power Co	1.5	1.15	42,000
(c) Otter Tail Power Co	1.8	1.11	104,000
4. Iowa:			
Federated Cooperative Power Association and Central Electric Federated Cooperative Association:			
(a) Iowa Electric Light & Power Co	1.2	.96	54,000
(b) Iowa Public Service Co	1.7	1.13	41,000
5. Alabama:			
Alabama Electric Cooperative:			
(a) Alabama Power Co	1.16	.8	53,000
6. Mississippi:			
Mississippi Electric Power Association:			
(a) Mississippi Power Co	1.19	.8	81,000
(b) Mississippi Power & Light Co	1.23	.56	49,000
7. Georgia:			
Georgia Electric Membership Corp.:			
(a) Georgia Power Co	1.25	.8	269,000
(b) Georgia Power & Light Co	1.25	1.01	31,000
8. South Carolina and North Carolina:			
South Carolina Electric Cooperative (Inc.):			
(a) Carolina Power & Light Co	1.15	.75	90,000
Total savings in purchased power			1,606,000
Total savings from generation			659,600
Grand total annual savings			2,265,600

Mr. GEORGE. Mr. President, I do not care to discuss the amendment, but I may say I think it is unfortunate it is presented and I shall vote against it if a record vote is had on it.

Mr. REED. Mr. President, much has been said which has not very great relevancy to the question immediately before the Senate. Public utilities may be actively lobbying on the question before us. If so, they have not approached me. The only people who have tried to lobby with me on this question have been the farmers and the farm cooperatives.

I am standing here to defend the policy of creating the REA. I want the $100,000,000 we are appropriating in the bill before us, and the $250,000,000 which will be appropriated under the agricultural appropriation bill soon to come before us, to be used to put electricity on the farms. That is what we are trying to do. I do not want it used to install generating plants, unless there is a need for such plants.

It may be said they are never built except where they are needed. I propose to give the Senate an immediate example of what is going on today in the State of Kansas, and to call attention to the recent correspondence I have had with Administrator Wickard, whose representative came to talk to me this morning about this matter.

In 1944 the REA made an allotment of $430,000 to build a generating plant at Great Bend, Kans. The War Production Board refused to give the project any material in 1944. They did get authority from the WPB later, in 1945.

Mr. President, let me analyze the power situation in that particular place. There is presently a generating capacity in that immediate area of 11,670 kilowatts. The maximum load in December 1945, was 5,980 kilowatts. There is a reserve of more than 5,000 kilowatt-hours of excess, unused energy. Why in the world should an additional generating plant be built in that community? The answer might be, "because of the present price of electricity." Very well. I wrote to Administrator Wickard from my home in Parsons, Kans., in December or January, calling his attention to this matter, and I received a reply when I returned to Washington. I received this letter signed by Claude Wickard, Administrator of the REA, dated February 26, 3 days ago, in which he takes up the question which I raised in a letter I wrote to him on the 22d of last month. Mr. Wickard said:

> I do wish to agree with your general statement that the decline in war demands has left an excess of power over and above the requirements of certain areas in central Kansas.

And the area to which I refer is one of them. There can be no doubt about that. That leaves the question of price. My philosophy respecting the REA—and I have discussed it in the Committee on Appropriations time and again with those appearing on behalf of and urging appropriations for the REA—is that REA shall not set aside money for construction of generating plants unless farmers cannot buy ample power at reasonable rates.

In my letter to Mr. Wickard, which I wrote him from Parsons, Kans., I said that the major purpose of the REA is to get electricity on the farm, and that REA funds should be used for the construction of central energy plants only when the cooperative is unable to buy ample power at reasonable rates.

Mr. Wickard said in his reply to me, dated February 26:

I think that is an adequate summary of our policies in this respect and is essentially what I said in my remarks at Grand Forks, N. Dak., November 7.

Let me refer to the price factor in this immediate situation, and again I am reading from Mr. Wickard's letter of February 26.

You next state it to be your understanding that the cooperative could buy power at a lesser price than it can be generated for in a plant of the size being constructed.

REA is proposing to put in a 2,250-kilowatt plant. Mr. Wickard proceeds to say:

Our calculations, based on the installation of 2,250 kilowatts of generating capacity * * * show the average cost per kilowatt to be .873 mills.

Then Mr. Wickard proceeds to say that the cooperative now is buying power at .85 mills, which is less than their estimate, which I am assured by engineers is too low. In other words, when this plant is built, after spending $430,000 on it, their estimate of the cost is .87 mills per kilowatt. The cooperative is now buying power at .85 mills.

Mr. President, I ask unanimous consent that a copy of my letter to Administrator Wickard under date of February 22, and his reply under date of February 26, may be printed in the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER (Mr. HUFFMAN in the chair). Without objection, it is so ordered.

The letters are as follows:

FEBRUARY 22, 1946.

Hon. CLAUDE R. WICKARD
Administrator, Rural Electrification Administration, Washington, D. C.

DEAR MR. WICKARD: I have your letter of February 5, in reply to my letter of January 10, in which I raised the question of whether the allocation of funds for construction of a generating plant at Great Bend, Kans., was within the sound REA policy as contemplated by the law. Your letter is not convincing.

I do not care to go into many details of the situation existing in that territory through the war. Briefly, there was a shortage of power to meet requirements including an Army air base established near Great Bend. To overcome this deficiency, the War Production Board approved a 1,400-kilowatt addition to the Great Bend plant of the Kansas Power Co. in March 1944. In 1943, additions to the municipal plant at Larned, Kans., added to the total amount of power available.

Through these additions, plus the construction of additional transmission lines, provision was made for the maximum supply of power for the load during the war period. The decrease in power demands since that time has left a substantial excess of power available above requirements.

The WPB did not approve an allotment of materials for the cooperative plant in 1945. This was after the REA had made an allotment of $430,000 on September 23, 1944.

This particular matter was before the Senate Appropriations Committee and was discussed some time ago. I am aware that there was conflict between the cooperative and the power companies in that section over rates. I am familiar in a general way only, with what you call a dual rate contract. I have never reached any final opinion as to that matter.

My information, furthermore, is that the cooperative can buy power at a lesser price than it can be generated by a plant of the size being built. If that is not true I want to be corrected.

Your letter apparently does not question that there is an excess of power being generated in that area. Your letter discusses, rather vaguely, additional power requirements under a program for a substantial enlargement of the cooperative. I have no information save your vague general statement on that point.

Certainly, on the basis of my information, the allotment of money from the REA for this generating plant is not justified. I also understand your State representative did not approve it, and the cooperative went around him and negotiated directly with some members of your staff in order to obtain approval. If my information on this point is not correct I would like to be advised.

I have consistently supported the REA. With equal consistency I have tried to keep it within a sound policy with which you say you agree. Certainly, on my information, the allotment for this plant goes far beyond that policy.

I desire and request that you promptly correct me on any point where my information is in error. I am not content to let this matter rest on a basis of my present understanding of it.

If the REA is permitted to disregard the prime purpose of the law in this instance it will be encouraged to go ahead with other deviations in the policies created by the law governing the REA. If funds are to be allotted for the construction of a generating plant where there is no justification for it the REA is headed for insolvency. That is what I wish to avoid.

REA funds are not equal to satisfying the ambition of numerous enterprising cooperative managements. This seems to be a case of that kind.

May I have your prompt attention and advice?

Very truly yours,

CLYDE M. REED.

WASHINGTON, D. C.

Hon. CLYDE M. REED,
United States Senate.

DEAR SENATOR REED: This is in reply to your letter of February 22 regarding the generating plant at Great Bend, Kans. In view of the action which was taken by the Senate Appropriations Committee yesterday with regard to REA generating plants, I am attempting to give you complete answers to the various questions you raise and get them to you in time so that you may consider them before the action of the Appropriations Committee is discussed on the floor.

Taking the questions up in the order in which you have raised them, I do wish to agree with your general statement that the decline in war demands has left an excess of power over and above the requirements of certain areas in central Kansas. Later in this letter I shall comment on the fact that this does not necessarily answer the problem of power requirements facing the Central Kansas Electric Cooperative Association.

You point out that REA made an allotment to the Central Kansas Electric Cooperative Association of $430,000 on September 23, 1944, and go on to state that WPB did not approve an allotment of materials for this cooperative plant in 1945. Our records show that WPB approval for this project was given on July 21, 1945. Naturally, none of our funds was advanced without WPB approval.

You indicate that you are familiar only in a general way with what we refer to as the dual-rate contract and have reached no final opinion on the matter. Briefly stated, the dual-rate contract is a device which utilities, particularly utilities in Kansas, are using to prohibit cooperatives who buy their power from utilities from serving other than relatively small loads. The restrictive features vary as between utilities, but the effect is the same; that is, to reserve for the utilities all of the larger, better-paying power loads in a given area and relegate to the cooperatives service only to the small users. I am sure you appreciate the fact that the development of a power system in a given area under such circumstances is wholly uneconomic, and, in the long run, cooperatives coerced into the acceptance of such terms will not be able to complete the job of rural electrification. Under such restrictive circumstances it certainly cannot be argued that the mere physical availability of adequate energy at what might otherwise appear to be reasonable rates satisfies the requirements of an electric cooperative trying to develop a well-balanced, efficient power system to meet the needs of an entire rural area.

You next state it to be your understanding that the cooperative could buy power at a lesser price than it can be generated for in a plant of the size being constructed. Our calculations, based on the installation of 2,250 kilowatts of generating capacity with a yearly generation in 1948 of 7,200,000 kilowatt-hours, show the average cost per kilowatt-hours to be 0.873 mill. We have reason to believe that it will be possible to generate power at an even lower figure as the ultimate load is approached. It is true that the cooperative is purchasing approximately 90 percent of its power requirements at an average cost of 0.85 mill per kilowatt-hour. The other 10 percent of its requirements are costing all the way from 1.3 to 2.48 cents per kilowatt-hour. It should be noted that this higher priced power is not being purchased under contract inasmuch as the cooperative has been unwilling to enter into the restrictive type of 5-year contract demanded by the power company. The significant fact about this latter point is that the area in which the cooperative is paying 2.48 cents per kilowatt-hour is the area scheduled for the greatest future development—and incidentally the area from which it is currently receiving its most urgent requests for the extension of electric service—and represents approximately one-third of the ultimate area to be served by the cooperative. Under those circumstances the percentage of power purchased at this higher figure would, were the cooperative to continue to take service from K. P. & L., increase appreciably and, without question, bring the average cost of power to the cooperative considerably above the cost of generation at the Great Bend plant.

Thus, even though there may be an excess amount of power being generated in a part of the area being served by this cooperative, the fact remains that the area of greatest expansion is inadequately served and service to this area by Kansas Power & Light would demand the installation of extensive transmission facilities. There are 1,424 signed applicants for service with the Central Kansas Electric Cooperative Association which will require the construction of 872 miles of line. We can provide you with county maps showing the exact location of each of these applicants and we will be happy to do so if you so desire.

I am at a loss to know how to reply to your statement that it was your understanding that our State representative did not approve of this loan. We do not have State representatives. We do have field representatives operating on a regional basis and, to our knowledge, none of these representatives has ever indicated any lack of approval of this particular allotment. If you have any

other information to the contrary on this subject, I should like to be advised.

I am delighted to have this opportunity to provide this additional information which you requested and I am glad you raised these additional questions. I hope you will continue to do so until you are wholly satisfied that we are operating within the policies which you have supported in the past.

Sincerely,

CLAUDE R. WICKARD,
Administrator.

Mr. HILL. Mr. President, will the Senator from Kansas yield to me for a question?

Mr. REED. I yield.

Mr. HILL. The Senator is a distinguished member of the Appropriations Committee. When Mr. Wickard appeared before that committee in behalf of the pending appropriation did the Senator from Kansas go into this particular case, and does that appear in the record of the hearings?

Mr. REED. I may say to the Senator from Alabama that this particular instance came up for some discussion in the Appropriations Committee, I think 2 years ago. I am not a member of the subcommittee having in charge the deficiency bill. Therefore if Mr. Wickard appeared before the subcommittee I was not present. I was present in the full committee when the report of the subcommittee came before the full committee, and in the full committee there was no opposition whatever to the adoption of this amendment. It was adopted on a voice vote. There were probably 10 or 12 members present at the time.

Mr. HILL. Mr. President, will the Senator yield further?

Mr. REED. I yield.

Mr. HILL. I have not had an opportunity to examine the hearings as carefully as I might wish to, but I have not seen wherein the committee really went into this question very fully, at least the phase of it raised by the Senator from Kansas. If the Senator will further yield to me, I wish to say that this amendment deals with legislation. It is a change in the fundamental law respecting the REA. Even if such a proposal should be written into the law, before that is done there ought to be hearings on the subject before the appropriate legislative committee, for it is a legislative matter and should be considered by a legislative committee. It ought not to pe put into an appropriation bill, which is a sort of short-circuit method, when there have not been full hearings on the subject. The Senate should not be confronted with the proposal without hearings having been had upon it. As I said, it is a legislative matter, and it ought to be considered by the proper legislative committee if it is to be considered at all.

Mr. REED. Mr. President, I stand here in the interest of the true purpose of the Rural Electrification Administration, the purpose for which it was created and for which we have heretofore appropriated and for which we continue to appropriate great sums of money. I have supported everything in favor of the REA. But there is a group in the REA, as there has always been, that will cooperate with managers of cooperatives to build generating plants, not because they are needed, not because there is not available sufficient power, not because the price asked is unreasonable, but to construct generating plants, in order to build cooperatives up to the highest possible degree, when the cooperatives themselves do not have to put a cent into the plants. When completed, the generating plant to which I have referred will have been built entirely with Government money in an area where there are already 5,000 kilowatts of surplus power. The proposed plant would produce only 2,250 kilowatts. The cooperative now is buying power there at a less figure than the estimate of the cost of power from the new plant, if the new plant should be built.

Mr. AIKEN. Mr. President, will the Senator yield to me for a question?

Mr. REED. I yield.

Mr. AIKEN. I ask the Senator from Kansas if it is not a fact that the rate which the private utility offered the electric cooperative, and which is slightly below the cost of generating from an REA plant in the area, is not contingent upon the REA keeping out of certain irrigation districts which are considered the cream of the territory, and without which the REA cannot adequately serve the rest of the territory?

Mr. REED. No; I will say to the Senator from Vermont that that is not so. This morning before I came to the Senate Mr. Carl Hamilton, from the Administrator's office, whom I have known and with whom I am very friendly, came over with a Mr. Taylor, also from the Administrator's office, and we discussed the conditions in the particular area. There is no such situation as the Senator from Vermont has described. I went into the matter with them fully. They asked that we go over it. They were very friendly. I have known Mr. Hamilton since he was assistant to the Secretary of Agriculture. I have done a great deal of business with him. We had a friendly conversation. I took the map they furnished. I drove over that territory within the last 18 months, and no such situation exists as the Senator from Vermont has mentioned.

Mr. AIKEN. I may say that my information comes from exactly the same source as the information which the Senator from Kansas has received. One or the other of us has not understood it correctly.

Mr. REED. I went into the matter in some detail to tell them that could not be true. They made some excuse for wanting to build this plant. I want to do Mr. Wickard justice. They said this allotment was made before Mr. Wickard took over the Rural Electrification Administration and that Mr. Wickard's policy was exactly as I have stated my policy to be here today; that they as well as I want to use the money appropriated for REA to put electricity on the farms, not to build generating plants where they are not needed.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. MAGNUSON. Is it not true that in the past not more than 8 or 9 percent of the total appropriation for REA has ever been used for generating purposes?

Mr. REED. That is approximately the figure.

Mr. MAGNUSON. Last year it was a little more than 9 percent.

Mr. REED. Last year it was in the neighborhood of 9 percent.

Mr. MAGNUSON. So the bulk of the money is being used for the very purpose all of us want it to be used for.

Mr. REED. I desire to leave this thought with the Senator from Washington: There is no Senator on this floor who is more friendly toward the purposes of the REA than am I. There is no Senator on this floor who has gone along with the REA further than have I so long as it has confined itself to its legitimate functions. The only objection I make is that there is now a tendency in certain groups in the REA and without the REA to utilize this money for the purpose of constructing generating plants, whether they are needed or not. I think some kind of a check should be put on the REA. I realize that this amendment is a pretty rigid check. If this amendment is in the bill as it goes to conference, then so far as I am concerned, if we can work out some sort of a definite understanding that the things of which I complain, and which I have directly illustrated to the Senate as going on now can be eliminated, and we can feel assurance of that fact, I shall be willing then in conference to drop the amendment.

Mr. MAGNUSON. Mr. President, will the Senator yield for a further question?

Mr. REED. I yield.

Mr. MAGNUSON. In the particular area to which the Senator refers are all the farmers being supplied with electricity?

Mr. REED. No. Construction of facilities is still in progress.

Mr. MAGNUSON. Is there not obviously something wrong if there is power and the farmers are not getting the lines?

Mr. REED. I do not think so. I do not see why the Senator should make such a statement as that.

Mr. MAGNUSON. The power companies have been in that area for years, and they have not served the farmers.

Mr. REED. Mr. President, I was chairman of the Public Service Commission of Kansas 25 years ago——

Mr. MAGNUSON. I am sure it was not the Senator's fault.

Mr. REED. At that time I started to discuss the question with the public utility representatives to see if ways and means could not be devised to work out some kind of policy to furnish electricity on the farms. I happen to have a fairly good-sized dairy farm of my own. Before the REA came along, I had to arrange personally, and at my own expense, to bring electricity to that farm.

The Senator from Washington must realize that even now, with the REA in operation for several years, the percentage of farmers who have electricity on their farms is still too low. But we are not going to get electricity on the farms by using $430,000 to build a generating plant in an area where there is now available more power than can be used, and where that power is now being sold at a lower rate than the estimate based upon the cost of the proposed new plant.

The two young men to whom I referred came to see me this morning. I know Kansas, including that particular area, much better than they do. They had a great deal of misinformation. I do not know where they got it, but it was not correct. We discussed the question in a very friendly way.

Mr. President, I do not wish to detain the Senate, and I shall close by reiterating that I stand here as a champion of the correct purpose of the Rural Electrification Administration. We are appropriating hundreds of millions of dollars to put electricity on the farms, and not to build unnecessary generating plants. The construction of the proposed generating plant would cause an unnecessary diversion into that plant alone of $430,000. Figuring the normal cost of rural electrification lines at approximately $2,000 a mile, that sum would build 215 miles of transmission lines to take electricity to farms where it could be used. How many cases of that kind there have been, I do not know. I believe that there should be some check upon this practice in the Rural Electrification Administration.

Mr. LA FOLLETTE. Mr. President, I heartily agree with the remarks made by the junior Senator from Alabama [Mr. HILL]. This amendment should not be considered in connection with an appropriation bill. I grant that technically, under the precedents as they have been broadened and further broadened, it can be held that this is a limitation on the appropriation; but, in fact, it is a fundamental change in the substantive act creating the Rural Electrification Administration, and the amendments thereto. If any such change is to be made, it should be made as the result of hearings before the standing committee having jurisdiction over such legislation, where those who are for or against the amendment can have an opportunity to be heard.

One will search in vain the record of the Committee on Appropriations, which took the testimony on this bill, to find such a suggestion as this. I grant that some questions were raised concerning the policy of constructing generating plants; but so far as this specific proposal is concerned, which would amputate the right arm of the rural electrification cooperatives, there is not one word in the hearings which would put on notice either the Rural Electrification Administration or Senators who are genuinely interested in seeing this organization continue its beneficial service to the farmers of the United States. That is not proper legislative procedure; and every Senator who will stop to consider the question knows that I am stating the fact.

Mr. President, it is all well and good for Senators to rise and say how much they love the farmers, how much they love the Rural Electrification Administration, and that this amendment is in the best interest of the farmers and the extension of rural electrification in America. But every person who is familiar with the history of the activities of the power corporations before the Rural Electrification Act was passed, and everyone who is aware of the policies they have pursued since it was enacted, knows that this amendment would take away from the rural electrification cooperatives and the Rural Electrification Administration a power which, when appropriately exercised, usually results in compelling the private power companies to give the cooperatives bulk power at reasonable rates. When the power companies are adamant and refuse, as they have done in several instances, even after the cooperative had been granted that bargaining power, the ccoperatives have gone ahead and built plants and secured lower rates as a result.

I do not wish to burden the RECORD by repeating what the Senator from Vermont [Mr. AIKEN] placed in the RECORD. However, I am familiar with the Dairyland Power Cooperative and the other cooperatives in my own State. I know that unless that cooperative had the ability to construct plants it would have had to take power from the power companies at 1.8 cents per kilowatt-hour. Instead, it was able to obtain power at 1.28 cents per kilowatt-hour, which resulted in saving the Dairyland Cooperative alone $330,000 a year.

The Senator from Washington [Mr. MAGNUSON] stated that he did not believe it was necessary to go into the history of this program; but apparently it is necessary to remind the Senate that before the REA was created and farmers were given the opportunity to band themselves together in cooperatives for the purpose of getting rural electrification, it was the policy of the power companies generally—with some exceptions, of course—to enter only territory where the return was lucrative, and to build lines at great expense to the farmers. It was the usual practice to require the farmers to pay rates which would cover the cost of building lines. There were other additional costs and charges, which made it very expensive for the farmers who were served. The power companies would go into a rural community, skim off the cream, so to speak, and leave the majority of farmers without any service whatsoever.

That situation became so prevalent that sentiment was built up in the Nation and among Representatives in Congress, and legislation was enacted to take care of the problem and give the farmers of America the benefits which come with electrical energy, heat, light, and power on the farms.

Any Senator who is familiar with the condition of rural areas before rural electrification, and who has gone into the same areas since knows that the character of the communities which have received this service has been transformed. Even if one could not see the power lines, he could see the change in the character and appearance of the farms after they were electrified.

We should move cautiously in connection with any substantive change in the law. I submit that there is not sufficient evidence before us to justify it. With all due respect to the Senator from Kansas [Mr. REED], who has investigated a certain project which was authorized several years ago, I say that even in that situation we should have more than his testimony before we pass judgment upon the project.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. McCLELLAN. Were there any hearings before the Committee on Appropriations on this question, to determine what the facts were?

Mr. LA FOLLETTE. I stated before the Senator entered the Chamber that this matter was handled in such a way before the Committee on Appropriations that no Member of the Senate who is not a member of the committee, no Member of the House, and no one in the Rural Electrification Administration knew anything about this specific amendment until it appeared when the bill was reported to the Senate.

Mr. McCLELLAN. Was not the amendment reported by the Committee on Appropriations? I understand that it is a committee amendment.

Mr. LA FOLLETTE. Certainly it was; but I say that unless the Senator has the privilege of sitting on that august committee, he had no notice. I received no notice. I have been in the thick of every rural electrification fight since the project was first proposed. If I had been given notice that such a proposal as this was to be considered by the committee, I would have appeared before the committee and requested an opportunity to be heard. But I did not know about it. No one could know anything about it except members of the committee.

Mr. McCLELLAN. We naturally assume, when a committee reports an amendment, that it was discussed.

Mr. LA FOLLETTE. I have no doubt it was discussed. I was told by someone else that the Senator from Kansas presented a statement, similar to the one he has made on the floor of the Senate, about the Kansas cooperative to which he has referred and which he claims is located in an area where there is a surplus of power and no justification for building a plant. But that is the only case of that sort which has come to my attention—if the Senator's facts are correct, and I know he believes them to be correct. Certainly there is no case of that kind in Wisconsin, and I am proud to be able to say that I believe Wisconsin in proportion to its population has one of the highest percentages of rural electrification line mileage of any State in the entire United States.

Mr. McCLELLAN. Mr. President, will the Senator from Wisconsin yield there?

Mr. LA FOLLETTE. I am glad to yield.

Mr. McCLELLAN. I know the Senator understands my position. I am seeking information about this matter.

Mr. LA FOLLETTE. Yes; I understand the Senator's position.

Mr. McCLELLAN. I am seeking information about it because the proposal is legislation; it is not an appropriation.

Mr. LA FOLLETTE. Of course, that is so.

Mr. McCLELLAN. As I understand the amendment, it would change the existing law.

Mr. LA FOLLETTE. There can be no question about that.

Mr. McCLELLAN. That is why I am trying to ascertain upon what basis the proposal is made or what evidence was presented in connection with it or what there is to sustain or substantiate the proposed change in the basic law.

Naturally, I like to go along with committees when I can do so—both the Appropriations Committee and others. I do not always do so, let me say to the Senator. But I am trying to obtain information and enlightenment upon this particular amendment and what prompted it to be recommended or inserted by the Appropriations Committee—whether it was based on hearings held and information obtained, or whether it was merely one of those amendments which someone offers and which are adopted in committee.

Mr. LA FOLLETTE. There was some discussion of this question, and of course it is perfectly legitimate to raise the question, whether the Rural Electrification Administration should approve the application of a cooperative for a loan for the construction of a generating plant in an area where reasonable rates can be obtained from an already existing private utility.

Generally speaking, I would say that is a sound policy; and, so far as I know, it has been the general policy of the Rural Electrification Administration.

There was a brief discussion between Mr. Wickard and the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Oklahoma [Mr. THOMAS] and the Senator from Georgia [Mr. RUSSELL], but the Senator can read that record until he is blue in the face and he will not find this amendment suggested in it. I submit that the Senator will not find from the record that Mr. Wickard could assume that the committee was about to consider or report such an amendment. There was no testimony before the committee regarding how long it would take the Power Commission to function in this kind of procedure.

I am sure the able Senator from Arkansas has tried some rate cases or participated in some of them when he was practicing law in his own State, and I believe he has some appreciation of the length of time required to settle the question of whether rates are reasonable, when the parties proceed under the procedures of a commission, which naturally has to hear both sides, take expert testimony, accept exhibits, and so forth. The Senator knows what happens.

Mr. McCLELLAN. Mr. President, will the Senator further yield?

Mr. LA FOLLETTE. I yield.

Mr. McCLELLAN. I am trying to determine what has prompted the proposal to make a change in the basic law. I am trying to determine that question.

Mr. LA FOLLETTE. Very well; I can summarize for the Senator what the proponents of the amendment have said. The rub of the statement made by the Senator from South Dakota [Mr. GURNEY]—I think I am fair to him—was that he wished to have this money spent for the purpose of building lines into the rural areas; he did not want any of the money to be spent for generating plants unless the parties interested had gone to the Commission and had gotten a determination that the power company was not offering a reasonable rate.

I think the Senator from Kansas [Mr. REED] stated he was basing his advocacy of the amendment on something which happened 2 or 3 years ago. He said he raised the question several times in the Appropriations Committee, and I am sure he believes in his facts and is sure of them so far as he is concerned. His contention is that the Commission authorized the construction of a generating plant which was not warranted because the farmers were getting a low rate from the power company.

The Senator from Vermont [Mr. AIKEN] stated that Mr. Wickard told him that that particular case involved several irrigation districts which represented the cream of the business in that community; that the other farmers were spread out over long distances and that the only way they were able to get from the power company the low rate which they are getting now was to agree that they would not take the irrigation district and the pumping systems into the cooperative.

Mr. McCLELLAN. Mr. President, will the Senator permit me to interrupt him again? I hope he will pardon me, and I am sorry if I interfere with the thread of his discourse.

Mr. LA FOLLETTE. No; I am glad to yield.

Mr. McCLELLAN. But I seek information. I am sure the Senator from Wisconsin appreciates my lack of information about the matter. Possibly other Senators find themselves in a similar position, since most of us are not on the committee.

Mr. LA FOLLETTE. I am not on the committee either, and I am as much in the dark about this matter as is the Senator from Arkansas.

Mr. McCLELLAN. I thought the Senator from Wisconsin was on the committee.

Mr. LA FOLLETTE. No. If I had been, I think I might have been able to insist on the making of some kind of a record.

There is not a word of testimony, so far as the Power Commission is concerned, regarding how long it would take them; but we can be very sure that any time there was any trouble, the power companies would take advantage of the situation and would delay the proceeding as long as they could.

The Senator from Arkansas knows that if a group of farmers organize a cooperative and then have to take 6 or 8 or 10 months to go before the Federal Power Commission in Washington and have a hearing, and then return, the cooperative in the meantime will have dissolved. That is what would happen.

Mr. McCLELLAN. Mr. President, if the Senator will further yield to me, I should like to make an observation. As a matter of administrative policy, possibly this amendment states a fairly sound general policy. But we have not legislated on that basis as yet. Regardless of whether the amendment states in a general sense a sound administrative policy, it raises an issue which should be determined on the basis of proper and adequate hearings.

I do not know whether the amendment is properly worded. I do not know whether in its practical effect it would create conditions which would be impractical in carrying out the rural electrification program.

I think we should have more information about how the amendment would operate. That is why I am seeking information.

Mr. LA FOLLETTE. Mr. President, I appreciate the Senator's interest. Before he rose, I was going to say that this issue has been fought out before a legislative committee in the House of Representatives. As the Senator knows, a bill for a general revision of the Rural Electrification Act is under consideration before one of the committees of the House of Representatives, and perhaps it has already been reported to the floor of the House of Representatives. I am not currently informed as to that. But the committee has been taking a great deal of testimony on the question. The power companies have appeared before the committee, the REA has testified, and persons interested pro and con have testified. I say that is the way any legislative matter should be handled.

Mr. McCLELLAN. Is the hearing now in process?

Mr. LA FOLLETTE. Yes; it is now in process.

But, Mr. President, this amendment would be a "quickie" job. No doubt it was felt that if the amendment, under the guise of a limitation, was reported as a part of the bill and the point of order was overruled, it would afford a method of gaining the objective quickly and having it sewed up into the law.

Of course, the proponents might contend that this amendment affects only this particular appropriation, which is correct. But if I were in Mr. Wickard's shoes and if the Congress went on record as saying that, with regard to this large sum of money, it did not want any of it spent for the construction of generating plants until the matter had been reviewed by the Federal Power Commission, I think I would hesitate a long time before I would grant a loan for that purpose from funds which did not have this limitation on them.

The Senator knows that the Rural Electrification Administration has been swamped with requests. Of course, during the war it was necessary to go to the War Production Board and make a showing of absolute necessity to the war effort before it was possible to obtain any materials or before it was possible to get anything done. Consequently this backlog of demand has grown up.

So, Mr. President, it seems to me that the adoption of this particular amendment at this time would have a very unfortunate effect upon this program.

The Senator from Kansas said he wanted to get the Rural Electrification Administration back on its legitimate track, or words to that general effect. I wish to read from section 4 of the act, as amended:

The Administrator is authorized and empowered from the sums hereinbefore authorized to make loans to persons, corporations, States, Territories, and subdivisions and agencies thereof, municipalities, people's utility districts, and cooperative nonprofit or limited dividend associations organized under the law of any State or Territory of the United States, for the purpose of financing the construction and operation of generating plants, electric transmission and distribution lines or systems for the furnishing of electric energy to persons in rural areas who are not receiving central station service—

And so forth.

Mr. McCLELLAN. That is the basic law which authorizes the appropriation.

Mr. LA FOLLETTE. Precisely; and I contend that under the law as it now stands this is a perfectly legitimate purpose for which the Rural Electrification Administration can make a loan.

Mr. McCLELLAN. With respect to the money provided in this bill, the proposed amendment would simply repeal the basic law insofar as it authorizes the building of generating plants.

Mr. LA FOLLETTE. Absolutely. The Senator from Arkansas has stated it better than I can.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I shall yield in a moment.

Mr. President, first let me say that so far as I know, as I have stated before, it has been the policy of the Rural Electrification Administration since it was established to grant loans for generating plants only in cases where it was either necessary to use such loans as a bargaining lever with a power company, so as to get the power company's offer of exorbitant rates down to a reasonable level, or, where that lever did not work, to permit the cooperative to proceed to build a plant.

If the Senator will read the testimony of Mr. Wickard, who is now the Administrator, which was given before the committee, he will see that Mr. Wickard stated four ways from the middle that it is his policy, and will continue to be his policy, to make loans only where they are necessary for use as a bargaining lever, or for the purpose of building a plant when it becomes finally evident that the private power company will not offer reasonable rates. I assert that this amendment takes a meat ax and performs an operation on the fundamental substance of the Rural Electrification Act. The only case which has been cited so far in the debate is the one cited by the Senator from Kansas, which occurred several years ago.

Mr. AIKEN. Mr. President, the Senator from Wisconsin referred to this proposal as "quickie" legislation. To show how "quickie" this proposal is, I wish to say that the amendment was called to my attention only about 20 minutes before 12 o'clock on the day the Appropriations Committee expected to bring it before the Senate for action. I immediately called Mr. Wickard to find out if the amendment had received his approval. I found that he not only had not been given an oportunity to testify before the Senate committee—the testimony which was referred to was given before a House committee—on this proposed change in the basic REA law, but that he himself had no knowledge of the existence of this amendment which would change the REA law, until a few minutes before I had known of it. Of course, he never approved the amendment. As I have said, it was only about 20 minutes to 12 o'clock of the day on which the amendment was to be brought before the Senate that I learned of it. I asked the acting chairman of the Appropriations Committee to postpone consideration of the amendment until the following day, which he kindly agreed to do.

Mr. LA FOLLETTE. I may say, Mr. President, that I had practically the same experience as that had by the Senator from Vermont. I was anxious to have appear in the RECORD a statement justifying myself with the people in Wisconsin who are behind this program. I wished to make clear my reasons for not presenting to the subcommittee testimony in opposition to the amendment. I wished to show that I did not know that the amendment was under consideration.

Mr. MAGNUSON. Mr. President, I am glad the Senator brought up that point, because his situation is similar to mine. I am sure that I would have to make some justification with the people in Washington. The first time I ever heard of this amendment was yesterday when the bill was called up. The amendment incorporates not only "quickie" language, but the same slick language was used by private power companies for years to justify the continuation of electrification being furnished by them to the farmers. The case cited by the Senator from Kansas is an isolated one, but I think it is the best argument which could be made for not tampering with the act, because in spite of an excess of power, many farmers do not have electricity on their farms. I know that the Senator from Wisconsin agrees with me that there can be no such thing as an excess of electric power in this country until every farmer has his home electrified.

Mr. LA FOLLETTE. I agree with the Senator that every single cooperative which can be organized on a sound basis should be organized.

Mr. President, I wish to point out that the people of Wisconsin are proud not only of their great industrial output and contribution to the war effort but also of the great record which, under most difficult conditions, the farmers of that State made during the war. When labor was scarce, when the draft policy stripped the farms of young men, when machinery was difficult to obtain, and when parts for all machinery were equally difficult to obtain, the farmers met the situation in a magnificent manner. Many older persons who had retired from the farms returned to work on the farms in order to produce food and help win the war. I assert that unless the electrification program had been carried forward in Wisconsin and in other agricultural States in order to provide power and thereby save labor on the farms, the great production achievements which we made during the war, would not have been possible. In my opinion our war effort would have been considerably hampered had we not made the progress in electrification which was made prior to the war and, in some few instances, during the war, in extending rural electrification to the farmers. Farmers are in a very difficult situation today because of the shortage of labor, and because of the wages which they are now required to pay for farm help. There is an additional argument for the extension of rural electrification: It is necessary in order that farmers may be enabled to reduce their cost of production.

I submit to the Senate that the pending proposal is not the proper way to undertake to amend the rural electrification act. I would be opposed to the amendment if it came from a standing committee of the Senate, but I certainly feel justified in opposing it when there is no testimony in the record to support it.

Mr. FULBRIGHT. Mr. President, I understood the Senator from South Dakota [Mr. GURNEY] to say in his initial statement that there were instances of several REA generating plants having been constructed when it was possible to purchase power at a rate cheaper than could be obtained by constructing the plants.

Mr. MAGNUSON. The Senator stated that there were several instances in the Pacific Northwest where the REA had gone into small towns and villages of less than 5,000 population. Am I correct in that statement?

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield. I prefer that the Senator from South Dakota answer the question.

Mr. GURNEY. I did not, perhaps, make an accurate statement. I should have said the Central West. I do not know about the Pacific Northwest. Probably there are such instances there also.

Mr. MAGNUSON. Instances were given of municipal plants having been purchased in small communities. But the reason for purchasing municipal plants was that they were the only source from which power could be furnished to the surrounding areas.

Mr. LA FOLLETTE. That is my information.

Mr. FULBRIGHT. Did the Senator from South Dakota have in mind any substantial number of cases in which the REA had built a generating plant when electricity was already available at reasonable rates?

Mr. GURNEY. I did not intend to bring out on the floor of the Senate actual instances, but there are plenty of them. Information on that subject has been presented before the committee, and has been in the hands of the committee ever since I have been a member of it.

I do not believe that Congress intended that money which was appropriated for the REA should be used to buy municipal plants. Why did not the REA cooperative in the instance given make an arrangement with the municipal plant to buy the electricity? If that had been done more money would have been available for use in extending the power lines farther, and thereby serve more farmers.

Mr. LA FOLLETTE. I cannot answer the question as to any specific cases, but it is perfectly apparent that there are situations in which it would not be necessary to do what the Senator has suggested. In extending lines and service to the point where electricity is needed, the Rural Electrification Administration sometimes finds itself in the same position in dealing with municipal plants that it finds itself in when dealing with private power companies. It may not desire to serve the area involved if it is not highly productive in revenue.

Mr. FULBRIGHT. I wish to cite as an example a small town near my home which I think is typical of small towns of approximately 1,200 population. The municipality was not financially able to improve the plant and make it sufficiently large to serve all those who desired to use electricity, and very willingly and gladly sold the plant to the REA in order that the REA could serve, not only the municipality but the surrounding territory as well.

Mr. President, I am impressed by the fact, as the Senator from Wisconsin has pointed out, that there is nothing in this record that we can find which will justify the proposed change. As the Senator has said, the matter was brought before the Senate out of purely thin air.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield to me in order that I may make a short statement?

Mr. LA FOLLETTE. I yield.

Mr. THOMAS of Oklahoma. There is no issue here, so far as I can see, about the rates for power. The evidence before the committee shows that the rural electrification cooperatives are getting power at about 6 mills per kilowatt-hour.

At the present time there are three separate Federal agencies asking for public funds with which to build power plants in my State and in my section of the country. For example, there are the United States engineers asking for money to build flood-control dams, with the development of power as an incident. In my State the United States engineers are now engaged in building flood-control dams and power plants in connection with such dams. We already have one on the Red River at Lake Texoma, and now a second power plant is being built by the Government under the engineers' supervision at Fort Gibson, Okla.

So now we have the United States engineers in our section of the country building flood-control works, with power development as an incident.

Second, there is on the House side of the Capitol at this time hearings being held by the Committee on Appropriations on the Interior Department appropriation bill, wherein the Southwest Power Division, a Federal agency, is asking for some $23,000,000 with which to start a program of constructing steam-power generating plants in Oklahoma and in our section of the country.

If the $23,000,000 is appropriated for this second Federal agency that will be followed, as soon as those interested can get the ear of the Congress, by additional requests running into hundreds of millions of dollars. Now the evidence shows that the REA is using some 9 percent of its funds with which to build steam generating plants. No one complains about the building of such plants where necessary to provide REA cooperatives with power, because they must have power to serve their members.

This statement is to direct the attention of Senators to the fact that we have today three Federal agencies asking for funds with which to build plants to produce electricity. If the Congress provides funds for each of the three agencies for constructing such plants, then it seems to me to be in the public interest to have some Federal agency supervise this activity to see that plants are not duplicated and that public funds are used to build plants to produce electricity only where needed.

I think the Federal Power Commission should be authorized to correlate these three groups, and to see to it that they do not duplicate the activities of the others.

Such a program would, in my opinion, be helpful to the REA.

Should the Federal Power Commission recommend the construction of a plant to serve the REA, then I feel certain that the Congress would not hesitate to provide the funds for such purpose.

Mr. LA FOLLETTE. It is the obligation of the Administrator of the Rural Electrification Administration to grant a cooperative a loan only in cases where he thinks the cooperative is organized on a sound basis, and can repay the loan. It is as obvious as a pikestaff that no Administrator in his right mind is going intentionally to build competing plants which cannot possibly contribute to the success of the cooperative, and may sink it. Certainly, the REA cannot build generating plants and compete with power which is incidental to navigation and flood control and for which the rates are exceptionally low, and no such plant will ever be built so long as the man who is operating this agency is outside of an asylum for the feebleminded; so that argument does not appeal to me at all.

There is no possibility of the Rural Electrification Administration authorizing a cooperative of farmers to borrow money to build a Diesel plant and generate electricity when they can buy it from a high line or at the bus bar of a Government multipurpose dam, where they can get it for 5 mills, as the Senator says. That argument does not hold any kind of water, so far as I am concerned.

In conclusion, Mr. President, let me say that, so far as I am concerned, the amendment before the Senate cannot be dressed up so as to make it appear to be anything except a proposal which will have the effect, intended or otherwise, of crippling the Rural Electrification Administration, and of depriving the farmers who organize themselves into cooperatives of the bargaining power whereby they may secure reasonable rates from public utility companies. If we make it difficult for them to obtain such bargaining power, we have gone about as far as we can in crippling the extension, indeed, about as far as if we denied it to them, because, as I said a few moments ago, though I do not know what the average size of a cooperative is—a few hundred, perhaps, or less—when a cooperative is organized its officers then get in touch with the Rural Electrification Administration, and surveys are made. When they reach the point where they have to bargain with the private utility, and as every Senator knows is often the case, it refuses to give them a reasonable rate. If the pending amendment becomes a part of the law, the case can be brought to the Federal Power Commission, and action delayed interminably. In many cases the farmers will be caused expense. They will have to hire a lawyer; they will have to come to Washington; they will have to bring their engineers to prove before the Federal Power Commission that the rate is unreasonable. How long would a small cooperative of a hundred or a hundred and fifty or two hundred farmers hold together under such circumstances? This is just the kind of amendment which the power companies will utilize to the utmost to delay and prevent the cooperatives from being successful in obtaining rural electrification.

I say, Mr. President, in all good conscience, we should not retard this great service to the farmers of America, needed now as never before except in wartime, without careful consideration, and it certainly should not be done by way of a rider on an appropriation bill, which never was presented in the testimony, and which no Senator not a member of the committee had any notice of before the bill was called up for consideration on the floor of the Senate.

Mr. BILBO. Mr. President, I realize this subject has been pretty thoroughly discussed, but I wish to register my opposition to the amendment, along with the opposition of the people of my State. There are between 20 and 25 REA associations in Mississippi, and I have about 25 telegrams here which bitterly oppose the pending amendment.

I want my colleagues to understand that in Mississippi there is not a single, solitary, generating plant built by the REA, but those who are operating the plants in Mississippi know what this amendment would do for them if they undertook to make a contract for rates with the utility interests of Mississippi, the power trust.

This is the substance of the telegrams:

Hope you will oppose Appropriations Committee amendment to REA's urgently needed deficiency appropriation bill. Amendment to restrict generation will hinder our negotiations for wholesale rates and be a step in wrong general direction, and expression of your attitude on this will be appreciated.

COAST ELECTRIC POWER ASSOCIATION.
C. C. FERRELL, *Manager*.

Mr. President, the REA Act was passed 10 years ago, in 1936. The REA is today furnishing electric light to millions of American citizens throughout the entire Nation. I think in every State of the Union, except possibly one or two, people are enjoying the benefits of this service.

During these 10 years the basic law has provided that the directors of a cooperative association, or a group of such associations, may make application to the national director, who investigates and decides whether it is necessary to build a

generating plant. It is done at the expense of the associations themselves, and their directors are presumed to use good judgment in deciding whether the investment will be self-liquidating.

Mr. FULBRIGHT. Mr. President, will the Senator from Mississippi yield?

Mr. BILBO. I yield.

Mr. FULBRIGHT. The Senator says they are presumed to use good judgment. Is it not a fact that the rural electrification associations have been remarkably successful and have not been a great financial drain on anybody? Is not that true?

Mr. BILBO. Exactly so. I am glad to say that only about 9 percent of the money which has been appropriated for this purpose has been used in this period of 10 years to build generating plants.

What disturbs the people of my State is that they know that if this amendment is put into the law, and it is made necessary for applicants to come to Washington, to the Power Commission, with all the opportunities for litigation, lawyers, delays, and so on, the associations will have lost their bargaining power, they will have lost the club they can forever hold over the power companies in the effort to get decent and reasonable rates.

Mr. Wickard, or any other director who has sense enough to hold a job of that magnitude, along with the other directors, will not build a generating plant so long as there is adequate power available, and so long as the farmers can get reasonable rates.

Mr. McCLELLAN. Mr. President, will the Senator from Mississippi yield?

Mr. BILBO. I yield.

Mr. McCLELLAN. The Senator made the statement that up to the present, in the period of 10 years, only 9 percent of the moneys appropriated by the REA have been used for the purpose of building generating plants.

Mr. BILBO. I think that is the correct figure.

Mr. McCLELLAN. I do not know whether the Senator is on the Committee on Appropriations——

Mr. BILBO. I am not.

Mr. McCLELLAN. But I should like to ascertain if during that period of time, in the expenditure or use of that 9 percent of the funds, there have been any cases of abuse of discretion in granting loans for that purpose. Is there evidence of any such cases? I grant that there might be poor judgment used sometimes by anyone exercising discretion, or vested with the power of decision, but is there any evidence of any general abuse of this authority in the execution of the rural electrification program? Is there any charge of anything like that? Is there anything before the Congress or before the committees of Congress to indicate that there has been a general abuse of the powers granted?

Mr. BILBO. I am not a member of the Committee on Appropriations, but I am a member of the Committee on Agriculture and Forestry, and the REA and its activities were pretty well aired in the hearings on the question of the confirmation of Aubrey Williams to be Director. In all the hearings in which I have taken part I have never heard any complaint about any abuse by the Rural Electrification Administration in the building of generating plants anywhere in the country. There may be exceptions. There may be a case here and there where it is possible that abuses may have occurred, but in the entire Nation I have not heard of any.

Mr. McCLELLAN. Allowance should be made for an isolated case in a program of this magnitude, but what I mean to say is that there has been no general charge of such abuses during the 10-year period.

Mr. BILBO. That is correct, and I am glad to report that in Mississippi, with I think about 20 or 25 associations—perhaps more; I do not know the exact number—only one association has had any trouble or has had a deficit. That was brought about by the OPA. There was a locker system in connection with the unit, and the OPA refused to permit the unit to charge a decent rate for operating the refrigerators, and that put the organization in the red.

The question I wanted to ask the acting chairman of the committee is whether any testimony had been taken before his committee showing the need of the proposed change, after we have made a success of this REA for a period of 10 years?

Mr. McKELLAR. Mr. President, there was a great deal of testimony respecting it, but I think the greater part of it came from the Senator's colleagues in the Senate. I have forgotten how many testified, but quite a number did.

Mr. BILBO. There was no testimony on this amendment?

Mr. McKELLAR. There was no testimony from witnesses other than Senators who are members of the committee.

Mr. BILBO. And who are interested in the matter. I am sure my colleague, the Senator from South Dakota, did not appreciate just what he was doing by this amendment, because I think I can say with assurance that the law, as it is now written, which gives the Director of the REA and the directors of the units the power, when they cannot secure reasonable rates, to decide whether to build a generating plant has saved to rural American citizens millions of dollars. It has provided a great saving to those who are paying for this service. It has and is helping them to get electricity at such rates as to make them able to keep their accounts current, and it will enable them to be self-liquidating. But if we adopt this amendment it will cost millions of dollars to those who are now enjoying the benefits of REA throughout the Nation, because every power company which is furnishing electricity will at once begin to raise the rates, knowing that it can block establishment of generating plants.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BILBO. I yield.

Mr. McKELLAR. The Senator from Mississippi says he is in favor of furnishing electricity for the population in the rural areas. I know he is, and I am glad he is. I wish to say that I have voted for every rural electrification bill that has ever been passed by the Congress, because such bills began to be passed by the Congress after I came here. I voted for all of them, and I have been very strongly in favor of such measures, and still am. But the committee in adopting the amendment was more interested in building electric lines for the rural population than it was in affording utility companies the opoprtunity to sell their power. If power can be generated and sold at reasonable rates why expend in building power plants a large portion of REA's money which ought to go into the building of power lines for the benefit of the people? That is the only question in connection with this amendment. If the Senator is in favor of giving a bonus to interested parties, if he wants to do that, surely he should vote against this amendment. But if he is in favor of providing electricity for the rural population, and that is what I am in favor of, he should vote for the amendment.

Mr. President, I was born in a rural section and I am proud of it. I think the people in such areas ought to have all possible advantages, especially the advantage of electric light wherever it is possible to furnish it. So far as I know, during the 35 years I have been in Congress I have voted for every single bill ever proposed, designed to help the rural population obtain electricity for light, and other things, because power lines carry the current which operates devices and machines of many kinds. All manner of advantages go with electric power. This money ought to be spent for the purpose of building lines to provide power, and not for the purpose of building plants. I am in favor of furnishing electricity for the rural population, and not for giving bonuses to others who may be interested.

Mr. BILBO. In response to the Senator's observation, let me say that there is not a home in America which could not get electricity if the home owner were able and willing to pay the price. We do not need an REA to get electricity into the home. But what we are trying to do is to furnish electricity to the people in the rural areas at reasonable rates.

Mr. McKELLAR. Mr. President, will the Senator permit me to interrupt him again?

Mr. BILBO. Yes.

Mr. McKELLAR. That was the same question that the private power companies brought up when we had to sweat so much blood in order to succeed in the effort to build such plants as the TVA. They raised the question, "Why have the Government do it when many private utility companies are able to furnish it. Of course they charge a good price but that is all right. Somebody must prosper." But we persisted until we had built the TVA and other similar plants, to the enormous advantage of everyone who lives in the country districts and receives these benefits. I, for one, want to extend in every way possible the advantages of electric light and electric power to the homes and farms of those who live in the rural areas. For that reason I favor this money being spent for lines rather than for power plants.

Mr. BILBO. I regret the Senator's observation was not responsive to my statement.

Mr. McKELLAR. I regret it, too, if the Senator feels that way. I join in his regret.

Mr. BILBO. The point I am making is, and I will repeat it, that there is not a home in America that could not get electricity if the home owners were able to pay the price. I lived 6 miles from the line a few years ago, and it cost me several thousand dollars to have my home electrified, because I had to pay the power company large sums to build the line to my home, and I have been paying tribute to the Power Trust ever since. I am not on an REA line myself. I wish I were.

The further point I am making is that only 9 percent—the Senator from Tennessee, I think, was not present when that statement was made—of all the money which has been spent for the REA service in America has been used to build generating plants, whereas the money saved to the people who are paying for the electricity amounts to a great deal more than 9 percent. If it is really desired to help the country people, if we give them this bargaining power—I will call it a club over the heads of the power companies, to make them give the people decent rates—it will result in saving the people millions of dollars more than will ever be spent in the construction of generating plants.

So I am anxious to see an extension of REA service throughout the country, and I know that in voting against this amendment I am not going to interfere with the extension of that service, because REA has been in existence for 10 years, and during that 10 years only 9 percent of its money has been spent for construction of generating plants, in cases where the rates were unreasonable, or where the power was inadequate to serve those who constituted the subscribers to the units.

Mr. McKELLAR. Mr. President, will the Senator yield again?

Mr. BILBO. Yes.

Mr. McKELLAR. I wish to read a telegram from one who is on the Senator's side of the question. A great furor seems to be raised about this amendment. The one who sent me the telegram is here in Washington. Whether he was ever in Tennessee I do not know. But listen to the reading of the telegram, and his reference to the feeling in Tennessee. Of course, in his view, I, a Senator from the State of Tennessee, know nothing about Tennessee; I do not know what the people of Tennessee are for or against, or anything of that sort. But this man knows it all. Listen to what he says in a telegram addressed to me at the Senate Office Building:

> We are advised that Senate Appropriations Committee amendment urgent deficiency bill H. R. 5458 to prohibit the use of any of the $100,000,000 REA item for generating plants until Federal Power Commission has determined that power in area is not sufficient at reasonable rates. This restriction would result in endless delays.

Just think of that. The power is available there now, and can be obtained at a reasonable price. People can get it now if the REA will put in the line to reach the poor farmer who lives out in the country. The rural population can get the power now. But here is a man who telegraphs me that the adoption of the amendment will bring about endless delays. At one time I had the good fortune—or misfortune—to help build an electric-light plant in which I was interested. My recollection is that nearly 12 months were required to complete the plant. But that is a delay according to this man. He could build it in 12 minutes, or 12 seconds. Let me read further from the telegram:

> This restriction would result in endless delays. The rural electric leaders of your State are strongly opposed to this restriction. Urge you not approve Senate committee amendment.
>
> CLYDE T. ELLIS,
> *Executive Manager, National Rural Electrification Administration.*

That man is on the other side. I have read his telegram to the Senate in order to point out that frankly I do not believe that the rural electric leaders, or any others in my State, are opposed to this amendment. They have not communicated with me, and I believe they know how to do it.

Mr. BILBO. I doubt whether they have heard about the amendment.

Mr. McKELLAR. They may not have heard about it; but they have a remarkable way of finding out things about which they wish to communicate with Senators, as every Member of the Senate can testify.

The truth is that someone in Washington is very much opposed to the amendment. Why? Because it is desired to spend a large sum of money in building electric-light plants which are not needed. The money would not be used for furnishing lines for the benefit of the country people who need the electricity.

Mr. President, the members of the committee who were present voted unanimously in favor of this amendment; and there was a goodly number present.

One's attitude on this question depends on whether he is on the side of the electric power user, the countryman who needs the line, or whether one is more interested in seeing new plants built. The whole rural-electrification program was started for the benefit of the farmer.

Mr. BILBO. Mr. President, I should like to ask the Senator from Tennessee a question. What does the Senator suppose is the attitude of the private power companies in reference to this amendment?

Mr. McKELLAR. Frankly, I have not heard from the power companies.

Mr. BILBO. I did not ask the Senator that question.

Mr. McKELLAR. Nor have I heard from those who are opposed to the power companies.

Mr. BILBO. That is not what I asked the Senator.

Mr. McKELLAR. I know of my own knowledge that there has been considerable propaganda to defeat this amendment since it was reported by the committee.

Mr. BILBO. The point I am seeking——

Mr. McKELLAR. If the Senator will be equally frank, he will say that people have been communicating with him to persuade him to vote against the amendment. We hear such propaganda everywhere.

I do not believe that we ought to legislate by propaganda. I am one of those old-fashioned persons who believe that the American people have chosen their representatives in this body, and that their representatives, rather than those sent here by special interests to lobby, should legislate. I think it is a reflection upon us when an amendment such as this is opposed.

Mr. BILBO. Mr. President, the Senator from Tennessee did not answer my question.

Mr. McKELLAR. I regret it. I apologize to the Senator. I am trying to answer his contention, whether I answer his question or not. The Senator's contention is that we ought to spend this money for building power plants which are not needed.

Mr. BILBO. No.

Mr. McKELLAR. I am opposed to that. I am on the other side. My committee unanimously upheld that position.

Mr. BILBO. Let me ask the Senator——

Mr. McKELLAR. We are for the people who need these facilities.

Mr. BILBO. Will the Senator answer my question? Let me repeat the question.

Mr. McKELLAR. Very well.

Mr. BILBO. I asked the Senator for his opinion. I did not ask him what lobbyists had said. In the Senator's honest opinion, what would be the attitude of the power companies with respect to this amendment?

Mr. McKELLAR. I have not the slightest notion.

Mr. BILBO. The Senator has no notion?

Mr. McKELLAR. I have no notion. I have never discussed the question with representatives of any of the power companies. I do not know.

Mr. BILBO. I am pleading for the people who have to pay for the REA electric service. If we make it possible to delay the construction of generating plants, and require the farmers to go first to the REA, and then to the Power Commission, with all the lawyers who will be engaged to fight the various applications it will be weeks, months, and years before the people back yonder who are trying to escape the high rates of the power companies can obtain relief, and it will cost them millions of dollars. That is what the telegram which the Senator read referred to, when it spoke about delays.

Mr. McKELLAR. I should like to ask the Senator about this telegram. Who is Mr. Clyde P. Ellis?

Mr. BILBO. I do not know him.

Mr. McKELLAR. Does any Senator know him? Is he one of the Government lawyers?

Mr. McCLELLAN, Mr. HILL, and Mr. FULBRIGHT addressed the chair.

The PRESIDING OFFICER. Does the Senator from Mississippi yield, and if so, to whom?

Mr. BILBO. I yield first to the senior Senator from Arkansas.

Mr. McCLELLAN. Mr. Ellis is a former Member of Congress. He is from my State. He is now the head of the Rural Electrification Association, an association of cooperatives.

Mr. McKELLAR. The telegram says "National Rural Electrification Administration." Does that mean the Government Administration?

Mr. McCLELLAN. I do not know what the word "Administration" means.

Mr. McKELLAR. Or does it mean something else?

Mr. McCLELLAN. The association is an association of cooperatives, organized under the REA Act.

Mr. BARKLEY. And Mr. Ellis has been selected by those cooperatives as executive secretary of the entire association in the United States.

Mr. FULBRIGHT. He is not a Government employee.

Mr. BARKLEY. No; he is not.

Mr. McKELLAR. I am glad to know that.

Mr. BILBO. He is merely trying to protect the interests of the cooperatives.

Mr. HILL. Mr. President, will the Senator yield?

Mr. BILBO. I yield.

Mr. HILL. The REA cooperatives, the farmers who own, operate, and administer the REA cooperative systems, have an association of cooperatives, and Mr. Ellis works for that organization. I do not know whether he is called the executive secretary, director, or what; but he is the man who works for and represents the farmers themselves, who are today members of the REA cooperatives. Is not that true?

Mr. FULBRIGHT. That is correct.

Mr. McKELLAR. Mr. President, I should like to ask the Senator from Alabama a question.

Mr. BILBO. I am glad to yield.

Mr. McKELLAR. When these plants are built, do they become the property of the cooperatives?

Mr. HILL. They do. The Government lends the cooperative the money to build the plant, just as the Government lends the cooperative the money to build the lines. The plants become the property of the cooperative, and the cooperative pays the money back to the Government. That is what happens.

Mr. BILBO. The cost of the generating plant is liquidated by increased rates. That is a part of the cost.

Mr. McKELLAR. Increased rates?

Mr. BILBO. Yes.

Mr. McKELLAR. And no one has control over those rates.

Mr. BILBO. Yes.

Mr. McKELLAR. Who has control over them?

Mr. BILBO. The board of directors.

Mr. McKELLAR. Of course, the board of directors of any corporation has control over the affairs of the corporation.

Mr. BILBO. They can pay for the building of their lines, for the poles, wire, and generating plant, and still save money as compared with paying the rates which the power companies charge them.

Mr. HILL. Mr. President, the distinguished Senator from Tennessee has been a strong friend of the REA and the REA cooperatives; but the difficulty is that the distinguished Senator's committee adopted an amendment without going into the facts and without really knowing just exactly what the generating plants have done for the cooperatives and for the benefit of the farmers.

It so happens that on the 21st day of last November there was a hearing before the House Committee on Agriculture on a bill embodying certain amendments to the basic REA Act. At that hearing the committee went into the very question of what the generating plants mean to the farmers, so far as getting electricity into the farm homes for the benefit of farm families is concerned. Mr. Wickard, as head of the REA, testified. He was examined by various members of the committee. He submitted to the committee the facts, which showed, in case after case, that the farmers were able to get cheaper power rates because of the provision in the law permitting the REA to lend money to the REA cooperatives to build generating plants. The record developed at that hearing showed that time and again the authority placed in the law by the Congress to enable the power cooperatives to build generating plants has enabled the REA cooperatives, the farmers, to get cheaper power rates.

Mr. FULBRIGHT. Mr. President, I realize that there is not much that I can add to this discussion; but I wish to go on record in opposition to the amendment.

I am particularly impressed by the arguments of the Senator from Wisconsin [Mr. LA FOLLETTE] and the Senator from Alabama [Mr. HILL]. It seems to me exceedingly unwise to take action on an amendment of fundamental importance which obviously has not had the benefit of consideration by a legislative committee. I am perfectly willing to agree that some Senators discussed the subject, but it is evident that no testimony, in the usual sense of the word, was presented to the committee regarding the advisability of this amendment. Personally, I believe that it would cripple the REA in the development of its program, and particularly in the achievement of reasonable, and lower, rates.

Mr. BARKLEY. Mr. President, I wish to add only a word or two. I regret exceedingly that I find myself in opposition to an amendment reported by the committee and sponsored—or at least defended—by my good friend from Tennessee, the acting chairman of the Committee on Appropriations. However, I am opposed to the amendment. I have not had a line from anyone in my State, or anywhere else, so far as I know, with reference to the amendment. I do not know whether the rural electric cooperatives in my State have learned about it. It was reported from the committee only 3 days ago, and evidently there was no advance notice of it and no hearings on it in the committee. It would not be strange if during the short space of 3 days the Rural Electrification Administration and the cooperatives in the States had not had an opportunity to acquaint themselves with the problem or with the effort, as I regard it, against their expansion.

We inaugurated the Rural Electrification Administration in order to bring electrical power to farmers. Until the REA was instituted, vast sections of the United States had no electrical facilities whatever, and the private power companies which operated within the cities would not go out into the country. They did not have to go there and they did not go. They began to get a little busy in that regard when the REA was established by the Congress. I am informed that since the establishment of the REA and the formation of cooperatives under it and the building of transmission lines, with their poles and facilities, out into the country, some of the private companies have run lines parallel to them in order that they might undertake to drive the cooperatives out of existence. I know that has happened in some sections of the country. The private power companies did not have to go to the Federal Power Commission in order to obtain consent to build a generating plant from which they would run along highway transmission lines which might tend to put a cooperative rural electrification association out of business. They do not have to obtain any consent of that kind from the Federal Power Commission. They do have to come to the Federal Power Commission if they wish to erect a dam for power purposes across a navigable stream, and we have authorized the Commission to grant consent permits for that sort of thing. But they do not have to obtain consent from the Federal Power Commission to build a generating plant, even though the plant is for the purpose of enabling them to run transmission lines along a highway, parallel to and in competition with lines of an REA cooperative already in existence.

So it seems to me that this amendment offers an additional handicap to the building of REA cooperative lines. The amendment applies to the right to build generating plants from which electricity will be sent along those wires.

The money obtained by the cooperatives from the Rural Electrification Administration is not a gift; it is a loan. The cooperatives have an excellent record in regard to the repayment of the loans they have obtained from the REA, and they pay interest on the loans they obtain. As has already been indicated, only 9 percent of the money they have borrowed in that way has been used for the building of generating plants.

Why is it desired to have these small electric cooperatives, which are made up of farmers all over the United States, come hot-footing to Washington in order to obtain consent from the Federal Power Commission to build a small generating plant somewhere? It seems to me that, regardless of the intention of the committee—and I cast no aspersions whatever upon the motives of the committee—I am satisfied that the committee thought the amendment was a wise provision, or else it would not have voted for it, and I am sure the Senator from Tennessee is a friend of the extension of electric power to the farmers—it is amazing how the REA has brought to the farmers and rural areas electricity which they would not otherwise have had. Certainly they

would not have had it if it had not been for the creation of the Rural Electrification Administration.

Now to put this handicap in their way, so that they could not expand unless they should come to Washington and obtain the consent of the Federal Power Commission to build a generating plant or unless they should enter into a contract with a private power company to buy power from them, it seems to me would be a mistake. The ways I have just mentioned are the only ways they can expand their operations. It seems to me we should not throw this obstacle in their way; we should not hobble them by requiring that they come to Washington and obtain consent from the Federal Power Commission to build a generating plant somewhere in the United States in order to serve farmers and their wives and children.

For that reason, Mr. President, I am opposed to the amendment.

Mr. HILL. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. HILL. The amendment would put a hobble on them and it would impede them and harass them. We must realize that in dealing with these cooperatives we are not dealing with large corporations which have high-priced lawyers and lobbyists and representatives who come to Washington. The fact is that the adoption of this amendment would discourage the REA cooperatives and groups of farmers from going forward with their programs throughout the country. Is not that true?

Mr. BARKLEY. Yes; it is true. The people who are concerned with these matters are not wealthy. They are humble farmers, living on farms. They wish to have electrical power in order that it may no longer be necessary for the housewives to spend hours bent over washboards or washtubs. They wish to have electric power so that they may use washing machines which can be connected with an electric line and thereby eliminate much of the drudgery from housework on the farms. Of course, we should not do anything to prevent that.

Mr. HILL. Mr. President, will the Senator further yield?

Mr. BARKLEY. I yield.

Mr. HILL. Of course, it is our obligation to make sure that the loans made for these purposes are sound, but it is true, is it not, that practically all the money that has been borrowed by the cooperatives has been paid back with interest?

Mr. BARKLEY. Undoubtedly it is true.

Mr. HILL. And is it not also true that only 9 percent of the money which has been borrowed has been used for the construction of generating plants?

Mr. BARKLEY. That is also true. But the generating plant is an integral part of the facilities. It does no good to erect electric-line poles and construct the transmission lines unless it is possible to generate electric power and thus have the juice to send over the transmission lines.

Mr. HILL. Not only is it necessary to generate the power, but it is necessary to have a fair rate for the power, so that the farmers can purchase it.

Mr. BARKLEY. Of course, all those questions are involved in the program. Obviously it is necessary to have rates which the farmers can pay.

Mr. President, I cannot avoid the suspicion, which is justified by the experience we have had since the establishment of the REA, that in many communities the private power companies would not have run transmission lines out into the country, thus enabling the farmers to obtain electric current, except for the existence of the REA and the possibility of competition which might drive them out of business.

I shall not vote for an amendment which would prevent the farmers from enjoying that opportunity.

Mr. McKELLAR. Mr. President, the Senator said they could not get the juice.

Mr. BARKLEY. No; I said unless the farmers have an opportunity to have a generating plant they cannot have electricity sent over the transmission lines unless the private power companies make their facilities available to them.

Mr. McKELLAR. But does the Senator know where there is a transmission line which does not have electrical energy available to it? This has been one of the most successful projects for the benefit of the people.

Mr. BARKLEY. I agree with that. It may be that my use of the word "juice" was unfortunate.

Mr. McKELLAR. No; that word is frequently used in reference to electric current.

But it seems to me there is something very peculiar about the furor which has been raised over this amendment. The amendment would not hurt anyone. If it is possible to obtain electric power at a reasonable price, why build another generating plant with money which could be used to give so many housewives relief from the drudgery that they have to put up with? Why not use this money for the benefit of the housewives, for the benefit of the farmers who live in the country, for the benefit of all people who live in the country?

Mr. President, this amendment cannot hurt any one, because Heaven knows it is an easy thing to determine whether a reasonable price is being charged by a private power company. I am one of those who have approached the task on the side of public ownership, and I have been in favor of public ownership for this kind of electricity and other kinds of electricity. But I am not opposed to private industry simply because it is private. I wish to have private industry prosper in the same way that I wish to have all the people of the country prosper. I am not opposed to private industry because it is private.

Every Senator has received these telegrams——

Mr. BARKLEY. I have not.

Mr. McKELLAR. Then, the Senator has not been back to his office in the last 10 minutes.

Mr. BARKLEY. It makes no difference; I am opposed to the amendment, even though I have not received any telegrams.

Mr. McKELLAR. I know the prominence of the Senator from Kentucky in this body. Probably he would receive two telegrams in his office at the same time when the others of us were receiving only one.

Mr. BARKLEY. Mr. President, I am sure the Senator will agree that if I got them after I returned to my office it would be too late, because I made up my mind as soon as I saw the amendment.

Mr. McKELLAR. I agree that by that time it would be too late, because by then the Senator would already have made up his mind. No doubt the Senator made up his mind instantly.

Mr. BARKLEY. I do not know that I made it up that quickly, but I have made it up.

Mr. LA FOLLETTE. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. LA FOLLETTE. In response to the statement made by the Senator from Tennessee, let me say that the reason why so many people are disturbed about this matter is that they sincerely believe that this amendment will be a great deterrent to the carrying forward of this program.

The Senator from Tennessee has said that it is very simple to find out whether a rate is reasonable. Any Senator who has ever observed a rate case knows that it can be dragged out indefinitely—and usually that seems to happen—by the introduction of expert testimony, resort to technicalities, and so forth.

There is not a word of testimony in the subcommittee hearings to show what procedure would be followed under this amendment, because the amendment was not mentioned in the testimony. No one knew that the amendment was going to be proposed.

Mr. McKELLAR. Mr. President, will the Senator yield to me for a moment?

Mr. LA FOLLETTE. I shall yield in a moment.

Mr. President, I can see that if the Federal Power Commission were really to discharge its responsibility in connection with the amendment, it would have to make an additional and separate finding as to whether the electric power rates offered by a private power company to a cooperative were reasonable. This issue is a good deal like the issue which has so frequently come before the Senate in regard to transmission lines from multipurpose dams. The great help which the authority to grant loans to cooperatives for the purpose of building plants has been due to the opportunity it afforded of bargaining with private utility companies in attempting to obtain reasonable rates. The power companies knew that if they did not grant a reasonable rate, the cooperative had the power to apply to the Administration for money to construct or buy a generating plant, and the Administration had the power to grant a loan for the purpose of building such a plant.

In his testimony before the subcommittee, when the general question of his policy was under consideration, Mr. Wickard said over and over again, that he did not believe in granting loans when power could be obtained at a reasonable rate, and that in the future he would

not grant loans under those circumstances. He said he had not believed in such a policy in the past, and that he would not pursue such a policy in the future.

Mr. President, once before in this debate I cited the annual savings which have accrued to the Dairyland Cooperative. Because they could not obtain a reasonable rate they received a loan to be used in building their generating plant, and thereby saved more than $300,000 a year in rates. That is a substantial sum of money. It puts the cooperative on a sounder basis and makes it possible for the cooperative to pay its loan to the Government.

It is the sincere belief of those who are opposed to the pending amendment that such a substantive change in the law as is being proposed should not be made without the most careful consideration being given to it, and hearings being held before a committee where the pros and cons may be thoroughly brought out. There was not a word of warning concerning this amendment, so far as the testimony was concerned. The bill was brought up on the floor of the Senate before any member of the Senate, outside of the committee, knew that such an amendment was under consideration.

Mr. BARKLEY. I appreciate the Senator's observation. I wish to picture, if I may, what would be necessary, and what the mechanics would be in obtaining a loan if the pending amendment were adopted. It is not easy to organize a rural electrification cooperative. Meetings must be held among the farmers; a cooperative program must be worked out, and the farmers must adopt the program, which they themselves have understood to mean not only the stringing of lines along highways, but the building of generating plants if that should become necessary. Suppose they hold a meeting in a section where there is no REA cooperative, and they wish to build a generating plant. They say, "Well, we can borrow the money to build the line, but we cannot obtain money to build a generating plant if the Federal Power Commission finds that there is adequate power already available in the community at reasonable rates." If the cooperative organizes for the purpose of building a line without knowing whether it can obtain a generating plant, it will, in a sense, put the cart before the horse. But suppose it organizes on the assumption that it can obtain a loan for building a generating plant. Before it can complete its organization it must come to the Federal Power Commission and ask it if it may have a generating power plant for the purpose of distributing power over its lines. To me that situation presents an almost insuperable barrier, in the first instance, against the REA. I cannot help but suspect that if the cooperative is met with refusal on the part of the Federal Power Commission, and is not able to borrow the money for the acquisition of a generating plant, it will be left at the mercy of some power company from whom it must buy power in order to furnish electricity to the consumers along its lines.

Mr. YOUNG. Mr. President, I live on a farm in my State a half mile from a small town with a population of about 135. About 15 years ago a power company built a line approximately a half mile from that village. They charged the village $3,500 to bring its facilities into it, and thereafter gave no reduction in rates because of this gift.

At the present time the farmers in my home county are organized into an REA cooperative. If, because of this amendment, they were to lose the bargaining power which they now have they would be in much the same position as this village is in, and no doubt would have to pay very high rates.

Mr. BARKLEY. When those who are desiring to establish a cooperative and supply electric power come to Washington to obtain consent of the Federal Power Commission to build a generating plant they will, of course, be confronted with the compulsion of going back and making the best deal they can with the private company in the event the Federal Power Commission turns them down in the first instance.

Mr. YOUNG. If their experience with the REA were the same as it was in the small village to which I have referred they would probably be compelled to pay a bonus on top of whatever rate they could obtain.

Mr. MAYBANK. Mr. President, I ask the distinguished Senator from Kentucky if there are not certain State laws which govern the activities of cooperatives in Kentucky?

Mr. BARKLEY. Yes; there are certain State laws. The control is vested, in a measure, in the public utilities commission of the State.

Mr. MAYBANK. I thank the Senator for his statement, because in my State of South Carolina the public service commission has certain jurisdiction over electric rates and other matters. I may say to the Senator that in a small community in South Carolina, where a private company owned the utility, the rate was 25 cents a kilowatt-hour. I repeat, 25 cents a kilowatt-hour. The rate remained at that figure until the cooperative was able to buy electricity from a competing line. The private power company finally reduced the rate considerably, and a great deal of money is now being saved.

Mr. President, I believe that the people of my State do not want jurisdiction over their affairs to be exercised in Washington. I am opposed to bureaucratic methods, and I certainly do not intend to put the people of South Carolina under a Federal bureau, although I am not saying to the distinguished Senator from Kentucky that I do not have the utmost confidence in the members of the Federal Power Commission. But I see no reason for persons to occupy hotel space, and space on trains, in coming to Washington to find out whether or not the farmers and other people of the land can obtain cheaper electricity in order to carry on agricultural pursuits.

Mr. BARKLEY. I appreciate what the Senator from South Carolina has said, and I share his comment with regard to the Federal Power Commission. What I have said is no reflection whatever on them. They are able, honest, and sincere public servants. But regardless of that fact, I think that we should not require farmers in any section of the country to come to Washington, or send someone to Washington before they can even organize a cooperative, to ascertain whether the Federal Power Commission will give them authority to construct generating plants.

Mr. MAGNUSON. Mr. President, the smaller cooperatives really cannot afford to send anyone to Washington to argue their case for them. The private power company can send their lawyers to Washington and the farmers are whipped before they start. Secondly, even after coming to Washington there would be a long series of delays, because the establishment of rates before a committee, a court, or a commission is a most difficult task. Even after a ruling has been made by the Federal Power Commission, there is nothing which would bind the private power company to accept the ruling. So, as the Senator has said, many of the small cooperatives are whipped before they start.

Mr. BARKLEY. I agree with the Senator.

Mr. GURNEY. Mr. President, I hope the Senator does not mean to leave the impression that the poor little cooperative representative will have to come all the way to Washington.

Mr. BARKLEY. That is where the Federal Power Commission is located.

Mr. GURNEY. I am sure the Senator knows that the REA has representatives in every State. The representatives in the field make up reports and send them to Washington. The Washington representatives then contact the Federal Power Commission. That is all there is to it.

Mr. BARKLEY. All decisions must be made in Washington. Decisions even on the question of whether there shall be established a cooperative, must be made in Washington. The loan, if any is to be granted, must be made in Washington. It is not made in the field. It is made by the REA in Washington. If the Senator means to intimate that the REA organization within the Department of Agriculture must argue before the Federal Power Commission in behalf of every rural cooperative which wants to build a generating plant, then he must admit that two rival organizations in Washington are arguing against each other.

Mr. GURNEY. Why does the Senator call them rival organizations?

Mr. BARKLEY. If one must go to another in order to induce it to approve or disapprove a loan, in a sense they thereby represent two discordant organizations, and may be representing different viewpoints.

Mr. GURNEY. Allow me to read the Federal Interagency agreement from part III of the Federal Power Act:

> The Commission is party to an agreement entered into jointly with the Department of War, Interior, and Agriculture, under date of December 29, 1944, to permit agencies of these departments and the Commission to cooperate more completely in the preparation of reports on multipurpose reservoir projects and to correlate the results to the greatest practicable extent.

Mr. BARKLEY. That does not give one department the right to nullify what another is trying to do in making reports.

Mr. GURNEY. If I may intrude on the Senator's time, the purpose of it is to arrange that all the information as to all the power produced by not only public utilities, but also private utilities, and by the Bureau of Reclamation, the Interior Department, and the independent boards we have set up, such as the Grand Coulee organization, and the like, may be gathered together by one agency of the Government, which can determine what power is available, and then pass it out to any other agency of the Government, such as the REA, when a request for power is received.

Mr. BARKLEY. That is entirely another thing. Let me observe, in reply, that the result would be that we would have the REA here in Washington going over to the Power Commission with hat in hand, on bended knee, and saying, "Mr. Power Commission, will you please let us lend some money to a little cooperative in West Virginia, or Kentucky, or Wisconsin, so that it can build a generating plant?"

Mr. LA FOLLETTE and Mr. HILL addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Kentucky yield, and if so to whom?

Mr. BARKLEY. I yield first to the Senator from Wisconsin.

Mr. LA FOLLETTE. The point I wish to make is that I do not believe the Senator from South Dakota or any other Senator can state what procedure the Power Commission will require if it has to accept the responsibility of making the required certification. There is not a line in the testimony about it, and I do not believe any Senator knows what procedure they would have to establish. But it certainly is obvious that any conscientious commission charged with this responsibility by the Congress will have to provide some kind of procedure whereby they can ascertain, first, whether the power is available in the area; and, second, whether it is available to the farmers' little cooperative at a reasonable rate. If that does not mean some kind of a special hearing and investigation with regard to all the areas throughout the United States, I do not know what it can mean. If it does mean that, it means interminable delay, and it means in the last analysis that we will have taken the bargaining power away from the cooperatives and thrown them on the good graces and the mercies of the private utilities everywhere in the United States. No one need try to tell me that that does not strike at the heart of the whole rural electrification program, and that, too, at a time when we are appealing to the farmers to increase their production in order that they may help feed the starving millions all over the world.

Mr. BARKLEY. Not only that, Mr. President, but if we may assume that the local REA cooperatives have gathered all the facts they need or think they need to bring to Washington and submit to the Power Commission, the Power Commission could then say, "We will send our own representatives into that community and make our own investigation and our own decision." That would add to the time required to get action.

I now yield to the Senator from Alabama.

Mr. HILL. Mr. President, we may well know that if we put this provision into the law, what the Senator from Kentucky and the Senator from Wisconsin have suggested will come to pass. The private power companies will be here demanding that they be heard, asserting that they have a right to participate in some kind of a hearing and present what they think is their side of the case against the REA, against the loan, against the farmer. They will be here with their high-priced lawyers, with their high-priced rate experts, with their high-priced engineers, with their high-priced lobbyists, swarming to the Federal Power Commission, arrayed with their wealth and their power and their expert help and technical advice against the poor helpless farmers. That is what we are opening the door for, that is what we are inviting, if we adopt this amendment.

Mr. BARKLEY. I thank the Senator. I have said all I wish to say on the subject, and more than I had intended to say.

Mr. MAYBANK. Mr. President, will the Senator from Kentucky yield to me so that I may ask the Senator from Alabama a question?

Mr. BARKLEY. I yield for that purpose.

Mr. MAYBANK. In addition to what the Senator has suggested, is it not possible that court injunctions might be issued, so that it would be 10 years before anything was done?

Mr. HILL. The Senator from South Carolina knows the history of the whole REA program under the REA administration. The Senator from South Carolina knows that the power companies have never let slip any opportunity to go into court and sue for injunctions, and resort to any other possible kind of proceeding to delay, hamper, impede, harass, and defeat the REA. We would be opening the door, extending an invitation to the power companies to carry on as they have in the past, to do everything possible with their wealth and their power and their brains to defeat the REA.

Mr. McKELLAR. Mr. President, I hope we may have a vote, but before a vote is taken I wish to make one observation.

The opponents of the amendment refer to the construction of generating plants as involving 9 percent of the appropriation. That is all that is involved, 9 percent out of 100. Anyone would think the whole rural electrification system was involved. There is nothing of that sort. After 30-odd years of hard work for rural electrification, how could I ever explain it if I tried to do something that would help the power companies rather than the people of the rural areas? I have no other desire except to assist them.

All I ask, Mr. President, is that we have a vote on the amendment, and I should like to have a yea-and-nay vote. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. LANGER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	Overton
Austin	Hart	Radcliffe
Bailey	Hatch	Reed
Ball	Hayden	Revercomb
Bankhead	Hickenlooper	Robertson
Barkley	Hill	Russell
Bilbo	Huffman	Saltonstall
Brewster	Johnson, Colo.	Shipstead
Bridges	Johnston, S. C.	Smith
Briggs	Knowland	Stanfill
Bushfield	La Follette	Stewart
Butler	Langer	Taft
Capper	McCarran	Thomas, Okla.
Carville	McClellan	Thomas, Utah
Cordon	McFarland	Tobey
Donnell	McKellar	Tunnell
Downey	McMahon	Tydings
Ellender	Magnuson	Vandenberg
Ferguson	Maybank	Walsh
Fulbright	Mead	Wherry
George	Millikin	Wiley
Gerry	Mitchell	Willis
Gossett	Moore	Wilson
Green	Murdock	Young
Guffey	O'Mahoney	

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). Seventy-four Senators having answered to their names, a quorum is present.

Mr. GURNEY. Mr. President, I wish to make a very short statement. I am surprised at the furor caused by this amendment. In committee it was generally agreed, as attested to by the unanimous vote of about a dozen members present in the committee when the amendment was agreed to, that it was sound, common, good sense to adopt the amendment. It was the belief of all Senators present—I think I speak truthfully—that there should be one Government agency which had the knowledge of power produced by every other governmental agency which is presently engaged in producing power, and there are several of them, and it was believed also that the Federal Power Commission was the agency which should be responsible for gathering the information and correlating it, and making it available.

I call the attention of the Senate also to the fact that there is presently before the Appropriations Committee request for the building of several hundred Federal flood-control projects where the generation of incidental power is, of course, a part of each project. We all realized that there would be power available from these flood-control projects, and we were concerned about the market for that power. Of course, it is conceivable that one agency, not getting its information from the central gathering agency, could authorize the building of a generating plant where, in a few years, hydroelectric power, developed at the expense of the taxpayer, would not then have a market. The amendment seemed to be a sound, common-sense amendment. Certainly we could not envision that it would cause any delay about which there has been so much oratory here today. I do not believe it is necessary for anyone to fear that there would be rival Government agencies, as I heard the majority leader say. Certainly they ought to cooperate. The

REA has representatives in the field who certainly report to Washington. They could pick up the telephone and ask the Federal Power Commission if a proposed rate was reasonable, and that is all that would be necessary, because the Federal Power Commission is not held down by any rule in dealing with such questions. It would be a simple matter.

If Senators think that $100,000,000 is not a great deal of money, let them remember that when we first heard about the cost of the greatest Federal project in history, the Boulder Dam, its cost was a little under $200,000,000. Here it is proposed to appropriate $100,000,000 in this bill, which is a deficiency bill. Two and one-half times this amount is going to be called for in the regular appropriation bill. And still it is said that 9½ percent of all this money is not much; it is only a small amount. Mr. President, it is a huge amount. Ten percent of all the money appropriated for REA can run up to $100,000,000.

Mr. President, I want to see the Federal money which is appropriated to REA go into lines which serve farms, where it is economically sound to put in the lines. If it is necessary to build a generating plant, then by no stretch of the imagination would this amendment stop the building of a necessary generating plant.

Mr. President, until someone got to members of the committee—I do not know who it was—every member of the committee said about the amendment, "That is fine; we are all for it." And the members of the committee present were unanimously in favor of it. I am sure the vote today, though, will not be unanimous.

I am glad the amendment came up for consideration, for Congress has certainly taken time out at least to stop, look, and listen in appropriating money for what the REA find to be cooperatives, but we should also remember that whenever a cooperative is organized somebody else pays the taxes that supply the money from which comes the $100,000,000 appropriated in this particular bill.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. GURNEY. I yield.

Mr. OVERTON. Objection has been made to the provision that the Federal Power Commission should approve the rates. Is it not the policy of the Government today that the Federal Power Commission shall approve the rates in the case of projects for which Federal money is expended?

Mr. GURNEY. That is the responsibility of the Federal Power Commission under the act creating it. I read the provisions of that act a few minutes ago.

Mr. OVERTON. I am sorry but I was not present at that time. I was called out of the Chamber.

Mr. GURNEY. As I understand the Federal Power Commission approves the rates charged by all Federal projects which are built with Federal money.

Mr. CORDON. Mr. President, I do not want to delay consideration of this matter for more than a few moments, and I assure the Senate I shall take but a few moments. I rise in support of the committee amendment. I do so because I believe that my action is in the interest, the true interest, of the farming population of the United States.

Mr. President, this amendment does not in anywise prevent rural electrical cooperatives from producing their own power where there is not in the area adequate power available at a reasonable price. The amendment does provide that a finding shall be had in that field by the Federal Power Commission.

Argument has been made that the time element involved in securing a certification would be fatal to the rapid development of the REA program. I recognize, Mr. President, that there is some force in that argument. If those who have gone into the matter feel that it would be helpful, I should be glad to support an amendment to the committee amendment giving a priority to any application for such certification so as to hasten the decision by the Federal Power Commission. If those who have examined into the matter feel that it would be helpful, I should be glad to support an amendment providing that State public utilities commissioners or persons holding equivalent office might also make the investigation and certification. Anything which would expedite the determination would in my opinion be advisable, and should have general support.

However, I feel that every safeguard possible should be thrown around those who are seeking to help themselves, and who must turn aside from their everyday duties and occupations into a new field in order to do so. The distinguished majority leader called attention to the procedure by which REA cooperatives are organized—the calling together of the farmers, the presentation of the matter, the initiation of the contract or basic agreement, and so on, until finally the cooperative is evolved. I call attention to the fact that that must all be done by men and women who are making their living doing something else. They must turn aside from their regular occupations and endeavor to inform themselves in a new field. They must necessarily seek technical and expert advice. Ultimately they must have technical and expert employees, and they must control and operate the entire program and still continue their major and primary occupation in the field of agriculture.

I feel that it is the duty of the Congress to do everything possible to minimize that extra effort, not only from the standpoint of assistance in reducing the amount of time necessary for consideration by men and women on the farms, but because the more we can simplify the operation the less danger there will be of great loss to those who engage in it.

I invite attention to pages 53, 54, 55, and 56 of the Senate committee hearings on this matter. There are listed approximately 80 REA organizations which are in default, either as to payment of principal or interest, or both. The total amount in default is $632,946.

Mr. President, I do not call attention to that situation critically. I am not at all of the opinion that it is too great a default to be expected, particularly under the circumstances with which we are faced, having just emerged from a war period. I call attention to it only because there is listed opposite each REA organization which has defaulted the Rural Electrification Administration's reason for the default. Those reasons are many and varied. Among them are such reasons as these: In connection with a default of $90,000—

> High power cost from small generating plant installed when project started because utility refused to supply power at reasonable rate. Construction of additional distribution lines retarded by WPB restrictions.

Again, in connection with a $3,800 default—

> Too small to be efficient operating unit; high wholesale power cost.

And so forth. The reason is given in each instance. A careful consideration of this list leads one inescapably to the conclusion that the major reason is lack of time and expert knowledge on the part of those in the rural and farming sections who are attempting to maintain a business foreign to their experience. Because that is true, I feel that it is our duty, so far as we can, to simplify the REA administration. I believe we do that when we limit it so far as we can to the construction, operation, and maintenance of the lines and their outlets. We add complexity when we add generating plants. They represent a highly technical business. To me they represent a very great danger to every unit which undertakes such construction. I believe it would be helpful to those who are engaged in operating the REA organizations if they had the benefit of the consideration which would be given by the Federal Power Commission or by a State utility commissioner or equivalent officer. An examination would be made prior to the issuance of a permit to the REA to engage in the technical field of power generation. I believe that would be a help to the farmers themselves. For that reason, Mr. President, I feel compelled to support the amendment as it has been reported by the committee.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. CORDON. I am glad to yield.

Mr. AIKEN. When the Senator says that certain cooperatives are in default, does he mean that they are behind in their payments? He does not mean that they have utterly failed, does he?

Mr. CORDON. I give to the word "default" its usual meaning—default in payment of either principal or interest.

Mr. AIKEN. The Senator realizes, does he not, that there are approximately a thousand REA cooperatives, and that a great many of them are far ahead in their payments?

Mr. CORDON. As I stated, I did not mention these cooperatives critically. I particularly called attention to the fact that I felt that there were very few in default. I was astonished that there were so few in default, in view of the conditions from which we have recently emerged. I do not intend to be critical in any sense.

Mr. AIKEN. Does the Senator know whether any of the large power developments in the country are in default? Is the Bonneville Dam project, for example, fully paid out?

Mr. CORDON. The Bonneville Dam project is not fully paid out. I think the plans contemplate its paying out in 40 or 50 years. The latest report from a commercial accountant indicates that it is well on its way and is making adequate payments.

Mr. AIKEN. I believe that most of the REA cooperatives are well on their way.

Mr. CORDON. I believe that is correct.

Mr. AIKEN. The one which gets so far behind that is must be taken over has, so far as I know, never generated a kilowatt-hour of electricity for itself, but was in such a position that it had to pay a very high rate to a private utility company because it could not get the power anywhere else.

Mr. CORDON. Certainly I do not oppose the right resting in the REA cooperative to generate its own electricity at any time that it cannot secure electricity from another source at a reasonable rate.

Mr. AIKEN. I agree with the Senator from Oregon that in the long run the Bonneville project will pay out, and pay out handsomely; but I also maintain that nearly all of the 80 REA cooperatives will also come through all right.

Mr. CORDON. I agree with the Senator from Vermont in that statement.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 4, beginning in line 9.

Mr. WILEY. Mr. President, the State of Wisconsin has made a success of the REA, and also of private utilities. I shall not discuss this issue. Because I happen to have a few shares of stock in some private utilities, and because there seems to be a conflict of interest, I ask unanimous consent that I be excused from voting on this question.

The PRESIDING OFFICER. Without objection, the Senator from Wisconsin is excused from voting.

The question is on agreeing to the committee amendment on page 4, beginning in line 9. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REED (when his name was called). I have a general pair with the senior Senator from New York [Mr. WAGNER]. On this vote, I transfer that pair to the senior Senator from New Jersey [Mr. HAWKES] and, therefore, I shall vote. I vote "yea."

The roll call was concluded.

Mr. GUFFEY. My colleague [Mr. MYERS] is unavoidably detained on public business. If he were present, he would vote "nay."

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS], and the Senator from New York [Mr. WAGNER] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. HOEY], the Senator from West Virginia [Mr. KILGORE], the Senator from Illinois [Mr. LUCAS], the Senator from Texas [Mr. O'DANIEL], the Senator from Florida [Mr. PEPPER], and the Senator from Montana [Mr. WHEELER], are detained on public business.

The Senator from Montana [Mr. MURRAY] and the Senator from Idaho [Mr. TAYLOR] are absent on official business.

The Senator from Texas [Mr. CONNALLY] is absent on official business as a representative of the United States to the General Assembly of the United Nations.

On this question, the Senator from Montana [Mr. WHEELER] has a general pair with the Senator from Maine [Mr. WHITE].

If present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from West Virginia [Mr. KILGORE], the Senator from Montana [Mr. MURRAY], the Senator from Florida [Mr. PEPPER], the Senator from Idaho [Mr. TAYLOR], and the Senator from New York [Mr. WAGNER], would vote "nay."

Mr. WHERRY. The Senator from Illinois [Mr. BROOKS] is recovering from a recent operation.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate on official business of the Small Business Committee, of which he is a member.

The Senator from Delaware [Mr. BUCK] and the Senator from Oregon [Mr. MORSE] are necessarily absent.

The Senator from New Jersey [Mr. HAWKES] is absent on official business of the Interstate Commerce Committee. If present, he would vote "yea."

The Senator from Maine [Mr. WHITE] is detained in an important committee meeting. He has a general pair with the Senator from Montana [Mr. WHEELER].

The result was announced—yeas 21, nays 52, as follows:

YEAS—21

Austin	Gerry	Reed
Bailey	Gurney	Revercomb
Ball	Hart	Robertson
Bankhead	McKellar	Smith
Brewster	Millikin	Taft
Bridges	Overton	Thomas, Okla.
Cordon	Radcliffe	Tydings

NAYS—52

Aiken	Hayden	Murdock
Barkley	Hickenlooper	O'Mahoney
Bilbo	Hill	Russell
Briggs	Huffman	Saltonstall
Bushfield	Johnson, Colo.	Shipstead
Butler	Johnston, S. C.	Stanfill
Capper	Knowland	Stewart
Carville	La Follette	Thomas, Utah
Donnell	Langer	Tobey
Downey	McCarran	Tunnell
Ellender	McClellan	Vandenberg
Ferguson	McFarland	Walsh
Fulbright	McMahon	Wherry
George	Magnuson	Willis
Gossett	Maybank	Wilson
Green	Mead	Young
Guffey	Mitchell	
Hatch	Moore	

NOT VOTING—23

Andrews	Glass	O'Daniel
Brooks	Hawkes	Pepper
Buck	Hoey	Taylor
Byrd	Kilgore	Wagner
Capehart	Lucas	Wheeler
Chavez	Morse	White
Connally	Murray	Wiley
Eastland	Myers	

So the committee amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 5458) was read the third time and passed.

Mr. McKELLAR. I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MCKELLAR, Mr. GLASS, Mr. HAYDEN, Mr. TYDINGS, Mr. RUSSELL, Mr. BROOKS, Mr. BRIDGES, and Mr. GURNEY conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the joint resolution (H. J. Res. 301) to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SPENCE, Mr. BROWN of Georgia, Mr. PATMAN, Mr. WOLCOTT, and Mr. CRAWFORD were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 2348. An act to provide for the coverage of certain drugs under the Federal narcotic laws; and

H. R. 4571. An act to amend the First War Powers Act, 1941.

MODIFICATIONS IN THE AUTHORIZATION FOR CERTAIN SUBSIDIES

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the joint resolution (H. J. Res. 301) to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BARKLEY. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BARKLEY, Mr. DOWNEY, Mr. MURDOCK, Mr. TOBEY, and Mr. TAFT conferees on the part of the Senate.

ALBERT E. SEVERNS—CONFERENCE REPORT

Mr. ELLENDER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2335) for the relief of Albert E. Severns, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment, as follows:

In lieu of the sum inserted by the Senate amendment, insert $2,500; and the Senate agree to the same.

ALLEN J. ELLENDER,
ARTHUR CAPPER,
Managers on the Part of the Senate.

DAN R. MCGEHEE,
W. A. PITTENGER,
Managers on the Part of the House.

Mr. ELLENDER. I move the adoption of the conference report.

The report was agreed to.

MRS. S. P. BURTON—CONFERENCE REPORT

Mr. HUFFMAN submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2487) for the relief of Mrs. S. P. Burton, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

JAMES W. HUFFMAN,
ALLEN J. ELLENDER,
Managers on the Part of the Senate.

DAN R. MCGEHEE,
J. M. COMBS,
JOHN JENNINGS, Jr.,
Managers on the Part of the House.

Mr. HUFFMAN. I move the adoption of the conference report.

The report was agreed to.

BUREAU OF SCIENTIFIC RESEARCH

Mr. MEAD. Mr. President, as chairman of the subcommittee of the Committee on Commerce, which considered Senate bill 1248, which was introduced by the Senator from Arkansas [Mr. FULBRIGHT], I should like to have the bill considered by the Senate this afternoon. I doubt whether it can be considered by unanimous consent, but if it cannot I shall move, if it be agreeable to my colleagues, that the Senate proceed to the consideration of Senate bill 1248.

Mr. TAFT. What is the calendar number?

Mr. MEAD. Calendar No. 918.

The PRESIDENT pro tempore. The clerk will state the bill by its title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1248) to establish a Bureau of Scientific Research, and for other purposes.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. TAFT. I object.

Mr. MEAD. Mr. President, I move that the Senate proceed to the consideration of Senate bill 1248.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from New York.

Mr. TAFT. Mr. President, there have been introduced three or four bills representing many different theories with respect to the proper method of establishing a Bureau of Scientific Research. It seems to me that more notice should have been given of the intention to ask that the Senate consider a bill of such importance as the one which the Senator from New York seeks to bring up. I think the Senator should wait until next Monday or Tuesday before asking that the Senate take up the bill. Many Senators are not present and cannot now consider the matter. Other bills have been introduced which have yet to be given a hearing, as I understand, before the committee to which they were referred.

Mr. MEAD. Mr. President, it would be perfectly agreeable to me to make Senate bill 1248 the unfinished business of the Senate. The bill has been on the calendar for some time. The sponsors of the other bills to which reference has been made have, as I understand, agreed on a simple proposal. That is a matter entirely different than the one now before us. The proposal represented by the other bills deals with basic research and basic science. Senate bill 1248 deals with the application of the sciences and research work to the problems of today. It is an aid primarily to small business. It would provide a service which has not otherwise been provided, and cannot be provided by small independent business.

Mr. TAFT. Mr. President, the bill which was introduced by the Senator from Virginia [Mr. BYRD] has been on the calendar much longer than the bill to which the Senator from New York has referred. The bill introduced by the Senator from Virginia would establish a research board for national security. It is Calendar No. 549, Senate bill 825. A somewhat different question is there involved, and it seems to me that the entire subject should come up at one time, and that sufficient notice should be given that the subject is to be considered.

Mr. REVERCOMB. Mr. President, with reference to the subject now being discussed, I invite attention to the fact that there is now pending before the Military Affairs Committee a bill which was only recently reported by a subcommittee of that committee which gave months of time to hearings on the subject. The bill to which I refer is Senate bill 1850. It deals with the general subject of establishing a foundation for scientific research. Undoubtedly it will incur a great deal of discussion in the full committee before which it is now pending. I am advised that the bill referred to by the Senator from New York is somewhat different, but is along the same line. I have not had an opportunity to study the bill which the Senator from New York has moved that the Senate proceed to consider. I know however, as a member of the subcommittee of the Military Affairs Committee, that the general subject is one which will precipitate an extended discussion both in the Military Affairs Committee, and perhaps on the floor of the Senate. The report from the subcommittee is now pending before the Commitee on Commerce, and is pending there today because there was introduced in the Senate and referred to the Committee on Commerce a bill dealing with a proposed foundation for scientific research.

Moreover, I am advised that pending before the Committee on Commerce is another bill dealing with the same subject. The bill was introduced by the Senator from Indiana [Mr. WILLIS].

Mr. President, it seems to me that if we are to approach the subject properly, all the bills to which reference has been made should be before the Senate, or certainly we should have an opportunity to study them and know what differences may exist between them, and not take up the matter piecemeal by discussing and considering only one bill which deals with any one phase of the subject.

I hope the Senator from New York will not urge his motion, but instead will wait until the other bills on the subject are before the Senate so that we may then consider the subject in its entirety, and not consider only one of the bills on the general subject of scientific research.

Mr. MEAD. Mr. President, I may say that we now have within the Government the necessary technological research facilities. They are widespread in various agencies of the Government. The purpose of the bill which I have moved that the Senate proceed to consider is to coordinate the services which now exist, and make them more readily available to small independent businesses which will require those services if they are successfully to compete in the modern industrial age in which we now live.

At any rate, Mr. President, I shall be governed in great part by the wishes of the author of the bill.

Mr. FULBRIGHT. Mr. President, I may say for the information of the Senate that this bill was called up on the calendar at a time when, unfortunately, I was not present in the Chamber. It was passed over. I have discussed with the minority members of the committee as to when would be a proper time to bring the bill before the Senate. There is some confusion with reference to the purpose of the bill. I may say that it is not designed to further research in the basic sciences. So far as research is concerned, the bill is designed merely to coordinate what is already within the Government. One of the principal purposes of the bill is to maintain an index of technological knowledge which already exists within the Government. One of the principal subjects with which the bill deals in the immediate future is the mass of industrial secrets of the Axis countries now being gathered by experts of the Army and the Department of Commerce.

I invite attention to an article by a writer by the name of Ball which appeared a few days ago in the Washington Post. In his article he commented on the number of industrial secrets which are being brought to our Department of Commerce from Germany and are being declassified by the Department of Commerce.

Senate bill 1248 would provide for the establishment of technical services within the Department of Commerce. It is entirely different from the bill which is commonly known as the Kilgore or Magnuson bill.

It may be that further opportunity should be given to Senators to study the bill. However, there is no reason to consider it together with the other bill, because there is no real connection between the two. It is true that when the other bill was drawn the subject of atomic energy was in mind. But Senate bill

1248 is not designed to conduct research into the subject of atomic energy, or basic science, but to make available to the public the knowledge we already have. It should be made available to small business as soon as practicable.

Mr. REVERCOMB. Mr. President, I may say to the Senator from Arkansas that the bill now pending before the Military Affairs Committee, known as the Kilgore-Magnuson bill, provides for an over-all treatment and study to be made of scientific research, and is bound to reach into a field which will bring it into conflict, it would seem to me, with any other bill dealing with a definite or particular department of the Government.

I do not object to the bill of the Senator from Arkansas, but I assert that the Senate should not consider the subject piecemeal. It should be done with the whole subject of scientific research brought on for hearing on the bill of the Senator from Arkansas, the bill now pending before the Committee on Military Affairs, and other bills such as the one introduced by the Senator from Indiana. If we take this matter up piecemeal, we are going to find conflicts in some of the provisions of particular bills, such as the one now sought to be considered.

Mr. WILLIS. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. WILLIS. I should like to say, in this connection, that while the bill introduced by myself and some of my colleagues perhaps does not conflict in any way with the bill the Senator from Arkansas is presenting, yet this whole subject should be reviewed in the light of the over-all definitions. It is a subject to which I presume very little attention has been paid by the laymen of the Senate, and I think it would be most unwise to take up this segment of scientific research work without having the whole picture before us. I believe it would be unwise, and I do not think the Senator from New York should press his motion at this time.

Mr. FULBRIGHT. Mr. President, one further comment. I am not disposed to press the bill until Senators can have an opportunity to study it. But this is not a piecemeal approach. There are different subjects involved. It is no more piecemeal than a steel plant is a piecemeal research operation. This is a practical matter. True, there is some connection between the laboratory in the University of Indiana or the laboratory at MIT, and the industrial manufacturing plants, but they are generally conceded to be performing different functions. One subject is involved in my bill, and different subjects in the other bills. There is a relationship, but no identity of purpose or function.

Mr. WILLIS. Will the Senator yield further?

Mr. FULBRIGHT. I yield.

Mr. WILLIS. Does the Senator think a majority of the Senators have a clear picture of this field of legislation? Even if it is a distinct measure the Senator is sponsoring, would it not be better to give the Senate a little time to study it?

Mr. FULBRIGHT. I doubt that I have a clear picture of any bill except the ones from my own committees. I am not disposed to press the bill today, but I think that in the very near future these bills should be passed. For example, the one dealing with the declassification of the industrial secrets being discovered in Germany is very important. Information is being sent out every day, and I think it would be very helpful if the facts could be developed and made available to the people.

Mr. TAFT. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. TAFT. I do not quite understand the Senator's argument that his bill does not overlap others, because its terms seem exceedingly broad. It authorizes the Secretary "to undertake engineering or technological research on industrial, commercial or related problems of an important general nature, including the development of such inventions, products, and processes as may be qualified for future utilization."

That is almost broad enough to include every basic research. Certainly it is broad enough to include intermediate basic research. Then it authorizes him "to initiate and sponsor engineering or technological research or development, to be carried on by public departments and agencies or by private profit or nonprofit institutions and persons, by entering into contracts or other arrangements pursuant to which he may finance."

Here we have a proposal for a department to finance research in institutions throughout the United States. Then there is the other bill proposing to finance research on some other subject. Then, there is the Navy bill, and the Army bill, perhaps, to finance military and naval research.

It seems to me the subject is broad, and if we are to have the Government finance research throughout the United States, one agency should do it, and we should decide what that agency should be. I do not believe we should approach the problem in a piecemeal way.

Mr. FULBRIGHT. In the hearings in the subcommittee of the Committee on Military Affairs, which I attended last fall, all the scientists who were present, including many who have been appearing before the Special Committee on Atomic Energy, were conscious of the distinction between research in pure science and research in applied science; that is, engineering and the technology of production. They certainly have no trouble in making that distinction, and they think they are entirely different proceedings. We would not expect Mr. Urey or Mr. Oppenheimer to be engaged in investigating how one sets up a plant, or how one develops an invention for use in everyday commercial life.

Mr. BARKLEY. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. BARKLEY. Inasmuch as we are planning to recess until Tuesday, it strikes me it might be well to let the matter go over until that time, and determine what we want to do.

Mr. FULBRIGHT. I am not disposed to push it today, but the confusion referred to has been in the minds of many people, and I hope Senators will give some thought to the distinction between the various bills.

Mr. MEAD. Mr. President, agreeable to the wishes of my colleague from Arkansas, the sponsor of the bill, and for the added reason that I believe we have emphasized the importance of such legislation as is proposed, I ask unanimous consent to withdraw my motion.

The PRESIDENT pro tempore. Without objection, the motion is withdrawn.

DISPOSITION OF THE RECLAMATION FUND—BILL INTRODUCED

Mr. O'MAHONEY. Mr. President, on behalf of the senior Senator from Arizona [Mr. HAYDEN] and myself, I ask unanimous consent to introduce for appropriate reference a bill, to provide for the flow of revenues from the Federal reclamation projects into miscellaneous receipts of the Treasury, and to provide that revenues from the Federal reclamation projects hereafter financed wholly from general funds of the Treasury shall be covered into miscellaneous receipts of the Treasury.

The PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred.

The bill (S. 1881) to provide for the flow of revenues from Federal reclamation projects into miscellaneous receipts of the Treasury and to provide that revenues from Federal reclamation projects hereafter financed wholly from general funds of the Treasury, shall be covered into miscellaneous receipts of the Treasury, was read twice by its title, referred to the Committee on Irrigation and Reclamation.

Mr. O'MAHONEY. Mr. President, by the Reclamation Act of June 17, 1902, a national Federal reclamation policy was adopted for the public land States of the West under which thousands of acres of dry land have been brought under water and formerly uninhabited areas have been transformed into productive agricultural communities, with a consequent stimulation of business and industrial activity. New markets have been created for manufactured goods produced in other parts of the country and the tax revenues of the Federal Government and of States and counties have been greatly increased. The truth is that the returns in the form of taxes alone far exceed the amounts expended on all reclamation projects since the original law was passed.

Moreover, thousands of homes were created for veterans of the last World War, and thousands of homes can now be created for veterans of this war by the continuation of the policy.

The Reclamation Act set up a special reclamation fund in the Treasury of the United States into which it was directed should flow the receipts from the sale and disposal of public lands in 16 Western States, namely, Arizona, California, Colorado, Idaho, Kansas, Montana, Nebraska, North Dakota, Nevada, New Mexico, Oklahoma, Oregon, South Dakota, Utah, Washington, and Wyoming. Later, in 1906, the Reclamation Act was extended to include the State of Texas, although there were no public lands in

that State which could be sold to increase the reclamation fund.

The great value to the Nation of the creation of new reclamation projects resulting, as described, in the stimulation of agriculture, business, and industry, was recognized by Congress, which from time to time, by new statutes, provided new sources of income to the reclamation fund. For example, the act of March 3, 1905, provided for covering into the reclamation fund proceeds from the sale of property and money refunded in connection with any operations under the Reclamation Act. By subsequent acts Congress provided that the proceeds from the sale of town lots should go into the fund. In 1917, when Congress adopted the principle of leasing valuable deposits upon the public land, it was provided that certain royalties and rentals should go into the fund. This was the case with the General Leasing Act of 1920, under which 70 percent of all receipts on past production and 52½ percent of all receipts on future production, from sales, bonuses, royalties, and rentals derived from the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain outside of Alaska, were covered into the reclamation fund. Other similar acts have been passed, because it was realized that with the settlement of the public land States the source of revenue for the reclamation fund would tend constantly to diminish.

It was found that the cost of initiating the program was exceeding the accretions to the reclamation fund, and in 1910 Congress provided for a loan of approximately $20,000,000 to the fund from the Treasury. This loan was to be repaid beginning 5 years after the first advance by diverting 50 percent of the annual receipts of the reclamation fund into the Treasury. In 1917 this act was amended so as to provide that the reimbursement should be made at the rate of $1,000,000 annually beginning July 1, 1920. These payments were made until the depression, when, as a result of moratorium acts relieving farmers from repayment obligations, the receipts of the reclamation fund were cut off. As a result, Congress authorized the postponement of the annual repayments to the Treasury.

When the public works program was launched in 1933, new appropriations were made from the general fund for reclamation projects, and in 1938 the distinguished senior Senator from Arizona [Mr. HAYDEN] and I sponsored an amendment to the Interior Department Appropriation Act for the fiscal year 1939 providing for the eventual full repayment of all of these advances to the Treasury out of reclamation project receipts after the costs of development had been met. This provision reads as follows:

All moneys received by the United States in connection with any irrigation projects, including the incidental power features thereof, constructed by the Secretary of the Interior through the Bureau of Reclamation, and financed in whole or in part with moneys heretofore or hereafter appropriated or allocated therefor by the Federal Government, shall be covered into the reclamation fund, except in cases where provision has been made by law or contract for the use of such revenues for the benefit of users of water from such project: *Provided*, That after the net revenues derived from the sale of power developed in connection with any of said projects shall have repaid those construction costs of such project allocated to power to be repaid by power revenues therefrom and shall no longer be required to meet the contractual obligations of the United States, then said net revenues derived from the sale of power developed in connection with such project shall, after the close of each fiscal year, be transferred to and covered into the General Treasury as miscellaneous receipts.

All advocates of reclamation have recognized from the beginning that all advances from the Federal Treasury in addition to the reclamation fund should be repaid to the Treasury. During the last session of Congress, when appropriation bills were under consideration, some members, particularly of the Appropriations Committees, expressed the belief that the date when reclamation-project receipts should begin flowing into the Treasury should be expedited. With this objective, the Senator from Arizona [Mr. HAYDEN] and I are in agreement, and by the bill which I am introducing today on his behalf as well as my own, we have undertaken to modify the provisions of the earlier act so as to expedite repayment to the Federal Treasury.

This bill would amend existing law so as to provide, first, that all net revenues from reclamation projects hereafter financed wholly from the general fund of the Treasury should be turned over to the Treasury and, second, that a suitable portion of net revenues received from projects partly financed out of the general fund should likewise be paid into the Treasury.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill, S. 1881, was ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the act of May 9, 1938 (52 Stat. 291), is hereby amended by striking out the first proviso in the provision of such act relating to the disposition of moneys received by the United States in connection with any irrigation projects, including the incidental power features thereof, constructed by the Secretary of the Interior through the Bureau of Reclamation, and inserting in lieu thereof the following: "*Provided*, That, after the close of each fiscal year, there shall be covered into the General Treasury as miscellaneous receipts that proportion of the net revenues not required to meet contractual obligations of the United States received from each such project during such fiscal year which the sum of general fund appropriations made after the effective date of this proviso for each such project bears to the aggregate of all appropriations and allotments made for such project: *Provided, further*, That when the sum of transfers from the reclamation fund to miscellaneous receipts of the Treasury with respect to a project equals the sum of all general fund appropriations made for such project subsequent to the effective date of this proviso then the amount to be transferred to miscellaneous receipts of the Treasury with respect to each such project, after the close of each fiscal year, shall be that proportion of the net revenues received from each such project during such fiscal year which the sum of all general fund appropriations and allotments bear to the aggregate of all appropriations and allotments made for such project."

SEC. 2. This act shall become effective upon the first day of the fiscal year following the fiscal year in which it shall become law.

AUTHORIZATION FOR FILING OF A REPORT BY THE JOINT COMMITTEE ON THE ORGANIZATION OF CONGRESS

Mr. LA FOLLETTE. Mr. President, in view of the statement made a few moments ago by the majority leader that it was his purpose to move that the Senate adjourn until Tuesday next, I ask unanimous consent that the Joint Committee on the Organization of Congress may be authorized to file a report with the Secretary of the Senate on Monday.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

CONDITIONAL PROHIBITION OF LOAN TO GREAT BRITAIN

Mr. LANGER. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill to prohibit the making of a loan to Great Britain until all persons who have been compelled to transfer their property for the purpose for qualifying for old-age pensions are reimbursed.

Out of 48 States there are 17 in which, in some instances, before old pioneers could get one single penny for old age assistance they had to transfer everything they owned. I know of one case of a woman who had to transfer even her wedding ring. I know of an old lady who had a cow and a calf, and before she could receive any old-age assistance she had to turn the cow and the calf over to the welfare board. I think every Senator present coming from the States in question is familiar with the fact that even life insurance policies are not exempt. Certainly it is not fair that these 17 States, out of 48, should require the old pioneers who live within their borders to transfer their property before they may receive old-age assistance. In my opinion it is not fair that England should be loaned three or four billion dollars, money which is to be sent abroad, before the old pioneers, who made this country what it is, are reimbursed.

I ask unanimous consent that the bill be printed in full at this point in my remarks.

There being no objection, the bill (S. 1882) prohibiting the making of a loan to Great Britain until all persons who have been compelled to transfer their property for the purpose of qualifying for old-age assistance have been reimbursed for such property, was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That (a) notwithstanding any other provision of law, no funds shall be used for the purpose of carrying out the provisions of the agreement dated December 6, 1945, between the United States and the United Kingdom, until there shall have been paid to each person entitled to receive a payment under subsection (b), the amount to which such person is entitled thereunder.

(b) The Federal Security Administrator is authorized and directed to pay to each person who has transferred his home or other property for the purpose of qualifying for old-age assistance under any plan approved under section 2 of the Social Security Act, as

amended, an amount equal to the market value of such property at the date of such transfer plus interest thereon at the rate of 4 percent per annum from such date.

(c) No benefits under any such plan shall be denied to any person because of the recipt or ownership of funds paid in accordance with subsection (a), and the Secretary of the Treasury is authorized and directed to withhold payments under section 3 of the Social Security Act, as amended, from any State which denies benefits to any person because of the receipt or ownership of funds paid in accordance with subsection (b).

(d) There are hereby authorized to be appropriated such sums as may be necessary to make the payments provided for in subsection (b).

PREVENTION, DIAGNOSIS, AND TREATMENT OF CANCER

Mr. LANGER. Mr. President, I ask unanimous consent to introduce for appropriate reference another bill authorizing the appropriation of $3,750,000,000 for use in making studies relating to the prevention, diagnosis, and treatment of cancer.

Certainly, Mr. President, with the scourge of cancer prevalent all over this great country, it is more important that cancer be treated here, and that our own people be taken care of than that we loan the sum of $3,750,000,000 to a foreign country.

I ask unanimous consent that the bill may be printed in full at this point in my remarks.

There being no objection, the bill (S. 1883) authorizing the appropriation of $3,750,000,000 for use in making studies relating to the prevention, diagnosis, and treatment of cancer, was received, read twice by its title, referred to the Committee on Education and Labor, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That in addition to amounts heretofore authorized to be appropriated for the purposes of title IV of the Public Health Service Act (58 Stat. 707), relating to programs for the prevention, diagnosis, and treatment of cancer, there is hereby authorized to be appropriated for such purposes the sum of $3,750,000,000.

AGRICULTURAL COLLEGES IN ALASKA, HAWAII, AND PUERTO RICO

Mr. LANGER. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill authorizing the appropriation of $3,750,000,000 for the establishment and maintenance of agricultural colleges in Alaska, Hawaii and Puerto Rico.

I may say that I have been in two of these Territories. We have owned Alaska for 75 years. It is a Territory almost entirely destitute of agriculture. The Territory does not even have a department of agriculture. It has only a small university, with very few buildings and only a very limited section devoted to agriculture. Hundreds of thousands of our veterans want to go to Alaska and establish themselves. I think it more important that a study be made of the agricultural possibilities of this Territory and other Territories than to make a loan of $4,400,000,000, or some similar amount, to Great Britain or to any other country.

I ask unanimous consent that the bill may be printed in the RECORD at this point in my remarks.

There being no objection, the bill (S. 1884) authorizing the appropriation of $3,750,000,000 for the establishment and maintenance of agricultural colleges in Alaska, Hawaii, and Puerto Rico, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated the sum of $3,750,000,000, which shall be available for expenditure under the direction of the Secretary of Agriculture for the establishment and maintenance of agricultural colleges in Alaska, Hawaii, and Puerto Rico. The funds herein authorized to be appropriated may be used for the acquisition of land, the erection of buildings, the purchase of equipment and supplies, the payment of compensation of instructors, and any other necessary costs of maintenance and operation of colleges established hereunder. Such funds shall also be available for use in paying the necessary costs of operation and maintenance of existing public agricultural colleges, including the Agricultural College and School of Mines of the Territory of Alaska provided for in the act of March 4, 1915, and the act of January 21, 1929 (U. S. C., title 48, secs. 354 and 354a).

PROHIBITION OF LOAN TO GREAT BRITAIN CONTINGENT ON CANCELLATION OF DOMESTIC CROP PRODUCTION AND HARVESTING LOANS

Mr. LANGER. Mr. President, I ask unanimous consent to introduce for appropriate reference another bill prohibiting the making of a loan to Great Britain until certain crop production and harvesting loans shall have been canceled.

During the period of the great drought in this country, at a time when there was a tremendous food shortage all over America, hundreds of thousands of farmers in the United States did not have a single penny with which to seed a crop. They went to the Government and secured feed and seed loans. Some of these loans were made in 1931, others in 1932, others in 1933, and in 1934, 1935, 1936, and so on.

When I came to the Senate I introduced a bill giving the Department of Agriculture authority to cancel or to adjust this indebtedness. There were instances among the farmers in the dust bowl where men had worked and slaved with their families for 30 or 35 years. Then came the drought. Then came 4 or 5 or 6 or 7 and in some places 10 years without a crop. Nevertheless our Government is still charging interest on those loans. Time and time again in cases where farmers owed money by reason of seed loans, the Government has taken all the profit from the farm in payment of the old feed and seed loans and the interest thereon, and the widows and children have gone upon relief. If any Senator doubts that statement I can produce scores of letters to prove it, and I can show it even by the records of the Federal Government itself.

Mr. President, I believe that rather than help the farmers or the taxpayers of any foreign country to whom it is proposed that we lend $4,400,000,000, that we should help the farmers of our own country, who went through that trying period and produced food for this country, and that the loans made at that time should be canceled before loans are made to any foreign country.

Mr. President, I ask unanimous consent that the bill may be printed at this point as a part of my remarks.

There being no objection, the bill (S. 1885) prohibiting the making of a loan to Great Britain until certain crop production and harvesting loans shall have been canceled, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That (a) the Secretary of Agriculture is authorized and directed to provide for the immediate cancellation of all loans made to farmers pursuant to the act entitled "An act to provide for loans to farmers for crop production and harvesting during the year 1937, and for other purposes", approved January 29, 1937, as amended and supplemented, or pursuant to any prior act or joint resolution, under the terms of which loans of a similar character were authorized to be made either by the Secretary of Agriculture, or by the Governor of the Farm Credit Administration.

(b) The Secretary of Agriculture is also authorized and directed to release all liens given to secure the loan or loans made to any such farmer pursuant to such act, and to notify each such farmer that no further payments of principal or interest shall be required after the date of enactment of this act with respect to any loan so made to him.

(c) Notwithstanding any other provision of law, the Secretary of the Treasury shall make no payments for the purpose of carrying out the provisions of the agreement dated December 6, 1945, between the United States and the United Kingdom, until he shall have been notified by the Secretary of Agriculture that all loans referred to under subsection (a) have been canceled.

LOANS TO STATES FOR CONSTRUCTION AND REPAIR OF SECONDARY AND FEEDER ROADS

Mr. LANGER. Mr. President, I ask unanimous consent to introduce for appropriate reference another bill to authorize the appropriation of $3,750,000,000 for making loans to States for the purpose of enabling them to construct and repair secondary and feeder roads.

I may say that all over this country, and particularly in the West, there is a serious shortage of money for the purpose of constructing highways. The State of Arkansas does not have the money necessary for that purpose. The same is true of some of the Western States. In my own State of North Dakota we are short of money with which to match Federal funds. The result is that a farmer residing some distance in the country finds it impossible to get to a main highway 4 or 5 miles away from his farm. Sometimes, Mr. President, simply because there is one mud hole in the road it may be necessary for the farmer to go an extra distance of 2 or 3 miles in order to get to the main highway. It seems to me that before we lend to any country $4,400,000,000, or even the sum of $3,750,000,000, we should take steps to see to it that our own feeder roads and our own secondary roads are made usable in States which want to repair or to build them, and that loans should be made to those States so the roads can be made usable in order that farmers may bring their produce to market.

Mr. President, I ask unanimous consent that the bill may be printed in the RECORD at this point in my remarks.

There being no objection, the bill (S. 1886) authorizing the appropriation of $3,750,000,000 for making loans to States for the purpose of enabling them to construct and repair secondary and feeder roads, was received, read twice by its title, referred to the Committee on Post Offices and Post Roads, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That (a) there is hereby authorized to be appropriated the sum of $3,750,000,000, which shall be available to the Commissioner of Public Roads for making loans to States for the purpose of enabling them to construct and repair secondary and feeder roads and bridges and approaches thereto situated on such roads.

(b) The amounts appropriated pursuant to subsection (a) shall be apportioned among the States in accordance with the formula contained in section 21 of the Federal Highway Act, as amended. The amount apportioned to a State shall be available to the Commissioner, during the period beginning on July 1, 1946, and ending June 30, 1951, for making loans to such State for the purposes specified in subsection (a).

(c) Loans made to States hereunder shall mature in not to exceed 50 years from the date of making thereof and shall bear interest at the rate of 2 percent per annum, except that (1) no interest shall accrue or be payable for any period prior to July 1, 1951, and (2) in the case of any State, the Governor of which certifies to the Commissioner of Public Roads that any portion of the principal or interest on any such loan cannot be repaid upon maturity, such unpaid portion shall be canceled.

APPROPRIATION FOR RURAL ELECTRIFICATION

Mr. LANGER. Mr. President, I ask unanimous consent to introduce for appropriate reference another bill authorizing the appropriation of $3,750,000,000 for the purpose of rural electrification.

Mr. President, every Senator is familiar with the fact that even in the State of Rhode Island only 95 out of every 100 farmers have rural electrification. My own State of North Dakota is at the very bottom of the list of 48 States. Not 7 farmers out of 100 in my State have rural electrification. In the State of Minnesota to the ast of us 25 farmers out of 100 have rural electrification. In the State to the west of us, Montana, 40 farmers out of every 100 have rural electrification. In the State of South Dakota to the south of us 10 farmers out of every 100 have rural electrification.

Let us consider foreign countries. In Norway, Sweden, Finland, and Denmark there is 100 percent rural electrification. The wives of the farmers in those countries in doing their household work do not have to perform all the drudgery which the wives of farmers in the United States of America have to endure.

Let us consider Germany. We have heard a great deal of late about Germany being such a barbaric country. But in Germany before the war 95 farmers out of every 100 had rural electrification.

The record of our own Department of Agriculture shows that before the war 95 farmers out of every 100 in Japan had rural electrification.

Mr. President, it is proposed by a bill introduced on December 6, 1945, to lend $4,400,000,000 to foreign countries, when as a matter of fact our own farmers are sadly in need of rural electrification.

Mr. President, I ask unanimous consent that the bill may be printed in the RECORD at this point as a part of my remarks.

There being no objection, the bill (S. 1887) authorizing the appropriation of $3,750,000,000, for the purposes of rural electrification, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That (a) there is hereby authorized to be appropriated the sum of $3,750,000,000, which shall be available for making loans in the several States and Territories of the United States for rural electrification and the furnishing of electric energy to persons in rural areas who are not receiving central-station service.

(b) Loans made from funds authorized to be appropriated under subsection (a) shall be made in accordance with the Rural Electrification Act of 1936, as amended, except that such loans shall mature in not to exceed 50 years, shall bear no interest for a period of 5 years after the date of making thereof, shall bear interest at the rate of 2 percent per annum beginning with the sixth year after the date of the making thereof, and any amounts of principal and interest unpaid at the date of maturity shall be canceled if, in the opinion of the Administrator of the Rural Electrification Administration, the borrower is unable to pay such amount.

CONTROL OF INFANTILE PARALYSIS

Mr. LANGER. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill to authorize an appropriation of $3,750,000,000 for use in combating infantile paralysis.

In connection with this subject I may say that some time ago the Senate passed a bill providing for an appropriation of $3,000,000 to be expended for combating the disease of sleeping sickness, which we thought was akin to infantile paralysis. It seems to me that with the scourge of infantile paralysis which we have had, it is much more sensible for us to make an appropriation of $3,750,000,000 to combat infantile paralysis in this country than to lend the money to a foreign country.

I ask unanimous consent that the bill be printed in full at the conclusion of my remarks.

There being no objection, the bill (S. 1888) to authorize the appropriation of $3,750,000,000 for use in combating infantile paralysis, was received, read twice by its title, referred to the Committee on Education and Labor, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That (a) there is hereby authorized to be appropriated the sum of $3,750,000,000, which shall be available for disbursement to Sister Elizabeth Kenny for use in establishing and maintaining facilities for the hospitalization and treatment of persons suffering from infantile paralysis, and for investigation and research with respect to the origin, causes, and means of control, of infantile paralysis.

(b) The funds authorized to be appropriated under subsection (a) shall be disbursed by the Secretary of the Treasury upon vouchers approved by Sister Kenny.

AUTOMOBILES AND JEEPS FOR VETERANS

Mr. LANGER. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill authorizing an appropriation of $3,750,000,000 for the purpose of supplying automobiles and jeeps to certain veterans making application therefor.

I have received scores of letters from veterans, particularly in Italy, informing me that over there our automobiles and jeeps are being sold at 1 or 2 cents on the dollar. Yet our veterans here are unable to purchase them. I have received numerous letters from various parts of the United States indicating that veterans cannot buy an automobile or a jeep. It seems to me that rather than give away $3,750,000,000—although it is called a loan—to veterans of foreign countries, such as England, it would be much more desirable to give our own veterans, who fought the war and made the world safe for democracy, $3,750,000,000 so that they may purchase automobiles and jeeps in this country.

I ask unanimous consent that the bill be printed in full at the conclusion of my remarks.

There being no objection, the bill (S. 1889) authorizing the appropriation of $3,750,000,000 for the purpose of supplying automobiles to certain veterans making application therefor, was received, read twice by its title, referred to the Committee on Post Offices and Post Roads, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That (a) there is hereby authorized to be appropriated the sum of $3,750,000,000 to enable the Commissioner of Public Roads to carry out the provisions of subsection (b).

(b) The Commissioner of Public Roads is authorized and directed, within the limitation of the funds above authorized to be appropriated, to purchase and deliver free of charge to each person who served in the armed forces as an enlisted man or woman at any time during the period beginning on December 7, 1941, and ending on September 2, 1945, and who makes an application therefor, a new and completely equipped automobile of such body style and color as such person shall specify in such application. The funds authorized to be appropriated in subsection (a) hereof shall also be available for use in paying the necessary costs of delivering automobiles purchased pursuant to this act.

(c) The Commissioner of Public Roads is authorized to make such rules and regulations as he may deem necessary concerning the manner in which such applications shall be filed and delivery of such automobiles be made.

REDUCTION OF DEBT LIMIT OF THE UNITED STATES

Mr. LANGER. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill to reduce the debt limit of the United States by $3,750,000,000.

The distinguished acting chairman of the Committee on Appropriations [Mr. MCKELLAR] who is now presiding over this honorable body, will remember that last week upon this floor I asked him how it happened that $3,000,000,000 had

been paid on the national debt. The distinguished Senator replied that he did not know exactly how it happened. All he knew about it was what appeared in the press.

Mr. President, I believe it would be much more sensible, with our debt approaching $300,000,000,000, if we were to pay off $3,750,000,000 of the debt rather than to lend England $3,750,000,000 when we do not have the money, and when we must borrow it in order to make the loan.

I ask unanimous consent that the bill be printed in full at the conclusion of my remarks.

There being no objection, the bill (S. 1890) to reduce the debt limit of the United States by $3,750,000,000, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the aggregate of the face amount of obligations authorized to be issued under authority of section 21 of the Second Liberty Bond Act, as amended, and the face amount of obligations authorized to be guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), is hereby reduced by the sum of $3,750,000,000.

DETECTION OF CERTAIN DISEASES

Mr. LANGER. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill to protect the public health through the detection of certain diseases, and for other purposes, and to authorize an appropriation of $3,750,000,000 for that purpose.

This bill deals particularly with the matter of procuring specimens of urine from the citizens of this country. The medical profession informs us that by proper examination 22 diseases can be detected in this manner. Some years ago the Rockefeller Foundation endorsed a similar bill, not carrying an appropriation of this size, but a small appropriation for that purpose.

I ask unanimous consent that the bill be printed in full at the conclusion of my remarks.

There being no objection, the bill (S. 1891) to protect the public health through the detection of certain diseases, and for other purposes, was received, read twice by its title, referred to the Committee on Education and Labor, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That (a) there is hereby authorized to be appropriated the sum of $3,750,000,000 or so much thereof as may be necessary to enable the Surgeon General of the Public Health Service to carry out the provisions of subsection (b).

(b) The Surgeon General of the Public Health Service shall, with such equipment and facilities as may be available to him and with the cooperation of agencies and officials of the States and the municipalities and counties thereof, and of other Federal agencies, provide the means for securing a specimen of the urine of each person in the United States and the examination and analysis of such specimen. Upon making such an examination and analysis, a report of the findings shall be made to the person furnishing such specimen. If such examination and analysis discloses that such person has some disease, a report of such fact shall be made to the health authorities of the municipality or county wherein such person resides. No person shall be permitted to obtain an examination and analysis of a specimen furnished by him more often than once every 6 months.

(c) The Surgeon General of the Public Health Service is authorized to make such rules and regulations as he deems necessary to carry out the provisions of this act.

TERMINATION OF THE WAR FOR PURPOSES OF WAR LEGISLATION

Mr. LANGER. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill to declare the termination of the present war for purposes of war legislation.

From my State I have received a great many letters from people saying that in their opinion the war is over, and yet boys are being drafted. Boys are being kept on the other side of the water, although the war ended many months ago. I ask that it be printed in full at the conclusion of my remarks.

There being no objection, the bill (S. 1892) to declare the termination of the present war for the purposes of war legislation, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That any provision contained in any law enacted by Congress rendering the operation or effectiveness of such law, or any part thereof, contingent upon the cessation of hostilities in the present war or upon the termination of the present war or the present or existing emergency, in whatever words expressed, shall be construed and interpreted to refer to and indicate, in lieu of the date of the cessation of hostilities in the present war or of termination of the present war or the present or existing emergency, the date of the enactment of this act, irrespective of any provision to the contrary contained in any such law.

RESTORATION OF POSTAL SERVICE TO AUSTRIA, GERMANY, POLAND, AND RUMANIA

Mr. LANGER. Mr. President, more than 3 months ago the Senator from Michigan [Mr. VANDENBERG] and I submitted petitions signed by thousands of people, asking that postal service to Austria, Germany, Poland, and Rumania be restored. The Department of State has done nothing about it. Hundreds of thousands of our citizens are still unable to write to their relatives in those countries.

In view of those facts, I ask unanimous consent to have printed in the RECORD an article by John O'Donnell, published in the Washington Times-Herald of March 1, 1946.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CAPITOL STUFF

(By John O'Donnell)

The more we talk with scores of honest American newspapermen who have been working in Germany in the last year, the more we are shocked at the news dispatches that have been filed from the Reich.

To put the matter bluntly and coarsely, the American citizens have been lied to, been flatly and coldly misinformed, by a group of journalistic breast-beating Roosevelt lovers, Moscow sycophants, self-anointed world-savers, and other zealots with respect to the all-important facts within Germany.

Facts are that the United States military government, the Army generals, and the State Department big shots are trying to do a decent job.

But they are under attack on the home front and are frightened out of their skins by the threat that they will be kicked out in disgrace by higher-ups in Washington if they do not toss their honest opinions out the window and follow "public opinion."

"Public opinion" in such cases being the photostats of news stories, sent back to American headquarters in Germany from our War and State Department big shots in which the so-called "crusading American journalists" both here and in Germany are supposed to reflect honest American opinion.

So far as we know, none has ever told the story of the German underground—the groups who battled Hitler from the start and died for it. That story has been killed off in Germany by our own writers.

And failure to tell it is just as shocking a lie as that smug and shocking observation of Mrs. Eleanor Roosevelt, who made a VIP (very important person) trip through Germany (where President Truman now announces there is starvation), and came out with the gentle observation that some of the children in the Reich "actually have chubby faces and pink cheeks."

This, of course, coming from an area where American officials report the death of one-fifth of the infants born because of starvation of the mothers or lack of medical supplies, is really something—something that makes an American slightly sick to his stomach.

Now comes a very frank report from Lt. Comdr. Alexander B. Maley, of Navy Intelligence, who went into Germany with the Seventh Army under the late General Patch on a special mission, remained there for 5 months and now comes out to tell his story. The former Navy lieutenant, writing with first-hand knowledge in Human Events, a weekly analysis of world news edited by Felix Morley, former editor of the Washington Post and president of Haverford College, and foreign correspondent Frank Hanighen, states:

"For some strange reason the epic of German liberal resistance has been suppressed. Its heroism has not been told; its sacrifices remain unsung.

"We have been led to believe that almost without exception the German Nation concurred in the crimes of its leaders. No evidence to the contrary has ever been allowed to come from the Nuernberg trials, a serious psychological error since nothing would impress the German people more than to know the stories of their countrymen who sacrificed so much for them."

Now the story of Navy Intelligence expert Commander Maley appears in type. It is braced with excerpts of the November 1939 diary of then Washington Post editor Morley. And, this above all, it reveals the shocking loss of human life caused directly by the ill-considered and boastful declaration of Franklin D. Roosevelt that only unconditional surrender would be considered by the Allied command.

This edict was tossed into the air without the consent of Congress or the American people and against the advice of our military leaders (including Eisenhower), the Navy, the State Department, and—incidentally—Winston Churchill.

As the United States Naval Intelligence officer reported, although the anti-Hitler underground wanted to end the war, made contacts with British and American representatives in Sweden and Switzerland, the result was the same. He reports:

"Contacts were sympathetically received at lower levels. But always, from White House

and Whitehall, came the rebuff of 'unconditional surrender.' On this basis many German generals, not without patriotism and pride, could not persuade themselves to raise the standard of revolt."

Going back to the attempted assassination of Hitler July 20, 1944, the American informant points out that this had been the result of months of careful planning—in which outside aid from Washington was rebuffed and, since F. D. R. was running the international show at that time, from London.

The German Army officers implicated in the plot to kill Hitler were promptly shot or hanged, but then, the narrator reports, began the destruction of the German civilian underground that during the war received no aid from Washington and are now suffering at Allied hands for their anti-Hitler efforts. Writes Maley:

"Protestant and Catholic clergy, employers and former trade-union leaders, university professors and students, civil servants and members of the nobility were rounded up in batches—shot, hung, or herded into concentration camps together with their families.

"The number of liquidated will never be exactly known, but 20,000 is a conservative estimate. When the concentration camps were finally opened, and advertised as proof of German bestiality, Americans were not told that many of the miserable victims were heroic German men and women who had given their all to overthrow the Nazis."

AUTHORIZATION TO SIGN BILLS, ETC.

Mr. BARKLEY. Mr. President, I ask unanimous consent that during the adjournment of the Senate the Presiding Officer of the Senate be authorized to sign bills and resolutions, and that the Secretary of the Senate be authorized to receive messages from the House of Representatives.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. LA FOLLETTE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. WALSH, from the Committee on Naval Affairs:

Commodore James E. Maher, United States Navy, to be a commodore in the Navy, for temporary service, while serving as Chief of Base Maintenance, Office of the Chief of Naval Operations, and to continue during any assignment which is commensurate with the rank of commodore, or until reporting for other permanent duty;

Commodore Arthur Gavin, United States Navy, to be a commodore in the Navy, for temporary service, while serving as commander, aircraft, Philippine Sea Frontier, and commander, Fleet Air Wing 10, and to continue during any assignment which is commensurate with the rank of commodore, or until reporting for other permanent duty;

Capt. Arleigh A. Burke, United States Navy, to be a commodore in the Navy, for temporary service, while serving as chief of staff and aide to commander, Eighth Fleet, and to continue during any assignment which is commensurate with the rank of commodore, or until reporting for other permanent duty;

Commodore Lemuel P. Padgett, Jr., United States Navy, to be a commodore in the Navy, for temporary service, while serving as petroleum attaché, Middle East, and to continue during any assignment which is commensurate with the rank of commodore, or until reporting for other permanent duty;

Pay Director Robert F. Batchelder, to be a pay director in the Navy, with the rank of commodore, for temporary service, while serving in the Material Division, Office of the Assistant Secretary of the Navy, and to continue during any assignment which is commensurate with the rank of commodore, or until reporting for other permanent duty; and

Capt. John A. Snackenberg, United States Navy, to be a commodore in the Navy, for temporary service, while serving as chief of staff to commander, Joint Task Force 1, and to continue during any assignment which is commensurate with the rank of commodore, or until reporting for other permanent duty.

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent that the Executive treaties may be passed over.

The PRESIDENT pro tempore. Without objection, it is so ordered.

If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

UNITED STATES COAST GUARD

The legislative clerk read the nomination of Admiral Russell R. Waesche to be placed on the retired list of the Coast Guard, with the rank of admiral, effective January 1, 1946.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

COAST AND GEODETIC SURVEY

The legislative clerk read the nomination of Lorne G. Taylor to be junior hydrographic and geodetic engineer, with rank of lieutenant (junior grade) in the Coast and Geodetic Survey, from October 24, 1946.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. LA FOLLETTE. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations of postmasters are confirmed en bloc.

Mr. LA FOLLETTE. I ask unanimous consent that the President may immediately be notified of all nominations confirmed this day.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

ADJOURNMENT TO TUESDAY

Mr. LA FOLLETTE. I move that the Senate adjourn until Tuesday next.

The motion was agreed to; and (at 4 o'clock and 32 minutes p. m.) the Senate adjourned until Tuesday, March 5, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 1 (legislative day of January 18), 1946:

DIPLOMATIC AND FOREIGN SERVICE

Josiah Marvel, Jr., of Delaware, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Denmark.

REGISTER OF LAND OFFICE

Thomas F. Corbally, of Montana, to be register of the land office at Great Falls, Mont. (Reappointment.)

UNITED STATES ATTORNEYS

John H. Manning to be United States attorney for the eastern district of North Carolina, vice Charles F. Rouse, resigned.

David C. Walls, of Kentucky, to be United States attorney for the western district of Kentucky, vice Eli H. Brown 3d, resigned.

Powless W. Lanier, of North Dakota, to be United States attorney for the district of North Dakota. (Mr. Lanier is now serving in this office under an appointment which expired February 25, 1946.)

Donald C. Miller, of Ohio, to be United States attorney for the northern district of Ohio. (Mr. Miller is now serving in this office under an appointment which expired January 14, 1946.)

Carl L. Sackett, of Wyoming, to be United States attorney for the district of Wyoming. (Mr. Sackett is now serving in this office under an appointment which expired February 12, 1946.)

CONFIRMATIONS

Executive nominations confirmed by the Senate March 1 (legislative day of January 18), 1946:

UNITED STATES COAST GUARD

Admiral Russell R. Waesche to be placed on the retired list of the Coast Guard, with the rank of admiral, effective January 1, 1946.

COAST AND GEODETIC SURVEY

Lorne G. Taylor to be junior hydrographic and geodetic engineer with rank of lieutenant (junior grade) in the Coast and Geodetic Survey, from October 24, 1946.

POSTMASTERS

ALABAMA

J. Kent Ellard, Ragland.

ARKANSAS

Hays C. McArthur, Lepanto.
Charles A. Hill, Okolona.

CALIFORNIA

Donald R. Ellis, Oxnard.

GEORGIA

Walter T. Britt, Grayson.
Paul G. Laird, Hiram.
Cecil W. Cox, Junction City.
Ovendar L. Webb, Lenox.

HAWAII

Alfred R. Menino, Hilo.

KANSAS

Kenneth L. Kincheloe, Centerville.

NEBRASKA

D. Maye Chandler, Republican City.

VIRGINIA

B. Frank May, Falls Church.
Charles B. Lovelace, South Boston.

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 1, 1946

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Most gracious Power behind human weakness, enable us to free ourselves from the love of sin and to give ourselves fully to the things which are lovely and of good report. Grant that we may realize that he who is monarch of him-

self, swaying the scepter of his own soul, will steady his heart by the certitude of faith and nourish every blessed purpose. We know full well, dear Lord, that to whom much is given, of him much will be required; therefore, by our example, by our position, and by our opportunity, lead us to serve others. We pray Thee so to direct our eager natures that their force may be put into messages of good cheer to the least of men, and of good hope to the lost of men. For their sakes, root out of our hearts all pride and selfishness; melt all hardness and quench the fires of hate, that we may be a living testimony of a new covenant. In the name of Thy deathless love, O Saviour. Amen.

The Journal of the proceedings of Thursday, February 28, 1946, was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On February 12, 1946:

H. R. 1085. An act for the relief of the estate of Edwin Perry Ashcraft.

On February 15, 1946:

H. J. Res. 316. Joint resolution making an additional appropriation for the fiscal year 1946 for readjustment benefits, Veterans' Administration.

On February 18, 1946:

H. R. 5158. An act reducing certain appropriations and contract authorizations available for the fiscal year 1946, and for other purposes.

On February 19, 1946:

H. R. 5135. An act to amend the Agricultural Adjustment Act of 1938, as amended.

On February 20, 1946:

H. R. 2764. An act to amend section 409 of the Interstate Commerce Act, with respect to the utilization by freight forwarders of the services of common carriers by motor vehicle.

EXTENSION OF REMARKS

Mr. KOPPLEMANN. Mr. Speaker, because I believe the Members of the House who are interested in the Committee on Un-American Activities should read a letter I received from Professor Huntington, of Yale University, I ask unanimous consent that I may extend my remarks and include that letter in the Appendix of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

Mr. RANKIN. Reserving the right to object, Mr. Speaker, I received the same letter. I am sure it is the same letter this man at Yale wrote; that this committee, calling itself the Anti-Fascist Refugee Committee, proposed to let the Committee on Un-American Activities see their books. I wrote him this morning explaining to him that he had been misled; that that so-called Anti-Fascist Refugee Committee had refused to permit the Committee on Un-American Activities or its investigators to investigate or see their books.

Mr. KOPPLEMANN. This has nothing to do with the matter about which the gentleman from Mississippi is speaking.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. KOPPLEMANN asked and was given permission to extend his remarks in the RECORD and include a radio address he made.

PERMISSION TO ADDRESS THE HOUSE

Mr. SAVAGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a short resolution.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

[Mr. SAVAGE addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. SULLIVAN asked and was given permission to extend his remarks in the RECORD and include two newspaper editorials.

Mr. PATTERSON asked and was given permission to extend his remarks in the RECORD in regard to the post-office bill.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include a letter from a constituent.

Mr. THOMAS of Texas asked and was given permission to extend his remarks in the RECORD and include a program of the International Harvester Co. celebrating Texas independence.

Mr. RICHARDS asked and was given permission to extend his remarks in the RECORD on the subject Overseas Information About the United States and to include an editorial from the Saturday Review.

Mr. IZAC asked and was given permission to extend his remarks in the RECORD and include an article appearing in the February issue of Sea Power.

Mr. BIEMILLER asked and was given permission to extend the remarks he will make in Committee of the Whole today and include a statement from several organizations.

H. R. 4051—TERMINAL-LEAVE PAY FOR GI JOES

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, on September 13, last year, I introduced what is known as the terminal-leave-pay bill for the GI Joes. That bill, H. R. 4051, has not been reported.

On yesterday I filed in the well of this House a petition in order that that bill might come before the Congress.

Mr. BROOKS. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Florida. I yield.

Mr. BROOKS. The Military Affairs Committee took that matter up this morning. It was discussed, and it will be taken up again next week for further discussion and action.

Mr. ROGERS of Florida. I hope that will not prevent the Members from signing this petition. If there is any bill this Congress should pass, it is bill H. R. 4051.

The bill provides for 2½ days leave on furlough per month or 30 days per year. That is granted to all commissioned officers at the present time, but the GI Joe gets nothing—no terminal-leave pay.

I hope everyone will sign that petition. This bill grants equality of treatment.

The SPEAKER. The time of the gentleman from Florida has expired.

THE GENERAL MOTORS STRIKE

Mr. BIEMILLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BIEMILLER. Mr. Speaker, it seems to me that the General Motors strike has gone on long enough. President Truman used his good offices to appoint a fact-finding committee in an effort to reach an amicable settlement. That committee made a report which the union accepted and the management refused to accept. Recently, negotiations have been resumed. Today's papers tell us that Mr. C. E. Wilson has made another ultimatum—"accept my proposal, or nothing."

It seems to me that the patience of the President of the United States must be about exhausted. If a settlement is not reached in Detroit today, I hope President Truman will summon the participants in this dispute to Washington and make certain that the strike is settled. His own board set a reasonable pattern.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following resignation:

HOUSE OF REPRESENTATIVES,
Washington, D. C., March 1, 1946.

HON. SAM RAYBURN,
The Speaker, House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: I hereby submit my resignation as a member of the Foreign Affairs Committee of the House of Representatives, effective immediately.

Sincerely yours,

DANIEL J. FLOOD,
Member of Congress.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

ELECTION TO COMMITTEES

Mr. DOUGHTON of North Carolina. Mr. Speaker, I offer the following resolution (H. Res. 538) and move its adoption:

The Clerk read as follows:

Resolved, That the following-named Members be, and they are hereby, elected members of the following standing committees of the House of Representatives:

Appropriations: MATTHEW M. NEELY, West Virginia; DANIEL J. FLOOD, Pennsylvania.

Territories: TOM PICKETT, Texas.

The resolution was agreed to.

EXTENSION OF REMARKS

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD in

two instances, in one to include the address of the Under Secretary of War on February 15; in the other to include an address by the Under Secretary of War on Washington's Birthday, February 22.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. STEVENSON asked and was given permission to extend his remarks in the Appendix of the RECORD on the subject, His Lordship Speaks on the British Loan.

Mr. ANDERSON of California asked and was given permission to extend his remarks in the Appendix of the RECORD and include a recent magazine article written by the chairman of the House Naval Affairs Committee.

Mr. GILLIE asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. GRANT of Indiana (at the request of Mr. GILLIE) was given permission to extend his remarks in the Appendix of the RECORD and include an article by Lawrence Sullivan appearing in the Nation's Business.

SEVENTY-FIFTH ANNIVERSARY OF THE FOUNDING OF HUNTINGTON, W. VA.

Mr. ELLIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. ELLIS. Mr. Speaker, on Wednesday evening, February 27, an overflowing crowd of Huntingtonians, imbued with a deep sense of pride in their city and its history, ushered in the seventy-fifth anniversary of West Virginia's largest city at a Charter Day program in the city auditorium.

On this day, 75 years ago, Huntington, W. Va., was incorporated as a city and this ceremony marked the beginning of festivities, including social affairs and pageants, depicting historical events beginning in 1669 with La Salle's explorations in the Middle West, which will continue until November.

Huntington, W. Va., today is a thriving, hustling community of nearly 90,000 happy souls, the largest city in the Ohio Valley between Pittsburgh and Cincinnati.

We have a diversified industry—coal and timber abound in the hills to the south and natural gas is produced in abundance throughout the area. Our cultural institutions are unsurpassed. We have fine churches of every denomination, a great public-school system, and Marshall College, an institution known throughout the land. We have wide streets and beautiful homes. As to transportation, our city is served by the Chesapeake & Ohio Railway, the Baltimore & Ohio Railroad, the Norfolk & Western Railway, and the Ohio River.

Our population was largely supplied by the sturdy pioneer stock that crossed the Allegheny Mountains in the early part of the nineteenth century to build the greatest industrial and agricultural empire the world has ever seen.

Yes, we are a great city with a great history, and we face the future with confidence and a determination to build and create a greater city and make our contribution for a better country and a better world. I request my colleagues to join with me today in saluting my home town on its seventy-fifth birthday.

THE BRITISH LOAN

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, it is amazing to see the pressure that is being brought on the Members of Congress to grant the loan of $4,400,000,000 to Great Britain.

As soon as you grant that loan you are going to have requests from at least half a dozen other countries for great sums of money. This country cannot afford to lend money as a country. It is not the function of a government. All these loans can be floated through the bankers of this country with the country involved or their bankers or some other system that may be devised, but it is not good, sound business for the Members of Congress to grant these loans in any respect. I represent the people in my district, and I am not going to obligate them nor tax them for this request.

Let me tell you what they are doing. British purchasing agents are over here, or they say they are purchasing agents, trying to purchase merchandise and are getting manufacturers to come to me, telling me to grant this loan because they want to sell their merchandise in Britain. They say they will not buy unless the loan is granted. They also say that 80 percent of this loan will be returned to us in manufactured goods, thus putting our workers out of jobs. Thus, I am against it. Yesterday a British peer, Lord Rotherwick, attacked vigorously the proposed loan to Britain, asserting that its approval would mean that country would become an illegitimate forty-ninth State of America. I want the British peer to understand we do not want them as any kind of a state and I do not think this loan should be granted.

EXTENSION OF REMARKS

Mr. ANGELL asked and was given permission to revise and extend the remarks he expects to make in Committee of the Whole on the housing bill and include certain excerpts.

THE FOOD SITUATION

Mr. JENKINS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. JENKINS. Mr. Speaker, the food situation in the country is getting worse and worse. This is borne out by the fact that the President has called to the White House some of the great food experts of the Nation. I trust that all of them will come and I hope that the President will pay some attention to their advice. I understand though that Chester Davis and Dr. Myers will not be present. That will leave ex-President Hoover as about the only man who knows the food business and in whom the people have confidence.

I call attention to the fact that the corn situation in the country is desperate. Much, probably more than half, of the corn in the country is in the black market today. In my district there is a foundry which employs between six and seven hundred men. You would hardly believe that a foundry uses corn; however, this foundry to which I refer uses about a carload of corn meal a month. Corn is the Nation's most important food and feed product and corn products are widely used. The foundry's supply of corn is now down to about 10 days and if they cannot get any more corn meal within the next week or 10 days six or seven hundred men may have to lay down their tools on account of the lack of corn.

The Republican Congressional Food Study Committee has for the past 3 years pointed out the incompetency of the numerous food agencies of the administration, especially the OPA. I hope the President takes steps to abolish these conflicting agencies.

The SPEAKER. The time of the gentleman from Ohio has expired.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. DONDERO (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks in the RECORD.

PROGRAM FOR NEXT WEEK

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, may I inquire of the majority leader as to what the program will be for next week?

Mr. McCORMACK. Mr. Speaker, the program for next week is as follows:

If the pending bill is disposed of today, on Monday the Consent Calendar will be called, after which the House will take up the consideration of the agricultural appropriation bill, which will be followed by the second supplemental rescission appropriation bill. The civil-service retirement bill will follow.

This is the program for Monday, Tuesday, and Wednesday. On Tuesday there will be call of the bills on the Private Calendar.

Mr. MARTIN of Massachusetts. Does the gentleman think we can finish con-

sideration of the agricultural appropriation bill in that short time?

Mr. McCORMACK. I am not so sure, but that is the order anyway. That will be the order of consideration without regard to what happens.

The next bill to be considered will be the agricultural appropriation bill. After we finish consideration of that bill, the second supplemental rescission bill will come up for consideration, following which we will take up the civil-service retirement bill. Of course, there will be the Consent Calendar and the Private Calendar.

There is a bill out of the Naval Affairs Committee relating to atomic tests and there is also another bill out of the Naval Affairs Committee relating to ships for the Republic of China. Conference reports will be in order at any time agreeable to the leadership on both sides.

So far as the pending bill is concerned, this is an important bill and I may say that a lot of Members are interested in it. I hope there will be no tendency to try to cut off any Member from expressing his views.

Mr. MARTIN of Massachusetts. Suppose we do not finish the bill today, then what happens?

Mr. McCORMACK. It will come up on Monday and the program I have announced will follow in the order I mentioned. I reiterate, and I hope the chairman of the committee is listening, also the ranking member—this is an important bill. The debate has been on a very high level in the main. Many Members are particularly interested and I think they ought to be given an opportunity to speak on the bill, to express their views.

Mr. MARTIN of Massachusetts. The gentleman does not expect to finish the bill today?

Mr. McCORMACK. I do not know.

RUSSO-AMERICAN RELATIONS

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. MUNDT. Mr. Speaker, one of the most crying needs in the world today is for the adoption and enunciation of an American foreign policy in which our objectives and our actions are in harmony. Once that foreign policy is formulated and clarified so that the average American citizen knows what it is, the White House and the State Department should begin pursuing a course which leads toward the objectives which have been fixed. We have too long followed too closely the example of the whirling dervish in our foreign policies.

Russia is a case in point, Mr. Speaker. We have tried appeasement, amity, arrogance, and austerity toward Russia all within a 5-year cycle. It sometimes appears as though we try all four avenues of approach within the period of a 5-day week.

What we need and what the world needs is for the adoption of a clear-cut statement of American foreign policy toward Russia and toward other nations and then an adherence in the field of action to the policy set forth in the realm of articulation.

Based on the observations and studies which a group of us from the House Foreign Affairs Committee made in Russia and its neighborhood last fall I believe that the path to permanent peace and workable and respectable relations with Russia is a six-lane highway: First, be firm; second, be fair; third, be definite; fourth, be friendly; fifth, be realistic; and sixth, be American in our foreign policies in her part of the world. In my opinion we are today failing completely to be consistent in the application of any of these recommendations in our Russo-American relations.

EXTENSION OF REMARKS

Mr. PLUMLEY asked and was given permission to extend his remarks in the RECORD in two instances; in one to include an address delivered by Hon. Clarence Cleveland; in the other, a letter addressed to him by a farmer in Vermont.

Mr. LEFEVRE asked and was given permission to extend his remarks in the RECORD.

Mr. HERTER asked and was given permission to extend his remarks in the RECORD and include an address delivered by his colleague the gentleman from Indiana [Mr. LAFOLLETTE].

Mr. HAND asked and was given permission to extend his remarks in the RECORD.

Mr. VURSELL asked and was given permission to extend his remarks in the RECORD and include an editorial.

ONE-HUNDRED-DOLLAR-PER-PLATE JACKSON DAY DINNER

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, a very important conference is being held in Washington today on the subject of food supplies for the hungry people in the rest of the world. This conference was called at the instance of President Truman, and several outstanding Americans have been invited to attend. The subject of the conference, as indicated by the President, will be to find ways and means to curtail food consumption by the American people, so that additional food will be made available for destitute people in other countries. I am sure that the rank and file of our fellow Americans want to do what they can to help all starving men, women, and children.

This morning I received a telegram from a prominent constituent of mine who made a very unique and worth-while suggestion of how many carloads of choice food could be saved in this country, and since the suggestion is very timely, I will read his message to the House:

MARCH 1, 1946.

Apropos Truman White House conference today to develop program of voluntary cooperation for Americans to eat less food would suggest President set example of maintaining, as he expresses it, "Our national self respect," by canceling all Jackson Day dinners scheduled throughout the United States. Would mean many carloads of choice foods for starving countries.

We understand that these Democratic Jackson Day dinners are at the rate of $100 per plate. One hundred dollars per person will surely buy a lot of food. If the Democrats would call off the dinner and use the $10,000,000, which amount they expect to raise, for the purchase of food for starving people, it truly would set a splendid example of human sacrifice.

ATOMIC BOMB

Mr. MAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. MAY. Mr. Speaker, I had intended to review very briefly the splendid address delivered by Secretary of State Byrnes in New York last night. That is a rather touchy diplomatic question, and I will not do that now. I merely want to say for the benefit of my good friend the gentleman from Mississippi [Mr. RANKIN], particularly, that the House Committee on Military Affairs has reported a bill that is on the calendar dealing with the question of atomic energy and the atomic bomb. My remarks are addressed chiefly to the floor leader, for the reason that his time had expired before I could be permitted to ask him a question as to when that will come up. The committee will insist on consideration of that bill as soon as the leadership can make it possible.

EXTENSION OF REMARKS

Mr. DOMENGEAUX asked and was given permission to extend his remarks in the RECORD.

Mr. DOYLE asked and was given permission to include a resolution in the remarks he expects to make on the housing bill today.

PROHIBITING CERTAIN COERCIVE PRACTICES AFFECTING RADIO BROADCASTING

Mr. LEA. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 63) to amend the Communications Act of 1934, as amended, so as to prohibit interference with the broadcasting of noncommercial cultural or educational programs, with a House amendment thereto, insist on the House amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. MARCANTONIO. I object, Mr. Speaker.

LAWS ENACTED BY THE FIRST CONGRESS OF THE PHILIPPINES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was

read and, together with the accompanying papers, referred to the Committee on Insular Affairs:

To the Congress of the United States:

As required by section 2 (a) (11) of the act of Congress approved March 24, 1934, entitled "An act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes," I transmit copies of laws enacted by the First Congress of the Philippines. Included are Commonwealth Acts Nos. 679 to 726 and Joint Resolution No. 6, which were passed by the First Congress during its second, third, fourth, and fifth special sessions in 1945.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 1, 1946.*

FOREIGN-LOAN POLICY OF THE UNITED STATES GOVERNMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Banking and Currency and ordered to be printed:

To the Congress of the United States:

On July 31, 1945, the Bretton Woods Agreements Act became law. In that legislation the Congress established the National Advisory Council on International Monetary and Financial Problems "in order to coordinate the policies and operations of the representatives of the United States on the Fund and the Bank and of all agencies of the Government which make or participate in making foreign loans or which engage in foreign financial, exchange, or monetary transactions." The Congress provided that the membership of the Council should consist of the Secretary of the Treasury, as Chairman; the Secretary of State, the Secretary of Commerce, the Chairman of the Board of Governors of the Federal Reserve System, and the Chairman of the Board of Directors of the Export-Import Bank of Washington.

On August 9, 1945, the Secretary of the Treasury submitted for my approval a proposal as to the manner in which the National Advisory Council should proceed in performing the task assigned it. The essence of this proposal is contained in the following excerpt from the communication which the Secretary of the Treasury sent to me:

> As you can see from the attached memorandum, the United States Government is now extending financial assistance to foreign governments through a large number of programs, administered by different departments and agencies, and with different procedures for interagency consultation. In order for the Council to carry out the functions assigned to it, it seems to me necessary that the Council should have a picture of the over-all program of financial transactions which it is proposed to carry out in the next period. On such a basis, we can make decisions in a rational way, strike the best bargains with foreign countries, and save money for the taxpayer.

On August 10, 1945, I expressed my complete approval of the proposal and requested the Council to proceed along the lines indicated. Promptly thereafter the Council completed its organization and commenced to function without delay. Since that time the Council has labored unremittingly in the performance of its duties.

I have now received from the National Advisory Council a document containing significant conclusions concerning the entire problem of foreign lending. The Council, in submitting the document to me, stated:

> At an early date the Council undertook to consider proposals and applications for foreign loans, and to study the problems and broad implications of foreign lending. The statement which is now submitted to you is an outgrowth of these activities of the Council and represents our present views. The Council will continue to study these matters and will report further to you as the rapidly changing conditions at home and abroad may require.

This document, which is based upon the careful study and direct experience of the body established by the Congress to coordinate the foreign financial activities of this Government, I now transmit to the Congress for its information and consideration. The document is attached hereto.

I fully endorse the recommendations of the National Advisory Council. Furthermore, I wish to emphasize that in my judgment, the successful execution of this policy, including the implementation of the financial agreement with the United Kingdom, which I transmitted to the Congress on January 30, 1946, is of basic importance in the attainment of the objectives of the economic foreign policy of the United States. The international economic cooperation which is the keynote of our economic foreign policy must accompany international political cooperation, and we must achieve both if world peace is to be enduring.

The statement of the National Advisory Council concerning foreign loans reaches the conclusion that the Export-Import Bank will require during the next fiscal year additional lending authority of $1,250,000,000. I endorse this conclusion, and at a later date I will discuss further with the Congress the need of appropriate legislation.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 1, 1946.*

EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix and to include therein a letter with an enclosure containing information which many people, particularly veterans, might consider important, the letter and enclosure having been sent to all Members, I assume, including myself, by Harry B. Mitchell, President of the United States Civil Service Commission.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include therein a speech by Secretary of State, Hon. James F. Byrnes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. SPENCE asked and was given permission to extend his remarks in the RECORD and include therein a statement made by Henry J. Kaiser before the Committee on Banking and Currency this morning.

AMENDING PUBLIC LAW 30, SEVENTY-NINTH CONGRESS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the joint resolution (H. J. Res. 301) to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. MARTIN. Mr. Speaker, reserving the right to object, is this agreeable to the gentleman from Michigan [Mr. WOLCOTT]?

Mr. SPENCE. I informed the gentleman from Michigan [Mr. WOLCOTT] at a meeting of the committee this morning that I was going to ask for the appointment of conferees.

Mr. MARTIN. And he has no objection?

Mr. SPENCE. He has no objection.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky. [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. SPENCE, BROWN of Georgia, PATMAN, WOLCOTT, and CRAWFORD.

EXTENSION OF REMARKS

Mr. FOGARTY asked and was given permission to extend his remarks in the RECORD and include a recent radio address delivered by him.

Mr. D'ALESANDRO asked and was given permission to extend his remarks in the RECORD and include a statement he made before the Civil Service Committee on increases for white-collar workers.

SPECIAL ORDER GRANTED

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent that, after the legislative business and any other special orders today, I may address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

CALL OF THE HOUSE

Mr. SAVAGE. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. Evidently there is no quorum present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 38]

Adams	D'Ewart	McGregor
Allen, Ill.	Dworshak	Mathews
Almond	Fisher	Merrow
Baldwin, Md.	Gardner	Mills
Baldwin, N. Y.	Gifford	Neely
Beall	Gossett	O'Hara
Bender	Gwinn, N. Y.	O'Konski
Bennet, N. Y.	Halleck	Peterson, Ga.
Bolton	Harless, Ariz.	Pfeifer
Boren	Harness, Ind.	Powell
Bradley, Mich.	Hart	Randolph
Bradley, Pa.	Hedrick	Reed, N. Y.
Camp	Heffernan	Rivers
Cannon, Fla.	Hinshaw	Robinson, Utah
Cannon, Mo.	Hoch	Robsion, Ky.
Case, S. Dak.	Holmes, Mass.	Roe, N. Y.
Celler	Howell	Sasscer
Chapman	Jarman	Schwabe, Mo.
Chiperfield	Jennings	Short
Clark	Johnson, Calif.	Simpson, Pa.
Clason	Keefe	Slaughter
Cole, Kans.	Keogh	Taylor
Corbett	Kerr	Thomas, N. J.
Courtney	Landis	Tibbott
Curley	Lemke	Tolan
Daughton, Va.	Luce	Walter
Dawson	Lyle	Weaver

The SPEAKER. On this roll call 349 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

HOUSING STABILIZATION

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 4761, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection, the Clerk will report the pending committee amendment.

There was no objection.

The Clerk read as follows:

Committee amendment: On page 5, after line 9, insert the following:

"(c) Witnesses subpenaed under this section shall be paid the same fees and mileage as are paid witnesses in the district courts of the United States.

"(d) The Director shall not publish or disclose any information obtained under this title that he deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information.

(e) Any person subpenaed under this section shall have the right to make a record of his testimony and to be represented by counsel."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 5, line 21, after "accommodations", insert "the construction of which is completed after the effective date of this title."

PRICES ON EXISTING HOMES

Mr. PATMAN. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, I know it is an unusual situation, and possibly the Members do not understand why I should be in opposition to the committee amendment. The situation is this. We commenced hearings on this bill December 3, 1945. We had hearings for 2 months. The bill covers everything that is in the present Truman-Wyatt program, but not in the way and manner that Mr. Wyatt wants it in the bill. He wants a little change here and there. So when we reported the bill out at noon, I believe, on February 8, it was our understanding that when Mr. Wyatt submitted his program we would try to conform the legislation to fit the Wyatt program. Mr. Wyatt came out in favor of fixing prices on existing homes. We had adopted an amendment, the amendment which we are now considering, which will in effect prevent prices being fixed on existing homes. So when you add the language on page 5, lines 21 and 22 "Whenever in the judgment of the Director the sales prices of housing accommodations, the construction of which is completed after the effective date of this title," that restricts it entirely to new houses built hereafter.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Mr. Chairman, this matter is so important I ask for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. HOFFMAN. Mr. Chairman, reserving the right to object, I want to ask the gentleman from Texas whether later in the day there is going to be an attempt to shut off debate.

Mr. PATMAN. No such attempt will be made by the gentleman from Texas.

Mr. HOFFMAN. And those acting with you?

Mr. PATMAN. I cannot speak for anyone but myself.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. SMITH of Ohio. What is the definition of completed construction?

Mr. PATMAN. A completed construction, I would think obviously, would be a house that is finished after the effective date of this title. I think it presupposes a new house. I do not see how it could refer to anything else. Anyway, that is the interpretation which was placed upon the amendment in the committee hearings and in the committee report. I do not know of any other interpretation that has been placed on it.

This is really one of the major things in Mr. Wyatt's program which he wants and without which he says he cannot do a good job. Remember that. The President of the United States and Mr. Wyatt both say that unless Congress cooperates with them to the extent of giving power to Mr. Wyatt to fix prices on existing homes this program cannot be a success. I refer to the program which Mr. Wyatt has adopted which contemplates the construction of 2,700,000 homes this year and next year and which Mr. Henry J. Kaiser said before our committee this morning was not only possible and probable, but that that number could actually be exceeded. Mr. Kaiser urged us to cooperate with Mr. Wyatt 100 percent, with the assurance from him that if we do so this housing shortage will be over at the end of 1947. So I urge Members of Congress to consider this—that here we have a program formulated and endorsed by the President by which he says we will relieve this housing shortage in 2 years if Congress will do its part. The President says, "I cannot do it by myself. Mr. Wyatt cannot do it because he does not have the power, but if you will give him the power—one, to fix prices on existing homes—then we can get this job done." Let us see how reasonable that is. I would not think of having people go out and attempt to appraise different houses all over the country and say, "John Jones' house is worth so much." In the first place, you would never find enough qualified appraisers to do the job. In the second place, there would be too much regimentation and rules which I do not think the people would stand for. I do not believe they would. We know we must do something about fixing prices on existing homes. You just cannot let matters go without doing something for the obvious reason that that is what caused inflation after the other war. We know that. We can study the past. We can look back 25 years, and we can find a case on all fours with the case that is facing us today, where a house would be sold one week for, say, $5,000; the next week a speculator would go to the man who bought it and say, "I can make you a thousand dollars on this house." "All right." Next he would go to the fellow who bought it and say, "I can make you a thousand dollars." "All right. Sell it." They kept on pyramiding price on price and profit on profit until the prices went out the roof. We do not want that to happen this time.

We studied for weeks and months on some pricing formula that would not go into so much detail, that would not put the home owner in a strait-jacket, that would not cause regimentation, but yet would stop the speculator from doing what he did after World War I. So this is the formula that we finally agreed upon. You cannot find any formula that is exact justice. It is not perfect. Mr. Wyatt said he did not like it, but it is the best thing we have been able to find, and therefore he is for it. No one claims it is exact justice, by any means. It is not even equal justice in some cases. We know that, but we want something that will stop this pyramiding of prices and inflation on homes like we had after the other war.

So what is the formula? It is as simple as can be. If this bill were passed today, any of the owners of the 29,000,000 homes in America—and there are

29,000,000 of them—would not be restricted in any way on earth from selling their property. Any one of them could go out tomorrow or a year from now, without having to consult any Government agency, without having to make any report to anybody, without having to say a word to anybody on earth except the man who bought the property. Just give him a deed to it. For how much? Any price he can get. Any price he wants to take. Nobody fixes the price. Nobody is consulted by the owner. He does it himself. Nobody has anything on earth to do with it. He can sell it for twice as much as it is worth if he can get it, and nobody can complain. The Government does not complain. Then, when he sells it he makes no report to anybody. He has the money in his pocket or in the bank, and he is never questioned about it. Let us get that down as No. 1. Can anyone object to that from the standpoint of the home owners? No. They cannot do it, because the home owner can get any price he can get.

Now, here is where the catch comes in on stopping inflation. After it is sold for that price, $10,000, when it is worth perhaps only $5,000, that price is fixed as the price during this emergency, which is to expire at the end of June next year under this bill. That will stop the speculator. The home owner cannot complain. He has got what he wants. But the man who is expecting to use that house for speculation can complain, because it knocks him out of the profits he got after the First World War. But I think we can afford to stop that speculator in the public interest, in order to have stabilization of housing.

Now, I am not accusing everybody of being a speculator who is against me on this. I am sure people are just as conscientious as I am. We are all working for what we believe is right. But at the same time that speculator is the only man that is stopped. Then, the man who buys this house buys it for a home. He is not going to sell it during the emergency, but if he does he cannot get any more than he paid, plus any additions or improvements.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Chairman, may I ask for two additional minutes?

The CHAIRMAN. Is there objection?

Mr. COOLEY. Mr. Chairman, reserving the right to object.

Mr. PATMAN. I will yield to the gentleman right now, if he will let me have 2 minutes?

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. I yield to the gentleman from North Carolina.

Mr. COOLEY. Is it a fact that your committee is still conducting hearings on this bill?

Mr. PATMAN. No. We are conducting hearings on the OPA.

For the information of the gentleman, a large part of the opposition to this bill is against the OPA.

Mr. COOLEY. Why is it that your committee did not confer with Mr. Wyatt and ascertain his program before you brought legislation before the House?

Mr. PATMAN. We did confer with him, but he did not have the program approved by the President of the United States and he did not want to release it.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. MAY. I wish to ask the good lawyer from Texas this question, Does he think the Congress has power to say for what price John Jones shall sell the house he owns now?

Mr. PATMAN. We are not telling John Jones what he can sell his house for. We are letting John Jones sell his house for any price he wants, any price he can get. John Jones reports to nobody, consults with nobody. So John Jones is not hurt in any way.

Mr. MAY. But the gentleman did say if he sold a $5,000 house for $10,000, that established the ceiling.

Mr. PATMAN. It does. Remember, we are in an emergency, and in the public interest we have fixed prices. We fixed wages, we fixed pensions, we fixed retirement, we fixed the soldiers' mustering-out pay based upon a dollar worth so much. We want to keep that dollar worth that much.

I now yield to the gentleman from Missouri.

Mr. PLOESER. I listened very carefully to the gentleman from Texas. From what he said I never in my life heard a better example of legislation designated to force inflation.

Mr. PATMAN. The gentleman is mistaken about that. We had inflation after the other war, because speculators got hold of the market. This way they cannot get hold of the market, they are estopped.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Pennsylvania.

Mr. RICH. Let us proceed a little further with this illustrative $5,000 house that is sold for $10,000. The gentleman would then prohibit the purchaser from getting more for it. Does the gentleman believe the people are as gullible as that; that there would be suckers who would do that?

Mr. PATMAN. What we are trying to do is to stop the speculator. The man who buys a home to live in it would not want to sell it.

I hope the amendment is defeated.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. HINSHAW. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HINSHAW. If this amendment is adopted it is subject to further amendment when the bill has been completely read or must it be amended further before it is completely read?

The CHAIRMAN. Does the gentleman ask whether he may offer an amendment to the committee amendment now?

Mr. HINSHAW. I know that can be done now, but would the same amendment be in order after the committee amendment had been agreed to?

The CHAIRMAN. The pending amendment cannot be amended after the question is determined.

Mr. HINSHAW. That is what I wanted to know. I thank the Chairman.

Mr. BROWN of Georgia. Mr. Chairman, I rise in support of the committee amendment.

Mr. Chairman, the original Patman bill had in it a ceiling on the sale of existing homes. That provision was stricken out by an amendment in the committee. The gentleman from Texas is opposed to that. If the committee amendment does not prevail then we will have a ceiling on existing homes.

I want to know who within the sound of my voice on either side of the aisle would like a police force, consisting of thousands and thousands of men, in his back yard spying on his home, his sacred castle? I never thought we would come to this point.

What good would it do? The gentleman from Texas said in the beginning that this bill was designed to get production of material and homes, and this was its only purpose. Mr. Wyatt's functions are to obtain materials and build homes, and not control inflation. The control of inflation belongs to another agency, the OPA. Are we going to put the OPA out of business in this bill?

Do not vote to put a ceiling on existing houses. Why? Because then you would freeze the home after the first sale and no soldier or veteran could buy it. Why should I want to sell my home if I could not get another? And another thing: Show me a home in your locality that has sold for as much as it will cost to buy the material and pay the high cost of labor to replace it. I challenge any man on this floor to show me where any house is bringing as much as it would cost to replace the same house today.

Mr. LESINSKI. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. No.

Mr. LESINSKI. The gentleman asked for a challenge of his statement. I can prove it.

Mr. BROWN of Georgia. I do not yield to the gentleman. You cannot prove to me that I have misstated the situation in my own State or anywhere else in the South.

Mr. LESINSKI. I will accept the challenge.

Mr. BROWN of Georgia. My statement is true as to my section of the country. I know nothing about conditions in the gentleman's State.

Mr. LESINSKI. I can prove it.

Mr. BROWN of Georgia. Well, the gentleman does not have the floor. I have the floor and decline to yield to him at this time.

The CHAIRMAN The gentleman from Georgia declines to yield.

Mr. BROWN of Georgia. Mr. Chairman, the insurance companies are bound to pay you the replacement value of your home. Is this inflation? If so, the high priced material and high labor cost of erecting same is causing it. We are trying, in this bill, to prevent the rising cost of material and high cost of construction, which will in a large measure control the price of existing homes. Are you going to pay the expense of a lot of people run-

ning around this country looking into the back doors of 40,000,000 homes and telling the people, "Yes, we have control of your sacred home, your castle, in which you live"? God forbid that we ever come to that in America, when ceilings on existing homes would not help the veterans or anyone else.

Mr. RICH. Mr. Chairman, will the the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Pennsylvania.

Mr. RICH. If we can furnish the materials, are there not enough contractors and people in this country who want to go out and build homes, who will build them and build them faster than any manner the Congress can devise, if you will give those people an opportunity?

Mr. BROWN of Georgia. Let us admit for the sake of argument that a few might be benefited, but, it would not nearly compensate for the inconvenience and irritation it would cause our home owners. We have a fairly good bill as it is. Let us keep it that way.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mrs. WOODHOUSE. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, in the discussion of this bill very little has been said about the fact that in the immediate months ahead existing houses will have to be a main source of supply. We must have new homes but they will not be available in great numbers for some months.

Meanwhile persons now renting homes and returning veterans in their desperate need for homes will be often forced to buy. We all know the situation. Across the country prices of houses have gone up and are continuing to go up rapidly. We are rushing toward a real-estate boom. A few persons will gain. Some will make enormous profits but the great majority will suffer. How can we with a clear conscience see the young veteran and his wife take on the burden of a mortgage on a home bought at highly inflated value? True, this proposed amendment will not roll back the prices of houses but it will prevent prices from rolling on and up. It does no harm to the present owner. Anyone who owns a house can sell it for whatever he can get, for a hundred times what it is worth if he can find somebody willing to pay such a price. But at least there is a breakwater. The second and subsequent sales must be at the same price as the first sale after the effective date of this act, plus any improvements and certain fees. Speculations are halted. At least the same house cannot be sold and resold at a constantly mounting price. It is true that the veteran who buys today may well be buying at an inflated price but this amendment gives assurance that the veteran who comes back this spring or summer will not be forced to buy at a still more inflated price. The argument that nobody need buy or will buy if the price is too high just will not hold water. If the veteran has to have a place to live he will run the risk of a too great price, of a too heavy mortgage. A few may be lucky enough to unload before the inevitable crash comes but if we do not curb the real-estate spiral too many veterans will some day find themselves with a mortgage larger than the market value of the house. We have no right to permit veterans and their families to be thrust into such a situation which means not only economic distress but personal unhappiness and suffering.

I have in mind especially the university towns where housing prices are running wild. Many of these towns are not in rent-control areas. The OPA does not have funds to extend its rent-control work. Recently, a young veteran consulted me about buying a home in a university town where he will be for 2 years. He and his wife had, after long search, found a room at $18 a week sharing a bath with six other people. Meals in restaurants were running then $4 a day each. You can multiply and add and then subtract the result from $90 a month. They could not live that way. He had to find a house. One was available at $6,000. Shortly before the influx of veteran students it had been on the market for $3,500. My veteran student did not buy it. It was sold to a real-estate man for $6,000 and the price has gone up.

Speculation is not an inherent part of the free-enterprise system. Rather, it is one of its unfortunate concomitants. This amendment does not deprive any person of his property. It does not mean a swarm of inspectors. It does curb speculation. It does protect the veteran. It does not give any Government official the power to determine the sales price of a house. It does give a veteran preference over the real-estate broker. It does place a brake on an inflationary real-estate boom. And for all these reasons it should be adopted.

Mr. WOLCOTT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think we should have in mind that in adopting the committee amendment we seek to restrict the authority to put ceilings on housing accommodations to new construction. Now, it does not actually do that, but that is the intent of the committee. The intent of the committee in adopting the amendment offered by the gentleman from Georgia [Mr. BROWN] in committee to restrict the ceiling to new homes is negatived by certain other language in the section. For that reason, and for the reason that there is a conflict of opinion as to what this paragraph does, we can perhaps settle the question of intent by adopting the committee amendment, whether it is the intent of this committee to broaden the bill to include ceilings on old construction as well as ceilings on new construction. That is all this committee amendment amounts to.

Under the formula advocated by the gentleman from Texas the veteran would have to take all of the inflation, and then because of the controversy which is always raised in OPA as to whether the work constitutes improvements or is purely current maintenance, the veteran might find himself in a position where, after purchasing the home, after modernizing it, after modernizing the bathroom and the kitchen, having put on a new roof, and new heating equipment, he runs the chance of having the Expediter say the same as OPA says today, "Sorry, brother, those are not improvements; those are merely maintenance. Therefore, if you sell the house you cannot add those improvements onto your price."

We just do not know what we are doing with this, so the best thing to do is give it a little more thought, perhaps, before we tie the veteran up in a knot like that. That is why I am fundamentally opposed to putting ceilings on old homes. There is no particular necessity for putting ceilings on new homes, for the reason that, if this bill or the substitute which I shall offer is adopted, all homes built under title VI being built under strict controls, a home cannot be sold for more than a certain price set by FHA in order to have that home qualified for insurance. Also, as to the allocation of materials which are under price control, there is no thought that we are going to take price controls off building materials at this particular moment. The authority which is now vested in the Expediter to allocate materials carries with it authority to channel these materials into homes which will not be sold for over a certain amount. So we have very effective controls on the price of new construction at the present time.

I think the committee amendment should be adopted, but I think then the whole section should be stricken out and, when the proper time comes, I shall offer a substitute to the whole bill, in which this particular subject is left out. I certainly cannot go along with the idea that we are going to build any new homes by putting maximum prices on them.

Mr. OUTLAND. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I should like to comment very briefly on two or three remarks made by the distinguished gentleman from Michigan who just preceded me. The gentleman stated that he thought we ought to think this over a little while longer and not act in too great haste.

Mr. Chairman, I think one of the biggest mistakes this Congress ever made was in not putting ceiling prices on housing to begin with, at the same time that ceiling prices were placed upon a great many other things. However, even now it is not too late. We have heard from Mr. Bowles and we have heard from Mr. Wyatt that one of the biggest breaks in the dam to prevent inflation has come about in the real estate field. Every Member of this House has had experiences such as I have had of seeing homes that would ordinarily sell for $5,000 or $6,000 now selling for $12,000 to $15,000. You do not have to go out of the city of Washington to see it, either. You can go here or in the surrounding country and see what has happened to homes and to real estate property. The values are tremendously over-inflated and veteran and nonveteran alike have to pay fantastic prices for homes. If ever we had a dangerous condition we have it right now, and I do not think we can afford to wait very much longer in taking certain concrete steps to stop it.

The second thing the gentleman from Michigan said about which I should like to comment is this: He pointed out that

in title VI there were already certain guaranties against selling at an unduly high price. That is correct as far as it goes, but it does not go far enough—it is only part of the picture. The first sale may be taken care of. A man will build a home under title VI and he may sell it to a brother-in-law or anyone else for that matter and from there on there is no control. The second, third, and fourth sales are where the speculation comes. While there is a certain amount of control under title VI to limit the price of the first sale, it is on the succeeding sales that there is great danger of seeing the spiral mount unduly high. That is exactly what this amendment is designed to prevent.

The gentleman from Michigan also mentioned that he feared that moderization, putting in new equipment and new facilities, might not be taken into account. This bill states definitely that where there has been improvement of property, where there has been additional equipment added, these things shall by all means be taken into consideration when the resale is made. That is definitely specified in the bill, and I do not think we need to worry about it.

It is a very illogical thing that we are contemplating doing here today, if we are going to place ceilings on new construction and let old construction run clear out of sight. What in heaven's name is logical about a bill that does that? I agree with the gentleman from Michigan [Mr. WOLCOTT] in what he says. If we are going to do that, we might as well cut the whole thing out. Place ceilings on construction, new and old, or have no ceilings at all. In that respect I think he has been perfectly logical in the statement he has made.

I would hope that the time would soon come when all ceilings, on homes and everything else, could be removed. Certainly all of us want to get away from these burdensome controls. However, we would be lacking in vision if we did not place upon ourselves the necessary restraints as long as the inflationary danger faces us. I am interested, Mr. Chairman, not only in servicemen and ex-servicemen and veterans who are returning and trying to find homes but also in the millions of other Americans who are trying to buy homes. Out on the Pacific coast we are having one of the most difficult and tense situations you can possibly imagine because of the housing bottleneck. I am also finding that in some cases rental properties are being taken off the market in the hope that they can be sold at a speculative profit. It seems to me that the placing of ceilings on both old and new constructions would not only have the effect of preventing undue price rises but would also have the effect of encouraging the placing on the rental market additional housing accommodations that are so badly needed at this time. If ever the Congress had an opportunity to do something for the great mass of American people, it has that opportunity now. If ever we needed to demonstrate statesmanship, it is on legislation of this nature. I sincerely trust that we in the House today will not yield to any type of pressure from any particular group, but will consider the best interests of the entire American people, veterans and nonveterans. I sincerely believe that the enacting of the housing program proposed by Mr. Wyatt would be a tremendous step forward in attacking our housing shortage. I trust that we have the farsightedness to adopt it.

Mr. HINSHAW. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, if this bill were to be administered with the varying degrees of intelligence that have been displayed in this House on the subject of real estate, I think you would have even more confusion than there is at the present time. Let me point out to you again, as I tried to point out the other day, a few facts. In the first place, if you are going to place ceilings on real estate, the one equitable ceiling, the ceiling that can even come close to being called equitable, would be on the basis of its currently appraised value. I say that for this reason: Suppose one of these veterans buys a home that has just been completed or which is completed shortly after this bill is passed. Let us hope that the price is in the lower brackets. Let us say he buys this house for $6,000. Presumably, the purpose of this bill is to place the control of prices and priorities in the hands of some more reasonable agencies than the OPA. That means there is going to be an increase in the ceiling price for materials. Who knows what is going to happen to building labor so far as their wages are concerned? Suppose 6 months from now the price of materials is 10 to 15 percent higher and the price of labor is similarly higher and the same identical home costs 15 percent more to build. Therefore, the purchaser of such an identical piece of property necessarily pays 15 percent more for it. Are you going to tell the veteran who purchased the house for $6,000 that he can now only get $6,000 for the house when quite definitely the house is worth 15 percent more of anybody's money because it costs 15 percent more to build and also the ceiling price on the identical new home is necessarily raised 15 percent? In other words, you absolutely stick that man so that he cannot change his dwelling from one place to another even in the same general locality without loss. If the house were burned down to the ground and he received the insurance on it, he would have to pay 15 percent more if he went out to buy the same kind of house.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. MAY. In other words, he cannot rebuild or replace his house on the then current market?

Mr. HINSHAW. Of course he cannot. The man who gets stuck in that deal is the veteran. I say that to you to show you how absolutely absurd it is to place a fixed price ceiling of any kind on real estate.

If there is going to be any ceiling at all, it should be put on a basis of reproduction cost at the time of the sale, less depreciation and obsolescence, which is the common way of estimating the value of a piece of property. Every time a loan is made on a home, the property is appraised, and carefully appraised by the lending agency.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. DONDERO. In my home city a case has come to my attention where a veteran has been offered a house at $500 less than it has been offered to the owner, but he has to decorate it and fix it up. Are those items going to be added to the price of that property, that he can add if he wants to resell it?

Mr. HINSHAW. No, I do not think so. They would consider that to be maintenance and current expense, and not chargeable to the property. Suppose he buys an old house and has to replace the water heater because it is all worn out. It costs him $100 to do it. That house is worth $100 more to the next man who buys it. He has not added a single piece of equipment. I never heard of a more idiotic thing than to try to place fixed cash ceilings on a piece of real estate. If you are going to have ceilings, they should be the currently appraised value.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. CRAWFORD. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I wish to continue the discussion that has been carried on by the gentleman from California [Mr. HINSHAW].

If you will refer to page 9 of the bill, lines 13 to 17, subparagraph (c), you will find this language:

> The Director shall by regulation or order provide for appropriate price increases for major structural changes or improvements, not including ordinary maintenance and repair, effected subsequent to the first sale after the effective date of this title.

What is a major structural change? An architect or blueprint man can tell you what a major structural change is. If you tear the old plaster off of the room and put on new plaster, that would be considered as an ordinary maintenance and repair job. I can show you many jobs of that type today that are costing from $500 to $1,000 per house, just changing the plaster alone and fixing it so that it will be fit to rent.

Of course, I am in favor of the committee amendment, which removes price ceilings from old homes. We are here in the process of an industrial revolution, as to time and place of men and material.

Mr. Kaiser appeared before our committee and pointed out that he heads 25 corporations; that he is moving into many fields of industrial production, especially the basic ones, opening new plants here and there. Look what a terrific moving job he is up against from the standpoint of personnel. One of his men has a home in California and he wants to transfer him to Willow Run in Michigan. He sells his home in California. The ceiling goes on it at the price at which it is sold. Three months later, the man who purchased that home may have to move, according to an order from his corporation. The price of the home he purchased, say for $10,000, would be $15,000; that is, the replacement value might be $15,000 when he sells it, or the going market price may be

$15,000, but he has got to sell it at $10,000.

Suppose a man dies suddenly and the widow has to get money to pay inheritance tax. The market offers her $15,000, but she has got to sell it for $10,000. You virtually rob that widow of $5,000. It is not thinkable, to me, that this House would place ceilings on old homes. It is bad enough to put ceilings on new homes where the agreement under the law is reached already before the construction work begins; but to come along here and place price ceilings on old homes, takes property values away from our people without due process of law. I think it runs entirely contrary to the rights of our people and in many instances will destroy the rights of widows and orphans, upset the family budget and saving account, and the thrift of the people who try to keep themselves independent of the Federal Treasury.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Texas.

Mr. LUTHER A. JOHNSON. In the matter of ceiling prices on old homes, when does a home become old? Assuming there is a ceiling on a new house when it is built, what about resale of that house?

Mr. CRAWFORD. The ceiling applies to any house the construction of which is completed after the effective date of this act.

Mr. LUTHER A. JOHNSON. Does the ceiling price follow on that house? Is there a ceiling on its resale after the first purchase?

Mr. CRAWFORD. Yes; on houses completed after the effective date of this act.

Mr. LUTHER A. JOHNSON. It remains on the house?

Mr. CRAWFORD. It remains on the house as long as this act is in effect.

Mr. LUTHER A. JOHNSON. Subsequent sales would be controlled by that provision?

Mr. CRAWFORD. Yes. Suppose you bought one of these houses for $10,000 and 6 months later wanted to sell it to me. You could not sell it to me for more than $10,000 except under this language in subparagraph (c) which I read. If you make alterations then you get into difficulties with OPA with respect to what constitutes a structural change as contrasted with repairs and maintenance.

Now, you just go ahead and put this kind of yoke upon the necks of the people of this country and see what kind of trouble you get into.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 50 minutes, the last five to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The Chair has listed the names of Members seeking recognition on this amendment. Each will be recognized for 4 minutes.

The gentleman from Illinois [Mr. DIRKSEN] is recognized.

Mr. DIRKSEN. Mr. Chairman, for those who have just come into the Chamber let me say that there is under discussion at the moment the committee amendment which would restrict action with respect to ceilings at least upon houses that are completed after the effective date of the act rather than upon existing construction. It occurs to me we already have that control. Every Member of this House is quite favorably disposed to the idea of maintaining the rental control that has been imposed by OPA. Certainly I went along recently with a bill to retain the rent statute in the District of Columbia. I can readily imagine there would be no end of difficulty over the country unless rent controls were maintained in some areas. Therein lies, in my judgment, the real effective control so far as speculation is concerned with reference to any housing program that may get under way. Outside of those who own homes and who want to live there as owners, those who may speculate in real estate have to make some disposition of the property if they are going to buy it. Obviously there has to be a rental that has a ceiling or some commensurate rental. For instance, let us take a house that has been renting for $50 a month and it normally has a value of $6,000. Suppose that house is sold for $10,000. What happens? If you are going to capitalize it, as any shrewd person will do, on the basis of 8 percent or 10 percent gross for a year, your rental would go up to $65 or $85. Then what happens? A tenant comes along. You tell him the rent is $85 a month. You tell him that you paid $10,000 for the house, but its value is only $6,000. That does not make any difference. The OPA in that district has imposed a rental ceiling of $50 on this house and the tenant will tell you, "I do not care whether you paid $10,000, $12,000, $15,000, or $20,000. The rental for this house is $50 a month."

Under those circumstances what is the speculator going to do? Is that not the answer to all this economic nonsense we have been hearing about in the last 30 minutes?

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. PATTERSON].

Mr. PATTERSON. Mr. Chairman, I have waited 2 days to say a few words on this bill. I was out in California looking into this problem for 2 weeks, and while there I spoke to many, many veterans and to many veterans' organizations. They tell me that there is great need, for one thing, for hospital beds. They need about 7,000 additional hospital beds for wounded veterans out in California. Next to that the main problem is the ability to purchase a home. They say they cannot purchase a home and they cannot borrow money from the bank under the GI bill because the bank will not lend the money. They want to buy a home for around $6,000, or even as low as $5,000, and they just cannot buy that kind of a home. We know that they will never be permitted to buy that kind of a home unless we have a ceiling not only on new homes but on old homes. I believe the ceiling suggested on new homes is very equitable, fair and just. There is no arbitrary action on the part of any dictator. A policy is fixed by the sale price after the law is passed. This price remains for 2 years on old homes.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. PATTERSON. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. Of course, a ceiling on old homes would not help a soldier any because the owner can get whatever price he wants. The sky is the limit.

Mr. PATTERSON. I disagree with that because the veteran cannot buy old homes or new homes now because they cost too much. I hope the Congress will also permit the director to set up a premium or a subsidy payment in order to help speed up production so that we can get the materials. I recognize there is a scarcity of materials, but if we do not put this ceiling on old homes and new homes, we are going to be unjust to the veteran.

Now, these veterans fought our war, and I do not like to use any sloppy, sentimental arguments, I am not in favor of those kind of tactics, but we did have subsidies to speed up production in order to win the war. Now we are turning against the men who fought the battles and do not want to give them subsidies. We do not want to put ceilings on old homes or new homes. We just want to let them survive the best way they can after they come back from fighting the battles for us and for democracy all over the world. I think we will be very unjust if we do not take this bill as it has been reported by the committee and adhere to two or three points.

First, we should adhere to ceilings, and then by means of subsidies and premiums speed up production, and reverse what we did yesterday by making these controls last for only 1 year. You know that will not work. Two years is absolutely necessary to bring about any effective control whatsoever. I believe that if we do not enact this legislation today we are turning against the common man and the veteran in this Nation, by listening to a few real-estate and land speculators who want to make money regardless of the welfare of the veterans and the general public. I paid $11,000 for a $6,500 home. I put three or four thousand dollars' worth of improvements on it. I know that I cannot sell that home for more than $14,000 or $15,000, or maybe less, even if I had to sell it at a loss or sold at a profit. But that is no argument whether or not I make or lose money. Why should we penalize the man that cannot buy a home and cannot afford even a $6,000 home because some individuals do not want to lose a little profit here for the benefit of the whole United States? Under the amendment, I could sell the house for what I could obtain and then that price becomes the ceiling price for 2 years if I sell. Let us obtain homes for our returning soldiers.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. RABAUT].

Mr. RABAUT. Mr. Chairman, as chairman of the subcommittee on appropriations for the Departments of

State, Commerce, Justice, and the Judiciary, which has been holding hearings daily, it has been impossible for me to be present during all the debate on this housing bill. But I have heard much that does not impress me. I come from a family that for four generations have been builders. My two boys, during their final years in college, built $250,000 worth of homes ranging in price from $6,000 to $8,000.

In my opinion, the unfavorable references to the people in the real-estate business that have been made here are, for the most part, a crime. They are the people who built America. Far from being criticized, they should be praised. Are you trying to encourage the stock gambling of this Nation that brought about Black Thursday, when even the big boys could not stand up together? What are we doing here today? We are ready to build homes and we want to pass some legislation to build them. We want to help the returning veteran. We ought to do it for him at the least price possible, and that price can best be had by having the price low in the beginning. The way to do it is to give private industry a production subsidy in the beginning for a specified period of time and give the producers of building material an honest and a fair profit. They are entitled to it. Get these materials into the hands of the builders and you will not be bothered about the present real-estate market. Your new construction will take care of the old. That is No. 1.

There is quite a bit of politics in this bill, and let us admit it. I do not blame the opposition for being afraid of the bill politically because this bill is going to be the major shot in the arm for the economy of America. This is a $175,000,000,000 proposition. That is the figure. It is not alone for housing. You are going to have the stove industry in high, the refrigerator industry in high, the washing-machine industry in high, the kitchen-equipment industry in high, the garden-tool industry in high, the seed and shrubbery business in high, the furniture business in high, and carpets, linoleum, bedding, linens, curtains, shades, lamps, radios, and a thousand other items. When you vote against this bill you are voting against the production of those things just as much as you are against the housing program.

This is a bill for human rights, rights belonging to every man, woman, and child in the richest country in the world, America. Can we forget them?

Think of it! This House spends three full days in debate on this deserving proposition to build; but to destroy, we appropriate billions in 5 minutes.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. DE LACY].

Mr. DE LACY. Mr. Chairman, we have talked so much on this bill that it is a little hard to get away from the flood of words down to the substance of what it is we are dealing with. We are asking for shelter for human beings. We are asking for roofs for people who have no place to go. We are dealing with that age-old problem which is recorded in the Scriptures in that passage which describes Our Saviour as having no place to lay his head, and he laid in the field in the cold. That is the ancient problem with which we are dealing. People have never had enough decent houses to live in. I am afraid we are forgetting that that is what we are talking about.

There can be no Member of this House on either side of the aisle opposed to finding shelter, not only for veterans who are coming back, but for all the people. Mr. Wyatt said, and it is plainly recorded in the committee hearings, there will be 4,500,000 veterans demobilized by the end of June. He said, starting from October 1 of last year when there were 1,200,000 families already doubled up, we would have to add to the burden of those already doubled up, these millions of veterans coming back. By the end of this year, some 2,900,000 will be seeking family units. By the end of 1947, according to the hearings, page 421, we will need 3,115,000 housing units. And that does not attempt to solve the problem of families that are already doubled up. So the question is shelter, shelter against the heat and the cold, roof and walls within which to raise American families. The amendment before us which would make it impossible to put ceilings on all houses is directly related to the problem of furnishing adequate shelter at prices people can afford to pay. This bill has at least two essential features: one is the ceiling price to make it possible to get housing within some reasonable measure of their ability to pay, and the other is the payment of subsidies to producers of building materials. We hear a great deal about bottlenecks in the way of production. The Patman bill and the Wyatt program, proposes the means of breaking whatever bottlenecks exist. The purpose of the subsidies is to make it profitable for manufacturers to get in and produce the stuff we need. Yet, we hear the two essential features of the bill, one to put a ceiling on houses, and the other to subsidize building materials, chiefly objected to by Members who say they are for housing the veterans but are against the very proposals that will get housing built.

I was deeply moved by the eloquent speech of the gentleman from Michigan [Mr. RABAUT]. He told us of the great effect that the construction made possible by the Wyatt program would have upon the whole economy. Of course, it will strengthen every industry. Where are we going to turn for jobs if not to the great building industry, which even before the war was 10,000,000 dwelling units short of the needs of the American people? Where do we expect to employ 2,500,000 workers other than in this field? We should defeat this amendment and pass the bill with the Patman amendments.

The CHAIRMAN. The Chair recognizes the gentlewoman from Illinois [Miss SUMNER].

Mr. BUFFETT. Mr. Chairman, will the gentlewoman yield?

Miss SUMNER of Illinois. I yield.

Mr. BUFFETT. Reference was made to the Man of Galilee concerning the problem He had with housing. I think He gave us a few words of good advice on that in Luke 14. He said:

> For which of you, intending to build a tower, sitteth not down first, and counteth the cost, whether he have sufficient to finish it?
>
> Lest haply, after he hath laid the foundation, and is not able to finish it, all that behold it begin to mock him,
>
> Saying, This man began to build, and was not able to finish.

Miss SUMNER of Illinois. And He was a carpenter?

Mr. BUFFETT. Yes.

Miss SUMNER of Illinois. You know now what this bill contains. This is a bill to communize the American home and the American home builder. If these Members wanted homes for veterans, where were all these Members who advocate this bill when the OPA was preventing the production of materials with which homes are to be built? Where are you today? Why do you not help us? Why do you not get on the bandwagon to break the bottlenecks that are put over the materials industry by OPA?

I think what troubles us is the same thing that troubled the man in the cloakroom earlier today when he said, "This is not a bill to communize; this is a racketeering bill." I think the whole reason that communism and nazism has gotten so far in the United States and the United States Government is that many here, without knowing it, have become the victims of the propaganda that communism is for the benefit of poor people. It is not. It is for the benefit of the political racketeers, the favorites, the privileged class. It is for political pets like the man we had before the Committee on Banking and Currency, Mr. Kaiser, who asserted he never had any trouble with OPA; he did not seem to know there was such a thing as allocation by the Government of strategic materials for building.

Mr. SHAFER. Mr. Chairman, will the gentlewoman yield?

Miss SUMNER of Illinois. I yield.

Mr. SHAFER. Can the lady tell us just how Mr. Wyatt is going to obtain materials to build while we are shipping millions and millions of feet of lumber to all the other countries of the world?

Miss SUMNER of Illinois. That point was brought up again and again and again in the hearings, and all we could get when we got the bill is the thing before you, which gives them the power to stop it if they want to but which does not tell them they have to stop it.

The CHAIRMAN. The gentleman from Maryland [Mr. ROE] is recognized for 4 minutes.

Mr. ROE of Maryland. Mr. Chairman, I have listened very patiently for almost 3 days to the debate on this bill. There is not a Member in this House who does not want homes for our veterans and for everybody. Well, what is the trouble? Why do we not have homes now? Why is there a scarcity of all kinds of building material? The reason we do not have the material with which to build now is because of restrictions; and we are going to remedy the situation by passing more restrictions. If anybody will tell me how we can get more lumber,

more brick, more cement, more flooring, more shingles, more anything else, when you cannot get them now because of the restrictions laid by OPA, by passing a bill with more regimentation and more restrictions, I cannot understand. If that is common sense, I do not have any common sense.

This bill will not build houses. What we need is material. What we need is production. In order to get material and get production we must have a free economy so that our people can operate and produce the things they are in the habit of producing.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. ROE of Maryland. I yield.

Mr. BUFFETT. Sometime in January they issued an order downtown raising the price of lumber $3.25 per thousand on May 1. Can you think of any procedure more calculated to stop the production of lumber until May 1 than that?

Mr. ROE of Maryland. It will absolutely kill it until May 1. If a man had anything he would not sell it until May 1.

Mr. PATMAN. If the gentleman will yield, that order was changed.

Mr. BUFFETT. All of these orders are changed by and by, but we lose production in the meantime.

Mr. ROE of Maryland. The OPA does recognize its mistakes once in a while, but it takes a long time to change them.

The gentleman from Texas [Mr. PATMAN] says this is not a political measure. I am happy that he said that. That gives us, who are still Democrats, a right to vote against this bill which certainly creates another bureaucracy and gives more regimentation and makes it still more difficult to get housing.

The other day in debate on the deficiency bill to give OPA $1,850,000 additional with which to put more gestapo enforcement officers in our midst, the distinguished floor leader from Massachusetts, whom I love and respect, told us how much the OPA had saved the people. The OPA has never saved America one cent—it never will. It has been an expense and a burden and it always will be. Let me prove that to you in just a very few words.

Assuming that the consumers of this country have bought certain merchandise cheaper than they should have bought it, cheaper than the merchandise was worth, let us turn to the Chicago Board of Trade. There is just one thing on the Chicago Board of Trade that is free and that is May rye.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman's time may be extended 5 minutes.

The CHAIRMAN. The time has already been fixed.

Mr. ROE of Maryland. I thank the gentleman from Massachusetts very much indeed.

The CHAIRMAN. The gentleman from Washington [Mr. SAVAGE] is recognized for 4 minutes.

Mr. SAVAGE. Mr. Chairman, it has been said here today that no one will have to pay more for a house than it is worth; even if we do not provide for ceilings. But I did, and I know a lot of other people who have. Last year I bought a house and paid $2,000 more than that house was sold for 2 years previously by the contractor. I had to have a house and there was no other way to get it than to pay the price demanded. None were available to rent at the time for less than $200 a month. The veterans are going to have to do the same thing, if we block ceiling prices on used homes. I realize that when prices come back to normal I am going to take a loss of that $2,000 plus the depreciation. Certainly we do not wish to force veterans to take such losses.

It was the same with used cars. When there was no ceiling on used cars people were paying more for them than the ceiling price on new cars, and the same thing will happen in regard to houses.

The point is, Shall we have ceilings on used houses? And I say we should, or it will mean inflation. I used to be connected with a real-estate outfit, but I can say that I am entirely free now to represent the people and not the real-estate speculators. The real-estate lobby does not stop at contacting Members and writing to their offices; they are even sending propaganda to the Members' homes against this housing program.

It has been said that the reason we do not have production is because of the OPA. My district on the west coast is one of the biggest lumber-producing districts in America, not the biggest, but among the largest in the United States. The logging camps cannot get men. Sawmills are forced to close by the log shortage. For 4 years 18-, 19-, and 20-year-old boys were going into the services instead of going into the woods and learning how to become loggers. Unless men become loggers very young they usually do not become loggers at all, and especially not after they get married, because of the dangerous work. Under this bill it is anticipated that there will be a program to get men in the woods, and you must have young men. The cutters work in crews of four.

Timber is usually cut on a piecework basis, so much per thousand board feet and not by day labor. If an experienced man takes a new man to teach how to cut timber he earns about one half or less of what he earns when working with another experienced man, so naturally he is reluctant to teach a new man. You simply cannot take four men who do not know anything about logging, form them into a crew, and send them into the woods alone to cut timber. They will soon kill themselves off. In some instances a single tree will produce enough sawed lumber to build four or five houses. Most of the remaining timber is growing on steep hillsides. It is very dangerous work. A recruiting program is badly needed to get new men into that branch of the industry. The mills are free to cut all the lumber they are able to saw, but they cannot get the necessary logs due to the shortage of trained and experienced men in the woods. The bottleneck in the lumber industry is the lack of logs to feed the mills.

Rent ceilings alone will not control prices of houses. Actually houses bought for speculation are apt to remain vacant and ceilings will prevent speculative buying. Veterans are not looking for houses for speculation, they are looking for houses to live in. A home ceases to be a domicile when it is being juggled around for speculation.

I can understand how ceilings on homes will prevent real-estate dealers from making large profits through this emergency period, but is that too much sacrifice to ask of them, considering what the veterans have done for the country?

Does anyone mean to say that he is for the veteran, but that he is for excessive profits for dealers first?

I am for homes for veterans at reasonable prices. I do not yield to the pressure of the powerful real-estate lobby.

The CHAIRMAN. The time of the gentleman from Washington has expired.

The Chair recognizes the gentleman from Wisconsin [Mr. BIEMILLER].

Mr. BIEMILLER. Mr. Chairman, for just a few seconds it is well to come back to a consideration of the basic reasons why this bill is before the House. The President of the United States, recognizing that there is a serious housing problem in our country, appointed Mr. Wilson Wyatt to draft a program in order to meet the emergency. That program has been drafted, it has been given the President's approval, and the original bill introduced by the gentleman from Texas [Mr. PATMAN] contains the necessary legislative enactments to put the program into effect.

Why is that program necessary? The Army recently took a poll of discharged GI's and discovered some rather interesting information. On the basis of the returns from the GI's themselves, we know that we will have from three to five million of the discharged GI's doubled up at the end of this year because of the lack of housing facilities. Furthermore, the GI's said that the absolute top they could pay for rent was $50 a month, and if they are going to purchase a house, $6,000 would be the most they could pay. The great majority of those polled named figures far below the rental and purchasing price figures which I have quoted.

What is necessary to remedy this situation? Three things and those things are in the bill.

First, to channel building materials to the proper place, so that we do not use any of our precious building materials in any unnecessary projects. Second, to spur production, and to spur production through the medium we used during the war is the only way to meet the emergency, namely, by production subsidies, and I will have more to say on that subject when we reach that phase of the bill; and last but not least, we have to stop speculation.

Why do we have to stop speculation? I do not think there is a Member of this House who will deny that there is real-estate speculation in his district at the present time. It is the worst inflationary danger we have. If I had time I could quote you example after example in my own district, but I want to give you just one. Last Wednesday I had a 'phone call from a real-estate operator

in my district telling me why he wanted the original Patman bill passed. He gave the example of a real-estate operator functioning as a buyer who goes into a blighted area, pays $3,500 for a house; the next day the broker, operating as a seller, sells that house for $4,700. Twelve hundred dollars profit in 24 hours. You and I know that sort of thing is going on over and over again.

Now, the Patman bill would not have prevented the sale of that house by the owner for $3,500, but it would have stopped this speculator, in 1 day's time, making a profit of $1,200 at the expense of some returning GI whom all of us told over and over again that he would have a country in which he could live in a home of his own.

I think it is our duty to protect the veteran and all other prospective buyers against the speculator. The original bill will do that. The amendment before us would permit the parasitic practice to continue. Thousands upon thousands of desperate individuals, unable to find a place to live, are practically forced to buy houses. They are fair prey today to the unscrupulous speculator.

I urge the House to take stock of this situation and give the people the protection they deserve. Remember, no home owner will suffer under the original terms of the bill. If he has to sell his own home for any reason, he can do so, but the speculator cannot get a higher and ever higher price for the same piece of property. The vicious inflation spiral will be broken.

A great many national organizations take the position I have just outlined. Let me read you a statement and the signatures thereto:

> On behalf of our organizations representing millions of American families, we urge the House of Representatives to take the first important step in meeting the housing crisis by enacting the Patman bill (H. R. 4761). This legislation must include ceilings on old housing as well as new, and premium payments to increase the production of scarce housing materials. With this essential legislation the Nation can and will build the 3,000,000 new homes required to meet the immediate needs of our veterans and their families.
>
> American Association of University Women, American Home Economics Association, Congress of Industrial Organizations, Consumers Union of United States Legislative Committee of the Council for Social Action of the Congregational Churches, National Association for Advancement of Colored People, National Council of Jewish Women, National Council of Negro Women, National Education Association, National Federation of Settlements, National Institute of Municipal Law Officers, National Public Housing Conference, National Urban League, National Women's Trade Union League, National Association of Rural Housing, Family Welfare Association, National Farmers Union, National League of Women Voters, National Citizens Political Action Committee, Southern Conference for Human Welfare.

This statement is also endorsed by the Right Reverend Monsignor John O'Grady.

Let us keep faith with our veterans and millions of other Americans who need protection against speculation and inflation. This amendment should be defeated.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

The Chair recognizes the gentleman from South Carolina [Mr. RILEY].

Mr. RILEY. Mr. Chairman, all of us agree that the need for housing is very great. All of us agree that we have an outstanding obligation to pay to the returning veterans; but, because there is some difference of opinion as to how we may pay that obligation, I do not think aspersions should be cast upon those who may share a different opinion. This bill, substantially as it has been reported by the committee, will be helpful in the situation. I think that we should channel material into the building of homes. The other day I took a trip home in my car, and, as I passed through the towns on the way, it seemed to me that 80 to 85 percent of all the construction was commercial. Garages were being built for cars that are not yet manufactured; retail stores were being built, outlets that are adding to the pressure for scarce goods today. I think that priority should be given to the construction of dwellings. Priority should be given to materials for those buildings the use of which will give the most employment and the greatest production of goods. We will need new houses for many years to come. It is a long-time pull. There is ample financing for those houses; there is money begging to be used. By renewing title VI under the National Housing Act, and providing for insuring these mortgages, that money will be brought out of hiding and put to work. Houses will be built. The great American initiative and resourcefulness is still existent. All that is needed is the opportunity to go ahead.

We need readjustments in our pricing policy. We all know that the present pricing policy was set up to get war materials. For instance, in the lumber business, the pricing policy was set up to produce large heavy timbers needed in war work. Just the other day the OPA changed its pricing policy so as to encourage the production of flooring, ceiling, siding, and lumber of that kind which is needed in homes. This change in pricing policy is going to bring about the manufacture of many needed materials. I think highly of Mr. Wyatt. I think he is capable. I think he is sincere. He is energetic, with a wonderful personality. But I do not want to see him overburdened. I think that even if he is willing to undertake all of the program that he has outlined, that we should not let him try to do those things which we know in reason he cannot do. He can be very helpful in channeling materials into housing construction. He can be very helpful in breaking bottlenecks that are holding up building materials. In regard to the sale of existing houses, we know that anyone who has a house today and who sells it because of the premium that is offered has to go out and inconvenience himself in obtaining another place in which to live. There are no houses to amount to anything on the investment market today. They have all been purchased. If a price ceiling is placed after the first sale, the veteran who purchased a home will have to bear the whole brunt of inflation, because the seller will charge all that the traffic will bear in this original sale.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Chairman, I would like to address my remarks, if I may, to the gentlemen on the Republican side of the aisle who have through this debate seemed to feel that there was something communistic or socialistic about putting a ceiling on existing homes.

While I was home last month the president of the largest bank in Oklahoma came to me and said: "I want to ask you, Congressman, if there is anything that the Congress can do to stop what is happening in the speculative real-estate market, that is filling the banks, the building and loan companies, and loading the Government down with insured mortgages for excessive values on existing homes?" He told me about his maid in his home who was then dealing in real estate, buying homes. He told me of three different deals that she had gone into, buying homes for $3,000, holding them 2 or 3 months, and then selling them for $5,000 or $6,000. He told me incident by incident and documented it by showing me the papers on homes that he had helped to close deals on under the FHA in 1940 for $6,000 that are now selling for $12,000.

I said, "The only thing that has been suggested has been putting a ceiling at the point of the next sale." He said, "That is the most common-sense idea I have ever heard. That will do more than anything else to take out the speculative bulge, the prices that are putting up these values to an artificial point and which will force the Government at a later date to come along with hundreds of millions to bail out these credit institutions with another HOLC." He said that no fair-minded man could complain of a ceiling fixed by free bargaining at the point of the next sale. This is what we propose in trying to defeat this committee amendment.

I cannot see how anyone can conscientiously oppose this logical step of preventing speculation in homes. It has been argued that the veteran will suffer in case he buys a home now and cannot sell it before June 1947 at a speculative price.

The veterans I know would be glad to have this bulge of speculation taken out of the homes they buy today, and they will take their risk of getting the same amount they paid for a house when they have to sell it. There are not going to be many of them that will sell these homes within the next year, because they have been without a home for about 4 years and a home means an awful lot to them.

It seems to me it would be a travesty on the veterans if we merely say that by putting a ceiling on the 2,700,000 new homes we hope to build, we can hold down the ever-rising speculative pressure on 27,000,000 homes that now exist. That existing home market is the market the veteran is shopping in, not only the new

homes but these 27,000,000 homes that exist. Yet, he is in competition on these existing homes with every person who stayed home and has war-swollen savings.

It seems we must offer a chance to freeze the speculation out of the present soaring prices of homes. It will not interfere with anybody in the world but the speculator who wants to buy a house today and sell it tomorrow or the next week at a $2,000, $3,000, or $5,000 profit. Unless we do this we are not going to begin to fulfill the duty we owe to veterans in this Congress.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE] to close debate.

Mr. SPENCE. Mr. Chairman, we have heard a good deal of talk about this being the delegation of an arbitrary power to a dictator to fix the value of our homes. The Administrator has no power to fix the value of a home. It would be obviously impossible to have appraisements of the homes of America. There are many elements of value in a home that are intangible, and there would have to be individual appraisements of each home. This amendment takes no right away from the home owner. The owner of the home can sell it at the highest price he can get for it. The purchaser of the home when he purchases knows that he cannot sell it for a higher price than he pays for it. Is that taking away any of the constitutional rights of the citizens?

The speculative field in old homes is just as great or greater than in new homes. It has been estimated there are 27,000,000 or 28,000,000 homes belonging to the people of the United States, and that has furnished the speculative field that has been injurious to the economy of America. After the last war I remember in my own community men built homes for themselves that they intended to occupy, and because of the high prices they sold them before they went into them. I do not know of anything that could do more harm to the housing situation than to have the people gamble with their homes. When a man sells a home he must seek another home. There would be no stability if we allow these people to sell their homes at the highest price they can get for them. This bill will take away the speculative feature. It will give stability to the home. It will give a stability to our economic institutions. It is not communistic. It is the only way that this problem can be met in these emergent conditions. It is not saying, "You can never sell your home for more than you paid for it." It is saying, "During this emergency, when the common good is involved, you cannot sell your home for more than you paid for it." Is there anything communistic in that? Is there anything socialistic in it? During these debates we have even heard gentlemen condemn the OPA. We are going to hear that done for days and days, but there will be few of you who will dare to be a party to destruction of that agency which is stabilizing the institutions of America and is preventing disaster, disaster that is indescribable. I know that petty annoyances have been hard. I know that little arrogances and insolences of office have been hateful to you. But when you think of the ultimate good, when you think of what it will save to the American people, when you think of what it means to the future, are you going to be so foolish as to vote against it? Perhaps a few Members may vote against it, but if the ultimate responsibility was upon them, if they had upon their shoulders the whole responsibility as to whether or not the OPA should continue or be destroyed, I doubt that they would dare vote against its continuance.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

All time has expired.

The question is on the committee amendment.

The question was taken; and on a division (demanded by Mr. BROWN of Georgia) there were—ayes 114, noes 53.

Mr. SPENCE. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PATMAN and Mr. WOLCOTT.

The committee again divided; and the tellers reported there were—ayes 154, noes 68.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 6, line 14, strike out the remainder of page 6 and all of page 7, down to and including line 16, and insert:

"(b) Any regulation or order issued under the authority of this section with respect to housing accommodations the construction of which is completed after the effective date of this title shall provide that no sale of any such housing accommodations shall take place until after the builder thereof has filed with the appropriate agency designated by the Director a description of such accommodations, including a statement of the proposed maximum sales price, and has received from such agency a certification that such price is reasonably related to the value of the accommodations to be sold, taking into consideration (1) reasonable construction costs not in excess of the legal maximum prices of the materials and services required for the construction, (2) the fair market value of the land (immediately prior to construction) and improvements sold with the housing accommodations, and (3) a margin of profit reflecting the generally prevailing profit margin upon comparable units during the calendar year 1941. Any prospective seller of such housing accommodations may apply for such certification at any time, including before the commencement of construction, during its progress, or after its completion. In any case where a certification of approval of a proposed maximum sales price has been issued prior to the completion of construction, the prospective seller may, at any time before the first sale, apply for such revision of the maximum sales price previously certified as may be justified by a showing of special circumstances arising during the course of construction and not reasonably to have been anticipated at the time of the issuance of the earlier certification. The first sale of housing accommodations the construction of which is completed after the effective date of this title shall not be made at a price in excess of the maximum sales price certified under this subsection. The actual price at which any such housing accommodations is first sold, plus any increases authorized pursuant to subsection (c), shall be the maximum sales price for any subsequent sale of such housing accommodations."

Mr. PATMAN. Mr. Chairman, the Committee has very decidedly spoken on the old houses, so that question, as far as this bill in the Committee is concerned, is out of the way. Now the question is on new houses.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield at that point?

Mr. PATMAN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The question, of course, is not out of the way because we can have a roll call in the House on the question of speculation against the veterans' interests.

Mr. PATMAN. That is very true. I said out of the way in the Committee.

Mr. BIEMILLER. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BIEMILLER. I am sure the returning GI's will be interested to note that not a single Republican Member was in favor of placing a ceiling on existing houses. They refused to vote against the speculators.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. If I can get some more time.

Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. I yield to the gentleman from Pennsylvania for a question.

Mr. RICH. Is this a political bill or is it a bill to try to do something for the benefit of the people of this country?

Mr. PATMAN. It is a bill to try to do justice to a group to whom we owe a lot. We are trying to do justice to a group that we, including the gentleman from Pennsylvania, voted to take away from their homes and send upon the foreign battlefields of the world. They were gone 4 years, most of them. While they were gone those of us here at home had the opportunity to buy homes, to rent homes, and to get security and housing accommodation. When they came back all the homes were taken. This bill is for the purpose of giving them preference for 2 years only. We had preference for 4 years. This is to give them preference for 2 years.

No; it is not a political bill. Every Member of this Congress is in favor of helping the veterans. Some Members disagree as to what they should do to help them. Some people would take off all price controls on houses as well as everything else because they honestly think that is the best way to do it. I disagree with them. I do not fall out with any Member of this House because of his convictions. I came here to represent 300,000 people, just like the gentleman did, and I am going to do that the way I believe is best for those people I represent and for the State and Nation. I am not criticizing anybody for the way they vote. I have not in the past, and I never shall in the future. As I say, I respect their convictions. As long as they satisfy their own people they

satisfy me. It is not for me to criticize or to censure any Member and I am not.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield for a question.

Mr. RICH. I agree with the gentleman that he can vote on different things as he thinks best, that is all right; but some of the Members over on the other side are pointing the finger of scorn at Members who are trying to do their duty. I do not believe in the philosophy which some of them advocate; I do not believe in what they believe in because what they believe in is not the right thing for America under our free enterprise system.

Mr. PATMAN. I regret exceedingly that the gentleman and his colleagues on the left side of the aisle have seen fit to make this a political issue. You have made it a political issue. Any time people meet together and agree to vote together 100 percent, regardless of the merits of the controversy, putting party first ahead of the country, and that is bound to happen in the case of some of you—I do not mean to say that your motives should be impugned or anything like that, but I do not believe in putting party ahead of the country—when you meet and vote together solidly, and there were a few of our people who voted with you on conviction because they are convinced that is the right way, that means you do not get a conviction vote in all cases. Some of our people have agreed to vote with you from conviction. It was in the newspaper, so I am not disclosing any confidential secret, that it was given out by the minority Members that they had met the first time during the existence of that Committee on Banking and Currency and since I have been a Member, the minority Members got together, had a caucus, and agreed to vote solidly together. They did that in our committee. It is a matter of public knowledge, and by two or three of the Members on the Democratic side voting their convictions, sincerely and honestly, caused us, the Democratic side, to lose in the committee. There were two or three votes difference. As long as Members vote their convictions I have nothing to say on earth, and I am criticizing no Member anyway. I want to get down to the merits of this particular amendment.

Mr. Chairman, this is for the purpose of putting a ceiling on new houses. How can anyone justify taking scarce materials, and we know they are scarce. We will not have materials for all purposes, we will only have materials to use for limited purposes, and we are going to give preference to the building of homes for veterans. First, we are going to have some essential commercial buildings constructed, then we will have some hardship cases to take care of, where homes have been destroyed by fire or flood or from whatever reason. We have to have those people taken care of.

Then we are allocating, we are favoring the contractor, we are favoring a builder by telling somebody in the Government: "You have the power to take this stock pile of materials and allocate it to Tom, Dick, or Harry." All right, then, after you allocate these materials to Tom, Dick, or Harry, Tom, Dick, or Harry can take those materials and make them into a house. Then the sky will be the limit as to the price that may be charged for that house. How can you justify that? Is that fair? You are favoring somebody. You are giving a special favor. You are giving him valuable materials and denying other people the right to get those materials. Why should you not have some control over the price of that finished product?

I know that the gentlemen on the minority side, including the gentleman from Michigan [Mr. WOLCOTT], the able gentleman that he is, will contend that under existing regulations there will be no price fixed on that structure because most of these houses are constructed under FHA. But all of them are not. On those that are constructed under FHA there is nothing to keep the contractor from selling to his brother-in-law or an associate or a friend, who can then sell it for two or three or four times the price, after getting a priority on scarce materials in order to build it. It just does not make sense, and I do not believe, although you voted against us heavily on the existing structures, that you are going to vote against this. I have a feeling that you are going to vote for fixing prices on construction where we grant special priorities of scarce materials to the person who builds that structure.

Mr. SMITH of Ohio. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SMITH of Ohio. Mr. Chairman, a lot has been said by the more zealous proponents of the Patman bill about speculation in real estate, its badness, and how necessary it is in the interest of veterans to control it. The author of the bill, the gentleman from Texas [Mr. PATMAN], has been especially vehement against speculation. His whole argument in placing ceilings on homes, old and new, is based on the proposition that speculators must be curbed. This is indicated by his testimony before our committee, and by the speeches he has made here on the floor.

Now I have always had a little trouble distinguishing between speculation and investment in real estate. The only way I have been able to determine the difference is this—when a person buys a home, holds it for a few years, and sells it at a profit he considers it investment. If he sells it at a loss he considers it speculation.

Anyway, the Patman bill seeks to prevent speculation on homes, especially to protect the veteran. It provides that whoever is caught selling a home for more than the fixed price, and this includes veterans as well as other people, subjects himself to a possible fine of $5,000 and 1 year in the pentitentiary. Judging by the severity of this penalty it must be supposed such a violation is pretty serious.

It is naturally also presumed that the men who would administer the law would be heartily in sympathy with this noble idea of protecting the veterans and other people.

I think it is a fair assumption also to say the Administrator's own past record in this respect ought to be pretty free from the contamination of real-estate speculation. Well, I am wondering. I have it from pretty good authority—in fact, I am pretty sure that volume DB–1608, page 366, dated July 15, 1936, and volume DB–1688, page 159, dated September 28, 1938, and volume DB–1686, page 272, also dated September 28, 1938, and volume DB–2084, page 275, as recorded February 7, 1946, of the records of the clerk of courts of Jefferson County, Ky., will reveal that there was transferred to Mr. Wilson W. Wyatt a home at 81 Valley Road, Louisville, Ky., and for which the records will show $10,000 had been paid. The records also will show that this same home was sold for $25,000 and the sale for same recorded on February 7, 1946, after Mr. Wyatt had been appointed by the President as head of the Federal Housing Agency.

It this is true, I am just a little troubled about some of the moral implications that would be involved in the enforcement of this particular provision in the Patman bill relating to speculation. I am thinking, for example, of a situation like this: Suppose a veteran buys a new home under the plan, for which he pays, say, $5,000, and sells it a year later for $5,050, or at 1 percent more than he paid for it. If he were caught by the housing czar doing this he would be prosecuted, made to pay a fine, and possibly also have to serve in prison. Yet the man who would initiate the prosecution himself indulged, and after his appointment as housing czar, in speculation on his own home to the extent of upping the price almost 20 percent annually for 8 years. To be exact, Mr. Wyatt made 150 percent profit on his house after having held it only 8 years.

I really think this is a serious question. Suppose the Patman bill passes, just what would constitute the veteran's crime if he sold a house at a price higher than that which he paid? If caught by the building czar, Mr. Wilson Wyatt, he would be branded as a criminal and subjected to the rigors of a penalty, or imprisonment in the penitentiary, and possibly both. Yet here is this same Mr. Wilson Wyatt who himself bought a home for $10,000, sold it for $25,000, making a profit of $15,000, or 150 percent, and goes scot free.

What I want to know is this: Does the law constitute a certain deed a crime or does the nature of the deed constitute the crime?

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. As I understood the gentleman's statement, this deed was recorded on February 7, 1946. Was not the deed executed on February 6, 1946, and does not the record show that this transaction was made for a cash consideration of $25,000 for this same property for which Mr. Wyatt paid $10,000 in 1938?

Mr. SMITH of Ohio. All I can say is that the records show that there were on the deed in 1938 $10 in stamps indicating a sales price not exceeding $10,000, and on the deed in 1946 $25 in stamps indicating a sales price not exceeding $25,000. People as a rule do not put more stamps on a deed than the law requires.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. SPENCE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the remarks of the gentleman on the other side are a personal attack upon Mr. Wyatt. One cannot mistake that who heard the statements made by the last gentleman who had the floor. I am not familiar with the facts, but from the statement of the gentleman from Ohio [Mr. SMITH], when Mr. Wyatt came to Washington to take over his duties he sold his home in Louisville and made a profit on it, alleged to be $15,000. If he profited by reason of the sale of his house, if the statements made are true, and I have not investigated them, where is there moral wrong in that? Anybody who is compelled to abandon his home and make his residence in another city would certainly get the best price he could for his house. That is just an illustration of the spiral of inflation which is going on in the price of homes at the present time. Was there any moral wrong in Mr. Wyatt selling his house—that is, if he sold it, and I do not know whether he did or not.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. PATMAN. Is it not a fact that if Mr. Wyatt did sell his place, there is no law against it? You would presume that a man would trade and deal to the best advantage in selling his house. If he comes to Washington and has to buy a home, he must pay three and four times the price, and he would be losing money and not making money.

Mr. SPENCE. Notwithstanding the criticism which has been leveled at Mr. Wyatt from the other side, Mr. Wyatt bears a most excellent reputation in the community where he lives. He has the respect and confidence of the people he served as an able mayor of his city. He is a capable, honest, and splendid man. It is unworthy of Members to make such imputation and such statements as were made here in an endeavor to bring obloquy on a man who gave up his practice as a lawyer at home and came here to serve his country at a great sacrifice to himself.

Mr. OUTLAND. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am not exactly sure just who it was who was so gracious as to applaud. I believe it was the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. The gentleman is quite right.

Mr. OUTLAND. The gentleman from Michigan [Mr. HOFFMAN] approached me in the hall this morning and said, "Let us put on a fight today." I did not realize that he was going to applaud. I thank the gentleman.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield.

Mr. HOFFMAN. That was yesterday that I talked to you about that.

Mr. OUTLAND. I beg the gentleman's pardon. He is correct; it was yesterday. If I understand the gentleman from Michigan and his moods, as I have witnessed them since becoming a Member of the House, I would think he would want to fight any day.

Mr. HOFFMAN. That is right. But why can you not be accurate?

Mr. OUTLAND. Oh, I am glad to have the correction, very glad to. Did I understand his applause was part of the fight?

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield.

Mr. RICH. The gentleman spoke about a statement I made the other day about the Treasury paying off $15,000,000,000 of the money they had and discounting some of the notes they have out. I told you I was ready to take you on any time on that subject.

Mr. OUTLAND. That is right. I would be glad to do likewise, although right now I am trying to speak on the bill before us, the housing measure.

Mr. RICH. So I will be glad to do it right now. I would be very glad to do that.

Mr. OUTLAND. Mr. Chairman, may I say that we are trying to discuss the housing bill, which is a rather important matter.

Mr. Chairman, I listened with a great deal of interest to the remarks of the gentleman from Ohio [Mr. SMITH], and it would seem that from what happened during his remarks we are turning something which, to me, is very serious, namely, the subject of providing adequate housing for the American people, into a laughing matter. I cannot understand why so many Members of the minority party wish to treat this important national problem as a subject for joking. To me, it is one that should command our respectful and serious attention, no matter who is speaking. If we can take bills of this nature, of vital interest to millions of people, veterans and nonveterans, and have half of the membership on this floor laugh at it, I think the Congress will deserve the public criticism of the American people. And that criticism is certain to come, make no mistake about that.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. After I have finished my statement.

Mr. SMITH of Ohio. You made a point there——

Mr. OUTLAND. I am going to make some more points. I do not yield.

I would like to say this: I was deeply interested to hear the gentleman from Ohio [Mr. SMITH] condone a man who would buy a piece of property one day and sell it for $1,200 profit the same day. I am interested to have it go into the RECORD that the gentleman from Ohio is for helping the speculator against the veteran in this country who might be placed in a similar position. I am wondering what the reaction is going to be to that.

When the case of Mr. Wyatt was brought up, it illustrates two points that I am sure the membership of the House is interested in.

In the first place, under the pending bill and under the amendment, it is always possible for a person to sell at any price he wishes, in the first sale. Mr. Wyatt would have violated no provision of this bill, had this bill been in effect at that time. If the gentleman from Ohio [Mr. SMITH] owns a piece of property and wishes to sell at double what he has paid for it, there is nothing in the bill to stop it. The bill is imperfect in that way, but it is one step in stopping speculation. What it does contain is a provision that the resale cannot be above the first sale price. Therefore, even the illustration about Mr. Wyatt does not apply to the bill in question, because the bill limits such additional profits only on resale. Therefore, the remarks of the gentleman from Ohio have no effect on the merits of the bill under discussion.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield to my distinguished chairman.

Mr. SPENCE. Does not the gentleman think that when we are discussing this bill, to bring in Mr. Wyatt who sold his home not for speculation but because he was located in another city and that he made a profit on that sale, such as would come to almost anybody in these times of inflation, that the debate has sunk to a pretty lov. level?

Mr. OUTLAND. I certainly do. I would like to say also that there is not a Member of this House who is not anxious to get rid of the controls that were put on during wartime. It is not our purpose to go out and defend the mistakes that have been made, and some mistakes have been made. What we are trying to defend is the over-all program, brought on during the abnormal condition of war. That abnormal condition was held over in many respects. As soon as it is possible to release every type of control, I know I want to do it and I think everyone else here wants to do it. But at a time when there is a shortage of critical materials, as there is in the building field now, it seems to me we are going to have to continue for a while certain of the controls, and then gradually decrease them. That is the only sensible thing to do; it is the only patriotic thing to do.

I beg of Members on both sides, let us not turn this into a laughing matter. Let us not turn it into an attack upon some one individual. Let us attempt to solve it on its merits in the best interests of the great masses of the American people.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. OUTLAND. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes, in order that I may yield to those that have requested me to yield.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I now yield to the gentleman from Ohio.

Mr. SMITH of Ohio. I do not believe the gentleman from Ohio who is addressing you now indicated to the House that he thought this was a laughing matter. The gentleman from Ohio believes that this is a very serious matter.

Furthermore, I wish to say to the gentleman from California that I do not believe I said anything to indicate that I condoned any speculation in real estate.

Mr. OUTLAND. I am very glad to hear the gentleman say it is not a laughing matter, and I hope that his remarks in the future will not be designed to provoke laughter. I am glad also to hear him say he is against speculation. I hope his votes, as well as his statements, will indicate that.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield.

Mr. GROSS. Do you believe it was any more necessary for Mr. Wyatt to sell his home when he came here to take a job, in which he might last 30 days, than it is for a Congressman, who knows he is going to be here for 2 years, to sell his home?

Mr. OUTLAND. If the gentleman has had the experience that other gentlemen have had of selling his home and coming to Washington and paying three or four times what he could get for his own home, I am certain he would be more sympathetic to Mr. Wyatt, to a Congressman, or to any other American citizen.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield to the lady from Illinois.

Miss SUMNER of Illinois. We are trying to fight for American principles. As far as laughing is concerned, I say, if it gives them any relief, let them laugh, because I hope you will not try to control that too.

Mr. OUTLAND. I may say I do not think there will be any scarcity of laughter on this floor as long as the gentlewoman from Illinois makes remarks like that.

Mr. Chairman, I think, perhaps, the gentlewoman from Illinois did have a point, and that is that sometimes debate in this House gets so very tense, sometimes those of us on both sides of the aisle get very "het" up because we feel so seriously about the issues that a little laughter should come in to break the strain. There are those who take the floor against these principles which some of us believe in so firmly, they believing their views as firmly as we do in our point of view. We must, however, look at this picture not from the standpoint of real estate alone, not from the standpoint of any particular individual alone, but from the standpoint of the best interests of the entire economy of the Nation. I am certain that is what we are trying to do.

During the war—the war emergency has continued to a certain extent—there was great cooperation. I would like to see that spirit of cooperation, regardless of partisanship, continued now that the war is over. I would like to see us discuss the problems of housing on that basis, earnestly, seriously, with a minimum of facetiousness. We have had submitted to us by Mr. Wyatt a housing program. That program includes certain stimulation to production, it includes price ceilings, it includes allocation of materials, it includes several other points. I think we have to consider the program as a whole, and as we consider it as a whole I beg of you that we do not permit facetiousness or levity to color the decision that we make, but that we come to our final decision on the one point of how we believe the people as a whole will best profit. Regardless of our differences of opinion, we shall then be approaching one of the most serious problems facing America today, in the spirit which that problem deserves. To do otherwise would be to fail in our duty as the representatives of the American people.

Mr. CRAWFORD. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, here is a concrete illustration of the point I was making in my previous statement. I listened to the remarks of the gentleman from Ohio very carefully, and I have asked for a copy of his remarks because I am positive there is not an attack in that statement against Mr. Wyatt. Some facts were recited which I assume were taken from the official records of deeds in the gentleman's home town, and then that transaction was applied to the control which is proposed here. I was very much interested in what the chairman of our committee, the gentleman from Kentucky [Mr. SPENCE] had to say. He pointed out that a gentleman by the name of Wyatt had accepted a position which necessitated his transfer from Kentucky to Washington, D. C.; and then I think our chairman attempted to justify—and I am certain I am not in disagreement with that justification—that it was necessary to sell and that in selling that home a profit of $15,000 was made on the $10,000 original investment.

In my previous remarks I pointed out that a corporation employee, for instance, it might be a mud puddler working in a foundry or it might be the assistant president of that foundry transfers from one city to another, and he has to sell his home. I pointed out that he might have a home which cost him, say, $10,000, and might sell it for $15,000; and here you propose to put a penalty on that man if he sells that home at $5,000 above what it cost him and read your penalties right into the law. Now I find the chairman of my committee is defending the right of a man to sell a home at a profit if he was transferred; and with that right I agree.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. SPENCE. I am defending Mr. Wyatt in what he did.

Mr. CRAWFORD. Exactly. You are defending what he did.

Mr. SPENCE. What did he pay for the home he bought in Washington? Does the gentleman have any statistics on that?

Mr. CRAWFORD. That has nothing to do with his right in the first transaction.

Mr. SPENCE. If an attack is not being made on Mr. Wyatt, why bring this up repeatedly?

Mr. CRAWFORD. That has nothing to do with the point I am making.

Mr. SPENCE. If it had nothing to do with it why does the gentleman continue this attack?

Mr. CRAWFORD. No attack was made against Mr. Wyatt. I am defending his right to sell as he did at a profit. An illustration is made to help us get into our think tanks the principles involved in this bill.

Mr. SPENCE. Mr. Chairman, will the gentleman yield again?

Mr. CRAWFORD. I yield.

Mr. SPENCE. Why the derisive laughter on the gentleman's side?

Mr. CRAWFORD. Oh, here is another attack now against the Republican side of the House; and the plea has been made by the majority leader not to make politics out of this. I have made no attack on the Democratic side; I do not have to, I can get along without it.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from California.

Mr. HINSHAW. I would like to remark in answer to the gentleman from Kentucky that that simply goes to prove as one transaction that if a man disposes of a piece of property on the market and has to buy a piece of property on the market, if he has a much lower ceiling price on the first property than happens to be on the second one because it never was sold before, he is going to lose living space in the transaction.

Mr. CRAWFORD. Yes, of course.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Michigan.

Mr. HOFFMAN. In answer to the chairman of the Committee on Banking and Currency, some of us on this side were not laughing at Mr. Wyatt or the transaction. We were laughing at the ridiculousness of your position as exposed by that incident, that is all. It makes you look silly.

Mr. SPENCE. The gentleman has a very peculiar idea of wit. It has been said by the gentleman from California that if a man sold a house upon which there was no ceiling and bought one upon which there was a ceiling——

Mr. HINSHAW. No. I put it the other way around.

Mr. SPENCE. He would obtain an advantage if there was no ceiling on the house he bought in Washington. Why do you not get all the statistics and say what he has to pay for his house in Washington as compared with what he got for his house in Louisville?

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Nebraska.

Mr. BUFFETT. On January 29, Mr. Wyatt appeared before the committee and the gentleman from Texas [Mr. PATMAN] asked him a question as follows: "Now, you have endorsed all allocations in this bill, and priorities, which, of course, are for veterans, and the pric-

ing of old and new houses?" Mr. Wyatt answered: "Yes, sir."

That was on the 29th of January, just to complete the record.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. BARDEN. Mr. Chairman, I move to strike out the last six words.

Mr. Chairman, I regret the last few minutes of discussion in the Committee. I do not know anything about Mr. Wyatt except that he comes here recommended as a very fine gentleman. I had the pleasure of meeting him this morning and he looks the part. I am not legislating here or proceeding on the theory that there is anything wrong with Mr. Wyatt, and there is no use of us trying to make a bad man out of Mr. Wyatt on account of a perfectly sound American transaction. That is the way we have always handled business in this country. I am not going to criticize him one bit. There is not a single one of you who offered criticism that would not do the same thing. If anyone wants to deny that, let him do it now, I do not care whether it is the gentleman from California or anybody else.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Michigan.

Mr. DONDERO. I want to join the gentleman from Kentucky in defending Mr. Wyatt and his right to do exactly what he did; but why make it a crime under this bill for somebody else to do the same thing?

Mr. BARDEN. I will get to that in a minute. I do not want to get off on that just yet.

I am approaching the matter from this angle: I have read the bill over carefully. I do not think I have ever seen a bill that reaches any further into the intricate formation of our American society than the powers in this bill. I want to make a statement and I certainly do not want anybody to interpret my statement to be any reflection upon Mr. Wyatt. I want to say that the power contained in this bill is so far-reaching that a good man should not ask for it and a bad man should not have it. Maybe I am wrong. But if you will follow the ramifications in this bill that would involve the average GI you will see just about how much trouble he will have before he ever sees through a window that is in a house belonging to him.

If you want to know how the average GI feels about red tape, just put on a baseball mask or something that will protect your nose, and ask him how he is getting along about getting surplus property.

Now that is a practical application of it. That is all there is to it. You just ask one. The Surplus Property Act is not working and it is not working because there is simply too much red tape involved in it, and that seems to be the way the Federal Government operates when it begins to encroach on individual rights and individual transactions.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Kentucky.

Mr. MAY. A great Kentuckian one time said that to err is human, and to forgive is divine. I merely wanted to ask the gentleman if he does not think that even in the Surplus Property Board, regardless of red tape or anything else, we have a lot of good men.

Mr. BARDEN. Oh, I am not attacking the men. I find the average Government man trying to do the best he can with the instructions we give him.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. WHITTEN. As to the illustration the gentleman gave regarding surplus property, cannot the same thing be said about the obtaining of a loan under the GI bill of rights?

Mr. BARDEN. And there is one of your troubles. My GI's do not want the Government to subsidize them. All they want is a simple way that they can get a loan and some lumber and building materials. That is all they want. Our sawmills are shut down and we are simply not producing, and you can pass stacks of bills as high as your head and if they do not result in production of more lumber and building materials, then you will not have accomplished one thing.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. BARDEN. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BARDEN. I discussed this problem this morning with a man who operates three saw mills. All three mills are shut down, although he has a tremendous acreage of timber. I think that should engage the best thought and the best brains in this House and in the Housing Authority. I do not find anything in this bill that is going to relieve this situation. I find such things as this in this bill that bother me greatly:

> For the purpose of obtaining any information under this section, the Director may by subpena require any such person to appear and testify or to appear and produce documents, or both, at any designated place.

It does not make any difference whether it is Washington and he lives in California or whether he lives in North Carolina and they want him to go to New York. You go anywhere, and if you violate that provision, to the hoosegow you go.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Pennsylvania.

Mr. RICH. I know the gentleman can tell the House what will cause those three mills to reopen to produce lumber, and I wish he would do so.

Mr. BARDEN. The same thing that has always made American industry and business great, and that is a fair margin of profit. That is all there is to it. These saw-mill men are not criminals. They are just as good folks as you and I or anyone else, and when it gets to where the cost of production begins to exceed what they are getting for their lumber, why, they cut the steam off at the mill. That is simple.

Mr. RICH. Then it is just a simple business transaction?

Mr. BARDEN. That is all. You can complicate it all you please and you come right back to a business problem that a high school student can understand.

Yesterday someone turned loose somewhat of a tirade that there was some kind of unseen hand working around the House, some kind of lobby activity. I did not like that. It was to the effect that there was a bugaboo behind the door, and I had not seen any sign of one. The only sign of it was today, when as I came to the door of the House one of the pages at the door handed me as he did all the Democratic Members, what purports to be a copy of a telegram from one Frank W. Cartwright, executive vice president. I do not know who he is. He is supposed to represent the National Association of Home Builders or some organization of that kind. I do not know how that gentleman got the authority to have the pages in the House distributing these telegrams to the Members. I do not resent it, but that very kind of business is what gets the House in bad repute. We do not like to talk about lobbyists, and no man is willing to admit that he is spineless enough to let some lobbyist come in and tell him what to do.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. BARDEN I yield to the gentleman from Tennessee.

Mr. JENNINGS. Is there a man or a woman in this House who is so bankrupt in point of integrity and courage as to be influenced by anybody posing as a lobbyist?

Mr. BARDEN. I hope not. I sincerely hope not.

Mr. JENNINGS. Is it not a constitutional right of a man's constituents to let him know what they think about pending legislation?

Mr. BARDEN. Yes; and I hope it always will be. I want to hear from mine. But I am serious about this. I do not think we are getting very far on this legislation. I think the committee is split about three ways, and I think the House is split about nine. How we are going to draw a balance I do not know. I think if there is anything well established in this House right now it is that this bill is not acceptable to this House. I think that is unquestionably a true statement of fact. I would love to see the bill referred back to the committee. They would have the benefit of the 2 or 3 days' debate we have had, and certainly I hope everybody has learned something—I have—and see if we cannot handle this very serious and necessary problem more satisfactorily than is at present possible.

I do not want anybody to hang a flag up and say, "Well, I am for the veterans," and then expect me to fall right in behind it, when I know it is not going to help the veterans. I know veterans' language. I am one, and they are my friends, and I associate with them. But let us not hang some banner across and say, "We are now helping the veterans," when after we get through we will not

have done them one bit of good, not one bit in the world. So I would love to see this bill reworked, and I am confident that if we do not we are going to come out with a bill that I doubt if anyone will really want.

Mr. HINSHAW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not think anyone on either side of the aisle can accuse me of having raised the political issue at any time in the past and I do not propose to in the future. I am trying to the best of my ability to speak from what knowledge I may have which may be of benefit to those who have not had experience similar to mine, and to learn from those who have knowledge that I do not have, and need.

The subject of the building of homes is a very complicated one. It generally requires a contractor to coordinate all the various activities that go on in connection with it. There are many different types of building labor employed. There are a great many different types of material, from electric wiring and switches and push buttons in the homes that are fortunate enough to have them on down to the different types of heating and all of the rest of the things that go to make up a home. So the general contractor and his staff perform a real function.

Now, let us consider a particular home. I am going to speak for a moment about brick, because they do not use much brick out my way. We use mostly stucco-on-frame construction. Supposing a bricklayer can lay 2,000 brick a day in an 8-hour day without hurting himself, but owing to the restrictions that are placed upon him, not by regulation but by consent of his fellows, he reduces the number of brick that he lays to 1,000, and that is, I understand, above the average of brick laid by one bricklayer in an 8-hour day. Quite evidently it is going to cost twice as much to lay that brick as it would have cost if the man had done his utmost during the day.

Multiply that by all the things that go to make up a home and all the various activities involved. Run it back through to the materialmen, the sawmills, and into the woods, the clay pits and the iron mines, steel mills, and so forth. You will find that unless each man does his utmost the home that is ultimately built is going to cost more money than it needs to cost. Who buys that home? The very man, or his brother, who did the building. Because he and all the others involved did not do their utmost, he is going to have only half as good a home as he otherwise would have for the money. Each one who shirks not only hurts himself but everyone else. I think it is about time every man and woman in this country who works, whether it be over a drafting board or with a trowel or hammer and saw, in a steel mill, as a manager, or anywhere else, I think it is time for them to get down to work and do their very utmost to produce. If we are going to feed the world and try to help in its rehabilitation, there is only one thing in the world that we must do now, and that is to get down to work and to work to beat the devil. I am speaking of the devil of starvation, famine, and homelessness. That is the truth. If we will cut out the strikes and settle our differences by negotiation, and get back to work and work hard, you will find that homes will cost much less than they do now. You will find everything else in this country will cost a great deal less. If we were to maintain wages on a level scale and maintain the rates of other things, such as interest and profits, and so forth, on a level scale, and every man were to do the utmost that he can do in the time that he labors, then every man would be able to enjoy more for his wages of the abundance that this country has to offer. That is what has made this country great.

Mr. MONRONEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, may I apologize to the House and ask that you bear with me for just a few minutes in order to keep the record straight. I do not believe that any Member of the House wishes to do an injustice to any man, whether he is a private citizen or a public servant.

When I used to work on a newspaper we had a sign over the city desk which said "Every story his two sides. Lest you might damage the reputation of a good man or a good woman, get both sides."

I think that is a pretty good policy for the Congress to pursue. I talked to Wilson Wyatt because I thought you might like to find out a little bit more about the situation which was dropped here in the middle of the debate, an incident dealing strictly with Mr. Wyatt's private life concerning the alleged purchase of a home at $10,000 and the sale of it for $25,000.

I merely wish to recite the facts so the House may have the full information, information that is not quite always divulged by the cold-hearted figures that show up in the books of the register of deeds.

Mr. Wyatt assumed the obligation of a $10,000 mortgage on the home of his wife's mother after his wife's father had died. It was the family homestead that had been built by Mrs. Wyatt's father at the height of the last inflation, about 1924, and cost the family about $50,000.

Mr. Wyatt, in order that the family could be together and have a suitable home in the family residence, sacrificed his own home at a loss of $4,000 in order to take the family homestead. He assumed the mortgage of $10,000 which was then upon it. That is the figure that the register of deeds shows. He has lived in that house since about 1936. He kept the house up and in good repair as well as maintaining the grounds.

It is true that when he came to Washington he sold the home for $25,000. The only commercial transaction that took place in this whole situation is the fact that the homestead cost $50,000 when it was built in 1924 and that it was sold for $25,000 when he left. The rest was strictly a family matter and a matter which I think a really honest, conscientious, and faithful public servant is entitled to have go into the record.

Mr. FOLGER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, if I am not mistaken, we have under consideration an amendment offered by the committee which appears on pages 7 and 8 and a little on page 9.

As far as Mr. Wyatt's transaction about some property he owned in the State of Kentucky, which he acquired in some way and afterward sold, I do not think I should dignify that with any remarks or observations. Whether it be so, I cannot say, but it rather smacks of an effort to prejudice somebody against Mr. Wyatt, and I suppose obtain a vote against this amendment.

I do not think anybody need defend Mr. Wyatt, from the reputation we know of him since he came to Washington, and from what the people of Kentucky know about him before he did come here.

Let us go to this amendment. We talk about production, and we ask, "What are you going to do to start the sawmills and other material-manufacturing concerns to work? That is a consideration but it does not relate itself to the purposes of this amendment or largely to the objectives of this bill. That must come along as it will. But what we want to do is to first get homes for the returning soldiers, and unless we make it possible for them to buy those homes and place them within their ability to pay for them, we might manufacture and build all the homes you can find in the world and you would not get one that they could get, because they would not have the money to pay for it, unless you do something about this.

This is not a demagogic appeal. It is not intended as such, and any suggestion on my part that it is, is a gratuitous one. It is simply consideration of a situation that we realize as being very acute and needful of our attention at this time.

Let us read the amendment and see if it does not tend to protect the soldier when he comes to purchase some of these homes that may be built at a figure that he is able to meet. Here is the procedure:

> A certification that such price is reasonably related to the value of the accommodations to be sold, taking into consideration (1) reasonable construction costs not in excess of the legal maximum prices of the materials and services required for the construction.

Is there anybody who wants a soldier to pay more than that? Is there anybody, leaving out your politics and your party, that does not recognize his obligation and his responsibility to these men who are returning without homes, to guarantee that he may get a home based upon such sound and reasonable justice as this affords?

> (2) The fair market value of the land.

You know it could be that if one wanted to speculate upon the necessities of the soldier, he could say the house cost so much but the land will be worth $5,000, when it is only honestly worth two or three or four thousand. That is stopping an escape clause and could be used to rob the soldier when he comes back here with his wife, or after he is married when he does come back and needs a home.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. FOLGER. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOPER. The gentleman from North Carolina is recognized for five additional minutes.

Mr. FOLGER. "Third, a margin of profit."

Some consideration is given to the man who is going to build this home, who is going to get the materials as they are to be provided, and who is to put up the cost of construction.

And third, a fair margin of profit reflecting the generally prevailing profit margin upon comparable units during the calendar year 1941.

Is there any member of this committee who desires anybody to make a greater profit under the acute circumstances these men will have to go through in order to purchase them? Should the contractor or the builder get a larger profit than he made in 1941? It is a matter of authority to channel materials at a reasonable price without profiteering to these men who need and will continue to need for the next 3 years a place to lay their heads.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. In just a moment.

I do not believe there is a member of this Committee who will shirk his responsibility and obligation to these men by making any laughing stock out of this bill.

I now yield to the gentleman from Georgia.

Mr. BROWN of Georgia. I may say to the gentleman from North Carolina that we took that view and we placed ceilings on new homes. There was a good reason for that, for we are going to select a class of people and say we have just so much material which is scarce, and give them this scarce material. They should not be allowed to speculate and there is no reason on earth why there should not be ceilings on these homes.

The contractor, as the gentleman from North Carolina said, ought not to be allowed to make unreasonable profit because materials are scarce and the homes have to be built. These homes will be small, inexpensive homes, and there is no reason on earth why they should not be protected by ceilings.

Mr. FOLGER. I appreciate the gentleman's contribution.

Further, this amendment provides that a man may file a claim with this agency if the cost of construction under this program because of unforeseen difficulties or because of the cost of things entering into his construction, have gone up greatly—may file a claim for these extraordinary expenses and it will be given consideration by the agency.

Mr. Chairman, I appreciate the indulgence of the Committee in allowing me to say this much in respect to this bill. It is highly important to the people who are not going to have homes unless we do our duty here and provide that they can get them at reasonable cost.

Mr. BUCK. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, a tragic housing shortage exists in this country caused and continued by a shortage in building material. Something should be done to remedy the situation. As to both of those statements we are all in complete agreement. But when we attempt to devise and apply the remedy we have been confronted with thinking so confused as to be almost as tragic as the housing shortage itself.

Let us look for a moment at fundamentals. With the greatest demand for housing our country has ever known, houses are not being constructed because building materials are not available. Building materials are not available because of unrealistic price ceilings and hampering governmental regulations. So then—and match this for confused thinking if you can—we are asked to cure the shortage by the imposition of more ceilings, more regulations, more bureaucracies, more governmental spending.

Mr. Chairman, production of building material and the building of housing can be stimulated in only one way. That one way is to make it worth while for producers to produce and for builders to build. I grant that this will somewhat increase the cost of housing. But, Mr. Chairman, this will produce houses. And is not that our objective?

It is my belief, Mr. Chairman, that our veterans would rather have houses for their families at somewhat higher costs rather than no houses at ceiling-controlled low prices.

For that reason, Mr. Chairman, I oppose the Patman bill and favor the Wolcott substitute.

Mr. GALLAGHER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I had not intended to speak on this bill, but certain statements have been made here that I feel I cannot resist adding my contribution and my thoughts on the measure. Since I came to Washington I have been a renter, but in my home town I own my house and I am a landlord. I rent the upstairs of my home for $18 a month. I have spent money on the home since and if I took the time, I suppose I could raise that ceiling. But I have always felt an interest in those who needed homes.

I remember after the last war, in 1920, we had a little reconversion problem and some trouble about inflation in the cities for about 4 months; but the farmers had trouble for many years after that. It was due to speculation in land. They paid four times what the land was worth and they were busted for years, years, and years.

Mr. Chairman, I heard the statement made about three sawmills, I believe, that are closed down at the present time. I have talked to plumbers, I have talked to builders, I have talked to lumbermen, and in secret when the question is asked, I have not found one of them who was not making money. The statement has been made that the only people who are striking are the laborers. Let me say that the biggest strike in this country at the present time is being conducted by those who want excessive profits and engage in speculation, in which I would include the contractor, the builder, and the land speculator. They want to destroy price ceilings. I believe we should have a little sympathy for those who want to keep prices down and build homes which are so badly needed now. Let them start up their sawmills that a Member previously referred to. Let them produce lumber, and I will guarantee you that they will not lose a dime.

Mr. JENSEN. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I am sure that every Member of this House is anxious to do everything in his power to get the needed houses for our returning veterans and every other American who is in need of a home today. I am not going to accuse a single Member of this House of not wanting to do that very thing, because I think I know the Members of this House and know their fine spirit in regard to it.

But there are some things that have been said on this floor in favor of the Patman bill that just will not hold water. I am getting a flood of mail every day, as I am sure every Member is, opposing this bill, from lumber dealers, carpenters, contractors, lumber associations, as well as from veterans opposing the Patman bill, for the simple reason, as they say, it will not produce a foot of lumber or any of the other materials needed. The lumber and building material people are trying to get the mills and factories going. The Member who just preceded me said that very few of these mills were shut down. Let me read a statement prepared by Mr. C. C. Crow, a writer for the Pacific Coast Lumber Digest. This is what he says in a recent issue of that magazine:

This week Mr. Frank Ransom, president of the Eastern & Western Lumber Co., of Portland, announced that within the next few days they will close for all time. This is one of the top sawmills of the Northwest that has been in operation for 45 years and at its peak produced over a long period an average of 110,000,000 feet of lumber annually.

Only a comparatively short time ago numerous other well-known sawmill concerns took the same steps as the Eastern & Western Lumber Co. To name a few, there have been the Clark & Wilson Lumber Co. with its three big plants on the Columbia River, Pacific National Lumber Co., Tacoma, Wash.; Silver Falls Timber Co., Silverton, Oreg.; Westport Lumber Co., Westport, Oreg.; and the big Bellingham division of Bloedel-Donovan Lumber Co.

Keep in mind that, with possibly one exception, all of these mills have or have had standing timber of their own when they closed. Keep in mind that all of these concerns were in a good financial position and enjoyed the prestige of long-established connections with the very best trade, both domestic and foreign, who had come to know that they were capably managed and well equipped and their product of dependable, high-class uniformity.

These mills were closed because of the fact that they could not get a sufficient price from the OPA even to break even on many of the items that go into homes. I could go on and read you a lot of other things here which prove that the OPA has held down the production of lumber.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Minnesota.

Mr. GALLAGHER. May I ask if that company has not made and is not making money, and if it is not striking now at the OPA?

Mr. JENSEN. No; I certainly would not accuse them of that. I have never heard of a lumber mill or any other kind of business close shop who were making money at the time they closed.

Mr. PATTERSON and Mr. PATRICK rose.

Mr. JENSEN. I cannot yield. I have only 5 minutes. I have been obliged to attend the hearings of the subcommittee on Interior Department appropriations almost every minute during this debate, even though I would like to be present on the floor all the time during this debate.

Mr. HOFFMAN. Mr. Chairman, I ask unanimous consent that the gentleman from Iowa be permitted to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. JENSEN. I thank the gentleman from Michigan. I do not know what is going to happen to this bill but I do know that all of us want to give the veterans priority to get this lumber, so I have prepared a substitute bill. If everybody in this House is as anxious to get lumber for the veterans as I think they are and as they have indicated they are, they will support my substitute; or I may offer it as an amendment at the proper place in the bill that is finally adopted. I will read it now. It provides that World War II veterans shall have first priority on all available building materials and other equipment necessary to construct and equip dwellings, business buildings, or farm buildings for their own use as a dwelling for their own family or for their own personal business. Any materials not required by World War II veterans shall be made available through the regularly established marketing channels.

You must remember that there are also many veterans who want building material to build a little building or possibly a good-sized building to use as a business house. When I was home during the recess I found many returned veterans that wanted to start a little business. There is nothing in the Patman bill that would give them priority to secure materials to do that. They have their home or they have an apartment or they have a room to live in, but what these veterans want is building material to get started in business.

Mr. PATRICK. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Alabama.

Mr. PATRICK. What is the objection the gentleman has to legislation that will allocate what building material is available to the veteran, regardless of how oppressed the building contractors may be? What is the objection to that?

Mr. JENSEN. I will answer that. I think the Patman bill as it is written will create the greatest bureaucracy that any law ever created. That bill, if it is made law, will only permit this agency to send men out into every town and to have building expediters in every city, town, village, and hamlet of the country. It will not get the needed material to build homes. Bureaucrats know little about the building game.

Mr. PATRICK. How could that possibly be handled without a board or proper authority?

Mr. JENSEN. It can be handled so easily if the OPA will properly adjust prices on building materials so that the lumber dealers can get lumber and other building materials, and then let the local carpenters and contractors go ahead and do this job in the American way, instead of building or taking over some great plant and spending millions of dollars in making tin-can houses and glass cages and a lot of other junk that was never intended to be used for human dwelling houses.

Mr. PATRICK. Would not that open the door as wide as can possibly be imagined to inflation, the very thing we are trying to prevent?

Mr. JENSEN. I am glad the gentleman mentioned the subject of inflation.

Mr. PATRICK. So am I.

Mr. JENSEN. You say you are worried about inflation. You know we have to get the national income on a high level and we have to let the American people make a fair profit and good wages in order to pay the great overhead expense of this Government today. If we keep on with deficit spending and this bureaucratic control the American people are finally going to lose faith in their Government bonds, and before we know it we will have currency deflation to the point where it will take a bushel basket of $10 bills to buy a loaf of bread.

That is something we had all better be thinking about now.

Mrs. DOUGLAS of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have been on the floor for the last 3 days and have heard nothing but production, production, production. I know a little bit about production. I come from a family of builders and engineers. I do not know how you are going to get production in the present situation which we find ourselves in except through relief in the matter of increased prices and subsidies in certain instances. You have both remedies in this bill. Now, is it production we want or do we want to take the lid off? According to the best estimates that are obtainable, 4,000,000 veterans will be unemployed at the end of the year with no income except that derived from GI unemployment benefits. They are going to want homes. They cannot pay the prices that they will have to pay, that is, if they can find houses at all, unless we do something. I had a housing survey made some months ago in my own district because I happen to live in a district which is very heavily populated and very overcrowded. Although there have been extensive housing surveys made, I made my own survey. This is the sort of thing that I found as a result of that survey. In the heart of Los Angeles, you can find bad housing and crowded housing conditions in the front part of the streets. What you find in back of that, in the back yards, is something even worse.

You find, for instance, something like this—a garage that has been cut up to take care of 20 to 25 families with thin metal partitions of some kind or other, with just one little narrow space—you could not even call it a room—but just a place for a bed and some kind of rude contraption like a sterno stove. For that, they were paying $10 a week in rent. There was one toilet and one basin to service those 20 to 25 families, and neither of them worked very well. This was not just one isolated case but typical. There are hundreds of instances of the same sort of situation existing throughout the city of Los Angeles. In the city of Los Angeles today we need 132,000 family dwelling units. That is in the Los Angeles area alone and not Los Angeles County. That takes in only the city itself with just a very small part of the county. Neither is this garage an example of the worst places I saw, but it is an indication of the kind of shelter which is being afforded those who need housing in the lowest income groups in the country, in which group there will be many veterans who are now returning home.

Let me cite you another case. In back of one house—it must originally have been a doll house. I do not know what it was. It had no toilet, no bath, no facilities. The house was not any bigger than the length of these four chairs; just big enough for a bed and a little crib. In that doll house there were a mother and father, and three children. They were paying $20 a week for that. When I wanted to put it on the list to report it, they begged me with tears in their eyes not to put it on the list, for there was no place else for them to go.

Someone mentioned there was a moral implication in this bill. There is a moral implication in the bill. We are much concerned about our way of life and the life of all families. You must have homes to keep the family secure. You know that. We just do not have enough homes and we are not going to have enough homes unless we set a goal for ourselves that is realistic, that takes cognizance of the number of people who have to be housed. There is no sense in building houses unless you keep them down within a price level where the people who need them can afford to buy them. I believe you want homes built. If you want homes built, you must provide the materials to build them and give someone the authority to see that these materials go into homes, not honky-tonks.

To bring about a large increase in the production of materials, adjustments will have to be made in prices and premium payments will have to be made to small marginal producers.

This bill does all of that. It may not do all of the things we want it to do and there will be objectionable features in its administration. But something is better than nothing.

The Congress has its chance now to do something.

The CHAIRMAN. The time of the gentlewoman from California has expired.

Mr. MUNDT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in the nearly 8 years of almost continuous sessions that I have been a Member of this body, I have observed that when a bill is debated as this one has been debated for 3 days,

and long continuous debate takes place under the 5-minute rule, ordinarily one of two things happens: either there is a gradual merging together of different points of view until we find that regardless of party a substantial majority of the Members of the House find a compromise approach to the legislative challenge on which we can vote in the affirmative, or else we find that the basic legislation before us develops so many deficiencies, contradictions, and inadequacies that the best approach is to return it to the committee for further study and hearings, with the understanding that a revised form be resubmitted to the House.

I have seen legislative progress made by both procedures, but I have seldom seen legislative progress made where we have tried to patch up a bill which is basically unsound and on which there is as much honest disagreement among Members of all points of view as there is in this particular piece of legislation.

I commend to you the serious reading tomorrow morning of the very effective, hard-headed, practical speech delivered by the gentleman from North Carolina [Mr. BARDEN], who, in my opinion, summarized everything there is to be said about this legislation at this particular stage of the game. It should be returned to the committee and it should be resubmitted to us in view of the criticisms, the debate, the suggestions, and recommendations which have come during these 3 days of debate.

The first object of the legislation, of course, is to make homes available for the veterans. If there were no shortage of homes for veterans, the bill would not be before us. The second reason is that we want to make building supplies available for the building of new dwellings and for other construction purposes. If there were plenty of building supplies the bill would not be before us.

Unfortunately the bill we have before us meets neither objective. We find that this bill has been dubbed by one of its most intelligent and effective defenders, the gentleman from Georgia [Mr. BROWN], as an orphan. He says he is still supporting that orphan. That orphan has been disowned by two factions of the Banking and Currency Committee, however, and by most Members of the House. I would like to see the Committee on Banking and Currency adopt that orphan and take it back to the committee room and give it a little more consideration, give it a little more sustenance, and bring it back to us so that the whole committee can be proud of the product which they bring back to this body.

Many times my able and adamant friend from New York [Mr. BARRY], a member of the committee, has challenged people who criticize this bill with these words: "What do you propose that we do?"

I do not think that is a particularly valid criticism of those who find flaws in the legislation, because by that shot-gun marriage approach that you have to take this bill or else does not always produce a very good result. But I want to make some specific proposals I hope the members of the Banking and Currency Committee will carry back with them when they carry this bill back to the committee as I hope they will be requested to do by a vote on Monday.

I trust we can have some kind of motion to recommit which will not tie the hands of the committee too much, which will not pin them to any particular legislative approach but which will simply tell the Banking and Currency Committee that we, like you, want a bill to provide building materials and homes for veterans and we hope you will produce a bill which will meet that need.

To help you study the bill I hope you will keep in mind these suggestions:

No. 1: I think the OPA directors and the other authorities of the Government charged with housing problems should hold a national conference in Washington in which they will confer with practical builders and private producers of building materials, in which they will get the advice of practical men in the labor unions involved in the production problem with which we are dealing and struggling at this time; and that at that conference they will secure the best suggestions from labor and from producers and from the Government officials which can be incorporated in legislation if necessary to help stimulate production, because stimulation of production is basic to the solution of this whole problem. This conference should also go into the readjustment of OPA regulations and ceilings to the end that production of building supplies will be stimulated.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. MUNDT. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. MUNDT. No. 2: That we establish by legislative authority running beyond the time limit of this bill the authority to establish priorities for veterans in the use of materials for homes. I think that is essential and should be a part of the program.

No. 3: I think there should be loans and aids in order that housing facilities for veterans should be made available so they can build houses for themselves or purchase them for themselves.

No. 4: I think there should be an insistence on the part of somebody in Government or in Congress that the military authorities and the various services should declare surplus and make available at once all unneeded building supplies and housing facilities which can be used and transferred and remodeled into residential units. In most of our districts there are presently large military establishments. There are large quantities of lumber and a lot of building supplies which could be transferred and there are a lot of buildings which could be remodeled into units for the accommodation of veterans' families and for civilian use which could help meet the problem temporarily. This would provide something as a stopgap procedure certainly better than the little homes and houses described as existing in part of Los Angeles County by the gentlewoman from California [Mrs. DOUGLAS].

No. 5: I would suggest that the Government immediately stop all export of building materials until we have worked out a suitable program for meeting the needs of the veterans in this country.

I think these five proposals will result in helping us do an American job of providing homes for veterans in the American way, which I think is highly important.

To me, the bill as it is now before us is a sort of vehicle embodying the obsolete fallacies of the New Dealers from 1932 down to the present time; and that is that somehow in some way the New Dealers have the unfortunate habit always of trying to solve problems by prorating and patrolling scarcities rather than by stimulating and insisting on production.

I have seen that happen in farming, I have seen that happen in merchandizing, I have seen that happen in manufacturing over and over again under the New Deal. When they are faced with a problem they look at the available supply and try to prorate it and police and patrol it rather than to use every effort to make additional materials available to do the job in the American way. It seems a chronic fallacy of the New Deal to try to divide scarcity rather than to endeavor to produce plenty.

I am happy to see that fewer and fewer of our good friends and highly able legislators on the Democratic side are continuing to support that fallacy these days which bases its logic on the theory that you have to accept what you have, scarce though it be, and divide it among people rather than to meet the problem by giving us a bigger stock pile from which to draw. There is hope for America in this steady decrease in supporters of the socialistic concepts of the New Deal.

There is no basic partisan division on this bill; it is a matter of getting housing for veterans. Nobody objects to that, Democrat or Republican. I reiterate that the best speech made in the last 3 days of debate on this bill, the speech that merits the most careful reading tomorrow morning and over the week end is that made by the constitutional Democrat from North Carolina [Mr. BARDEN], who without passion and without prejudice brought us back from a discussion of Mr. Wyatt and other extraneous items to the basic consideration of providing houses for veterans. The fact that I recommend his speech so highly demonstrates once again that this housing bill is not a partisan proposition.

The gentleman from North Carolina [Mr. BARDEN] showed why it is necessary and advisable to get this bill back into the committee room where with adequate hearings and careful consideration we hope something may be produced which will get, not promises, but houses and buildings for the veterans of America.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from California.

Mr. PHILLIPS. Is it not the gentleman's opinion that practically all, if not all, of the powers of this bill can be reached through existing agencies; that this is also evidence of a historic New Deal policy that when an agency of Government fails to do the thing it has been delegated to do a new agency is created to duplicate its objectives?

Mr. MUNDT. Yes; I think that has been the policy of the Federal Government since the beginning, perhaps, but the New Deal has enlarged on it and magnified it until we find it now operating to a more prodigious and potent degree than ever before. Frankly, it is one of these procedures that we have had in the Federal Government but which the New Dealers have carried to the height of extravagant extremes. Both Democrats and Republicans must cooperate to reduce this giant bureaucracy and get our Government back in the hands of the people once again.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. HOOK. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, consistency thou art a jewel. I have listened very attentively to the gentleman from South Dakota; I also listened attentively to the gentleman and his colleague from South Dakota some time ago when we were discussing the Case bill at which time they pled on the floor of this House and said that the floor was the place to perfect the bill. Now, of course, they do not want to perfect the bill on the floor of the House but want to send it back to the committee.

Consistency thou art a jewel.

Yes, I have listened to the debate this afternoon and I listened to the discussion with regard to Mr. Wyatt. I was firmly convinced in my own mind, as others were on the floor, that there were extraneous matters and other features that probably were connected with that transaction, and I am glad that the gentleman from Oklahoma has cleared that matter up.

This bill has many features implementing its over-all policy, but its control of prices in the real-estate and building fields and in the authorization of subsidies for material production are the most important and, of course, the most attacked features. I had occasion to make a study with regard to this because I have a weekly program in my district. I was surprised at some of the statistics that that disclosed.

If there is one single phrase that all of us have become well aware of in the last several months—that phrase is "housing shortage." In the papers, over the radio, in conversation with friends and neighbors, the housing shortage is discussed and debated. And for good reason.

Long years of neglect and planlessness have left this country tragically short of homes for its citizens. I do not mean just that we are short of decent homes for our people—we are short of homes of any kind. Many of our veterans cannot find a hovel or a shack to call his own.

This condition is not confined to big urban areas—the industrial centers—by any means. Every day in the week I get letters from people here in the Upper Peninsula who just do not know where to turn to find a place to live.

I have talked before about housing, urging a comprehensive national construction program such as that envisioned in the Wagner-Ellender-Taft bill now before Congress.

Today I want to talk about another aspect of the housing situation—the inflationary side of the housing shortage.

Inflation, as you know, results from a condition where demand exceeds supply. The short supply of housing, coupled with the unprecedented demand, has created an inflationary tendency, which, if uncontrolled, threatens not only to hamstring the construction of new homes but to crack the whole anti-inflation line.

The bill introduced by my good friend, the gentleman from Texas, Congressman WRIGHT PATMAN, is known as the Housing Stabilization Act.

During the past several months my office, and the office, I suppose, of every Congressman on Capitol Hill, has been deluged with propaganda against this bill. As usual, it was not the little people of America—the people without homes or needing new homes—who bombarded Congress. It was the organized business interests who saw their profits threatened by any kind of stabilization in housing.

It is estimated that telegrams and messages sent out last week end alone by realtors, landlords, and builders cost in the neighborhood of $25,000. The gentleman from Texas, Congressman PATMAN, has charged on the floor that this powerful lobby has raised a million dollars to defeat housing legislation before Congress, including the stabilization bill.

The objectives of this bill are simple. Let me read you the statement of policy it sets forth:

> The purpose of this title is to stabilize the prices of real estate to be used for housing purposes, and to prevent speculative, unwarranted, and abnormal increases in the selling prices of such real estate.

I cannot see how there could be honest, unprejudiced opposition to that—but there is, and plenty of it.

The statement of the bill's objective goes on:

> To eliminate and prevent profiteering in the sale of real estate for housing purposes, the hoarding of materials necessary for the construction of housing and other buildings, and other disruptive practices.

Certainly the hope of eliminating profiteering on housing when thousands and thousands of war veterans are the victims of profiteering, is a desirable aim.

The old cry of socialism and regimentation has been raised against the Patman bill as it has been against every other effort to control profits in the war and reconversion period.

Other purposes of the bill, briefly stated, are to encourage housing at a fair profit, to improve housing standards, to discourage the dissipation of savings in speculative purchases and to permit returning veterans to acquire housing at fair prices.

This bill seeks to attain these objectives by providing authority to control prices of new homes by stabilizing them at present levels. In view of the fact that prices are already inflated, this seems a very minimum check against further inflation. It would provide for a housing expediter to administer regulations under the law.

The bill has many features, implementing its over-all policy, but its control of prices in the real-estate and building fields, and its authorization of subsidies for materials production are the most important, and of course, the most attacked features.

One of the questions that has been raised as to whether Government controls are needed in the construction field, is whether or not controls will slow up total construction or the reconversion of the construction industry to peacetime needs.

In this connection, I think a reference to World War I is appropriate. During that period, 42 percent of the inflation in material building prices took place during the war itself, but 58 percent of material price increases came after the war. The total cost of constructing a home rose 60 percent after the war. Altogether, construction prices rose up to 189 percent before the boom collapsed.

Obviously, there were no controls then. If the argument is that controls are bad for construction, what happened at that time should teach us a lesson.

This is what happened. During the war 174,000 housing units were built annually and this figure went up to 405,000 in 1919, the first peace year. But the next year it went down again to 247,000 homes despite increased demand. By 1922, costs of building had declined somewhat and housing production went up—but still at inflationary and speculative prices.

By 1926, inflated prices in housing construction resulted in 68,000 mortgage foreclosures. This figure doubled by 1929.

No one, not even the realtors and construction industry, wants that to happen again. But unless some such controls as contained in the Patman bill are enforced, it will happen again. The profits of today and tomorrow will add up to the foreclosures and bankruptcy of 1950. Do not forget that.

Many of those who oppose price control of real estate argue that rent control and price control of materials are enough. Obviously, it is not enough. I do not see how it is possible to enforce rent control or material price control, when the sky is the limit on the price of complete homes. All I can see in that is a clear invitation for builders to use the black market in construction materials.

The people who will benefit most from real-estate controls, and who will suffer most from the lack of them are the small home owner—the potential small home owner. Thousands of these are the veterans who want to take advantage of the GI bill of rights to provide a home for their families. There is nothing in the GI bill which can prevent the veteran, along with every other home owner, from suffering the inevitable deflation resulting from continuously rising prices. This bill is needed and necessary.

Mr. HERTER. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, there is one phase of this bill and one phase of the Wolcott substitute that has been discussed very little on the floor of this House during the many days that this bill has been debated. I want to refer to that part of the bill which, to my mind, is most likely to get houses built—and I think that is the objective of everybody in this House—than any other section, namely, the section that deals with the powers of the Expediter in one case and the Director in the other case, to override the Stabilization Director and the OPA when it comes to the bottlenecks that have been referred to very frequently here as being the principal cause of postponing the natural development of housing in the country.

I want to call the provision to the attention of the Members particularly at this moment because there are sitting in the White House now a number of gentlemen who are discussing a tragic situation. They are discussing how to divide equitably the insufficient food supplies of the world among a great many suffering peoples.

In the last 4 years on this side of the aisle those who were interested in getting greater production and the right kind of production of food in this country have argued over and over again that it could be done only if the powers of pricing and production were in the hands of the same individual. We did it at the time that Mr. Chester Davis resigned. We did it at the time that our former colleague, Mr. Anderson, was made Secretary of Agriculture. We tried to get those powers in his hands so as to develop the maximum program of food production in this country.

During this last week I have sat with the Select Committee on Food Shortages, with representatives of the OPA on one side of the room and representatives of agriculture on the other side of the room. On one food question after another they were in disagreement. On one food question after another where repricing is required to bring things into balance or to get greater production, action was completely stalled. The new stabilization director has been head of the OPA in all those controversies. The man responsible for production, namely, the Secretary of Agriculture, has had not only the vote of the OPA against him but has had the vote of the umpire against him, because the umpire originally determined the policy of the OPA. Many of these tragedies would not be happening now if earlier in the game the gentlemen on the other side of the aisle and the administration had recognized the cardinal point that price and production must be put together and in the hands of the man who is going to be held responsible for production.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. When the gentleman said, "This side of the aisle" he meant the Democratic side of the aisle, did he not?

Mr. HERTER. I spoke definitely of the Democratic side of the aisle.

I am delighted to find, first, that by Executive order that policy has been changed by giving Mr. Wyatt pricing powers as well as production powers, and, second, that in the bills before us that principle is recognized. I understand the gentleman from Texas [Mr. PATMAN] is going to offer an amendment so there will be no doubt about the language in his bill with respect to the powers of Mr. Wyatt. I hope very much that that principle now having been recognized by the administration and by the Democratic side of the membership of this House, when the consideration of the OPA continuation bill comes up, the Committee on Banking and Currency will give to our former colleague, Mr. Anderson, identically the same powers as they now wish to give Mr. Wyatt, thereby speeding up the production in agriculture in this country, which is so terribly needed not only for our own sakes but for the sake of all the peoples in the rest of the world. I wish to compliment the Committee on Banking and Currency for having recognized the principle that the Republican side has so consistently advocated.

Mr. GILLIE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. GILLIE. Mr. Chairman, I have followed the debate on this housing legislation with a great deal of interest. There is no denying that we are confronted with the worst housing shortage in our history and that this shortage is growing more serious every day. Millions of our boys are returning from overseas, anxious to establish homes as quickly as possible. They do not want excuses. They want houses. It is up to the Government to see that they get them.

I would like to believe that the solution to this problem is as simple as the proponents of this legislation assert. I would like to believe that this bill contains the magic formula to eliminate all housing bottlenecks and create the millions of homes so badly needed by our veterans. I do not, however, have any such hopes for this legislation. In my opinion, it presents only a partial solution to the problem.

Mr. Chairman, the principal bottleneck to large-scale home construction is the critical shortage of building materials. There appears to be no disagreement on this point. This being the case, I would like to know why we are shipping millions upon millions of board feet of lumber and other critical housing materials to foreign countries.

According to figures released by the Foreign Trade Division of the Bureau of the Census, more than 400,000,000 feet of lumber were exported from the United States in 1945. Furthermore, it is planned to increase these exports to a billion board feet in 1946.

In addition to this, we are exporting approximately 300,000 doors per month, 15,000,000 bricks per month, and nearly 3,000,000 square feet of plaster and wall board. We are also exporting in excess of 27,000 bathtubs and fixtures per month.

Mr. Chairman, with building materials in such great demand at home, I simply cannot see the logic of permitting these exports to continue. The Government, in my opinion, should take immediate steps to channel these exports into the domestic home-building program.

In this connection, I would like to include at this point a statement by the leading lumber dealers of Fort Wayne, Ind., entitled "The Truth About Home Building in 1946." Asserting that it's time veterans and all citizens were told the truth about the home-building situation, the statement declares:

The main bottleneck to home construction is production of materials and equipment.

No legislation, Presidential announcement, Government control plan, or system, can produce a single additional home until production of materials is speeded up.

Lumber dealers and the building industry are eager to build homes for veterans and all citizens who need them. The reason few homes are being built is because materials are not being produced.

WHY?

1. Governed by OPA's wartime pricing formulas, it is still more profitable for lumber mills to make items for export—and the items formerly required for war use, than it is to make lumber usable in home construction.

2. OPA's wartime pricing formulas are still keeping thousands of small mills out of production.

3. OPA's enforcement policies have allowed the creation of a large black market in lumber which is moving outside of regular channels of trade.

4. OPA's slowness in adjusting mill ceiling prices on hardwood flooring, siding, millwork, and plywood has contributed to difficulties mills are having in securing necessary manpower.

With 400 brick and tile plants closed, it took 6 months for OPA to adjust prices. Now an additional 125 plants have opened and production is up 35 percent.

Clay sewer pipe, cast iron soil pipe, and gypsum board manufacturers have experienced a similar OPA delay in the granting of price adjustments to make increased production possible.

No amount of juggling with an insufficient supply will produce a single home more than can be built with material available.

The OPA can hardly hold present price ceilings when it has no control over volume of employment, labor wage rates, cashing of Government bonds, and installment or credit expansion—but the OPA can act as a block to reconversion by clinging to unrealistic wartime price ceilings.

Unblock the production of materials caused by unrealistic wartime price controls and the building industry will build enough homes for veterans and all Americans.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all Members who have spoken on the bill be permitted to revise and extend their remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky.

There was no objection.

Mr. SPENCE. Mr. Chairman, I am confident that the pending amendment is noncontroversial, and I ask that we have a vote on it now.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 9, line 3, strike out lines 3 to 12 inclusive and insert the following:

"(c) The Director shall by regulation or order provide for appropriate price increases for major structural changes or improvements, not including ordinary maintenance and repair, effected subsequent to the first sale after the effective date of this title."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 10, line 3, after the period insert the following: "The Director shall have power to forbid the export of any lumber or other materials to any foreign country which are needed for the housing program."

Mr. ELLSWORTH. Mr. Chairman, I arise in opposition to this amendment not for the purpose of debating the question of whether or not lumber exporting should be suspended during the present housing emergency, but to oppose the placing of the power over exporting of lumber in the hands of a housing expediter and taking that function away from the departments of our Government charged with the handling of our foreign affairs. Other matters are involved in the question of importing and exporting lumber besides merely loading and unloading ships. For example, we need tin for housing, too, which we must obtain from Bolivia. That country needs lumber and we are exporting lumber to Bolivia. We buy sugar from Cuba and have reciprocated by allocating lumber for export to Cuba.

No one denies the urgency of our need of lumber for housing. Nor, I am sure, would the other Government agencies be insensible to this urgency. The housing expediter created by the passage of this bill, if, indeed, it is ever passed, should advise and consult with the other agencies but should not be given the complete power of decision on the question of whether or not any lumber should be exported.

As a matter of fact the total export of lumber under present conditions is small. Although the lumber export quota set for 1945 was much higher and the request from foreign countries was many times the amount actually shipped, we exported last year only 394,331,000 board feet of lumber—or 1.44 percent of our total production. But in the same year we imported more than 1,000,000,000 feet of lumber. More than half of the lumber we exported went to the British Empire. Most of the lumber we imported came from Canada. Obviously if we cut off exports to Britain it is only reasonable to expect that Canadian shipments would be diverted for British needs.

The lumber export quota for the first quarter of this year is 225,000,000 board feet, a drop of some 35,000,000 board feet from the average 1945 quarterly allocations. We have consistently shipped a great deal less than the allocation. If uncurtailed in any way it is not likely that the exportation of lumber during this year would exceed much more than 1 percent of our total production.

Of the lumber exported in 1945, 30 percent was hardwood, 35 percent was in timbers unsuitable for housing material, and only 35 percent was housing lumber—approximately 140,000,000 board feet, or the equivalent of the annual capacity of just one of the larger Pacific Northwest mills.

Lumber shipped to the liberated areas of Europe is used for the rehabilitation of docks and wharves, railroads, bridges, canals, and inland waterways. The rehabilitation of the transport system of these countries is essential to their economy and permits them to reestablish their exports so as to restore their trade with this country. It contributes to facilitating the redeployment of our troops and supplies from Europe. The export program on lumber, as carried out by the Civilian Production Administration in the past and at present, is not only in line with the President's policy of aiding war-devastated countries but also results in direct benefits to our own economy through reciprocal imports of lumber which far exceed our exports.

It will be far wiser to leave the problem of lumber exports and imports in the hands of those who know the ins and outs of the problem rather than to give a newly created housing czar complete and final authority over it. I hope this amendment will be rejected.

The committee amendment was agreed to.

Mr. SPENCE. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes, pursuant to House Resolution 530, had come to no resolution thereon.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following resignation from a committee:

MARCH 1, 1946.

The Honorable the SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I hereby resign my membership on the Committee on the Post Office and Post Roads.

Very respectfully,

M. M. NEELY.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

EXTENSION OF REMARKS

Mr. HALE asked and was given permission to extend his remarks in the RECORD and include a letter which he received from Dr. Adrian H. Scolten, of Portland, Maine.

Mr. PATRICK asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. LYNDON B. JOHNSON asked and was given permission to extend his remarks in the Appendix of the RECORD and include three newspaper releases.

Mr. ELLSWORTH asked and was given permission to extend his remarks immediately preceding the adoption of the last amendment in the Committee of the Whole.

SPECIAL ORDER GRANTED

Mrs. DOUGLAS of California. Mr. Speaker, I ask unanimous consent that on Friday, March 15, immediately after the reading of the Journal and the disposition of business on the Speaker's table and the conclusion of all legislative business for the day, I be permitted to address the House for 30 minutes on the subject What Do I Think About Communism?

The SPEAKER. Is there objection to the request of the gentlewoman from California?

There was no objection.

EXTENSION OF REMARKS

Mrs. DOUGLAS of California. Mr. Speaker, I ask unanimous consent to extend in the Appendix of the RECORD a manuscript entitled "Anglo-American Financial Agreement." The Public Printer has estimated that this will make 4 pages in the CONGRESSIONAL RECORD at a cost of $208. Notwithstanding I ask unanimous consent that the extension may be made because of the importance of this matter at the present time.

The SPEAKER. Notwithstanding the cost and without objection, the extension may be made.

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 15 minutes.

LESSONS FOR THE FUTURE

Mr. HOFFMAN. Mr. Speaker, politicians who have blindly followed a popular leader always raise a howl whenever any attempt is made to point out a costly mistake made by their political idol. They are all for burying any facts which indicate that they were wrong. They will not admit that it is just possible that some who oppose them were right, that some other course than that followed by the past Administration might have been beneficial. They endorse the sentiment contained in the statement, "Let the dead past bury its dead." That was their thought when a Pearl Harbor investigation was suggested. They advocated the same course when the veterans in Texas not long ago suggested an inquiry into the disaster at the Rapido River.

That opposition is what we meet every time it is proposed to investigate any act of the Armed Forces which it is charged discriminates against enlisted men or which tends to show a waste of surplus Government property and inefficiency in its handling. Their argument is that inasmuch as the event is in the past, nothing is to be gained by a disclosure of the facts.

But the people are entitled to know, not so they may criticize unduly what has happend, for criticism will never bring back the dead nor make good the mistakes and loss caused by inefficiency, but disclosure of things that were wrong and of the reasons which caused them should aid us in avoiding the same mistakes in the future.

With that in view, permit me to call attention to an article by Alexander P. Maley, a former commander in our Navy, published in the news letter, Human Events, which is edited by Felix Morley, a former editor of the Washington Post, and by Frank C. Hanighen. From this article the inference might be drawn that we bungled an opportunity for an earlier ending of the war.

If that is true, our failure to do so caused the loss of the lives of thousands of American soldiers. As I read the story unfolded by Human Events, Commander Maley seems to feel that had we cooperated with the German underground—which it appears he investigated in his official capacity—Hitler's career might have been ended long before it came to an end in the smoke and flame in Berlin.

From Commander Maley's statement, it would appear that the German underground operating against Hitler was a far larger, much stronger organization than some people believed. It is now claimed that it really represented a majority of the German people, not the weak, ineffective officers' plot, as has been at times heretofore reported. It is now said that the German underground was prepared to overthrow Hitler at Munich; that it sent emissaries to Prime Minister Churchill to advise him of that fact and to ask his cooperation. Apparently Churchill did not see it that way, and the chance was lost. Still later an emissary was sent to Washington, but President Roosevelt either could not or would not cooperate or did not believe it worth while to make the attempt. The war went on.

Human Events contains an entry from Mr. Morley's diary dated November 20, 1939, from which it appears Mr. Morley, who was then editor of the Washington Post, had lunch with the emissary, Adam Von Trott, and with the Post's publisher, Mr. Eugene Meyer. It is further claimed that former Chancelor Bruening, of Germany, who was exiled by Hitler, and who has since been living in this country, called upon Roosevelt in behalf of the underground plot, but received no encouragement.

When Hitler was at the height of his power, in 1941, it is said the underground offered to make peace and to overthrow Hitler on what might be called conciliatory peace terms, such as evacuating France and the Low Countries. It is claimed that that offer, too, was turned down with the reply from Washington, so often repeated, that only "unconditional surrender" would satisfy. That answer did not completely discourage those behind the underground. They decided to strike. The result was the abortive bomb plot against Hitler. We now learn from Human Events that Communist agents tipped off the Gestapo and the plot was foiled. The anti-Hitler Germans who were seeking to destroy Hitler and so bring peace to their country were captured and shot. The Communists betrayed their efforts.

All too long there have been a number of Communists in key positions not only in the Federal Government but in our domestic activities. The present strikes throughout the country, especially those having to do with public utilities and the furnishing of transportation, communications, light and power, and water, to the people of our cities—are they not part of the Communist program of the members of the same organization which advised Hitler of the plot to end his career of conquest? The procedure followed in some of these strikes is the procedure of the Communist Party. The violence and the rioting on the picket lines are standard Communist methods. The use of women and of children on picket lines and in the crowds of rioters is also standard Communist procedure. The taking over of industry is one of its methods. Are officials in our Government encouraging Communists in their efforts to destroy some of our industries? Some of us would like to know.

Some of us would like to know, too, why this story of Commander Maley, who was sent to investigate the underground movement in Germany, has not been made public before. Is this suppression a part of the effort to convince our people that the German people should be denied food and clothing needed to keep them from starving? Is it a part of a plan to make them slaves, to keep some of them at work in Russia, in France, to use prisoners taken by Americans and who are now being returned to England from our own prison camps here in America to work in the mines of England? Is it a part of a deliberate attempt of the Communists to make us hate all Germans—women and children—and to destroy them as a people?

Some are wondering whether the war could not, had the war lords so desired, have been ended much sooner, many thousand Americans saved from the grave.

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. PHILLIPS] is recognized for 30 minutes.

SUGAR CERTIFICATES SOLD IN LOS ANGELES OPA OFFICE

Mr. PHILLIPS. Mr. Speaker, I wish to bring before the House today something which broke in Los Angeles a week ago yesterday. For some time, beginning about the 9th of February, I had been aware that there was a heavy traffic in Los Angeles in sugar certificates. This was brought to my attention by a letter from Los Angeles from a man to whom these certificates were offered at that time. Because it involved a highly scarce commodity—sugar—I made the fact known to the Secretary of Agriculture, Mr. Anderson. The investigators of the Currency Protection Branch of the OPA were advised at that time. I also had a friend of mine check on the situation, a man in whom I have confidence. The result was that a week ago yesterday three men were indicted in Los Angeles for disposing of sugar-ration certificates. They are George J. Junker, associate food rationing representative in the OPA district office in Los Angeles; Max M. Rouse, rationing board representative, and Mahlon A. Klein, a former employee of the OPA. Mr. Junker is the No. 2 man in the rationing of all food commodities in the Los Angeles office, directly under the district manager, Mr. D'Orr, and Mr. Rouse was the man through whose hands passed all sugar certificates and sugar-rationing details. The actual indictments refer only to sales amounting to some $9,300. This is known to be but a drop in the bucket. It is known that sugar certificates for several million pounds of sugar have been sold out of that district office. The Federal grand jury has acted. The matter will be brought before the proper court, and I hope prompt action will be taken.

I record this today for certain reasons. First, I think the Members of Congress should be aware of this indictment. Second, because the evidence presented indicates a rather clever scheme to keep the sugar stamp account in balance in the OPA office. Where sugar allotments were apparently canceled for some firm, usually a small firm, those allotments were not canceled in fact, but were only withdrawn from the one firm and then resold in the form of other certificates to other users of sugar.

Third, it should be evident that this runs into very large amounts, and the evidence would indicate—but on this I have no factual evidence and I want that understood—that the same traffic took place in ration certificates for meat, and prior to that, in ration certificates for oil products and gasoline. It is quite possible the same information would have been laid before the Federal grand jury in connection with oil had it not been for the ending of that rationing program.

There, therefore, rise in the minds of Members of this Congress certain questions. One point on which the Members of Congress will all agree is that certainly this investigation should be carried forward without fear or favor. In this I think I may say the Secretary of Agriculture, having given such a statement to the news services a week ago, completely concurs.

It should be obvious to all of us that a traffic which involves millions of pounds of sugar cannot be unknown to everyone in the office of OPA, except a few underlings, who in this case have been indicted. The thread of suspicion runs, directly and by name, to men of more responsible positions in the OPA, in Los Angeles and possibly here in Washington.

Therefore, Mr. Speaker, to me, as one Member of Congress, and perhaps to other Members, this indictment raises the question of the administrative ability of the head of such an important agency of the Government. Could a traffic in illegal certificates of such magnitude take place without that fact being known to the administrative head of the OPA or without any attempt being made to investigate by the agents of that head who are charged with that duty, and who knew nothing about it in Washington, and apparently in Los Angeles, until it is pointed out to them by a Member of Congress, and by merchants who had

been offered these certificates out of the OPA office?

I think that last question has a rather timely significance, because within the last few days the former head of OPA, familiarly known in the Congress as "Bottleneck Bowles" has been transferred from that job and given a job as head of a more important agency, the Office of Economic Stablization.

I am hoping that we will have an immediate statement from Mr. Bowles assuring the Congress that all the power at his command will be used to see that the fullest investigation is made, no matter where the chips may fall. I hope we may have that same statement from Mr. Paul Porter, who is the new head of the OPA, whose investigating agency, known as the Currency Protection Branch of the OPA, is not responsible to the head of the district office in which it may be located in each city, but is responsible only to the chief investigator, here in Washington, who in turn is responsible only to the executive officer for enforcement, who is under the Deputy Administrator for the Enforcement Department, who is, of course, one of Mr. Porter's Deputy Administrators of the OPA.

I repeat, Mr. Speaker, that I hope we may have that same assurance from the new head of the OPA, that a thorough investigation will be made of this matter that I am now calling to the attention of the House, whether the thread leads to the local district offices of any State or whether it leads into Washington itself. For that reason, I make this today a matter of record, believing that this should be investigated by some responsible committee or agency of the Congress, that every help should be given to the Federal grand jury which has indicted these men, and to the investigating agencies of both OPA and of the Treasury Department, to which this information should be referred, and which I hope will carry on a prompt and effective investigation.

The SPEAKER. Under the previous order of the House, the gentleman from Kansas [Mr. REES] is recognized for 10 minutes.

FOOD OR LIQUOR, WHICH?

Mr. REES of Kansas. Mr. Speaker, the President's order for conservation of grain, especially wheat, I am informed is to be made effective today. This order, among other things, requires that 80 percent, in place of 72 percent, of wheat be used for flour. This order further requires the liquor industry shall reduce the used amount of grain in the manufacture of their products. The amount of such reduction is not indicated.

At various times, during recent critical years, I have called attention to the tremendous amount of grain and sugar and sugar products consumed for liquor, that should have been conserved for food.

The President has called a meeting of a group of public-spirited citizens to develop a program for saving food so we may share with unfortunate, starving people abroad. The President has stated:

> Our national self-respect, our duties as human beings, demand that we do all possible to stop the spread of famine.

He further said:

> I have directed the agencies of Government to do everything possible to this end.

This is a laudible objective and I feel sure the American people will cooperate in any reasonable program that may be submitted by the President.

Two years ago, I suggested it would be for our interest to provide food for starving women and children in countries overridden by the Nazi Armies. I felt it would have been the humanitarian thing to do and would create a better feeling toward America.

Mr. Speaker, I should like to call your attention to the manner in which a tremendous amount of our food has been dissipated in recent years. A Washington headline of recent date calls attention to the liquor consumption in the United States during 1945 as being the greatest in history. Treasury figures that have been submitted show that more than 165,000,000 gallons of distilled liquor were consumed in this country last year. It amounts to 1.38 gallons per person. Treasury statistics show a production of 87,622,421 barrels of beer last year.

Last year, according to reports furnished by the Department of Agriculture, more than 41,700,000 bushels of grain were used in the manufacture of distilled liquor and 24,137,556 bushels of grain and grain products were used in the manufacture of beer, making a total of 65,837,556 bushels of grain and grain products that were consumed in the manufacture of liquor during the past year. This grain consisted of wheat, corn, rice barley, sorghum, and soybean, and products of these grains. In addition thereto, there was a further consumption of 60,000,000 bushels of malt in making beer. Most of the malt, of course, is made from grain and grain products, which are so much needed for poultry and livestock feed.

In addition thereto, 239,367,000 pounds of sugar and sugar sirups were used in the manufacture of liquor during the year.

Mr. Speaker, the 65,837,556 bushels of additional grain, or even a fair share of it, would go a long way in providing food for the starving people of other countries and that portion not qualified for making food would alleviate the terrific shortage of feed for poultry and livestock. It will be said, of course, that a part of the grain and other products I have described are not qualified for making flour or other edible food, but as I have just suggested, even half of it would make millions of loaves of bread. Every bit of grain not used directly for bread, would take care of the acute need for poultry and livestock feed right now.

Let me remind you, that of the 239,367,000 pounds of sugar and sugar sirups that went to distillers and brewers, it all could be used either for food or feed products.

Mr. Speaker, the situation is a serious one. The supply of available food can be increased tremendously if we make a concerted effort to see to it that no food or food products are unnecessarily wasted with respect to the allocation of grain to distillers and brewers.

Mr. Speaker, I believe the situation has reached a place where it must be determined whether we shall have less liquor and a greater food supply or more beer and less bread.

PERMISSION TO ADDRESS THE HOUSE

Mr. HAYS. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

[Mr. HAYS addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. ROWAN asked and was given permission to extend his remarks in the RECORD and include an editorial from the Washington Post and an editorial from the Chicago Sun on the speech of Wilson Wyatt.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. MATTHEWS (at the request of Mr. EATON), for 2 days, on account of attending the American Legion conference, Indianapolis, Ind.

To Mr. STIGLER, until March 11, on account of important business.

ENROLLED BILLS SIGNED

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that the committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 2348. An act to provide for the coverage of certain drugs under the Federal narcotic laws; and

H. R. 4571. An act to amend the First War Powers Act, 1941.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1129. An act for the relief of Willie H. Johnson.

BILLS PRESENTED TO THE PRESIDENT

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 2348. An act to provide for the coverage of certain drugs under the Federal narcotic laws; and

H. R. 4571. An act to amend the First War Powers Act, 1941.

ADJOURNMENT

Mr. GORE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 46 minutes p. m.), under its previous order, the House adjourned until Monday, March 4, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE JUDICIARY

Subcommittee No. 4 of the Committee on the Judiciary has scheduled a hearing for Monday, March 4, 1946, with respect to the extension of the Second War Powers Act, 1942, as amended. The hearing will begin at 10 a. m., and will be held in room 346, House Office Building.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Federal Trade Subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m., Monday, March 4, 1946.

Business to be considered: Continuation of public hearings on H. R. 2390, a bill to amend the Federal Trade Commission Act. Opposition witnesses will be heard.

There will be a meeting of the Public Health Subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m., Thursday, March 7, 1946.

Business to be considered: To commence hearings on the bill S. 191, an act to amend the Public Health Service Act to authorize grants to the States for surveying their hospitals and public-health centers and for planning construction of additional facilities, and to authorize grants to assist in such construction.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1104. A letter from the Acting Secretary of the Interior, transmitting pursuant to section 16 of the Organic Act of the Virgin Islands of the United States, approved June 22, 1936; one copy each of various legislation passed by the Municipal Council of St. Thomas and St. John; to the Committee on Insular Affairs.

1105. A letter from the Director, Administrative Office of the United States Courts, transmitting a draft of a proposed bill to repeal the prohibition against the filling of a vacancy in the office of district judge in the southern district of New York; to the Committee on the Judiciary.

1106. A letter from the Chairman, District Unemployment Compensation Board, transmitting in accordance with section 13 (c) of the District of Columbia Unemployment Compensation Act, report covering the administration and operation of the said act for the calendar year 1945; to the Committee on the District of Columbia.

1107. A letter from the Archivist of the United States, transmitting report on records proposed for disposal by various Government agencies; to the Committee on the Disposition of Executive Papers.

1108. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1946 in the amount of $114,000,000 for the Veterans' Administration (H. Doc. No. 490); to the Committee on Appropriations and ordered to be printed.

1109. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1946 in the amount of $51,000 for the Federal Security Agency, in the form of an amendment to House Document No. 436, Seventy-ninth Congress (H. Doc. No. 491); to the Committee on Appropriations and ordered to be printed.

1110. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1946 in the amount of $175,000 for the Civil Service Commission (H. Doc. No. 492); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MAY: Committee on Military Affairs. H. R. 5529. A bill to authorize the President to appoint Lt. Gen. Walter B. Smith to the office of Ambassador to Russia, without affecting his military status and perquisites; with amendment (Rept. No. 1674). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FALLON:

H. R. 5636. A bill to extend the time within which application for the benefits of the Mustering-Out Payment Act of 1944 may be made by veterans discharged from the armed forces before the effective date of such act; to the Committee on Military Affairs.

By Mr. HAND:

H. R. 5637. A bill to grant to enlisted personnel of the armed forces certain benefits in lieu of accumulated leave; to the Committee on Military Affairs.

By Mr. HAVENNER:

H. R. 5638. A bill to authorize the erection of additional facilities at the existing Veterans' Administration facility, Fort Miley, Calif.; to the Committee on World War Veterans' Legislation.

By Mr. ROE of Maryland:

H. R. 5639. A bill to authorize a survey to determine the advisability and feasibility of having an anchorage dredged at Lowe's Wharf, in Talbot County, Md.; to the Committee on Rivers and Harbors.

By Mr. VINSON:

H. R. 5640. A bill to reestablish the status of funds of the midshipmen's store, barber shop, cobbler shop, and tailor shop at the United States Naval Academy, and for other purposes; to the Committee on Naval Affairs.

By Mr. WASIELEWSKI:

H. R. 5641. A bill to authorize the attendance of the Marine Band at the national convention of the United Spanish War Veterans to be held in Milwaukee, Wis., August 4 to 10, inclusive, 1946; to the Committee on Naval Affairs.

By Mr. ANGELL:

H. R. 5642. A bill to grant to enlisted personnel of the armed forces certain benefits in lieu of accumulated leave; to the Committee on Military Affairs.

By Mr. AUGUST H. ANDRESEN:

H. R. 5643. A bill to amend the Civil Service Retirement Act, approved May 29, 1930, as amended, so as to make such act applicable to officers and employees of national farm-loan associations and production-credit associations; to the Committee on the Civil Service.

By Mr. BONNER:

H. R. 5644. A bill to facilitate voting by members of the armed forces and certain others absent from the place of their residence, and to amend Public Law 712, Seventy-seventh Congress, as amended; to the Committee on Election of President, Vice President, and Representatives in Congress.

By Mr. FLANNAGAN:

H. R. 5645. A bill to regulate the marketing of economic poisons and devices, and for other purposes; to the Committee on Agriculture.

By Mr. HARTLEY:

H. R. 5646. A bill to assist veterans of World War II in purchasing urban or rural homesteads through direct grants to equalize the benefits of the Servicemen's Readjustment Act of 1944, and for other purposes; to the Committee on World War Veterans' Legislation.

By Mr. PETERSON of Florida:

H. R. 5647. A bill to assist veterans of World War II in purchasing urban or rural homesteads through direct grants to equalize the benefits of the Servicemen's Readjustment Act of 1944, and for other purposes; to the Committee on World War Veterans' Legislation.

By Mr. DOMENGEAUX:

H. J. Res. 322. Joint resolution designating the first Sunday in December of each year as Disabled American Veterans Day; to the Committee on the Judiciary.

By Mr. BARRY:

H. J. Res. 323. Joint Resolution to provide for the calling in by the Secretary of the Treasury, all outstanding United States currency in the amount of $50 bills and over within 60 days, and for the reissuance of new currency in place thereof; to the Committee on Banking and Currency.

By Mr. SAVAGE:

H. Res. 539. Resolution to provide for the declaration of an embargo against Spain on materials of war; to the Committee on Foreign Affairs.

By Mrs. SMITH of Maine:

H. Res. 540. Resolution expressing the desire of the House of Representatives that Veterans' Administration personnel wear civilian clothes; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HALE:

H. R. 5648. A bill for the relief of the county of Cumberland, in the State of Maine; to the Committee on Claims.

By Mr. COOLEY:

H. R. 5649. A bill for the relief of Samuel W. Davis, Jr., Mrs. Samuel W. Davis, Jr., and Betty Jane Davis; to the Committee on Claims.

By Mr. MURPHY:

H. R. 5650. A bill to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Peter Florey; to the Committee on the District of Columbia.

H. R. 5651. A bill for the relief of the estate of D. A. Montgomery; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1659. By Mr. GRAHAM: Petition of 35 members of the Middlesex Presbyterian Church of Butler, Pa., opposing House bill 515; to the Committee on Military Affairs.

1660. By Mr. SMITH of Wisconsin: Petition of Walter L. Day, secretary, Monroe Chamber of Commerce, Monroe, Wis., in re supporting the need for establishing a forest research center in Wisconsin; to the Committee on Appropriations.

1661. Also, petition of Joe Deuhkowitseh, financial secretary, 516 College Avenue, Racine, Wis., in re changing corporation taxes; to the Committee on Ways and Means.

1662. By the SPEAKER: Petition of the city council of the city of Woodbury, N. J., petitioning consideration of their resolution with reference to the request for amendment of the Emergency Price Control Act, in such manner as to grant immunity and exemption from the provisions of the act to the States and their political subdivisions or any agency thereof; to the Committee on Banking and Currency.

1663. By Mrs. ROGERS of Massachusetts: Petition of the Teachers' Organization of Lowell, Mass., in favor of House bill 4666 to exclude retirement annuities of State, county, and municipal employees not exceeding $1,440 annually from gross income for income-tax purposes; to the Committee on Ways and Means.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 4, 1946

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou revealed Love of God, we praise Thee that Thou hast planted our feet on the threshold of eternal truth. We stand not in our own goodness or wisdom but in the mercy of our Heavenly Father upon earth. Do Thou quicken each lagging step in our conflict for unity of purpose against all forms of evil. O grant us the faith and the power of divine love that we may walk in Thy strength day by day. In the fellowship of life do Thou call us to sacrificial service; feed the spirit of brotherhood within our Nation, for we pray not for thrones or crowns but for men. O show us the pathway from Sinai that passes through the shadow of Gethsemane, climbs the hill of Calvary, and sweeps on to the foot of the cross where Dives and Lazarus are brothers. We pray in the name of Him without whom nothing can endure, nothing is holy. Amen.

The Journal of the proceedings of Friday, March 1, 1946, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Gatling, its enrolling clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5458. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCKELLAR, Mr. GLASS, Mr. HAYDEN, Mr. TYDINGS, Mr. RUSSELL, Mr. BROOKS, Mr. BRIDGES, and Mr. GURNEY to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the joint resolution (H. J. Res. 301) entitled "Joint resolution to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BARKLEY, Mr. DOWNEY, Mr. MURDOCK, Mr. TOBEY, and Mr. TAFT to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the Senate to bills of the House of the following titles:

H. R. 2335. An act for the relief of Albert E. Severns; and

H. R. 2487. An act for the relief of Mrs. S. P. Burton.

The message also announced that the President pro tempore has appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

1. Department of the Interior.
2. Department of Justice.
3. Department of the Navy.
4. Department of War.
5. Federal Power Commission.
6. Office of Price Administration.
7. Petroleum Administration for War.
8. United States Civil Service Commission.
9. United States Maritime Commission.

BOARD OF VISITORS TO THE UNITED STATE MILITARY ACADEMY

The SPEAKER laid before the House the following communication:

FEBRUARY 11, 1946.

Hon. SAM RAYBURN,
The Speaker, House of Representatives.

MY DEAR MR. SPEAKER: Under date of January 6, 1945, I notified you, pursuant to the provisions of the act approved May 17, 1928 (10 U. S. C. 1052a), of the names of the members of this committee I had designated as members of the Board of Visitors to the United States Military Academy for the Seventy-ninth Congress.

This is to advise that I have designated Hon. FRANCIS H. CASE, of South Dakota, vice Hon. D. LANE POWERS.

Sincerely yours,

CLARENCE CANNON,
Chairman.

RESIGNATION FROM COMMITTEES

The SPEAKER laid before the House the following resignation from committees:

FEBRUARY 28, 1946.

Hon. SAM RAYBURN,
House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: I do hereby tender my resignation from the following committees in the House of Representatives, to take effect immediately: Civil Service, Claims, Elections No. 3, Revision of the Laws.

Sincerely yours,

WILLIAM T. GRANAHAN.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

SWEARING IN OF A MEMBER

Mr. BLOOM. Mr. Speaker, I ask unanimous consent that the gentleman from New York, Mr. ARTHUR G. KLEIN, be permitted to take the oath of office. The certificate of election has not arrived yet, but there is no contest and no question with regard to his election.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KLEIN appeared at the bar of the House and took the oath of office.

ADOLPH J. SABATH

Mr. MCCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MCCORMACK. Mr. Speaker, 40 years in any position is a long period of service. Today in this Chamber one of our distinguished colleagues starts his fortieth year of service, a man who typifies everything that is noble; a fine and uplifting man who has always adhered to the policies and principles in which he believed. Whether or not we agree with him all the time, we thoroughly respect his sincerity and intellectual honesty. Our distinguished friend the gentleman from Illinois [Mr. SABATH] today starts his fortieth year of continuous service in this body. I know he has the congratulations of all of us as well as our very best wishes for many more years of service in this body.

INDEPENDENT OFFICES APPROPRIATION BILL

Mr. HENDRICKS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5201) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1947, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. HENDRICKS, MAHON, ANDREWS of Alabama, THOMAS of Texas, WIGGLESWORTH, CASE of South Dakota, and DWORSHAK.

JOINT COMMITTEE ON THE ORGANIZATION OF CONGRESS

Mr. MONRONEY. Mr. Speaker, by direction of the Joint Committee on the Organization of Congress, created by House Concurrent Resolution 18, I submit the report (S. Rept. 1011) on the organization of Congress as required by that resolution.

EXTENSION OF REMARKS

Mr. SPENCE asked and was given permission to revise and extend the remarks he expects to make in the Committee of the Whole on the housing bill and include a letter received from Raymond M. Foley, Commissioner of Housing Administration.

Mr. BARRY asked and was given permission to extend his remarks in the RECORD in two instances and include in one a letter he sent today to the Secretary of State objecting to his Spanish policy, and in the other a definition of Communism by Winston Churchill.

MANCHURIAN SITUATION

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, American correspondents are unceremoniously tossed out of Manchuria by Russia. She fears their disclosure of gigantic looting of machinery belonging to the Chinese and disclosure of large-scale Red Army operations there.

Contrary to the British-Soviet Iranian treaty of 1942 Russia keeps her troops in northern Iran, in Azerbaijan. That treaty provided that all Allied forces shall be withdrawn not later than 6 months after hostilities; March 2 was the date set.

On December 1, 1943, at Teheran, Roosevelt, Churchill, and Stalin declared that their Governments were "as one with the Government of Iran in their desire for the maintenance of the independence, sovereignty, and territorial integrity of Iran."

It is high time we not only got tough with Russia but Molotov as well. The strongest note of protest is in order. Appeasement is unthinkable at the coming New York meeting of the Security Council. Secretary of State Byrnes must crack down on Russia for her intransigence, and her noncooperation.

Russia's power politics and grasp for everything in sight is on a par with Great Britain's imperial and colonial selfishness. We can no longer look with complacency upon either country's derelictions. We must put both in their places.

The SPEAKER. The time of the gentleman from New York has expired.

EXTENSION OF REMARKS

Mr. SAVAGE asked and was given permission to extend his remarks in the RECORD and include therein an article by Edgar L. Jones from the Atlantic Monthly.

PERMISSION TO ADDRESS THE HOUSE

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

[Mr. LUDLOW addressed the House. His remarks appear in the Appendix.]

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and to include an editorial from the San Francisco Chronicle.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[Mr. ANDERSON of California addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. ROBERTSON of North Dakota asked and was given permission to extend his own remarks in the RECORD.

Mr. MASON asked and was given permission to extend his own remarks in the RECORD and include a newspaper article on what UNRRA is doing, not for Poland, but to Poland.

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and include as part of my remarks an article which appeared in a local paper.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

RAT INFESTATION IN THE DISTRICT OF COLUMBIA

Mrs. ROGERS of Massachusetts. Mr. Speaker, recently in the city of Washington the following tragic incident took place:

BABY EATEN BY RATS FIGHTS FOR LIFE

Literally "eaten away" by rats as he slept, James W. Dawson, 32-day-old baby of William Dawson, Negro, of 1041 Thirty-third Street NW., was rushed to Children's Hospital early today where doctors fought to save the infant's life. Police said rats had eaten the entire nose of the baby and three fingers from each hand.

Mr. Speaker, in my district a number of years ago I instigated a rat-extermination campaign to take place every autumn. That is a campaign that should go on all over the United States. Children are eaten by rats and sometimes even adults are attacked by them. Rats are spreaders of disease and cause great damage to health, life, and property. Farmers well know the number of poultry that are killed by rats and the damage done otherwise to farm property. While businessmen may not want to admit that there are rats in their basements, still they should be exterminated to protect the life and health of our citizens. If a rat-extermination campaign were held in every community all over the country lives and property would be saved.

EXTENSION OF REMARKS

Mr. PITTENGER asked and was given permission to extend his remarks in the RECORD on the subject of old-age pensions.

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the St. Lawrence seaway and power project and the New York Power Authority, and to include excerpts from the testimony of General Wilby before the Senate Foreign Relations Committee. In the latter request the remarks may exceed the limit authorized by the joint committee. If so, I ask unanimous consent to make the extension in the RECORD regardless of the additional cost.

The SPEAKER. Notwithstanding the additional cost and without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. D'EWART. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

[Mr. D'EWART addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mrs. LUCE asked and was given permission to extend her remarks in the RECORD in three instances and to include newspaper editorials.

LOCATION OF UNO CAPITAL

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. MUNDT. Mr. Speaker, last week the people of Greenwich, Conn., exercising their American rights and their Yankee good judgment, decided by a vote of more than 2 to 1 to invite the United Nations Organization to locate its capital elsewhere in the United States rather than in the vicinity of Greenwich and Stamford.

Yesterday, Dr. Stephen Gavrilovic, chairman of the UNO commission on the selection of a capital site, said that in view of the decision of the people of the New York-Connecticut area to resist any attempt to move them out and move the UNO capital in, he was prepared to recommend to the United Nations that they select a more satisfactory site which will conform with one of the most important criteria his committee was asked to bear in mind in selecting a world capital site, namely, "the desire of the community to share its land and resources with the United Nations Organization."

He said, positively, that the UNO capital is not going where it is not wanted. To make his position consistent, he must also mean that the UNO capital is going where it is wanted.

Mr. Speaker, the beautiful Black Hills Mountain country of South Dakota wants the UNO capital, and it has more advantages and fewer disadvantages than any other site available to the United Nations. Not only the people of South Dakota, but the people and the Governors and other officials of South Dakota, Wyoming, and Nebraska again renew their invitation to the United Nations Organization to locate its capital in the Black Hills.

UNFAIR OPA REGULATIONS

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I have received the following telegram from Lock Haven, Pa. I quote:

Hon. ROBERT F. RICH,
New House Office Buiding:

We have closed down our plant, along with hundreds of other packers, in protest to the unfair OPA regulations and the rampant black market which prohibits us from buying livestock upon which we can obtain a fair return. We suggest all steps possible be taken immediately to relieve this condition.

WINNTER PACKING CO.

That is one of the largest packing companies in my county.

The fault, as I see it, is subsidies, OPA, the CIO, and economists. I think what the House wants to do is to get a little more business sense, a little more common sense, and then we will stop receiving telegrams of that nature. Then people who are in business will not have to close up their business. The New Deal

is putting people out of business. If that is what this administration wants to do I will say they are successful in their legislation. But the people and the country are suffering; private enterprise is being wrecked.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

HOUSING LEGISLATION

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GROSS. Mr. Speaker, yesterday the gentleman from Texas [Mr. PATMAN] greatly belabored himself trying to tell the country about the great lobby that is holding back the housing bill. Now, that lobby is not in Washington. It is Nation-wide resentment against the kind of things they are trying to pull.

Here is a letter I received this morning from a lumber dealer who asked for priorities in order to help a World War widow and her family to build a home.

EXHIBIT 1

SCHMUCK CO.,
Hanover, Pa., March 1, 1946.

Hon. CHESTER H. GROSS,
York, Pa.

DEAR SIR: As another example of the asinine rulings that are being made by some of the Federal regulatory boards, we herewith enclose a letter received from the director of the National Housing Agency in Philadelphia.

This was in reply to an endeavor upon our part to secure priority assistance for the materials needed for the construction of a home for a young widow whose husband was killed in World War II.

This woman has been almost heartbroken because of the loss of her husband, and is now faced with the problem of finding a place to live, as the son of her present landlord has recently returned from the service and desired to occupy the home where this young widow now resides.

We have known her father, who is a good, hard-working, honest farmer, for 35 years; during which time we have had many business dealings with him. He has been very desirous of assisting his daughter to build a home, and was very much disturbed to be advised of the ruling enclosed.

We personally feel that the ruling is most unjust, and we will certainly do all in our power to help this woman get a home whether she has priority assistance or not.

It is rulings of this kind that cause loss of confidence in our administrative officers of the Government, and we again say that unless the Government gets out of business, we are going to have the greatest wave of unrest that this country has ever seen.

The present attitude of the Government towards the construction industry has nothing sound about it, and will in many instances tie up an ex-GI with a mortgage upon a home that is so poorly built that it will fall apart long before the mortgage is paid.

For the sake of the future welfare of the country, use your efforts to remove the present regulations from the building industry, and get production of the materials needed for home construction.

Yours very truly,

SCHMUCK CO.,
C. Y. BROUGH.

I have a letter here from the Housing Administration saying that the wife of a veteran of World War II is not eligible for priority assistance in connection with the construction of a home for herself and her family.

This lumber company goes on to say:

We will do everything in our power to see that the World War widow and her family do get a home regardless of Government opposition.

EXHIBIT 2

NATIONAL HOUSING AGENCY,
FEDERAL HOUSING ADMINISTRATION,
Philadelphia, Pa., February 26, 1946.

Mr. C. Y. BROUGH,
Schmuck Co., Hanover, Pa.

DEAR SIRS: In reply to your letter of February 22, I regret to advise you a widow of a veteran of World War II is not eligible, under priorities regulation 33 of the Civilian Production Administration, for priorities assistance in connection with the construction of a home for herself and family.

For your information, I am enclosing herewith a copy of the regulation.

Yours very truly,

LEO A. KIRK,
District Director.
By WILLIAM P. CARSON,
Administrative Officer.

The regulation attached is part 944 applicable to the operations of the priorities-system reconversion housing program and contains about 7,500 words.

EXTENSION OF REMARKS

Mr. CUNNINGHAM asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. LARCADE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article on rice.

Mr. BIEMILLER asked and was given permission to extend his remarks in the Appendix of the RECORD on two subjects and in each to include editorials.

SITE OF UNITED NATIONS ORGANIZATION

Mr. LARCADE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. LARCADE. Mr. Speaker, in the matter of selecting a site for the headquarters of the United Nations Organization, when the United States was selected, it seems that neither the west coast nor the east coast could be decided upon, so I suggested as a compromise the South and New Orleans. However, it was finally decided to have the headquarters located on the New England coast; it seems now it is not wanted there. In view of this, I believe the best place to locate the headquarters of the United Nations Organization is in Louisiana or near New Orleans. With its climate, beauty, charm, romance, history, and its nearness to the Latin-American countries, our good neighbors, its geographical location and other advantages make it an ideal location for the headquarters of the United Nations.

THE PACKERS AND OPA

Mr. SABATH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[Mr. SABATH addressed the House. His remarks appear in the Appendix.]

SPECIAL ORDER GRANTED

Mr. BIEMILLER. Mr. Speaker, I ask unanimous consent that the special order I had for this afternoon may be moved ahead to Monday, March 11.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. BIEMILLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include therein a resolution from the Milwaukee County Board of Supervisors.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

[Mr. BIEMILLER addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. FOGARTY asked and was given permission to extend his remarks in the RECORD in two instances, in one to include a statement from the national legislative director of the Amvets urging terminal leave for enlisted men, and in the other to include a letter from a constituent in regard to the proposed loan to Great Britain.

Mrs. DOUGLAS of Illinois asked and was given permission to extend her remarks in the RECORD and include an editorial from the Quincy (Ill.) Herald-Whig entitled "British Views on Loan."

Mr. RAINS (at the request of Mr. SPARKMAN) was given permission to extend his remarks in the RECORD and include an editorial from the Anniston Star.

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD in two instances and include certain statements and excerpts.

Mr. EDWIN ARTHUR HALL asked and was given permission to extend his remarks in the RECORD and include an editorial from the Binghamton Press.

PRICES OF FARM COMMODITIES

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. MURRAY of Wisconsin. Mr. Speaker, while we are talking about resolutions from the State of Wisconsin, I happen to have one in my pocket at this time, reading as follows:

STATE OF WISCONSIN,
County of Wood, ss:

I, J. A. Schindler, the duly elected, qualified, and acting county clerk, in and for Wood County, Wis., hereby certify that the following is a true and correct copy of Resolution 4, adopted by the Wood County Board of Supervisors at their meeting held on the 26th day of February 1946:

"Resolution 4

"Whereas the price of wages all over the country is advancing approximately 20 percent; and

"Whereas the price of steel and other commodities going into farm machinery and supplies will undoubtedly advance rapidly; and

"Whereas these various things are bound to advance all farm costs: Therefore be it

"Resolved, That the undersigned request our Congressman, REID MURRAY, and our United States Senators, ROBERT M. LA FOLLETTE and ALEXANDER WILEY, to do everything in their power to keep the price of farm commodities in line with farm costs; and be it further

"Resolved, That the county clerk be and is hereby directed to send a copy of this resolution to our Congressman and United States Senators.

"GEORGE C. KUNDINGER.
"DICK GREENEWAY.
"EDMUND ZETTLER."

Dated at Wisconsin Rapids, Wis., this 27th day of February 1946.

J. A. SCHINDLER,
County Clerk, Wood County, Wis.

Mr. Speaker, any time you give the pig raisers the same hourly return for their labor as you do the pig stickers down in Milwaukee you will have plenty to eat and you will not need emergency food committees.

THE HOUSING STABILIZATION BILL

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SMITH of Ohio. Mr. Speaker, last evening I heard a radio commentator say in effect that the gentleman from Texas [Mr. PATMAN] said the trouble he is having with his dictator housing bill is caused by the gullibility of Members of Congress, that shyster lobbyists are slinking around behind doors and under beds, meanly taking advantage of this situation to defeat his bill. I saw something in the morning paper about that too. Further, that he is invoking the power of the FBI to protect those of us who suffer from this mental weakness against these evil-minded people.

It seems to me things are getting pretty bad when our own Members have opinions such as this of their own colleagues.

EXTENSION OF REMARKS

Mr. SMITH of Ohio asked and was given permission to extend his remarks in the RECORD and include two editorials.

THE HOUSING STABILIZATION BILL

Mr. KOPPLEMANN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut.

There was no objection.

Mr. KOPPLEMANN. Mr. Speaker, I would like the House to know of an incident in connection with the activities of the lobby that is operating against this bill.

The other morning I received from a town in my district 12 telegrams. These arrived in one batch. They all protested this bill, wanted it recommitted, and predicted chaos in the construction industry if it passed. I wrote answers to each one of my protesters, told them I was for the bill and why.

In this morning's mail, thus far, I have received back nine of my replies. The envelopes which have been returned are stamped by the post office of the town "not found," "cannot find in the directory," and so forth. It rather takes us back to the old days when the lobbies were active against the stock-exchange law, the public-utility legislation, and the reorganization bill. That is the kind of stuff being peddled about by the interests who do not represent the people. They do not care what methods they pursue in their greed to make profits out of a crisis by defeating this bill.

TIME OF MEETING OF THE HOUSE

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DONDERO. Mr. Speaker, the other day I propounded a question of the Speaker as to when the House of Representatives first began meeting at 12 o'clock.

I give you the answer as follows:

From a check of the House Journals from September 5, 1774, until June 1, 1784, it appears that there was no order fixing the time of meeting each day. The time was fixed in the motion to adjourn each evening, i. e., "I move that the House adjourn until 9 o'clock in the morning."

Almost without exception the House met at 9 or 10 o'clock from 1774 to 1784.

The first order of the House fixing the time of meeting seems to be June 1, 1784, and reads as follows: *"Resolved,* That until the adjournment, Congress will meet precisely at 9 in the morning, and adjourn at 2 in the afternoon; meet again at 4 and adjourn at 8 o'clock in the evening."

During the First Congress under the Constitution the time of meeting was stated in the motion for adjournment, usually 11 and sometimes 10 a. m.

During the Third, Fourth, Fifth, Sixth, and Seventh Congresses the same practice was followed.

At the beginning of the Eighth Congress it was resolved that unless otherwise ordered the daily hour of meeting shall be at 11 a. m. This also was true of the second session, although at times it was resolved to meet at an earlier date for a short period of time.

It seems that this was the start of fixing the daily hour at the beginning of each session.

From the beginning of the Eighth Congress the time was fixed at the beginning and sometimes changed during the sessions by order of the House for 10 or 11 o'clock until 1816.

While, of course, it is possible that sometime prior to this date the House may have adjourned from one day to the next at 12 o'clock, the first meeting at 12 under order of the House seems to be in 1816. During some of the following Congresses after we were into the session the House ordered an earlier meeting for periods of time.

EXTENSION OF REMARKS

Mr. MADDEN asked and was given permission to extend his remarks in the RECORD and include excerpts from a letter from James DeLaurier, publisher of the Hammond (Ind.) Times.

Mr. MONRONEY asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Baltimore Sun in support of premium payments or subsidies for the production of housing material.

IMAGINARY LOBBYISTS FRIGHTEN FRIENDS OF HOUSING BILL

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, I rise to offer what appears to be much needed assistance to some Members of the House.

The Members who are supporting this bill seem to be calling on the FBI to protect them from lobbyists. The opponents of the measure have not been disturbed. Not a single lobbyist has been to see me, but if you gentlemen who are supporting this bill and who went on the radio and made a plea for protection at the hands of the FBI really want protection, I will get the Committee on Un-American Activities to go to your relief. I do not want to see you embarrassed any worse.

Why, last night the way Mr. Winchell barked over the radio and abused Congress, you would have thought somebody was down here leading the Congressmen around by the ears and abusing them into reluctant opposition to this measure.

Being one of the Members who is opposed to this bill in its present form, I have not seen a single man that assumed that attitude who has been disturbed by any lobbyist.

But, as I said, I am willing to call on the FBI, enlist the aid of the Committee on Un-American Activities, summon the police, and turn in the fire alarm, if necessary, to protect the frightened friends of this measure against the baneful influence of those imaginary lobbyists of which they so bitterly complain.

The SPEAKER. The time of the gentleman from Mississippi has expired.

LOBBYING ON THE HOUSING BILL

Mr. SAVAGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. SAVAGE. Mr. Speaker, I am one of those who is advocating the passage of this bill and advocating housing for veterans. The lobbyists are not bothering me particularly, personally. The people who have been carrying on the campaign for months do not necessarily come down to the doors here and grab hold of a Congressman and tell him how to vote, but they even send propaganda into the homes. They do not stop at sending it to our offices. Real-estate dealers who are looking for inflationary

profits are even more opposed to ceilings on homes and this proposed program for building homes than are the builders, but together they have done a big job of campaigning. They have appeared before our committees, they have had their associates send us wires from our districts. They have been in our offices. This is not just lobbying—this has been a pressure campaign. This is what we are talking about when we talk about a big lobbying campaign. Every Member here knows it has been going on and it does no good to deny it. It is not just something that happened today. Of course, I do not think any actual picketing has taken place or that violence has been used or that we need the FBI or the Committee on Un-American Activities, but we do need this bill now, without crippling amendments.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

CIRCUIT COURTS OF APPEALS AND DISTRICT COURTS

The Clerk called the bill (H. R. 4230) to provide necessary officers and employees for circuit courts of appeals and district courts.

Mr. KEAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

RECORDING OF AGREEMENTS RELATING TO PATENTS

The Clerk called the bill (H. R. 3756) to require the recording of agreements relating to patents.

Mr. COLE of New York. Mr. Speaker, in view of the fact that the committee has not filed a report in compliance with the rules of the House showing changes in existing law, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CORRECTING NAVAL RECORD OF FORMER MEMBERS OF CREWS OF "ALGONQUIN" AND "ONONDAGA"

The Clerk called the bill (H. R. 1498) to correct the naval record of former members of the crews of the revenue cutters *Algonquin* and *Onondaga*.

Mr. KEAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

POST OFFICE DEPARTMENT

The Clerk called the bill (H. R. 5186) to authorize certain administrative expenses in the Post Office Department, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there shall be in the Post Office Department four Assistant Postmasters General, who shall be appointed by the President, by and with the advice and consent of the Senate, and who may be removed in the same manner.

SEC. 2. There is authorized to be expended, from the appropriations for compensation to postmasters in the annual Post Office Department appropriation acts, compensation, at the rate provided by law for such services, to persons who, pending the designation of an acting postmaster, assume and properly perform the duties of postmaster upon the occurrence of a vacancy in the office of postmaster of the third or fourth class.

SEC. 3. The Postmaster General is hereby authorized to employ at summer and winter post offices auxiliary clerk hire and to compensate them from the appropriation for clerks at first- and second-class post offices carried in the annual Post Office Department appropriation acts.

SEC. 4. The Postmaster General, under such regulations as he shall prescribe, is authorized to provide village delivery service in towns and villages where free delivery service has not been authorized to the extent of annual appropriations that may be made therefor.

SEC. 5. The Postmaster General is authorized to sell to the public post-route maps and rural-delivery maps or blueprints at the cost of printing and 10 percent thereof additional.

SEC. 6. In the purchase of lawbooks and books of reference the Postmaster General is authorized to transfer and exchange, as consideration or part consideration, lawbooks and books of reference no longer needed.

SEC. 7. The Postmaster General is authorized to make expenditures of such sums as may be annually appropriated for carfare and bicycle allowance, including special-delivery carfare, cost of transporting carriers by privately owned automobiles to and from their routes at rates not exceeding regular streetcar or bus fare, and for the purchase, maintenance, and exchange of bicycles.

SEC. 8. The Postmaster General is authorized, in the disbursement of the appropriations for vehicle service made in the annual appropriations for the Post Office Department, to apply a part thereof to the leasing of quarters for the housing of Government-owned motor vehicles at reasonable annual rentals for terms not exceeding 10 years each.

SEC. 9. The Postmaster General is authorized to contract for telephone service in public buildings under his administration by means of telephone switchboards or equivalent telephone switching equipment jointly serving in each case two or more governmental activities, where he determines that joint service is economical and in the interest of the Government, and to secure reimbursement for the cost of such joint service from available appropriations for telephone expenses of the bureaus and offices receiving the same.

SEC. 10. Appropriations for the Post Office Department, except such as are exclusively for payment of compensation, shall be available for expenses of examination of estimates for appropriations in the field, including per diem allowances in lieu of actual expenses of subsistence.

SEC. 11. The Postmaster General is authorized to expend not exceeding $15,000 annually from appropriations made for the maintenance of the equipment shops in Washington, District of Columbia, for the purchase of material and the manufacture in the equipment shops of such small quantities of distinctive equipment as may be required by other executive departments and for service in Alaska, Puerto Rico, Philippine Islands, Hawaii, or other island possessions.

SEC. 12. The Postmaster General is authorized to pay rewards for detection, arrest, and conviction of post-office burglars, robbers, highway mail robbers, and persons mailing or causing to be mailed any bomb, infernal machine, or mechanical, chemical, or other device or composition which may ignite or explode, out of such sums as may be appropriated therefor: *Provided*, That rewards may be paid in the discretion of the Postmaster General when an offender of any of the classes mentioned was killed in the act of committing the crime or in resisting lawful arrest: *Provided further*, That no part of the sum appropriated shall be used to pay any rewards at rates in excess of those specified and officially published by the Post Office Department as offers of reward: *And provided further*, That of such amounts as may be appropriated not to exceed $20,000 may be expended in any fiscal year in the discretion of the Postmaster General for the purpose of securing information concerning violations of the postal laws and for services and information looking toward the apprehension of criminals.

SEC. 13. (a) The provisions of the acts of April 21, 1902, May 27, 1908, and June 19, 1922 (39 U. S. C. 423), relating to contracts for the transmission of mail by pneumatic tubes or other similar devices shall not be applicable to appropriations made for the pneumatic-tube service in New York, N. Y., in the annual appropriations for the Post Office Department.

(b) The provisions of the acts of April 21, 1902, and May 27, 1908 (39 U. S. C. 423), relating to the transmission of mail by pneumatic tubes or other similar devices shall be applicable to appropriations made for the pneumatic-tube service in Boston, Mass., in the annual appropriations for the Post Office Department so far as not inconsistent with such appropriation acts.

SEC. 14. (a) If the revenues of the Post Office Department in any fiscal year shall be insufficient to meet the expenditures of the Post Office Department and the postal service for that fiscal year, a sum equal to such deficiency shall be paid out of any money in the Treasury not otherwise appropriated to supply such deficiency, and the sum or sums needed shall be advanced to the Post Office Department upon requisition of the Postmaster General.

(b) If the revenues of the Post Office Department for any fiscal year shall exceed the expenditures of the Post Office Department and the postal service for that fiscal year, the excess of revenues shall be deposited in the general funds of the Treasury as surplus postal receipts.

With the following committee amendments:

Page 3, strike out sections 10 and 11 and insert the following:

"SEC. 10. The actual and necessary expenses of officials and employees of the Post Office Department and postal service, when traveling on official business, may be paid from the appropriations for the service in connection with which the travel is performed, including per diem allowances in lieu of actual expenses of subsistence, and appropriations for each fiscal year shall be available therefor.

"SEC. 11. The Postmaster General is authorized to establish and maintain mail equipment shops for the manufacture and repair of mail bags, mail locks, and other necessary equipment. He is also authorized to expend not exceeding $15,000 annually from appropriations made for the maintenance of the equipment shops in Washington, District of Columbia, for the purchase of material and the manufacture in the equipment shops of such small quantities of distinctive equipment as may be required by other executive departments and for service in Alaska, Puerto Rico, Philippine Islands, Hawaii, or other island possessions."

Page 6, after line 24, insert the following:

"SEC. 15. The Postmaster General is authorized to expend from the appropriations for the rural delivery service carried in the annual appropriations for the Post Office Department, such sums as are necessary for auxiliary carriers, clerks in charge of rural

stations, tolls and ferriage and for incidental expenses of the rural delivery service."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PATENT INFRINGEMENT SUITS

The Clerk called the bill (H. R. 5311) to amend the Revised Statutes of the United States (35 U. S. C. A. 70).

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Reserving the right to object, Mr. Speaker, while the report accompanying this bill complies with the technical provisions of the rules of the House, the explanations showing the changes in existing law are not very clear. In order that the House may be fully advised as to the effect of the bill, I ask that some informed Member explain it.

Mr. LANHAM. May I say to the gentleman that a supplementary report complying with the Ramseyer rule has been filed with reference to this bill in accordance with the permission granted in the House last week.

Mr. COLE of New York. It is true that the supplemental report does set forth in one column existing law and in another column the law as it will be after the enactment of this bill, but comparison of the two is rather difficult. I thought that perhaps it might simplify things if some member of the committee could explain it.

Mr. LANHAM. I was advised by the clerk of the committee that there has been a conference with the legislative counsel with reference to that, and I had understood that it met with the approval of the legislative counsel.

This bill simply provides for proper damages with reference to infringement, and allows the court, in case the infringement of the patent is innocent, merely to assess royalties and restrain further infringement, and in case of willful infringement to provide what the damages shall be. The measure of such damages is clearly set out. It will be due compensation for making, using, or selling the invented article, not less than a reasonable royalty therefor. If the gentleman has examined the report, he will have noted that the object of the bill is to make the basis of recovery in patent-infringement suits general damages; that is, any damages a complainant can prove, not less than a reasonable royalty, together with interest from the time the infringement occurred, rather than damages based upon profits. Of course, in a case of an innocent infringement, it is to be presumed that the court would assess no more than reasonable royalty for such time as the patent was infringed by the innocent user. The committee, I may say, reported this bill unanimously after rather adequate hearings. The gentleman from Oklahoma [Mr. SCHWABE] is equally familiar with the matter. I regret that the gentleman from Wisconsin [Mr. HENRY], who introduced this bill, is unavoidably out of the city today and, therefore, cannot be present to explain the bill further.

Mr. COLE of New York. I would like to be sure. Do I understand correctly that the effect of this bill is to make a reasonable royalty for an infringement the measure of minimum damages to any holder of a patent whose patent has been infringed?

Mr. LANHAM. That is the purpose of the bill as brought out before the committee.

Mr. COLE of New York. And to that extent it would simplify the case of an aggrieved party in proving damages?

Mr. LANHAM. It would.

Mr. CRAVENS. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. CRAVENS. Would not that mean the enforced compulsory licensing of patents if the invention is limited to merely collecting royalty?

Mr. LANHAM. The inventor is not limited merely to collecting the royalty. I would say that in the case of an innocent infringer who had infringed without notice and without knowledge that it would be unreasonable to collect from him more than the reasonable royalty.

Mr. CRAVENS. I agree on that.

Mr. LANHAM. But if there has been a willful infringement, then the damages as set out in the bill can be collected.

Mr. CRAVENS. And such damages could still be recovered under the existing law in the case of willful infringement.

Mr. COLE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 4921 of the Revised Statutes of the United States (35 U. S. C. A. 70) is hereby amended to read as follows:

"The several courts vested with jurisdiction of cases arising under the patent laws shall have power to grant injunctions according to the course and principles of courts of equity, to prevent the violation of any right secured by patent, on such terms as the court may deem reasonable; and upon a decree being rendered in any case for an infringement the complainant shall be entitled to recover general damages which shall be due compensation for making, using, or selling the invention, not less than a reasonable royalty therefor, together with his costs and reasonable attorney's fees to be fixed by the court and interest from the time the infringement occurred.

"The court is hereby authorized to receive expert or opinion evidence upon which to determine in conjunction with any other evidence in the record, due compensation for making, using, or selling the invention, and such expert or opinion evidence is hereby declared to be competent and admissible subject to the general rules of evidence applicable thereto.

"The court shall assess said damages, or cause the same to be assessed, under its direction and shall have the same power to increase the assessed damages, in its discretion, as is given to increase the damages found by verdicts in actions in the nature of actions of trespass upon the case; but recovery shall not be had for any infringement committed more than 6 years prior to the filing of the complaint in the action. And it shall be the duty of the clerks of such courts within 1 month after the filing of any action, suit, or proceeding arising under the patent laws to give notice thereof in writing to the Commissioner of Patents, setting forth in order so far as known the names and addresses of the litigants, names of the inventors, and the designating number or numbers of the patent or patents upon which the action, suit, or proceeding has been brought, and in the event any other patent or patents be subsequently included in the action, suit, or proceeding by amendment, answer, cross-bill, or other pleading, the clerk shall give like notice thereof to the Commissioner of Patents, and within 1 month after the decision is rendered or a decree issued the clerk of the court shall give notice thereof to the Commissioner of Patents, and it shall be the duty of the Commissioner of Patents on receipt of such notice forthwith to endorse the same upon the file wrapper of the said patent or patents, and to incorporate the same as a part of the contents of said file or file wrapper; and for each notice required to be furnished to the Commissioner of Patents in compliance herewith a fee of 50 cents shall be taxed by the clerk as costs of suit."

This act shall take effect upon approval and shall apply to pending causes of action in which the taking of the testimony has not been concluded.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OFFICERS AND EMPLOYEES OF PATENT OFFICE

The Clerk called the bill (H. R. 4080) to amend section 476, Revised Statutes (U. S. C., title 35, sec. 2), providing for officers and employees of the Patent Office, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 476 of the Revised Statutes, as amended (U. S. C., title 35, sec. 2), is amended to read as follows:

"SEC. 476. There shall be in the Patent Office a Commissioner of Patents, one First Assistant Commissioner, two Assistant Commissioners, and nine examiners in chief, who shall be appointed by the President, by and with the advice and consent of the Senate: *Provided*, That the primary examiners and the law examiners of the Patent Office shall be authorized to serve as examiners in chief, but no such examiner shall so serve for more than 30 days in any calendar year and then only by direction of the Commissioner of Patents. The First Assistant Commissioner and the Assistant Commissioners shall perform such duties pertaining to the office of Commissioner as may be assigned to them, respectively, from time to time by the Commissioner of Patents. All other officers, clerks, and employees authorized by law for the office shall be appointed by the Secretary of Commerce upon the nomination of the Commissioner of Patents, in accordance with existing law."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FISH HATCHERY IN COMANCHE COUNTY, OKLA.

The Clerk called the bill (H. R. 1389) providing for the transfer of a certain fish hatchery in Comanche County, Okla., to the city of Lawton, Okla.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, reserving the right to object, I do so for the purpose of making some inquiries

from any Member who may be familiar with the possible effects of this bill. If there is no Member present who can explain the bill, I will ask that the bill be passed over without prejudice.

Mr. RICH. Mr. Speaker, reserving the right to object, I would like to find out what the value of this property is and how much money has been spent by the Federal Government on it and why they should give it to the city.

Mr. COLE of New York. That is one of the questions I was going to ask. If there is no one present who can explain the bill, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

MARINE RADIOTELEGRAPH OPERATORS

The Clerk called the bill (H. R. 5466) to provide for the licensing of marine radiotelegraph operators, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That whenever the complement of any vessel prescribed pursuant to section 4463 of the Revised Statutes, as amended (46 U. S. C., sec. 222), includes one or more radiotelegraph operators such operators shall be required to be licensed officers.

SEC. 2. The boards of local inspectors authorized under section 4414 of the Revised Statutes (U. S. C., 1940 ed., title 46, sec. 382) shall license radiotelegraph operators, and it shall be unlawful to employ any person or for any person to serve as a radiotelegraph operator of any steamer or of any other vessel of over one hundred gross tons carrying passengers for hire who is not licensed by the inspectors; and anyone violating this section shall be liable to a penalty of $100 for each offense.

SEC. 3. Whenever any person applies for authority to perform the duties of radiotelegraph operator of any vessel, the inspectors shall require possession of a valid radiotelegraph license issued by the Federal Communications Commission; and if, upon full consideration, they are satisfied that his character, habits of life, and physical condition are such as to authorize the belief that he is a suitable and safe person to be entrusted with the powers and duties of such a station, they shall grant him a license, authorizing him to be employed in such duties for the term of 5 years, provided he continues to hold a valid radiotelegraph license issued by the Federal Communications Commission.

All licenses issued under this section shall be subject to suspension or revocation on the same grounds and in the same manner and with like procedure as is provided in the case of suspension or revocation of license of officers under the provisions of section 4450 of the Revised Statutes, as amended.

SEC. 4. (a) Section 2 of the act of March 4, 1915 as amended (U. S. C., 1940 ed., title 46, sec. 673), is amended by striking out the period after the words "management of the vessel" and inserting a colon and the following words: "*Provided*, That in the case of radiotelegraph operators this requirement shall be applicable only when three or more radio officers are employed."

(b) Nothing in this act shall be presumed to repeal the provisions of section 2 of the act of March 4, 1915, as amended (U. S. C., 1940 ed., title 46, sec. 673), limiting the work of radiotelegraph operators to 8 hours in 1 day.

SEC. 5. Every radiotelegraph operator who receives a license shall, before entering upon his duties, make oath before one of the inspectors herein provided for, to be recorded with the certificate, that he will faithfully and honestly, according to his best skill and judgment, within concealment or reservation, perform all the duties required of him by law.

Every applicant for license as radiotelegraph operator under the provisions of this act shall make and subscribe to an oath or affirmation, before one of the inspectors referred to in this act, to the truth of all the statements set forth in his application for such license.

Any person who shall make or subscribe to any oath or affirmation authorized in this act and knowing the same to be false shall be deemed guilty of perjury.

Every radiotelegraph operator who shall change, by addition, interpolation, or erasure of any kind, any certificate or license issued by an inspector or inspectors referred to in this act shall, for every such offense, upon conviction, be punished by a fine of not more than $500 or by imprisonment at hard labor for a term not exceeding 3 years.

SEC. 6. Every radiotelegraph operator who shall receive a license shall, when employed upon any vessel, within 48 hours after going on duty, place his certificate of license, which shall be framed under glass, in some conspicuous place in such vessel, where it can be seen by passengers and others at all times: *Provided*, That in case of emergency such radiotelegraph operator may be transferred to another vessel of the same owners for a period not exceeding 48 hours without the transfer of his license; and for every neglect to comply with this provision by any such radiotelegraph operator, he shall be subject to a fine of $100 or to the revocation of his license.

SEC. 7. Nothing in this act shall affect the status of radiotelegraph operators while serving aboard vessels operating solely on the Great Lakes.

SEC. 8. Nothing in this act shall increase the number of radiotelegraph operators at present required by law to be carried on vessels, or the type of vessels on which radiotelegraph operators are required to be carried, or to alter, repeal, modify, or affect any other statute of the United States, it being the only intent of this act to give to radiotelegraph operators the status of licensed officers as herein provided without affecting in any way any statute of the United States except as specifically hereinbefore authorized.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TERMS OF OFFICE OF MEMBERS OF FEDERAL POWER COMMISSION

The Clerk called the bill (H. R. 3704), to amend section 1 of the Federal Power Act, with respect to the terms of office of members of the Federal Power Commission.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the second paragraph of section 1 of the Federal Power Act, as amended (U. S. C., 1940 ed., title 16, sec. 792), is amended by inserting immediately after the second sentence thereof a new sentence as follows: "Upon the expiration of his term of office a commissioner shall continue to serve until his successor is appointed and shall have qualified."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HIGHWAY BRIDGE OVER THE PEE DEE RIVER NEAR CASHUA FERRY, S. C.

The Clerk called the bill (H. R. 5275) to revive and reenact the act granting the consent of Congress to the State Highway Department of South Carolina to construct, maintain, and operate a free highway bridge across the Pee Dee River, at or near Cashua Ferry, S. C., approved April 30, 1940.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act approved April 30, 1940, granting the consent of Congress to the State Highway Department of South Carolina to construct, maintain, and operate a bridge and approaches thereto across the Pee Dee River, at or near Cashua Ferry, be, and is hereby, revived and reenacted: *Provided*, That this act shall be null and void unless the actual construction of the bridge herein referred is completed within 3 years from the date of approval hereof.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TOLL BRIDGE ACROSS CONNECTICUT RIVER NEAR OLD SAYBROOK, CONN.

The Clerk called the bill (H. R. 4940) granting the consent of Congress to the State of Connecticut, acting by and through any agency or commission thereof, to construct, maintain and operate a toll bridge across the Connecticut River at or near Old Saybrook, Conn.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Reserving the right to object, Mr. Speaker, this is one of several bills on the calendar today which would authorize the construction of toll bridges in various sections of the country, or revive previous authorizations for the construction of toll bridges. When similar bills have been considered in years past, principally before the war, it was my understanding that a limitation was to have been placed in the bill which would make possible the use of those toll bridges by Government-owned vehicles, principally military vehicles, without the imposition of a toll.

I notice this bill contains no such provision. The result would be that federally owned vehicles moving in official business would have to pay a toll. Until that question is settled definitely by the House, as to whether toll bridges should be available to Government use without the payment of a toll, I will ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

BRIDGE OVER MISSISSIPPI RIVER NEAR CLINTON, IOWA

The Clerk called the bill (H. R. 4914) to revive and reenact the act entitled "An act creating the City of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or

near Clinton, Iowa, and at or near Fulton, Ill.," approved December 21, 1944.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, in view of the fact that this is in the same classification as the previous bill relating to toll bridges, I ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

TOLL BRIDGE ACROSS THE MISSOURI RIVER NEAR DECATUR, NEBR.

The Clerk called the bill (S. 1425) to revive and reenact the act entitled "An act to authorize the county of Burt, State of Nebraska, to construct, maintain, and operate a toll bridge across the Missouri River at or near Decatur, Nebr.," approved June 8, 1940.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

RAILROAD BRIDGE ACROSS THE ALLEGHENY RIVER NEAR WARREN, PA.

The Clerk called the bill (H. R. 4190) granting the consent of Congress to the Pennsylvania Railroad Co. to construct, maintain, and operate a railroad bridge across the Allegheny River at or near Warren, Pa.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Pennsylvania Railroad Co., its successors and assigns, to construct, maintain, and operate a railroad bridge and approaches thereto for the purpose of carrying its line of railroad which runs between Erie, Pa., and Ridgway, Pa., across the Allegheny River, at a point suitable to the interests of navigation, at or near Warren, Pa., in accordance with the provisions of the act entitled "An act to regulate the construction of bridge over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to the Pennsylvania Railroad Co., its successors and assigns, and any corporation to which or any person to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise is hereby authorized to exercise the same as fully as though conferred herein directly upon such corporation or person.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TOLL BRIDGE ACROSS RAINY RIVER NEAR BAUDETTE, MINN.

The Clerk called the bill (H. R. 5544) authorizing the village of Baudette, State of Minnesota, its public successors or public assigns, to construct, maintain, and operate a toll bridge across the Rainy River at or near Baudette, Minn.

Mr. COLE of New York. Mr. Speaker, this is another authorization for the construction of a toll bridge without exemption for the use by military vehicles, and I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CONDEMNATION OF MATERIALS USED IN PROCESS OR RENOVATED BUTTER

The Clerk called the bill (H. R. 3611) to authorize the condemnation of materials which are intended for use in process or renovated butter and which are unfit for human consumption, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 2325 of the Internal Revenue Code, approved February 10, 1939 (53 Stat. 254), is amended to read as follows:

"SEC. 2325. Inspection of process or renovated butter.

"For the purpose of protecting interstate and foreign commerce from process or renovated butter which is unclean, unwholesome, unhealthful, or otherwise unfit for human food—

"(a) The Secretary of Agriculture shall, through inspectors appointed by him, cause inspections to be made of all milk, butter, butter oil, and other ingredients intended for use in the manufacture of process or renovated butter. All ingredients which are found to be putrid or decomposed or which contain organic or inorganic substances which are foreign to such ingredients when properly made, manufactured, produced, collected, stored, transported, or handled, and which organic or inorganic substances cannot be removed by processing, shall be deemed unfit for use in the manufacture of process or renovated butter, shall be marked 'U. S. Inspected and Condemned', and shall be denatured or destroyed under the supervision of the inspector. All other ingredients shall be marked 'U. S. Inspected and Passed', and shall be deemed fit for use in the manufacture of process or renovated butter.

"(b) The Secretary of Agriculture shall cause inspections to be made of all process or renovated butter. If such butter is found to be clean, wholesome, healthful, and otherwise fit for human food, it shall be marked 'U. S. Inspected and Passed'. Process or renovated butter that is found to be unclean, unwholesome, unhealthful, or otherwise unfit for human food shall be denatured or destroyed under the supervision of the inspector.

"(c) The Secretary of Agriculture shall cause inspections to be made of all factories wherein process or renovated butter is manufactured to determine the sanitary conditions thereof, and if it is found that the conditions existing in any such factory do not meet the standards prescribed by the Secretary in his regulations, he shall cause inspection to be withdrawn therefrom.

"(d) The Secretary of Agriculture is authorized to withdraw inspection from any factory wherein process or renovated butter is made, if the manufacturer shall fail to comply with any of the provisions of this section or with any of the rules and regulations prescribed hereunder.

"(e) The Secretary of Agriculture is authorized to make such rules and regulations as he deems necessary for the efficient administration of the provisions of this section, and all inspections hereunder shall be made in such manner as may be prescribed in such regulations. The Secretary of Agriculture may, from time to time, by regulations define the foreign substances and the extent thereof that render the ingredients unfit for use in manufacturing process or renovated butter.

"(f) The Secretary of Agriculture shall cause to be ascertained, and he shall report, from time to time, the quantity and quality of all process or renovated butter manufactured and the character and condition of the materials from which it is made.

"(g) No person, firm, or corporation shall forge, counterfeit, simulate, falsely represent, detach, or knowingly alter, deface, or destroy, or use without proper authority, any of the marks, stamps, labels, or tabs provided for in this section or in any regulations prescribed hereunder by the Secretary of Agriculture for use on process or renovated butter or on wrappers, packages, containers, or cases in which the product is contained, or any certificate in relation thereto.

"(h) All process or renovated butter and the packages or containers thereof shall be marked with the words 'Process butter' and by such other marks, labels, or brands, and in such manner, as may be prescribed by the Secretary of Agriculture.

"(i) No statement that is false or misleading in any particular shall be placed on or affixed to any wrapper, label, carton, or container of process or renovated butter.

"(j) No person, firm, or corporation shall transport, or offer for transportation, or sell or offer for sale, in interstate or foreign commerce, or in commerce affecting commerce among the States, any process or renovated butter that has not been inspected and passed and marked, labeled, and branded in accordance with this section and the regulations issued hereunder.

"(k) The administration and enforcement of the provisions of this act, other than its provisions relating to revenue, but including the seizure and denaturing or destruction of ingredients intended to be used in the manufacture of process or renovated butter and the denaturing or destruction of process or renovated butter, are committed exclusively to the Secretary of Agriculture: *Provided*, That any powers and duties of the Food and Drug Administration of the Federal Security Agency under the Federal Food, Drug, and Cosmetic Act, as amended (21 U. S. C., 1940 ed., 301, and the following), as regards such ingredients before they come into the possession of the manufacturers of process or renovated butter, or as regards such powers and duties in connection with process or renovated butter after it leaves such manufacturers and comes into the hands of wholesale or retail dealers, or others, shall not be affected by this act."

SEC. 2. Subsection (c) of section 2326 of the Internal Revenue Code (53 Stat. 255) is amended by striking out "shall be punished by a fine of not less than $50 nor more than $500 or by imprisonment for not less than 1 month nor more than 6 months, or by both said punishments," and by inserting in lieu thereof the following: "shall be punished by a fine of not more than $1,000 or by imprisonment for a period of not more than 6 months, or by both such fine and imprisonment."

SEC. 3. Section 2327 of the Internal Revenue Code (53 Stat. 255) is amended by striking out subsections (b) and (c) of said section.

SEC. 4. If any provision of this act or the application thereof to any person or circumstance is held invalid, the validity of the remainder of the act and of the application of such provision to other persons or circumstances shall not be affected thereby.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SETTLEMENT OF CLAIMS BY COAST GUARD

The Clerk called the bill (H. R. 5239) to amend Public Law 277, Seventy-ninth Congress, so as to provide the Coast Guard, at such time as it is transferred back to the Treasury Department, with a system of laws for the settlement of claims, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., The Public Law 277, seventy-ninth Congress, is hereby amended by adding at the end thereof the following new sections:

"SEC. 5. The provisions of this act shall apply to the Coast Guard and to the personnel of the Coast Guard, military and civil, when the Coast Guard is not operating as a part of the Navy. In such cases, the Secretary of the Treasury shall have and exercise, as to claims caused by military or civilian employees of the Coast Guard while acting within the scope of their employment or otherwise incident to the activities of the Coast Guard and as to the claims of the personnel of the Coast Guard, the authority conferred by this Act upon the Secretary of the Navy, and payment or reimbursement in kind of such claims shall be made from appropriations available to the Treasury Department which appropriations are hereby authorized. The act of December 28, 1922 (42 Stat. 1066), shall be inapplicable to the Coast Guard 60 days after approval of this act.

"SEC. 6. The provisions of this act shall apply to the personnel of the Coast and Geodetic Survey and the Public Health Service when serving with the Navy."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KINGS CANYON NATIONAL PARK

The Clerk called the bill (H. R. 2418) to authorize the United States commissioner for the Sequoia National Park to exercise similar functions for the Kings Canyon National Park.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States commissioner for the Sequoia National Park, appointed pursuant to section 8 of the act of June 2, 1920 (41 Stat. 731, 733; 16 U. S. C., secs. 66–68), shall exercise the additional functions of a United States commissioner for the Kings Canyon National Park. The United States District Court for the Southern District of California shall prescribe the rules of procedure and practice for the commissioner in the trial of cases and for appeal to the district court.

SEC. 2. The commissioner shall have jurisdiction to issue process in the name of the United States for the arrest of any person charged with a violation of any the rules and regulations made by the Secretary of the Interior in pursuance of law for the government and protection of the park, or with the commission within the park of a petty offense against the law, and to try the person so charged, who, if found guilty, shall be subject to the punishment prescribed by section 3 of the act of August 25, 1916 (39 Stat. 535; 16 U. S. C., sec. 3), as amended. For the purposes of this act, the term "petty offense" shall be defined as in section 335 of the Criminal Code (18 U. S. C., sec. 541). In all cases of conviction an appeal shall lie from the judgment of said commissioner to the district court.

SEC. 3. The commissioner shall have power to issue process in the name of the United States for the arrest of any person charged with the commission within said park of any criminal offense not covered by the provisions of section 2 of this act, and to hear the evidence introduced. If he is of the opinion that probable cause is shown for holding the person so charged for trial, he shall commit such person for further appropriate action, and shall certify a transcript of the record of his proceedings and the testimony in such case to the district court, which court shall have jurisdiction of the case.

SEC. 4. All fees, costs, and expenses arising in cases under this act and properly chargeable to the United States shall be certified, approved, and paid as are like fees, costs, and expenses in the courts of the United States. All fines, fees, costs, and expenses imposed and collected shall be deposited by the commissioner, or by the marshal of the United States collecting the same, with the clerk of the United States District Court for the Southern District of California.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOPEWELL VILLAGE NATIONAL HISTORIC SITE

The Clerk called the bill (H. R. 3533) to authorize revisions in the boundary of the Hopewell Village national historic site, Pennsylvania, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, reserving the right to object, I wish to inquire of some member of the Committee on the Public Lands about this bill. Could the gentleman from Florida tell us what the cost of this tract of land was originally which it is proposed be turned over to the State of Pennsylvania?

Mr. PETERSON of Florida. I do not have the original cost, but it was one of those operations by the Federal Government largely as a demonstration area. Then there was some thought that it would be included in the Hopewell National Park. On making a survey, however, it was determined that it was too large an area to be used in the park itself, that it did not lend itself to park purposes, and for that reason they cut down the boundaries.

It can be given to the State or it can be used for other Federal purposes, or it may be disposed of generally; but it is believed, after a complete survey, that it is not needed in the park.

The gentleman from Pennsylvania [Mr. HOCH], the author of the bill, may be able to give the gentleman some further information.

Mr. COLE of New York. When was the national park created, and what amount of land was acquired for that purpose?

Mr. PETERSON of Florida. The greater portion of the land was acquired in the old WPA days as a demonstration recreational area, part of a Nationwide program in which we acquired land in order to put CCC camps or works on them in the hope that the States would take them over and show what could be done as demonstration areas. The States have been very slow in taking them over in trying to work them out under the act of 1942.

Mr. COLE of New York. According to the report of the committee, this park was created in 1942, and comprised some 6,000 acres.

Mr. PETERSON of Florida. That is right.

Mr. COLE of New York. Now, after 4 years of consideration it is realized that only some 800 acres are needed for the historic site purposes; so approximately 5,000 acres are to be released.

Let me inquire of the gentleman, What is the status of this surplus land and if it does revert to the status of recreational area?

Mr. PETERSON of Florida. It may be used by the Federal Government as a recreational area or it can be turned over to the State as a recreational area if the State wishes it, or it can be finally disposed of.

Mr. COLE of New York. Does the gentleman know what this land cost originally?

Mr. PETERSON of Florida. I do not have those figures; it is in the records, but we were taking it out of the park and curtailing operation of this area because it is not economically feasible to include it in the park area. The Hopewell Village site was one of the old iron furnaces. The ironmaster's house is there, and some of the workmen's houses are there, a portion of the old furnace is there, and it is being replaced in its old condition of operation. But this vast area which has nothing to do with the immediate historic site it is felt should not be included.

Mr. COLE of New York. Is there any reason why this surplus land should be in any different category so far as disposal operation goes than any other surplus Government property?

Mr. PETERSON of Florida. In practical working out it would not be, because under the surplus property disposal act in this instance the State has first choice after the Federal Government.

Mr. COLE of New York. I understood the gentleman to say this bill would empower the Secretary of the Interior to turn over this surplus property to the State; and I assume that would mean turn it over without compensation.

Mr. PETERSON of Florida. No, sir; this is under the act of 1942.

Mr. COLE of New York. Can the gentleman tell us what the status of this land would be if this bill should pass, so far as disposal purposes are concerned?

Mr. PETERSON of Florida. It would be taken out of the park, then it would become Federal property under the act of 1942 and the Federal Government could use it for park or recreational purposes if it desired, or if it were feasible. If it was deemed not desirable to be held by the Federal Government then the State government could take it over.

Mr. COLE of New York. On what basis? Would the State government have to pay for the land? That is my question.

Mr. PETERSON of Florida. The State government would not necessarily have to pay for the land.

Mr. COLE of New York. Why should this land be in any different category, so far as disposal of surpluses is concerned, than any other Government property which cannot be turned over gratis to any organization or community?

Mr. PETERSON of Florida. It was part of a program which was carried on several years ago for the purpose of employing labor, largely, and for the purpose of showing to the States what could be done with their recreational areas. Then when that program was finished it was the hope that the States would take them over. In other words, they do not come up to national-park standards, but they do have in many instances very desirable recreational features.

Mr. COLE of New York. I hope the gentleman will see that my point is as to the method of disposal. If this property is unneeded and should not be retained by the Federal Government, perhaps it should be disposed of in some manner, but I am wondering if the gentleman's committee is of the opinion that certain types of public land should be given gratis to the State or city governments and at the same time other types of Government land required to be paid for by State governments or local governments?

Mr. PETERSON of Florida. It depends upon the type of land. The committee did not formulate the original program. That was a departmental program. The committee has felt a large portion of these demonstration areas should be handled by the States rather than by the Federal Government.

Mr. COLE of New York. Is there any reason why the Federal Government should give the land to the States?

Mr. PETERSON of Florida. In some instances, yes. In other words, it has been shown by actual count that of the number of persons visiting State parks there are more people from other States visit the parks than from the State itself.

Mr. COLE of New York. Mr. Speaker, in view of the fact this bill contains a principle of too great importance to be passed by unanimous consent, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

QUIET TITLE TO CERTAIN SCHOOL-DISTRICT PROPERTY IN ENID, OKLA.

The Clerk called the bill (H. R. 3796) to quiet title to certain school-district property in Enid, Okla.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to make and issue such letters patent, quitclaim deeds, or other instruments of conveyance, as may be necessary to give to the trustees of school district No. 57, Enid, Okla., and its successor in interest insofar as any right, title, and interest of the United States is concerned, an indefeasible fee simple estate in and to the west half of block 7 in Jonesville, an addition to the city of Enid, Okla., such property being more particularly described in the paragraph beginning with the words "Second, as School Reserve" contained in the letters patent issued by the United States on October 3, 1898 (certificate No. 863), to Townsite Board of Trustees No. 6 of Noble County, Oklahoma Territory, in trust for the several use and benefit of the occupants of the town site of Jonesville, in Garfield County, Oklahoma Territory.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING ALASKA RAILROAD TO ENGAGE IN OPERATION OF OCEANGOING VESSELS

The Clerk called the bill (H. R. 4731) to authorize the Alaska Railroad to engage in the business of operating oceangoing vessels.

Mr. KEAN. Mr. Speaker, there is a question of policy involved in this bill which I do not think should be considered by unanimous consent; therefore I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

CITY OF SAN FRANCISCO (CALIF.)

The Clerk called the bill (H. R. 3703) for the relief of the city and county of San Francisco.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the city and county of San Francisco, a municipal corporation, of San Francisco, Calif., the sum of $422.64, in full settlement of all claims against the United States for reimbursement of expenses incurred in rebuilding and restoring a power transmission line and loss of power revenue in Calaveras County, Calif., near Sunol, which transmission line was damaged by the crashing of a United States Army plane, on February 26, 1941, while the said plane was engaged in making a flight over the area indicated: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with such claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with such claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GUY A. THOMPSON, TRUSTEE, MISSOURI PACIFIC RAILROAD

The Clerk called the bill (H. R. 4239) granting to Guy A. Thompson, trustee, Missouri Pacific Railroad Co., debtor, and to his successors and assigns, authority to relocate, maintain, and operate a single-track railway across United States Government reservation at lock No. 3, White River, Independence County, Ark., and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That license granted by the Secretary of War, of date September 14, 1943, to Guy A. Thompson, as trustee, Missouri Pacific Railroad Co., debtor, and to his successors and assigns, herein designated as grantee, to relocate Missouri Pacific Railroad tracks across United States Government reservation at lock No. 3, White River, Independence County, Ark., and in connection therewith to remove a portion of the bluff and replace the previously existing trestle by solid fill obtained from the bluff, is ratified, and permission to maintain and to operate over said railroad track as so relocated is granted, subject to the following provisions and conditions, to wit: (a) That the exercise of the privileges hereby granted shall be without cost or expense to the United States, under the general supervision and subject to the approval of the officer of the Army having immediate jurisdiction over the property, and subject also to such regulations as may be prescribed by him from time to time; (b) that any property of the United States damaged or destroyed by the grantee incident to the exercise of the privileges herein granted shall be promptly repaired or replaced by the grantee to the satisfaction of the said officer, or in lieu of such repair or replacement the grantee shall, if so required by the said officer, pay to the United States money in an amount sufficient to compensate for the loss sustained by the United States by reason of damage to or destruction of Government property; (c) that the United States shall have the right to load or unload cars while on the main track in the vicinity of the lock: *Provided*, That regular scheduled trains are not thereby delayed; (d) that the grantee shall maintain at its own expense at some nearby point, a siding or spur track from which the United States can receive and forward freight, either in carload lots or less than carload lots; (e) that the grantee shall not use the river banks within a distance of 150 feet above and below the limits of the lock walls as a place for depositing spoil or waste, excepting under such conditions as may be approved by the said officer; (f) that the grantee shall supervise the said railroad track and cause it to be inspected at reasonable intervals, and shall immediately repair any defects found therein as a result of such inspection, or when requested by the said officer, to repair any defects; (g) that the grantee, at grantee's expense, shall maintain a pedestrian underpass; and (h) that the United States shall not be responsible for damages to property or injuries to persons which may arise from or be incident to the exercise of the privileges herein granted, or for damages to the property of the grantee, or for damages to the property or injuries to the person of the grantee's officers, agents, servants, or employees or others who may be on said premises at their invitation or the invitation of any one of them, arising from governmental activities on the said premises, and the grantee shall hold the United States harmless from any and all such claims.

SEC. 2. That permission herein granted supersedes and is in lieu of the license granted to the White River Railway Co., February 26, 1902, by Public Law No. 23 (32 Stat. L. 41).

SEC. 3. That the right to alter, amend, or repeal this act is hereby expressly reserved, and if this permission is revoked, the grantee shall vacate the premises, remove said property therefrom, and restore the premises within such time as the Secretary of War may designate, and upon failure so to do, said property shall either become the property of the United States without compensation therefor, or the Secretary of War may cause the property to be removed and the premises to be restored at the expense of the grantee, and no claim for damages against the United States or its officers or agents shall arise by reason of such removal or restoration work.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TOLLS FOR PASSAGE OR TRANSIT OF GOVERNMENT TRAFFIC OVER THE SAN FRANCISCO-OAKLAND BAY BRIDGE (CALIF.)

The Clerk called the bill (H. R. 3565) to authorize the charging of tolls for the passage or transit of Government traffic over the San Francisco-Oakland Bay Bridge.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

REEMPLOYMENT RIGHTS OF SEAMEN

The Clerk called the bill (H. R. 3973) to amend the act entitled "An act to provide reemployment rights for persons who leave their positions to serve in the merchant marine, and for other purposes," approved June 23, 1943 (57 Stat. 162), and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, effective as of June 23, 1943, the act entitled "An act to provide reemployment rights for persons who leave their positions to serve in the merchant marine, and for other purposes," approved June 23, 1943 (57 Stat. 162), is amended to read as follows:

(a) When used in this act the term "service in the merchant marine" means (1) service as an officer or member of the crew on or in connection with a vessel documented under the laws of the United States or a vessel owned by, chartered to, or operated by or for the account or use of the Administrator, as an enrollee in the United States Maritime Service on active duty, and, to such extent as the Administrator shall prescribe, any period awaiting assignment to such service and any period of education or training for such service in any school or institution under the jurisdiction of the Administrator; and (2) service as a civilian officer or member of the crew on or in connection with a vessel owned by, chartered to, or operated by or for the account or use of the War Department.

(b) Any person entering service in the merchant marine after May 1, 1940, and before the termination of the unlimited national emergency declared by the President on May 27, 1941, who, in accordance with rules and regulations prescribed by the Administrator, War Shipping Administration, completes a period of substantially continuous service in the merchant marine, shall be entitled to a certificate to that effect from the Administrator upon completion of such period, which shall include a record of any special proficiency or merit obtained.

SEC. 2. (a) In the case of any such person who, in order to perform service in the merchant marine, has left or leaves a position, other than a temporary position, in the employ of any employer and who (1) receives such certificate, (2) is still qualified to perform the duties of such position, and (3) makes application for reemployment within 90 days after completion of such service, and, in the case of that person described in subsection (b) of this section who fulfills the requirements of clauses (1) and (2) of this subsection and in the case of that person described in subsection (c) of this section who fulfills the requirements of causes (1) and (2) of section 8 (b) of the Selective Training and Service Act of 1940, as amended, and makes application for reemployment within 90 days after completion of service in the merchant marine or relief from training and service in the land or naval forces or, in the case of any person described in this section, within 90 days from hospitalization continuing after such completion or such relief for a period of not more than 1 year—

(A) if such position was in the employ of the United States Government, its Territories or possessions, or the District of Columbia, such persons shall be restored to such position or to a position of like seniority, status, and pay, without regard to whether such position shall have been covered into the classified civil service during the period of his military, naval or merchant marine service;

(B) if such position was in the employ of a private employer, such employer shall restore such person to such position or to a position of like seniority, status, and pay unless the employer's circumstances have so changed as to make it impossible or unreasonable to do so;

(C) if such position was in the employ of any State or political subdivision thereof, it is hereby declared to be the sense of the Congress that such person should be restored to such position or to a position of like seniority, status, and pay.

(b) Any person who, after May 1, 1940, and before the termination of the unlimited national emergency declared by the President on May 27, 1941, shall have entered upon active military or naval service in the land or naval forces of the United States, and who shall thereafter, within the aforesaid period, have been discharged or released from active service and have received a certificate evidencing satisfactory completion of such active service, and who shall, within 30 days from date of discharge or release from active service, have entered upon service in the merchant marine, shall be entitled to all the reemployment benefits of this act, as amended, to the same extent as in the case of any person who, in order to perform service in the merchant marine, has left or leaves a position, other than a temporary position, in the employ of any employer, in lieu of the reemployment benefits of the Selective Training and Service Act of 1940, as amended, and of the Service Extension Act of 1941, as amended.

(c) Any person who, after May 1, 1940, and before the termination of the unlimited national emergency declared by the President on May 27, 1941, shall have entered upon service in the merchant marine, and who shall thereafter within the aforesaid period have terminated such service in the merchant marine solely in order to perform active military or naval service in the land or naval forces of the United States, and who shall, within 30 days from date of termination of his service in the merchant marine, have entered upon such active military or naval service, and who shall thereafter have received a partial certificate of substantially continuous service, shall be entitled to all the reemployment benefits of the Selective Training and Service Act of 1940, as amended, and of the Service Extension Act of 1941, as amended, to the same extent as in the case of any person who, in order to perform active military or naval service in the land or naval forces of the United States, has left or leaves a position other than a temporary position, in the employ of any employer, in lieu of the reemployment benefits of this act, as amended.

(d) Any person who is restored to a position in accordance with the provisions of paragraph (A) or (B) of subsection (a) shall be considered as having been on furlough or leave of absence during his period of service, shall be so restored without loss of seniority, shall be entitled to participate in insurance or other benefits offered by the employer pursuant to established rules and practices relating to employees on furlough or leave of absence in effect with the employer at the time such person entered such service, and shall not be discharged from such position without reasonable cause within 1 year after such restoration.

SEC. 3. In case any private employer fails or refuses to comply with the provisions of section 2, the district court of the United States for the district in which such private employer maintains a place of business shall have power, upon the filing of a motion, petition, or other appropriate pleading by the person entitled to the benefits of such provisions, to specifically require such employer to comply with such provisions, and, as an incident thereto, to compensate such person for any loss of wages or benefits suffered by reason of such employer's unlawful action. The court shall order a speedy hearing in any such case and shall advance it on the calendar. Upon application to the United States district attorney or comparable official for the district in which such private employer maintains a place of business, by any person claiming to be entitled to the benefits of such provisions, such United States district attorney or official, if reasonably satisfied that the person so applying is entitled to such benefits, shall appear and act as attorney for such person in the amicable adjustment of the claim or in the filing of any motion, petition, or other appropriate pleading and the prosecution thereof to specifically require such employer to comply with such provisions: *Provided*, That no fees or court costs shall be taxed against the person so applying for such benefits.

SEC. 4. Employees of the United States Government, its Territories or possessions, or the District of Columbia (including employers of any corporation created under authority of an act of Congress which is either wholly controlled or wholly owned by the United States Government, or any corporation, all the stock of which is owned or controlled by the United States Government, or any department, agency, or establishment thereof, whether or not the employees thereof are paid from funds appropriated by Congress), who, subsequent to May 1, 1940, shall have entered upon service in the merchant marine, shall be entitled to receive, in addition to any pay for such service, compensation in their civilian positions covering their accumulated or current accrued leave, or to elect to have such leave remain to their credit until their return from such service.

SEC. 5. The Administrator, War Shipping Administration, may make such rules and regulations as he deems necessary or appropriate to carry out the provisions of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TOLL BRIDGE ACROSS THE MISSOURI RIVER NEAR DECATUR, NEBR.

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to return to the consideration of the bill (S. 1425) to revive and reenact the act entitled "An act to authorize the county of Burt, State of Nebraska, to construct, maintain, and operate a toll bridge across the Missouri River at or near Decatur, Nebr.," approved June 8, 1940, for the purpose of asking the gentleman from New York what prompted the gentleman to object to the bill.

Mr. COLE of New York. Of course, my objection was only to the consideration and not to the bill. As I understood, it was a bill to authorize the construction of a toll bridge, and that the bill contained no provision which would exempt the Federal Government from having to pay a toll for Government-owned vehicles using the bridge on official business, which I think should be contained in all toll bridge authorizations.

Mr. JENSEN. Is that the custom?

Mr. COLE of New York. I understood it had been the custom. This is the first group of bills of this type that the House has considered in several years. Prior to the war, or in the early days before the war, it was my understanding that such a provision was contained in all toll bridge authorizations. This bill does not contain that provision.

Mr. PITTENGER. Mr. Speaker, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Minnesota.

Mr. PITTENGER. May I say that I have listened to this dialog with interest. The gentleman from New York raised the same objection to a bill in which I was interested last fall, and as I recall it, a simple little amendment providing that the Army and the Navy do not have to pay tolls on the bridge is about all that you need. It strikes me as being a mere technicality, but probably the Government should not pay tolls over this kind of a bridge. I was willing to make an exception in connection with the efforts to get rid of paying a toll on the bridge that now spans the St. Louis River between the city of Duluth, Minn., and the city of Superior, Wis. I think you can safely follow the gentleman's conservative leadership on that matter because the gentleman from New York has had vast experience on far-flung fronts and he knows what he is talking about on this amendment.

Mr. JENSEN. I believe Government-owned vehicles should have toll-free passage over such bridges as are proposed in this bill. I thank the gentleman from Minnesota and also the gentleman from New York for their explanations. I shall cooperate with the gentleman from Nebraska [Mr. STEFAN], author of the bill, to amend the bill so as to make it acceptable for passage 2 weeks hence when the Consent Calendar is again considered on the floor of the House.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

Mr. COLE of New York. I object, Mr. Speaker.

EXTENSION OF REMARKS

Mr. HAYS asked and was given permission to extend his remarks in the RECORD and include an editorial.

CALL OF THE HOUSE

Mr. O'TOOLE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 39]

Almond	Boren	Cole, Kans.
Andrews, N. Y.	Boykin	Curley
Arnold	Brumbaugh	Dawson
Baldwin, Md.	Buck	Domengeaux
Baldwin, N. Y.	Buckley	Drewry
Barrett, Pa.	Cannon, Fla.	Fisher
Beall	Cannon, Mo.	Folger
Bell	Case, S. Dak.	Gardner
Bender	Celler	Gary
Bland	Chapman	Gerlach
Bloom	Clark	Gossett
Bolton	Clason	Gwinn, N. Y.
Bonner	Coffee	Hale
Hall, Leonard W.	Landis	Powell
Halleck	Lane	Randolph
Hart	Larcade	Rivers
Healy	Lea	Robinson, Utah
Heffernan	McConnell	Roe, N. Y.
Henry	McGregor	Schwabe, Mo.
Herter	McKenzie	Shafer
Holmes, Mass.	Mankin	Sheridan
Jackson	Marcantonio	Short
Jarman	Merrow	Somers, N. Y.
Johnson, Okla.	Morgan	Stevenson
Keefe	Morrison	Stigler
Kefauver	Murphy	Thom
Kelley, Pa.	Norton	Torrens
Keogh	Peterson, Ga.	Voorhis, Calif.
Kilburn	Plumley	Wadsworth
LaFollette	Poage	Wolfenden, Pa.

The SPEAKER. On this roll call 339 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

HOUSING STABILIZATION

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 4761, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 10, line 20, strike out lines 20 to 25 and on page 11, lines 1 to 11 and insert the following:

"SEC. 705 (a) Whenever in the judgment of the Director there is a shortage in the supply of any material or of any facilities suitable for the construction of housing accommodations he may by regulation or order allocate, or establish priorities for the delivery of, such material or facilities in such manner, upon such conditions, and to such extent as he deems necessary and appropriate in the public interest and to effectuate the purposes of this title.

"(b) In issuing any regulation or order allocating or establishing priorities for the delivery of any material or facilities under this section, the Director shall give special consideration to (1) the general need for housing accommodations for sale or rent at moderate prices, and (2) satisfying the housing requirements of veterans of World War II and their immediate families."

Mr. HINSHAW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, on yesterday the very distinguished and able gentleman from Texas and I appeared jointly on a radio program here in Washington. He and I have both agreed, and I believe every Member of this House will agree with us, that all Members of this body are eager to do their utmost to see to it that housing is built and, as this amendment states, especially for veterans of World War II and their immediate families. We differ only on the methods to be pursued.

In his opening remarks the gentleman who conducted the program, Mr. Hart, made mention of the President's statement to the effect that we should use our imagination and our utmost endeavors to have housing built, and referred to the magnificent manner in which the people of the United States rose to the occasion when we were required to produce and produce and produce the materials of war.

I would like to call the attention of the Members of the House to the fact that when our industrialists and labor were called upon to produce these materials of war, the first thing that happened was that the President brought into Washington some of the most able, some of the most capable men in the entire field of manufacture regardless of their politics. He set up the War Production Board and put in charge of it exceedingly able men, and they obtained the services of additional able men to man the various departments. We have now in this Government of ours a department which is established for the purpose of arranging the guaranty of loans on housing accommodations. That is known as the Federal Housing Administration. Almost every home owner who builds a home in the United States makes application for a loan under the FHA and the FHA is required to approve that loan, to approve the plans, and everything else in connection with the building of the home before the loan is made.

Now is there any reason in the world why we need to set on top of the present agencies of the Government a new superagency to perform just that function? If a loan be approved by the FHA, should not that be ample authority for a builder to obtain priority to build a home? I just want to say this, that if you want to have a capable group in the Government to direct this program, particularly for the building of veterans' homes, the most able and the most capable group in the Government—and I have high regard for their ability—is the Federal Housing Administration.

Who do you have in this set-up that we have now before us for discussion? I have high respect and regard for Mr. Wilson Wyatt. He is a great salesman. He is a fine fellow. He was the mayor of Louisville. He is an eminent and distinguished attorney. As mayor of Louisville, he organized a housing program for Louisville, Ky., appointed a committee to do that, and they went out and did a lot of talking. They did some work, and perhaps it has been successful; I have not been down there to see. But we have many fine committees in this House, including the distinguished committee in charge of the bill, made up of a lot of fine lawyers, a few farmers, and some businessmen, and some news writers and others. Why not put this program into the hands of men who actually know the building business? I suggest that this bill could be taken back into the Committee on Banking and Currency, and they could call before it the men who actually know what the building business is all about in the United States, and in 3 days they could bring out a bill here on the floor that would build twice as many houses as are presently being anticipated with present priorities, and we will all vote for it.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. HINSHAW. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HINSHAW. They could build twice as many houses, almost, as the present obligations for priorities show to be ready to be built and really expedite this program. Every man jack of us here in the House wants this program to get going and get going fast. Why not listen to these people, and in 3 days bring back a bill that will really produce homes? With all due respect to my colleague, the gentleman from Michigan, I do not think his bill will do very much more than the committee bill; it may do more; it has some parts of the committee bill stricken from it, and the language is much better, but why not do that and cut out all of the fussing here, cut out all the business of calling names and accusing people of obstruction, and bring in a bill that really means something. Instead of criticizing some group, charging it with greed or trying to do something that is wrong, why not consider a new bill that will expedite the production of building materials and quit lambasting everybody in the country who disagrees with the present bill? I am in favor of a bill that will actually produce houses, and not one that will produce a lot of red tape and bad names for people in this country who are going to be responsible for carrying out any building program that this House and this Congress and this administration desires to put in motion. Let us get busy and get the right bill, and get it quickly, and quit all this squabbling.

Mr. Chairman, a contractor can hardly be persuaded to take a contract these days, because he has no assurance that he can get the necessary building materials—even on the black market. But supposing he agrees to try, then he hires building-trades labor. He gets the first delivery of a truckload of bricks. The bricklayers start to work, but they do not see any more brick coming, so what do they do? They naturally slow down, keeping a weather eye out for the next load of brick. The load does not arrive, and then the contractor has on his hands and on his pay roll, doing nothing, but adding to his expense, several bricklayers.

Now, that sort of thing spread throughout the building program, causes three things to happen:

First. The contractor cannot possibly estimate in advance the cost of a home. Therefore, he is unwilling to guarantee a price.

Second. If he does guarantee a price, it has to be high enough to cover the cost of all unforeseeable delays and probable idle labor costs. Of course, the Government wouldn't approve that price as a price ceiling. Hence, your reliable and substantial builders cannot afford, and do not and will not build.

Third. The building trades craftsman sees himself in the uncertain position of going from one building project to another, trying to find a place where building materials are on hand to work on. That means loss of working time to him, and hence, he needs to have increased pay for the little time he actually does work. He has bills to meet, too.

The net result is that building is delayed, the costs are much higher than they should be, the workmen are unhappy, and the GI or whoever it is who pays for the house, has to pay far more than he would otherwise have to pay.

The answer, the very obvious answer, is to free the producer of all kinds of building material, so that he can produce and produce in unlimited quantities. Give him that chance, and he will cut the costs. He neither needs nor wants any Government subsidies. He only needs to be free of Government red tape and controls and restrictions—a mess in which he is now so tangled up that he can hardly move.

That is the simple and obvious answer. More restrictions can only make things worse. The Patman bill merely provides another batch of Government red tape in which to entangle and slow down the business of home building. Right now, you cannot see the houses for the forest of regulations.

A VOTE FOR THE MOTION TO RECOMMIT HOUSING BILL WILL IN EFFECT BE A VOTE TO KILL THE BILL

Mr. PATMAN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the gentleman from California I know is sincere in his statement that the bill should go back to the committee, but I believe that when he knows what has actually happened in the past he will admit that there is no reason why we should send the bill back to the committee. I refer to the fact that this bill was prepared about October 15, about the time that L–41, which had to do with the channeling of materials, was canceled, but it was not introduced until November. It was introduced November 20. The hearings commenced before the Committee on Banking and Currency on December 3. It was well known to people who were interested in this type of legislation that hearings were in progress before the House Committee on Banking and Currency, 1301 House Office Building. The chairman of that committee had requests from all over the country from people who desired to testify.

The first three witnesses were witnesses from the Administration. The next witness was a witness representing the National Association of Real Estate Boards. I believe the gentleman will find that this representative of the real-estate boards from all over the country, who was accompanied by members of his staff who sat there with him and prompted and helped him all during his testimony, fully covered and made an argument against every proposal in this bill that is now objected to. Not only did he testify, but a number of other realtors and builders also testified.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. Does not the gentleman believe that if this bill were recommitted it would be the death of the bill?

Mr. PATMAN. Yes, it would be the death of the bill, because our committee right now is holding hearings in the morning on OPA, and these hearings are likely to last for weeks longer, at least 3 or 4 weeks it looks like. After that we have the British loan and we have other things to consider. It means that we cannot take up this bill if it is recommitted. I think it is out of the question. If anybody wants to kill the bill, vote to recommit it, because that would in effect kill the bill.

Mr. PATRICK. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Alabama.

Mr. PATRICK. A bunch of telegrams have come to me, as I guess they have come to all of us. I have a sheaf of them here. They are dated the 21st, 22d, and 23d of February. They are all from my district, and they ask that the bill be sent back to the committee. This is part of that same campaign.

Mr. PATMAN. They are from Birmingham, Ala.?

Mr. PATRICK. Yes.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from California.

Mr. HINSHAW. I appreciate the views of the distinguished gentleman from Texas. May I ask him whether any representative of the people who are going to have to build these houses throughout the country testified before his committee in favor of this bill?

Mr. PATMAN. Yes; we had a witness from Birmingham, I think, and I know we had one from Houston, Tex., and one from Dallas, Tex., and one from some other place. These were practical builders, who build 5, 25, 50, and 500 houses at a time. They are the people who actually do the work. They were before the committee. The gentleman will see their testimony in the hearings.

Mr. HINSHAW. I have read most of the testimony.

Mr. PATMAN. I think the gentleman will find they were in favor of the legislation, because they wanted to build moderate-priced homes. The people who are opposed to building moderate-priced homes do not like this bill because they can make a lot more money building race tracks and saloons and things like that, and commercial buildings, that are not essential. Therefore, they do not like this bill at all. This bill will channel scarce materials into the most worthy hands.

Mr. KOPPLEMANN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Connecticut.

Mr. KOPPLEMANN. May I say for the information of the gentleman who just interrogated the gentleman from Texas that I had a builder in my office the other day who builds 30 to 40 houses a year. He said he came up to oppose the bill. After he had gone over the bill with me and we had consulted with the Hous-

ing Administration here, he shook me by the hand and said, "Go ahead and vote for that bill."

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. STEWART. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Oklahoma.

Mr. STEWART. Is there any provision in the bill which would permit those of us who live in the lumber-producing areas to build cheap houses out of rough lumber?

Mr. PATMAN. There is nothing in the bill which would prevent you from doing that, nothing at all.

Mr. STEWART. The lumber is channeled into the general pool, together with all of our materials?

Mr. PATMAN. That is, into your own communities. The communities will not be discriminated against. I assure you you will not be hurt by that.

Mr. STEWART. If the gentleman will yield further so that I may observe, the processor of rough lumber has a ceiling of $36 a thousand, but when he sells it to the bigger mill which puts it through the planer mills, this situation confronts us.

Mr. PATMAN. I know something about the problem that you have there. I regret that my time is limited, and I cannot yield further.

Regarding the administration of this act, may I say to the distinguished gentleman from California [Mr. HINSHAW] that he is right about the FHA. The FHA has administered the housing problem very well. It is contemplated under this act that the FHA will administer it. There are no ifs, ands, and buts about it. That has always been contemplated. Mr. Bowles testified for the bill, stating that although he would not administer it, the FHA would administer it and he was for it and felt that it was a good thing for the country. So if the gentleman makes a point concerning the administration of the act by the FHA, may I suggest to him that he should be for the bill because the FHA under Mr. Wyatt's direction is going to administer it.

Mr. HINSHAW. I appreciate the gentleman's statement. I hope what he says is true. Will the gentleman tell me any reason in the world why there must be then a new super, super agency on top of that agency?

Mr. PATMAN. We need this agency for the same reason that we needed the Rubber Director and Expediter. The rubber situation and shortage during the war is exactly on all fours with the housing situation at the present time. In that case, we had an emergency and we needed someone to coordinate and cooperate with all the different agencies. The veterans organizations of World War II are 100 percent for this bill and have endorsed it and are strongly advocating the passage of the bill.

Those are organizations that are 100 percent World War II veterans. There are some organizations composed of Spanish-American War veterans and World War I and World War II veterans, and the rest of them. They are not out fighting for the bill like the others are. Of course, the fact is that most of the veterans of World War I and the veterans of the Spanish-American War and other wars were all here during those 4 years. We had an opportunity to get ourselves a home. Most of us have homes which we either own or rent. We are not in distress like the veterans of World War II. And they have come back home and find themselves without homes. They want this bill passed. Furthermore, I desire to call to your attention the fact that there is a lot of information going out over the country to vote against this bill because it has a $6,000 ceiling provision in it. It does not have a $6,000 ceiling provision and nothing along that line is contemplated. I had considered offering an amendment in the committee, but I decided it would not be a wise thing to do and I abandoned it. I am not going to offer it here. I understand no such amendment will be offered providing for a $6,000 ceiling. We leave it to the Administrator, believing that if his hands are left free and if we give him the tools to work with, he can do a better job by not being handicapped by restrictions and limitations as to ceilings. I ask the Members of the House to seriously consider this great emergency. I know that you are just as interested in the welfare of the veterans as I am. It is not a question of the veterans' interest alone; it is also a question of us carrying out a duty which we owe to these men to help them get houses and help make it possible for them to either rent or buy a house. I do not think it is unreasonable. I do not think it is demagogic. I do not think it is communistic to say that these men and women, 15,200,000 strong, who served during World War II, that is, 35,000 men and women from each congressional district, most of whom were gone for 4 years, during which time the people who remained at home, including the war workers, were assisted by Congress in the form of appropriations and subsidies voted by the House, could buy or rent houses on reasonable terms, as I say, I do not believe it is unreasonable to give the men and women who served in our armed forces 2 years' time so that they can get a home.

Miss SUMNER of Ilinois. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, with reference to this question of whether there were sufficent hearings, which has been discussed on the floor, I think you want to know what the record shows. On Monday, January 28, there was an argument in the committee, led by the gentleman from Wisconsin [Mr. CRAWFORD], because the chairman would not permit the witnesses who were in opposition to the bill to be heard. The hearings, as you will see on page 405, recorded that controversy as follows——

Mr. SPENCE. Mr. Chairman, will the gentlewoman yield?

Miss SUMNER of Illinois. In just a moment.

The CHAIRMAN. We will have to meet in executive session on this bill by Friday. We have some other things to come along.

Mr. CRAWFORD. This bill, Mr. Chairman?

The CHAIRMAN. Yes.

Mr. CRAWFORD. As far as I am personally concerned, I am not going to agree to that because time and again it has been understood here that the opponents to this bill would be permitted to appear.

The CHAIRMAN. We are going to hear the Office of Price Administration Tuesday.

Mr. CRAWFORD. That may be true, Mr. Chairman, but——

The CHAIRMAN. If you have some people that wish to be heard on Thursday or Friday, bring them in.

Mr. BUFFETT. Mr. Chairman, we have had hearings on one side of this proposal over a period of weeks. It seems to me just fantastic to come in now and say that we are going to wind it up in 3 or 4 days, without giving at least a couple of weeks for people to be heard on the other side of this proposal.

The CHAIRMAN. We cannot have any couple of weeks now. We have already set the Office of Price Administration bill for next Tuesday.

That ends the quotation as I recorded it from the hearings. I think you will find from further observation that they just had 2 days in which the opponents could testify.

I now yield.

Mr. SPENCE. The people who made the request were satisfied with the position that the chairman took, were they not? Do you know of anybody who was refused who actually wanted to be heard, whose name was submitted?

Miss SUMNER of Illinois. I know plenty of witnesses who wished to testify.

Mr. SPENCE. Of course, we could not just seek potential witnesses, but everybody who asked to be heard was given an opportunity to be heard. That is my recollection and that was my intention. Of course, after the hearings were over——

Miss SUMNER of Illinois. I do not yield further.

Mr. SPENCE. A good many of them said they wanted to be heard.

Mr. WOLCOTT. Mr. Chairman, will the gentlewoman yield?

Miss SUMNER of Illinois. I yield.

Mr. WOLCOTT. To clear up the latter situation, 2 days were allocated for the so-called opposition witnesses. I was given the obligation of lining up the so-called opposition witnesses. I sent out 8 or 10 wires to representatives of industry and representatives of labor to determine if they could appear on those particular days. That was about 48 hours before we were supposed to present them. I received wires back from all but two of them that because of the shortness of the notice they would be unable to appear. Otherwise they would like to have been before the committee.

Miss SUMNER of Illinois. And above all, do not forget that the most dangerous part of this housing program was not announced by Mr. Wyatt until 2 or 3 hours after the bill was voted out of the committee.

The CHAIRMAN. The time of the gentlewoman from Illinois has expired.

Mr. LESINSKI. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, the reason I am taking the floor at this time is on account of

the strong lobby for premium payments restoration of title VI. I have been in the building business since 1903 and in the lumber business since 1913. I am worried about title VI, for one reason. Over 20,000 homes for war workers were built in my district and I know I have presented dozens and dozens of complaints to Mr. John Snyder and the FHA, and they have not been taken care of today.

As title VI was originally written it permitted the builder to mulct the public of at least $10,000,000 in my district.

That is the reason we should stick to title 2, but if you must have title VI, then the protection should be given to the public the same as it is in title 2.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. LESINSKI. In just a moment.

I wish to bring another matter to the attention of the Committee. I have actual invoices of lumber purchased from 1940 to December 1945. I have here an invoice of September 25, 1940, one car 2 by 4 by 8, No. 2 common, S4S, $28 per thousand, less freight, which was $114; a net total of $419.

In other words, lumber in those days was $28 per thousand free on board track, less $9 freight, or $19 free on board mill.

The following invoice on April 18, 1941: A car of 2 by 4 by 8, $29. The price went up a dollar, but the same procedure.

On May 31, 1941, a car of 2 by 2 went up to $32 per thousand, less freight.

On June 19, 1941, a car was shipped at $32, less freight, less discount.

September 3, 1941, the price already went up to $37.

October 23, 1942, the price went up to $40, but the difference is this: Instead of being billed as No. 2 common, for construction work, it has been billed as medium, fine grain, coarse grain, special, 2, 3, 4, select E, and everything you could think of under the sun. I think that is wrong.

I have a bill for a one-car shipment that takes two pages of items and yet it is only one item for construction. The mistake was made that that lumber was sold in the rough on the west coast.

I have a bill for a carload of lumber amounting to $822—that is, in two bills—for resawing in transit $215.86 and a freight bill of $768.63.

The trouble with the shipping of lumber is that the grades were changed after the war started. What should be done first, is to come back to the regular grading used in prewar days. In other words, in construction you do not need any better lumber than No. 1 common, or No. 2, and the differential between those grades is anywhere from $3 to $4 a thousand. I have invoices to show that certain shippers instead of shipping yellow pine lumber will ship you No. 2 gum, poplar, or tupelo at a price of $42.50 mill plus freight, and for No. 1, $25 additional per thousand.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. LESINSKI. I yield to the gentleman from Texas.

Mr. PATMAN. The gentleman mentioned title VI. Under that title we had no houses built during the war. I am going to offer title VI as an amendment and I hope the gentleman will not oppose it.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. CRAWFORD. Mr. Chairman, I ask unanimous consent that the gentleman may be permitted to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. LESINSKI. Mr. Chairman, in reference to title VI, may I say that under title VI a builder is permitted to go ahead and construct a certain number of houses on Government credit. Under title II he has to do it on his own credit. In connection with buildings I have inspected in my territory, a builder sold a widow of a GI, a home for $6,000 which should have cost only $5,000. She paid $2,500 down and $3,500 FHA loan. The most brutal thing in connection with dealing with this GI widow was that she had to pay rent for 3 months before the title came to her and she had to prepay all costs.

The FHA costs run approximately $140 or $150. Her total prepaid costs were close to $700. Then she had to pay for laying the water mains, she had to pay for laying the sewer in the rear, she had to pay for the grading of the street, she had to pay for a sidewalk in front of the house, she had to pay for the grading, all of which should go along with the cost of the house.

That is the reason that if title VI has the same protection as title II it is admissible, but if it has not, then title VI should not be considered because you are going to give the builder, who is not what we call a legitimate builder, the opportunity to skin the public to whom he sells the house.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield further?

Mr. LESINSKI. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Will the gentleman refer to the language detailed in the invoice he has there, the one with all the detail on it? Now, in the prewar experience how many lines would there be on the invoice to cover that whole shipment?

Mr. LESINSKI. About three lines.

Mr. CRAWFORD. Every lumberyard in the country is running short-handed. An invoice comes in for a carload of lumber. In checking that material out of the car you have to count every piece, do you not?

Mr. LESINSKI. That is correct.

Mr. CRAWFORD. So as to accommodate itself to the invoice. The accounting department of the lumberyard has to go through all that detail and, as the gentleman said, we have some of the most asinine regulations I have ever seen when we were trying to get these things done. The gentleman is asking that we return to the prewar method of billing lumber.

Mr. LESINSKI. And cut nothing but No. 1 and No. 2 construction lumber, and that should be done in the following way: There should be a directive that 75 percent of the lumber shall be cut for construction work. It does not make any difference about the other 25 percent of the western production. They are now cutting what we call decking and scaffolding lumber, which costs twice as much as the regular construction lumber would cost. The mill that produces that lumber does not manufacture it. It merely produces the lumber. They have to load that on cars with green lumber, which weighs 4,500 pounds, instead of 2,200 pounds. It goes to a stop in transit point to be unloaded. There they cut it and reload it, and that costs an additional $20 per thousand; and at the same time you are paying freight on the 4,500 pounds. That carload arrives at a retail yard. You have to strip the lumber, dry it, then pick out the grades, cut to sizes, and remanufacture into pattern.

Mr. CRAWFORD. And if you remanufacture, you have to run it through your own sawmill in the lumberyard, which costs an additional amount?

Mr. LESINSKI. That is right.

Mr. CRAWFORD. All of those costs have to be paid on top of this increase in price that has been reflected in the invoice?

Mr. LESINSKI. Yes; take a producing mill, instead of getting $2 a thousand under OPA regulations for kiln-dried and manufactured lumber they should get $5, $6, $8, or $10 additional a thousand. Then the producing mill will produce that carload and deliver to the retailer's yard, but by the present method you pay $20 a thousand for transit stop-over to have the lumber cut to sizes. Then the retailer still must pay on a weight of 4,500 instead of 2,200 pounds in the kiln-dried method. You also want to remember that lumber takes a freight rate of $1.05 a hundred, which means $21 or $22 per thousand on kiln-dried lumber, but you are paying $45 for freight on green lumber.

By this method you can cut off all the expenses if the producer is permitted to kiln-dry that lumber and ship direct to small retailers.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. LESINSKI. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. Is it not a fact that they are going through this resawing in an effort to show up higher prices than they are entitled to?

Mr. LESINSKI. No; eliminate the actual stop-over in transit and have the producer of the lumber manufacture it at its source.

Mr. SPENCE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there has been some question about the fairness of the hearings on this bill. The hearings consist of over 570 pages. The chairman at all times offered those who wanted to be heard the opportunity to be heard. For a long time after the hearings started few Members on the other side took much interest in the hearings, and they were not well attended. Finally, before the conclusion of the hearings, they said they wanted some time for the opposition. I told them they could be heard Thursday, Friday, and Saturday. It is my recollection that the gentleman from Michigan [Mr. WOLCOTT], the ranking minority member, said he thought that was fair. I said that they had to clear

through him. They probably did not produce as witnesses those whom they desired to be heard. We concluded the hearings, and then there was a general interest in being heard. During the hearings I offered the opportunity to Members representing industry to appear before the committee and be heard, and they refused to do so. After the hearings had closed they said they wished to be heard.

Now, if you recommit this bill, you kill it. The Committee on Banking and Currency is very busy. It is busy with important legislation. We are hearing the OPA legislation now. The British loan will follow, and there is much other legislation of great importance which will be submitted to that committee. There is no doubt about what the result will be if you recommit it.

The gentleman from California has said that we ought to have builders to administer the law. Well, a man might be an excellent builder, he might thoroughly understand his business as a builder, but he might have no capacity whatever to administer a law of general application. I think it would be very short-sighted to put upon the Board merely builders, because they have had no experience in the administration of laws, and they probably would make a great failure of it. It is always bad policy to put on boards men who have a personal interest. I think that you must have an Administrator who has demonstrated his knowledge of the law and the capacity to construe it and administer it.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from California.

Mr. HINSHAW. I am sure the gentleman did not hear me say that builders should be set up to administer the law. I said that a person with long experience in the building field should have that job.

Mr. SPENCE. A man with long experience in the building field would be a builder.

Mr. HINSHAW. Not a carpenter; I did not mean that, but a man of considerable experience.

Mr. SPENCE. I heard a story once of a man who came to where they were constructing a great building, and he said to one man, "What are you doing?" He said, "I am shaping stone to be put in this building." He said to another, "What are you doing?" He said, "I am mixing the mortar to hold the stones in place." He said to another, "What are you doing?" He said, "I am a carpenter; I am making the framework." And he said to the fourth man, "What are you doing?" He said, "I am building a cathedral."

You have to have men with vision to build great cathedrals, and you have to have men with vision of a different kind to administer the laws. I think we have a pretty good Administrator in Mr. Wyatt, and I do not believe he can be improved upon by selecting some builder, as useful and as fine an occupation as they have. I hope the builders will get together and carry out the purposes of law. There is where the builders can show their usefulness and render a great service to the American people.

Mr. SMITH of Ohio. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I think it will be of value to the House to know something about the meeting at Chicago of the National Association of Home Builders and the circumstances surrounding their endorsement of the subsidy provisions. My information comes from one who participated in that meeting.

A meeting of the board of directors of the National Association of Home Builders was held Wednesday, February 27, 1946, during a convention week in Chicago, prior to Mr. Wyatt's evening address when the points on his 15-point program were presented. The point which had to do with subsidies was considered in the form of a motion which was to reject it. That motion carried unanimously. There was not a dissenting voice among the members. The proposition had been carefully considered prior to the time the vote was taken. This action was in the form of a suggestion to the resolutions committee.

That same evening Mr. Wyatt addressed the convention. The next day he appeared before the board of directors and argued for subsidies. The gist of his presentation was that his program could not be carried out unless subsidies were provided.

Picture in your mind the situation: Here were the directors of the National Association of Home Builders, representing thousands of local industries throughout the country. The directors of the association met to discuss the Wyatt program. Their minds were normal, expressive of their real needs. In this calm and independent state of mind they unanimously agreed to reject subsidies. Then Mr. Wyatt appeared on the scene, armed with the Federal power further to withhold building supplies from going to home construction. He told the directors of the National Association of Home Builders, who had the day before unanimously voted to reject subsidies, that unless he is given subsidies he cannot operate his program. That is, Mr. Wyatt just as good as told them that unless they endorsed subsidies they would not get lumber, brick, and other materials they need to build homes. Can any Member deny that Mr. Wyatt was armed with huge Government power? Is it supposed this did not have some effect in causing the directors to change their minds? Does not this simulate the methods Hitler used to bring industry under his control? Was it fascism when Hitler did them, and is it something else when our Government officials do them?

Mr. MONRONEY. Mr. Chairman, will the gentleman yield so that his remarks may be clarified? I have listened attentively to the statement of the gentleman. I would like the gentleman to say in clear language if it was the intent of his statement to say that under fear of Mr. Wyatt's powers the American Association of Home Builders reversed its stand because they were afraid of punitive action being taken against them. I want the record to be clear on that point.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Miss SUMNER of Illinois. It is not important whether these powers were used that way. The story, whether it is true or not, serves to show that he has these Hitlerish powers and how they can be used.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. MONRONEY. Mr. Chairman, I ask unanimous consent that the gentleman from Ohio [Mr. SMITH] may have two additional minutes so that he may answer my question.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. SMITH of Ohio. Your question is whether the National Association of Home Builders was coerced in approving subsidies.

Mr. MONRONEY. I asked if the gentleman charges that they were coerced into approving subsidies, yes, sir. I would like to have that question answered.

Mr. SMITH of Ohio. I charge that Wilson Wyatt was in a strong position to coerce the National Association of Home Builders to approve subsidies.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

The only power that Mr. Wyatt has without congressional action is the power to handle the distribution of materials. Does the gentleman contend that that power was sufficient to change the minds of the home builders?

Mr. SMITH of Ohio. I have answered that question. However, when the gentleman from New York [Mr. BARRY] says Mr. Wyatt only has authority to handle the distribution of materials, he is mistaken. In respect to the housing industry he has the support of the President who is vested with all the powers related to that industry granted by Congress. Those powers are in many respects totalitarian, since they include those of the OPA, those under the Second War Powers Act, and so forth.

Mr. MONRONEY. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, within the past hour I have discussed the matter of subsidies to stimulate production of building materials with the president of the National Association of Home Builders and with their executive vice president. I discussed it at length with them. I discussed it with the vice president of the association, who happens to be one of my constituents, and I would like to tell the House that nothing could be as far from the truth as the insinuation made a few minutes ago, that any duress or fear or threat or anything else but their own judgment had anything to do with the reversal of the stand of the American Association of Homebuilders.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, let everybody take a deep breath and "unlax" and consider what the issues are before the House. I

do not believe anyone can seriously contend or should contend that Mr. Wyatt is the issue. I have said repeatedly that I thought it was very refreshing to have in government a man of Mr. Wyatt's enthusiasm and willingness to work; and so this bill should not be judged on Mr. Wyatt as an individual.

We have made some mistakes in years gone by in predicating legislation on the fact that some particular individual would have the responsibility of administering the act. As far as I know until I find to the contrary I am going to state that Mr. Wyatt is a very honest-minded, conscientious individual with whom I can disagree and still be friendly, a man with whom I can disagree and still have admiration for; and I hope that when we have gotten all through with these debates, realizing that Mr. Wyatt temporarily at least is going to have the administration of the act, we will not do anything which will prevent the people of the United States from having full faith and confidence in Mr. Wyatt's integrity, honesty, and ability. I do not believe that Mr. Wyatt's personal business is a matter which is properly before this Committee. Neither do I believe it is proper to legislate on what the National Association of Homebuilders happened to do in Chicago, what resolution they passed in Chicago, what resolution they did not pass in Chicago. That should not affect us any more here in this Committee than what any other individuals have done. I have quotations from all sides of that problem in my pocket but I do not think they are worth burdening this committee with.

To go on further with whether or not the National Association of Homebuilders did or did not do something particular in Chicago is of little moment. After all, there has been a denunciation of lobbying on this and a good many other bills, and Members always take the floor and lament the fact that the lobby results in hysteria, that the lobby results often in hysteria to the point where legislation is warped because of mass psychology engendered by their actions. However, lobbyists can be and oftentimes are helpful. Of course, lobbyists over the week end have been at work on both sides, which is perfectly all right. That is the American way of doing things. We want to hear from the administration as well as from the people who are going to be affected by this legislation.

Mr. Chairman, let us from now on, please, dispassionately and without rancor or without attempting to try any individual get on with this work, because it is important that we consider seriously a housing bill and that we enact some housing legislation that will aid the Expediter, whoever he may be, in doing everything he possibly can within reason and according to the dictates of what we think are desirable measures to get the bottleneck broken and housing for our veterans and our needy civilians.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. ARENDS. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I hope I can follow the suggestion just made by the gentleman from Michigan [Mr. WOLCOTT]; that is, hew to the line and get to the bottom of the trouble and stick to the business before us.

Mr. Chairman, for four long days this House has been debating the question of providing much needed housing in the United States. Frankly, I must say that it appears the House is terribly confused as to what steps would be best to follow in order to provide sufficient housing, particularly for the many deserving veterans who now find themselves unable to obtain a dwelling in which to live.

While home for a couple of days during the forepart of last week, seven lumber and material dealers of Bloomington, Ill., in my district, called upon me regarding this home-building problem. We had a rather lengthy discussion as to what might be done by the Government in order to facilitate this necessary building program. These lumber dealers of my district have certain ideas of their own which they definitely feel would be of help toward the solution of the problem before us. They have set forth eight definite suggestions which I desire to call to your attention. Here are the steps which they feel to be imperative if we are to have early relief from the present extreme lumber and building shortages. I quote their letter:

The low production of lumber, confusion in its distribution, and the rapidly growing black market in building material is a vital national concern today. Immediate, definite remedial steps are imperative.

Necessary steps, we believe, are—

1. Increase at once by OPA of mill ceiling prices of $10 per thousand board feet of kiln dried yard items in fir, hemlock, white pine, and southern pine. These items include No. 1 and 2 grades of 2-inch dimensions, same grades of 1-inch boards, shiplap and centermatch, "bundled uppers" such as flooring, ceiling, siding, etc., and inside trim and moldings and hardwood flooring.

2. OPA's policy of cost absorption down the distribution line is entirely fallacious and only tends to retard the recognized needed building. OPA seems to utterly ignore the fact that every business is laboring under greatly increased costs of operation over 1941, and definitely needs more instead of less profit to continue operation.

3. Reduce prices for export lumber to at least a par with mill ceilings for domestic sales. Present lack of ceiling prices on export lumber encourages foreign sales of the lumber needed in the United States today. Place a moratorium on any export lumber for at least 12 months.

4. OPA regulations should be amended to stop and eliminate retail sales by mills and wholesalers except on like volume if done in 1941. That practice is now permitted and is becoming a common practice through many subterfuges, such as affiliates.

5. Federal subsidies are not the proper answer to production of needed building materials. Adequate manufacturers' price increases will accomplish the same end quicker and more effectively. The cost, borne in either case by the Nation's citizens, will be greater through subsidies.

6. Limit for balance of 1946, except through permit of State government, Federal Government, industrial, and commercial building projects.

7. Prefabricators and such should not be given special allocation and consideration in obtaining materials. Utmost should be done, or permitted, to allow materials to move through their natural prewar channels.

8. Keep regulations to barest minimum. They only delay and retard building accomplishment. If given a reasonable chance of a fair profit, manufacturers, distributors, and contractors will get the job done quicker, better, and cheaper. Not regulations, but a reasonable profit expectation is the ignition of American production.

These things are necessary to get increased production of items needed and to stop black-market operations which have already reached enormous proportions, and makes it practically impossible for honest dealers to secure any lumber or building materials necessary to build small homes.

Failing the accomplishment of these steps at once, it is our serious opinion that the lesser of the two evils would be the prompt, complete elimination of OPA.

Respectfully yours,

Seven material dealers of Bloomington and Normal, Ill.: Parker Bros., Harwood Lumber & Fuel Co., Schwulst Lumber & Coal Co., Corn Belt Lumber Co., West Side Coal & Lumber Co., Baumgart Lumber & Coal Co., Alexander Lumber Co.

Mr. Chairman, it does seem to me that these worth-while suggestions set forth above, merit the attention of the Congress, of the OPA, and all construction agencies. You simply cannot build a house unless you have material to build with. I am not, nor can I be, convinced that the payment of subsidies is the answer to the difficulty. Let us give private enterprise and individual initiative the greatest possible opportunity to do the job of building these needed homes. Restrictions and more restrictions serve only to slow up the whole program. I am certain that private industry can do a job if we will only give them the go-ahead signal.

Mr. CRAWFORD. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, if I understand correctly, we are discussing the committee amendment on page 11, known as section 705 (a); is that correct?

The CHAIRMAN. The gentleman is correct.

Mr. CRAWFORD. This section has to do with giving the Director a chance to exercise his judgment, and reads as follows:

Whenever in the judgment of the Director there is a shortage in the supply of any material or of any facilities suitable for the construction of housing accommodations, he may by regulation or order allocate, or establish priorities for the delivery of, such material or facilities in such manner, upon such conditions, and to such extent as he deems necessary and appropriate in the public interest and to effectuate the purposes of this title.

As I understand this language there is no clear-cut provision there which places the Director in a position where he must allocate the materials for the purpose of repairing or building facilities in any farming communities.

Mr. Chairman, at the proper time I shall offer two amendments, the first one being in line 15, following the word "accommodations":

in rural and urban areas and for the construction and repair of essential farm buildings.

Then on line 24, page 11, I will offer another amendment following the word "prices":

(2) The need for the construction and repair of essential farm buildings.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from California.

Mr. HINSHAW. I think the gentleman must offer his amendments before the section is passed. If that section is agreed to, the gentleman will not have an opportunity to offer his amendments.

Mr. CRAWFORD. The Parliamentarian informed me otherwise, and I am depending on what the Parliamentarian told me.

Mr. HINSHAW. If the gentleman will ask the Parliamentarian now he will see I am correct.

Mr. CRAWFORD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CRAWFORD. I understood, unless I misunderstood the Parliamentarian, that I could not offer an amendment to this section until the committee amendments had been acted upon and the bill thus perfected. In other words, may I at this time offer an amendment to the committee amendment?

The CHAIRMAN. Yes.

Mr. CRAWFORD. Then I misunderstood the Parliamentarian.

Mr. Chairman, I offer three amendments to the committee amendment.

The Clerk read as follows:

Amendments offered by Mr. CRAWFORD:

Page 11, line 15, after the word "accommodations", insert "in rural and urban areas and for the construction and repair of essential farm buildings."

On page 11, line 24, after the comma, insert "(2) the need for the construction and repair of essential farm buildings."

Page 11, line 24, strike out the numeral "(2)" and insert in lieu thereof the numeral "(3)."

Mr. CRAWFORD. Mr. Chairman, the language of these amendments is self-explanatory. These amendments are necessary to protect the farmers in their repairs to buildings and the construction of essential farm buildings. I do not care to take up any additional time of the House in further explaining the amendments. I hope the amendments will be adopted.

Mr. SPENCE. Mr. Chairman, I make the point of order against the amendments that they are not germane.

Mr. CRAWFORD. Then, Mr. Chairman, I want to be heard on the point of order.

The CHAIRMAN. Was the gentleman from Kentucky seeking recognition at the time the amendments were reported?

Mr. SPENCE. Mr. Chairman, I was not familiar with just what the amendment contained. The gentleman who offered the amendment said he had not written it out.

The CHAIRMAN. The Chair is of the opinion that the point of order comes too late, because the amendment was debated by the gentleman from Michigan after it was reported.

Mr. CRAWFORD. Mr. Chairman, I want to make clear to my chairman that when I spoke to the Parliamentarian about the amendment, asking at what point I could offer the amendment, I understood from him that the amendment could not be offered until all of the committee amendments were adopted or acted upon, so I was simply unintentionally misinforming myself in that manner. I have no misunderstanding about what the amendment is or its purpose.

Mr. BROWN of Georgia. If the gentleman will yield, as I understand, the gentleman was giving the same treatment relative to houses to the rural people as to those in the cities and towns.

Mr. CRAWFORD. That is the purpose of this amendment.

Mr. SPENCE. I have no objection to that, if that is the only purpose of it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan to the committee amendment.

The amendment to the committee amendment was agreed to.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 1 hour.

Mr. WOLCOTT. Reserving the right to object, Mr. Chairman, I do not understand that there is any controversy before the Committee at the present time. We are all anxious to get to the controversy, which comes in the next section. Unless the gentleman wants to prolong general debate on the bill, there surely is no necessity for prolonging the debate for an hour on this amendment.

Mr. PATMAN. There are some Members here who have been trying ever since the consideration of this bill started to get into the debate, but they have not had an opportunity to do so. There were 12 Members standing. This request will allow them 5 minutes each.

Mr. WOLCOTT. We have had general debate, virtually, on this bill for about 4 days.

Mr. MARTIN of Massachusetts. Is there anyone standing who has not already spoken several times on the bill?

Mr. HOFFMAN. Some of us have been trying for 4 days and have not been able to speak on the bill yet. We have been here for 2 days while Members went up to New York and Philadelphia and other places.

Mr. SPENCE. It seems difficult to please Members. If you make the time too short you are cutting them off, and if you make it too long, that also meets opposition.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. WASIELEWSKI].

Mr. WASIELEWSKI. Mr. Chairman, Not to change the subject, but because it is rather difficult to gain the floor when one desires, I wish to take this opportunity to discuss an amendment that will be offered later. I have listened intently to the debate on the housing bill before us for the past several days. Frankly, because I have never believed in subsidies, I have found difficulty in accepting some of the contemplated provisions in this legislation. I have been in great hopes that a more suitable and palatable solution might be brought forth but none seem to have been presented.

Since I have been a Member of the House of Representatives I have voted against subsidies consistently until we got into the price-control field when it was found necessary to resort to subsidies as a price-control measure, and even then I voted for subsidies with my tongue in my cheek.

The problem before us is not just the construction of homes. It is the making available of materials needed for the construction of homes. Under the present set-up, building materials just are not being produced. Some charge that the fault lies with the Office of Price Administration, and there are other charges, but regardless of where the fault lies our job is to see that the materials are produced and made available at once, in order that our returning veterans shall have a place to live.

With the debate on this measure coming to a close, we have four choices before us.

First. We can permit a wholesale rise in the price of building materials. If we do, it will mean there will be no truly low-cost housing that can be dignified as a "home, and we will have no housing within the reach of the pocketbook of the veteran.

Second. We can have the Government enter the housing business, build the homes and rent them at from $30 to $50 a month regardless of what they might cost, and you know from experience that when the Government builds, it costs plenty. This would really be a subsidy.

Third. We can pass the Wyatt proposal which does not grant a general price rise, but increases production from both new and old producers and thereby increases the flow of materials for the construction of the new homes that are so badly needed.

Fourth. We can do nothing and our veterans and others will have no moderate-priced homes and the Congress will have failed in the fulfillment of its responsibility.

I have consistently opposed subsidies since I have been in Congress. I have opposed subsidies for crops like cotton, tobacco, and sugar beets. In fact, only last week I voted against the ship sales bill because to me it represented too great a subsidy. To be consistent, I suppose I should vote against subsidies today. But I find the situation is so different that I cannot follow my previous convictions, for I have no better proposal, and have heard none presented in the course of debate. While I do not want subsidies, I do want homes for the Americans who not so long ago were willing to lay down their lives for us. Therefore, I shall vote for the Wyatt proposal.

Let us grasp this fact: For every 10 homes now standing we have to build 1 more during the next 2 years. This is a tremendous task and will require unusual action in order that it may be realized. As production gets under way and supply and demand even up it may be possible to get production without subsidies and the cost of this program reduced.

Mr. Chairman, I wish to take this opportunity to call on the Members on both sides of the aisle to reject politics and face the problem before us squarely. The

need for homes is not a theory but a ghastly reality. We must have the houses. Time is of the essence: the building season is here and it is imperative the program be gotten under way.

The CHAIRMAN. The gentleman from California [Mr. JOHNSON] is recognized for 4 minutes.

Mr. JOHNSON of California. Mr. Chairman, I have been listening to this debate for 3 days, and I am almost as confused as I was when the debate started.

In order to understand my viewpoint and what is probably the viewpoint of many Members present, I want to recite to you the situation that confronts us in my part of the country.

I represent a typical war district. The increase in population in my district has been 150,000 during the war. There is not a single available house that I know of. Veterans are coming back, and they are literally walking the streets. If we do not have places for them to live in, we may have riots, we may have bloodshed and all kinds of trouble. The very ones we want to provide houses for, it is now impossible to take care of by giving them a chance to get or rent a house. Furthermore, we have a terrific increase in the amount of money that each person in my district has in his pocket. I do not see how production of houses can possibly meet the demand for houses within 2 years. The result is that whatever houses are built, unless there is some type of restraint, will go on the market at prices so high that very few if any veterans will get them. They simply do not have the money to compete with other buyers, unless some way is found to hold down the cost of houses.

To illustrate to you how inflation has set in, in the matter of houses, I want to tell you of my own personal experience. In 1919, when I came out of the other war, I bought a little home for $2,850. That home has hardly been improved at all, except by landscaping the yard and putting a cement walk in front of it. Yet, in December 1945, 26 years after I bought that little house for $2,850, it sold for over $6,000. It was sold by a man who bought it from me way back in 1929 and who made no improvements to it.

How can we stop this inflationary trend? That is what troubles me. It seems to me the Wolcott amendment offers one way to do it. He says, and I know it is true, that the present Administrator, Mr. Wyatt, has every possible power that he needs to put on ceilings, to take off ceilings, to override the OPA, to make premium payments, and to do anything he needs to carry on and expedite the building of houses. He has that power under the Wolcott amendment and the War Powers Acts. It seems to me that the exercise of such power by the Administrator is the only way we can stop this trend toward inflation and bring houses down to within the means which the veteran has.

Furthermore, the way to get efficiency out of this mass-building project is to give it to a czar. That is the way we got efficiency and volume in rubber production. That is the way we have handled other war problems. This is a war problem. This is one of the most distressing war problems, directly resulting from the war. The very ones we are trying to benefit, the ones we are trying to help, are the ones who stand in the position of being least favored. Give it to the man who has powers which are flexible, who can give the premiums necessary to get the items that are short, like plaster, molding, cast-iron pipe, and what not. Whatever is necessary for him to get production he is empowered to do.

After studying this subject for 3 days, it seems to me our best course is to pass the Wolcott amendment and give Mr. Wyatt these unlimited powers. The situation and the times require that we give this housing czar these broad powers to get the houses the veterans deserve and need now.

The CHAIRMAN. The time of the gentleman from California has expired.

The gentleman from California [Mr. DOYLE] is recognized.

Mr. DOYLE. Mr. Chairman, as an aid to clear thinking I thought I would do a little comparing of the two bills before us, the Patman bill and the Wolcott substitute. I realize that most Members of the House have not had a chance to get possession of the Wolcott amendment, but I asked 11 Members of the House if they had read it. Only one said he had.

The language of the Patman bill and the Wolcott bill is almost identical in statement of purpose, each being substantially to permit returning veterans to acquire housing at fair prices. The difference in the Wolcott substitute is that the word "equitable" is added to the word "fair."

If it be said that the Patman bill is indefinite and uncertain, as was said the other day, as to whether or not the Housing Expediter had power to direct the other agencies of the Federal Government to follow through, I call your attention specifically to page 3, line 2, where the following language is found:

> The Director shall have the power to issue directives on policy to those Federal departments and agencies which have functions relating to or affecting housing.

This is not uncertain language, it is all inclusive language. The thing the Wolcott substitute does, in this connection, is to use about five times as much language to say the same thing. Evidently the author of the Wolcott substitute wanted to make certain the Expediter has plenty of control over others. So as far as bureaucracy is concerned, if the Patman amendment leans toward bureaucracy, the Wolcott amendment makes it doubly clear that the intention is to have the Director or Expediter have control of all the Federal departments or agencies as he might decide necessary in this housing field.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield to the committee member.

Mr. BROWN of Georgia. I think the only practical difference between the Patman bill as reported out by the committee and the Wolcott bill is that in the Patman bill we have ceilings on new homes. The Wolcott bill has some businesslike subpenas, getting of books, and so forth.

Mr. DOYLE. I thank the gentleman from Georgia for that contribution.

However, there are some other items of major importance—even though no one else has yet debated about them.

I call attention now to the apparent fact that the Wolcott bill carries heavier penalties than the Patman bill, for, section 703 in the Wolcott bill provides for 2 years' imprisonment instead of 1, as in the Patman bill, with the same $5,000 fine as in the Patman bill.

Then I call your attention to this also, that under section 707 of the Wolcott bill, it allows the Federal Government to spend $1,800,000,000 more than the Patman bill. Why should minority Members and a few others be complaining about spending too much money in the Patman bill in this manner when the Wolcott bill makes it easy to spend over $1,500,000,000 more than the Patman bill does?

Now as to court jurisdiction. I am a lawyer and I always look at the question of jurisdiction of courts. The Wolcott amendment does not specify what courts shall have jurisdiction. This probably means confusion in court decisions, delay in court processes. The Wolcott amendment does not give priority, on the court calendars, to these cases as does the Patman amendment. This means very serious delay and consequent losses. In other words, the Patman bill specifies that cases arising under this act shall take priority. This is as it should be. We all know that. You lawyers know that on a court calendar in a metropolitan district this is very important. So there is no jurisdiction defined and no priority given by the Wolcott bill. The Wolcott amendment is absolutely silent in this respect, and to me it is damaging to the extent that it ought to be defeated. Either in prosecution or in defense these cases should clear the calendar with utmost dispatch.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I have but a minute left; I cannot yield. I am sorry.

Section 707 of the Patman bill provides that if a person is aggrieved by the order or regulation he may go to court for court review. It leaves him recourse to a court constituted to appeal from an administrative decision, which may be most unjust and arbitrary or capricious. This is as it must be to be sound. The Wolcott bill does not provide that.

I have not tried to discuss the same matters which have been discussed for 3 days, but, for these reasons, I say that fundamentally the Patman bill is sound and will operate to protect the rights of the American people in these matters relating to court processes, far more than does the Wolcott bill. The Wolcott bill is not sound in these particulars. It should not be adopted in this form on these vital matters.

Finally, it is indicative to me, although I am not a builder, when the National Association of Homebuilders says in its telegram recently as follows: "We unanimously endorse the objectives of the Wyatt housing program" that the entire home-building industry will support and cooperate with Mr. Wyatt. Here, then, is a national board of directors, assembled to consider this bill and to hear Mr.

Wyatt discuss it with them. They did both. They were convinced by their study. Their great experience and responsibility in this field is very convincing to us, gentlemen.

The following is the full text of the wire of the National Association of Homebuilders, by their Nation-wide directorate. Every Member knows it and has had it available since it was distributed to us last week. Certainly, no one can claim that this group who sent this telegram lacks in determination to perpetuate our American way of life and our American competitive plan and free enterprise. This board of directors is comprised of experts in their own chosen field. They personally and with those they represent over the Nation represent many millions of dollars of invested capital. No one gainsays their knowledge and their integrity and their responsibility for whatever telegram they let loose for the benefit of the knowledge of this Congress, right at this time.

Let us read it again, as follows:

FEBRUARY 28.

National Association of Home Builders directorate meeting in annual conference here today heartily endorsed following features and amendments to Patman bill: Premium payments; veterans' preference; title VI; extension of powers to July 1947. Unanimously opposed pricing formula of bill since PR 33 automatically prices all new housing. Unanimously endorsed objectives Wyatt housing program and indicated entire homebuilding industry support of, and cooperation with, Mr. Wyatt.

FRANK W. CORTRIGHT,
Executive Vice President.

If we are to make a mistake in this confused legislative situation in favor of anybody let us make that mistake in favor of the veterans and their home needs. They and their loved ones gave far more than those who were not called upon to sacrifice as they did. Yes, let us make a mistake in their benefit, if we are to make any at all.

Then thousands of new homes to be built all over our blessed land will create new subdivisions and tracts of real estate. New schools and churches and auditoriums will have to be erected to take care of the cultural, religious, and educational and recreational needs of these happy home builders.

Need I say to you that these must not be just houses—a place to sleep and shelter. I pray God that every house shall be truly a "home"—in the highest sense in which that holy word is used in reverence and affection. Marriages founded upon love; children in the home who are wanted; partnership in planning and loyalty in time of sickness and in trial. A real opportunity for jobs which return a day's wage, which enables each family of each veteran to live in dignified devotion to each other and in security from fear of want.

I know these bills do not cover the field of playgrounds, parks, and recreation for the people of our Nation nor of the families of the veterans who make use of the terms of such bill as we may pass. But, nevertheless, the building of these millions of homes eventually will give rise to additional local problems as relates to additional parks and playgrounds for the people who came to live in these further crowded areas.

Mr. Chairman, I hope that the real estate interests, the contractors and builders, the communities might all coordinate their planning and projects so that more open spaces for parks and playgrounds may be provided for the people of these new homes.

Recreation is not less important than education in terms of book learning. As a man spends his leisure time, he really is. What a man does when he has nothing to do, is a determining factor toward his success or failure. A nation which has a heart and soul and mind which recreates wholesomely and spontaneously is pretty sound.

I cannot here discuss at length the juvenile delinquency problem except to say that participation in recreation programs and games is one of the proven deterrents to juvenile waywardness. Adequate areas adequately used by the boys and girls in our crowded cities is a sure relief from more of our juvenile delinquency problem that we yet realize.

So, as we plan homes for our distinguished veterans, let us plan that the communities in which they make their homes with their families of children shall be contained with beautiful and available and adequate parks and playgrounds and created for human happiness. This is the ultimate of life—human happiness.

The CHAIRMAN. The gentleman from Wisconsin [Mr. MURRAY] is recognized.

Mr. MURRAY of Wisconsin. Mr. Chairman, I surely was pleased that the Crawford amendment was adopted.

I have often wondered if we fully realized what has brought about this housing shortage in the cities. During the war some 5,000,000 people went from the rural areas to the cities. When they got to the cities they lived in houses where they could turn a little spigot and the water came out. You know most of them never had waterworks like that in their homes. They had always had to go some distance to a well and carry water with a bucket. In cold weather the water would slop over against their pants leg. They kind of liked this city living. Then they could turn on the electric light, too. You know only 40 percent of the farmers, even now, have electric lights in these areas. Not over 1 out of 10 have had homes with waterworks either. They liked these city conveniences. Most of them obtained good jobs, too, in the city. Then they found out they could work 40 hours a week. This was preferable to the 70 to 80 hours per week on the farm. They had been nursemaids to the cows, pigs, and what goes along with the farm, and ofttimes they had to get up in the middle of the night as well and attend to the lambing, calving, and so forth. They figured that the city was not a bad place to live in after all. Nobody ever thought of building them houses before. Now they want to build them houses and pay up to 90 percent of the cost.

We have a bill known as the Cooley bill which will come up before the Rules Committee shortly. This bill will help relieve the housing situation in the rural areas. There are thousands and thousands of vacant rural homes at the present time in many sections of the country. The gentleman from Ohio, the Hon. HARRY MCGREGOR, told me a couple of days ago that a mail carrier in his district wrote him that there were over 30 vacant farm homes on his one mail route. I know that many small farmers in the northern part of Michigan, Wisconsin, and Minnesota went to the city many years ago and boarded up the windows of their farm buildings. They started as soon as we began getting ready for war along in 1940 and 1941.

Mr. Chairman, I want to call attention to an editorial which appeared in yesterday's New York Times. I think this editorial gives a splendid picture of the needs of veterans. New York is the biggest city in the United States and is to be complimented on having a paper with such a wide scope of news for editorial comment. This editorial should be of interest to every person who is really sincerely interested in providing homes for the veterans of this country. It relates to the decentralization of industry and makes certain suggestions about providing homes for part-time farmers, for people who want to work in industry and who want to live on farms.

The editorial is as follows:

PART-TIME FARMING

Surveys among returned veterans indicate a strong interest in part-time farms located on the main roads radiating from the centers of population. Between the two world wars the movement toward this way of living gained strong momentum. Following the depression years many families moved to small-acreage farms. Since 1942 the interest in semi-rural real estate has steadily increased. On a Nation-wide basis real-estate agents report many sales of small farms to families intending to combine city work with country living.

The movement represents a new frontier on the American scene. Both economically and socially it represents a trend that has now assumed a definite place in the total economy. It is a part of the never-ceasing search for economic security that has particularly distinguished the last decade and a half. A small farm represents housing at moderate cost; in times of economic stress it is an assurance of a major part of the food supply.

Governmental and private agencies are encouraging the trend toward decentralization of population. Big business firms are making a start toward the decentralization of business. More and more it will be possible for workers to combine country living with vocations in factories and shops. Those contemplating the change from urban to rural or semi-rural environment and who have had no experience with country living will profit from the advice of those who have made a study of the new frontier. Their advice includes the careful checking of such points as transportation facilities, availability of electric power, overhead costs in buildings, and the type of soil. American society is always changing. It seems certain that part-time farming combined with a trade, service job, or profession will grow more important in the post-war years.

In conversation with many returned veterans I have found that the veterans above the average in age are particularly interested in a small farm and part-time farming.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, in these few minutes at my disposal I shall not have time to touch on all of the controversial issues in this bill; therefore, I will say nothing about ceilings on old homes or new homes, but I do want to refer to two other matters. Before I do so, I want to agree with the gentleman from Wisconsin and join him in saying that I will be glad to see the Crawford amendment adopted, because this splendid program should apply to rural areas as well as the urban areas.

Mr. Chairman, I have heard a good deal said about subsidies. Of course, I understand that such are not in the bill at present, but provisions for them will be offered as an amendment. A great many people are crying out against subsidies. Personally, I do not like the word "subsidy" too well myself, but they are permissible and sometimes necessary as a production incentive, and I do believe that if we go into an operation under the Wyatt program we are going to have to use production subsidies.

I can give an illustration of how production subsidies brought out adequate production in time of need at less cost. Let us take my own State of Arizona, for instance, and I am surely not going to curry favor with some people when I make this statement. Arizona produces copper. In the First World War Arizona produced more than any other State, and the price of copper went up and up, to 35 cents a pound. When this war loomed on the horizon I suggested to Mr. Leon Henderson that he let the price go up, and I said to him, "We will produce copper if you let the price go up." I now realize I was wrong in thus thinking of benefits to Arizona, and right in the well of the House here I confessed I made that statement to Leon Henderson. He said, "No. We are going to peg the price of copper at 12 cents a pound for low-cost producers. We know we cannot get enough copper at that price, but we are going to provide a subsidy in additional pay to high-cost producers," and 5 cents a pound on copper was granted, permitting it to go to 17 cents a pound for some. About the same thing applied to lead and zinc. I now realize that was best—it certainly was easier on the Treasury.

What was the result? We produced enough of those critical materials for the war, but that plan did not permit the producers of those materials to get 35 cents a pound for the copper when the Government needed it for war purposes. The Government paid from 12 cents to 17 cents a pound for the copper. Of course, there was some blundering done because human beings administered it.

Mr. Chairman, the Government of the United States had to have this material produced for war. The cost of the war was reduced by hundreds of millions of dollars by doing so. I know that certain people in my State did not get as much money as they would have gotten under the plan that prevailed during the First World War. We did save the Treasury of the United States a lot of money and we got the materials of war. This illustrates my view.

Now, we are fighting another war against lack of shelter, as homes for these same men for whom at that time we were trying to produce guns and ammunition. This campaign is just as important as any in the field by our armed forces. The emergency is just as great. How are we going to get lumber, brick, mortar, and other construction material? I verily believe that we will have to provide production subsidies, and that is what I understand a premium plan to mean. If anybody can show me any other way how you are going to get about seven or eight times the volume of peacetime building material without permitting the price to spiral and blowing the lid off and allowing this material to be sold at four or five times the cost of peacetime prices, I would like to have it shown to me.

I greatly favor this committee amendment with the additional Crawford amendment. It provides for channeling this material into the proper places. We must have such controls. We are going to build homes for veterans. I want somebody to have the power to say that lumber should go this way for homes and not that way for race tracks and theaters and other profit-making but less essential construction.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I yield to the gentleman from Utah.

Mr. GRANGER. Premium payments work the same in the housing industry as they do in the copper industry, and as the gentleman stated, in my State copper sold at 12 cents a pound while Michigan was allowed to go to 17 to produce the amount of copper required.

Mr. MURDOCK. That was all right as it afforded reasonable profits for production of copper and that was good policy. Now I am willing to have the same principle applied to building materials for homes for veterans exactly as we used it to get metals for their weapons.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, the reason I asked for permission to follow my colleague who just spoke was because of the fact that he wanted to show you that by paying subsidies we furnished material during the war to an advantage of our Government. I want to say to you that the subsidy that we paid during the war is a bill now charged up in our national debt of two hundred and seventy-nine billion, all of which has to be paid by future generations, by the GI Joes who are coming back. They have to pay the subsidy which the gentleman just spoke about, and it is a millstone hanging around the necks of the people of this country of ours, and they ought to wake up to that fact and not believe in such bunk as is being told you on the floor of the House that subsidies are a good thing and in the past they have been a fine thing for this country of ours. It is all a matter of "bunk" in my judgment. The idea that we can pay subsidies in this housing program and that it is going to benefit this Nation of ours is another piece of bunk. It is only going to be passed on to our children and our children's children, and they will have to pay the bill because the Congress of the United States is not big enough now to do a real good job and do it in a business-like way by paying as we go. Why ask our children and our grandchildren to pay our debts? It's a crime committed today on our posterity and I want none of it for mine.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. The gentleman is a good businessman. Does he know of a good businessman who owns a factory who does not think that subsidies are demoralizing and causing the people to pad their costs and featherbed their factories?

Mr. RICH. The gentlewoman is absolutely right. I do not know of anybody who I believe to be a sound, sane businessman or woman that wants to pay subsidies, only the people that are not big enough to do good business and want to pass the debt on to their children. It is about the poorest piece of bunk that has ever come upon the American people to pay subsidies. Every subsidy that we have granted and every one you are granting today in agriculture and in all other industries of this country, is a bill laid up for future generations to wipe out if they are able to do it. That is one thing that is leading this country of ours on the road to bankruptcy, and unless we stop it now we are going to find out what a terrible situation we are in. You Members of Congress who voted for subsidies will go down in history as a band of mighty poor businessmen; yes, as mighty unsound business Congressmen. Your children and grandchildren and great-grandchildren will not thank you for creating a great debt for them to pay.

It is our business to pay our own way; not run up our debt to the greatest heights ever dreamed of by the most fanatical of our radical people. It is unethical, unsound, and unheard of 13 years ago.

Miss SUMNER of Illinois. Does the gentleman know of any businessman in the building industry or anyone in any other business who owns a factory who thinks that subsidies would increase production the way a moderate price increase would?

Mr. RICH. No. I do not know of one. Even the farmers of this country are against it. The farmers some day will wake up and find they have been paying for subsidies in the price of agricultural products, instead of increasing the prices of the commodities they sell. Some day subsidies will have to stop, and then the poor farmer will be in the ditch because he will be unable to carry on, because they have not got the prices of commodities up where they ought to have them. That will be the situation of the poor farmer. Everybody is bound to suffer by subsidy payments, just remember that.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. RICH. I do not have time to yield. I know I cannot convince you. I want to talk about some more Government regulations and strangulations that you

fellows are trying to put on business. If you would just let the businessmen of this country, contractors, carpenters, and the people who want to build houses do as they have done in years gone by, go out and buy materials and build houses, they would do 10 times more in building houses for GI Joe than you can do by a lot of your crackpot legislation. I think this bill is nothing but crackpot legislation. It is only trying to fool GI Joe. It is doing more fooling in this country than it is good. It is about time you stopped it. If you do not stop it, you are going to find out that you will wreck this country. It is time to turn around. Irresponsibility, regulation, and regimentation. You are headed for communism and have been traveling that road fast. Get back on the road of Americanism—freedom, liberty, independence, work, earn, save, produce. Those are the things that built up America. Keep on building, keep on serving, keep on America, keeping on like our forefathers started us to preserve our Nation.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. PATRICK].

Mr. PATRICK. Mr. Chairman, GI Joe is no dumbbell. You cannot fool GI Joe. You will find that out before this is over.

I got a wire today from GI Joe. This is from Birmingham:

> Thousands here will kick pants off Congressmen voting against housing bill for veterans. If brigand lobby masquerading as realtors muscles over this veterans highjacking get ready for trouble in Washington. Local realtors blandly offer veterans houses for sale for $10,500 which originally cost $4,500.
>
> JOHN D. FROST and DAVID WELLS.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. PATRICK. I yield to the gentleman from Arizona.

Mr. MURDOCK. The gentleman from Pennsylvania a moment ago said we, in consenting to production subsidies were unloading the national debt onto posterity. That is true of all the war debt regardless of its amount. I wonder if the gentleman from Pennsylvania would like to have had the cost of this war doubled or trebled and then unloaded onto posterity. Without the use of wartime subsidies to increase production we would have saddled greater debt on veterans and posterity.

Mr. PATRICK. I do not yield further, Mr. Chairman.

Mr. RICH. Mr. Chairman, will the gentleman yield? I would like to answer that.

Mr. PATRICK. I wish the gentleman could.

Mr. RICH. It can be answered very easily.

Mr. PATRICK. I know it could, and I know the gentleman will do it, too. The only trouble is that the gentleman would give the wrong answer. I will not yield to the gentleman. I am really doing him a favor when I do not yield.

I have here a bunch of telegrams that I mentioned a while ago having received. The Alabama Branch, Associated General Contractors, on February 22 sent me a telegram saying:

> This bill would doubtless have a detrimental effect on the construction industry. We urgently ask you to have action on this bill deferred until such time as this association can make a thorough study of its provisions and make definite recommendations.

It is signed by the Alabama branch, Associated General Contractors, J. B. Rawls, executive secretary. They are fine people, but naturally they are interested in protecting and promoting their business.

Another wire is from W. R. Dunn, a contractor, and a fine man. It is along the same line. Another is from the Daniel Construction Co. They are fine people.

I also have a letter from a Birmingham man whose name I will not mention because I do not want to do him an injustice. It is dated February 23, 1946.

> MY DEAR CONGRESSMAN: It is quite all right to remember the soldiers when it can be done without detriment to the rest of your constituents. However, the soldiers are, many of them, going to want the world with a fence around it just as they did after the other World War.
>
> We have had our share of headaches all through the war and now that the war is over do not cut off the first opportunity contractors and builders have had to make a little real money. Get the Patman veterans' housing bill back into committee till we can get proper information together to oppose it as we shall have to do.

It is the same effort to place legislation back in committee where it will sleep the sleep of death.

Let us do a little figuring. Suppose there are 30,000 contractors and that a little big-time money, a little real money, is what they are asking for. Say that little real money is only $50,000 per contractor. There are 135,000,000 people in this country that they have to deal with. Figuring on 30,000 that would be $1,500,000,000, but let us split that and say $750,000,000. By the time you pass it all around, that is that little money they are seeking to get at the expense of our returned veterans. It would be at least that. What is the use for us to learn what we need to do unless we have the moral courage to do it? We found the trouble. Now, since to tackle it offends some of our business friends shall we abandon camp? No.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. CARNAHAN].

Mr. CARNAHAN. Mr. Chairman, I have listened rather attentively during the last 4 days, as many Members have, to the debate. I have appreciated the debate from all angles. I certainly approach the problem with an open mind.

Aside from the personalities that have been injected, it seems to me we might say the debate has settled down to offering two rather widely differing solutions to this housing problem with which we are confronted. One is that we abolish all controls and just let the problem take care of itself. I have not heard any argument on that side which has convinced me that we should follow such a course. I cannot go along with that.

Then there is the argument that this Congress is vested with the responsibility, which it should not attempt to dodge, to enact some type of legislation which would attempt to solve the problem with which we are confronted.

The legislation we are considering, H. R. 4761, it seems to me, is designed to encourage the production of building materials. Certainly that should be done. While I am not strong for subsidies, I do not think that subsidies are more justifiable in this instance than in any other instance in which the Congress has authorized subsidies. If subsidies will help to provide homes for our veterans I must support such subsidies.

Another thing this legislation is attempting to do is to channel building materials into the construction of residential units. Certainly that should be done. The legislation is designed to see that what buildings are erected will be sold at reasonable prices which will bring homes within reach of the veteran. I go along with these purposes of this legislation.

I have had considerable correspondence from my constituents, as most of you have. Some of my lumber people are very much disturbed and believe that the cost-price relationship is the trouble. They think that is, at least, the trouble so far as the production of lumber is concerned.

I had occasion to take this up with the Office of Price Administration, and I would like to quote a letter which I have received from Mr. Paul Porter, dated March 1. It is regarding the cost-price relationship, and I quote it:

> OFFICE OF PRICE ADMINISTRATION,
> *Washington, D. C., March 1, 1946.*
>
> The Honorable A. S. J. CARNAHAN,
> *House of Representatives,*
> *Washington, D. C.*
>
> DEAR MR. CARNAHAN: This will acknowledge your letter of February 12, 1946, enclosing copy of letter from Mr. Maurice Cooper of Cooper Furniture & Lumber Co., Steelville, Mo., concerning the critical condition of the lumber situation. Your constituent indicates that in his opinion the cost-price relationship is retarding production.
>
> Lumber production was vital to the war effort and it is equally vital to reconversion and the housing program. Realizing this, the Office of Price Administration has been continually conscious of the necessity to not have price stand in the way of production, and to have prices stimulate production if possible.
>
> The quarterly reports of the Forest Service on factors affecting lumber production have consistently stated, from the fourth quarter of 1942 on, that labor shortage was the primary obstacle to production, the shortage of equipment and supplies the second most serious obstacle, and the weather, periodically, a third major obstacle. According to these reports, the cost-price relationship has not been more than 5 percent of the total obstacles at any time. In the second quarter of 1944, for instance, labor shortage comprised 65 percent of all obstacles, equipment shortage 10 percent, weather 20 percent, and the cost-price relationship another 5 percent of all difficulties.
>
> The ineffectiveness of price increases as a means of maintaining lumber production in the face of a declining labor supply is clearly illustrated in the following table which compares lumber production, wholesale prices and employment in sawmills and logging camps from 1939 through 1945:

Lumber production, prices, and employment in the United States, 1939–45 [1]

Year	Production		Wholesale prices, index (August 1939=100)	Employment	
	Footage (billion feet board measure)	Index (1939=100)		Wage earners (in thousands)	Index (1939=100)
1939	28.6	100.0	103.4	288.0	100.0
1940	31.2	109.1	114.2	299.0	103.8
1941	36.5	127.6	136.0	317.7	110.3
1942	36.3	126.9	147.4	303.3	105.3
1943	34.3	119.9	156.8	259.5	90.1
1944	32.6	114.0	170.1	232.5	80.7
1945	[2] 27.3	95.5	172.1	[3] 211.4	73.4

[1] Source: Production, U. S. Forest Service; Wholesale Prices and Employment, U. S. Bureau of Labor Statistics.
[2] Estimated.
[3] Average of first 11 months.

At the present time we are reexamining our lumber price policy in the light of conditions since VJ-day to determine what action, if any, can be helpful to the new housing program without impairing our general objective of stabilization.

Sincerely,

PAUL PORTER.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. JENSEN. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. JENSEN:

On page 11, line 15, after the words "farm buildings" in the Crawford amendment, insert the words "and business buildings."

On page 11, line 24, after the words "farm buildings" in the Crawford amendment, insert "and business buildings."

Mr. JENSEN. Mr. Chairman, I do not believe the gentleman from Kentucky, chairman of the Committee on Banking and Currency, heard the amendment read. I would like to have the gentleman listen to the reading of the amendment. I ask that the Clerk again read my amendment.

The Clerk again reported the amendment as above recorded.

Mr. SPENCE. I do not believe the committee can agree to that, for that would violate the plain purpose of the bill. This is a bill for the construction of homes. If we permit the diversion of materials for other purposes, the homes will not get built. Provision is made in the bill for allocations to essential building operations. There is no doubt of that.

Mr. JENSEN. Mr. Chairman, my purpose in offering this amendment is very clear. There are many veterans who are anxious to get material to build small buildings in which they can start a business. Generally speaking, they do not need a large building, as I stated the other day when I said I would offer this amendment. During my visit home last fall I talked to several veterans who wanted to start a little business. They needed a frame building, 12, 16, or 20 feet wide by 24 or 32 feet long in which they could start a little business of their choice. Some of those veterans had their own homes or had a place to live, but they were completely out of luck in getting a building to start a little business.

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. CUNNINGHAM. Under the loan title of the GI bill, loans are provided for veterans to go into business. Without the adoption of the gentleman's amendment the loan provision of the GI bill will be further restricted by this bill.

Mr. JENSEN. I thank the gentleman for his contribution; he is exactly right, and no Member of this House has done as much to perfect the GI bill as has the gentleman from Iowa [Mr. CUNNINGHAM].

I think this is a very important amendment and I plead for its passage.

Mr. PATRICK. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. PATRICK. I remember that a boy went out in the yard one day and found a yellow jacket's nest. There were no yellow jackets on the outside but he heard a loud humming on the inside, so he plugged up the opening. Then along came a yellow jacket and wanted to get in. The boy decided he would open it just enough to let that yellow jacket in with the result that all the rest came out and covered him. And so with this amendment. If you leave just one little loophole there through which to siphon off building material it will all go through that funnel.

Mr. JENSEN. That certainly is far-fetched.

Mr. PATRICK. That is not half as far-fetched as the gentleman may think.

Mr. JENSEN. Yes, it is. The gentleman has right in his own district a lot of veterans who for lack of building materials cannot get started in business. Not only would this help them get started in business but also it would help to give employment to their buddies and others.

I sincerely trust this amendment is adopted.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

The gentleman from Oklahoma [Mr. STEWART] is recognized for 4 minutes.

Mr. STEWART. Mr. Chairman, I was in hopes that I could receive the information I was after without having to take the floor.

I would like to know if the people in my section who process their own timber will be penalized under this bill. I would like for the Committee to listen to this as it is information I am after. I would like to know if the GI's who produce timber, those who produce cement, those who produce bricks, tile, and other essential building materials in Oklahoma can get as good a break after the passage of this bill as they can now. Will Oklahomans who produce all these materials be forced to sell them to the dealers and then have to buy them back at a higher price than they received for them? Will GI's who own their own timber have to sell it to be channeled into a central pool and distributed throughout the United States without regard to where it was manufactured.

At this time we can build a home out my way for $2,500 that is equal in all respects to a $5,000 house in Washington. Will we still be able to do this if this bill becomes a law?

The only difference between the gentleman from Texas [Mr. PATMAN] and me is that I happen to have more timber in my district than he has in his, and possibly he does not see the angle that is puzzling me. There is enough timber in my district to build every veteran in Oklahoma a home, and if this material has to be channeled into one big pool and siphoned out per capita, it occurs to me the man who lives in the land of plenty insofar as building materials, is really penalized.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. STEWART. I yield to the gentleman from Iowa.

Mr. JENSEN. Unless the amendment I have offered is adopted they will not be able to use any of that lumber to build a little business house, will they?

Mr. STEWART. I am rather of the opinion that the gentleman is right.

Mr. JENSEN. Absolutely.

Mr. STEWART. It is my desire to help the veterans build homes but I want to be careful about saddling them with regulations, red tape, and having to get approval from Federal authority, if it means that my constituents will have to pay more for homes than they do now.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. RAMEY].

Mr. RAMEY. Mr. Chairman, may I have the attention of the Members of the majority—the Democrats who are in control? Not only of the votes here but propaganda everywhere. I quote from three great Democrats. One of the greatest statements the late President Roosevelt ever uttered was:

Freedom of speech means nothing if you have nothing to say.

About 1 o'clock this morning I came upon a statement that sounded like Coolidge, but it comes from Woodrow Wilson:

You are the master of everything you do not say. You are the slave of everything you do say. (Starling of the White House.)

I am going to quote from another distinguished Democrat, the majority leader of this House the gentleman from Massachusetts [Mr. MCCORMACK] who once said in complimenting me:

A philosopher is a man who seeks the truth.

In seeking the truth we should remember that truth is that which conforms to the facts. Real truth comes from within.

A week ago last Saturday at my home in Toledo, Ohio, there were about 20 men and 1 woman, all interested in this bill. Most of them were veterans of one war or the other. One of them, Walter Schmidt, was a very prominent Democrat, also a veteran. They stated, "We here who live with the veterans themselves know we can build their homes if we get the material. That is what we are saying to you, Mr. Congressman." These were veteran builders themselves and that was their statement. They

stated further, "We do not believe the extra money should be spent, taxpayers' money, for folks inspecting, reinspecting, and other things."

I agree with the gentleman from Alabama who said the veterans will not be fooled. When any man seeks to fool anybody he fools only himself.

Contrary to their position I received this morning quite a few telegrams that say this: "If you want votes, vote for the Patman bill." Did something happen last night to cause those telegrams to be sent? I want to say here, right now, that I am only interested in doing what is right. I cannot believe, in considering this bill, that any person who has been chosen to this honorable body is thinking more about votes than in doing what is right regardless of the consequences. I hope these telegrams were not sent at the request of some partisan leader in control of the propaganda vehicles of the country who is exploiting the veteran, while at the same time he is building another bureau under the subterfuge: "Get the wires busy; use the ghost writer stuff and tell them to blast their Congressmen."

We are here to know the truth before acting. Our minds are open. We will act as the truth unfolds. As truth seekers we can discern requests which are unselfish and in good faith from pressure from those misled by exploiters.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. LYNDON B. JOHNSON].

Mr. LYNDON B. JOHNSON. Mr. Chairman, I rarely ask this body to indulge me, but the housing situation is so serious in my section of Texas that I feel fully justified in taking your time this afternoon to talk to you about it. I received two wires this morning which probably tell better than I can the conditions that confront the heroes of this war—those who have returned to accept the subsidies provided by the GI bill and returned to their classrooms. One wire sent out at 7 p. m. Sunday reads as follows:

> Two hundred and fifty-six veterans sleeping on cots in Gregory Gymnasium, others unable to register in university. Urge you help get appropriation for Wyatt veteran emergency housing bill for premium payments and for price ceilings.
>
> Signed, Austin Chapter No. 1, American Veterans Committee, Fred Schmidt, Chairman.

Another wire reads:

> Urge you to vote for and support veterans housing plan for the veteran who fought in the fox hole and who made it possible for us Americans to continue to exercise our right to vote.

That wire is signed by the commander of Capitol City Post, No. 316, American Legion, Austin, Tex., Omar Barker, who holds the Purple Heart and many other decorations from the First World War.

I think if we are to help those men who need houses, this Congress must do one thing. That is, to take action that will insure the production of needed building materials. All of the materials that are now being produced are being used. I understand that the housing permits for January have set an all time record. But under Mr. Wyatt's program we must produce just eight times—listen to me, eight times—as much building material next year as we produced last year if we are to meet our housing goal.

What do we have to do in order to get this material produced? I think the Congress is in general agreement that the reason for the lack of production or the slow-down in production is due to the lack of profit incentive. Either we must give the people more profit by increasing the price of building materials or we must give them that profit by premium payments. How do you analyze that? On the one hand the premium-payment amendment to this bill proposes that you make $600,000,000 available for Government payments. That is a little over $200 per home for each home that is scheduled to be built. That is one alternative you have.

There has been much talk about subsidies and about giving the veteran a $200 subsidy or premium payment on his home; $200 a home for our heroes who have returned and have no roof to sleep under. So what?

Yes, by premium payments the total Government cost will be less than $600,000,000. By price-increase payments the total cost will be nearer $3,000,000,000. It is not difficult for me to make a choice between $600,000,000 and $3,000,000,000. I believe the Congress is as obligated to get roofs over the heads of returning veterans as we were to get tents for them. I believe if we can provide sleeping accommodations for them at Normandy, Okinawa, and Rome, that we can use that same imagination and ingenuity to provide roofs for them in Manhattan, central Texas, and southern California.

Our returning heroes want rooms, not reasons. They want enclosures, not excuses. They want houses, not just hopes.

To get houses you must get materials. One way to get them costs six hundred million. The other way it costs three billion. Is it really difficult to make a decision?

If you try to get increased production by price raises exclusively, the best estimate we are able to obtain is not that it will cost $200 per home, but that it will cost the veteran nearer $1,000 per home in increased costs on building materials. So on the one hand you have the Government spending $200 and on the other hand you have the veteran spending $1,000. I think the former is the lesser of the two evils.

Oh, yes; they drag this subsidy scare across the floor. They talk about the evils of premium payments. Nobody likes subsidies—nobody wants premium payments except as a lesser of evils.

But who wants our veterans sleeping in streets? Who wants them stretched out in railroad stations? Who takes pride in seeing them live in Quonset huts and doze in hotel lobbies?

Congress has provided, directly or indirectly, premium payments for meat and bread and milk and oil and copper and ships. Now we quibble about premium payments for homes—veterans' homes, returned heroes' homes. Homes they fought to preserve but returned unable to find.

Sure, there will be red tape as a result of this bill. Bureaucrats will make a complicated problem more complicated. But homes will be built with the bill. They will not be built without it.

Mr. JENSEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JENSEN. Mr. Chairman, there is an amendment pending. The gentlemen who preceded me have not talked to the amendment. I wonder if I am out of order in asking that for the remainder of the time Members who have the floor speak of my amendment.

The CHAIRMAN. A committee amendment is also pending. Everybody will proceed in order.

The Chair recognizes the gentleman from Texas [Mr. PATMAN] to close debate.

MISUNDERSTANDING ABOUT SECTION

Mr. PATMAN. Mr. Chairman, I think there is a misunderstanding about this section, and I think if the gentleman from Iowa will study subsections (a) and (b) he will discover that his amendment is not necessary, and that if he were to succeed in placing the amendment where he suggested it be placed it will result in special consideration being given to the very type of buildings that we think should be deferred until the veterans are properly housed.

I invite the Committee's attention to this language on page 11, and remember that this does not channel all materials, just those for veterans' housing:

> Whenever in the judgment of the Director there is a shortage in the supply of any material or of any facilities suitable for the construction of housing accommodations he may by regulation or order allocate, or establish priorities for the delivery of, such material or facilities in such manner, upon such conditions, and to such extent as he deems necessary and appropriate in the public interest and to effectuate the purposes of this title.

That does not compel him to freeze all materials, just those for veterans' housing. That refers to veterans.

> In issuing any regulation or order allocating or establishing priorities for the delivery of any material or facilities under this section, the Director shall give special consideration to (1) the general need for housing accommodations for sale or rent at moderate prices, and (2) satisfying the housing requirements of veterans of World War II and their immediate families.

I insist that when this bill was under consideration by the committee the question came up, suppose a person who is not a veteran should lose his house by a fire, would he be permitted to get materials to rebuild that house? Certainly he would. Suppose he lost it by flood or any other means? The Director would have the power to permit materials to be allocated for that purpose. He would have the power to allocate materials for essential buildings of all kinds. The gentleman is asking to include business buildings in that part relating to special consideration.

Mr. JENSEN. That is exactly what I want.

Mr. PATMAN. That is asking too much. They are not entitled to special

consideration ahead of the housing of veterans of World War II and their immediate families. They are entitled to consideration and they will get it under section (a) but they are not entitled to be placed in the same class as veterans of World War II and their families who want housing. If we place words in the bill to give special consideration to business buildings, as suggested by the gentleman, then the question arises: What are business buildings? Special consideration would have to be given to race tracks. That is a business building and would be included under the terms of the amendment and would be entitled to special consideration. The saloon is a business building and it would come under the amendment and special consideration would have to be given to saloons. Amusement houses would come under it because that is a business building. So the gentleman is asking for something that I do not believe he himself wants. He does not want to place these nonessential buildings, such as race tracks, saloons, amusement places, and honky-tonks and things like that, in the same category to be given the same consideration as housing for World War II and their families.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. JENSEN. The gentleman is trying to put me in a bad light.

Mr. PATMAN. No, I am not. I am just telling what the gentleman's amendment means.

Mr. JENSEN. Certainly if the Expediter got any authority at all, and he has all the authority in the world under this bill, surely he would not allow the building of unnecessary buildings.

Mr. PATMAN. But your amendment provides that special consideration shall be given to such buildings. If you leave the bill as it is, he will go ahead and allocate materials where they are most needed. If a building is necessary, he will authorize the materials to be allocated for such building. But you are asking to place all these different nonessential buildings in the same category with homes for veterans who need housing to shelter themselves and their families. I do not believe the gentleman wants to do that.

Mr. JENSEN. The gentleman knows exactly what I am trying to do. I am trying to give the veterans who want a little lumber and a little building material to build a place of business a chance to do it.

Mr. PATMAN. That is separate and distinct from this matter. Furthermore, you are not confining it to veterans alone. The person who wants to build a saloon, race track, or amusement house, may be a nonveteran, and you are saying that these people should be given special consideration.

Mr. Chairman, the amendment ought to be defeated.

The CHAIRMAN. The time of the gentleman from Texas has expired. All time has expired.

The question is on the amendment offered by the gentleman from Iowa [Mr. JENSEN] to the committee amendment.

The amendment was rejected.

Mr. HOBBS. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read, as follows:

Amendment offered by Mr. HOBBS, to the committee amendment: On page 12, after line 2, insert the following:

"(c) The provisions of this section shall not be construed as in any way affecting the power of the President to assign priorities or to allocate any materials or facilities, under the provisions of subsection (a) of section 2 of the act of June 28, 1940, entitled 'An act to expedite national defense, and for other purposes, as amended.'"

Mr. SPENCE. Mr. Chairman, I believe the committee has no objection to that amendment.

The amendment was agreed to.

The CHAIRMAN. The question recurs on the committee amendment as amended.

The committee amendment as amended was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 12, line 3, strike out all of section 706 from line 3 down to and including line 13.

Mr. MONRONEY. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MONRONEY: On page 12, line 3, strike out line 3 through line 13 and insert:

"SEC. 706. (a) Whenever the Director determines that it is necessary or desirable to employ premium payments for the purpose of increasing the supply of conventional and new types of building materials, such premium payments shall be made by the Reconstruction Finance Corporation with respect to such materials, at such times, in such amounts, and on such terms and conditions as may be determined by the Director: *Provided*, That such payment shall be limited to an amount not to exceed $600,000,000.

"The Director, in determining upon the particular uses of premium payments as authorized in this section, shall take into consideration, among other things, the extent to which other means of increasing materials would not be as effective in adequately increasing the supply of such materials or would be likely to result in increased sales or rental prices of the finished housing accommodations constructed with the use of such materials.

"(b) The last paragraph of section 2 (e) of the Emergency Price Control Act of 1942, as amended, shall not, during the life of this title, apply to premium payments by the Reconstruction Finance Corporation under this section provided that nothing herein shall be construed to affect the provisions of Public Law 88 of the Seventy-ninth Congress."

Mr. MONRONEY. Mr. Chairman, this is the much debated and discussed amendment on subsidies, or production incentives, or whatever else you choose to call it. I say that either one of the titles would be equally as descriptive. I propose this amendment with the full support of Mr. Wilson Wyatt, and others, who have worked on the Wyatt housing program for veterans. Most of the men who have studied the goal of obtaining 1,200,000 homes per year agree that it is futile to undertake that very desirable goal unless we do something to increase the production of materials that go into these homes.

NEED MORE MATERIALS

Obviously, there are many, many bottlenecks that can be resolved and production increased by selective lifting of some present price ceilings, but no matter how much you lift the present price ceilings you will still wind up down the road at the end of the year without sufficient materials to give you the goal of 1,200,000 homes a year that are needed tonight by the returning veterans of this war.

This program envisages not only paying premium payments to high-cost producers to get the added production that they can bring into the picture, but also provides that premium payments can be used for the introduction of new building materials, many of which have never been used in the building industry. It would be futile to assume that there is enough supply of critical building materials on hand as of this time to give us anywhere near the goal we hope to have in providing housing for the returning servicemen.

SIMILAR TO COPPER PROGRAM

This program of production incentives is similar to the program that worked well during the war. The machinery to provide for these premium payments will be the same machinery that provided premium payments for the production of critical and strategic materials, such as copper, lead, zinc, and other items that were so vitally needed.

If you will check the record of the results of those premium payments, you will find that they not only secured us great additional production in those lines, but also enabled the price line to be held at a level basis for the low-cost producers, and still made it possible for the high-cost producer to get his full volume of production at a fair profit.

ENCOURAGE NEW INDUSTRY

There is another purpose that is necessary in the use of subsidies or premium payments or whatever you want to call them, and that is to enable the Housing Stabilizer or Expediter to contract with a man for additional production of a quantity of materials as a possible substitute for short conventional building materials.

If he has the right to use this money, and he is authorized to make a contract for a hundred or two hundred thousand units that have never been produced before by a new manufacturer, that manufacturer can go ahead with the reasonable understanding and knowledge that he is not going to take a shot in the dark on an entirely new line of business and lose his shirt.

Without that help, without that assurance behind a new contract, that he is going to be able to produce a new item within his costs you are not going to get new producers into the picture. If you do not get new producers, you are not going to get the vast volume of material that you need.

My distinguished friend, the gentleman from Michigan [Mr. WOLCOTT] will argue that authority for such subsidies is already in the law; that under the War Powers Act, under the Price Control Act, under the wartime measures for the expediting of critical strategic materials,

the Housing Expediter or the President has the right to use these incentive payments.

DUTY IS ON CONGRESS

I believe firmly in the right of Congress—in the duty of Congress, if you please—to say what we mean and mean what we say; and if we want these subsidies used, if we want to put $600,000,000 into this effort to get new housing materials, then the Members should have the courage and the nerve to stand here on this floor and vote them in.

Further than that, they ought to put a ceiling on the amount of subsidies that can be used. There is no ceiling now on total amounts except a vague ceiling in the RFC bill.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that the gentleman from Oklahoma may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MONRONEY. Mr. Chairman, I believe the gentleman from Michigan will agree that under a study of this program, incentive payments are going to be necessary if we are going to reach the goal. When I interrogated him here on the first day of the debate to ask him whether he was in favor of incentive payments or not, as I recall his answer it was that they had the authority in the law to do that now.

If they have the authority in the law to do that now—and I do not believe they have, and the President, in a letter to the Speaker of the House said that he did not consider that he had that authority, and Mr. Wyatt does not consider that he was that authority—then why should Congress duck responsibility for this important decision? I want the Congress to speak on this; I want the Members to say whether we intend to provide this $600,000,000 for the additional material that we must have.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. BARRY. If we do not have subsidy payments it means that it will not be possible to produce houses within the price range of the veterans' pocketbooks.

Mr. MONRONEY. That is very true. I do not think it will be possible to produce houses within the range of the veterans' present purchasing power; nor do I believe it will be possible to produce over 300,000 or 400,000 houses regardless of the veterans' purchasing power.

WOULD COST THE VETERAN MORE

Most of the argument on the floor has been that if we would just do something about OPA everything would be all right. Mr. Chairman, you can do something about OPA; you can twist their arms, or you can knock their ears down, but when you do it there is always one answer that you get, and that is that the house is going to cost the veteran that many more dollars.

My contractors in Oklahoma City—and I think they are pretty smart men because they have built a tremendous amount of good houses—tell me that their finished houses costs have risen 60 percent above the 1940 figures.

Obviously, if we raise the ceilings further on lumber and materials prices even more the cost of the veteran's home is going up further. I am willing that we break a few more ceilings, I am willing to put the price up higher on lumber and critical materials if necessary to get the vast volume of low-cost producers into the picture. But I am not willing to give an exorbitant price to the low-cost producer that has the most production, that has millions of acres of timber standing, machinery and other advantages, that is already a very profitable concern.

I am not willing to put that giant industry's price up high enough to bring into production all of the little handicapped high-cost producers that is exactly the issue on the use of subsidies.

The large producers of the producers' council want price ceilings fixed so high that it will cover 100 percent of all production. I say you can raise price ceilings a little and get about 70 or 80 percent of the large producers taken care of and then you can bring the high-cost production into the field through the judicious use of subsidies. Thus you do not bid in this marginal production with sky-high ceilings to the low-cost producer.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. BREHM. The gentleman indicated that new-type housing materials would not be produced by industry unless subsidies were paid. I ask the gentleman, Did our early pioneers in industry receive subsidies in their effort which resulted in America becoming the greatest Nation on earth? No subsidies were paid to those early pioneers, and yet we have outstripped the world in both new and old industrial production and material.

Mr. MONRONEY. The two situations are not at all alike. The early settlers had no World War II dislocations to contend with, they did not have 11,000,000 veterans returning from the seven seas without homes to live in, and they did not have the complex economy that we have. They were not faced with the need of 2,700,000 homes we need at this minute.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. JENSEN. The gentleman does not contend we are going to get materials to build homes, especially lumber, when thousands of mills have been closed because they could not meet costs of production under the OPA ceiling price. Certainly the gentleman knows we cannot build houses without materials.

Mr. MONRONEY. The gentleman has talked for 4 days in favor of high prices on everything that goes into a house.

Mr. JENSEN. The gentleman knows that he is bringing in high prices with this kind of stuff. The only way to get low prices is to get production, yet the gentleman stands up here and argues something that does not make sense. What we are trying to do is to make it possible for a bunch of fellows to come in here and build tin houses and glass cages that are not fit for human beings to live in and pay them a great subsidy for doing that, thereby stifling the normal building trade.

Mr. MONRONEY. Let me ask the gentleman one question: Is he in favor of continuance of the OPA?

Mr. JENSEN. I am in favor of certain controls, but I am not in favor of the OPA doing things that are stopping production and stopping the building of houses for veterans. That is what they are doing.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. BARDEN. Mr. Chairman, will the gentleman yield for an inquiry?

Mr. WOLCOTT. I yield to the gentleman from North Carolina.

Mr. BARDEN. The gentleman is quite familiar with the OPA set-up, I am sure, and I would like to know if under the present arrangement the OPA does not require that 40 percent of the lumber of a mill be held for veterans?

Mr. WOLCOTT. I think that regulation is still in effect. I am not positive about that.

Mr. BARDEN. They already control the lumber?

Mr. WOLCOTT. Yes.

Mr. BARDEN. If they have the power to funnel 40 percent, they have the power to funnel 100 percent; have they not?

Mr. WOLCOTT. I understand so and the industry itself is giving veterans preference where they can get the materials to do so.

Mr. BARDEN. Our biggest trouble is the fact that we only have about 40 percent output of lumber.

Mr. WOLCOTT. That is right. That is the key to the whole situation.

Mr. Chairman, I was handed some days ago a proposed amendment on subsidies which I have analyzed very carefully and which the gentleman from Oklahoma has introduced as a substitute for the committee action in striking out subsidies.

First, let us have very definitely in mind that during the hearings on the housing bill now before us the need for subsidies to obtain the maximum amount of production was never stressed. As a matter of fact, Mr. Wyatt when appearing before the committee, as well as Mr. Small and Mr. Snyder, never stressed the need for subsidy payments to enable the production of the maximum amount of material. They were all in agreement, however, that the shortage of material was the bottleneck, and they were all in agreement that the labor disputes, the fact that prices were not adjusted to absorb increases in production costs, especially incident to the increase in wages, were the real bottleneck in the production of building materials. Mr. Wyatt, testifying before the committee, and I think he was very honest and sincere in his testimony, did stress ceilings. He stressed priorities and allocations, and he said that those were extremely critical. Mr. Wyatt, on page 431 of the hearings, said:

In other words, it seems to me that the points as to ceilings and priorities and allocations are extremely essential, extremely critical.

You will notice all the way through his testimony he stressed ceilings, allocations, priorities, and veterans' preference as being extremely essential and critical. Nowhere in his testimony all the way through the hearings does he stress the necessity for subsidies.

In consequence, the committee—I do not remember what the vote was, but it was overwhelming in committee—struck the subsidies out of the bill. He could not or did not, at least, present a subsidy program which was satisfactory to himself at that time, and the committee, in response to the coolness with which all of these gentlemen whom I have mentioned approached the subject of subsidies, struck it from the bill. Two hours after that was done I was in a conference and I had a preview of Mr. Wyatt's program in which there was the provision for subsidies or requests for subsidies. Later on an amendment to the committee bill was submitted. Have in mind, that the committee bill was reported out about 2 hours before Mr. Wyatt presented his program and about 4 hours before the President submitted Mr. Wyatt's program to the country, and nowhere in the committee hearings had Mr. Wyatt stressed the necessity for subsidies. If subsidies had been an essential and critical part of Mr. Wyatt's proposal, the President has had it within his power for over 3 years to pay subsidies.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOLCOTT. Section 2 (e) of the Price Control Act, Public Law 383, Seventy-eighth Congress, provides that:

> Whenever the Administrator determines that the maximum necessary production of any commodity is not being obtained or may not be obtained during the ensuing year, he may, on behalf of the United States, without regard to the provisions of law requiring competitive bidding, buy or sell at public or private sale, or store or use, such commodity in such quantities and in such manner and upon such terms and conditions as he determines to be necessary—or make subsidy payments to domestic producers of such commodity—to obtain the maximum necessary production thereof.

Then the act goes on to say that if the President determines that any particular commodity is a strategic and critical material, it will follow ipso facto that the RFC is given authorization to pay the subsidy.

The only restriction against that is the so-called Taft amendment, which provides that if the subsidy is paid, the money must be appropriated, and the Taft amendment ends up with this language:

> And appropriations for such purpose are hereby authorized to be made.

So the President has had since the enactment of the Price Control Act in 1942 authority to pay subsidies to obtain the maximum amount of material. If it was the important, necessary, essential part of this program that Mr. Wyatt be authorized to pay subsidies, then, of course, somebody has been very lax in not having gotten this program started months ago. The President had only to send down a supplemental budget, and the Committee on Appropriations, I am sure, would have given consideration to the request for an appropriation to pay either through Mr. Wyatt or through the RFC sufficient moneys to have done the job, and we would have been able to write a formula under which it should be paid. At the present time we do not know Mr. Wyatt's program on subsidies. We do not know how much he is going to use or has to use for soil pipe, brick, or lumber, or anything else, but we do know that under the present amendment offered by the Gentleman from Oklahoma, Mr. Wyatt is given $600,000,000 to spend just as he pleases, notwithstanding any other provision of law.

The amendment provides that whenever the Director feels that it is necessary or desirable to employ premium payments for the purpose of increasing the supply of conventional and new types of building materials, such premium payments shall be made by the Reconstruction Finance Corporation. In other words, Mr. Wyatt, under this amendment, would have the authority to direct the Reconstruction Finance Corporation, which is responsible for the funds which we have given to it, to pay subsidies in any form, and there would be no brake whatsoever and no check whatsoever on whether Mr. Wyatt or any other administrator has adhered to the standards or qualifications which we set up in respect to the payment of those subsidies. The Reconstruction Finance Corporation would have no choice but to follow that directive.

I do not believe that until we have had an opportuity to write some formulas, to write some standards under which this single individual can pay subsidies, we should do it in this manner, for the reasons I have just noted. There were no hearings before the Committee on Banking and Currency on the payment of subsidies, and no action taken excepting to strike it out of the bill because of the coolness Mr. Wyatt and the others exhibited toward subsidies. The matter should be given consideration. We are dealing with the people's money, we are dealing with the national debt, we are dealing with inflation, we are dealing with all of these influences in considering the payment of $600,000,000; therefore, we should know where we are going. That is why I have not included subsidies in my substitute. The President today or yesterday or a week ago could have sent down a supplemental Budget to the Congress, and the Committee on Appropriations could have met and said, "Mr. Wyatt, what is your program? We want to give you sufficient to get maximum production. You make out your case and show us where it is necessary to pay subsidies and we will give consideration to authorizing enough money to pay them, and we will set up the formulas by which you may be guided in that respect."

Mr. BROWN of Georgia. Mr. Chairman, I rise in opposition to the amendment, and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. BROWN of Georgia. Mr. Chairman, I think we have a very good bill if we can eliminate this particular amendment. I think we are carrying out 90 percent of the desire of Mr. Wyatt if we eliminate this amendment. If we do that, I do not think he or anyone else ought to criticize us very much.

We have in this bill now priorities and allocations to the veterans of World War II. This means that the veteran who has the money can get the material to build his home. We expect to place in this bill an amendment under which the FHA authorization will be increased by $1,000,000,000 to aid those veterans who do not have any money. The banks and local lending institutions will furnish the money as the Government will guarantee 90 percent of the amount that is needed to buy the lot and the home. If we do that, we are rendering a great service to the veterans and showing our appreciation to them. Without this amendment veterans with no money will not be able to secure homes.

We have ceilings in the bill in order to try to hold down the cost of the materials and the homes.

I think we are helping the veterans a great deal by doing this. The only other thing that Mr. Wyatt wanted was subsidies. He did not need ceilings on old houses because they do not fall within the scope of his functions. His job is to produce materials and build homes. The problem of inflation on old houses belongs to the OPA. Therefore, we have granted to Mr. Wyatt practically everything that he has asked. This is a good bill, gentlemen. Do not vote to recommit a bill such as this. Referring to subsidies, there are three different schools of thought about the best methods of producing more building materials—one is subsidies; one is to increase the ceilings; and the other is free enterprise without any ceilings. I belong to that school of thought which believes there should be ceilings upon building materials. But I think the ceilings should be high enough to afford a profit and thus encourage people in the production field to produce the necessary building materials. I do not believe this subsidy amendment will accomplish what you want. I am honest in my belief and you gentlemen who believe that subsidies will accomplish what you want are honest in your beliefs. It is a matter of agreeing on what is the best method to produce these materials so the veterans can have a home in their own community. I think the method that was used in settling the steel strike is by far the best method. Those in authority wanted steel production to go ahead. Workers in the steel industry were granted a raise of 18½ cents per hour in order to get them back to producing steel. Then we had to help the producers of steel. The price of steel was raised on an average,

as it is reported in the press, of 15 percent. Steel is one of the necessary building materials.

Why should lumber producers, brick producers, and soil-pipe producers operate under a different method from that of the steel industry in producing their building materials? I do not believe you desire to destroy these sawmill operators or the producers of lumber or of brick. Much less than 15 percent may be the proper increase, but if you give them an increase so that they will make a fair profit, you will obtain these scarce materials which are so vitally necessary in the building of homes. Who has called for these subsidies? Has the sawmill man asked for subsidies? No. Has the producer of lumber asked for subsidies? No. Has the brick producer asked for subsidies? No. They will not take these subsidies because they usually have to employ a lawyer to collect the small subsidy, and on account of so much red tape they will say, "No, I do not want a subsidy from the Government, I just want a fair profit to which I am entitled in peacetime under free enterprise. All I want is a fair living and a small profit." That is the only way you are going to obtain scarce building materials. I remember a year ago when Mr. Johnston, president of the United States Chamber of Commerce, was before our committee pleading for the extension of the life of the OPA, he stated he was in the building field. He said he manufactured several building materials, one of which was brick. He said that he lost $2 per thousand in manufacturing brick, but on the other materials he made a profit. Therefore, in the over-all picture, he made quite a profit. I replied to Mr. Johnston, "The man who manufactures nothing but brick cannot stay in business by losing $2 per thousand. That is the reason a good many people have gone out of this particular business."

An illustration of this was cited by some of my constituents. In the city of Augusta, Ga., the Merry Bros., who are the largest producers of brick in the southeastern section of the United States, produce nothing but brick and tile. They called my attention to the fact that in the area of Augusta there were 180 manufacturers of brick 2 or 3 years ago, and that on account of the ceiling 80 of the 180 went out of business. Six months after the testimony of Mr. Johnston, OPA raised the price of brick $2 a thousand. Most of the 80 have gone back to the production of brick. That is an illustration to show you that you will get results and get material for the construction of homes for these needy veterans when you allow a small profit to the producer.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield.

Miss SUMNER of Illinois. Mr. Small, of the CPA, testified there were 185 idle brick plants and five or six hundred running at less than their capacity.

Mr. BROWN of Georgia. Now, since they have increased the price by $2, some of those people have gone back to manufacturing brick.

What does that cost? In some of the small houses you only use about 15,000 brick. At $2 per thousand, that is $30. If you use 25,000 brick in a larger house, it will cost only $50 additional. On a seven- or eight-thousand-dollar home that is not very much. Is not this preferable to giving subsidies when the people say, "We do not want them"? Which course will you choose?

In our committee, after long hearings discussing this pro and con, not a single witness testified for subsidies. That is my recollection.

I remember Mr. Wyatt himself on the 29th day of January stated he did not know whether he wanted subsidies or not. I produce the best witness within the sound of my voice, a gentleman who has given more study than anyone else to subsidies and to obtaining materials for the veterans, my good friend WRIGHT PATMAN. I call him as my first witness. In the testimony of the gentleman from Texas [Mr. PATMAN] I find this:

> Mr. PATMAN. May I read a short amendment that I have for the subsidy matter so that it will go into the record at this point in connection with his statement?
>
> The CHAIRMAN. I have no objection, but I do think Mr. Wyatt should be permitted to continue his statement, and then you may interrogate him at the proper time.
>
> Without objection, you may read it.
>
> Mr. PATMAN. Mr. Wyatt, I gave you a copy of that amendment yesterday. Will you insert it in the record at this point, please? I will not insist on reading it, but it is an amendment which I expect to offer for the subsidy provision.
>
> Mr. WYATT. Yes, I will be glad to.
>
> Miss SUMNER. Does he endorse it?
>
> Mr. PATMAN. He has not endorsed subsidies, so he is not in a position to pass on it at this time.

That shows you that even up until the 29th day of January no one testified for subsidies, or that subsidies would be the best method to obtain scarce materials.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. BROWN of Georgia. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. BROWN of Georgia. The other day I received a telegram from the Home Builders Association at Chicago. They half way endorsed the plan of Mr. Wyatt. Who are the home builders? In the original Patman bill we had a subsidy for the home builders, but we struck that out in the committee. We are not giving a subsidy to the home builders in the Monroney amendment. We are changing it now to the producers. They call it premium payments, which is only another name for subsidies. How could the National Association of Home Builders be interested in the Monroney amendment? Now, the subsidy is to help the producer. What does the producer say? Here is a telegram from L. C. Hart, the president of all the producers in the country, saying:

> Subsidies will hinder the production of scarce material that we need so badly for the soldiers and veterans of this country.

Mr. Eccles, of the Federal Reserve System, when he appeared before the Banking and Currency Committee as a witness for the extension of the OPA, said the new price and wage policy will increase the consumers' cost 10 percent.

I do not believe it will be that large, but suppose the gentleman is right. Do we expect to hold the line by paying that subsidy? The situation may change 6 months from now and costs go higher still. Then are we to hold the line by paying 20 percent additional cost to the consumers? Will we keep on until we have a mounting subsidy debt in addition to what we owe now?

The shooting is over, the war is over. Let us increase the prices a little and satisfy the producers so they will produce more scarce materials quickly, because time is of the essence in producing scarce materials.

Mr. Kaiser, of California, appeared before our committee as a witness for the extension of the Price Control Act and endorsed everything Mr. Wyatt wanted. I asked him if he produced building materials. He said, "Yes, a lot of it of various kinds." As you know, he is supposed to be, or will be, the largest manufacturer of prefabricated houses. I questioned him on this subsidy proposal and asked him if he would expect the Government to give him a subsidy in producing building material. He replied that he would not take any subsidy in producing the scarce material. Now I ask the question: "When the producers of standard building materials such as lumber, brick, soil pipe, and so forth, and when the producers of nonstandard materials such as prefabricated houses, all decline to take subsidies, what good will this amendment do?" In my opinion it will retard the production of scarce material.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. PATMAN. Mr. Chairman, I seek recognition in opposition to the views expressed by the gentleman from Georgia.

The CHAIRMAN. The gentleman from Texas is recognized for 5 minutes.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The gentleman from Texas is recognized for 10 minutes.

PRODUCTION SUBSIDIES

Mr. PATMAN. I am sorry the gentleman from Michigan did not yield to me a while ago when he had two additional minutes time secured for that purpose. I wanted to ask him two questions. One was: Is it a fact that you are not opposed to production subsidies? If I am not mistaken he would have been compelled to say that he favored production subsidies. The second question I would have asked him was: Is it not a fact that the question of subsidies was written into the bill originally? It was discussed by me as the author of the bill one entire day that I was before the committee. I remember questions were asked me about subsidies. I gave several illustrations. Mr. Snyder, the Director

of the Office of War Mobilization and Reconversion, was asked about subsidies and said he had not made up his mind yet, did not know whether it would be necessary or not. Mr. Wyatt was asked about subsidies and he said he did not know, that they had not been included in the program yet, but if the program called for subsidies that he would, of course, want subsidies. So there you have both Mr. Wyatt and Mr. Snyder coming out for subsidies. We had already prepared this bill on the assumption that the administration had not specifically asked for subsidies. It was voted out, but it was well understood by all of us that we expected to coordinate this bill with the Wyatt program if we could, and that made subsidies material.

Every Member of this House, I believe, has voted for this kind of subsidy. This is not a gift, it is not that type of subsidy; this is a production subsidy, a production subsidy. Let me give you an illustration. I will take the illustration used by the gentleman from Georgia. He gave the reasons why we should have this subsidy provided, and why the bill would not be effective unless we have subsidies.

Let us take bricks, for instance. A number of plants cannot manufacture bricks for the price which they have been getting, consequently we will say one-third of the plants have had to close down. Which is better? To increase the cost of bricks at all the plants, thereby increasing production generally, or to give one third of the producers a subsidy let us say, of $2 a thousand and get just as many bricks? That is the answer to what this will do, and prevent the veteran from having to pay price raises that will run clear across the board.

Let me give you another illustration: During the war the committee had to consider the question of production subsides for copper. We needed copper. Copper was vital, it was a critical, a strategic metal; we had to have it, and we had to have just as much copper as it was possible for our country's mines to produce. There were a lot of mines in the West that could not produce copper for 12 cents a pound. They were closed down. They were high-cost mines. The big copper companies that produced 90 percent of the copper and would produce 90 percent of the copper anyway could produce copper for 12 cents a pound and make a big profit out of it. What was the sensible thing for Congress to do? And what was the businesslike thing to do? Should we raise copper to 24 cents a pound clear across the board and give the big companies that produce 90 percent of the copper anyway that 24-cent price in order to increase the production in those high-cost mines? No. That would not be possible. We would be almost a bunch of idiots if we agreed to something like that.

Why not give a production subsidy to these high cost producers where they cannot produce at a profit on less than 24 cents a pound. Why not give them a subsidy of 12 cents? We saved in some instances $50 for every one dollar that we paid out in subsidies.

That is exactly what will happen here. We have mills that are closed down because they cannot produce at the price of lumber they are receiving. Should we increase the price for all mills that can make a big profit at the present prices and will continue to produce and are glad to produce at the present prices, increase them $10 a thousand in order to accommodate a few high cost producers? That would not make sense either. Therefore we are offering the same proposition for the veterans to save the veterans money on their homes in the same way and manner that we kept down the cost of the war during World War II.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Tennessee.

Mr. GORE. I wonder if the gentleman quoted by the gentleman from Georgia as representing the producers' organizations does not represent the producers who are now producing at a profit under the ceilings and they prefer increased prices rather than a subsidy because they would get the increased price, but under the subsidy program the high-cost producer who is not now in production would get it?

Mr. PATMAN. Yes. That would open up all of these high-cost mills exactly the same way it opened up the high copper mines. It will open up the high-cost producer of bricks, for instance. That is not only sensible, it is good business.

Mr. GORE. And the people he represents are already operating?

Mr. PATMAN. Why certainly.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. My office has received a telegram from the Veterans of Foreign Wars, as follows:

> The Veterans of Foreign Wars have endorsed the Wyatt housing proposal for veterans including premium payments and ceilings and urges you support this premium.

Signed "Omar B. Ketcham, national legislative representative of the Veterans of Foreign Wars."

Mr. PATMAN. I am glad to have that information. The Veterans of Foreign Wars is a very thoughtful and progressive organization.

The gentleman from Michigan [Mr. WOLCOTT] in his argument in reference to subsidies never said he was against subsidies. He cannot be against production subsidies. It would not be good business for a person to be against the kind of a subsidy I am talking about. In the case of copper we saved $50 for every dollar we paid out. Do you want to help the veterans the same way you kept down the price of copper? If you do, vote for the Monroney amendment. It has exactly the same principle in it.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Arizona.

Mr. MURDOCK. If we do that a debt will be passed on to posterity, will it not, but if we do not do it a greater debt will be passed on to posterity, is that it?

Mr. PATMAN. We are saving money in many instances at the rate of 50 to 1, as we did in the case of copper.

The gentleman from Michigan did not say one time he was against production subsidies and I do not believe he will say it. He just made the argument that the RFC had the power under existing law to pay these subsidies, but unfortunately the gentleman from Michigan, although a distinguished lawyer in his own right, is not the one to pass on this question. The President of the United States says he does not feel he has that power. Mr. Wyatt, the expediter, says he does not have the power, the attorneys who administer the law say it cannot be done. So what are you going to do? Are you going to take Mr. WOLCOTT'S suggestion that they have the power and pass it off that way by a wave of the hand or are you willing to take the effective way, the way that you know will get results? That way is to adopt the Monroney amendment. The amendment is absolutely necessary, it is vital to the success of this bill. Mr. Wyatt says he cannot succeed in building 2,700,000 houses this year and next unless you give him this power. The President of the United States has asked Congress to cooperate with him so that veterans might be given an opportunity to buy or to rent homes, decent places in which to live. The President has submitted a good program, a program that will work if Congress will cooperate.

The question is, Will Congress do its part? Will we commence here by the House doing its part or will we say, "No, Mr. President, no, Mr. Wyatt, we are going to cut out the heart of this program; we are going to cut out the part that will save the veterans so much money on construction by paying out just a little Government money like we did on copper; we are going to cut that out; we are going to cripple Mr. Wyatt; we are going to hinder him; we are going to prevent him from carrying out a program that will relieve the housing shortage in the United States."

I hope the Members will consider that and support the President of the United States in granting this request.

Mr. WOLCOTT. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 1 hour.

The motion was agreed to.

Mr. ADAMS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. ADAMS. Mr. Chairman, subsidy payments will not cure the present housing shortage. The result of making subsidy or premium payments will be more expense, higher cost contracts, and more national debt. That houses are necessary is apparent to every Member. The fact of the matter is that this bill does not deal with the fundamental cause of the present housing shortage. That cause is the shortage of materials generally, and lumber in particular. It has been well pointed out that an agency of the Government is as good as, and no better than, those who administer it. No truer nor more appropriate words have been spoken in this debate. The Housing

Administration under this legislation will be no better than those who run it. It can also be said that it will be no better than the quality of the tools that it works with and that its success will be measured by the adequacy of the supply of materials required in its program. We are in a desperate dilemma with OPA. On one hand OPA has held rigorously to prices in order to prevent the bogey of inflation. While this has been desirable and necessary, the OPA must adopt price policies conducive to full production. Price policies affecting lumber have resulted in actually reducing production. In a sense, housing may be considered the cart and price control the horse. Housing may be drawn along by the OPA horse or the horse can refuse to budge.

Illustrative of the effect of such price policy it is significant that while the Northeast produces normally 2,000,000,000 feet of lumber annually, production has declined in every year since 1941. In 1945 production fell to a billion and a half board feet. While this reduction is not due entirely to price policy it is a fact that the manner by which adjustments in price are made by OPA results in 20 to 25 percent of the productive capacity of the lumber industry going out of production at each adjustment in price. This is due to the manner by which OPA makes a price adjustment. The adjustment is made on the basis of cost figures submitted by industry. From these figures a cost array is made and a breaking point taken of approximately 75 percent of the cost figures submitted for the purpose of establishing a price sufficient to yield back not less than costs of production. Every producer above that breaking point must operate at a loss if he continues to produce. Thus each time that a price adjustment is made a percentage of the productive capacity of the industry is lost due to the fact that high-cost producers are not given sufficient price to enable them to recover costs. This has resulted in a decline in the productive capacity of the industry, not only in the Northeast but throughout the country. Many figures showing this situation have been submited to me representing a substantial amount of potential productive capacity.

This price policy ought to be changed. Price policy need not be changed to provide for establishing prices generally which will yield to all producers not less than their costs, but there should be a provision by which every producer may apply to OPA for an adjustment of his individual prices so that he may be permitted to adjust such prices sufficiently to cover his own production costs. Certainly this will assist materially in restoring the productive capacity of the industry. We cannot solve the housing problem until we get lumber back into high production. There is no commodity whose costs vary so greatly. Timber grows on all types of land, in widely varying degrees of accessibility, resulting in a wide range of production costs. The weather has a marked effect as well on costs of production.

There is need for maximum production now. To induce high production, price policy needs to be adapted to the exigencies of the situation. Subsidies will not accomplish full production except under staggering costs to the taxpayers of this country.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. SAVAGE].

THE NEED FOR PREMIUM PAYMENTS TO INCREASE PRODUCTION OF BUILDING MATERIALS

Mr. SAVAGE. Mr. Chairman, a tremendous increase in production of building materials is one of the primary requirements for reaching the goal of 2,700,000 houses for veterans in 1946 and 1947 set by the veterans' emergency housing program.

To help stimulate materials production on that vast scale, legal authority for the Federal Government to make premium payments for increased materials production is imperatively needed. That is the purpose of the proposed amendment to the Patman bill authorizing such payments through the RFC up to a maximum of $600,000,000.

This method was used successfully during the war to get maximum production of critical materials needed for all-out military production. What is proposed now is to apply it to the critical emergency need for veterans' housing.

Wilson W. Wyatt, the Housing Expediter and National Housing Administrator, estimates that his program of 2,700,000 homes or apartments for veterans will require $2,000,000,000 of building materials in 1946 and $3,250,000,000 in 1947. By contrast, only $400,000,000 of building materials was consumed in residential construction in 1945. In short, there will be an eightfold increase in material requirements for housing between 1945 and 1947.

To meet this goal, there will have to be capacity production of both conventional and new types of building materials in existing plants and increased capacity for a number of critical materials.

The premium payment plan is urgently needed to accomplish these results. Wilson Wyatt has made clear that premium payments will be used only where absolutely essential to secure the production needed for the veterans housing program. The payments will apply only to the increase in production of a given material or equipment item over and above production in a carefully selected base period, or to absorb exceptional risks in production of new materials.

Premium payments will in no sense preclude the use of other methods to stimulate increased production of materials, including price adjustments. However, any wholesale use of price increases as a lever to increased production would clearly defeat the purposes of the veterans' housing program by adding to inflation, raising construction costs still higher, and widening still further the gap between veterans' incomes and the sales prices of new houses.

Furthermore, widespread price increases applied across the board would in all likelihood become permanently frozen into the price structure, whereas premium payments would apply only for the period necessary to stimulate increased production and only to the actual increase in production secured. And premium payments also will help get increased production without raising the cost of housing to the veterans.

This feature is only fair for the veteran because we do not want him to have to pay all the additional high costs of materials that occurred while he was in the service. This will allow the entire Nation to help lift that additional burden from the shoulders of the veterans who have to buy homes.

To build 2,700,000 houses in the next 2 years and thus meet the veterans' housing emergency, we will need to use every ounce of our productive capacity. The premium payment plan is a vitally important tool to help do that job—and at a cost of less than 3 days of the war.

The large and efficient sawmills in my section of the country have during the years immediately past been making the greatest profits in their history. To raise prices all across the board would only permit higher profits where high profits are already being made. This Monroney amendment will bring about the production of many times as much material as would an equal amount of money by further inflating prices. This amendment will put the money where it is most needed to get results and no place else. Far less money will be needed to do the job under this premium-payment program than would be needed under a price-raising program. Under this proposal the country will lift at least 90 percent of this amount from the shoulders of the veteran. Conversely, if we allow all prices on materials to go up, the additional cost will be not $600,000,000 but several billion dollars and practically the entire additional amount will fall on the backs of the veterans.

This is an emergency program and will not be necessary for long.

For the welfare of the veteran and the Nation I urge the passage of the Monroney amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado [Mr. GILLESPIE].

Mr. GILLESPIE. Mr. Chairman, the experience of the American people with the disastrous results of the subsidy program on milk should show us that we do not want to further complicate the critical housing situation with subsidies. Houses are built from materials—lumber, nails, glass, doors, brick, and mortar—and cannot be produced by speeches.

It seems to me the argument for subsidies on building materials has been nullified by the fact that the administration has had the power to grant subsidies all along, and still has that power under the War Powers Act. Yet over 25 percent of all brickyards in the United States are closed. A large percent of our lumber-processing mills are closed. Many of our logging camps and other manufacturers of building materials have shut down because the ceilings on these materials are below the cost of manufacture. The proponents of subsidies claim that by paying subsidies to some of the more inefficient mills, brickyards, lumberyards, and other manufacturers of building material, we could get a flow of material sufficient for a large building program and their plan is to pay a bonus just in

proportion to the inefficiency of the particular mill, brickyard, or manufacturer; thus allowing the long arm of bureaucracy and political preference to reach to every nook and corner of America.

Everyone knows that with increased wages it is utterly impossible for many lines of business to continue without at least some advance in price.

If Congress should make the mistake of giving the Housing Director authority to grant subsidies wherever and whenever he deems it advisable, we would find that the manufacture of housing materials would slow down tremendously because nearly all manufacturers would claim the necessity of a subsidy and before the horde of Government representatives could get around to consider the case of these various manufacturers, the building program would be so bogged down that it could not catch up in 2 years. The simple, easy, and common-sense way, in fact, I think, the only way we can get building materials and get them quickly and economically, is to grant necessary price increases on those materials and the country will experience a great surprise in the tremendous volume that will be made by private industry under private initiative. Then, if we want to subsidize the veteran who is building a house, we should give him a bonus for doing so and in that way the saving to the veteran would not be extended to the entire building industry, and these bonuses would cost only a fraction of what the proposed subsidies would cost. Is not our debt great enough? Is not our confusion ample? Why make it worse?

There seems to be a disposition on the part of some to try to make political capital out of this measure and claim that the opponents of this ill-advised measure are against the veteran. That, of course, is ridiculous. I do not believe there is a Member of this House, no matter what his political affiliation may be, that is not perfectly willing and anxious to do whatever is necessary to get housing for the veterans, as well as the rest of our population in need of shelter. The question is how best to do it and it seems perfectly clear that subsidies cannot accomplish the desired result.

I would like to read a telegram which I have received from the Leyden-Chiles-Wickersham Post, No. 1, of the American Legion, of Denver, and remember, nearly one-half of the 8,000 members of this post are World War II veterans:

DENVER, COLO., *February 27, 1946.*
Congressman DEAN M. GILLESPIE,
Washington, D. C.:

At a regular meeting of Leyden-Chiles-Wickersham Post, No. 1, of American Legion, which has membership of over 8,300, and is the second largest post in the United States, it was voted to urge your opposition to Wagner-Ellender-Taft bill, the Patman Act, and all similar legislation that will result in socialization and regimentation of housing of Americans. Veterans want homes of their own in the modest-price range, and did not fight for the right to become tenants of the city, State, or Federal Governments in public-owned and operated projects. Since VJ-day continued Government wartime controls have prevented the huge construction industry from building homes needed by veterans, thus also denying employment to hundreds of thousands of veterans and other labor. Government agencies offer as a substitute unsound new legislation. Such proposed solution by public-housing propagandists is opposed by veterans. Private enterprise throughout the country is ready with experience, building sites, and money to build more low-priced homes faster and better than any municipal, State, or Federal bureau, but because of Government policies, materials, and equipment are not available to them.

In Denver alone 1,814 low-priced homes stand incompleted because of lack of materials. We recommend that positive action be taken as follows: No. 1, defer for 1 year all nonessential Federal, commercial, and industrial construction plus construction of de luxe price residences. No. 2, lifting of price ceilings to enable full-scale production of materials and equipment used in homes to be built in the U. S. A. No. 3, prohibition of continued wholesale foreign shipments of lumber and other building materials. No. 4, FHA made responsible that veterans be given 30 days' preference to purchase or rent new homes and apartments and for other directives to implement the spirit of low-priced homes for veterans. The time has come for a show-down whether the United States of America is going to become socialistic or remain a strong nation of free enterprise.

J. FRANK BINDER, *Adjutant.*

I am just now in receipt of a wire from Maj. Bernard H. Waldman which reads as follows:

DENVER, COLO., *March 4, 1946.*
Congressman DEAN M. GILLESPIE:

Am strongly in favor of bill for direct subsidy to veterans for housing rather than a subsidy to manufacturers.

BERNARD H. WALDMAN,
Major, QMC-REF.

In fact, all of the arguments I have had on either side of this bill have opposed subsidies.

The CHAIRMAN. The Chair recognizes the gentlewoman from Connecticut [Mrs. WOODHOUSE].

Mrs. WOODHOUSE. Mr. Chairman, the Monroney amendment providing for premium payments should be accepted because it offers the most economical way of providing incentives for the production of certain needed materials. When Judge Collet came before the Committee on Banking and Currency January 23, he said of the use of subsidy:

If you put it on the particular spot where it actually is needed to produce and stimulate that particular product, you avoid the necessity of a general increase in a price level that may raise or increase the over-all cost to the consumer many times the amount of the particular subsidy used to bring about production of that particular material.

And he said further:

There have been several price increases of lumber, but actually it has not gotten the job done. Prices have gone up, and the production has gone down.

It is very easy to blame the shortage of building materials on price. But if we are realistic we have to recognize that a major war does disturb our economy; that brickyards, for example, were not all in operation during the war; that labor which went into war industries took time to drift back to the brickyards. Actually, in spite of all the talk in certain quarters, reconversion has gone well. Mr. Snyder reports that on December 31 production for civilian use was higher than it had ever been in peacetime. But in housing we are faced with a situation somewhat different from that of the production of other commodities. We have not produced an adequate number of low-cost houses for many years—dating back to long before the war. The highest number of housing units ever produced in a year was 937,000 back in 1925. Our current program calls for building homes at the rate of 1,500,000 a year. And before saying that program is impossible let us recall the skepticism which greeted the demand for 50,000 planes. Many more were produced. But not by the law of demand and supply. They were produced by engineering skill, by the coordinated effort of government, labor, and management under the leadership of a great man—a man with courage and imagination.

The aircraft industry doubled and redoubled its production largely through the use of mass-production techniques and the adoption of new engineering ideas and new materials. But housing is still a handicraft industry. Each dwelling is built largely by hand, out in the open. The industry must develop methods of mass production which will lower the cost of an acceptable low-priced house.

It is low-cost housing which we must provide. One-half of all dwellings in existence today are valued at less than $3,000. An analysis of the 26,444 dwellings registered in the rent area covering 2 counties in my district shows that 97.7 percent carry rentals of $50 per month or less. Further, 58.3 percent have rents of $20 per month or less. This means houses costing not over $5,000.

The new methods and new materials give promise of producing low-cost houses. This is a field in which traditional construction has not been able to provide an adequate number of dwellings. Providing premiums to help carry the risk of developing new plants for producing new building materials and dwellings by new methods will provide low-cost housing. It will not harm the traditional builder. He will be kept fully occupied with on-the-site construction. Nor will it throw the building tradesmen out of work. On the contrary, it makes possible their employment on a year-round basis instead of seasonally, as today. Moreover, new materials and new methods will create jobs. Mr. Wyatt's program calls for 1,500,000 additional workers in the building industry.

And we can be certain that the new-type houses will meet standards both of utility and of appearance. Outstanding industrial designers like Norman Bel Geddes are creating new-type houses at low cost. The dire predictions made last week by the gentleman from Michigan are groundless. No Government agent will prescribe the room arrangement. I wonder if he remembers that all women's dresses were made under L85 during the war, and yet we certainly did not all look alike. Nor were we all squeezed into size 16 nor draped in size 44.

There will be more choice with new low-cost housing than there is today where most people who cannot pay a high price for a house have to take somebody's discard.

Mass production is the great economic contribution of our American engineering genius. The premium payments provided by this amendment will both bring

out short materials needed by the traditional builder and hasten new developments in the building industry. These developments would without question come eventually. But the veteran needs a home now. During the war subsidies have been used very effectively in obtaining production without increase in price. Mr. John Snyder so stated recently before the Banking and Currency Committee. The war is certainly not over for the veteran who cannot find a home. For the coming months premium payments are needed to hasten home building and to help keep down the price to the veteran and his wife who must have a home if they are to live as an American family should. Today it is difficult for any veteran to find a house or apartment. It is practically impossible for a veteran with a child, certainly for one with children, to find one.

I heartily dislike subsidies. But not as much as I should dislike the social results we will suffer if we fail to find ways of producing the needed 2,700,000 homes for the young men and women who today are starting the families who will shape the future of our country.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, I offer an amendment to the Monroney amendment.

The Clerk read as follows:

Amendment offered by Mr. HINSHAW to the Monroney amendment: Strike out the words "conventional and new types of."

Mr. HINSHAW. Mr. Chairman, I think the cat is pretty well out of the bag. This amendment offered by my good friend, the gentleman from Oklahoma [Mr. MONRONEY], without the amendment I have offered, permits the making of premium payments for "conventional and new types" of building materials. Read that language carefully and think well what it could include under administrative interpretation. It seems to me I have heard of at least one very important tycoon who was around here for the purpose of lobbying for prefabricated homes, to be made out of such materials as aluminum, and which he proposed to build in large quantities. No doubt, others have some dandy new ideas, too. The way the amendment offered by the gentleman from Oklahoma has been written, the Housing Administrator would be authorized to make premium payments or bonus payments to that esteemed tycoon to help him sell prefabricated aluminum houses at a reduced price without the loss costing him anything. We all know the reports are that he himself made $45,000,000 during this war in his activities in connection with the war. He is really quite an enterprising chap and has done a great production job.

It seems to me it is entirely unnecessary for anybody to offer any premium payments for new types of building materials. That could be a real racket. It would provide the Housing Director with a $600,000,000 kitty with which he could finance his friends in all sorts of queer ventures.

Furthermore, if the word of the gentleman from Texas [Mr. PATMAN] is to be believed and this amendment was to be for production subsidies, then, in the name of heaven, why do you not say "production subsidies" in the amendment instead of saying "premium payments"? I might not be opposed to the gentleman on the question of production subsidies, to bring in the high-cost marginal producer of building materials and increase the amount of material available thereby, but the amendment as offered by the gentleman from Oklahoma [Mr. MONRONEY] is going to bring in all the screwball ideas for untried new materials to get premium payments in order to put them into production. It seems to me it is entirely asinine. If you want us to vote for production subsidies, then ask for production subsidies or incentive payments. If you want to finance these cockeyed schemes and pay for them with the tax money of the people, then vote for the amendment that has been offered by the gentleman from Oklahoma calling for premium payments on "conventional and new types of building materials."

Mr. Chairman, with the deepest respect for my friends, the gentlemen from Oklahoma and Texas, I would like to say again that there has been more hokum—more loose talk—about this bill than anything I have seen or heard around this Hall for a long time.

I thought that the gentleman from Oklahoma [Mr. MONRONEY] was going to offer an amendment to provide production subsidies to marginal producers in order to bring into production those inefficient building materials manufacturing plants that have not been able to stay in operation and produce building materials under the OPA ceiling prices, and whose production is needed in order to get the maximum production of building materials. Of course, those plants could be brought back into production by allowing them an increase in their ceilings. But my friend from Texas points out that increases in ceiling prices on standard low-cost building materials made in order to help the high-cost producer to get back into operation would mean added profit to the low-cost producers.

So, Mr. Chairman, I have been awaiting the reading of the proposed subsidy amendment, feeling that there might be some logic in that proposal. When it was read by the Clerk I was shocked to note that there was no mention of production subsidies, but something called a premium payment instead. The term "premium payment" is a new one on me. I think it is a new one for the law, too. I find no legal definition of what a premium payment is. The term "premium payment" might well be construed to mean "bonus." It could mean several things at one and the same time. In fact, if this amendment were adopted, it would appear that the Director could make his own definition of the term. I have seen too much of that sort of thing to vote blindly for those words to be included in this bill. If the gentleman from Oklahoma had used the words "production subsidies," or "incentive payments to marginal producers," everyone would know that the amendment said what the gentlemen from Texas and Oklahoma said they intended it to mean and that Mr. Wyatt wanted, but it does not read that way. In my opinion it is a slick piece of legislation and an excellent vehicle for slickers to make their fortunes at the expense of the people and especially at the expense of the GI who will have to pay for it in years to come through taxes.

Now, Mr. Chairman, I would like to return to a statement made frequently here on this floor and elsewhere by the gentleman from Texas [Mr. PATMAN] to the effect that if we do not pass this bill then scarce building materials will be used to build race tracks, amusement places, and honky-tonks. All this bill does, so they say, is to continue in force the powers right now and long since vested in Mr. Wyatt by Presidential directive under the War Powers Act, which expires, unless renewed, on June 30, 1946.

Now let us look at that situation squarely. Everyone can see right today that there is a great deal of that kind of building going on. You can see it everywhere. All you have to do is drive around and look for yourself. Mr. Wyatt has the power right now, and has had it for a long time, to stop that sort of thing and to channel those materials into housing for veterans. Has he stopped it? He has not stopped it. What leads you to believe that he needs this bill passed to help him stop it? With all due respect to the gentleman from Texas [Mr. PATMAN], I say that this bill is not going to stop that sort of thing if the bill only extends the present existing powers of Mr. Wyatt. Mr. Wyatt could stop it any day under the powers he has now. So the statement made by the gentleman from Texas must have been made to appeal to the feelings of those who are not well informed. Too many statements like that have been made here in the last several days. Let us have the plain truth spoken so we may act intelligently and not from passion. So far we have been getting a lot of pure, unadulterated "bunk" and very little solid truth from the proponents of this bill. Never in my 8 years here have I heard so much sheer demagoguery as I have heard in connection with this bill.

The CHAIRMAN. The gentleman from Wisconsin [Mr. BIEMILLER] is recognized.

Mr. BIEMILLER. Mr. Chairman, a few short years ago President Franklin D. Roosevelt set certain goals for the production of instruments of war. One of the goals he set was 50,000 airplanes a year. The prophets of doom on all sides laughed at that goal. They said it could not be done. You and I know what was done. We turned out not 50,000 but 100,000 planes in our best year, and turned out far more advanced and far heavier models than the world ever thought was possible. That was not done by sticking to old ideas. That was done by experimenting with new ideas. It was done by production subsidies in certain lines of activities, if you will.

Today, our Nation is confronted with exactly the same kind of a crisis. We have an emergency in housing for veterans. We promised those men who lived in fox holes they would have homes when they came back to this country. They

are not getting them today. They will not get them unless we show some kind of imagination, some kind of willingness to experiment with new ideas, as well as to continue old ones.

I hope this House will not be foolish enough to vote down the Monroney amendment. It is the only hope we have for meeting the crisis of our time, the crisis of housing for veterans. Subsidies are needed both to stimulate new methods and new materials and to bring marginal producers of old-line building materials into the market. No one need fear they will be frozen out. The scope of the Wyatt program is so broad that we will need far more materials and many more mechanics than the industry has ever had before.

Let us show our veterans that a nation which did such a magnificent job in producing the instruments of war can do the same kind of a job in producing peacetime homes.

The Monroney amendment is the core of that program. It will prevent profiteering which would result from a rise in prices, it will bring marginal producers into the picture as copper subsidies did during the war. It will save untold millions to veterans by keeping down the price of houses. I sincerely hope it passes.

The CHAIRMAN. The gentleman from Ohio [Mr. SMITH] is recognized.

Mr. SMITH of Ohio. Mr. Chairman, I am utterly opposed to subsidies in any form. A subsidy is a subterfuge. It is a falsehood that subsidies lower living costs. They raise living costs. Subsidies under a program of deficit financing are raised by Government printing-press money.

Government printing-press money is inflation. The OPA is not dealing with inflation but its effects.

Shortage of goods in itself never causes true inflation, but inflation, that is Government printing-press money, causes shortage of goods. Government printing-press money is a depreciating money and a depreciating money disturbs the economy and hampers production. A part of the difficulty industry is having now to get back on its feet is due to the fact that our currency is in the process of depreciation. No man can know where he stands financially today, much less where he will stand tomorrow.

Every dollar of subsidy that is added to the existing volume of currency will only aggravate this condition.

Let me remind the Members of this House and especially those who so much protest the need of protecting wage earners and other low-income groups of one of the most crucial facts of all history—namely, that it is the working people who suffer most from a depreciating currency. This is one of the most outstanding truths in economic and monetary history. There is not a treatise on the subject of money worth reading that does not recognize this. The great statesmen of all time have recognized this. It was recognized by the English statesmen who wrote the Gold Bullion Report, still one of the classical studies of money, notwithstanding the theories of the Keynesian school.

Let anyone read the history of Government printing-press money in France under John Law's scheme in the second decade of the eighteenth century and that which took place in France toward the end of the eighteenth century and he will see how much more heavily the evil effects fall upon the poor than the rich.

Study the evil effects of the bills of credit, Government printing-press money, during our colonial history and you will find that they fell most heavily upon the poor.

Said Pelatia Webster regarding the bills of credit:

> We have suffered more from this cause than from every other cause or calamity. It has killed more men, pervaded and corrupted the choicest interests of our country more, and done more injustice than even the arms and artifices of our enemy.

Our own statesmen have time and again pointed this out. Said Daniel Webster:

> A disordered currency is one of the greatest political evils. It undermines the virtues necessary for the support of the social system, and encourages propensities destructive to its happiness. It wars against industry, frugality, and economy, and it fosters the evil spirits of extravagance and speculation. Of all the contrivances for cheating the laboring classes of mankind, none has been more effectual than that which deludes them with paper money. This is the most effectual of inventions to fertilize the rich man's field by the sweat of the poor man's brow. Ordinary tyranny, oppression, excessive taxation, these bear lightly on the happiness of the mass of the community, compared with fraudulent currencies and the robberies committed by depreciated paper. Our own history has recorded for our instruction enough, and more than enough, of the demoralizing tendency, the injustice, and the intolerable oppression on the virtuous and well disposed, of a degraded paper currency, authorized by law, or any way countenanced by government.

Said Grover Cleveland, who had a better knowledge of money than some of our other Presidents:

> There is one important aspect of the subject which especially should never be overlooked. At times like the present, when the evils of unsound finance threaten us, the speculator may anticipate a harvest gathered from the misfortune of others, the capitalist may protect himself by hoarding or may even find profit in the fluctuations of values; but the wage earner—the first to be injured by a depreciated currency and the last to receive the benefit of its correction—is practically defenseless. He relies for work upon the ventures of confident and contented capital. This failing him, his condition is without alleviation, for he can neither prey on the misfortunes of others, nor hoard his labor.

The CHAIRMAN. The gentleman from Arizona [Mr. MURDOCK] is recognized for 2½ minutes.

Mr. MURDOCK. Mr. Chairman, as I view it, there are three ways of paying for war, that is, the wealth cost and not the blood cost. Now I regard taking adequate and proper care of the veterans returning as a part of our war obligation and cost just as much as furnishing them guns with which to fight the war.

There are three ways of paying the money costs of war. One is by 100-percent taxation, which has never been done, and was far from being done during this last war. Another is to borrow every dollar spent in the war. That was not quite fully carried out this time, but in large part that was one method we had of financing this war. Our Government borrowed billions of dollars. Another is through inflated prices, a large part of the total cost of war can be suffered and paid through inflated prices. Now, through inflated prices and through borrowing as we have done this time, we passed much of that debt on to posterity. I think it is a shame—I might say a crime—that we have passed so much on to posterity.

When I said here on this floor a half hour or so ago that all the copper that was produced in this war was bought at a price from 12 to 17 cents a pound, whereas in the First World War the price went up to 35 cents a pound, that saving was made possible because this time we used premium prices and offered inducements by way of incentive subsidies. I mean to say, and I think it is just as plain as arithmetic, that whatever the total amount was we paid for copper, whether it was $1,000,000,000 or more or less in World War II, we would have paid twice that amount had we not used the incentive subsidy plan. However, following me a Member said an hour ago we are just talking a lot of bunk about this, because through this subsidy we have passed all this debt on to posterity. He was referring to my words about subsidies. I tell you that even though you look at the premium-payment plan from that standpoint, it is not bunk to pass that reduced cost on to posterity, but it would have been a crime to have doubled the cost to posterity instead of keeping it as it was kept at the lowest possible level.

The CHAIRMAN. The time of the gentleman from Arizona has expired.

The gentleman from Iowa [Mr. JENSEN] is recognized for 2½ minutes.

Mr. JENSEN. Mr. Chairman, I am afraid too many Members forget that veterans are also taxpayers. These veterans are going to become the big taxpayers of America, and we may be playing fast and loose with their dollars and their children's dollars. One would think by listening to some Members talk on this bill that veterans are not taxpayers, that none of them are taxpayers. We must, however, remember that we do not want to pile obligation upon obligation and create a condition that will cost them much more in the long run.

I have here a letter from a prefabricated-housing company in my district from which I wish to read a paragraph to show you what is happening with the regular prefabricated-house plants:

> None of our houses will meet FHA standards, and that is true of a good many of the homes on the market now. Also labor unions and building codes are keeping them out of the larger places. I noticed in one of my building services where the Government even had to let the electricians tear out the wiring and replace it on the homes they had built. Most building codes in cities of any size are written so you can't comply with their rules and regulations. A housing company at Albany, Ind., has been building homes for quite a number of years. They recently sold controlling interest to the United States Steel Co., and they are building a large plant for

prefabrication of houses. It is my understanding, according to my trade reports, that they will not establish dealers or outlets in towns of more than 9,000 population due to building codes and labor-union restrictions.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. STARKEY].

Mr. STARKEY. Mr. Chairman, after listening to 4 days of debate here I have come to the conclusion that there are only two lines of thought. One is to take off all restrictions and price control, leaving the returning veterans at the mercy of the speculators, compelling them to buy in a seller's market. The other school of thought is that abnormal conditions exist in the construction industry and the veterans are entitled to the same protection that we have given big business during the war and after the war when they need some protection at a time that they find themselves in an abnormal condition.

We have given subsidies to all big business in the form of carry-backs and carry-forwards. They holler to high heavens when we talk of subsidies that will go to help the common man; yet these carry-backs and carry-forwards come out of the Treasury. It is paid by all the taxpayers. We made provision for ship purchasers buying ships. If later they find that the prices become cheaper, they may have a refund and they can also draw interest on the difference between the price they paid and the reduced price. We have helped the railroads, we have helped insurance companies, we have helped importers and exporters with legislation. That all cost the taxpayers money. But when it comes to taking a few dollars out of the Treasury and spreading it out among all of the people, we holler that it is contrary to our form of government. It seems to me that the people who fought this war and won the war are entitled to more protection than those who stayed home and made money while the veterans were away.

But now when it comes to protecting the investments of the men and women who won the war, we are apparently unwilling to take any effective steps. We are apparently willing to see any or all of their small savings and severance pay, any or all of the savings of a wife or sweetheart who probably accumulated a few hundred dollars working long night hours in a war plant, dissipated in order that land speculators and others may make a killing.

I do not believe, however, that this will be done. I believe we are going to protect the veteran as we have protected other groups, from the uncontrolled spiral of inflation. One of the ways to protect him is to pass this bill and include in it the right to pay subsidies to stimulate production and construction of necessary homes.

Certainly this Congress does not want to give those who would tear down our form of government the opportunity to say that the American way of life is to protect those who have, and afford no protection to those who have not. I am sure we do not desire to put words in the mouths of opponents to our democratic form of government and free enterprise by giving them the opportunity to say to the returning veterans, "You have gone on to the battlefields to protect our way of life and free enterprise but now that the job is done we forget all of that and you are at the mercy of those for whom you made these sacrifices."

As is well known, the present housing shortage springs from the drastic curtailment of construction during the war years when all material and all efforts had to be devoted toward winning the war. The fact that there had been inadequate construction during the prewar and depression years only served to make this shortage more acute. Now with the large number of World War II veterans returning to civilian life, and the equally great number of war workers returning to their more permanent homes, the need for housing is so great as to present a challenge to American ingenuity and ability. It is estimated that nearly 3,000,000 World War II veterans alone will be seeking homes by the end of this year.

To meet this situation, the Government's Housing Expediter has set a goal of 2,700,000 dwellings by the end of 1947, with 1,200,000 dwellings being started in 1946 and 1,500,000 dwellings in 1947. It is no small goal and no easy task, and we all should be more than willing to provide appropriate legislation to accomplish these ends.

Meanwhile there is another question facing our citizens, and that is the price of these new dwelling units. It will be of no avail to build houses if the average American wage earner cannot afford to rent or buy them. It will be equally unpardonable to build moderate-priced houses, and to permit speculators to run the prices of them so high that the tenants for whom they were built cannot afford to live in them. It is to prevent such speculation that the Patman bill is designed.

This bill creates a Director of Housing Stabilization who shall formulate and develop a comprehensive national program to effectuate the purposes of this title. Primarily, the Director will accomplish this purpose by requiring any person who deals in, sells, rents, or buys, or offers to sell, rent, or buy any housing accommodation to make reports and keep records of his transactions for governmental inspection. Whenever the Director believes that a situation in the sale of housing accommodations, the construction of which is completed after the effective date of this title, threatens the purpose of the bill to keep prices of housing units in line, then the Director has the power to step in and regulate or fix the prices of this new housing construction in any given area. Under the present bill he does not have nor is he required to exercise Nation-wide price fixing, unless or until such Nation-wide price fixing becomes imperative. Then, so far as practical, the Director shall consult and advise with local representatives of the industry and such State or local officials as may be affected by the housing order.

When the Director sets a maximum price on this new housing construction, he shall, according to the present bill, use as a yardstick the reasonable construction costs; the fair market value of the land with improvements; a margin of profit equal to or reflecting the profits prevailing for similar construction in 1941. There is provision for controlling speculating by granting the Director power to make any order he deems necessary to prevent evasion of the purposes of the bill or to regulate or control speculative or manipulative practices in connection with the sale of any housing accommodations covered by this act.

In addition to these powers, it is my opinion the Director needs the same power that was used to stimulate production of armament during the shooting war. It was only the granting of production subsidies to manufacturers that broke the bottlenecks and made it possible for us to reach goals that were called fantastic when they were first announced, but which most certainly brought about a much earlier termination of hostilities.

While the shooting has stopped, there are still war obligations, and an important one is to provide those who won the war a decent place in which to live. It should not be necessary for our veterans to suffer any undue hardships upon their return to civilian life. Any moneys expended for subsidies for housing should be charged to war cost and I am satisfied the great majority of our citizens will be more pleased to see the Government spend a little money to make the veterans comfortable than they were to see them spend money for destructive purposes.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. KELLY].

Mr. KELLY of Illinois. Mr. Chairman, my only purpose in rising and getting recognition at this time is to call the attention of the Members of the Committee to the fact that Mr. Wilson Wyatt, whom I have had the pleasure of meeting is a very fine gentleman, and, I think, a man who is going to be burdened with a tremendous task; he needs the help of each and every one of us. However, last week in Chicago he castigated Congress for prolonging this legislation and delaying the building of 3,000 homes for war veterans each and every day this House was considering this bill. That statement proved conclusively in my mind that Mr. Wilson Wyatt is not familiar with the building industry, because it would take more than 1 year even in the city of Chicago to build 3,000 homes under this program with some of the most skilled mechanics in the building-trades industry found anywhere in this country.

May I also call attention to the House that last fall this House allocated $359,000,000 to the USHA for temporary homes to be constructed for veterans of World War II. Homes that are to be dismantled and removed from factory sites used during the war, known as war defense homes. I wonder now why the delay of that program after 2 months have passed? I wonder why only a few contracts have been authorized up to the present time? I do not believe any Member of the Committee is in a position to answer that question. However, I think I know myself. We are all anxious to build homes for the veterans, but let us do the job right.

I have here a letter from a builder with an order for the release of materials and priorities under Civilian Production Administration Order 541 (a).

Under that order, I want to show this House that they are asking for an urgent bill to construct homes for the returning veterans of this Nation. In one breath, they are asking for the construction of new homes and, in another, before any law has been passed giving the veterans priority, they are preventing the completion of hundreds of homes, in Chicago and elsewhere, that are now partly built.

It just does not make sense.

These people must have authority from the Civilian Production Administration in order to receive these materials.

I wish to quote from two letters received from substantial, practical builders in Chicago.

One states:

I started five buildings of my own on Laflin Street, near Eighty-ninth, in the month of January. After getting the work under way, the lumber yard has been ordered to deliver no more lumber to me or other customers unless a priority rating accompanies each order. They have the material, but they are up against getting their stock replenished unless they in turn can furnish a priority rating to the lumber mills. Inasmuch as these homes were started before the regulation for veterans' housing was promulgated the CPA has provided for these hardship cases by allowing builders to apply for assistance on CPA Form 541–A.

I now quote from the other letter, also from a practical builder, who states:

My recent experience has shown that the veteran is not the one requesting new houses—not in all cases. He wants a place to rent until he is financially able and economically settled so that he can build a home. This is natural. Very few men in this age group have in the past or will in the future want to tie themselves down as a home owner. On the other hand, I have turned down many older people who have lots and necessary money to build. They must be turned down because they cannot obtain a HH rating. However, if we could build houses for these people, it would free apartments so they could be rented to servicemen.

In 1943, in the latter part of February, I was commissioned by the mayor of Chicago to come to Washington and see if we could get priorities for the purpose of constructing homes for defense workers. We were planning to head off the unsightly, unsanitary conditions that would prevail if trailer camps and villages had been established around the city of Chicago.

After conferences with the members of the United States Housing Corporation, which was then in control of this program, it appeared they could not see eye to eye with the people representing the city of Chicago. They even went so far as to state that they were contemplating advocating legislation whereby people would share their homes, in cases where vacancies occurred in the immediate family, due to boys or girls going into the service with total strangers, not knowing who they were or where they came from. If that were permitted to happen, God knows what would develop in a moral sense with regard to good, substantial home owners and people.

Refusing to accept the word of the authorities with whom we had dealt, I went to the White House and conversed with the President of the United States, Franklin D. Roosevelt, who agreed with my statement and ordered an interim quota of buildings to be constructed and priorities to be released.

We did a remarkable job, and the same job can be done today, under the provisions of the Federal Housing Administration, by placing a price structure on these homes to be sold to veterans.

There is not a person in this Chamber who is not anxious to see that these veterans are accorded every privilege in the way of decent and stable homes—not in barracks or unsuitable quarters such as they lived in during the time spent in the armed forces.

If we wish to encourage common decency among our citizens, let us do the job right, by using common sense in the construction of home buildings, which will give pleasant surroundings to those veterans who will occupy them.

I am familiar also with the prefabricated industrial lobby that has been in existence in this Nation for the past 3 years, and it looks as though these people are the real lobbyists to sell their wares for inferior buildings, against the stable buildings that are characteristic of our Nation.

There are many other remarks I could make concerning this bill, and which I probably will make in the course of a short time, and being a veteran of the First World War and having two sons and a sister in the service during this war, I want to see all veterans get the best that this country can offer.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

The Chair recognizes the gentleman from Nebraska [Mr. BUFFETT].

Mr. BUFFETT. Mr. Chairman, an enthusiastic effort has been made to compare this subsidy scheme with the production subsidies that were used during the war. I think that comparison is worthless, because there is an entirely different problem involved.

During the war subsidies involved primarily basic materials, but this subsidy scheme involves finished materials, and if you want to know what this kind of a subsidy will do, I invite you to take a look at the butter-production figures for November and December 1945, and January 1946.

In those months butter, under so-called production subsidies, dropped to the lowest point since 1920.

In those months our butter production was less than half of what it was in the same months in 1941 and 1942. That is what production subsidies have done to an intricate price structure in finished goods, and that is what they will do to the building industry, because there are literally tens of thousands of different prices in the building industry.

The claim has been made that this subsidy will help small business. What has it done to the little fellow in the butter industry? Eight hundred and fifty small butter plants have been closed down. Twenty percent of the butter plants in this country have closed their doors. Which plants are those? Those are the little plants of small operators who have been squeezed out because of the red tape and ramifications of this subsidy scheme.

This subsidy scheme would parallel the rebate system that Standard Oil was reported to have used with the railroads in the early days to squeeze out competitors. There is every reason to believe that this rebate or subsidy scheme would be used for political preference and special privilege by the bureaucrats today.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. I wish to call the gentleman's attention to an article that appeared in today's Washington Post in regard to food. It might be interesting to the people who are subscribing to this subsidy program to note this, because next week they will have lots of tears for the farmers, that Anderson and Porter have announced that subsidies now being paid to the cattle feeders will be terminated on June 30.

Mr. BUFFETT. In other words, subsidies are an easy economic narcotic to indulge in, but are not so easy to eliminate after the habit has been established.

The way to get houses built is to eliminate the crippling red tape and regulations created by "Bottleneck" Bowles. His fumbling in OPA in the critical months since VJ-day have delayed housing for tens of thousands of veterans.

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina [Mr. RILEY].

Mr. RILEY. Mr. Chairman, I am still in favor of this bill substantially as it came from the committee. As reported, it contains no provision for subsidies.

In checking this morning with the Reconstruction Finance Corporation I found that no subsidies were paid on lumber, cement, asbestos, asphalt, plywood, brick, cinder blocks, and such materials when this Nation was in the agony of war, and needed every type of material it could get for camps, bridges, and other construction both here and abroad. Why subsidies for these things now?

I find further in checking with the Labor Department that in January of this year, 1946, 37,900 dwelling units were started as compared with 7,684 units last January; these without premium payments, and without subsidies. At the same time, in January of this year, $68,000,000 in commercial building was started. Last January there was only $7,000,000; so that now there is almost 10 times as much commercial building as a year ago. The combined dwelling and commercial construction for January compares favorably with that of any month during the past 10 years, and January is a bad season for building.

I think the people of this country, to a large extent, are willing to wait for unessential commercial buildings and turn this material into dwellings. I think this is one of the essential things to be done in this program.

The people who produce building materials have not asked for subsidies. Why should we then spend our children's money in this way? It is the same as breaking into the little piggie bank and spending selfishly the money the children have saved. It is comparable, I think, to the dear little woman who goes downtown, buys a pair of curtains, and hangs them up in the house for a Christmas present, then sends you the bill the first of the month. Instead of paying the bill now, while we are prosperous and earning good money, we merely postpone the day of reckoning by the use of subsidies. Later our children will have to pay in the form of taxes; when the going gets tough, when earning power is less than it is now.

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut [Mr. KOPPLEMANN].

Mr. KOPPLEMANN. Mr. Chairman, it seems that everyone wants houses, especially homes for veterans and our low-income people. If we are to get the homes these people can afford, the Government's responsibility comes into the picture. You cannot get away from it. At high prices most of these veterans cannot afford to buy. Something must be done. The Monroney amendment offers a necessary solution.

We must look upon this housing program as a war measure. The shooting may be over but the war is not. This housing shortage is a direct aftermath of the war. For 4 years we were unable to permit any sizable amount of home building. Now we are confronted with a crisis which we will not overcome unless we devote to it all the imagination and initiative we used to speed war production. We can overcome the obstacles if we are willing to do so. We mastered the obstacles for plane and ship construction, for training soldiers to fight who never had been near a gun. But we were not weak-kneed or timorous. We accepted the enemy's challenge. No one could stop us—and in the end no one did.

They are trying to stop us from solving this problem, though. But they will not if we give the housing officials who are willing to put over their program the help they need. We can either lift all restrictions, remove all ceilings, and let whoever can afford it build a home. But the people who need them most will not be able to get homes that costly way.

We recognize that the construction industry needs help from the Government if it is going to do its job. We have been offered a proposition which will make it possible to build the homes for the veterans who cannot pay the high prices some people in the real estate and construction game would like to soak. We are willing to help them absorb—at Government expense—any increased costs they will meet in putting over this program. We are willing to charge that increased Government expense up to war costs. The only way to do that is through subsidies which will enable the industry to absorb its increased costs and hold the prices down. Are not the veterans entitled to this additional help from us?

This substitute to be offered by the gentleman from Michigan calling for a billion dollars of loans from the Treasury offers no protection against increased prices to the people who need homes. If anything, it offers veterans an opportunity to borrow money to buy homes at excitingly high prices. There is no commodity today which can more surely lead the country into an inflated speculative boom—and the consequent fall down and go boom—than houses. If this substitute passes a veteran will have partly paid back on his loan only to find that in the normal market he can purchase as good a house, or better, for less than he owes on the house he bought at an exorbitant price. What is he going to do? He will throw his house back upon the Government, and lose his own investment. Tens of thousands of others will do the same thing. The Government will be compelled to take back the houses, sell them at a sacrifice or tear them down. As a result, the Treasury and the taxpayers will lose more money under this substitute plan which will be offered by the gentleman from Michigan than it could possibly lose otherwise.

And besides, even if he can borrow, few veterans are going to buy a house that is far higher in price than its value warrants. These men are not dumbbells. If they are going to borrow they will plan to repay and they will not borrow if they cannot repay. But some out of desperation will do anything to get the house they need.

In any event, if the substitute is adopted the Government and the veterans will be the losers—the former by losing its investment when the markets come back to normal and the houses are thrown back for default of payment; the veterans because if they do borrow they will be up against it in repaying on a home whose price is far out of line with its true worth.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. DOLLIVER].

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. DOLLIVER. I yield.

Miss SUMNER of Illinois. May I call the attention of the House to one highly important fact. If you read this amendment, you will see it is so broad it gives the Director a Godlike power and he can make or break a man. For instance, under this amendment, in my opinion, he could give a dollar to some established producer of materials and give all the rest of the $600,000,000 to one person such as Kaiser, for instance.

Mr. DOLLIVER. Mr. Chairman, after listening to the debate between Members of the House for several days past and trying to find my way out of the maze of argument, I think I have come to one conclusion, at least. It seems to me there is too much of a tendency on the part of some of the Members of the House to arrogate unto themselves an exclusive interest in the veterans. The idea that only they are interested in housing for veterans, and only by means of their particular scheme will we see housing for veterans accomplished, is repugnant to me. I desire to go on record now as saying that the people of the United States, and specifically the people in my own district, are extremely interested in securing housing for veterans. They are as vitally interested as any self-proclaimed champion of veterans who is a Member of Congress, because these veterans are the flesh and blood of our people. Of course our service people deserve and have a first claim on our constituents.

I likewise have come to the conclusion that to pass this amendment offering subsidies in this lavish and unprincipled fashion will not accomplish the result that is desired. These subsidies will merely result in more spending of public funds, with no benefits commensurate with the expenditure. I am more and more driven to believe that the American people need and want to be delivered from the deadening hand of Government control and bureaucracy. Americans want to be free. Free to carry out their own plans in their own way; free from Federal planning; free from the threat of reprisals at the hands of a Government agency; free to live their own lives in a manner uncontrolled by the vagaries of economist or statistician.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. IZAC].

Mr. IZAC. Mr. Chairman, there are two parts to this program as I understand it. One is that we build houses, and the other that we build them at a price veterans and war workers, at least those who were formerly war workers, can afford to pay. Eight thousand veterans are coming into southern California every week. Those figures are very accurate. They mean that 400,000 veterans will be in southern California by the end of this year. They have to have some place to live. It is no use of our talking about $8,000 and $10,000 houses because you know as well as I that to amortize the mortgage on such houses in the lifetime of the average man means $80 a month minimum. I know of no way that has been brought out in this debate whereby we will reduce that price unless we do go to subsidization. If we subsidize the producers of these building materials, we have a chance to hold down the price. We had an increase in the ceilings of building materials, especially lumber, several times during the war. What was the result? Did you get any more lumber? Of course, you did not. We are getting less today with higher prices than we have had at any time in the past. Therefore, by simply granting higher prices, you are not going to produce any more building materials. But even if you did, who could afford to buy the houses built with such high-priced materials? Certainly not the average veteran.

I am convinced if you let this price go up here, as so many suggest, you will have to raise it again in a few months, and then again; and in the end you will have to go to the producers and plead with them to give us enough building materials to carry out this program of 2,700,000 homes.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. IZAC. I yield.

Mr. RABAUT. And if you do not do what you are advocating, you are forcing the veterans to live in a shack.

Mr. IZAC. Well, they do not even have shacks in my district. But by keeping the cost of the materials that enter into the building of their homes at a low enough figure, which in my opinion is possible only by the use of subsidies, we can provide them with small, modest homes that they can afford to own—instead of shacks as my friend rightly observes.

I think it is ridiculous for us to sit here all these days, wasting this time, when we know how serious this lack of housing has become. Remember, it is not just the veterans from California who are coming out there. It is veterans from every one of your States, my colleagues. I think we should all be interested in the welfare of all of them because they fought for us regardless of State boundaries and now the least we can do in return is to make it possible for them to have a home of their own in any place they choose.

The CHAIRMAN. The time of the gentleman from California has expired.

The gentlewoman from Illinois [Miss SUMNER] is recognized.

Miss SUMNER of Illinois. Mr. Chairman, when I see how some of these programs like subsidies come to be, I cannot help believing that the trouble is that some people stay in public office so long that they forget their ordinary common business sense.

Look at page 354 of the hearings, where one bureaucratic owl reached the conclusion pompously, from the case of southern pine, that because price ceilings were raised a number of times, a general price increase will not increase production. With that kind of logic, you might say that giving a couple of vitamin pills to a starving man every day ought to cure him of starving.

One reason why subsidies are so abhorrent to businessmen is because they are so utterly demoralizing to your plant or factory. A good price for each item gives the man who owns the factory an inspiration to try to get rich through lowering costs, through increasing production, and he hustles to do it, because every time he cuts his costs or increases his production he is going to make a little more money on each item. But subsidies have exactly the opposite effect.

Mr. BARRY. Mr. Chairman, will the gentlewoman yield?

Miss SUMNER of Illinois. Not at present.

With subsidies you know that the Government is going to make up the difference between your loss and what they think you ought to have. So your impetus is to try to pad your costs, and feather bed your pay roll, and decrease your production, so that it operates very much like the cost-plus contracts with which you are so familiar and in which we found factories burying lumber and resorting to all kinds of evasions in order to cheat the Government and cheat the consumer. The producers, therefore, have logic and truth on their side when they say that giving a price increase rather than subsidies would eliminate this feather bedding and increase production, and in the end decrease the cost to the veteran and other consumers.

The CHAIRMAN. The time of the gentlewoman from Illinois has expired.

The gentleman from Alabama [Mr. PATRICK] is recognized.

Mr. PATRICK. Mr. Chairman, I do not see how anybody can contend that to make an arrangement whereby prices would scale up, could provide the returning veteran a better approach to a home. You can argue that until the cows come home and it just will not pan out.

There is nothing more natural than that there will be some subsidizing necessary once in a while when you are putting on a program like this, to properly adjust its economy. Yet Congressmen are here who take fright at it. We were quite willing to appropriate billions to fight a war to save our hides and to draft these men to do the fighting, but since they fought it through we are not even willing to vote a drop in the bucket as a subsidy to see that they get a roof to live under.

When we went home we all promised the veterans to help them get homes. Now, when we have learned what we must do to accomplish that, do we not have the strength of purpose to put it through? What gets next to us and scares us is the ax-grinders club, our constituents with axes to grind; the ax-grinders club gets busy; the men who believe that the economy of this country rotates around the economy of their special businesses.

They immediately get busy and commence to oppose this program, and they oppose it by saying that it will not provide homes for the veterans. We have made a very careful study, the committee, the men whom we have employed, especially men like Mr. Wyatt, who is an expert on the matter, and all have learned the danger spots and have learned the trouble spots and they say: "There they are." And then because it will cut profits for a few personal and influential friends at home a little, because when we undertake to formulate the program we find it will deprive our most successful friends back home, will not let them make as much money as they expected to make, we take cold feet. Instead of hitting somebody way off yonder, it hits somebody we know, someone who has been helping us run our campaign to get reelected. We forget the veterans and remember the friend. That is the God's truth, you know it is; and that is the opposition we are meeting right here today. I am going to face the facts and vote for this subsidy. You all promised to do the same in effect. The veterans are not going to ask me for bread and get a stone, or ask me for a roof and get only politics.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

The gentleman from Arkansas [Mr. HAYS] is recognized.

Mr. HAYS. Mr. Chairman, to reinforce the statement of the gentleman from Oklahoma [Mr. MONRONEY], I should like to refer to what my friend the gentleman from Michigan [Mr. WOLCOTT] said on February 26, as shown on page 1663 of the RECORD. These are his words:

> There is no need for us to be contending with this very controversial subject of subsidies when authority is already contained in the law for the payment of them.

I refer to that because I think the gentleman from Michigan [Mr. WOLCOTT] is right; and it proves, as the gentleman from Oklahoma [Mr. MONRONEY] said, that the purpose and effect of his amendment is to give the payments congressional authority and a congressional limitation. I think the proper term to use is "incentive payment", but in order not to beg the question I use the word "subsidy." It was not rushed into by Mr. Wyatt—he took his time to study the proposal before recommending it. He has asked this Congress for authority to use it and I think we ought to give it to him, although at the same time I should hope to see the power used with great discretion.

Reference was made a while ago to the opening of the West by our early settlers. That was perhaps the greatest subsidy the country ever granted and it was for the purpose not only of getting settlers into the West and giving them a home site, but giving them enough land in addition to provide an income with which to pay for the home.

It was not only our first and most substantial subsidy, it was a highly profitable subsidy for the Nation. In our present complex situation I think we can afford to do a little subsidizing for a program that is designed to stimulate housing construction and bring vast benefits to the country as a whole.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield.

Mr. RICH. Does the gentleman believe we ought to pile up a great debt by these subsidies that will have to be paid by our children and our children's children? Why should we not pay these bills as we go along?

Mr. HAYS. I agree that the gentleman has rendered a great service by emphasizing the need of paying our debts as we go along; and that is the reason I have joined him in opposing certain tax-reduction proposals.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. HAYS. If I have any time remaining.

Mr. BARRY. Is it not true that during the war those who would profit by subsidies when they were asked for to keep the farmers' prices up were for them? Yet when the situation changes they take a different position.

Mr. HAYS. I regret that I do not have the time to answer the gentleman.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

The chairman of the committee, the gentleman from Kentucky [Mr. SPENCE] is recognized for 5 minutes to close the debate.

Mr. SPENCE. Mr. Chairman, at the outset let me say that many of the Members believed there would be no vote on this substitute amendment tonight and have left. I do not think it would be fair to have a vote at this hour of the night as many of the Members thought there would be no vote.

At the conclusion of my remarks, therefore, I shall move that the Committee rise.

Mr. Chairman, if this is a government of the people and by the people and for the people, is the Congress justified in using some of the money of the people in order that a very great saving could be made to a large segment of the people, those who are in greatest need of help at this time?

I do not agree that in normal times subsidies are desirable, but we are in a great emergency, and we want production. We want all of the industries to produce to the extent that they can be persuaded to produce. In order to get production it is obvious we will either have to raise the price line of building materials high enough to induce the high-cost producers to make a reasonable profit, which would make an unconscionable profit for the highly organized, highly mechanized mass producers, or we will have to use a subsidy to put into production the low-cost producers.

It is estimated that the benefits accruing to the people of our country by reason of the subsidy will be many times the subsidy payments. The Government is not only a theory, the Government is a practical matter. As a business proposition, what private corporation would not use a subsidy under those circumstances?

Who is benefited by the subsidy? I do not say that this bill is only for the veterans, but the veteran will benefit under it more largely than any other class of our citizens. It is for his benefit. It will save the veterans not $600,000,000, but it is estimated it will save them many times that amount in connection with the purchase of their homes.

Is that not good Government policy? Is it not good business policy to adopt a method that will save people many times the amount of the people's money you appropriate for that purpose?

There has been a good deal of talk against subsidies. The prejudice, of course, is general against subsidies. No man can make a good argument against a production subsidy such as this, which is used to save the people many times as much money as is appropriated for that purpose, money that is used to benefit the class of people who have sacrificed themselves for our country and who are coming home now wanting to establish themselves in homes.

It is a part of the program of the President. Does that not appeal to you? I served here under a Republican President and I did not consider myself the opposition. I wanted to put my shoulder to the wheel and help. As long as you consider yourselves the opposition party, believe me, you are going to have no success nationally. You have either got to have a constructive program to meet the constructive program that is now submitted to you or the American people will not trust you with power. You have offered nothing as against the program of the President, the program now submitted to you.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The CHAIRMAN. The question is on the motion offered by the gentleman from Kentucky.

The question was taken; and on a division (demanded by Mr. MONRONEY) there were—ayes 73, noes 128.

Mr. SPENCE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PATMAN and Mr. WOLCOTT.

The Committee again divided; and the tellers reported that there were—ayes 91, noes 137.

So the motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HINSHAW] to the amendment offered by the gentleman from Oklahoma [Mr. MONRONEY].

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that the Hinshaw amendment be again reported.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. HINSHAW to the amendment offered by Mr. MONRONEY: Strike out the words "conventional and new types of."

Mr. HINSHAW. Mr. Chairman, in order that the amendment may be understood, since it has been quite some time since the amendment was originally reported, I ask unanimous consent that the first four lines of the Monroney amendment be read with those words striken out.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read as follows:

Monroney amendment as it would be if amended by the Hinshaw amendment: On page 12, line 3, strike out line 3 through line 13 and insert "Section 706 (a) Whenever the Director determines that it is necessary or desirable to employ premium payments for the purpose of increasing the supply of building materials, such premium payments shall be made by the Reconstruction Finance Corporation with respect to such materials.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California to the amendment offered by the gentleman from Oklahoma.

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. MONRONEY].

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 91, noes 155.

Mr. PATMAN. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PATMAN and Mr. WOLCOTT.

The Committee again divided; and the tellers reported there were—ayes 92, noes 161.

So the amendment was rejected.

The CHAIRMAN. The question now recurs on the committee amendment.

The committee amendment was agreed to.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. MANSFIELD of Montana asked and was given permission to extend his remarks in the Appendix of the RECORD on two subjects, in one to include a statement by J. H. Leib, legislative director of Amvets, before a House Committee on February 19, 1946; and in the other to extend his own remarks on terminal leave.

Mr. CARNAHAN asked and was given permission to extend the remarks he made in the Committee of the Whole today and include a letter.

Mr. GEELAN asked and was given permission to insert in the Appendix of the RECORD a copy of two resolutions adopted by the Jewish War Veterans of the United States, Department of Connecticut, at a meeting held in Meriden, Conn., on February 17, 1946.

Mr. GEELAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include therein a letter received under recent date from Mr. Clinton S. Golden, chairman, CIO Veterans' Committee, in which he advised me that he was enclosing a copy of an open letter to the Congress of the United States, attention of the gentleman from Kentucky, the Honorable Mr. MAY, chairman of the House Military Affairs Committee, which letter was signed by Sgt. James H. Roof, Jr., and 110 other soldiers presently stationed in Seoul, Korea, which I also request unanimous consent to have inserted in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. DOYLE asked and was given permission to extend the remarks he made in the Committee of the Whole today and include a telegram referred to; and also was given permission to extend his remarks in the Appendix of the RECORD in two instances and include an editorial.

Mr. WHITE asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and in each to include certain excerpts.

Mr. DINGELL. Mr. Speaker, I ask unanimous consent on behalf of Commissioner ROMULO to insert in the RECORD his introductory reference to and the speech of the Honorable Paul McNutt, High Commissioner to the Philippine Commonwealth.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ROWAN asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances, in one to include an editorial from the Chicago Times and in the other to include a letter from a soldier's wife.

Mr. REED of New York (at the request of Mr. GAMBLE) was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. MARTIN of Iowa asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. GRANT of Indiana. Mr. Speaker, on Friday last permission was given me to extend my remarks and include an article on the high price of price control. I am advised by the Public Printer that it will take two and one-half pages and cost $130. Notwithstanding the cost, I ask unanimous consent that the extension may be made.

The SPEAKER. Notwithstanding the cost, without objection, the extension may be made.

There was no objection.

Mr. CARLSON asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement by Carroll Huntress, of New York.

Mr. O'HARA asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following resignation from a Committee of the House:

MARCH 1, 1946.

Hon. SAM RAYBURN,
Speaker, House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: I herewith tender my resignation as a member of the Committee on Pensions.

Respectfully,

TOM PICKETT,
Member of Congress,
Seventh District, Texas.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

The SPEAKER. Under the previous order of the House, the gentleman from North Carolina [Mr. BRYSON] is recognized for 20 minutes.

TERMINAL LEAVE PAY FOR ENLISTED PERSONNEL OF ARMED FORCES

Mr. BRYSON. Mr. Speaker, I have observed that this is somewhat of an anniversary day. This morning the gentleman from Illinois [Mr. SABATH] announced that today marked his fortieth year in the House; and the gentlemen from North Carolina [Mr. DOUGHTON] stated that he had been here 35 years today. It is rather a coincidence.

Mr. Speaker, I respectfully invite the attention of every Member of Congress to H. R. 2454 which I introduced on March 5, 1945, to provide terminal-leave pay for the enlisted personnel of our armed forces. This bill was referred to the Committee on Military Affairs where it has now been under consideration a year.

There is every indication that a great majority of the Members of both the House and Senate feel very strongly that enlisted men and women are entitled, the same as commissioned officers, to receive pay for leave earned while in the service and unexpended at the time of discharge, but so long as this bill remains tied up in the Military Affairs Committee our desire to do justice in this regard to millions of present and former GI's is only an empty sentiment. The urgent need now is to get this bill before Congress for action without further delay. This can and must be accomplished by either one of the two following procedures:

First. The committee can now, upon its own initiative, report the bill out to the House for action.

Second. The required number of Members of Congress can, by signing discharge petition No. 13, compel its release from the committee for action.

The Military Affairs Committee completed its hearings on this and other bills related to the subject of terminal-leave pay for enlisted personnel on December 3, 1945. When I testified at these hearings last December my concluding remarks to the committee were:

> I am perfectly willing to have it (H. R. 2454) changed, and to strike out my name, or the title, and insert the language that any of you gentlemen may desire, or any of you gentlemen who have not even proposed bills, may feel that should be in the bill. What I want is to get results.

This is still my primary desire. That the Committee on Military Affairs is having to carry a tremendous load of work during the present period of military readjustment as it did during the war is fully recognized by all Members of Congress and I am sure that each one of us appreciates the necessary amount of research and study which must be given to legislation such as that proposed, however, I feel that with hearings completed on H. R. 2454 some 3 months ago the committee should be ready to report to us by now. I again urge the members of this committee to promptly clear the way for final action on legislation to provide terminal-leave pay for all enlisted personnel.

In order to insure early consideration of this legislation by Congress, I am calling upon more of you, my fellow Members, to sign discharge petition No. 13, which I am sponsoring. Not a single one of us, I feel sure, sanctions the injustice to the GI which this measure seeks to remove, yet the fact remains that until we do enact some such legislation enlisted men and women, unlike officers, are not permitted to accumulate leave while serving in the Army, Navy, Marine Corps, or Coast Guard of the United States.

In this connection, I would like to repeat the following statement which I made at the committee hearings last December:

> It would be possible for an enlisted man to serve continuously without furlough from before Pearl Harbor until the present, and still not have a day of annual leave coming to him upon discharge.
>
> Is that the extent of our gratitude to these real patriots who have battled through heat and mud and blizzard for us, who have faced enemy gunfire in order that this Nation might remain free and uninvaded, who have fought on seven seas and in seven times seven different nations to protect you and me?
>
> Are we going to be satisfied to hand to these heroes a small button and say to him, "Wear this, son, so that we can know a hero when we see one," and yet not offer to him the same rights which come by law to the officers who commanded him in those battles? Are we going to distinguish between the officer pilot of a plane and the enlisted gunner on the same plane?

No, Mr. Speaker, we must not permit these inequalities to continue to exist. Therefore, I urge prompt enactment of H. R. 2454, which will grant to all enlisted personnel the following:

First. Annual leave computed at the rate of 2½ days a month for every month spent in the service.

Second. Lump-sum payment for the unexpended portion of leave so computed at the time of discharge on the basis of pay and allowances received at that time.

The provisions of this bill are made retroactive to take care of personnel discharged prior to its passage. It is required that lump-sum payments be made to all discharged personnel within 90 days after enactment of H. R. 2454.

In my opinion there is hardly another piece of legislation pending before Congress more justified and worthy of favorable action than the enlisted men and women's terminal leave pay bill. I urge your full support in order to secure its enactment at this time without further delay.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HERTER (at the request of Mr. MARTIN of Massachusetts), indefinitely, on account of official business.

To Mr. HENRY (at the request of Mr. MARTIN of Massachusetts), indefinitely, on account of official business.

To Mrs. NORTON, indefinitely, on account of physician's recommendations.

To Mr. ANDREWS of New York, for 4 days, on account of death in family.

To Mr. KELLEY of Pennsylvania (at the request of Mr. EBERHARTER), indefinitely, on account of illness.

PERMISSION TO FILE REPORT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Mississippi [Mr. COLMER] may have until midnight tonight to file a report from the Special Committee on Postwar Economic Policies and Planning. This is the ninth report, and it deals with the use of wartime controls during the transitional period.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection?

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 54 minutes p. m.) the House adjourned until tomorrow, Tuesday, March 5, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE JUDICIARY

On Tuesday, March 5, 1946, Subcommittee No. 4 of the Committee on the Judiciary will continue hearings with respect to extension of the Second War Powers Act, 1942, as amended. The hearing will begin at 10 a. m., and will be held in room 346, House Office Building.

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

The Committee on Expenditures in the Executive Departments will hold hearings on surplus property on Tuesday, March 5, 1946, through Friday, March 8, at 10 a. m., in room 304, Old House Office Building.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Federal Trade Subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m., Tuesday, March 5, 1946.

Business to be considered: Continuation of public hearings on H. R. 2390, a bill to amend the Federal Trade Commission Act. Opposition witnesses will be heard.

There will be a meeting of the Public Health Subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m., Thursday, March 7, 1946.

Business to be considered: To commence hearings on the bill S. 191, an act to amend the Public Health Service Act to authorize grants to the States for surveying their hospitals and public-health centers and for planning construction of additional facilities, and to authorize grants to assist in such construction.

COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

There will be a meeting of the Committee on World War Veterans' Legislation, in executive session, on Tuesday, March 5, 1946, at 10:30 a. m., in the committee room 356, Old House Office Building, with reference to the final report of the investigation of Veterans' Administration.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1111. A letter from the Secretary of Agriculture, transmitting a draft of a proposed bill to establish two additional offices of Assistant Secretaries of Agriculture, and for other purposes; to the Committee on Agriculture.

1112. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1947, in the amount of $6,046,570, together with a draft of a proposed provision pertaining to an existing appropriation, and proposed authorizations for the expenditure of Indian tribal funds, for the Department of the Interior, in the form of amendments to the Budget for said fiscal year (H. Doc. No. 493); to the Committee on Appropriations and ordered to be printed.

1113. A letter from the Acting Attorney General, transmitting a report reciting the facts and pertinent provisions of law in the cases of 253 individuals whose deportation has been suspended for more than 6 months by the Commissioner of the Immigration and Naturalization Service under the authority vested in the Attorney General, together with a statement of the reason for such suspension; to the Committee on Immigration and Naturalization.

1114. A letter from the Acting Secretary of the Interior, transmitting a draft of a proposed bill authorizing the restoration to tribal ownership of certain lands upon the Fort Peck Indian Reservation, Mont., and for other purposes; to the Committee on Indian Affairs.

1115. A letter from the Secretary of War, transmitting a draft of a proposed bill to limit the time within which the General Accounting Office shall make final settlement of the monthly or quarterly accounts of disbursing officers under the executive branch of the Government, and for other purposes; to the Committee on Expenditures in the Executive Departments.

1116. A communication from the President of the United States, transmitting the budget for the War Shipping Administration for the fiscal year 1947 (H. Doc. No. 494); to the Committee on Appropriations and ordered to be printed.

1117. A communication from the President of the United States, transmitting the budget for the United States Coast Guard, Treasury Department, for the fiscal year 1947, containing estimates of appropriation amounting to $133,900,000, together with proposed provisions affecting said estimates (H. Doc. No. 495); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MONRONEY: Joint Committee on the Organization of Congress submits a report pursuant to House Concurrent Resolution 18, on the reorganization of Congress (Rept. No. 1675). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MAY: Committee on Military Affairs. S. 1535. An act to authorize the Secretary of War to convey certain lands situated within the Fort Douglas Military Reservation to the Shriners' Hospitals for Crippled Children; without amendment (Rept. No. 1676). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FARRINGTON:

H. R. 5652. A bill to confer jurisdiction upon the United States District Court for the Territory of Hawaii to entertain suits for damages against the United States for the illegal internment and imprisonment of certain citizens of the United States residing in the Territory of Hawaii; to the Committee on the Judiciary.

By Mr. MAY:

H. R. 5653. A bill to extend the Selective Training and Service Act of 1940, as amended, for a period of 6 months, and for other purposes; to the Committee on Military Affairs.

By Mr. MURDOCK:

H. R. 5654. A bill to provide basic authority for the performance of certain functions and activities of the Bureau of Reclamation; to the Committee on Irrigation and Reclamation.

By Mr. RIZLEY:

H. R. 5655. A bill relating to the disposition of certain surplus property located outside the United States; to the Committee on Expenditures in the Executive Departments.

By Mr. SPRINGER:

H. R. 5656. A bill to amend the act entitled "An act to incorporate the American Legion," approved September 16, 1919, as amended October 29, 1942, so as to extend membership eligibility therein to certain persons; to the Committee on the Judiciary.

By Mr. WALTER:

H. R. 5657. A bill to extend the privilege of retirement to the judges of the circuit courts of Hawaii; to the Committee on the Judiciary.

By Mr. CANNON of Florida:

H. R. 5658. A bill to provide for the disposition of certain real property in condemnation proceedings to the former owners; to the Committee on Public Buildings and Grounds.

By Mr. ENGLE of California:

H. R. 5659. A bill to provide that a term of the District Court for the Northern Division of the Northern District of California shall be held at Redding on the first Monday in September; to the Committee on the Judiciary.

By Mr. FELLOWS:

H. R. 5660. A bill to extend the benefits of the pension laws to certain male nurses who served under contract with the United States between April 21, 1898, and February 2, 1901; to the Committee on Pensions.

By Mr. PETERSON of Florida:

H. R. 5661. A bill to amend the Civil Service Retirement Act of May 29, 1930, to provide that the minimum annuity of employees retired for disability shall be $50 a month; to the Committee on the Civil Service.

By Mr. WICKERSHAM:

H. R. 5662. A bill to increase the pension of veterans of the war with Spain, the Philippine Insurrection, and the China Relief Expedition; to the Committee on Pensions.

By Mr. LEA:

H. Res. 541. Resolution providing for the immediate consideration of S. 63; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BYRNE of New York:

H. R. 5663. A bill for the relief of the Sangamon Mills; to the Committee on Claims.

By Mr. CHURCH:

H. R. 5664. A bill for the relief of Oscar R. Steinert; to the Committee on Claims.

By Mr. FARRINGTON:

H. R. 5665. A bill for the relief of Gladys J. Senyohl; to the Committee on Claims.

By Mr. FLOOD:

H. R. 5666. A bill for the relief of Frank Sopko; to the Committee on Immigration and Naturalization.

By Mr. HULL:

H. R. 5667. A bill for the relief of the Willow River Power Co.; to the Committee on Claims.

By Mr. McGEHEE:

H. R. 5668. A bill for the relief of Chester C. Greer; to the Committee on Claims.

By Mr. POWELL:

H. R. 5669. A bill for the relief of Usman Ali; to the Committee on Immigration and Naturalization.

By Mr. SMITH of Wisconsin:

H. R. 5670. A bill for the relief of Royal E. Schaefer; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1664. By Mr. GEELAN: Resolution adopted by the Jewish War Veterans of the United States, Department of Connecticut, urging the immediate passage of the Fair Employment Practice Act; to the Committee on Labor.

1665. Also, resolution adopted by the Jewish War Veterans of the United States, Department of Connecticut, Hartford, Conn., urging the passage of legislation to place under Government control the responsibility of providing adequate housing accommodations for veterans; to the Committee on Banking and Currency.

1666. By Mr. GRAHAM: Petition of 21 residents of Beaver County, Pa., opposing House bill 4730 and Senate bill 1606; to the Committee on Interstate and Foreign Commerce.

1667. By Mr. HALLECK: Petition of 235 operating and nonoperating railroad employees of Indiana and Illinois, proposing an amendment to House bill 1737, amending the Railroad Retirement Act, and declaring their opposition to Senate bill 293 and House bill 1362; to the Committee on Interstate and Foreign Commerce.

1668. By Mr. O'TOOLE: Petition signed by Mrs. Catherine V. Dell Elba, of Brooklyn, N. Y., and 342 other residents of the State of New York, to have the Congress act on behalf of the boys overseas to change the ruling stopping points as of September 2, 1945, and to reinstate the point system so that the boys overseas may be given credit from that date on; to the Committee on Military Affairs.

1669. By Mr. WHITTINGTON: House Concurrent Resolution 2 of the Legislature of Mississippi, memorializing Congress to authorize and direct the TVA to make available power and service to the rural sections of Lauderdale County through the East Mississippi Rural Electrification Association; to the Committee on Agriculture.

1670. By the SPEAKER: Petition of Utah Cattle & Horse Growers Association, petitioning consideration of their resolution with reference to their recommendation for the immediate consolidation of the grazing functions of the Forest Service and Grazing Service into a single department of the Federal Government; to the Committee on Agriculture.

1671. Also, petition of A. Fred Roberts, Westerly, R. I., petitioning consideration of his resolution with reference to objection to any foreign loan such as proposed; to the Committee on Ways and Means.

SENATE

TUESDAY, MARCH 5, 1946

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

"Shed Thou, O Lord, Thy light
On this strong land.
Firm in the ways of right,
Strong may she stand.
Make her to all earth kin,
Teach her to share,
Cleanse her of inward sin;
Lord, hear our prayer.

"Here let all men be free
Under Thy sun;
Bound in fraternity
All peoples one.
Here let Thy truth be power,
All deeds be just.
Save, Lord, in this grave hour;
In Thee we trust."

Amen.

ATTENDANCE OF A SENATOR

TOM CONNALLY, a Senator from the State of Texas, appeared in his seat today.

THE JOURNAL

On request of Mr. GEORGE, and by unanimous consent the reading of the Journal of the proceedings of the calendar day Friday, March 1, 1946, was dispensed with, and the Journal was approved.

LEAVES OF ABSENCE

Mr. WHITE. I ask unanimous consent that the senior Senator from Wisconsin [Mr. LA FOLLETTE] be excused from the Senate upon the session of the Senate during this day. He is unavoidably absent today.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator from Wisconsin is excused.

Mr. WHITE. Mr. President, I also ask unanimous consent that the junior Senator from New Jersey [Mr. SMITH] may be excused from attendance on the session of the Senate today because of illness.

The PRESIDENT pro tempore. Without objection, the Senator from New Jersey is excused.

Mr. MAYBANK. Mr. President, our distinguished leader has advised me that after the Senate adjourns today the next session of the Senate will not be until Thursday or Friday next. I ask unanimous consent to be absent from the Senate so that I may attend a luncheon and inspection trip at the Charleston Navy Yard this week end.

The PRESIDENT pro tempore. Without objection, leave is granted.

MESSAGE FROM THE PRESIDENT—APPROVAL OF BILL

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on March 2, 1946, the President had approved and signed the act (S. 865) for the relief of the estate of Agnes J. Allberry.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 5201) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1947, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HENDRICKS, Mr. MAHON, Mr. ANDREWS of Alabama, Mr. THOMAS of Texas, Mr. WIGGLESWORTH, Mr. CASE of South Dakota, and Mr. DWORSHAK were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 2418. An act to authorize the United States Commissioner for the Sequoia National Park to exercise similar functions for the Kings Canyon National Park;

H. R. 3611. An act to authorize the condemnation of materials which are intended for use in process or renovated butter and which are unfit for human consumption, and for other purposes;

H. R. 3703. An act for the relief of the city and county of San Francisco;

H. R. 3704. An act to amend section 1 of the Federal Power Act with respect to the terms of office of members of the Federal Power Commission;

H. R. 3796. An act to quiet title to certain school-district property in Enid, Okla.;

H. R. 3973. An act to amend the act entitled "An act to provide reemployment rights for persons who leave their positions to serve in the merchant marine, and for other purposes," approved June 23, 1943 (57 Stat. 162), and for other purposes;

H. R. 4080. An act to amend section 476, Revised Statutes (U. S. C., title 35, sec. 2), providing for officers and employees of the Patent Office, and for other purposes;

H. R. 4190. An act granting the consent of Congress to the Pennsylvania Railroad Co. to construct, maintain, and operate a railroad bridge across the Allegheny River at or near Warren, Pa.;

H. R. 4239. An act granting to Guy A. Thompson, trustee, Missouri Pacific Railroad Co., debtor, and to his successors and assigns, authority to relocate, maintain, and operate a single-track railway across United States Government reservation at lock No. 3, White River, Independence County, Ark., and for other purposes;

H. R. 5186. An act to authorize certain administrative expenses in the Post Office Department, and for other purposes;

H. R. 5239. An act to amend Public Law 277, Seventy-ninth Congress, so as to provide the Coast Guard, at such time as it is transferred back to the Treasury Department, with a system of laws for the settlement of claims, and for other purposes;

H. R. 5275. An act to revive and reenact the act granting the consent of Congress to the State Highway Department of South Carolina to construct, maintain, and operate a free highway bridge across the Pee Dee River at or near Cashua Ferry, S. C., approved April 30, 1940;

H. R. 5311. An act to amend Revised Statutes 4921 (U. S. C. A., title 35, Patents, sec. 70), providing that damages be ascertained on the basis of compensation for infringement; and

H. R. 5466. An act to provide for the licensing of marine radiotelegraph operators, and for other purposes.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on March 1, 1946, he presented to the President of the United States the enrolled bill (S. 1129) for the relief of Willie H. Johnson.

REPORT OF JOINT COMMITTEE ON THE ORGANIZATION OF CONGRESS FILED DURING THE ADJOURNMENT

Under authority of the order of the Senate of the 1st instant,

Mr. LA FOLLETTE, from the Joint Committee on the Organization of Congress, on March 4, 1946, submitted, pursuant to House Concurrent Resolution 18, establishing a Joint Committee on the Organization of the Congress, a report (No. 1011) thereon.

The report, pursuant to the provisions of House Concurrent Resolution 18, was subsequently referred to the Committee on Rules.

CALL OF THE ROLL

Mr. TYDINGS obtained the floor.

Mr. BILBO. Mr. President, I suggest the absence of a quorum.

Mr. TYDINGS. I yield, with the understanding that when the call is completed I may be recognized.

The PRESIDENT pro tempore. The Chair will state that the Senate met this morning following an adjournment, so that there is a morning hour today.

Mr. TYDINGS. I ask unanimous consent to proceed for 15 minutes.

The PRESIDENT pro tempore. Is there objection? The Chair hears none.

Mr. BILBO. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Senator from Mississippi makes the point that there is not a quorum present. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	O'Daniel
Austin	Hart	O'Mahoney
Bailey	Hatch	Overton
Ball	Hawkes	Pepper
Bankhead	Hayden	Radcliffe
Barkley	Hickenlooper	Reed
Bilbo	Hill	Revercomb
Brewster	Hoey	Robertson
Bridges	Johnson, Colo.	Russell
Briggs	Johnston, S. C.	Saltonstall
Buck	Kilgore	Shipstead
Bushfield	Knowland	Stanfill
Butler	Langer	Stewart
Byrd	McCarran	Taft
Capper	McClellan	Taylor
Carville	McFarland	Thomas, Okla.
Chavez	McKellar	Thomas, Utah
Connally	McMahon	Tobey
Cordon	Magnuson	Tunnell
Donnell	Maybank	Tydings
Downey	Mead	Vandenberg
Eastland	Millikin	Walsh
Ellender	Mitchell	Wheeler
Ferguson	Moore	Wherry
George	Morse	White
Gerry	Murdock	Willis
Gossett	Murray	Wilson
Green	Myers	Young

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from New York [Mr. WAGNER] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from Arkansas [Mr. FULBRIGHT], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Ohio [Mr. HUFFMAN], and the Senator from Illinois [Mr. LUCAS] are detained on public business.

Mr. WHERRY. The Senator from Illinois [Mr. BROOKS] is recovering from a recent operation.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate on official business of the Small Business Committee, of which he is a member.

The Senator from Wisconsin [Mr. WILEY] is absent on official business.

The PRESIDENT pro tempore. Eighty-four Senators having answered to their names, a quorum is present.

EDWIN W. PAULEY

Mr. TYDINGS. Mr. President, last Sunday evening the radio commentator who speaks under the sponsorship of the Lee hat program made the statement, I am reliably advised, that I had, during last week, gone to the White House to see President Truman, to ask him to withdraw the nomination of Mr. Edwin W. Pauley to be Under Secretary of the Navy.

Mr. President, I have not been to the White House, I have not telephoned to the White House, I have not written to the White House, I have not communicated with the White House, or President Truman, in any manner, shape, or form, direct or indirect, since at least 2 or 3 weeks before the nomination of Mr. Pauley was sent to the Senate, and I did not know at that time it was coming. My business with the White House had nothing to do with Mr. Pauley. The statement made is characteristic of the campaign which seems to be waged to create an atmosphere of instability about the whole process of the hearing on Mr. Pauley's nomination, and to discredit it.

When the nomination of Mr. Pauley was sent to the Committee on Naval Affairs of the Senate for a hearing, I presumed the Senate wanted the committee to hear all the charges against Mr. Pauley and all the witnesses for Mr. Pauley, and at the conclusion of all the testimony to make a report to this body as to whether or not Mr. Pauley would be a fit man to occupy the distinguished position of Under Secretary of the Navy. So, as a member of the committee, together with others on both sides of the aisle, I have devoted practically the last 3 weeks, morning and afternoon, to hearing the testimony.

I presume the work we are doing along this line is to be of some value to the Senate. I presume the whole Senate has not time to make the investigation, and therefore that our committee is doing it as an arm or agency of the Senate. But I have been led to the conclusion that our labor is more or less useless, for I am advised that Senators who have not heard any of the evidence and who have not attended the hearings have already made up their minds to vote either against or for confirmation of Mr. Pauley's nomination. If that condition is to prevail, we should do away with the farce of having a hearing, because it has not any semblance of value at all.

A few days ago the distinguished and able senior Senator from Wisconsin [Mr. LA FOLLETTE] made a report on suggested improvements in the practices and procedures of the Senate. I believe there should be added to the suggestions he has already made another rule, to wit, that any Senator who expresses an opinion on the fitness of a candidate for public office subject to confirmation by the Senate before the hearings on the nomination are concluded has so prejudiced himself that he is not in a position to act as a juror.

Mr. President, I hope the radio commentator who speaks under the sponsorship of the Lee hat program will hereafter not make comments on alleged movements of mine which have no foundation in fact, and I hope that the sponsor, the Lee Hat Co., in describing its product is more accurate and reliable as to the value of the Lee hat than the radio commentator's remarks were in the instance I have brought to the attention of the Senate.

I do not wish to provoke a discussion of Mr. Pauley on the floor of the Senate, and I shall try to steer a course which will not bring on such a discussion prematurely, but I shall use a couple of instances to show the difficulty experienced by Mr. Pauley in getting a hearing before the people of the country—not before our committee, but before the country.

I hold in my hand headlines from a very estimable paper, and I should like to have every Senator look at them. We all know from our long political experience that the headline writer has to work fast, he has to sum up the import of the news in a few words, and frequent mistakes are understandable.

In this particular case the headline says "Pauley accused over $35,000 gift plea." That was carried all over the country, in one form or another, and over the radio. I did not know whether the charges would be proved or not, but I did know that there was one man in the country who could clear the matter up. So he was summoned before the committee—I think by our colleague the Senator from New Hampshire [Mr. TOBEY]—took the witness stand and testified under oath. He was Mr. Patterson, the president of the United Air Lines. He stated he was a Republican and that he was a contributor to the Republican campaign fund. At the conclusion of a statement which he read I asked Mr. Patterson a question, referring to his conversation with Mr. Pauley, which, by the way, was the one and only conversation he ever had with him, and which was over the telephone, Mr. Patterson being in Chicago and Mr. Pauley being in New York. Here are the question and the answer:

Senator TYDINGS. Did you see anything improper in the conversation between you and Mr. Pauley?

Mr. PATTERSON. No; I can't say that Mr. Pauley made any proposal direct to me that was improper, nor did he repeat any previous conversation I had had directly with Mr. Killion, nor did he repeat anything that Mr. Ahrens—

Mr. Ahrens being the vice president—

reported that Mr. Killion had said.

Of course, the accusation went out with no witness on the stand, but when the witness, Mr. Patterson, came on the stand and gave his testimony under oath, the accusation exploded into thin air. Yet millions of persons believe that Mr. Pauley was a party to this conversation, which took place in reality between Mr. Killion and Mr. Patterson.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. TOBEY. I do not want to prolong the Senator's time on the floor, but I should like to bring out this point that I do not think it is the appropriate procedure to present to this body today an excerpt from the testimony of a major witness who appeared before the committee and testified under oath. I do not think the Senate, no matter how intelligent they may be, can properly judge the value of the testimony of Mr. Patterson, president of the United Air Lines, unless they have before them the entire context, the whole of his testimony, which links up the man Killion, who was an agent in the effort to obtain campaign funds, with Mr. Pauley, and brings out the very definite warning, or admonition, or threat that was made by Mr. Pauley, as shown by the testimony which the Senator holds in his hands, after Mr. Killion talked with him, and

made this proposition, that "If you cannot give $35,000 for the corporation, then let several of your men give $5,000 each, and we will send men to you from New York to show you how to get around the law," or words to that effect. Then after that Mr. Pauley gets on the line and gives the admonition or threat to Mr. Patterson, "You had better think twice before you refuse."

The Senator should give the whole picture, and the whole picture cannot be given merely by reading an excerpt from the testimony.

Mr. TYDINGS. The conversation which took place between Mr. Killion and Mr. Patterson has nothing to do with Mr. Pauley and Mr. Patterson did not state, as the Senator suggests, that Mr. Pauley said, "You had better think twice before you refuse."

Mr. TOBEY. Will the Senator read what he said?

Mr. TYDINGS. Just a minute.

Mr. TOBEY. Will the Senator kindly read it?

Mr. TYDINGS. Although the Senator made that statement, as appears on page 1455 of the record, and 12 times prior thereto, what Mr. Patterson did say in regard to that is the following:

> There was a long wait on the telephone. Mr. Pauley then came to the phone. He said, "Patterson, I think you should think this over twice before making your decision."

He did not say, "You had better think this over twice before you refuse."

Mr. TOBEY. The Senator can quote it the way it is in the record, and I will stand on it. And I say before my fellow Senators, and any fair-minded person, that that was an admonition or a threat "or else"; and we will show, before the session is over, by evidence brought out through other questions, that duress or offers were used.

Mr. TYDINGS. Nevertheless, I have quoted Mr. Patterson accurately, and the Senator has not quoted him accurately.

Mr. TOBEY. I will say that there is not any more difference between what I have said and what the Senator has said than there is between "tweedledee" and "tweedledum." I submit to any fair-minded person that the import is the same.

Mr. TYDINGS. There is a great deal of difference between saying, "You should think this over twice," and saying, "You had better think this over twice."

Mr. TOBEY. The Senator can take his choice. It is for Senators to decide.

Mr. TYDINGS. The final point I want to make is brought out by this testimony:

> Senator TYDINGS. Did you see anything improper in the conversation between you and Mr. Pauley?
>
> Mr. PATTERSON. No; I can't say that Mr. Pauley made any proposal direct to me that was improper.

There is the Senator's own witness. Now to go on to another——

Mr. TOBEY. Mr. President, will the Senator yield there?

Mr. TYDINGS. I yield.

Mr. TOBEY. If the Senator is going to try this case here in the Senate Chamber I am going to answer. The record will speak for itself when the committee makes its report.

The word "improper" was used. What does that mean? It may mean deceit, falsehood, deception. What does the Senator mean by the word "improper," or what did it mean to Mr. Patterson?

Mr. TYDINGS. Mr. President, Mr. Patterson did not think there was anything improper, and he certainly was called as a witness by the Senator from New Hampshire. He was a contributor to the Republican campaign fund. He said he was a Republican. He said that Mr. Pauley made no proposal to him that was improper in any way.

I am only mentioning that because, as the Senator from New Hampshire very appropriately points out, the excerpt from the testimony which I read in itself ought not to influence anyone for Mr. Pauley, or it ought not to influence anyone against him, but I have used it to show what the accusation was that went out over the country, and that there was no corresponding headline, "Mr. Patterson says no suggestion of Pauley was improper." That is the point I am trying to make. I am not taking issue. The Senator is entitled to draw any inference he wants to, but I maintain that when a man is accused in that fashion, and then his accusers do not follow it up with a retraction, or make the correction of it in the language I have read from the record—a practice too much indulged in by the press and in some instances by the radio commentators of the country—an entirely false picture is created.

Mr. President, I want to take up another instance. It was said in the hearing that Mr. Pauley sold oil to Japan. The question was sprung on him rather quickly. Mr. Pauley got his records, and in the meantime it was said, "Pauley sold oil to Japan prior to Pearl Harbor." There would not have been anything illegal about it if he had done it. But when the records finally came, what did they show? That Mr. Pauley in June 1938 had issued a memorandum to his company, "Do not sell another drop of oil to Japan," and none was sold thereafter. That was 44 months before Pearl Harbor, and 14 months before Hitler invaded Poland. Yet in the press of the country the accusation was carried in headlines. I venture the prediction that there is not a manufacturer engaged in the export business in oil or anything else in America that has as fine a record on the sales of goods to Japan as Edwin W. Pauley and his company.

I mention that, not to try the case on the floor, as the Senator from New Hampshire has correctly said should not be done, but it is preliminary to what I am now about to say.

When this matter was referred to the committee for a hearing I thought my colleagues in this body would wait until all the charges were in and until all the defense was completed, and then form an opinion on the facts. But I read in the newspapers every day that 12 or 14 or 16 or 17 Senators have intimated privately, before the defense has gone on the stand, that they will not vote for Mr. Pauley. I may vote against Mr. Pauley, and I assure the Senate on my sacred word of honor that he shall not go free if the case against him is conclusively proved; but I insist that no man who is going to sit in judgment has the right to prejudge or to forejudge another man before he has had the inalienable and American right to appear in his own defense and to put his own witnesses on the stand to refute the charges against him. Who was it who was on trial 19 centuries ago, and what did the judge there do? He washed his hands, and told the people to take the accused out and crucify Him without a hearing.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. TOBEY. That is not quite correct. Pilate washed his hands and said, "I find no fault in him." Those who will render judgment in this case are my colleagues on the Naval Affairs Committee.

Mr. TYDINGS. Some of my good friends on both sides of the aisle have told me that even though Pauley comes through without a blemish on his record, they do not think it will be advisable to confirm the nomination for political reasons. He is an oil man. God knows, anyone who is an oil man is not in a class with the banking fraternity or the legal fraternity when it comes to purity, rectitude, and aloofness from all sin and misdoing! We all know that the banking fraternity is sacrosant, and as pure as the driven snow. As to the legal fraternity, did anyone ever see a lawyer who did not spout wings from both shoulders and have a halo around his head? But the oil man has no wings; he has no halo.

I have sat here and listened to long speeches in favor of the antilynching bill. Under mob rule, the mob prejudges a culprit, drags him through the streets, and burns him at the stake or hangs him from a limb of the nearest oak. What an outrage that is! If we are to condemn this man without first giving him a fair hearing, we shall have mob rule in the United States Senate, if we tell the truth about it. If we are unwilling to hear the evidence, we have mob rule. Some Senators have already condemned Pauley publicly, without reading one iota of the testimony against him, except through headlines of the kind which I have mentioned, which have been refuted by the very witnesses called to substantiate the charges.

I am not here pleading for Pauley. Before he came on the stand I saw him only once in my life. But I am here asking my colleagues to reserve judgment until the record is complete. I am asking them to let the case be fully presented before they render judgment or discharge the committee from further useless work. It is a farce to sit there day after day, morning, noon, and night, hearing testimony, and then have men who never heard any of it pass upon the fitness of the appointee without a completion of the record.

This is not a lynching. We are not going to kill Pauley without a trial. We are only going to strip him, his family, and his children of every vestige of rep-

utation which he has, and send him forth to walk for the rest of his life among his fellow men condemned without the opportunity of a trial.

I repeat that I do not wish to enter into any dispute about the testimony. Senators may disagree. They may draw inferences which I do not draw. I have read portions of the testimony verbatim, to show that the evidence is not all one way, and to ask the Senate of the United States to reserve judgment. The Senate has more power than has the Supreme Court of the United States. There is no bar or limitation on its procedure. It can receive any kind of testimony it may see fit to receive. I am asking the Senate to give any man, whether he be Franklin D. Roosevelt, Herbert Hoover, or Buddy Presbury, a fair, decent, and honest hearing before condemning him.

I know that Senators are more thoughtless than unjust, but I say, with all humility, that when Senators who are ultimately to pass on this question issue statements before all the testimony is in, they do themselves no credit, and the cause of justice much harm indeed. If, when all the facts are in, this body wishes to reject the nomination of Mr. Pauley, that is proper procedure. If a majority of this body feel that he is unfit to hold public office, they should vote against him. But we ought not to prejudge him until the record is complete. That is only simple Anglo-Saxon justice; it is merely simple Americanism. Senators will greatly add to the prestige of the United States Senate if they will wait until the record is complete before passing on the reputation of a man. The situation may seem amusing to many of us, but if he is not dealt with fairly the result can be a crime in no way second to lynching.

I do not wish to become partisan, but I issue this word of warning. I remember that a long time ago a Member of this body insisted on going to the White House to look under the sheets where Woodrow Wilson, a stricken President of the United States, lay almost at the point of death. That man was Albert Fall. In my judgment, he was moved by partisan purposes. He penetrated the sanctity of the sick room and lifted the sheets to look at the stricken President. He then reported to the Nation on what he had found. What became of Albert Fall?

Mr. President, there are good men on the other side of the aisle who have gone up to that rostrum and held up their hands and sworn to support the Constitution and laws of the United States to the best of their ability. There are good men on this side of the aisle who have done likewise. Would it not be becoming in this great legislative body if we had a rule to the effect that any Senator who disclosed his position on a question involving the reputation of a man before the hearing was concluded should thereafter be barred from voting as a juror in his case? Suppose the case were in a court of law, and that the trial had lasted several weeks. Suppose before the case was over a juror went home and said, "I am going to convict the defendant," or "I am going to find for the plaintiff," or "I am going to find for the defendant." A motion could be immediately made to withdraw that man as a juror, and the court would declare a mistrial and start over again.

I do not care whether every Republican and every Democrat votes for or against Pauley. I am not discussing that question. My point is that we have no right as jurors to condemn this man until he has appeared in his own behalf and put his witnesses on the stand in his own defense, and until the record is complete, upon which we can find a just verdict. Until that is done, in conformity with the American tradition, unpopular though my position may be, I dare to raise my voice and ask that he have what every citizen of this Republic is entitled to have—a fair, impartial, full, and just hearing on all the evidence.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

SUSPENSION OF DEPORTATION OF ALIENS

A letter from the Acting Attorney General, transmitting, pursuant to law, a report reciting the facts and pertinent provisions of law in the cases of 253 individuals whose deportation has been suspended for more than 6 months by the Commissioner of the Immigration and Naturalization Service under the authority vested in the Attorney General, together with a statement of the reason for such suspension (with accompanying papers); to the Committee on Immigration.

FINANCIAL STATEMENT OF BONNEVILLE ADMINISTRATOR

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, a complete report and financial statement of the Bonneville Administrator covering the transmission and sale of electric energy for the fiscal year ended June 30, 1945 (with an accompanying report); to the Committee on Commerce.

RESTORATION OF PRIVATE OWNERSHIP OF CERTAIN LANDS UPON THE FORT PECK RESERVATION, MONTANA

A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation, authorizing the restoration to tribal ownership of certain lands upon the Fort Peck Indian Reservation, Mont., and for other purposes (with an accompanying paper); to the Committee on Indian Affairs.

LAWS PASSED BY MUNICIPAL COUNCIL OF ST. THOMAS AND ST. JOHN, V. I.

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, copies of legislation passed by the Municipal Council of St. Thomas and St. John, V. I. (with accompanying papers); to the Committee on Territories and Insular Affairs.

TRIBUTE TO SISTER NATIONS BY CHAMBER OF DEPUTIES OF MEXICO

The PRESIDENT pro tempore laid before the Senate a letter from the Secretary of State, transmitting a resolution adopted by the Chamber of Deputies of Mexico, which, with the accompanying resolution, was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, March 4, 1946.

The Honorable KENNETH MCKELLAR,
President pro tempore,
United States Senate.

MY DEAR SENATOR MCKELLAR: I am enclosing herewith a copy in translation of a resolution adopted by the Chamber of Deputies of Mexico as a tribute to the sister nations of the continent, which has been transmitted to the Department by note No. 993 of February 11, 1946, from the Mexican Embassy in Washington.

A copy of this resolution has also been forwarded to the Honorable SAM RAYBURN, Speaker of the House of Representatives.

Sincerely yours,

JAMES F. BYRNES.

Translation

EMBASSY OF MEXICO,
Washington, D. C., February 11, 1946.

The Ambassador of Mexico presents his compliments to His Excellency the Secretary of State and, by instructions of his Government, has the pleasure of transcribing as follows the resolution passed by the Chamber of Deputies of Mexico:

"First. The Chamber of Deputies of the United Mexican States resolves to hoist over its building, to the right of the national flag, the flag of each of the American Republics on the anniversary of its independence, as a token of friendship of the people of Mexico for the sister nations.

"Second. Let this resolution be communicated to the legislative power of each nation of the continent.

"COMMITTEE ROOM OF THE CHAMBER OF DEPUTIES OF THE UNION,
"Mexico, D. F., December 12, 1945."

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution of the Senate of the State of California; to the Committee on Agriculture and Forestry

"Senate Resolution 41

"Whereas the United States Forest Service has undertaken a general program of reducing the number of livestock on forest ranges, and has reduced permitted numbers as much as 60 percent in some areas and has eliminated livestock from some ranges entirely; and

"Whereas the method used by the Forest Service in determining the extent of the cuts and effecting them are arbitrary, dictatorial, and inconsiderate of the interests of the permittees whose homes and lifetime investments are at stake; and

"Whereas it is vital to the stability of the livestock industry and to the food supply of the Nation that forest permittees have the right to a fair and impartial adjudication of the issues arising between them and the United States Forest Service, and that such permittees be given more security of tenure so that they may plan their livestock operations intelligently: Now, therefore, be it

"Resolved by the Senate of the State of California, That the Senate of the State of California hereby memorialize the Congress of the United States to make a thorough investigation of the United States Forest Service and the basis of its policies for the purpose of enacting legislation which would prevent the aforementioned evils and limit the service to the performance of administrative functions; and be it further

"Resolved, That the secretary of the senate shall transmit copies of this resolution to the President of the United States, the Presiding Officers of each House of the Congress, and to the Senators and Representatives in the Congress from California.

"This is to certify that the Senate of the State of California on February 18, 1946, adopted the above resolution.

"J. A. BEEK,
"Secretary of the Senate."

A concurrent resolution of the Legislature of Puerto Rico; to the Committee on Territories and Insular Affairs:

"Senate Concurrent Resolution 1

"Concurrent resolution to fix the position of the people of Puerto Rico in regard to the solution of the permanent political status of Puerto Rico; to insist that the problem of the permanent political status of Puerto Rico be solved through consultation with the Puerto Rican people; to recommend the democratic procedure for filling any vacancy in the office of Governor of Puerto Rico in the interim between the date such vacancy occurs and the time the political status of Puerto Rico is finally resolved, and for other purposes

"Whereas the Legislature of Puerto Rico, by the unanimous vote of its members, has requested of the Congress and of the President of the United States the prompt termination of the colonial regime of government through plebiscitary consultation with the people of Puerto Rico;

"Whereas the Legislature of Puerto Rico recognized in the concurrent resolutions adopted for the purpose that the said measure could be embarrassing for the United States while the war effort was in progress, and that Puerto Rico should wait patiently until the enemies of democracy were completely defeated;

"Whereas the enemies of democracy have already been completely defeated;

"Whereas it falls now to all democracies to act promptly in the enforcement of the principles of human freedom for the sake of which the war was fought; and

"Whereas thousands of Puerto Ricans gave their best in the great struggle which led to the defeat of the antidemocratic powers: Now, therefore, be it

"Resolved by the Senate of Puerto Rico (the house of representatives concurring):

"First. To insist, as is hereby insisted, with the President and the Congress of the United States that the permanent political status of Puerto Rico be resolved now, through consultation with the Puerto Rican people, in a spirit of friendship and mutual responsibility between the United States and Puerto Rico, and under economic conditions indicative of good faith in the wish that the people of Puerto Rico have an opportunity to develop its civilization under any permanent political status it may freely choose upon being consulted.

"Second. To request, as is hereby requested, that there be no more chief executives by appointment in Puerto Rico, such being an anachronistic situation utterly out of touch with reality as regards the causes of the war and the decided cooperation of Puerto Ricans therein.

"Third. To request, as is hereby requested, that if for any reason the office of Governor of Puerto Rico becomes vacant while the Congress of the United States decides, in harmony with the recommendations of the President, on the right of Puerto Rico to decide its permanent political status by plebiscite, that in such interim a citizen who has received the approval of the people of Puerto Rico, be appointed Chief Executive, such as the Resident Commissioner for Puerto Rico in Washington, or any of the members of the Executive Council who has received the approval of this legislative power democratically elected by the people.

"Fourth. To request, as is hereby requested, that if the procedure recommended in the preceding paragraph is not followed, the President of the United States obtain and follow the recommendation and advice of the people of Puerto Rico, directly consulted at the polls, as to the citizen who shall be Governor in the expectedly short interim while Congress resolves on the right of Puerto Rico to decide by itself its permanent political status.

"Fifth. To inform the President and the Congress of the United States that, in the exercise of their democratic right, the people of Puerto Rico respectfully reject all such procedures in this connection as do not adjust to the distinct democratic standards in defense of which Puerto Ricans fought in this war.

"LUIS MUÑOZ-MARÍN,
"President of the Senate,
"DR. F. M. LUSONI,
"Speaker, House of Representatives."

A resolution adopted by the Utah Cattle and Horse Growers' Association, Moad, Utah, favoring the immediate consolidation of the grazing functions of the Forest Service and Grazing Service in a single department of the Government; to the Committee on Agriculture and Forestry.

A resolution of the City Council of the City of New Bedford, Mass., favoring the enactment of legislation to limit the importation of frozen fish from foreign countries; to the Committee on Finance.

A telegram from the Chinese Consolidated Benevolent Association of New York City, N. Y., signed by Chu Ting Wing, chairman, relating to the present situation in Manchuria; to the Committee on Foreign Relations.

A resolution adopted by the Women's League for Political Education, Chicago, Ill., favoring the taking of proper steps to procure radio facilities for broadcasting the proceedings of Congress; to the Committee on Rules.

A letter in the nature of a petition from William H. Standley, United States Navy, retired, commander in chief of the Military Order of the World Wars, Washington, D. C., praying for the enactment of legislation providing a 20-percent increase in pay and allowances of officers and enlisted men of uniformed forces; to the Committee on Military Affairs.

A letter from J. R. FARRINGTON, Delegate from Hawaii, transmitting a letter from the secretary of the Central Labor Council of Honolulu, T. H., relating to the recent alleged filibuster in the Senate; ordered to lie on the table.

By Mr. VANDENBERG:

A concurrent resolution of the Legislature of the State of Michigan; to the Committee on Post Offices and Post Roads:

"Senate Concurrent Resolution 2

"Concurrent resolution memorializing the Congress of the United States to enact legislation granting an immediate increase in the salaries of postal workers

"Whereas the Postal Workers Salary Act of July 6, 1945, was the first increase in basic pay received by post office employees since January 1, 1925, and did not represent full consideration of increased obligations, including living costs, during the past 20 years; and

"Whereas this increase was in lieu of the temporary bonus provided in the act of April 9, 1943, and represented an increase of only $100 a year to post office clerks and city letter carriers; and

"Whereas now that the war has ended these employees have been reduced to a 5-day week reducing the earnings of regular post office clerks to the extent of over $500 per year, while the cost of living has not returned to normal; and

"Whereas rural mail carriers have similarly been affected by fluctuations in pay and operating and living costs; and

"Whereas since 1939 living costs have risen in excess of 30 percent and find post office employees in a serious condition unless relief is afforded by the Congress of the United States increasing their salaries: Now, therefore, be it

"Resolved by the Senate (the house of representatives concurring), That the Michigan Legislature is on record as endorsing legislation by Congress which will grant an immediate increase in the salaries of these postal workers; and be it further

"Resolved, That suitable copies of this resolution be transmitted to the President of the United States, to the President of the Senate and Speaker of the House of Representatives of Congress, and to the Michigan Members in the Senate and House of Representatives of Congress.

"Adopted by the Senate, February 19, 1946.

"Adopted by the House of Representatives, February 20, 1946."

By Mr. BILBO:

A concurrent resolution of the Legislature of the State of Mississippi; to the Committee on Agriculture and Forestry:

"House Concurrent Resolution 12

"Concurrent resolution memorializing Congress to authorize and direct the Tennessee Valley Authority to make available to the rural sections of Lauderdale County electrical power and service through the East Mississippi Rural Electrification Association

"Whereas cheap electric power and service is being furnished by the Tennessee Valley Authority to the rural sections of Kemper County and other counties through the facilities of the East Mississippi Rural Electrification Association; and

"Whereas such power is not not now available to the rural sections of Lauderdale County because of the Tennessee Valley Authority's refusal and inability to furnish such power through the East Mississippi Rural Electrification Association; and

"Whereas the rural section of Lauderdale County is equipped to receive electrical power and service through the East Mississippi Rural Electrification Association whose facilities could be utilized in distributing the cheaper power and services furnished to adjoining counties with practically no additional cost to either the Tennessee Valley Authority or the East Mississippi Rural Electrification Association: Therefore be it

"Resolved by the house of representatives (the senate concurring therein), That the Mississippi Legislature memorializes the Congress of the United States to authorize and direct the Tennessee Valley Authority to enter into negotiations and contracts with the East Mississippi Rural Electrification Association so as to provide for and make available to the rural sections of Lauderdale County, Miss., Tennessee Valley Authority electrical power and services; be it further

"Resolved, That a copy of this resolution be sent to the clerk of the United States Senate, the Clerk of the United States House of Representatives, the Representatives and Senators in Congress for the State of Mississippi, the East Mississippi Rural Electrification Association, and the Tennessee Valley Authority.

"Adopted by the house of representatives February 4, 1946.

"WALTER SIEM,
"Speaker of the House of Representatives.

"Adopted by the Senate February 20, 1946.

"F. C. WRIGHT,
"President of the Senate."

(The PRESIDENT pro tempore laid before the Senate a concurrent resolution of the Legislature of the State of Mississippi identical with the foregoing, which was referred to the Committee on Agriculture and Forestry.)

By Mr. WALSH:

Resolutions adopted by the Federation of Lithuanian Catholic Societies of South Boston and a mass meeting held by Lithuanians of Athol, both in the State of Massachusetts, favoring the liberation and restoration of Lithuania as a free and independent republic; to the Committee on Foreign Relations.

CONSTRUCTION OF RESERVOIR ON SOUTH BRANCH OF PARK RIVER, N. DAK.—RESOLUTION OF CITY COUNCIL OF GRAFTON, N. DAK.

Mr. LANGER. Mr. President, I present for appropriate reference and ask

unanimous consent to have printed in the RECORD a resolution adopted by the City Council of the City of Grafton, N. Dak., favoring an appropriation by Congress for the construction of a reservoir on the South Branch of Park River, N. Dak.:

There being no objection, the resolution was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

Resolution for an appropriation by the Congress for the construction of a reservoir on the South Branch of Park River, N. Dak.

Whereas flood control, water conservation, and stream flow regulation in the basin of the South Branch of Park River, N. Dak., and in the Park River Basin of which it is a tributary are necessary and important to the economy of that area; and

Whereas the cities of Grafton and Park River, N. Dak., in anticipation of the erection of a dam and the construction of a reservoir on the South Branch of the Park River, hereinafter described, have made commitments totaling $50,000 for the purposes specified and the requirements made by the War Department; be it

Resolved by the City Council of the City of Grafton, N. Dak., That the Committee on Appropriations of the United States Senate be, and it is hereby, requested and urged to recommend adequate funds in the War Department, civil functions, appropriations bill for 1947, for the construction of a reservoir on the South Branch of Park River for flood control and other purposes in the Park River Basin, N. Dak., substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 194, Seventy-eighth Congress, second session, as authorized in the Flood Control Act of 1944; and be it further

Resolved, That this resolution be forwarded to the Honorable KENNETH MCKELLAR, acting chairman, Senate Committee on Appropriations, and that copies thereof be sent to Senators WILLIAM LANGER and MILTON R. YOUNG.

Dated this 4th day of February 1946.

CITY OF GRAFTON, N. DAK.,
[SEAL] By W. E. SCHNEIDER,
Acting Mayor.

RESOLUTIONS OF STOCKHOLDERS OF FARMERS UNION CENTRAL EXCHANGE, INC., ST. PAUL, MINN.

Mr. LANGER. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD resolutions adopted at a meeting of the stockholders of Farmers Union Central Exchange, Inc., St. Paul, Minn.

There being no objection, the resolutions were referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

"Resolutions adopted at the meeting of stockholders of Farmers Union Central Exchange, Inc., February 21, 1946

"We unequivocally endorse the idea of price control and all price ceilings and of the general operation of the OPA during the war. We realize that there might have been mistakes made in the operations of these various programs but the over-all results achieved were of far greater benefit to the common man than the inconveniences caused.

"We further recommend that these controls be maintained as long as is necessary to prevent undue inflation or serious maladjustments in our economic system.

"We endorse the development of all the resources of the Missouri River and its tributaries through a Missouri Valley Authority patterned after the Tennessee Valley Authority. We urge speedy enactment of pending legislation to attain this end."

I, Madge I. Hughes, assistant secretary of Farmers Union Central Exchange, Inc., do hereby certify that the foregoing are true copies of resolutions adopted by the stockholders of said Farmers Union Central Exchange at their annual meeting on February 21, 1946.

In witness whereof I hereunto set my hand and affix the seal of said corporation this 1st day of March 1946.

MADGE I. HUGHES.

RESOLUTION OF STOCKHOLDERS' MEETING OF FARMERS UNION CENTRAL EXCHANGE, INC., ST. PAUL, MINN.

Mr. LANGER. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD a resolution adopted at the annual stockholders' meeting of Farmers Union Central Exchange, Inc., St. Paul, Minn., condemning monopolies and cartels.

There being no objection, the resolution was referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

"Resolution adopted at the annual stockholders' meeting of Farmers Union Central Exchange, Inc., February 21, 1946

"We condemn monopolies and cartels as instruments of an economy of scarcity. The Antitrust Division of the United States Department of Justice has a case pending before a Federal jury in Chicago on American cheese, and the investigations conducted by the Antitrust Division in connection with this case and the indictment upon which this case is based point to monopolistic practices in the cheese industry.

"A bill of particulars filed by the Antitrust Division in connection with this case contains definite evidence that the prices established on cheese on the Wisconsin Cheese Exchange are the result of collusion and previous agreements between dealers and investigations show that most of the distribution of cheese is controlled by four large corporations: Therefore be it

"*Resolved*, That the Farmers Union Central Exchange delegates assembled in the annual convention at St. Paul., Minn., this 21st day of February, 1946, does commend and approve the efforts of the Antitrust Division of the United States Department of Justice on behalf of the farmers to stop monopolies in this country and particularly commends the Antitrust Division for its work on the above case and pledges its support and cooperation."

I, Madge I. Hughes, assistant secretary of Farmers Union Central Exchange, Inc., do hereby certify that the foregoing is a true copy of a resolution of the stockholders of said Farmers Union Central Exchange, Inc., duly adopted at the annual meeting of stockholders of the corporataion the 21st day of February, 1946.

In witness whereof I have hereunto set my hand and affixed the seal of said corporation this 1st day of March, 1946.

MADGE I. HUGHES.

AVAILABILITY TO VETERANS OF SURPLUS WAR MATERIALS—RESOLUTION OF WILLIAM C. TAYLOR POST

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a resolution adopted by the William C. Taylor Post of the American Legion, at Mott, N. Dak.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the promises as to surplus was supplies and properties to be made available for returning veterans, have for all practical purposes become a disappointment and delusion insofar as this Northwest area of our country is concerned, and as a matter of fact practically no ex-servicemen are able to receive any preferential treatment as to such properties, and on the other hand it appears that dealers are able to purchase such supplies and resell the same at a profit, and that the promises and representations made to ex-service men and women have in effect become an idle jest and a fraud upon the good faith of those entitled to such preferential rights, but it appearing further that in other areas and other States veterans are able to obtain some of the benefits to which they are entitled in the matter of purchasing surplus properties, which privileges are not granted to us in North Dakota; and

That among other grievances, the SWPC requires in certain cases as a condition before certifying a veteran as eligible to bid on such property that he sign a certificate to the effect "that the property described herein is required as a condition of my employment by others," thereby effectively prohibiting many veterans from procuring various items of property not specifically needed in an enterprise or for reemployment, which items however are made available to dealers who resell them for about twice the price at which ex-servicemen should be able to buy them;

And therefore believing that the situation has become so scandalous that definite action should be taken by those in authority, to remedy the evils and discrimination now existing: Be it therefore

Resolved, That all persons and organizations having any influence, responsibilities, or authority in the matter of sale to veterans of surplus properties, be urged to transform the promises and representations into action, and to make such surplus available for ex-service men and women in this Northwest Territory, and to remove the innumerable obstacles of distance, red tape, and discriminatory regulations which now in effect prohibit veterans in this area from deriving any benefits from the sales of such property; that it is urgently required that action, in place of further promises, be taken now, before all such surplus has found its way into other channels.

Moved and adopted February 14, 1946, at regular meeting.

EDGAR A. RIEGER,
Post Commander.
HARRY HANOON,
Adjutant.

DRAFTING OF IV-F'S AND 18-YEAR-OLD BOYS—RESOLUTION OF ALLEN COUNTY (IND.) REPUBLICAN CLUB

Mr. WILLIS. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD a resolution adopted by the Allen County Republican Club on February 27, 1946, and in connection therewith I desire to have printed in the RECORD an article by Mr. Clifford B. Ward which bears upon this question.

There being no objection, the resolution and editorial were referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

Whereas Mr. Clifford B. Ward, managing editor of the News-Sentinel, comprehensively expressed in his Good Evening column of February 20 the sentiments of parents, wives, and next of kin pertaining to the drafting of IV-F's and 18-year-old boys for overseas occupational duty; and

Whereas the administration of the Selective Service Act is proceeding with undue haste to accomplish the drafting of IV-F's

and all boys 18 years of age before the present Draft Act expires as of May 15: Thereore be it

Resolved, That in the interest of preserving the American free way of life the Allen County Republican Club appeals to our Congressmen and Senators for immediate action to stop this practice; and be it

Resolved further, That a copy of this resolution and Mr. Ward's article be forwarded to the Congressmen and Senators for their immediate consideration.

We are submitting this for your attention.

Yours very truly,

ALLEN COUNTY REPUBLICAN CLUB,
ROBERT E. RICHEY, *President.*

GOOD EVENING

(By Clifford B. Ward)

Unless the people of this country have lost all capacity for the indignation which at times is necessary for the preservation of their so-called free way of life, they will demand of their Senators and Congressmen that drafting of boys now to go overseas to become occupation troops, possibly for years, be stopped.

These youngsters of 18 years of age, now being taken out of civilian life, before ever having had a chance really to live, to be shipped abroad to stay there until God knows when, might have some justification if the people of this country had expressed their will to that purpose by some democratic method, but there has been no expression. We, as a nation, not only have not expressed what we desire as an occupation policy, but we are sitting tolerantly by letting youngsters be taken out of their homes and sent abroad as if they were so many worthless sheep.

The directive to go back over the draft rejectees of actual wartime to find 75,000 boys now to be drafted is another outrage. Many of these boys wanted to enlist when the war was on and they were turned down. They suffered in many cases the stigma attached to not being in the service. Now when the war is over and they no longer desire to go, they are to be pulled into the service regardless of their physical unfitness and sent abroad.

The Army will say that we are committed to the occupation of Germany and Japan, and that to release veterans there, other young men must take their place. To some extent that's true, but not to the extent that they make it. We must occupy Japan, but the number of men necessary to do it has been placed by General MacArthur at such a low level that it can be done by volunteer enlistments. To the statement of those who say that we must occupy Germany, the question "Why?" should be put. Unless we really don't trust our recent allies, Russia and England, let them occupy Germany, which they will gladly do. Russia does not want us in Germany, and we should not want to be there, because we will be caught in a situation like the Germans were when they occupied European countries and which formed the basis of John Steinbeck's novel, When the Moon Is Down. Already there is hostility toward American forces in Germany, not merely on the part of the Germans, but on the part of our recent allies. You are going to hear of American soldiers stabbed in the back by German civilians, as German soldiers were stabbed in the back by civilians in the countries which the Germans occupied. Unless we have a deep love for the German people, which we haven't, we should turn the whole country of Germany over to Russia and England and say, "You can have it."

Millions of fine young Americans died in World War II for the Lord knows what. During the war we couldn't argue too much about it, because once committed to war it had to be carried out, but to condemn American lads in peacetime to serving abroad for years and to become the forgotten men in a game of power politics is to commit a crime against man and God no less outrageous than the crime the Russians committed when they sent thousands of their fellow countrymen to Siberia. The Russians, however, sent those men as punishment for crimes. We are sending ours without even the business of charging them with any crime, but merely because someone somewhere in our National Government regards American boys merely as military statistics instead of as human beings.

We don't deprive a man in this country of one foot of his property without due process of law, yet we are today depriving thousands upon thousands of our own American boys of liberty and the pursuit of happiness without giving them even a chance to protest.

Maybe it doesn't mean anything to you if a kid you don't know has his life ruined for him in times of peace to make possible an international political game that no one understands, but it means a lot to that kid and to those parents of his who regard him as something more than a statistic.

Unless the people of this country have lost all courage to fight for what is right and against what is wrong, they will let their Senators and Congressmen know that the time has come to stop treating American boys as mere cattle. (This article reproduced from the News-Sentinel, Wednesday, February 20, 1946.)

REASONABLE AND PROPER CONTROLS UPON LABOR—STATEMENT BY W. O. H. GARMAN

Mr. GURNEY. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD a statement by Mr. W. O. H. Garman which was intended to be presented to the Committee on Education and Labor. The statement is seven pages in length.

There being no objection, the statement was referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

Mr. Chairman and members of this committee, the American Council of Christian Churches is in favor of imposing reasonable and proper controls upon labor, and for two main reasons:

I. THE UNIONS ARE JEOPARDIZING THE WELFARE OF THE NATION

We are here today to speak on matters of grave importance to many hundreds of thousands of American citizens whose every welfare, individual rights, and religious and political liberties are at stake largely because of the anarchy, ruthlessness, tyranny, and selfish aggression of the Nation's uncontrolled trust, organized labor.

We believe that labor has the right to organize and bargain collectively, but not to monopolize or infringe upon the rights of others. In the past we have always been most sympathetic to the legitimate aims of labor and rejoiced because of the benefits obtained. However, we are now constrained to oppose the radical element in labor because it, a minority group, seeks to subjugate an entire nation and to deprive the majority group, the citizens at large, of their cherished rights, privileges, and freedoms. Our fathers, and now more recently our sons and brothers, died to maintain and preserve these precious freedoms. It is for us, the living, therefore, to see to it that these martyrs to the cause of freedom and the American way of life shall not have died in vain, and that this Government of all the people and for all the people shall not be supplanted by an oppressive, dictatorial totalitarianism which elevates a few despots and is maintained for their benefit.

Labor, we believe, has largely succumbed to an infiltration of Communists and other radicals who have largely succeeded in capturing the movement and in dictating its policies. These policies, if permitted to continue, will most certainly end in revolution, bloodshed, the overthrow of our present form of government, the end of private enterprise and private property, and the enslavement and degradation of the masses. Therefore, for the good of the Nation as a whole and for the good of the worker in particular, we believe that the radical acts of labor must be curbed and labor compelled to recognize the rights and privileges of others and also its own heavy responsibilities, which in the main it has overlooked. We are, therefore, interested in the Case bill or any legislation which aims to do this very thing.

The special features of the Case bill which appeal to us are:

(1) It would make both labor and management liable for civil damages for any breach in their collective-bargaining contract.

(2) It would provide for a 30-day cooling off period.

(3) It would outlaw all acts of violence.

With all due respect, we are not impressed that the President's fact-finding proposal is the solution for our labor problem.

Although we are not pro-A. F. of L. we are quite in agreement with the statement of that labor group as quoted in the Chicago Herald-American of February 6, 1946.

Aware of the dominance of communism and other forms of collectivism in labor they plead for the American way, which we think is most commendable. They declared that it is not the place of what they termed, "political kibitzers to step in between management and workers and arbitrarily determine what company profits and reserves should be"—and "decide politically what increase can be paid." The A. F. of L. spokesman went on to declare, and again we find ourselves in agreement, "This is dangerous tampering with private initiative. And labor knows that private initiative in America has brought the efficiency that makes possible high living standards."

Even though we cannot speak with authority on matters of economics, we are entitled surely to express an opinion.

It is our belief that one of the main reasons for the confusion and near chaos which exists in business and industry today is because we have had too much Government control and experimentation by Government bureaucrats anxious to put into practice foreign ideologies which certainly have not elevated the countries where they originated to our standard of living. We are not anxious for the formation of any more bureaus. We are inclined to believe that if the Government permitted the law of supply and demand to run its course, as it did so effectively in the past, that the Government's constant manipulation of prices would not be necessary, and the return to normalcy would be greatly expedited.

We feel that what is needed in particular is the adoption of these three provisions of the Case bill, plus certain amendments we would like to suggest later on in our statement.

Since our Government has not hesitated to impose antitrust regulations and other proper restrictions upon unscrupulous big business, there is no good reason why in all fairness labor, which has gotten completely out of hand, should enjoy immunity, and should not be required to incorporate and to register with the Securities and Exchange Commission, as Senator HARRY F. BYRD and others have advocated; or why labor should be permitted to form super trusts and exploit a nation, and this with impunity.

Labor because of its unwarranted strikes treasonably hampered the war effort and unnecessarily prolonged the slaughter, and this by holding up thereby vital supplies from its own sons and daughters on the fighting

front who were serving there under the most trying circumstances for only a fraction of the big wages labor was receiving and without labor's privilege of going on a strike when the going got tough.

Labor today is seriously retarding our entire reconversion program. By its ghastly, selfish, and barbarous power, meat, coal, transportation, and communications strikes as well as strikes in steel and other industries, it has crippled the industrial life of the nation, paralyzed at various times the Nation's largest cities and virtually produced a Nation-wide state of emergency.

By so doing it has brought deprivation and want upon its own members through the loss of income and the necessity of disposing of savings and war bonds in order to live.

By curtailing our national income, and keeping American goods off the world market it has enabled competitor nations to get a head start on America in capturing world markets.

By depriving the world of our manufactured products it has prolonged the misery and suffering which exists in devastated lands. These nations will never be able to recover from the ravages of war until the products of American labor are at hand.

At home it has spread class strife, despair, chaos, and defeat, the very conditions upon which the virus of communism thrives. These conditions are bringing the Nation to the brink of economic ruin and bloody revolution.

Our indictment is not made against all workers. In fact it is our belief, based upon observation and experience, that the majority of workers, especially the better type of workmen, deplore these conditions as much as we do. We believe that in many places this higher type of a workman is the victim of a radical, subversive group, which has as some labor leaders admit captured many of the unions. These radicals together with Communist sympathizers, in the church, in the Government, and in our educational institutions, are we believe, because their subtle insidious propaganda and subversive acts, most responsible for the conditions we have been deploring.

What has proven to be one-sided labor legislation which aided and abetted the radical element has been another contributing factor. So has the delay and failure on the part of Congress to enact reasonable and proper controls for labor.

It is a sad day in American history when this Government permits 3,000 electrical workers in Pittsburgh to paralyze that city by what was termed by the press the most cruel and selfish strike in the Nation's history; or permits 3,500 tugboat men in Greater New York to compel the suspension of all but essential activities; or permits 9,655 rapid transit workers to tie up a great city like Philadelphia.

We hold with the editor of the Pittsburgh Press as stated in that paper of February 6, 1946, that anarchy can't continue. "Federal, State, and local governments were powerless to stop these disasters. This is anarchy—government by mob rule. The time has come to stop treating organized labor as though it were something sacred. The idea behind organized labor is sound. * * * But we know today that organized labor, with its present unlimited power, can be an evil thing. Something must be done to prevent future strikes of workers who are as important to a community as its doctors or policemen. Unions in general must be placed under some sort of reasonable regulation—the same kind of restraint which prevents other groups and individuals from jeopardizing the lives, liberties, and happiness of their fellow citizens. This must be done, or the Nation seems doomed to constant turmoil, suffering, depression. We cannot leave this thing to chance."

II. THE UNIONS ARE COMPELLING CHRISTIAN WORKERS TO COMPROMISE CONSCIENCE AND CONVICTION

Our main concern today, however, has to do with certain religious and civil aspects of the labor problem. Some of our most cherished freedoms are freedom of religion, freedom of conscience, freedom of speech.

Our men in the fighting forces were led to believe that they were fighting to maintain such freedoms. Many of them have told us that they had been sadly disillusioned upon coming home and witnessed the sad state of affairs which prevails. They now realize that neither nazism or fascism were the most dreaded foes of our liberties but rather subversive agencies here at home which were in the main of a decidedly red coloring. Some of these agencies as we have said have in large numbers wormed their way into the ranks of labor. It isn't to be wondered at then if some of the tactics and policies of labor violate the conscience and conviction of Christian workmen and others of similar beliefs. They find themselves the victims of a tyrannical labor movement, and although they may be utterly out of sympathy with labor's present day ruthless tactics they have no recourse but to Congress and they crave redress and relief at your hands.

In a great many of our industries it is impossible for a man to find employment unless he joins a union and pays dues. He has to pay for the privilege of working, an unthinkable thing in free America. He is compelled to do this whether he wants to or not. It wouldn't, in our estimation, be any worse for the Government to compel all Republicans to become Democrats, or all Roman Catholics to become Protestants, than for the Government to permit and encourage such conditions as this.

Furthermore, Christian workers and others not disposed to strike are repeatedly compelled to do so. All sorts of pressure is brought to bear upon them to force them against their wishes to engage in mass picketing which only too frequently is accompanied by violence and other forms of lawlessness. The practice itself, we hold, is lawless. Christian workers are threatened with reprisals if they refuse. We hear of fines, threatened loss of seniority, or even of employment, not to mention the verbal abuse and physical harm some have suffered.

The courts, however, have been handing down decisions which support the Christian's contention. The courts have declared that such picketing is illegal and amounts to the confiscation of the property involved. No Christian acting in obedience to the command "thou shalt not steal" could ever participate in the confiscation of the property of others. Labor claims that the Wagner Act gives it the right to exclude anyone, including the owners, from a struck plant. If so, the Wagner Act violates the law of God and should be repealed.

Even the American Civil Liberties Union which has been very much prolabor has repeatedly declared that labor must not engage in mass picketing or in any picketing which resorts to violence, prevents pedestrians or vehicles from entering struck plants, or interferes with the police as they attempt to keep traffic lanes open.

Yet labor persists in resorting to mass picketing and in attempting to compel Christians and others opposed to this illegal practice to participate, which cannot be done without violating the laws of God and the laws of the land.

Another shameful example as to how the conscience and conviction of Christian workers is being violated is in respect to the quantity and quality of the work some union leaders permit them to do. Christian workers of ability and industry have brought this matter to my attention.

Some working assiduously and skillfully at their task have been instructed by union leaders to "slow up." One case was recently brought to my attention by a contractor where the labor leader on a job had a worker fired because he didn't slow up when ordered to do so. One of the commonest complaints we hear today is that many workmen are not earning their present wages, let alone deserving a higher rate of pay. One official recently declared that they wouldn't mind raising wages if the men in their plant would only turn out an honest day's work.

Once again we say that no Christian can be a party to such a practice as this whereby his employer is defrauded. To comply with this evil practice he would have to disobey the clear teachings of the Bible, bring reproach upon his religion, and violate his own conscience and conviction. This labor has no right to ask him to do.

Except in certain specific cases, fire and police departments for instance, we would not deny the workman the right to strike as a last resort after every sincere effort at collective bargaining, conciliation and arbitration had failed, and failed because the employer was determined not to recognize the rights of labor. Very often such efforts fail because labor is so arbitrary, dictatorial, and unreasonable. However, we contend that because of the untold misery, confusion, chaos, strife, and irreparable loss suffered by millions of innocent victims, that no Christian dare be a participant in the prevailing waves of strikes many of which are in open violation of signed contracts, and which because of other conditions are unwarranted. The Christian is duty bound by the commandment of God, "Thou shalt not bear false witness." In other words, he dare not be a party to a pledged lie. And yet labor expects him to be. It is very evident that the present labor situation is such that every Bible-believing and Christ-honoring Christian worker will eventually have to, if he wishes to remain in obedience to his Lord, separate himself from organized labor. Under the present set-up he would be persecuted and denied employment for doing so. This should not be. Congress should come to his assistance and deliver him and others of like mind from the cruel, tyrannical oppression under which he has to serve. Congress should see to it that in order to live and support his family that he be not repeatedly compelled to violate his Christian conscience and conviction.

As a result of extended inquiry it is our belief that the better class of workmen in most places we have visited, are decidedly opposed to the prevailing strikes and the lawless acts of labor. Many have expressed themselves to me verbally to this effect. Some have written letters, copies of which are attached. Others have spoken to their pastors who in turn have conveyed their sentiments to me. Still other have written their Senators and Representatives stating their position, asking for congressional relief from an intolerable and oppressing situation. We attach to this statement sample copies of the type of letters and complaints we have received, from pastors and others in position to know the labor situation.

Because of the aforementioned facts we urge this committee to give the Case bill favorable consideration and would suggest that the following amendments be appended thereto:

(1) That it be illegal to attempt in any manner whether by intimidation, coercion, boycott, or ridicule to compel any worker against his wishes to join a union and pay fees thereto.

(2) That the un-American closed shop be abolished.

(3) That unions be subjected to control similar to that imposed by the Sherman Antitrust Act on unscrupulous big business, and that coalition of union groups representing various trades be outlawed, and that

sympathy strikes, or general strikes be outlawed.

(4) That unions be compelled to incorporate and register with Securities and Exchange Commission as advocated by Senator HARRY F. BYRD, and others.

(5) That unions be prohibited from interfering with, or causing the violation or compromise of the conscience and religious conviction of workers.

(6) That it be illegal for unions or union sympathizers to interfere in any manner whatsoever with workers who do not wish to strike but prefer to keep on working, or to attempt to prevent the entrance of anyone to a struck plant.

(7) That mass picketing be prohibited.

Respectfully submitted,

W. O. H. GARMAN,
Secretary, the American Council of Christian Churches (Representing 14 Protestant Denominations).

THE FOOD CRISIS—TELEGRAM FROM HON. HERBERT HOOVER

Mr. CAPPER. Mr. President, former President Herbert Hoover has sent an important telegram to Secretary of Agriculture Clinton P. Anderson on the food crisis. I ask unanimous consent to have it printed in the CONGRESSIONAL RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

HOOVER LETTER TO ANDERSON ON FOOD CRISIS

I have your message, and I would like to be of help in any question of starving peoples.

I recently issued a statement supporting President Truman's call for conservation of food on the assumption that desperate need had been established.

On thinking the matter over, I do not believe the suggested general committee organization outside of the Government, though helpful would cover the whole emergency.

I recommended to the President last May that all control of food, scattered over different Government agencies, should be lodged in you as food administrator, because that office is inseparable from the Secretaryship of Agriculture. I am advised that was not done. It should be done now.

In any event only an official of Cabinet rank and an existing organization can create and direct the quick campaign that is needed now because shipments from the United States after the end of June will be of no avail in this famine and it is thus already very late to start.

In order that there be no delay in giving you the advice you request, I suggest steps in voluntary organization as follows:

The first step is for you as food administrator to be given complete authority over elimination of waste and unnecessary consumption, hoarding, substitution of foods, and control of exports and imports.

The second step in order to gear your organization is to determine:

(a) World need.
(b) World surpluses.
(c) Possible American surpluses.
(d) What kind of food in all cases.
(e) How much of each kind of food you can and should export from the United States without injury to public health.

I cannot adequately advise on this phase as it would require exhaustive investigations at home and abroad, and I assume you already have such information.

The third step is to constitute the State directors of the Department of Agriculture as State food administrators, and the county agents as county food administrators.

The fourth step is for you to ask each of the food trade associations, such as hotels, restaurants, bakers, packers, millers, etc., to appoint emergency famine committees under some respected leader, they together with the experts of the Department of Agriculture, to work out ways and methods of voluntary action in each of their trades to save waste, unnecessary use, to devise substitutes, and to secure the adherence of the members of the trades to this voluntary program.

The fifth step is to prepare a simple program for housewives which will eliminate waste, save unnecessary consumption and make use of substitutes. This should be a voluntary program. Your State and county food administrators should organize the women in their localities and see that food trades are fully organized also.

All this can be done by the present Government agencies without adding to personnel and does not require the setting up of separate organizations. It seems to me that if the situation is urgent, as I believe it is, then this is the only course to pursue in order to get quick and effective results.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCARRAN, from the Committee on the Judiciary:

H. R. 5504. A bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; with an amendment (Rept. No. 1014).

By Mr. HATCH, from the Committee on Public Lands and Surveys:

S. 1856. A bill to reserve for the use of the United States all deposits of fissionable materials contained in the public lands; without amendment (Rept. No. 1015).

AMENDMENT TO CONSTITUTION RELATING TO EQUAL RIGHTS FOR MEN AND WOMEN—REPORT OF COMMITTEE ON THE JUDICIARY

Mr. HATCH. Mr. President, from the Committee on the Judiciary, I report favorably without amendment the joint resolution (S. J. Res. 61) proposing an amendment to the Constitution of the United States relative to equal rights for men and women, and I submit a report (No. 1013) thereon.

I also submit the minority views of the Senator from Florida [Mr. ANDREWS] and the Senator from Mississippi [Mr. EASTLAND] on the joint resolution.

INVESTIGATION OF WAR CONTRACTS AND DISPOSAL OF SURPLUS WAR PROPERTY—INCREASE IN LIMIT OF EXPENDITURES

Mr. O'MAHONEY, from the Committee on Military Affairs, reported an original resolution (S. Res. 236), and, under the rule, the resolution was referred to the Committee to Audit and Control the Contingent Expenses of the Senate, as follows:

Resolved, That the limit of expenditures under Senate Resolution 129, Seventy-ninth Congress, first session (providing for a study and investigation with respect to war contracts, the termination of war contracts, the disposal of surplus Government property, and related problems), agreed to June 29, 1945, is hereby increased by $48,300.

PERSONS EMPLOYED BY COMMITTEES WHO ARE NOT FULL-TIME SENATE OR COMMITTEE EMPLOYEES

The PRESIDENT pro tempore laid before the Senate reports for the month of February 1946, from the chairmen of certain committees in response to Senate Resolution 319 (78th Cong.), relative to persons employed by committees who are not full-time employees of the Senate or any committee thereof, which were ordered to lie on the table and to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON MILITARY AFFAIRS,
SUBCOMMITTEE ON SURPLUS PROPERTY,
February 27, 1946.

Hon. KENNETH MCKELLAR,
President, United States Senate,
Washington, D. C.

DEAR MR. PRESIDENT: Pursuant to Senate Resolution 318, I am transmitting herewith a list of employees of the Surplus Property Subcommittee (S. Res. 129) of the Senate Military Affairs Committee who are not full-time employees of the Senate. Included with this list is the name and address of each such employee, the name and address of the department paying the salary of such employee, and the annual rate of compensation for such employee.

Respectfully yours,

JOSEPH C. O'MAHONEY,
Chairman, Surplus Property Subcommittee.

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Kurt Borchardt	6007 34th Pl. NW., Washington, D. C.	Reconstruction Finance Corporation, Washington, D. C.	$7,240
Hilda Hamilton	705 18th St. NW., Washington, D. C.	do	2,890
Lillian Kovars	1830 R St. NW., Washington, D. C.	Navy Department, Washington, D. C.	2,100

COMMITTEE ON FINANCE

MARCH 4, 1946.

To the Senate:

The above-mentioned committee hereby submits the following report showing the names of persons employed by the committee who are not full-time employees of the Senate or of the committee for the month of February 1946, in compliance with the terms of Senate Resolution 319, agreed to August 23, 1944:

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Fred R. Miller	7535 17th St. NW	Veterans' Administration, Washington, D. C.	$5,810
Bertha M. Heck	1631 Euclid St. NW	do	2,166

Both assigned to work of permanent Subcommittee on Veterans' Legislation. Room 310-A, extension 1224.

WALTER F. GEORGE, *Chairman.*

COMMITTEE ON NAVAL AFFAIRS

FEBRUARY 28, 1946.

To the Senate:

The above-mentioned committee hereby submits the following report showing the names of persons employed by the committee who are not full-time employees of the Senate or of the committee for the month of February 1946, in compliance with the terms of Senate Resolution 319, agreed to August 23, 1944:

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Capt. James A. Saunders, U. S. Navy (retired).	4105 Oliver St., Chevy Chase, Md	Office of the Chief of Naval Operations, Navy Department, Washington, D. C.	$6,000
Chief Yeoman Herbert S. Atkinson (Pa.), U. S. Naval Reserve.	2405 Pennington Rd., Trenton, N. J	do	1,739
Yeoman First Class John M. Flannery, U. S. Naval Reserve.	17 Livingston St., Binghamton, N. Y	do	1,436

DAVID I. WALSH, *Chairman.*

SENATE NAVY LIAISON OFFICE, ROOM 461, SENATE OFFICE BUILDING

FEBRUARY 28, 1946.

To the Senate:

The above-mentioned committee hereby submits the following report showing the names of persons employed by the committee who are not full-time employees of the Senate or of the committee for the month of February 1946, in compliance with the terms of Senate Resolution 319, agreed to August 23, 1944:

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Lt. Comdr. Frederick A. McLaughlin, U. S. Naval Reserve.	317 Lynn Dr., Chevy Chase, Md	Bureau of Naval Personnel, Navy Department, Washington, D. C.	$3,000
Lt. Comdr. Joseph G. Feeney, U. S. Naval Reserve.	2745 29th St. NW., Washington, D. C	do	3,150
Commander H. J. Harris, U. S. Naval Reserve.	2008 Fort Davis St. SE., Apartment 102, Washington, D. C.	do	3,500
Charlotte L. Wilson, seaman first class, U. S. Naval Reserve.	WAVE Quarters D, Washington, D. C	do	742
Evelyn R. Frank, yeoman second class, U. S. Naval Reserve.	WAVE Quarters E, Washington, D. C	do	1,152
Mary Ruth Sterk, yeoman second class, U. S. Naval Reserve.	do	do	1,152

The above employees are representatives of the Bureau of Naval Personnel, Navy Department, to assist Senators on naval personnel matters.

DAVID I. WALSH.

EDUCATION AND LABOR COMMITTEE

MARCH 1, 1946.

To the Senate:

The above-mentioned committee hereby submits the following report showing the names of persons employed by the committee who are not full-time employees of the Senate or of the committee for the month of February 1946, in compliance with the terms of Senate Resolution 319, agreed to August 23, 1944:

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Joseph P. McMurray	120 C St. NE., Washington, D. C	Department of Labor, Washington, D. C	$6,230
John W. Nelson	2745 29th St. NW., Washington, D. C	do	5,000

JAMES E. MURRAY, *Chairman.*

SUBCOMMITTEE ON HEALTH AND EDUCATION

MARCH 1, 1946.

To the Senate:

The above-mentioned committee hereby submits the following report showing the names of persons employed by the committee who are not full-time employees of the Senate or of the committee for the month of February 1946, in compliance with the terms of Senate Resolution 319, agreed to August 23, 1944:

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Lauretta April	2714 Quarry Rd. NW, Washington, D. C.	National Housing Agency, 1001 Vermont Ave. NW.	$4,300
Charles Bragman	Arlington Village Apartments, Arlington, Va.	Federal Public Housing Authority (NHA), 1201 Connecticut Ave. NW.	6,440
Betty Brimberg	5331 16th St. NW, Washington, D. C.	Farm Security Administration, U. S. Department of Agriculture	2,100
Olive F. Caldbeck	237 Mississippi Ave. SE.	Federal Public Housing Authority (NHA)	2,320
Rose G. Cohen	2513 14th St. NE., Washington, D. C.	Veterans' Administration, Vermont and Eye Sts. NW.	3,047
Groff Conklin	514 2d St. NW., Washington, D. C.	U. S. Public Health Service, Federal Security Agency	6,230
Philip C. Curtis	4303 Russell Ave., Mount Rainier, Md.	Navy Department 18th and Constitution Ave. NW.	4,600
Marion L. Dillon	2601 16th St. NW., Washington, D. C.	do	3,200
Bernard Leroy	Persimmon Tree Rd., Bethesda, Md.	do	7,500
Love Morgan	1607 18th St. SE., Washington, D. C.	Veterans' Administration, Vermont and Eye Sts. NW.	2,650
Dolores Raschella	3028 Wisconsin Ave. NW., Washington, D. C.	Federal Public Housing Authority (NHA), 1201 Connecticut Ave. NW.	2,320
Lieutenant Commander Truslow	2007 Peabody St., West Hyattsville, Md.	Navy Department, 18th and Constitution Ave. NW.	3,000
Capt. Leslie Falk	2804 Terrace Rd. SE., Washington, D. C.	War Department, Pentagon Bldg.	

CLAUDE PEPPER, *Chairman.*

SPECIAL COMMITTEE TO STUDY AND SURVEY PROBLEMS OF SMALL BUSINESS ENTERPRISES

MARCH 1, 1946.

To the Senate:

The above-mentioned committee hereby submits the following report showing the names of persons employed by the committee who are not full-time employees of the Senate or of the committee for the month of February 1946, in compliance with the terms of Senate Resolution 319, agreed to August 23, 1944:

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Herman Edelsberg	2141 Suitland Ter. SE., Washington, D. C.	Foreign Economic Administration, Washington, D. C.	$7,175
F. Preston Forbes	502 Four Mile Rd., Alexandria, Va.	Commerce Department, Washington, D. C.	7,175
Stella J. Groeper	1127 Branch Ave. SE., Washington, D. C.	Reconstruction Finance Corporation, Washington, D. C.	3,000
L. Evelyn Spicer	2515 Wisconsin Ave. NW., Washington, D. C.	do	3,090
Frederick W. Steckman	4000 Cathedral Ave. NW., Washington, D. C.	Maritime Commission, Washington, D. C.	5,600
Margie L. Strubel	4632 12th St. NE., Washington, D. C.	Reconstruction Finance Corporation, Washington, D. C.	2,320
Allen G. Thurman	9729 Bexhill Dr., Rock Creek Hills, Md.	Maritime Commission, Washington, D. C.	7,175

JAMES E. MURRAY, *Chairman.*

JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—CIVILIAN EMPLOYMENT OF EXECUTIVE BRANCH OF GOVERNMENT

Mr. BYRD. Mr. President, during the month of January 1946 Federal civilian personnel in the executive branch, exclusive of War Department personnel stationed outside the continental United States, increased 2,423 according to reports submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures. Total employment for January was 2,511,158 as compared to the December 1945 figure of 2,508,735.

Including War Department civilian employees stationed outside the continental United States, total employment was 2,946,947 as compared with the 3,155,192 shown for December. However, attention is called to the fact that this reduction was not actually effected during the month of January. Included in the December figure are 646,457 War Department employees stationed outside the United States as of September 30, 1945, and included in the January figure of 435,789 such employees reported as of December 31, 1945. Thus during this 3-month period, the War Department released 210,668 employees, who, because of reporting procedure, must be reflected as released during the month reported.

Exclusive of War Department, Navy Department, and the National War Agencies, the remaining 41 agencies had a net increase of 34,570 employees during the month. Within this group, 31 agencies increased their personnel during the month and 9 effected reductions. One showed no change. The agencies which had increases in employment were Veterans' Administration with 13,246; Treasury Department with 7,444; Post Office Department with 6,144; Reconstruction Finance Corporation with 3,103; Commerce Department with 2,508; Interior Department with 1,163; and Labor Department with 1,163.

The largest decreases were in the State Department with 339; Federal Communications Commission with 151; Maritime Commission with 327; National Advisory Committee for Aeronautics with 215; Panama Canal with 1,067; and Tennessee Valley Authority with 228.

With respect to the war agencies, War and Navy Departments effected a reduction of 50,538 within the continental United States and a net reduction of 188,075 outside the continental United States. The remaining agencies released a total of 4,201 employees.

It is significant that if the reductions in the War and Navy Departments were omitted, there would be an over-all increase, including all other war and peacetime agencies of 30,369 employees. Such a trend must not be lightly dismissed. It is realized that the Federal Government must reemploy as rapidly as possible veterans who are expected to return to their former positions. This, in turn, should allow for a reduction in war-service appointees. The placement of veterans is a recognized responsibility; whereas the shifting of displaced war-service employees to other units, such as is now taking place, is an assumed responsibility which undoubtedly was not anticipated by Congress. These thousands of war-service employees were given indefinite appointments for the duration and 6 months, or until their jobs were abolished. The nature of their appointments was understood and accepted. While one may believe that they were patriotic and should be rewarded for their services, one must also recall the fact that there was very little "business as usual" for these people to turn to during the war emergency, and thus that they were frequently prompted by self-interest as well as patriotism.

I call upon the President and the Congress, and through them the people of the country to halt this needless waste and extravagance. If we are to balance the Budget, if we are to deter inflationary trends, the Government must put its house in order immediately. One way to do this is to remove excess employees.

From the Joint Committee on the Reduction of Nonessential Federal Expenditures, I submit a report relating to Federal civilian personnel, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the report was received and ordered to be printed in the RECORD, as follows:

Civilian employment of the executive branch of the Federal Government, by departments and agencies, for the months of December 1945 and January 1946, showing the increases and decreases of number of paid employees

Departments or agencies	December 1945	January 1946	Increase (+) or decrease (−)
EXECUTIVE OFFICE OF THE PRESIDENT			
Bureau of the Budget	753	752	−1
EXECUTIVE DEPARTMENTS			
Agriculture Department	86,209	86,850	+641
Commerce Department	29,866	32,374	+2,508
Interior Department	43,135	44,298	+1,163
Justice Department	24,945	25,322	+377
Labor Department	32,526	33,689	+1,163
Navy Department	587,636	586,994	−642
Post Office Department	447,599	453,743	+6,144
State Department	18,864	18,525	−339
Treasury Department	95,643	103,087	+7,444
War Department [1]	791,115	763,812	−27,303
NATIONAL WAR AGENCIES			
Civilian Production Administration	2,717	2,435	−282
Committee on Fair Employment Practice	36	37	+1
National Wage Stabilization Board [2]	0	1,253	+1,253
Office of Alien Property Custodian	602	624	+22
Office of Defense Transportation	243	226	−17
Office of Inter-American Affairs	605	616	+11
Office of Price Administration	37,464	32,639	−4,825
Office of Scientific Research and Development	875	834	−41
Office of War Mobilization and Reconversion	642	668	+26
Petroleum Administration for War	190	117	−73
Selective Service System	16,561	16,330	−231
Smaller War Plants Corporation	1,792	1,814	+22
War Shipping Administration	5,044	4,977	−67
INDEPENDENT AGENCIES			
American Battle Monuments	1	[3] 38	+37
Civil Aeronautics Board	408	412	+4
Civil Service Commission	4,945	4,972	+27
Employees' Compensation Commission	543	549	+6
Export-Import Bank of Washington	77	90	+13
Federal Communications Commission	1,469	1,308	−161
Federal Deposit Insurance Corporation	1,189	1,207	+18
Federal Power Commission	671	707	+36
Federal Security Agency	31,338	31,464	+126
Federal Trade Commission	477	487	+10
Federal Works Agency	21,354	21,685	+331
General Accounting Office	14,050	14,352	+302
Government Printing Office	7,111	7,262	+151
Interstate Commerce Commission	2,059	2,122	+63
Maritime Commission	8,283	7,956	−327
National Advisory Committee for Aeronautics	5,799	5,584	−215
National Archives	346	357	+11
National Capital Housing Authority	247	269	+22
National Capital Park and Planning Commission	16	[4] 16	
National Gallery of Art	272	279	+7
National Housing Agency	14,241	14,352	+111
National Labor Relations Board	1,106	819	−287
National Mediation Board	95	100	+5
Panama Canal	30,624	29,557	−1,067
Railroad Retirement Board	1,715	1,803	+88
Reconstruction Finance Corporation	28,750	31,853	+3,103
Securities and Exchange Commission	1,172	1,203	+31
Smithsonian Institution	417	422	+5
Tariff Commission	265	267	+2
Tax Court of the United States	122	121	−1
Tennessee Valley Authority	11,824	11,596	−228
Veterans' Administration	92,687	105,933	+13,246
Total [5]	2,508,735	2,511,158	{+38,530 / −36,107 / +2,423}
War Department	[6] 646,457	[7] 435,789	−210,668
Grand total	3,155,192	2,946,947	{+38,530 / −246,775}

[1] Does not include employees stationed outside the continental United States.

[2] National War Labor Board was terminated and its personnel transferred to the National Wage Stabilization Board in the Department of Labor. The National Wage Stabilization Board is independent of the Labor Department in control of its personnel and will be reported separately.

[3] Includes employees stationed outside continental United States not previously reported to the committee.

[4] Includes employees stationed outside the continental United States, except those of the War Department. Total for December, 98,955; and January, 120,945.

[5] Employees stationed outside the continental United States as of Sept. 30, 1945.

[6] Employees stationed outside the continental United States as of Dec. 31, 1945.

THE MINIMUM WAGE BILL—REPORT

Mr. TUNNELL. Mr. President, on behalf of the Senator from Florida [Mr. PEPPER] and myself, from the Committee on Education and Labor, I report favorably with an amendment the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, and I submit a report (No. 1012) thereon.

The PRESIDENT pro tempore. The bill will be received and placed on the calendar.

Mr. PEPPER. Mr. President, the able Senator from Delaware [Mr. TUNNELL] has just reported from the Committee on Education and Labor Senate bill 1349, which is the minimum wage bill. However, I believe that some explanation is necessary, because I am afraid there is a misunderstanding that the bill covers agricultural labor. The bill does not cover agricultural labor. It does cover the first processors of agricultural and horticultural commodities, giving them an exemption of 14 weeks out of the year. But it does not cover farm labor. Due to the fact that someone had disseminated such a statement, I wish to have all Senators be aware of the fact that the bill does not cover farm labor.

I wish also to say that it is the intention of the proponents of the measure to ask, inasmuch as it is agreeable to the leadership of the Senate, to have the measure brought up for consideration by the Senate on Thursday of next week.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BUTLER. I am not conversant with the bill which has just been reported, but I wish to ask whether it includes the same provision with respect to the processors and handlers of farm products that was included in the previous minimum wage law.

Mr. PEPPER. Substantially so, I may say to the able Senator from Nebraska; but there are certain variations in the definitions of exemptions. The Senator can lay it down as a fairly general principle that all first processors of agricultural and horticultural commodities are covered, but all of them are given an exemption of 14 weeks out of the year, up to 56 hours a week. Does that answer the Senator's question? That is substantially the provision of the present law.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. AIKEN. I was going to add that the committee has reported the bill with an amendment so that an exemption of 14 weeks may be granted without having the particular industry closed for the remainder of the year. The bill would thus be amended so that 14 weeks' exemption could be granted for the peak season. That would cover largely, as I understand, the small grain elevators, the flush season of the dairy industry, the bulk of the cotton ginning period, and the emergency canning program.

Mr. PEPPER. I will say there is a definition of "seasonable" in the bill as reported, and I should call attention to the provision by which any industry or activity with respect to which there is a peak season is generally defined as seasonable in character.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. TAFT. I think it is fair, in answer to the Senator from Nebraska, to say that the committee bill entirely eliminates the area of production exemption and it entirely eliminates the processing exemption of the present minimum wage law. All it leaves is the provision that the Secretary may grant to a seasonal industry a 14 weeks' exemption. That is all that remains of any exemption for the processing of agricultural products, if the Secretary sees fit to grant it.

I may say that the substitute amendments submitted by the minority leave the exemptions exactly as they are.

Mr. BARKLEY. Mr. President, I ask for the regular order.

The PRESIDENT pro tempore. The regular order is demanded.

Mr. BILBO. I wish to make a statement with reference to the statement just made by the Senator from Florida; I should like to make my statement before anything else transpires.

The PRESIDENT pro tempore. The regular order has been called for.

Mr. ELLENDER. Mr. President, if I may be permitted to do so, on behalf of myself and the Senator from Minnesota [Mr. BALL], the Senator from Ohio [Mr. TAFT], the Senator from Missouri [Mr. DONNELL], the Senator from New Jersey [Mr. SMITH], and the Senator from Arkansas [Mr. FULBRIGHT], I desire to file minority views in connection with the reporting of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, which has just been under discussion. As was pointed out by the distinguished senior Senator from Ohio, the amendments we propose would leave the bill as it is now written insofar as exemptions are concerned.

The PRESIDENT pro tempore. The minority views submitted by the Senator

from Louisiana [Mr. ELLENDER] for himself and other Senators will be received and printed.

Mr. ELLENDER. I ask unanimous consent to file, and to have lie on the table, an amendment which is submitted by myself and the Senator from Minnesota [Mr. BALL].

The PRESIDENT pro tempore. The amendment will be received, printed, and lie on the table.

Mr. BILBO subsequently said: Mr. President, I have no desire at this time to enter into a discussion of the merits or demerits of the bill which has been reported, but I do not wish to have the statement made by the Senator from Florida [Mr. PEPPER] go out to the country without making an observation regarding it.

The PRESIDENT pro tempore. Further proceedings aside from the regular order have been objected to, and such a statement is not in order at this time. The Chair will recognize the Senator from Mississippi for a statement in connection with the regular order.

Mr. BARKLEY. Mr. President, I ask that the Senator from Mississippi be permitted to make his statement.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator from Mississippi may proceed.

Mr. BILBO. The Senator from Florida has said that the minimum-wage bill which has just been reported does not include the agricultural workers of America. Of course, we all know that the name "agricultural worker" does not appear in the bill; but, nevertheless, there are enough industries spotted in all the agricultural sections of the United States to fix the prevailing wages for those sections, and the farmers of America would have to pay the wages provided for in the bill. That would mean that three-fourths of them would be put out of business.

BILLS INTRODUCED

Bills were introduced, read the first time, and by unanimous consent, the second time, and referred as follows:

By Mr. McCARRAN:

S. 1893. A bill to amend the act entitled "An act to incorporate the American Legion," approved September 16, 1919, as amended October 29, 1942, so as to extend membership eligibility therein to certain persons; and

S. 1894. A bill to confer jurisdiction upon the United States District Court for the Territory of Hawaii to entertain suits for damages against the United States for the illegal internment and imprisonment of certain citizens of the United States residing in the Territory of Hawaii; to the Committee on the Judiciary.

By Mr. WHEELER:

S. 1895. A bill for the relief of the estate of C. Merle Savage; and

S. 1896. A bill for the relief of the estate of George Green, the estate of Mrs. George Green, the legal guardian of Robert Green, and the legal guardian of Roger Green; to the Committee on Claims.

(Mr. MAYBANK introduced Senate bill 1897, for the relief of the State of South Carolina and Charleston County, S. C., which was referred to the Committee on Claims, and appears under a separate heading.)

By Mr. FERGUSON:

S. 1898. A bill for the relief of Milan Jandrich;

S. 1899. A bill for the relief of Wladyslaw Maczernis; and

S. 1900. A bill for the relief of Adam Gorzycki; to the Committee on Immigration.

By Mr. YOUNG:

S. 1901. A bill to provide additional pay for enlisted men of the combat ground forces of the Army who were qualified to wear the combat infantryman badge or the expert infantryman badge during the period December 7, 1941, to December 31, 1943; to the Committee on Military Affairs.

By Mr. TAYLOR:

S. 1902. A bill authorizing the erection and operation of a memorial museum and shop on the Fort Hall Reservation, Idaho; to the Committee on Indian Affairs.

By Mr. CORDON (for himself and Mr. MORSE):

S. 1903. A bill to provide for the acquisition and operation of certain facilities in connection with the prosecution of river and harbor, flood control, and other civil works; to the Committee on Commerce.

(Mr. GEORGE introduced S. 1904, to provide for liability of common carriers by airplane in commerce in case of injury or death of a passenger, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

(Mr. GEORGE introduced S. 1905, to extend the provisions of the act of December 2, 1942, in respect to certain civilians suffering disability, death, or detention as the result of action of the enemy, and for other purposes, which was referred to the Committee on Education and Labor, and appears under a separate heading.)

By Mr. JOHNSTON of South Carolina:

S. 1906. A bill for the relief of the Thomas & Howard Co.; to the Committee on Claims.

RELIEF OF THE STATE OF SOUTH CAROLINA AND CHARLESTON COUNTY, S. C.

Mr. MAYBANK. Mr. President, I introduce a bill and ask unanimous consent to comment upon it for a few minutes.

The bill (S. 1897) for the relief of the State of South Carolina and Charleston County, S. C., was read twice by its title and referred to the Committee on Claims.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from South Carolina to make a statement about the bill? The Chair hears none, and, without objection, the Senator may proceed.

Mr. MAYBANK. Mr. President, on last Sunday in the Cooper River at Charleston, S. C., a ship owned by the War Shipping Administration broke away from its anchorage and, with the ebb tide and high winds, drifted down the river and destroyed about 40 yards of the Cooper River bridge, the property damage amounting to between $300,000 and $500,000. Several persons were killed whose lives are far more valuable than property. The resulting inconvenience has been great to 250,000 citizens.

Mr. President, I introduced this bill which requests that, after hearings are held at which officials and attorneys representing the State highway department, as well as others, may appear, the Secretary of the Treasury reimburse the State of South Carolina for the damage which was done to the bridge. I may say that personal cases are matters for the attention of local attorneys and others.

I do not believe, nor do I think any other fair-minded citizen believes, that the taxpayers of South Carolina should be called upon to stand the expense of repairing a bridge which was damaged through the negligence of the operators of a steamship. The taxpayers of my State are now overburdened with taxes, and therefore I trust this bill will be referred to the proper committee, and that representatives of the State of South Carolina as well as officials of its highway department be granted an opportunity to appear before the committee at the proper time. This is a State matter, not a county affair, and I do not wish to see the gasoline revenues from all South Carolina used to repair a bridge that the Federal Government should reconstruct. The people of my State need their revenues to maintain and operate their roads, and to improve and build new roads, particularly farm-to-market roads.

LIABILITY OF COMMON CARRIERS BY AIRPLANE

Mr. GEORGE. Mr. President, I introduce a bill to provide for the liability of common carriers by airplane in commerce in cases of injury or death of a passenger. I believe the bill should be referred to the Committee on the Judiciary.

The PRESIDENT pro tempore. Without objection, the bill will be received and referred to the Committee on the Judiciary.

The bill (S. 1904) to provide for liability of common carriers by airplane in commerce in case of injury or death of a passenger, was read twice by its title and referred to the Committee on the Judiciary.

DISABILITY, DEATH, OR DETENTION OF CIVILIANS AS A RESULT OF ENEMY ACTION

Mr. GEORGE. Mr. President, I also introduce for appropriate reference a bill to extend the provisions of the act of December 2, 1942, in respect to certain civilians suffering disability, death, or detention as a result of the action of the enemy, and for other purposes.

The bill (S. 1905) to extend the provisions of the act of December 2, 1942, in respect to certain civilians suffering disability, death, or detention as the result of action of the enemy, and for other purposes, was read twice by its title, and referred to the Committee on Education and Labor.

MINIMUM WAGE BILL—AMENDMENT

Mr. ELLENDER (for himself and Mr. BALL) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, which was ordered to lie on the table and to be printed.

ENCOURAGEMENT OF PROVISION OF USEFUL PUBLIC WORKS—CHANGE OF REFERENCE

Mr. GEORGE. Mr. President, for the Finance Committee I ask that the committee be discharged from further consideration of Senate bill 1123, a bill to encourage the provision of useful public works, and for other purposes. The committee was unanimously of the opinion that the bill should be referred

to some other appropriate committee of the Senate.

The PRESIDENT pro tempore. Without objection, the Committee on Finance will be discharged from further consideration of the bill, and it will be referred to the Committee on Education and Labor.

FRED E. BRADBURY—WITHDRAWAL OF PAPERS

Mr. WHITE. Mr. President, I ask unanimous consent that the affidavits of Dr. George W. Woodman, of Westbrook, Maine, and Dr. Bertrand F. Marshall, of Westbrook, Maine, attached to the files of Senate bill 143, granting a pension to Fred E. Bradbury, Seventy-seventh Congress, first session, be withdrawn from the files of the Senate.

The PRESIDENT pro tempore. Without objection, it is so ordered.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred, as indicated:

H. R. 2418. An act to authorize the United States commissioner for the Sequoia National Park to exercise similar functions for the Kings Canyon National Park; and

H. R. 3796. An act to quiet title to certain school-district property in Enid, Okla.; to the Committee on Public Lands and Surveys.

H. R. 3611. An act to authorize the condemnation of materials which are intended for use in process or renovated butter and which are unfit for human consumption, and for other purposes; to the Committee on Finance.

H. R. 3703. An act for the relief of the city and county of San Francisco; and

H. R. 5239. An act to amend Public Law 277, Seventy-ninth Congress, so as to provide the Coast Guard, at such time as it is transferred back to the Treasury Department, with a system of laws for the settlement of claims, and for other purposes; to the Committee on Claims.

H. R. 3704. An act to amend section 1 of the Federal Power Act, with respect to the terms of office of members of the Federal Power Commission;

H. R. 3973. An act to amend the act entitled "An act to provide reemployment rights for persons who leave their positions to serve in the merchant marine, and for other purposes," approved June 23, 1943 (57 Stat. 162), and for other purposes;

H. R. 4190. An act granting the consent of Congress to the Pennsylvania Railroad Co. to construct, maintain, and operate a railroad bridge across the Allegheny River at or near Warren, Pa.;

H. R. 4239. An act granting to Guy A. Thompson, trustee, Missouri Pacific Railroad Co., debtor, and to his successors and assigns, authority to relocate, maintain, and operate a single-track railway across United States Government reservation at lock No. 3, White River, Independence County, Ark., and for other purposes;

H. R. 5275. An act to revive and reenact the act granting the consent of Congress to the State Highway Department of South Carolina to construct, maintain, and operate a free highway bridge across the Pee Dee River, at or near Cashua Ferry, S. C., approved April 30, 1940; and

H. R. 5466. An act to provide for the licensing of marine radiotelegraph operators, and for other purposes; to the Committee on Commerce.

H. R. 4080. An act to amend section 476, Revised Statutes (U. S. C., title 35, sec. 2), providing for officers and employees of the Patent Office, and for other purposes; and

H. R. 5311. An act to amend Revised Statutes, 4921 (U. S. C. A., title 35, Patents, sec. 70), providing that damages be ascertained on the basis of compensation for infringement; to the Committee on Patents.

H. R. 5186. An act to authorize certain administrative expenses in the Post Office Department, and for other purposes; to the Committee on Post Offices and Post Roads.

APPOINTMENT OF FACT-FINDING BOARDS TO INVESTIGATE LABOR DISPUTES—DISCHARGE OF COMMITTEE ON EDUCATION AND LABOR

The PRESIDENT pro tempore. The Chair lays before the Senate a resolution coming over from a previous day, which will be stated.

The LEGISLATIVE CLERK. A resolution (S. Res. 215) submitted by Mr. EASTLAND (for himself and Mr. O'DANIEL) on January 17, 1946, to discharge the Committee on Education and Labor from further consideration of Senate bill 1661, the Labor Fact Finding Boards Act.

The PRESIDENT pro tempore. The question is on agreeing to the resolution.

Mr. BARKLEY. I ask that the resolution go over.

The PRESIDENT pro tempore. The resolution will go over.

TITLE TO SUBMERGED OIL LANDS—POSTPONEMENT OF HEARINGS

The PRESIDENT pro tempore. The Chair lays before the Senate a resolution coming over from a previous day, which will be stated.

The LEGISLATIVE CLERK. A resolution (S. Res. 222) submitted by Mr. CAPEHART on January 28, 1946, temporarily postponing hearings on Senate Joint Resolution 48 relating to title to lands under certain waters.

The PRESIDENT pro tempore. The question is on agreeing to the resolution.

Mr. BARKLEY. Mr. President, I make the same request with reference to this resolution.

The PRESIDENT pro tempore. The resolution will go over.

LINCOLN DAY ADDRESS BY SENATOR HICKENLOOPER

[Mr. MORSE asked and obtained leave to have printed in the RECORD a Lincoln Day address delivered by Senator HICKENLOOPER in Portland, Oreg., February 12, 1946, which appears in the Appendix.]

AMERICA'S POSITION ON DISPUTED WORLD'S PROBLEMS—ADDRESS BY SECRETARY BYRNES

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD the text of the address outlining America's position on disputed world's problems delivered by Hon. James F. Byrnes, Secretary of State, at the dinner of the Overseas Press Club of America in the Waldorf-Astoria Hotel, New York, on February 28, 1946, which appears in the Appendix.]

INJUSTICE IN MILITARY COURTS—ADDRESS BY EDWIN F. WOODLE

[Mr. MORSE asked and obtained leave to have printed in the RECORD a radio script entitled "Injustice in Military Courts," prepared by Edwin F. Woodle, of Cleveland, Ohio, president of the Cuyahoga County Bar Association, which appears in the Appendix.]

LITHUANIA AND LIBERTY—ARTICLE BY DR. W. ELMER EKBLAW

[Mr. WALSH asked and obtained leave to have printed in the RECORD an article entitled "Lithuania and Liberty," written by Dr. W. Elmer Ekblaw, of Clark University, and published in the Worcester Daily Telegram of February 18, 1946, which appears in the Appendix.]

ORDER FOR CONSIDERATION OF THE CALENDAR

The PRESIDENT pro tempore. The routine morning business is concluded.

Mr. BARKLEY. I ask unanimous consent that the Senate proceed to the consideration of bills on the calendar to which there is no objection, beginning with Order of Business No. 985, at which point we ended consideration of the calendar at the last call of the calendar.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

OPA PRICE CEILINGS

Mr. WHERRY. Mr. President, there is accumulating evidence that the vast productive forces of the country are being stalled by unsound Federal policies and unworkable regulations. Efforts are being made to change established methods of doing business, destroy the individuality of plant operations through regimentation under industry patterns, and impose unlawful profit controls.

Hearings before the Senate Small Business Committee, the Bankhead subcommittee of the Senate Committee on Agriculture and Forestry, and other congressional committees have disclosed the startling degree to which Government controls are definitely throttling production and distribution.

Nonproduction is the greatest breeder of inflation, and will, in the end, have a more serious effect on our economy than will higher prices. Nevertheless, prices on established products have been held too rigid, while wage and material costs have spiraled upward. Both foreign and domestic producers of shoddy merchandise sold at exhorbitant prices approved by the OPA have an advantage over manufacturers of widely known quality products.

Testimony submitted by manufacturers of knit underwear offers a case in point. The record of OPA in dealing with the underwear industry has been one of delay and procrastination. The Underwear Institute, of which Roy A. Cheney is president, is endeavoring to bring order out of chaos, and has told the Nation the causes of the underwear shortage. I ask unanimous consent to insert in the CONGRESSIONAL RECORD a statement by Mr. Cheney, an article by Frederick C. Othman, and a copy of a letter to the Senator from New York [Mr. MEAD], sent to me by Robert Gregory, vice president of C. C. Valentine & Co., which operates mills in Vermont, Connecticut, Pennsylvania, and South Carolina.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

STATEMENT BY ROY A. CHENEY

WASHINGTON, D. C., March 1.—Scarcer supplies of underwear than during wartime and curbs on production that threaten to stifle the industry are resulting from the "post-war crack-down" by Federal agencies in direct violation of law, according to Roy A.

Cheney, president of the Underwear Institute.

Climaxing hearings before the Bankhead Subcommittee of the Senate Committee on Agriculture investigating the use of cotton, Mr. Cheney declared that "production is facing paralysis due to delayed rulings, confused policies, and interagency conflict." He added that the only gleam of hope is increasing congressional awareness of the existing situation in the administration of peacetime controls.

"Given an opportunity for reasonable profits and freed from production restrictions," said Mr. Cheney, "the underwear industry will quickly produce a heavy volume of quality underwear at prices far below those now prevailing for scarce and shoddy merchandise. Established manufacturers are today the victims of Government crack-downs that definitely favor those out to exploit the public in crucial times."

Summarizing the conditions facing the underwear industry, Mr. Cheney continued:

"OPA declines to allow current production costs plus an opportunity for established manufacturers to make a reasonable profit while approving exorbitant prices for shoddy goods produced in new plants or foreign markets. The OPA maximum average price policy makes it impossible for manufacturers to ship goods now in stock because they cannot get materials to make similar quantities of so-called low-price products. In both instances the Office of Price Administration is acting under rulings contrary to congressional legislation.

"CPA is denying manufacturers twills and sateens and trim needed for production, due to foreign demands, and at the same time threatening action to force the output of needed consumer goods. Yarn producers are compelled to divert yarns from underwear production due to inability to pay an adequate price for cotton or show a profitable operation.

"Faced with material shortages, production and distribution restrictions, and the prospect of operating at heavy operating losses, mills in the underwear industry are facing conditions that are impossible to surmount.

"In the face of this Government stoppage of production, Justice and other agencies are joining hands in further 'crack-downs' on the textile industry through courts to which manufacturers are denied access under the OPA licensing system. If the Government were attempting to destroy the competitive system and business and industry, there would be no more effective pattern than the Federal policies and regulations in effect today. Lip service to postwar production is being freely given by those in control of our economy, but their acts take the form of regimentation in the highest degree. The consumer is the victim of these policies through being forced to buy scarce commodities of a shoddy character at high prices while established manufacturers are powerless to do other than appeal to Congress for the right to produce and distribute their products."

CZAR OF UNION SUIT INDUSTRY CAN'T GET PAIR OF DRAWERS

(By Frederick C. Othman)

When the czar of the union suit industry, himself, cannot get a pair of drawers, then, my seminaked fellow citizens, the underwear crisis is at hand.

It is heartening to report in the face of this desperate situation that Senator BANKHEAD of Alabama is an honorable man. He looked with covetous eye upon the czar's old cream-colored drawers. That I will admit, but Senator BANKHEAD did not confiscate those drawers. He held them, he fondled their softness, he gave them back.

THANKS THE SENATOR

"I thank you, Senator," breathed President Roy A. Cheney of the Underwear Institute of America as he folded his drawers and put them back in his suitcase.

The sandy-haired Cheney came before the Senator's Agricultural Subcommittee to protest what he claimed the OPA was doing to the union suit business. Ruining it, that's what, he cried. He said he could prove it.

His baldish assistant brought him the suitcase, from which he extracted an assortment of unionsuits, shorts, athletic shirts, underpants (both long and short), balbriggans, and garments half wool and half cotton for thin-blooded gentlemen. These he had numbered A to Q, for entry into the Senate's official exhibits.

HAS ONLY FOUR PAIR

"I ask only one favor," he said, displaying a pair of well-laundered drawers, a little ragged in spots, perhaps, but good for many another wearing.

"These are my own, personal drawers," Cheney testified, "I would be delighted to offer them into evidence, too, but for the fact that I have only four pairs of these. If I give this pair to the Senate I would only have three and * * *"

"Can you not get more?" asked Senator BANKHEAD.

"That, Senator, is the trouble," Cheney replied. "Because of the stifling regulations of the OPA, not one mill in the country is producing fine cotton drawers of this type today. That is why I ask that after you inspect them, you return them to me."

SERIOUS PREDICAMENT

Senator BANKHEAD remarked that the union suit chief was in a serious predicament.

"I am, indeed," Cheney replied. "I thought a few weeks ago that I had achieved relief. Naturally I know the manufacturers. One of them took pity. He offered to send me some drawers, special. He did send them. But Senator, when I opened them they were not cotton drawers. They were wool."

Sadly Senator BANKHEAD shook his head over this scratchy anticlimax, while Cheney testified soberly about the fact that today 7 months after the war ended, Americans have less underwear than ever.

WOMEN PROBLEMS, TOO

"Not only men," Cheney said, "but women. I hold here in my hands (he held 'em high) a pair of women's panties. These are a utility article. They are badly needed, too."

He charged the OPA with using a club, instead of a smile, upon the underwear industry. "And you know, Senator, that you can beat a mule just so much," he added.

He suggested that if the Senate wanted union suits for itself and its constituents, it should take OPA's paws off cotton underwear. He said the prices might go up briefly, but soaring production soon would bring them down.

Later, much later, the session ended. Cheney's private drawers still were in front of Senator BANKHEAD. The Senator felt of their texture just once again. Then, without noticeable hesitation, he handed them over. Senator, I salute you. So, too, does the underwear industry.

FEBRUARY 28, 1946.

Hon. JAMES M. MEAD,
United States Senate,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: In accord with your request for information on the difficulties encountered with producing underwear, both knitted and woven, because of OPA regulations, I will endeavor to give you an over-all picture without detailed statistics which would entail considerable time and space. Inasmuch as the Office of Price Administration is asking for an extension, however, and we are compelled to think in terms of production, I am going to cover the more important points, some of which were touched on during our conference on Tuesday afternoon. I hope you will consider the information I am giving you in your own appraisal of the OPA.

One of the most vicious, if not the most vicious regulation that the Office of Price Administration has experimented with is the maximum average price policy. This means literally that a manufacturer must produce goods in the same ratio of price levels that existed in the base period of 1943. For example, if a manufacturer produced 1,000 dozen goods at $1, 1,000 dozen goods at $2, and 1,000 dozen goods at $3 this maximum average price regulation makes it mandatory that he produce goods that do not average over $2 at the present time. The purpose of this regulation is; of course, an effort on the part of the OPA policymakers to insist upon manufacturers producing as many low-end goods as higher-priced goods; in other words, prevent the manufacturer from dropping his short-margin items and making exclusively higher-priced merchandise in which there might be a wider margin of profit. The OPA's justification is based on the fact that manufacturers who do this leave the poor man unclothed, unless he is compelled by necessity to buy a higher quality than he usually needs or than his economy would permit. It is one of those theories, Senator, which on paper sounds fine, but it will not work and it has been tried since mid-1944 with the result that it has retarded total production of low-end, medium-, and higher-priced underwear for the very simple reason that many materials employed in the low-end goods are either not available or have increased in price, or because of wage increases their cost is past the point where they can be made without a loss, and this means that the manufacturer cannot, after 3 months, ship his medium-price and high-price goods since his average margin cannot be maintained. If he does ship and exceeds his maximum average price, he creates a surcharge. After 3 months he is compelled to make up that surcharge by shipping cheaper goods which he cannot afford to do or get the materials for, or he is compelled to stop shipping unless he wishes to pay triple damages.

This in a nutshell gives you the story of the maximum average price regulation. I maintain it has not been productive of the purposes for which it was created and out of it has been born loss of production, with consequent increasing scarcities resulting. Unless this regulation is eliminated in any extension of the Price Control Act, scarcities will continue to increase and mills will definitely be compelled to cease all efforts of production. I presume that if I were to make the argument on the floor in favor of the maximum price theory, I could best my opponent, but if production which is so vital to the control of inflation, and if jobs which are so vital to the returning veterans, are first in line I can only point out to you that the maximum average price theory, after being in operation since mid-1944, as mentioned above, creates greater scarcities of all underwear.

In the Wherry amendment, which is Senate Joint Resolution 118 and which has been referred to the Committee on Banking and Currency, we find amendments to the Price Control Act which would alleviate the most dangerous features introduced by the OPA in their administration of the act. I urge you to study these amendments and to lend your support to them.

The underwear business is a highly competitive industry, showing producers as a whole a small margin of profit. No doubt you will agree that unless there is an incentive to produce in the form of a profit that production is bound to suffer. I further maintain that the intrinsic value offered to the public in the form of underwear has always been fair and equitable. Our prices have been frozen since 1942, and while several interim orders have been issued in connection with heavyweight underwear, thus

admitting on the part of OPA that some incentive had to be granted in order to meet temporary scarcities, the general over-all policy has been to maintain the price levels of 1942 and refuse to acknowledge a basis that would permit full production and long-term scheduling of production. Time and again practical men from this industry have pointed out these matters to the Office of Price Administration personnel, only to be told that over all they were making money and that, therefore, no recognition of unit costs could be granted. Of course, this was not put quite as bluntly as I put it but so much for the actual effect.

Another thing that must be clarified if this industry is to get production is that the operation of the Office of Price Administration must be simplified. The regulatory literature that comes out of that agency is not understandable to the average manufacturer and consequently creates fear on his part that he may be subject to some technical violations. All this industry wants is present-day costs plus a margin of profit. The competitive nature of this industry is such that if it were encouraged to produce to its fullest capacity, for which definitely there is a market right in our own country and will be for some time, its prices in my opinion would by and large be lower in 3 months than they are today on substituted, imported, and ersatz goods being offered to the public. The OPA refuses to acknowledge the effect of taxes on manufacturers and this alone is probably the greatest control over exorbitant mark-ups. Moreover, practically every manufacturer of any standing is anxious to make quality merchandise and thus ingratiate himself with his trade so that he can have some security of continuing to get his share of business in what is, I repeat, a highly competitive field.

Won't you please support the objectives of the Wherry resolution and permit further conference with you if there are points you wish cleared up, or other points you would like to discuss? In your own State a large segment of your own population of workers and employers are adversely affected by the maladministration and lack of realism on the part of the Office of Price Administration, to say nothing of the unnecessary hardship forced on the consumer.

Very truly yours,

C. C. VALENTINE & Co.
ROBERT GREGORY.

ALLOCATION OF UNUSED STEEL OF GENERAL MOTORS

Mr. PEPPER. Mr. President, I wish to read into the record a telegram which I sent out yesterday to Hon. J. B. Small, Administrator of the Civilian Production Administration, Washington, D. C.

The telegram reads as follows:

MARCH 4, 1946.

Hon. J. D. SMALL,
Administrator, Civilian Production Administration, Social Security Building, Washington, D. C.:

In view of the action of General Motors in refusing to abide by the President's fact-finding board decision for the settlement of the General Motors strike and further failure of General Motors to accept the union's offer of arbitration in this matter and in view of the fact that there is widespread suffering already among the families of the 175,000 workers out on this strike which now exceeds 100 days it seems to me the time has come for the Government promptly to use its full power to protect the public interest in this matter. I specifically call your attention to reports that General Motors although their plants have been idle for over 100 days because of the failure of General Motors management to observe the recommendation of the President's fact-finding board yet General Motors has continued to pile up inventories of steel. Every pound of steel available in the Nation today should be put to some useful purpose for the Nation needs it. It is contrary to the public interest to allow General Motors to accumulate and control this great quantity of idle steel when it is so badly needed by farm machinery and other plants which are in operation. I, therefore, urge you to exercise your power to allocate raw materials provided in title 3 of the Second War Powers Act and to allocate the unused steel General Motors has on hand to those industries which need steel and are working. It certainly must appear offensive to those automobile companies and other manufacturing enterprises which have settled their disputes with labor and are trying to get the steel with which to work their full capacity to finish needed consumer goods to the Nation to see General Motors defying the Government as well as their labor in the settlement of this strike but at the same time continuing to pile up great quantities of steel and make utterly no use of it. Your legal right is clear to allocate this steel where it is needed in the national interest and to reduce inventories of steel where they are excessive so that this scarce material may be made fairly available to those who have reconverted and are trying to serve the Nation. I urge you to act and to act at once.

CLAUDE PEPPER,
United States Senator.

Mr. TAYLOR. Mr. President, I should like to say that I heartily endorse the telegram sent by the Senator from Florida, and along the same line I ask unanimous consent to have inserted in the record an editorial from this morning's Washington Post entitled "Auto-Intoxication," dealing with the General Motors strike.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AUTO-INTOXICATION

No doubt Mr. Harry W. Anderson, vice president of General Motors, would have been irked if the Auto Workers Union had asked him to conduct a secret vote among the corporation's stockholders to determine whether they supported his refusal to meet the demands of his employees. Yet Mr. Anderson has asked Mr. R. J. Thomas, president of the UAW-CIO, to "conduct a secret vote among our employees to determine whether they wish to return to work." There has already, of course, been a secret vote among General Motors employees authorizing their leaders to call the strike, now more than 100 days old. No such poll of opinion has ever been made among the stockholders. In the light of these circumstances, the union's qualified acceptance of Mr. Anderson's proposal seems a constructive contribution toward settlement.

The UAW-CIO was willing to go back to work on the terms recommended by the President's impartial fact-finding board, which provided for a 19½-cent wage increase. The corporation, as it had a right to do, rejected these terms. The union then offered to end its strike by tentative acceptance of the 18½-cent wage increase which General Motors offered belatedly, with the final settlement to be determined by arbitration. The corporation, as it undubitably still has a right to do, now refuses arbitration. In the circumstances, there seems to be logic behind the inference drawn by Mr. Thomas that "they dare not face arbitration, for they know they would lose with any fair-minded arbitrator." The officials of General Motors seem to be insisting upon a last-ditch test of economic strength and to be relying for victory less upon the support of public opinion than upon the exigencies of hunger among their striking workers. They have now succeeded in making the situation seem not so much a strike as a lock-out.

COMPARISON OF PUBLIC DEBTS OF THE UNITED STATES AND GREAT BRITAIN AND OTHER COUNTRIES OF THE WORLD

Mr. ELLENDER. Mr. President, I should like the indulgence of the Senate for a few minutes so that I may be permitted to put into the RECORD some facts and figures pertaining to the public debt of our country and those of other countries of the world.

The PRESIDENT pro tempore. The Senator has 5 minutes on the first bill.

Mr. ELLENDER. I will ask unanimous consent for a little more time than that in order that I may make a few comments as to the material I shall present.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Louisiana? The Chair hears none, and the Senator may proceed.

Mr. ELLENDER. Mr. President, during the first session of the Seventy-seventh Congress I placed in the RECORD a table showing the area in square miles, the population, and the public debt of various countries of the world. The table appears in volume 87, part 2, page 1807, of the CONGRESSIONAL RECORD of March 5, 1941.

As of September 30, 1940, the national debt of continental United States was $44,072,940,256, and that of our country and its possessions, that is, Alaska, Puerto Rico, Hawaii, and other islands, was $44,214,604,746. The per capita debt of continental United States was $334, and that of our country, including all our possessions, was $293.

In contrast, the debt of the British Isles and North Ireland at about that time was $40,424,000,000, or a per capita debt of $853, and the entire debt of the British Commonwealth and Empire, including all its possessions, aggregated $52,647,224,369, or a per capita debt of $107. Included in that figure are the more than $5,000,000,000 due us from World War I.

I now propose, Mr. President, to place in the RECORD a table which has been brought up to date by myself with the aid and assistance of an able staff from the Library of Congress. I wish to say that those in the Library of Congress who prepared this table worked very diligently for at least a month and a half in order to bring up to date the table that I inserted in the RECORD on March 5, 1941. I desire to further state that the figures which I am about to present to the Senate are as nearly as possible accurate as to dates and amounts.

The public debt of our Nation today, including those of our off-shore possessions, is $278,847,244,000. Our entire population is 158,832,000, and our area is 3,735,244 square miles. Our per capita debt in continental United States has risen from $334 in 1940 to $1,997 at the present time. The per capita debt of our country, including all its possessions, is $1,756, in contrast to $281 in December 1939.

Now I should like to compare those figures with the corresponding ones for the British Isles and North Ireland and also for the British Commonwealth and Empire and including all of its possessions. The debt of the British Isles and North Ireland today, that is, of January

1946—and, by the way, let me say the figure I am about to give includes the approximately $5,000,000,000 that the British Government owes us from World War I—the present debt aggregates $98,425,755,000. The per capita debt has increased since 1939 from $815 to $2,043. The total debt of the British Commonwealth and Empire, including all possessions, is $133,064,434,000. The per capita debt of the British Commonwealth and Empire, including all possessions, has risen from $102 in 1939 to $261 as of January 1946.

Mr. President, the difference between the indebtedness of our country, including all of its possessions, and that of the British Commonwealth and Empire and all of its possessions, is $145,782,810,000. This Nation owes that much more money than does the British Empire. In other words, our national debt today is over twice as much as that of Great Britain and all her possessions. Included in her possessions are, of course, Canada, Australia, New Zealand, and British South Africa.

I wish to say at this point that in March 1941 I predicted that by the end of the war the United States would owe more money than all of its allies put together. I have the figures here which show what the debts of all our allies are. They aggregate $210,656,094,000, in contrast to our debt, as I have just indicated, of $278,847,244,000; or, to put it in another way, we owe today $68,191,150,000 more than all our allies put together, and in fact almost all the other nations of the world. In the figures I have just given I have excluded the indebtedness of Germany, Italy, and Japan. If we take into consideration those figures, which are hard to estimate at the moment because of exchange rates and the chaos existing in those countries, the debt of the entire world, with Germany, Japan, and Italy included, is a little more than $420,000,000,000, and our debt alone, as I have said, is in excess of $278,000,000,000. I am quite certain that with conditions as they now exist in the Axis Nations, and if we should take the wartime depreciation of the Reichsmark of Germany, of the lira in Italy, and the yen in Japan, our national debt would be almost as great as the entire debt of the rest of the nations of the world.

Mr. President, with this tremendous debt bearing upon us we are being asked to make loans to other nations. I ask what is the yardstick by which a nation can be judged as to its ability to make loans? Is it the progress she has made in world affairs? Is it because of her ability to produce? We are a progressive nation, and I do not propose to impair our progress by following a course that may destroy our economy.

Mr. President, I invite the attention of Senators to other data included in the tables I am about to have inserted in the RECORD. As I indicated awhile ago, our Nation's entire area is only 3,735,244 square miles and that of all others is 33,438,066 square miles. In other words, we possess a little over 10 percent, in square miles, of the area in the hands of our allies. We owe over $68,000,000,000 more than they do, and we are being asked to loan them more billions. As I pointed out awhile ago, our population, according to the latest figures, is 158,832,000, and that of all our allies is 1,723,121,000. The ratio is a little over 10 to our 1. Does it make sense to you for so many people to seek more hand-outs from us when we have been so generous with them during the war and when we now owe over $68,000,000,000 more than they do?

Mr. President, I am glad to make these data available to my colleagues, and I hope they take time out to study them in the light of the heavy burdens we have agreed to assume, as I will point out a little later, and of the further demands that are now being made upon us.

Mr. President, I ask unanimous consent to place in the RECORD at this point in my remarks, the table, including the comment thereon, to which I have referred, giving in detail the areas in square miles of all the countries named, which include all of our allies, as well as Germany, Italy, and Japan; giving the populations as of certain dates; giving the public debts of these various nations as of certain dates, the increase in debt from a certain period up to the present, and the per capita debts of the various nations.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Population and public debt of various countries, 1939 and later years

[Dollar figures are derived from figures in other currencies by using exchange rates of the particular year]

Name of area	Political status	Area in square miles	Population (in 1,000's)		Month and year	Public debt (in $1,000's)			Month and year	Increase in debt, converting 1939 debt at more recent exchange rates ($1,000's)	Public debt per capita	
			December 1939	More recent		December 1939	Month and year	More recent			December 1939	More recent
United States and dependencies:												
United States	Republic	3,022,387	131,416	139,621	June 1945	41,942,456		278,801,135		236,858,679	419.0	1,997.0
Alaska	Territory of United States.	586,400	73	75	1941	None		None				
Canal Zone		553	52			None		None				
Guam	Possession	206	22			None		None				
Hawaii	Territory	6,454	421	483	1941	39,046	June 1940	29,019	June 1944	10,027	93.0	60.0
Philippines	Commonwealth	115,600	16,300	16,711	1941	73,454	do				5.0	
Puerto Rico	Unincorporated Territory.	3,435	1,861	1,941	1941	28,908	do	17,090	June 1943	11,818	16.0	9.0
Samoa	Possession	76	13									
Virgin Islands	do	133	25									
Dependencies		712,857	18,767	19,112 19,210	Listed above Including 1939 population of unlisted areas.	141,408		46,109		−1,791		
Total for United States and dependencies.		3,735,244	150,183	158,832		42,225,272		278,847,244				
Averages and total for areas showing debt.			150,183	158,832		42,225,272		278,847,244			281.0	1,756.0
British Commonwealth and Empire:												
Great Britain and Northern Ireland.	Kingdom	95,030	47,978	48,182	June 1940	39,102,486		98,425,755	January 1946	62,824,950	815.0	2,043.0
Channel Islands and Isle of Man.		296	145			13,009	January 1939				14.0	
Malta and Gibraltar.	Colonial dependency of United Kingdom.	124	290	291	1941							

Population and public debt of various countries, 1939 and later years—Continued

Name of area	Political status	Area in square miles	Population (in 1,000's)		Month and year	Public debt (in $1,000's)			Month and year	Increase in debt, converting 1939 debt at more recent exchange rates ($1,000's)	Public debt per capita	
			December 1939	More recent		December 1939	Month and year	More recent			December 1939	More recent
British Commonwealth and Empire—Con.												
Eire	Independent State associated with British Commonwealth.	26,602	2,946	2,951	June 1943	287,751	March 1940	300,644	March 1944	39,051	98.0	102.0
Total		27,022	3,381	3,242 3,387	Listed Including areas of 1939.	300,560		300,644				
Western Hemisphere:												
Canada	Dominion; Member of Commonwealth.	3,694,863	11,368	11,812	June 1943	3,868,385	March 1940	14,283,622	March 1945	11,206,600	340.0	1,209.0
Newfoundland and Labrador.	Colony	152,734	299	305	1940	90,747	June 1939				304.0	
Bahamas	Colonial dependency of United Kingdom.	4,404	69	73		869					13.0	
Barbados	do	166	195	201	1943	1,992	March 1940	2,443	March 1944	620	10.0	12.0
Windward Islands	do	821	272	279		2,560		2,254	1941 and 1942	−75	9.0	8.0
Leeward Islands	do	728	93	101	December 1943	580	1939	475	1943	−53	6.0	5.0
Jamaica	do	4,722	1,190	1,237	1943	28,809	March 1940	30,037	1943	3,817	24.0	24.0
Trinidad and Tobago.	do	1,978	473	522	December 1942	19,442		27,130	December 1943	7,688	41.0	51.0
Bermuda	do	19	33	32	do	333		3,531	December 1944	3,228	10.0	110.0
British Honduras	do	8,598	59	62	do	3,109		2,291	December 1943	818	53.0	37.0
Falkland Islands and dependencies.	do	7,681	3	3	do	None		None				
British Guiana	do	89,480	341	364	June 1943	19,686		16,296	December 1943	−1,613	58.0	45.0
Total		3,966,194	14,395	14,991		4,036,512		14,366,979		11,221,040		
Asia:												
India	Member of British Commonwealth.	1,581,410	382,000	388,998	March 1941	3,971,898	March 1940	6,566,100	March 1946	2,964,802	10.0	17.0
Burma	Province in British Commonwealth.	233,492	16,600	16,824	do	181,967	1938				11.0	
Aden, Aden Protectorate, Perim.	Colonial dependency of United Kingdom, and protectorate.	112,080	65									
British Borneo, Brunei, Sarawak.	Protected states.	81,573	941	996	1943							
Ceylon and Maldives.	Colonial dependency of United Kingdom.	25,332	6,008	6,285	February 1943	67,774	September 1939.	69,069	September 1943.	1,898	11.0	11.0
Cyprus	do	3,572	380	395	do	4,020	1938	5,358	December 1943.	2,040	11.0	14.0
Hong Kong	do	391	1,060	980	September 1942							
British Malaya	Protectorate and dependency.	51,382	5,389	5,517	1934	119,276					22.0	
Palestine	Mandate	10,159	1,802	1,677	February 1943	19,848	March 1939	18,057	1942	0	11.0	11.0
Trans-Jordan	Independent state.	34,740	300	300	1943	688					22.0	
Total		2,124,131	414,545	421,972 422,037	Listed Including 1939 population of other areas.	4,365,471		6,658,644		2,968,740		
Oceania:												
Australia	Dominion in British Commonwealth.	2,974,581	7,057	7,307	June 1944	4,739,179	March 1940	8,944,167	June 1945	3,773,710	649.0	1,109.0
New Zealand	do	103,415	1,642	1,654	do	1,145,714	do	1,837,820	March 1944	790,219	698.0	1,111.0
Fiji Islands	Colonial dependency of United Kingdom.	7,083	215	234	December 1942	6,292		6,705	December 1943.	1,079	29.0	29.0
Norfolk and Papua	Territory associated with Australia.	90,540	301	339	1942							
Gilbert and Ellice Islands.	Colonial dependency of United Kingdom.	312	35									
British Solomons	Protectorate-dependency.	11,000	95									
Tonga	Protected State	250	33									
New Guinea	Mandate of Australia.	89,252	670									
Nauru	Mandate of United Kingdom, Australia, New Zealand.	10	3	3	December 1941							
Western Samoa	Mandate of New Zealand.	1,250	61	63	March 1942							
Cook, Tokelau, etc.	Dependency of New Zealand.	519	18									
Total		3,278,212	10,130	96,000 96,181	(Listed) (Including 1939 population of other areas.	5,891,185		10,788,692		4,565,008		

Population and public debt of various countries, 1939 and later years—Continued

Name of area	Political status	Area in square miles	Population (in 1,000's)		Month and year	Public debt (in $1,000's)			Month and year	Increase in debt, converting 1939 debt at more recent exchange rates ($1,000's)	Public debt per capita	
			December 1939	More recent		December 1939	Month and year	More recent			December 1939	More recent
Africa:												
Union of South Africa.	Dominion in British Commonwealth.	472,550	10,251	10,889	June 1943	1,289,698		2,218,185	June 1945	1,148,279	126.0	204.0
Gold Coast and Togo.	Colonial dependency and mandate.	113,652	4,205			46,128	March 1940	41,964	March 1944	0	11.0	10.0
Gambia	Colonial dependency of United Kingdom.	4,068	205			172		156	December 1943.	0	8.0	8.0
Nigeria	do	372,674	19,773	20,155	1943	110,608	March 1940					6.0
Sierra Leone and protectorate.	Colonial dependency and protectorate.	27,925	2,000			5,713		5,527	December 1943.	329	3.0	3.0
Basutoland	Protectorate of United Kingdom.	11,716	590			None.		None				
Bechuanaland	do	275,000	275			None		None				
Kenya	do	224,960	3,500	3,724	December 1943	77,977		109,177	December 1943.	29,239	22.0	27.0
Mauritius	Colonial dependency of United Kingdom.	807	419	426	do	9,842	June 1940	9,398	June 1943	444	24.0	22.0
Nyasaland	Protectorate of United Kingdom.	37,374	1,680	1,686	December 1942	24,239		15,254	December 1943.	6,797	14.0	9.0
Uganda	do	86,301	3,791	3,898	do	1,152		639	1942	513	.3	.2
Northern Rhodesia	Colonial dependency of United Kingdom.	290,320	1,380			10,410		9,470	December 1942.	0	8.0	[1] 7.0
Southern Rhodesia	do	150,333	1,427	1,576	June 1943	65,544	March 1940	91,795	March 1944	32,168	46.0	58.0
St. Helena	do	47	5			None		None				
Seychelles	do	156	32			None		None				
Somaliland	do	67,936	350									
Swaziland	Protectorate of United Kingdom.	6,705	160			440	1940	368	1943	−32	3.0	2.0
Zanzibar	do	1,020	250			None		None				
Cameroon	Mandate of United Kingdom.	34,081	869	886	1941							
Tanganyika	do	342,706	5,284	5,321	December 1942	38,757	1939	30,787	1943	−4,471	7.0	6.0
Southwest Africa	Mandate of Union of South Africa.	317,725	330			13,316	1938				44.0	
Total, Africa		2,838,056	56,776	48,561 58,343	Listed Including 1939 population.	1,693,996		2,523,720		1,203,266		
Total, British Commonwealth.		12,328,645	547,205	632,949 643,121	Listed Including 1939 population.	55,390,210		133,064,434				
Averages and totals (areas showing debt).			542,808	510,625		55,390,210		133,064,434			102.0	261.0
Belgium and colonies:												
Belgium	Constitutional monarchy.	11,779	8,396	8,247	December 1943	2,105,778		4,856,128	September 1945.	3,425,299	251.0	589.0
Belgian Congo	Colony	902,040	10,356	10,600	December 1942	196,874		197,224	January 1940	450	19.0	19.0
Ruanda-Urundi	Mandate	21,230	3,800			4,550					1.0	
Total, Congo and Ruanda.		923,270	14,156	10,600 14,400	Listed Including 1939 population.	201,424		197,224				
Total, Belgium and colonies.		935,049	22,552	18,847 22,647	Listed Including 1939 population.	2,307,202						
Averages and totals (areas showing debt).			22,552	18,847	Population of other areas.	2,307,202		5,053,352			102.0	268.0
Denmark and colonies:												
Denmark	Limited monarchy.	16,575	3,833	3,973	December 1943	329,426	March 1940	562,349	March 1944	262,295	86.0	142.0
Faroe Islands	Colony	540	26									
Greenland	do	839,782	18									
Total, Faroe Island and Greenland.		840,322	44	0 44	(Listed) (Including 1939 population).							
Total, Denmark and colonies.		856,897	3,877	3,973 4,017	(Listed) (Including 1939 population).							
Averages and totals (areas showing debt).			3,833	3,973		329,426		562,349			86.0	142.0

[1] Per capita debt computed on basis of 1939 population.

Population and public debt of various countries, 1939 and later years—Continued

Name of area	Political status	Area in square miles	Population (in 1,000's)		Public debt (in $1,000's)				Increase in debt, converting 1939 debt at more recent exchange rates ($1,000's)	Public debt per capita	
			December 1939	More recent	Month and year	December 1939	Month and year	More recent	Month and year		December 1939	More recent
France and colonies, etc:												
France	Republic	212,736	41,200	40,300	1944	12,122,472		35,452,752	May 1945	25,714,378	291.0	830.0
Western Hemisphere:												
St. Pierre and Miquelon.	Colony	93	4									
Guadeloupe	do	687	310			304					1.0	
Martinique	do	385	260			145	1938				.6	
French Guiana and Inini.	Colony and Territory.	34,750	37									
Total		35,915	611	0 611	Listed Including 1939 population of other areas.	449						
Asia:												
French India	Colonies	197	320	324	1941							
French Indochina.	Colony and protectorates.	286,961	23,950			49,353					2.0	
Syria and Lebanon.	Mandate Independent Republic.	76,030	3,700									
Total		363,188	27,970	324 27,974	Listed Including 1939 population.	49,353						
Africa:												
French Equatorial Africa.	Colony	959,982	3,500			39,932	January 1939				1.10	
French West Africa.	do	1,814,808	15,000	15,583	1941	5,413	1935				.4	
Algeria	Part of Metropolitan France.	851,078	7,600			119,480	1935				16.0	
Somali Coast	Colony	8,376	50									
Madagascar	do	229,438	3,900			21,658	1938				6.0	
Morocco	Protectorate	153,872	6,600	7,983	March 1941	115,137	1938				17.0	
Tunisia	do	48,300	2,730			29,057	1938				11.0	
Cameroon	Mandate	162,892	2,517									
Togo	do	20,077	781									
Reunion		970	210									
Total		4,249,793	42,888	23,566 44,854	Listed Including 1939 population.	330,677						
Oceania:												
New Caledonia	Colony	7,202	55									
French Settlements in Pacific.	do	1,540	45									
Total, Oceania		8,742	100	0 100	Listed Including 1939							
Total, France and Empire.		4,870,374	112,769	64,190 113,839	Listed Including 1939	12,502,951		35,452,752 35,833,231	Listed Including 1939 debt of other areas.			
Averages and totals (areas showing debt).			105,050	40,300	do	12,502,951		35,452,752			119.0	830.0 [2] 344.0
Netherlands and colonies:												
Netherlands	Constitutional monarchy.	12,706	8,834	9,130	December 1943	2,249,881		5,775,000	August 1945	4,177,914	255.0	633.0
Surinam	Colony	54,291	178	189	do	550		493	1941	−39	3.0	3.0
Curacao	do	403	106	123	1943							
Netherlands East Indies.	Colonies	735,268	69,435	71,534	December 1941	732,116		531,774	December 1941.	−136,825	11.0	7.0
Total colonies		902,866	69,719	71,846		732,666		532,267		−136,864		
Total, Netherlands and colonies.		915,572	78,553	80,976		2,982,547		6,307,267		4,041,050		
Averages and totals (areas showing debt).			78,447	80,855		2,982,547		6,307,267			38.0	78.0
China	Republic	4,464,159	459,340			1,043,100		1,850,000	1943	806,900	2.0	4.0
Union of Soviet Socialist Republics:												
1939	do	8,176,010	172,000			6,683,565	April, 1939				39.0	
1940	do	8,348,094	193,198					27,985,461	June 1945	21,301,896		[3] 145.0
Germany	Totalitarian state.	211,608	79,855			18,377,926		138,847,960	December 1944.	120,470,034	230.0	[1] 1,739.0
Italy and colonies:												
Italy	Kingdom	119,733	43,864	44,533	June 1941	9,112,428	June 1939	[2] 34,228,483	December 1944.	25,993,708	203.0	[2] 760.0
Aegean Islands	Colony	1,035	122									
Italian East Africa	do	665,977										
Libya	Provinces incorporated in territory of Italy.	679,183	880									
Total, colonies		1,346,195										
Total, Italy and colonies.		1,465,928										
Averages and totals (areas showing debt).			43,864	44,533							203.0	760.0

[1] Per capita debt as well as total debt computed with use of 1939 exchange rates and population estimates, except that the 1940 estimate of Japanese population is used.
[2] Including prewar debts of colonies.

Population and public debt of various countries, 1939 and later years—Continued

Name of area	Political status	Area in square miles	Population (in 1,000's)		Month and year	Public debt (in $1,000's)			Month and year	Increase in debt, converting 1939 debt at more recent exchange rates ($1,000's)	Public debt per capita	
			December 1939	More recent		December 1939	Month and year	More recent			December 1939	More recent
Japanese Empire:												
Japan	Empire	147,573	72,520	73,114	October 1940	6,095,668	March 1940	39,848,000	December 1945.	[1] 33,752,332	84.0	[1] 545.0
Korea	Dependency	85,225	24,100	24,326	do	154,111	December 1938.				6.0	
Formosa	do	13,857	5,770	5,872	do							
Kwantung	Leased territory	1,444	1,330	1,600	1943							
Sakhalin	Dependency	138,996	400									
Carolines, Marianas, Marshalls.	Mandate	830	127									
Total, dependencies, etc.		240,352	31,727	31,798 32,325	Listed above Including 1939 areas.							
Total, Japanese Empire.		387,925	104,247	104,912 105,439	Listed above Including 1939 areas.	6,249,779						
Averages and totals (areas showing debt).			96,620	73,114		6,249,779		39,848,000			65.0	545.0

[1] Including prewar debts of colonies.

Sources of data: U. S. Bureau of the Census, Statistical Abstract; League of Nations, Statistical Yearbook, 1942–44 and Monthly Bulletin of Statistics; Population Index, July 1945; Statesmen's Yearbook (various years); Moody's Governments; The Economist (London); China Handbook; Encyclopedia Britannica World Atlas, 1945; Moscow News, Apr. 28, 1945; Federal Reserve Board, Monetary and Banking Statistics, 1944.

COMMENT ON TABLE ON PUBLIC DEBT OF VARIOUS NATIONS

1. Differences among sources with respect to area, population, and amount of debt were minimized as far as possible through (1) depending on sources which seemed to agree most frequently, (2) trying to reconcile differing estimates, and using that which seemed best supported. Not all differences could be accounted for, within a reasonable length of time.

2. The statistics for recent years are incomplete, in many instances because of enemy ocupation of the area, and in some instances probably because of other interruptions resulting from the war.

It is probable that the new Moody's Governments and the new Statesman's Yearbook will add considerably to the data for recent years; other information will be available when new official publications have been received. However, none of these sources can be expected to be available for at least a month.

3. The statistics show both population and public debt for one common date: December 1939. For subsequent dates, the latest population and the latest debt figures are shown. These seldom refer to a common date. The public-debt figures for December 1939 are stated in dollars, after having been converted into dollars at the average exchange rate for the year 1939. The public-debt figures for subsequent dates are stated in dollars, after having been converted at the exchange-rate ruling about the time for which the debt is quoted. An exception is made for Russia as well as for Axis countries; for lack of pertinent information, the conversion rate used is the same as that of 1939.

4. In order to show how the debt of each country has changed—in addition to showing its position on selected dates—the increase (or decrease) is shown after conversion at a constant rate of exchange. In most cases, the exchange rate which had been used for the later date is applied to the earlier date also. Exceptions are made in the case of Russia and the Axis countries.

The result is that the increase of the debt in dollar terms is relatively overstated for Germany, Japan, and presumably Italy, China, and Russia. If wartime depreciation of the Reichsmark, for example, were considered, the increase in German total debt and in the 1944 per capita debt would be half what they are in the table.

5. In computing per capita debt for areas wider than a single nation, a number of problems are met. These problems concern the data to be taken into account in consolidating the figures. Specifically, how consolidate the debt and per capita debt figures of different groups of countries when they differ with respect to intraempire indebtedness, and with respect to tax collections by the major area from its territories or colonies?

In the absence of complete information about intraempire debts, taxes, and various debt offsets such as sinking funds, there is calculated only an average indebtedness for the different areas of each group of countries.

Mr. ELLENDER. Mr. President, for the past 2 months I have been sending to many of my constituents a mimeographed letter containing my views on various subjects which are before the Congress, and I now desire to read an excerpt from the letter pertaining to the British loan. I read:

With such information as I now have at my command I would be opposed to a direct loan to Great Britain, unless it were adequately secured and that the rate of interest paid by Great Britain to us would be equal to that paid by our Government for the use of money it borrows. I cannot justify such a liberal loan to Great Britain as is proposed, in the light of what we have already done for her. We have charged off over $25,000,000,000 of advances made to her during the war, and we have made available to her $5,000,000,000 or $6,000,000,000 of surplus goods for about $640,000,000. These $640,000,000 are not to be paid to us for use as we desire, but must be spent by us in British possessions in order to foster education and other similar projects. Our country is in no position to lend money to Great Britain. Our present per capita debt is greater than that of any other nation on earth, and why we should further strain our economy is unthinkable. I believe that it would be rather foolish for us to help the economy of Great Britain and permit her in the future to be one of our chief competitors.

Great Britain owes us from World War I over $5,000,000,000, and long before World War II came she said she was unable to pay us. At that time the public debt of Great Britain was but a pittance in comparison to what she now owes. Therefore, it goes without saying that if she was unable to pay before the war, when her finances were much better than they are now, that she cannot be expected to pay back to us $3,750,000,000, plus the $640,000,000 for surplus goods. My guess is that such loans will not be repaid and we would be suckers to make further donations to her in the light of our almost $300,000,000,000 debt.

I may change my views in this matter, but I will have to be given a good deal more evidence than has been made available to me. The trade agreement does not appeal very much to me for the very reason that many of the British possessions are now competing with the mother country and I doubt England's ability to longer hold her Commonwealth in line.

On the other hand, if we should let the bars down and lend to Great Britain as much as she is now requesting, what about Russia? What about Greece? What about France? What about Italy? All of them need refinancing and if we should help one, I don't see how we could escape lending to all the others, and unless we would lend to all, we might make more enemies than we care to have.

It is my hope that Great Britain will utilize the Bretton Woods facilites to refinance herself. In that way all nations of the world can be treated similarly with due regard to the actual needs of each. The Bretton Woods plan for an international bank and a stabilization fund, may cost us $6,000,000,000 or $7,000,000,000, and when I gave my support to it I was under the impression that the proposal reflected the extent of our monetary obligations to stimulate and stabilize world trade.

Mr. President, I do not believe that there are any Senators who, when they voted for the Bretton Woods proposals, thought that they would be called upon to make separate and additional loans to any of our allies. As all of us know, under one of the Bretton Woods proposals, a fund of $8,800,000,000 is to be created and utilized in an effort to stabilize world currencies. We are to subscribe $2,750,000,000 to the fund. Under the other Bretton Woods proposal an international bank is to be established, with a capitalization of $9,100,000,000, and we are to subscribe $3,175,000,000 to that end. In other words our country

will contribute a total of $5,925,000,000 for the establishment of the fund and for the creation of an international bank so as to help bring back world trade and prosperity, all of which, we are told, will lead to permanent peace.

In addition to that venture we have obligated ourselves to a capital investment for the Export-Import Bank of $3,500,000,000. In short, we have agreed to advance a grand total of almost $9,500,000,000 in an effort to bring the world back onto its feet.

We are now being asked to grant separate loans, or shall I say make gifts, to many of our former allies. I understand Mr. Leon Blum is on his way to the United States, or soon will be, to negotiate a $2,500,000,000 loan for the French people. Russia and many other nations will no doubt make similar requests. If we should grant to the British the loan they are asking, in addition to what they can obtain through the Bretton Woods plan and from the Export-Import Bank, there could be no just reason for refusing other nations, else we might court their resentment and enmity.

The British cannot and will not repay us. She is now standing on the sidelines urging help from us and at the same time aiding in widening the breach between us and Russia. We cannot expect to gain the full confidence of Russia, so long as we side with the British. If the United Nations Organization is to succeed, it is necessary that we treat all nations on the same basis. The whole world is looking to us for leadership and it is incumbent on us to lead on, unselfishly, and without in any manner attempting to team up with some nations against others.

Mr. President, I repeat I cannot see my way clear to vote for the proposed British loan with the facts at hand. However, as I indicated in the letter from which I read a while ago, I shall reserve judgment until all the evidence is in. I understand hearings on the proposal started today and the subject matter will probably be before the Congress within the next 3 or 4 weeks. Because of the interest that has been in evidence among the people and the Members of Congress I am submitting for the RECORD some of my views. I expect to deal at length with other phases of the problem if and when the issue is presented to the Senate for debate.

Mr. President, let me say in closing that I wish to say to Senators that I think it is about time for the United States Government to let the world at large know that we are no longer Santa Claus.

DISTRIBUTION OF WAR TROPHIES

The PRESIDENT pro tempore. Under the order heretofore entered, the clerk will proceed to call the bills on the calendar.

The CHIEF CLERK. A bill (S. 1746) to govern distribution of war trophies.

Mr. WHITE. Mr. President, in the confusion I did not understand what was the business before the Senate.

The PRESIDENT pro tempore. Calendar No. 985, Senate bill 1746, to govern distribution of war trophies.

Mr. WHITE. Mr. President, if we are about to start the call of the calendar, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	O'Daniel
Austin	Hart	O'Mahoney
Bailey	Hatch	Overton
Ball	Hawkes	Pepper
Bankhead	Hayden	Radcliffe
Barkley	Hickenlooper	Reed
Bilbo	Hill	Revercomb
Brewster	Hoey	Robertson
Bridges	Johnson, Colo.	Russell
Briggs	Johnston, S. C.	Saltonstall
Buck	Kilgore	Shipstead
Bushfield	Knowland	Stanfill
Butler	Langer	Stewart
Byrd	McCarran	Taft
Capper	McClellan	Taylor
Carville	McFarland	Thomas, Okla.
Chavez	McKellar	Thomas, Utah
Connally	McMahon	Tobey
Cordon	Magnuson	Tunnell
Donnell	Maybank	Tydings
Downey	Mead	Vandenberg
Eastland	Millikin	Walsh
Ellender	Mitchell	Wheeler
Ferguson	Moore	Wherry
George	Morse	White
Gerry	Murdock	Willis
Gossett	Murray	Wilson
Green	Myers	Young

The PRESIDING OFFICER. Eighty-four Senators having answered to their names, a quorum is present.

Is there objection to the present consideration of Calendar No. 985, Senate bill 1746?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Military Affairs with amendments.

The first amendment of the Committee on Military Affairs was, in section 1, on page 1, line 8, after the word "all", to strike out "guns, howitzers, tanks, aircraft, items of individual equipment, and other war devices and trophies suitable for distribution, which originated with enemy countries and which were captured by, surrendered to, or have otherwise come into the possession of the Army of the United States,"; on page 2, line 1, after the word "such", to strike out "of the afore-mentioned"; in line 3, after the word "agency", to strike out "thereof;" and insert "thereof,"; in line 4, after the word "such", to strike out "of the"; and at the beginning of line 5, to strike out "afore-mentioned", so as to make the section read:

That the Secretary of War is authorized and directed to apportion and distribute pro rata among the several States in the ratio that the total number of persons who have served or are serving in the Army of the United States from each State bears to the total number of such persons from all States, all with the exception of such trophies as may be required for experimental purposes or for other use by the United States or any department or agency thereof, and the further exception of such trophies as may be required for display in national museums, at national homes for disabled members of the armed forces, or for monumental purposes in Arlington National Cemetery and in other national cemeteries, national parks, and national monuments wheresoever situated.

The amendment was agreed to.

The next amendment was, in section 9, on page 5, line 15, after the word "act", to insert a colon and "*Provided*, That he shall require that war devices and trophies distributed in accordance with this act shall insofar as practicable, be mutilated prior to distribution so as to render them incapable of use as lethal weapons."

The amendment was agreed to.

The next amendment was, on page 5, after line 18 to insert:

SEC. 10. (a) As used in this act the term "trophies" includes rifles, guns, howitzers, tanks, aircraft, items of individual equipment, and other articles used in warfare which originated with enemy countries and which were captured by, surrendered to, or have otherwise come into the possession of the Army of the United States.

(b) As used in this act the term "war devices" includes rifles, guns, howitzers, tanks, aircraft, items of individual equipment, and other articles used in warfare which originated with the armed forces of the United States and which are obsolete or unserviceable and not economically repairable.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War is authorized and directed to apportion and distribute pro rata among the several States in the ratio that the total number of persons who have served or are serving in the Army of the United States from each State bears to the total number of such persons from all States, all with the exception of such trophies as may be required for experimental purposes or for other use by the United States or any department or agency thereof, and the further exception of such trophies as may be required for display in national museums, at national homes for disabled members of the armed forces, or for monumental purposes in Arlington National Cemetery and in other national cemeteries, national parks, and national monuments wheresoever situated.

SEC. 2. For the purposes of this act, the reports compiled under the direction of the Secretary of War showing the number of persons in the Army of the United States accredited to each State, Territory, and possession of the United States and to the District of Columbia, either by enlistment or by the process of the Selective Training and Service Act of 1940, or otherwise on active duty with the Army of the United States during the period from May 27, 1941 (the date of the President's proclamation of full national emergency), to the date of this act, shall serve as the basis for determining the apportionment of war devices and trophies for distribution.

SEC. 3. As soon as practicable, the Secretary of War shall cause the chief executive of each of the several States, to be informed of the character and quantity of war devices and trophies apportioned thereto, and shall invite each such chief executive to designate such material as will be accepted free on board common carrier at the point of storage in the continental United States or point of debarkation and to designate the point or points to which the accepted material is to be shipped without expense to the United States, other than that of packing and loading at the point of storage or debarkation.

SEC. 4. Shipment of the apportionment of each State shall be made as soon as practicable after the chief executive thereof shall have informed the Secretary of War that such State will accept and take possession thereof as hereinbefore provided, and will relieve the United States of all responsibility for the safe delivery of the material and of all charges, costs, and expenses whatsoever connected with the transportation thereof. If the chief executive of any State shall not,

within 2 years from the date on which the notification by the Secretary of War was issued to the chief executives file with the Secretary of War such acceptance and agreement, such apportionment, or any part thereof, or any war devices or trophies then deemed by the Secretary of War to be suitable for distribution whether previously so deemed or not, shall be reapportioned and redistributed to the several States as the Secretary of War shall determine, and any residue not accepted or rejected on or before the expiration of 3 years from such notification shall be otherwise disposed of according to law; and those war devices and trophies considered by the Secretary of War as unsuitable for distribution under this act, may similarly be disposed of according to law.

SEC. 5. All charges for apportioning, segregating, packing, and transporting war trophies and devices to points of debarkation or storage in the continental United States and for repacking and loading them for distribution to the designated point or points within each of the several States, as provided for herein, and for transportation to national museums, national homes for disabled members of the armed forces, national cemeteries and national parks, and for the disposition of undistributed was devices and trophies shall be paid by the United States Government from an appropriation to be made for that purpose; but no part of such appropriation shall be expended in cleaning, painting, or otherwise reconditioning war devices and trophies prior to shipment.

SEC. 6. The Secretary of War is authorized to transfer, without reimbursement, such devices and trophies as the Secretary of War in his discretion shall determine, to the Secretary of the Treasury for the promotion of the sale of war or Victory bonds, and to any other Government agency for scientific, experimental, monumental, or display purposes. The Secretary of the Treasury is authorized to sell or donate such war devices and trophies for the promotion of the sale of war or Victory bonds.

SEC. 7. The Secretary of War shall afford to those who have donated or contributed to the United States during the present emergency, and prior to the date of this act, trophies and devices from previous wars, suitable preferences in the distribution of similar war trophies and devices under this act, and the cost of delivering such replacements to ultimate destination shall be borne by the United States.

SEC. 8. As used herein the terms "State" or "States" shall include all Territories and possessions of the United States, and the District of Columbia, and the Canal Zone.

SEC. 9. The Secretary of War is authorized to make all rules and regulations necessary to effectuate the terms of this act: *Provided*, That he shall require that war devices and trophies distributed in accordance with this act shall, insofar as practicable, be mutilated prior to distribution so as to render them incapable of use as lethal weapons.

SEC. 10. (a) As used in this act the term "trophies" includes rifles, guns, howitzers, tanks, aircraft, items of individual equipment, and other articles used in warfare which originated with enemy countries and which were captured by, surrendered to, or have otherwise come into the possession of the Army of the United States.

(b) As used in this act the term "war devices" includes rifles, guns, howitzers, tanks, aircraft, items of individual equipment, and other articles used in warfare which originated with the armed forces of the United States and which are obsolete or unserviceable and not economically repairable.

The title was amended so as to read: "A bill to govern distribution of war trophies and devices."

BILL PASSED OVER

The bill (H. R. 3755) to establish an Optometry Corps in the Medical Department of the United States Army was announced as next in order.

Mr. ELLENDER. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

THANKS OF CONGRESS TO GENERAL MARSHALL AND ADMIRAL KING

The Senate proceeded to consider the joint resolution (H. J. Res. 243) tendering the thanks of Congress to General of the Army George C. Marshall, and the members of the Army of the United States who have fought under his direction during the wars; and providing that the President of the United States shall cause a medal to be struck to be presented to General Marshall in the name of the people of the United States of America which had been reported from the Committee on Military Affairs with an amendment, to strike out all after the enacting clause and insert:

That the thanks of the Congress are hereby tendered to General of the Army George Catlett Marshall for his distinguished leadership, as Chief of Staff of the Army and as a member of the Combined Chiefs of Staff of the United Nations, in planning the expansion, equipment, training, and deployment of the great Army of the United States and in formulating and executing the global strategy that led to victory in World War II; and to the members of the Army of the United States who served under his direction with such heroic devotion and personal sacrifice.

SEC. 2. That the thanks of the Congress are hereby tendered to Fleet Admiral Ernest Joseph King for his distinguished leadership, as Commander in Chief of the United States Fleet and Chief of Naval Operations and as a member of the Combined Chiefs of Staff of the United Nations, in planning the expansion, equipment, training, and operation of the United States Navy and in formulating and executing the global strategy that led to victory in World War II; and to the members of the United States Navy, the United States Marine Corps and the United States Coast Guard and the members of the Reserve forces who served under his direction with such heroic devotion and personal sacrifice.

SEC. 3. The President of the United States is requested to cause gold medals to be struck, with suitable emblems, devices, and inscriptions, in General Marshall's and Admiral King's honor. When the medals have been prepared, the President is requested to present them to General Marshall and Admiral King, together with a copy of this joint resolution engrossed on parchment, in the name of the people of the United States.

SEC. 4. There is hereby authorized to be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, such sum as may be necessary to carry out the provisions of this joint resolution.

The amendment was agreed to.

The amendment was ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

The title was amended so as to read: "Joint resolution tendering the thanks of Congress to General of the Army George Catlett Marshall and to Fleet Admiral Ernest Joseph King and to the members of the armed forces of the United States who served under their direction; and providing for the striking and presentation to General Marshall and Fleet Admiral King of appropriate gold medals in the name of the people of the United States."

STATUS OF KEETOOWAH INDIANS OF THE CHEROKEE NATION IN OKLAHOMA

The Senate proceeded to consider the bill (H. R. 341) relating to the status of Keetoowah Indians of the Cherokee Nation in Oklahoma, and for other purposes, which had been reported from the Committee on Indian Affairs with an amendment, on page 1, after line 6, to insert:

SEC. 2. That the Secretary of the Interior is authorized and directed to convey to Colony Union Graded School District Numbered 1, of Colony, Oklahoma, all right, title, and interest of the United States in and to the following-described lands, together with the improvements thereon and such equipment as may be designated by the Secretary of the Interior, situated at Colony, Oklahoma, and known as the Seger Indian School:

Beginning at a cross in the concrete pavement at the road intersection in the town of Colony, Oklahoma, said to be over a tablet marking the northwest corner of section 15, township 10 north, range 14 west, and running thence east with the north line of said section eight hundred and ninety-two and two-tenths feet to a stake in the center of the county road, thirty-three feet south of the transmission line along said road;

Thence turning an angle of ninety-three degrees twenty-six minutes to the right a distance of nine hundred and fifty-four and nine-tenths feet to a twenty-inch locust tree, passing a twenty-one-inch locust at nine hundred and thirty-three and nine-tenths feet;

Thence at an angle of thirty degrees forty-nine minutes to the left from said line, passing a five-inch locust tree at nineteen feet, whole distance two hundred and eighty and seven-tenths feet to an eighteen-inch locust, passing a six-inch locust at two hundred and forty-seven and seven-tenths feet;

Thence at an angle of sixteen degrees forty-eight minutes to the left from said line seventy feet to a twenty-two-inch broken locust;

Thence at an angle of thirty-three degrees twenty-four minutes to the left from said line one hundred and twenty-two and four-tenths feet to a post, witnessed by a twelve-inch locust tree at an angle of forty-four degrees to the right and distance of fifty-eight feet from said line;

Thence to an angle of sixteen degrees eight minutes to the left from said line seven hundred and eighty-three and one-tenth feet to a post, witnessed by a thirty-four-inch oak at an angle of sixty-two to fifty to the left and distance of fifty feet from said line, a twenty-six-inch oak at angle to right of two to forty and distance forty-four feet from said line, a twenty-eight-inch black walnut at angle of one hundred and twenty to forty to right and distance of twenty-eight feet from said line;

Thence at an angle of ninety-six degrees to right from said line a distance of three hundred and ninety and five-tenths feet to a post;

Thence at an angle of seventy-two degrees thirteen minutes to the right from said line a distance of two hundred and fourty-four and four-tenths feet to a post;

Thence at an angle of eight degrees thirty-five minutes to the right from said line a distance of three hundred and forty-eight and six-tenths feet to a post; witnessed by a blackjack at an angle of seventy-three degrees five minutes from the line as run a

distance of thirty-two feet and a blackjack at an angle of sixty-one degrees fifteen minutes to right from the line as run a distance of forty-two feet;

Thence at an angle of fifty degrees twenty-eight minutes to the right from a line as run a distance of three hundred and fifty feet to a post;

Thence at an angle of twenty degrees forty-seven minutes to the right from said line a distance of three hundred and nineteen and two-tenths feet to a post;

Thence at an angle of two degrees fifteen minutes to the left from said line a distance of two hundred and seventy-seven feet to a post, passing a twenty-four-inch locust at one hundred and ninety-nine feet.

Thence at an angle of thirty degrees twenty-five minutes to the right from said line a distance of nine hundred and forty-three and three-tenths feet to a point in the center of the county road;

Thence east with the center line of said road and the north line of section 15 to the place of the beginning, containing five acres, more or less: *Provided*, That in the case of abandonment of said property for school purposes the title of ownership shall revert to the Cheyenne and Arapaho Tribes of Indians.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act relating to the status of Keetoowah Indians of the Cherokee Nation in Oklahoma, and for other purposes, and authorizing conveyance of the Seger Indian School to Colony Union Graded School District Numbered 1, Colony, Okla."

RESERVATION OF CERTAIN LANDS IN OKLAHOMA FOR INDIANS

The bill (S. 1043) to set aside certain lands in Oklahoma in trust for the Indians of the Kiowa, Comanche, and Apache Indian Reservation was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the following-described lands are hereby elliminated from the Rainy Mountain School Reserve in Oklahoma and title is hereby vested in the United States in trust for the Indians of the Kiowa, Comanche, and Apache Indian Reservation: South half and northwest quarter of section 13; all of section 14; south half and northeast quarter of section 23; and west half of section 24; township 6 north, range 16 west, of the Indian meridian, Oklahoma, containing one thousand nine hundred and twenty acres.

PAYMENT OF CERTAIN TRIBAL EXPENSES OF OSAGE INDIANS IN OKLAHOMA

The bill (S. 1085) to provide for payment of travel and other expenses of members of the tribal council, business committees, or other tribal organizations, of the Osage Tribe of Indians in Oklahoma was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior, or such official as may be designated by him, is hereby authorized beginning as of July 1, 1946, and until otherwise directed by Congress, to pay, out of any funds held by the United States in trust for the Osage Tribe of Indians in Oklahoma, the traveling and other expenses of members of the Osage Tribal Council, business committees, or other tribal organizations, when engaged on business of the tribe, including supplies and equipment, not to exceed $6 per diem in lieu of subsistence, and not to exceed 5 cents per mile for use of personally owned automobiles, when duly authorized or approved by the Osage Tribal Council: *Provided*, That such expenses shall not exceed $7,500 per annum.

AMENDMENT OF ALASKA GAME LAW

The Senate proceeded to consider the bill (S. 965) to amend the Alaska game law, which had been reported from the Committee on Territories and Insular Affairs with an amendment on page 1, line 12, after the word "Commissioners", to insert "taken together", so as to make the bill read:

Be it enacted, etc., That the second paragraph of section 4 of the Alaska game law of January 13, 1925 (43 Stat. 739), as amended July 1, 1943 (57 Stat. 301), is further amended to read as follows:

"Members of the Commission, other than the executive officer, each shall receive as compensation for his services a per diem of $10 while going to and from and while actually engaged in investigations, meeting, inquiries, and hearings of the Commission, but the total per diem compensation of all of the Commissioners, taken together shall not exceed the sum of $7,000 in any one fiscal year. In addition, each member of the Commission, including the executive officer, shall have reimbursed to him necessary traveling and subsistence expenses incurred or made in the discharge of his official duties. The per diem compensation and the traveling and subsistence expenses of the Commissioners, other than the executive officer, shall be paid from the appropriations authorized by section 17 of this act, and the salary and the traveling and subsistence expenses of the executive officer shall be paid from such appropriations for the work of the Fish and Wildlife Service in the Territory, including those provided for by this act, as the Director may designate."

SEC. 2. Any and all employment of members of the Commission to carry out the investigations, inquiries, and hearings referred to in section 4 of the Alaska game law prior to the enactment of this act, and the payment of compensation to them for such services in addition to the payment of compensation for their services in attendance at meetings of the Commission, is hereby approved.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SALE OF ALLOTMENT OF LEROY MILLIKEN, CROW INDIAN RESERVATION, MONTANA

The bill (H. R. 4027) authorizing sale of the allotment of LeRoy Milliken on the Crow Indian Reservation, Montana, was considered, ordered to a third reading, read the third time, and passed.

PATENT IN FEE TO ALICE YARLOTT OTHERMEDICINE

The bill (H. R. 4034) authorizing the issuance of a patent in fee to Alice Yarlott Othermedicine was considered, ordered to a third reading, read the third time, and passed.

PATENT IN FEE TO WILBERT KEISER

The bill (H. R. 4035) authorizing the issuance of a patent in fee to Wilbert Keiser was considered, ordered to a third reading, read the third time, and passed.

H. H. ASHBROOK

The Senate proceeded to consider the bill (S. 769) for the relief of H. H. Ashbrook, which had been reported from the Committee on Claims with an amendment on page 1, line 5, after the words "the sum of" to strike out "$3,094.97, in full satisfaction of his claim against the United States for compensation for property damage sustained by him as a result of range fires caused by training operations of the United States Army Air Forces near the Sioux County Bomber Range, in Sioux County, Nebr., for claim arising on account of damages sustained prior to October 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000" and insert "$2,311.97; to Jens C. Petersen, the sum of $1,299; to George Laucomer, the sum of $968.66; to Walker M. Lee, the sum of $882.27; to E. C. Douglass, the sum of $700; and to William Ledingham, Jr., the sum of $104, in full satisfaction of their claims against the United States for compensation for property damage sustained by them as a result of range fires caused by training operations of the United States Army Air Forces near the Sioux County Bomber Range, in Sioux County, Nebr., for claims arising on account of damages sustained prior to October 1944; to C. R. Watson, the sum of $692.20, and to Charles R. Laucomer, the sum of $8,639.25, in full satisfaction of their claims against the United States for compensation for property damage sustained by them as a result of range fires caused by training operations of the United States Army Air Forces near the Sioux County Bomber Range, in Sioux County, Nebr., for claims arising on account of damages sustained during the years 1943 and 1944; and to Kilpatrick Bros. Co., a Nebraska corporation, having its principal office at Beatrice, Nebr., owning and operating a grazing range in Sioux County, Nebr., the sum of $2,044.09, in full satisfaction of its claims against the United States for compensation for property damage sustained by it as a result of range fires caused in the year 1943, by training operations of the United States Army Air Forces in Sioux County, Nebr. Acceptance of the benefits hereby provided shall not be regarded as covering damages sustained by said Kilpatrick Bros. Co. as a result of range fires caused in the year 1944 and subsequent years by training operations of the United States Army Air Forces, at or in connection with the Sioux County Bomber Range in Sioux County, Nebr. Such claims now existing and such claims as may hereafter arise in favor of said Kilpatrick Bros. Co. shall in nowise be prejudiced by this act: *Provided*, That no part of the amounts appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the

contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to H. H. Ashbrook, the sum of $2,311.97; to Jens C. Petersen, the sum of $1,299; to George Laucomer, the sum of $968.66; to Walker M. Lee, the sum of $882.27; to E. C. Douglass, the sum of $700; and to William Ledingham, Jr., the sum of $104, in full satisfaction of their claims against the United States for compensation for property damage sustained by them as a result of range fires caused by training operations of the United States Army Air Forces near the Sioux County Bomber Range in Sioux County, Nebr., for claims arising on account of damages sustained prior to October 1944; to C. R. Watson, the sum of $692.20, and to Charles R. Laucomer, the sum of $8,639.25, in full satisfaction of their claims against the United States for compensation for property damage sustained by them as a result of range fires caused by training operations of the United States Army Air Forces near the Sioux County Bomber Range, in Sioux County, Nebr., for claims arising on account of damages sustained during the years 1943 and 1944; and to Kilpatrick Bros. Co., a Nebraska corporation, having its principal office at Beatrice, Nebr., owning and operating a grazing range in Sioux County, Nebr., the sum of $2,044.09, in full satisfaction of its claims against the United States for compensation for property damage sustained by it as a result of range fires caused in the year 1943, by training operations of the United States Army Air Forces in Sioux County, Nebr. Acceptance of the benefits hereby provided shall not be regarded as covering damages sustained by said Kilpatrick Bros. Co. as a result of range fires caused in the year 1944 and subsequent years by training operations of the United States Army Air Forces, at or in connection with the Sioux County Bomber Range in Sioux County, Nebr. Such claims now existing and such claims as may hereafter arise in favor of said Kilpatrick Bros. Co. shall in nowise be prejudiced by this act: *Provided,* That no part of the amounts appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of H. H. Ashbrook, and others."

CITIZENSHIP OF CERTAIN CHILDREN OF MEMBERS OF THE ARMED FORCES

The bill (H. R. 388) to amend section 201 (g) of the Nationality Act of 1940 (54 Stat. 1138–1139; 8 U. S. C. 601) was announced as next in order.

Mr. O'MAHONEY. Mr. President, may we have an explanation of the bill?

Mr. BALL. Mr. President, this is a bill to confer citizenship on the children of American soldiers under the age of 21 who have married alien wives while on overseas service. Under existing law, in order for the children of such servicemen to be citizens a soldier must be more than 21 years of age, because the law requires that he must have resided continuously in the United States for 5 years after his 16 birthday. The State Department has construed residence in the United States to include service in the armed forces, even though it may be abroad. But that does not take care of the boys under the age of 21 who may have married, and may have children before they reach the age of 21. All the bill does is to take care of such a situation, and make such children citizens of the United States.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Immigration with an amendment, to strike out all after the enacting clause, and insert:

That section 201 of the Nationality Act of 1940 (54 Stat. 1138–1139; 8 U. S. C. 601) is hereby amended by adding the following subsection to be known as subsection (i):

"(i) A person born outside the United States and its outlying possessions of parents one of whom is a citizen of the United States who has served or shall serve honorably in the armed forces of the United States after December 7, 1941, and before the date of the termination of hostilities in the present war as proclaimed by the President or determined by a joint resolution by the Congress and who, prior to the birth of such person, has had 10 years' residence in the United States or one of its outlying possessions, at least five of which were after attaining the age of 12 years, the other being an alien: *Provided,* That in order to retain such citizenship, the child must reside in the United States or its outlying possessions for a period or periods totaling 5 years between the ages of 13 and 21 years: *Provided further,* That, if the child has not taken up a residence in the United States or its outlying possessions by the time he reaches the age of 16 years, or if he resides abroad for such a time that it becomes impossible for him to complete the 5 years' residence in the United States or its outlying possessions before reaching the age of 21 years, his American citizenship shall thereupon cease."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

STUDENTS AND TEACHERS DAY

The joint resolution (S. J. Res. 141) authorizing the President to proclaim April 19, 1946, as Students and Teachers Day in commemoration of their contributions in helping to bring about victory in the present war was considered, ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc., That the President is authorized and requested to issue a proclamation designating April 19, 1946, as Students and Teachers Day and calling upon the people throughout the United States to observe the day with appropriate ceremonies honoring students and teachers for their contributions in helping to bring about victory in the present war.

PARKING FACILITIES FOR EMPLOYEES IN FEDERAL OFFICE BUILDINGS IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (H. R. 4283) to require parking facilities for the persons employed in Federal office buildings in the District of Columbia, which had been reported from the Committee on the District of Columbia with an amendment, to strike out all after the enacting clause and insert:

That (a) subject to the provisions of subsection (b), the Federal official responsible for the construction of any Federal office building hereafter erected in the District of Columbia shall provide and maintain within or in the immediate vicinity of such building parking facilities for motor vehicles adequate to provide a number of spaces for the parking of motor vehicles not less than 10 percent of the anticipated number of occupants of such buildings.

(b) In any case in which the Federal official responsible for the construction of any such building finds that it would not be feasible and practicable to provide the parking facilities required by subsection (a) he shall, prior to commencing the construction of such building, transmit a report in writing to the Committees on Public Buildings and Grounds of the Senate and the House of Representatives explaining in detail why it is not feasible and practicable to provide such parking facilities. Upon the expiration of thirty session days after the receipt by the committees of such report, the Federal official responsible for the construction of such building may proceed with its construction without providing the parking facilities referred to in subsection (a), unless within such thirty session days both Houses of Congress have adopted a concurrent resolution stating in substance that it is the sense of the Congress that parking facilities should be provided within or in the immediate vicinity of such building. In any case in which the Congress adopts, within the thirty-session-day period, such a concurrent resolution with respect to any building, it shall be the duty of the Federal official responsible for the construction of such building to make such changes in the plans for the construction of such building as may be necessary to provide therein or in the vicinity thereof the parking facilities referred to in subsection (a) and to construct the building in accordance with the changed plans. As used in this subsection, the term "session days" means calendar days during which neither House of the Congress is in adjournment for more than 3 days.

SEC. 2. The Federal official responsible for the maintenance of each of the existing Federal office buildings located within the District of Columbia shall make a report within 90 days after the date of enactment of this act to the Public Buildings and Grounds Committees of the Senate and House of Representatives with respect to the motor-vehicle parking facilities within or in the immediate vicinity of each such building. In any case in which it is reported that the motor-vehicle parking facilities within or in the vicinity of any such building are not adequate to provide a number of spaces for the parking of motor vehicles not less than 10 percent of the number of occupants of such building, the Federal official reporting with respect to such building shall include in the report thereon a recommendation as to whether or not additional parking facilities should be provided within or in the vicinity of such building and an estimate with respect to the cost of any parking facilities recommended.

SEC. 3. Any parking facilities provided pursuant to the provisions of section 1 of this act or which may be authorized by the Congress and provided as a result of the reports made pursuant to section 2 of this act shall be operated and maintained by the Federal official responsible for the operation and maintenance of the building within or in the vicinity of which such parking facilities are located; and the Federal officials operating

and maintaining such parking facilities shall establish and collect reasonable rates and charges for the use of such facilities by privately owned cars (except those provided in connection with the Capitol Buildings and Grounds). Such Federal officials are authorized and directed to establish and collect reasonable rates and charges for privately owned cars in any other parking facilities operated and maintained by the Government within or in the vicinity of any such building to the extent that collection of such rates and charges is necessary in order to provide uniformity in the conditions under which parking facilities are provided for the occupants of such buildings and to prevent inequitable treatment of the various occupants of such building. The rates and charges for the use of such facilities shall be so fixed as not to discourage the provision of similar facilities by private enterprise.

SEC. 4. The Federal officials required by this act to provide, operate, and maintain parking facilities are authorized to prescribe, either jointly or severally, such rules and regulations as may be necessary to enable them to carry out the duties imposed upon them by this act.

SEC. 5. For the purposes of this act, the Architect of the Capitol shall be deemed to be the Federal official responsible for the construction or maintenance of Federal office buildings in the District of Columbia under his control or under the control of the legislative branch of the Government; the board of directors of any corporation owned by the United States shall be deemed to be the Federal official responsible for the construction or maintenance of any such building under its control; and the Federal Works Administrator (through the Commissioner of Public Buildings and Grounds) shall be deemed to be the Federal official responsible for the construction or maintenance of any other such building.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to provide parking facilities for the persons occupying Federal office buildings in the District of Columbia."

STANDARD WEIGHTS AND MEASURES FOR THE DISTRICT OF COLUMBIA

The bill (S. 1841) to amend an act entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the Superintendent of Weights, Measures, and Markets of the District of Columbia; and for other purposes," approved March 3, 1921, as amended was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act of Congress entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the Superintendent of Weights, Measures, and Markets of the District of Columbia; and for other purposes," approved March 3, 1921, as amended, be further amended by striking out the period at the end of section 18, inserting in lieu thereof a colon, and adding the following: "*Provided*, That any automatic pump for the measurement of gasoline shall have graduations of fractional parts of a gallon in terms of either decimal or binary-submultiple subdivisions."

SEC. 2. Hereafter the Superintendent of Weights, Measures, and Markets shall be known as the Director of Weights, Measures, and Markets.

BILL PASSED OVER

The bill (H. R. 5060) to amend section 1 of the act entitled "An act to fix salaries of officers and members of the Metropolitan Police force," was announced as next in order.

Mr. BYRD. Mr. President, may we have an explanation of the bill? If not, let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

ESTABLISHMENT OF OFFICE OF UNDER SECRETARY OF LABOR

The bill (S. 1298) to establish an office of Under Secretary of Labor, was announced as next in order.

Mr. LANGER. Mr. President, let the bill go over.

Mr. ELLENDER. Mr. President, will the Senator withhold his objection for a moment so that I may explain the bill?

Mr. LANGER. Certainly.

Mr. ELLENDER. Mr. President, the bill was unanimously reported by the Committee on Education and Labor. The Secretary of Labor appeared before the committee.

The purpose of the bill is simply to establish the office of Under Secretary of Labor, and the offices of three Assistant Secretaries of Labor, and abolish the offices of First and Second Assistants, which now exist. The object is to make those officers policy-making officials, so as to relieve the Secretary of Labor from many duties which have been imposed on him during the past few months.

As I have said, the Secretary of Labor appeared before the committee. The motion to report the bill favorably was made by the Senator from Ohio [Mr. TAFT], after hearing.

So I hope the Senator from North Dakota will withdraw his objection so that the bill may be passed at this time.

Mr. LANGER. Let me inquire whether this bill creates a new job?

Mr. ELLENDER. It creates four new jobs and abolishes two, so that leaves two new jobs.

Mr. LANGER. What is the salary of each?

Mr. ELLENDER. Ten thousand dollars. Passage of the bill is very necessary, I may say to the Senator, as was indicated by the Secretary.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MURRAY. I may say that I introduced the bill at the request of the Secretary of Labor. At the time he presented to us a lengthy statement explaining the need for this legislation. The committee held full hearing on the bill, had the Secretary of Labor before it, and was unanimous, as I recall, in favor of reporting the bill.

Mr. ELLENDER. That is correct.

Mr. MURRAY. I think it is very wise legislation and should be enacted.

Mr. ELLENDER. Mr. President, let me repeat that the Committee on Education and Labor has filed a favorable report on the bill (S. 1298) to set up in the Department of Labor an Under Secretary and three Assistant Secretaries of Labor.

The purpose of this bill is to give the Secretary of Labor additional able assistants, capable of relieving him of the many pressing problems of administration within his Department, and of acting in his place when necessary, either in Washington or in the field. I do not need to point out at this time that labor problems are among the most difficult and complex of those facing this country today. If the Government is to fulfill its responsibility in dealing with these problems, it must have an efficient, coordinated organization, administering a consistent policy. The logical place for this organization is the Department of Labor.

It will be recalled that when the present Secretary of Labor took office, less than a year ago, many of the important labor functions of the Government were outside the Department of Labor and were, in fact, distributed among a great many agencies, some of them concerned with procurement and some created for the purpose of dealing with specific aspects of the labor problem. By general agreement, it was thought proper to transfer most of these functions into the Department; and the President, acting upon the Secretary's suggestion, issued an Executive Order placing in the Labor Department the functions of the United States Employment Service, the Retraining and Reemployment Administration, the Apprentice Training Service, the Shipbuilding Stabilization Committee, and the National War Labor Board—now the National Wage Stabilization Board. I hesitate to predict at this time what the full scope of the Department's functions will be in the future. It is clear, however, that the Department will not achieve the results which are needed, unless it has a staff of trained policy-making officials to administer its functions and duties.

The duty of the Under Secretary would be to act for the Secretary, in his absence, and to take charge of the internal administration of the Department of Labor. The Department would thus be placed on an equality with other executive departments in which this office exists: the Departments of State, Treasury, War, Agriculture, Interior, and Commerce, each of which has an under secretary. The Assistant Secretaries would be able to exercise responsibility for coordinating the policies of the bureaus within the Department, would supervise the administration of those bureaus in greater detail, would represent the Secretary in conferences with officials of other departments and labor groups, and would handle activities of the Department in connection with international labor matters. All of the officers created by this bill would be available to represent the Secretary in important conferences with labor and management groups and with State and other Federal agencies.

For several reasons it is necessary, I believe, to establish the offices which this bill would create. One of these I have already mentioned: To relieve the Secretary of some of his present burden of work, which the Secretary has told us is greater than one man can possibly handle. Another reason for creating policy-making jobs of this nature in the Department is that the jobs must be such as to enable the Secretary to obtain the services of men of considerable ability,

standing, and background in the fields of labor relations, labor standards, and Government administration. It cannot be expected that men of this caliber would be attracted to positions of lower rank and responsibility than those proposed in the bill, especially since Government salaries are not always sufficient to constitute an attraction in themselves.

I believe all Senators will agree that during the present period labor matters are of the utmost concern to all of our people. It is vital, I think, that the Department of Labor be welded into an organization capable of sustaining the increased burden of its activities. The present Secretary of Labor is endeavoring to build such an organization. This bill will go far in assuring him that the Congress lends full support in this program.

The PRESIDING OFFICER (Mr. HATCH in the chair). Is there objection to the present consideration of the bill?

Mr. LANGER. I withdraw my objection.

There being no objection, the bill (S. 1298) to establish an office of Under Secretary of Labor, and three offices of Assistant Secretary of Labor, and to abolish the existing office of Assistant Secretary of Labor and the existing office of Second Assistant Secretary of Labor, was considered, ordered to be engrossed for a third reading, read the third time, and passed as follows:

Be it enacted, etc., That there is hereby established in the Department of Labor the office of Under Secretary of Labor, which shall be filled by appointment by the President, by and with the advice and consent of the Senate. The Under Secretary shall receive compensation at the rate of $10,000 a year and shall perform such duties as may be prescribed by the Secretary of Labor or required by law. The Under Secretary shall (1) in case of the death, resignation, or removal from office of the Secretary, perform the duties of the Secretary until a successor is appointed, and (2) in case of the absence or sickness of the Secretary, perform the duties of the Secretary until such absence or sickness shall terminate.

SEC. 2. There are hereby established in the Department of Labor three offices of Assistant Secretary of Labor, which shall be filled by appointment by the President, by and with the advice and consent of the Senate. Each of the Assistant Secretaries of Labor shall receive compensation at the rate of $10,000 a year and shall perform such duties as may be prescribed by the Secretary of Labor or required by law.

SEC. 3. The office of Assistant Secretary of Labor established by section 2 of the act entitled "An act to create a Department of Labor," approved March 4, 1913, is hereby abolished, and such section 2 is amended by striking out the first two sentences thereof. The office of Second Assistant Secretary of Labor established by the act entitled "An act creating the positions of Second Assistant Secretary and private secretary in the Department of Labor," approved June 30, 1922, is hereby abolished, and such act of June 30, 1922, is repealed.

EDITH R. MOORE

The Senate proceeded to consider the bill (S. 1504) for the relief of Edith Roberta Moore, which had been reported from the Committee on Claims with an amendment, on page 1, in line 6, after the words "sum of", to strike out "$25,000" and insert "$4,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Edith Roberta Moore, of Chicago, Ill., the sum of $4,000, in full satisfaction of her claim against the United States for compensation for personal injuries sustained by her, and for reimbursement of hospital and other expenses incurred by her, as a result of an accident which occurred when she was burned by steam, in guest house No. 2, Camp Howze, Tex., on July 22, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GEORGE W. MURRELL AND OTHERS

The bill (H. R. 3012) for the relief of George W. Murrell and Kirby Murrell, a minor, was considered, ordered to a third reading, read the third time, and passed.

The title was amended so as to read: "An act for the relief of George W. Murrell; Kirby Murrell, a minor; and the estate of Mamie W. Murrell, deceased."

IDA BARGER AND OTHERS

The bill (H. R. 4269) for the relief of Ida Barger, Hazel A. Beecher, Etta Clark, Jesse Ruth France, John W. Nolan, Anna Palubicki, and Frank J. Schrom, was considered, ordered to a third reading, read the third time, and passed.

MRS. MARGARET McWILLIAMS

The bill (H. R. 1090) for the relief of Mrs. Margaret McWilliams was considered, ordered to a third reading, read the third time, and passed.

VILLAGE OF COLD SPRING, MINN.

The Senate proceeded to consider the bill (H. R. 2008) for the relief of the village of Cold Spring, Minn., which had been reported from the Committee on Claims, with an amendment, on page 1, in line 6, after the words "sum of", to strike out "$3,637.27," and insert "$2,100."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

RAYMOND C. CAMPBELL

The Senate proceeded to consider the bill (H. R. 3904) for the relief of Raymond C. Campbell, which has been reported from the Committee on Claims, with an amendment, on page 1, in line 6, after the words "sum of", to strike out "$7,500", and insert "$6,000."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MRS. ISABEL N. MIFFLIN

The Senate proceeded to consider the bill (S. 1627) for the relief of Mrs. Isabel N. Mifflin, which had been reported from the Committee on Claims, with an amendment, on page 1, line 6, after the words "sum of", to strike out "$6,552.95", and insert "$4,552.95", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Isabel N. Mifflin, of Leesville, La., the sum of $4,552.95, in full satisfaction of her claim against the United States for compensation for personal injuries and property damage sustained by her as a result of an accident which occurred when the automobile which she was driving was struck by a United States Army vehicle, near New Llano, La., on November 3, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CATHERIN GILBERT

The Senate proceeded to consider the bill (S. 1609) for the relief of Catherin Gilbert, which had been reported from the Committee on Claims, with an amendment on page 1, in line 6, after the words "sum of", to strike out "$3,500", and insert "$3,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Catherin Gilbert, of Hartford, Conn., the sum of $3,000 in full satisfaction of her claims against the United States for compensation for personal injuries sustained by her, and for reimbursement of hospital, medical, and other expenses incurred by her, as a result of an accident which occurred when she was struck by a United States Army vehicle while walking along Village Street, in Hartford, Conn., on October 18, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RELIEF OF EMPLOYEES OF VETERANS' ADMINISTRATION FOR CERTAIN OVERPAYMENTS

The bill (S. 1591) to relieve certain employees of the Veterans' Administration from financial liability for certain overpayments and allow such credit therefor as is necessary in the accounts of Guy F. Allen, chief disbursing officer, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the employees responsible for the excess or erroneous payments represented by the sums herein stated

be, and they are hereby, relieved of financial liability therefor and the Comptroller General is authorized and directed to allow credit in the settlement of the accounts of Guy F. Allen, chief disbursing officer, Treasury Department, in such amounts not exceeding the sums stated herein, which have been or hereafter may be disallowed, as may be necessary to relieve such disbursing officer of financial liability therefor: *Provided*, That this act shall not be construed to bar recovery of the amounts herein specified from the persons to whom and through whom such amounts have been paid:

First: C. W. Bailey, certifying officer at Veterans' Administration, Washington, D. C., in the sum of $50.88, which amount was expended in October 1942, under symbol 11559.

Second: S. F. Cooper, certifying officer at Veterans' Administration, Washington, D. C., in the sum of $30, which amount was expended in August 1943, under symbol 11561.

Third: M. L. Stoddard, certifying officer at Veterans' Administration facility, Togus, Maine, in the sum of $21, which amount was expended in March and April 1943, under symbol 11565.

Fourth: N. Jeffrey, certifying officer at Veterans' Administration facility, Brecksville, Ohio, in the sum of $22.62, which amount was expended in July 1942, under symbol 11568.

Fifth: Eugene H. Dibble, certifying officer at Veterans' Administration facility, Tuskegee, Ala., in the sum of $17.12, which amount was expended in June 1942, under symbol 11569.

Sixth: F. A. Cleveland, certifying officer at Veterans' Administration facility, Wood, Wis., in the sum of $40.53, which amount was expended in May 1942, under symbol 11571.

Seventh: J. G. Taliaferro, certifying officer at Veterans' Administration facility, Wood, Wis., in the sum of $43.42, which amouht was expended in June 1942, under symbol 11571.

Eighth: Charles M. Pearsall, certifying officer at Veterans' Administration facility, Wadsworth, Kans., in the sum of $60.88, which amount was expended during the period July 1, 1942, through September 30, 1942, under symbol 11573.

Ninth: Eugene A. Hiller, certifying officer at Veterans' Administration facility, Biloxi, Miss., in the sum of $10.65, which amount was expended in September 1942, under symbol 11576.

Tenth: Paul I. Carter, certifying officer at Veterans' Administration facility, Portland, Oreg., in the sum of $37.35, which amount was expended during the period July 1, 1942, through December 31, 1942, under symbol 11584.

Eleventh: I. R. Wagner, certifying officer at Veterans' Administration facility, Oteen, N. C., in the sum of $10.31, which amount was expended in May 1942, under symbol 11591.

MRS. LIONEL COMEAUX AND NEW ORLEANS PUBLIC SERVICE, INC.

The bill (H. R. 3224) for the relief of Mrs. Lionel Comeaux and New Orleans Public Service, Inc., was considered, ordered to a third reading, read the third time, and passed.

DUBUQUE AND WISCONSIN BRIDGE CO.

The bill (H. R. 2748) for the relief of the Dubuque and Wisconsin Bridge Co. was considered, ordered to a third reading, read the third time, and passed.

DANVERS SHOE CO., INC.

The bill (S. 1840) for the relief of the Danvers Shoe Co., Inc., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he hereby is, authorized and directed to settle the claim of the Danvers Shoe Co., Inc., Manchester, N. H., on account of increased costs incurred by the said company in the performance of its contracts Nos. WSA-101T-296-44 and WSA-101T-383, dated May 26 and October 12, 1943, respectively, with the War Shipping Administration, by reason of its inability to procure the material necessary for the performance of the contracts at the price which it had been assured by the Government such material would be obtainable from the War Department, and to allow in full and final settlement of the claim the amount of not to exceed $5,256.28. There is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of $5,256.28, or so much thereof as may be necessary, for the payment of the said claim: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

JURISDICTION OVER CERTAIN OFFENSES IN NORTH DAKOTA

The bill (S. 1305) to confer jurisdiction on the State of North Dakota over offenses committed by or against Indians on the Devils Lake Indian Reservation was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred on the State of North Dakota over offenses committed by or against Indians on the Devils Lake Indian Reservation in North Dakota to the same extent as its courts have jurisdiction generally over offenses committed within said State outside of Indian reservations: *Provided, however*, That nothing herein contained shall deprive the courts of the United States of jurisdiction over offenses defined by the laws of the United States committed by or against Indians on said reservation, nor shall anything herein contained deprive any Indian of any protection afforded by Federal law, contract, or treaty against the taxation or alienation of any restricted property.

ADDITIONAL COMPENSATION FOR HOLIDAY WORK IN THE GOVERNMENT PRINTING OFFICE

The bill (S. 1679) to authorize additional compensation for work performed on a legal holiday by employees of the Government Printing Office was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That employees of the Government Printing Office who are required to work on days designated by Federal statute or Executive order as holidays are entitled, for the time worked, to their regular rate of compensation in addition to the regular pay for the holiday.

The PRESIDING OFFICER. That completes the calendar.

ENCOURAGEMENT OF SMALL OIL REFINERIES

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 565, Senate bill 680, which was not called during the consideration of the calendar today. This measure was reported unanimously by the Committee on Public Lands and Surveys. It is still on the calendar solely because of the fact that when it was reached during a previous call of the calendar, an explanation of the bill was requested and the author of the bill was not present to make the explanation.

I am sure there is no objection to the measure.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The CHIEF CLERK. A bill (S. 680) to encourage and protect small oil refineries by extending preference to such refineries in disposing of royalty oil under the Mineral Lands Leasing Act.

Mr. WHITE. Mr. President, reserving the right to object, let me ask what the bill is.

Mr. O'MAHONEY. The bill, which has been unanimously reported by the Senate Committee on Public Lands and Surveys, has to do with the sale of royalty oil on the public domain. It provides that in the case of refineries which do not have their own sources of supply a preference right shall be extended to purchase the royalty oil of the Government.

Mr. WHITE. Has the bill been passed over on previous calls of the calendar?

Mr. O'MAHONEY. It was passed over when it was first reached during a previous call of the calendar, for the reason that the author of the bill was not present to make an explanation. However, I am sure there is no objection to the bill.

Mr. WHITE. If such objection as there was has been removed——

Mr. O'MAHONEY. There was no objection, so far as I have been able to ascertain. The situation was merely that an explanation was requested and the author of the bill was not present to make the explanation.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 680) to encourage and protect small oil refineries by extending preference to such refineries in disposing of royalty oil under the Mineral Lands Leasing Act, which had been reported from the Committee on Public Lands and Surveys, with amendments, on page 1, in line 8, after the words "oil to", to strike out "smaller"; in line 9, after the words "supply for", to insert "crude"; and on page 2, in line 3, after the word "resale", to insert "in kind", so as to make the bill read:

Be it enacted, etc., That section 36 of the act of February 25, 1920 (41 Stat. 451, U. S. C., 1940 ed., title 30, sec. 192), is amended by adding before the first proviso in the second paragraph thereof the following: "*Provided*, That inasmuch as the public interest will be served by the sale of royalty oil to refineries not having their own source of supply for crude oil, the Secretary of the Interior is authorized and directed to grant preference to such refineries in the sale of oil under the provisions of this section, for processing or use in such refineries and not for resale in kind, and in so doing may sell to such refineries at private sale at not less than the market price any royalty oil accruing or reserved to the United States under leases issued pursuant to this act, as amended.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to encourage and protect oil refineries not having their own source of supply for crude oil by extending preference to such refineries in disposing of royalty oil under the Mineral Lands Leasing Act."

THE ECONOMIC SITUATION UNDER OPA

Mr. WILLIS. Mr. President, as a member of the Subcommittee of the Senate Committee on Agriculture and Forestry, investigating the shortage of low-priced clothing, I have heard testimony that is most damaging to the operation of the Office of Price Administration and to the men who have been in charge of that office. I should like to take a few minutes to discuss the situation.

The testimony frequently also is damaging to the Bureau of Labor Statistics. In fact, the testimony raises the question in my mind as to whether the Bureau of Labor Statistics and the OPA have been coordinated to pervert the statistics of the Federal Government. Hitherto, our millions of citizens felt that they could depend on Government statistics, even if they could not depend on the words of many Government leaders. But today there is a great doubt in the minds of thoughtful men.

Let me be more specific. I have been more than casually interested in learning what the various witnesses have had to say in our subcommittee about actual shirt costs, not the mythical shirt prices published by OPA and the false clothing pricing figures presented by the Bureau of Labor Statistics.

Here is a statement from one of the great retail chains of this Nation, an organization with almost 500 stores, doing at least 2 percent of all the business in the low-priced clothing field in this country. I read from this testimony:

Men's shirts: The item selected is a white shirt of combed mercerized broadcloth with a thread count of 144 by 76 per inch. In March 1942 shirts of this quality cost $12.80 per dozen. The lowest cost price that we have been able to find for any recent shipment was a shipment made in November 1945 by a reliable manufacturer at a cost of $21 per dozen. The cloth in this shipment was identical to that used in shirts in 1942, but in many respects—

I ask Senators please to note that point—

the November 1945 shirt does not measure up to the February 1942 shirt. First, the tail is shorter and the yardage per dozen is approximately 1½ yards less. Second, the collar is inferior. It is made with poorer lining materials that are not uniform (manufacturers are compelled to use practically anything they can find for collar linings) and the collars are soft, whereas in 1942 they were fused. The buttons are plastic and they formerly were ocean pearl. The laundering is not nearly as satisfactory as it was formerly and there is no comparison in packaging.

Actual increase in price, 64 percent.

Estimated deterioration in quality, 15 percent.

Total increase, 93 percent.

Mr. President, is that what this administration calls holding the line? Are they the so-called results on which the left-wingers based their support for the Democrats in 1944? In one sense, it is holding the line—in the sense that it is holding the line on truth and refusing even to let the people see the truth. Mr. President, I must repeat now what I said last September, and what I may say again before the fight of OPA versus the American productive system is over: The OPA has become a gigantic propaganda organization designed to make the American people believe that something has been done that has not been done. At the same time the OPA has in it men who seemed determined to tinker with our American system and to kill it if possible.

But let us look at some cotton house dresses, Mr. President, as they are described in the testimony before our agricultural subcommittee. The testimony is, as follows:

The item used for comparison is a 1942 cotton house dress, made of 68 by 72 percale. The 1942 cost was $12.10 per dozen. The January 1946 cost of this house dress is $24 per dozen. In addition, the 1946 dress has only a 1-inch hem, one pocket, and a single collar and belt. The 1942 dress has a 2-inch hem, two pockets, and a double-faced collar and belt. The 1946 dress is a utility style, while the 1942 dress was fashion styled.

Actual increase in price, 98 percent.

Estimated deterioration in quality, 20 percent.

Total increase, 147½ percent.

Mr. President, is that what the OPA means by holding the line on dresses? Is that keeping prices down? Of course not. Prices have gone up and up and up because of continued deficit Federal spending, just as prices will continue to go up and up and up, no matter what kind of an Horatio-at-the-bridge act Mr. Bowles puts on as Economic Stabilization Director. My fear is not that Mr. Bowles will keep prices down, Mr. President. My fear is that in trying to show off for the thoughtless segment of our population, and in trying to become the darling of the left-wing group, Mr. Bowles will be able to wreck the American business system.

Now, Mr. President, let us look at some girls' cotton dresses, as pictured by a modern retailer, who would have no cause to testify to anything except the truth before our subcommittee. I read from the hearings:

The item selected for comparison is a 1942 percale dress, 80 by 80 threads per inch. The 1942 cost for this dress was $10 per dozen. The January 1946 cost for a dress, 68 by 72 threads per inch, is $15.75. The 1946 dress contains 2 yards per dozen less than the 1942 dress. The hems have been cut from 3 to 2 inches. There is no cuff on the sleeves, no double-faced collar or belt, only one pocket instead of two, and in addition, the fabric used is a cent per yard cheaper.

Actual increase in price, 58 percent.

Estimated deterioration in quality, 25 percent.

Total increase, 110.6 percent.

Is that holding the line, after all the talk about it and all the false statistics put out by the Bureau of Labor Statistics to prove to the American people that this Government has been more efficient in this war than in the last?

Mr. President, Mr. Bowles talks about holding the line on automobile prices. I was looking through an old catalog the other night and noticed that back in 1913 automobiles were selling in this country for more than $2,000 and $3,000—and they were not very good automobiles.

Down through the years, as we know, automobile prices went down, down, down. On the other hand, through increased production techniques, through American ingenuity, and because industrialists knew that their salvation lay in greater purchasing power in the hands of the millions, automobile wages went up and up and up. When Henry Ford, it will be recalled, inaugurated the $5 a day wage scale, he astounded persons everywhere. Then came the period when the Federal debt began to rise out of all proportion. In 1936 automobile prices began to rise again. By the time the OPA came around car prices were far higher than they had been in 1929, or in any other years in the early thirties. Inflation began to develop in this Nation even before the war, because of the artificial stimulus of borrowed Federal money. Now we are seeing that the wind has sown the whirlwind.

We all should be able to see that although we may think we can live indefinitely beyond our national means, old man economics just will not let that process go on and on and on. The facts of life have caught up with us. The collectivists foresaw all this. Some of their opponents did, too, but most of our people were heedless. They thought that somehow, in some way, through the use of a charming voice, or through some economics mumbo-jumbo, we could get away from the facts of life.

Let me read some figures to show how scarce clothing is in this same chain of stores. These figures prove more concisely and more clearly than all of Chester Bowles' words that price control in this Nation now is little short of an utter failure, unless one agrees with those who think that anything which helps kill the American business system is a success.

On January 1, 1942, this huge chain had $1,498,000 worth of domestics on hand and for sale. On January 1, 1945, the same chain had only $509,000 worth of domestics on hand. On January 1 of this year, it had only $283,000 worth of domestics on hand. That means that now, this chain store has only 18.9 percent as much domestics, from the standpoint of dollar value, on hand as it had in 1942, and only 55.7 percent as much as it had a year ago, although the European war has now been over for 9 months.

The situation in regard to underwear is just as discouraging. On January 1, 1942, this chain had $1,973,000 worth of underwear on hand and for sale. On January 1, 1945, it had $323,000 worth on hand. On January 1, this year, it had only $141,000 worth on hand, or only 7.1 percent of its 1942 stock.

The picture is similar in the case of curtain materials, yard goods, and, it might as well be said, in virtually every line of clothing.

Mr. Bowles has been an assiduous propaganda worker since he was called into the Federal Government. He has succeeded in persuading millions of Americans that the OPA is doing something that it is not doing—holding the line. At the same time, by uneconomic

administration of the Price Control Act, he has caused the greatest business tie-up in this country in history, considering the potential of American industry today.

He has held a line by fiction and not in fact. By affording people inferior goods and restricted services at slightly higher published prices, he has made many of them think that the OPA has overruled the laws of economics. But this has proved to be a snare and a delusion. The American people are paying more and more and more for less and less and less of goods that are poorer and poorer and poorer.

Mr. President, higher prices are not the cause of inflation; they are the effect of inflation. When a merchant, a manufacturer, or a farm group appeals for higher prices, it is not because they want to charge the public more but because the facts of economics have caught up with them. They have been subjected to higher costs, therefore they must charge higher prices.

Inflation, basically, is caused by deficit Government financing and I do not think I need to convince anyone who has been alive in the past 13 years who caused that.

There are two things which this Nation must do if we are to prevent more and more inflation:

First, we will have to cut Government expenditures to the bone, and get back immediately to a balanced Budget.

Second, we will have to administer the price controls so carefully that production will be increased greatly, instead of continually hampered and decreased as under present policies.

What good does it do to have fictitious ceilings on sheets, shirts, chemises, and shorts, if those articles are being produced only in sufficient quantity to take care of a fraction of the demand for them?

It is not too late for the American people to start back on the right road, Mr. President, but we are fast approaching the time when it will be too late. We already have passed many of the signposts and red lanterns which are warnings of danger ahead, many of us without heeding the obvious warnings.

Some Americans look around them today and say: "Well, we are better off than the people of Europe." Or, they say: "Well, we are better off than the starving millions of India." Or, they point out: "We are better off than the Chinese." Well, Mr. President, I should hope to tell you that we are.

We have been better off than the residents of those other nations for decades, but that is hardly a fair way to judge where we ought to be by now. Here in a Nation with the greatest productive capacity ever dreamed of by man, millions of persons are waiting for automobiles, homes, washing machines. Here in a vaunted land of plenty, returning veterans cannot buy white shirts, farmers must go without milking machines, and it is impossible in many towns to buy a simple thing like a lawn mower.

Yet, we stand around and tell one another that we are better off than the Chinese, or the Samoans, or the Indians.

Think of what we could have if we would recognize the simple laws of economics and put our collective shoulders to the wheel. We would no longer wander in the wilderness and look, as Moses did, from a far distance, at a land flowing with milk and honey. We would go up and possess that land, Mr. President, for it is our heritage. That is the land our people deserve, that is the land for which our sons and brothers fought and bled and died, that is the land for which every American yearns.

Sometimes, when I read the newspapers and think of the strife that is caused by man's inhumanity to man, when I read of the ideological battles and when I hear of waste and thriftlessness and hatreds, I wonder how long our people are going to follow after false gods. I wonder if we will all ever be willing to walk in the straight and narrow path to economic victory. It looks hard, but it will be hard for only a little way. After that, it will become a broad highway, lighted by the sunshine of industrial peace and domestic plenty. We can have that kind of a country, we ought to have that kind of a country. But we cannot have it and the kind of administration which has characterized the OPA and some other agencies here in Washington in the past year.

Mr. President, we are soon to consider the extension of the Office of Price Administration. We should limit its authority to those fields in which there is scarcity. Its policies must be amended so that it will no longer hinder production of needed goods. I am greatly in favor of seeing to it that the OPA goes out of existence as soon as we reasonably can put it out of business, if these improvements in its administration cannot be assured.

Specifically, I agree with the four-point program which has been put forward by several thoughtful businessmen. This program would entail:

First, a system of self-pricing by manufacturers, subject to OPA review and veto. It would appear to me that this would speed up decisions from the OPA, which has been notoriously and almost criminally slow in acting on price requests from businessmen of every industry.

Second, prices should be based on actual costs of particular commodities, not on so-called forecasts made by so-called OPA specialists.

Third, that we here seek out immediately areas in which price control can be lifted entirely and that we make it plain to OPA that we do not want any dilly-dallying in winding up the affairs of the agency in the next 6 months to a year.

Fourth, that the renewed Price Control Act clearly provide that OPA cannot squeeze profits so tightly that production actually is deterred and enterprise itself becomes a subject of discrimination.

With these changes, production will soon go forward until the Nation's needs are comfortably satisfied.

If we cannot have assurance that these policies will be adopted, let us abolish the agency.

THE GENERAL MOTORS STRIKE

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD as a part of my remarks a very able editorial published in this morning's Washington Post entitled "Auto-Intoxication."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AUTO-INTOXICATION

No doubt Mr. Harry W. Anderson, vice president of General Motors, would have been irked if the auto workers union had asked him to conduct a secret vote among the corporation's stockholders to determine whether they supported his refusal to meet the demands of his employees. Yet Mr. Anderson has asked Mr. R. J. Thomas, president of the UAW-CIO, to "conduct a secret vote among our employees to determine whether they wish to return to work. * * *." There has already, of course, been a secret vote among General Motors employees authorizing their leaders to call the strike, now more than 100 days old. No such poll of opinion has ever been made among the stockholders. In the light of these circumstances, the union's qualified acceptance of Mr. Anderson's proposal seems a constructive contribution toward settlement.

The UAW-CIO was willing to go back to work on the terms recommended by the President's impartial fact-finding board, which provided for a 19½-cent wage increase. The corporation, as it had a right to do, rejected these terms. The union then offered to end its strike by tentative acceptance of the 18½-cent wage increase which General Motors offered belatedly, with the final settlement to be determined by arbitration. The corporation, as it indubitably still has a right to do, now refuses arbitration. In the circumstances there seems to be logic behind the inference drawn by Mr. Thomas that "they dare not face arbitration, for they know they would lose with any fair-minded arbitrator." The officials of General Motors seem to be insisting upon a last-ditch test of economic strength and to be relying for victory less upon the support of public opinion than upon the exigencies of hunger among their striking workers. They have now succeeded in making the situation seem not so much a strike as a lockout.

Mr. MORSE. Mr. President, the last sentence of this editorial, says, speaking of the General Motors Corp.:

They have now succeeded in making the situation seem not so much a strike as a lock-out.

I wish to make a very brief comment on the General Motors situation, because Members of this body know that for some weeks past I have been urging that the parties to the major labor disputes which have been so costly to the reconversion-production in this country should in the public interest resort to voluntary arbitration. It pains me grievously to note that a great company such as the General Motors Corp., so intent, apparently, on "slugging it out" with the union in this strike which is so costly to the productive interests of this country, now even refuses to arbitrate what have become the minor issues in the General Motors strike. Those issues involve the question of a 1-cent difference over wages, and certain other minor issues yet to be resolved.

I think the attention of the country should be called to the fact that the President of the United States did appoint a fact-finding board, and, differ

as some may with some of the rationale of the board including some of the theories that were applied by the board in reaching its conclusions, the fact is the board did recommend 19½ cents as a fair wage adjustment in this great strike. The company now offers 18½ cents but refuses to meet the 19½ cent figure of the board apparently out of pure stubbornness. I have yet to read any evidence presented to the American public by the General Motors Corp. which shows that an increase of 19½ cents as recommended by the board and by the President of the United States is not a fair wage settlement. But if it is not, then it seems to me that in the interest of the general welfare of our country there is a very definite patriotic duty resting upon Mr. Wilson of General Motors and all the stockholders of General Motors to demonstrate that they believe enough in the American way to come forward now and offer to arbitrate, in accordance with judicial processes, their differences with the union.

I do not know the merits of the differences between the union and the company, but I do know that no union or no employer in this country, in these critical days, can justify such a prolonged stoppage, in an industry so vital to the welfare of the entire country, as the shut-down of production in the General Motors case. As the Washington Post says, it is no longer so much a strike as it is a lock-out.

I wish to repeat in essence what I have said before, that just as was pointed out by the Post editorial this morning, there clearly rests upon the officers of General Motors, and all interested in the company, a clear public obligation to arbitrate such differences as now exist.

Of course, I would be the first, as I think my colleagues here know, to defend the right of General Motors to conduct a lock-out if it wishes to do so. However, I shall insist that if that is the position the company is going to take, the Government must proceed to protect the public interest in these disputes, because it is in fact a party to them. It will remain a party to them as long as we have to maintain Government economic controls over production. Likewise, I think labor must expect the Government to step in and protect the public interest whenever labor follows an unreasonable course of action, as I believe the General Motors Co. is doing in this case.

There are other automobile companies in this country ready, willing, and able to produce automobiles if the materials are supplied them so that they can proceed with production. I think that if this lock-out continues, and if this company will not even so much as show its good faith to the extent of being willing to arbitrate the minor differences which now exist between it and the union, this administration should proceed to see to it that materials are so channelized and priorities so granted as to make it possible for automobile production to go ahead at the fastest rate possible by competitive companies which stand ready and willing to bargain collectively in good faith with their unions and to reach fair settlements, as other automobile companies have reached them.

I hope that upon reflection those in responsible positions in General Motors will accept the proposal to arbitrate, but if they do not, I hope this administration will not tarry longer in seeing to it that such prestige and good offices as it can bring to bear upon the situation will be brought to bear, to the end that automobile production can proceed.

Mr. AIKEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from Oregon yield to the Senator from Vermont?

Mr. MORSE. I yield.

Mr. AIKEN. I wanted to ask the Senator from Oregon to draw on his knowledge of labor relations and give us his opinion whether the settlement of the strike would be expedited if the National Labor Relations Board were to conclude its hearings and announce its decision in regard to the charges filed against General Motors by the union on November 8 last.

The Senator will recall that on the 13th of January the NLRB finally got around to issue a complaint against General Motors. I understand that was the only complaint issued against any employer in all this long wave of strikes we have had. But in the meantime, to go back to August 13, when the United Automobile Workers first made the demand on General Motors for a wage increase, about that time General Motors, it is said, wrote a letter to their employees warning them that if they went on strike they would be out a good long time. Also an official of General Motors spoke over the radio and said they would not meet the demands of the union. Then on November 8 the union filed charges against the corporation for violation of the Wagner Labor Relations Act.

After that the President appointed a fact-finding commission. General Motors walked out on that commission, and announced afterwards that they would not agree to the findings of this commission. The union accepted its findings. Then on January 13 the National Labor Relations Board finally issued a belated complaint against the corporation. No decision has been announced as yet. In the meantime it would appear that for almost 6 months the United Automobile Workers have been denied the protection of the National Labor Relations Act.

That is why I ask if the Senator, drawing on his knowledge of labor relations from his service in that field, would venture an opinion as to whether a decision by the National Labor Relations Board in this matter would expedite settlement of the strike? I think the Senator is well aware, as others must be well aware, of the rumor that General Motors officials claim that if they can delay settlement of the strike until the middle of March, it will break the back of the strike and also the backs of the strikers.

Mr. MORSE. Mr. President, I will make two points. First, may I say to my good friend, the Senator from Vermont, that I have already expressed myself before the Committee on Education and Labor of the Senate to the effect that I think it was inexcusable for the National Labor Relations Board to delay so long in proceeding to take action on the complaint that was filed by the union against General Motors. It was a complaint charging that the company had not bargained in good faith. The Board delayed taking action on that complaint, even though it knew that a committee of civic leaders sat in Detroit, Mich., for several days and had read to it a transcript of record of the negotiations, or alleged collective-bargaining negotiations, that took place between the union and officers of General Motors over a period of weeks. That committee of responsible and representative civic leaders reached the conclusion that there has been no collective bargaining in good faith on the part of General Motors. I think that until about the time the President's fact-finding commission was appointed the company stalled and stalled and hedged and ducked and weaved, just as Mr. Wilson, president of the company, hedged and ducked and weaved when he was before the Committee on Education and Labor, when Members of the Senate asked him many direct questions but could not obtain very many direct answers from him.

I think the Senator from Vermont is quite right. I do not think there is any doubt when one listened to Mr. Wilson's testimony that the company had decided, as it is its right if it wants to use this method of economic warfare, to fight it out with this union, and break the union if it could. As I have said before, I will defend the company in its right to fight it out that way if it wants to. But I do not want the Government to give it any aid in carrying out the union-busting policy it seeks to carry out. That is why some weeks ago I asked that the Senate proceed to make an investigation of the use that is being made of tax savings, by such companies as General Motors, to break the back of unions in this type of a knock-out and drag-down fight.

So I say to the Senator that I think the National Labor Relations Board should have proceeded much earlier than it did with its hearings, and I think now it should proceed with the greatest haste possible, in accordance with justice in the case, to give us a decision as to whether or not this company is in fact guilty of refusing in good faith to bargain collectively with the union. I am sure that when the American people are apprised of what really happened in the early negotiations the resulting force of public opinion will be very helpful in a solution of the case.

Mr. AIKEN. At the hearing the other day I inquired of the Chairman of the National Labor Relations Board as to the reason for this long delay in giving a decision on this charge against General Motors, and his excuse was that they felt that if they took any action they would be interfering with the efforts of other persons or agencies, such as the fact-finding board, who were seeking to settle the strike. That, in my opinion, is not a sound excuse for a law enforcement agency to make.

Mr. MORSE. Of course it is not a sound excuse. It is a rationalization. The fact as to whether or not General Motors did bargain in good faith is a vital fact that those who are trying to settle the dispute ought to know about

while in the process of attempting a settlement.

Mr. AIKEN. And every day's delay in rendering a decision on this charge, which is the only charge which they have found serious enough on which to issue a complaint against an employer in this long series of strikes—every day that the decision is delayed this Federal agency is, in my opinion, simply taking the part of the General Motors Corp.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. HOEY in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. HATCH, from the Committee on Public Lands and Surveys:

Julius A. Krug, of Wisconsin, to be Secretary of the Interior; and

Thomas F. Corbally, of Montana, to be register of the land office at Great Falls, Mont. (reappointment).

By Mr. THOMAS of UTAH, from the Committee on Military Affairs:

Col. Thomas Lovet Smith, Dental Corps, for appointment in the Regular Army of the United States as assistant to the Surgeon General, with the rank of brigadier general, for a period of 4 years from date of acceptance, vice Maj. Gen. Robert Hilliard Mills, whose term of office expires March 16, 1946, and

J. Watt Page for appointment as State director of selective service for Texas under the provisions of section 10 (a) (3) of the Selective Training and Service Act of 1940, as amended.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

IN THE NAVY

The legislative clerk read the nomination of James E. Maher to be commodore, while serving as chief of base maintenance, Office of the Chief of Naval Operations, and to continue during any assignment which is commensurate with the rank of commodore, or until reporting for other permanent duty.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Arthur Gavin to be commodore, while serving as commander, aircraft, Philippine Sea Frontier, and commander, Fleet Air Wing 10, and to continue during any assignment which is commensurate with the rank of commodore, or until reporting for other permanent duty.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Arleigh A. Burke to be commodore, while serving as chief of staff and aide to commander, Eighth Fleet, and to continue during any assignment which is commensurate with the rank of commodore, or until reporting for other permanent duty.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Lemuel P. Padgett, Jr., to be commodore, while serving as petroleum attaché, Middle East, and to continue during any assignment which is commensurate with the rank of commodore, or until reporting for other permanent duty.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Robert F. Batchelder to be pay director, while serving in the Material Division, Office of the Assistant Secretary of the Navy, and to continue during any assignment which is commensurate with the rank of commodore, or until reporting for other permanent duty.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of John A. Snackenberg to be commodore, while serving as chief of staff to commander, Joint Task Force 1, and to continue during any assignment which is commensurate with the rank of commodore, or until reporting for other permanent duty.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

That completes the nominations on the Executive Calendar.

SECRETARY OF THE INTERIOR—JULIUS A. KRUG

Mr. BARKLEY. Mr. President, today the Committee on Public Lands and Surveys unanimously reported the nomination of Julius A. Krug to be Secretary of the Interior. In view of the vacancy which now exists in that office and in view of the fact that it is proposed that the Senate recess until Friday, I ask unanimous consent that the nomination of Mr. Krug to be Secretary of the Interior may be now considered.

The PRESIDING OFFICER. Is there objection?

Mr. WHITE. Mr. President, I quite agree with the Senator from Kentucky that the vacancy in the Interior Department should be filled at the earliest possible moment. It is one of the great departments of the Government, and it should be functioning with a head. I hope the request of the Senator from Kentucky will be concurred in by the Senate.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and the clerk will state the nomination.

The legislative clerk read the nomination of Julius A. Krug, of Wisconsin, to be Secretary of the Interior.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Without objection, the President will be immediately notified of all nominations this day confirmed.

Mr. BARKLEY. Mr. President, in connection with the confirmation of Mr. Krug, I wish to say one word. I think Mr. Krug has every qualification, from the standpoint of education and experience and general knowledge of conditions in this country, to make a most admirable Secretary of the Interior. I think it might be said that this appointment was not a political appointment in the ordinary sense of the word.

Mr. Krug has had a wide experience in many fields. As everyone knows, he succeeded Mr. Donald M. Nelson, as Chairman of the War Production Board, and took hold of that agency at a time when it was at its peak of activity. He performed that duty so well as to impress the whole country with his efficiency, his ability, and his fairness.

I feel that the President is to be congratulated upon the appointment of Mr. Krug to be Secretary of the Interior, which is a Cabinet position of importance comparable with any other position within the Government.

AUTHORIZATION FOR COMMITTEE ON NAVAL AFFAIRS TO FILE REPORTS

Mr. WALSH. Mr. President, as in legislative session, I ask unanimous consent that during the recess of the Senate, which I understand will be until Friday, the Committee on Naval Affairs may be authorized to file reports on certain naval bills.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS TO FRIDAY

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon on Friday next.

The motion was agreed to; and (at 2 o'clock and 22 minutes p. m.) the Senate took a recess until Friday, March 8, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 5, 1946:

MUNICIPAL COURT OF APPEALS, DISTRICT OF COLUMBIA

Hon. Brice Clagett, of Maryland, to be Associate Judge of the Municipal Court of Appeals for the District of Columbia, vice Hon. Nathan Cayton, elevated.

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

MEDICAL CORPS

To be lieutenant colonel

Maj. Dwight Moody Young, Medical Corps (temporary colonel), with rank from March 15, 1946, subject to examination required by law.

To be majors

Capt. James Emile Graham, Medical Corps (temporary colonel), with rank from March 1, 1946.

Capt. Jay Franchel Gamel, Medical Corps (temporary colonel), with rank from March 1, 1946.

Capt. Aubrey L. Jennings, Medical Corps (temporary colonel), with rank from March 7, 1946.

To be captain

First Lt. James Richard Paul, Medical Corps (temporary captain), with rank from March 14, 1946.

PHARMACY CORPS

To be captains

First Lt. Paul Cable Larnce, Pharmacy Corps (temporary major), with rank from March 12, 1946, subject to examination required by law.

First Lt. Emerson Beery Taylor, Pharmacy Corps (temporary major), with rank from March 12, 1946, subject to examination required by law.

First Lt. Thomas Floris Criswell, Jr., Pharmacy Corps (temporary captain), with rank from March 12, 1946, subject to examination required by law.

First Lt. Woodrow Charles Herbert, Pharmacy Corps (temporary major), with rank from March 12, 1946.

To be first lieutenant

Second Lt. Paul Francis Crutchlow, Pharmacy Corps (temporary first lieutenant), with rank from March 31, 1946, subject to examination required by law.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY OF THE UNITED STATES

TO FINANCE DEPARTMENT

Capt. Maynard Norwood Levenick, Infantry (temporary lieutenant colonel), with rank from June 11, 1941.

TO CORPS OF ENGINEERS

First Lt. Robert Duncan Brown, Jr., Coast Artillery Corps (temporary major), with rank from June 11, 1944.

TO ORDNANCE DEPARTMENT

First Lt. Richard John Rastetter, Quartermaster Corps (temporary lieutenant colonel), with rank from June 11, 1944.

TO INFANTRY

First Lt. VanCleave Parrott Warren, Coast Artillery Corps (temporary captain), with rank from May 29, 1945.

Second Lt. Robert Stephen Mills, Coast Artillery Corps (temporary first lieutenant), with rank from June 6, 1944.

COAST AND GEODETIC SURVEY

The following-named employees of the Coast and Geodetic Survey to the position of aide with rank of ensign in the Coast and Geodetic Survey to be effective on the date set opposite each of their names:

Wilbert M. Hellman, August 1, 1945.
Gerald L. Short, October 1, 1945.
John O. Phillips, October 1, 1945.
Robert D. Singel, November 1, 1945.
John E. Schultz, February 1, 1946.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 5, 1946:

SECRETARY OF THE INTERIOR

Julius A. Krug to be Secretary of the Interior.

IN THE NAVY

APPOINTMENTS IN THE NAVY, FOR TEMPORARY SERVICE

James E. Maher to be a commodore, while serving as chief of base maintenance, Office of the Chief of Naval Operations, and to continue during any assignment which is commensurate with the rank of commodore, or until reporting for other permanent duty.

Arthur Gavin to be a commodore, while serving as commander, aircraft, Philippine Sea Frontier, and commander, Fleet Air Wing 10, and to continue during any assignment which is commensurate with the rank of commodore, or until reporting for other permanent duty.

Arleigh A. Burke to be a commodore in the Navy while serving as chief of staff and aide to commander, Eighth Fleet, and to continue during any assignment which is commensurate with the rank of commodore, or until reporting for other permanent duty.

Lemuel P. Padgett, Jr., to be a commodore in the Navy while serving as petroleum attaché, Middle East, and to continue during any assignment which is commensurate with the rank of commodore, or until reporting for other permanent duty.

Robert F. Batchelder to be a pay director in the Navy, with the rank of commodore while serving in the Material Division, Office of the Assistant Secretary of the Navy, and to continue during any assignment which is commensurate with the rank of commodore, or until reporting for other permanent duty.

John A. Snackenberg to be a commodore in the Navy, while serving as chief of staff to commander, Joint Task Force 1, and to continue during any assignment which is commensurate with the rank of commodore, or until reporting for other permanent duty.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 5, 1946

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed Lord, the Father of mercy and the God of all comfort, we praise Thee that Thou hast addressed Thyself to all that is deepest and dearest in the human breast. In Thee men may unite their dreams and hopes and rebuild their plans and aspirations. We confess that there are great ills to be overthrown which breed poverty and economic conditions filled with peril. O God, with restraint and caution, with method and wisdom, may we labor for their solution. Grant that our efforts may not be shattered visions, but with considered thought and gentleness, linked with rock-like sternness, may we embody justice to all men. O let Thy wisdom become our wisdom and Thy righteousness our righteousness, then shall we be justified by Him, the master-builder of a happier world. Through Jesus Christ, to whom be the glory forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

DEFICIENCY APPROPRIATION BILL

Mr. LUDLOW, from the Committee on Appropriations, reported the bill (H. R. 5671) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes (Rept. No. 1678), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. TABER reserved all points of order on the bill.

Mr. LUDLOW. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5671) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate continue not to exceed 30 minutes, the time to be equally divided and controlled by the gentleman from New York [Mr. TABER] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. RANKIN. Mr. Speaker, reserving the right to object, has this bill been printed?

Mr. LUDLOW. It is a very urgent bill. I may say it has been printed.

Mr. RANKIN. To what does it relate?

Mr. LUDLOW. It relates to the Veterans' Administration.

Mr. RANKIN. Of course, I am very much in favor of that provision, but I do not want to be accused of filibustering against this other bill.

Mr. LUDLOW. It is not for that purpose.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Indiana.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5671, with Mr. SIKES in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. LUDLOW. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, this bill is very properly entitled "An urgent deficiency bill." The situations that it deals with are of sufficient urgency to support the celerity with which it is found necessary to present the bill and to urge its passage. I shall consume very brief time in explaining the provisions of the bill in the order in which they are presented in the measure itself.

The first paragraph relates to amounts to States for old-age assistance, and to dependent children, and in aid to the blind, a deficiency estimate of $10,000,000. There was appropriated for this purpose for the fiscal year 1946, $431,000,000. There has been spent and obligated during the first three quarters of the fiscal year 1946, $323,782,000, leaving a balance of $107,208,000, which is $10,000,000 short of the needs for the fourth quarter. During the fiscal year 1946, 20 States have raised their payments to all three classes, and that has brought about these additional obligations, since under our law we must appropriate on an even basis with the States. The allotments for this appropriation are made quarterly to the States on the basis of advance estimates. To show you how the increased provisions of State statutes have affected the monthly payments, I will cite the specific payments that are authorized by law and which under the original estimate were certain amounts and which under the revised estimate are considerably increased amounts. For instance, under the original estimate the monthly payment for old-age assistance averaged $29.50. Under the revised estimate brought about by these State enactments the monthly payment is $30.70. For dependent children the original estimate was $18.37 a month. Under the revised estimate the amount required is $20.68 a month. The monthly payment in aid to the blind under the original estimate was $30.50. Under the revised estimate it is $31.50. This, as I say, is entirely statutory. We must meet these State obligations on an even basis as they arise, and this appropriation is not only necessary but it is urgent inasmuch as the fund to the Social Security Board for this purpose was completely exhausted on March 4, yesterday.

The second item is for the Veterans' Administration, general administrative funds. The Veterans' Administration ran out of money on March 4, yesterday, consequently this appropriation is

vitally necessary at the earliest time it can be passed. There was appropriated for general administrative funds $227,675,000 for the fiscal year 1946. They need an additional $114,000,000. Our committee granted the full amount of the Budget estimate in order that this very important operation may continue without interruption.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman from Mississippi.

Mr. RANKIN. This is the amount asked for by the Veterans' Administration?

Mr. LUDLOW. It is indeed.

Mr. RANKIN. It is recommended by the Bureau of the Budget?

Mr. LUDLOW. It is recommended by the Bureau of the Budget.

Mr. RANKIN. I congratulate the gentleman and his committee on bringing this legislation in at this time, for the simple reason that the Veterans' Administration is bending every possible effort to take care of the disabled servicemen who are coming home from this war. This money is badly needed. I am glad the committee has seen proper to comply with the request of the Veterans' Administration, and that they are backed up by the Bureau of the Budget. Here is a summary of the activities of the Veterans' Administration up to February 28, which I am sure will be interesting, as well as gratifying to every Member of the House:

Statistical summary of Veterans' Administration activities, Feb. 28, 1946

Subject	February 1946[1]	January 1946	July 1945
Veteran population:			
1. Total number of veterans, end of month	14,601,000	13,626,000	6,704,000
2. Number of World War II veterans, end of month	10,610,000	9,630,000	2,680,000
3. Number of veterans of other wars and Regular Establishment, end of month	3,991,000	3,996,000	4,024,000
Vocational rehabilitation (Public Law 16):			
4. Total number of applications filed, end of month	260,127	232,134	80,961
5. Number of applications pending, advisement not initiated, end of month	12,866	13,989	2,794
6. Number in training, end of month	52,242	45,576	16,003
7. Number of regular payments for subsistence allowance made during month	34,553	[2]	12,705
Education and training (Public Law 346):			
8. Total number of applications filed, end of month	1,100,033	751,944	96,828
9. Number of applications pending, eligibility not determined, end of month	159,759	144,164	7,107
10. Number in education or training status, end of month	205,396	136,383	22,349
11. Number of regular payments for subsistence allowance made during month	138,331	[2]	13,281
Loans:			
12. Total number of applications received, last Saturday of month	97,707	72,933	18,835
13. Number of guaranty commitments granted, last Saturday of month	81,395	62,014	15,249
14. Number of applications pending, last Saturday of month	7,953	3,743	1,203
Readjustment allowances:			
15. Number of initial unemployment claims filed during last week of month	207,072	251,981	[2]
16. Number of initial unemployment claims pending determination, end of month	[3]	129,605	3,897
17. Number of veterans paid unemployment allowances during last week of month	1,131,394	833,103	43,286
18. Number of veterans paid self-employment allowances during month	[3]	43,985	11,926
Disability pension or compensation cases (with service on or after Dec. 7, 1941):			
19. Number received during month	[4] 428,545	[4] 324,325	[4] 96,341
20. Number disposed of during month	[4] 268,414	[4] 208,768	[4] 76,563
21. Number pending adjudication, end of month	653,822	506,835	100,959
22. Number of active cases (running awards), end of month	1,108,827	1,015,153	591,762
Disability pension or compensation cases (no service on or after Dec. 7, 1941):[5]			
23. Number pending adjudication, end of month	7,164	6,415	6,540
24. Number of active cases (running awards), end of month	459,337	460,451	460,451
Death pension or compensation cases:			
25. Number pending adjudication, end of month	38,021	38,890	52,902
26. Number of active cases (running awards), end of month	378,910	367,696	289,243
National service life insurance:			
27. Number of applications pending, end of month	72,397	68,953	170,634
28. Number of insured lives on which payments of death claim awards were active, end of month	337,182	331,580	237,993
29. Number of death claims (beneficiaries) awarded during month	7,900	11,618	26,728
30. Number of death claims (beneficiaries) pending, end of month	17,877	16,448	27,901
31. Number of disability claims (waiver of premium) awarded during month	25,631	22,099	31,257
32. Number of disability claims (waiver of premium) pending, end of month	21,732	22,925	29,464
Requests for physical examination:			
33. Number cleared by examination during month	29,497	27,168	28,997
34. Number pending, examination not completed, end of month	179,367	181,009	137,562
Applications for hospital or domiciliary care:			
35. Number received during month	50,429	54,033	49,485
36. Number disposed of during month	46,160	51,067	48,418
37. Number pending, eligibility not determined, end of month	15,576	11,307	6,543
Patients awaiting hospital admission:			
38. Total number, end of month	24,675	17,015	4,329
39. Number with service-connected disorders, end of month	2,146	655	169
40. Number with non-service-connected disorders, end of month	22,529	16,360	4,160
Beneficiaries remaining in Veterans' Administration hospitals or homes:			
41. Total number in hospitals, last Thursday in month	[6] 73,979	72,987	67,320
42. Veterans with service-connected disorders	[6] 24,195	23,903	22,700
43. Veterans with non-service-connected disorders	[6] 49,070	48,384	43,907
44. Other	[6] 714	700	713
45. Total number in homes, last Thursday in month	[6] 11,843	11,520	9,086
Beneficiaries remaining in non-Veterans' Administration hospitals:			
46. Total number, last Thursday in month	[6] 8,816	7,769	4,459
47. Veterans with service-connected disorders	[6] 1,661	1,513	841
48. Veterans with non-service-connected disorders	[6] 7,076	6,190	3,564
49. Other	[6] 79	66	54
Construction—New hospitals:			
50. Number authorized, funds appropriated, end of month	43	42	[7] 21
51. Number for which sites have been selected, end of month	25	23	[7] 16
52. Number for which plans and specifications have been completed, end of month	7	5	[7] 2
53. Number under construction, end of month	3	1	[7] 1
54. Number completed, end of month	0	0	[7] 0
Construction—Additions to existing hospitals:			
55. Number authorized, funds appropriated, end of month	52	52	[7] 36
56. Number for which plans and specifications have been completed, end of month	31	31	[7] 30
57. Number under construction, end of month	20	23	[7] 28
58. Number completed, end of month	9	6	[7] 0

[1] Preliminary; subject to revision.
[2] Total of 140,132 regular payments for subsistence allowance made during January under Public Laws 16 and 346; no break-down available.
[3] Not available.
[4] Includes transfers and cancellations.
[5] Excludes Spanish-American and prior wars.
[6] Data as of Feb. 21, 1946.
[7] Data as of June 30, 1945.

Mr. LUDLOW. I appreciate that contribution by the distinguished chairman of the Committee on World War Veterans' Legislation, whose interest in the veterans is known by all men. We are very glad to have his support.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman from Kentucky.

Mr. MAY. For general information to be considered in connection with certain legislation that is pending in the House Committee on Military Affairs, I should like to know if the gentleman from Indiana ascertained in the hearings what the probable annual cost of the Veterans' Administration is now, as near as he could get to it.

Mr. LUDLOW. That did not come within the purview of our investigation. We were considering only this deficiency.

Mr. O'NEAL. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman from Kentucky.

Mr. O'NEAL. I think some of the testimony in the hearings we had yesterday indicated that it would be between $4 500,000,000 and $5,000,000,000 a year.

Mr. RANKIN. If the gentleman will yield, that includes compensation for disabilities and also includes insurance and all the other expenses.

Mr. O'NEAL. That is correct.

Mr. MAY. That is what I wanted to know.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Does the gentleman know of any opposition to the bill at all?

Mr. LUDLOW. Not a bit, I think, either in the committee or in the House. I will say I know of no opposition in any quarter. However, I thought the Committee of the Whole was entitled to a brief explanation of the main provisions of the bill. I may say that this increase of $114,000,000 to the Veterans' Administration is largely due to the number of veterans who have returned beyond the anticipation. When the original appropriation was made the war was still on. Of course, demobilization could not in any way be anticipated, so this is a very easily understandable item.

Mr. RANKIN. Also, the Veterans' Administration has taken over a large number of Army hospitals which were full of disabled veterans, and the Veterans' Administration now has to take over the financial obligation of supporting the veterans in those institutions.

Mr. LUDLOW. That is true. I thank the gentleman for his contribution.

Of the $114,000,000 carried in this bill, about $60,000,000 will be for personnel. Approximately 30,000 additional persons over the country will be needed to take care of this impact of the returning veterans. The remainder of it is administrative expenses.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman from Pennsylvania.

Mr. RICH. There is in this second deficiency appropriation bill an item of $3,350,000 for forest fires.

Mr. LUDLOW. I am just coming to that, and I will answer the gentleman's question, I am sure, in what I am about to say.

Mr. RICH. I should like to hear what that sum will be spent for.

Mr. LUDLOW. It has been the policy of the Committee on Appropriations since my memory runneth not to the contrary to allow a token appropriation at the beginning of each fiscal year providing for forest-fire control in the amount of $100,000. Then, as the year went on and the fires occurred, a careful accounting was made, and the Forest Service always came in in the second half of the year and gave us a statement of the amount that had been expended up to that time, with an estimate of the amount that would be required for the remainder of the fiscal year.

Mr. RICH. Have they spent $100,000 then up to this time?

Mr. LUDLOW. They have spent through December the amount of $3,042,146. They estimated they would need for the last half of the fiscal year $540,854. We cut that amount because the expenditure is conjectural. No one can foresee or in any way even estimate the requirements. So we cut it to $407,854. We allowed them altogether $3,350,000, of which, as I have said, $3,042,146 has already been spent as of December 31.

Mr. RICH. From the figures you gave, the amount they asked for was $700,000 or $800,000. I cannot understand, then, why you gave them $3,350,000.

Mr. LUDLOW. I thought I had made clear that at the beginning of every year we make a token appropriation. It is nothing more than a token appropriation of $100,000. They go ahead under the latitude they have and fight fires. Of course, fires have to be fought and have to be put out. Then they spend whatever is necessary and come back to us to give an accounting in the latter part of the year. They came back to us and gave us this account, that the fires had been numerous, and they had spent up to December $3,042,146.

Mr. RICH. How does that compare with the year before?

Mr. LUDLOW. It is somewhat more. There have been more fires.

Mr. O'NEAL. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. O'NEAL. It is somewhat comparable to the years 1940 and 1941. The last 2 or 3 years have not been so bad as far as fires are concerned, for climatic reasons, and so forth. Therefore, they did not require that amount of money. But this is money that they have actually spent.

Mr. LUDLOW. That is correct. There is a fluctuation from year to year, but over the long range of years it runs rather stable. This is a typical annual appropriation.

Mr. LEWIS. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. LEWIS. Is there any item in the bill for the Big Sandy River in West Virginia?

Mr. LUDLOW. This bill just covers a few urgent items.

Mr. LEWIS. Then that is not contained in this bill?

Mr. LUDLOW. That is not in the bill.

As the committee can readily appreciate, the foreign mail-transportation situation by boat has been very uncertain and precarious due to war conditions. The appropriation this year was $400,000, which in itself is largely a token appropriation. The expenditure runs four or five million dollars a year normally. But the War Shipping Administration has been carrying the mails without any burden on this appropriation. The War Shipping Administration intends to relinquish that service soon but no one knows when. The War Shipping Administration itself does not know. The department came in with an estimate of $2,844,000, but because of the uncertainty of the situation and the undetermined factor as to the time of relinquishment by the War Shipping Administration, we cut the appropriation to $1,200,000, which we think will be ample. In any event, no harm will be done. The mails will be carried, and if there should be a shortage of funds they will come back and ask for a deficiency appropriation and all will be well.

Mr. RICH. What is Mr. Hannegan going to say to you for giving him $1,200,000 when he wanted $2,840,000?

Mr. LUDLOW. I have not heard from Mr. Hannegan.

Mr. RICH. You will hear from him because every man has heard from him in the last 2 or 3 days. You are going to find out you will hear from him again.

Mr. LUDLOW. I like Mr. Hannegan and I am sure that when he contacts us the meeting will be pleasant. I believe, however, we will be able to give him a very good answer. We are carrying in this bill an authorization for the reestablishment of the seapost service.

We were asked to remove the limitation of $662,000 which we have carried as a ceiling on the amount that could be spent for personal services in the Office of Chief of Engineers in the District of Columbia. This was requested for two reasons: First, because the $662,000 limitation would not cover the cost of Public Law 106; and, second, because the expanded program makes necessary the employment of a group of technical assistants with a considerable salary obligation. We are always loath to eliminate these salary limitations from our appropriation bills, so we decided that a limitation shall be carried as heretofore, but that the amount of the limitation shall be raised from $662,000 to $850,000. The increase of $188,000 will cover these items: Cost of Public Law 106, $172,700; in-grade promotions—statutory—$3,042; additional personal services, $12,258.

The CHAIRMAN. The gentleman from New York [Mr. TABER] is recognized for 15 minutes.

Mr. TABER. Mr. Chairman, this bill presents some absolutely urgent deficiencies which have to be made. It includes, among other items, $114,000,000 for the Veterans' Administration to take care of needed hospitalization of veterans. I think we are all, without exception, for it.

The thing I want to call attention to with reference to the bill is the complete collapse of the Bureau of the Budget in their operation of screening appropriations that they send up to us. There was a budget estimate sent up for $2,844,000 for the foreign-mail transportation item in the Post Office Department. That is an item that can be figured out mathematically. When the gentleman from Indiana [Mr. LUDLOW] got through with the gentleman from the Post Office Department he was down from $2,844,000 to $1,844,000, and when I got through with him he was down to $1,200,000. This was a current presentation by the Bureau of the Budget. Why they send up estimates of that character is beyond me. It must be that they do nothing and screen nothing. That is a fair sample of the way they have been operating.

While I have the floor I desire to call attention to one of the operations of the Office of Price Administration. I have before me a news letter gotten out by the Office of Price Administration, Information Division, from the Syracuse-Kemper Building, Syracuse, N. Y., on the 15th of February 1946, at a time when the OPA was before the Congress asking for a deficiency item of $1,854,000 that was voted on in the House. Those who pay any attention to their responsibilities voted against it.

This particular set-up in this particular office is costing the Government $6,500 a year in that district office. Let me read to you a poem that they send out so that you may know the kind of things Government money is being wasted on:

(Dedicated to Betty Clapsaddle—with apologies to Don Wahn)

Sing if you will of lovely inn's
And the wraith of a one-time love,
Sing if you wish to a sickle moon
Hung low in the sky above—
But what to him are crimson lips,
What the peach blow saint,
That soap ad's use as beauty tips
When the gray man dreams—but aint.

Starlit lanes in lilac time,
Fragrance of magic Ind,
Roses red blown in June land mine
The kiss of a Southern wind—
Ah me—oh my—to a sad gray man
Are pain and pleasure, too
And a lilt from the pipe of Peter Pan,
But—what can a gray man do.

* * * * *

Ah! Good morning papa Cuddy,
Please take a bow from me,
I trust the mama's doing well
Since the jump to seventy-three—
And methinks such virile manhood
Is worthy of a fame,
To quite outshine that Canuck guy—
(Now, what the heck's his name?)

—*Crabscanlan.*

Now, imagine! $1,854,000 in the deficiency appropriation and that kind of stuff going on all over the United States. I wonder how long the American people are going to put up with such tripe?

Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. BENDER].

Mr. BENDER. Mr. Chairman, I am taking this time to call attention to some startling revelations coming out of the hearings now being held by the Committee on Expenditures in the Executive Departments.

Only this morning we learned that in the European theater property declared surplus up to February 1 totaled $892,000,000. Of this $382,000,000 was disposed of for $72,000,000. I repeat, $382,000,000 of surplus was disposed of for $72,000,000. That $72,000,000 did not represent good American cash, but credits to foreign governments, credits granted to our late enemies as well as to our friends extending over a 30-year period. According to testimony offered by a witness who knew his figures, Britain received $1,200,000,000 worth of property at a cost to them of $522,000,000, and that was not paid for by the British coin of the realm, that was sold on tick. This has no relation to the British loan now under discussion. This is extra.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. BENDER. Yes; I yield to my distinguished friend.

Mr. RICH. The only mistake I ever heard the gentleman make on the floor of the House was when he said "a gentleman who knows his facts"; the gentleman meant "a gentleman who thinks he knows his facts"; and when he stated that he was a member of the policy-making commission on the disposition of surplus property in foreign countries that had been turned over to them. People in this country do not even know what American property there is in foreign countries; they only make a policy here for those in foreign countries representing us in the sale of surplus property to follow.

I do not mean to criticize the gentleman because he is always correct, but as far as that gentleman he refers to knowing anything in reference to the sale of surplus property, he knew very little. As a matter of fact, he did not know anything about it.

Mr. BENDER. The gentleman is questioning the veracity of the witness. The gentleman does not question the figures that were presented to us as factual. They are factual.

What does this surplus property consist of? It consists of articles that we could use very well in the United States of America and that there is a crying need for, such as trucks, clothing, farm machinery, and other commodities that we are short of and for which we are paying premium prices in America today. Our own taxpayers are compelled to pay premium prices for commodities which we are turning over to foreign governments for a song.

When we come in here with a deficiency appropriation bill we ought to think about what we are doing with the property that belongs to the United States Government. We are in the hole now to the extent of $300,000,000,000. We have no right to squander our substance in this manner.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

If there are no other requests for time the Clerk will read the bill for amendment.

The Clerk read as follows:

TITLE II—GENERAL PROVISIONS

SEC. 201. No part of any appropriation contained in this act shall be used to pay the salary or wages of any person who advocates, or who is a member of an organization that advocates the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation contained in this act shall be guilty of a felony and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penal clause shall be in addition to, and not in substitution for, any other provision of existing law.

Mr. RICH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the following provision is contained in this bill:

Provided further, That any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence—

And so forth. Mr. Chairman, we do not want anybody who advocates the overthrow of our form of government to be paid any money from Government funds, therefore we put the above provision in practically all the appropriation bills. But what is the true situation? Just look at our country today, during the period of reconversion. All of you Members of Congress have witnessed the things that are going on today in this country in the form of strikes now taking place when the country is vitally in need of all the production of important essentials that every industry in the United States should be able to furnish the people of our country. There are people employed by the Government of the United States who are not in accord with our Constitution or form of government; they advocate doctrines that are diametrically opposed to good, sound government. They are communistic in their views and actions. They would overthrow our Government if they could.

Mr. Chairman, some of the men who are causing these strikes are more interested in what they can get themselves than they are in production or than they are in the interest of the men they request to go on strike. In my opinion the rank and file of labor in this country will go to work and produce the commodities in every line that the people of America need, if they were not hindered by reactionaires. It seems to me, though, that there are in the Government men receiving money in some manner for encouraging strikes and disorder. Is it good for the country? Do our people like it? Should not we get to work? I say, "Yes, by all means."

It is vital that we get down to the crux of this situation and have our FBI investigate a lot of people we have in the Government and on the pay roll to see if something cannot be done to permit the American people who want to work, who want to produce, to go ahead and go to work and carry on business in the natural way, in the usual way permitting any

difficulties that might arise to be arbitrated so that this country can once again get on its feet, so that industry might be able to furnish the material that our individual citizens so thoroughly need. What do we gain by having such shutdowns in our establishments, everybody loses. The workers lose, the management loses, the Government loses, all of our people are prohibited from securing what they would like to have. Arbitration is the most vital need of our country in reconversion. When I do not work I do not produce. If I do not produce, then I am a hindrance to the balance of our citizens; so it may be multiplied a hundred or thousand fold if the strikes continue. It is very imperative and it is very important, and I think that we ought to do something to ferret out just what the actual cause is, because I have an idea that there are subversive activities going on in this Nation that are seeking to have the President take over all these industries and make this a communistic government. I firmly believe that, and it is about time that we do something to find out if that is the case, and if it is, to stop it, and to stop it immediately before we get any further into this mess, because it is so vital and so essential to the welfare of every citizen of the United States that we act, and that we act at once. Any person or persons who advocate any "ism" except Americanism should be given a ticket to that land that he would have us emulate or that thinks some other land better than ours—if he does, let him go there.

Mr. BIEMILLER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the gentleman from Pennsylvania just made some references to arbitration in labor-management controversies and asked why some of these disputes were not arbitrated. I would like to remind the members of this committee that in the General Motors strike, which has now become a lock-out—the most important labor dispute in the United States today—the United Automobile Workers on two different occasions offered to arbitrate the dispute. In both instances the General Motors Corporation management refused to arbitrate the dispute.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. BIEMILLER. I will be delighted to yield.

Mr. RICH. Does the gentleman consider it real arbitration when Mr. Reuther, who is leading this strike, and who it is said has wanted to arbitrate from the beginning, now wants to take what General Motors has already agreed to, 18½ cents an hour, and then arbitrate from there on up? That is not arbitration. That is only taking what they have already granted and then letting Mr. Reuther try to get what he said he was going to demand, that "We get everything that we want or we are not going to do anything." That is not arbitration; that is getting all they can get, then arbitrate the difference. Mr. Reuther was born and educated in Russia and wants us to pattern after that form of government; as for me, my people, I want nothing of that sort.

Mr. BIEMILLER. I am very happy to answer the question raised by the gentleman from Pennsylvania. It is evident, I fear, as is so frequently the case, that he has not followed the General Motors situation very carefully. The original offer of the union to arbitrate, the first one to which I referred, was made before the strike was called. General Motors management refused to accept that offer of arbitration. They turned it down in a very high-handed and arbitrary manner

In the second place, it is not an unusual procedure in labor disputes to have a union agree to work upon certain terms that have been agreed upon and arbitrate all other matters on which agreement has not been reached. I think that that point ought to be clearly understood by any of us who are discussing labor relations at the present time.

I have repeatedly urged on this floor, in hearings before committees, in public speeches, in every place I have spoken, that the best means of solving any labor-management dispute which cannot be resolved around the conference table is by going to voluntary arbitration. I think that General Motors stands condemned on two different occasions in this present situation for refusing to accept the offer of the union to arbitrate its difficulties.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. BIEMILLER. I refuse to yield further. I simply wanted to take the floor at this time to straighten out any misapprehension which might have been created by the remarks the gentleman from Pennsylvania made regarding refusal to arbitrate. There has been refusal to arbitrate, but the entire blame in the General Motors situation rests on the side of management.

Also I believe the Members should note the development of the past 2 days in the dispute. When the GM management turned down the last arbitration offer they countered with a proposal that some neutral agency poll all GM workers, asking them whether or not they would accept the "final" offer of the company. The Washington Post made a pertinent editorial remark on this maneuver, which I include with my remarks at this point:

AUTO-INTOXICATION

No doubt Mr. Harry W. Anderson, vice president of General Motors, would have been irked if the Auto Workers Union had asked him to conduct a secret vote among the corporation's stockholders to determine whether they supported his refusal to meet the demands of his employees. Yet, Mr. Anderson has asked Mr. R. J. Thomas, president of the UAW-CIO, to "conduct a secret vote among our employees to determine whether they wish to return to work." There has already, of course, been a secret vote among General Motors employees authorizing their leaders to call the strike, now more than 100 days old. No such poll of opinion has ever been made among the stockholders. In the light of these circumstances, the union's qualified acceptance of Mr. Anderson's proposal seems a constructive contribution toward settlement.

The UAW-CIO was willing to go back to work on the terms recommended by the President's impartial fact-finding board, which provided for a 19½-cent wage increase. The corporation, as it had a right to do, rejected these terms. The union then offered to end its strike by tentative acceptance of the 18½-cent wage increase which General Motors offered belatedly, with the final settlement to be determined by arbitration. The corporation, as it indubitably still has a right to do, now refuses arbitration. In the circumstances there seems to be logic behind the inference drawn by Mr. Thomas that "they dare not face arbitration, for they know they would lose with any fair-minded arbitrator." The officials of General Motors seem to be insisting upon a last-ditch test of economic strength and to be relying for victory less upon the support of public opinion than upon the exigencies of hunger among their striking workers. They have now succeeded in making the situation seem not so much a strike as a lockout.

The union's counterproposal is to poll the workers on two questions—first, the company proposal; second, on the question of whether or not they favor the union's proposal to return to work on the basis of the terms offered by the company and submit all remaining issues to arbitration, the arbitrator to be appointed by President Truman.

Surely the union is meeting the management more than half way. If the management will not accept this proposal they certainly show they are more interested in acting as industrial feudal lords than they are in resolving the present dispute and resuming production.

What has the GM management to fear from arbitration?

Mr. HOFFMAN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, some folks are beginning to wonder what the General Motors strike is about. Some are now in doubt as to whether that strike was called in good faith for the purpose of increasing wages, getting better working conditions, for the employees of General Motors, or whether it was called to determine who should be president of UAW-CIO; whether General Motors stock could be so affected by the strike and rumored settlements as to afford an opportunity for speculators to buy and sell, to make millions, on the stock market; whether General Motors itself might be wrecked and Kaiser—the darling of the unions and of the administration and a possible General Motors competitor—be placed in such a competitive position that the company headed by him might make millions out of the manufacture and sale of motor vehicles.

General Motors has offered—and I hold none of their stock nor do I hold a brief for them—to pay as high a rate as any other motor industry. The company also proposed submitting the issue as to whether its latest offer be accepted to the rank and file of the workers. Apparently, Reuther wants none of that proposition. Presumably, he is drawing his compensation while the workers—the men in overalls and the men with dirt on their hands—go without their pay checks.

These strikes began when some spokesmen for this administration broadcast to the public and more especially to employees holding jobs in the larger industries that employers could pay a 20-percent increase in wages without any

increase in the price of the things they had to buy. That was a direct bid for everyone who was working to demand and go on demanding higher wages until employers paid at least a 20-percent increase or complied with Reuther's demand for a 30-percent increase.

It was, too, encouragement for employees whose demands were not met to go on strike, and this without any knowledge as to whether the employers could or could not pay such an increase and continue to provide jobs.

When General Motors employees went on strike, what happened? Note the following, which point to some of the methods of coercion and intimidation used by the administration in behalf of its political allies, the UAW-CIO and the PAC.

When the employees of General Motors went on strike, one of the first things that happened was the filing of a charge of unfair labor practices by the National Labor Relations Board against General Motors.

That was one—just one—of the methods used by the administration of informing General Motors that it had better comply with the demands of Walter Reuther, who never gave jobs, who never employed any large group of men.

The cost in time and money to General Motors in defending itself against these charges is no small item. When the time of management should have been devoted to reconversion, to negotiations looking toward the settlement of the labor dispute, the National Labor Relations Board—the persecution arm of the administration—compels it to attend hearings.

Then we were told through the press that the Justice Department was going to prosecute General Motors and some other companies because of a claimed violation of the antitrust laws. That was the second blow from the side, or behind, whichever you want to take it. Just another way of putting the screws to General Motors; just another way of applying the heat; just another way of depressing the stock market; just another step looking toward the wrecking of General Motors.

Was that investigation, the threatened prosecution, inspired by financial interests wishing to beat down the value of General Motors stock; acquiring a controlling interest? Or was it inspired by the "Reds," the communists, who would like to see an end to the private enterprise system?

Did the inspiration for these procedures against General Motors come from the British Labor Government, from Stalin, both of whom say that capitalism and private enterprise are on the way out?

But that was not all.

Then there came another threat. What was it? We were told through the press that, if General Motors did not settle this strike and give in to the demands of Mr. Reuther, and do it without delay, all their material on hand would be taken away from them and given to others.

When the administration made that threat, did it contemplate robbing General Motors of its supplies and giving those supplies to Kaiser?

Sometimes I wonder just who is back of Kaiser; just what financial interests are backing him and whether it would profit them if General Motors—Kaiser's competitor in the days to come, if General Motors can live through this persecution—would be put out of business.

The Federal Government has no right to take that material and the Justice Department knows it. But that was another threat; a little more intimidation—coercion. That is what it is.

Nor is that all. You remember the pictures in the press where, when these wage demands were being considered, they were talking about a fact-finding board. You remember the picture of Mr. Murray, head of the CIO, coming out of the White House arm in arm with Mr. Kaiser—both of them having received the President's blessing for the settlement made.

Why should not Kaiser and Murray, co-allies of the administration on the political front, make that kind of an agreement?

Let me tell you why Kaiser and Phil Murray were able to get together on wages.

General Motors, Ford, Chrysler, and the other motor companies who have been in business have their present and future prices fixed on the prices for which they sold cars over a base period in 1942. Under OPA rules, their prices are held down, but no such rule is applied to the products of Mr. Kaiser. Kaiser has no background, so along comes the OPA and gives Kaiser the price he wants.

General Motors and Kaiser's competitors must sell their products at a price fixed on what they paid for labor and materials in 1941 or 1942, but OPA, in giving Kaiser a price, bases that price upon what he pays now for both labor and material.

If the administration knows of any other way to favor Kaiser, to hurt General Motors, I cannot at the moment think of it.

Then, to help Kaiser out, the Government leases him Willow Run, or sells it to him, I do not know which, for a nominal sum, and does the same with certain aluminum plants, and that gives him another "in"—another advantage.

Oh, yes; that is a slick scheme this administration has on hand, this little conspiracy, if you want to call it that—the facts indicate that—between the Administration and its political allies in the CIO and the PAC—just a trading of dollars—of a market—in return for votes.

"We will fix General Motors," say the wreckers. "We will break General Motors," say those who want to see the end of private enterprise. In the days to come, what happened to General Motors, if Reuther has his way, may be held up as a horrible example of what happens to anyone who opposes the demands of a labor leader.

Then there is another angle which shows that Reuther and his policies are of no real benefit to the men who work.

Every other—no, not every other—almost every other motor company which has been involved in a strike has had the strike settled. A dozen or more strikes have been settled, but not the Reuther-inspired strike. Why? Because Reuther is a gentleman who, when he and his brother went to Russia, wrote back to the home folks, "Work for a Soviet America." That is what he is trying to establish in Detroit.

What does Reuther care for the wives, for the children, of the men he has called out on strike? He is living in comfort. What does he care about the veterans who want jobs? He did not enlist. He was deferred, although he had neither chick nor child at the time, on the ground of dependency. He was deferred, even though his wife, employed as his secretary, was paid a thousand dollars a year. He was deferred because, it was said, he would promote good labor relations between the union and the employer.

Has Reuther objectives other than increased wages, better working conditions, the settlement of the strike? Is one of those objectives the presidency of the UAW-CIO? Is the ruining of General Motors another? The sad part of it is that, if he succeeds and some little group in New York gets control of General Motors and they cannot make it operate at a profit, the men who are in his union will be out of jobs.

Those workers who followed the lead of Walter Reuther have today, although their every increase be granted, lost more than the additional amount which they can earn at the increased wage, even though they are steadily employed, in the next 5 years.

Our sympathy should go out to those employees who have been misled by Reuther. Let them remember that Ford and Chrysler and Briggs and a half dozen other companies negotiating with other labor leaders not bent upon the attainment of some personal political advantage, not inspired by animosity against General Motors or its management, have settled their strikes, and their employees are either back at work or shortly, as soon as the plants can be opened, will be back at work.

More than a million employees who were on strike have, through their union representatives, obtained adjustments of their grievances, which gave them substantial advantages. But Reuther—Walter Reuther—who received a part of his education in Russia; who adheres quite closely to the communistic party line, led General Motors employees into a strike which has cost them millions of dollars in wages which can never be recovered.

And the administration has indulged in a campaign of coercion and intimidation which would be a disgrace to the government of any civilized nation.

Mr. LUDLOW. Mr. Chairman, I move that debate on this section and all amendments thereto do now close.

The motion was agreed to

The Clerk concluded the reading of the bill.

Mr. LUDLOW. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair,

Mr. SIKES, Chairman of the Committe of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5671) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

Mr. LUDLOW. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day.

The Clerk will call the first individual bill on the Private Calendar.

IDA F. BRAUN ET AL.

The Clerk called the bill (H. R. 1782) for the relief of Ida F. Braun, Alice Braun Menges, and Carl J. Braun, individually and as executors of the estate of Hedwig W. Braun, deceased, and as legatees and beneficiaries of the will of Hedwig W. Braun, deceased, and as the sole parties in interest by succession under the last will and testament of Hedwig W. Braun, deceased, and under the last will and testament of Herman W. Braun, deceased.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

MEMPHIS PARK COMMISSION

The Clerk called the bill (S. 176) for the relief of the city of Memphis, Tenn., and Memphis Park Commission.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any funds in the Treasury not otherwise appropriated, to the city of Memphis, Tenn., and the Memphis Park Commission, the sum of $45,000, in full settlement of all claims against the Government of the United States for compensation for damages sustained by said city and its park commission on account of the destruction of the building known as the Woman's Building and its fixtures and equipment located in the fair grounds of said city by fire on January 19, 1943, occasioned by the negligence of agents and representatives of the United States Army, who, at the time, were in possession and control of said building, together with a large portion of the Memphis Fair Grounds and improvements thereon, for use exclusively for the purpose of a military reservation under lease thereof by the city of Memphis to the United States, wherein, in effect, the United States agreed that it would restore the leased premises to the same condition as that existing at the time of entering upon the same in the event of the damage or destruction thereof occasioned by the negligence of the lessee: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES HAROLD NESBITT

The Clerk called the bill (H. R. 2843) for the relief of the legal guardian of James Harold Nesbitt, a minor.

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

VIRGE McCLURE

The Clerk called the bill (H. R. 1269) for the relief of Virge McClure.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Virge McClure, of Canton, N. C., the sum of $1,000, as full compensation for hospitalization and medical care, growing out of an injury received by said Virge McClure, who at the time was a member of local draft board No. 2, Haywood County, N. C., of the Selective Service System, and who was attacked and seriously injured by a registrant of said board, because of the classification which had been given him by the said Virge McClure and other members of such board.

With the following committee amendment:

Page 1, line 6, strike out all after "$1,000" down to and including line 4 on page 2, and insert "in full settlement of all claims against the United States for personal injuries, medical and hospital expenses sustained as the result of an attack by a registrant of local draft board No. 2, Haywood County, N. C., of the Selective Service System, on May 12, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OWEN YOUNG

The Clerk called the bill (H. R. 3525) for the relief of Owen Young.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Owen Young, of 8 Westervelt Avenue, Tenafly, N. J., the sum of $1,000, in full settlement of all claims against the United States for personal injuries sustained on July 11, 1941, when he was struck by a vehicle of the United States Engineer Department, of the New York district, in New York City, N. Y.

With the following committee amendments:

Page 1, line 7, strike out "$1,000" and insert "$350."

Page 2, line 1, insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOWARD FRANCIS WALDRON

The Clerk called the bill (S. 976) for the relief of the estate of Howard Francis Waldron.

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

KILPATRICK BROS. CO.

The Clerk called the bill (H. R. 3985) for the relief of Kilpatrick Bros. Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Kilpatrick Bros. Co., a Nebraska corporation, having its principal office at Beatrice, Nebr., owning and operating a grazing range in Sioux County, Nebr., the sum of $2,851.09, in full satisfaction of its claims against the United States for compensation for property damage sustained by it as a result of range fires caused in the year 1943 by training operations of the United States Army Air Forces in Sioux County, Nebr. Acceptance of the benefits hereby provided shall not be regarded as covering damages sustained by said Kilpatrick Bros. Co. as a result of range fires caused in the year 1944 and subsequent years by training operations of the United States Army Air Forces, at or in connection with the Sioux County Bomber Range in Sioux County, Nebr. Such claims now existing and such claims as may hereafter arise in favor of said Kilpatrick Bros. Co. shall in nowise be prejudiced by this act: *Provided*, That no part of the amounts appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

On page 1, line 8, strike out "$2,851.09" and insert "$2,044.09."

Line 9, strike out "its" and insert "all."

Page 2, after "Nebraska", strike out the balance of the line down to and including the word "act" on line 11.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CALVERT DISTILLING CO.

The Clerk called the bill (H. R. 4208) for the relief of the Calvert Distilling Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That (1) anything in its capital-stock tax return for the year ending June 30, 1945, to the contrary, the declared value of the capital stock of the Calvert Distilling Co., of 405 Lexington Avenue, New York 17, N. Y., for the year ended June 30, 1945, shall be deemed to be $120,000,000 for the purpose of determining its liability under chapter 6 of the Internal Revenue Code for the year ending June 30, 1945; and (2) for the purpose of determining its liability under section 600 of the Internal Revenue Code for its fiscal year ending July 31, 1945, and for all other purposes where the declared value of its capital stock as determined under chapter 6 of the Internal Revenue Code is relevant.

SEC. 2. The provisions of section 1 shall apply only if said the Calvert Distilling Co., within 30 days after the date of the enactment of this act, files with the collector of internal revenue for its district an amended capital-stock tax return for the year ending June 30, 1945, reflecting a declared value for its capital-stock tax of $120,000,000 and pays the tax shown thereon.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN SEFERIAN

The Clerk called the bill (H. R. 216) for the relief of John Seferian and Laura Seferian.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John Seferian, Methuen, Mass., the sum of $2,000, and to Laura Seferian, wife of John Seferian, Methuen, Mass., the sum of $5,000. The payment of such sums shall be in full settlement of all claims of John Seferian and Laura Seferian on account of personal injuries sustained by Laura Seferian and damage to personal property owned by John Seferian, caused by a collision of the automobile of John Seferian, in which his wife, Laura Seferian, was seated, with a United States Army truck on Highway Route No. 110, Methuen, Mass., on March 1, 1944.

With the following committee amendments:

On page 1, line 6, strike out "$2,000" and insert "$325." On line 7, strike out after the word "of" the balance of the line down to and including line 5 on page 2, and insert "$1,401, in full settlement of all claims against the United States for property damage, personal injuries, medical and hospital expenses sustained as the result of a collision between the car in which they were riding and a United States Army truck on Highway No. 110, Methuen, Mass., on March 1, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN BELL

The Clerk called the bill (H. R. 1235) for the relief of John Bell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John Bell, Los Angeles, Calif., the sum of $1,989.88. The payment of such sum shall be in full settlement of all claims of the said John Bell against the United States for personal injuries and total disability therefrom sustained on March 20, 1944, when he was struck by a large box which fell on him from a Government truck at the Eight Hundred and Twenty-second Army Air Force Specialized Depot, Maywood, Calif.

With the following committee amendments:

On page 1, line 6, strike out "$1,989.88" and insert "$1,200."

On line 8, strike out "and total disability therefrom" and insert "medical expenses, and loss of earnings."

Page 2, line 1, strike out "Government" and insert "United States Army."

Line 3, insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MILDRED NEIFFER

The Clerk called the bill (H. R. 1759) for the relief of Mildred Neiffer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mildred Neiffer, Wilmington, Del., the sum of $895. Such sum represents the aggregate amount of money orders purchased in favor of the said Mildred Neiffer on August 5, 1942, aboard the U. S. S. *George F. Elliott*, by her brother, Pfc Elmer P. Neiffer, United States Marine Corps, and lost, together with all records thereof, as the result of enemy action.

With the following committee amendments:

Page 1, line 6, after the figure strike out the balance of the line and insert: "in full settlement of all claims against the United States for the value."

Page 2, line 3, after the word "action", insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLYDE ROWND, DELLA ROWND, AND BENJAMIN C. DAY

The Clerk called the bill (H. R. 2904) for the relief of Clyde Rownd, Della Rownd, and Benjamin C. Day.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Clyde Rownd, San Bernardino, Calif., the sum of $205.89; to Della Rownd, San Bernardino, Calif., the sum of $212.52; and to Benjamin C. Day, San Bernardino, Calif., the sum of $137.78. The payment of such sums shall be in full settlement of all claims against the United States for wages lost (1) by the said Clyde Rownd and Della Rownd on account of personal injuries sustained by them, and (2) by the said Benjamin C. Day in order to take care of his wife, Ethel Maude Day, because of personal injuries sustained by her, in a collision at the intersection of Sierra Way and Fifth Street, San Bernardino, Calif., on October 26, 1944, between a car in which such injured persons were riding and a United States Army truck driven by an Italian prisoner of war: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 7, strike out "$212.52" and insert "$204.12."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MR. AND MRS. CIPRIANO VASQUEZ

The Clerk called the bill (H. R. 3433) for the relief of Mr. and Mrs. Cipriano Vasquez.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money

in the Treasury not otherwise appropriated, to Mr. and Mrs. Cipriano Vasquez, of San Francisco, Calif., the sum of $1,900, in full settlement of claims against the United States for damage to their private residence on January 25, 1945, as a result of the driver of a crane losing control of the vehicle and swerving to the right crashing into the residence of Mr. and Mrs. Vasquez: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be demed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 9, after the word "of", strike out the balance of line 9, all of line 10, and the first two words on line 1, page 2, and insert "an accident involving a United States Navy vehicle in San Francisco, Calif."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. CLIFFORD W. PREVATT

The Clerk called the bill (H. R. 3948) for the relief of Mrs. Clifford W. Prevatt.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Clifford W. Prevatt, Hampton, Fla., the sum of $121.19. The payment of such sum shall be in full settlement of all claims of the said Mrs. Clifford W. Prevatt against the United States on account of personal injuries sustained on November 26, 1943, as the result of a collision in vicinity of Camp Blanding, Clay-Bradford Counties, Fla., involving the automobile in which she was a passenger and a United States Army truck.

With the following committee amendment:

Page 2, line 3, insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF ELEANOR DORIS BARRETT

The Clerk called the bill (H. R. 4115) for the relief of the estate of Eleanor Doris Barrett.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legally qualified representative of the estate of Eleanor Doris Barrett, deceased, of Murfreesboro, Tenn., the sum of $10,000. The payment of said sum shall be in addition to any sums paid for hospital, medical, and burial expenses for said deceased, and shall be in full settlement of all claims against the United States on account of the injury and death of said deceased. The said Eleanor Doris Barrett, a girl 9 years of age, was struck and killed by an Army jeep, on the public highway between Walter Hill and Lascassas, in Rutherford, County, Tenn., during Army maneuvers, on July 15, 1943, and she died from said injuries July 16, 1943.

With the following committee amendment:

Page 1, line 7, after the word "of" strike out the balance of line 7, all of lines 8, 9, and 10, down to and including the figure "1943" in line 6 on page 2, and insert "$3,319.25 in full settlement of all claims against the United States on account of the injury and death of said decedent and the medical, hospital, and burial expenses incident thereto, as a result of her having been struck by an Army vehicle near Lascassas, Tenn., on July 15, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAYER G. HANSEN

The Clerk called the bill (H. R. 4174) for the relief of Mayer G. Hansen.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mayer G. Hansen, Minneapolis, Minn., the sum of $3,783.88, Such sum represents (1) the actual cost of the said Mayer G. Hansen of household goods and personal effects shipped in June 1941 from Manila, P. I., to Los Angeles, Calif., and held in a United States customs bonded warehouse in Los Angeles until December 17, 1942, when they were sold at public auction as unclaimed merchandise by the collector of customs; less (2) the sum of $461.16, the surplus proceeds of such sale paid to the said Mayer G. Hansen. The said Mayer G. Hansen was unable to claim such personal property or to communicate with persons in the United States because he and his wife were held as prisoners by the Japanese from January 5, 1942, until February 3, 1945. The payment of such sum shall be in full settlement of all claims against the United States arising from the sale of such personal property: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOE F. RADA AND BESSIE RADA

The Clerk called the bill (H. R. 4401) for the relief of Joe F. Rada and Bessie Rada.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Joe F. Rada and his wife, Bessie Rada, of Ennis, Tex., the sum of $198.18, for personal injuries sustained by them and damages to their automobile in a collision, occasioned by the negligent driving and operation of a United States Army automobile on Highway 34, near Ennis, Tex., on January 9, 1945, and in full satisfaction of all claims against the United States Government arising therefrom: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CITY OF SAN DIEGO, TEX.

The Clerk called the bill (H. R. 4418) for the relief of the city of San Diego, Tex.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the city of San Diego, Tex., or its duly authorized agents, the sum of $14,958.35, in full settlement of all claims against the Government for the destruction of the water tank, tower, electric fire siren, and frame garage when said city property was demolished by a plane piloted by a Navy flier on the 17th day of July 1945.

With the following committee amendments:

Page 1, line 7, strike out "$14,958.35" and insert "$13,439.45."

Page 1, line 8, strike out the word "Government" and insert "United States."

Page 2, line 1, strike out the figure "17th" and insert "11th."

Page 2, line 1, after the figure "1945:", insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALBERT R. PERKINS

The Clerk called the bill (H. R. 4647) for the relief of Albert R. Perkins.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Albert R. Perkins, Houston, Tex., the sum of $156.75. Such sum represents the amount which was collected by the Office of Price Administration from the landlord of the said Albert R. Perkins as excessive rent charged the said Albert R. Perkins for the period December 23, 1943, to August 28, 1944, and which, instead of being paid to the said Albert R. Perkins, was deposited in the Treasury of the United States.

With the following committee amendment:

Page 2, line 2, after the words "United States", insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RICHARD C. WARD

The Clerk called the bill (H. R. 4693) for the relief of Richard C. Ward.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Richard C. Ward, the sum of $10,000, in full settlement of all claims against the Government for injuries sustained by him when struck by a Navy truck on February 12, 1945, at the naval air technical training center, Ward Island, Corpus Christi, Tex.

With the following committee amendments:

Page 1, line 6, insert "of Corpus Christi, Tex.".

Page 1, line 6, strike out "$10,000" and insert "$3,000."

Page 1, line 7, strike out the word "Government" and insert "United States."

Page 1, line 10, after the word "Texas:" insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CAROLINE M. NEWMARK AND MELVILLE MORITZ

The Clerk called the bill (H. R. 4712) for the relief of Caroline M. Newmark and Melville Moritz.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, to Caroline M. Newmark and Melville Moritz, out of any money in the Treasury not otherwise appropriated, the sum of $5,000, in full settlement of all claims against the United States for the death of their father, Commander Albert Moritz, United States Navy, retired, who died as the result of injuries sustained in a fall at the Brooklyn Naval Hospital, Brooklyn, N. Y., on January 15, 1941: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to, or received by, any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

W. E. NOAH

The Clerk called the bill (H. R. 1262) for the relief of W. E. Noah.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to W. E. Noah, of Sweetwater, Tex., the sum of $5,000, in full settlement of all claims against the United States for personal injuries sustained on January 21, 1942, when he was struck by a United States Army truck in the town of Alpine, Tex.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$5,000" and insert "$1,500."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HERMAN FEINBERG

The Clerk called the bill (H. R. 1352) for the relief of Herman Feinberg.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Herman Feinberg, Los Angeles, Calif., the sum of $99.67. Such sum represents compensation for services rendered the National Youth Administration during the period December 16, 1942, to January 11, 1943, after the expiration of a temporary appointment and prior to the time a permanent appointment was made effective. Services were rendered by the said Herman Feinberg to the National Youth Administration during the whole of such period, and he did not receive compensation therefor because of an error on the part of the appointing officer in not making the permanent appointment effective at the expiration of the temporary appointment.

With the following committee amendments:

Page 1, line 6, after the figures "99.67", strike out ". Such sum represents compensation" and insert in lieu thereof "in full settlement of all claims against the United States."

At the end of bill add ": *Provided*, That no part of the amount appropriated in this act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEE HARRISON

The Clerk called the bill (H. R. 2156) for the relief of Lee Harrison.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lee Harrison, a resident of the Treasury of Alaska, the sum of $327.75, in full settlement of all claims against the Government of the United States for injuries sustained by his wife, Mrs. Annie Harrison, now deceased, on September 23, 1941, on Glenn Highway, near Palmer, Alaska, while a passenger in a United States Army vehicle: *Provided*, That no part of the amount appropriated in this act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "the Treasury of" and insert "Moose Creek."

Page 1, line 7, strike out $327.75" and insert "$315.75."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third

time, and passed, and a motion to reconsider was laid on the table.

MR. AND MRS. GRANT LOGAN

The Clerk called the bill (H. R. 2331) for the relief of Mr. and Mrs. Grant Logan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mr. and Mrs. Grant Logan, residents of the Territory of Alaska, the sum of $5,310.85, in full settlement of all claims against the Government of the United States for injuries sustained on January 14, 1943, at Juneau, Alaska, in a collision of the school bus of the Office of Indian Affairs and the car owned by Mr. and Mrs. Grant Logan: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, strike out "Mr. and."

Page 1, line 6, strike out "residents" and insert "resident."

Page 1, line 6, strike out "the Territory of" and insert "Juneau."

Page 1, line 7, strike out "$5,310.85" and insert "$4,185.98."

Page 1, line 8, after the word "injuries", insert ", loss of earnings, medical and hospital expenses."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Mrs. Grant Logan."

A motion to reconsider was laid on the table.

CHARLES A. MARLIN ET AL.

The Clerk called the bill (H. R. 2750) for the relief of Charles A. Marlin, Andrew J. Perlik, and Albert N. James.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to credit the accounts of Charles A. Marlin, Andrew J. Perlik, and Albert N. James, post-office clerks in the Oakland station post office, Pittsburgh, Pa., and they are hereby relieved from any liability to refund or pay to the United States the sum of $2,578.97, such sum being money-order funds lost in a burglary of the Oakland station, on March 15, 1944. The sureties on the bonds of said claimants are released from any liability on account of such shortage.

With the following committee amendments:

Line 4, after the words "accounts of" strike out the remainder of the bill and insert "Stephen A. Bodkin, postmaster at Pittsburgh, Pa., and to relieve Charles A. Marlin, Andrew J. Perlik, and Albert N. James, post-office clerks in the Oakland station post office, Pittsburgh, Pa., from any liability to refund or pay to the United States the sum of $2,578.97, such sum being money-order funds lost in a burglary of the Oakland station, on March 15, 1944."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Stephen A. Bodkin, Charles A. Marlin, Andrew J. Perlik, and Albert N. James."

A motion to reconsider was laid on the table.

MRS. FRANK MITCHELL AND J. L. PRICE

The Clerk called the bill (H. R. 2885) for the relief of Mrs. Frank Mitchell and J. L. Price.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Frank Mitchell, Swainsboro, Ga., the sum of $1,025, and to J. L. Price, Swainsboro, Ga., the sum of $1,750. The payment of such sums shall be in full settlement of all claims of the said Mrs. Frank Mitchell and J. L. Price against the United States for losses sustained as the result of the failure of the War Department to carry out its plans to use as a bombing range certain land owned by them in Emanuel County, Ga., which the War Department had taken possession of on May 15, 1942, under the terms of leases signed by the said Mrs. Frank Mitchell and J. L. Price as lessors, after requiring such lessors to remove all buildings, fences, and other obstructions. On September 11, 1942, the leases for such property were returned to the lessors, unsigned by any representative of the United States, with the information that the War Department had decided to abandon the bombing range: *Provided*, That no part of either amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with the claim settled by payment of such amount, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "$1,025" and insert "$500."

Page 1, line 7, strike out "$1,750" and insert "$450."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STANDARD DREDGING CORP.

The Clerk called the bill (H. R. 3065) for the relief of the Standard Dredging Corp.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc. That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Standard Dredging Corp., of New York, N. Y., the sum of $633,470.07 Such sum represents the actual loss incurred by the said Standard Dredging Corp. in the performance of a subcontract approved by the Navy Department and dated October 22, 1941, by and between the said Standard Dredging Corp. and the Arundel Corp., Consolidated Engineering Co., Inc., and Hardaway Contracting Co., all of Baltimore, Md., joint venturers and prime contractors under a cost-plus-a-fixed-fee contract with the Navy Department (contract NOy-3680 and subsequent changes and supplemental agreements thereto) for the construction of certain public works in Puerto Rico and other locations in the West Indies, under which subcontract the said Standard Dredging Corp. agreed, at a unit price of 35 cents per cubic yard, to do certain hydraulic dredging, filling, and dike construction in connection with the construction of the United States Naval Base, Roosevelt Roads, P. R. The payment of such sums shall be in full settlement of all claims against the prime contractors or the United States arising from the performance of such subcontract.

With the following committee amendments:

Page 1, line 6, strike out "$633,470.07" and insert in lieu thereof "$622,217.84."

At the end of bill add: *"Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NELLIE P. DUNN

The Clerk called the bill (H. R. 3076) for the relief of Nellie P. Dunn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Nellie P. Dunn, of Richmond, Va., the sum of $1,507.88, of income tax erroneously collected for the taxable year of 1940: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, after the word "to", insert "the estate of."

Page 1, line 6, strike out "the same being a refund" and insert in lieu thereof "in full settlement of all claims against the United States for the refund."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of the estate of Nellie P. Dunn, deceased."

A motion to reconsider was laid on the table.

LEGAL GUARDIAN OF ROLLAND LEE FRANK, A MINOR

The Clerk called the bill (H. R. 3100) for the relief of the legal guardian of Rolland Lee Frank, a minor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal guardian of Rolland Lee Frank, a minor, San Gabriel, Calif., the sum of $10,000. The payment of such sum shall be in full settlement of all claims against the United States on account of personal injuries sustained by the said Rolland Lee Frank on July 13, 1943, when the automobile in which he was a passenger was in collision with a United States Army truck on United States Highway No. 101, near Pacific and La Jolla Junction, San Diego County, Calif.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, after the sign "$", strike out the bill down to the word "*: Provided*" in line 3, page 2, and insert in lieu thereof "2,691.94 in full settlement of all claims against the United States for personal injuries and loss of earnings sustained and medical and hospital expenses incurred by him as the result of an accident which occurred on United States Highway No. 101, near La Jolla, Calif., on July 13, 1943, involving a United States Army vehicle."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MATTIE LEE WRIGHT

The Clerk called the bill (H. R. 3217) for the relief of Mattie Lee Wright.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mattie Lee Wright, Pensacola, Fla., the sum of $10,000. The payment of such sum shall be in full settlement of all claims of the said Mattie Lee Wright against the United States on account of personal injuries sustained on December 9, 1944, when she was struck by one of two vehicles owned by the United States Army as a result of the collision of such vehicles at an intersection in Pensacola, Fla.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$10,000" and insert "$3,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELISABETH JONES HANSEL

The Clerk called the bill (H. R. 3355) for the relief of Elisabeth Jones Hansel.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Elisabeth Jones Hansel the sum of $6,000, in full satisfaction of all claims against the United States for compensation for the death and burial expenses of her husband, Rev. Mathew Ernest Hansel, as a result of his being struck by a motortruck owned by the General Accounting Office and driven by one Clarence L. Hodge, an employee of the said General Accounting Office, the said accident having occurred at the intersection of Eighteenth Street and Massachusetts Avenue NW., in the city of Washington, D. C., on the evening of October 3, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$6,000" and insert "$5,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LAWRENCE PORTLAND CEMENT CO.

The Clerk called the bill (H. R. 3391) for the relief of Lawrence Portland Cement Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $24,355.06, to Lawrence Portland Cement Co., of Thomaston, Maine, in full settlement of all claims against the United States for reimbursement of transportation cost in excess of normal rates of transportation prevailing prior to January 1, 1942, on coal received on and after May 18, 1942, to June 1, 1944, in and around New York Harbor area and in New England, which period was not included in the regulations of the Office of Price Administration on bituminous coal from district No. 3 in northern West Virginia: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MISS RUTH LOIS CUMMINGS

The Clerk called the bill (H. R. 3480) for the relief of Miss Ruth Lois Cummings.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,075.53, to Miss Ruth Lois Cummings, of Paterson, N. J., in full settlement of all claims against the United States for the death and transportation expenses of Walter William Cummings sustained as the result of an accident involving a United States Army airplane, on August 2, 1943, in Charlevoix, Mich.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF BOB CLARK

The Clerk called the bill (H. R. 4210) for the relief of the estate of Bob Clark.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Bob Clark, deceased, late of Hopkins County, Ky., the sum of $10,000. The payment of such sum shall be in full settlement of all claims against the United States on account of the death of the said Bob Clark as a result of a collision, on May 8, 1944, on United States Highway No. 41, near Nortonville, Ky., between the wagon in which he was riding and a vehicle in the service of the Army of the United States: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike out the words "late of" and all of lines 6 to 10, inclusive, and lines 1 and 2 on page 2, and insert "the sum of $5,000; to the estate of George D. Croft, deceased, late of Hopkins County, Ky., the sum of $5,000, in full settlement of all claims against the United States for their deaths sustained as a result of a collision on May 8, 1944, on United States Highway No. 41, near Nortonville, Ky., between the wagon in which they are riding and a United States Army vehicle."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of the estate of Bob Clark and the estate of George D. Croft."

A motion to reconsider was laid on the table.

NOLAN V. CURRY

The Clerk called the bill (H. R. 4400) for the relief of Nolan V. Curry, individually, and as legal guardian for his minor son, Hershel Dean Curry.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Nolan V. Curry, of Hillsboro, Tex., the sum of $500, for hospital and medical bills incurred, and loss of earnings of his minor son, Hershel Dean Curry, occasioned by personal injuries to said Hershel Dean Curry, resulting from the negligent operation of a Government-owned and operated automobile which struck the car in which said Hershel Dean Curry was a passenger in Fort Worth, Tex., on June 21, 1945; and to the said Nolan V. Curry, as legal guardian of his minor son, Hershel Dean Curry, for personal injuries inflicted upon the said Hershel Dean Curry, as a result of said accident, the sum of $1,000; said sums to be in full satisfaction of all claims against the United States Government arising in favor of the said Nolan V. Curry and his minor son, Hershel Dean Curry, by reason of said accident: *Provided*, That no part of the amounts appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "$500" and insert "$344.25."

Page 2, line 1, strike out "Government owned and operated" and insert "United States Army."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JEROME DOVE

The Clerk called the bill (H. R. 4609) for the relief of Jerome Dove.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jerome Dove, Florence County, S. C., the sum of $2,000. The payment of such sum shall be in full settlement of all claims against the United States on account of personal injuries and doctors' bills sustained by the said Jerome Dove who was shot with a .45 caliber automatic pistol while on his premises attending to his own business, by Pvt. William P. Norman, Squadron D, Florence Army Air Field, Florence, S. C.

With the following committee amendment:

Page 1, line 6, strike out "$2,000. The payment of such sum", lines 7 to 10, inclusive, and lines 1, 2, and 3 on page 2 and insert "$1,200, in full settlement of all claims against the United States for personal injuries, loss of earnings, pain and suffering and physical disability sustained by him as the result of being accidentally shot with a .45 caliber pistol while on his premises, by Pvt. Williard P. Norman, Squadron D, Florence Army Air Field, Florence, S. C., on or about April 3, 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RAYMOND P. GUIDOBONI

The Clerk called the bill (H. R. 4801) for the relief of Raymond P. Guidoboni.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to Raymond P. Guidoboni, of Boston, Mass., in full settlement of all claims against the United States for personal injuries, hospital and medical expenses, and loss of earnings sustained as the result of being struck by a United States post-office truck on Cambridge Street, East Cambridge, Mass., on May 3, 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike out "$10,000" and insert "$1,189.50."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RAE GLAUBER

The Clerk called the bill (H. R. 2217) for the relief of Rae Glauber.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby authorized and directed to pay, out of the money in the Treasury not otherwise appropriated, the sum of $5,000, to Rae Glauber who was injured as a result of being struck by a Government-owned truck of the United States Post Office Department in New York City, N. Y., on November 15, 1944. The payment of this sum will be in full settlement of all claims against the Government of the United States.

With the following committee amendment:

Page 1, line 5, strike out "$5,000", all of lines 6 to 10, inclusive, and line 1 on page 2 and insert "$3,500 to Rae Glauber, of Brooklyn, N. Y., in full settlement of all claims against the United States for personal injuries sustained as a result of being struck by a United States post-office truck in New York City, N. Y., on November 15, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. RUBY MILLER

The Clerk called the bill (H. R. 3161) for the relief of Mrs. Ruby Miller.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Ruby Miller, of Los Angeles, Calif., the sum of $5,000. The payment of such sum shall be in full settlement of all claims of the said Mrs. Ruby Miller against the United States for personal injuries, and total disability therefrom, sustained on August 11, 1944, when she was struck by a United States post-office vehicle at Alameda and Bauchet Streets, Los Angeles, Calif.

With the following committee amendments:

Page 1, line 8, strike out "and total disability therefrom", and insert "hospital and medical expenses, and loss of earnings."

Page 2, line 2, after "California", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE LASSILA

The Clerk called the bill (H. R. 3185) for the relief of George Lassila.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to George Lassila,

Ironwood, Mich., the sum of $5,000. The payment of such sum shall be in full settlement of all claims of the said George Lassila against the United States on account of the loss of his wife, Senia Lassila, who died on June 20, 1941, from physical conditions initiated or aggravated by a severe shock sustained on June 18, 1941, and caused by a blast of dynamite set off near her home by an employee of the Work Projects Administration.

With the following committee amendment:

Page 1, line 5, after the word "to", strike out the remainder of the bill and insert "the estate of Senia Lassila, deceased, of Ironwood, Mich., in full settlement of all claims against the United States for her death sustained as the result of blasting by the Work Projects Administration near her home on Vander-Hagen Road, Ironwood, Mich., on June 18, 1941: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

Mr. SPRINGER. Mr. Speaker, I offer an amendment:

The Clerk read as follows:

Amendment offered by Mr. SPRINGER: After the word "appropriated" and the comma thereafter, in line 5, page 1, insert "the sum of $5,000."

The amendment to the committee amendment was agreed to.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of the estate of Senia Lassila, deceased."

A motion to reconsider was laid on the table.

HERBERT W. ROGERS

The Clerk called the bill (H. R. 3400) for the relief of Herbert W. Rogers.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Herbert W. Rogers, of New London, Conn., the sum of $1,000 in full settlement of all claims against the United States for reimbursement of money misplaced or stolen at his window in the New London post office on December 23, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GERTRUDE McGILL

The Clerk called the bill (H. R. 3823) for the relief of Gertrude McGill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Gertrude McGill, of Fayetteville, Cumberland County, N. C., the sum of $5,000. The payment of such sum shall be in full settlement of all claims of the said Gertrude McGill against the United States on account of personal injuries sustained as a result of being struck by an Army vehicle at the corner of Robeson and Elm Streets in the city of Fayetteville, N. C., on June 24, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid for delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AHTO WALTER ET AL.

The Clerk called the bill (H. R. 3967) for the relief of Ahto Walter, Lucy Walter, and Teddy Walter.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent that this bill be recommitted to the Committee on Claims for further consideration.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

BENJAMIN KEIZER

The Clerk called the bill (H. R. 4803) for the relief of Benjamin Keizer.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SPRINGER and Mr. DOLLIVER objected, and, under the rule, the bill was recommitted to the Committee on Claims.

VETERANS' ADMINISTRATION EMPLOYEES

The Clerk called the bill (H. R. 4884) to relieve certain employees of the Veterans' Administration from financial liability for certain overpayments and allow such credit therefor as is necessary in the accounts of Guy F. Allen, chief disbursing officer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the employees responsible for the excess or erroneous payments represented by the sums herein stated be, and they are hereby, relieved of financial liability therefor and the Comptroller General is authorized and directed to allow credit in the settlement of the accounts of Guy F. Allen, chief disbursing officer, Treasury Department, in such amounts not exceeding the sums stated herein, which have been or hereafter may be disallowed, as may be necessary to relieve such disbursing officer of financial liability therefor: *Provided*, That this act shall not be construed to bar recovery of the amounts herein specified from the persons to whom and through whom such amounts have been paid:

First: C. W. Bailey, certifying officer at Veterans' Administration, Washington, D. C., in the sum of $50.88, which amount was expended in October 1942, under symbol 11559.

Second: S. F. Cooper, certifying officer at Veterans' Administration, Washington, D. C., in the sum of $30, which amount was expended in August 1943, under symbol 11561.

Third: M. L. Stoddard, certifying officer at Veterans' Administration facility, Togus, Maine, in the sum of $21, which amount was expended in March and April 1943, under symbol 11565.

Fourth: N. Jeffrey, certifying officer at Veterans' Administration facility, Brecksville, Ohio, in the sum of $22.62, which amount was expended in July 1942, under symbol 11568.

Fifth: Eugene H. Dibble, certifying officer at Veterans' Administration facility, Tuskegee, Ala., in the sum of $17.12, which amount was expended in June 1942, under symbol 11569.

Sixth: F. A. Cleveland, certifying officer at Veterans' Administration facility, Wood, Wis., in the sum of $40.53, which amount was expended in May 1942, under symbol 11571.

Seventh: J. G. Taliaferro, certifying officer at Veterans' Administration facility, Wood, Wis., in the sum of $43.42, which amount was expended in June 1942, under symbol 11571.

Eighth: Chas. N. Pearsall, certifying officer at Veterans' Administration facility, Wadsworth, Kans., in the sum of $60.88, which amount was expended during the period July 1, 1942, through September 30, 1942, under symbol 11573.

Ninth: Eugene A. Hiller, certifying officer at Veterans' Administration facility, Biloxi, Miss., in the sum of $10.65, which amount was expended in September 1942, under symbol 11576.

Tenth: Paul I. Carter, certifying officer at Veterans' Administration facility, Portland, Oreg., in the sum of $37.35, which amount was expended during the period July 1, 1942, through December 31, 1942, under symbol 11584.

Eleventh: I. R. Wagner, certifying officer at Veterans' Administration facility, Oteen, N. C., in the sum of $10.31, which amount was expended in May 1942, under symbol 11591.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HERBERT C. ROCKWELL

The Clerk called the bill (H. R. 4948) for the relief of Herbert C. Rockwell.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. BARDEN. Mr. Speaker, I ask unanimous consent to substitute Senate bill 1367, an identical bill, for the House bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Herbert C. Rockwell, of Washington, Pa., the sum of $158.05, in full settlement of all claims against the United States for property damage sustained on August 10, 1944, when a vehicle belonging to the Federal Bureau of Investigation rolled

away from its parking place on a downgrade street and collided with the automobile of Herbert C. Rockwell which was parked in front of 416½ North Main Street, Washington, Pa.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

AUTHORIZING APPOINTMENT OF PERMANENT BRIGADIER GENERALS

The Clerk called the bill (S. 1532) to authorize the appointment of certain persons as permanent brigadier generals of the line of the Regular Army.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding any other provision of law, the President, by and with the advice and consent of the Senate, is authorized to appoint as permanent brigadier generals of the line of the Regular Army the following persons: Hoyt S. Vandenberg, presently serving in the temporary grade of lieutenant general in the Army of the United States; James H. Doolittle, presently serving in the temporary grade of lieutenant general in the Army of the United States; Raymond S. McLain, presently serving in the temporary grade of lieutenant general in the Army of the United States; Curtis E. LeMay, presently serving in the temporary grade of major general in the Army of the United States; and Lauris Norstad, presently serving in the temporary grade of major general in the Army of the United States.

SEC. 2. Any persons appointed pursuant to the provisions of the first section of this act shall be counted for the purposes of provisions of law establishing the authorized number of brigadier generals of the line of the Regular Army.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JIMMY MARTIN

The Clerk called the bill (H. R. 2509) for the relief of the legal guardian of Jimmy Martin, a minor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal guardian of Jimmy Martin, a minor, of route 3, Murfreesboro, Rutherford County, Tenn., the sum of $10,000, in full satisfaction and payment of all claims against the United States on account of personal injuries received by the said Jimmy Martin. The said Jimmy Martin was severely and permanently injured, on March 25, 1944, by the explosion of a rifle cartridge which was being used by the United States soldiers while on maneuvers in the vicinity, which injury necessitated the removal of his left eye.

With the following committee amendment:

Page 1, line 5, after the word "of", strike out the remainder of the bill and insert "James Irving Martin, a minor, of route 3, Murfreesboro, Tenn., the sum of $3,000, in full settlement of all claims against the United States on account of personal injuries sustained by the said James Irving Martin on or about March 25, 1944, when he was injured by the explosion of a rifle cartridge which had been left in the vicinity of his home by soldiers of the United States Army while on maneuvers, which injuries necessitated the removal of the left eye of said minor: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of the legal guardian of James Irving Martin, a minor."

A motion to reconsider was laid on the table.

JOHN DOSHIM

The Clerk called the bill (H. R. 2682) for the relief of John Doshim.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John Doshim, of New York City, N. Y., the sum of $3,000, in full settlement of all claims against the United States for the refund of a bond on appeal posted for Hom Gwock Hong, an alien, same being forfeited on November 10, 1938, when he failed to appear pursuant to an order to surrender for deportation: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$3,000" and insert "$2,900."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEGAL GUARDIAN OF WILMA SUE WOODS AND OTHERS

The Clerk called the bill (H. R. 2848) for the relief of Wilma Sue Woods, Patsy Woods, Raymond E. Hilliard, and Thomas E. Hilliard, minors.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $7,500 to the legal guardian of Wilma Sue Woods; to pay the sum of $7,500 to the legal guardian of Patsy Woods; to pay the sum of $7,500 to the legal guardian of Raymond E. Hilliard; to pay the sum of $12,500 to the legal guardian of Thomas E. Hilliard, all of Charleston, Ark., in full settlement of all claims against the United States for personal injuries, medical, and hospital expenses sustained as the result of the explosion of a rifle grenade carried from the range at Camp Chaffee, Ark., on December 16, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, strike out "$7,500" and insert "$5,000."

Line 7, strike out "$7,500" and insert "$6,000."

Line 8, strike out "$7,500" and insert "$6,000."

Line 9, strike out "$12,500" and insert "$7,500."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KAY BETH BEDNAR

The Clerk called the bill (H. R. 3365) for the relief of Kay Beth Bednar.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $10,550 to the legal guardian of Kay Beth Bednar, of Oklahoma City, Okla., in full settlement of all claims against the United States for the deaths of her father, Louis J. Bednar, and mother, Mrs. Frances J. Bednar, sustained as a result of an accident involving a United States Army truck on United States Highway No. 80, near Tornillo Cotton Oil Mill Building, Tornillo, Tex., on April 14, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike out "$10,550" and insert "$12,123.68."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADDIE PRUITT

The Clerk called the bill (H. R. 3591) for the relief of Addie Pruitt.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Addie Pruitt, Houston, Tex., the sum of $5,000. The payment of such sum shall be in full settlement of all claims of the said Addie Pruitt, not previously settled, against the United States on account of injuries sustained by her on December 25, 1944, on Dowling Street, Houston, Tex., when she was struck by a vehicle in the service of the Army of the United States. No part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "$5,000" and insert "$1,500."

Line 7, strike out "of the said Addie Pruitt, not previously settled,".

Line 9, strike out "1944" and insert "1942."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LT. SAMUEL ADAMS LYNDE, UNITED STATES NAVY

The Clerk called the bill (H. R. 3846) for the relief of Lt. Samuel Adams Lynde, United States Navy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lt. Samuel Adams Lynde, United States Navy, of Winnetka, Ill., the sum of $15,000. Payment of such sum shall be in full settlement of all claims of the said Lt. Samuel Adams Lynde against the United States on account of the death of his wife, Eleanor Wilson Lynde, and expenses incident thereto, as a result of a collision on May 3, 1945, involving the automobile in which she was a passenger and a United States Navy truck at the intersection of Queen Street and Scimmino Road, located within the limits of the United States naval training and distribution center, Camp Peary, Williamsburg, Va.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike out "Lt. Samuel Adams Lynde, United States Navy," and insert "the estate of Eleanor Wilson Lynde, deceased, late."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 1, line 7, strike out "$15,000" and insert "$7,500."

Mr. DOLLIVER. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLLIVER to the committee amendment: Strike out "$7,500" and insert "$5,000."

The amendment to the committee amendment was agreed to.

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendments: Page 1, line 9, strike out "of the said Lt. Samuel Adams Lynde."

Page 2, line 1, strike out "his wife."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of the estate of Eleanor Wilson Lynde, deceased."

A motion to reconsider was laid on the table.

SOUTHERN CALIFORNIA EDISON CO., LTD.

The Clerk called the bill (H. R. 4270) for the relief of Southern California Edison Co., Ltd.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Southern California Edison Co., Ltd., a corporation organized under the laws of the State of California, the sum of $1,628.30, in full settlement of all claims against the United States arising out of or in connection with damage caused to an electric transmission line owned by Southern California Edison Co., Ltd., by a United States Navy airplane, model F3A-1, Bureau No. 04634, coming in contact with said transmission line at a point along Cajon Highway near Keenbrook, Calif., on July 21, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EVA D. CHAMPLIN AND OTHERS

The Clerk called the bill (H. R. 4414) for the relief of Eva D. Champlin, Robert H. Howell, Emily Howell, and Stella Ward.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Eva D. Champlin, the sum of $17,385.90; to Robert H. Howell, the sum of $7,734; to Emily Howell, the sum of $1,674.39; and to Stella Ward, the sum of $10,839.75, in full satisfaction of their claims against the United States for compensation for damages resulting from injuries sustained by them while riding in an automobile which was struck by an automobile owned by the United States Government on Route No. 15 between the cities of Elmira, N. Y., and Rochester, N. Y., on March 15, 1944: *Provided*, That no part of the amounts appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amounts appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claims, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "$17,385.90" and insert "$3,500."

Page 1, line 7, strike out "$7,734" and insert "$2,000."

Line 8, strike out "$1,674.39" and insert "$100."

Line 8, strike out "$10,839.75" and insert "$3,500."

Line 9, strike out "their" and insert "all."

Page 2, line 1, strike out "compensation for damages resulting from injuries" and insert "personal injuries."

Line 3, strike out "an automobile owned by the United States Government" and insert "a United States Army vehicle."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LILLIAN JACOBS

The Clerk called the bill (H. R. 4537) for the relief of Lillian Jacobs.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,005 to Lillian Jacobs, of Elberon, N. J. The payment of such sum shall be in full settlement of all claims against the United States on account of personal injuries and loss of earnings sustained when the car driven by Mrs. Jacobs was involved in a collision with an Army carry-all in Elberon, Monmouth County, N. J., on April 1, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARGARET LEE

The Clerk called the bill (H. R. 4607) for the relief of Margaret Lee.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized

and directed to pay, out of any money in the Treasury not otherwise appropriated, to Margaret Lee, of Hempstead, Long Island, N. Y., the sum of $180, in full settlement of all claims against the United States for damages to her automobile in an accident involving an Army vehicle, occurring in Hempstead, N. Y., on August 26, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, after "$180", insert "and to pay the sum of $62 to Mike Sopko, of Hempstead, N. Y."

Line 9, after "for", insert "property."

Line 9, strike out "to her automobile."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Margaret Lee and Mike Sopko."

A motion to reconsider was laid on the table.

LT. GEN. WALTER B. SMITH

The Clerk called the bill (H. R. 5529) to authorize the President to appoint Lt. Gen. Walter B. Smith to the office of Ambassador to Russia, without affecting his military status and perquisites.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions of section 1222 of the Revised Statutes (U. S. C., title 10, sec. 576), the provisions of section 1223 of the Revised Statutes (U. S. C., title 10, sec. 577), or any other provisions of law, or any rules or regulations issued thereunder, the President, acting by and with the advice and consent of the Senate, is authorized to appoint Lt. Gen. Walter B. Smith, a general officer in the Army of the United States, as Ambassador Extraordinary and Plenipotentiary to the Union of Soviet Socialist Republics and Lieutenant General Smith's appointment to, acceptance of, and service as such Ambassador Extraordinary and Plenipotentiary shall in no way affect any status, office, rank, or grade he may occupy or hold in the Army of the United States or any component thereof, or any emolument, perquisite, right, privilege, eligibility for promotion, or benefit incident to or arising out of any such status, office, rank, or grade: *Provided*, That so long as he remains Ambassador Extraordinary and Plenipotentiary to the Union of Soviet Socialist Republics Lieutenant General Smith shall retain the rank and grade of lieutenant general which he now holds in the Army of the United States, but during such time shall receive the salary and allowances of Ambassador Extraordinary and Plenipotentiary to the Union of Soviet Socialist Republics, payable from appropriations made by law for the Department of State, in lieu of his military pay and allowances.

SEC. 2. In the performance of his duties as such Ambassador Extraordinary and Plenipotentiary, Lieutenant General Smith shall be subject to no supervision, control, restriction, or prohibition (military or otherwise) other than would be operative with respect to him if he were in no way connected with the War Department, the Military Establishment, or the Army of the United States, or any component thereof.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to authorize the President to appoint Lt. Gen. Walter B. Smith as Ambassador to the Union of Soviet Socialist Republics, without affecting his military status and perquisites."

A motion to reconsider was laid on the table.

FORT DOUGLAS MILITARY RESERVATION

The Clerk called the bill (S. 1535) to authorize the Secretary of War to convey certain lands situated within the Fort Douglas Military Reservation to the Shriners' Hospitals for Crippled Children.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is authorized and directed to convey under such terms and conditions as he may prescribe to the Shriners' Hospitals for Crippled Children, a Colorado corporation, all right, title, and interest of the United States in and to seven and eight thousand eight hundred and fifty-four ten-thousands acres of land, more or less situated within the Fort Douglas Military Reservation, Utah.

SEC. 2. The lands conveyed pursuant to the provisions of the first section of this act shall be used by the grantee as a location for a hospital for crippled children; and the deed of conveyance of such lands shall contain the express condition that if the grantee shall fail or cease to use such lands for such purposes, or shall alienate or attempt to alienate such lands, title thereto shall revert to the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BERNICE B. COOPER

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent that the bill (H. R. 988) for the relief of Bernice B. Cooper, junior clerk-typist, Weatherford, Tex., rural rehabilitation office, Farm Security Administration, Department of Agriculture, which was objected to on March 6, 1945, be restored to the private calendar, and I ask for its immediate consideration.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That Bernice B. Cooper, junior clerk-typist, Farm Security Administration, Department of Agriculture, Weatherford, Tex., is hereby released from any and all liability on account of the loss of funds in the amount of $300, together with interest due thereon from date of loss, representing public funds for which she is accountable and which were stolen from her custody in the county rural rehabilitation office, Weatherford, Tex., on February 13, 1942, and the Comptroller General of the United States, and the War Food Administrator, are hereby authorized and directed to remove from their records the debt against the said Bernice B. Cooper in the amount of $300, plus interest due thereon.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELECTION COMMITTEE

Mr. DINGELL. Mr. Speaker, I offer a resolution (H. Res. 542) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That ARTHUR G. KLEIN, of the State of New York, be and he is hereby elected a member of the standing committee of the House of Representatives on Immigration and Naturalization.

The resolution was agreed to.

CALL OF THE HOUSE

Mr. PATMAN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 40]

Andrews, N. Y.	Gardner	Murphy
Baldwin, N. Y.	Gearhart	Norrell
Beall	Gossett	Norton
Bland	Gwinn, N. Y.	Peterson, Ga.
Bonner	Hale	Phillips
Boykin	Harness, Ind.	Powell
Brumbaugh	Henry	Rains
Buck	Herter	Randolph
Byrne, N. Y.	Holmes, Mass.	Reece, Tenn.
Cannon, Fla.	Hope	Rivers
Cannon, Mo.	Jackson	Robinson, Utah
Case, S. Dak.	Jarman	Schwabe, Mo.
Chapman	Kelley, Pa.	Sharp
Clark	Keogh	Sheridan
Cole, Kans.	Kilburn	Starkey
Curley	Knutson	Stigler
Daughton, Va.	LaFollette	Sumners, Tex.
Dawson	Landis	Thom
Domengeaux	McConnell	Voorhis, Calif.
Eaton	McGregor	Wolfenden, Pa.
Fellows	McKenzie	
Fisher	Morrison	

The SPEAKER pro tempore (Mr. SIKES). On this roll call 366 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

HOUSING STABILIZATION

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 4761, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 12, line 14, strike out "707" and insert "706."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 12, line 15, strike out "a housing unit" and insert "any housing accommodations."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 12, line 17, strike out "ceiling price which shall be applicable" and insert "maximum sales price applicable to such sale."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 12, line 19, after the period insert "It shall be unlawful for any person to violate the terms of any regulation or order issued under the provisions of this title."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 12, line 25, after the comma, insert "as to rights or liabilities incurred or offenses committed prior to such termination date."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 13, line 5, strike out "708" and insert "707."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 13, line 16, strike out "709" and insert "708."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 13, line 19, strike out "707" and insert "706."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 13, line 23, strike out "Administrator" and insert "Director."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 14, line 1, after "order", insert "may be granted and if granted."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 14, line 4, strike out "704" and insert "706."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 14, line 6, strike out "document" and insert "record."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 14, line 15, strike out "707" and insert "706."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 14, line 17, strike out "the" and insert "this."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 15, line 17, strike out "Administrator" and insert "Director."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committtee amendment.

The Clerk read as follows:

Committee amendment: Page 15, after line 19, insert the following:

"SEC. 709. As used in this title—

"(a) The term 'maximum sales price' means the maximum price for which any housing accommodations may be sold and includes the total consideration which may be paid by the buyer for the housing accommodations with accompanying land and improvements, excluding only those incidental charges, such as brokerage fees or commissions or charges, which buyers or sellers of housing accommodations customarily assume in the community where the accommodations are located and which actually have been incurred for services rendered at the buyer's or seller's request.

"(b) The term 'person' includes an individual, corporation, partnership, association, or any other organized group of any of the foregoing, or legal successor or representative of any of the foregoing.

"(c) The term 'district court' means any district court of the United States, and the United States court for any Territory or other place subject to the jurisdiction of the United States."

Mr. HINSHAW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, while I do not propose to offer an amendment to this section, I think we ought to take a good close look at it. The term "maximum sales price" means the maximum price for which any housing accommodations may be sold and includes the total consideration which may be paid by the buyer for the housing accommodations, and so forth. I brought before the House a case the other day in which a veteran who is at the same time a builder made an estimate of the cost of building a certain property which he was going to build for sale in the hope a veteran would purchase the property. His estimate of the bare cost of the land and building was $8,200. He made applications for priorities and was informed that he would be issued a priority providing his maximum sales price would be $7,800. It is perfectly silly to think any builder of any size, kind, or description, is going to build a home which he estimates will cost $8,200 or any other figure, not including any possible brokerage or profit to himself, and sell it for less than his own estimated cost without any profit to himself. If that is the way this bill is going to operate, you will not get any housing whatsoever built by any builder in the United States unless he stands sufficiently in favor with the Director or the Administrator or the local officer to give him a price at which he can come out with enough to cover his cost of production together with possible brokerage and what little profit there may be to himself to compensate him for his work and his risk. That is the reason this bill is not a satisfactory bill. It is not for the purpose of providing veterans housing, but is for the purpose of providing some kind of housing machinery by which the Administrator can operate for the benefit of whomever he chooses to favor in the matter of priorities.

Mr. IZAC. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from California.

Mr. IZAC. About what is the limit a veteran can afford to pay for a home today?

Mr. HINSHAW. It depends on the veteran. Some of them can only pay $2,000, and some of them can probably pay very much more. That is one fallacy that we must look into rather carefully because all veterans are not necessarily interested in the lowest cost housing, although I am sure that the large majority of them will be. That does not mean that there should be any limit to the cost of the housing that may be approved. Many a veteran who was taken into the service in this war is upward of 30 years of age and many have large families. He may be more or less a successful mechanic or businessman and have a decent income. If the limit of cost is fixed at a low figure then a veteran with a larger than average family will be precluded from benefit under this bill.

Mr. IZAC. The gentleman recognizes, however, that the average veteran, and I may add that the gentleman was a veteran in the other war and he knows, that the average veteran can never pay for a home that costs more than about $6,000.

Mr. HINSHAW. With the average veteran, that is probably true; but that does not say that all of them want $6,000 houses.

Mr. IZAC. That is correct.

Mr. HINSHAW. Some may want a $2,000 house and some may want a $12,000 house, or more.

Mr. IZAC. But the fact remains if we are shy about 10,000,000 homes for the people of the United States, that is going to be increased by, say, half of the veterans of this war, which means another 8,000,000 buildings.

Mr. HINSHAW. I agree we will have to build all types of homes.

Mr. IZAC. Unless we can keep that price below $6,000, there will not be many veterans get homes.

Mr. HINSHAW. Does the gentleman want to know how to keep the price down?

Mr. IZAC. I want the gentleman to tell me how we can build homes for veterans.

Mr. HINSHAW. I will tell him. That is, for every man who is engaged in the building industry, from stem to stern, to do his utmost, without restriction on the amount and type of work he can turn out in 1 day, to work as hard as he can work to produce homes at the cheapest possible price. In that way the cost of building will be reduced.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. BARRY. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the only purpose of the pending amendment is to permit veterans, who bought newly built houses at a fixed price by the Housing Expediter, to sell that house and not have his brokerage fee, which ordinarily he would have to pay, included in the maximum price.

As the bill was brought to the committee, it was proposed that the veteran could not resell his home at a profit, that he would have to resell his home at the same price that he paid for it in the beginning.

The committee discussed the matter and realized that most resales compel the seller to pay approximately 5 percent commission. We did not want to have the veteran who paid six or seven thousand dollars for a home, on a resale to lose $300 or $350.

That is the only purpose of the amendment, and I hope the Committee will agree to it.

Mr. WOLCOTT. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I think it is very unfortunate that Mr. Wyatt took the attitude he did in the press of this morning, in which he predicated the success of his entire program upon one particular phase of the program. Of course, we all want to cooperate to the fullest practical extent with Mr. Wyatt in getting all the homes built which we can possibly build.

Of course, Mr. Wyatt should understand that the Congress of the United States has a responsibility separate and apart from his, and that it is our desire to cooperate with him. When he says that because of the action of the House yesterday afternoon the veterans should be a little angry, then he exhibits an inferiority complex which is not going to be healthy in his desire to acquire maximum production of homes.

Let us review what Mr. Wyatt can do if the substitute which will be offered, is adopted. He can, in consultation with labor, encourage apprentice training, which is one of the bottlenecks in getting the maximum amount of production of building materials. I understand he has made favorable progress in that particular in consultation with the American Federation of Labor. He can compel price adjustments to encourage the production of building materials. He can still submit to the Congress, through the President, a supplementary budget laying out a program for incentive payments, if and when he finds he cannot get adequate production in the building materials field by adjustment of prices and other means at his disposal.

In my opinion, the Congress, through the Appropriations Committee, will give consideration to it. We have not a program before us at the present time, we do not know how this $600,000,000 is going to be spent; and if Mr. Wyatt feels so keenly about that he should, of course, present a program to the Appropriations Committee by way of a supplemental budget estimate.

Mr. Wyatt can allocate building materials to secure adequate supplies for capacity production of low-cost housing. He has a certain amount of control over the price of the finished product because he can channel building materials into homes costing not to exceed a certain amount. He can follow that transaction right through until the final papers are executed and the delivery of the home actually passes to the veteran who is purchasing it.

So he controls completely allocation of materials and the price of the finished product.

Mr. Wyatt can and he should give preferences to veterans in the allocation of these materials.

Mr. Wyatt can control the amount of materials which he considers necessary for domestic use and is given the power to prevent the exportation of lumber if he deems such action is necessary in order to effectuate his program to get the maximum amount of material.

Mr. Wyatt can supervise the construction of $250,000,000 worth of housing if the Lanham Act is extended, and it is my understanding that the Lanham committee has already acted favorably upon that matter and we should have the Lanham bill before us in a very few days.

Mr. Wyatt by his leadership and counsel can aid materially in the development of a sound administrative policy in the wage-price field so that there will be a settlement of conflicts in the building-materials industry. If we can settle the strikes in the building-materials industry, according to the testimony given by Mr. Small this morning before the Committee on Banking and Currency, we shall have settled a large part of the problem of production.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOLCOTT. Mr. Small, in his testimony before the Committee on Banking and Currency this morning said:

> Our country stands today at an extremely critical juncture. The public welfare and future prosperity of the Nation depend upon, first, prompt settlement of the strikes; second, prompt resumption and expansion of production; and, third, avoidance of additional major work stoppages.

Why are we not getting lumber today? Because of failure to develop a sound or workable policy on wages and prices. It seems to me that by the adoption of the substitute we will have given him, with the Lanham bill, and perhaps the rapid tax amortization features—but that is a matter we should not pass upon until it is presented to us by the Ways and Means Committee—but Mr. Wyatt will have adequate authority, and if the authority is judiciously used it could be made a great force for the acquisition of sufficient materials to allow the industry to produce to capacity. Industry wants to produce. It cannot make money, it cannot make profits, unless it does produce. If we do not hamstring private enterprise by regimentation through controls and regulations, then we can be assured that private industry is going to do just as great a job in the housing field as it did in respect of the production of munitions of war in the field of war production.

Mr. SPENCE. Mr. Chairman, I wonder if we cannot reach an agreement as to time on this amendment?

I ask unanimous consent that all debate on this amendment and all amendments thereto conclude in 25 minutes, the last 5 to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. DE LACY].

Mr. DE LACY. Mr. Chairman, I have followed the comments of the able gentleman from Michigan [Mr. WOLCOTT] in reference to the statement of Mr. Wyatt. Apparently Mr. Wyatt's statement has sunk home, apparently his justified observations on the lack of action in this Hall have begun to cause some perturbation among those who voted solidly against one of the chief provisions of this bill yesterday.

It is all very well to say that we should leave this matter of housing the American people to private enterprise. But the outstanding fact about American housing is that private industry, which has enjoyed this field of activity for all the years the Nation has existed, has never succeeded in satisfactorily housing the American people. The press has carried a shocking article telling how in the District of Columbia, which houses this great American Capitol in which we hold our deliberations, the housing is so shockingly bad that a rat came into the bedroom and into the crib of a little child, a little boy 32-months old, and bit off three of his fingers and his nose.

Yesterday the distinguished gentlewoman from Massachusetts [Mrs. ROGERS] called the attention of the House to that horrifying incident.

The gentlewoman urged that rat extermination campaigns be undertaken to prevent such tragic things from happening.

Now, that is all right as far as it goes. But as long as inaction on the housing front continues to condemn a large part of our people to living in dilapidated, run-down, insanitary dwellings, we shall have an abundance of rats and other vermin.

Let people have decent houses to live in—houses that can be kept free from refuse and filth in which rats thrive—and we shall do more to get rid of rats than by well-intentioned, but sporadic rat-extermination campaigns.

The newspaper story cited by the gentlewoman is eloquent testimony of the need for the kind of housing program which the Members of her party joined so solidly in voting down on the very same day that she made her remarks.

The shocking point is that this boasted system of building homes by private enterprise has not prevented some of the worst housing in the Nation, right here in the District of Columbia. Yet yesterday Members of the gentleman's party stood up solidly to defeat a measure, not to hamstring private industry, but to overcome the restrictions and deficiencies which the private housing construction industry has demonstrated, a measure to subsidize the production at a profit of building materials that we need.

We simply are not going to get material to begin 3,000,000 homes within 2 years through the ordinary channels of production. That is why the administration comes before us with a measure, not to cut out the profit system but to guarantee profits in the building industry, to make the profit incentive work for the production of materials with which to build two and one-half times the number of homes ever before built in America in any 1 year.

Yet the gentleman says that premium payments will hamstring housing production.

Without encouraging the production of building materials by premium payments, what will clearly happen is that the Government will be compelled to raise materials' prices. That, in fact, is what is being demanded by the powerful lobby, the Producers' Council, and others, so persistently throwing its weight around the Capitol.

Some Members have objected to the revelation of this lobby's activity by our distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK.] But the most brilliant confirmation his charges could have is the resignation of the Crane Co. from the Producers' Council in objection to the Council's present legislative activities.

I suppose a Member may say that subsidies to producers hamstring private building construction, but the very purpose of such subsidies is to make it possible for private enterprise at last to begin the housing job on which for 100 years it has so conspicuously failed the American people.

We are short over 10,000,000 homes. We are trying to build some of the homes most needed now under the Wyatt program.

I think it is about time that we get some action. If this shocking story of a rat eating off the nose and fingers of a baby does not prod us on to a sense of our duty, then I do not know what will.

The CHAIRMAN. The time of the gentleman from Washington has expired.

The Chair recognizes the gentleman from Iowa [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Chairman, day before yesterday I listened with a great deal of interest to a discussion of this bill over the radio by the gentleman from Texas [Mr. PATMAN], and the gentleman from California, [Mr. HINSHAW].

In this discussion the gentleman from Texas [Mr. PATMAN], stated that it is necessary to have this bill in order to prevent lumber from going into the building of race tracks, saloons, gambling halls, honky-tonks, swimming pools, and so forth. Later in the discussion the moderator—I believe his name was Lindley—asked if the administration did not now have the power under the War Powers Act to do the very thing that this bill would do. To this question the gentleman from California replied that the Government does have the power now. The gentleman from Texas agreed with that statement but added that because the War Powers Act would soon expire, there was no assurance it would be extended and it was, therefore, necessary to have the bill now before us enacted into law in order to get homes for veterans.

Mr. Chairman, I would like to ask any Member of the majority party this question: With the administration having had the power all along, having the power now, to channel building materials and lumber into the building of homes for veterans, why did it permit this lumber to be used to build race tracks, saloons, gambling halls, honky-tonks, and swimming pools? Why did it permit this lumber, 25 percent of the output, to be exported to foreign countries when it has been so badly needed by the veteran who fought for this country? And, Mr. Chairman, what assurance do we have if we enact this bill into law that the situation will be any different; that they will not continue to channel the lumber and the building material into the building of race tracks, saloons, honky-tonks, and gambling halls rather than channeling it into the building of homes for the benefit of the veterans? I will be very pleased to have somebody on the majority side answer that question.

Mr. PATMAN. I will attempt to answer that now, if the gentleman will yield.

Mr. CUNNINGHAM. I will be delighted to have the answer.

Mr. PATMAN. The administration was persuaded by reason of so many statements made on the floor of this House principally, I will say, by Members on the minority side, to remove L–41 October 15, and that prevented the channeling of materials. I think that was a serious mistake.

Mr. CUNNINGHAM. I thank the gentleman. He has answered my question. Now I want to ask the gentleman a further question: If the administration then did not have the backbone to look after the veteran will it have the backbone to look after the veteran today if we enact this bill into law?

Mr. PATMAN. I want to answer this question on the export of lumber. The gentleman made a misstatement about the export of lumber. We are importing three times as much lumber, and have for years, each year, than we export.

Mr. CUNNINGHAM. That does not excuse the exportation of lumber that the veterans need so badly.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. The administration put on L–41, did it not?

Mr. CUNNINGHAM. I understand that it did.

Mr. ROBSION of Kentucky. And the administration took it off, did it not?

Mr. CUNNINGHAM. I understand that it did.

Mr. ROBSION of Kentucky. Is there anything in the law now which would prevent them from putting L–41 back? I understand the change has been made.

Mr. CUNNINGHAM. No. If they are interested in the veteran, they can do it. They have all the laws they need. Let us quit kidding the veterans and give them something worth while.

Mr. SHAFER. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Michigan.

Mr. SHAFER. Would it not be well for the administration to take stock of how much lumber we have in storage in the various military camps of this country? I have it on very good authority that in my district there are some 400,000 lineal feet of plywood lying out there in storage at Fort Custer.

Mr. CUNNINGHAM. In my district the Army has been burning good lumber that would make excellent homes for the veterans or anyone else.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Mississippi.

Mr. RANKIN. The gentleman from Washington [Mr. DE LACY] said people in the city of Washington are so badly housed that the rats were eating them up. Well, if the people in Washington, D. C., are that poorly housed, I wonder if this bill is going to help protect them against the rats. Of course, that is about the most intelligent statement, I think, the gentleman from Washington has made since he has been in the House, but I doubt if the people of the District of Columbia will agree with it.

Mr. CUNNINGHAM. What kind of rats is the gentleman referring to?

Mr. RANKIN. As I say that is one of the most intelligent arguments he has yet made. He was evidently referring to rodents, and not to "com-rats."

But I am wondering how you are going to protect the people of the District of Columbia from the rats of any kind by passing a housing bill.

Mr. CUNNINGHAM. I cannot answer that.

Mr. ELLSWORTH. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Oregon.

Mr. ELLSWORTH. I would like to say with reference to the statement regarding L–41, it is true that the order was taken off, but the same authority failed to readjust the price of lumber, so that the same prices are now in effect as during the war.

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut [Mr. KOPPLEMAN].

Mr. KOPPLEMANN. Mr. Chairman, if the various abuses that have been complained about are true, then we have a measure before us that can do the job today. Attempting to make mountains out of molehills is not remedying the trouble about which some of you complain. We must not lose sight of the objectives of this bill. They are truly big. Let us go to work. We have before us a measure that will remedy in part, at least, what you have complained of.

I dislike to disagree with my good friend from Michigan, but he has a measure which is not a remedy by any stretch of the imagination. There is nothing in in his substitute which cannot be done under existing law today. All of the War Powers Acts are in force. The only new thing in his substitute is the extension of time for the War Powers Act and even that extension is provided in the bill we now have under consideration. In his substitute there is nothing that will make possible low-cost houses. There is nothing in his measure which will prevent inflation and the skyrocketing of prices on a grandiose scale. There is nothing in his substitute that will give homes to veterans at a price they can afford to pay. All of these considerations are essential if our goal is to be reached. That is what Mr. Wyatt is complaining about. He is right when he says the heart of the bill has been cut out.

If we are seriously interested in giving to the veterans homes at reasonable prices, if we believe that inflation is a menace, then we cannot accept the substitute of the gentleman from Michigan. We must adopt the bill that is before us. I hope there is still a way through the regular parliamentary procedure to restore price restrictions.

In conclusion, Mr. Chairman, I want to mention that not all real-estate dealers in America are greedy. One of the outstanding men in the real-estate business in my town, has sent me this telegram:

> Urge strong support of Wagner-Ellender bill and replacement of Patman clause establishing ceilings on residential resales. Speaking as a realtor, believe firm check must be placed on this inflation to prevent disaster.
>
> HENRY T. KNEELAND.

So you see there are some realtors who can see ahead, who can foresee destruction of their own business if inflation is permitted. The substitute for the bill that is before us is a delusion insofar as preventing inflation is concerned, and it certainly cannot give the veterans homes they can afford to buy.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. SHAFER].

Mr. SHAFER. Mr. Chairman, how sincere is this administration in its desire to provide temporary housing for veterans?

Just outside of my home city of Battle Creek, Mich., are 170 barracks buildings of the sectional type which could be well utilized but which are today standing vacant.

These buildings are located contiguous to the eastern boundary of the Kellogg Air Base which has been declared surplus by the War Department. Water from nearby Fort Custer serves the entire area which is almost circumscribed with a sanitary sewer line connected with the Battle Creek sewer system, and to the city's main sewage disposal plant. Electric power extends into the area and each building is wired for basic service. Every utility is immediately available within the area. Additions and extensions made necessary by conversion of the barracks buildings into temporary family living quarters could be accomplished at a very slight cost.

The 170 buildings in this cantonment lend themselves to quick and immediate conversion into from 500 to 600 temporary living units, if supplies and materials could be released or made available. There is absolutely no lack whatsoever in builders or finances in this community. Positively the only thing needed to immediately correct our critical housing shortage is a Government policy of cooperation and encouragement instead of the apparent philosophy of red tape, bungling, and deliberate interference with the normal procedure of private initiative and enterprise and the innate desire to do things by and for ourselves.

We have in Battle Creek a prime example and result of Government-created shortages. Remove these and we will get our veterans, their wives, and their children off the streets and into decent homes where they belong. We will do it in a hurry ourselves. Excellent schools are close by and there is also bus service.

The Government has spent $40,000 on electrical distribution services in this area, $63,000 on sewers, $10,000 on water, $6,000 on meter installations, and $2,000 on an outlet sewer.

Battle Creek's housing problem could have been solved weeks, yes, months ago, had local city officials, realtors, and builders received the requested cooperation of Government agencies. They sought the release of these buildings for temporary housing for veterans and their families, but the request was refused on the ridiculous grounds that they were but 30 feet apart whereas the bureaucrats believed they should be separated by 50 feet.

No one expected to make any money on the transaction. The plan called for extremely low rentals, merely enough to provide a few alterations and upkeep.

If Government agencies would use just a little common sense and give the green light to these well-meaning Battle Creek citizens to utilize existing facilities at Kellogg Air Base, our problem of temporary housing would be solved in a matter of days.

At this point the question might well be raised, If such are the conditions at the Kellogg Air Base, is it not reasonable to believe that similar conditions exist in every place in the United States where airfields and cantonments were built during the war which have since been inactivated? It seems to me almost criminal for the Government to withhold its cooperation with city officials and businessmen in such efforts to obtain temporary housing for our returned veterans and their families.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. RABIN].

Mr. RABIN. Mr. Chairman, I think it will serve no useful purpose to try now to fix the responsibility for the housing shortage. It certainly will not relieve the situation. I intend to vote for the Patman bill. Yesterday I voted for subsidies and I am sorry that that provision was not adopted by the committee. Under the Patman bill large powers are given to Mr. Wyatt. But to the extent that you give power you limit the power. It may shock some of you to hear me say that I had hoped a bill would come out giving even greater powers to the Expediter. We have the know how to relieve this housing shortage. With respect to raw materials, we have or can get the "what-with." I am afraid the public is beginning to doubt whether we have the "will-to." If we were at war at the present time and assuming that we could win a war merely by building houses, how long do you think it would take to relieve this housing shortage?

Instead of our talking about it we would be building our way out of it. That is what we should do.

I admire the manner in which the Congress, on the occasion of the war emergency, gave full power to the President to produce materials needed for war, and factories that were needed in which to produce those materials Why should we not give the President the same power now? Why do we talk about limitation of power? Why do we express fear with respect to the giving of power at the present time?

Mr. BARRY. Will the gentleman yield?

Mr. RABIN. I yield.

Mr. BARRY. Is it not true that the housing situation is more acute now than it ever was during the war?

Mr. RABIN. There is no question about that.

Last December I introduced a bill which I think would give the President that power. I think it is broader than the Patman bill. However, I will support the Patman bill. But my bill would give the President the power to build houses wherever and whenever he thinks it is necessary to relieve the housing shortage. It does just that, giving him the right to condemn land, giving him the right to seize material, but giving to private industry the duty to do the building on a cost-plus basis, and instructing the President to sell those houses immediately after construction, so that this country will not be in the housing-management business. That will not affect private industry a bit. It would simply be lending the war powers of this Government to private industry for the purpose of relieving the housing shortage.

I do not think we should discuss further who is responsible for this shortage. Perhaps some day we should create another Pearl Harbor board of inquiry to determine that. I say, let us not worry about power. Let us give the Expediter all the power that is necessary, but let us start building houses at once to relieve the shortage. Let us show the pub-

lic that not only do we have the "know-how," and the "what-with," but, in addition, that we have the "will-to."

The CHAIRMAN. The gentleman from Kentucky [Mr. SPENCE] is recognized to close the debate.

Mr. SPENCE. Mr. Chairman, I do not care to use the 5 minutes allotted me. There are no controversial amendments, as I understand it, in the bill. At the conclusion of the bill there will be amendments offered.

I ask for a vote on the pending amendment.

The CHAIRMAN. The question is on the pending committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 16, line 16, insert "*Provided, however,* That so much of the First Deficiency Appropriation Act, 1946 (Public Law No. 269, 79th Cong., approved December 28, 1945), as reads '*Provided,* That none of the funds available under this head for administrative expenses shall be used in paying the salary of any person engaged in making or processing loans in excess of $500,000 to any State, any subdivision thereof, any municipality therein, or any public authority, for construction purposes, unless in pursuance of a specific authorization, except, however, that this provision shall not apply to any application or loan approved or made prior to December 15, 1945,' shall not apply to loans made for construction, removal, or remodeling of housing by publicly supported educational institutions where made for the purposes of housing veterans enrolled and attending such institutions."

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. PATMAN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Texas.

Mr. WOLCOTT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. I was given assurance that as soon as the bill was read and the committee amendments disposed of, I would be recognized to offer a substitute before any other amendments were offered. All committee amendments have been disposed of.

The CHAIRMAN. The last committee amendment has been disposed of.

Mr. WOLCOTT. Then, I desire recognition.

Mr. PATMAN. I understood I had been recognized to offer an amendment.

The CHAIRMAN. The gentleman from Michigan had not said a word to the Chair about it.

Mr. WOLCOTT. I was on my feet.

The CHAIRMAN. So was the gentleman from Texas. The gentleman from Texas had been recognized.

Mr. WOLCOTT. Is it not traditional that the opposition is recognized to offer substitutes in preference to the majority?

Mr. PATMAN. This is an amendment to the bill.

The CHAIRMAN. The gentleman will be recognized, but the chairman of the committee is entitled to first recognition.

Mr. WOLCOTT. The chairman of the committee is not asking for recognition.

The CHAIRMAN. I understand that the gentleman seated by the side of the chairman of the committee asked for recognition.

Mr. PATMAN. Acting for him.

Mr. WOLCOTT. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. Is the gentleman from Texas acting for the chairman of the committee in offering this amendment or acting in his individual capacity?

Mr. PATMAN. It has the support of the chairman of the committee.

The CHAIRMAN. The gentleman is recognized and offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: Page 11, line 11, insert a new section, section 712, as follows:

"SEC. 712. (a) Section 603 (a) of the National Housing Act, as amended, is hereby amended to read as follows:

"'(1) In order to assist in relieving the acute shortage of housing which now exists and to increase the supply of housing accommodations available to veterans of World War II at prices within their reasonable ability to pay, the Administrator is authorized, upon application by the mortgagee, to insure as hereinafter provided any mortgage which is eligible for insurance as hereinafter provided, and, upon such terms as the Administrator may prescribe, to make commitments for the insuring of such mortgages prior to the date of their execution or disbursement thereon: *Provided,* That the aggregate amount of principal obligations of all mortgages insured under this title shall not exceed $2,800,000,000 except that with the approval of the President such aggregate amount may be increased to not to exceed $3,800,000,000: *Provided further,* That no mortgage shall be insured under this title after June 30, 1947, except (A) pursuant to a commitment to insure issued on or before June 30, 1947, or (B) a mortgage given to refinance an existing mortgage insured under this title and which does not exceed the original principal amount and unexpired term of such existing mortgage: *And provided further,* That the Administrator shall, in his discretion, have power to require the availability for rental purposes of properties covered by mortgages insured under this title, in such instances and for such periods of time as he may prescribe.'

"(b) Section 603 (b) (2) of the National Housing Act, as amended, is hereby amended to read as follows:

"'(2) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Administrator shall approve) in an amount not to exceed 90 percent of the appraised value (as of the date the mortgage is accepted for insurance) of a property, urban, suburban, or rural, upon which there is located a dwelling designed principally for residential use for not more than four families in the aggregate, which is approved for mortgage insurance prior to the beginning of construction. The principal obligation of such mortgage shall in no event, however, exceed—

"'(A) $5,400 if such dwelling is designed for a single-family residence, or

"'(B) $7,500 if such dwelling is designed for a two-family residence, or

"'(C) $9,500 if such dwelling is designed for a three-family residence, or

"'(D) $12,000 if such dwelling is designed for a four-family residence:

Provided, That the Administrator may, if he finds that at any time or in any particular geographical area it is not feasible, within such limitations of maximum mortgage amounts, to construct dwellings without sacrifice of sound standards of construction, design, or liability, prescribe by regulation or otherwise higher maximum mortgage amounts not to exceed—

"'(A) $7,200 if such dwelling is designed for a single-family residence, or

"'(B) $10,800 if such dwelling is designed for a two-family residence, or

"'(C) $13,500 if such dwelling is designed for a three-family residence, or

"'(D) $16,200 if such dwelling is designed for a four-family residence.'

"(c) Section 603 (b) (5) of the National Housing Act, as amended, is hereby amended to read as follows:

"'(5) bear interest (exclusive of premium charges for insurance) at not to exceed 4 percent per annum on the amount of the principal obligation outstanding at any time.'

"(d) Section 603 (c) of the National Housing Act, as amended, is hereby amended (1) by striking out of the third sentence the word 'emergency' and inserting in lieu thereof the words 'shortage of housing', and (2) by striking out the last sentence thereof and inserting in lieu thereof the following sentence: 'The Administrator shall prescribe such procedures as in his judgment are necessary to secure to veterans of World War II, and their immediate families, and to hardship cases as defined by the Administrator, preference or priority of opportunity to purchase or rent properties covered by mortgages insured under this title.'

"(e) Section 608 (b) of the National Housing Act, as amended, is hereby amended (1) by amending paragraph No. (2) thereof to read as follows:

"'(2) Preference or priority of opportunity in the occupancy of the mortgaged property for veterans of World War II and their immediate families, and for hardship cases as defined by the Administrator, shall be provided under such regulations and procedures as may be prescribed by the Administrator'; and (2) by striking out '$1,350' and inserting in lieu thereof '$1,500'.

"(f) Section 608 (c) of the National Housing Act, as amended, is hereby amended by inserting in the third sentence before the semicolon at the end of clause '(C)' the following: 'and any mortgage insurance premiums paid after default'."

TITLE VI OF NATIONAL HOUSING ACT

Mr. PATMAN. Mr. Chairman, this is title VI of the National Housing Act that is offered as an amendment to this bill to insert a new section after 711 in the bill, this section 712, which will be title VI of the National Housing Act. This is the title that allowed so many houses, encouraged so many houses, to be constructed during the war for the benefit of war workers and about the only change that is made in the language of this amendment is changing "preference for war workers" to "preference for veterans."

I have a letter from Mr. Foley, addressed to the gentleman from Kentucky, the Honorable BRENT SPENCE, chairman of our committee, that I would like to read, which explains the amendment:

NATIONAL HOUSING AGENCY,
FEDERAL HOUSING ADMINISTRATION,
Washington, D. C., March 4, 1946.

Hon. BRENT SPENCE,
House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN SPENCE: Title VI was added to the National Housing Act March 28, 1941, at which date the authorization for insurance was limited to $100,000,000. This

amount was increased from time to time, and with the amendment to the act of March 31, 1945, the authorization totaled $1,800,000,000. This insurance authorization provided for the construction of slightly over 410,000 dwelling units as of December 31, 1945, and at that date the unused authorization slightly exceeded $31,000,000.

Under section 603 of title VI, the section authorizing the insurance of mortgages on one- to four-family dwellings, slightly over 373,000 new one- to four-family dwelling units have been provided. At December 31, 1945, the FHA had acquired, after foreclosure by mortgagees, 5,102 properties (6,766 dwelling units). Of these, 2,484 units had been sold at that date at an estimated charge against the War Housing Insurance Fund of $274,510. Under section 608 of title VI, the rental-housing phase of the program, mortgages on 479 projects providing 37,000 new dwelling units had been insured as of December 31, 1945. Of these projects, one had been acquired and one mortgage note had been assigned to FHA under the terms of insurance. The acquired project and the mortgage note had been sold with no loss to the War Housing Insurance Fund.

I trust the above information on title VI will cover your requirements for information on title VI. If any further figures on title VI operations are needed I shall be glad to supply them by telephone.

Sincerely yours,

RAYMOND M. FOLEY,
Commissioner.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. This is the amendment that was sent to the Chairman, and we gave some consideration before adopting it. I do not think there was anybody on the committee against this particular amendment. The gentleman from Michigan [Mr. WOLCOTT] has an amendment pending, incorporating practically this language.

Mr. PATMAN. The gentleman is correct.

Mr. BROWN of Georgia. I do not think there will be a single vote against it. I think we are killing time to discuss this matter.

Mr. PATMAN. I will be just as brief as possible, I will say to the gentleman from Georgia.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from New York.

Mr. BARRY. Where the figure $7,200 appears in the amendment, it applies to a one-family house, but the total price that the house could be built thereunder would be $8,000.

Mr. PATMAN. That is right.

Mr. BARRY. Would that not make it very difficult for a house to be built in great metropolitan areas?

Mr. PATMAN. The committee considered that, I will say to the gentleman from New York, and there was not sufficient sentiment to change it. I know that the gentleman made a hard fight for a change, but the committee did not adopt it. This amendment, as read, was prepared at the instance and request of the chairman of the committee, the gentleman from Kentucky [Mr. SPENCE], and he had mimeographed copies of it and called the committee together and we discussed it, and I do not think there was any member of the committee against it, or at least, we did not hear of anybody against it. Sentiment seemed to favor it, although they did not adopt it.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. Of course, there were people against that amendment.

Mr. PATMAN. I did not hear them express themselves. Of course, we did not adopt it, I will say to the gentlewoman from Illinois, but I do not think there should be any opposition to it.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. I am wondering if I am correct. As I heard the reading of the amendment, the language is identical with part of the Wolcott bill, is it?

Mr. PATMAN. That is right. The Wolcott language was taken from the Spence language, and it is identical. We considered this amendment in the committee prior to the introduction of H. R. 5579 by the gentleman from Michigan [Mr. WOLCOTT].

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas.

There was no objection.

Mr. SADOWSKI. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I have only a minute.

Mr. SADOWSKI. I would like to ask a question. I would like to have the gentleman explain why title VI has been eliminated and is not being used at the present time.

Mr. PATMAN. The authorization is now reduced to only $31,000,000.

Mr. SADOWSKI. Is that the only reason?

Mr. PATMAN. Any way, this is desired by Mr. Wyatt, it is desired by the chairman of the committee, it is desired by everyone in connection with this housing program. In 1 minute I cannot discuss all of it, I will say, but during the war we had $1,800,000,000 for war workers and now we are asking for $1,000,000,000 to insure mortgages only for veterans of this war. That is all we are asking for, and I hope it will be done.

Mr. BARRY. Mr. Chairman, I offer an amendment to the pending amendment.

The Clerk read as follows:

Amendment offered by Mr. BARRY to the amendment offered by Mr. PATMAN: Page 10, line 16, strike out "$7,200" and insert "$8,100."

Mr. BARRY. Mr. Chairman, I concur with most people that a continuation of title VI is necessary. It was put into effect about 1942 and was responsible for the building of many homes for wartime workers during the war period. As I understand, it expires in June and it will be necessary for us to continue it with an additional appropriation.

This amendment is found in Mr. WOLCOTT's bill as well as the pending bill. The only thing I am attempting to do, by increasing the amount from $7,200 to $8,100, is to permit houses to be built in metropolitan areas like Chicago, New York, Philadelphia, Boston, Los Angeles, and so on, up to the amount of $9,000 and higher if the builder increases the down payment. As a matter of fact, most builders in my part of the country tell me it is almost impossible to build a house for less than $10,000. My amendment will permit insurance to be placed to the amount of $8,100, so that, if we find it necessary, houses under this amendment of title VI can be built up to the cost of $9,000.

The gentleman from Michigan [Mr. WOLCOTT] may argue that it actually places no ceiling in that anyone who wants to take out a mortgage for $7,200, by making a 20 percent or 30 percent down payment can still get a house for $9,000, but I contend that you will not get very many veterans of this war making down payments of 20 to 30 percent.

Mr. KOPPLEMANN. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield to the gentleman from Connecticut.

Mr. KOPPLEMANN. I am in favor of the gentleman's amendment, particularly because a builder in my district who builds from 30 to 40 homes a year came to my office and explained that some of these houses cannot be built at the minimum of $6,000. He desired an elasticity up to $10,000. The gentleman's amendment permits up to $9,000. I think it is very fair in the interest of those districts throughout the country where cellars are needed and central heating is needed. I hope the gentleman's amendment will be adopted.

Mr. BARRY. I thank the gentleman. This amendment can really do no harm. If it is discovered that we can build houses for less than $9,000 we will do it, but if it develops that we cannot build houses in the great metropolitan areas, especially, for less than $9,000, then you will actually bar those areas from any housing under title VI.

Mr. Chairman, I hope the committee will support this amendment.

Mr. GAMBLE. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield to the gentleman from New York.

Mr. GAMBLE. This bill is designed to construct homes for veterans throughout the country. What I fear is that if the gentleman's amendment is not adopted that there will not be any houses built for veterans in the metropolitan areas, including the district I represent. I hope the amendment is adopted.

Mr. BARRY. It restricts the house to an insurance of $7,200, which will permit a house of $8,000 to be built, which I am sure is too low for the metropolitan areas such as the one from which the gentleman from New York comes, to wit: Westchester County.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield to the gentleman from California.

Mr. HINSHAW. I concur with the gentleman in his inclusion of the Los

Angeles area, where the costs of building have gone up very materially during the war and bid fair to remain there. If there is not such a higher limitation, I doubt that many homes can be built except temporary homes.

Mr. BARRY. I am quite sure the gentleman is right.

Miss SUMNER of Illinois. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Texas [Mr. PATMAN].

Mr. Chairman, the trouble with this amendment is that it is not timely. As the housing situation eases, and it is bound to ease regardless of what the Government does because people are going to build houses by hook or crook regardless of OPA restrictions, there will not be such an inflated condition as at present. Mr. Fahey, head of the HOLC, testifying before the Committee on Banking and Currency, said the price level in general of houses at present is already dangerously high. He said it is already above the 1928 level. When you force $3,000,000,000 of extra money into the country, you simply increase the inflationary pressures which are raising the prices of houses, before you get a sufficient number of houses.

Mr. Fahey, on page 146, said:

> We have a very artificial situation in the country at present in the sale of houses. The competition between lenders for home mortgages is so hot that borrowers and brokers shop around for excessive loans to finance inflated sales. Brokers get commissions for bringing mortgages to some lending institutions, and in some sections that competition is such that payments of 1½ and even 2 percent to brokers, are quite common. When they have a prospective buyer for a piece of property they want to get as high a price as they can for it and want to get as high a mortgage as they can, and they shop around on it, and that results in a good deal of inflation of price.

It seems to me that we are doing a very great wrong when we in this way increase these pressures on the prices of houses that veterans are trying to buy with this money which would not enable them to get more houses. Besides, it means that the veteran is going to be buying a house of which he will subsequently have to take a loss. Today the most reliable realtors in the pressure spots where the shortages are great are saying to the veterans, "Just hang on to your precious savings a little while longer." The housing situation is bound to ease up. Let the suckers get into the market now. If you wait just a little bit longer, regardless of what the Government does, there will be more houses. If the Government will get the OPA off the necks of the producers and the builders, the situation will so ease that within 8 months you can really get your money's worth.

Mr. CRAWFORD. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, one of the questions I have been wrestling with ever since this bill came before our committee was that of being a party to a general movement on the part of the Federal Congress of inducing veterans to purchase in a market which is a seller's market and which in my opinion is too high. When the original title VI was enacted into law, we placed a $5,400 insurance authorization on a single-family residence; $7,500 on a two-family residence; $9,500 on a three-family residence; and $12,000 on a four-family residence. I think experience has proven that those insurance values were sound. In other words, a $5,400 insurance mortgage on a single-family residence is not high as a maximum. The gentleman from New York [Mr. BARRY] now proposes that we raise that $5,400 insurance authorization to $8,100 on a single-family residence, wherein you sell a house for $9,000 and insure it for 90 percent, which is $8,100. I can appreciate the difficulty that a person is up against who wants to build in New York City or in some other large metropolitan area. But, I repeat, I am wrestling in my mind with the proposition of being a party to insuring a deal which induces a veteran to go out and spend $9,000 for a single-family residence .

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. BARRY. This provision would only apply if the Administrator finds it impossible to insure a house for $5,400 or to build a house for $6,000.

Mr. CRAWFORD. I would not say "impossible" because the proviso on page 10 of the Wolcott bill states:

> *Provided*, That the Administrator may if he finds that at any time or in any particular geographical area it is not feasible within such limitations of maximum mortgage amounts to construct dwellings.

It is not feasible. Well, what is feasible in the minds of the administration? I do not know. I have seen so many things happen that are claimed to be feasible. But my greatest problem in connection with title VI is the raising of that figure from $5,400 on a single residence to $7,200, to say nothing about $8,100, because the average GI will not have sufficient income to pay for this house after he buys it.

I have grown up under the American enterprise system. I know what it is to work and save the first dollar. I know what it is to work and save the first hundred dollars, and the first thousand dollars. When a man starts out today and attempts to raise a family, under our present debt structure and tax burden, he has got to go some to pay for a $5,000 home, to say nothing about a $9,000 home. That is the big problem in my mind.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Miss SUMNER of Illinois. In 1928, some of us who were in New York kept saying, Why does the Government not say something to get these people out of the stock market who do not know anything about it, where they are bound to lose? Does not the gentleman think one of the best things Mr. Wyatt could do would be to say, "Hold your money in your pocket for a little while until we get a few more building materials"?

Mr. CRAWFORD. If I had sufficient confidence in the future buying power of the American dollar, then I would go along with the lady on that, but our fiscal policy is so damnable, so nearly approaches economic treason against our own people, by deficit spending and devaluation of the currency and then offering a prayer in the name of OPA, that I cannot go along with telling people to hold their money. I know not how many more steps the administration will take to further dilute the peoples' currency.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. BARRY. Under the present material prices and the present labor prices, does the gentleman believe it is possible to build a house in the great metropolitan areas for less than $9,000?

Mr. CRAWFORD. That is not what I am debating. The trouble I am having is to go along with a program which includes the veteran to obligate himself to pay $9,000 which the average veteran cannot pay.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. CRAWFORD] has expired.

Mr. SHORT. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. SHORT. Mr. Chairman, inasmuch as I have not said a word so far on this bill, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SHORT. Mr. Chairman, we have heard much talk here on the floor of the House the past few days about the housing problem—the veterans' housing problem—and about the grand program of that super-salesman, Mr. Wilson Wyatt, to solve it with emotion. So much has been said that it, indeed, belies the observation that "all is Wyatt on the housing front." We all know, of course, that this Wyatt program is political and is a fraud upon the veteran because those who propose it know that it will not get the materials and more houses it promises. It is proposed in the face of almost universal opposition from the responsible elements of the construction industry, both management and labor. It has many objectionable features but perhaps the worst is that it postpones again that day when our economic problems are settled in the open market place instead of behind the closed doors of planned economists and bureaucrats who seek to protect their manipulations by wartime espionage statutes.

Important as the Patman bill is, the high command of big Government regards it primarily as a political weathervane. It is just another new deal political trial balloon. Its $600,000,000 worth of subsidies is peanuts to these people. Its effect on the production of more houses is of interest only to the extent to which it will get votes. It is a good issue to test the sentiment of the people; how much stomach they have now for more and continued controls; whether they still fall for the old story of "emergency" and, particularly, what is the strength of the opposition.

The Patman bill is the first of a series of tests of the sentiment of the people and

of the strength of the opposition. The high command for big government proceeds slowly and with care for the stake is high. A free country or one in economic bondage.

If the reception given the Patman bill indicates it is safe to advance the skirmish lines of permanent big business, then the next test is in order. The Wagner-Ellender-Taft bill, S. 1592, is earmarked for this. This is the bill which places the Government permanently in the housing business. It establishes state socialism.

If these two major housing bills are enacted then the forces of permanent big government with the backing of radical CIO-PAC labor will be in a position to strangle several hundreds of thousands of small businessmen—the contractors, dealers, builders—and their more than a million skilled construction workers. They will be able to do this by revolutionizing construction to their pattern with their monumental errors being paid for by the taxpayer at a cost of billions.

That, itself, is cause to pause, but this is not the primary goal of the high command of permanent big government. The next step is extension of the Emergency Price Control and Stabilization Acts (OPA) for 1 year, at least, to June 30, 1947. That will mean one more full year of Bowleism. Bowleism is that type of economic crusade that involves profit control, curtailed production, and strike turmoil that has followed in the wake of the policies of Mr. Chester Bowles.

But even the Wyatt housing program, the WET permanent Government housing bill, and another year of Bowleism is not the main goal of these leftwingers who seek these social and economic revolutions. They want to "make America over." Shades of Tugwell.

What they really want is an extension of the Second War Powers Act. That is the act under which all of this economic panacea are performed. It is under this act that priority powers are exercised and from it stem all manner of interpretations by fiat that have brought our economy to a grinding halt at a time when it could easily be moving forward at high speed. It is under this statute, imposing wartime legal conditions on a nation now presumably at peace for the past 7 months, that bureaucracy has run wild and is trampling on individual freedoms and is making a mockery of constitutional rights.

OPA recently was denied authority to use certain questionnaires that went far afield of price fixing. The Budget Bureau did so under the Federal Reports Act of 1944. Yet OPA illegally and by subterfuge is going about the country using illegal questionnaires. That is the condition you spawn under guise of a fictitious wartime legal status.

Mr. Wyatt and his henchmen promise industry and labor that he will consult them on matters that affect industry. Yet there has been in preparation for many days an order halting all construction except that for Mr. Wyatt's miracle houses. Management and labor in this case were not consulted and in fact the bureaucrats regard it as ultra top secret, even more so than the atomic bomb. Espionage prosecution is threatened those who might "leak" information on this order.

The Second War Powers Act expires on June 30, 1946. It is, indeed, singular, that we have heard no drum beating by the administration to get this basic act extended so that the planning and intrusion upon the rights of citizens can be continued ad infinitum. Why have we not heard? The answer is simple?

The strategy of the administration is to wait until near the dead line—near the expiration date of this act—and then come in with a demand for immediate enactment of extension legislation. They will cry that the fate of the Nation impends. No choice will remain. Act or die—politically.

They do not call attention to this situation now. They want shotgun action. They do not want to give the people a chance to find out about the implications of this wartime law. They do not want the people to get an inkling that they are to be shackled again for 6 months, a year, or maybe forever.

The time has come when the issue must be faced. We all know that production is the antidote to inflation. We all know that the way to get production is to give an incentive—fair profits and good wages. We know that we have been through a great war and that our economy has been wounded and that we must pay for our waste—the waste of war and the waste of bungling. We had better stop printing money and begin producing goods. There is no short cut to recovery.

The time has come to pay, to quit postponing that day of reckoning. Removal of wartime restrictions will result in some rapid realignments. Not as great and as numerous as many of us might think. Some will be drastic, nevertheless, and it may be that some controls should be taken off progressively. Some degree of controls must be retained during the period of reconversion.

But take them off we must. It is time to set a definite date to end them and with that compelling need in mind I herewith submit that the Congress adopt at this time a concurrent resolution proclaiming officially an end to the war and to the various and sundry emergencies with which we have been so sorely plagued for so many years.

I make this move supremely confident in the ability and in the ingenuity of the American people, in the American way of life and the American way of doing business to meet and overcome whatever emergency might arise in concluding this legal fiction of emergency.

Mr. Chairman, under leave granted me in the House, I submit only a few of the many letters, telegrams, and a brief article from the Kansas City Times received by me violently opposing this proposed legislation:

[From the Kansas City Times of January 25, 1946]

HOUSING BLAME ON OPA—LACK OF MATERIALS CAUSES CRISIS, A LUMBERMAN SAYS—BUILDING IS STALLED, AS MILLS WILL NOT OPERATE UNDER CEILING RULES, C. C. SHEPPARD ASSERTS

The building industry of America could end the emergency of the housing shortage in a year if the Government would permit it to do so, speakers at the Southwestern Lumbermen's Association convention in the Little Theater of the Municipal Auditorium declared yesterday afternoon.

"The housing shortage in this country is not caused by the inability or the unwillingness of the building industry to build homes, but because Government regulation through the Office of Price Administration has made it impossible for private industry to get the building material with which to operate," said G. H. Zimmerman, of Waco, Tex., vice president of William Cameron & Co.

FEAR GOING BROKE

"The mills of the southern pine lumber industry cannot and will not operate under the OPA ceiling price regulation," C. C. Sheppard, president and general manager of the Louisiana Central Lumber Co., Clarks, La., declared. "They cannot and will not because they do not want to go broke."

"The fighting phase of World War II—with guns and bombs—is over," Edward G. Gavin, Chicago, editor of the American Builder, said, "but we are right in the middle of the second phase of the war—to knock Chester Bowles and the OPA out of the governmental picture.

"When a governmental agency won't let me spend my own hard-earned money the way I want to in building a home, then I feel it is the time for me to get up on my hind legs and do something about the men we have let take control of what we call our Government.

HE WANTS TO BUILD

"I want to build a new home. I want to pay my money for the material and workmanship that is going into that home. But OPA will not let me do it, because they say the money I am willing to put into that home would mean inflation.

"And to avoid that inflation, in their manner of thinking, they refuse to let me buy the material at a price that will permit the man who produces that material even to make enough money to pay for his production, let alone paying him a price that will give him a fair profit.

"Thousands are getting lumber and other building material by paying the price of the black market. Also in this way they are getting nylon stockings and all the other price-ceiling goods."

Gavin urged the lumbermen to appeal to Congress for the immediate termination of OPA control of the Nation's industry.

S. Lamar Forrest, Lubbock, Tex., president of the National Retail Lumber Dealers' Association, criticized the Government for permitting heavy export of lumber in a period of shortage in this country.

PRODUCTION HOPE DIM

Sheppard declared there would be no general increase in production of southern pine under present OPA ceiling prices. He said the production in 1946 would be less than 6,000,000,000 feet of lumber against more than 16,000,000,000 in the peace years of the thirties.

He said that if OPA control were removed increase in lumber prices would result, then the industry would "level off under the law of supply and demand to a fair return to industry, a fair wage to labor, and a fair price to the consumer."

Tom Collins, public-relations representative of the City National Bank & Trust Co., spoke at a dinner last night. Officers will be elected this morning. Speakers today include Ray E. Saberson, trade promotion manager of the Weyerhaeuser Sales Co., St Paul; W. W. Wood, Washington, publisher of Small Homes Guide; and J. R. Blunt, Seattle, representing the West Coast Lumbermen's Association.

STANLEY-THOMAS LUMBER CO.,
Carthage, Mo., January 28, 1946.
Hon. DEWEY A. SHORT,
House of Representatives,
Washington, D. C.

HONORABLE SIR: I have just returned from the Southwestern Lumbermen's Convention in Kansas City for dealers in the four-State area of Missouri, Kansas, Oklahoma, and Arkansas and am herewith enclosing an article from the Kansas City Star which expresses the opinions of all the dealers against the OPA.

I am very much against the continuation of the OPA as like all other merchants I think they have done more to retard business than any other organization could possibly have done.

We have just had a very unpleasant experience with them in our business which we feel was most unjust and which we feel was not the original intention of the OPA.

On December 21 one of the OPA checkers came into our place of business and asked to see our sales tickets for the year of 1945 and later we were notified to appear in Joplin and was fined $235 for four counts of overcharges together with $35 court costs. There was no overcharge on any of our tickets and because we did not have a full description of the lumber sold as to dense, kiln dried, etc., they called it an overcharge. Had we had all this information on our tickets we would have been 25 cents under the ceiling. We took our invoices and volunteered to make an affidavit regarding the same but they refused to look at our invoices and would not accept an affidavit. We have been in business for a long time in Carthage and in all our experience we were never asked to put all this information on our sales tickets.

The OPA makes rules and regulations of their own which no one seems to be able to interpret correctly according to their way of thinking. Every lumberyard they have checked in this area has been fined on technical errors the same as ours was and we do not think our Government was intended to stoop to such low tactics to perpetuate bureaucrats in office and make added burdens on the taxpayers.

I sincerely hope you will use all the influence you can to oppose the continuation of the OPA as well as the Wagner-Ellender-Taft General Housing Act of 1945 and the Patman bill which we understand is coming up soon. In our opinion both bills are depression measures.

Very truly yours,
STANLEY LUMBER CO.,
HOMER L. STANLEY.

THE HADLEY TATUM CO.,
Joplin, Mo., February 23, 1946.
Hon. DEWEY SHORT,
Washington, D. C.

DEAR MR. SHORT: In the absence of my stenos this p. m., I am writing this myself.

It is my understanding that the Patman bill and amendments for ceiling prices on homes and lots comes up in the House on Monday. Well, from my previous letters on the subject you know what my attitude is on this bill but allow me to say further that the taxpayers in this area are as a body also against this bill, which is communistic, small "c," in every respect although cloaked in the proverbial sheepskin.

Also you know what the ceiling did to the used car market; it created one of the worst black markets we have had. This bill will kill off the legitimate trading in real estate and open up a similar black market in it.

It is inconceivable that the House of Representatives would favorably consider this bill and I and we trust that you will use all of your power and strength to oppose it.

My son, George, who is now associated with me in my business, sends his best regards to you and I wish you Godspeed in checking the tendency of this country to run amuck.

Also with my best regards to you, I remain sincerely yours,

HADLEY TATUM,
For self and the Joplin Real Estate Board.

JOPLIN, MO., *February 27, 1946.*
Representative DEWEY SHORT,
United States House of Representatives,
Washington, D. C.:

The use of Government funds to equip new plants for production of mill work and prefabricated houses as is proposed by Wyatt program is very disturbing. Such a provision is unnecessary as ample capacity already exists to fabricate all raw materials that are available or that will be available through stimulated production. This portion of the program will not increase the production of raw materials but will only decrease the existing supply to all plants. Increased costs will later become a serious menace to present industry and employment in Missouri. As an alternate, we suggest that OPA become active to remove obstacles which hinder production of items needed. Your prompt attention and able support toward solving this serious problem is earnestly solicited.

LONG BELL LUMBER CO.,
R. H. BASKETT,
General Manager.

CARTHAGE, MO., *March 4, 1946.*
Hon. DEWEY SHORT,
House of Representatives,
Washington, D. C.:

In the opinion of the majority of our businessmen, the proposed housing bill will deter rather than help the situation. If the exportation of millions of feet of building materials, particularly lumber, was stopped, these would accumulate plenty for home building in reasonable time. Vote against any subsidy to the lumber manufacturers.

Raise the price and stop the black market.

H. W. PUTNAM.

Mr. Chairman, I have received only three communications from veterans' organizations supporting this legislation. These telegrams were sent to me only last Saturday night and I am convinced that the members of the Legion have not read, let alone studied, this bill, and do not realize how un-American it is and how disappointing it will be if enacted into law.

On the other hand, I have received scores of letters and telegrams, as well as convincing articles from not only contractors, builders, wholesale and retail lumbermen and real estate men, but from several chambers of commerce, many successful businessmen, all of whom had relatives in the war, and many of whom served in the war themselves, and who are well acquainted with the subject, all protesting vigorously.

No one can deny that we now have a shortage and a very acute one in housing. We also have an emergency in sugar, in wheat, in automobiles, in steel, transportation, and many other commodities and services.

All of us want to help the veteran and certainly this Congress has bent over backward to be generous to him. We must not forget, however, that the veteran, his children, and his grandchildren, will have to pay back all the money that Congress is now appropriating.

This is not a veterans' housing bill. It is a subtle scheme, dressed up in white robes and sweet-sounding phrases to build up a powerful political machine. It is also clear that Mr. Wyatt is going in heavily for prefabricated houses. They will resemble barracks more than dwellings.

Mr. Chairman, instead of helping the veteran, this bill, if enacted into law, will enslave him. This legislation will not free materials nor will it build new houses. The few big, favored contractors will manufacture many synthetic shacks and ersatz shanties all over the country, which will be an eyesore to this Nation for years to come. The poor veteran who will be forced to put up collateral and to invest his meager savings will learn before long, what a grave mistake it was to put his scant earnings into a crackerbox or a chicken coop, in which no ambitious or forward-looking American would want to live.

I predict, sir, that if this vicious bill becomes a law, the veteran will receive less than 20 cents on the dollar he invests and will soon find it impossible to pay off the mortgage slapped upon his would-be home. The administrative costs under this bill are three times that under private business. I know that when the veterans discuss the matter with their parents, their real friends, and good intelligent, patriotic Americans, they will see the supreme folly of such a preposterous proposal and will become fully aware of these wolves roaming about in sheep's clothing.

Veterans, beware of these Greeks bearing gifts. You fought too long and hard, too many of your comrades have died, and more have been incapacitated for life in a war to destroy communism for you to accept it now.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, it is always interesting to listen to my good friend from Missouri [Mr. SHORT]. During his remarks of a general nature, in which personal characterizations were made of different men, he referred to the Second War Powers Act and said that an effort would be made to delay it until just prior to the present expiration date of that act.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Kentucky.

Mr. CHELF. For the gentleman from Missouri's information the Second War Powers Act is now being discussed by the Judiciary Committee.

Mr. McCORMACK. I was coming to that. I may say for the benefit of the gentleman from Missouri that several weeks ago I wrote a letter to the chairman of the Judiciary Committee asking early action on that matter. I also note that the matter has been referred to a subcommittee of the Committee on the Judiciary. Of course, if my friend from Missouri had made inquiry he would not have made the statement he did just now because every effort is being made to expedite consideration of the extension of the Second War Powers Act. I repeat, several weeks ago I wrote a letter to

the chairman of the Judiciary Committee requesting early consideration.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Missouri.

Mr. SHORT. However, it has not yet been reported?

Mr. McCORMACK. No. The gentleman knows what the committee action is.

Mr. SHORT. June 30 will soon be here.

Mr. McCORMACK. The gentleman is correct. I hope that quick action is taken, but I want to disabuse from the gentleman's mind the fact that efforts have not been made to have quick action taken. Also in reference to the OPA, we hope for early action on extension of the Price Control Act.

Mr. CHELF. Mr. Chairman, will the gentleman yield again?

Mr. McCORMACK. I yield to the gentleman from Kentucky.

Mr. CHELF. I may say that the press is there every day that these discussions are being had before the Judiciary Committee; the people are not being hoodwinked but are being advised and if the gentleman from Missouri will read the daily papers he will see that the situation is being given every possible consideration in the committee with the desire for an early report.

Mr. McCORMACK. My friend from Missouri is probably so busy on other matters that he is unable to keep in touch with the actual progress of the Second War Powers Act. I am sure if he had the information before him that I have just given him he would not have made the observations that he did make just now.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from New York.

Mr. BARRY. I would like to ask the gentleman if there are not sections in Boston where there is a necessity for the building of houses up to $8,000?

Mr. McCORMACK. I think the gentleman's amendment is a very fair one. It relates to an emergency situation.

Mr. Chairman, I do not think the gentleman from Michigan [Mr. CRAWFORD] vigorously took a position in opposition to the amendment. He did indicate caution and I think, looking at it from the permanent angle, after we get over this present housing emergency, that his position may be a sound one, it is a correct attitude, but in the light of the situation that confronts us today so far as housing is concerned, I think that we might as well act favorably upon the amendment offered by the gentleman from New York. With the readjustment of the housing situation and a more normal condition existing, the remarks of the distinguished gentleman from Michigan [Mr. CRAWFORD] would probably properly apply. If I interpreted his state of mind correctly, based upon his remarks, I did not understand him to take a position in opposition except to give to the House the historical background of the FHA legislation with reference to the insurance of single-family houses.

I have no further observations to make in reference to the remarks of the gentleman from Missouri [Mr. SHORT]. Every piece of legislation that has ever passed this House has received the charge of socialism and destruction of the private economic system.

I remember when the Social Security Act was passed. We heard the same cry. I remember the passage of the Federal Deposit Insurance Corporation law. We met the same cry. I remember every progressive piece of legislation that has passed this House in the last 13 years. They always made the same charge—that its passage would bring about a destruction of our system of individual and private initiative. I also particularly refer to the Securities and Exchange Commission Act. That was a bill aimed to control the fraudulent sale of stock; a bill to control the misuse of the stock exchanges of this country. Some members of these stock exchanges had been building up the prices of stock and unloading it on the public, the public being the sufferers. In plain language, the public was used, as one man well said in appropriate language, as "suckers." I also remember the passage of the bill to control and eliminate unnecessary holding companies. All progressive legislation that has been passed during the last 13 years has met the same charge. So we, who have supported such legislation, know that the gentleman from Missouri is only giving the old argument relating to the present bill.

Mr. OUTLAND. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I also listened with interest to the remarks made by the gentleman from Missouri [Mr. SHORT]. I heard him say that under the pretext of an emergency, bills have been introduced and passed in this House, and the implication was that there was no emergency now. I wish the gentleman from Missouri would go out to California with me and see hundreds of World War veterans striving to find homes, doubling up with their relatives, sleeping in garages, and begging this Congress to take some action and not scuttle the first decent housing bill we have had. Then he would think that there was an emergency. It is the most acute emergency imaginable. The gentleman also regarded those favorable to this bill as being left wingers, Communists, PAC's and bureaucrats, and he called Mr. Bowles names in much the same vein that Mr. Wyatt was derided on this floor last week. It was one of the best strictly Republican speeches I have heard on the floor of this House for a long time, and I only hope it is repeated out in California. As a matter of fact, the gentleman would win many votes for me if he would give that same speech at every town in my district.

May I say one thing more, Mr. Chairman? On March 3 there was an Associated Press dispatch, a portion of which I want to quote. It speaks about the fact that the Republican Party strategists foresee a clear majority of at least nine seats in the House when the Eightieth Congress convenes in January. Here is where they expect to make their gains. Mr. Chairman, I hope that the Members on my own side will pay particular attention to this detailed analysis of Republican hopes; it will be interesting to look back upon later, just as similar predictions in 1944 are interesting to contemplate now:

Connecticut, four; New York, three; Pennsylvania, six; Delaware, one; Maryland, one; West Virginia, two or three; Ohio, two or three; Michigan, one or two; Wisconsin, two; Montana, one; Washington, one or two; California, four to six; Utah, one; New Mexico, one; Illinois, three to four; Missouri, two to three.

Mr. Chairman, I cannot speak for the rest of the States, but any Member on the Republican side who wants to make a wager that his party is going to take four to six seats in California, and if he will just put up, I have a pretty good idea that somebody out in California will find the wherewithal to cover it.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I will be glad to yield to the distinguished minority leader later.

I will say, Mr. Chairman, that if there was ever an opportunity to pick up four to six seats in California, and I doubt that there ever was such an opportunity, that opportunity disappeared with the strategy that has been followed in attempting to kill the housing bill. I expect to speak at every opportunity to veterans' groups and to tell them just who is responsible for scuttling their hopes for a decent, comprehensive, housing plan.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I now yield to the distinguished minority leader.

Mr. MARTIN of Massachusetts. I was sorry to hear the gentleman on the floor of the House advocating a transgression of the laws. The gentleman understands, of course, that no Member of the House can bet.

Mr. OUTLAND. Oh, yes. I shall answer the distinguished minority leader. As I said before, if any minority Member wishes to come forward with a wager that his party will pick up from four to six seats in California, all he has to do is to proclaim that fact, and I am certain he will find many people in California who would take him up. As a matter of fact, I suspect that some astute Republicans out there would be willing to do so. However, as the minority leader has pointed out, it would be wrong to suggest that any Member of this House should violate the law by offering to bet. Moreover, it would be foolish. Personally, of course, I think I would be very indiscreet to make any wager on any subject at any time.

Mr. BROWN of Ohio. It would be very indiscreet.

Mr. OUTLAND. I am speaking of the illegality of it. In this particular case it would be silly for a minority Member to make such a wager. I feel confident none will.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield to the gentleman from Massachusetts, the distinguished majority leader.

Mr. McCORMACK. The offer could be made, for example, that the loser would donate $1,000 to charity.

Mr. OUTLAND. I do not care how the offer is made, but I will say that anyone who thinks the Republicans are going to pick up four to six seats in California after what has happened on the floor of this House in the last 5 days is just talking through his hat. Californians, veterans and nonveterans alike, are going to know just who it was that defeated a good housing program, and the results will be evident in November.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 25 minutes.

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Chairman, may I ask the gentleman if he is going to try to finish the bill today or next week?

Mr. SPENCE. Right away. I am perfectly ready to vote now. If we can have an immediate vote, Mr. Chairman, I am willing to withdraw my request and ask that the vote be taken now. The arguments do not seem to be addressed to the pending amendment. There will be plenty of opportunity in the future to talk.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. BARRY] to the amendment offered by the gentleman from Texas [Mr. PATMAN].

The question was taken; and on a division (demanded by Mr. SMITH of Ohio) there were—ayes 93, noes 95.

Mr. BARRY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed Mr. PATMAN and Mr. WOLCOTT to act as tellers.

The committee again divided; and the tellers reported that there were—ayes 119, noes 110.

So the amendment to the amendment was agreed to.

Mr. HEALY. Mr. Chairman, I offer an amendment to the Patman amendment.

The Clerk read as follows:

Amendment offered by Mr. HEALY to the Patman amendment: Strike out the following language from the amendment offered by Mr. PATMAN, of Texas:

"*Provided*, That the Administrator may, if he finds that at any time or in any particular geographical area it is not feasible, within such limitations of maximum mortgage amounts, to construct dwellings without sacrifice of sound standards of construction, design, or liability, prescribe by regulation or otherwise higher maximum mortgage amounts not to exceed—

"(A) $8,100 if such dwelling is designed for a single-family residence, or

"(B) $10,800 if such dwelling is designed for a two-family residence, or

"(C) $13,500 if such dwelling is designed for a three-family residence, or

"(D) $16,200 if such dwelling is designed for a four-family residence."

The CHAIRMAN. The gentleman from California [Mr. HEALY] is recognized for 5 minutes in support of his amendment.

Mr. SPENCE. Mr. Chairman, will the gentleman yield for a unanimous-consent request?

Mr. HEALY. I yield.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this amendment offered by the gentleman from California close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. SPRINGER. Reserving the right to object, Mr. Chairman, I would like 5 minutes on this amendment.

Mr. SPENCE. Mr. Chairman, I modify the request to make it 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. HEALY. Mr. Chairman, in view of the vote just concluded on the amendment offered by the gentleman from New York [Mr. BARRY] I realize there is little chance of this amendment being adopted. However, because of the possibility of some of the Members not realizing the implication contained in this part of the amendment of the gentleman from Texas [Mr. PATMAN] and of course the same applies to the amendment offered by the gentleman from New York [Mr. BARRY], I would like 5 minutes to present my views.

As far as this veterans housing bill is concerned, personally I have been one of its strongest supporters, in its original form. I have voted in favor of ceiling prices, both on new homes as well as on existing homes. I have voted in favor of subsidies for building materials where necessary. Of course, I voted against shortening the length of time during which this bill will apply. As far as I am concerned, the main purpose of this bill is to provide homes for veterans at the lowest possible cost.

My amendment to the amendment of the gentleman from Texas [Mr. PATMAN] to H. R. 4761 will eliminate only that portion which provides for the granting of larger loans under title VI.

If this provision is not eliminated, the maximum loan on a single family dwelling will be increased from $5,400 to $8,100. Since 90 percent loans guaranteed by the Federal Government are provided for under title VI, the present provision in the bill would make it possible to finance a $9,000 home compared with the previous $6,000 limitation.

If my amendment is not adopted, the thing that is going to happen is that the majority of builders, probably all of them, will concentrate their efforts on the construction of homes costing $9,000 rather than $6,000 or less because of the larger profit possibilities. I, for one, cannot agree with those who have thus far claimed that it is impossible to build a home for $6,000 even in large metropolitan areas, provided, of course, the land cost is not too great.

I wish to cite an example of some homes that were recently constructed in nearby Virginia, in fact at Front Royal, Va. There is a rayon factory at Front Royal that employs a considerable number of workers. Many of them found it impossible to obtain housing. Through their union they attempted to get a contractor to bid on a group of houses, 50 to 100 or 150. The lowest bid they received was $8,000 per housing unit for a house containing two bedrooms. Finally, they employed their own architect on a consulting basis, bought their own land, let out a contract to a private builder, and constructed 50 homes which have just recently been completed at a cost of $5,150 per home, which included an $800 cost for a lot 60 feet by 150 feet, with all improvements in. Furthermore, each house has a living room with natural fireplace, dining room, kitchen, modern bathroom, two bedrooms, hardwood floors, full basement, and an unfinished second floor with room for two additional large bedrooms. The houses are substantially built and are of brick veneer construction. If in some large cities the land values are somewhat higher the cost naturally would be somewhat higher; but in my opinion if we adopt this amendment which I have proposed it will limit these 90 percent loans to homes costing $6,000 or less and will not encourage builders to produce homes in the $8,000 and $9,000 class.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. HEALY. I yield.

Mr. BARRY. It is just impossible to buy a building lot for $800 for miles near a big city.

Mr. HEALY. Very well, I agree to that. But, if we are to afford the security of a home for the veterans, we must concentrate on homes that can be built for around $6,000; land must be bought by the acre to bring the cost down. Eighty percent of the veterans in my district, and it must be true all over the country, are not in position to buy a home costing $9,000. For veterans who are affluent enough to purchase a home at $9,000 or more loans are available under title II of the National Housing Act, and instead of getting a 90-percent loan they can secure an 80-percent insured loan. I believe that a person who can afford a $9,000 home does not need a 90-percent insured mortgage.

The thing we must do is to provide a program which will encourage the building of homes costing $6,000 or less, for this is the price range within reach of the large majority of the veterans who have just returned from the war.

The CHAIRMAN. The gentleman from Indiana [Mr. SPRINGER] is recognized for 5 minutes.

Mr. SPRINGER. Mr. Chairman, some mention was made awhile ago with regard to statements which have been made with respect to housing. Before Subcommittee No. 4 of the Judiciary Committee on yesterday and today, we have been hearing some testimony upon that very subject. Hon. John D. Small, of the Civilian Production Administration testified on yesterday. During his testimony he was very clear and emphatic upon the subject of his power and authority under the Second War Powers Act. No doubt can longer remain respecting the authority of Mr. Small. He testified that under the Second War Powers Act he had the full and complete power and authority to allocate materials for veterans' homes. He further testified that he is now making those allocations, and he has been making such allocations for quite a while. There is

no doubt about that power being extended to him under the Second War Powers Act.

I noticed an article in the Indianapolis Star which is very illuminating upon this particular subject. The article is dated March 2, 1946, and it refers to my own State of Indiana. This is the heading of it: "FHA speeds vet dwellings—1,521 units given approval in State."

That is in the State of Indiana, and I am confident that every Member will find the same condition to exist in your State.

Let us see what the article says:

The State office of the Federal Housing Administration here has approved 1,521 dwelling units for veterans to be constructed under the Civilian Production Administration priorities, R. Earl Peters, FHA Director, announced last night. Applications have been received for 3,547 units.

R. Earl Peters is a very distinguished citizen of our State. His home is at Fort Wayne and he is head of the FHA in the State of Indiana.

The article goes on to say:

It was estimated that two-thirds of the approvals were for houses priced at less than $7,500.

Nationally, the Civilian Production Administration has approved applications for 150,000 of these veterans-preference dwellings to be given special priorities on building materials in their construction. Almost half of the total will sell for less than $7,500 or rent for $60 monthly or less. The FHA processes applications for CPA here.

Why, we already have an agency, according to the testimony given by Hon. John D. Small which has full authority in housing. He has the authority and the power under the Second War Powers Act to make these allocations and he is making them daily. These applications which have been approved in the State of Indiana are allocations that have been made by Mr. Small to FHA in order that veterans housing may be obtained. The fact that 1,521 housing units have already been approved in my State indicates that this program is now in progress.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from New York.

Mr. BARRY. Can the gentleman tell the committee whether or not those applications were processed under title II or under title VI?

Mr. SPRINGER. They were processed under the Second War Powers Act and they were processed under title II.

Now, we have the authority existing in the OPA and through the FHA to do this job. The only bottleneck that you and I can now find is the bottleneck which is provided by the OPA and that can be lifted, insofar as veterans housing is concerned, by the lifting of ceiling prices for veterans housing. I want to see every veteran properly housed, and it is my wish and desire to see every veteran obtain a home at the very lowest cost. However, I do not want to fasten upon every veteran who desires to purchase a home a cost which he cannot bear and a price which he cannot assume. It is my considered judgment that we do not need any "expediter" or any new and expensive agency to handle this matter. We have the FHA, and that agency is doing a splendid job without the additional cost of a new agency to handle it.

Let us get low-cost housing for our veterans, and let us prevent the passage of a measure today which will injure rather than help our veterans.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, the increase in the limitations in title VI takes no rights away from the lower brackets. It merely gives the Administrator the power to fix different ceilings in various sections of the country. Obviously that will have to be done. A higher price will have to prevail in the cities than in the country, and because of climatic conditions the prices will have to be somewhat lower in the South.

Mr. Chairman, I ask that the amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HEALY] to the amendment offered by the gentleman from Texas [Mr. PATMAN].

The amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. PATMAN].

The question was taken; and the Chair being in doubt, the Committee divided; and there were—ayes 128, noes 87.

So the amendment was agreed to.

Mr. WOLCOTT. Mr. Chairman, I offer a substitute.

Mr. BARRY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BARRY. If this substitute is adopted, will amendments thereto be in order?

The CHAIRMAN. As soon as the substitute is reported it will be open to amendment.

Mr. PATMAN. Mr. Chairman, the substitute, as I understand, is identical with H. R. 5579. If I am correct in that assumption, I see no reason why it should be read. Unless the gentleman particularly wants it read, I ask unanimous consent that the reading of the substitute be dispensed with and that it be printed in the RECORD at this point.

The CHAIRMAN Is there objection to the request of the gentleman from Texas?

Mr. WOLCOTT. Mr. Chairman, reserving the right to object, the substitute has never been read.

Mr. MONRONEY. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan [Mr. WOLCOTT] be given an extra 5 minutes to explain the bill in lieu of reading the bill. I think he can inform the House much more quickly after reading the first paragraph.

Mr. HOFFMAN. I object.

The CHAIRMAN. Does the gentleman mean that after the reading of the first paragraph the further reading of the bill be dispensed with and that the gentleman from Michigan be given five additional minutes?

Mr. MONRONEY. I ask unanimous consent, Mr. Chairman, that the reading of the bill be dispensed with in consideration of the gentleman's five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

Mr. WOLCOTT. Do I not get five additional minutes unless I agree to dispensing with the reading of the bill? I cannot agree to that.

The CHAIRMAN. Objection is heard. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT as a substitute: Strike out all after the enacting clause and insert in lieu thereof the following:

"That the National Housing Act, as amended, is further amended by inserting after title VI thereof a new title, as follows:

"TITLE VII—HOUSING EXPEDITER

"SEC. 701. (a) The Congress declares that an emergency exists wherein there are insufficient facilities for housing large segments of the population; that large numbers of veterans of the armed forces are returning to civilian life in need of housing accommodations which are not available; that it is necessary for the health and safety of the people of the Nation that all the facilities of the Government of the United States be made available and coordinated to obtain a maximum amount of housing construction if the public health and safety are to be secure; that it is the purpose of this title to expedite the construction of sufficient housing at fair and equitable prices to relieve distress, suffering, ill health, congestion, and inconvenience resulting from the lack of housing facilities and the emergency created thereby.

"(b) The President is authorized to appoint, either within any existing agency of the Government or as an independent officer of the Government, a Housing Expediter (hereinafter called the "Expediter"), and the President is authorized to appoint an existing official of the Government as such Housing Expediter. In the event that an existing official is appointed, he is hereby authorized to continue in his present post while serving as Expediter, except that he shall receive no additional compensation by reason of his appointment as Expediter. If the Expediter is appointed within an existing agency of the Government, then his appointment shall be subject to the laws and regulations governing the appointment of officers within such agency, and he shall receive compensation in compliance with such laws and regulations; if the Expediter is appointed as an independent officer of the Government, then such appointment shall be made by and with the advice and consent of the Senate of the United States and he shall receive compensation at the rate of $12,000 per annum.

"(c) The Housing Expediter, in addition to such other functions and powers as may be delegated to him by the President, is authorized to—

"(1) formulate such plans and programs as are necessary to provide for an increased supply of housing accommodations of all kinds and, in particular, of homes available for sale or rental at moderate prices to veterans of World War II and their immediate families;

"(2) issues such orders, regulations, or directives to other executive agencies as may be necessary to provide for the exercise of their powers in a manner required by or consistent with the execution of the aforesaid plans and programs, and to coordinate the activities of such agencies directed to the execution of such plans and programs. Each executive agency shall carry out without delay the orders, regulations, or directives of the Housing Expediter, and shall, to the extent necessary, consistent with governing

statutes, modify its operations and procedures from time to time to conform to the directions of the Housing Expediter;

"(3) recommend to the President the enactment of such legislation as may be necessary to provide the authority to carry out such plans and programs formulated under this order as are not authorized under existing law;

"(4) consult and cooperate with other agencies of the Federal Government, State and local governments, industries, labor, and other groups, both national and local, with respect to the problems created by the housing emergency and the steps which can be taken to remedy it.

"(d) The executive agencies of the Government shall exercise their emergency powers and other powers for the purpose of aiding in the solution of the problems created by the existing housing emergency, the alleviation of which is vital to an orderly transition from war to peace.

"(e) (1) All functions, powers, authority, or duties vested in the Office of War Mobilization and Reconversion or the Director thereof by the War Mobilization and Reconversion Act of 1944 which are or may be necessary or suitable to enable the Expediter to carry out the provisions of this title and such plans and programs as such Expediter may develop for the alleviation of the housing emergency, are hereby transferred to the Expediter. The powers so transferred shall include the power to issue orders, regulations, or directives to other executive agencies with respect to the exercise by such agencies of their respective powers and authority.

"(2) The powers so transferred shall continue during the period in which this act is in effect, notwithstanding any other provision terminating such powers contained in the said War Mobilization and Reconversion Act of 1944.

"SEC. 702. (a) Whenever in the judgment of the Expediter there is a shortage in the supply of any material suitable for the construction of housing accommodations he may by regulation or order allocate or direct the allocation of, or establish priorities for the delivery of, such material in such manner, upon such conditions, and to such extent as he deems necessary and appropriate in the public interest and to effectuate the purposes of this title, with particular regard for the need for the construction of low cost housing accommodations and the need for housing accommodations for rental.

"(b) In issuing any regulation or order allocating or establishing priorities for the delivery of any material or directing the allocation thereof under this section, the Expediter shall give special consideration to (1) the general need for housing accommodations for sale or rent at moderate prices, and (2) satisfying the housing requirements of veterans of World War II and their immediate families.

"(c) The Expediter shall have power to forbid the export of any lumber or other materials to any foreign country which are needed for the housing program.

"SEC. 703. (a) It shall be unlawful for any person to violate the terms of any regulation or order issued under the provisions of this title. Notwithstanding any termination of this title as contemplated in section 705 (a) hereinafter, the provisions of this title, and of all regulations and orders issued thereunder, shall be treated as remaining in force, as to rights or liabilities incurred or offenses committed prior to such termination date, for the purpose of sustaining any proper suit, action, or prosecution with respect to any such right, liability, or offense.

"(b) Any person who willfully violates any provisions of this title, or any directive or regulation issued pursuant thereto, shall, upon conviction thereof, be subject to a fine of not more than $5,000, or to imprisonment for not more than 2 years, or both, in the discretion of the court imposing such sentence.

"SEC. 704. There are authorized to be appropriated such sums as may be necessary or proper to carry out the provisions and purposes of this title: *Provided, however,* That so much of the First Deficiency Appropriation Act, 1946 (Public Law No. 269, 79th. Cong., approved December 28, 1945), as reads '*Provided,* That none of the funds available under this head for administrative expenses shall be used in paying the salary of any person engaged in making or processing loans in excess of $500,000 to any State, any subdivision thereof, any municipality therein, or any public authority, for construction purposes, unless in pursuance of a specific authorization, except, however, that this provision shall not apply to any application or loan approved or made prior to December 15, 1945' shall not apply to loans made for construction, removal, or remodeling of housing by publicly supported educational institutions where made for the purposes of housing veterans enrolled and attending such institution.

"SEC. 705. (a) The provisions of this title, and all regulations and orders issued thereunder, shall terminate on June 30, 1947, or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the provisions of this act are no longer necessary to deal with the existing national emergency, whichever date is the earlier.

"(b) The provisions of this act shall be applicable to the United States, its Territories and possessions, and the District of Columbia.

"SEC. 706. If any provision of this title or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the title and the applicability of such provision to other persons or circumstances shall not be affected thereby.

"SEC. 707. (a) Section 603 (a) of the National Housing Act, as amended, is hereby amended to read as follows:

"'(1) In order to assist in relieving the acute shortage of housing which now exists and to increase the supply of housing accommodations available to veterans of World War II at prices within their reasonable ability to pay, the Administrator is authorized, upon application by the mortgagee, to insure as hereinafter provided any mortgage which is eligible for insurance as hereinafter provided, and, upon such terms as the Administrator may prescribe, to make commitments for the insuring of such mortgages prior to the date of their execution or disbursement thereon: *Provided,* That the aggregate amount of principal obligations of all mortgages insured under this title shall not exceed $2,800,000,000 except that with the approval of the President such aggregate amount may be increased to not to exceed $3,800,000,000: *Provided further,* That no mortgage shall be insured under this title after June 30, 1947, except (A) pursuant to a commitment to insure issued on or before June 30, 1947, or (B) a mortgage given to refinance an existing mortgage insured under this title and which does not exceed the original principal amount and unexpired term of such existing mortgage: *And provided further,* That the Administrator shall, in his discretion, have power to require the availability for rental purposes of properties covered by mortgages insured under this title, in such instances and for such periods of time as he may prescribe.'

"(b) Section 603 (b) (2) of the National Housing Act, as amended, is hereby amended to read as follows:

"'(2) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Administrator shall approve) in an amount not to exceed 90 percent of the appraised value (as of the date the mortgage is accepted for insurance) of a property, urban, suburban, or rural, upon which there is located a dwelling designed principally for residential use for not more than four families in the aggregate, which is approved for mortgage insurance prior to the beginning of construction. The principal obligation of such mortgage shall in no event, however, exceed—

"'(A) $5,400 if such dwelling is designed for a single-family residence, or

"'(B) $7,500 if such dwelling is designed for a two-family residence, or

"'(C) $9,500 if such dwelling is designed for a three-family residence, or

"'(D) $12,000 if such dwelling is designed for a four-family residence:

Provided, That the Administrator may, if he finds that at any time or in any particular geographical area it is not feasible, within such limitations of maximum mortgage amounts, to construct dwellings without sacrifice of sound standards of construction, design, or liability, prescribe by regulation or otherwise higher maximum mortgage amounts not to exceed—

"'(A) $7,200 if such dwelling is designed for a single-family residence, or

"'(B) $10,800 if such dwelling is designed for a two-family residence, or

"'(C) $13,500 if such dwelling is designed for a three-family residence, or

"'(D) $16,200 if such dwelling is designed for a four-family residence.'

"(c) Section 603 (b) (5) of the National Housing Act, as amended, is hereby amended to read as follows:

"'(5) bear interest (exclusive of premium charges for insurance) at not to exceed 4 percent per annum on the amount of the principal obligation outstanding at any time.'

"(d) Section 603 (c) of the National Housing Act, as amended, is hereby amended (1) by striking out of the third sentence the word 'emergency' and inserting in lieu thereof the words 'shortage of housing', and (2) by striking out the last sentence thereof and inserting in lieu thereof the following sentence: 'The Administrator shall prescribe such procedures as in his judgment are necessary to secure to veterans of World War II, and their immediate families, and to hardship cases as defined by the Administrator, preference or priority of opportunity to purchase or rent properties covered by mortgages insured under this title.'

"(e) Section 608 (b) of the National Housing Act, as amended, is hereby amended (1) by amending paragraph numbered (2) thereof to read as follows:

"'(2) Preference or priority of opportunity in the occupancy of the mortgaged property for veterans of World War II and their immediate families, and for hardship cases as defined by the Administrator, shall be provided under such regulations and procedures as may be prescribed by the Administrator'; and (2) by striking out '$1,350' and inserting in lieu thereof '$1,500'.

"(f) Section 608 (c) of the National Housing Act, as amended, is hereby amended by inserting in the third sentence before the semicolon at the end of clause '(C)', the following: 'and any mortgage insurance premiums paid after default'."

Mr. WOLCOTT (interrupting the reading of the amendment). Mr. Chairman, the balance of the bill is identical with the language which was proposed by the gentleman from Texas, and the other provisions are not controversial. I ask unanimous consent that the further reading of the amendment be dispensed with and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The gentleman from Michigan is recognized for 5 minutes in support of his amendment.

Mr. SPENCE. Mr. Chairman, will the gentleman yield for a unanimous-consent request?

Mr. WOLCOTT. Mr. Chairman, is a request to limit debate in order at this time?

The CHAIRMAN. Only by unanimous consent.

Mr. WOLCOTT. I yield to the gentleman.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that the debate on the substitute and all amendments thereto be limited to 1 hour, the gentleman from Michigan [Mr. WOLCOTT] to have the first 10 minutes, the gentleman from Georgia [Mr. BROWN] to have the 10 minutes immediately ensuing.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. WOLCOTT. Mr. Chairman, reserving the right to object, I can see no particular reason why we cannot come to some understanding as to time on the entire bill. As I understand it, the gentleman's request is to my substitute and amendments to the substitute. I think we can go along with the gentleman if he will amend his request to include the substitute and all amendments to the substitute and to the bill.

Mr. SPENCE. I will amend my request.

The CHAIRMAN. Permit the Chair to suggest there are a number of amendments to the bill on the Clerk's desk, as well as some amendments to the substitute.

Mr. WOLCOTT. I would not want to be a party to cutting off debate if anyone wants to offer an amendment. Of course, we are all anxious to dispose of it tonight.

Mr. SPENCE. Could we not agree to an hour on the substitute and all amendments thereto, and then 10 minutes on each of the amendments to the bill? I ask unanimous consent that the debate be limited to 1 hour on the substitute offered by the gentleman from Michigan, and all amendments thereto; and in addition, 10 minutes on each of the amendments to the bill, and that the gentleman from Michigan [Mr. WOLCOTT] may have the first 10 minutes and the gentleman from Georgia [Mr. BROWN] the ensuing 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Miss SUMNER of Illinois. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard, and the gentleman from Michigan is recognized for 5 minutes.

Mr. WOLCOTT. Mr. Chairman, I think the difference in the substitute and the bill as offered by the committee, and as amended, should be by this time quite clear. However, I think it might be well to have in mind some of the more important differences.

In the committee bill as it has been reported and perfected, of course, the declaration of policy anticipates that we place ceilings on old and new construction, and for that reason there is a different declaration of policy in the substitute.

The committee bill sets up a new bureau. It establishes a new office and authorizes a director to employ such assistance as he deems advisable. It sets up a new bureau. The substitute does not set up a new bureau and authorizes the President to appoint an expediter either within an existing agency of the Government or independently of an existing agency of the Government.

In the substitute bill the powers of the Expediter are very clearly defined. In the committee bill the powers of the Expediter are very vague. Let me point out an example of this. On page 9 of the committee bill in subparagraph (d) is the language:

(d) The Director may promulgate such regulations as he deems necessary and proper to carry out any of the provisions of the title and may exercise any power or authority conferred upon him by this title through such department, agency, or officer as he shall direct.

He can direct a policy.

The language of the substitute is very explicit that the Expediter may direct any particular department of the Government to carry out the program which he formulates; in other words, the language of the substitute is identical with the language of the present Executive order under which the Housing Expediter is functioning; and, of course, it is very essential that his powers be very clearly defined.

The substitute, of course, as has been pointed out, makes no reference to subsidies, and it makes no reference to and does not authorize the putting of maximum prices on finished new homes. The reason for that is that under title 6 which is in the substitute, in both bills now, the Federal Housing Administrator regulates the value of the homes. Also in both bills there is the authority to allocate materials and channel these materials into homes for veterans. The Expediter under the substitute has the authority to channel this material into homes costing not more than a certain amount, thereby giving him ample authority together with the authority which exists now and will exist under FHA provisions to keep this program a low-cost housing program.

There is one very material difference between the Committee bill and the substitute which is found on page 4, section 703. We refer to that facetiously, as the "snooping" bill.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOLCOTT. In that provision the Director is authorized to go into a person's records, even if he is a private owner, and subpena him for the purpose of getting information. It is the provision comparable to those which have been most obnoxious to us all the way through the war, although during the war we recognized that in some cases it was necessary to a full understanding by the Administrator of any particular regulation or problems; but there is not any necessity for such authority at the present time, and we should not in peace time adopt the particular provisions of section 703 of the committee bill which authorizes the Expediter to go into any person's home and any person's books and pry into his personal affairs. The Expediter can get this information otherwise or he can establish general policies which should be adequate.

In section 704 of the committee bill you think you have cut out the ceilings on old construction. I quite agree that that was the intent of the committee in defeating the amendment which provides that the sale prices of housing accommodations shall be set only when the construction is completed after the effective date of this title; but the job was done very hurriedly, it was done very superficially, and so the language in subsection (d) on page 9 and the definitions on page 15 indicate, of course, that the Administrator may set the ceilings for housing accommodations in addition to those housing accommodations which have been established after the effective date of the act.

In other words, in addition to the material changes which I have suggested, the substitute also clarifies much of the incongruous language of the committee bill.

In the committee bill the Expediter can only allocate the materials. In the substitute the Expediter may allocate or direct the allocation of materials and it is very important if he is going to do the whole job that he be given the authority to direct the allocation of materials as well as to allocate the materials; therefore, we do not run into these controversies—this "buck passing," if you want to put it that way—between the different agencies of the Government. The responsibility is that of each agency to follow the Expediter's directions in getting sufficient quantities of material so that we can build up to capacity the number of houses which we need.

In substance the bills differ in those respects, but primarily in one respect only, that all ceilings are eliminated in the substitute. The substitute is a good clean bill. Mr. Wyatt is given all the authority which is needed to coordinate all of the activities of this great Government of ours—there is a powerful force behind him—to expedite the acquisition of sufficient quantities of building materials to do the job which he was appointed to do.

We should cooperate with the Expediter, and he with the authority contained in the substitute is given all of the authority he should require to do this job. It is a flexible program, but it centralizes the responsibility for the effectuation of the program where it rightly belongs, that is in the Expediter.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. Does this give the Expediter the authority to fix prices on materials?

Mr. WOLCOTT. The Expediter is given authority under the substitute to adjust prices or direct the adjustment of prices; that is, direct the OPA to adjust prices whenever he finds it necessary to do so in order to obtain the maximum amount of production.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. BROWN of Georgia. Mr. Chairman, I rise in opposition to the substitute and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. BROWN of Georgia. Mr. Chairman, the bill in its present form is a good one and I am supporting it. I am asking the Members to support it. I am asking you to vote against any motion to recommit. Under this bill we can allocate the scarce materials to the veterans of this country, and the veterans who have the money can get the homes.

Since we have adopted the Patman amendment by which the FHA is given an additional authorization of a billion dollars, those boys who do not have the money can secure 90 percent of the cost of the lot and home. For these additional benefits for the veterans who fought this war for us you cannot afford to turn this bill down. Without this bill, on the 30th of June, you will not have these benefits for the soldiers. More than that, we have provided for an expediter who really is the czar over all the housing agencies and can say to any and all of them, "I expect a lot of building materials for the veterans of this country, and they are entitled to priority." As to too much authority that somebody on the left side of the aisle discussed, may I say that in this substitute bill there is just as much authority as in the committee bill as reported.

Mr. Chairman, nobody can claim that I have been partisan in this matter. I have stood for the committee bill as reported, and stand for it today, and before I take my seat I am going to show you beyond a doubt that the substitute offered by the gentleman from Michigan [Mr. WOLCOTT] in effect is practically the same bill that we have before us now. Nobody can say I have been doing anything except plugging for these boys to get a home. Furthermore, I do not charge that anybody on either side of the aisle is playing politics. But if you now offer a substitute, which is practically the same as the committee bill, what will the public say? For God's sake let us be like Caesar's wife, above suspicion. What does the committee bill do? It speaks the opinion of the majority of my committee, and the author of the substitute is a member of the committee.

He had the privilege to amend the committee bill if there was any material difference between his substitute and the bill, but he did not dare do so, probably because there was no essential difference. I would not want to think, and certainly do not charge, that the gentleman was after glory for himself or for his party. His attitude now puzzles me. I ask my Democratic colleagues to stand by this bill as reported and not vote for the substitute when there is no essential difference in the two, and you will never make me believe that my friends on the left would vote for the substitute just because the author sits on that side.

What else is in this bill? My good friend the gentleman from Michigan [Mr. CRAWFORD] yesterday placed in this bill a protection for the veterans in the rural sections, the same as for those in the towns and the cities, giving them the same treatment. That protection is not contained in the substitute. My good friend the gentleman from Alabama [Mr. HOBBS] placed in the Patman bill as reported a limitation that the Expediter would have the same and no more authority than the President has under the Second War Powers Act. What more do you ask? How else could you perfect it? We have eliminated subsidies. We have eliminated ceilings on existing homes. We have perfected the bill, and not a single committee amendment was defeated. Very few on the left side of aisle voted against the committee amendments. The author of the substitute did not vote against them.

All that I can see in the adoption of the substitute would be a little glory for the author of the substitute and ignoring altogether the committee bill which represents the thought of the majority of the committee composed of both parties.

Mr. Chairman, in all great emergencies like war it is necessary to do things that we cannot do in peacetime under the Constitution of this great country. Therefore, we passed the First War Powers Act and the Second War Powers Act, to do what? To equip our boys with the necessary implements with which to fight, to train our boys to fight, and to produce food and clothes to sustain the heroes on the battlefields and all those in the armed forces of our country.

Someone will say, "If we have the power today, why do we need this bill?" I will tell you why: Because you are not going to extend the War Powers Act in the first place. There are thousands of items that it is necessary to cover in time of war, but you do not need all those powers now. The only thing we are selecting out of the Second War Powers Act is in about five lines, to give the same authority the President has now to an Expediter who will be charged with all the responsibiilty of producing those scarce materials and allotting part of same to the veterans. The man who votes to recommit this bill and does not give the privilege of allotment of scarce materials to these boys at this time will, in my opinion, have to repent.

Why should the Committee on the Judiciary be called on to extend the War Powers Act only for housing, when that is the prerogative of the Committee on Banking and Currency? That is one of the thousand things covered by the War Powers Acts. We knew, or at least we thought, that this feature would not be included in the extension of the War Powers Act. Why should anybody criticize us if we want to carry out the authority the President has now and allot scarce materials and supplies to the veterans of this country? We have a splendid bill because it gives the boys the material. If a veteran has the money to buy it he can build. Then we provide for those without money so that they can obtain 90 percent of the funds necessary to buy the lot and construct the house through the FHA, by increasing its authority in the amount of $1,000,000,000 in the way of secured mortgages. What more can we do?

Mr. Wyatt sent a letter to my chairman some days after we reported the bill and said, "There are three things that I want." They were read to our committee. We did not adopt them then for want of time for consideration. One was a corrective amendment, to insert the word "Administrator" or "Expediter" in one or two places, another was an additional $1,000,000,000, for the FHA, and the third was subsidies. In this bill we have adopted everything except subsidies. It is true that we cut out the ceiling on old homes, but that does not relate to his functions of producing the materials and building homes.

Most of you on the left went along on the amendment cutting out subsidies. Some of my friends on the right also went along. I thought the paramount thing was to get production. I did not believe subsidies would get it, even if subsidies would reduce the cost to some extent. I think the greatest need is to get the scarce material so we can give it not only to the veterans but others also.

Mr. SPENCE. Mr. Chairman, I move that debate on the Wolcott substitute amendment and all amendments thereto close in 30 minutes.

The motion was agreed to.

Mr. VOORHIS of California. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. VOORHIS of California. Mr. Chairman, if a Member desires to offer an amendment to the Patman bill, is it necessary that his name be recorded now in view of the limitation of time just agreed to by the Committee or will the Member have an opportunity to offer an amendment later?

The CHAIRMAN. Amendments to the pending bill would be in order after the debate on the substitute amendment.

Mr. WOLCOTT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. If the substitute is adopted, will it be in order thereafter to offer amendments to the committee bill?

The CHAIRMAN. It would not be in order if the substitute is adopted.

The Chair recognizes the gentleman from Pennsylvania [Mr. MCGLINCHEY].

Mr. MCGLINCHEY. Mr. Chairman, I cannot let this opportunity go by without saying a few words in behalf of the Patman housing bill, H. R. 4761, and the returning veterans.

I feel that this bill should pass, and that it should carry the amendments which will benefit the returning veterans and the dependents of men now in the armed forces, as well as the low-wage earners who are suffering because of the speculative real-estate market. The real-estate market is being inflated by unscrupulous real-estate operators who see

a chance to get rich quick by taking advantage of the returning veteran, who can borrow money under the GI bill of rights to make a down payment on either an old or new house. These real-estate operators and builders know that if the materials are frozen and ceilings are put on the new houses that they will not be able to make as large a profit as they contemplate making if this bill is defeated.

The issue is clear as to where the Republicans and Democrats stand on this housing bill. Unfortunately, we have a bloc of southern Democrats who represent big business and the manufacturer and real-estate speculators who are against the bill. The liberal Democrats from the North and the West and a few from the South have been fighting for the returning veterans and the working class of people of this country. I listened to our majority leader on the floor of the House the other day telling the Members that the greatest lobby in the country is now lobbying to defeat this bill so that they can definitely do one thing, and that is to rob the American people by bringing about inflation and eliminating the OPA. These unscrupulous speculators have one thought in their minds, and that is to get rich quick, and as far as the future of the country is concerned they do not care whether or not we have a depression, or whether people are going to be robbed, or whether the returning veterans can be housed properly, or whether their wives and children suffer by being forced into these wooden shacks that are now being put up until the new houses are built.

Let us look into the facts and see just why we need this housing program and why it should be administered by an administrator who can control the important materials that are needed to build these houses. I call attention to the amendments that have been proposed by some of the Republican Members, along with the bloc from the South, to limit this program to 1 year. Any Member of this House, who understands building or knows anything about construction, knows that no builder or group of builders in 1 year's time can build the number of houses that need to be built, whether we have an open inflated market or whether it is controlled by an administrator who will see that the materials that are manufactured go into the purpose of this bill, low-cost housing. It will take 3 or 4 months before the manufacturers can manufacture the materials, plus the labor shortage that we all know exists today, as far as construction workers are concerned. There is also the element of weather to be considered because when you have bad weather you cannot build houses, and regardless of whether he has one or a thousand homes to build, a builder has these obstacles to encounter as he goes along.

So, as I stated before, the issue is very clear. The Republicans and the reactionary bloc from the South are against the working class of people of this country. Big business contributes to the campaign funds of the Republican Party and to other reactionaries who go along with the wishes of big business.

Republican Congressmen are not even fair with their constituents among the middle class and the low-wage earners, many of whom have been Republicans all their lives and have voted for the candidates who represented the Republican Party. Not all low-wage earners are registered Democrats. There are thousands of low-wage earners and middle class and white-collar workers who are registered Republicans and have voted consistently for the Republican Party. These are the persons whom the Republican Members of Congress are voting against and not against the Democratic administration. I feel that the truth should be told to these people—that their party represents only one class of people and that is big business, and that their party is not for the working class because if it were then its Members would vote for this housing bill and pass it with all the amendments that would benefit the majority of people of this country—the middle class, the white collar, and the working class—and I, for one, want to tell the people of this country the truth—that the Republican National Committee is against anything that will benefit the working class of people.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, some of the argument here today sounds like strange logic to me. I refer to suggestions that there is something sinister in the thought that suppliers of housing materials should be expected to make a profit on the items they supply.

I may have been under a wrong impression—but it has been my understanding that the aim was to get some housing. Surely if we are after housing, and we need some materials to provide the housing, we can hardly expect that lumber mills or gadget producers will turn out what is needed unless there is a prospect of making a profit in the process.

Why should producers or manufacturers take the risk unless there is a prospect of making a profit in the enterprise?

As an editorial in the Washington Daily News very aptly says:

> Our productive system is complex. Yet the principle on which it operates is simple. Its driving force is the desire and hope for profit. Our producers have been known to guess wrong and produce at a loss. But they never produce when they know in advance they will lose. They have to believe that the price they can sell for offers a margin above what it costs to make the goods.

Some may say, "figure the over-all profit," implying that on some items an extra large profit may be made to offset a loss on some other items. Well, that hardly sounds logical either. That implies that more profit is made or will be made on some items than is fair or necessary. Furthermore, it restricts housing activity to the large-scale builder or producer and definitely puts the squeeze on the small manufacturer of building specialties.

The more this argument runs, the clearer it seems to me that we shall solve the housing shortage fully only when we restore normal economics and let supply respond to demand with profits rewarding response and with competition policing prices.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. GAMBLE], a member of the committee.

Mr. GAMBLE. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

> Amendment offered by the gentleman from New York, Mr. GAMBLE, to the substitute offered by Mr. WOLCOTT: On page 10, line 16, after "A" strike out "$7,200" and insert "$8,100."

Mr. GAMBLE. Mr. Chairman, this amendment is the Barry amendment which the gentleman from New York offered to the Patman amendment amending section 603 (b) (2) of the National Housing Act prescribing the schedules of maximum mortgage amounts. This amendment strikes out the $7,200 mortgage limitation under which a single-family residence could be built at a price of $8,000 and increases the amount of mortgage that could be obtained to $8,100, allowing for the construction of a house costing $9,000. This will enable the construction of homes in cities and metropolitan areas adjacent to cities where construction costs are higher than in other areas. Of course, if they can be built at a lower figure that will be done and there is nothing mandatory in the amendment, but on the present basis of construction costs you cannot be assured of an adequate supply of homes, which is the goal of this bill. The amendment was adopted by the committee when offered by the gentleman from New York and is in the Patman bill at the present time, and this same amendment is now offered to the Wolcott substitute. I hope it is adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. GAMBLE] to the substitute amendment.

The amendment was agreed to.

Mr. BUFFETT. Mr. Chairman, I offer an amendment to the substitute.

The Clerk read as follows:

> Amendment offered by Mr. BUFFETT to the substitute offered by Mr. WOLCOTT: Page 5, after line 12, insert the following new section:
>
> "In order to achieve maximum production of materials suitable for use in the construction of housing accommodations the Director is authorized and directed to issue a directive on policy to the Price Administrator requiring the Price Administrator to establish within 60 days after the date on which this title becomes effective a maximum price with respect to each such material: *Provided*, That no maximum price shall be established or maintained with respect to any such material which (1) is below a price which will reflect to producers, manufacturers, wholesalers, distributors, jobbers, and retailers dealing in such material a fair and reasonable profit per unit, based on current costs, or (2) will reduce or result in the reduction of the dollar-and-cents trade discounts or dollar-and-cents mark-ups with respect to such material below the dollar-and-cents discount on dollar-and-cents mark-ups applicable on January 1, 1945."

Mr. BUFFETT. Mr. Chairman, I ask unanimous consent to change the word

"Director" to "Expediter" where it appears in the amendment.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The gentleman from Nebraska is recognized for 5 minutes in support of his amendment.

Mr. BUFFETT. Mr. Chairman, this amendment seeks to give the small businessman in the building materials industry a fair chance to survive. It provides that the same competitive relationships which existed in the building industry prior to and on January 1, 1945, will not be changed by cost-absorption edicts or other squeeze regulations issued by a governmental agency.

These competitive relationships were preserved during the war and Congress must now take this action to prevent bureaus from destroying, by regulation or directive, various segments of the building materials industry—particularly in lumber.

The problem is illustrated by a letter from a GI in Indiana, which all of you probably received a few days ago. The following lines from this GI illustrate the situation perfectly:

Since my release I've talked with men in every phase of the lumber industry from logging to retail distribution, and today I'm convinced that Congress either isn't capable of, or else won't face current situations honhind bureaus which you created. You are estly and constructively. You are hiding beattempting to disclaim your rightful responsibility for the actions, and performance of these bureaus. * * *

You have passed legislation "guaranteeing" every serviceman his former job will be available—this with much publicity, cooperative backslapping, and mutual admiration (among yourselves), but you legislated me out of a job I've had since 1935.

In 1935 I started out as a commission lumber salesman, saved some money, and in 1938 began wholesaling lumber. This was not a prosperity racket or war-profit business but founded on historical practices. Today the OPA rules that this business is not legitimate and I am not entitled to any remuneration for services performed.

This amendment should particularly appeal to the Members of the House who are interested in the preservation of small business. On February 25, the Select Committee on Small Business issued a report which began with this statement:

Position of small businesses endangered as postwar trend favoring big companies becomes apparent. Demand for bold and intelligent Government action to aid small firms becomes imperative.

This amendment is essential if small business is to survive and a competitive enterprise system is to be maintained in the building materials industry.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

The question is on the amendment offered by the gentleman from Nebraska to the substitute.

The question was taken; and on a division (demanded by Mr. BUFFETT) there were—ayes 68, noes 52.

So the amendment to the substitute was agreed to.

Mr. RABIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RABIN to the Wolcott substitute: On page 4, line 16, insert the following:

"(5) To provide for the construction under contract, in those areas in which it is determined that an acute shortage of housing facilities exists, of individual and multifamily dwellings in such numbers as he deems appropriate, and as soon as practicable after any such dwelling shall have been completed it shall be sold on such terms and conditions as the Housing Expediter may determine. For the purpose of carrying out this subsection the Housing Expediter is authorized to enter into contracts and into amendments or modifications of contracts and to make, advance, progress, and other payments thereon, without regard to the provisions of law relating to the making, performance, amendment, or modification of contracts, except that nothing herein shall be construed to authorize the use of the cost-plus-a-percentage-of-cost system of contracting. The Housing Expediter is further authorized for the purpose of this subsection to acquire any property, real or personal, by purchase, condemnation, requisition, or otherwise, prior to approval of title by the Attorney General.

"Contracts and subcontracts made pursuant to this subsection shall be subject to the provisions of the Renegotiation Act to the same extent as if (A) the contracting agency were embraced within the definition of "Department" under that act, (B) such act were applicable to amounts received or accrued in fiscal years ending after December 31, 1945, and (C) subsection (1) (1) (E) (exempting construction contracts) were not applicable; and for this purpose the contracting agency, or such other agency of the Government as the President may designate, shall have the powers and duties which the War Contracts Price Adjustment Board had under such act on July 1, 1945.

"The Housing Expediter is authorized to operate, manage, and lease any housing constructed under this act, pending its sale.

"There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subsection."

Mr. WOLCOTT. Mr. Chairman, I make a point of order against the amendment on the ground it is not germane to the section offered. As I understood the reading of the amendment it goes ever so much further than the purview of the section in the grant of authority to the Expediter to condemn and hold land. The amendment is wholly outside of the provisions of the title and the section he seeks to amend, and therefore is not germane.

The CHAIRMAN. Does the gentleman from New York desire to be heard on the point of order?

Mr. RABIN. Yes, Mr. Chairman, I should like to be heard.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. RABIN. Mr. Chairman, the purpose of this bill is to amend the National Housing Act by providing for a Housing Expediter and giving him certain powers. In short, those powers are designed to relieve the housing shortage.

Under section 701 of the bill there is expressly set forth the powers and duties of the Housing Expediter. My amendment simply adds to those powers and duties, having in mind the same purpose, to relieve the housing shortage. I think it is absolutely germane to the section.

The CHAIRMAN (Mr. COOPER). The Chair has briefly but sufficiently considered the amendment offered by the gentleman from New York against which the gentleman from Michigan has made the point of order. The Chair is of the opinion that the amendment offered by the gentleman from New York comes within the scope and purview of the substitute offered by the gentleman from Michigan.

The point of order, therefore, is overruled.

Mr. RABIN. Mr. Chairman, when we were at war we did not tell the President how to provide the materials of war. We simply told him to provide them and gave him full power to provide the materials. That is what this amendment seeks to do. It gives the Housing Expediter full power to provide houses.

In short, it directs the Housing Expediter: First, to commence the construction of housing facilities in any part of this country that he may deem necessary and essential for the public welfare; second, to requisition such material wherever it may be for the purpose of carrying out that program; third, to condemn and acquire such land as may be necessary for that program; fourth, to let contracts to private industry, subject to renegotiation, on any basis he may deem most expeditious for the purpose of this construction, and fifth, upon completion of those houses to sell them so that the Government will not be in the real-estate business.

This amendment gives instructions to the Expediter to build. That is what we are trying to do. We are trying to build ourselves out of this shortage. It gives him full power to do that with due regard to private industry.

The CHAIRMAN. The time of the gentleman from New York has expired.

The question is on the amendment offered by the gentleman from New York [Mr. RABIN] to the substitute.

The question was taken; and on a division (demanded by Mr. RABIN), there were—ayes 34, noes 71.

So the amendment to the substitute was rejected.

Mr. SMITH of Ohio. Mr. Chairman, I offer an amendment to the substitute.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Ohio to the substitute offered by Mr. WOLCOTT: Strike out the language of the Wolcott substitute as amended and insert in lieu thereof the following:

"That it is the purpose of this act to encourage the construction of housing accommodations by conferring upon the Director of War Mobilization and Reconversion (hereinafter referred to as the 'Director') the function and responsibility of preventing maximum prices being established or maintained in respect of building materials which result, or are likely to result, in discouraging the production, manufacture, or processing of building materials to be used in the building of homes. No duty or function imposed or conferred upon the Director by this act may be transferred under the First War Powers Act, 1941, or otherwise to any other officer or agency of the United States.

"SEC. 2. Whenever any maximum price is established or maintained in respect of any building material used in the building of homes at a price which discourages the production, manufacture, or processing of such material the Director is authorized and directed to issue an order directed to the Office

of Price Administration and to the Price Administrator requiring the maximum price to be raised so that it will no longer discourage the production, manuafacture, or processing of such material. In issuing any such order the Director shall take into consideration the need of granting wage or salary increases for the purpose of permitting free production, manufacture, or processing of such building material.

"SEC. 3. No subsidy payments may be made to any producer, manufacturer, or processor of any building material used for building homes for the purpose of encouraging the production, manufacture, or processing of such material or of making it possible to establish or maintain a maximum price in respect of such material lower than the maximum price that would be established or maintained without any subsidy payments being made.

"SEC. 4. As used in this act the term 'building material' means any material suitable for use in the construction of homes and housing accommodations."

Amend the title of H. R. 4761 to read as follows: "A bill to encourage the production, manufacture, and processing of building materials by prohibiting maximum prices which discourage such production, manufacture, and processing, and for other purposes."

Mr. SMITH of Ohio. Mr. Chairman, my amendment is simple and goes straight to the root of housing-material shortages. It does not eliminate price control. It does, however, authorize and direct the OPA and any other Government agency which has to do with regulating prices or wages to raise ceilings on such prices and wages in every case where this is necessary to increase production of housing materials. The work of the Director would be confined exclusively to this single function. It would be his sole business to find out where material shortages are caused by too low ceiling prices or wages and to see to it that these are adjusted upward sufficiently to provide relief. This is the one and only way to meet the housing shortage. There can be no other way.

Both the Patman bill and Wolcott substitute propose to cure the affliction by setting up more Government machinery. My amendment entirely avoids doing this. It utilizes machinery already in existence. It makes the Director of War Mobilization responsible for carrying out the objectives of the act.

Too much Government machinery is largely responsible for housing-material shortages, too many OPA rules, regulations, restrictions, red tape, and so forth. Both the Patman bill and Wolcott substitute would only make matters worse. Instead of building more houses, they would cause fewer to be built.

We ought to be realistic. I repeat, there is no other way to increase the building of homes than to permit wages and prices of materials to rise sufficiently to allow the fullest production. Inflation is upon us. The Congress is helpless and the Government is helpless. It is foolish for the Director of OPA, Mr. Bowles, to say that the price line is being held except for a bulge, which he says developed as a result of the President's new wage policy. The fact is that the whole price line is rapidly deteriorating. This is manifested by the yielding all along the wage line to the almost universal pressure against it by the ever-growing demands of wage earners and others for pay increases.

The economic reason for these demands is the depreciation or loss of purchasing power which is taking place in our money. This continuous loss of purchasing power primarily goes back to Government printing-press issues. These issues are in existence to the tune of considerably more than $200,000,000,000. It is against this mountain of Government printing-press money that Congress is at this moment attempting to legislate and which OPA is trying to control. We cannot legislate against it and OPA cannot control it.

The powerful struggle which wage earners are now making to increase their pay rates is in large measure an expression of their determination to overcome the daily loss of purchasing power the dollar is sustaining. As a result of the depreciation of the value of the dollar the working people now find themselves in the most precarious condition they have ever experienced.

Now the point I wish to make is that the policy adopted by the Government of permitting wages to rise while at the same time maintaining low prices of commodities is self-defeating. Artificially produced high wages are wholly incompatible with artificially produced low prices. This should be so self-evident as to require no mentioning. When one buys a pair of shoes, or an automobile, or a steam shovel, one buys the efforts that have gone into the production of those commodities. The price of a hat, or an automobile, or a steam shovel is the sum of the wages paid for its production plus a profit. Nearly all the profit under a competitive system finds its way into capital formation. There it produces job opportunities and so inures to the benefit of wage earners and the community as a whole.

Now the gist of my amendment postulates a policy of permitting prices on commodities to rise pari passu with wages. That is, it would simply equalize wages in general with the sum of wages making up the price of commodities. I contend that this is the only policy we can adopt which contains any soundness. It is the one and only policy which can be adopted that will give the working people the greatest protection and provide the largest number of homes for veterans and other people that is possible under existing conditions.

The amendment which I offer should be adopted.

If we must have a housing dictator, or any other kind of dictator, let us have one who will dictate the Nation on the highroad toward production and free enterprise and not down the gutter toward scarcity and totalitarianism.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. SMITH] to the substitute.

The amendment was rejected.

Mr. CURTIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CURTIS to the Wolcott substitute: On page 4, line 16, change the period to a semicolon and add "(5) Approve the price ceilings on lumber and other building materials, and any price ceiling heretofore or hereafter established by any other agency on lumber and other building materials shall be effective until the same is approved in writing by the Housing Expediter."

Mr. CURTIS. Mr. Chairman, the purpose of this amendment is to fix the responsibility for ceiling prices on lumber and other building materials on the same man who is charged with getting the job done of providing houses. We have done something similar to this in reference to food, requiring the approval of the Secretary of Agriculture to price ceilings. My amendment would provide that this Housing Expediter must approve the price ceilings that go on lumber and other building materials. It will put an end to divided authority. On page 4, line 22, the Housing Expediter is given some power along this line in connection with the Office of Mobilization and Reconversion, but that is usually weeks and months after trouble arises because of an erroneous ceiling. This will fix the responsibility and I urge the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska [Mr. CURTIS] to the substitute.

The amendment was agreed to.

Mr. ELLSWORTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ELLSWORTH to the Wolcott substitute: Page 6, line 6 of the Wolcott amendment, strike out lines 6, 7, and 8.

Mr. ELLSWORTH. Mr. Chairman, the purpose of this amendment is to remove subsection (c) on page 6 which would give the Expediter complete power to forbid the export of lumber and other building materials. Such power should not be given a Housing Expediter of this kind, because that power transcends and crosses the line of other agreements and responsibilities had by this Government. These other matters are in the hands of the State Department, the Department of Commerce, and the Civilian Production Administration, and there are a great many things involved in addition to merely shipping lumber.

As a matter of fact, very little housing lumber would be gained in this country by the export-ban provision in this bill for the simple reason that we are importing some two and a half times as much lumber now as we are exporting, and of the exported lumber three-fourths of it goes to the British Empire. Approximately 90 percent of our lumber imports come from the British Empire, therefore we would not gain, since the British Empire would obviously take from its own resources to replace what we cut off from them. We would gain nothing in the world by enacting this provision, and this power should not be vested in the hands of any one single bureaucrat. I have no doubt that lumber exporting will be curtailed, but it should not be done in this manner.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon [Mr. ELLSWORTH] to the substitute.

The amendment was rejected.

Mr. GAMBLE. Mr. Chairman, I offer an amendment to the substitute.

The Clerk read as follows:

Amendment offered by Mr. GAMBLE to the Wolcott substitute: On page 5, line 15, after "construction", insert "and/or completion."

Mr. GAMBLE. Mr. Chairman, this is a very simple amendment. There are thousands of houses now being constructed under the FHA program. It may be possible that they will not have some of the materials that they need for the completion of those houses. Many builders are very much worried as to the possibility of their not being able to get sufficient materials to complete the construction of these houses if this bill should become a law. I am sure Mr. Wyatt will want all these houses completed as rapidly as possible as a part of his building program. This amendment simply gives the Expediter the added right to allocate materials not only for the construction of housing accommodations but for the completion of housing accommodations now being constructed.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York to the substitute.

The amendment to the substitute was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Chairman, this substitute is going under the guise of a housing bill. I remind the members of the committee that they give members of the armed forces examinations of the eyes before they go into the service, and they also educate them in camouflage. These veterans will recognize this substitute for what it is.

By no stretch of the imagination can the substitute be declared to be an effective housing bill to solve the housing emergency that we face.

It only provides in its first part that the Director shall have the powers he has today under existing Executive order.

In the second part, it enacts title VI of the FHA, which has already been enacted here in the Patman bill.

One thing further: You put in the Buffett amendment, which is the old favorite stand-by of the wreckers of the inflation control and the OPA. The per-unit full-profit price item, that has always been here before us when the enemies of price control appear and has been consistently voted down. In your haste to get this substitute through you have provided that every manufacturer, some who may manufacture a thousand items of construction material must be guaranteed a profit on every single item that he makes, regardless of his over-all profit that he may have on the 999 others. It is a price-elevating device if I ever saw one to further raise the already high price that a veteran would have to pay for his home.

Further, if the building supply people can destroy price control with this Buffett amendment now, all of the other producers of every other type of civilian commodity will be in here asking for the same price-raising device for themselves. I was astounded to see this amendment voted by my Republican friends.

Mr. LE FEVRE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LE FEVRE. Mr. Chairman, our colleague, the gentleman from Michigan, [Mr. LESINSKI], exhibited some lumber invoices yesterday showing the absurdity of present billing methods for lumber, billed to the retail dealers. This system of invoicing is so complicated that practically every retail dealer is liable for prosecution, based on price violation if he omits any of the details required. I cannot urge too strongly that OPA immediately simplify the bewildering maze of maximum price regulations, and return to the former methods of billing and intelligent enforcement by officials who understand the practices of the industry.

We have spent over 4 days on the Patman bill and have not accomplished a thing to help the veterans get homes. We have had Mr. Bowles' statements over and over, but the truth is, OPA has not been realistic. It has failed for over 6 months in channeling house building lumber through the proper channels and it would appear that Mr. Bowles has had cause and effect sadly confused. Black-market practices are a simple indication that we have inflation right now. We have contracted this disease as a result of misconduct and violation of all the laws of economics during the past several years. Shall we take more sedative pills in the form of more regulations to dull the pain of increased prices—have increased black-market prices—no goods to purchase—no jobs for workers—or get to the bottom of this sickness—which is production?

I have never seen such twisted reasoning and such distortion of facts as are coming out of high places in Washington today. To say that OPA policies are not discouraging the production of lumber, is simply absurd. Evidence from all corners is received proving that this is fallacious. Reports from all regions state that mills are closing down because of the inadequacy of ceiling prices. Mr. BUFFETT'S amendment to the Wolcott substitute should allow the necessary increases to the mills to get production and have these increases passed along in dollars and cents to the ultimate consumer. The public has been kidded long enough through the black market. Retail dealers can't keep on absorbing all increases and why should there be discrimination against the retailer in favor of the manufacturer? There are 23,000 retail lumber dealers and I am proud to be one of them. This is a non-partisan problem. Normally we furnish the building materials for 75 percent of the individual homes constructed in the United States. We stand ready to help the veterans in every possible way. Give us the lumber and with our local skilled building laborers, we will go far toward satisfying the present veterans' demands with homes worthy of the name.

Mr. Wyatt speaks of prefabricated houses. In the course of time, I have no doubt that under mass-production methods, prefabricated houses will be produced at reasonable prices, especially if a market is provided ready-made by the Government. But prefabricators cannot build houses without materials. From a practical standpoint, creating a new huge industry requires much planning and much organization. Private individuals will get into this business under our private enterprise system without Government subsidies, and why should lumber be channeled to prefabricators and deny these building materials to the people who will build houses right now? Small builders do not build so many houses individually but in the aggregate they have supplied the bulk of them in the past. With materials they will produce houses right now other than at some time in the indefinite future.

First let us remove the obstacles that are blocking the production of materials.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, after a somewhat prolonged absence from the floor I have sought all day to project myself into this argument with a few ideas, but I find it impossible to do so because of the time limitation of one minute and a quarter. However, may I ask the chairman of this committee one question, and if he cannot answer, perhaps the distinguished gentleman from Texas can.

Is there anything in the Patman bill, the committee bill, which authorizes the Expediter to change the price ceilings on material going into construction and to direct the OPA to change price ceilings on construction materials?

Mr. SPENCE. In my opinion, there is no doubt that he has that authority.

Mr. KEEFE. Will the gentleman point out in the bill the language from which he concludes that the Expediter has that authority? That is a very important matter, it seems to me, for the consideration of the Members of the House. There should be no question about it if this bill is going to pass.

Mr. SPENCE. He has the authority with reference to all the agencies exercising the powers incident to carrying out his duties. He has the authority under this bill to direct the OPA to place ceilings on building materials that will conform to his directives.

Mr. KEEFE. I am glad to get that interpretation of the bill.

The CHAIRMAN. The Chair recognizes the gentleman from Montana [Mr. MANSFIELD].

Mr. MANSFIELD of Montana. Mr. Chairman, I offer a perfecting amendment to the Patman bill.

The Clerk read as follows:

Amendment offered by Mr. MANSFIELD of Montana to the Patman bill: On page 12, line 2, insert the following new section:

"SEC. 706. The Director shall allocate and shall establish priorities for delivery of materials and facilities suitable for the construction of housing accommodations in such manner, upon such conditions, and to such extent, as he deems necessary in order that, of the aggregate supply of such materials and facilities, 50 percent thereof will be used for the construction of homes selling for $5,000 or less; 25 percent thereof will be used for the construction of housing accommodations selling for more than $5,000, but not

less than $8,000; and 25 percent thereof will be available for other purposes."

Mr. MANSFIELD of Montana. Mr. Chairman, in the amendment just read by the Clerk, the word "Director" should be changed to "Expediter," and the words "not less than $8,000" should be changed to "but not more than $8,000." I ask unanimous consent that the amendment may be corrected accordingly.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MANSFIELD of Montana. Mr. Chairman, my purpose in offering this amendment is to give the House a chance to vote for reasonable allocations of building materials for low-cost housing. When we speak of $8,000 to $10,000 housing, we are talking about a price that is far beyond the ken of the average family and the average GI. I feel we should be realistic in our debate on housing and instead of talking about how much we love the veteran, let us prove to him that we mean what we say. A vote for this most important amendment will be a vote for the people who ought to be helped most.

The amendment is self-explanatory and certainly merits the approval of this Congress. The people of the county are expecting action from us and we must not shirk our responsibility. Ordinarily I would not favor the granting of such extraordinary powers as this bill permits nor am I an advocate of Government regulation but the times call for action on a large scale and now. An emergency exists in housing, as we all know, and extraordinary efforts must be made to break the bottlenecks in this field so that production can get rolling and the crisis overcome.

Mr. PATMAN. Mr. Chairman, I ask for recognition in opposition to the amendment.

The CHAIRMAN. The gentleman is recognized.

Mr. PATMAN. Mr. Chairman, this amendment in effect will put the Expediter in a strait-jacket. It has some merit, I know, for low-price homes, but I think we should leave it up to the Expediter to say in certain geographic areas a certain price home. If you begin to allocate these materials by saying a certain percentage shall go to a certain price home and a certain percentage shall go into another price home, I am afraid it will interfere with the administration of the act.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BROWN of Georgia. In some areas you could build a house for half the price you could build one in other areas.

Mr. PATMAN. Yes. I think that generally it would cause confusion. I know the able gentleman from Montana [Mr. MANSFIELD] is very sincere and honest in his efforts, but I hope the amendment is not adopted, because I fear it will be harmful to the Expediter.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana [Mr. MANSFIELD].

The question was taken; and on a division (demanded by Mr. MANSFIELD of Montana) there were—ayes 22, noes 61.

So the amendment was rejected.

The CHAIRMAN. The gentleman from California is recognized for 1¼ minutes.

Mr. HINSHAW. Mr. Chairman, if I understood the distinguished gentleman from Georgia [Mr. BROWN] a few moments ago, he said that with one or two exceptions there was very little difference in effect between the Wolcott substitute and the committee bill. Is that correct?

Mr. BROWN of Georgia. That is correct.

Mr. HINSHAW. All I have to say is that the language of the Wolcott bill is probably better than the language of the committee bill. There is one section I want to see stricken from the Patman committee bill, and that is the snooping provision contained in section 703. That section should be stricken from the bill, as it would make any man a criminal who refused to permit a Government housing agent to enter and inspect his home. That provision, in my judgment, would be in clear violation of article IV of the Bill of Rights.

I hope and trust that when this bill is passed and I can vote for it under those circumstances, that the President, or whoever will have the power to turn over the operation of this law, will give the FHA a great deal of this responsibility, as was declared the other day by the gentleman from Texas [Mr. PATMAN] was intended. If that is done and a new superbureau is not set up to further complicate things and add new barrels of red tape, I think we may now have a program that will produce more housing. That is my object in this program. Let us understand once and for all that every Member of this House wants to help to really produce houses, and produce them in quantity, particularly for the veterans of this war.

In the course of this long debate I have done my best to help straighten the thinking of the House on the subject of housing. Anyone who has had experience along those lines must agree that to tie the hands of the builders will not produce housing. I am not for setting them free to charge the fancy profits which a dire shortage would make possible, nor am I in favor of regulations that would make it impossible for them to build.

Mr. Chairman, the objective of a housing bill must be to really produce housing. Title VI of the FHA has now been added to the amended Patman bill and it is a part of the Wolcott substitute. That is the law under which many thousands of new homes were built and sold, or rented to war workers who were moved into the war-production centers. Title VI of the FHA, as it was added to this bill will aid in the wholesale construction of at least a half million homes and housing units. I voted for it as an amendment to the Patman bill and will vote for it as a part of the Wolcott substitute. With that amendment we are getting somewhere.

The CHAIRMAN. The gentleman from Wisconsin [Mr. BIEMILLER] is recognized.

Mr. BIEMILLER. Mr. Chairman, for five long days it has been obvious on the floor of this House that the Members of the Republican Party, down to the last man, have not been interested in protecting the veterans against increased prices for housing. Nor have they been interested in any attempt to get the marginal producers into action so that more houses could be built. They have been interested in just one thing. They have been interested in increasing profits for existing producers and contractors and for the speculators. The final proof of that is the substitute for which they are now asking us to vote. The substitute is nothing but a pious fraud, a stump speech, if you will.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. BIEMILLER. I will not yield. I have but a minute and a quarter.

The substitute merely writes into law the Executive order under which the Housing Expediter is now functioning and which everyone admits is not strong enough to implement the Wyatt housing program. The substitute also contains amendments to title VI of the Housing Act, but these same amendments are now part of the Patman bill. Just a few minutes ago when the committee adopted the amendment of the gentleman from Nebraska you added to the substitute a provision to guarantee to every producer a profit on each item he produced. There is more evidence of the spirit that has motivated the Republican Party in this debate.

This substitute will not strengthen any existing housing legislation, it will not bring any marginal producer into the market, it will not protect any veteran against inflated values. It will give greater profits to the producer and contractor, it will permit speculation to continue not only on existing homes, but also on new houses. I am confident the veterans will know who fought against their interests on this floor.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. BIEMILLER. I refuse to yield. I make the charge and the record will substantiate it, that the entire interest of the minority party as shown by the debate of the past 5 days has been to establish a good profit measure for the contractors and the speculators. They cannot bail themselves out by offering a substitute that has no substance. I trust it will be defeated.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. HOFFMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN. I was on my feet demanding that the words be taken down. The Chair refused to recognize me.

The CHAIRMAN. The Chair did not hear the gentleman.

The gentleman from Kentucky [Mr. ROBSION] is recognized for a minute and a quarter.

Mr. ROBSION of Kentucky. Mr. Chairman, I doubt if any Member on either side of the aisle appreciated or approved the intemperate remarks of the gentleman from Wisconsin [Mr. BIEMILLER] in asserting that Republicans were not interested in the veterans. I wish I had the time to pay my respects fully to him. There are Members on the Republican side who had one or more sons and daughters in the service, and more than one of them whose sons gave their lives in defense of our country, yet the gentleman from Wisconsin [Mr. BIEMILLER] said that the Republicans are not interested in the veterans. I must denounce his statement as without foundation in fact. We know that the gentleman from Wisconsin [Mr. BIEMILLER] had no son or daughter in the service. He was not in the war.

Mr. HILL. He will not be in the next war either.

Mr. ROBSION of Kentucky. And I wonder if he will be in the next war.

Mr. HILL. No.

Mr. ROBSION of Kentucky. I wish to say that neither he nor any other Member of this House has a monopoly on patriotism or interest in the defenders of this country and their dependents.

The gentleman from Wisconsin [Mr. BIEMILLER] has urged the Patman bill. Mr. Patman's committee did not favor his bill, and an overwhelming majority of the House is opposed to the Patman bill. I have received many letters and telegrams from my district expressing strong opposition to the Patman bill and not one letter or telegram or other communication favoring the Patman bill. I have been against the Patman bill, so have a big majority of the House. Those of us who are sincerely interested in the veterans desire to vote for the bill which in our opinion will bring the greatest relief to the veterans and their families in furnishing them homes.

In my opinion, the Wolcott substitute, H. R. 5579, will come more nearly providing homes for our veterans than the Patman bill or any other bill that has been offered. It calls into action all the agencies of the Government that have to do with the procurement and allotment of materials and the construction of houses. These include the Federal Housing Administration and other agencies of the Government engaged in construction and gives the Expediter of the housing program authority over the OPA Administrator. It gives to the Expediter full authority, and this substitute bill provides that the Expediter must fix such prices as are fair and reasonable to producers of building materials and equipment as will enable these producers to make a fair profit, but not any excess profit, and so that these producers will be stimulated and can and will continue in business. Because of the low prices fixed by the OPA at the present time it is shown that literally thousands of producers of building materials and equipment have been forced out of business and production has been cut to the lowest it has been in many years.

This substitute, H. R. 5579, also gives veterans, as well as builders, priority on building materials necessary for the construction of these houses for veterans, and it gives them priority on the houses constructed. The substitute also increases the lending authority in power of the Federal Housing Administration to $3,800,000,000 if necessary, and gives these veterans preference in using the facilities of this Housing Administration to finance the purchase of houses and equipment. The Federal Housing Administration can guarantee their loans up to 90 percent of the loan. This will fit into the $4,000 loan that the veteran has under the GI bill of rights. The Patman bill did not have this FHA loan provision in it, and would likely have destroyed the loan rights of the veterans in the GI bill of rights. There are many other provisions in this substitute that appeal to me very much, and on the whole I think it is a much better bill than anything that has been offered. This substitute bill provides for the use of other agencies, officers, and employees of the Government in carrying out this building program for the veterans, and it would cost much less than the original Patman bill or as amended. Under the Patman bill there could be built up another powerful bureaucracy. In fact, under that bill I am afraid there would be more attention to building up this great bureaucracy than in building housing or encouraging and stimulating production of housing facilities and equipment, and with much greater cost to the taxpayers and to the purchasers of these homes, and they would slow up production as they have on meat, sugar, butter, other food commodities, articles of clothing, and equipment.

We are very anxious for these veterans to get a home within their ability to pay. My son has just returned from the Army and in discussing the matter with him the other day I counseled against an investment in real estate at this time. Prices are too high. This is a seller's market and not a buyer's market. We would be rendering a disservice to the veterans to provide him with a home at a price that would greatly depreciate perhaps within the next year or two and he would have to take a considerable loss. This program will cost the Government considerable money; therefore, we want the veterans to be benefited and not hurt.

PREFABRICATED HOUSES

There has been much said about houses costing $7,000, $8,000, and $9,000. Let us bear in mind that only a few of our veterans could handle the obligations imposed by homes of that price.

In various parts of the country we have building materials of various kinds, clay for brick, stone, lumber, prefabricated building materials from lumber and other articles. At Middlesboro, Ky., in my congressional district, some enterprising citizens have established Cumberland Homes, Inc. A number of the leading businessmen in that section are officers and stockholders in this enterprise. They are prepared to make prefabricated materials from the timber of all kinds which is found in abundance in that section and many States of the Union. They can construct a beautiful cottage, consisting of two bedrooms, one living room, kitchen, bath, and porch. The outside dimensions of the house proper are 24 by 28 feet. This does not include the porch. The kitchen is equipped with a beautiful sink and cabinets for dishes, and so forth. This cottage, with all utilities fixtures complete, a turn-key job, with paint and ready for occupancy for a price ranging from $3,000 to $3,500. Lots can be obtained at a price ranging from $250 to $500 with ample yard and lawn space and garden. It can be seen that the veteran can have a beautiful cottage of this kind with everything complete at a price ranging from $3,250 to $4,000. They can and will construct from 3,000 to 4,000 of these homes in a year. In appearance, comfort, and durability, they average above the average cottage of that size.

Of course, other companies and individuals can set up like establishments in various communities and in the various counties and States. Of course, these and other producers of houses will have to have electrical equipment, bath tubs, and so forth. This program will be a success if the officials will largely confine themselves to stimulating production of house materials and equipment and allocating materials and equipment to contractors, builders, and to the veterans themselves and especially those who have been and are engaged in the construction of houses, or who are carpenters and mechanics. Private enterprise built 28,000,000 homes in this country and they can and will meet the housing shortage for the veterans and the American people if the blighting hand of bureaucracy here in Washington does not strangle the activities of private enterprise. Private enterprise and American workers provided the equipment and materials of every kind and character for our veterans to fight and win the greatest war in all history, and private enterprise, with American workers, can fight and win this housing shortage. I believe that the Wolcott substitute gives the greatest promise of encouragement to private enterprise and the American workers to do this job for the veterans, and I shall vote for the substitute.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

The Chair recognizes the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Chairman, we have about come to the end of the consideration of this bill and it seems to me that the argument made by the distinguished gentleman from Georgia [Mr. BROWN] against the adoption of the Wolcott amendment is a very sound and powerful one. It also seems to me that his argument against recommittal of the bill is very sound and powerful. If the bill is recommitted, we know that for all practical purposes the possibility of legislation for some time to come is very remote.

The Committee on Banking and Currency is exceedingly busy, and while many of us are not satisfied with the committee bill in its present form, it is a much better one than the substitute

offered by the gentleman from Michigan [Mr. WOLCOTT]. I, therefore, hope the substitute will be defeated and that the bill in its present form will pass, go to the other body, receive consideration over there in the hope it will be strengthened and that in conference a stronger bill will come out.

The amendment offered by the gentleman from Michigan [Mr. WOLCOTT] is not the original one offered by him. The Buffett amendment has been agreed to and it is inflationary. The gentleman from Oklahoma in his able argument brought out that fact.

I hope the substitute amendment will be defeated and that recommittal will be defeated, so that we may send the bill to the other branch for action over there.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

The Chair recognizes the gentleman from Kentucky [Mr. SPENCE] to close debate.

Mr. SPENCE. Mr. Chairman, I deprecate this kind of consideration of the substitute. The President has asked for a bill that he thinks is necessary in carrying out his program for housing. The minority has offered a substitute and I do not think anyone here knows what is in the substitute after its many amendments. The President has asked for bread and the minority has given him a stone. The President has asked for fish. The minority has given him a serpent.

I hope you will observe the vote that will take place upon the Wolcott substitute in a few minutes. All of the gentlemen on the other side of the aisle will vote for it, although I am sure they have given it no careful consideration and most of them do not know what it contains after its many amendments on the floor. I hope that the Democrats will stand by their administration and see that a Republican measure is not given to a Democratic President to achieve this most worthy objective.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. PLOESER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. PLOESER. Mr. Chairman, I believe it is well to call the law to the attention of the administration lobbyists.

Title 18, section 201, United States Code, makes it a criminal offense, punishable by fine and imprisonment for any official or employee of the Government to use appropriated funds in lobbying for the passage of any bill, or for an appropriation. The statute also provides for the summary removal from office of those offending.

Over the week end, Porter and the other so-called hatchet men of the administration sent telegrams to all majority Members of Congress demanding their support of, and the passage of, the Patman bill. They have also resorted to the radio and the press.

Mr. Chairman, the public can hope for little in results from the New Deal management of housing.

FEDERAL HOUSING

Before the pending bill is passed, it is appropriate to give some thought to what the Federal Government's various housing activities have cost to date.

The staggering sum of $12,552,973,000 in expenditures and incurred contingent liabilities to June 30, 1944, represented this Government's investment in its multitude of public-housing activities—see House hearings, 1946 Independent Offices bill, page 726.

Whether that huge sum includes the ventures of Messrs. Tugwell and Ickes into the field of public housing is not clear from data furnished by the United States Housing Authority and other agencies.

A copyrighted booklet published in 1944 by the CIO summed up the Government's housing program, under the heading "Comedy of Errors," in these words:

> The entire process boils down to this: We are attempting to house the very lowest income groups on the most expensive land by using the most expensive type of construction.

A questionnaire completed and filed with the Byrd joint economy committee in early 1942 by the Farm Security Administration shows that Tugwell's Resettlement Administration ventured into the public housing field at a cost of $58,537,666.74 to the taxpayers for the construction of 5,019 family dwelling units, an average cost of $11,633 per unit. To the same date, the notorious Greenbelt project of the Tugwell agency, located in nearby Maryland close to the Nation's capital, stood the taxpayers $13,701,817.17 for 890 family dwelling units, or more than $15,000 a unit.

The ill-starred venture of Ickes' Public Works Administration into the public-housing field, according to an official report by that gentleman entitled "America Builds," cost the taxpayers $136,669,759 to November 1, 1937, when those projects were transferred to the United States Housing Authority pursuant to the act of September 1, 1937. Ickes' undertaking was, at the beginning, called low-cost housing; but, when it was very quickly determined that the cost was anything but low, the name was changed to low-rent housing. The PWA housing effort proved a colossal flop, the projects having dismally failed to produce returns for their self-liquidation, as ordained by Congress.

While the Ickes' projects were transferred to United States Housing Authority, a permanent corporation created by the act of September 1, 1937, for operation and disposition, it has recently come to light in hearings before the House Appropriations Committee that one or more of those projects is being managed and controlled by the National Capital Housing Authority, the transfer to that agency having been effected without directions from Congress.

The act of September 1, 1937—Fiftieth Statutes, 888—designed to clear slum areas and to produce in their stead and on their sites habitable low-rent housing, was, as stated, created as a permanent body corporate under the name United States Housing Authority. On its face that Administration measure is a cross or hybrid between a permanent relief agency to operate in depressions and recessions, and one for the clearance of slums. By that act, Congress provided that USHA should make loans to local housing authorities in State and local governments up to 90 percent of the face value of their notes, bonds, and evidences of indebtedness, with interest to the USHA at the going Government rate, plus one-half of 1 percent. The act provided in the clearest of language that the loans should clear slum areas.

The same act further empowered the USHA to pay subsidies on its projects over a period of 60 years and in such amounts as would bring rentals within the reach and ability of the persons removed from the cleared slum areas. When that measure was under debate in the Senate, Senator TYDINGS, of Maryland, predicted, in substance, that the subsidy provision would break the Federal Treasury.

Congressional committee hearings have several times disclosed that, instead of making loans on interest at the going Government rate plus one-half of 1 percent, as required by the act of September 1, 1937, the USHA officials persuaded the State and local housing authorities to, and they did, issue and sell their short-term notes to the persons and concerns bidding for them at the lowest rates of interest. The USHA then unconditionally guaranteed to, and did, pay those short-term notes, principal and interest, when they matured; and it was with their proceeds that the land acquisition and construction of the housing projects were financed. The Federal Government received no interest whatever on its funds during the construction periods of the projects, as plainly required by the law. Officials of the USHA tried to explain to committees of Congress that the use of the short-term notes saved money; but the only benefit accrued to the States and their local housing authorities, while the Federal Government lost the interest that should have been received by it. And, strange as it may seem, the act of September 1, 1937, empowers the United States Housing Authority, in connection with its subsidization of rents, to cover, in the subsidies, the interest which State and local housing authorities obligate themselves to pay on their permanent financing.

Further, it is said on good authority that the United States Housing Authority permitted State and local housing authorities to create and maintain costly management organizations long in advance of the completion and occupancy of the projects; and that those same expensive management organizations and their cost make project management and operation greatly in excess of charges which would be made by commercial rental agencies, which would gladly handle the projects, collect rents, and oversee repairs for the usual commercial rental charge.

In a book entitled "The Seven Myths of Housing," copyrighted in 1944, the author, Nathan Straus, describes himself as "Formerly Administrator of the United States Housing Authority, member of the New York City Housing Authority, president of the Hillside Housing Corp., and member of the New York State Senate." In that book Mr. Straus blandly admits that under his stewardship the USHA departed from, circumvented, and ignored the plain injunction of the Congress that its projects should clear slum areas and be constructed on cleared slum sites. He attempts to justify that departure from the plain language of the law.

Mr. Straus' book is profusely illustrated with pictures of several USHA housing projects, accompanied with legends purporting to show low dwelling unit costs. In each instance, however, the unit costs given by Mr. Straus are far less than costs reported on the same projects to the House Committee on Appropriations in hearings on the 1943 independent offices bill, as follows:

Project	Dwelling unit costs given by Mr. Straus	Dwelling unit costs given by USHA to House committee
Pennington Courts, Newark, N. J.	$3,223	$5,022
Santa Rita, Austin, Tex.	2,625	3,420
Brentwood Park, Jacksonville, Fla.	2,353	4,299

In the hearings before the House Appropriations Committee on the 1943 Independent Offices bill is a table furnished by the United States Housing Authority showing that, to November 30, 1941, 103,602 dwelling units had been completed with USHA funds throughout the country at a cost of $441,789,730, or a country-wide average of $4,264 per dwelling unit. That table also reflects an average dwelling unit cost of $210 for services of architects and engineers, though, it is said, standardized plans were used. In early 1942, representatives of the USHA told the Byrd committee they thought it proper that the architects and engineers of the country should benefit by the USHA program.

The House Appropriations hearings on the 1943 Independent Offices bill also show that, just as the CIO has stated, exorbitant prices were paid for housing sites. A table in those hearings furnished by the USHA reflects the purchase of 8,604.26 acres of land at a total cost of $65,137,387.93, or an average of about $7,582 per acre for the entire country—see table, page 649, hearings before House Appropriations Committee, 1943, Independent Offices bill.

There is, then, confirmation by the USHA itself, of the statement by the CIO that our Federal housing program has been a comedy of errors, and that we are attempting to house the very lowest income groups on the most expensive land and in the most costly construction.

Since Mr. Straus' book reveals that he is president of the Hillside Housing Corp., it should be borne in mind that his corporation's housing activities were financed with Ickes' PWA funds as a limited-dividend undertaking. In speaking of that type of financing, Mr. Ickes, in his official report, America Builds, had this to say:

> The sponsors (limited dividend housing corporations) were to put up at least 15 percent of the necessary capital and limit their profits to 6 percent on their own investment. Results of this policy were not impressive. Their rents were above the economic reach of slum families, and without exception the projects were erected on vacant land, thereby clearing no slums.

Attended by the foregoing and many other known and glaring abuses and irregularities in its operations, the United States Housing Authority continued in the so-called slum-clearance field until this country launched its preparedness program and entered World War II. Thereupon, pursuant to congressional authorization, its funds and organization were diverted to furnishing housing for war workers.

In February, 1942, President Roosevelt found that 17 different Federal agencies were engaged in defense- and war-housing activities, each on its own. By Executive Order 9070 of February 24, 1942, he created a new agency, National Housing Agency, and consolidated under it the agencies theretofore engaged in defense and war housing work. Into the consolidation, among others, went the United States Housing Authority—though it is a corporate body—Federal Housing Administration, insuring housing loans—the Home Loan Bank Board and its constituent organizations, including its corporations, and others—see United States Government Manual, first edition, 1945, page 124.

During the hearings on the war agencies bill, 1946, Abner H. Ferguson, then Administrator, Federal Housing Administration, stated that his agency had insured war housing loans aggregating $1,700,000,000, covering 400,000 dwelling units—enough, as he expressed it, in terms of typical American communities, to rebuild completely the cities of Portland, Maine, Washington, D. C., Atlanta, Ga., and St. Paul, Minn. It is commonly understood from those hearings and otherwise that the greater part of the Federal investment in defense—and war-housing will be a loss to the taxpayers—see House hearings, War Agencies bill, 1946, pages 737 and 762.

Now, another and further housing program is proposed in the pending bill, with millions of dollars in subsidies to carry it out. It is quite manifest that, with a public debt and contingent liabilities of $650,000,000,000 or more as of the end of 1945, and with these added proposals for more millions of expenditures and subsidies, the Government of the United States faces absolute bankruptcy. But, with it all, past housing performances have been so costly and such failures that it behooves the Congress to think not only twice but several times before this new program is adopted.

Much is claimed for the pending measure as a means of helping returning veterans. There has been no clear showing that the veterans are demanding the enactment of this bill into law, or that they want it at all cost and without regard to whether it will be a useless burden on the taxpayers. For my part, I am convinced that the demand for the legislation, such as it is, has been built up by the administration's army of propagandists, through use of the radio, the press, and the speaking platforms.

Pages 711 to 714 of the hearings on the 1946 independent offices appropriation bill show that, as disclosed in the daily press, and as admitted by housing agency representatives, an exhaustive survey of alleged postwar housing needs was under way in the fall of 1944. Indeed, as shown by those hearings, it is quite apparent that the late President envisioned housing as a vehicle to be used for further deficit spending, for, by Executive Order 9384, of October 4, 1943, he directed all agencies of the Government, including the Bureau of the Budget, to plan for postwar works and projects. Of course, the housing agencies eagerly complied with that directive; and we now have their plan, with the veterans' alleged needs dragged in as a red herring to bemuse, bemuddle, and confound the thinking of Congress on this questionable measure.

As to the veterans' housing needs, if we are to accept as true the representations of the housing proponents, that millions of homes must be provided for veterans, it seems to follow that we must also assume that, of the 11,000,000 men in the armed forces, only a few of them had homes when they entered the services, and that those who did have homes have through some unexplained action or force lost their homes while they were absent. No, gentlemen, the picture is overdrawn and overplayed.

Due to a recent administration move, designed it would seem, to smooth the road for passage of this measure, the 1947 appropriation requests of the housing agencies were not considered in the independent offices bill, but were deferred for hearing by a new subcommittee which is to consider appropriation requests by corporations. It is to be remembered, however, that neither the National Housing Agency nor several of its constituent organizations are bodies corporate, including Federal Housing Administration, Federal Public Housing Authority, and others.

National Housing Agency and its constituent organizations did, however, submit appropriation justifications for the fiscal year 1947 before it was decided that they should be removed from the independent offices bill. Those justifications are rather illuminating, in that they do not reflect such an elaborate housing set-up as is contemplated in this pending bill, and they do not put nearly so much emphasis on the alleged needs of veterans. They do, however, insist that more public housing will be needed, so that there will be no necessity for doubling up in the use of existing housing. In other words, the housing agencies seem to demand a separate home, a separate apartment, or a separate roof for every family in America, whether every family wants that or not.

The CHAIRMAN. All time has expired.

The question is on the substitute offered by the gentleman from Michigan [Mr. WOLCOTT], as amended.

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 104, noes 137.

Mr. WOLCOTT. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PATMAN and Mr. WOLCOTT.

The Committee again divided; and the tellers reported that there were—ayes 119, noes 177.

So the substitute was rejected.

Mr. MURDOCK. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. MURDOCK. Mr. Chairman, I am always very glad to have my constituents know concerning my action in the House, my attitude toward public questions, and my vote on all critical measures. Many of my important votes may be learned from the CONGRESSIONAL RECORD, if such are recorded, or roll-call votes, but as all know there are some important votes that are not record votes, as for instance voice votes or divisions in the Committee of the Whole or teller votes. Yesterday we had an important teller vote on the Monroney amendment to the veterans' housing bill. This was a standing vote, followed by a teller vote. Some of the Washington papers, attempting to check Members on this teller vote, incorrectly recorded me on this vote in today's papers. I hope they will make due correction, as they have promised.

The Monroney amendment was defeated. Therefore, I voted on the losing side, but my stand on it is clear enough to my colleagues because of my having made a speech on the floor of the House yesterday pertaining to the subject matter of the Monroney amendment. These remarks may be found on page 1884 of the RECORD of March 4. In this speech I said that I was not too well satisfied with subsidies but that during the war we had used production subsidies to call forth adequate wartime materials, and that I was convinced that if the Wyatt program was to be carried out adequately in supplying homes for veterans we would need to pay production subsidies and premium incentives to get the supplies. I not only said that, but I voted accordingly on the Monroney amendment.

And now that the bill is 24 hours further along on its destination, I am pleased that the Patman amendment was adopted today instead of the Wolcott substitute, and I feel certain that thus amended the Patman bill will go a long way toward furnishing veterans homes in the quickest possible time. In fact, the adoption of the Patman amendment today may compensate largely for the loss of the Monroney amendment yesterday. Perhaps, after all, it is better to subsidize the veterans themselves than to attempt to subsidize the producers of the materials which the veterans must have for their homes.

At least, the bill as it is now shaping up looks toward furnishing a larger number of homes for veterans within a price range that they may meet, rather than offering a building boom and a field day for speculators, as have some of the proposals we had offered during the course of this hectic and strenuous debate. It remains to be seen whether this legislation will meet the Nation's obligations to the veterans, which is the very aim and purpose of it. It could have been better, but I am prepared to vote for the measure as it now stands.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

THE FALLACY OF THE PROPOSED HOUSING LAW

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I am convinced that the sponsors of the Patman subsidized housing bill, are so accustomed to dealing with millions and billions of dollars, that they have an inflated notion that the rank and file of veterans, who want homes, can afford and pay for homes costing from $6,000 and up. Under prevailing material and construction costs, a home costing $6,000 will not be worth more than $3,500 or $4,000 during normal times. The latter prices are about what most veterans and others should pay for a comfortable modern home, with the expectation that they will pay for them over a long period of years. Of course, many veterans can afford more expensive homes, but I am talking about the average citizens who must work for a living.

A large percentage of the home-purchasing veterans will, of necessity, be compelled to borrow the entire amount of the purchase price of a $6,000 home. Within a few years the value of this home will be reduced from its inflated value to $4,000 or less. But the veteran will be continuing to pay on a $6,000 mortgage for the balance of his life. It is decidedly unfair to saddle him with such a financial burden.

Furthermore, I am convinced that the production of all types of building materials will not be increased through the subsidy method. A subsidy is a debt that must be paid in the future. We had better face the facts as they now exist and remove Government bottlenecks that are stopping the production of lumber, brick, plumbing, and other building materials. We had better also recognize the fact that lumber and other building materials are being shipped out of the country in sufficient volume to build tens of thousands of homes each year. It is about time that Congress passes some honest legislation which will actually provide homes at reasonable prices, rather than to continue a policy of Government obstruction, which policies can only create additional scarcities. Such a policy will cause more danger for a runaway inflation and more Government controls.

The sponsors of this legislation for the administration talk about renting homes to veterans for $50 a month and up. Only a limited number of veterans can afford to pay such a rent. Most of them want homes that will rent from $25 to $35 per month. That is all they can afford to pay. I am not talking about the veterans who live in New York City. I am talking about the average veteran who wants to rent or build a home in the cities or villages or on the farms in southern Minnesota, and I know what I am talking about.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. ENGLE of California asked and was given permission to extend his remarks in the RECORD and include a number of editorials.

Mr. HARLESS of Arizona asked and was given permission to extend his remarks in the RECORD and include a letter.

Mrs. DOUGLAS of Illinois asked and was given permission to extend her remarks and to include two telegrams.

Mr. BIEMILLER asked and was given permission to include an editorial from the Washington Post in the remarks he made in the Committee of the Whole on the deficiency appropriation bill.

Mr. SAVAGE asked and was given permission to extend his remarks in the RECORD and to include an article from the Atlantic Monthly for February.

SPECIAL ORDER GRANTED

Mr. SIKES. Mr. Speaker, I ask unanimous consent that after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted, I may address the House for 10 minutes today.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

EXTENSION OF REMARKS

Mrs. DOUGLAS of California asked and was given permission to extend her remarks in the Appendix of the RECORD in five instances and to include certain excerpts.

SPECIAL ORDER GRANTED

Mr. GIBSON. Mr. Speaker, I ask unanimous consent that after the conclusion of special orders heretofore granted today I may address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

EXTENSION OF REMARKS

Mr. DURHAM asked and was given permission to revise and extend his remarks and include a letter.

Mr. WASIELEWSKI asked and was given permission to extend his remarks in three instances and in connection with each to include an editorial.

Mr. RANKIN asked and was given permission to insert in the RECORD at the point of his colloquy with the gentleman from Indiana [Mr. LUDLOW] a statistical summary of activities of the Veterans' Administration.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD in three instances.

CALENDAR WEDNESDAY BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday, tomorrow, be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. STEWART asked and was given permission to extend his remarks in the Appendix of the RECORD and include an open letter to the hired men in Washington from the Spiro Times.

COMMITTEE ON POSTWAR ECONOMIC POLICY AND PLANNING

Mr. COLMER. Mr. Speaker, I ask unanimous consent that the Committee on Postwar Economic Policy and Planning may have until midnight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Mississipi?

There was no objection.

EXTENSION OF REMARKS

Mr. PLUMLEY asked and was given permission to extend his own remarks and include an article from a newspaper.

Mr. SCHWABE of Oklahoma asked and was given permission to extend his own remarks in two instances, in one to include copies of letters from constituents, and in the other an editorial.

Mr. BATES of Massachusetts asked and was given permission to extend his remarks in the RECORD and include therein an address by the Most Reverend Richard J. Cushing at the Polish bicentennial services in Boston, and also an introductory address.

Mr. CLASON asked and was given permission to extend his remarks in the RECORD and include two short radio speeches delivered by other persons.

Mr. MUNDT asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial on the subject of American relations with Russia.

Mr. ROBERTSON of North Dakota asked and was given permission to extend his remarks in the RECORD and include therewith a set of resolutions presented by a farm organization.

Mrs. BOLTON asked and was given permission to extend her remarks in the RECORD and include therein an editorial.

Mr. GWYNNE of Iowa asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. SHORT asked and was given permission to insert several letters and telegrams following the remarks he made this afternoon in the Committee of the Whole.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. HAND asked and was given permission to extend his own remarks in the Appendix of the RECORD.

SPECIAL ORDER GRANTED

Mr. HAND. Mr. Speaker, I ask unanimous consent that at the conclusion of the legislative business and other special orders on Thursday I may address the House for not to exceed 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

EXTENSION OF REMARKS

Mr. WHITE. Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point a letter from Mr. Windsor J. Lloyd, of the Lloyd Lumber Co., Nampa, Idaho, on the housing bill.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

The letter referred to is as follows:

LLOYD LUMBER CO.,
Nampa, Idaho, March 2, 1946.

Congressman COMPTON I. WHITE,
House of Representatives Office Building, Washington, D. C.

DEAR CONGRESSMAN WHITE: I am writing in regard to housing bill H. R. 4761, commonly known as the Patman housing bill, which is now in the House. I simply would like to lay before you a few facts which should be considered in any legislation concerning housing and building materials.

At present building materials are controlled by Civilian Production Administration Orders Nos. PR-1, PR-33, and directives to PR-33. These regulations, when you consider paragraph 944.7 of PR-1, which gives preference to HH ratings over unrated orders, and PR-33, which creates the HH ratings for what is commonly known as GI housing, when the application has been approved by the Federal Housing Administration, and Directive 1 to PR-33, which gives the privilege of extending HH ratings, creates a condition whereby we are unable to obtain any lumber except where we certify to the mill that all lumber received will be used for GI housing that has been approved by the Federal Housing Administration.

This results in no lumber being available for necessary repairs, agricultural needs, or industry upkeep.

I am certainly sympathetic with the GI and his need for housing, but housing alone will not fill the needs of the United States. In other words, we must keep our agricultural production up to full capacity, as well as processing plants for agricultural goods, if the Nation is going to be fed as well as housed, both of which are important and necessary.

The Congress should consider all the facts before they pass any legislation and we must look at the supply of materials as the basic factor which allows the United States to go ahead in any field. The lumber supply last year, I am advised, was a total of 29,000,000,000 feet. This year we shall probably reach 30,000,000,000 feet. Normally 60 percent of this went to industry, railroads, and exports, leaving approximately 40 percent, which went to housing. This is somewhat accounted for by the fact that the log does not lend itself to housing lumber entirely and in sawing there does not develop a lot of lumber that is not suitable for normal house construction. Therefore, though we increase this percentage to 50 percent, we will only develop about 15,000,000,000 feet for housing, necessary agricultural use, and small industries, which sales are normally handled by the retail lumber yard.

Since it takes about 15,000 feet of lumber to construct the average small home, I would estimate that the United States can only build approximately 500,000 houses in 1946.

Mr. Wyatt's plan is apparently calling for 1,400,000 houses in 1946, and apparently from the newspaper reports, he plans on doing this largely by creating factories which will prefabricate the house. Prefabricated houses take lumber just the same as normal construction and therefore do not solve the basic trouble which is supply of materials. Also, as far as I have been able to learn, prefabricated houses do not reduce the cost of the house, neither do they satisfy the consumer as well as the home that has been planned by the individual and is different from others. We must recognize that we cannot change human desires, and one thing the wife does not want is a house like other people have. We do not object to driving a car like our neighbor's, but our wives do not want the same hat or dress that is worn by their neighbor, and this applies to housing, I am sure.

If Mr. Wyatt's plan of prefabrication should be realized we will probably find that most of the building materials will go to prefabricating factories, and our agricultural needs, small industry needs, and necessary repairs will definitely suffer. I firmly believe that before 1946 is over we will find that we have a very definite need for food, which is produced on our farms, as well as for housing.

I feel that private industry can take care of the housing job and also our mechanics, such as carpenters, plumbers, plasterers, and so forth, can do the job better in our normal way than to create large prefabrication plants where skilled labor will be largely eliminated, which would leave the local mechanics out of work.

Yours very truly,

LLOYD LUMBER CO.,
WINDSOR J. LLOYD.

Mr. MERROW asked and was given permission to extend his remarks in the RECORD and include therein an editorial from the Concord Monitor.

Mr. WOODRUFF (at the request of Mr. MARTIN of Massachusetts) was granted permission to extend his remarks in the RECORD and include an editorial from Labor Digest.

Mr. HARTLEY asked and was given permission to extend his own remarks in the RECORD.

Mr. AUCHINCLOSS asked and was given permission to extend his remarks in the RECORD and include a speech made by Judge Knox.

Mr. ARNOLD asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. REED of New York (at the request of Mr. MICHENER) was granted permission to extend his remarks in the RECORD

in two instances, in one to include an editorial and in the other a newspaper article.

Mr. JENSEN asked and was given permission to extend his remarks in the Appendix of the RECORD and include a telegram from H. R. Northrup, secretary-manager of the National Retail Lumber Dealers Association.

Mr. BENDER asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. RICHARDS asked and was given permission to extend his remarks in the RECORD and include an article from the Christian Science Monitor on the subject of selling America abroad.

Mr. GEELAN. Mr. Speaker, I ask unanimous consent to insert in the RECORD a statement of Mr. John W. Edelman, Washington representative of the Textile Workers Union of America, in which he includes an editorial appearing in the Vanguard, the CIO publication in the State of Connecticut. Both Mr. Edelman's statement and the editorial deal with the need for an upward revision of the minimum-wage law.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. MONRONEY asked and was given permission to extend his remarks in the RECORD and include an editorial from the Washington Post and a news article from the Washington Post on the organization of Congress.

Mr. LUDLOW asked and was given permission to extend his remarks in the RECORD and include a brief poem by a serviceman from his district.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include a letter from one of his constituents.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and insert an editorial appearing in the Boston Daily Record.

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD in seven instances, and to include therein certain statements, editorials, excerpts, and a radio address.

The SPEAKER. Under the previous order of the House, the gentleman from Florida [Mr. SIKES] is recognized for 10 minutes.

DISPOSITION OF SURPLUS WAR PROPERTY

Mr. SIKES. Mr. Speaker, some of the people who are charged with the disposal of surplus property are dealing off the bottom of the deck. It is time to clean up the mess they have created.

For months I have been trying to aid county and municipal agencies, veterans, and private firms to secure surplus goods under the laws governing their disposal. I find it is virtually impossible to obtain them.

Yet we know that surplus property is being disposed of. Apparently much of it is sold before it is cataloged and offered through the regular channels.

I have dates, places, and serial numbers of some of the equipment thus disposed of, and I shall ask the Department of Justice to make a full investigation.

Congress passed a workable law for the administration of surplus property, and I am tired of the present inexcusable delays and abuses. I would like to point out a few examples. I can name an official of my State who was handed a surplus-property catalog just off the press. He was trying to buy tractors, and 75 were listed. Yet when he asked to be allowed to place his order he was told they all were sold. This took place in Atlanta in the office of one of the officials responsible for the program. The tractors could not have been sold so quickly after listing. If they were previously sold the sales took place before they were offered through the channels established by law.

I have been told of a case in which an officer in charge of practically new equipment sold it to his brother for one-third of its cost before other interested persons had an opportunity to acquire it. Two counties in my district have tried for months to purchase road equipment which they need badly. As fast as they locate surplus equipment they are told first, that it has not been declared surplus, or second, that it has been sold. Sometimes they get both reports but they get no equipment. This has been going on for months. Veterans have exactly the same experience. Many of them have traveled hundreds of miles, examining equipment and seeking to place bids. But always it is the same old run around. They get nothing.

It is common experience for prospective buyers to find that the equipment in which they are interested is marked "sold" as soon as it is declared surplus, even though the prospective buyers may have been negotiating for the equipment for weeks. Many of us would like to know "how come?"

Either this is one of the most inefficiently handled jobs of our time, or a wholesale scandal is in the making. I want to see the whole mess cleaned up, and I want to see some equipment begin moving into the channels prescribed by law.

Now is the time to put surplus property on the market. Equipment of all kinds is scarce. It is needed and it commands a good price.

I wish to quote from two wires which are typical of many which I have received:

GAINESVILLE, FLA., *February 27, 1946.*

Hon. BOB SIKES,
Member of Congress, Washington, D. C.:

Disposition of surplus heavy construction equipment by the War Assets Corporation of the Atlanta, Ga., office is most unsatisfactory to cities of Florida. Construction equipment located at various concentration points is being disposed of in such a manner that none of the cities in Florida are able to secure any of this equipment. Would like to recommend that Jacksonville office of the War Assets Corporation be allowed to disburse heavy construction equipment located in Florida.

J. B. MOBLEY, Jr.,
City Manager.

TALLAHASSEE, FLA.

Hon. BOB SIKES,
United States Congressman,
Washington, D. C.:

This post vitally interested in hearings conducted by House Expenditure Committee re disposal surplus property and any legislation resulting therefrom intending to assist veterans in acquisition of same. This post by resolution recommends incorporation of following points in any such legislation (1) veterans be given priority over State, county, and city governments in purchasing property; (2) veterans be permitted to purchase any unit of property in lieu of large lots; (3) veterans be permitted to purchase surplus equipment at any post before shipping to central distribution points as now practiced. Your active support of these recommendations urged and appreciated.

HARRY H. MITCHELL,
Post Commander Leon County Post 3308, Veterans of Foreign Wars.

I am completely in accord with the things they say. They represent the views which I have expressed many times to officials charged with the disposal of surplus property.

I know there are many good men in the organization and they are handicapped by the fact that it has been passed around among Government departments like a red-headed stepchild. But that does not excuse the things that have been going on in the name of surplus property disposal.

For its own sake and for the good of the country, it is time this agency settled down to some straightforward, serious, and speedy accomplishments.

The SPEAKER. Under the previous order of the House, the gentleman from Georgia [Mr. GIBSON] is recognized for 20 minutes.

HAROLD L. ICKES

Mr. GIBSON. Mr. Speaker, I have always been wary, and often suspicious, of any person going around with a sign on his back nominating himself as "honest."

It was in this frame of mind that I decided to devote a degree of study and attention to the circumstances surrounding the departure from our midst here in Washington of Mr. Harold L. Ickes, who about 3 weeks ago tendered to the President of the United States his resignation as Secretary of the Interior.

I must admit that I was gratified when President Truman rendered pronto acceptance of Mr. Ickes' resignation, informing the former Secretary that it would not even be necessary for him to "work out his notice."

Personally, I resented the unwarranted attack made by this man upon the integrity of Mr. Edwin W. Pauley, whose only sins that I know anything about are his great success as a businessman and his unswerving loyalty to the Democratic Party.

It occurs to me that one of the reasons why the Communist front in America has taken up this hue and cry against Ed Pauley's nomination as Under Secretary of the Navy is that he has been a successful businessman—successful in the American tradition of free enterprise and competition.

I resent the un-American tactics of those who have resorted to a smear campaign in an effort to halt the confirmation of a successful and high type American, who has sacrificed himself and his business patriotically to serve his country.

It is a puzzle to me how these subversive influences, despite the subtle clever-

ness of their tactics, could pull the wool over the eyes of thinking people.

Mr. Speaker, I am sure there is not a Member of this Congress who will not agree with me that ours is the most perfect form of government ever developed. Under it we have become the greatest nation on the face of the globe. I would not want to sacrifice it for any system under which my children and my grandchildren would have their lives planned and arranged for them by the Government the day they arrive in this world.

But there are people in America today—living off the fat of the land—who are working for establishment in our country of a system under which the Government could say to the mothers and fathers of this Nation:

"Your son must be a plumber"—and a plumber he would be, regardless of any ambition he might have to become a banker, merchant, lawyer, or even President of the United States.

To you, my colleagues and friends, I say again today that I'm going to continue to fight with every fiber of my being those influences which would destroy the opportunities whereby the children of America may follow careers of their own choosing and achieve greatness in their own right.

This man, Ickes, has obviously permitted himself, unwittingly or otherwise, to become the tool of these influences. It is therefore puzzling to me, in view of this situation and in view of the record of this talkative individual recently retired to private life, how certain segments of the national press can give credence to his verbal outbursts over the statements of the President of the United States.

True enough he was Secretary of the Interior—and I reiterate that I am glad this situation has been corrected. Albert B. Fall was also once Secretary of the Interior. Mr. Ickes is no more a Democrat—and never has been a Democrat—than was Albert Fall.

He once called himself a Bull Moose, but I have not found a bull moose anywhere that would admit the kinship. He may have some of the characteristics, but I have never heard of a bull moose, even when loudly bellowing, that could make as much noise as this fellow can make.

Now let us look briefly into the record of this man whose self-imposed monicker is "Honest Harold." Of course, I will not have the time to review thoroughly his checkered career, but I think I can touch enough of the high spots to demonstrate my point—and that is we should certainly accept the word of a successful businessman, as well as the statement of the President of the United States, rather than that of "Honest Harold."

I recall a case, some 10 or 11 years ago, when this man, Ickes, used the influence of his office to block the administration of justice and prevent convicted thieves in the employ of the Interior Department from going to jail.

It was during the early days of the old Public Works Administration, when the then Federal district attorney of the Virgin Islands, Mr. Ely Baer, found that certain Federal employees of the islands, over which Mr. Ickes had jurisdiction, were stealing building materials and supplies.

They were using these materials to build homes for themselves. They were selling concrete, shipped for homestead construction, and pocketing the money.

One of these PWA officials, a Negro named Leonard W. McIntosh, was tried in Federal court at St. Thomas, convicted and sentenced to jail.

My friends, is it not astounding that Mr. Ickes would refuse to take the side of law and order and insist that this man be punished? He most certainly did not uphold the law.

McIntosh appealed his case to the circuit court of appeals at Philadelphia. This court also said he was guilty. And when this convicted thief failed to obtain a reversal by the courts, Ickes went to his rescue. He issued an order, personally directing the Governor of the Virgin Islands—a Mr. Cramer—to pardon McIntosh.

What is more, Mr. Speaker, all during the time of McIntosh's trial, he remained on the Federal pay roll at the direction of the Secretary of the Interior—"Honest Harold" Ickes. He also kept the job after he was pardoned.

You will not find anything else to parallel this in the entire history of our great Nation.

But there is more to the Virgin Islands story. "Honest Harold" called District Attorney Baer to Washington and directed him to discontinue the investigation into the thievery of Government property. Mr. Baer told the Secretary that it was his duty to prosecute criminal violations and he could not discontinue.

Then Mr. Ickes angrily fired Mr. Baer, with prejudice. He not only discharged Mr. Baer; he used the influence of his office to bring about return to America of Judge Webber Wilson, the presiding judge at the Virgin Islands trials.

But Mr. Baer was subsequently employed in the legal department of the General Accounting Office, where I understand he has received three promotions. Judge Wilson is now a member of the Federal Parole Board, where he has served for several years with distinction.

In our America, a man's family life is a very great factor in the determination by his neighbors and acquaintances of the kind of a fellow he really is.

The record shows that "Honest Harold," while attending school in Chicago, was befriended by a professor, who invited Mr. Ickes to move into his home. Later, Ickes moved out, taking with him the professor's wife and her fortune of several million dollars. She divorced the teacher and married "Honest Harold."

That was her privilege, of course, but she lived to regret the act before her death in an automobile accident several years later, because she was called upon to put up lots of heavy cash to finance the whims and indiscretions of this fellow who gave himself the "honest" monicker.

Yes; she even used $30,000 to satisfy the righteous indignation of a husband whose wife became a reason for some of the troubles of Mr. Ickes.

A Chicago broker, with whom "Honest Harold" had dealt in playing the stock market to the extent of hundreds of thousands of dollars, once threatened criminal court action to collect sums obligated by Mr. Ickes, but paid by his first wife to get him out of trouble.

But the manner in which "Honest Harold" treated his foster sons following the death of their mother, I believe, had the greatest influence upon my decision to be wary of his outbursts.

Yes, the first Mrs. Ickes brought along three boys—Robert, Francis, and Wilmarth—and prevailed upon her second husband to legally adopt them.

When she died in the New Mexico accident, it was found that her will directed a legacy of about $200,000 to each of these young men. But "Honest Harold" found a legal loophole in the will and, as executor, disinherited them. Robert reports they have not received a red cent of their intended inheritance.

But this man with the self-imposed "honest" handle to his name did not stop with disinheritance. He found that the late Mrs. Ickes had before her death, loaned Wilmarth $10,000 for a business venture. Following her death, Mr. Ickes called upon Wilmarth to pay up. The young man could not pay. "Honest Harold" foreclosed. Wilmarth committed suicide.

I did not take the floor today with the purpose of attempting to tell the Senate how to conduct the hearings upon the nomination of Mr. Pauley. I trust, therefore, that I will not be considered presumptuous when I suggest that Robert Ickes, as a witness, would, without doubt, be able to throw additional light upon the question of accuracy and responsibility in the testimony of the former Secretary of the Interior.

Personally, I would like to know more about the settlement with tax officials in Chicago of the inheritance taxes upon Mrs. Ickes' estate. Robert, no doubt, would be able to throw some additional light upon this matter.

I understand that "Honest Harold" finally did offer his foster son, Robert, a "compromise" settlement of his inheritance—a mere $1,500. Naturally, Robert refused.

We all know the story of how Mr. Ickes, during the critical gasoline shortage in the midst of the war, used automobiles and gasoline of the Department of the Interior to deliver eggs from his farm at Olney, Md., to customers in Washington.

Speaking of "raw" situations, what could be "rawer" than that?

I note that Mrs. Eleanor Patterson, editor of the Washington Times-Herald, has also found some "raw propositions," involving "Honest Harold."

The Times-Herald, in an editorial of February 15, characterized the Ickes request of his first wife for $30,000 to satisfy the irate husband as the "rawest proposition in his experience."

The same editorial recalled an incident in which Drew Pearson, the columnist, prevailed upon "Honest Harold" to retain his late father in an Interior Department

job, despite the administration of Mr. Pearson, Senior, as Governor of the Virgin Islands, during which the PWA scandal had its inception.

The complete circumstances of the death of the first Mrs. Ickes in an automobile accident in New Mexico have never been made public. Mr. Ickes, himself, did not go to New Mexico to bring her back. He telegraphed John J. Dempsey, now Governor of New Mexico, to ship her remains to Illinois for the funeral. He met the cortege there.

If he has ever ordered an investigation of the accidental death of his first wife, I have not been able to find a record of it.

Now, Mr. Speaker, I feel that if "Honest Harold" Ickes had regarded the approach of Mr. Pauley, during the 1944 campaign, as such a raw proposition, he would have, then and there, exposed the proposal he alleged Mr. Pauley made to him. Most certainly he would have gone to President Roosevelt and protested.

When Mr. Roosevelt took public works and relief money away from the Interior Department and placed the administration with the late Harry Hopkins, it is a known fact that "Honest Harold" privately hurled epithets at the President, Mr. Hopkins, and the entire administration. He declared then that the Roosevelt leaders were "plotting to waste the taxpayers' money."

Mr. Ickes waited until he knew he was on his way out before he called the President of the United States a liar. Had he stated publicly what he had to say in private about Mr. Roosevelt and Mr. Hopkins, we would have had a new Secretary of the Interior long ago.

Is it not obvious, therefore, that this self-styled epitome of honesty thinks most about the welfare of "Honest Harold" Ickes—that he speaks more in behalf of his own skin than in the welfare of the American people?

If Ed Pauley approached Secretary Ickes during the 1944 campaign and sought his cooperation, Mr. Pauley, then treasurer of the Democratic National Committee, did nothing more than his duty. Ickes, of course, is not a Democrat. He never was a Democrat. But he was appointed to membership in the Cabinet of a Democratic administration and certainly his political obligation was to the Democratic Party.

"Honest Harold" says that Mr. Pauley asked him to dismiss a Federal lawsuit to gain title for the Government to submerged lands and tidelands. If he would do this, he says, Mr. Pauley advised him there would be some heavy campaign money available from certain oilmen.

Now, let us see about this litigation Mr. Ickes had filed.

In the first place it is a phony lawsuit. This House has already decided, with only 11 dissenting votes, that submerged lands and tidelands belong to the respective States in which and adjacent to which they are located. The bill is now pending in the Senate, where it will also receive overwhelming approval.

Mr. Pauley's oil interests went to the State of California and leased tidelands, off the California coast, for the purpose of drilling for oil. They paid for the leases at a rate the State of California said was fair. Ever since we became a Nation, it has been recognized that submerged lands and tidelands belong to the States.

Mr. Pauley's company discovered oil in the California tidelands. That is when "Honest Harold" Ickes, in quest of additional power, sought to obtain title to the lands for the Federal Government.

The Pauley petroleum interests are paying to the State of California royalties on every barrel of oil produced by their tideland wells. That is exactly what they are doing, too, to the owners of all lands they have leased and turned into petroleum production.

What difference does it make to an oil company who the owners of productive oil lands are so long as such owners live up to their lease agreements? The royalties must be paid, regardless.

So here we find Mr. Ickes using a phony lawsuit as the basis for assassination of the character of a man who has been a business success and who, having achieved a measure of wealth, is using both his money and his talents to serve his country.

Ed Pauley did a wonderful job as American representative on the Allied Reparations Commission.

President Truman believes he has the qualifications for efficient administration of the Navy Department and has nominated him for appointment as Under Secretary of the Navy. I have no vote in this matter. It is a question for the Senate. I could not sit by silently, however, while Mr. Pauley is attacked in this despicable manner.

Mr. Ickes as Secretary of the Interior, wanted and had recommended that the Navy's oil operations be transferred to the Interior Department. He knew that confirmation of Ed Pauley as Under Secretary of the Navy would certainly not help the cause.

He set out to discredit Pauley with the President. Failing, he has resorted to public assassination of the character of this successful businessman.

Under these circumstances, should this Congress place credence in the testimony of Mr. Ickes—the self-styled "Honest Harold"? Should the American people give ear to the bombastic outbursts of this halitosic windbag, whose every action demonstrates selfishness and greed for power?

I trust that these brief remarks have cleared the atmosphere of some confusion.

SIGNING OF DISCHARGE PETITIONS 4 AND 12

Mr. KLEIN. Mr. Speaker, my predecessor, the Honorable Samuel Dickstein, signed discharge petitions Nos. 4 and 12. I desire to have my name entered on these petitions, and ask unanimous consent that my predecessor's name be removed so that I may sign said petitions.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

ADJOURNMENT

Mr. KLEIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 40 minutes p. m.) the House adjourned until tomorrow, Wednesday, March 6, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON IMMIGRATION AND NATURALIZATION

The Committee on Immigration and Naturalization will hold open hearings on H. R. 3663 Wednesday, March 6, 1946, at 10:30 a. m., in room 446, Old House Office Building.

COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

There will be a meeting of the Committee on World War Veterans' Legislation, in executive session, on Wednesday, March 6, 1946, at 10:30 a. m., in committee room 356, Old House Office Building, on the report of the investigation of the Veterans' Administration.

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

The Committee on Expenditures in the Executive Departments will hold hearings on surplus property on Wednesday, March 6, 1946, through Friday, March 8, at 10 a. m., in room 304, Old House Office Building.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Public Health Subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m., Thursday, March 7, 1946.

Business to be considered: To commence hearings on the bill S. 191, an act to amend the Public Health Service Act to authorize grants to the States for surveying their hospitals and public health centers and for planning construction of additional facilities, and to authorize grants to assist in such construction.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COLMER: Special Committee on Postwar Economic Policy and Planning submits a report pursuant to House Resolution 60 (Rept. No. 1677). Referred to the Committee of the Whole House on the State of the Union.

Mr. CANNON of Missouri: Committee on Appropriations. H. R. 5671. A bill making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes; without amendment (Rept. No. 1678). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLOOM: Committee on Foreign Affairs. H. R. 2871. A bill to create a commission to be known as the Alaskan International Highway Commission; with amendment (Rept. No. 1679). Referred to the Committee of the Whole House on the State of the Union.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 1680. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. ENGLE of California: Committee on the Public Lands. H. R. 5271. A bill to

amend an act entitled "An act to allow credit in connection with certain homestead entries for military or naval service rendered during World War II"; without amendment (Rept. No. 1681). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CANNON of Missouri:

H. R. 5671. A bill making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes; to the Committee on Appropriations.

By Mr. MANASCO:

H. R. 5672. A bill to limit the time within which the General Accounting Office shall make final settlement of the monthly or quarterly accounts of disbursing officers under the executive branch of the Government, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. DWORSHAK:

H. R. 5673. A bill authorizing the erection and operation of a memorial museum and shop on the Fort Hall Reservation, Idaho; to the Committee on Indian Affairs.

By Mr. MANSFIELD of Texas:

H. R. 5674. A bill to amend the laws authorizing the performance of necessary protection work between the Yuma project and Boulder Dam by the Bureau of Reclamation; to the Committee on Rivers and Harbors.

By Mr. BOREN:

H. R. 5675. A bill to create a court for the review of sentences imposed by courts martial; to the Committee on Military Affairs.

By Mr. NORRELL:

H. J. Res. 324. Joint resolution requesting the President to issue a proclamation designating the 28th day of October of each year as National Arthritis Day; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Mississippi, memorializing the President and the Congress of the United States to authorize and direct the Tennessee Valley Authority to make available to the rural sections of Lauderdale County electrical power and service through the East Mississippi Rural Electrification Association; to the Committee on Agriculture.

Also, memorial of the legislature of the State of Michigan, memorializing the President and the Congress of the United States to enact legislation granting an immediate increase in the salaries of postal workers; to the Committee on the Post Office and Post Roads.

Also, memorial of the Legislature of Puerto Rico, memorializing the President and the Congress of the United States with regard to the political status of Puerto Rico; to the Committee on Insular Affairs.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to make a thorough investigation of the United States Forest Service and the basis of its policies for the purpose of enacting legislation which would prevent the afore-mentioned evils and limit the service to the performance of administrative functions; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRETT of Wyoming:

H. R. 5676. A bill to quiet title and possession with respect to certain real estate in Converse County, Wyo.; to the Committee on the Public Lands.

By Mr. KEEFE:

H. R. 5677. A bill for the relief of Goettmann Printing Co., a Wisconsin corporation; to the Committee on Claims.

By Mr. McGEHEE:

H. R. 5678. A bill for the relief of Charles E. Crook; to the Committee on Claims.

By Mr. REED of New York:

H. R. 5679. A bill for the relief of Mrs. Eleanor K. Savidge; to the Committee on Claims.

By Mr. SIKES:

H. R. 5680. A bill for the relief of John W. Miller; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1672. By Mrs. BOLTON: Petition of 434 citizens of Greater Cleveland, Ohio, protesting any action to establish a system of compulsory military training for young men and boys of the Nation; especially while beer is sold or given away in camps, which is clearly detrimental to the moral fiber of teen-age youth; to the Committee on Military Affairs.

1673. By Mr. GRAHAM: Petition of 200 Pennsylvania Railroad employees, in support of House bill 1737, the Railroad Pension Act; to the Committee on Interstate and Foreign Commerce.

1674. By Mr. LUTHER A. JOHNSON: Petition of G. S. Parker Lumber Co., Bryan, Tex., opposing all ceiling prices on lumber and building materials; to the Committee on Banking and Currency.

1675. By the SPEAKER: Petition of the City Council of the City of New Bedford, Mass., petitioning consideration of their resolution with reference to favoring a law to limit the importation of frozen fish from foreign countries; to the Committee on Ways and Means.

1676. Also, petition of the Producers Grain Corp., petitioning consideration of their resolution with reference to extension of the life of OPA for 1 year from June 30, 1946; to the Committee on Banking and Currency.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 6, 1946

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Infinite God, whose light is as the morning and whose glory is as the rising sun, we praise Thee that there is not one human life beyond Thy love and care. Should this day bring to us shadows or hardships, we pray that we may not falter in any experience. Grant that the fever of haste or restlessness, the rasp of care or the unfair word may not disturb our duty. Open the eyes of those who are blinded with false security and folly; forgive those who are penitent and create in them new and contrite hearts.

Remember the burdened and the afflicted, especially relieve the sorrows and desolations wrought by war. Bless those who minister to their needs; bless Thou the American Red Cross, the good Samaritan of all creeds and races. Grant that the response of the public to its appeals may be altogether generous and thus give answer to the query, "Am I my brother's keeper?" As guardians of the sacred trust committed to us, keep us loyal and faithful. O let Thy hand be upon us and lead us to the heights of rich blessing and enlargement. In Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 1090. An act for the relief of Mrs. Margaret McWilliams;

H. R. 2748. An act for the relief of the Dubuque and Wisconsin Bridge Co.;

H. R. 3224. An act or the relief of Mrs. Lionel Comeaux and New Orleans Public Service, Inc.;

H. R. 4027. An act authorizing sale of the allotment of LeRoy Milliken on the Crow Indian Reservation, Mont.;

H. R. 4034. An act authorizing the issuance of a patent in fee to Alice Yarlott Othermedicine;

H. R. 4035. An act authorizing the issuance of a patient in fee to Wilbert Keiser; and

H. R. 4269. An act for the relief of Ida Barger, Hazel A. Beecher, Etta Clark, Jesse Ruth France, John W. Nolan, Anna Palubicki, and Frank J. Schrom.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills and a joint resolution of the House of the following titles:

H. R. 341. An act relating to the status of Keetoowah Indians of the Cherokee Nation in Oklahoma, and for other purposes;

H. R. 388. An act to amend section 201 (g) of the Nationality Act of 1940 (54 Stat. 1138–1139; 8 U. S. C. 601);

H. R. 2008. An act for the relief of the village of Cold Spring, Minn.;

H. R. 3012. An act for the relief of George W. Murrell and Kirby Murrell, a minor;

H. R. 3904. An act or the relief of Raymond C. Campbell;

H. R. 4283. An act to require parking facilities for the persons employed in Federal office buildings in the District of Columbia; and

H. J. Res. 243. Joint resolution tendering the thanks of Congress to General of the Army George C. Marshall, and the members of the Army of the United States who have fought under his direction during the wars; and providing that the President of the United States shall cause a medal to be struck to be presented to General Marshall in the name of the people of the United States of America.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 680. An act to encourage and protect oil refineries not having their own source of supply for crude oil by extending preference to such refineries in disposing of royalty oil under the Mineral Lands Leasing Act;

S. 769. An act for the relief of H. H. Ashbrook, and others;

S. 965. An act to amend the Alaska game law;

S. 1043. An act to set aside certain lands in Oklahoma in trust for the Indians of the

Kiowa, Comanche, and Apache Indian Reservation;

S. 1085. An act to provide for payment of travel and other expenses of members of the tribal council, business committees, or other tribal organizations, of the Osage Tribe of Indians in Oklahoma;

S. 1298. An act to establish an office of Under Secretary of Labor, and three offices of Assistant Secretary of Labor, and to abolish the existing office of Assistant Secretary of Labor and the existing office of Second Assistant Secretary of Labor;

S. 1305. An act to confer jurisdiction on the State of North Dakota over offenses committed by or against Indians on the Devils Lake Indian Reservation;

S. 1504. An act for the relief of Edith Roberta Moore;

S. 1591. An act to relieve certain employees of the Veterans' Administration from financial liability for certain overpayments and allow such credit therefor as is necessary in the accounts of Guy F. Allen, chief disbursing officer;

S. 1609. An act for the relief of Catherin Gilbert;

S. 1627. An act for the relief of Mrs. Isabel N. Mifflin;

S. 1679. An act to authorize additional compensation for work performed on a legal holiday by employees of the Government Printing Office;

S. 1746. An act to govern distribution of war trophies and devices;

S. 1840. An act for the relief of the Danvers Shoe Co., Inc.;

S. 1841. An act to amend an act entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the Superintendent of Weights, Measures, and Markets of the District of Columbia; and for other purposes," approved March 3, 1921, as amended; and

S. J. Res. 141. Joint resolution authorizing the President to proclaim April 19, 1946, as Students and Teachers Day in commemoration of their contributions in helping to bring about victory in the present war.

PERMISSION TO ADDRESS THE HOUSE

Mr. COX. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

[Mr. Cox addressed the House. His remarks appear in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. O'NEAL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. O'NEAL addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. SAVAGE asked and was given permission to extend his remarks in the RECORD in two instances and include editorials from the Washington Post.

Mr. TRAYNOR asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. CELLER asked and was given permission to extend his remarks in the RECORD in three instances.

Mr. ROGERS of New York asked and was given permission to extend his remarks in the RECORD.

ADDRESS OF WINSTON CHURCHILL

Mr. COLMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COLMER. Mr. Speaker, and Members of the House, on yesterday a great world leader made a most profound and true exposition of world political conditions. While I had the very high privilege only last week of discussing some of these problems with Winston Churchill I, like you and the rest of the people of the world, was somewhat startled by the fact that Mr. Churchill apparently views the world political picture with such alarm that he deemed it wise and necessary to take the people of the world into his confidence.

A few months ago a subcommittee of the Postwar Economic Policy Committee, of which I have the honor to be chairman, made a tour of European capitals, where we visited with world leaders, including Generalissimo Stalin. We came back with certain definite conclusions and recommendations. The picture as we saw it was a dismal one. The most disturbing element of our whole visit was the fact that no mention was made by any of these world leaders in any of these conferences to the United Nations Organization Charter. But, on the contrary, when we came out of Russia we found the leaders of many of the small countries visited verily shaking in their boots and expecting to be pounced upon at any moment and devoured.

Mr. Speaker, my committee and I have refrained heretofore from any public utterances on that world political situation because we did not have an administrative status. However, in view of the public utterances of Mr. Byrnes, Mr. Churchill, and others, I feel impelled by my duty to the Congress as a result of that trip to give you the benefit of our views and conclusions. Therefore, at an early date, as chairman of that group, with your permission I expect to address myself both fully and frankly to that situation.

UNITED NATIONS ORGANIZATION

Mr. PATTERSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PATTERSON. Mr. Speaker, I had hoped that we could make the United Nations Organization function, and I still have hopes that we can. Yet we witness Mr. Churchill, a great man, going into the heart of America and being introduced by our great President and making a statement to the world that we should revert to the reactionary and self-destructive world policy of the old idea of balancing of one power or one group of powers against another group of powers. This is wrong, and history has proven that this pitting of powers against powers only brings about distrust and suspicion and ultimately war.

Mr. Churchill has attempted to cut the throat of the United Nations Organization, through his speech, asking for an Anglo-American bloc against the best interests of the world organization. Blocs of nations against each other can only lead to the total failure of the United Nations Organization, and ultimately war.

This policy has brought world wars, one after another, to this globe. Let us determine that the United Nations of this earth shall all work together for world peace. Let us prepare for peace and not adhere to policies that will bring about war.

I believe that if we want peace upon this earth we have got to say to every nation on this earth—Russia, Great Britain, and, yes, ourselves—that imperialism and militarism must stop. Great Britain for 1,000 years has had uninterrupted imperialism and militarism. We do not want uninterrupted imperialism and militarism on the part of any nation. We want the United Nations Organization to function.

Blocs of powers against powers in this atomic age can only bring world war and total destruction to the human race. Mr. Winston Churchill is dead wrong by trying to revive the old destructive policy of the balance of powers against powers that has always brought war, destruction, and misery to the human race. We, in this Nation, are determined to bring about world peace and understanding in this unsettled world.

EXTENSION OF REMARKS

Mr. VOORHIS of California asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article.

Mr. WASIELEWSKI asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Washington Post.

Mr. GRANGER asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article.

ADDRESS OF WINSTON CHURCHILL

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I approve wholeheartedly the protest of the State Department against certain actions by the Soviet Union; for, Mr. Speaker, I believe that strong, determined, well-balanced action in the interest of justice and peace and to check any tendencies of the strong to impose their will upon the weak is important in the situation. I do not believe a lot of flamboyant words can help that situation. I approve the action of the State Department, but at the same time I regret what I consider a saber-rattling speech by an admittedly great man, Mr.

Churchill. I regret his implication that we, America and Britain, are the only truly civilized nations of this great world.

I believe we have all got to do better than that. We must have leaders who will give us a policy based upon mutual understanding and confidence between nations, as many nations of every sort as will join wholeheartedly with us, a policy that will work unceasingly for strong enough power over all the nations for the maintenance of peace. If some nation refuses to cooperate, let them be marked before the world. But let us not be the first to break ranks and say we propose the establishment of a kind of world hegemony in the interest of but two nations. True leadership is based on better foundations than that.

The SPEAKER. The time of the gentleman from California has expired.

INACCURACY IN NEWSPAPER REPORT OF TELLER VOTE

Mr. GRANGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. GRANGER. Mr. Speaker, I take this time for the purpose of propounding a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GRANGER. On yesterday or the day before there appeared in the Washington Post what was purported to be a poll of certain Members who passed through the aisle on a teller vote. Included was the name of the gentleman from Arizona [Mr. MURDOCK], who only a few moments before had vigorously supported the premium payments in the housing bill, the very matter which was stricken out as a result of the teller vote. The printing of his name in this account in the newspaper made him appear to speak one way and vote another.

The query is: What is the rule of the House in respect to that matter, and what protection has a Member other than having it denied in the press, which would mean that the gentleman from Arizona might have to explain that inconsistency for the next 10 years?

The SPEAKER. There is no rule of the House with reference to it.

The only remedy a Member has when something is published in the newspaper that affects him improperly, is to reply to it.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. RANKIN. I understand the Washington Post got that poll from the representative of PM, the uptown edition of the Communist Daily Worker.

Mr. GRANGER. Mr. Speaker, it is not important where the newspaper got it. It seems to me a Member should have some protection on votes of that kind. That is the first time I had ever seen a newspaper publish the names of the Members on a teller vote. Certainly, when the paper publishes a list like that the one doing so should be acquainted with the Members.

The SPEAKER. The time of the gentleman from Utah has expired.

ADDRESS OF WINSTON CHURCHILL

Mr. MAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. MAY. Mr. Speaker, no Member of this House has greater admiration for the great Winston Churchill than I. During the early years of the war he stood unflinchingly as strong as the Rock of Gibraltar, as the leader and spokesman for the British Empire and all for which it has stood for centuries. In the darkest hours of his country he stood up and fought back. When Hitler's legions were marching forward he was there to thwart their aims. He was there to lead and inspire the British people and their armies to a glorious and thrilling victory.

I think he is undoubtedly the greatest war leader of this century, and I agree it is time for plain talk because plain talk is easily understood; but, inasmuch as we have joined and become a member of the United Nations Organization, in my opinion, if Russia is to be made to state her position it should first be done in and at an early meeting of that Organization. If she does not state it then there will be ample time for this country to take its position with reference to military alliances. If then it is necessary that military alliances be entered into I shall be one of the first to favor my country's entrance with other peace-loving nations into whatever alliances may be necessary to bring any recalcitrant to account.

The SPEAKER. The time of the gentleman from Kentucky has expired.

EXTENSION OF REMARKS

Mr. SPENCE asked and was given permission to extend his remarks in the RECORD and include a statement made by Hon. John D. Small, Administrator, Civilian Production Administration, before the Banking and Currency Committee on the extension of OPA.

Mr. BIEMILLER asked and was given permission to extend his remarks in the RECORD and include an editorial from the Milwaukee Journal.

Mr. ROE of Maryland asked and was given permission to extend his remarks in the RECORD and include a letter published 2 days ago in the Baltimore Sun showing how OPA is stifling the production of building material.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. GOODWIN. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Massachusetts [Mr. HERTER], may have permission to extend his remarks in the RECORD and include a statement from the Secretary of Agriculture and some tabulated matter, notwithstanding the fact that the Public Printer estimates the additional cost to be $156.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. ROBERTSON of North Dakota asked and was given permission to extend his remarks in the RECORD in two instances, in one to include an important letter from a soldier in the armed forces.

Mr. ARENDS asked and was given permission to extend his remarks in the RECORD and include testimony given by a witness before the Military Affairs Committee of the House.

PERMISSION TO ADDRESS THE HOUSE

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute, to revise and extend my remarks and include letters and resolutions.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

[Mr. CURTIS addressed the House. His remarks appear in the Appendix.]

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

[Mr. THOMAS of New Jersey addressed the House. His remarks appear in the Appendix.]

EXTENSION OF PRICE CONTROL

Mr. HARTLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HARTLEY. Mr. Speaker, Mr. Chester Bowles, according to a report in the morning's New York Times, in speaking before a meeting of the National Farmers Union in Topeka, Kans., is quoted as follows with reference to the current discussion on extension of price control:

> On one side, he asserted, "we have all the millions of inarticulate little people who have made our country great in the past and on whom its future depends. Opposed to them are some of the most irresponsible, reckless, greedy organizations in America.
>
> "I am talking about the lobbyists of the National Association of Manufacturers. I am talking about the heads of the National Retail Dry Goods Association with all the phony propaganda with which they seek to cash in on the apparel shortage.
>
> "I am talking about some of the real-estate lobbies and your old friends the packers' lobby and the textile lobby. I am talking about the dairy lobby.
>
> "I am talking about those lobbyists who haunt the Washington hotels and the Halls of Congress and the governmental agencies, endlessly scheming and plotting to trade the interests of the great majority of our people for the narrow short-range profit of the groups they represent."

On what meat does this new Caesar feed that he has grown so great?

I denounce his statement as being unworthy of the high office he holds.

Free enterprise has every right to defend itself from the abuses of OPA's devastating pricing policies. The wages, the well-being, and the comfort of the American people, is dependent upon our system of free enterprise.

If Mr. Bowles wants to destroy that system and favors a system of production of use and not for profit he ought to have the courage to say so.

EXTENSION OF REMARKS

Mrs. LUCE asked and was given permission to extend her remarks in the RECORD in two instances; to include in one a telegram by her and five other Congresswomen to the Secretary of State, and in the other, an address delivered by Mr. Barnet Nover, of the Washington Post.

Mr. LAFOLLETTE asked and was given permission to revise and extend the remarks he expects to make in the Committee of the Whole today and include an editorial and certain excerpts.

Mr. REES of Kansas asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. BUFFETT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include the remarks made by Mr. Ralph Flanders of the Committee for Economic Development before the Committee on Banking and Currency. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $121.40, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. CHIPERFIELD asked and was given permission to extend his remarks in the RECORD and include a short excerpt from the American Legion magazine.

Mr. FELLOWS asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. DWORSHAK asked and was given permission to extend his remarks in the RECORD and include a letter from a constituent.

WINSTON CHURCHILL

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SMITH of Ohio. Mr. Speaker, is Winston Churchill devoting his sojourn in the United States to inveigle this Nation into a third world war, as he credited himself with having accomplished in respect of World War II? Is President Truman lending a sympathetic ear to Mr. Churchill as did President Roosevelt?

The problem involved here thrusts itself into the forefront and becomes a vital national issue.

An outright British-American alliance to block Moscow, is, if the newspapers are correctly quoted, what Churchill proposes. This would mean a third world war with the United States carrying the greater portion of the load, as she did in the conflict which recently halted.

Churchill's proposal poses a grave question. This should cause our people to do some serious thinking.

BRITISH LOAN

Mr. ELLIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. ELLIS. Mr. Speaker, several Members this morning have made reference to the saber-rattling speech of Mr. Churchill. I would like to remind my colleagues that the application for the $4,500,000,000 loan to Great Britain is now before the committee. We have known for 2 years that the world was on the verge of starvation, but from the headlines appearing in the papers the administration just found it out about a week ago. We have also known that Stalin has been pushing the rest of the world around for a year or more and likewise, evidently, the administration has just found it out. This whole circus seems to be a build-up for the British loan.

LOAN TO GREAT BRITAIN

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, the big guns are now going off. We have had speeches by the President and by Mr. Vinson, Secretary of the Treasury, and others in this country advocating a loan to Great Britain. It was supposed to be $4,400,000,000 2 weeks ago but it has now been reduced to $3,750,000,000. With our national debt of $279,000,000,000 in this country, while Great Britain has a debt of only $87,000,000,000, it does not seem as if it is at all wise for us to make a loan to a country that has more people, greater resources, and greater possibilities than we have. Our people will be taxed to make a loan to Great Britain which I feel will not be repaid. That's their record. I think we ought to be very careful in what we do in loaning money to any country in the world. Let other countries go to the UNO under the Bretton Woods Bank or the Import-Export Bank, or let them borrow the usual way through the banking system of their countries and our own banking systems and bankers. Our National Government is in no position to grant any loan at this time to any foreign country without jeopardizing our own national safety and security.

REDUCING FOOD WASTE

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GROSS. Mr. Speaker, it is just about 3 years since I came into the well of this House, inspired by the waste I saw in downtown restaurants, to cry out against it. I coined the phrase that covered the country and made the Nation waste-conscious, "Lick the platter clean." I see that the Secretary of Agriculture has been inspired to cry out again against waste. If the advice of Mr. Hoover and Mr. Anderson to this country is heeded as my advice was heeded early in the war the food will reach around.

My "lick the platter clean" posters soon were posted in 38 States; "clean-plate" clubs were organized in many cities; the Army officials discussed the program with me in my office and posted large posters in many Army mess halls. Posters 4 feet square urging people to save food were placed at theater entrances in Times Square, New York City. The country should cooperate with Mr. Hoover and the Secretary of Agriculture. Food waste cannot be justified so long as people starve, and the same goes for clothing. The Army should quit destroying clothing and woolen blankets; there are too many people in the world without warm clothing.

SPECIAL ORDER GRANTED

Mr. KUNKEL. Mr. Speaker, I ask unanimous consent that tomorrow, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

FOREIGN POLICIES

Mr. GALLAGHER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. GALLAGHER. Mr. Speaker, we have heard a lot today about the speech of a representative of another country, Great Britain. They have just changed political parties, from the extreme Tory to the Socialist Party, but their foreign policy has not changed. Russia from the days of the czars, way back to the days of Peter the Great, has had two objectives as its program—an entrance to the Baltic Sea for trade, and an entrance to the Mediterranean. The present organization is for the same object. The only country that has any power or strength that makes a political issue of foreign affairs is our own country. Let other countries advocate what they please, but let America be united.

MRS. POLLY JANE PICKERING

Mr. COCHRAN. Mr. Speaker, by direction of the Committee on Accounts, I offer a privileged resolution (H. Res. 543), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there shall be paid out of the contingent fund of the House to Mrs. Polly Jane Pickering, widow of Thomas Pickering, late an employee of the House, an amount equal to 6 months' salary at the rate he was receiving at the time of his death, and an additional amount not to exceed $250 toward defraying the funeral expenses of the said Thomas Pickering.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. MASON asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. BLOOM asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. WORLEY asked and was given permission to extend his remarks in the RECORD and include a telegram from an American Legion post.

PERMISSION TO ADDRESS THE HOUSE

Mr. NORRELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

[Mr. NORRELL addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. ANDERSON of California asked and was given permission to extend his remarks in the Appendix of the RECORD and include two communications from the California Chapter of the Farmers Union.

PEACE, IT'S WONDERFUL

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. Mr. Speaker, it will soon be 7 months since VJ-day. Since that time I have been noting a few headlines:

Fighting continues in Indonesia.
Anti-British rioting in Egypt.
Anti-British rioting in India.
Soviets despoil Iran.
Soviets pillaging and killing in China.
Soviets demand investigation of charges that British are attacking Indonesia.
Soviets endeavor to force return of refugees to their homelands.
De Gaulle resigns.
Canada charges Soviet secret effort to secure military secrets.
Terrorism in Palestine.
Yalta secrets only now being divulged.
Bevin tells Commons that terrorism is an instrument of national policy in Poland.
Soviets take over Austrian oil fields.
Occupation of Germany beset with cleavages.
Soviets attempt to curtail MacArthur's power.

As I read Churchill's speech, I could only think: Peace, it's wonderful.

THE HOUSING BILL

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, if the House passes the bill to provide homes for the veterans, it has been said here on the floor that there will have to be some lumber transported. A word of warning and of caution should be uttered. Probably the teamsters will have to draw that lumber. If it should happen that someone in the country who does not belong to Dan Tobin's teamsters' union wants to take a load of lumber to town, it might be well if we could get rid of the union charge where they put a union man to ride on the wagon or truck, or at least one must pay a day's union wage or charge or fee in order to use a public highway. My purpose is to suggest to another great body sitting in the Capitol, that it should not be unduly hasty about getting out the Hobbs bill, which was sent to them on April 12, 1943. Undue haste on their part might cause apoplexy.

The SPEAKER. The time of the gentleman from Michigan has expired.

EXTENSION OF REMARKS

Mr. O'KONSKI asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

DON'T DUMP SUPPLIES IN PACIFIC!

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, the Washington Daily News today carries the headline: "Army gets green light to dump Pacific supplies. A dispatch from Manila. Hundreds of millions of dollars of obsolete or unserviceable American military equipment will be dumped into the sea in the next few months. The items run all the way from machine guns and light tanks to 20 millimeter automatics and will include many types of Chemical Warfare, Signal Corps and engineering equipment."

Mr. Speaker, this equipment should not be junked or dumped into the Pacific. It should be sold or delivered to the Chinese upon whatever terms we can get. China needs all kinds of equipment. China can use this equipment and it would be good business for the United States to see that she gets it. She will agree to pay for it, and in the meantime we will get orders for repair parts and vast good will. Let China have these supplies. Do not dump them in the Pacific.

The SPEAKER. The time of the gentleman from South Dakota has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks, and include a letter.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix.]

VEST POCKET CONGRESSIONAL DIRECTORIES

Mr. WHITE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. WHITE. Mr. Speaker, in the 12 years I have been a Member of this House, a very important little publication has been made available to the Members of the House. It is a vest pocket Congressional Directory, giving the names of the Members and their committee assignments. It was one of the most convenient little publications that has come to my attention, put out by the Government. For some unexplainable reason, the Joint Committee on Printing has failed to bring out this little vest pocket directory this year. I cannot understand any policy of economy by the members of the Joint Committee on Printing that would deny Members a chance to get acquainted with their colleagues and know their committee assignments.

The SPEAKER. The time of the gentleman from Idaho has expired.

EXTENSION OF REMARKS

Mr. D'ALESANDRO asked and was given permission to extend his remarks in the RECORD and include a recent address made in Baltimore by the Most Reverend Lawrence J. Sheehan, auxiliary bishop of Baltimore and Washington.

JAMES ROOSEVELT

Mr. OUTLAND. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. OUTLAND. Mr. Speaker, I listened with interest to the remarks made by the gentleman from Mississippi [Mr. RANKIN]. I was astounded to hear an attack made on this floor upon a man who not only has a splendid record in the past war but is the distinguished son of a most distinguished father. I say I was astounded, but under the circumstances I was not particularly surprised.

It seems to me that the time has come when anybody who disagrees with the gentleman from Mississippi [Mr. RANKIN] is automatically a Communist. It matters not who he may be, or how honorable a person he may be, so long as he is not in complete accord with the gentleman from Mississippi. I will say to him that Jimmie Roosevelt stands for the highest principles and the basic ideals of the Democratic Party and there are a lot of us here on the floor and elsewhere who are going to stick with him in fighting for those principles. Even the gentleman from Mississippi is powerless to stop us.

The SPEAKER. The time of the gentleman from California has expired.

VEST POCKET CONGRESSIONAL DIRECTORY

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BULWINKLE. Mr. Speaker, the gentleman from Idaho, [Mr. WHITE] spoke about the little pocket directory. If the gentleman will just go to the clerk's

desk he may obtain the printed list of the Members any time. Here are three different kinds and I will give these to the gentleman.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BULWINKLE. I yield.

Mr. RICH. We are only trying to save a little bit of money, and that is the reason the committee did not print that document this session. We will do it next year.

Mr. BULWINKLE. That is right. By the way, we are going to cut down on some other things, too.

The SPEAKER. The time of the gentleman from North Carolina has expired.

EXTENSION OF REMARKS

Mr. BROWN of Ohio asked and was given permission to extend his remarks in the RECORD and include a statement by Alfred Bayless, director of the Lincoln High School Band of Canton, Ohio, which has been submitted to the Canton City Board of Education relative to James Caesar Petrillo.

Mr. MUNDT asked and was given permission to extend his remarks in the RECORD and include some recommendations made by the merchants of South Dakota for changes in the OPA.

Mr. CANFIELD asked and was given permission to extend his remarks in the RECORD and include a letter and several telegrams.

Mr. LARCADE asked and was given permission to extend his remarks in the RECORD and include a newspaper article and a letter.

POWER POLITICS

Mr. SAVAGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. SAVAGE. Mr. Speaker, this is an entirely different world than it was before the war. If we are going to be able to maintain permanent peace, which the people of the world so much desire, the three great powers, Russia, England, and the United States, are going to have to live together. I think it is very unfortunate that a man who made a great record in the war comes out asking for power politics to start lining up again. I am sure that request will not prevail. We will not have a war with Russia. We will not have to fight her unless we deliberately pick a fight, and we are not going to do that.

Our common interests with Russia are much greater than any differences we might have. We are fully conscious that Russia has been a great ally and we are also fully conscious of the fact that had Russia lined up with Germany and Japan instead of with the United States we would have lost millions of our boys and perhaps would have lost the war. I am sure that the request of the gentleman from England will not prevail in the world. The world wants peace and can only get it by settling its differences across the table, not by power politics.

Mr. BARRY. Mr. Speaker, will the gentleman yield?

Mr. SAVAGE. I yield.

Mr. BARRY. Does not the gentleman think Russia has been indulging in power politics since the end of the war?

Mr. SAVAGE. Russia wants to guard her security. The United States is going to guard her security by obtaining possession of certain islands in the Pacific. Russia is doing the same thing. Why should we criticize Russia for doing that which we ourselves intend to do? The effectiveness of the United Nations Organization will be nullified completely if we again resort to a line up of power politics.

Let us lay old prejudices aside long enough to win the peace.

CALL OF THE HOUSE

Mr. FOLGER. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 41]

Andrews, N. Y.	Gardner	McConnell
Arnold	Gary	McGregor
Baldwin, Md.	Gearhart	McKenzie
Baldwin, N. Y.	Gossett	Mansfield, Tex.
Beall	Hale	Mills
Bland	Hall,	Morrison
Bonner	Edwin Arthur	Murphy
Buck	Harness, Ind.	Norton
Byrne, N. Y.	Henry	Peterson, Ga.
Cannon, Fla.	Herter	Powell
Cannon, Mo.	Holifield	Rains
Celler	Holmes, Mass.	Randolph
Chapman	Jackson	Reece, Tenn.
Clark	Jarman	Rivers
Cole, Kans.	Judd	Robinson, Utah
Curley	Kelley, Pa.	Schwabe, Mo.
Dawson	Kilburn	Stigler
Domengeaux	Knutson	Sumner, Ill.
Fisher	Landis	Thom
Fuller	Luce	West

The SPEAKER. On this roll call 371 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

HOUSING STABILIZATION

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 4761, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

Mr. MONRONEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MONRONEY:

Page 5, line 23, before the word "have", insert "or housing accommodations completed and existing before the effective date of this act where bought or sold for speculative purposes."

Page 6, after line 13, insert the following: "(b) Any regulation or order issued under authority of this title establishing maximum sales prices for housing accommodations in existence and completed on or prior to the effective date of this title shall establish as the maximum prices the price of the first bona fide sale of such housing accommodation after the effective date of this title. For the purpose of this section, no regulation defining speculative sales shall include any housing accommodation in which the owner has occupied as his bona fide home for a period of not less than 6 months."

Mr. BROWN of Georgia. Mr. Chairman, I make a point of order against the amendment. In section 704 we struck out the provisions for ceilings on existing homes. We have completed that section and have even gone so far as to vote on a substitute bill. The effect of the gentleman's amendment is to place ceilings for 6 months on existing homes. We defeated an amendment to place ceilings on existing homes for 12 months, the life of this bill.

The CHAIRMAN (Mr. COOPER). The gentleman from Georgia [Mr. BROWN] makes a point of order against the amendment offered by the gentleman from Oklahoma [Mr. MONRONEY]. Of course, it should be borne in mind that the entire bill is open to amendment to be offered at any time. The amendment now offered by the gentleman from Oklahoma is in different form and in different language than the previous amendment offered by him.

The Chair overrules the point of order.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. MONRONEY. Will this be taken out of my time, Mr. Chairman?

The CHAIRMAN. It will be.

Mr. HINSHAW. Mr. Chairman, I ask unanimous consent that the gentleman may have two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MONRONEY. I yield to the gentleman from California.

Mr. HINSHAW. The Chair has stated that the entire bill is open to amendment. Does that include committee amendments already adopted? Will they be open for further amendment?

The CHAIRMAN. Committee amendments that have already been adopted cannot be amended.

Mr. HINSHAW. That is exactly what I wanted to know.

The CHAIRMAN. The gentleman from Oklahoma is recognized for 7 minutes.

Mr. MONRONEY. Mr. Chairman, when Mr. Wyatt outlined the four minimum requirements that he had to have in the housing bill, he specified that he needed the power of allocation of materials and the right to break price bottlenecks where price ceilings were in-

terfering with the production of materials. That has been pretty well granted him in this bill by action of the House.

The No. 2 requirement that he asked for was that title VI of the FHA be extended to include the construction of new homes for war veterans. That has been placed in this bill by amendment.

Two other things that he said were musts, 50 percent of the program that he asked of the Congress as being his minimum tools with which to do this job of getting adequate housing for our war veterans, at this point, are not in the bill.

I fear if we pass this bill without giving him at least a further portion of the minimum requirements he has asked for, the Congress will be charged by those outside with having labored for 8 days and brought forth a mouse. I do not believe that a 50-percent bill is going to be the answer that the veterans of this war have a right to expect from the Congress of the United States.

It was argued when the original Patman provision for placing a ceiling on existing homes was up for discussion that some way, somehow, the fixing of a price ceiling at the point of the next sale might interfere with some war veteran or some citizen who had bought a residence for his own home and had unfortunately found he had to be transferred away from that locality, and that then he would be forced to sell his home at below the existing market.

This amendment is offered in the sense of a compromise. It is aimed at only one thing, and that is at speculation in American homes, the speculation that is taking the price of existing homes up, up, up, every day and costing war veterans as they return a thousand or two thousand or three thousand dollars more for existing homes.

Unless you pass some amendment to stop in some way this Florida real-estate boom that is going on now in the prices of America's 27,000,000 existing homes today, the veterans will not have a chance to buy a home at anywhere near a reasonable price.

I recited before several instances in my own city where homes that had originally been built for $3,000 and $4,000 before the war are now selling for $7,000 and $8,000 and $9,000 as a result of present speculation and inflationary pressure on these homes.

This amendment tries to stop the spiral of speculation. It also tries to answer the argument that many made here to protect the man who buys a home in good faith as his residence.

After he lives in it for 6 months he is not bound by any ceiling whatsoever. If he is transferred away from town or for any other reason, he can sell this home if he has lived in it for 6 months without any ceiling on his home.

My sole hope is to slow down this spiral of speculation and inflation. It will help the folks at home as well as the returning veteran.

What about the other millions of people of America? They are not going to be helped a bit by a ceiling on new homes because those are all channeled into the hands of veterans. The 2,700,000 new houses you hope to build in 2 years is only 10 percent of the existing pool of houses. Now, can you hope to hold down, as any reasonable man would want to hold down, the prices that veterans and workers will have to pay on homes if you have a ceiling on the new houses, only 10 percent of the houses of the Nation?

As a matter of fact you will have a ceiling on only 5 percent for the next year even if we reach our goal, and after that you may have a ceiling on an additional 5 percent.

It is a question of whether the Congress is going to be willing to do the necessary thing to try and get homes at a reasonable price for the war veterans when they come back. If you are in favor of speculation in American homes, if you are in favor of pushing the prices up, up, up, so the veteran or the person on low income cannot hope to have a home, then vote against this amendment.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. VOORHIS of California. If I understand the gentleman's amendment correctly the only effect it would have would be on the purchase of homes for purely speculative purposes. Is that correct?

Mr. MONRONEY. Largely for speculative purposes. I may say that I anticipate that most of the homes that are bought and sold within 2, 3, or 4 months, houses that are constantly changing hands at a price increase of $1,000 or $2,000 each time, will be brought under control of this act as speculative sales.

I do not believe Congress wants to approve runaway speculation that is occurring all over the country in almost the same volume it occurred during the Florida real-estate boom. Many people are practicing this real-estate brokerage game of buying a house today, holding it for a few days, and then selling it to a war veteran at an increase of $1,000 or $2,000 over the price he paid for it.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. BROWN of Georgia. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we have been considering this bill now for over a week. We had this identical principle up the other day for discussion and debated it for more than a day. The question was whether or not the Congress of the United States wanted to put ceilings on existing homes. By overwhelming vote we turned down that proposition.

In effect what the gentleman's amendment suggests is that we try this out for 6 months instead of a year. You will freeze homes so the veterans cannot buy them. After the first sale this proposed amendment would prohibit the owner of a home from selling it for more than he paid for it, therefore you would freeze it. Now, why is not a man entitled to the market value for his present home? What makes the market value of a home? It is replacement cost, which is highly due to the advanced cost of materials and labor.

Mr. Chairman, we have in this bill a ceiling on materials and we have a ceiling on new homes, which will to a great extent control prices on existing homes. Now, to employ thousands of agents to run around the country spying on 40,000,000 home owners, would result in irritating the people, and the little saving that would result would not compensate for the inconvenience to the people of the United States.

Mr. Chairman, the people want to get back to free enterprise just as soon as they possibly can. We have a good bill and I think the bill should be enacted just as we have it. Do not jeopardize its passage by putting in a lot of little damaging amendments like the pending one. Let us vote all amendments down and get through with the bill. If we are going to continue to amend each provision we will be here three weeks longer and finally have nothing.

Miss SUMNER of Illinois. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, an OPA ceiling on houses would simply discourage the building of houses in the same way and for the same reason that the production of strategic materials, without which you cannot build a house, has been discouraged by the same OPA.

You know the sad story of how the OPA has driven out of production bricks and lumber, and there is not time to tell you that the same story can be told for almost every strategic and vital material necessary for the building of houses, such as synthetic boards, clay products, castings, windows, sidings, roofing, plumbing, even such things as washing machines and furniture woods. The Bible warns us not to build a house on sand, yet the OPA fixes it so there is no other material available.

Mr. Chairman, one reason why Mr. Bowles castigates the Congress and pretends that the Wyatt housing program is necessary is because he needs an alibi. He wants the Congress to help cover up. But you cannot go home and persuade your people that anything suggested here is going to help the housing situation because Mr. Wyatt has all the power he needs at the present time and he is not lifting the OPA restrictions. Every community in the United States swarms with people who know that from their own personal knowledge.

The OPA formula for reconversion specifically prevents industry from getting increased ceilings on their products high enough to cover increased costs. Today you cannot get a ceiling to cover a necessary product in your business which you have to buy from a new source where the old source has been dried up or is not available. Because of refusal of OPA to cover increased costs and to permit increases in order to cover additional costs there is no reconversion in the United States. Industry after industry is coming down to OPA and proving incontrovertibly by the records and estimates of reliable accounting firms that at the end of this year they will have gone

into the red. The stock market is going down worse than at any time since 1937. If there is no lifting of OPA restrictions, we are going to head into a great unemployment period, and price ceilings on homes simply means that the veteran, when he has to move around to find employment, will not be able to get work to buy his home. He will not be able to get the costs that he put into his home. He will not be able to get the cost of replacing the house he has sold. For that matter, all you have to do today is look at your newspapers in the foreign policy section and see how the stupid New Deal policy toward Russia is reaching its ultimate, inevitable conclusion, and you begin to believe all that the veterans of World War II need is temporary housing.

Mr. BARRY. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, about 21 years ago, right after I finished college, a professor friend of mine sold me the idea of going down to Florida and witness the Florida land boom and earn enough money in a short time to go through law school. So I did, and I stayed there for a year. In the cities of Palm Beach and West Palm Beach, Fla., in a period of 6 to 8 months, I saw the same thing occur there that is occurring in Florida today. On the main street of the town of Palm Beach, along that beautiful drive, Royal Palm Way, that leads through the town, the price of a front foot went from $600 in a period of 6 months to $2,500, and the price of houses, not only in Palm Beach, but all around that Florida countryside, including the small towns, doubled and tripled, and about a year later the inevitable crash came which broke thousands and thousands of people not only in Florida, but all over the Middle West and even some people in California. At the same time, on Long Island, where I come from, we had a boom in the Rockaways that equalled the Florida boom, and thousands and thousands of more people went broke the following year. Then came the stock-market crash in 1929.

This amendment proposed by the gentleman from Oklahoma [Mr. MONRONEY] proposes no ceilings at all on a house where a buyer lives for 6 months. Is it not reasonable to assume that the millions of people who are looking for homes today, the GI's who have been overseas and elsewhere, will live in a home they buy for at least 6 months? In that event you have one free sale after the passage of this bill, with no ceiling, and if the GI lives in the House for 6 months he can sell it without any ceiling. This bill merely proposes to slow up inflation which is taking place. Out on Long Island today, in the county of my distinguished colleague and neighbor, the gentleman from New York [Mr. LEONARD W. HALL], the prices of homes that were built 6 and 7 years ago for $7,500 and $8,000 are now selling for $14,000 and $15,000, and similar situations prevail all around this country. These houses that we are going to build and put ceilings on for veterans will be bought, and they will relieve the housing shortage to some extent. Those who cannot afford to buy homes at the prevailing prices today might have an opportunity to buy the homes of those who buy these new homes, if we keep prices down. But if we permit this inflation to continue, the new homes will not help the veterans a single bit, because a great majority of them are not in a position to buy houses at the prices that exist today.

Therefore, I urge you not to consider this amendment in the light of the Brown amendment, because you would not put on ceilings of any kind where any buyer lives in a house for a 6-month period.

Mr. Chairman, I feel it is necessary to prevent inflation, I feel it is necessary to help the veterans, and I hope the Committee will adopt this amendment.

Mr. WOLCOTT. Mr. Chairman, I move to strike out the last 2 words.

Mr. Chairman, this amendment was offered in the committee and defeated in the committee. I think it was defeated in the committee because it was recognized that it was not workable. Under the provisions of the bill, if this amendment is adopted, then everyone, before he can possibly sell any real estate, any real property, whether he has lived in it for 6 months or 60 years, must go to Mr. Wyatt and get clearance on the sale before he can ever contract for the sale of that property. You will so bog down the real-estate market in America that you will have a shortage of homes resulting from the very confusion which this amendment would incite.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. Would not the words about requiring clearance from Mr. Wyatt be all that was necessary, because it would be 6 months or 12 months before you would get the clearance?

Mr. WOLCOTT. Yes, that is probable.

There is not nearly as much speculation in real estate as you might think. If you claim there is an opportunity for speculation in real estate you are arguing against the necessity for this bill, because people are buying homes today to live in. They must have a place in which to live.

Let me tell you of a case which came to my attention the other day. A neighbor told me that his son came in and said, "Dad, why don't you sell this house? You can get $5,000 more for it than you paid for it back in 1938." The father said to the son, "Where would we go to live?" That is the answer, "Where would we go to live?" If he sold the old home for $5,000 more than he paid for it, where would that family go to live? Of course, they would have to buy another home. It is almost impossible to rent one. They would have to buy a new home. The new home would cost them so much more, whether it was built under this bill or built independently of this bill, as to eat up all of the profit they would have made. No, people are buying homes today to live in, not to speculate in. Of course, there may be occasional instances where there is speculation, but if there is a necessity for homes today, that necessity itself controls the speculative market.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Kentucky.

Mr. MAY. Let us assume that the pending amendment is adopted and becomes the law, and that a veteran buys a new house under a ceiling of $6,000 and pays $6,000 for it. Then he finds at the end of 6 months that he must move away, go somewhere else. Could he sell the house then, under this amendment, for more than $6,000?

Mr. WOLCOTT. No; because of the other language in the bill he already has a ceiling on his home and of course it is the ceiling which would control.

Mr. MAY. Then he has to stay at home or rent?

Mr. WOLCOTT. Yes.

There is another very important thing. Can he add improvements? A veteran buys a home and adds $1,000 in modernizing the bathroom or the kitchen or putting on a new roof or something of that nature. Can he add that to the sales price? Try to get an increase in rent today based upon improvements in the home, and they will tell you, "No, brother, that is just current maintenance." So we are not doing the veteran any favor by freezing this market to the extent he cannot turn over his property for what he paid for it plus what he has put into it to make it livable. That is not doing him any favor at all.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from California.

Mr. VOORHIS of California. As I understood the explanation of the author of this amendment, all such a veteran would have to do would be to live in that house for 6 months and then he could add the cost of those improvements to the price. Is not that correct?

Mr. WOLCOTT. That would be true if it is an old home. But if that veteran had purchased a home constructed after the effective date of this act, then the ceiling which you wrote in the bill yesterday would apply and he could not sell that home above the ceiling after he lived in the house for 6 months even if this amendment were placed in the bill.

Mr. VOORHIS of California. I believe the other provisions of the bill would take care of that problem.

Mr. WOLCOTT. No; the other provisions of the bill prevent the sale of the house above what he paid for it.

Mr. OUTLAND. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think it is very important that we have clearly in mind what this particular amendment does because it is very limited in scope and covers only a very small field. The committee a few days ago voted down a proposal to place ceilings on existing houses. I thought at the time that while it might cause a considerable amount of difficulty to place such ceilings, still it was the lesser of two evils. But the committee voted against such a proposal. The amendment of the gentleman from Okla-

homa is much more limited in scope than that. What it says in essence is this. If you buy a house and live in it for 6 months, that 6 months' residence is ample proof in itself that you did not buy it for speculative purposes. The fact that you have occupied it as your own domicile for that time is in itself to be taken as evidence. The gentleman from Michigan expressed the hope that the existing conditions would prevent speculation because there was a shortage of houses and people need houses. Granting that, then this amendment will not do any harm in any way because if a person really needs a home he is going to stay there. He is not going to buy it and then try to turn it over the next day or the next week at a profit. That is all this particular amendment aims to do. It is aimed to encourage home buying and home owning. It is intended to discourage speculation. It will help the veteran and it will help the nonveteran alike who are trying to secure homes at a more reasonable price. I am unable to see any logical reason against the amendment whatsover. I do agree with the gentleman from Michigan that it is going to involve a certain amount of bookkeeping. Unfortunately, that is true; and to that extent, it is a disadvantage. But the advantages which are going to accrue by the prevention of this rapid turn-over, such as the gentleman from New York [Mr. BARRY] mentioned, seem to me will greatly outweigh the disadvantages.

I yield to the gentleman from Ohio [Mr. BENDER].

Mr. BENDER. If I paid $3,000 originally for my home, but I could get $15,000 for it at this time under present market conditions, what would be the price that I could ask for the house under this amendment if I have lived in the home for 6 months?

Mr. OUTLAND. If you have lived in the house 6 months, you can ask any price you want to.

Mr. BENDER. That is, the price would be fixed so that $15,000 would be the money that I could get for it?

Mr. OUTLAND. You could get any amount it is possible for you to get as long as you have personally occupied the house for that period of time.

Mr. BENDER. Then what would happen if I were to sell that house?

Mr. OUTLAND. You mean, what would happen to the person who bought it from you?

Mr. BENDER. Yes.

Mr. OUTLAND. If he lived in the house for 6 months, then that would be assumed to be his legal domicile, and after 6 months he could sell the house for anything he wished. I repeat the point I brought out a moment ago, that the amendment is certainly not a perfect one, by any means. It is intended to slow up this rapid turn-over in real estate for purely speculative purposes. That is all in the world that it does.

Mr. BENDER. Does not the gentleman feel that we would be encouraging inflation if we legislate so that $15,000 can be obtained for a house that is only worth $3,000?

Mr. OUTLAND. I think we would be encouraging inflation more without the amendment, I will say. As things are now, there are no checks at all upon it. This would be at least a small check upon speculation.

Mr. BENDER. Frankly, under the circumstances, could not the seller make a representation to the buyer that that property is worth that price by a ceiling, say, of $15,000, when in reality the value of the house never exceeded $3,000?

Mr. OUTLAND. Yes. I think probably most of us have had experiences similar to that right now since coming back to Washington, where real estate values are as greatly inflated as any place in America.

Mrs. DOUGLAS of California. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield gladly to my distinguished colleague from California.

Mrs. DOUGLAS of California. Is not the amendment an attempt to check inflation, at least by 6-month stages instead of having inflation go forward from hour to hour as the bill is now written?

Mr. OUTLAND. Exactly so. As I said a moment ago, it is intended to slow up the inflationary process. It does not stop it. However, it is better than nothing.

Mr. ERVIN. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield.

Mr. ERVIN. In the last analysis, is not the proposed amendment based upon the theory that all home owners of America need a guardian?

Mr. OUTLAND. No, I do not think so. I think it is based upon the theory that those men who are returning after fighting the war shall have a chance to buy a home at a reasonable price and not at a speculative price like so many of them are going to have to do, unless we in this Congress take constructive steps.

I would like to say one thing more in reply to the gentleman from Michigan [Mr. WOLCOTT]. He mentioned that this measure was brought up in committee and was defeated. This measure was brought up in committee and it lost by a tie vote. I hope the amendment by the gentleman from Oklahoma will be adopted.

The CHAIRMAN. The time of the gentleman from California [Mr. OUTLAND] has expired.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. BARDEN. Mr. Chairman, reserving the right to object, I want 5 minutes of that 30, and I do not know how many others want time.

Mr. HINSHAW. Mr. Chairman, reserving the right to object——

The CHAIRMAN. Is there objection?

Mr. BENDER. Mr. Chairman, I object.

Mr. SUNDSTROM. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in opposition to this amendment. In the first place, I have found from talking to real-estate brokers that the main thing the veteran is looking for is a home. Real-estate brokers have difficulty in locating these homes. If we pass an amendment which will stop all these houses being sold unless the owner has lived in it for 6 months, there would be just that many less homes available to the veterans.

I was in the office of two real-estate brokers over the last week end. I asked them how the houses were sold and at what prices. Many of them were being sold at less than they cost to produce some years ago. Secondly, they gave me a list, and said, "There is practically no home that comes in here at a reasonable price that we cannot sell within a week or 10 days." But he said, "I want to show you a list of homes for sale." He took me to a file and showed me the list. They had many homes there for sale at reasonable prices that had been on that list anywhere from 6 months to a year and a half. I said, "It is strange that you cannot sell those homes when they are listed at good prices and you have the demand." He said, "The truth is those homes are not lived in by the owners." No man today, with all the OPA restrictions, will think of buying a home unless it is lived in by the owner, because if it has a tenant it takes 6 months to get him out, and then you have to go to court to get him out after that. So far as this amendment is concerned, it will not increase the supply. It will diminish the supply for these veterans that we hear so much talk about.

This matter came up in committee. It is simply a subterfuge to endeavor to put ceilings back on old houses. Now, they talk about speculation. I asked the proposer of this amendment in committee, "If you can give me a good definition of speculation, I want to know what it is." I do not want the OPA or anybody else to tell me whether a $500 profit or a $1,000 profit is the difference between honest and dishonest dealings.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. SUNDSTROM. I yield.

Mr. BUFFETT. Is it not true that if we fix a price on these houses in this fashion it would open up the whole field to great wildcat operation and speculation, in selling furniture in the home as antiques, and evading the regulations in a thousand different fashions?

Mr. SUNDSTROM. I am glad the gentleman brought out that point because it was my next subject.

I should like to have someone define for me what it is to live in a home for 6 months. You people are all acquainted with politics, you know how a legal residence is necessary for voting—at least it is in my State. Leave a pair of shoes, a suit of clothes hanging some place, or a stick of furniture. Does that constitute a home?

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. SUNDSTROM. I yield.

Mr. RANKIN. The danger of this amendment is that it will prevent the sales of homes at all, and keep the veterans, as well as others, from buying homes at all.

Mr. SUNDSTROM. I agree with the gentleman. Just one further statement about this matter of a home. All a person needs to do is leave a pair of shoes around some place, or a suit of clothes, or a stick of furniture in a place to start dealings on the black market.

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. SUNDSTROM. I yield.

Mr. CUNNINGHAM. As I understand it, under the present long-term and short-term capital gains tax, a man who buys a house and sells it within 6 months pays a much larger tax than if he held it for just beyond 6 months. What does this amendment do but just lumber up a situation that is bad enough as it is and make a lot more red tape to bog the whole thing down?

Mr. SUNDSTROM. I thank the gentleman for his contribution.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. SUNDSTROM. I yield.

Mr. SMITH of Ohio. If a man sells a house within 6 months he pays a tax on 100 percent of any profit be makes.

Mr. SUNDSTROM. It goes right in his regular income.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. SUNDSTROM. I yield.

Mr. CRAWFORD. I wish someone from the great Southwest would answer that question, someone from a part of the country where they are experienced in this proposition of filing on land and proving up a homestead by living there for so many days, months, or years. Let those men of experience who have the law on their side tell how easily the provisions of this amendment could be circumvented if somebody wanted to do it. People from the Southwest understand that language.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. BARDEN. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from North Carolina is recognized for 5 minutes.

Mr. BARDEN. Mr. Chairman, when I listen to men like the gentleman from Oklahoma [Mr. MONRONEY] or the gentleman from California [Mr. OUTLAND] discuss an amendment such as the one just introduced by the gentleman from Oklahoma, I cannot help but wish that I had either more sense so I could understand their philosophy of government, or less sense so it would not worry me.

Now, I am going to tell you something. The American people have gone through a lot of pushing around the last few years, and if it is for the good of their country they will go through it again; but I want to tell you this, you sometimes forget: They will fight you over their homes. They will fight you, and do not forget that, when you begin to tinker with their homes. They are not going to sit down and let some two-by-four OPA boy, housing boy, expediter boy, or somebody else come around and define what their home is, how long they have lived in it, and how long they can stay in it.

You are forgetting the fact that we had a war about 25 years ago, and I, together with some millions of others, was involved in that war. Now you are developing a lot of hysteria around here and you want to run over and trample on the boys who came out of that last war and have tried to scramble along and maybe accumulate a little something and get on their feet to where they can educate their children and pay for their homes. They are now in disrepute because they own a home.

There are certain people in this House who do not advocate the ownership of homes. They think the United States Government should build, own, and control homes. They want to represent the group that just floats around and has no pride in a home. They are interested in getting something that someone else has worked for and accumulated. I do not like that philosophy and I believe it is dangerous. I believe we ought to recognize it in the very beginning and stamp it out and not let it go around the corner before we recognize it.

I want to say something with reference to the pending bill and if I am wrong I want somebody to deny it. We passed the veterans' loan bill here. What is wrong with that? We provided money to make loans. What is wrong with that? We set up the OPA to protect prices and that agency is regulating them. What has happened to that? We set up the Civilian Production outfit to allocate materials and they are allocating 40 percent of the materials right now for veterans' homes. If those three bureaus, together with Federal Housing, are not functioning, I say bring them before the proper committee and kick their pants off and not keep piling one bureau on top of another, without ever trying to make the machinery already provided work.

Anyone can brand me whatever they please. But this is the kind of common sense I picked up while traveling from a North Carolina cornfield to the Capitol in Washington.

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM. May I say in reference to the GI bill, as it is presently constituted, every home that a veteran buys must first be appraised by an appraiser appointed by the United States Government, and he cannot buy a house at a figure beyond that. Is that not protection to the veteran? If you pass this bill it is going to scuttle that program in the GI bill.

Mr. BARDEN. Mr. Chairman, of course you will, and who knows but what that is intended. They even have power in this bill authorizing Mr. Wyatt to issue directives to or against the Veterans' Administrator. But no one has dared to mention that power. I want to say that the Government is an expensive builder. Some of the same fellows that you are fixing to put into this outfit built 700 houses in one spot down in my district, and even in the present inflated market I challenge any man to go down there and sell one of them for 60 percent of what it cost the Government to build them.

Mr. Chairman, that is not the trouble. It is not inflation they are crying about. I wish it was. We are about to get to the point that the cost of building a house, including the labor cost and the material cost, which has labor cost piled into it, is so high that the man who is doing the work objects to paying the price of his own labor. There you are. Why not meet this issue squarely and quit trying to fool our veterans by trying to make them think they are getting something good when we know that is not correct. The Monroney amendment should be defeated.

Mr. TABER. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, it is difficult for me to see how the gentleman who proposes the pending amendment can have anything in mind except to prevent the people of this country from being housed. Just look at what it does.

Up in my country, and I know of many other places where the same thing applies, the immediate principal source of new homes is the reconstruction of old houses, building them into apartments so that they can take care of more people and take care of them better. The only obstacle in the way of that at the present time is the foolish operation of the OPA rent control. That ought to be tempered.

We should not place a ceiling upon houses at a figure of what someone might buy them for now, without allowing any increment based upon improvements that may be placed in them. That is just what this amendment would accomplish. It would prevent anyone who went to work and reconstructed a house from getting his money out of it. In other words, it would prevent the housing of the American people.

Why do these people continually try to place greater restrictions upon the development and construction of houses through the OPA and through this organization than we now have, thereby preventing the construction of additional houses?

Let us build houses. Let us give the people a chance and they will take care of this situation and take care of it quickly. But when you have such foolish restrictions that only 2 by 8 lumber can be turned out for studdings, when 2 by 4 is what the people need, and it has to be planed on both sides, and they charge 8 cents a foot when they would not otherwise charge more than 5, it just cannot be done. They should be allowed to make 2 by 4's the way they used to. Why we should have such restrictions as that, which builds up the cost and particularly the construction of houses, I cannot understand, and why we should bring in destructive amendments designed to prevent the housing of our veterans, I cannot understand.

That is just what this amendment and this bill will accomplish.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that debate on the bill and all amendments thereto close at 4 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. HINSHAW. I object, Mr. Chairman.

Mr. SPENCE. Mr. Chairman, I move that debate on the bill and all amendments thereto close at 4 o'clock.

The CHAIRMAN. The question is on the motion offered by the gentleman from Kentucky.

The question was taken; and on a division (demanded by Mr. HINSHAW) there were—ayes 92, noes 42.

So the motion was agreed to.

Mr. HINSHAW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, when the ceiling was put on used motortrucks some years ago, the used motortrucks went right off the open market. Almost none of them was offered for sale through the normal channels, but if you wanted to buy a used truck you had to pay the ceiling price and then buy a full-blooded red rooster for about $800, or an ancient, antique piano bench, or something like that, to make up the difference in price between what the owner of the truck thought it was worth to him and the ceiling price of the OPA. Now if you are going to put ceilings on old homes like this, what you will cause the owners to do is to sell some antique furniture or some red roosters on the side as a separate deal. You will not affect the situation one iota. If the owner declines to make such a deal he is very likely to just outwait the 6-months period. If what you want to do is to place a ceiling on homes which is fair and equitable and anti-inflationary and anti-black market, then the thing to do is to place the ceiling on the basis of an independent appraisal, not a Government appraisal; an independent appraisal which would include the current reproduction cost of the premises less depreciation and obsolescence. No one could complain then that he had paid or received too much or too little.

You put a fixed price ceiling equal to the price of the first sale after this bill is passed, on old premises and all you do is cause the wildest inflation, through encouraging an inflationary black market, and all the other evil practices to escape those ceilings. The American people do not like restrictions. They love to get around restrictions. They think it is a kind of game. But if you give them a fair deal they will go for it and support you every time.

I tried to tell the committee the other day that these practices could not be sustained. Let me call your attention to the fact that in the real estate market today the homes that are offered for sale will not be purchased if they are occupied. Why? Because even if they are owner-occupied you cannot always get the people out. I had a letter the other day from three veterans, brothers, who purchased a house from a woman. When title was delivered they wanted to get possession of the premises. She said, "I am not moving," and she could not be moved. She is still in the premises, although the veterans have bought the house. The OPA is going to set a rental ceiling which these boys that bought that house can now collect, but they can't get into the home they have purchased because of OPA.

If you want to free up the situation in real estate, then the thing to do is allow the normal laws of the community to operate. When property is sold to a veteran, that veteran should have the right to go in even with the aid of the sheriff if necessary, and occupy the premises he has bought.

This is all very naive discussion that some of the Members have been engaging in here on the floor today. They apparently do not understand the business.

In my home city in California the city fathers told me that there are between 500 and 800 dwelling units that are now vacant and unoccupied. Why? Because the people who own the property and who had tenants there were so glad to be rid of the tenants that they did not want the property to be occupied by anybody else. They just let it sit there idle. They are afraid of letting destructive and obnoxious tenants into the premises. They will not rent their property. They would rather let it sit there and pay taxes than to suffer the damages caused by destructive tenants who can neither be evicted nor forced to repair the damage.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Michigan.

Mr. CRAWFORD. It is not only the disagreeable tenants that they are up against, it is the actual economic loss, wherein the cost of operating is more than the income.

Mr. HINSHAW. Let me give you a case right on that point. There is a little woman who is the wife of a gardner that lives in my town, who has a little three-room house in the rear of their own home which she rented to a couple who were supposedly working. They had two children. That couple moved with their two children into that three-room house, at an $18 a month rental. The first thing this woman knew, there were about seven additional adults and five more children living in those premises. Every one of the adults was working. Altogether they earned about $1,500 per month, as I remember the story. They would leave the premises in the morning and lock the door and go out and leave the kids in there locked up until the adults came back from work. You can imagine the mess those kids created. It cost her $300 to clean and fix those premises up when she finally got those people out.

Mr. Chairman, the administration says it is absolutely necessary to have included in the housing program $600,000,000 for subsidy payments in order to carry out their full program of aiding the building of 2,700,000 new housing units in the next 2 years. They say, in effect, that they need this huge subsidy fund in order to subsidize those manufacturers of lumber and other building materials who are shut down because they cannot manufacture and sell their products, except at a loss under the OPA ceiling prices. The administration does not say it in exactly those words, because they do not want to admit that any manufacturers of building materials as well as manufacturers of a lot of other things are shut down because of OPA regulations, but it is true, nonetheless. All you have to do to learn the truth about that matter is to walk into any lumberyard or builders' supply house, or into almost any independent retail store. The racks and shelves carry some fancy articles that sell for high OPA ceiling prices, but there is almost a complete absence of the standard low-price stuff that used to be manufactured in large quantities at very small margins. That goes for lumber and underwear and work clothes, and a great long list of things one could buy anywhere before the war and OPA.

So, the administration says it needs $600,000,000 to pay subsidies to those manufacturers of building materials that cannot do business because OPA ceilings are set below cost on their products. A fine thing. Let us see what $600,000,000 of the taxpayers and bond buyers money would do: If you divide $600,000,000 among 2,700,000 homes it comes out to be $222.22 per home. The average home built under the provisions of this bill will probably cost around $6,000 to $7,000. Let us assume the average cost will be $6,000. What percent of $6,000 is $222.22. A short problem in simple arithmetic reveals the answer to be 3.7 percent. So 3.7 percent of the cost of each home is what all the fuss is about.

Now let us see how that amount of money affects the purchaser of a $6,000 home under the FHA finance plan that is set up for the veterans' homes. In the first place, the cost of building the home can easily vary 5 percent one way or the other, depending on the weather and the delivery of material on time, and on the skill of the building trades craftsmen employed, and on all kinds of factors and conditions that affect the building business. In fact, if the contractor could be absolutely assured of getting all of his material delivered on time and that there would be no trouble with labor, and no difficulties with the subcontractors and their materials and labor, he could absorb that 3.7 percent himself and even cut the price further to boot. In fact, one of the biggest single items of expense to a contractor in recent years has been the cost of delays in getting materials. Contractors whom I know personally, and with whom I have dealt in the past, tell me that they have to estimate the expense of delays as high as 15 percent of the cost of the job, and have had it run higher than that. So 3.7 percent of the selling price is a relatively small percent of the cost these days, and it could be absorbed easily if the builder could be assured of no delays.

Now, let us take the distribution of costs that go to make up a selling price of $6,000, and for that purpose assume that the builder hires his own sales force, and does his own advertising, and that he pays the cost of an abstract of title or policy of title insurance, that he absorbs his fire and casualty insurance, and so forth. We will assume that 5 percent will cover all that expense of a miscellaneous nature. Then we have the following as a more or less typical set-up subject to variation:

1. Cost of sale, title, insurance escrow, mortgage, guaranty, etc	$300
2. Cost of land, including street paving and curbs, sewer main, street lighting, 220-volt power line, gas main, storm drain, sidewalk	800
3. Cost of house and garage, material, labor, and subcontracts	4,000
4. Grading and driveway and landscaping, and front walk	200
5. Office overhead, supervision, taxes on real and personal property, social security, workmen's unemployment compensation insurance, unemployment compensation, building inspector's fees, building permit, architectural services, risk of delay, risk of faulty workmanship, expense of arranging for loan approval and mortgage, priorities and allocations, etc., compensation to the builder for his own work	700
Total selling price	6,000

The foregoing tabulation does not include all the miscellaneous complex factors that enter into the business of home-building, and my approximation of the allocation of costs are necessarily only approximations, as I do not have figures immediately available from an actual home-building job. But I think that I am fairly close in the allocations I have made.

Of the $4,000 cost of materials, labor, and subcontracts, I estimate that about 40 percent, or perhaps less, is actually for building materials of all kinds, including those furnished by subcontractors. About 50 percent will be paid to all crafts of building-trades labor and 10 percent to truckers and subcontractors, and so forth, for expense and profit to them.

The actual building material cost is therefore around $1,600, but that is the price paid to the lumberyard and builders' supply houses, the plumbing and electrical supply houses, and so forth. The price they charge the builder includes their warehousing costs, their office and yard expense, freight charges, insurance, and all kinds of taxes, and so forth, so that the price actually paid to the producer—the original manufacturers of building materials—may be as little as $1,200, perhaps a bit less. Of course, the manufacturer pays his labor and all the rest of his force, his taxes, and so forth.

Now we get down to the meat of the manufacturers and subsidies proposed to be paid by the Government. We have seen that the average amount of subsidy per house to be paid to the manufacturers of the building materials used is $222.22, which is 3.7 percent of the completed selling price of the house. We see now that $222.22 is actually a subsidy to the manufacturer of building materials of 222.22/1,200 or 18.5 percent. It may be 20 percent if the producers are paid net as low as $1,111.10 for the materials, free on board plant.

But the ceiling prices on building materials are not all of them too low. Some of them are plenty high—others are not too high—others are right at the break-point, while others are a bit low and some are far too low. I do not have a tabulation of building material prices and costs. There are literally thousands of items. I will venture a guess that the manufacturers ceiling prices on at least half of the materials used in building a house are at, or above the break-point. If that be true, and it is I believe a fair guess on my part, then the manufacturers of about $600 worth of material per house, would be receiving about a 35-percent subsidy on the average—some more and some less. To me, that sounds utterly fantastic. If this is what Mr. Wyatt has in mind, somebody's head should be examined.

The gentleman from Texas [Mr. PATMAN] has explained to us that these subsidies are for the purpose of encouraging the marginal producers to produce building materials in order to gain increased production of such materials. The marginal producers in this period of heavy demand are those manufacturers who can't manufacture certain building materials under existing OPA ceiling prices, and pay their labor and expenses. Can anyone expect any manufacturer to produce any items and sell it at a loss? Furthermore, why should the administration expect a manufacturer who may be making an over-all profit, to manufacture unprofitable items and take a loss on them. That is silly on its face, and anyone who would think such a thing to be reasonable ought to try riding on a cloud. The items that must be sold at a loss just will not be manufactured—that is all—and no one has a right to expect such a thing of anyone. I am surprised that such a thought could be entertained by supposedly sane men. Unfortunately, there are men today who intentionally would wreck our industrial system—and too many such men are policy makers in this administration.

Now, let us see where the rackets and political racketeers come in on this proposed subsidy program, a program which is said to be for the purpose of opening up manufacturing plants that are shut down because OPA ceiling prices on their products are too low. Supposing you were the Government subsidy dispenser, or just a good political friend of his, and another good friend came along and said, "Say, Bill, I know where we can buy a good building material manufacturing plant cheap. It is shut down and they are about to go broke. How about some subsidies if we buy it and open it up?" My, oh my. What a beautiful racket that could be. I am willing to wager that there are not a few political racketeer mouths watering—yea—slobbering for this subsidy program. The very vigor used by administration forces, men brought up in the ways of machine politics, in advocating this subsidy program indicates their thirst for it.

But that is not all that can be done with it. There is that little matter of not using the word "subsidy" in the amendment offered by my good friend from Oklahoma. I feel quite certain that he submitted the amendment at the request of someone downtown. His amendment used the words "premium payments," which were proposed to be made for what he called "conventional and new types of building materials." Give attention to these words—and particularly the words "new types of building materials." To me, the words "premium payments" can mean "bonus." Do Mr. Wyatt and the boys propose to pay out part of this $600,000,000 as bonus money for the production of new types of building materials? My, oh my, just think of the beautiful rackets in that game that could keep well fed on $600,000,000.

No, my friends. If $600,000,000 is to be used as advertised, it would amount to a subsidy to manufacturers of $222.22 per house on about $600 worth of material. It would be cheaper in the long run to pay $822.22 for it now, by applying selective adjustments in price ceilings if that is the amount required. I am willing to make a guess which is every bit as good as Mr. Wyatt's guess, and mine is that the subsidy program, if adopted, will produce more rackets and fill more politically smart pockets than it will build homes for veterans at lower prices.

If the veterans think that these machine politicians in this administration are not smart that way, I refer them to the disposal of surplus property. What happens to that stuff? I cannot find out. Now you see it, and now it is sold cheap—to somebody else—but who?

Mr. KOPPLEMANN. Mr. Chairman, I rise in support of the amendment.

Stripped of its fine feathers, getting down to the bone of the contention in this debate, it seems to me that the question does not really concern all these details that have been brought to our attention. The question is, Do we want to make it possible for a person to own or buy real estate for living purposes at a price he can afford to pay? That is the real purpose of this amendment. Right now I am not interested merely in helping the fellows who buy and sell property. Right now we are not chiefly interested in the fellows who get a commission on these sales. I am thinking of those who have difficulty in finding a home. When you talk about perfectionism as you are attempting to argue here, may I point out that there is no such thing as perfectionism. The best we can hope for is to do something about a bad situation.

Complaints about the OPA have no place here. OPA has had its faults and will have its faults. But let us be fair with them. Do you know that there have been 700,000 rental changes to the landlord's benefit made by the OPA after legitimate complaints were filed? Seven hundred thousand adjustments have been made in this country by the OPA to adjudicate unfair conditions which landlords complained about. In a recent survey conducted in 36 cities they learned that on the average the landlords were operating at 35 to 40 percent better than in prewar years. So, the gentleman from California could have gone to the OPA with his complaint and if the story as it was told to him and as he tells it to us was confirmed it undoubtedly would have been taken care of.

I was talking the other evening to a gentleman who owned a piece of property here in Washington. Last October he sold it for $165,000. Since October it has changed hands three times. The day he was telling me the story the property sold for $205,000. Of course, the fellow who paid $205,000 will go to the OPA and say, "I paid $205,000 for this property. Therefore, I am justified in

increasing the rents of the tenants." It is a fair and legitimate argument from his standpoint. But we here in Congress should not legislate to make such conditions possible. That is why I am for this amendment.

Mr. BENDER. Mr. Chairman, will the gentleman yield? Would not this amendment freeze the price at the $205,000 rather than the $165,000?

Mr. KOPPLEMANN. Yes; but it would stop it from going to $240,000, $250,000, or even $350,000. That is what I want to stop. That is why I am in favor of Mr. MONRONEY'S amendment.

Mr. RICH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is the seventh day that we have had this bill before the House. It seems to me by all that is good and sound and reasonable that it is about as ridiculous as anything I have ever known of, to think that for 7 days you have argued this question. You have had Mr. Walter Winchell. You have had Mr. Drew Pearson. You have had Mr. Patman. You have had others on the radio trying to get the people of this country to influence the Members of the House on how they should vote. A great piece of propaganda. I think the question before the Congress today is how you can construct houses and how you can produce everything wanted in this country, whether it is houses or whatever it is, so that the American people will have the things they want to buy. They have the money—most of them have, but materials are scarce. Now, we have spent 7 days arguing the question of whether we want to put ceilings on houses or whether we want to regulate the American people any longer in practically everything that they want to do, everything they want to sell, everything they want to buy. Regulation and strangulation. It seems to me that Russia has that form of government right now. If anybody likes that form of government better than they like our own, they ought to go to Russia. We have a lot of people from Russia who are here and who are in key positions in this country who are advocating to the detriment of the American people and to the detriment of the American form of government to become Russianized. It is about time we stopped it. Let us be American, act as Americans or get out.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to the gentleman.

Mr. BUFFETT. Do you not think that before the responsible officials in this country talk so tough to the Russian Government they ought to clean out the communistic influences in their own departments?

Mr. RICH. Certainly. We have more Communists planted in the Government of the United States, endangering our form of government and our freedom, than has ever been known in the history of this Nation. While we are a Republic, and while we love our country, and while our boys have gone out and fought for our country, we should preserve those things that our forefathers fought and bled and died for and gave to us and told us to perpetuate not only for ourselves but for future generations. You are not doing that. You are not good solid Members of Congress when we do not do it either. When we are on the road to regulation of everything, as we are today, we are on the wrong track. Back up. Be American.

The gentleman from North Carolina [Mr. BARDEN] gave the most sound reason to get this country on its feet and to build houses. That is for the OPA to grant a little more money to the men who are manufacturing lumber so that they will not have to close down their mills and that they can produce lumber. When men engaged in that business have to quit because of OPA, they cannot produce lumber. Those who are producing lumber are selling lumber for export. Four hundred and twenty-seven million feet of lumber were exported last year because the lumbermen can get more money for lumber for export than if it is sold here in the United States of America. Over a billion feet of lumber will be exported this year when it should be sold and used in this country. We are exporting lumber today to Canada, Cuba, Trinidad, Venezuela, Greece, the Netherlands, Palestine, India, Ireland, Australia, Ceylon, Peru, Chili, and Egypt. Why should not our own American manufacturers sell that lumber in America, rather than export it, if we want to build houses? Only one way to do it and that is to get the OPA to get a little common sense.

There are contractors in this country by the thousands, there are carpenters in this country by the thousands who will build houses, if you will just give them a chance. They are ready, they are willing, they want to build homes; yes, 5,000,000 homes in 2 years if need be. Let us give them a chance.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. VOORHIS of California. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. VOORHIS of California. Am I not correct that since time for consideration of the entire bill has been fixed, if we continue to debate this one amendment, there will be no opportunity for Members offering other amendments to debate them at all ?

The CHAIRMAN. The gentleman is certainly correct.

Mr. FOLGER. Mr. Chairman——

The CHAIRMAN. Does the gentleman desire to be heard on the pending amendment?

Mr. FOLGER. I do, Mr. Chairman.

The CHAIRMAN. The gentleman is recognized for 2 minutes.

Mr. FOLGER. Mr. Chairman, I do not see anything to be gained by a discussion of the entire bill to dispose of this amendment. All in the world this amendment is designed to do is to stop speculation in homes already constructed. To do that, for a second sale a man must have bought a place for his own home and some circumstances have arisen that made it necessary for him to sell it. There is only this question before you: Do you want those who have no homes, be they veterans or what not, to be able to purchase homes at a fair value, or do you want the speculators of the country, whoever they may be, to come in and buy up those homes and make another profit on them? That is all there is to it.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. FELLOWS. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I have not said a word on this bill because I did not think I could add anything to the discussion. I think that holds true today.

I know little about socialism, and less about communism; but I should be a Socialist because I have nothing and am willing to divide it with anyone.

Yesterday our distinguished colleague, the gentleman from Indiana [Mr. SPRINGER] made an excellent speech. He referred to the fact that the estimable gentleman, who is head of the CPA, had testified before our committee. Mr. Small is a safe, sane, and able administrator. He not only assured us that he has power now to allocate materials to the veterans for house construction and is now actually doing the allocating, but he further said that this country should get back to an economy free of controls. Is not that enlightening and heartening? He said that controls breed controls and priorities breed priorities. That is heartening, coming from the head of the great Civilian Production Administration and I think it is news when the head of one of our great agencies will state those things.

One of the older lumber concerns in the State of Maine, a concern which has been in business many years and has furnished employment for hundreds of men and women received from OPA a letter transmitting a form for that concern to fill out if it wanted to have the ceiling lifted so it could continue to do business.

I do wish the indulgence of the House for a couple of moments to read the very brief reply that this old company, long in the business, gave to OPA just yesterday or the day before. This letter speaks for itself and tells the story of the effect of planned economy:

MARCH 4, 1946.

OFFICE OF PRICE ADMINISTRATION,
Washington, D. C.

GENTLEMEN: In reply to your request:

Our concern was established in lumber business in Milford, Maine—year 1884—always had a good business.

In 1943 we had a saw mill and retail business at Milford, Maine. At this time we were interviewed and convinced by field men of the Smaller War Plants Corporation that to be patriotic we should produce lumber to be used for crating airplanes, barracks for soldiers, etc.

We realized the emergency and having two sons in the service this seemed to be our part.

We questioned the labor situation as it was growing harder all the time, but was assured that it was not so much the cost but what we could produce. We gave them mortgage of everything we had and started to get lumber.

In a few months a representative from Smaller War Plants Corporation came back and wanted us to put in two more mills. We did buy one, and this with the one we already had we produced a lot of lumber which must have been satisfactory to the

buyers as there was no fault found with the sawing or grading.

On the new mill we had quite an investment, as the mill was placed for at least 4 years operation—roads, camps, etc., for the full period. We were led to believe by all inspectors that our work was satisfactory and our production would continue.

When Smaller War Plants Corporation went out of business we were shut off on December 28, 1945, with outstanding checks for one pay roll and another pay roll due, unpaid taxes, and unpaid supply bills.

We operated under the ceiling prices, paid Government wages plus overtime and we are now in the bankruptcy court, so will not be able to fill your OPA Form 60732686.

Yours very truly,

BARKER LUMBER CO.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The question was taken; and on a division (demanded by Mr. MONRONEY) there were—ayes 41, noes 107.

So the amendment was rejected.

Mr. WOLCOTT. Mr. Chairman, I offer some perfecting amendments and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. PATMAN. Mr. Chairman, I suggest that the amendments be reported first.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. WOLCOTT:

Page 5, line 25, after the word "for", insert the word "such."

Page 6, line 4, after the word "of", insert the word "such."

Page 15, line 22, after the word "accommodations", insert "the construction of which is completed after the effective date of this title."

Page 15, line 24, strike out the word "the" where it appears the second time and insert the word "such."

Page 16, line 2, after the word "of", insert the word "such."

Page 16, line 3, strike out the word "the" where it appears the second time and insert in lieu thereof the word "such."

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT] that these amendments be considered en bloc?

There was no objection.

Mr. WOLCOTT. Mr. Chairman, I merely want to explain that the action of the committee in confining ceilings to new construction, without the amendments which I have offered, leaves some very ambiguous language in the bill. It has been called to our attention that the language of the bill is broad enough so that it is possible of an interpretation that the ceilings apply to old as well as new homes. All these amendments do is to bring the language of the bill in line with the action which we have taken and in line with the clear intent of the Congress.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Michigan [Mr. WOLCOTT].

The amendments were agreed to.

Mr. GAMBLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GAMBLE: Page 11, line 14, after the word "construction", insert "and/or completion."

Mr. GAMBLE. Mr. Chairman, this is the same amendment I offered to the Wolcott substitute yesterday, which amendment was agreed to by the committee.

It simply provides that the Housing Expediter will have the authority to allocate or establish priorities for the delivery of building materials as he deems necessary for the completion of construction of housing now being built as well as for new construction. This will assure the completion of thousands of homes now being constructed under the FHA program.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. GAMBLE. I yield to the gentleman from Texas.

Mr. PATMAN. I believe this was checked with the FHA, and the FHA said that these words would be desirable "and/or completion." I see no objection to the amendment.

Mr. GAMBLE. Thank you.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

Mr. TALLE. Mr. Chairman, I move to strike out the last word and I ask unanimous consent to proceed for five additionl minutes, and to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. TALLE. Mr. Chairman, back in that old country school I attended as a boy we used copybooks for training in penmanship, and some of the adages we wrote over and over were: "Haste makes waste." "He who goes a-borrowing goes a-sorrowing." "A penny saved is a penny earned," and so on. I recalled one of those adages when the pending bill first came to my attention. For months I had tried earnestly to get the administration to recognize the ever-increasing need for more housing to accommodate returning veterans and their families. But it was "a voice crying in the wilderness."

The adage that came to my mind from the days spent in that little red schoolhouse which, like Kipling's Gunga Din, was "white, clean white inside," was this: "Of all sad words of tongue or pen, the saddest are these, 'it might have been!' "

Yes, the housing situation might have been different indeed, if—perhaps it does little good now to speak of what might have been, except that it may serve as a warning in the hope that other emergencies may be avoided in the days ahead. Suppose, now, that the administration had paid a little attention to the facts gathered in the population census of 1940. Suppose some attention had been paid to the data gathered under the Selective Service Act. Suppose, too, that account had been taken of the Alien Registration Act data. Suppose the Administration had paid some attention to the War Department, the Navy Department, and the Marine Corps data and all the other data that are available in Government agencies. Suppose some attention had been paid to vital statistics—births, deaths, and marriages. Then, finally, I ask you if you remember these big sheets—of which I hold samples in my hand—that were used for taking a housing census in 1940. Do you remember how you rebelled at the thought of revealing to the people who came to you to ask countless questions about your home—about water, heating, refrigeration, value of the property, whether owned or rented, the interest rate and all the rest?

Some of you gentlemen may want to take a look at these samples to refresh your memory. It was suggested the other day that there should be some fact finding in order to determine housing needs. Facts, facts, facts! We have so many facts that if facts were building materials we could convert every igloo and tepee and wigwam the world over into the choicest living quarters anyone could wish. Yet, here we are, faced with an emergency, in spite of all the data collected by Government agencies and in spite of the fact that I hold here in my hand this little primer gotten out by the New Dealers in December of 1938 which bears the title "An Economic Program for American Democracy." It was out of this book you got some gospel yesterday and on preceding days during the consideration of this bill.

No doubt you recall one Member charged that private enterprise in the building field had failed, that the building industry did not know how to carry on, that it had made a mess of things. Well, that charge is in this little book. But that is not all. You are also told that spending is good, that borrowing is good—and you cannot go too far in either.

Listen to this:

The instruments of monetary control already at the disposal of the Federal Government—for example, control over reserve requirements, taxation, and debt repayment—assure us that there need be not the slightest fear of inability to control any general price rise which might be regarded as excessive. Undue price rises may, it is true, occur in particular industries, but they are just as likely to occur in a prosperity initiated and sustained by private as by public spending.

Then listen to the familiar words:

They must be controlled, not by a policy of permanent depression, but by advance planning—

Save the mark! Where have the planners been? What have they been doing while the housing emergency developed? I read on—

advance planning for the elimination of physical bottlenecks—

That familiar word "bottleneck" that has been bandied about in our committee room so many days—

advance planning for the elimination of physical bottlenecks and by measures of price control such as we propose in our next section.

Mr. Chairman, the American people were notified soon after March 4, 1933, that henceforth planning would be done for them in Washington, D. C., that

America would be remade by the New Dealers, and days of trouble and anxiety would come no more. Yet, here we are, assembled for the seventh day in an attempt to solve, if possible, a housing emergency.

Mr. Chairman, the other day a favored son of the administration referred to emergencies as opportunities. Bottlenecks, too, were opportunities to him. I doubt that veterans looking for homes will agree with him. When I consider all the emergencies that have been portrayed during the past 13 years, I cannot help wondering if any bill of Nation-wide significance has been offered in any other name than emergency since the day the present administration came into power. Emergency might very well be defined as a New Deal opportunity because lo, observe what emergencies bring. Why, you get czars. That term recalls Julius Caesar, Czar Nicholas, and Kaiser Wilhelm. Then you get mobilizers, whatever they do. Then you get coordinators, and they no doubt have important functions. Then you get stabilizers to keep things from moving, and expediters to make them move very fast. All of these you get out of an emergency.

No, Mr. Chairman, I am not trying to be facetious; I have taken and am taking the problem before us very seriously. On VE-day I made an earnest appeal that everything possible be done to increase the production of civilian goods. I recall that on the 21st day of June I stood here and spoke about price control. I said that in the face of the inflation threat we must spend less, we must stop monetizing our national debt and pouring new money into circulation, and, above all, we must produce civilian goods in huge quantities because that is the way to prevent run-away inflation. Those were the three items Governor Eccles, Chairman of the Federal Reserve Board, mentioned a few days ago as things that must be done. I urged last June what he proposed the other day.

After VJ-day I took further steps to get increased production of civilian goods. Certainly then additional productive capacity was made available. The RECORD for December 11 contains some remarks I made concerning the serious housing shortage and the urgent necessity for taking constructive action to meet the needs of returning veterans. It was my hope that action might be taken before the close of the last session. Two days later I introduced a bill in the hope that the export of building materials could be stopped during the emergency. I have followed that up consistently. Certainly the Republicans on the Banking and Currency Committee have done everything that could be done to get prompt and constructive action.

The essentials in the problem are, of course, materials and labor, but when I talked to the State Department about stopping exports I was told: "They don't amount to much; in fact, less than 1½ percent of 1945 production." Then I asked, "When did the exports occur?" The answer was, "Late in 1945." But if this export rate for the last quarter of 1945 had prevailed throughout the year, the total quantity would have been appreciable. It must be remembered, too, that export licenses are good for an entire year, so that in 1946 we have a carry-over of export licenses from 1945. But those who have the power to deal with these things are apparently not concerned because they say we are in the habit of exporting lumber and we could not convert certain mills easily to the manufacture of domestic lumber. Well, I am amazed at that. I am so puzzled by this argument that I shall pass it by and merely say that if the emergency is as great as we have been told it is, then I think the conversion should be made even if it cannot be done easily.

Mr. Chairman, the veteran needs not only a house but he needs some furniture. What luck does the veteran have when he goes to the shops to buy the wooden articles he needs? He finds scarcely anything that is made of the kinds of wood that used to go into furniture—ash, red oak, white oak, beech, birch, and maple, to mention some varieties. An old-established furniture manufacturer in my district informed me some time ago that these woods were going to foreign countries under lend-lease arrangements. I made inquiry to get the facts and, to be sure, as of January 31, 1946, something over 18,000,000 board-feet of these choice woods are still under contract to be shipped to foreign lands. I learned further that lend-lease has so far claimed a total of nearly 125,000,000 feet as of the afore-mentioned date. These shipments have included pecan, rock elm, hickory, and hard white elm in addition to those noted above. No wonder our shops offer such shoddy stuff.

Mr. Chairman, the time has come to speak a word for Uncle Sam. He has been very patient and overly generous. He is the proud symbol of the American people. In his name we have been engaged for several years in a great missionary enterprise. In his name we asked our young people "to take the wings of the morning and fly to the uttermost parts of the earth." This was done in the name of "democracy," too. I wonder, Mr. Chairman, how a New Dealer would or could explain his brand of democracy—including czars, mobilizers, coordinators, stabilizers, and expediters—to the people on the streets of Calcutta or on the streets of Shanghai. I wonder, too, how a great missionary enterprise can succeed without a strong home base. That home base is the United States of America. Will not the life lines we have tossed out to peoples the world over prove to be mere ropes of sand, if we do not keep faithful watch over our own hearthstones? After all, the building industry is the second largest industry in our country. Can we turn so great an industry over to those who demand public housing and not blush with shame when we speak the words "free enterprise" or "private enterprise"? Uncle Sam has the physique of a giant. If that were not so, he could not have outlived so many quack remedies. But the emergencies of the past 13 years have taken their toll of Uncle Sam's energy. That is why I want to warn the administration that even his giant physique can be broken. Perhaps "emergencies" are something more than "opportunities." They can also be tragedies.

Mr. PRICE of Florida. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. PRICE of Florida: On page 12, after line 2, insert paragraph (c):

"All honorably discharged veterans of World War II who desire to build or buy a home shall be issued by the United States Government a certificate for $200 to be applied on the purchase price of said home or the purchase price of material to be used in building a home. These certificates shall be redeemable at face value by the United States Government for a period of 2 years from the time this bill becomes a law.

The Director is hereby requested to instruct the Office of Price Administration to revise its program as far as building material and all items that go into the construction of homes is concerned and to fix prices that would allow reasonable profits to all those who deal in such items. The Director is further requested to instruct the Office of Price Administration to have this revised building material program in operation within 10 days from the date this bill becomes a law.

Mr. PATMAN. Mr. Chairman, I make a point of order against the amendment that it is not germane. It does not carry out the intended purposes of the proposed bill. It provides for the giving of bonuses to veterans to buy homes, at least to those who are fortunate enough to get homes. It provides for a bonus of $200.

The CHAIRMAN. Does the gentleman from Florida desire to be heard on the point of order?

Mr. PRICE of Florida. Mr. Chairman, I thought the purpose of this bill was to provide homes for veterans. I think this is in line with other amendments which have been offered and is in keeping with the purposes set out in the bill.

Mr. PATMAN. Mr. Chairman, I do not believe that the proposal embodied in the gentleman's amendment would even be referred to the Committee on Banking and Currency.

Mr. PRICE of Florida. There has been one amendment offered which is similar to this. It was offered to the Wolcott substitute amendment as far as the OPA is concerned.

The CHAIRMAN (Mr. COOPER). The gentleman from Texas [Mr. PATMAN] makes a point of order against the amendment offered by the gentleman from Florida [Mr. PRICE]. The Chair has reviewed the amendment. While a rather close question is involved, the amendment does seem to relate to housing for veterans, which is the subject matter of the pending bill in that it provides for a certificate for a certain amount of money to be applied on the purchase price of a home or the purchase of materials to be used in building a home.

Although it is a close question, the Chair is inclined to rule that it comes within the scope of the bill and overrules the point of order.

Mr. PATMAN. The amendment itself shows that it discriminates against a large group of veterans; that the one who is fortunate enough to get a home gets a bonus of $200, but the fellow who cannot purchase a home does not get the $200.

The CHAIRMAN. Of course, that question could not be considered in passing upon the point of order, that being a proper argument for the gentleman to make on the merits of the amendment.

The Chair overrules the point of order.

The gentleman from Florida is recognized for 5 minutes in support of his amendment.

Mr. PRICE of Florida. Mr. Chairman, many tears have been shed and many pretty speeches have been made in behalf of the veteran on the House floor during the past week. The Democrats and Republicans alike have poured out their love for the veteran, but that is as far as it has gone. In other words, nothing has been done for the veteran. The Republicans blame this on the Democrats and the Democrats blame it on the Republicans but each individual Member of the House will have to take the blame when he returns to his district.

I believe the amendment I have offered will really do something for the veteran. It will start the machinery toward the building of homes and I am sure the veteran would rather have a home than a fine speech or a bucketful of tears.

My amendment provides that each veteran who wishes to purchase a home be issued a certificate for $200 which he can apply on the down payment on his home. This $200 will be deducted from any future benefits Congress may vote for veterans. With $600,000,000 we would thus be able to contribute to the construction of 3,000,000 homes.

My amendment also provides that the President be requested to order OPA to revise its program as far as building material is concerned and that every item that goes into the building of a home be given a ceiling price which will allow a fair profit to all involved. According to the speeches made on the House floor during the last week, the increase necessary on every item that would go into a veteran's home would be less than the $200 provided for each veteran in this amendment. We all know that to give the veteran this relief through subsidies would cost the taxpayer twice as much money because of the great number of items involved and the red tape that would have to be gone through with if the Government handed subsidies out to the producers of the various building materials. I do not believe there is a Member of this House who would claim that a dollar started off in subsidies would amount to more than 50 cents when it came down to the man who built the house, therefore, my amendment would directly benefit the veteran. He would get his home at no extra cost and if he gets his home the housing situation will be eased considerably as far as everyone else is concerned. We all know that the President could issue an order to OPA and OPA could revamp its prices on building materials and the production of much needed items would begin almost overnight. We hear from all concerned that we can do away with price control when production meets demand. I sometimes wonder if this is the reason OPA likes to keep its program as complicated as possible and stifle production.

I do not believe a Member of this House who honestly wants to help the veteran will vote against my amendment.

Mr. PATMAN. Mr. Chairman, the committee is trying to be liberal and generous to veterans. This is not what might be termed a "veterans' bonus bill," and seeks to deal with all veterans fairly and equally. With all due respect to the gentleman from Florida, who offered the amendment, I do not think it fits into this bill at all.

There are two ways that the amendment can be considered. If you consider that the veteran who gets a home is the only one who gets the $200, it will be very unfair, because in a community where there are a hundred veterans who are qualified for homes and are entitled to priorities and preference, on account of scarce materials only 50 of them will be accommodated. The lucky 50 will not only get a home, but they will get $200 each in addition. It occurs to me it would be more equitable and right to give the 50 disappointed veterans, who could not get a home, the $200 each.

The other way, if you say you should give it to every veteran who applies—there are 15,200,000 who might qualify under this provision. At $200 each that would mean over $3,000,000,000, quite a considerable sum of money. Maybe we should give them $3,000,000,000 or more, but I think we should give it to them only after thorough committee consideration and also after consideration of all other factors that are involved in it. It is just too big a question to go into a bill here under the 5-minute rule when the amendment was not submitted to the committee for consideration at all and we knew nothing about it until a few minutes ago.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. MONRONEY. It should also be borne in mind that the ultimate result would be to give it to some real-estate broker or builder. He would be the one who gets the $200.

Mr. PATMAN. Yes; it could be a $200 bonus to the speculator. It just goes to show how far-reaching it is, and it certainly is evidence that we should give very thorough consideration to it.

Mr. PRICE of Florida. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. PRICE of Florida. These certificates would be redeemable over a period of 2 years. Does the gentleman say that not more than 50 percent of the veterans would want to buy a home?

Mr. PATMAN. Over 50 percent of the veterans would not be able to buy homes. In other words, you are going to hand to less than 50 percent of the veterans not only a home, but $200 in addition. If anything it should be given to the 50 percent who will be unable to get homes, even though they want them.

Mr. PRICE of Florida. But the gentleman admits that the purpose and object of the bill is to get homes for veterans.

Mr. PATMAN. Certainly; and we are giving them preferences, but giving them all an equal right; we are not giving the veterans who do get the homes both the home and the bonus.

Mr. PRICE of Florida. This would give them a reasonable opportunity to get materials; it would provide the inducement necessary to produce materials with which the homes could be built.

Mr. PATMAN. This amendment is very far reaching and it is separate and distinct from any provision of the committee bill. I think the amendment should be submitted to the committee and very thorough consideration should be given to it. We should not legislate on a $3,000,000,000 amendment here without any consideration than we can give to it under the 5-minute rule.

I ask that the amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. PRICE].

The amendment was rejected.

Mr. BUFFETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUFFETT: Page 12, after line 2, insert the following new section:

"In order to achieve maximum production of materials suitable for use in the construction of housing accommodations the Expediter is authorized and directed to issue a directive on policy to the Price Administrator requiring the Price Administrator to establish within 60 days after the date on which this title becomes effective a maximum price with respect to each such material: *Provided*, That no maximum price shall be established or maintained with respect to any such material which (1) is below a price which will reflect to processors as a group dealing in such material a fair and reasonable profit per unit, based on current costs, or (2) when applied to wholesalers, distributors, jobbers, and retailers dealing in such materials, will reduce or result in the reduction of the dollar-and-cents trade discounts or dollar-and-cents mark-ups with respect to such material below the dollar-and-cents discount or dollar-and-cents mark-ups applicable on January 1, 1945."

Mr. MONRONEY. Mr. Chairman, I make a point of order against the amendment offered by the gentleman from Nebraska. The amendment he has offered is not germane to the pending bill. It is an amendment to the Price Control Act, which is not before the committee at the present time.

The CHAIRMAN (Mr. COOPER). The gentleman from Oklahoma makes a point of order against the amendment offered by the gentleman from Nebraska. The Chair invites attention to the fact that the pending bill contains provisions authorizing priorities and allocations of materials for the construction of homes. The pending amendment provides for directives for the production of materials suitable for use in the construction of housing accommodations, and so forth.

The Chair is of the opinion that the amendment is within the scope of the pending bill and, therefore, overrules the point of order.

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from Missouri.

Mr. PLOESER. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD immediately following the address of the gentleman from Nebraska [Mr. BUFFETT].

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BUFFETT. Mr. Chairman, last spring the House and Senate passed an amendment to the Price Control Act to encourage legal production of livestock products. The amendment was necessary because OPA had by unfair pricing tactics created an impossible situation in the livestock packing industry.

This amendment is patterned after that proviso which is a part of the Price Control Act today. Yesterday, when I introduced a similar amendment, the opposition raised their favorite red herring, claiming that it was inflationary. I suggest to the Members of the House that this amendment is the way to get production, and production is the answer to inflation. This policy is the only way to bring full production in a free economy.

Mr. Chairman, if the Congress is going to get the products produced with which to build houses, it must take action to see to it that the people in this industry have the incentive of a possible profit on the items that they produce efficiently.

The complaint was made yesterday that this amendment would require the Price Administrator to set a profitable price on all items in the building line.

The Price Administrator goes through the entire building line now and sets prices. If he can set prices at all, he can set them so that they are profitable to efficient producers. If prices are too high on some products, he can bring those down and then put the rest of the prices on a profitable basis. That is what the first part of this bill seeks to do.

The other half of the amendment seeks to preserve the industry relationships that existed on January 1, 1945.

Mr. Chairman, this country went through the war, and Congress did not legislate wholesalers, retailers, jobbers, and distributors out of business. But lately, by a cost-absorption scheme, the Office of Price Administration, by administrative edict, has liquidated and eliminated from business many people in this country. I do not think that the Congress intended that any administrative agency should have the right to destroy American businesses by administrative edict. Yet, that is exactly what is happening in various divisions of industry today, where price regulations have eliminated areas of business from legal operation.

This amendment will prevent that kind of ruthless dictatorship method from being used any longer. It will provide the American incentive for production by assuring every segment of the building industry a chance to make a profit, if they are efficient operators.

Contrary to opposition rantings, this amendment does not guarantee a profit to everybody. It provides that processors as a group shall have fair and reasonable prices per unit.

No one in this House will forthrightly object to the people in industry having a chance to make a fair profit. But apparently Members favor agency tactics which force industry to either do business at a loss and go broke, or go into the black market, or quit producing.

That is the present situation in many instances. This amendment would cure that very evil situation, a continuation of which will eventually destroy the American system of free enterprise that our veterans were told they were fighting for.

Mr. PLOESER. Mr. Chairman, yesterday the gentleman from Ohio [Mr. SMITH] contended that the National Association of Home Builders had been virtually coerced into their directors' approval of subsidies. This statement was challenged by the gentleman from Oklahoma [Mr. MONRONEY].

Today I am in receipt of information from one of the directors of the Home Builders' group, who stated:

> We were shot-gunned into our action, with the promise that we would be given sufficient materials if we approved, and with the implication that we would come up short if we disapproved.

However, even the action of the directors does not change the unanimous vote of their membership in convention against the administration's program.

Mr. MONRONEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment is our old friend, the favorite wrecking device of those who have consistently opposed OPA. We have had it introduced in form substantially as it is by the gentleman from Nebraska many times in the past to try and destroy OPA.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Nebraska.

Mr. BUFFETT. Is this amendment any different than the amendment we adopted on livestock products last year?

Mr. MONRONEY. Yes; there is a considerable difference, because the livestock products were limited to three categories: Mutton, pork, and beef, I believe. This crosses the board on more than 10,000 items that go into the building industry, and you would have to guarantee every hardware dealer, every lumber dealer, every retailer, a satisfactory margin of profit on every single item that he has in his store.

I have been in business for 20 years, and I do not know the time under free pricing, I will say to the distinguished gentleman, before we had any price controls whatsoever, that I ever enjoyed a completely satisfactory margin on every item in my business. You always have low-profit items and high-profit items.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. I believe in a free economy of the people, and I believe that when we have enough goods to satisfy the demands at a particular time that then we should not have any controls, but, coming at this particular time and carrying out what this particular bill intends, we should not do it because $1 now will not be worth 10 cents a year from now.

Mr. MONRONEY. I agree with the gentleman. If you extend it to the building industry, you will have to extend it to every industry.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Texas.

Mr. PATMAN. Is it not true that this amendment would force a price increase on every home that the veteran would buy, and instead of this bill being a bill for veterans it would be an antiveteran bill?

Mr. MONRONEY. It would certainly raise the price to the veteran a very considerable amount, and at the same time we would do a lasting and permanent injury to our efforts to control inflation at this critical period. No one who knows the implications of this profit per unit provision in the gentleman's amendment, and hopes to have anything to say about preventing inflation, can possibly support such an amendment. It would mean a rise in every single item in the building industry, because this man would have a short profit on one item and another man might have a short profit on another item and the whole thing would have to spiral upward. I ask that the amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska [Mr. BUFFETT].

The question was taken; and on a division (demanded by Mr. BUFFETT) there were—ayes 39, noes 57.

Mr. GATHINGS. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

Mr. KEEFE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. KEEFE: On page 11, line 19, after "title", insert a semicolon and add, "and the Director is authorized, regardless of any other legislation, to direct the Office of Price Administration to make such price adjustments as are necessary to stimulate the production of building materials."

Mr. KEEFE. Mr. Chairman, I would like to ask a question of the gentleman from Texas [Mr. PATMAN]. I would like once and for all to get a direct answer to a specific question.

When the committee reported the Patman bill, did it intend to confer upon the Director, named in the bill, the power to direct the Office of Price Administration to change existing price structures in the Office of Price Administration relating to building materials?

Mr. PATMAN. Absolutely, if necessary to get production of materials to build houses or if necessary to carry out the intent and purposes of this act.

Mr. KEEFE. Will the gentleman point out the language? I have searched this bill in vain for any language that could even remotely be construed by any fair-minded person as intending to confer such power.

Mr. PATMAN. On page 3, section 702, subsection (b):

The Director shall formulate and develop a comprehensive national program to effectuate the purposes of this title. In order to carry out this program, the Director shall have the power to issue directives on policy to those Federal departments and agencies which have functions relating to or affecting housing.

That includes production, prices, everything that is a bottleneck.

Mr. KEEFE. But it says "policy"; that is all.

Mr. PATMAN. That is a policy.

Mr. KEEFE. Will the gentleman answer my question? Was it the purpose of the Committee on Banking and Currency to confer upon the Director the specific power to direct the Office of Price Administration to change prices on building materials if it was necessary to secure production?

Mr. PATMAN. Absolutely.

Mr. KEEFE. Then the gentleman has no objection whatever to the amendment I have offered, I take it, which simply makes that question perfectly clear.

Mr. PATMAN. It is not necessary.

Mr. KEEFE. The gentleman says it is not necessary?

Mr. PATMAN. We have written it in the bill.

Mr. KEEFE. Just listen to this. I asked this question yesterday and I got the same kind of an answer. I came right over to the ranking Republican on this committee and asked him the question, and he said, "Under no circumstances is there anything in this bill that gives to the Director the power to direct the Office of Price Administration to change price ceilings." There you have it. I, as a Member of Congress, trying to understand this bill intelligently, am told on the one side that the bill does give that power to the Director, and I am told on the other side that it does not. As a lawyer myself, interpreting this bill, I would have to torture my mind very materially if I would find in this bill any grant of power to the Director that would specifically empower him to tell the Office of Price Administration to change a price ceiling on building materials in order to get production.

If the fact is, as the gentleman from Texas just said, that it was the purpose of this committee to write into this bill a specific grant of power to the Director to give directions to the Office of Price Administration, how could there be any possible objection to putting that language in the bill without equivocation, directly and simply, so that when this bill is interpreted, as it will be later on, there can be no reasonable question but that the Congress intended to say, "Here is the bottleneck to production and building of homes. It is in the production of material."

If you want to get material, you must do what you did during the war, and that is pay labor a fair wage to produce it and insure the producer a fair margin of profit. Then you will get the material. All the rest of this is a lot of shadow boxing. I say to you, if you want to really do something, you will put the language in this bill which the chairman of the committee says they intended to put in the bill.

The following article appearing in the Oshkosh (Wis.) Daily Northwestern contains information that every Member of Congress should have:

A MESSAGE TO A HOMELESS VETERAN

You are home from the wars. You fought for your country and now you want the things that every American wants—a job and a good home.

You should have that home. You are entitled to it, but there just aren't enough homes to go around. Maybe you're wondering why somebody doesn't do something.

What we have to say to you isn't going to be easy. Nor is it going to be easy for you to take. We believe, however, that you would rather have it straight than to be kidded.

So here it is, straight from the shoulder:

There is no way by which the building business, the Government, the President, Congress of the United States or anyone else, can provide this year all the homes you and the other people of this country want. No amount of money appropriated by Congress can do it.

Several hundred thousand homes are going to be built, of course. Maybe you'll be one of the lucky ones to get one. The building industry, working with the Government, will do everything in its power to supply veterans' needs first. Even so, a lot of you boys are going to be disappointed.

"But why?" you ask. "Why can't we build a million homes this year?" "Let's get the assembly lines going again, prefabricate them, use the wartime airplane plants. Whatever you need to do, let's do it. But let's build homes quick!"

We wish it were that easy. We already have a lot of prefabricating plants making homes and they're no better off than any other home builder because they, too, can't get toilet bowls, bathtubs, lumber, and so forth.

If you do not get your new home this year it will be for the same reason that a lot of you will not be able to buy a refrigerator, or an automobile, or nylon hose, or white shirts, or a suit of clothes. There aren't enough materials coming out of the factories.

Remember, the manufacturers of building materials and equipment went through the same war that the automobile people did. For 3½ years, while you were fighting on the shooting front, the building industry along with other industries was working with might and main to build and maintain the huge war plant on the home front. We found out with automobiles, nylons, and refrigerators it takes time to reconvert. The building industry was not allowed to start reconversion until after the Japanese war was over. We've had our share of strikes and labor troubles, too.

The war ended in August but home building restrictions were not lifted until October 15, 1945, less than 4 months ago. Yet home builders did their part; in the first 60 days they started over 125,000 homes. Many of them are not completed yet because we can't get materials, equipment, and labor enough. Yes, the builders did their part, but they couldn't compete with the military. Don't let anybody tell you we fell down on the job. Good as you were as a fighting man, the best in the world, even the Japs had you tied down until you got the materials.

But once you got the stuff, Germans, Japs, and nobody else could stop you. Same way with the building industry. Gradually we're clearing away the bottlenecks giving home builders the green light. Gradually we're getting more and more stuff every day, and more and more homes are being completed, more and more are being started. By the end of this year we'll be going at a million-a-year clip, and you'll have your home.

We in the building industry foresaw that this crisis would happen. We urged the Government long before the end of the war to let us get our plants and plans in shape. We knew you would want a home when you got back. The Government said "No!"

Well, maybe that was all right. You were fighting a tough war, and you needed the stuff. But it meant the building industry could not be ready for you when you got home. We'll see that you get a home faster than anybody else can get it for you.

But what you and we should really be afraid of is that amateur tampering with so complex a thing as the building business may prolong the home shortage unnecessarily. This could easily happen if, instead of putting all our energies on breaking the real bottleneck, we allow ourselves to be stampeded into impractical visionary schemes to produce houses by the million when there won't be materials and equipment enough to produce more than half that many this year, unless obstacles are removed.

Some of the ideas that are being advocated by well-meaning men are so dangerous that they might upset our entire economy for years to come and delay home building indefinitely.

You don't want this to happen because it would hurt you and all the rest of the people of the United States, and it wouldn't get you the home you want.

You can help prevent it if you will remember that housing, like a lot of other things, is a war casualty, and that only common sense and an all-out attack on the real bottlenecks will cure it.

What are the bottlenecks?

We've already mentioned a shortage of materials. But much of this shortage is due to OPA. We're not suggesting that all price control be removed. We are suggesting that OPA stop standing in the way of production of more materials and equipment. We are suggesting that OPA stop thinking in terms of war, "reconvert," and start thinking in terms of peace and production.

One of the most serious shortages we have is in sanitary-ware, plumbing supplies, radiators, and the like. OPA for some time has had dozens of applications for price adjustment in this industry alone. They haven't done anything at all about them. In the meantime, manufacturers cannot get labor, because they can't afford to pay enough.

You've heard about the lumber shortage. Lumber mills are producing lots of lumber, but not much of the kind that's used in homes. Why not? Largely because OPA is still operating on a wartime basis, allowing higher prices on nonhome lumber and on lumber for export. These are just two of many examples.

Right there is bottleneck No. 1.

Bottleneck No. 2 is labor in the field. As you know, the boys were slow in coming back and those that did often went on other than home-building jobs. We've done something about that by giving home builders priorities on materials for veterans' homes. This will mean less general construction and so more labor will be available to building homes.

When these two bottlenecks—production and labor—are cleared away, homes will go up fast.

When we read daily about the unhappiness of thousands of veterans who can't find a home of their own, our emotions are apt to run away with us. The President says there are 5,000,000 homes needed immediately; Wilson Wyatt, our new housing chief, says 2,500,000. Thoughtful studies by economists of the Producers' Council (manufacturers) put the figure at about 850,000.

No one really knows what's correct. But just 5 years ago the building industry could

find customers for only 450,000 homes. Is it reasonable to suppose we desperately need 5,000,000?

It is important to the welfare of the people of the whole Nation that you and we do some very straight thinking on this problem.

There are 6,000,000 people dependent on the building industry for a living. Perhaps you are one of them, or your brother, your father, your uncle. It is the second largest industry in the country. Let's be very careful how we monkey with the machinery that makes it run, lest our monkey wrench slip and we find we've wrecked the machinery that provides jobs for 6,000,000 people.

That wouldn't do you any good.

Suppose we set up assembly lines all over the country to produce houses by the million. It wouldn't help you now because the real bottleneck isn't home-building capacity, it's materials and equipment. And there is every assurance that, if we did produce millions of homes in this way, they would not be the kind of homes you want, and that they would cost more. There is this fact, however:

Hundreds of thousands of carpenters, bricklayers, plumbers, electricians, and other workmen, all of whom now earn their living building homes, would not have jobs. In the meantime, thousands of other workmen would have to be recruited from the already scarce ranks of labor in this country, trained and taught new skills and new techniques to build house panels in Government factories. Maybe you've forgotten how long it took to work out assembly-line techniques for airplanes and tanks, and that was in wartime when nobody cared how much it cost and how much sacrifice it entailed. It would take years to build a new giant industry to produce the millions of factory-made homes everyone so glibly talks about.

In the meantime, we have ready at hand, anxious to get going, a home-building industry capable of producing a million—yes, a million and a half—homes a year. We built 937,000 in 1 year, as far back as 1925, and did $5,000,000,000 of other building besides. The labor and materials that went into this $5,000,000,000 of nonresidential building were the equivalent of another 900,000 homes.

You don't have to wait for a new giant industry to be created from scratch.

You don't have to risk wrecking our existing economy while waiting for a new type of industry.

The building industry, working with the Government, is clearing away the wartime bottlenecks as fast as possible. By fall we can be building at a million-homes-a-year pace, or better.

You'll have your new home as fast as you'll have your new car.

OSHKOSH (WIS.) CONSTRUCTORS.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I stated what I believe to be the policy of the committee in agreeing to this. My views are concurred in by the chairman of the committee and those with whom I conferred. The gentleman from Wisconsin is a very clever lawyer. I give him credit for that. He is a man of great ability. He has written an amendment, in how adroit language it is couched I do not know, but I know that he wants to carry out his own object and purpose. I do not know how far-reaching it would be. I have not had an opportunity to give it the consideration I would like to give it. Neither has the committee had such an opportunity. We had hearings on this bill for 2 months. Every Member of the House was invited to appear and express his views if he desired to do so. The gentleman did not do that. Now he comes on the floor of the House at the last minute and offers an amendment which affects the whole price-adjustment policy of the OPA and other departments. I do not think I would be willing to accept his amendment. In other words, the surgeon who wields the knife should want the patient to live. I am not exactly sure that the surgeon, the gentleman from Wisconsin [Mr. KEEFE], as distinguished and able as he is, is particularly anxious for this patient to live.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman.

Mr. KEEFE. Now, the gentleman has made a very unfair statement.

Mr. PATMAN. Will the gentleman ask me a question? I did not yield for a speech.

Mr. KEEFE. I want to correct the interpretation that you put in this record that the gentleman from Wisconsin has been unfriendly or unfair to the OPA.

Mr. PATMAN. I said I am not so sure.

Mr. KEEFE. I am not unfriendly or unfair to the OPA, and I deny the charge.

Mr. PATMAN. Well, I said I am not so sure about it.

Mr. KEEFE. I want to say to the gentleman that you are using the same old tactics you always use. You will not give the other fellow credit for honesty, decency, and fairness.

Mr. PATMAN. That is not true. I always give my opponent credit for being sincere and honest, and I certainly give the gentleman from Wisconsin credit for honesty and sincerity of purpose.

Mr. KEEFE. There are no tricks in this amendment.

Mr. PATMAN. The gentleman from Wisconsin accused us of using the veterans.

Mr. KEEFE. All this amendment does is what you say you want this bill to do.

Mr. PATMAN. We have considered the language of this bill and we are willing to accept this language in the bill because we believe it will break the bottleneck and it will give the Expediter—you can call him a czar or anything else you want to—but it will give him the power we think is necessary, just as Mr. Jeffers had in the matter of the rubber supply. But we are not willing to accept the language of a Member who comes here at the last minute and presents an amendment when the committee has had no opportunity to consider it and which is so far reaching in its effects, whatever they may be with reference to housing, and it may even be that it affects other acts we may not want to touch.

Mr. KEEFE. The gentleman knows I have been pretty busy for 3 months.

Mr. PATMAN. I realize the gentleman has been very busy on the Pearl Harbor Investigating Committee.

Mr. KEEFE. Perhaps that is true. But I will say that I did not go there on my own initiative. I went there at the direction of the Congress.

Mr. PATMAN. I was not criticizing the gentleman at all.

Mr. KEEFE. Well, you may not be criticizing me, but I do not have to worry about your criticism.

Mr. PATMAN. I am not willing to accept this amendment written by the gentleman from Wisconsin. I do not know how far reaching it is.

Mr. KEEFE. Can you read English?

Mr. PATMAN. Not as well as the gentleman. He studied over the language and he wrote it in his own hand.

Mr. KEEFE. Yes; I wrote it in about 2 minutes here on the floor.

Mr. PATMAN. The gentleman from Wisconsin has certain things in mind about it, and I have certain things in mind. I do not think our committee can accept it. We are not willing to accept it. We think the amendment should be defeated.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman.

Mr. BARDEN. In this language which the gentleman read here, the Director shall have the power to issue directives on policy to those Federal departments and agencies which have functions relating to housing. We have heretofore passed legislation granting to the Veterans' Administration the power to make loans for building housess They have the power to make appraisals and they are making the appraisals. It certainly relates to housing.

Mr. PATMAN. Yes.

Mr. BARDEN. You mean this man can issue directives against the Veterans' Administration?

Mr. PATMAN. Yes. He can cooperate with them and help the veterans get homes. The object is to give priorities and preference to veterans. The Veterans' Administration will welcome this agency, because this will channel materials into making the maximum number of residential housing units for the veterans of World War II and their immediate families.

Mr. BARDEN. In face of the legislation we passed he can issue directives on the Veterans' Administration?

Mr. PATMAN. Yes. And you will not be disappointed at anything Mr. Wyatt does, because he is charged by language written by this Congress to give preference and priority to veterans. General Bradley will welcome the channeling of materials to these veterans' homes.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MUNDT. Mr. Chairman, I ask for recognition on this amendment.

The CHAIRMAN. Permit the Chair to say that there are 18 other amendments pending. If all the time is consumed on this amendment, there will be no time left to debate the other amendments.

Mr. MUNDT. I understand, but I ask recognition on this amendment.

The CHAIRMAN. What is the gentleman's motion?

Mr. MUNDT. My motion is to strike out the last word.

The CHAIRMAN. The gentleman is recognized for 5 minutes on the last word.

Mr. MUNDT. Mr. Chairman, this is probably the most significant amendment we are going to have an opportunity to vote on during the remainder of the

consideration of this bill. The gentleman from Wisconsin [Mr. KEEFE] and I worked out the wording of this amendment jointly and for that reason I have insisted on my right to be heard in support of it.

I think Members of this House are seriously interested in the job of producing additional material so that the veterans will have an opportunity to build homes. If we are interested in getting that job done, certainly every Member of this House should support the amendment prepared by the gentleman from Wisconsin [Mr. KEEFE] and myself, which says in effect to Mr. Wilson Wyatt: "You shall have the authority as Expediter to do some expediting to produce supplies so veterans can build homes."

It says precisely what the chairman of the committee says the committee intended to do, that is, give Mr. Wyatt the authority to readjust the prices by which the OPA has been strait-jacketing the building trade and the producers of its supplies. Unfortunately, the language now in the committee bill is so ambiguous that the members of the committee themselves disagree as to its present intent. However, since they have said they expected to have that authority reposed in the Expediter, I can see no reason in the world why it should not be put into the legislation and spelled out specifically so that there can be no uncertainty about it.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield.

Mr. SPENCE. If he has control over the policy of the pricing Administration, would not that be control over prices? Is not the policy directed entirely to fixing prices? He has that power now.

Mr. MUNDT. It seems to me there is considerable dispute about that. Some say that what you presume is correct. Some say it is not correct. If what you say is correct, what objection can you have to spelling it out in the language of the bill?

Suppose there is surplusage, it is surplusage in the interest of clarity. If you are actually interested in building houses, you should not complain because a few more adjectives or a few more words are incorporated in the legislation.

What the gentleman from Wisconsin [Mr. KEEFE] and I are trying to do is to break the neck of the bottle at the point where it has curtailed and disrupted the production of building materials. If this is what the members of the committee mean by what they say, let's adopt this amendment so as to make the bill say what they mean.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield.

Miss SUMNER of Illinois. The reason why they will not accept it is obvious. These powers have all been given to the Office of Price Administration. They are against lifting any restrictions so that materials may be produced.

Mr. MUNDT. Perhaps you are correct. I hope not. I am not sure. This is a test case. This will show whether the gentlemen on the Democratic side are actually interested in producing the additional supplies necessary to get these houses for the veterans or whether they just want another agency to help divide scarcity and police paucity. Unless you get the material, it does not make any difference how many loans you make, or how many bonuses you give, or what priority you give.

Unless you expand the reservoir of material, you will not get houses for the veterans. This is the best opportunity we have had in this legislation up to this time to get supplies needed to build these necessary homes for veterans. We have eliminated a great many of the unsound and objectionable features of the original legislation. Let us now adopt this thoroughly constructive amendment designed to really meet the problem before us.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield.

Mr. GALLAGHER. It seems to me that this bill would give the building contractors the right to bulldoze the Housing Expediter and the OPA.

Mr. MUNDT. Nothing of the kind, because it gives the Expediter himself the authority. It gives the authority to the Expediter.

Mr. GALLAGHER. It is just a challenge to them to bulldoze the Expediter and the OPA in order to get big profits.

Mr. MUNDT. The gentleman should read the amendment. I would like to have him note that it gives the Expediter himself the authority and nobody else. It gives the Expediter the authority to make the necessary adjustments in order to stimulate production of building materials. Certainly that is a logical approach. It is the thing the committee tells us they want to do. It may be surplusage, but let us be sure the authority is provided for the Expediter to do the job the committee says it wants him to do. In my study of the bill I am convinced he will not have this power unless we adopt this amendment.

Mr. WOLCOTT. I suggest to the gentleman that the language of the President's Executive order to Mr. Wyatt is very explicit giving the authority contained in the amendment offered by the gentleman from Wisconsin.

Mr. KEEFE. No; he is not given the authority.

Mr. WOLCOTT. Yes; he is.

Mr. MUNDT. He is not given the authority which our amendment provides to make adjustments in price. He is given the authority to direct the OPA and administrative agencies in matters of policy, but that simply gives him the authority to regulate only in matters of policy and in matters of priority. This gives him the authority he needs to direct price regulations and adjustments in spite of anything the OPA does or does not do.

In short, Mr. Chairman, the Keefe-Mundt amendment concentrates full and complete responsibility for the housing program in the hands of the Expediter, who is presently Mr. Wyatt. Under this bill as we propose to amend it with the pending resolution, the Expediter could not only establish priorities for veterans and he could not only expedite the use of presently available materials for veterans' housing, but he would have the further responsibility of directing the Office of Price Administration to make the necessary price adjustments so that the supply of all types of building materials would be stimulated. There could no longer be buck passing between the Office of Price Administration and the Housing Expediter. The responsibility would all repose squarely upon the Expediter, and with that responsibility he would have the authority to get action.

This amendment, Mr. Chairman, would put an end to buck passing and make a beginning in the movement of additional building supplies. Under this amendment Mr. Wyatt would be able to adjust the prices of building materials so that producers, retailers, jobbers, and the other handlers and workers engaged in the building trades and their supply sources would find it profitable to produce to the maximum. Under this amendment Mr. Wyatt can set up new price schedules which will stimulate greatest the supplies which are shortest.

This amendment achieves largely the same results as the Buffett amendment, but it focuses squarely in the Office of Housing Expediter the full responsibility and authority for making available the required building supplies with which to build homes for veterans at the lowest practicable costs. It would also do this by using the normal retail outlets for building supplies and the local labor for home construction. This amendment strengthens the very heart of what we are all apparently trying to do, and it merits your support. I hope it will be adopted.

The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken; and on a division (demanded by Mr. KEEFE) there were—ayes 87, noes 78.

Mr. PATMAN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. PATMAN and Mr. KEEFE.

The committee again divided; and the tellers reported that there were—ayes 102, noes 75.

So the amendment was agreed to.

Mr. McCORMACK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McCORMACK. Mr. Chairman, I would like to inquire what the situation is in relation to amendments pending at the present time?

The CHAIRMAN. There are now 16 amendments on the Clerk's desk.

Mr. McCORMACK. Mr. Chairman, in an effort to have as many Members as possible present their views on amendments I ask unanimous consent that all speeches for the remainder of the time be limited to 2½ minutes per speech.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. VOORHIS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VOORHIS of California: On page 12, after line 2, insert the following:

"(d) Until, in the judgment of the director, the existing shortage of housing for veterans shall have been relieved, the Director shall by regulation prevent the use of materials needed for home construction upon buildings or other construction excepting in cases where positive showing is made of the necessity of such construction other than housing to the public welfare, health, or interest."

Mr. VOORHIS of California. Mr. Chairman, the bill as presently written contains permission to the Housing Director to allocate and channel materials into the construction of homes. My amendment puts into the bill a positive direction from the Congress to the Housing Director that until such time as the housing shortage for veterans has been relieved he shall prevent unnecessary construction. I have one clipping here—I could have had a dozen—about the fact that construction activities in southern California are going on, but that two permits to one are for other types of construction than homes, and only one building permit out of three is for a home. Everybody knows that a great deal of construction of night clubs or utterly unnecessary types of construction is going on. It has been admitted here over and over that the real bottleneck in housing is the shortage of materials. I think the best thing this Congress could do would be to write into this law a positive direction that it is the will of Congress that this material shall not be used for anything but homes, excepting where it can be shown that the other construction is definitely in the public interest and welfare. That means, of course, that if a community needs a school, if it needs an office for medical service, if it needs some other type of construction, then that can be carried out, but there must be a showing that it is necessary, otherwise the materials are going to be used for veterans' homes.

I believe, Mr. Chairman, that this effort on the part of Congress to solve this problem is necessary at the present time, and I do not share the views of the gentlemen who have said that they feel if we would just leave everything alone the veterans would get homes. I do not believe they will. I believe we are up against at least as great a duty and necessity for forthright action as was the case when we went to work to secure housing for war workers during the war. I believe we owe our veterans as straightforward and effective a bill as we can write. I believe this amendment will sharpen the bill in the most vital point in the bill, and I earnestly hope it will be adopted.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think the weakness of this amendment is that it puts the burden on a man who desires to build a building other than a home to show affirmatively the necessity for that construction. We want homes for veterans; that is the primary purpose. But there must be other construction in America. This is the reconversion period and there must be other construction. We not only want to give the veteran a home. We must give him a job, and unless we reestablish the industries of America he will have neither a home nor a job. I think it would be very inadvisable to accept this amendment because of the manner in which it is written and the burden it puts on every man who desires to construct a building, not only commercial buildings but churches, schools, and hospitals, or any other character of building. He must affirmatively show the necessity for that, and I think that would be a burden on the builder and the Expediter and would be more regimentation than necessary.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from California.

Mr. VOORHIS of California. Will it not be necessary under the gentleman's bill for such a showing to be made, as a matter of fact?

Mr. SPENCE. I think it is discretionary, but here there is no discretion.

Mr. VOORHIS of California. Oh, yes; there is. There is just as much discretion, I believe, as there is in the committee bill.

Mr. SPENCE. The way I read it, he must show the necessity for it, and the affirmative duty is upon the builder to show necessity for it in every case. That is correct, is it not?

Mr. VOORHIS of California. That is correct, and that is the way I think it ought to be.

Mr. SPENCE. That is the issue.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. VOORHIS].

The question was taken; and on a division (demanded by Mr. SPENCE) there were—ayes 37, noes 74.

So the amendment was rejected.

Mr. MONRONEY. Mr. Chairman, I offer an amendment. The amendment I offer is the same as the first half of the Wolcott substitute that was read in full to the committee yesterday and has been printed in the CONGRESSIONAL RECORD. It paraphrases the Executive order now in existence. The amendment is long and time has been limited. Not to impinge on the time of other Members, Mr. Chairman, I ask unanimous consent that the reading of the amendment be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

Mr. HOFFMAN. Reserving the right to object, Mr. Chairman, will we have an opportunity to find out what is in this bill, as amended, before we are called upon to vote for it?

Mr. MONRONEY. I would answer the gentleman by saying this amendment has been in print for the past week. It was inserted in the CONGRESSIONAL RECORD in my remarks a week ago. The substitute offered by the gentleman from Michigan [Mr. WOLCOTT] was read to the Committee of the Whole yesterday. It is the first half of his substitute that I offer as my amendment.

Mr. HOFFMAN. I understand that, but I am talking about other amendments which have been adopted. How can anyone tell what is in the bill as amended, that is what I want to know. Will I have a chance to look at the whole bill so as to know what is in it and what is not in it?

Mr. MONRONEY. The gentleman was on the floor when the amendments were adopted.

Mr. PATMAN. Reserving the right to object, Mr. Chairman, is it not a fact that this amendment was mimeographed and presented to every member of the Committee on Banking and Currency present at the meeting, and was not this amendment given consideration by the committee? Although the committee did not adopt it, there was no opposition expressed to it at that time. Since the amendment is well known to every member of the committee and has been printed in the RECORD, I hope the request of the gentleman will be granted.

Mr. RIZLEY. Reserving the right to object, Mr. Chairman, did I correctly understand my colleague from Oklahoma to say that this amendment is part of the substitute that was offered yesterday by the gentleman from Michigan, and which was rejected yesterday by a teller vote?

Mr. MONRONEY. May I say to my distinguished colleague from Oklahoma that this paraphrases the Executive order under which Mr. Wyatt is now functioning. The gentleman from Michigan [Mr. WOLCOTT] had the good judgment to adopt that language in his amendment, and I had the good judgment to adopt it as my amendment.

Mr. RIZLEY. Yesterday I joined with my colleague from Oklahoma in defeating the Wolcott substitute. Do I now understand that the gentleman from Oklahoma is pulling out half of that substitute that we defeated yesterday and offering it as an amendment to this bill?

Mr. MONRONEY. I am taking this part of the Wolcott amendment.

Mr. WOLCOTT. Reserving the right to object, Mr. Chairman, will the gentleman explain what particular sections of the bill H. R. 5579, which I offered as a substitute, are included in his amendment?

Mr. MONRONEY. I ask that the Clerk read the first part of the first paragraph of the amendment.

Mr. WOLCOTT. We could get at it very easily if the gentleman would tell us what sections of my substitute he refers to when he says they are in his amendment.

Mr. MONRONEY. It begins on page 2, line 16, with subsection (b), and runs through to line 8 on page 6.

Mr. McCORMACK. Mr. Chairman, debate has been limited, to close at 4 o'clock. Under reservation of objection a Member should not be permitted to deprive other Members of the opportunity to speak. I do not want to demand the regular order, but if there is further discussion on this matter I shall have to demand it.

Mr. PATMAN. I demand the regular order, Mr. Chairman.

Mr. WOLCOTT. The regular order is the reading of this amendment.

Mr. McCORMACK. The regular order is putting the question on the request of the gentleman from Oklahoma.

Mr. WOLCOTT. I am trying to save some time.

Mr. PATMAN. This goes down to page 5, line 12.

Mr. WOLCOTT. All right, we will have the regular order, and I object.

Mr. McCORMACK. I have not asked for it yet.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

Mr. WOLCOTT. I object, Mr. Chairman.

The Clerk read as follows:

Amendment offered by Mr. MONRONEY: On page 3, line 9, after "(702)", strike out the balance of page 3 and insert:

"(a) There is hereby created an office to be known as Housing Expediter; and the President is authorized to designate an existing official of the Government to serve as Housing Expediter, or to appoint the Housing Expediter either within any existing agency or as independent officer of the Government. In the event of a designation of an existing official, he is hereby authorized and permitted to continue in his present post while serving as Housing Expediter, except that he shall receive no additional compensation by reason of his designation hereunder. If, however, such Housing Expediter is appointed, his appointment shall, if within an existing agency of the Government, be subject to the laws and regulations governing the appointment of officers within such agency and he shall receive compensation in compliance with such laws and regulations; if the Housing Expediter is appointed as an independent officer of the Government, then such appointment shall be made by and with the advice and consent of the Senate of the United States and he shall receive compensation at the rate of $12,000 per annum.

"(b) The Housing Expediter, in addition to such other functions and powers as may be delegated to him by the President, is authorized to—

"(1) formulate such plans and programs as are necessary to provide for an increased supply of housing accommodations of all kinds and, in particular, of homes available for sale or rental at moderate prices to veterans of World War II and their immediate families:

"(2) issue such orders, regulations, or directives to other executive agencies as may be necessary to provide for the exercise of their powers in a manner required by or consistent with the execution of the aforesaid plans and programs, and to coordinate the activities of such agencies directed to the execution of such plans and programs. Each executive agency shall carry out without delay the orders, regulations, or directives of the Housing Expediter, and shall, to the extent necessary modify its operations and procedures from time to time to conform to the directions of the Housing Expediter;

"(3) recommend to the President the enactment of such legislation as may be necessary to provide the authority to carry out such plans and programs as are not authorized under existing law;

"(4) consult and cooperate with other agencies of the Federal Government, State and local governments, industries, labor, and other groups, both national and local, with respect to the problems created by the housing emergency and the steps which can be taken to remedy it.

"(c) The executive agencies of the Government shall exercise their emergency powers and other powers for the purpose of aiding in the solution of the problems created by the existing housing emergency, the alleviation of which is vital to an orderly transition from war to peace.

"(d) (1) All functions, powers, authority, or duties vested in the Office of War Mobilization and Reconversion or the Director thereof by the War Mobilization and Reconversion Act of 1944 which are or may be necessary or suitable to enable the Housing Expediter to carry out the provisions of this title and such plans and programs as such Housing Expediter may develop for the alleviation of the housing emergency, are hereby transferred to the Housing Expediter. The powers so transferred shall include the power to issue orders, regulations, or directives to other executive agencies with respect to the exercise by such agencies of their respective powers and authority.

"(2) The powers so transferred shall continue during the period in which this act is in effect, notwithstanding any other provision terminating such powers contained in the said War Mobilization and Reconversion Act of 1944."

Miss SUMNER of Illinois (during the reading of the amendment). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. WOLCOTT. I object.

Miss SUMNER of Illinois. It is obvious that it is an attempt to put the United States Government in complete control of housing.

Mr. MONRONEY. Mr. Chairman, as I said in seeking unanimous consent to waive the reading of the amendment in order to save the time of the committee and give the proponents of other amendments a chance to debate their amendments at greater length, this carries substantially the same language as the first part of the Wolcott substitute. It carries substantially the same powers that Mr. Wyatt has today under the Second War Powers Act through the executive order. It clarifies the bill and improves the Patman bill by providing not for two offices but for just one office in the Government which will handle housing, the Office of the Housing Expediter. If we do not make this corrective amendment, we will be establishing a Director of Housing Stabilization and also have a man operating under Executive order as Housing Expediter. It is purely for the purpose of clarification. It does help define the responsibility of the Housing Expediter to issue directives to other agencies, such as OPA, to correct restrictive pricing, where it limits an adequate supply of homebuilding material. I think we have heard enough debate on that in the last eight days to the point where my Republican friends will be in favor of that part of the amendment, at least.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. WOLCOTT. Mr. Chairman, of course, this language should be adopted if the Expediter is going to have clear authority to do the job he is appointed to do. If this language had been adopted by the committee before the Keefe amendment was discussed, then there would have been no necessity for the Keefe amendment, because it is clear in this language that the Expediter is given authority not only to direct policies but to direct the effectuation of those policies by the authority which this section contains, and to direct action in respect to policies to other branches of the executive establishments as well as to the policy itself.

This language is very clear and gives the Expediter all of the authority which any agency of the Government now has in the building field. It gives him this authority independently of the authority contained in the War Powers Act, or any other law. So should the War Powers Act terminate by operation of law on June 30, the powers to do the job of Expediter will continue until June 30, 1947.

I believe the gentleman from Oklahoma, in offering this language, represents the majority of the committee, and I hope it will be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. MONRONEY].

The amendment was agreed to.

Mr. DIRKSEN. Mr. Chairman, I have an amendment to page 3 on the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Illinois.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: On page 3, at the end of line 19, strike out the period, insert a colon, and the following:

"*Provided, however,* That no person except the aforesaid Director serving hereunder or under any other agency of the Government to which the functions herein authorized may be delegated or otherwise transferred, shall participate in the formulation or promulgation of any policy relating to the construction, sale, and/or rental of any housing accommodation, or lands to be used in connection therewith, to which this act applies, or to an appraisal of the value of such lands or housing accommodation, who has not had 5 years or more of actual commercial experience in such field."

The CHAIRMAN. The Chair calls attention to the fact that the gentleman's amendment is an amendment to a section that is not now in the bill.

Mr. DIRKSEN. I withdraw the amendment, Mr. Chairman, and I offer another amendment.

The CHAIRMAN. The gentleman withdraws the amendment, and the Clerk will report the amendment offered by the gentleman from Illinois.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: On page 17, after line 6, insert a new section, as follows:

"SEC. 711. In the administration of the National Housing Act as amended and the United States Housing Act of 1937 as amended and in making available the benefits of said acts as amended, there shall be no discrimination on account of race, creed, color, or national origin, and in addition thereto maximum preferences and priorities shall be secured to veterans of World War II and their immediate families."

Mr. SPENCE. Mr. Chairman, I make the point of order that the amendment is not germane to the bill.

The CHAIRMAN. Does the gentleman from Illinois desire to be heard?

Mr. DIRKSEN. No; I think the amendment speaks for itself.

The CHAIRMAN (Mr. COOPER). The gentleman from Illinois [Mr. DIRKSEN] offers an amendment which has been reported. The gentleman from Kentucky makes a point of order against the amendment on the ground it is not germane. Obviously, the gentleman's amendment is much too broad to come within the purview of the pending bill. The amendment relates to the National Housing Act as amended, the United States Housing Act of 1937, as amended. The point of order is sustained.

Mr. DIRKSEN. Mr. Chairman, I offer the amendment in different form.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: Page 17, after line 6, insert a new section, as follows:

"SEC. 711. In the administration of the National Housing Act as amended, and in making available the benefits of said act as amended, there shall be no discrimination on account of race, creed, color, or national origin, and in addition thereto maximum preferences and priorities shall be secured to veterans of World War II and their immediate families."

Mr. SPENCE. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. SPENCE. This amendment also is not germane. It goes farther than the other amendment, it seems to me.

We want no discrimination, of course, in the administration of this bill, but it is entirely unessential to put in such reservations as the gentleman proposes in his amendment. It would have an effect that would not be beneficial at all. I hope the point of order will be sustained.

Mr. DIRKSEN. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman on the point of order.

Mr. DIRKSEN. Clearly, Mr. Chairman, the bill before us is nothing more than an additional developing of the National Housing Act, it amends the entire act in many particulars. So the amendment before us now relates only to the Housing Act which is presently covered by the bill and is very definitely before the Committee of the Whole.

The CHAIRMAN. The gentleman's amendment would take in entirely different provisions of the Housing Act than that contained in the pending bill.

The point of order is sustained.

Mr. GWYNNE of Iowa. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GWYNNE of Iowa: Page 13, line 14, after the word "law", insert "Is unsupported by competent, material, and substantial evidence."

The CHAIRMAN. The gentleman from Iowa is recognized for 2½ minutes.

Mr. GWYNNE of Iowa. Mr. Chairman, there was a time in this country when the courts could be depended upon to protect the rights of every individual no matter how humble, and against any power, no matter how great. That day is rapidly going by. Part of the fault may be charged to the courts, but most of it may be laid right here in this Congress for adopting legislation similar to that which we have in section 707 of this bill.

If you will look at the appeal provided in this section, you will see it is useless and fraudulent. Take a look at it. In the first place, it changes the usual order and burden of proof. Ordinarily that party who has the burden of proof in the trial court still carries the burden of proof in the appellate court. This bill would change that.

Next, consider how restricted the powers of the court would be. Here is what the court could do: It could examine the record; it could find that such action was not in accordance with law. What does that mean? All that means is that the court will read the law, and if the court thinks the law means something different than the tribunal that originally acted throught it meant, the court's view would prevail. Of course, it would, anyway, under the Constitution.

Then there is the language, "or is arbitrary or capricious." That means that if there is any evidence whatever of any kind or character the court would be powerless to grant any relief.

The wording I have put in here is taken from the McCarran-Sumners administrative law bill which has been reported favorably by a committee in the Senate, and which bill I hope someday will become law. It is language that has been used in many statutes, it has been construed by the courts a thousand times, and every court knows exactly what it means.

What the whole provision would mean, then, if this were adopted, is simply that a court reviewing these appeals would have some authority to look at evidence and would reverse the action of the tribunal if there were not substantial evidence to support it.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Iowa [Mr. GWYNNE].

Mr. Chairman, the language in the bill is exactly the language used in all this emergency legislation. The reason for that is obvious. We are giving powers here which are broad powers, they are powers we ordinarily would not give in times of peace, but give only in times of emergency or reconversion.

If you were to so restrict the expediter as this language in the amendment contemplates, he would not have time between now and June 30, 1947, to issue a half-dozen orders. Do you know what this language says? It says that for every regulation he issues he must have evidence to support it by competent material or material of a substantive nature to support that regulation. Well, certainly, he will have it, but why should he have it in advance? If he is brought into court, the court would say, "Now, you have issued this order, it is in the public interest, we do not deny that, but where is the evidence that you had before you issued this regulation?" "Well, I did not have time to get all of them down in black and white before I issued the regulations." The judge would have to throw it out under the amendment offered by the gentleman from Iowa [Mr. GWYNNE].

Another thing, it would permit every regulation to be tied up in court immediately and nothing could be done until the court finally disposed of it. This would mean that every one of them would be tied up in court until this law expires.

Mr. Chairman, this is not new. It has come up in connection with OPA every time, always somebody trying to scuttle OPA by putting just this kind of an amendment into the act. If you want to scuttle the bill for veterans' emergency housing vote for this amendment, because it will successfully scuttle it and render it inoperative.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GWYNNE].

The question was taken; and on a division (demanded by Mr. DIRKSEN) there were—ayes 97, noes 73.

Mr. SPENCE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PATMAN and Mr. GWYNNE of Iowa.

The Committee again divided; and the tellers reported that there were—ayes 135, noes 102.

So the amendment was agreed to.

Mr. SMITH of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Ohio: Strike out all of section 703.

Mr. SMITH of Ohio. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SMITH of Ohio. Mr. Chairman, my amendment strikes out section 703 which would give the building czar power to go into the books and files of all persons, firms, corporations, or others having to do with the production, distribution, sale, or handling in any manner of the materials that go into the construction of homes, including lands and improvements. This is a most vicious provision and in my opinion its presentation to the Congress at this time is not very encouraging. It certainly does not check with the policy which has been announced by the administration that wartime controls will be removed. So far as I know this extraordinary grant of power to the Government was not even requested to prosecute the war. It shows absolute lack of faith in the honesty and integrity of the American people and an unmitigated desire to acquire political power.

Just recently, as I mentioned to the House a few days ago, the Nation went through the shocking experience of seeing the Chief Executive make the attempt to force one of four largest, finest, and most valuable corporations, General Motors, to open its books to his fact-finding board. The thoughtful people were literally stunned. Fortunately, public sentiment was so thoroughly aroused that the Executive was compelled to recede.

Notwithstanding, here is written into the Patman bill a specific provision to make legal and vest in the President—Mr. Wyatt is a Presidential appointee—the very dictatorial power which the whole Nation so overwhelmingly condemned the Executive for attempting to usurp.

Striking out section 703 would also eliminate those provisions which direct the Director to require any person who deals in, sells, rents, or buys or offers to sell, rent, or buy any housing accommodations to furnish him information under oath, keep records, make reports in respect to such dealings, sales, rentals, purchases, or offers. It strikes out the language which would give the housing

czar the power of subpena and the unconscionable penalties, $5,000 fine or a year of imprisonment or both for violation. If this provision is not stricken out it will so frighten thousands of home builders as to drive them out of business.

I do not see how any person seeking to be elected to the Congress of the United States can possibly go before the people of this Nation and claim that they are for the removal of wartime restrictions and at the same time support section 703 of the Patman bill, which would vest the Executive with such extraordinary powers.

I trust this amendment will be adopted by an overwhelming majority of the House. Such action would bring hope to our people.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. SMITH].

The question was taken; and on a division (demanded by Mr. HINSHAW) there were—ayes 97, noes 107.

Mr. SMITH of Ohio. Mr. Chairman, I demand tellers.

Tellers were ordered; and the Chairman appointed Mr. PATMAN and Mr. SMITH of Ohio to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 145, noes 130.

So the amendment was agreed to.

The CHAIRMAN. All time for debate having expired, if Members desire to offer further amendments, they will now have the opportunity to do so.

Mr. WOLCOTT. Mr. Chairman, in view of the action taken by the Committee in adopting the Monroney amendment setting up an Expediter in place of the Office of Housing Stabilization, which provided for a director, I ask unanimous consent that wherever the word "Director" appears in the bill, it be changed to read "Expediter."

Mr. SPENCE. There is no objection to that.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]?

There was no objection.

Mr. CRAWFORD. Mr. Chairman, I offer an amendment, which is on the desk.

The Clerk read as follows:

Amendment offered by Mr. CRAWFORD: Page 6, line 1, after "accommodations", insert "the construction of which is completed after the effective date of this act."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The amendment was rejected.

Mr. HANCOCK. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK: On page 14, line 4, after "who", insert "knowingly."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. HANCOCK].

The question was taken; and on a division (demanded by Mr. HANCOCK) there were—ayes 126, noes 109.

So the amendment was agreed to.

Mr. HOFFMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN: On page 10, after line 19, insert a new subsection:

"(f) In the construction and occupancy of the facilities authorized by this title there shall be no discrimination because of membership or nonmembership in any labor organization."

Mr. SPENCE. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman from Kentucky will state his point of order.

Mr. SPENCE. I make a point of order against the amendment on the ground it is not germane to the bill.

Mr. HOFFMAN. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will be pleased to hear the gentleman from Michigan on the point of order.

Mr. HOFFMAN. On the point of order; yes, Mr. Chairman, with permission to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. HOFFMAN. Mr. Chairman, this bill is designed, so we have been told for 6 or 8 days, to provide homes for veterans. If that be the purpose, there should be no discrimination against returning veterans who have been discriminated against in employment and jobs because they were not members of a union. Certainly the House, if it wants to do something for the veterans, should not permit a bill to go through under which and under administrative practices the returning veterans can be deprived of an opportunity to aid in the construction of homes, and of an opportunity to occupy the homes provided by this bill just because they do not belong to a particular labor organization.

The CHAIRMAN. Does the gentleman from Kentucky desire to be heard further on the point of order?

Mr. SPENCE. Mr. Chairman, this is addressed to an administrator who is to administer a law of the United States. Do we have to say to him that he shall not discriminate against any of the people of the United States?

Veterans should not be discriminated against on account of race, color, or national origin. Certainly, we need no such directive to an administrator under the laws of the United States.

There assuredly is going to be no discrimination; and, as far as this particular amendment is concerned, it is not even remotely connected with the purposes of the bill. It deals with a matter which is not in the jurisdiction of our committee and I ask that the point of order be sustained.

Mr. CASE of South Dakota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. As I understood the reading of the amendment it relates to discrimination on the basis of membership or nonmembership in a labor union. Just now, however, I thought I heard the gentleman from Kentucky talking about discrimination on the basis of race, creed, or color.

The CHAIRMAN. That is not a parliamentary inquiry.

Mr. CASE of South Dakota. The inquiry, Mr. Chairman, is: On what is the amendment based? Membership or nonmembership in a labor union? Or on racial discrimination?

The CHAIRMAN. The amendment has been offered and the Chair is prepared to rule on the question presented.

The gentleman from Michigan [Mr. HOFFMAN] offered an amendment which the Clerk has reported. The gentleman from Kentucky [Mr. SPENCE] has made a point of order against the amendment on the ground it is not germane to the pending bill.

The Chair invites attention to the language of the amendment itself:

In the construction and occupancy of the facilities authorized by this title there shall be no discrimination because of membership or nonmembership in any labor organization.

The Chair does not know of any provision in the pending bill which seeks to provide by regulation for the occupancy of buildings sought to be constructed under authority of the pending bill. The amendment, apparently, is much broader in its scope than that embraced within the provisions of the pending bill.

The Chair sustains the point of order.

Are there any other amendments to be offered? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole, reported that that Committee having had under consideration the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, pursuant to House Resolution 530, directed him to report the same back to the House with sundry amendments agreed to by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. SPENCE. Mr. Speaker, I demand a separate vote on the amendment offered by the gentleman from Ohio [Mr. SMITH] and on the amendment offered by the gentleman from Iowa [Mr. GWYNNE].

The SPEAKER. Is a separate vote demanded on any other amendment?

Mr. MONRONEY. Mr. Speaker, I demand a separate vote on the so-called committee amendments on page 5, line 22, and page 9, line 3, fixing a ceiling on existing houses.

The SPEAKER. Is a separate vote demanded on any other amendment? If not the Chair will put them en gross.

Mr. HOFFMAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN. Mr. Speaker, inasmuch as a separate vote has been demanded on three amendments, and undoubtedly each will involve a roll call, would not it expedite matters if this were put over until tomorrow so that an engrossed copy of the bill could be read?

The SPEAKER. That is not a parliamentary inquiry.

The question is on agreeing to the other amendments.

The amendments were agreed to.

The SPEAKER. The Clerk will report the first amendment on which a separate vote has been demanded.

The Clerk read as follows:

Page 4, line 1, strike out all of section 703.

The SPEAKER. The question is on the amendment.

Mr. SPENCE and Mr. PATMAN demanded the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 209, nays 174, answered "present" 1, not voting 47, as follows:

[Roll No. 42]

YEAS—209

Abernethy	Gathings	Mason
Adams	Gavin	Mathews
Allen, Ill.	Gearhart	Merrow
Andersen, H. Carl	Gerlach	Michener
	Gibson	Mills
Anderson, Calif.	Gifford	Mundt
Andresen, August H.	Gillespie	Murray, Tenn.
	Gillette	Murray, Wis.
Andrews, Ala.	Gillie	Norblad
Angell	Goodwin	Norrell
Arends	Graham	O'Hara
Arnold	Grant, Ind.	Peterson, Fla.
Auchincloss	Griffiths	Phillips
Barden	Gross	Pickett
Barrett, Wyo.	Gwinn, N. Y.	Pittenger
Bates, Mass.	Gwynne, Iowa	Ploeser
Bell	Hagen	Plumley
Bender	Hall, Edwin Arthur	Price, Fla.
Bennett, Mo.		Ramey
Bishop	Hall, Leonard W.	Rankin
Blackney		Reece, Tenn.
Bolton	Halleck	Reed, Ill.
Boren	Hancock	Rees, Kans.
Bradley, Mich.	Hand	Rich
Brehm	Harris	Rizley
Brown, Ohio	Hartley	Robertson, N. Dak.
Brumbaugh	Hébert	
Buffett	Hendricks	Robsion, Ky.
Butler	Heselton	Rockwell
Byrnes, Wis.	Hess	Rodgers, Pa.
Campbell	Hill	Roe, Md.
Canfield	Hinshaw	Rogers, Fla.
Carlson	Hoeven	Rogers, Mass.
Case, N. J.	Hoffman	Russell
Case, S. Dak.	Hope	Schwabe, Okla.
Chenoweth	Horan	Scrivner
Chiperfield	Howell	Shafer
Church	Jenkins	Sharp
Clason	Jennings	Short
Clevenger	Jensen	Sikes
Clippinger	Johnson, Calif.	Simpson, Ill.
Cole, Mo.	Johnson, Ill.	Simpson, Pa.
Cole, N. Y.	Johnson, Ind.	Slaughter
Colmer	Jones	Smith, Maine
Corbett	Jonkman	Smith, Ohio
Cox	Kean	Smith, Wis.
Cravens	Kearney	Springer
Crawford	Keefe	Stefan
Cunningham	Kelly, Ill.	Stevenson
Curtis	Kilday	Stewart
Dirksen	Kinzer	Stockman
Dolliver	Kunkel	Sumner, Ill.
Dondero	Lanham	Sumners, Tex.
Dworshak	Larcade	Sundstrom
Earthman	Latham	Taber
Eaton	LeCompte	Talbot
Elliott	LeFevre	Talle
Ellis	Lemke	Tarver
Elsworth	Lewis	Taylor
Elsaesser	Luce	Thomas, N. J.
Elston	McCowen	Tibbott
Engel, Mich.	McDonough	Towe
Fellows	McGehee	Vinson
Fenton	McMillen, Ill.	Vorys, Ohio
Fuller	Maloney	Vursell
Fulton	Martin, Iowa	Wadsworth
Gamble	Martin, Mass.	Weichel
West	Winstead	Wood
Whitten	Winter	Woodruff
Whittington	Wolcott	Worley
Wigglesworth	Wolfenden, Pa.	
Wilson	Wolverton, N. J.	

NAYS—174

Allen, La.	Gary	Monroney
Almond	Geelan	Morgan
Bailey	Gordon	Murdock
Baldwin, Md.	Gore	Murphy
Barrett, Pa.	Gorski	Neely
Barry	Granahan	O'Brien, Ill.
Bates, Ky.	Granger	O'Brien, Mich.
Beckworth	Grant, Ala.	O'Konski
Biemiller	Green	O'Neal
Bloom	Gregory	O'Toole
Boykin	Hare	Outland
Bradley, Pa.	Harless, Ariz.	Pace
Brooks	Hart	Patman
Brown, Ga.	Havenner	Patrick
Bryson	Hays	Patterson
Buckley	Healy	Pfeifer
Bulwinkle	Hedrick	Philbin
Bunker	Heffernan	Poage
Burch	Hobbs	Price, Ill.
Burgin	Hoch	Priest
Byrne, N. Y.	Holifield	Quinn, N. Y.
Camp	Holmes, Wash.	Rabaut
Carnahan	Hook	Rabin
Celler	Huber	Rayfiel
Chelf	Hull	Resa
Clements	Izac	Richards
Cochran	Johnson, Luther A.	Riley
Coffee		Robertson, Va.
Combs	Johnson, Lyndon B.	Roe, N. Y.
Cooley		Rogers, N. Y.
Cooper	Johnson, Okla.	Rooney
Courtney	Kee	Rowan
Crosser	Kefauver	Ryter
D'Alesandro	Keogh	Sabath
Daughton, Va.	Kerr	Sadowski
Davis	King	Sasscer
Dawson	Kirwan	Savage
De Lacy	Klein	Sheppard
Delaney James J.	Kopplemann	Sheridan
	LaFollette	Smith, Va.
Delaney, John J.	Lane	Somers, N. Y.
	Lea	Sparkman
Doughton, N. C.	Lesinski	Spence
Douglas, Calif.	Link	Starkey
Douglas, Ill.	Ludlow	Sullivan
Doyle	Lyle	Thomason
Drewry	Lynch	Tolan
Durham	McCormack	Torrens
Eberharter	McGlinchey	Traynor
Engle, Calif.	McMillan, S. C.	Trimble
Ervin	Madden	Voorhis, Calif.
Fallon	Mahon	Walter
Feighan	Manasco	Wasielewski
Fernandez	Mankin	Weaver
Flannagan	Mansfield, Mont.	Welch
Flood		White
Fogarty	Mansfield, Tex.	Wickersham
Folger	Marcantonio	Woodhouse
Forand	May	Zimmerman
Gallagher	Miller, Calif.	

ANSWERED "PRESENT"—1

Dingell

NOT VOTING—47

Andrews, N. Y.	Gardner	McKenzie
Baldwin, N. Y.	Gossett	Miller, Nebr.
Beall	Hale	Morrison
Bennet, N. Y.	Harness, Ind.	Norton
Bland	Henry	Peterson, Ga.
Bonner	Herter	Powell
Buck	Holmes, Mass.	Rains
Cannon, Fla.	Jackson	Randolph
Cannon, Mo.	Jarman	Reed, N. Y.
Chapman	Judd	Rivers
Clark	Kelley, Pa.	Robinson, Utah
Cole, Kans.	Kilburn	Schwabe, Mo.
Curley	Knutson	Stigler
D'Ewart	Landis	Thom
Domengeaux	McConnell	Thomas, Tex.
Fisher	McGregor	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Knutson for, with Mr. Dingell against.

Mr. Schwabe of Missouri for, with Mrs. Norton against.

Mr. Henry for, with Mr. Rivers against.

Mr. Andrews of New York for, with Mr. Kelley of Pennsylvania against.

Mr. Miller of Nebraska for, with Mr. Chapman against.

Mr. Herter for, with Mr. Stigler against.

Mr. Buck for, with Mr. Powell against.

Mr. Holmes of Massachusetts for, with Mr. Gardner against.

Mr. Hale for, with Mr. Curley against.

General pairs until further notice:

Mr. Jarman with Mr. Reed of New York.

Mr. Randolph with Mr. McGregor.

Mr. Morrison with Mr. Kilburn.

Mr. Domengeaux with Mr. Beall.

Mr. Clark with Mr. Judd.

Mr. Bonner with Mr. Harness of Indiana.

Mr. McKenzie with Mr. McConnell.

Mr. Thom with Mr. Baldwin of New York.

Mr. Bland with Mr. Bennet of New York.

Mr. Cannon of Missouri with Mr. Cole of Kansas.

Mr. DINGELL. Mr. Speaker, I have a live pair with the gentleman from Minnesota, Mr. KNUTSON. Were he present he would have voted "aye." I having voted "no" withdraw my vote of "no" and vote "present."

Mr. HARRIS changed his vote from "no" to "aye."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote is demanded.

The Clerk read as follows:

Page 5, line 21, insert the following language: "The construction of which is completed after the effective date of this title."

Mr. MONRONEY. Mr. Speaker, this amendment is interrelated with an amendment on page 9. Both deal with the ceiling on existing houses. I ask unanimous consent that these two amendments may be considered en bloc.

Mr. WOLCOTT. Mr. Speaker, I object.

The SPEAKER. The question is on the amendment.

Mr. MONRONEY. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. RANKIN. Mr. Speaker, may we have the amendment reported? We do not know what the amendment is.

The SPEAKER. It was just reported, but without objection the Clerk will again read the amendment.

There was no objection.

The Clerk again read the amendment.

The question was taken; and there were—yeas 249, nays 134, answered "present" 1, not voting 47, as follows:

[Roll No. 43]

YEAS—249

Abernethy	Bolton	Clevenger
Adams	Boren	Clippinger
Allen, Ill.	Boykin	Cole, Mo.
Allen, La.	Bradley, Mich.	Cole, N. Y.
Almond	Brehm	Colmer
Andersen, H. Carl	Brooks	Combs
	Brown, Ga.	Cooley
Anderson, Calif.	Brown, Ohio	Corbett
Andresen, August H.	Brumbaugh	Cox
	Bryson	Cravens
Andrews, Ala.	Buffett	Crawford
Angell	Bulwinkle	Cunningham
Arends	Burch	Curtis
Arnold	Butler	Daughton, Va.
Auchincloss	Byrnes, Wis.	Dirksen
Baldwin, Md.	Camp	Dolliver
Barden	Campbell	Dondero
Barrett, Wyo.	Carlson	Doughton, N. C.
Bates, Mass.	Case, N. J.	Durham
Bell	Case, S. Dak.	Dworshak
Bender	Chenoweth	Earthman
Bennett, Mo.	Chiperfield	Eaton
Bishop	Church	Elliott
Blackney	Clason	Ellis

Ellsworth	Jones	Robertson, N. Dak.
Elsaesser	Jonkman	Robertson, Va.
Elston	Kean	Robsion, Ky.
Engel, Mich.	Kearney	Rockwell
Engle, Calif.	Keefe	Rodgers, Pa.
Ervin	Kefauver	Roe, Md.
Fellows	Keogh	Rogers, Fla.
Fenton	Kerr	Rogers, Mass.
Flannagan	Kilday	Russell
Fuller	Kinzer	Schwabe, Okla.
Gamble	Kunkel	Scrivner
Gary	Lanham	Shafer
Gathings	Larcade	Sharp
Gavin	Latham	Short
Gearhart	Lea	Sikes
Gerlach	LeCompte	Simpson, Ill.
Gibson	LeFevre	Simpson, Pa.
Gifford	Lemke	Slaughter
Gillespie	Lewis	Smith, Ohio
Gillette	Luce	Smith, Va.
Gillie	Lyle	Smith, Wis.
Goodwin	McCowen	Springer
Graham	McGehee	Stefan
Grant, Ala.	McMillan, S. C.	Stevenson
Grant, Ind.	McMillen, Ill.	Stewart
Griffiths	Mahon	Stockman
Gross	Maloney	Sumner, Ill.
Gwinn, N. Y.	Manasco	Sumners, Tex.
Gwynne, Iowa	Mansfield, Tex.	Sundstrom
Hagen	Martin, Iowa	Taber
Hall, Edwin Arthur	Martin, Mass.	Talbot
Hall, Leonard W.	Mason	Talle
Halleck	Mathews	Tarver
Hancock	May	Taylor
Hand	Merrow	Thomas, N. J.
Hare	Michener	Thomason
Harris	Mills	Tibbott
Hart	Mundt	Towe
Hartley	Murray, Tenn.	Trimble
Hébert	Murray, Wis.	Vinson
Hendricks	Norblad	Vorys, Ohio
Heselton	Norrell	Vursell
Hess	O'Hara	Wadsworth
Hill	Pace	Walter
Hinshaw	Peterson, Fla.	Weaver
Hobbs	Phillips	Weichel
Hoeven	Pickett	West
Hoffman	Pittenger	Whitten
Hope	Ploeser	Whittington
Horan	Plumley	Wigglesworth
Howell	Poage	Wilson
Jenkins	Price, Fla.	Winstead
Jennings	Ramey	Winter
Jensen	Rankin	Wolcott
Johnson, Calif.	Reece, Tenn.	Wolfenden, Pa.
Johnson, Ill.	Reed, Ill.	Wolverton, N. J.
Johnson, Ind.	Rees, Kans.	Wood
Johnson, Luther A.	Rich	Woodruff
	Richards	Worley
	Riley	Zimmerman
	Rizley	

NAYS—134

Bailey	Forand	McGlinchey
Barrett, Pa.	Fulton	Madden
Barry	Gallagher	Mankin
Bates, Ky.	Geelan	Mansfield, Mont.
Beckworth	Gordon	Marcantonio
Biemiller	Gore	Miller, Calif.
Bloom	Gorski	Monroney
Bradley, Pa.	Granahan	Morgan
Buckley	Granger	Murdock
Bunker	Green	Murphy
Burgin	Gregory	Neely
Byrne, N. Y.	Harless, Ariz.	O'Brien, Ill.
Canfield	Havenner	O'Brien, Mich.
Carnahan	Hays	O'Konski
Celler	Healy	O'Neal
Chelf	Hedrick	O'Toole
Clements	Heffernan	Outland
Cochran	Hoch	Patman
Coffee	Holifield	Patrick
Cooper	Holmes, Wash.	Patterson
Courtney	Hook	Pfeifer
Crosser	Huber	Philbin
D'Alesandro	Hull	Price, Ill.
Davis	Izac	Priest
Dawson	Johnson, Lyndon B.	Quinn, N. Y.
De Lacy	Johnson, Okla.	Rabaut
Delaney, James J.	Kee	Rabin
Delaney, John J.	Kelly, Ill.	Rayfiel
Douglas, Calif.	King	Resa
Douglas, Ill.	Kirwan	Roe, N. Y.
Doyle	Klein	Rogers, N. Y.
Drewry	Kopplemann	Rooney
Eberharter	LaFollette	Rowan
Fallon	Lane	Ryter
Feighan	Lesinski	Sabath
Fernandez	Link	Sadowski
Flood	Ludlow	Sasscer
Fogarty	Lynch	Savage
Folger	McCormack	Sheppard
	McDonough	Sheridan
Smith, Maine	Sullivan	Wasielewski
Somers, N. Y.	Tolan	Welch
Sparkman	Torrens	White
Spence	Traynor	Wickersham
Starkey	Voorhis, Calif.	Woodhouse

ANSWERED "PRESENT"—1

Dingell

NOT VOTING—47

Andrews, N. Y.	Gardner	McKenzie
Baldwin, N. Y.	Gossett	Miller, Nebr.
Beall	Hale	Morrison
Bennet, N. Y.	Harness, Ind.	Norton
Bland	Henry	Peterson, Ga.
Bonner	Herter	Powell
Buck	Holmes, Mass.	Rains
Cannon, Fla.	Jackson	Randolph
Cannon, Mo.	Jarman	Reed, N. Y.
Chapman	Judd	Rivers
Clark	Kelley, Pa.	Robinson, Utah
Cole, Kans.	Kilburn	Schwabe, Mo.
Curley	Knutson	Stigler
D'Ewart	Landis	Thom
Domengeaux	McConnell	Thomas, Tex.
Fisher	McGregor	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Knutson for, with Mr. Dingell against

Mr. Schwabe of Missouri for, with Mrs. Norton against.

Mr. Hale for, with Mr. Gardner against.

Mr. Holmes of Massachusetts for, with Mr. Curley against.

Mr. Buck for, with Mr. Powell against.

Mr. Herter for, with Mr. Stigler against.

Mr. McConnell for, with Mr. Kelley of Pennsylvania against.

Additional general pairs:

Mr. Jarman with Mr. Reed of New York.

Mr. Randolph with Mr. McGregor.

Mr. Morrison with Mr. Kilburn.

Mr. Domengeaux with Mr. Beall.

Mr. Clark with Mr. Judd.

Mr. Bonner with Mr. Harness of Indiana.

Mr. Thom with Mr. Baldwin of New York.

Mr. Bland with Mr. Bennet of New York.

Mr. Cannon of Missouri with Mr. Cole of Kansas.

Mr. McKenzie with Mr. Miller of Nebraska.

Mr. Rivers with Mr. Henry.

Mr. Thomas of Texas with Mr. Andrews of New York.

Mr. DINGELL. Mr. Speaker, I have a live pair with my colleague the gentleman from Minnesota, Mr. KNUTSON. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. BALDWIN of Maryland changed his vote from "nay" to "aye."

Mr. DRURY changed his vote from "aye" to "nay."

Mr. ALMOND changed his vote from "nay" to "aye."

Mr. FALLON changed his vote from "aye" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote is demanded.

The Clerk read as follows:

Committee amendment: On page 9, line 3, strike out lines 3 to 12, inclusive.

The question was taken; and the Chair being in doubt, the committee divided; and there were—ayes 26, noes 129.

Mr. WOLCOTT. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

Mr. MICHENER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MICHENER. In the first place, I do not know whether the microphone is working, but at any rate we cannot hear and I ask unanimous consent that the amendment may again be read so we may know which way to vote.

The SPEAKER. Without objection, the Clerk will again read the amendment.

There was no objection.

The Clerk again read the amendment.

The SPEAKER. The question is on the amendment.

The question was taken; and there were—yeas 246, nays 134, answered "present" 1, not voting 50, as follows:

[Roll No. 44]

YEAS—246

Abernethy	Engle, Calif.	McCowen
Adams	Ervin	McGehee
Allen, Ill.	Fellows	McMillan, S. C.
Allen, La.	Fenton	McMillen, Ill.
Almond	Fuller	Mahon
Andersen, H. Carl	Gamble	Maloney
Anderson, Calif.	Gary	Manasco
Andresen, August H.	Gathings	Mansfield, Tex.
Andrews, Ala.	Gavin	Martin, Iowa
Angell	Gearhart	Martin, Mass.
Arends	Gerlach	Mason
Arnold	Gibson	Mathews
Auchincloss	Gifford	May
Baldwin, Md.	Gillespie	Merrow
Barden	Gillette	Michener
Barrett, Wyo.	Gillie	Mills
Bates, Mass.	Goodwin	Mundt
Bell	Graham	Murray, Tenn.
Bender	Grant, Ala.	Murray, Wis.
Bennett, Mo.	Grant, Ind.	Norrell
Bishop	Griffiths	O'Hara
Blackney	Gross	Pace
Bolton	Gwinn, N. Y.	Peterson, Fla.
Boren	Gwynne, Iowa	Phillips
Boykin	Hagen	Pickett
Bradley, Mich.	Hall, Edwin Arthur	Pittenger
Brehm	Hall, Leonard W.	Ploeser
Brooks	Halleck	Plumley
Brown, Ga.	Hancock	Poage
Brown, Ohio	Hand	Price, Fla.
Brumbaugh	Hare	Ramey
Bryson	Harris	Rankin
Buffett	Hart	Reece, Tenn.
Bulwinkle	Hartley	Reed, Ill.
Bunker	Hébert	Rees, Kans.
Burch	Hendricks	Rich
Butler	Heselton	Richards
Byrnes, Wis.	Hess	Riley
Camp	Hill	Rizley
Campbell	Hinshaw	Robertson, N. Dak.
Carlson	Hobbs	Robertson, Va.
Case, N. J.	Hoeven	Robsion, Ky.
Case, S. Dak.	Hoffman	Rockwell
Chenoweth	Hope	Rodgers, Pa.
Chiperfield	Horan	Roe, Md.
Church	Howell	Rogers, Fla.
Clason	Jenkins	Rogers, Mass.
Clevenger	Jennings	Russell
Clippinger	Jensen	Schwabe, Okla.
Cole, Mo.	Johnson, Calif.	Scrivner
Cole, N. Y.	Johnson, Ill.	Shafer
Colmer	Johnson, Ind.	Sharp
Combs	Johnson, Luther A.	Short
Cooley	Jones	Sikes
Corbett	Jonkman	Simpson, Ill.
Cox	Kean	Slaughter
Cravens	Kearney	Smith, Ohio
Crawford	Keefe	Smith, Wis.
Cunningham	Kefauver	Springer
Curtis	Keogh	Stefan
Daughton, Va.	Kerr	Stevenson
D'Ewart	Kilday	Stewart
Dirksen	Kinzer	Stockman
Dolliver	Kunkel	Sumner, Ill.
Dondero	Lanham	Sumners, Tex.
Doughton, N. C.	Larcade	Sundstrom
Dworshak	Latham	Taber
Earthman	Lea	Talbot
Eaton	LeCompte	Talle
Elliott	LeFevre	Tarver
Ellis	Lemke	Taylor
Ellsworth	Lewis	Thomas, N. J.
Elsaesser	Luce	Tibbott
Elston	Lyle	Towe
Engel, Mich.	McCowen	Trimble
	McGehee	Vinson

Vorys, Ohio	West	Wolcott
Vursell	Whitten	Wolfenden, Pa.
Wadsworth	Whittington	Wolverton, N. J.
Walter	Wigglesworth	Wood
Wasielewski	Wilson	Woodruff
Weaver	Winstead	Worley
Welchel	Winter	Zimmerman

NAYS—134

Barrett, Pa.	Gorski	Norblad
Barry	Granahan	O'Brien, Ill.
Bates, Ky.	Granger	O'Brien, Mich.
Beckworth	Green	O'Konski
Biemiller	Gregory	O'Neal
Bloom	Harless, Ariz.	O'Toole
Bradley, Pa.	Havenner	Outland
Buckley	Hays	Patman
Burgin	Healy	Patrick
Byrne, N. Y.	Hedrick	Patterson
Canfield	Heffernan	Pfeifer
Carnahan	Hoch	Philbin
Celler	Holifield	Price, Ill.
Chelf	Holmes, Wash.	Priest
Clements	Hook	Quinn, N. Y.
Cochran	Huber	Rabaut
Coffee	Hull	Rabin
Cooper	Izac	Rayfiel
Courtney	Johnson,	Resa
Crosser	Lyndon B.	Rogers, N. Y.
D'Alesandro	Kee	Rooney
Davis	Kelly, Ill.	Rowan
Dawson	King	Ryter
De Lacy	Kirwan	Sabath
Delaney,	Klein	Sadowski
James J.	Kopplemann	Sasscer
Delaney,	LaFollette	Savage
John J.	Lane	Sheppard
Douglas, Calif.	Lesinski	Sheridan
Douglas, Ill.	Link	Smith, Maine
Doyle	Ludlow	Smith, Va.
Drewry	Lynch	Somers, N. Y.
Eberharter	McCormack	Sparkman
Fallon	McDonough	Spence
Feighan	McGlinchey	Starkey
Fernandez	Madden	Sullivan
Flannagan	Mankin	Thomas, Tex.
Flood	Mansfield,	Thomason
Fogarty	Mont.	Tolan
Folger	Marcantonio	Torrens
Forand	Miller, Calif.	Traynor
Fulton	Monroney	Voorhis, Calif.
Gallagher	Morgan	Welch
Geelan	Murdock	White
Gordon	Murphy	Wickersham
Gore	Neely	Woodhouse

ANSWERED "PRESENT"—1

Dingell

NOT VOTING—50

Andrews, N. Y.	Gardner	McKenzie
Bailey	Gossett	Miller, Nebr.
Baldwin, N. Y.	Hale	Morrison
Beall	Harness, Ind.	Norton
Bennet, N. Y.	Henry	Peterson, Ga.
Bland	Herter	Powell
Bonner	Holmes, Mass.	Rains
Buck	Jackson	Randolph
Cannon, Fla.	Jarman	Reed, N. Y.
Cannon, Mo.	Johnson, Okla.	Rivers
Chapman	Judd	Robinson, Utah
Clark	Kelley, Pa.	Roe, N. Y.
Cole, Kans.	Kilburn	Schwabe, Mo.
Curley	Knutson	Simpson, Pa.
Domengeaux	Landis	Stigler
Durham	McConnell	Thom
Fisher	McGregor	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Knutson for, with Mr. Dingell against.

Mr. Schwabe of Missouri for, with Mrs. Norton against.

Mr. Hale for, with Mr. Gardner against.

Mr. Holmes of Massachusetts for, with Mr. Curley against.

Mr. Buck for, with Mr. Powell against.

Mr. Herter for, with Mr. Stigler against.

Mr. McConnell for, with Mr. Kelley of Pennsylvania against.

Mr. Henry for, with Mr. Roe of New York against.

Additional general pairs:

Mr. Durham with Mr. Landis.

Mr. Rains with Mr. Simpson of Pennsylvania.

Mr. DINGELL. Mr. Speaker, on this vote I have a live pair with my colleague the gentleman from Minnesota, Mr. KNUTSON. If he were present he would have voted "yea." I having voted "nay." I therefore withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote is demanded.

The Clerk read as follows:

Amendment offered by Mr. GWYNNE of Iowa: Page 13, line 14, after the word "law", insert the following: "Is unsupported by competent, material, and substantive evidence."

The SPEAKER. The question is on the amendment.

Mr. SPENCE. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

Mr. SPENCE. Mr. Speaker, I ask for a division.

The question was taken; and on a division (demanded by Mr. SPENCE) there were—ayes 176, noes 128.

So the amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time.

Mr. KEEFE. Mr. Speaker, I demand the reading of the engrossed copy of the bill.

The SPEAKER. That is, of course, impossible today. The matter will have to go over until tomorrow.

EXTENSION OF REMARKS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to revise and extend their remarks on the pending bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the bill as amended be printed in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

H. R. 4761

An act to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes

Be it enacted, etc., That the National Housing Act, as amended, is amended by inserting after title VI thereof a new title, as follows:

"TITLE VII—STABILIZATION OF HOUSING PRICES

"SEC. 701. (a) The Congress declares that an emergency exists wherein there are insufficient facilities for housing large segments of the population, that large numbers of veterans of the armed forces are returning to civilian life in need of housing accommodations which are not available, and that it is necessary for the health and safety of the people that all facilities of the United States Government be made available and coordinated to obtain a maximum amount of housing. The purposes of this title are to stabilize the prices of real estate to be used for housing purposes, and to prevent speculative, unwarranted, and abnormal increases in the selling prices of such real estate; to eliminate and prevent profiteering in the sale of real estate for housing purposes, the hoarding of materials necessary for the construction of housing and other buildings, and other disruptive practices; to encourage the production of housing at a fair profit; to improve the housing of the people of the Nation in order to foster their health and general welfare; to encourage employment in the housing construction industry, and to maintain such industry at a high level of productivity; to prohibit an undue dissipation of the savings of the people in the Nation in the purchase of homes at speculative prices; to permit returning veterans to acquire housing at fair prices; and to prevent a post-emergency collapse of values in the housing field and to promote a swift and orderly transition to a peacetime economy.

"(b) The provisions of this title, and all regulations and orders issued thereunder, shall terminate on June 30, 1947, or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the provisions of the title are no longer necessary to deal with the existing national emergency, whichever date is the earlier.

"(c) The provisions of this title shall be applicable to the United States, its Territories and possessions, and the District of Columbia.

"SEC. 702. (a) There is hereby created an office to be known as Housing Expediter; and the President is authorized to designate an existing official of the Government to serve as Housing Expediter, or to appoint the Housing Expediter either within any existing agency or as independent officer of the Government. In the event of a designation of an existing official, he is hereby authorized and permitted to continue in his present post while serving as Housing Expediter, except that he shall receive no additional compensation by reason of his designation hereunder. If, however, such Housing Expediter is appointed, his appointment shall, if within an existing agency of the Government, be subject to the laws and regulations governing the appointment of officers within such agency and he shall receive compensation in compliance with such laws and regulations; if the Housing Expediter is appointed as an independent officer of the Government, then such appointment shall be made by and with the advice and consent of the Senate of the United States and he shall receive compensation at the rate of $12,000 per annum.

"(b) The Housing Expediter, in addition to such other functions and powers as may be delegated to him by the President, is authorized to—

"(1) formulate such plans and programs as are necessary to provide for an increased supply of housing accommodations of all kinds and, in particular, of homes available for sale or rental at moderate prices to veterans of World War II and their immediate families;

"(2) issue such orders, regulations, or directives to other executive agencies as may be necessary to provide for the exercise of their powers in a manner required by or consistent with the execution of the aforesaid plans and programs, and to coordinate the activities of such agencies directed to the execution of such plans and programs. Each executive agency shall carry out without delay the orders, regulations, or directives of the Housing Expediter, and shall, to the extent necessary, modify its operations and procedures from time to time to conform to the directions of the Housing Expediter;

"(3) recommend to the President the enactment of such legislation as may be necessary to provide the authority to carry out such plans and programs as are not authorized under existing law;

"(4) consult and cooperate with other agencies of the Federal Government, State and local governments, industries, labor, and other groups, both national and local, with respect to the problems created by the housing emergency and the steps which can be taken to remedy it.

"(c) The executive agencies of the Government shall exercise their emergency powers and other powers for the purpose of aiding in the solution of the problems created by the existing housing emergency, the alleviation of which is vital to an orderly transition from war to peace.

"(d) (1) All functions, powers, authority, or duties vested in the Office of War Mobilization and Reconversion or the Director thereof by the War Mobilization and Reconversion Act of 1944 which are or may be necessary or suitable to enable the Housing Expediter to carry out the provisions of this title and such plans and programs as such Housing Expediter may develop for the alleviation of the housing emergency, are hereby transferred to the Housing Expediter. The powers so transferred shall include the power to issue orders, regulations, or directives to other executive agencies with respect to the exercise by such agencies of their respective powers and authority.

"(2) The powers so transferred shall continue during the period in which this act is in effect, notwithstanding any other provision terminating such powers contained in the said War Mobilization and Reconversion Act of 1944.

"SEC. 703. (a) Whenever in the judgment of the Expediter the sales prices of housing accommodations the construction of which is completed after the effective date of this title have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this act, he may by regulation or order establish maximum sales prices for such housing accommodations in accordance with the provisions of this title. Any such regulation or order may be limited in its scope to such geographical area or areas and to such types or classifications of such housing accommodations as in the judgment of the Expediter may be necessary to effectuate the purposes of this title. Before issuing any regulation or order under this section, the Expediter shall, so far as practicable, advise and consult with representative members of industries affected by such regulation or order, and he shall give consideration to their recommendations and to any recommendations which may be made by State and local officials concerned with housing conditions in any area affected by such regulation or order.

"(b) Any regulation or order issued under the authority of this section with respect to housing accommodations the construction of which is completed after the effective date of this title shall provide that no sale of any such housing accommodations shall take place until after the builder thereof has filed with the appropriate agency designated by the Expediter a description of such accommodations, including a statement of the proposed maximum sales price, and has received from such agency a certification that such price is reasonably related to the value of the accommodations to be sold, taking into consideration (1) reasonable construction costs not in excess of the legal maximum prices of the materials and services required for the construction, (2) the fair market value of the land (immediately prior to construction) and improvements sold with the housing accommodations, and (3) a margin of profit reflecting the generally prevailing profit margin upon comparable units during the calendar year 1941. Any prospective seller of such housing accommodations may apply for such certification at any time, including before the commencement of construction, during its progress, or after its completion. In any case where a certification of approval of a proposed maximum sales price has been issued prior to the completion of construction, the prospective seller may, at any time before the first sale, apply for such revision of the maximum sales price previously certified as may be justified by a showing of special circumstances arising during the course of construction and not reasonably to have been anticipated at the time of the issuance of the earlier certification. The first sale of housing accommodations the construction of which is completed after the effective date of this title shall not be made at a price in excess of the maximum sales price certified under this subsection. The actual price at which any such housing accommodations is first sold, plus any increases authorized pursuant to subsection (c), shall be the maximum sales price for any subsequent sale of such housing accommodations.

"(c) The Expediter shall by regulation or order provide for appropriate price increases for major structural changes or improvements, not including ordinary maintenance and repair, effected subsequent to the first sale after the effective date of this title.

"(d) The Expediter may promulgate such regulations as he deems necessary and proper to carry out any of the provisions of the title and may exercise any power or authority conferred upon him by this title through such department, agency, or officer as he shall direct. Any regulation or order under this title may contain such classifications and differentiations and may provide for such adjustments and reasonable exceptions as in the judgment of the Expediter are necessary or proper in order to effectuate the purposes of this title. The Expediter shall have power to forbid the export of any lumber or other materials to any foreign country which are needed for the housing program.

"(e) Whenever in the judgment of the Expediter such action is necessary or proper in order to effectuate the purposes of this title, he may by regulation or order make such provisions as he deems necessary to prevent the circumvention or evasion thereof and he may regulate or prohibit speculative or manipulative practices (including the requiring of the purchase of land prior to or as a condition of undertaking construction work or the requiring of the purchaser of housing accommodations to buy additional land or any commodity or service as a condition of securing such housing accommodations) in connection with the sale of any housing accommodations which in his judgment are equivalent to or likely to result in price increases inconsistent with the purposes of this title.

"SEC. 704. (a) Whenever in the judgment of the Expediter there is a shortage in the supply of any material or of any facilities suitable for the construction and/or completion of housing accommodations in rural and urban areas, and for the construction and repair of essential farm buildings, he may by regulation or order allocate, or establish priorities for the delivery of, such material or facilities in such manner, upon such conditions, and to such extent as he deems necessary and appropriate in the public interest and to effectuate the purposes of this title; and the Expediter is authorized regardless of any other legislation to direct the Office of Price Administration to make such price adjustments as are necessary to stimulate the production of building materials.

"(b) In issuing any regulation or order allocating or establishing priorities for the delivery of any material or facilities under this section, the Expediter shall give special consideration to (1) the general need for housing accommodations for sale or rent at moderate prices, (2) the need for the construction and repair of essential farm buildings, and (3) satisfying the housing requirements of veterans of World War II and their immediate families.

"(c) The provisions of this section shall not be construed as in any way affecting the power of the President to assign priorities or to allocate any materials or facilities under the provisions of subsection (a) of section 2 of the act of June 28, 1940, entitled 'An act to expedite national defense, and for other purposes,' as amended.

"SEC. 705. It shall be unlawful for any person to effect, either as principal or broker, a sale of any housing accommodations at a price in excess of the maximum sales price applicable to such sale under the provisions of this title, or to offer, solicit, attempt, or agree to making any such sale. It shall be unlawful for any person to violate the terms of any regulation or order issued under the provisions of this title. Notwithstanding any termination of this title as contemplated in section 701 (b) hereinabove, the provisions of this title, and of all regulations and orders issued thereunder, shall be treated as remaining in force, as to rights or liabilities incurred or offenses committed prior to such termination date, for the purpose of sustaining any proper suit, action, or prosecution with respect to any such right, liability, or offense.

"SEC. 706. Any person who is aggrieved by any action taken pursuant to any regulation or order issued under the authority of this title may petition the district court of the district in which he resides or has his place of business for a review of such action, and such district court shall have jurisdiction to enjoin or set aside, in whole or in part, such action or to dismiss the petition. No such action shall be enjoined or set aside, in whole or in part, unless the petitioner establishes to the satisfaction of the court that such action is not in accordance with law is unsupported by competent, material, and substantial evidence or is arbitrary or capricious.

"SEC. 707. (a) Whenever in the judgment of the Expediter any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of section 705 of this title, he may make application to the appropriate court for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, and upon a showing by the Expediter that such person has engaged or is about to engage in any such acts or practices a permanent or temporary injunction, restraining order, or other order may be granted and if granted shall be granted without bond.

"(b) Any person who willfully violates any provision of section 705 of this title, and any person who knowingly makes any statement or entry false in any material respect in any record or report required to be kept or filed under section 703, shall, upon conviction thereof, be subject to a fine of not more than $5,000, or to imprisonment for not more than 1 year or to both such fine and imprisonment. Whenever the Director has reason to believe that any person is liable to punishment under this subsection, he may certify the facts to the Attorney General, who may, in his discretion, cause appropriate proceedings to be brought.

"(c) The district courts shall have jurisdiction of criminal proceedings for violations of section 705 of this title, and, concurrently with State and Territorial courts, of all other proceedings under this section. Such criminal proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred. Such other proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred, and may also be brought in the district in which the defendant resides or transacts business, and process in such cases may be served in any district wherein the defendant resides or transacts business or

wherever the defendant may be found. Any such court shall advance on the docket and expedite the disposition of any criminal or other proceedings brought before it under this section. No costs shall be assessed against the Expediter or the United States Government in any proceeding under this title.

"(d) If any person selling housing accommodations violates a regulation or order prescribing a maximum selling price, the person who buys such housing accommodations may, within 1 year from the date of the occurrence of the violation, bring an action for treble the amount by which the consideration exceeded the maximum selling price, plus reasonable attorney's fees and costs as determined by the court. If the buyer fails to bring an action under this subsection within 60 days from the date of the violation, the Expediter may bring such action on behalf of the United States within 1 year from the date of the violation. If such action is brought by the Expediter, the buyer shall thereafter be barred from bringing an action for the same violation.

"SEC. 708. As used in this title—

"(a) The term 'maximum sales price' means the maximum price for which any housing accommodations the construction of which is completed after the effective date of this title may be sold and includes the total consideration which may be paid by the buyer for such housing accommodations with accompanying land and improvements, excluding only those incidental charges, such as brokerage fees or commissions or charges, which buyers or sellers of such housing accommodations customarily assume in the community where such accommodations are located and which actually have been incurred for services rendered at the buyer's or seller's request.

"(b) The term 'person' includes an individual, corporation, partnership, association, or any other organized group of any of the foregoing, or legal successor or representative of any of the foregoing.

"(c) The term 'district court' means any district court of the United States, and the United States court for any Territory or other place subject to the jurisdiction of the United States.

"SEC. 709. There are authorized to be appropriated such sums as may be necessary or proper to carry out the provisions and purposes of this title: *Provided, however,* That so much of the First Deficiency Appropriation Act, 1946 (Public Law No. 269, 79th Cong., approved December 28, 1945), as reads *'Provided,* That none of the funds available under this head for administrative expenses shall be used in paying the salary of any person engaged in making or processing loans in excess of $500,000 to any State, any subdivision thereof, any municipality therein, or any public authority, for construction purposes, unless in pursuance of a specific authorization, except, however, that this provision shall not apply to any application or loan approved or made prior to December 15, 1945, shall not apply to loans made for construction, removal, or remodeling of housing by publicly suported educational institutions where made for the purposes of housing veterans enrolled and attending such institution.

"SEC. 710. If any provision of this title or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the title and the applicability of such provision to other persons or circumstances shall not be affected thereby.

"SEC. 711. (a) Section 603 (a) of the National Housing Act, as amended, is hereby amended to read as follows:

"'(1) In order to assist in relieving the acute shortage of housing which now exists and to increase the supply of housing accommodations available to veterans of World War II at prices within their reasonable ability to pay, the Administrator is authorized, upon application by the mortgagee, to insure as hereinafter provided any mortgage which is eligible for insurance as hereinafter provided, and, upon such terms as the Administrator may prescribe, to make commitments for the insuring of such mortgages prior to the date of their execution or disbursement thereon: *Provided,* That the aggregate amount of principal obligations of all mortgages insured under this title shall not exceed $2,800,000,000 except that with the approval of the President such aggregate amount may be increased to not to exceed $3,800,000,000: *Provided further,* That no mortgage shall be insured under this title after June 30, 1947, except (A) pursuant to a commitment to insure issued on or before June 30, 1947, or (B) a mortgage given to refinance an existing mortgage insured under this title and which does not exceed the original principal amount and unexpired term of such existing mortgage: *And provided further,* That the Administrator shall, in his discretion, have power to require the availability for rental purposes of properties covered by mortgages insured under this title, in such instances and for such periods of time as he may prescribe.'

"(b) Section 603 (b) (2) of the National Housing Act, as amended, is hereby amended to read as follows:

"'(2) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Administrator shall approve) in an amount not to exceed 90 percent of the appraised value (as of the date the mortgage is accepted for insurance) of a property, urban, suburban, or rural, upon which there is located a dwelling designed principally for residential use for not more than four families in the aggregate, which is approved for mortgage insurance prior to the beginning of construction. The principal obligation of such mortgage shall in no event, however, exceed—

"'(A) $5,400 if such dwelling is designed for a single-family residence, or

"'(B) $7,500 if such dwelling is designed for a two-family residence, or

"'(C) $9,500 if such dwelling is designed for a three-family residence, or

"'(D) $12,000 if such dwelling is designed for a four-family residence:

Provided, That the Administrator may, if he finds that at any time or in any particular geographical area it is not feasible, within such limitations of maximum mortgage amounts, to construct dwellings without sacrifice of sound standards of construction, design, or liability, prescribe by regulation or otherwise higher maximum mortgage amounts not to exceed—

"'(A) $8,100 if such dwelling is designed for a single-family residence, or

"'(B) $10,800 if such dwelling is designed for a two-family residence, or

"'(C) $13,500 if such dwelling is designed for a three-family residence, or

"'(D) $16,200 if such dwelling is designed for a four-family residence.'

"(c) Section 603 (b) (5) of the National Housing Act, as amended, is hereby amended to read as follows:

"'(5) bear interest (exclusive of premium charges for insurance) at not to exceed 4 percent per annum on the amount of the principal obligation outstanding at any time.'

"(d) Section 603 (c) of the National Housing Act, as amended, is hereby amended (1) by striking out of the third sentence the word 'emergency' and inserting in lieu thereof the words 'shortage of housing,' and (2) by striking out the last sentence thereof and inserting in lieu thereof the following sentence: 'The Administrator shall prescribe such procedures as in his judgment are necessary to secure to veterans of World War II, and their immediate families, and to hardship cases as defined by the Administrator, preference or priority of opportunity to purchase or rent properties covered by mortgages insured under this title.'

"(e) Section 608 (b) of the National Housing Act, as amended, is hereby amended (1) by amending paragraph numbered (2) thereof to read as follows:

"'(2) Preference or priority of opportunity in the occupancy of the mortgaged property for veterans of World War II and their immediate families and for hardship cases as defined by the Administrator, shall be provided under such regulations and procedures as may be prescribed by the Administrator'; and (2) by striking out '$1,350' and inserting in lieu thereof '$1,500.'

"'(f) Section 608 (c) of the National Housing Act, as amended, is hereby amended by inserting in the third sentence before the semicolon at the end of clause '(C)', the following; 'and any mortgage insurance premiums paid after default'."

EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in three instances in the Appendix of the RECORD and include statements and excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATTERSON asked and was given permission to extend his remarks in the RECORD.

Mr. HOOK asked and was given permission to extend his remarks in the RECORD and include a telegram.

Mr. GORE asked and was given permission to extend his remarks in the RECORD and include an editorial from the Democrat.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD and include a recent article appearing in the New York Sun.

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD and include a court decision from the Federal District of Oregon.

Mr. KEEFE asked and was given permission to revise and extend the remarks he made in the Committee of the Whole today and include a statement published in the Oshkosh (Wis.) Northwestern under date of March 4, 1946.

Mr. TALLE asked and was given permission to revise and extend the remarks he made in Committee this afternoon and include certain material.

Mr. SHORT asked and was given permission to extend his remarks in the Appendix of the RECORD and include a brief article by Hanson W. Baldwin which appeared in today's New York Times.

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the RECORD and include correspondence and a petition signed by 350 amputees in Walter Reed Hospital, also a clipping that appeared in the Washington Daily News.

AUTHORIZING CLERK TO MAKE CORRECTIONS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to make the necessary corrections in the pending bill in reference to section numbers and cross references.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

SPECIAL ORDER GRANTED

Mr. VOORHIS of California. Mr. Speaker, I have a special order for this afternoon. I ask unanimous consent that that be transferred over to tomorrow afternoon.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

EFFICIENCY OF THE UNITED STATES ARMY AS OF TODAY

Mr. SHAFER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. SHAFER. Mr. Speaker, Gen. Dwight D. Eisenhower, Chief of Staff of the United States Army, on his return here yesterday from a tour of inspection of the remaining military establishments of the Nation, is quoted in today's newspapers as follows:

> It would take a year to bring the present administrative efficiency of the United States Army back to the level of 1940.

I plead with the Members of this Congress, Mr. Speaker, to consider exactly what that statement means.

It means that today, in a world still legally at war because no formal peace has been signed or evolved, we are again a weak nation militarily, a nation incapable of defending ourselves in less than a year's time, if then.

It means that in a world still primed for war, we have thrown away our arms.

It means that with wealth that England, Russia, France, and other impoverished nations are trying to borrow, we have retrograded from the strongest fighting power on earth to the position of a nation incapable of even defending our shores against an invasion.

It means that once more we are the richest man left on earth, again naively heading up Thug Alley in the dark without a gun.

I am merely repeating things you all know when I call attention to these facts gleaned from the daily press:

Critically sensitive spots exist in Turkey, Manchuria, Spain, Argentina, Mexico, Greece, Indonesia, Canada.

Within the past week a reputable New York columnist reported that by May Russia may be expected to make demands on Turkey which Turkey cannot accept, and that England will go to the aid of Turkey.

Secretary of State James Byrnes has confirmed reports published in newspapers that Russia plans to hold summer military maneuvers in Manchuria, although Manchuria is under the technical supervision of General MacArthur as Allied Commander in the Far East.

The Communist press, and our own State Department, have demanded our intervention in the Government of Spain and the ousting of Franco.

The Communist press, here and abroad, demand the ousting of the Peron government in Argentina, though Argentina is even now counting the vote of the Argentine people to decide what Argentina wants.

The Toledano labor group in Mexico is allied with the Russian-sponsored World Federation of Trade Unions, in which Sidney Hillman, New Deal pet and founder of the Political Action Committee is a vice chairman.

The Russian-sponsored attacks on England's actions in Greece and Indonesia, and Russia's own violation of existing pacts by remaining in Iran, have been aired at length.

The Canadian revelations about Russian espionage, even to spying on American troop movements bring the situation to our own shores.

Great Britain, while asking the United States to loan her $4,400,000,000, has announced that she will spend $4,750,000,000 on her military establishment.

Mr. Speaker, we have been plagued with continuing and inspired strikes in our own heavy industry which have demobilized the United States industrially just as we have prematurely demobilized militarily.

We have no plan for postwar protection of the United States that has reached the point of legislation. We have no sufficient trained force to fly our airplanes, sail our ships, or operate our ground force military equipment.

We have, as General Eisenhower so bluntly put it, gone back to the point of weakness that characterized our power before we were catapulted into war by the Japanese attack on Pearl Harbor.

No American, Mr. Speaker, wants to maintain perpetually a state of armed neutrality throughout the world. But no American would want to see us so weakened as we are today. And I am sure that no American can believe that we should become the Alice in Wonderland of all the nations in the world and tell those who continue to maintain military strength, that we are ripe for the picking.

Within recent weeks our executive department and our State Department have suddenly chosen to switch from a policy of appeasement to every Russian demand and to urge that we become tough with Russia.

I say again, Mr. Speaker, and plead with every power of word to drive this thought home to all America:

Let us consider where we stand if Russia answers toughness with toughness.

Let us believe General Eisenhower, who led the Allies to victory in Europe, when he says we are again a military weakling among nations.

Let us quit fooling our veterans who fought the battles of World War II by telling them that we are embarking in an international era of sweetness and light. Let us tell our veterans and all America that we still need to maintain a strong America until the other nations who might make war agree to, and carry out a demobilization equal to our own.

Let us decide, before we have gone irrevocably beyond the point where we can defend it, that we will maintain the American Constitution, the American system of free enterprise, the American form of government and the American way of life against any who would seek to destroy it.

Before we go further in the weakening of our power to defend America, let us obtain reasonable assurances that we are not treading the path to peace alone.

EXTENSION OF REMARKS

Mr. STEVENSON asked and was given permission to extend his remarks in the RECORD and include a letter from a constituent.

Mr. HOFFMAN asked and was given permission to extend his remarks in the RECORD and include editorial matter.

PERMISSION TO ADDRESS THE HOUSE

Mr. LAFOLLETTE. Mr. Speaker, I ask unanimous consent that on Friday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

WALTER REED HOSPITAL AMPUTEES

Mrs. ROGERS of Massachusetts. Mr. Speaker, I would like to state that I am very thoroughly in accord with the views expressed in the petition of the 350 amputees of Walter Reed Hospital. I believe that the Government should provide an automobile as an aid to their recovery and conditioning. It is our duty to do as much as we can to send the veterans out from the hospital as nearly whole as possible. The War Amputees Car Committee came to the Capitol today and asked me to present their case to the Congress. Mr. Joseph Leib, their national legislative director, joined them in their request.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. CHAPMAN (at the request of Mr. GREGORY) for today, on account of official business.

SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 680. An act to encourage and protect oil refineries not having their own source of supply for crude oil by extending preference to such refineries in disposing of royalty oil under the Mineral Lands Leasing Act; to the Committee on the Public Lands.

S. 769. An act for the relief of H. H. Ashbrook, and others; to the Committee on Claims.

S. 965. An act to amend the Alaska game law; to the Committee on the Territories.

S. 1043. An act to set aside certain lands in Oklahoma in trust for the Indians of the Kiowa, Comanche, and Apache Indian Reservation; to the Committee on Indian Affairs.

S. 1085. An act to provide for payment of travel and other expenses of members of the tribal council, business committees, or other tribal organizations, of the Osage Tribe of Indians in Oklahoma; to the Committee on Indian Affairs.

S. 1305. An act to confer jurisdiction on the State of North Dakota over offenses committed by or against Indians on the Devils Lake Indian Reservation; to the Committee on Indian Affairs.

S. 1504. An act for the relief of Edith Roberta Moore; to the Committee on Claims.

S. 1609. An act for the relief of Catherin Gilbert; to the Committee on Claims.

S. 1627. An act for the relief of Mrs. Isabel N. Mifflin; to the Committee on Claims.

S. 1679. An act to authorize additional compensation for work performed on a legal holiday by employees of the Government Printing Office; to the Committee on Printing.

S. 1840. An act for the relief of the Danvers Shoe Co., Inc.; to the Committee on Claims.

S. 1841. An act to amend an act entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the Superintendent of Weights, Measures, and Markets of the District of Columbia; and for other purposes," approved March 3, 1921, as amended; to the Committee on the District of Columbia.

S. J. Res. 141. Joint resolution authorizing the President to proclaim April 19, 1946, as Students and Teachers Day in commemoration of their contributions in helping to bring about victory in the present war; to the Committee on Judiciary.

ADJOURNMENT

Mr. STARKEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 52 minutes p. m.) the House adjourned until tomorrow, Thursday, March 7, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

There will be a meeting of the Committee on World War Veterans' Legislation, in executive session, on Thursday, March 7, 1946, in the committee room 356, Old House Office Building, on the report of the investigation of the Veterans' Administration.

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

The Committee on Expenditures in the Executive Departments will hold hearings on surplus property on Thursday, March 7, 1946, through Friday, March 8, at 10 a. m., in room 304, Old House Office Building.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Public Health Subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m., Thursday, March 7, 1946.

Business to be considered: To commence hearings on the bill S. 191, an act to amend the Public Health Service Act to authorize grants to the States for surveying their hospitals and public health centers and for planning construction of additional facilities, and to authorize grants to assist in such construction.

COMMITTEE ON THE JUDICIARY

On Wednesday, March 13, 1946, Subcommittee No. 1 of the Committee on the Judiciary will hold hearings on the following bills, relating to United States commissioners; H. R. 2460 (S. 346), H. R. 2461 (S. 345), H. R. 2462 (S. 344), and H. R. 2464 (S. 344).

The hearing will begin at 10 a. m. and will be held in room 346, House Office Building.

On Monday, March 18, 1946, Subcommittee No. 3 of the Committee on the Judiciary has scheduled a hearing on the bill (H. R. 5234) to authorize the Federal Security Administrator to assist the States in matters relating to social protection, and for other purposes.

The hearing will begin at 10 a. m., and will be held in room 346, House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1118. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of a proposed bill to authorize the Commissioners of the District of Columbia to provide necessary utilities for veterans' housing furnished and erected by the National Housing Administrator; to the Committee on the District of Columbia.

1119. A letter from the Acting Attorney General, transmitting a draft of a proposed bill to amend the act of May 28, 1896, as amended, relating to the appointment of assistant United States attorneys; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MURDOCK: Committee on Irrigation and Reclamation. H. R. 5654. A bill to provide basic authority for the performance of certain functions and activities of the Bureau of Reclamation; without amendment (Rept. No. 1683). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COCHRAN: Committee on Accounts. House Resolution 543. Resolution granting 6 months' salary and $250 funeral expenses to Mrs. Polly Jane Pickering, widow of Thomas Pickering, late an employee of the House; without amendment (Rept. No. 1682). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DOMENGEAUX:

H. R. 5681. A bill to increase by 20 percent the monthly rates of compensation, pension, and retirement payments to veterans and their dependents; to the Committee on World War Veterans' Legislation.

By Mr. MAY:

H. R. 5682. A bill to extend the Selective Training and Service Act of 1940, as amended, for a period of 6 months, and for other purposes; to the Committee on Military Affairs.

By Mr. PACE:

H. R. 5683. A bill to authorize the appropriation of funds to assist the States and Territories in more adequately financing their system of public education, and in reducing the inequalities of educational opportunities through public elementary and public secondary schools; to the Committee on Education.

By Mr. RAMEY:

H. R. 5684. A bill to increase by 20 percent the monthly rates of compensation, pension, and retirement payments to veterans and their dependents; to the Committee on World War Veterans' Legislation.

By Mr. ROGERS of New York:

H. R. 5685. A bill to provide for the national health and productive power of the people of the United States by clarifying the laws pertaining to hospital treatment, medical care, domiciliary care, and related services, and for other purposes; to the Committee on World War Veterans' Legislation.

By Mr. FORAND:

H. R. 5686. A bill to provide for the public welfare through grants to the States for welfare services and assistance to needy individuals; to the Committee on Ways and Means.

By Mr. CELLER:

H. R. 5687. A bill to amend the Merchant Marine Act of 1936, as amended, with respect to air transportation by marine transportation and shipping companies; to the Committee on Interstate and Foreign Commerce.

By Mr. CASE of South Dakota:

H. R. 5688. A bill to provide for a national cemetery for Sioux Indians at Wounded Knee, S. Dak.; to the Committee on Military Affairs.

By Mr. RANKIN:

H. R. 5689. A bill to increase by 20 percent the monthly rates of compensation, pension, and retirement payments to veterans and their dependents; To the Committee on World War Veterans' Legislation.

By Mrs. ROGERS of Massachusetts (by request):

H. R. 5690. A bill to increase by 20 percent the monthly rates of compensation, pension, and retirement payments to veterans and their dependents; to the Commitee on World War Veterans' Legislation.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Chamber of Deputies of Mexico, with regard to the placing of various national flags over the Chamber of Deputies of Mexico; to the Committee on Foreign Affairs.

Also, memorial of the Brazilian Parliament, honoring the memory of the late Franklin Delano Roosevelt; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CHURCH:

H. R. 5691. A bill for the relief of Elsie L. Rosenow; to the Committee on Claims.

By Mr. DOYLE:

H. R. 5692. A bill to relinquish the mineral rights of the United States under certain lands in the county of Santa Barbara, Calif.; to the Committee on Military Affairs.

By Mr. McGLINCHEY:

H. R. 5693. A bill for the relief of Meyer R. Brody; to the Committee on Claims.

By Mr. NORRELL:

H. R. 5694. A bill for the relief of Theodore C. Baldwin, former first lieutenant, Army of the United States; to the Committee on Military Affairs.

By Mr. REED of New York:

H. R. 5695. A bill for the relief of B. John Hanson; to the Committee on Claims.

By Mr. REES of Kansas:

H. R. 5696. A bill for the relief of Joseph A. Curry; to the Committee on Claims.

By Mr. ROBSION of Kentucky:

H. R. 5697. A bill granting a pension to Relda Long; to the Committee on Invalid Pensions.

By Mr. SAVAGE:

H. R. 5698. A bill for the relief of the estate of Howard Rasmussen; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1677. By the SPEAKER: Petition of the Grain and Feed Dealers National Association, petitioning consideration of their resolution with reference to cooperative tax exemption and the difference in methods of taxing cooperative corporations and private corporations; to the Committee on Ways and Means.

1678. Also, petition of the commander in chief of the Military Order of the World Wars, petitioning consideration of their resolution with reference to request for legislation granting a flat 20-percent increase in pay and allowances of officers and enlisted men of uniformed forces; to the Committee on Military Affairs.

1679. Also, petition of the Crow Tribal Council, petitioning consideration of their resolution with reference to changes in the Indian Reservation administration; to the Committee on Indian Affairs.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 7, 1946

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore [Mr. MCCORMACK].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

MARCH 7, 1946.

I hereby designate the Honorable JOHN W. MCCORMACK to act as Speaker pro tempore today.

SAM RAYBURN.

PRAYER

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, we beseech Thee to deepen our faith when the sight is dim, and enlarge our trust when understanding is not clear. We confess that with our hearts of flesh we need Thy mercy and forgiveness. We pray for a unity of faith and knowledge of the Man who spake as never man spake, who calls us to bow down our wills in simple obedience, humility, patience, and strict truthfulness. Purge from every mind any lurking prejudice and give us grace to forbear and to persevere, brave in all the changes of fortune. Thou who hast made us in Thine own image, endowed by our country with high positions of great responsibilities, do Thou direct us with Thy integrity of purpose as we meet the exactions of the public trust; may we press toward the goal of high and holy influence in all our land. Vouchsafe to keep us this day without sin; let Thy mercy be upon us, as our trust is in Thee. Through Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

HOUSING STABILIZATION

The SPEAKER pro tempore. The unfinished business is the reading of the engrossed copy of the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

CALL OF THE HOUSE

Mr. RANKIN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. PATMAN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 45]

Adams	Gibson	Morrison
Arnold	Gossett	Norton
Baldwin, N. Y.	Hale	Patrick
Beall	Henry	Peterson, Ga.
Bland	Herter	Powell
Bonner	Holmes, Mass.	Priest
Buck	Jackson	Rains
Cannon, Fla.	Jarman	Randolph
Cannon, Mo.	Johnson, Okla.	Rich
Chapman	Kelley, Pa.	Rivers
Clark	Kilburn	Robinson, Utah
Cole, Kans.	Knutson	Roe, N. Y.
Curley	Landis	Sabath
Domengeaux	McConnell	Schwabe, Mo.
Durham	McGregor	Sparkman
Fisher	McKenzie	Stigler
Gardner	Miller, Nebr.	Thom

The SPEAKER. On this roll call, 381 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

HOUSING STABILIZATION

The SPEAKER. The unfinished business is the reading of the engrossed copy of the bill H. R. 4761.

The Clerk read the title of the bill.

Mr. KEEFE. Mr. Speaker, I ask unanimous consent that the reading of the engrossed copy of the bill be dispensed with.

Mr. LESINSKI. I object, Mr. Speaker.

Mr. PATMAN. Mr. Speaker, the bill having been printed in the RECORD, I ask unanimous consent that the further reading of the engrossed copy be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Miss SUMNER of Illinois. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentlewoman opposed to the bill?

Miss SUMNER of Illinois. Yes, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Miss SUMNER of Illinois moves to recommit the bill to the Committee on Banking and Currency.

Mr. PATMAN. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Miss SUMNER of Illinois. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 76, nays 304, answered "present" 2, not voting 49, as follows:

[Roll No. 46]

YEAS—76

Allen, Ill.	Gwinn, N. Y.	Rizley
Almond	Gwynne, Iowa	Robertson, N. Dak.
Andrews, N. Y.	Halleck	Russell
Arends	Hancock	Schwabe, Okla.
Barden	Harness, Ind.	Shafer
Bishop	Hoffman	Short
Boren	Jenkins	Simpson, Pa.
Bradley, Mich.	Jensen	Smith, Ohio
Brown, Ohio	Johnson, Ind.	Smith, Wis.
Buffett	Jones	Springer
Byrnes, Wis.	Kilday	Stockman
Canfield	Kinzer	Sumner, Ill.
Chenoweth	Lanham	Taber
Clevenger	LeFevre	Thomas, N. J.
Crawford	Lemke	Towe
Curtis	Martin, Mass	Vorys, Ohio
Dolliver	Mason	Wadsworth
Ellis	O'Hara	West
Ellsworth	Phillips	Whittington
Fellows	Ploeser	Wigglesworth
Gavin	Plumley	Wilson
Gillie	Rankin	Winter
Goodwin	Reece, Tenn.	Wolfenden, Pa.
Graham	Reed, Ill.	Woodruff
Grant, Ind.	Reed, N. Y.	
Gross	Rees, Kans.	

NAYS—304

Abernethy	Cravens	Hand
Allen, La.	Crosser	Hare
Andersen, H. Carl	Cunningham	Harless, Ariz.
Anderson, Calif.	D'Alesandro	Harris
Andresen, August H.	Daughton, Va.	Hart
Andrews, Ala.	Davis	Hartley
Angell	Dawson	Havenner
Auchincloss	De Lacy	Hays
Bailey	Delaney, James J.	Healy
Baldwin, Md.	Delaney, John J.	Hébert
Barrett, Pa.	D'Ewart	Hedrick
Barrett, Wyo.	Dirksen	Heffernan
Barry	Dondero	Hendricks
Bates, Ky.	Doughton, N. C.	Heselton
Bates, Mass.	Douglas, Calif.	Hess
Beckworth	Douglas, Ill.	Hill
Bell	Doyle	Hinshaw
Bender	Drewry	Hobbs
Bennet, N. Y.	Dworshak	Hoch
Bennett, Mo.	Earthman	Hoeven
Biemiller	Eaton	Holmes, Wash.
Blackney	Eberharter	Hook
Bloom	Elliott	Hope
Bolton	Elsaesser	Horan
Boykin	Elston	Howell
Bradley, Pa.	Engel, Mich.	Huber
Brehm	Engle, Calif.	Hull
Brooks	Ervin	Izac
Brown, Ga.	Fallon	Jennings
Brumbaugh	Feighan	Johnson, Calif.
Bryson	Fenton	Johnson, Ill.
Buckley	Fernandez	Johnson, Luther A.
Bulwinkle	Flannagan	Johnson, Lyndon B.
Bunker	Flood	Johnson, Okla.
Burch	Fogarty	Jonkman
Burgin	Folger	Judd
Butler	Forand	Kean
Byrne, N. Y.	Fuller	Kearney
Camp	Fulton	Kee
Campbell	Gallagher	Keefe
Carlson	Gamble	Kefauver
Carnahan	Gary	Kelly, Ill.
Case, N. J.	Gearhart	Keogh
Case, S. Dak.	Geelan	Kerr
Celler	Gerlach	King
Chelf	Gifford	Kirwan
Chiperfield	Gillespie	Klein
Church	Gillette	Kopplemann
Clason	Gordon	Kunkel
Clements	Gore	LaFollette
Clippinger	Gorski	Lane
Cochran	Granahan	Larcade
Coffee	Granger	Latham
Cole, Mo.	Grant, Ala.	Lea
Cole, N. Y.	Green	LeCompte
Colmer	Gregory	Lesinski
Combs	Griffiths	Lewis
Cooley	Hagen	Link
Cooper	Hall, Edwin Arthur	Luce
Corbett	Hall, Leonard W.	Ludlow
Courtney		Lyle
Cox		Lynch

McCormack
McCowen
McDonough
McGehee
McGlinchey
McMillan, S. C.
McMillen, Ill.
Madden
Mahon
Maloney
Manasco
Mankin
Mansfield, Mont.
Mansfield, Tex.
Marcantonio
Martin, Iowa
Mathews
May
Merrow
Michener
Miller, Calif.
Mills
Monroney
Morgan
Mundt
Murdock
Murphy
Murray, Tenn.
Murray, Wis.
Neely
Norblad
Norrell
O'Brien, Ill.
O'Brien, Mich.
O'Konski
O'Neal
O'Toole
Outland
Pace
Patman
Patrick
Patterson
Peterson, Fla.
Pfeifer
Philbin
Pickett
Pittenger
Poage
Price, Fla.
Price, Ill.
Quinn, N. Y.
Rabaut
Rabin
Ramey
Rayfiel
Resa
Richards
Riley
Rizley
Robertson, Va.
Rockwell
Rodgers, Pa.
Roe, Md.
Roe, N. Y.
Rogers, Fla.
Rogers, Mass.
Rogers, N. Y.
Rooney
Rowan
Ryter
Sabath
Sadowski
Sasscer
Savage
Scrivner
Sharp
Sheppard
Sheridan
Sikes
Simpson, Ill.
Slaughter
Smith, Maine
Smith, Va.
Somers, N. Y.
Spence
Starkey
Stefan
Stevenson
Stewart
Sullivan
Sumners, Tex.
Sundstrom
Talbot
Talle
Tarver
Taylor
Thomas, Tex.
Thomason
Tibbott
Tolan
Torrens
Traynor
Trimble
Vinson
Voorhis, Calif.
Vursell
Walter
Wasielewski
Weaver
Welchel
Welch
White
Whitten
Wickersham
Winstead
Wolcott
Wolverton, N. J.
Wood
Woodhouse
Worley
Zimmerman

ANSWERED "PRESENT"—2

Dingell Gathings

NOT VOTING—49

Adams
Arnold
Baldwin, N. Y.
Beall
Bland
Bonner
Buck
Cannon, Fla.
Cannon, Mo.
Chapman
Clark
Cole, Kans.
Curley
Domengeaux
Durham
Fisher
Gardner
Gibson
Gossett
Hale
Henry
Herter
Holifield
Holmes, Mass.
Jackson
Jarman
Kelley, Pa.
Kilburn
Knutson
Landis
McConnell
McGregor
McKenzie
Miller, Nebr.
Morrison
Norton
Peterson, Ga.
Powell
Priest
Rains
Randolph
Rich
Rivers
Robinson, Utah
Robsion, Ky.
Schwabe, Mo.
Sparkman
Stigler
Thom

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Knutson for, with Mr. Dingell against.

Mr. Gathings for, with Mr. Priest against.

Mr. Miller of Nebraska for, with Mr. Sparkman against.

Mr. McGregor for, with Mrs. Norton against.

Mr. Beall for, with Mr. Powell against.

Mr. Kilburn for, with Mr. Gardner against.

Mr. Buck for, with Mr. Curley against.

Mr. Morrison for, with Mr. Kelley of Pennsylvania against.

Mr. McConnell for, with Mr. Baldwin of New York against.

Mr. Rich for, with Mr. Hale against.

Mr. Henry for, with Mr. Rivers against.

Mr. Schwabe of Missouri for, with Mr. Randolph against.

General pairs until further notice:

Mr. Durham with Mr. Holmes of Massachusetts.

Mr. Jackson with Mr. Robsion of Kentucky.

Mr. Peterson of Georgia with Mr. Herter.

Mr. Bland with Mr. Cole of Kansas.

Mr. Rains with Mr. Adams.

Mr. Holifield with Mr. Landis.

Mr. Stigler with Mr. Arnold.

Mr. GATHINGS. Mr. Speaker, I have a live pair with the gentleman from Tennessee, Mr. PRIEST. If he were present, he would have voted "yea." I voted "yea." I withdraw my vote and vote "present."

Mr. DINGELL. Mr. Speaker, I have a live pair with the gentleman from Minnesota, Mr. KNUTSON. If he were present, he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. SPENCE and Mr. MARTIN of Massachusetts demanded the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 359, nays 24, not voting 48, as follows:

[Roll No. 47]

YEAS—359

Abernethy
Allen, Ill.
Allen, La.
Almond
Andersen, H. Carl
Anderson, Calif.
Andresen, August H.
Andrews, Ala.
Andrews, N. Y.
Angell
Arends
Arnold
Auchincloss
Bailey
Baldwin, Md.
Barden
Barrett, Pa.
Barrett, Wyo.
Barry
Bates, Ky.
Bates, Mass.
Beckworth
Bell
Bender
Bennet, N. Y.
Bennett, Mo.
Biemiller
Bishop
Blackney
Bloom
Bolton
Boykin
Bradley, Mich.
Bradley, Pa.
Brehm
Brooks
Brown, Ga.
Brown, Ohio
Brumbaugh
Bryson
Buckley
Buffett
Bulwinkle
Bunker
Burch
Burgin
Butler
Byrne, N. Y.
Camp
Campbell
Carlson
Carnahan
Case, N. J.
Case, S. Dak.
Celler
Chelf
Chenoweth
Chiperfield
Church
Clason
Clements
Clippinger
Cochran
Coffee
Cole, Mo.
Cole, N. Y.
Colmer
Combs
Cooley
Cooper
Corbett
Courtney
Cox
Cravens
Crosser
Cunningham
D'Alesandro
Davis
Dawson
De Lacy
Delaney, James J.
Delaney, Hébert
Dingell
Dirksen
Dolliver
Dondero
Doughton, N. C.
Douglas, Calif.
Douglas, Ill.
Doyle
Drewry
Dworshak
Earthman
Eaton
Eberharter
Elliott
Ellis
Elsaesser
Elston
Engel, Mich.
Engle, Calif.
Ervin
Fallon
Feighan
Fellows
Fenton
Fernandez
Flannagan
Flood
Fogarty
Folger
Forand
Fuller
Fulton
Gallagher
Gamble
Gary
Gavin
Gearhart
Geelan
Gerlach
Gifford
Gillespie
Gillette
Gillie
Goodwin
Gordon
Gore
Gorski
Graham
Granahan
Granger
Grant, Ala.
Grant, Ind.
Green
Gregory
Griffiths
Gross
Gwinn, N. Y.
Gwynne, Iowa
Hagen
Hall, Edwin Arthur
Hall, Leonard W.
Halleck
Hancock
Hand
Hare
Harless, Ariz.
Harness, Ind.
Harris
Hart
Hartley
Havenner
Hays
Healy
Hébert
Hedrick
Heffernan
Hendricks
Heselton
Hess
Hill
Hinshaw
Hobbs
Hoch
Hoeven
Holifield
Holmes, Wash.
Hook
Hope
Horan
Howell
Huber
Hull
Izac
Jenkins
Jennings
Jensen
Johnson, Calif.
Johnson, Ill.
Johnson, Ind.
Johnson, Luther A.
Johnson, Lyndon B.
Johnson, Okla.
Jonkman
Judd
Kean
Kearney
Kee
Keefe
Kefauver
Kelly, Ill.
Keogh
Kerr
King
Kinzer
Kirwan
Klein
Kopplemann
Kunkel
LaFollette
Lane
Larcade
Latham
Lea
LeCompte
LeFevre
Lemke
Lesinski
Lewis
Link
Luce
Ludlow
Lyle
Lynch
McCormack
McCowen
McDonough
McGehee
McGlinchey
McMillan, S. C.
McMillen, Ill.
Madden
Mahon
Maloney
Manasco
Mankin
Mansfield, Mont.
Mansfield, Tex.
Marcantonio
Martin, Iowa
Martin, Mass.
Mathews
May
Merrow
Michener
Miller, Calif.
Mills
Monroney
Morgan
Mundt
Murdock
Murphy
Murray, Tenn.
Murray, Wis.
Neely
Norblad
Norrell
O'Brien, Ill.
O'Brien, Mich.
O'Hara
O'Konski
O'Neal
O'Toole
Outland
Pace
Patman
Patrick
Patterson
Peterson, Fla.
Pfeifer
Philbin
Pickett
Pittenger
Ploeser
Plumley
Poage
Price, Fla.
Price, Ill.
Quinn, N. Y.
Rabaut
Rabin
Ramey
Rankin
Rayfiel
Reece, Tenn.
Reed, Ill.
Rees, Kans.
Resa
Richards
Riley
Rizley
Robertson, N. Dak.
Robertson, Va.
Robsion, Ky.
Rockwell
Rodgers, Pa.
Roe, Md.
Roe, N. Y.
Rogers, Fla.
Rogers, Mass.
Rogers, N. Y.
Rooney
Rowan
Ryter
Sabath
Sadowski
Sasscer
Savage
Schwabe, Okla.
Scrivner
Shafer
Sharp
Sheppard
Sheridan
Sikes
Simpson, Ill.
Simpson, Pa.
Slaughter
Smith, Maine
Smith, Va.
Somers, N. Y.
Spence
Springer
Starkey
Stefan
Stevenson
Stewart
Sullivan
Sumners, Tex.
Sundstrom
Talbot
Talle
Tarver
Taylor
Thomas, N. J.
Thomas, Tex.
Thomason
Tibbott
Tolan
Torrens
Traynor
Trimble
Vinson
Voorhis, Calif.
Vorys, Ohio
Vursell
Wadsworth
Walter
Wasielewski
Weaver
Welchel
Welch
White
Whitten
Whittington
Wickersham
Wigglesworth
Wilson
Winstead
Wolcott
Wolfenden, Pa.
Wolverton, N. J.
Wood
Woodhouse
Woodruff
Worley
Zimmerman

NAYS—24

Boren
Byrnes, Wis.
Canfield
Clevenger
Crawford
Curtis
Ellsworth
Gathings
Hoffman
Jones
Kilday
Lanham
Mason
Phillips
Reed, N. Y.
Short
Smith, Ohio
Smith, Wis.
Stockman
Sumner, Ill.
Taber
Towe
West
Winter

NOT VOTING—48

Adams
Baldwin, N. Y.
Beall
Bland
Bonner
Buck
Cannon, Fla.
Cannon, Mo.
Chapman
Clark
Cole, Kans.
Curley
Daughton, Va.
Domengeaux
Durham
Fisher
Gardner
Gibson
Gossett
Hale
Henry
Herter
Holmes, Mass.
Jackson
Jarman
Kelley, Pa.
Kilburn
Knutson
Landis
McConnell
McGregor
McKenzie
Miller, Nebr.
Morrison
Norton
Peterson, Ga.
Powell
Priest
Rains
Randolph
Rich
Rivers
Robinson, Utah
Russell
Schwabe, Mo.
Sparkman
Stigler
Thom

So the bill was passed.

The Clerk announced the following pairs:

General pairs:

Mr. Sparkman with Mr. Miller of Nebraska.

Mr. Peterson of Georgia with Mr. Knutson.

Mrs. Norton with Mr. McGregor.

Mr. Gardner with Mr. Kilburn.

Mr. Curley with Mr. Buck.

Mr. Morrison with Mr. Rich.

Mr. Kelley of Pennsylvania with Mr. McConnell.

Mr. Stigler with Mr. Hale.

Mr. Rivers with Mr. Henry.

Mr. Randolph with Mr. Schwabe of Missouri.

Mr. Priest with Mr. Cole of Kansas.

Mr. Domengeaux with Mr. Holmes of Massachusetts.

Mr. Chapman with Mr. Adams.

Mr. Durham with Mr. Herter.

Mr. Thom with Mr. Beall.

Mr. Powell with Mr. Landis.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Public Health of the Committee on Interstate and Foreign Commerce may be permitted to sit this afternoon during general debate on this legislation.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

DOMESTIC RAISING OF FUR-BEARING ANIMALS

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 544, Rept. No. 1634), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2115) relating to the domestic raising of fur-bearing animals. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same back to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

FEDERAL RURAL REHABILITATION PROJECTS

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 545, Rept. No. 1685), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2501) to authorize the Secretary of Agriculture to continue administration of and ultimately liquidate Federal rural rehabilitation projects, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall arise and report the same back to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

EXTENSION OF REMARKS

Mr. BREHM asked and was given permission to extend his remarks in the RECORD and include an editorial from the Washington edition of the Pittsburgh Courier.

Mr. LECOMPTE asked and was given permission to extend his remarks in the RECORD and include a resolution adopted by the American Legion of Albia, Iowa.

Mr. ELLIS asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. FLANNAGAN, Mr. FORAND, and Mr. VOORHIS of California asked and were given permission to extend their remarks in the RECORD.

Mr. FEIGHAN asked and was given permission to extend his remarks in the RECORD and include a resolution adopted by the United Benefit Society.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL—FISCAL YEAR 1947

Mr. SABATH. Mr. Speaker, I call up House Resolution 536 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That during the consideration of the bill (H. R. 5605) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1947, and for other purposes, all points of order against the bill or any provisions contained therein are hereby waived.

BENEFITS FOR AGRICULTURE

Mr. SABATH. Mr. Speaker, the Committee on Rules has said on several occasions it will not bring in a special rule waiving points of order on appropriation bills which include legislation. Nevertheless, we have granted such a rule for the Department of Agriculture appropriation bill. Most of the important provisions that would be subject to a point of order have received favorable consideration from the Committee on Agriculture. That committee has reported two bills that would make in order the main provisions in this bill, and the House has already acted favorably on the school-lunch bill.

Consequently, the Committee on Rules felt the rule on this bill should be granted waiving points of order to expedite beneficial appropriations for agriculture and the farmers of the Nation, and it is with real gratification I again offer a rule for agricultural appropriations.

The bill before us carries appropriations of $1,102,000,000 for the operation of the Department of Agriculture alone and for the administration of the many laws entrusted to that vast Department. These huge expenditures are almost wholly for the direct benefit of American farms and American farmers. The appropriations in this bill are greater than the entire cost of running the United States Government for a whole year before the First World War. It was not until 1910 that the annual budget for the Federal Government exceeded $1,000,000,000. Little of this billion-dollar appropriation will directly benefit those of us who live in the large population centers; nevertheless, it would not even occur to me to oppose a rule making it possible for us to vote on these appropriations in a bill carrying clear legislative provisions which, without this closed rule, would be subject to points of order.

ONE NATION, INDIVISIBLE

It has always been clear to me that we must all live together. There is no reason that the people of the cities should be at odds with the dwellers in the countryside. We are interdependent. We are one nation, indivisible. A prosperous farm population is essential to a prosperous city population, and farmers cannot produce at a profit when the urban populations have no money to buy with. We who live in the big cities are benefited, ultimately, by appropriations made directly to help the farmers.

Certainly I shall not, and surely other members from urban centers will not, make any objection to this rule or to the appropriation bill; yet whenever we come in here with legislation to the interest of the big population centers all kinds of objections are raised. Last week we heard frequently of States' rights. Sincerely I hope we will hear none of that, and I expect we will hear none of it, in regard to this bill, notwithstanding that we are making appropriations here to be spent in the States and counties and townships through the many divisions of the Department of Agriculture.

I had intended to read, in my time, some of the individual items in the bill; but I shall not detain the House. You are all intelligent and well-informed. You have no doubt read the bill and are familiar with its provisions. However, in order that the whole country may know what we are doing here for the benefit of the agricultural industry, and for the farmers of the Nation, I ask unanimous consent, Mr. Speaker, that I may insert in my remarks certain figures that can be readily understood by the industrious farmers of our great country.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. GRANGER. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Utah.

Mr. GRANGER. I wish to compliment the gentleman on his stand on agriculture. Coming from a large city like Chicago, in the great State of Illinois, the gentleman has always been very fair in the consideration of agricultural problems. I believe he realizes that agriculture is just as important to the great city of Chicago as it is to the men who work on the farms.

LIVING COSTS OF 55 PERCENT

Mr. SABATH. I fully appreciate that. It is also necessary and in the interest of the farmer that things be manufactured and produced. That requires labor, and that labor must exist, at least, to be able to produce the things the farmers need, so I have always felt that not only the farmer but labor too should receive consideration. Unfortunately, many Members are willing to vote millions for the farmers; but when it comes to voting for legislation that may be beneficial to the workers of our Nation they vote against it.

We realize that the cost of living has gone up. It has gone up, especially on food, nearly 55 percent. Wage earners residing in the large centers, and even in the smaller, cannot exist on the low wages industry is trying to force upon the wage earners of this Nation.

Once more I plead that you gentlemen from the areas where this bill is going to help most directly will, in the future, and in all fairness, cease to oppose legislation that may make the life of millions of wage earners a little easier; will not join with a few spokesmen for big industry to rush through legislation to shackle the workers.

REAL WAGES REDUCED

I know some will say that wages of workers in the steel industry have increased. True, but those increases will be of benefit only to the highly organized wage earners. Steel workers are a small fraction of all organized workers; and at the highest possible estimate there are less than 16,000,000 members of labor unions, while we have a total of 55,000,000 workers. Thus there are some 39,000,000 unorganized wage earners and white-collar workers who will not share in any wage increases forced from reluctant business by demands of organized labor.

They will, in fact, suffer a reduction in their real incomes; for industry extracted from our Government, before any wage increases were granted, an increase in the prices of their products which again will increase the cost of living. We must not permit any further increase in the cost of living; and we must devise means to aid the millions of unorganized and underpaid workers faced already with food prices which have shot skyward in the last few years.

WHITE-COLLAR WORKERS SUFFER

Mr. Speaker, we must not lose sight of the plight of the white-collar workers, the annuitants, the pensioners—people whose dollar incomes are tightly fixed, and to whom every increase in living costs means a decrease in their real income. If living costs continue to rise, and I hope we have the intelligence and the courage to prevent that, there are millions of people whose incomes are less than $1,300 a year who will not be able to maintain standards of even bare decency.

Of course, the farmer does not get all that the wage earner's wife gives to the butcher or grocer for food. We fully appreciate that. Nevertheless, it is nearly impossible today for wives and mothers with perhaps three or four children to make ends meet. Something should be done. Something must be done.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. HARRIS. Of course, we are all concerned about the class of people that the gentleman refers to. It is a tremendous problem which we have to deal with, especially at this time when there is a tendency to inflation. I also come from a rural and agricultural area and want to commend the gentleman for his forthright stand on these matters which are of such tremendous importance to the farmer.

Mr. SABATH. Mr. Speaker, I shall not detain the House any longer. I realize that we have had 7 or 8 days of hard debate in the House. Many gentlemen hope to attend to at least part of the accumulated work that awaits them in their offices and elsewhere. So I shall conclude my remarks. I have obtained permission to extend my remarks and insert therein some figures and some editorials on the points applicable to the legislation before us.

WHAT EVERY FARMER SHOULD KNOW

It appears to me that every farmer should know that more benefits have been extended to him during the past 12 or 13 years than in the history of any other administration.

During the last 13 years the Democratic Party, first under the leadership of the late Franklin D. Roosevelt and now under the leadership of President Truman, and under a Democratic Congress, has given more direct aid to agriculture than did the Republican Party in all the years from the Civil War on, perhaps more than all administrations since the founding of our Republic. We have appropriated to the direct aid of agriculture since the Democratic Party won control of the House 14 hundred million dollars—14 billions of dollars.

We have rescued the farmers from the clutches of Wall Street and the loan sharks. We have provided low-cost crop insurance; low interest rates; orderly distribution of products. We have made possible stabilization of marketing; improved farm roads; irrigation projects, reclamation projects. We have electrified the farm through Rural Electrification Administration, and have made possible on millions of farm homes radios, electric sewing machines, electric washers and milkers and feed grinders. We have made possible cooperative telephone service in communities where private companies could not go with profit.

We have reduced interest rates. The farmer has been able to escape from his mountain of debt; to buy automobiles and trucks and tractors and combines, and pay interest less than half that he paid in years gone by.

FARMER RESCUED FROM WALL STREET

The farmer has paid off his mortgages, improved his property, increased his crop yield and his livestock.

It has been possible, without sacrificing his homestead, for the American farmer to buy the machinery to reduce tremendously the toil and time required to plant and to harvest. Never before in history have bank deposits been heavier in the community banks of the farm belt, and today 60 percent of farms are clear of mortgages.

This vast program of improvement for the farmer, conceived and carried out by the Democratic Congress and the Democratic administration, was not done merely to gather in votes but because it was the due of the farmer, exploited by bankers and loan sharks and insurance companies, by industry and business, by Wall Street and the gamblers of the grain pits, for generations. By creation of the Farm Credit Administration, Farm Security, Federal Crop Insurance, Federal Land Banks, Farm Mortgage Corporation, Commodity Credit Corporation, Agricultural Adjustment Agency, and other practical, down-to-earth administrative measures the American farmer has been made into an independent businessman, able to meet the greed and avarice of "big money" on an equal basis and hold his own.

At the same time, the research functions of the Department of Agriculture have been expanded, and every farmer's unceasing toil is rewarded by new and more bountiful production in a stable market. Everything possible to human ingenuity has been done to restore the balance between farming and industry.

And I repeat: All this has been made possible by the hard work, legislation, and honest and able administration of the Democratic Party.

FARMERS WILL SUPPORT ADMINISTRATION

Why, then, Mr. Speaker, I am moved to ask, does the American farmer refuse to recognize what this administration has done for him?

I know the worker and the professional man and the small manufacturer and businessman—and I do not include in that list the big combines and monopolies and the big finance houses; I mean the real small businessmen—do show appreciation, and recognize the benefits that have flowed from this administration. Year after year the Democrats have been returned to power in spite of the most extravagant campaigns of misrepresentation and propaganda. The legislators elected by businessmen and workers and professional men of the cities have faithfully supported the administration in all its legislation for the benefit of agriculture. They know that the prosperity of one depends upon the prosperity of the other. The farmer must have a market for his produce; and the laborer must have a market for the goods he has manufactured. We are indivisibly interdependent.

Yet year after year the farm communities send to Congress Republicans who have given no service but lip service.

FARMERS HAVE PROSPERITY

Is it perhaps because they can read no newspapers but Republican newspapers, no magazines but Republican magazines—almost, one can say, hear no radio broadcasts but those sponsored and paid for by big industries who hate and fear the administration?

It seems to me the truth has not been brought home to the American farmer; he has not been given the facts on which to learn the truth that it is the Democratic Party which has made possible the present prosperity and security. It was not the Democratic Party which promised a car in every garage and a chicken in every pot, and then left us with scarcely a pot to cook in; but it was the Democratic Party which has brought to the American countryside a solid prosperity and security never before known, in any land, to the farmer.

I am glad, Mr. Speaker, immensely glad, to know that the American farmer has won through to this prosperity and security.

But the point I am making is that they do not seem to believe in the old maxim that one hand washes the other.

I know that American farmers are honest and cooperative, and if they knew the facts they would support the Democratic Party solidly and wholeheartedly. It is our duty, then, Mr. Speaker, to bring home the truth and to inform them of all that has been done in their behalf and for their advantage.

The Republican Party, to which the farmers tend to cling, calls itself the party of Abraham Lincoln.

DEMOCRATS FOLLOW LINCOLN

But in all truth, Mr. Speaker, it is the Democratic Party which has carried the torch of freedom and equality held high by that man of the people. It is the Democratic Party which has actually practiced the Lincoln principles of government "of the people, by the people, for the people." The Republican Party has preached those principles; but it has practiced a strangely different policy of government "of the people, by the few, for the few."

Possibly farmers are misled by the bankers of their communities—the same bankers who, in the dark years of 1929, 1930, 1931, 1932, surrendered to the wolves of Wall Street and spread devastation and misery through the farm lands as mortgages were foreclosed without mercy. The bankers, Mr. Speaker, are not profiting from the low-interest, long-term loans of the farm-loan agencies created and supported by the Democratic Congresses of the past 14 years. I have no doubt but that they look with longing at the opportunities for fat profits they must, perforce, pass up.

Yes, it is true; I have not a single farm in my congressional district; but in almost 40 years of service in this House I have never ceased to advocate and support legislation for the benefit of farmers. I have always known that we cannot have prosperity and security in the cities while there is misery and want and fear on the farms. Therefore I am known in the House, and by all of you, as a friend of the farmer. Otherwise I would never make this statement; but as one friend to another I can say that the farmers of our country owe it to themselves and to the whole Nation to stand by the Democratic Party as the Democratic Party has stood by the farmers. I hope that in the coming elections and in the future they will not be any more misled but will follow the dictates of their hearts and conscience and give to their real friends, the Democrats, a vote of confidence.

CITY FOLKS MUST EAT

I can say this with clear conscience. This statement will not bring me a single vote. There are no farmers in the streets of Chicago. But if none of the people I have the honor to represent are farmers, there is not one of them who can exist without the products of the farms.

Now, Mr. Speaker, I shall briefly mention some of the items in this appropriation bill which illustrate what this Democratic Congress is doing for the benefit of agriculture in 1946 and 1947, and what we authorized in 1945.

Soil conservation and related programs

Spent in 1945	$419,669,475
Estimated for 1946	414,742,314
Estimated for 1947	370,282,248

Subsidy, price support, and related programs

Spent in 1945	$2,373,958,389
Estimated for 1946	2,704,960,902

(1947 estimates in making.)

Loan programs

Total, 1945	$1,810,467,668
Estimated for 1946	1,728,887,831

(1947 estimates in making.)

Payments to States for extension work and agricultural experiment stations

Spent in 1945	$26,825,712
Estimated for 1946	31,566,359
Estimated for 1947	35,929,753

Figures are dull things, and I will forego any further tabulations of the amounts authorized for forestry, for experimental work, for home economics and crop insurance, and for marketing services and inspections, for control of insect pests and plant and animal diseases, and a bewildering variety of other services.

The estimated total for 1947 cannot yet be given, for those figures are in course of preparation; but in 1945, a year of unprecedented prosperity on America's farms, the total of all authorizations for appropriations, for RFC loan funds—and you see RFC money is not exclusively for banks and railroads—and for all capital funds, reached the astonishing total of $5,046,456,618—more than $5,000,000,000.

And that was only $60,000,000 more than the 1945 total of $4,785,424,416.

I now yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, I have before me the report of the Committee on Appropriations on the agriculture appropriation bill for 1947. I note with more than a little alarm the reduction recommended in the report for the expenses of administering the agricultural conservation program. The Budget allotment of $28,341,098 for expenses of administering this program has been adjusted as follows: The increase of $1,356,710 to enable the county association to provide assistance in meeting problems of postwar agriculture has been disallowed; the increase of $964,767 for additional assistance through county associations in developing and carrying out the conservation program has been disallowed in the sum of $440,000; the Budget increase of $379,500 for making acreage measurement on all tobacco farms where marketing quotas are in effect has been allowed together with an additional increase above the Budget of $358,500, making in all for this purpose $1,146,000. The total allotment for administrative expense is thus $26,942,888, or a total reduction for administrative expenses of $1,756,710. This reduction in funds appears then to be directed entirely to those areas which are nontobacco producing, which in my opinion is an unfair distribution of this reduction.

The membership of our county AAA boards is made up of farmers who take of their own time to serve their friends and neighbors. The time that is spent in this work by these men is far less remunerative than this same time spent on their respective farms. I believe that there is no person who can honestly deny that the county boards of the triple A have done an outstanding job of farm leadership during the war. The need during that period for this leadership was great and these boards through planning and advising on farm practices were to the greatest extent responsible for the record production of the American farmer. I firmly believe that in this postwar period there is an increasing need for the same farm leadership and no agency is as well fitted for this important task than the farmer-elected and farmer-manned county boards. These boards are today operating on a budget that makes it difficult to render efficient service and now we find that they are to be further handicapped by a reduction in their administrative expenses. The reduction has been made directly to those non-tobacco-producing sections and it is these sections which are contirbuting the most toward the food production of this Nation. I sincerely trust that this reduction will be restored to the end that this vital program may be continued with at least sufficient funds to allow its administrators to do this important work efficiently.

THE CASE OF THE MISSING LOBSTERS

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. BENDER].

Mr. BENDER. Mr. Speaker, on Tuesday, March 5, one of Cleveland's leading restaurants published an advertisement in the daily papers announcing that henceforth its famous lobsters would be missing from the menu. Certainly with all the major problems facing our country today, the case of the missing lobsters would appear to be a most insignificant matter. But, unfortunately, the lost lobsters are symbols of a Government policy which is highly important to all of us.

Under our present half-hearted, evasive policy, our Government has set up OPA ceiling prices on most retail sales. The price freeze in the restaurant business used April 1943, as the critical date. At that time, lobsters were sold in this famous eating place at $1 for a 1-pounder. In 1943, that lobster cost the folks who operate the restaurant 43 cents, plus express charges. But here is the rub. The OPA never bothered to freeze the wholesale price of that same lobster, and today the cost to the restaurant owner is a dollar a pound, plus express, for the uncooked lobster. Just how anyone can stay in business charging the customer less than the cost price for uncooked food, even the OPA cannot tell you.

If this were an isolated instance, no one would have the right to complain. But the process runs up and down the line. Our Government is always talking about the way in which it has "held the line." Ask your small businessman how they have held the line. Ask the veteran, who is trying to get into a retail-merchandise business, how they have held the line. Ask the fellow back from the war who is trying to buy a suit of clothes, or a white shirt, or a decent pair of shoes, how they have held the line.

Ask the housewife, who tries to make ends meet on a fixed weekly budget, how much it costs her to get by.

The administration, the OPA, has not been holding any line. It is simply throwing a line, and it is about time the country got wise enough to demand simple, forthright honesty instead of fancy statistics showing how cheap you can get something that is not worth the price or simply cannot be found.

Mr. BENNETT of Missouri. Mr. Speaker, will the gentleman yield?

Mr. BENDER. I yield to my industrious friend.

Mr. BENNETT of Missouri. The gentleman said the OPA was not holding any line. It is holding the headlines, is it not?

Mr. BENDER. It is holding the headlines, and that is about all.

You Members know, that with the prices of commodities today, that your dollar is worth about 55 cents. You try to buy a suit of clothes in any store today, if you can buy one, and you get the shoddiest kind of a garment. When you buy foodstuffs you know you are not getting the values you got 4 years ago.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. BENDER. I yield to the dean of the Ohio delegation.

Mr. JENKINS. The study made by the Republican Food Study Committee, of which I happen to be chairman, has shown that OPA has held the line on only two commodities; one of those is bread, and that was done by the use of subsidies by the millions, and the other is milk, on which subsidies amounted to billions.

Mr. BENDER. The gentleman is absolutely right. Why permit to go unchallenged here in the well of the House the assertion that OPA is holding the line, when we know otherwise? It is propaganda and applesauce.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 2 minutes to the gentleman from South Dakota [Mr. MUNDT] and ask unanimous consent that he may speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PICTURE AGAINST POLLUTION

Mr. MUNDT. Mr. Speaker, I take this time simply to announce to the House that through the courtesy of the Speaker, the Public Health Bureau, the General Electric Co., and the Izaak Walton League of America I have obtained the use of the caucus room in the Old House Office Building at 10:30 o'clock tomorrow morning for the purpose of showing the Members of the House who are interested a new technicolor sound picture on the subject of pollution control. The subject of the picture is Clean Waters.

I think after the long and arduous hours we have spent debating housing shortages that it will be refreshing to the Members to see some out-of-doors pictures in technicolor; pictures of good fishing, of sparkling mountain streams of America's great natural out-of-doors.

The film also contains some interesting factual and informative material on the subject of pollution control. I am sure most Members of the House are in favor of the control of pollution. I hope they are in favor of my H. R. 519. The Rivers and Harbors Committee presently will report out a bill dealing with the subject. Those of you who are in favor of it will enjoy the picture and it will fortify your good intentions, and those who are opposed to the correction of pollution in streams by Federal action will not only find the picture enjoyable but your opposition weakened and your dispositions somewhat improved by looking at this splendid picture.

I shall be happy to have you come to the caucus room tomorrow morning at 10:30 and see it.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from Minnesota [Mr. JUDD] for a consent request.

EXTENSION OF REMARKS

Mr. JUDD asked and was given permission to extend his remarks in three instances and in each to include certain printed excerpts.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL—FISCAL YEAR 1947

Mr. ALLEN of Illinois. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana [Mr. LAFOLLETTE] and ask unanimous consent that he may speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

GM POLICY FOMENTS COMMUNISM

Mr. LAFOLLETTE. Mr. Speaker, I appreciate this opportunity to say that I have been granted a special order tomorrow of 30 minutes. I think the members of the House Committee on Un-American Activities ought to be here because I intend to discuss certain aspects of the General Motors strike and the attitude of Mr. Anderson, General Motors vice president in charge of personnel, which I think amounts to spreading and propagating communism. That seems to be his purpose in discrediting Walter Reuther, who is the American Communists' pet hate. Mr. Anderson knows this.

I think the members of the Committee on Un-American Activities ought to be here to hear what I shall have to say, because it concerns what I think is General Motors' deliberate attempt to encourage the spread of communism so that it may create a class struggle. Out of that struggle it can impose a right wing totalitarian government upon the whole country.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from Kentucky for a unanimous-consent request.

EXTENSION OF REMARKS

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from California [Mr. JOHNSON] to submit a consent request.

Mr. JOHNSON of California asked and was given permission to extend his remarks in the Appendix of the RECORD and include an address by Dr. Condon.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL—FISCAL YEAR 1947

Mr. SABATH. Mr. Speaker, I yield 2 minutes to the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS. Mr. Speaker, we have just passed the housing bill. During the 6 to 8 days of debate many dark predictions were made as to what may happen to housing in the United States.

I am pleased to say that just a few moments ago I received a telegram from the commissioner of public utilities, Clyde E. Fant, of my home town, Shreveport, La., which according to the census of 1940 had a population of 100,000. I asked him in a telegram what permits for building construction had been issued for the current year and I have this telegram in reply:

> One hundred and twenty permits issued in January totalling $386,000. One hundred and one permits issued in February totaling $428,000. Issuance of all these permits means construction has begun.

Mr. Speaker, with the help of the bill we have just passed the American people are going to do a magnificent job in my home town, Shreveport, La.; they are already going to work to catch up on housing; and they are already at work giving the returning GI's the housing they need and deserve.

The SPEAKER. The time of the gentleman from Louisiana has expired.

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. TARVER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5605) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1947, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate continue throughout the day, to be equally divided and controlled by the gentleman from Illinois [Mr. DIRKSEN] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Georgia.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5605, with Mr. WHITTINGTON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. TARVER. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, your committee on agricultural appropriations brings to you the agricultural appropriation bill for the fiscal year 1947. This is the result of long and somewhat tedious hearings which began on January 14 and

continued for several weeks and of careful study on the part of the membership of the subcommittee.

We have no pride of authorship in any of the provisions of the bill. As you will note from the committee report, it carries a very considerable sum of money. We have sought to write a bill which would be fair to the interests of agriculture in the United States and at the same time fair to our National Government in view of the fiscal condition of our Treasury at the present time. We shall not resent but, on the contrary, shall welcome any effort by any member of the Committee of the Whole through the offering of amendments to the bill or otherwise to improve upon its provisions.

We do ask, however, that before any member of the Committee shall, by his vote or otherwise, undertake to bring about changes in the actions which have been recommended by the subcommittee, that he shall give consideration to the evidence that was developed upon the hearings had with relation to these estimates, and that he shall have some basis in the evidence upon which he may feel justified in urging that the committee's recommendations shall not be adhered to. You will observe from an examination of the hearings that they comprise something over 2,000 pages. I am not in the position of saying that after you have studied the evidence you may not feel justified or may not be justified in disagreeing with the actions which have been recommended by the subcommittee. But I do feel that in view of the long and arduous efforts which we have devoted to the production of this bill you ought not to disagree with us without having first familiarized yourselves with the evidence upon which you should base your conclusions.

Our subcommittee is composed of the chairman of the full committee, the gentleman from Missouri [Mr. CANNON]; the gentleman from Texas [Mr. SHEPPARD]; the gentleman from Mississippi [Mr. WHITTEN]; the gentleman from Illinois [Mr. DIRKSEN]; the gentleman from Vermont [Mr. PLUMLEY]; the gentleman from Minnesota [Mr. H. CARL ANDERSEN]; and myself. During a portion of our hearings we had the benefit of the attendance of the gentleman from Washington [Mr. HORAN], who is deeply interested in and familiar with agricultural problems. He served during the temporary absence from the hearings of the gentleman from Vermont [Mr. PLUMLEY].

The committee has approached the consideration of the many problems which are dealt with in this bill in a spirit of public service, and there has been no evidence of partisanship on the part of any member of the committee on either the majority or the minority side. All of its members have cooperated ably and earnestly in the work which we have accomplished and, of course, we have had the able assistance of one of the best executive secretaries who serves the Committee on Appropriations, Mr. Arthur Orr, and his able and efficient service has been in large measure responsible for some of the economies which we feel we have effected in the production of this bill.

The bill carries in direct appropriations $573,594,949, which represents a reduction below Budget estimates for the next fiscal year of $15,715,623, or a reduction below the level of appropriations for the present fiscal year of $31,616,336. Of course, direct appropriations are not the only subject matters which are dealt with in this bill. The total of the bill, when reappropriations, transfers of funds, and loan authorizations are included, is, as proposed by your subcommittee, $1,102,549,017, which is $40,715,623 below Budget estimates. It is manifestly impossible that I should within the limits of any reasonable time and without trespassing unduly on your patience undertake to discuss all of the subject matters which make up the tremendous amount of money which is represented by the appropriations, reappropriations, transfers, and loan organizations for which provision is made in the bill.

In making the very considerable reductions below Budget estimates which have been made in the bill, the committee has sought to keep in mind the needs of agriculture in this very trying period and to serve those needs as best it can be done through the various agencies of the Department of Agriculture. At the same time, we have not been unmindful of the distressed financial condition of our National Government and the heavy burden of taxation which must rest upon our people for many years to come as the result principally of wartime expenditures which it was impossible to avoid. We have tried, therefore, to effect economies in appropriations for the Department of Agriculture wherever that could apparently be done without endangering the ability of the Department to adequately serve the needs of the American farmer. At the same time, we have felt that it would be false economy to destroy or unduly limit the service to agriculture of this Department at a time when the American farmer is facing greater problems and difficulties than during any period in our recent national history. Our bill, therefore, is neither a pinchpenny bill nor an extravagant approval of every suggestion for the appropriation of funds which has been made. We have sought to pursue a middle course between extremes.

I intend to refer to some of what I believe to be outstanding matters which I believe it will be of interest to the members of the Committee of the Whole. If after I have done this there are other matters to which I have not made reference which are of interest to any members of the Committee, I shall be very glad to give them such information with reference to those matters as it may be possible for me to do.

OFFICE OF THE SECRETARY

If members of the Committee who are interested will turn with me to page 34 of the committee report, they will find there a comparative statement of the amounts appropriated for 1946, the estimates for 1947, and the amounts recommended in the bill for 1947. You will observe that the committee has recommended no change in the Budget estimates for the Office of the Secretary, which are, however, $76,223 below the amount carried in the Agricultural Appropriation Act for 1946. There is one important limitation inserted by the subcommittee in the appropriation language for the Office of the Secretary. That is the provision which would make it impossible for the Department of Agriculture to have two warehouse examining services as they have at the present time. Our subcommittee, upon the basis of evidence developed in connection with its investigation of the War Food Administration, as well as upon the basis of evidence developed in connection with the pending bill, arrived at the conclusion that the duties and qualifications of warehouse examiners in the administration of the United States Warehousing Act and in the performance of duties for the Commodity Credit Corporation are substantially the same, that no logical reason exists why those services should not be combined, and that their combination would effect some economies in administration and would increase the efficiency of the service. We have, therefore, inserted this provision in the bill. On yesterday I was advised by the Secretary of Agriculture, Mr. Anderson, that without awaiting the enactment of the bill he has by order provided for the consolidation of these two services.

PENALTY MAIL

The Budget estimate for penalty mail which is $52,740 below the appropriation for the present fiscal year has been approved in the amount of $3,186,000. The committee do not feel that there is very much that they can do under existing procedure in effecting economies in the use of penalty mail. In my opinion, the legislative committee having jurisdiction should give consideration to the desirability of reviewing and perhaps amending existing legislation relating to penalty mail.

OFFICE OF SOLICITOR

The burdens of the Solicitor's office will be considerably increased because of additional programs to which reference is made in the report and for which provision is made in the bill. However, the committee have not allowed in full the additional amount suggested by the Budget, having reduced that amount by $50,000, which still leaves the Solicitor's office with an appropriation of $2,334,115, including transfers, which is $45,400 in excess of the amount available to his office for the present fiscal year.

OFFICE OF INFORMATION

Budget estimates for the Office of Information have been approved, excepting that in the printing and binding item a reduction of $31,000 has been made in the proposed increase of $131,000 for publishing soil surveys. The committee realize the importance and desirability of this work but feel that under present conditions the provision of an additional $100,000 for this purpose is as much as may be well justified.

LIBRARY

Budget estimates for the Library, involving an increase of $11,889 over appropriation for the current fiscal year, have been approved.

BUREAU OF AGRICULTURAL ECONOMICS

The Bureau of Agricultural Economics in its operations during the past several years has become a considerable source of concern not only to the members of our subcommittee but to the Members of Congress who are interested in agriculture, and to the principal farm organizations of the country who are interested in the orderly and efficient functioning of this very important Bureau.

Our committee has regretfully reached the conclusion that in its activities the Bureau of Agricultural Economics has at times entered into fields of investigation for which the Congress had no purpose that it should be created. That is particularly true of some of its co-called planning investigations and its devisation of economic plans for the future of American agriculture. As one of its outstanding accomplishments in that connection, it has apparently been principally responsible for the devisation of the plan which is now advocated in many quarters of this country but, so far as I know, in no quarters that are interested directly in agriculture or that undertake ordinarily to speak for agriculture by which the American farmer shall in the future be deprived of the benefit of so-called support loans by the Commodity Credit Corporation and other devices intended to maintain a level above the level of world prices for agricultural products which are domestically consumed. It is proposed under this plan to provide for the farmer a world price level even for the portion of his production which must be sold in the United States, and if a farmer is unable to carry on upon the basis of world prices, that some relief shall be accorded him as a matter of donation or dole from the Treasury of the United States. That plan, so far as I know, has not been advocated by any farm organization, by any individual who even undertook to speak for American agriculture, or by any Member of Congress who comes from an agricultural area or by any responsible authority other than the Bureau of Agricultural Economics and certain college professors who have given some type of study to the theory which is involved.

Mr. BENNETT of Missouri. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I am glad to yield to the gentleman.

Mr. BENNETT of Missouri. Can the gentleman throw any light on the question of the attitude of the Secretary of Agriculture on that subject?

Mr. TARVER. If the gentleman will examine our hearings, he will find we went pretty fully into that subject matter, not only with Mr. Tolley, who heads the Bureau of Agricultural Economics, but with the Secretary of Agriculture. He will not find anything in the evidence of the Secretary of Agriculture indicating that he has so far decided that he should sponsor or support the plan which has been devised by the Bureau of Agricultural Economics.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. I am sure the distinguished gentleman from Georgia would not want to leave the impression that the great bulk of civil-service employees in the Bureau of Agricultural Economics are subject to the criticisms that he is offering at this time. I take it that the gentleman is only including some of the dreamers and schemers who happen for the time being to occupy the high positions in the Department. Am I correct in that assumption?

Mr. TARVER. I am not talking about individuals. I am talking about the results or lack of results which have been attained. I shall not undertake to place individual responsibility for those results or lack of results. I could detail quite a number of other items where the work of the Bureau of Agricultural Economics has not in my individual judgment been helpful to the American farmer.

For example, that Bureau, in my judgment, is in large part responsible for the perfectly senseless and ridiculous proposal recently announced by the Office of Price Administration to place a ceiling on the 1946 crop of raw cotton, having furnished the statistical data upon the basis of which the Office of Price Administration is supposed to have taken the action which is contemplated by it, and having sought, through the head of the Bureau of Agricultural Economics, to justify the theory that such ceiling should be imposed, in connection with the hearings had before our subcommittee.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. BROWN of Georgia. I want to congratulate the gentleman and his committee for having brought out the amount provided for the Soil Conservation Service. I think this agency has done more to benefit the farmer than most any other agency, according to the cost of it. You have the Soil Conservation Service, with its soil-conservation districts, and its activities in the way of mapping out and planning, such as terracing, ditching, selecting soils, and telling the farmer what is the best thing to grow on the particular area of land. I think this agency has rendered a great service, too. I know the head of it in Georgia, Mr. T. L. Asbury, is a gentleman from my own district. He has done a wonderful job in Georgia, and he has the respect of all the farmers I know of. I want to congratulate the gentleman in bringing in the appropriate amount so that this agency can carry on.

Mr. TARVER. I thank the gentleman for his statement.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. GRANGER. I take it the person to whom the gentleman referred had a college education, had he not?

Mr. BROWN of Georgia. Yes. He was a graduate from an agricultural school. He happens to be from my district at this time.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. LUTHER A. JOHNSON. I simply want to supplement the statement made by the gentleman from Georgia in commending the committee for increasing the appropriation for the Soil Conservation Service. I think that is one agency of the Department of Agriculture that has done very fine work.

Mr. TARVER. I intend to discuss the Soil Conservation Service later on. I thank the gentleman from Texas. I do think, indeed, that it has accomplished very fine work.

I started to say that activities of the BAE of the kind to which I have referred, and others which I shall not mention, have not been, in the judgment of our subcommittee, in the interest of American agriculture. We have undertaken to provide in this bill for a very substantial reduction in the amount of the Budget estimates for the Bureau of Agricultural Economics, with the purpose of eliminating its so-called planning activities, and limiting its activities to the purpose for which we conceive it to have been originally created, the collection and distribution of statistical and factual data relating to agriculture.

We have, therefore, effected some changes in the language of the appropriation, intended to bring about this result. Then, in order to be more effectual than would be possible by merely a change in language, we have eliminated from the Budget estimates $485,543 of funds which would have been devoted to this purpose, which we consider to be beyond the proper field of endeavor of this particular Bureau.

We have also eliminated from the Budget estimates for livestock estimates in the Bureau of Agricultural Economics $107,000, which was estimated for the purpose of gathering statistics as to cattle and livestock of other types, slaughtered in non-Federally-inspected slaughterhouses. If this activity was not necessary during the war it should not be necessary under present conditions.

OFFICE OF FOREIGN AGRICULTURAL RELATIONS

The committee has approved without change the Budget estimates for this office in the amount of $650,000 representing an increase over appropriations for the current fiscal year of $73,693.

EXTENSION SERVICE

The estimates for the Extension Service have been approved without change involving a very considerable increase of $4,000,000 for payments to States under the provisions of the Bankhead-Jones Act as amended but this increase is apparently the will of Congress which made provision therefor in recently enacted legislation.

AGRICULTURAL RESEARCH ADMINISTRATION

The committee have been impressed with the very great benefits to agriculture which have accrued in our research program, and may be anticipated in the maintenance and reasonable expansion of that program for the future. We have, therefore, approved the Budget

estimate, $460,500, involving an increase of $140,248 over the present fiscal year for the office of the Administrator plus a further increase of $20,000 for investigations concerning Alaska. A full explanation of these items is contained in the committee report.

In the office of Administrator of the Agricultural Research Administration you will note that an increase of $20,000 has been provided. That is only a superficial increase over the Budget; as a matter of fact, it takes the place of $110,000 in estimates which were distributed at various points throughout the bill for investigations concerning agriculture in Alaska. Your committee reached the conclusion that no one appearing before us, including the officials of the Bureau of Plant Industry, Soils and Engineering, and of the Bureau of Entomology and Plant Quarantine had any very clear idea of just what type of investigations in Alaska might possibly be beneficial to agriculture in that area. The head of the Bureau of Plant Industry, Soils and Engineering very frankly confessed his lack of sufficient information on that subject and agreed with us that the sensible thing to do before making these several items of appropriation which were proposed by the Budget, would be to send qualified personnel to Alaska to study the situation there and come back and give us advice as to what types of investigations might be carried on there with a prospect of their resulting in benefits commensurate with the amount of funds expended. So we have provided this $20,000 for investigations of that type rather than the $110,000 in the several items which were proposed by the Budget and which have been disallowed.

This $20,000 is not intended to take care of the cost of personnel, since members of the departmental staff will be used; it is intended to take care of travel and other expenses of personnel who visit Alaska for this purpose, except that, of course, some small part of it might be used in the employment of temporary personnel.

SPECIAL RESEARCH FUND

The Budget estimates for the special research fund in the amount of $1,193,000 have also been approved without change.

OFFICE OF EXPERIMENT STATIONS

The authorizations for payments to States under the Hatch Act, Adams Act, and Purnell Act have been provided for in full by the committee. In considering the items for this purpose authorized by the Bankhead-Jones Act for which the Budget had recommended $3,000,000, the full amount of the authorization, the committee realized that Congress has never appropriated the full amount of this authorization and only last year increased the amount of the appropriation from $2,400,000 to $2,663,708. The appropriation under the Bankhead-Jones Act was only $2,400,000 plus the amount of $63,708 necessary to prevent any State from losing money on account of the farm population shifts until last year when it was increased by $200,000.

Frankly, I think the evidence before our committee demonstrates that the larger portion of this increase was used in raising salaries in the States; at any rate, in view of the present condition of our National Treasury it was not felt by us on the committee that we would be justified in going beyond the amount which was appropriated for the present fiscal year. We have, therefore, disallowed the Budget estimate which would increase that amount by $336,292, to a total of $3,000,000, the full amount of the authorization.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. MURRAY of Wisconsin. Just to see if I understand the situation, the men for whom this money is appropriated in these different colleges are not on the Federal pay roll.

Mr. TARVER. That is true.

Mr. MURRAY of Wisconsin. They are on the State pay roll. Is that right?

Mr. TARVER. That is right.

Mr. MURRAY of Wisconsin. There might, therefore, be some justification for some of this money on the basis that they have to raise their salaries in order to keep them in their present positions. Is not that right?

Mr. TARVER. That is true. It is possible that in many cases salary raises were justified. I was simply pointing out that according to the evidence submitted to our subcommittee a large part of the increment in this appropriation made for the present fiscal year has been used for that purpose; and I apprehend that the Congress under the present financial condition of the Government would not be interested in making a further appropriation of $336,000, which would possibly not contribute anything to the benefit of the farmers in the several States but might contribute somewhat to the happiness of the employees of the experiment stations through further increase in salaries.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield further?

Mr. TARVER. I cannot yield any further at this time.

Mr. MURRAY of Wisconsin. I do not want to be left in any unfair position. I would like to answer that.

Mr. TARVER. I did not intend to put the gentleman in any unfair position. I will give the gentleman opportunity to answer the observations I have made.

Mr. MURRAY of Wisconsin. I will answer them.

Mr. TARVER. It is felt that the present financial circumstances of the Government do not warrant a further increase in this item at this particular time. The proposed Budget increase has, therefore, been disallowed as has also the item for an increased expenditure of $10,000 for Alaska, leaving the total amount of this appropriation exactly what it is for the present fiscal year. No changes have been made in the Budget estimates for salaries and expenses in the administration of grants and coordination of research with States nor for the Federal experiment station in Puerto Rico. The last mentioned item, however, involves an increase over the present fiscal year of $63,000 which is apparently made necessary by urgently needed construction at that station.

BUREAU OF ANIMAL INDUSTRY

The total estimates for the very important activities of the Bureau of Animal Industry aggregate the amount of $19,224,000 as compared to amounts appropriated for the present fiscal year of $17,671,599. The committee has made only a minor decrease in these various items of proposed appropriations amounting to $105,600. Both of these items which were disallowed are of such nature that appropriations therefor may, in our judgment, be postponed for the present without seriously impeding the work of the Bureau. The very large increase which has been approved is attributable in the main to increases made necessary in carrying on the work in the eradication of tuberculosis and Bang's disease. The proposed decrease disallowed consisted of $65,600 contemplated for additional facilities for metabolism and digestion trials with cattle, sheep, and swine; of $10,000 for the study of animal diseases in Alaska, and $30,000 for a new building for research on the poultry disease known as pneumocephalitis.

BUREAU OF DAIRY INDUSTRY

The committees have approved the estimates for this Bureau minus three items of $8,700 for enlargement of the research in evaluating mammary gland development in cattle and of $8,800 for the analysis of experimental breeding data and of $37,488 of total suggested Budget increase of $137,488 for an accumulated analysis tabulation in the Dairy Herd Improvement Association project. These disallowed items aggregate $54,988, but there remains an approved appropriation of $956,012 for this Bureau, which compares with $827,700 appropriated for the present fiscal year.

BUREAU OF PLANT INDUSTRY—SOILS AND AGRICULTURAL ENGINEERING

The total suggested appropriation for this Bureau was $7,107,700 as compared to $5,728,520 appropriated for the present fiscal year. Very large items of increase were proposed in connection with the appropriations for each of the subdivisions of this Bureau. The committee realize fully the very great importance to agriculture of the work of this Bureau and it has not considered unsympathetically the evidence with regard to various subject matters concerning which further and expanded investigation is deemed desirable. However worth while these objectives may be, the proposed increase appeared to our committee to be entirely out of line with most of the other estimates for the Department of Agriculture and to represent a program which however desirable should be approached more gradually than is contemplated by these estimates.

We have made six substantial reductions aggregating $621,000, but at the same time we have approved increases over the appropriations for the present fiscal year which aggregate $758,180. We believe that in taking this action we have been very liberal in dealing with the activities of this Bureau. Of course, new diseases of field crops, fruits, vegetables, and forest trees are continually developing or are being discovered. Presum-

ably if the work of this Bureau has been of value—and we think it has been of great value—some of these types of problems must have been solved in the course of the many years during which Congress has made appropriations for their study. It should not, therefore, be necessary whenever a new disease is discovered to appropriate additional money for research and to add additional personnel, but it should be possible to divert some of the money and some of the personnel from studies which have long been carried on either with or without favorable results to the study of these new problems.

BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE

The same observations which have been made with reference to the Bureau of Plant Industry, Soils, and Agricultural Engineering are applicable in some degree to the estimates for this Bureau. Substantial reductions in Budget estimates have been made aggregating $333,100. However, suggested Budget increases have been approved which add $703,100 to the amount of $6,260,800 available for the present fiscal year, making a total proposed appropriation of $6,963,900, which in our judgment will prove adequate for the needs of this Bureau.

There is a significant thing about the investigation carried on by each of these two last-mentioned bureaus. Whenever a new disease of plants or a new pest attacking plants, or a disease of livestock or a pest attacking livestock, is discovered, these officials come to Congress with an estimate for an appropriation to deal with that particular subject matter.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. TARVER. Mr. Chairman, I yield myself 20 additional minutes.

Mr. Chairman, thereafter officials of the Bureau come to the Congress year after year asking the same or increased amounts of funds for the purpose of carrying on those particular items of investigation. It is very rare that one of these investigations is ever completed. Many of them have been carried on for 20 or 30 years without resulting in the discovery of anything beneficial concerning the subject matter which is being investigated, yet they have not been abandoned. Whenever a new pest or disease is discovered, instead of taking some of the personnel that has been studying these problems for years without beneficial results, or in some cases who have completed their study of the problem and transferring them to the study of these new problems that arise, they come to Congress and ask for new appropriations to study the new disease or new pest.

It is our feeling that that ought not to be true; that after an investigation has been carried on for a considerable number of years, if no accomplishments have been reported, it should be abandoned, or if satisfactory results have been achieved, even in that case the personnel engaged in carrying on that investigation should be devoted to the study of other and newer problems. Our reduction in the Budget estimates for these two bureaus has something to do with our desire to have these bureaus adopt that sort of policy.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Utah.

Mr. GRANGER. I notice in the committee report, in speaking of the Bureau of Plant Industry and Soil, that they disallowed an appropriation of $26,800 for research in black root of sugar beets.

Mr. TARVER. I am glad the gentleman asked that question, because it has direct relationship to what I was just saying. You have $214,000 in the bill which can be used for studying diseases of sugar beets. Now just because they have found a new disease, black root in sugar beets, is no reason in our judgment, why the Bureau should come up to Congress and say, "Give us $26,800 more to study this particular disease." Our statement to them is, "Use some of the $214,000 that you have now which is carried in the bill for the next fiscal year for this study." They have been studying, I believe, curly top in sugar beets, or something like that, and other diseases of sugar beets for a long time. They have not accomplished very much in those studies. Perhaps they could do better if they would take over the study of this new black root disease and devote some time and attention to that; but why provide them additional money so that they can hire additional personnel for that purpose? Why not use some of the money and some of the personnel which has already been provided?

Mr. GRANGER. Mr. Chairman; will the gentleman yield further?

Mr. TARVER. I am sorry I cannot yield further at this time, but I will see that the gentleman has an opportunity to make a statement later.

CONTROL OF EMERGENCY OUTBREAKS OF INSECTS AND PLANT DISEASES

The amount of the Budget estimate, $2,800,000, has been approved for this item without change.

BUREAU OF AGRICULTURAL AND INDUSTRIAL CHEMISTRY

Several items of Budget estimates for this Bureau aggregating $144,100 have been disallowed. The major items disallowed are $40,000 of the Budget increase of $54,800 to investigate the biochemical factors responsible for plant disease resistance and the synthesis and mechanism of action of natural and synthetic plant harmones, and $59,700 to conduct research investigations on chemical methods of isolation and identification of substances of agricultural origins responsible for allergic reactions. These reductions, however, leave the Bureau with $5,021,900, or $58,800 more than was appropriated for the present fiscal year.

BUREAU OF HUMAN NUTRITION AND HOME ECONOMICS

The Budget estimates for this Bureau in substantially the amount of its appropriation for the present fiscal year have been approved as submitted.

WHITE PINE BLISTER RUST CONTROL

The total amount of these appropriations for the use of the Bureau of Entomology and Plant Quarantine, Forest Service, and Department of the Interior for the present fiscal year was $3,100,724. The Budget proposed to more than double this amount by the appropriation of $7,000,000. While the committee has been very greatly impressed with the importance of this work, it has not felt that the work on privately owned and State-owned lands should be expanded to the extent proposed by the Budget. If Members will examine the evidence of Dr. Rohrer in the hearings, they will find that he expressed doubt as to the legal authority of Congress to appropriate anything like the amount of money contemplated for this work in view of the fact that it far exceeds the amounts being expended by State and private landowners for the same purposes since the authorizing act contemplates that Federal expenditures shall be matched by State and private funds.

There are certain areas of State and privately owned forest lands upon which control work must be done by the Federal Government for the protection of national forests but aside from these there would seem to be no reason why, except for technical assistance and advice, the expense of the work on privately and State-owned lands should not be borne by the landowners. At any rate, your committee has eliminated $1,500,000 of the proposed Budget increase of $2,227,468 for cooperative blister rust control on State and privately owned lands, which, however, leaves a balance still in the bill for work of this character of $1,598,411 as contrasted with $870,943 appropriated for the present fiscal year, and $255,018 appropriated for the fiscal year 1945. This amount of money should amply take care of any reasonable obligation of the Federal Government for control work on State and privately owned lands. The other items of Budget estimate for White pine blister rust control were approved as submitted, the bill carrying $5,500,000 for that purpose, or an increase of approximately $2,400,000 over the amount made available for the present fiscal year.

FOREST SERVICE

Several important changes in Budget estimates have been made by your committee in dealing with items for the Forest Service. The first of these is the disallowance of the proposed expenditure of $479,000 for aerial photography and mapping of forest areas. The committee does not feel justified under present conditions in providing this large increase for this particular type of work, desirable as it may be when funds may be made available therefor. Fifty thousand dollars of a proposed increase of $100,000 to provide better supervision and control of public use of the national forests has been allowed, which the committee believes to be a sufficient increase in this item. The only other item of decrease for the Forest Service is that of $250,000 for acquiring lands in the Ozark and Ouachita National Forests in Arkansas, concerning which full explanation is made in the report. The committee have approved in full the addition of $507,000 for maintenance of improvements on the national forests and believe that the expenditure of this amount of money for this purpose is absolutely necessary.

Other items of increase proposed in the Budget involving forest protection

and management, forest and range management investigations, and forest resources investigations have been approved as submitted by the Budget. In addition, our subcommittee have considered very sympathetically the representations made by a large number of our colleagues who came before us with reference to the necessity for expanding the program of experimental forests and ranges. It has been a matter of great difficulty to try to properly evaluate this need and to provide for it upon a Nation-wide basis. We have not only approved the Budget estimate for an increase in this program of $250,419, but we have added an additional $480,000 which, according to the evidence of Forest Service officials, will be sufficient to establish and begin the maintenance of 16 new stations during the next fiscal year in addition to the maintenance of 37 old stations for which the Budget estimate of $695,555 is intended to provide. The total amount made available for the Forest Service, if the bill is approved, aside from permanent annual appropriations aggregating $5,500,000, will be $38,096,500, or an increase over funds made available for the present fiscal year of $7,311,054, although the total amount appropriated will still be $299,000 under Budget estimates.

FOREST ROADS AND TRAILS

The committee has approved a very substantial increase in this item, from $10,300,933 for the present fiscal year to $26,214,222 for fiscal year 1947, an increase of $15,913,289. We have approved in full the estimate of $12,500,000 for forest road development involving an increase of approximately $5,700,000 over funds made available for that purpose for the present fiscal year. We have done this because of our realization of the importance of making available, insofar as it may be done without permanently impairing our forest resources, of this huge reservoir of materials so badly needed in our present national home-construction program. However, we have felt justified in eliminating $10,000,000 of the total amount of $23,714,222 estimated for forest highways.

For this purpose only $3,500,000 was carried in the annual appropriation bill for the present fiscal year. These forest highways are, in the main, parts of Federal highway systems more essential to the use of the general public than to the development of national forests and the utilization of forest resources.

Whether or not justified, the tremendous expansion of the program as envisioned by the Budget is, according to the evidence of the Commissioner of Public Roads, probably beyond the capacity of his Bureau to carry out efficiently on account of conditions discussed by him in his evidence before us. He indicated in his evidence a feeling that the program might be reduced by $10,000,000 for the present fiscal year without interfering with its orderly progress, and your committee has felt justified in giving effect to his evidence along that line.

FLOOD CONTROL

The appropriation for flood control in the amount of $2,100,000, as recommended by the Budget, is now in this bill for the first time. Some members of the committee have viewed with disfavor the institution of another land-acquisition program, and have felt that the utilization of existing programs should be sufficient to take care of any properly planned activities of the Federal Government in this field. However, Congress has recently authorized by legislation the institution of such a program, and the committee feels obligated to submit the matter in this bill to the Congress for appropriate consideration. It is to be noted that the program is by no means confined to land acquisition; the only land-acquisition plan being in the State of Mississippi, the remaining portions of the program having to do with soil conservation and prevention of soil erosion are unquestionably thoroughly justified and are not subject to the doubt which has been expressed by me as to the soundness of the program.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Ohio.

Mr. JENKINS. I notice on page 41 of the committee report a plus item of $846,549 for forest resources investigations and one of $5,000 for forest products. In which of those, if either, comes this increase with reference to the experimental stations about which the gentleman is speaking? Does it come in either of those or does it come in the $880,000 item?

Mr. TARVER. It comes under the head of forest and range management investigations.

I shall have to pass along because I am consuming too much time.

SOIL CONSERVATION SERVICE

The Budget estimates for this service have been approved as submitted with an increase of $1,000,000 which is hereafter explained. While the appropriation proposed represents a very substantial increase of $5,133,400 above the appropriation for the present fiscal year, it must be noted that the major part of this increase is for furnishing technical aid to soil conservation districts, the number of which have very largely increased. It is only fair to these newly organized districts that the Federal Government should furnish to them the same type of technical assistance which it is furnishing to all others. The increase proposed by the Budget relates to this particular need and to nothing else. In addition, however, the committee has taken a great deal of evidence regarding the possibility of utilizing, in the programs of the soil conservations districts, surplus machinery and equipment which may be obtainable from the War Assets Corporation. We had evidence indicating that tremendous quantities of equipment which may be so utilized and which is badly needed are deteriorating and have been practically abandoned in many areas of recent military activity and might be transported to the United States and utilized in the soil conservation districts program at a minimum of cost. The proposed increase of $1,000,000 above the budget is not for the purpose of buying any new machinery or equipment but is only to be utilized if it is possible to make use of it in the way indicated. If it cannot be used in that way, it will not be expended.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. LUTHER A. JOHNSON. The gentleman is familiar with the so-called Poage bill, which has been introduced by my colleague from Texas, which is along the line of the suggestion that the gentleman has made.

Mr. TARVER. Yes; we had your colleague before our committee and heard his testimony with regard to this subject matter with a great deal of interest. He pointed out to us he had just returned from a trip to the Pacific area and that he had observed, as he expressed it, hundreds of acres of tractors standing idle and deteriorating which might be utilized in the work of the soil-conservation districts. We do not know whether it is going to be possible for the Soil Conservation Service to buy this machinery and equipment or not. We hope it will be. If it is bought it simply means the Government will be taking money out of one pocket and putting it into the other, because the Government will be buying it from itself. If it cannot be bought from the Surplus Property Administration or War Assets Corporation it is provided that the money shall not be spent.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield briefly.

Mr. LUTHER A. JOHNSON. Does not the gentleman think that the Committee on Rules ought to act favorably upon the Poage bill, which has been favorably reported out of the legislative committee so that the House could vote on the question of buying this machinery?

Mr. TARVER. I am not undertaking to revise the work of the Committee on Rules. I find I have considerable difficulty in discharging my own duties properly.

Mr. LUTHER A. JOHNSON. The gentleman does not have any opinion one way or the other on it?

Mr. TARVER. Oh, yes; I may have my own opinion, but I do not think it is my duty to accord advice to the Committee on Rules when it has not been solicited by them. I feel machinery and equipment of the type we have been discussing should be donated by the Government to such organizations as soil-conservation districts.

Mr. GRANGER. Of course, what this appropriation would do, if it is deficient, is actually what the Poage bill would do; is that not correct?

Mr. TARVER. I have not made any careful study of the Poage bill. This appropriation will do exactly what I have said it will do.

LAND UTILIZATION AND RETIREMENT OF SUBMARGINAL LAND

Budget estimates for the proper care and maintenance of lands acquired by

the Government in its submarginal land program have been approved as submitted in the amount of $1,453,000.

WATER CONSERVATION AND UTILIZATION PROJECTS

The Budget estimates for this activity representing a reduction of funds made available for the present fiscal year of $455,673, has been approved in the full amount of $700,000.

PRODUCTION AND MARKETING ADMINISTRATION CONSERVATION, AND USE OF AGRICULTURAL LAND RESOURCES

In the conservation and use of agricultural land resources commonly called the triple A program, the committee has made provision in the bill for the use of $42,500,000,000 of section 32 money to bring the amount estimated by the Budget up to $300,000,000 instead of $257,500,000 as recommended by the Budget. We did that because Congress, in passing the Agricultural Appropriation Act of 1946 impliedly promised the American farmer that $300,000,000 would be the amount of this program for the crop year 1946. Plans upon that basis have been prepared and sent out to triple A officials in every State of the Nation. State plans have been prepared upon the basis of expenditure of that amount of money. To refuse to provide the $300,000,000 as limited in the Agricultural Appropriation Act of 1946 at this time would be, in our judgment, a breach of faith with the farmers of the United States.

We have, therefore, made provision in the bill for carrying out this implied commitment on the part of the National Government, by restoring the amount which could be utilized for this purpose, to $300,000,000, and also providing for the seed-incentive program in the amount of $12,500,000.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. H. CARL ANDERSEN. Is it not a fact that the Secretary of Agriculture and Mr. Dodd, the head of the AAA requested of the Budget the full $300,000,000?

Mr. TARVER. The Secretary of Agriculture, and every other witness who appeared before our committee, giving any testimony concerning this problem, said that the whole $300,000,000 ought to be made available, and there was not a scintilla of evidence from any source to the contrary.

Mr. H. CARL ANDERSEN. Is it not a fact also that the American Farm Bureau head testified as to that necessity?

Mr. TARVER. He certainly did.

Mr. H. CARL ANDERSEN. In other words, Mr. TARVER, I believe you will agree with me that that particular program for the preservation of our soil should have as a minimum the sum of $300,000,000, if it is to be effective.

Mr. TARVER. Yes. I feel that this program is one of the most important to agriculture of any that are carried on by the Department of Agriculture. I do not regard it as a program under which donations are made to American farmers, as some people seem to feel. I regard it as a program for the protection of the soil of the United States, the soil being one of our natural resources which does not happen to belong to those who have warranty deeds to it, but which belongs to future generations of America, and which we must preserve for their benefit. I think that these expenditures are more nearly in accord with the wishes of a great majority of the American people than many others that we carry in this agricultural appropriation bill. I think this Nation is sold on the soil-conservation program represented by the Soil Conservation Service activities and by the activities which are carried on under the AAA. In my judgment, it will never be abandoned, although, as the gentleman has intimated, the Budget has been trying to bring about its abandonment. Last year, they recommended that the program for the 1946 crop year be limited to $200,000,000.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. TARVER. Mr. Chairman, I yield myself 10 additional minutes.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield further?

Mr. TARVER. I yield.

Mr. H. CARL ANDERSEN. Does not the gentleman from Georgia feel—I am sure he does, because I have heard him express that sentiment—that, after all, the soil of this great Nation, next to the children of America, is our most precious possession?

Mr. TARVER. I certainly agree with the gentleman.

SUGAR ACT

The committee has effected what amounts to a minor reduction of $1,500,000 below Budget estimates for the administration of the Sugar Act, leaving, however, a balance of $53,500,000 which is more than $5,000,000 in excess of the amount made available for the present fiscal year and should be amply sufficient for the purpose for which it is provided.

Now, we have made certain other cuts in appropriation items. Time will not permit me to make reference to them, as I have indicated heretofore.

SCHOOL-LUNCH PROGRAM

The school-lunch program has been brought in in the amount of $50,000,000, although the Budget estimated $75,000,000 for it. The House, only a week or so ago, passed a bill limiting the program to $50,000,000. It was felt by our subcommittee that this is an indication of the wishes of the House in the matter, at least for the present, and we have brought in that appropriation in the exact amount of the authorization contained in the bill which was passed by the House.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. VOORHIS of California. How does that figure compare with the figure for last year?

Mr. TARVER. The figure for the present fiscal year, including the deficiency estimate, which was approved, was $57,500,000, as the gentleman knows.

EXPORT AND DOMESTIC CONSUMPTION OF AGRICULTURAL COMMODITIES—SECTION 32 FUNDS

The bill carries provision for the reappropriation of $88,000,000 of balances not utilized in the fiscal years 1944–45 out of section 32 moneys and also for the reappropriation of whatever balance of these funds may exist upon the expiration of the fiscal year 1946, the amount of which balance cannot be at this time known. The wise use of these funds during the coming fiscal year in dealing with agricultural surpluses may be the means of assuring a quality of stability to agricultural prices which would not otherwise be attained. The amount of these funds available for that purpose is comparatively small when the over-all size of the problem which may be faced is taken into consideration. Certainly, there should be no failure to continue their availability.

MARKETING SERVICES

The appropriations as recommended by the Budget under this heading have been approved in full with the exception of $150,000 of the proposed increase for the administration of the Commodity Exchange Act, and $32,000 has been added above the Budget estimate for various minor items of market-news service which are discussed in the report. The reduction proposed for the administration of the Commodity Exchange Act still leaves available for that purpose $495,000 as against $335,780 appropriated for the present fiscal year, which in the judgment of the committee should be amply sufficient.

LOANS, GRANTS, AND RURAL REHABILITATION

Estimates for the Farm Security Administration for these purposes have been approved as submitted by the Budget, including $67,500,000 as a loan authorization. There has been no complaint submitted to the committee at this session with regard to the expenditure of these funds. The Farm Security Administration as at present administered appears to have fallen in line with the frequently expressed views of this committee concerning the elimination of practices which were justly subject to criticism. The liquidation of the so-called cooperative farm projects and other projects in which the Farm Security Administration had acquired vast land acreages is rapidly approaching completion. The program is now being conducted in a more practicable and common-sense way than in prior years and is being utilized principally in order to afford a much-needed measure of assistance to low-income farmers. Extravagances and impractical theories of former years have in the main been eliminated and we believe that under present administration further corrections in these particulars may be expected. Economies have been effected in the reduction of administrative personnel from approximately 17,000 to approximately 8,000 and these estimates contemplate still further economies in this connection during the next fiscal year. The appropriation suggested represents a reduction of more than a

million dollars below funds for administrative expenses appropriated for the present fiscal year.

FARM TENANCY

The Budget estimate for administrative expenses of the Farm Tenant Land Purchase Program in the amount of $2,804,000, which is a reduction below the present fiscal year appropriation, has been approved as submitted. There has also been approved the provision for $50,000,000 in loans from RFC funds the same amount provided in the present fiscal year.

WATER FACILITIES, ARID AND SEMIARID AREAS

The Budget proposed an increase of approximately $1,000,000 in funds for these purposes. The committee felt that, however, desirable the program may be, doubling the amount of funds available therefor has not been justified. We have therefore reduced the Budget estimate by $500,000, leaving an appropriation which still represents a 50-percent increase over the present fiscal year.

RURAL ELECTRIFICATION ADMINISTRATION

The amount of the loan authorization for REA as suggested by the Budget, $250,000,000, has been approved. The contemplated increase in administrative expense from $4,285,000 to $5,000,000 has been approved only to the extent of $215,000, or a total of $4,500,000. The REA program is one which has thoroughly justified itself and has been, and will continue to be, of great value to the farmers of the United States. The provision of adequate funds for this program is a duty which the Congress will always completely perform in my opinion. However, only slightly less than $36,000,000 was actually expended in the program during the first half of this fiscal year, and for the month of January 1946 only about $5,000,000 was expended. While it is hoped that impediments to construction of rural lines may be removed in the near future, it cannot be definitely known at this time to what extent the program may expand. Under these circumstances the provision of $4,500,000 for the administration of a program which has not involved during the present fiscal year the expenditure of greater sums of money than those stated is apparently very liberal and it is hoped may receive the approval of the Congress.

FARM CREDIT ADMINISTRATION

The appropriations for the administrative expenses of the Farm Credit Administration including the farmers' crop production and harvesting loans have been approved as submitted by the Budget with the exception of a reduction of $40,000 intended to provide a study of postwar problems of cooperatives as to the desirability and possible benefits of which studies the committee were not thoroughly convinced.

In conclusion, may I say to the Committee of the Whole that I realize very deeply the fact that I have not completely presented all of the details of the pending bill in which you are interested. The structure of the bill is so complex in character that I doubt if any member of the Committee or of the Congress can even thoroughly understand, much less discuss intelligently, all of the problems which are involved. Conservation of time has required that even insofar as I do understand them I should confine my discussion to some of the outstanding features of the bill. May I repeat in closing, the assurance which I undertook to give you in the beginning of my remarks to the effect that we have endeavored to be fair both to agriculture and to the National Treasury and we invite your examination and constructive criticism of our work.

I have now completed presentation of what in my judgment constitutes the principal items in the bill about which there might be some type of controversy, and I shall be glad to yield to any member of the committee who may have any further questions to address to me.

Mr. D'EWART. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. D'EWART. Does the gentleman from Georgia feel that the appropriations for farm tenancy and the water-facilities program are sufficient to take care of the veterans' needs during the coming year?

In my district there are a great many veterans who are appealing to the Farm Security organization for help in getting started in farm operations following this war.

Mr. TARVER. May I say to the gentleman that if this program of the Farm Security Administration is to be a veterans' program, the amounts that have been provided in this bill would not be a drop in the bucket. I have not thought and I do not believe our subcommittee feels or that the majority of the membership of the Congress feels that we want to remit the veteran to calling upon the Farm Security Administration for relief if he needs assistance in engaging in agriculture or any other activity of that sort.

This Farm Security Administration program was devised as a relief program for the very lowest income class of American farmers, and I do not want to be a party to saying to our returning veterans who are deserving of every possible consideration that they must go to these Farm Security supervisors and place themselves in the position of applicants for relief in order to get aid of the type they need. I think the veterans ought to get that aid under the provisions of the GI bill as amended and that if the provisions of that bill are not sufficiently liberal to take care of the reasonable needs of the veterans the bill ought to be still further amended in order to make provision for them. So far as I am concerned I am not going to vote to compel the veteran to turn to the Farm Security Administration in order to get the type of assistance he needs and deserves.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. H. CARL ANDERSEN. Mr. Chairman, the thoughts expressed by the gentleman from Georgia [Mr. TARVER] in this connection, state the absolute truth, that it would be a sorry pass if the veterans of America must depend upon Farm Security which has been instituted for the taking care of the needs of the farmers who are unable to make their own way in life. To force the veteran to depend upon that type of relief is not doing what we should for the veterans of the Nation.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. GRANGER. Would the gentleman mind going back to the question I asked him a while ago?

Mr. TARVER. I shall be glad to. Perhaps the gentleman misunderstood me. Perhaps I misunderstood him. I would be glad to have him ask any further question he desires in that connection.

Mr. GRANGER. The item of $26,800 which was stricken from the bill by the committee was an item that was requested primarily by Members who are interested in the Ohio Valley, where it was reported that black root in sugar beets might destroy the raising of sugar beets in that area it something were not done. A subcommittee from our committee was appointed to investigate that matter. We had farmers from the valley come to Washington, as well as scientists from the Department of Agriculture attend the hearings.

Mr. TARVER. I think I can shorten the matter. I have not disagreed with the gentleman's view that some money ought to be expended for this purpose. I have only said that the money ought to be taken from the $214,000 that we have in the bill for studying sugar-plant problems rather than that a new appropriation should be made for a particular disease.

Mr. GRANGER. I think perhaps that is true, but the fact is the investigation will not be made unless there is an additional appropriation.

Mr. TARVER. Perhaps the gentleman might prepare an amendment which would provide that this $214,000 may be used in part for an investigation of the black-root disease of sugar beets. That would be entirely proper. But if we are to provide an additional appropriation for every disease and for every pest that is discovered from time to time the appropriation bill for the Department of Agriculture will grow like a snowball as during certain periods in the past it has done.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from California.

Mr. PHILLIPS. On the same subject the gentleman from Utah discussed, this matter of an appropriation for the scientific investigation of sugar-beet diseases, and so forth, has produced some of the greatest cash dividends in the United States of any investigation carried on. As I understand it, the idea of the gentleman from Georgia is that this money should be expended but it should be expended out of an existing appropriation. May I ask, therefore, if in the setting up of that appropriation to which the gentleman refers enough money was put into that to allow for the investigation of sugar-beet diseases?

Mr. TARVER. Of course, it is impossible for the Appropriations Committee to know definitely just what amount of money out of the $214,000 appropriation made to investigate all of the problems of sugar beets should be devoted to the investigation of this particular disease or that particular disease; but we feel that the $214,000 is amply sufficient to enable them to divert a sufficient number of their personnel to the study of the black-root disease of the sugar beet and will enable them to begin at least coping with that problem and that it should not be necessary to provide a large additional appropriation for that specific purpose.

Mr. PHILLIPS. Will the gentleman permit a comment on that point by the gentleman from Utah?

Mr. TARVER. I shall be glad to yield time to gentlemen who desire to discuss that point.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. TARVER. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. BRADLEY].

Mr. BRADLEY of Pennsylvania. Mr. Chairman, I wish to direct the attention of the House and of the American people to a deplorable situation which exists in Europe today with regard to the Ukrainian people whose homeland is in Galicia, or what is also known as Western Ukraine. The history of the Ukrainian people, who are also sometimes called Ruthenians, has been a tragic one. Today they are being subjected to a relentless persecution on the part of the Soviet authorities which is unparalleled in the history of Europe. Previous to 1939 most of Western Ukraine was under the control of Poland and Czechoslovakia. This territory was seized by the Soviet forces immediately upon commencement of hostilities in Europe in that year. Since that time the Red authorities have been systematic in their efforts to liquidate the population of this region or to force the Ukrainian people to accept communistic philosophy and communistic ideologies. Hundreds of thousands of persons have been deported as slave laborers into the depths of Siberia. Wanton cruelty has been practiced, characterized by the absence of consideration for even the elementary principles of humanity. This conduct is being pursued even to this date by the Soviet masters of this area. The most violent methods are being used to destroy the religion of the Ukrainian people and to eliminate them as a national entity.

In addition to this persecution in the homeland of the Ukrainian people there is another serious problem confronting the displaced people of Ukrainia, who were seized by the Nazis when they made their drive to the east through Poland and across the Russian border. The German military authorities made captive hundreds of thousands of Ukrainians and placed them in the labor camps in Germany and the occupied countries. Thousands of others fled from Ukrainia to escape the horrors to which they were subjected by both the Nazis and the Communists. They are now scattered throughout France, Italy, Germany, Austria, and Switzerland. The Soviet Government is demanding that the United States and our allies, who are in control of the various localities where these people have sought refuge, forcibly return these poor people to territory under the domination of the Russians. To force them to return to Ukrainia or to any territory under the domination of the Communists is to condemn them to a fate worse than death.

Neither our Government nor our allies should be a party to such an arrangement. To do so would be to negative everything for which we fought. These people know what awaits them if they are forced to place themselves at the mercy of the communistic regime, which the Soviet has installed in the Ukraine to stifle liberty and to impose a way of life upon a people, who have nothing in common with communistic atheism. They should be allowed to determine their own future and not be forced to accept the alternative of a firing squad or of an imprisonment from which death would be but a welcome relief. The American Government has a responsibility at least for the Ukrainians, who are at present in the zone occupied by our troops and under no circumstances would we be justified in turning them over to the Soviet authorities or forcing them to return to Ukrania under conditions presently existing there.

I have communicated with our State Department and have made vigorous representations that we should intervene on behalf of these helpless people and also protest the treatment which is being accorded to those still in the Ukraine. The Right Reverend I. Bohachevsky, Ukrainian Catholic bishop of Philadelphia, has written to me regarding this matter and has set forth in detail full particulars with regard to the situation both in the Ukraine and as it concerns the Ukrainian refugees throughout Europe and his communication has been sent by me to the Secretary of State. There are over 1,000,000 Americans of Ukrainian birth or descent, thousands of whom have served in the armed forces of the United States and have fought for liberty and democracy. They have the right to expect that our Government will make every effort to assist those of their blood who are resisting an aggression that is just as despicable and reprehensible as were the practices of the Nazis. I sincerely hope that the American Government will continue to resist the demands of the Soviet that the Ukrainian refugees who are in American controlled areas be returned to Russian dominated territory and that our Government will use its good offices with other nations to the same end.

Mr. DIRKSEN. Mr. Chairman, I yield to the gentleman from Vermont [Mr. PLUMLEY] such time as he may desire.

Mr. BENNETT of Missouri. Mr. Chairman, will the gentleman yield?

Mr. PLUMLEY. I yield to the gentleman from Missouri.

Mr. BENNETT of Missouri. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD following those of my colleague the gentleman from Vermont [Mr. PLUMLEY].

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

THE WAGE-PRICE PROGRAM AND THE FARMER

Mr. PLUMLEY. Mr. Chairman, it is a privilege and an honor to serve on the Subcommittee on Appropriations for Agriculture with those who constitute it.

The gentleman from Georgia [Mr. TARVER] has comprehensively and minutely discussed all the items in the bill. I will not take time to elaborate his statements but will leave that to my colleagues.

As the chairman has stated, and as is shown by the report, the bill represents an over-all reduction of $40,715,623 below the over-all budget estimate of approximately $1,143,265,000, a saving I believe to be justified by the evidence before us. Doubtless other substantial cuts might well be made and amendments to that end will be offered.

Each year new problems are presented. Each year we find out where we were right or wrong in our attempts to further the best interest of all concerned by making or denying appropriations. We have brought in a bill this time which in our judgment merits your approval. It must be apparent to all of you that some people do not realize how great a debt we have already incurred. The large increases sought by some were not warranted by the justifications they undertook to make. Some things can and will have to wait. Others should never be permitted.

Mr. Chairman, one cannot serve on this subcommittee without wondering about present conditions and the future prospects of the farmers of America, not only so far as the individual farmer is or will be affected, but also as to how our general prosperity, our policies and practices will be influenced by what happens to the farmer.

People who live in the cities seldom appreciate how vital to them it is that the farmer shall prosper. He is their staff of life. He is the source of the Nation's food supply, and in addition to food he furnishes a very large proportion of the raw materials which make the wheels go around.

If the farmer prospers he purchases the products of industry. He, in his potential market, is the bulwark of the safety and security of the Nation's business.

Farmers continue to furnish food for the Nation and the world, depression or no depression, so long as they can. But, Mr. Chairman, the day is coming despite the machine age when there will be no small farms, for while the farmers work longer hours and are never unemployed they do not escape either the effects of a depression or of an inflationary era.

The truth is that the basis of the trouble with agriculture is found in the fact that the reasons for the instability which confronts the farmers; viz, low earnings, high wages, instability of income, stem from our economy as administered and not from the farm.

Strikes do not help the farmer. They remove the source of his income. Striking laborers cannot pay for food. The farmer has to carry them or let them starve—or lose.

A farmer cannot build a house because of the price ceilings put on it while it is yet in a blueprint stage. The new economic policy is more crazy than that under which and in spite of which we won a war. We cannot survive a peace under such a program.

The new plan is definitely inflationary. The value of the life insurance policies and the bonds held by the farmers is affected adversely. We are in an awful mess and we are getting deeper and deeper into the mire.

Agriculture is the most essential industry in this country or any other. It is the biggest business in the world. Without the product of the sweat, blood, and tears of the farmers of America, no business could prosper or continue to operate. Yet, Mr. Chairman, the compromise which President Truman has made, which is nothing but a gesture to pacify labor and gratify employers, puts the farmers of this country between the millstones and eventually will grind them to pulp.

He, the farmer, is the forgotten man. He cannot pay the wages, or at the rate established, in order to get help. He is not permitted to charge a price for his product which permits him merely to break even.

For example, the price ceiling on maple sirup and maple sugar makes it impossible for the Vermont farmer to make any sirup or sugar. He just cannot do it at a loss. He is deprived of any opportunity to capitalize on a crop which would enable him to put a few dollars in the bank at a time of year when sugaring pays off.

The old Federal Government, which has regimented the farmer into the similarity of a serf, slips in and says, "You cannot charge more than we allow for the sugar or sirup you make." The action is arbitrary; the price is so low as to prohibit production. This is only one of a thousand similar cases where the Government steps in to crucify the people. True, the old law of supply and demand will eventually assert itself—but it will be too late to save Vermont farmers and many others.

So, Mr. Chairman, I am constrained, somewhat at the risk of repeating myself, to summarize the situation by asking: Where does the farmer get off under the administration's new wage-price formula?

Farmers everywhere are asking their Congressmen this question and thus far no one in the administration has given us a forthright answer. I have tried, therefore, to figure out the answer as best I can from the official statements and other information available—and the answer is not very encouraging to the farmer.

It is obvious that there was little or no consideration given to agriculture in the formulation of the new wage-price policy. Farmers are not even mentioned in the President's Executive order defining the new policy and are referred to only once in his statement issued in connection with the new formula.

In that reference, President Truman said:

> I call upon management, labor, farmers—the American people as a whole—and their representatives in Congress to give this effort their unqualified support.

That, so far as I am able to determine, is the only place the farmers of the country came into the picture in announcing the new wage-price formula. They are asked to give the new policy of higher wages for unionized industrial workers their unqualified support.

What can the farmer expect in return for his unqualified support of higher industrial wages? On this, the administration is silent but a fair and unbiased analysis of the administration's statements available provides some of the answers:

CONSUMER GOODS PRICES

First. There will be some increase in the cost of many of the things farmers buy. Higher wages inevitably mean increased costs of industrial products. The increases will be felt almost immediately in many of the things the farmer needs most—machinery, work clothes, new automobiles and trucks, building and construction material, and farm equipment. Increase in prices of all these commodities can be anticipated by farmers under the new wage-price formula.

FARM WAGES

Second. Farm labor costs will increase. This is inevitable. If higher wage returns become effective in industrial employment, farmers must pay correspondingly higher wages in order to secure the help necessary to produce and harvest their crops.

Wages of farm labor have already skyrocketed tremendously—far higher than Government statistics show. Many crops require a relatively high proportion of labor, for example, sugar beets, dairy and milk production, fruit and vegetables, poultry, and in the case of my own part of the country—maple sugar—to which I will refer more specifically later. In the case of all such farm production, where labor is a big factor, the new wage-price policy means a certain and material increase in production costs.

FARM LABOR SUPPLY

Third. The new wage-price policy will mean a further serious depletion of the farm labor supply. During the war the farms of this Nation lost millions of men to the armed forces and to industrial employment. Last summer, in response to an inquiry from the Republican Congressional Food Study Committee, the majority of State secretaries and commissioners of agriculture in the country reported that their most serious problem was that connected with the draining off of labor from the farms and rural areas into large cities and other centers of industrial production.

The most alarming feature of this situation is that, with the fighting war over and the military forces being rapidly demobilized, with war industrial production completely terminated, and with civilian production in industrial lines still strangled by Government regulation, workers are still not returning to the farms. The deficit in farm labor is as great today as it was a year ago and is much more serious and threatening than it was in view of the new industrial wage policies recently announced. Soldiers returning from the wars and former farm workers who have been holding down war-plant jobs see little incentive to return to the farm and prefer to stay in the city and take their chance on future employment there at high city wages. New England milk producers report that out of 29,000 New England farm boys recently demobilized, only 250 have returned to the farms.

The new wage-price formula gives industrial labor the green light for wage increases of 16 to 20 percent. There is little prospect that farmers will be able to match this Government-imposed generosity. It is obvious, therefore, that the alarming trend in migration of labor from the farm to the city will be aggravated by the new policy and may, indeed, be frozen into a pattern which will mean a permanent deficit in agricultural labor.

AGRICULTURAL PRICES

Fourth. Will there be an increase in the ceiling price of farm products? Mr. Bowles' answer to this is an emphatic "No." In his recent appearance before the House Banking and Currency Committee to ask for an extension of the OPA for another year, Mr. Bowles stated flatly, time and again, that there would be no general increase in the ceiling price of farm products.

He went even further. He devoted a considerable portion of his testimony to an effort to convince the committee that the new wage-price policy will work only if the line is firmly held on agricultural prices.

Farmers are enjoying unprecedented prosperity, says Mr. Bowles:

> Our farmers, like the rest of us, have done rather well since the days before the war. Today net operating income per farm is more than three times as great as it was in 1939, and the increases have been pretty general. * * * In December the cash income of our farmers, after seasonal adjustments, was 2 percent higher than in August.

Farmers are not only making plenty of money, they have the responsibility for maintaining the new wage-price line and preventing inflation, Mr. Bowles said. If food subsidies are withdrawn or farm ceiling prices are increased proportionately Mr. Bowles said:

> Food prices would rise promptly and dangerously. The index which has been held steady since May 1943, would immediately rise more than 8 percent. This would force a major increase in the cost of living. This in turn would force compensating wage adjustments on a broad scale. As surely as day follows night we would be started on a spiral of wage and price increases leading directly to disaster. * * * It is not too much to say that our farmers today hold the key to economic stabilization largely in their hands.

FARMER CAN STAND INCREASED COSTS, SAYS BOWLES

Prices of the things farmers buy can go up very materially before farmers

will be as bad off as they were in 1939, Mr. Bowles pointed out.

The prices he—the farmer—receives have risen * * * 113 percent. But the prices he pays, including interest and taxes, have risen only 40 percent.

The obvious inference is that farmers can stand an additional 73-percent increase in the cost of things they buy without OPA seeing any necessity for an increase in the price of the things they sell.

It is obvious from these statements, made by the new Economic Stabilizer himself, that there is no intention on the part of the administration to permit any increase in agricultural prices to compensate for the increase in industrial wages and prices.

The only exception to this rule, OPA officials explain, is where OPA is notified by the Department of Agriculture that price increases are necessary to secure production of necessary agricultural commodities.

In such cases, OPA says, it will grant price increases in order to encourage production. In this promise, however, its present intentions must be viewed in the light of its past performances.

BUTTER

Since last October, OPA has known that there was a serious shortage of butter and that this shortage was due entirely to the price situation. Butterfat sold for butter making brought less to the farmer, or to the creamery, than butterfat sold for any other purpose, including delivery as whole milk. Therefore, in spite of ample milk supplies, cream which should be going into butter was going into whipped cream, cream pies, coffee cream, and every other use. In spite of OPA's full knowledge of this situation and of the elementary simplicity of the difficulty, 5 months have passed and no action whatever has been taken to relieve this situation or adjust the butter price, with the result that butter is now virtually unobtainable.

MAPLE SUGAR

For more than 2 years OPA has watched the production of maple sugar and maple sirup from the woodlands of the northeastern part of this country fall off until the production is now far below prewar levels and many maple-sugar trees are actually being cut for wood because their owners have dispaired of being able to make a living from the sugar they produce. This situation has arisen entirely because the prices OPA has allowed producers of maple sirup and sugar to receive for their product have not compensated them for the cost of production. This has been called to OPA's attention repeatedly by the maple-sugar industry, by Members of Congress, and by the governors of States affected. An increase in the ceiling price is obviously necessary here to bring about production, and yet, after more than 2 years, no adequate increase has been forthcoming.

These examples could be multiplied indefinitely. If farmers must depend in the future on the kind of price adjustment they have had from OPA in the past, then there can be little prospect of any realistic approach to the farmer's problems.

ECCLES DOUBTFUL

Fifth. There remains one final question. Will the new Government policy really work? Will it bring about the production of civilian goods so quickly that inflation will be halted and the well-being of farmers will be assured in the general prosperity of the country?

The best answer to this question was given by Mr. Marriner S. Eccles, Chairman of the Federal Reserve Board, in his recent testimony before the House Banking and Currency Committee on extension of OPA. "How long do you think price control must be maintained?" Mr. Eccles was asked. "Until production and demand approach a practical balance," he replied.

"Will that balance be reached by July 1, 1947?"

"That, of course, will depend on the extent to which this wage-price policy is effective in bringing about production."

In other words, we will have the production we need to avert inflation and maintain prosperity unless Government regulations themselves prevent that production. If the Chairman of the Federal Reserve Board entertains that kind of doubt about the effectiveness of the new wage-price policy, American farmers have little grounds for anticipating such a general wave of prosperity during the months ahead that their own prosperity will be guaranteed along with the rest of the country.

Mr. Chairman, the President may call all the experts in the country into conference respecting how to meet the food crisis and they may deliberate until doomsday, but if this administration does not make it possible for the farmer to produce the necessary food all these plans and afterthoughts will avail nothing.

The farmer must have opportunity to plow and sow and reap, without Government interference, in order to produce at a profit so as to supply the food which is in demand. The trouble is at the top, not at the bottom.

The trouble is not with the farmer; it is with the administration. Starting at the top by starving the American people out of charity for those we would like to help will not work out forever. It may bring the American public into a realizing sense of what has been done to it.

This administration is responsible for the lack of food available to supply the demands made today. It should realize where its program has led the country.

Arbitrary price control; interference with agriculture, making reconversion impossible; denying the farmer machinery, tools, feed for his cattle and poultry; putting the small businessman out of business; and a hundred other errors made by those who now try to start at the top when there is no bottom, cannot be excused nor forgotten nor any longer justified nor tolerated.

Mr. BENNETT of Missouri. Mr. Chairman, we have before us an agricultural appropriation bill which carries over $1,000,000,000 for the farmer. I wish that every farmer in America had opportunity to read the volume of 2,039 pages which contain the committee hearings on this bill. If the farmers could do this they would have a pretty clear idea of what is going to be done for them and to them by the Federal Government in the next few years. Of course, that is impossible, so it is our duty as their Representatives in Congress to read the report for them and to let them know some of the things it contains.

The Secretary of Agriculture characterizes the Truman administration farm program in these words: "It is a revolution on the land. From this revolution there is no turning back."

Now just what is this revolution? It is not in the tremendous sums this bill carries. A majority of Congress and the country long ago ceased to regard billion dollar appropriation bills as unusual. The revolution is not in the rural rehabilitation program provided for, nor in rural electrification, nor in the soil-conservation payments. All of these things and other good features of the bill have for years been accepted by the Congress and the people. The revolution is not even in the request of the Department of Agriculture for 3,224 more employees. A majority of the Congress and the people long ago apparently ceased to be concerned about the expanding Federal bureaucracy. To judge by their votes, Nation-wide, they love it. Where then is the revolution the Secretary talks about?

The answer to that question is in the printed record. I am going to let the record speak for itself. It shows what the administration officials mean when they speak of revolution on the land. But, before I quote from the record made in the hearings here is a little background material.

Administration officials feel that after 1947 we will again have agricultural surpluses in this country. I am not sure we have ever had surpluses. We have had a lot of underconsumption by people who would have bought more and better food if they could have afforded to, and as they are doing now. But, anyway, it is believed that when the time comes that we no longer need to send food abroad to save the starving foreigners three things can be done, as follows:

First. A free market can be established. The farmer can collect his profits at the stock scale, elevator, and market place. Supply and demand will regulate production and prices.

Second. A floor can be put under prices. Price supports can remain sufficient to encourage production and creation of surpluses which can be disposed of abroad through export subsidies. If the farmer is guaranteed a parity price and production is not limited there is a certainty of surpluses.

Third. The administration can let all farm prices fall to the competitive world market price. Then it can undertake to pay the farmer, who obviously cannot continue in business at these prices, a subsidy to make up the difference between 90 percent of parity and the world market price. These payments would be Government checks from the United

States Treasury. In order to prevent unlimited production and an unlimited run on the Treasury there would, of necessity, have to be complete regimentation of agricultural production by the Government.

The administration reveals it is considering the third plan. That this will indeed be a revolution on the farm is putting it mildly. The farmer is to be completely regimented by Government and made completely dependent on a Government check sent by the same bureacrats who will tell him how much and what he can grow, when and where. The farmer has already had a little taste of that. But, never before has he been asked to let his prices fall to the world level set, in part, by competition of cheap peasant and Chinese labor and by peoples whose lack of farm machinery and a decent standard of living enables them to produce at a fraction of the cost required in America.

Who will such a program benefit? The person benefited most will be the politician who, under this procedure, will have the farmer in a set of bureaucratic harness. The foreigners will also benefit because they can dump their produce on our market or buy our produce at their own prices. The consumers in the big cities will benefit, too, because they will be able to buy their groceries at the world price level. It is very important to keep these big city consumers happy because they have the votes which win Presidential elections. And the CIO-PAC has shown it can deliver those city votes.

Let us turn briefly now to the record to support my statements about what is planned for the farmer. On page 187 of the hearings before the subcommittee of the Committee on Appropriations, Seventy-ninth Congress, second session, on the Agriculture Department appropriation bill for 1947, we find an exchange of questions and answers between the gentleman from Georgia, Congressman TARVER, chairman of the subcommittee, and Dr. H. R. Tolley, who is the head of the Bureau of Agricultural Economics within the Department of Agriculture and which cooperates in and does long-range planning for the Department I quote:

Mr. TARVER. Did you or not recommend that there should be adopted the policy by which Government support of price for agricultural commodities of which we ordinarily produce a surplus in this country should be abandoned in favor of the ideas our permitting those products to sell at world prices and give the farmer who could not produce at such price some aid from the Treasury of the United States to replace the Government support of price which we have ordinarily had?

Dr. TOLLEY. If I may answer precisely, we suggested that consideration be given to that possibility.

Mr. TARVER. In other words you recommended that?

Dr. TOLLEY. I have stated "precisely."

Mr. TARVER. Dr. Tolley in fostering such a policy, in my judgment, your Bureau is doing a disservice for agriculture. * * * It would be just as fair to say to the workers in American industry that industry cannot pay you the high standard of wage that you have been enjoying and sell its surplus products to foreign countries in competition with cheap foreign labor, therefore we are going to provide that you shall be paid on the same basis as foreign workers; if you need some help in addition to that we will take it out of the Public Treasury. That is the same sort of proposition you would apply to the American farmers.

This sort of thing runs all through the hearings. I cannot undertake here to give all of it. However, permit me now for a minute to direct your attention to some of the testimony on page 251 of the hearings where both Congressmen TARVER and DIRKSEN questioned Dr. Tolley:

Mr. DIRKSEN. If we reach that point in 1947, or beyond, where we have a surplus to deal with, and where we have exhausted every possibility that you can see at the moment to relieve the situation then next it would be your suggestion to let the level of prices on the domestic market go down to what may be the same thing as world-market prices?

Dr. TOLLEY. Yes.

Mr. DIRKSEN. And then subsidize the producer of agricultural products out of the Federal Treasury?

Dr. TOLLEY. Yes.

Mr. DIRKSEN. Has the Secretary of Agriculture indicated his reaction to that kind of a program or is that a fair question to ask you?

Dr. TOLLEY. I would rather you ask him that. We have discussed the matter with him and with a group of other leaders.

Mr. TARVER. Is it not a well-known fact that the Secretary of Agriculture at Anderson, S. C., and Memphis, Tenn., and at other points, has heartily endorsed the idea of having agricultural products go at the world price, with a subsidy to farmers from the Treasury to make up the difference in their income? You know that to be a fact do you not?

Dr. TOLLEY. I read his speech, yes.

Mr. TARVER. There is no controversy about that. I do not see how there could be.

On pages 255 and 256 of the hearings we find the following:

Mr. DIRKSEN. Let us see if we can get a rule of thumb. Let us assume a normal production of 3,000,000,000 bushels of corn at $1 per bushel. It all finds its way to market either in industrial uses or in the form of meat. But, let us assume a condition in the middle of 1947 where a farmer would have to take the world price, under this proposed plan, which might be 50 cents a bushel. In a case of that kind does this plan envision that the corn farmers of the United States would receive out of the Federal Treasury the difference between what the parity price was and the world price was—say, substantially, 50 cents a bushel, or $1,500,000,000? Is that the way the thing would spell itself out mechanically?

Mr. TOLLEY. Yes.

There is some additional information in these printed hearings which will interest the American farmer. For instance, it is disclosed that today there are in this country 25,190,000 farmers. They constitute 18.1 percent of our total population but they get only a small share of the national income. The Administration regards it as sufficient, however. Let me quote the Secretary of Agriculture from page 61 of the hearings:

In recent war years farmers have received from 8.5 to 9.5 percent of the national income, and I believe that everyone will agree that farmers did pretty well from a financial standpoint, during these years.

It should also be pointed out that the cost of everything the farmer had to buy increased during the war years and that those prices remain high, are in fact going higher, while the farmer's income declines. The average farmer's income is $1,555 per year. The industrial wage earner gets an annual average of $2,300. The Secretary of Agriculture testified favoring an increase in the minimum industrial hourly wage rate to 75 cents. But the administration refuses to permit the farmer's labor costs to be included in computing his prices.

Since the First World War there has been an advance in industrial wages of approximately 200 percent whereas agricultural income has gone up only 50 percent. Administration officials are counting on a drop of from 10 to 15 percent in farm prices in the next year while industrial wages rise still higher for the nonfarm population. It was agreed by witnesses appearing before the committee that if American industry had to accept world prices for its products and management and industrial wage earners had to accept payments from the United States Treasury to make up the difference between a fair standard of living and the world price, that it would ruin both industry and labor and completely shackle it as well as bankrupt the Government. Just how it will work satisfactorily for agricultural industry when it admittedly would not do elsewhere, is hard to see. The Department witnesses admitted they have not consulted the farm organizations nor the farmer himself upon this proposal to which the administration seems committed in what it boldly calls a new revolutionary experiment "from which there is no turning back." I presume, however, it was "cleared with Sidney." There is just one flaw in this revolutionary planning. For 16 years past the New Deal has had a majority in Congress, and has been able to do as it pleased with the fortunes of the American farmer, who has been a pawn in the political game, a guinea pig and sometimes the goat. But we elect a new Congress this year. The revolutionary planners may not be around Washington in 1947.

Mr. DIRKSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. KUNKEL].

Mr. KUNKEL. Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KUNKEL. Mr. Chairman, on August 31, 1944, I included in the RECORD a careful analysis of Public Law 346, Seventy-eighth Congress, known as the GI bill of rights. A great many of my friends in the service found this of interest and value. Therefore, I have made a complete revision of that summary so as to include the amendments passed last December. Both the original bill and the amendments had my support at all times and my vote on final passage. In the new summary I have also included a review of the benefits accruing under Public Law 16, Seventy-eighth Congress, as of this date.

Time does not permit me to go into too great detail. Moreover, the regulations issued and to be issued in the fu-

ture by the Veterans' Administration must necessarily be referred to in order to determine the exact rights to which any veteran is entitled. Anyone who reads this closely will know, in general, what benefits do accrue to him or to her under this bill and he or she can then secure more specific information from the Veterans' Administration.

The principal changes are in respect to education, loans, and certain miscellaneous items included under that general heading.

The summary follows:

ELIGIBILITY

In order to be eligible the general rule is that a man or woman must have served in the active forces of the Army, Navy, Marine Corps, Coast Guard, or any of their component parts, during the period beginning September 16, 1940, and lasting up to the end of the present war. Such person must have served for a period of at least 90 days, or have been sooner discharged for disability incurred in line of duty. In addition, he or she must have been released from active service under conditions other than dishonorable. No distinction is made between enlistment and induction.

HOSPITALIZATION AND CLAIMS

1. The Veterans' Administration is declared an essential war agency, and entitled, second only to the War and Navy Departments, to priorities on personnel, equipment, supplies, and materials. Priorities for materials are also given to any State institution built or to be built for the care or hospitalization of veterans. These provisions are extremely important. When the Army and Navy will have no further pressing need for supplies, then the veterans' hospitals will have first call on the goods on hand. Until that time they will have second call.

2. The bill orders the Veterans' Administration and the Federal Board of Hospitalization to provide additional necessary hospital facilities and authorizes arrangements for the mutual use of hospitals, and so forth, with the Army and the Navy. For this purpose it authorizes the appropriation of $500,000,000. These hospitals will care for diseases and disabilities nonservice connected as well as those incurred in service.

3. Personnel of the Veterans' Administration may be placed in Army and Navy discharge centers to adjudicate disability claims and to give advice as to their rights and benefits to all servicemen about to be discharged. It forbids the discharge of servicemen and servicewomen until a substantial part of their pay is ready or, if disabled, until adequate arrangements have been made for filing claims for benefits provided. These two requirements are extremely helpful.

4. A further clause states that recognized veterans' associations shall place representatives at the various discharge centers to aid servicemen about to be released. The American Legion, the VFW, the DAV, and other similar patriotic organizations are admirably equipped to do this. They are eager and anxious so to do. They have been doing this job. They can now be of even greater help in the future than in the past to the veterans about to leave the service and reenter civilian life.

5. It gives the veteran safeguards in respect to various statements against his own interest, and with respect to review of irregular discharges.

EDUCATION

1. The educational provisions of the GI bill of rights have been materially liberalized by recent amendments. Veterans with 90 days' service (excluding time spent in completing Army and Navy college-training programs) are entitled to education or training at any approved educational or training institution for a period of 1 year, plus the time the veteran was on active duty on or after September 16, 1940, and before the termination of the war. To illustrate, a veteran with 3 years' active duty would be entitled to the full educational benefits for a period of 4 years. The maximum period of education or training is 4 years. The veterans' work must be satisfactory according to the standards of the institution he selects.

2. The course must be started not later than 4 years after either the date of his discharge or the termination of the war, whichever is later, and must be completed within 9 years of the termination of the war. There is no longer any age qualification nor is it necessary for certain veterans to show that their education was interrupted, impeded, or delayed by entering the service.

3. The Administrator will pay tuition costs, laboratory, library, health, infirmary, and similar fees, and may pay for books, supplies, and like equipment. Payments are limited to $500 for an ordinary school year, and in almost every case this sum should adequately cover all of the above charges. In the unusual case where the charges are in excess of $500, the veteran may elect to have the Administrator pay the excess sum, in which event it is charged against the veteran's period of subsequent eligibility. In other words, if the charges ran to $1,000 a year, the Government will pay them, but the veteran will be charged for 2 years of his eligibility period.

4. In addition, subsistence allowances will be paid during the period of education. This has been increased to $65 per month for a veteran without a dependent, and $90 per month for a veteran with one or more dependents. There is no law or regulation that prevents the veteran from taking part-time employment to increase his income.

5. In the event that a veteran desires to complete his education on a part-time basis, he may do so and receive a period of instruction equivalent to his eligibility on a full-time basis.

A new feature of the law is that correspondence courses may be selected, but in this case no subsistence allowances are paid. However, the veteran is only charged for one-fourth of the actual elapsed time, with the result that his period of eligibility is materially extended. The cost of the correspondence course or courses may not exceed $500.

In addition, short intensive postgraduate or training courses of less than 30 weeks have been included among the benefits available. These should be especially valuable to business or professional men whose education is substantially completed. The only restriction is that no such course shall cost more than $500.

6. To facilitate application for the education desired, the Veterans' Administration has prepared a form called Veterans' Administration Rehabilitation Form 1950. This can be obtained from the Veterans' Administration in Washington, or any of its regional offices, from veterans' organizations, or from the office of your Congressman. This form may be filed with the Veterans' Administration or with the school or college which the veteran wishes to attend.

LOANS

Much of the red tape has been eliminated from the law governing loans to veterans, and it is no longer necessary in most cases to obtain approval from the Administrator before closing the loan. In addition, the time limit for obtaining a loan has been increased from 2 years to 10 years after termination of the war.

1. As the law stands today, a veteran may negotiate a loan with an ordinary lending agency, such as a bank, insurance company, mortgage and loan company, or building and loan association, and—provided it is for an approved purpose—50 percent of the loan will be automatically guaranteed by the Government, up to $4,000 in the case of real estate loans and $2,000 in all other types of loans. If the loan is made from a private individual, prior approval of the Administrator is still required.

2. Certain conditions must be met. The interest rate shall not exceed 4 percent. Real estate loans shall be fully payable within 25 years, except in the case of farm realty, where the period is 40 years. The maturity of a non-real-estate loan shall not exceed 10 years. However, the Administrator will pay to the lender 4 percent of the amount originally guaranteed, which is tantamount to the Government paying the first year's interest on the guaranteed sum.

3. The specified purposes for which loans can be made are: (a) The purchase or construction of homes, or repairing, altering, or improving same; (b) the purchase or repair of farms and farm equipment, the purchase of livestock, equipment, machinery, and the like, or for working capital as required; (c) the purchase of a business, business property and equipment, inventories, stock in trade, repairs to business property, and working capital; (d) the refinancing of certain existing indebtedness, including delinquent taxes on homes and businesses; (e) to finance secondary loans for the above purposes where the principal loan has been obtained from another governmental agency. In such a case the Administrator may guarantee the full amount of the balance of the purchase price or cost, provided the second loan shall not exceed 20 percent of the purchase price or cost.

Certain reasonable conditions are imposed, of course. The proceeds must be used for the purpose requested. The ability and experience of the veteran, and the conditions under which he proposes to pursue such business or occupation, are such that there is a reasonable likelihood that he will succeed. The price paid shall not exceed a reasonable value as determined by a proper appraisal. In the case of homes, the veteran's present and anticipated income is taken into consideration.

VOCATIONAL REHABILITATION

Public Law 16, Seventy-eighth Congress, is of vital importance to every veteran with a service-connected disability. It authorizes the Administrator to provide necessary vocational training for such veterans to fit them for employment consistent with the degree of disability. Recent amendments have liberalized many of the provisions. If more than 4 years' training is required, the Administrator may approve an extension of the period. The time within which such training may be furnished has been extended from 6 to 9 years after the termination of the war.

Most important of all is the increased financial assistance provided. While pursuing training and 2 months after his employability is determined, each eligible veteran is not only entitled to his full disability pension, but also to the subsistence allowances of the GI bill of rights. To protect the veteran with a low pension, the combined minimum monthly payments have been fixed at $105 for a veteran without dependents, $115 with a dependent, and $10 per month for a child, $7 for each additional child, and $15 for a dependent parent. Heretofore the minimum was $92.50 per month.

NOTE.—If a veteran about to commence courses of vocational rehabilitation is in need of some ready cash, the Administrator is authorized to advance $100 without interest, repayments to be made by installments from future payments of pension or retirement pay.

EMPLOYMENT

The reemployment provisions are substantially the same as those now in effect. A veterans' employment representative, who shall be a veteran, is attached to the United States Employment Service in each State. He will help to get jobs, give information,

and so forth. This is substantially what Bill Ilgenfritz is now doing so well in Pennsylvania. The veteran has other employment rights under the Selective Service Act and other laws.

READJUSTMENT ALLOWANCES

1. Eligible veterans who are unemployed are entitled to receive under certain conditions unemployment compensation at the rate of $20 per week for a maximum of 52 weeks within a 5-year period following the termination of hostilities. The unemployment must begin within 2 years after discharge or the end of the war, whichever is later. A proportionate amount may be paid to the partially employed who receive less than the $20 allowance per week given by the act plus $3; that is, $23.

The allowance for a week will be $20 less that part of the wages payable to the partially unemployed for such week which is in excess of $3—figured to the nearest highest multiple of $1. Thus, if the veteran is earning $10, you subtract $3 from the $10, leaving $7. You then subtract the $7 from the $20, and his weekly payment for readjustment would be $13. Stated conversely, it is $23 per week less the amount earned in partial employment during the week.

2. A claimant will be disqualified if he or she leaves suitable work voluntarily or is discharged for misconduct; if he or she fails to accept suitable work when offered or refuses to attend an available free training course; and also in certain cases where work stoppages are caused by labor disputes, but only if he or she is participating therein.

3. Provision is made for self-employed veterans engaged in a trade, business, profession, etc. If his net earnings have been less than $100 in the previous calendar month, he can receive the difference between $100 and his net earnings for such month. This provision, so far as I know, is an innovation in our law. It should enable enterprising veterans to become self-employed.

4. Those unemployed prior to September 4, 1944, are not eligible for any payments. On and after September 4 those who are either unemployed or partially unemployed can make application at the State Employment Office, or, if he is a railroad man, at the Railroad Employment Office. Payments will start shortly.

5. Where a claimant receives other Federal or State benefit, a proportionate adjustment is made in his allowance. Veterans who have rights under two or more different sections of this act can only receive the fair and proportionate amount.

PENALTIES

Anyone receiving any money under this title with intent to defraud shall be punished by a fine of $1,000 or imprisonment of not more than 1 year or both. The same penalty applies to anyone making a false statement or misrepresentation. Anyone knowingly accepting an allowance to which he is not entitled shall be ineligible to receive any further allowance of any kind under this title. As to other fraudulent claims under this act the general penal statutes will apply.

MISCELLANEOUS

1. A recent change in the law now provides that financial benefits received under the GI bill of rights shall not be deducted from any future bonus that may be authorized.

2. The scope of the act has been broadened to include United States citizens who served in the active military or naval service of an Allied Government if he is not receiving similar benefits from another nation.

3. The educational and loan guaranty provisions have been extended to persons on terminal leave and those undergoing hospitalization pending final discharge. The subsistence allowances are not included while in such a status.

4. This summary includes only the GI Bill of Rights and Public Law 16, both as amended. The Congress has passed other laws of benefit to veterans. These include muster-out payments, national life insurance, dependency benefits, maternity care, death gratuity, and others. Anyone in Cumberland, Dauphin, and Lebanon Counties can get information on where and how to apply for these benefits by getting in touch with my office.

IMPORTANT

The Selective Service Act gives the veteran certain rights to his old job under certain rules and regulations.

Many veterans, or their families, will want additional information. The Veterans' Administration is the source of all authoritative rulings on veterans' laws. If anyone feels that it would be helpful to have me get in touch with the Veterans' Administration in behalf of himself or others, just write your Congressman, JOHN C. KUNKEL, at either 1210 House Office Building, Washington 25, D. C., or to 20 South River Street, Harrisburg, Pa. If you prefer, telephone me at 4-3356 on the Harrisburg exchange. If I am not there, my secretary, Mrs. Richings, will take your message and arrange an appointment. She may very probably be able to help you herself. Both Mrs. Richings in Harrisburg and Miss Garney in Washington have had much experience in this work. All three of us find it a real pleasure to do anything possible for the boys and girls in the services, and for veterans who have returned or are returning to civil life.

Mr. DIRKSEN. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I am glad to see such a large and enthusiastic audience this afternoon as we consider the 1947 supply bill for the Department of Agriculture.

SERVICES OF ARTHUR ORR, EXECUTIVE CLERK OF THE COMMITTEE

First let me pay testimony to the executive clerk of the committee, Mr, Arthur Orr. I do not know whether you are familiar with Arthur Orr or not, but he is observing the twenty-sixth anniversary of his coming into the governmental structure this week; 26 years of long and fruitful service on Capitol Hill. He has become absolutely indispensable and invaluable to the operations of the Committee on Appropriations. I think we are blessed to have him. He is an outstanding servant of government. So, Arthur, I want this large group this afternoon to join me in giving you a round of applause for the services which you have rendered.

I might say in addition that recently, on his responsibility, he went down into North Carolina to take a look at the watersheds and observe the work that was being done there by the Department of Agriculture; to measure and appraise, if possible, the efficacy of that work, and whether or not we were receiving a return for the expenditure that was made.

He also investigated some of the little forestry plots down in Arkansas and elsewhere, and sought to assess, as far as possible, the work that was being done in that general field, and whether it was fruitful from the standpoint of governmental expense. I believe the report he made to the subcommittee was one of the finest and most constructive reports I have seen in a long time. So, Mr. Orr, I do pay testimony to you for an outstanding piece of work done, not only in behalf of Congress, but in behalf of the people of the United States of America. If there were more public servants like Arthur Orr we could see substantial economies everywhere in government, and certainly the millions of people that go to make up the stockholders of this country would be doubly enriched in their public servants.

FOOD, THE MOST VITAL SUBJECT FOR MILLIONS OF PEOPLE

I want to say a word this afternoon about this whole subject of food because, after all, that is the basic subject to which the Department of Agriculture addresses itself. I presume there is no question that is so important right now as the question of food. We hear it on every hand. It was not so long ago that the President of the United States took cognizance of it when he appointed a very outstanding committee for the purpose of looking at the food supply of this country and the food needs of other countries, particularly those who are so distressed and so beset with destitution, to see what economies in the whole food program we could effectuate in our own country for the purpose of helping these people.

"IF THINE ENEMY BE HUNGRY, GIVE HIM BREAD TO EAT"

The other day I encountered what I thought was a very pointed observation in the Scriptures. You will find it in the Book of Proverbs. That is where Solomon wrote:

> If thine enemy be hungry, give him bread to eat.

It is pretty difficult to improve upon the wisdom of Solomon:

> If thine enemy be hungry, give him bread to eat.

Then I found one other that appealed to me a great deal. It is from Lamentations. That was written by that rather impassioned poet of the Old Testament, Jeremiah. He said:

> They that be slain with the sword are better than they that be slain by hunger.

It is difficult to consider an appropriation bill for the Department of Agriculture, which addresses itself to this whole subject of food, without thinking some of the hungry everywhere in the world today, so, first of all, I direct your attention to the committee appointed by the President of the United States, made up of very distinguished people, who are going to see whether or not we can effect economies in the consumption of food in this country so that there will be some left over, and maybe a lot left over, for people who have not yet been able to reorder the agriculture of their own country.

PRESIDENT'S COMMITTEE TO CONSERVE FOOD

I wanted to point out when the housing bill was on the floor that we could have taken a leaf out of the President's book in connection with the food program. On that committee he appointed some very distinguished people, for one, Herbert Hoover, former President of the United States, Henry Luce, publisher of Time, Life, and Fortune, and Justin Miller, who is president of the American Association of Broadcasters. If you look at all of the 12 people on that committee you discover at once that every one of them is an expert in his line. It may be publicity, it may be radio, it may be relief administra-

tion, as in the person of the former President of the United States, but every one of them is an expert. I fashioned an amendment that I was going to offer, although I did not, to the effect that everybody who makes policy under this program for veterans' housing should have had at least 5 years of experience in the business of constructing houses, appraising land, or in some other practical field of housing endeavor. We might in that respect have followed the President of the United States. But I allude to this food committee only to give point to the observation that food is such an important matter at the present time.

SPRING SEASON ON LAND SOON UNDER WAY

Then there are two other things. In some of the warmer areas of our country the plough will go into the ground pretty soon. In California, whence comes our very distinguished friend the gentleman from California [Mr. PHILLIPS], in Florida, and probably in the Gulf portions of Texas and elsewhere, the farmers are already moving out upon the sweet earth, warmed by the zephyrs of spring, for the purpose of enriching the food supply of our own country and of the world.

A FOOD DELEGATION FROM INDIA

I would like to make one other preliminary observation. Yesterday I had some folks to lunch downstairs. I had some members of the Committee on Foreign Affairs, some from the Committee on Agriculture, and myself from the House Committee on Appropriations. My guests down there were six very distinguished people from India. They have only been here 10 days. They have come on an emergent mission. All of them are very distinguished people in their own country. Some of them took me around when I was in Delhi, Bombay, and Calcutta just a year ago this month. Do you know why they are here? They are here because they need 2,000,000 tons of grain. It might be wheat; it might be rice; it might be millet; or it might be some other cereal. But they are going over the world trying to find 2,000,000 tons of food for starving people. The interesting thing about that delegation is this. They have the money. They came not for a gratuity or for gifts from our country. They will pay whatever the market price is. Secondly, they offer to buy the ships from our Government with which to send that grain to India. It is so refreshing to have a delegation come to this country from other parts of the world with money and facilities for the purpose of buying some of our produce and not asking for a handout, that I was very deeply interested. But I was even more interested, of course, in this bit of information.

FAMINE IN INDIA

They have worked out in India a rule of thumb by which people die—not live. For every ton of grain that they do not get as part of this minimum requirement, from 8 to 13 people will die in India within the next 5 months. If they need 2,000,000 tons of grain and if you take the lowest figure, namely 8 people per ton, then if they fail to find that grain here or in Canada or in Australia or New Zealand or in the Argentine, it means there will be 16,000,000 people who will die of famine and starvation in that far-off country that is still yearning for a freedom that has been denied them for nearly 300 years. I simply address myself to that matter by way of preliminaries because here is a bill embodying a little over $1,000,000,000 for the purposes of carrying on the various functions of the Department of Agriculture which addresses itself to the whole question of food.

PROSPECTS FOR GOOD GROWING SEASON

We are going to be rather fortunate from the standpoint of seasons. I tried to take account of whether or not there is enough moisture in the soil out in the corn belt where I live, and whether we have been graced with moisture in other parts of the country and whether there will be a good growing season. I estimate for all purposes insofar as I have been able to determine that we will be definitely blessed with a good growing season unless there is a type of weather or a lack of moisture in the months ahead that we cannot foresee at the present time. Now, that is not true of the rest of the world as we think of this whole composite picture. In the northern part of Greece right now they are suffering from devastating floods. In that rather lush agricultural area on which that old country has to depend, that country where democracy was cradled about 2,700 years ago, they cannot now grow an abundance on the land and make it produce. So one day doubtless they will become suppliants of our largesse. Maybe they will hope that we have something left over in order to help feed those starving youngsters. The worst drought in 100 years has ravished Spain. Conditions have not been too good in Europe. In India, there have been not only droughts but there have been cyclones and tornadoes to disturb the atmosphere at the time of the growing season. Finally, in the lower end of South America, particularly the Argentine, which is a great producer of corn, wheat, and flax, they have had an extended drought. More and more the destitute people everywhere in the world are going to be thinking of the United States and what it can produce in order to relieve hunger and distress and misery throughout the world.

NO SHELL CRATERS OR LAND MINES IN OUR SOIL

Then, the other fact in which we have been so blessed is in respect of our soil. I never appreciated that so much until I was coming up from Anzio Beach in Italy, up toward the northern section along the Po and Arno, where things were so lush. Even at that time there were over 3,500 Italian peasants who had been blown to pieces by land mines that had not yet been discovered, by these strange devices with which they clean the soil of these deadly things. Here is a very humble Italian peasant who works the land to get his subsistence. So with hostilities ended, with VE-day fully proclaimed, with a heart full of hope, he goes into that little old olive orchard and begins to snip off the branches to make those ancient trees produce the better. Then, suddenly there is an explosion. The enemy dotted the country with land mines, and he is torn to pieces. There were over 3,500 farmers in Italy who met exactly that fate, even when I was there.

Our own soil had not been touched. There are no bomb craters in our own country. You never appreciate what that means until you fly everywhere in the world and you look down out of the cockpit of a C–47 or a 42 or a 24 or 29, or something like that, and there you can see the remains of these very regular shell craters dotting the earth, whether it was in France or Italy or Germany or parts of India or down in the island of Ceylon or elsewhere. Then you think in terms of the blessings of our own country, that there are no bomb craters; that the soil is still intact, and we are moving along with soil conservation processes and procedures for the purpose of making it even more rich and fruitful.

WE ARE WORLD'S GREATEST SCIENTIFIC FARMERS

Then, of course, we have the mass farming technique in our country. Living in a farming country, out in the Soybean Belt, out in the Corn-Hog Belt, I thought what a marvelous thing it is we have improved our agricultural techniques as we have done. You never appreciate it until you compare it with what they do elsewhere. In northern Africa I watched for a long time as people were plowing the field with a crooked stick. I watched the Bedouin children, the sons and daughters of these roaming nomadic Arabs in the desert, who come along and cast out a little seed. Perhaps there would be a crop and perhaps there would not. They know so little about scientific agriculture.

I think of those farms down in Egypt, as I went down along the blue and white Nile.

Then I thought of these farmers in that ancient country that was old before Greece was even born, whose culture and civilization go back thousands of years. How interesting it was to see people walking on one of these treadmills with little buckets hitched to them. It was designed, of course, to pick up a little water out of a ditch that was fed by the waters of the Nile for the purpose of getting it onto the land. Later on, when the land was conditioned with a little water, to go in with a camel hitched to a crooked stick, and plow it and put in the seed, in the hope, God willing, that there would be some kind of subsistence.

So, as you measure the technique of agriculture everywhere in the world and compare it with our own, how blessed and how fortunate we are in the United States of America, because there is no place under the sun that has quite developed the technique of agriculture that we have.

OUR VAST FARM PLANT

Then, of course, I think of our agricultural plant. What an enormous thing it is. There are 25,000,000 people, young and old, rich and poor, living on our farms today. We have probably 80,000,000 cattle scattered over the 48 States of the Union as a part of that agricultural plant. We have 60,000,000 hogs and 40,000,000 sheep. Then, finally, we have something that no other country in the world has. We have 2,000,000 tractors on the farms of America today. You see, farming has become a mechanical industry in the United States.

We make the soil produce in great quantity, not just in little handfuls; and so it is no wonder that a Member privileged to entertain downstairs yesterday noon a half dozen people who came from five or ten thousand miles away, who can see the picture of sixteen, eighteen, or twenty million men, women, and children dying within the next 5 or 6 months unless there is cereal, unless there is grain, that they willingly and freely wish to buy with their own funds, together with funds with which to purchase the ships, to transfer that grain to their own countries.

FARM PRODUCTION RESULT OF KNOWLEDGE

It is no accident, of course, that this agricultural plant of ours is a great producer and that we can produce in abundance. It goes back, after all, to the wisdom of a man who came from my own State, a great and humble man. His name was Abraham Lincoln. You know it is often forgotten that Lincoln signed the bill which developed the Department of Agriculture. That happened in 1862. The first clause in that act, or the first two sentences, still give point to the things we are trying to do in the agricultural field:

To acquire and diffuse useful knowledge with respect to agriculture.

That is the point of the bill that Abraham Lincoln signed in 1862, and that is the thing, in essence at least, that we are trying to pursue, even if, as my friend the gentleman from Wisconsin [Mr. MURRAY], says, we sometimes get into these byways and side paths and maybe become just a little bit deflected from the basic objective.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. ZIMMERMAN. The gentleman is one of the valiant members of this committee. I am glad that the committee has seen fit to restore to the bill funds for the printing of the Department of Agriculture Yearbook for 1947. I wish to compliment the committee for this wise step. We suspended the publication of that valuable document during the war in order that the money might be used for more serious purposes. Along the line the gentleman has just been speaking, no work in the Department of Agriculture has been worth more to our farmers and to people who live on farms and even to those who do not live on farms than to get the information obtained in the Agriculture Yearbook, which I am glad to note has been reappropriated for by the members of this committee. I hope it will be continued, because as people become better informed we will have a greater and better country. The same purpose holds true today that was expressed in the first sentence of that act signed by Mr. Lincoln way back in 1862.

Mr. DIRKSEN. I thank my friend from Missouri. I share his interest in the annual Yearbook of the Department of Agriculture. For many years it was a volume of statistics, but in recent years it has become a definite contribution to scientific knowledge and it is interesting to see the rather widespread demand there is for these books as reference books on the farms; and then, in addition, of course, we all know what avid readers these young folks are who are pursuing agricultural courses today, and the Agriculture Yearbook because of its authentic scientific treatment of every subject that relates to agriculture is of great value to them.

Mr. ZIMMERMAN. Will the gentleman yield for a further observation?

Mr. DIRKSEN. With pleasure.

Mr. ZIMMERMAN. In recent years we have come to use rather loosely and with some odium and stigma attached to it the word "bureaucrat." People who do that type of work in a department we brand as bureaucrats and refer to them as bureaucrats; yet I believe if we had a better knowledge of what these men in practically all the departments are doing we would refrain from using that word, "bureaucrat," which has come to be not a term of approbation. I hope the time will come when we will not talk about the men in our great Department of Agriculture, even the Secretary himself, as bureaucrats, but as real servants of the farmers of America and the great cause of agriculture.

SCIENTISTS IN THE DEPARTMENT OF AGRICULTURE

Mr. DIRKSEN. I agree with my friend from Missouri that there are men of scientific bent and technical bent who if they were so disposed could make more money in private fields; but they have interested themselves in the public service and have remained year after year on a far lower salary.

Of course, I want to say to my friend from Missouri that while there is a sinister connotation in that term "bureaucrat" there are some who are earnestly deserving of that appellation. I would certainly not apply it, however, to these men who pursue scientific work in the Department of Agriculture. I know them and I have a high regard for their work.

Mr. ZIMMERMAN. The gentleman from Illinois has served on this committee for a number of years. I do not know of any man in Congress who has been able to get a more wide grasp of facts than our distinguished friend from Illinois. On that very question, the gentleman has brought them before his committee, he has found out what they were doing down there before making these appropriations. From his observation, is it not the gentleman's view, and is the gentleman not willing that it become public property to that effect, that most of these men are really doing a fine job in their respective spheres.

Mr. DIRKSEN. I think that can be generally said for all the scientific personnel down there. As a matter of fact, there is a regional research laboratory located in my district where some 250 people are employed. We have scientists in that laboratory who can earn five times the amount the Government pays them. Some of them left the Government employment to work for private industry. But the true scientific instinct is there. They do not like to be pressured, or required to come up with results at Monday noon or Tuesday evening that can be poured into commercial channels. They wanted to pursue something of a scientific nature to an ultimate conclusion so that the whole country might be enriched thereby. Of course, the strain in industry got too great; so they found refuge in the Government; yet they are men of such talent and skill that in some cases the salaries were five or six times as much as Uncle Sam pays them today.

Mr. BENDER. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Ohio.

LAND OF CORN AND WINE

Mr. BENDER. The gentleman has been discussing corn. I was reminded of our church service last Sunday when we sang, I Have Reached the Land of Corn and Wine. Frankly, we have a land of corn and wine here, but some of these bureaucrats are trying to take it away from us; is that not so?

Mr. DIRKSEN. I would say that is an especially apt allusion. I want to continue my observations for just a moment because, like a good sermon, you must start with a text, then you must get back to the text no matter how far you may depart from it in the course of the discussion.

Now, we are blessed with soil, we are blessed with manpower, we are blessed with a great agricultural domain, we are blessed with a useful scientific knowledge and, of course, the purpose of the supply bill for the Department of Agriculture is to pursue that basic objective.

BASIC FUNCTIONS OF THE DEPARTMENT OF AGRICULTURE

When I try to break down the general functions in this bill, and nobody appreciates more than I do how bewildering it is because there are over 2,000 pages in those hearings, exclusive of the off-the-record testimony that we took—but as I try to break it down, it sort of appeals to me much in this fashion: The first function perhaps is to help somebody who has no farm to acquire a farm. There are two agencies here, one the Farm Credit Administration, which extends a variety of credit; then there is the Farm Security Agency, which undertakes to help those with experience, who are tenants today, to acquire a farm, and particularly to help returning veterans acquire a farm.

Secondly, to improve that farm, to make it modern, to make it livable, to make it convenient, to make it pleasant, and to do so there are $250,000,000 in loan funds in this bill for the Rural Electrification Administration. When they get this money it will be somewhere around $650,000,000 all told that we have made available over a short space of time to extend transmission lines, to integrate the service wherever possible, to bring electrification and light to the farmers everywhere. If I remember their figures, about 45 percent of the farms of America are electrified. That means that we have 55 percent of the way still to go unless central-station operation becomes available. In addition, there are certain engineering functions in the bill which relate to farm improvement.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. How does the gentleman from Illinois explain the great need for additional employees in the Department of Agriculture at this particular time?

Mr. DIRKSEN. That is a matter that I shall discuss later. I would prefer not to get away from the objective that I want to move to for a moment.

I started out by saying that if you break down this bill, the first function is, perhaps, to acquire a farm; secondly, to improve that farm; make it modern, make it livable, and then the third function is to make the farm produce. Understand, I do not state these in their order of importance. Maybe production should be at the top. But, anyway, it is a function to which a good many of the bureaus and agencies that are involved here press their efforts.

MAKING FARMS PRODUCE

What is involved there in making a farm produce? Well, keeping livestock healthy. That is a part of the job of the Bureau of Animal Industry, controlling all of these little bugs and pests that are constantly challenging the subsistence of mankind. Then there is the enriching of the soil in order that more food may be produced. Then there is soil conservation, domestic allotment. All that sort of thing is designed, of course, to make that farm produce.

MAKING THE SOIL PRODUCE

When it has produced, of course, there is still another element in there, and that is to conserve the soil. I was a little hostile a few years ago, as you may remember, to the Soil Conservation Service, but the more I saw of the world, the erosion, the leaching process, in India, in Ceylon, north Africa, and elsewhere, where people have such difficulty in making subsistence, where people have to work from sunrise to sunset, I got a better appreciation as to what soil, one of the greatest assets of our country, really means. So, soil conservation, and also the practice carried on under the Soil Service, and Domestic Allotments, are some of the top functions of the Department.

FINDING A MARKET

What shall the farmer do with his commodity? There you get into the whole domain of production and marketing, shot through with a lot of functions, a lot of people, for the purpose of stabilizing prices, probably giving us planned production, but moving toward that objective, of course, of facile marketing of the farm product, satisfying the needs of our own people, making provision for our military forces when they are abroad or at home.

That, then is one of those functions. That includes, of course, the business of new uses for agricultural products. In expressing these functions, in articulating this duty on the part of the Department of Agriculture, they have 86,000 people on the pay roll. That is an empire in itself, and it is exclusive, of course, of those who are on a per diem basis whom we style cooperators, county committeemen, community committeemen, who perform a few days' work during the course of the year in effectuating the conservation program. As I remember the figure, there are 123,000. When we put it all together it constitutes a great land army of more than 200,000 people who are addressing themselves to this business of producing food of all kinds and enriching the greatest farm plant that the world ever saw.

PRODUCTION AND FAMINE

The Department of Agriculture, of course, has moved on along for years in order to develop a balanced kind of production, a balanced kind of marketing. That is one of the things that disturbs me just a little bit as I take account now of these people who are suffering from hunger and distress by the millions in so many parts of the earth. In this general program of balanced agriculture, obviously you have people everywhere in the different agricultural areas who determine how much rye we should produce, how much wheat, how much peanuts, how much sorghum, how much oats, how much of all these crops so as to give us a balanced agriculture.

CROP GOALS—PEANUTS AS AN EXAMPLE

Let us take, for instance, peanuts. Last year we produced 3,200,000 acres of peanuts, approximately 860,000 tons. At home in campaign season when we belabor the Department a little, every time I mentioned peanuts people used to laugh. We do not produce peanuts out there. Probably a great many people in the United States are not conversant with the fact that peanuts are an important commercial crop today, for peanut butter, for peanut oil, for all these purposes to which the end product of peanuts is devoted. So here was a crop of 860,000 tons.

Now it has been determined that we do not need as many peanuts this year as we did last year. I am speaking now of the 1946 crop year. So they determine how many peanuts we need for feed, how many we need for seed, how many we need for edible purposes, how many tons ought to be crushed for oil, and how many we have in inventory. Put it all down. Then you adjust the amount that we shall probably need for 1946 and you divide it by so many tons per acre, whatever it is, and it comes out 2,500,000 acres. So this year instead of 3,200,000 acres the suggested goal for peanuts is 2,500,000 acres.

WHEAT, WHEAT GOALS, AND FAMINE

The same thing is true of wheat, and that gets me around to the text, to these people from India who were sitting down there yesterday, from a country 10,000 miles away, who may lose millions of their people by starvation because, when you talk of hunger, you do just what Jeremiah did and you do just what Solomon did, you talk about bread with which to appease and sate that hunger. So I become particularly interested in the suggested goal for wheat for 1946. Here before me now are the farm production goals. That is the handbook that the field folks use for 1946. There is a break-down of what we expect to do in the field of wheat production. We had a planted acreage in 1945 of 68,808,000 acres. For round figures, it is a little short of 69,000,000 acres. The suggested goal for 1946 is 68,875,000 acres; only 67,000 acres more wheat to be planted under this suggested goal than there was in 1945.

I can understand, of course, that the war having come to an end, there is no further necessity, perhaps, of shipping so many food products abroad to feed those youngsters who went out to achieve victory.

FOOD CONSERVATION PROGRAM SHOULD BE IMPLEMENTED BY PRODUCTION

I can understand by what technique this goal was fashioned. But I cannot understand why the President of the United States should now ask the country to eat less and not at the same time supplement that program by saying, "Let us produce all that the land will produce." You do not make much of a dent in this field of destitution and hunger and starvation by having them snitch one slice of bread from your plate in a Pullman diner. It is good, and I go along with that program as far as it goes, but it has to be augmented. You cannot go around in the world today—into Germany, France, Italy, Greece, north Africa, Egypt, Turkey—without becoming sensible of this problem of hunger and destitution. I saw them all. I took plenty of time to look, and go into the squalid sections of these countries to find out how people were getting along. I spent a long time in India. I saw them dying even when I was there.

So when the President sets up a great committee for the purpose of conserving food and says to the people of this country, "We must eat a little less in order that our destitute neighbors abroad may have something to eat, to chase back the frost-line of hunger," I begin to wonder about these goals that are set up for 1946. I have talked over this whole country from one end to the other for a long time and urged that we allow the soil to produce. That is the way to chase back the frost-line of hunger. We still have $500,000,000 pat in the Steagall support fund. We can hold up these prices all right so that our farmers do not suffer. But it seems to me if there is acreage, whether it is marginal or not, if it will produce some rye; if it will produce some wheat; if it will produce some rice and some corn—anything that we can export abroad to fill the bellies of emaciated peoples by the millions, I do hope that with this so-called suggested goal for 1946 in a world that is starving with a kind of fantastic famine, that we who have been blessed with the greatest plant on God's footstool will not fail in our responsibility to make every square foot produce. Then there must be somebody who will be looking down from a providential region saying, "Blessed America, you sing the song 'God Bless America'—and you have done something to make it blessed."

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. ZIMMERMAN. I agree with what the gentleman has so well said. I think it is our duty to produce now as much as possible. I think the President should include in his program not only taking

a piece of bread off our table, but to expand that production to the *n*th degree. I think in that way we can have a full quota. But I was down home sometime ago. I happen to come from an agricultural district down in the Mississippi Valley. I found the situation there that the farmers were greatly discouraged. In other words, the houses in which people had lived on these farms, the ones who helped to till the soil, were vacant. The men who are coming back from the war are not going to those houses. They are not taking jobs on the farms. I also found these farmers had been using their machinery for a long time. They had patched up machinery and had gotten along as well as they could. They did a wonderful job of production. We all know that. But they cannot get the necessary machinery. The new mechanized machinery has not come on the market. It seems to me we ought to try to do something to get the men back on the farms and give them the machinery. Of course, the American farmer has the will. But we cannot produce food which you have told us in your very eloquent way that we so greatly need, unless these men have the machinery and unless the farmers have the men working on the farms.

Mr. DIRKSEN. Is there not a very simple answer? First of all, to encourage the production of steel, iron, and all the basic materials that are so necessary to the production of farm machinery. Then if there are any OPA restrictions standing in the way, let us discard them in any case where hunger is involved. There has been too much red tape, too many restrictions, too much folderol, and too many regulations standing in the way of the production of these essential things that are so indispensable if we are going to do the job of feeding our own country and doing a little something for people elsewhere.

Mr. ZIMMERMAN. Do you not think, too, that we had better think a little about the income of the American farmer since the wages of men who work in factories have been raised?

Mr. DIRKSEN. Definitely. Yes, I will say to my friend we have discussed that at length within the confines of the subcommittee and the subject has been pretty well ventilated in the hearings.

Mr. Chairman, before my time is up, may I pay a testimonial to the chairman of our subcommittee, the gentleman from Georgia, Judge TARVER, and to all the minority and majority members. It has been a sweet kind of fellowship to work on that committee. No partisanship ever arises there. We know we have a job to do and we do the best we know how.

Then, we tried to bring you a bill that is as free from controversy and difficulty as human fallibility will permit.

Mr. CLEVENGER. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. CLEVENGER. I wonder if my distinguished colleague from Illinois has to go much further than the caterpillar plant or over in the quad-cities, where a couple of hundred thousand American workmen engaged in producing those tools normally that the American farmer needs, through strikes, work stoppages, or whatever you want to call them, are not producing these tools that should be produced. The savings of those people, that they have accumulated during the high-wage period, have been dissipated in living and they themselves are now poor. The very things they make, the very frigidaires, and all of the niceties that go into the homes of the men who work and make these things, are being lost through these work stoppages, as well as the implements for the farm that the farmer does not get, and the food that these hungry people do not get.

Mr. DIRKSEN. Does it not lead to the old conclusion that when you have a free market and the free-enterprise system that is unencumbered with restrictions, where people can battle out their differences on the anvil of discussion, you achieve material greatness? It has been the strength of our greatness in times past. In proportion as we move back to that atmosphere and that air of freedom, we will solve our problems; but so long as we are going in for regimentation and endeavoring to pour America into a mold, it is simply not going to work and the bitter fruit will be apparent year after year until we move back in the direction of the atmosphere that made us great in that freedom.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. DIRKSEN. Mr. Chairman, I yield 20 minutes to the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. Mr. Chairman, there has never been a time that I have felt it was well that I had spent the years I have in the agricultural profession as at this time. It just seems to me that food is the thing that is causing plenty of trouble all over the world. If we had parachutes, and if we could drop food at the different places where it is needed, 90 percent of the troubles of the world would be remedied very shortly.

I must be pardoned sometimes if I appear to give indication that this agricultural profession is a real profession by itself. I believe it. I believe it is just as much a profession as the legal profession, or the medical profession, or dentistry, or any other profession. I personally feel resentful to think that we have had agricultural colleges for 50 years and have appropriated millions and millions of dollars for them, and we could not develop a man who had the ability to even be Secretary of Agriculture. I say that without any personal feeling toward any man, the present Secretary, or any other Secretary. As a matter of fact, that was one of the main grievances I had against a former Republican President because he was not able to find an agricultural man to be Secretary of Agriculture he went down to the great State of Missouri and got a lawyer for that purpose. I presume the lawyers, probably half of the membership of this House being lawyers, would not like it very well if the position held by the Attorney General, Tom Clark, was filled by some farmer. I feel justified in taking the same attitude.

This is the eighth year I have sat here and listened to the many things that have taken place in connection with agriculture. During the first year, of course, we had not entered the war. I was a new man around here and I did not step out too fast. I learned long ago, long before I came down here, that you should make haste slowly when you move in with a new group.

During the war, I have made every effort, and I know no one will disagree with that, to cooperate with every committee of this House, with every agency of the Government, to produce food to win the war, and also to produce the food that we need today so badly. There are many reasons for the position in which we find ourselves today. I feel that it is appropriate that I call your attention to and discuss the reason for the present lack of food and why it is we do not have sufficient food. Let me start by saying that the first reason we do not have food in this country is because we have been listening to a lot of nice-sounding words. We do not realize that we have not even fed ourselves for the last quarter of a century, yet we hear many talk about feeding the world. You cannot get the United States Tariff Commission or the Bureau of Agricultural Economics to say that in pounds, bushels, and tons we have even fed ourselves during this war. It may be hard to believe that statement after all the propaganda we have had. I will be surprised if this present bill does not carry amounts for a lot more propaganda. If that is not the case it will be the first year they have not added to it.

First. The members of the Committee on Agriculture are supposed to be closer to the people of this country than any other group in the Congress—at least supposedly. What have we seen during this time? A few years before the war we had the present agricultural program put in operation. I am not going to be critical of the program any more than to say that it was based on sectionalism, it was based on benefiting the few at the expense of the many. The program was upside down. It appropriated millions and millions; yes, billions of dollars in the name of subsidies for soil-depleting crops, yet during all that time we were bragging about how we were bringing back the fertility of the soil. That is not so. Our soil is in worse condition today than it was 10 years ago, and 10 years ago it was worse than it was 20 years ago. We have been going downhill for the last 165 years as far as the fertility of the soil is concerned. Just do not listen to the siren words of some of these New Dealers. I have never yet seen a New Dealer who knew the elements needed to grow a plant. I surely do not want to be misled by their false propaganda in reference to agricultural questions. I will just give you one example, and I say this without any feeling toward my good cotton friends because I surely feel sorry for them. Of all the millions and billions of dollars that have been poured into the South, they are not still enjoying a $20 bale export subsidy. The only thing that I can see that we have an abundance of is cotton and tobacco, because outside of those commodities we have no surpluses at the present time. We have increased our tobacco produc-

tion to 2,000,000,000 pounds. That is fine. We appropriated in 1 year practically a quarter of a billion dollars for tobacco under lend-lease. Exports appear to depend on subsidies and upon lend-leasing. If anyone doubts that let him consult the records, for this is not a thing that has happened in the last 5 or 10 years, but for 25 years we have been engaged in an agricultural economy wherein we have imported more than we have exported. During the last 10 years we have imported more competitive agricultural products—I mean by that things that we raise ourselves in this country—than we have exported of all agricultural products.

So if we are going to do anything about this agricultural business, we should approach it on the basis of some scientific knowledge; second, we should approach it on the basis of the economics involved; third, we must take human nature into consideration and, lastly, we have got to take the sectional or State politics, the partisanship, of you please, that in some cases may be involved in producing the food also into consideration.

Mr. Chairman, regardless of all the millions and regardless of all the facts, I think the President himself has been misled by his agricultural propagandists telling him how much food we have. It has been but a few months ago that we read in the papers that we had so much food it was running out of everybody's ears. The only thing that is running out is a lot of propaganda from the propagandists' mouths. That is what is running out. Yet, they even get up here on the floor and say that we have a quarter more of this and a third more of that, but they do not tell you when they give you those figures that they are really comparing the situation with some drought years, and they do not tell you that they do not take into consideration difference in population.

Why put people on the pay roll everywhere to deceive us? It is bad enough to be deceived, but I do not like to pay them to do it, because I figure most of us can deceive ourselves often enough.

When the war started, about the first agricultural bill of any importance that affected agriculture was referred to the Committee on Banking and Currency. That was the bill having to do with the Price Control Act. It had the 90-percent floor and 110-percent ceiling in it. Our late colleague, Mr. Steagall, of Alabama, did more to give the people the confidence that they needed in order to produce food to win the war and in order to furnish food that we need so badly right at this moment than any other one individual.

What happened to the Steagall amendment? If these agricultural matters had been referred to the Agricultural Committee, where they belong, the thing would not have worked out the way it has. This act was in operation only a few months when President Roosevelt, in his Labor Day speech of 1942, said that the farmers were getting too much. Milk at that time was selling at $1.93 a hundred. He must have been listening to other groups. He said if we did not do something about it he would. At the time I did not feel so badly toward the President because I figured he had many other things on his mind or perhaps he was listening to other groups. The fact is that was one of the first steps taken that hurt agricultural production during the war, and I can show that to you in connection with the production of the following months after he made that statement.

Now, how about the Steagall amendment? Sure, they have thousands of employees, and they are going to put some more on the pay roll. They want them there for the campaign next fall. We might as well call these things by their right name. They are getting so many of them on the Agricultural Department pay roll that a farmer will not be able to see his crop because there will be so many bureaucrats between him and his crop and he will not be able to see it between spring and fall. Why so much money for prospective votes but not enough funds to support the legal support price provided by the Steagall amendment?

Has the Steagall amendment ever been lived up to? Our distinguished colleague the gentleman from Illinois [Mr. DIRKSEN], said that they have plenty of money to support it. Then I ask why do they not support it? On the 16th day of January I told this House what they are doing with the potato business. They sent out a propaganda letter from the Department of Agriculture saying, "We are going to announce a support price on potatoes next year of about 90-percent parity." Why, those people down there must think that none of us ever attended even the first grade in school. Anyone who has gone to school only a few rainy Saturdays can figure out that the support price is only from 52 to 60 percent of parity. That is the empty promise for 1946.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Illinois.

Mr. DIRKSEN. I believe I share the view of the gentleman from Wisconsin that substantial economies in personnel could be effected in the departments; but before that can be done it occurs to me there must be some reorganization of those functions and they ought to be brought down to a counter level. For instance, I believe there could be a consolidation of the soil conservation and conservation in allotments and all that sort of thing to be taken care of through one central agent in an agricultural county. Let him sort of be the boss. Then from there on you can staff that county and the chances are we could save 25,000 to 30,000 people on the pay roll. There was a bill in the committee of which the gentleman is a member which had that basic objective in view.

I am only reasonably familiar with the bill, but it occurs to me the gentleman's own committee could do something in that field.

Mr. MURRAY of Wisconsin. I will answer the gentleman from Illinois by saying that the Flannagan bill has been brought out of the Rules Committee as well as the Cooley bill, and for that reason I have not really paid my respects to the present bill before the House and called attention to some of the things that are in it, because it has more holes in it than any Wisconsin Swiss cheese that was ever made. But I was not going to dig that up because the Cooley bill already has a rule and the Flannagan bill has a rule, and I just do not like to cause any disturbances when it is unnecessary. If this administration wants to go along the road it is going on, it is not my responsibility. I do not have to answer for their sins, and if they do not want to bring that Cooley bill out here or bring the Flannagan bill out here and give us a chance to iron out the situation that the gentleman has mentioned, that is a responsibility that they will have to assume and answer for. If your committee can provide money for additional bureaucrats they should be able to find funds to fulfill the commitments of the Steagall bill.

Mr. DIRKSEN. The gentleman is talking about the $2,000,000,000 that relate essentially to farm credit. I was thinking of still another proposal that takes these very functional things that that Department does and pipe lines them through a single individual in the county. I am confident we could get rid of some of these divergent agencies that are manifest in so many of these counties.

Mr. MURRAY of Wisconsin. I was paying my respects to the lack of attention to the Steagall amendment. The law is not being followed in regard to the Steagall amendment. If that is a shadow of the things to come, I want this CONGRESSIONAL RECORD, in the biggest type they can find in this town, to show that I personally assume no responsibility for the fact that this administration does not live up to the Steagall amendment. If the Department of Agriculture does not want to live up to it, if any Member of the majority wants to take the position that they are not supposed to live up to it, and if the Secretary of Agriculture wants to run around the country and say that he is not going to be able to fulfill the commitments made to the American farmer, then, at least, let this administration accept this responsibility without any buck passing.

Mr. ZIMMERMAN. May I ask the gentleman if he did not vote for the OPA, to set up that organization as a wartime measure?

Mr. MURRAY of Wisconsin. That has nothing to do with it, I will say to the gentleman. This has nothing to do with OPA. I am saying that the Department of Agriculture has the responsibility. We not only passed the bill in this House but we had to take it over to the Senate and get the La Follette-Taft amendment put onto the Commodity Credit Corporation's bill and have that enacted, directing them to follow the law as far as the Steagall amendment was concerned. If the administration wants to say that the Steagall amendment is just so much blah-blah, that is all right with me. I just want them to take the credit for which they are entitled. They have not followed the law. They did not follow it in the winter of 1943 and 1944 on eggs or on pork. If all they have to offer agriculture is broken promises, the

sooner the farmers fully realize it, the better off they will be.

Mr. ZIMMERMAN. Does not the gentleman believe that the Department of Agriculture is trying to cooperate, and was there not a lot of trouble down there with OPA? The gentleman certainly attended the hearings. We had the OPA officers up there talking about these forecasts of production. I will ask the gentleman if it was not that Department we were talking about rather than the Department of Agriculture?

Mr. MURRAY of Wisconsin. No. I have some respects to pay to the OPA about that Chester Bowles statement about the dairy industry out in Topeka, Kans., yesterday. I will attend to that at the right time. I am not speaking for the dairy industry, but I can talk for about 30,000 dairy farmers in my district. There is no use making the OPA the whipping boy for the things that the Department of Agriculture is to blame for. There are many things that the OPA got away with, and if we had had a Secretary of Agriculture looking after the interests of the farmers they would not have gotten away with it, because they would have not done the things they did to the farming people of this country, and more food would be available today.

Fourth. Let me come down to the present. As I said a while ago, I do not want to criticize this Committee or the Subcommittee on Agriculture. They have arrogated some things to themselves not exactly according to the way I think it should be done. If this administration wants to take 10 years—and they brought in over a billion dollars during the 10 years—and if they want to bring in a bill here and have it considered under a closed rule so that you cannot make a point of order against it, if they want to curb debate on the floor so that only the chairman of the committee has control of the time, that is a responsibility that I want to put right in their laps. I have tried to correct them here for the last 2 years.

Mr. MURRAY of Wisconsin. You can have the LaFollette-Monroney committee, you can bring in all the rules and regulations you want to, but if you have people that do not want to do this job fairly and have the cards above the table, you can bring in all the new rules you want to run this House or any other house but it will not improve the situation. If anyone wants to sit here year after year and go home and tell his constituents, "They appropriated since I have been there $1,000,000,000 of your money that you have to get out and work for, but I could not say a word about it," they surely will think they had better send a Congressman down here that can say something about it. But I do not know how you are going to do it if the chairman of the Appropriations Committee in his good judgment does not deem it proper to let you speak.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 10 additional minutes to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. If the chairman of the Appropriations Committee in his good judgment does not deem it proper even to let you express yourself, I should like to know how any member of the minority or any member of the majority, for that matter, is going to have anything to say about it. I might say in connection with this also that some of the agricultural agencies are being operated outside the law. There is no legal standing for much legislation.

Fifth. Then we had another committee; we had the Special Food Study Committee and the Republican Food Study Committee. The gentleman from Ohio, THOMAS JENKINS, was the chairman of it. I will say this for the gentleman from Ohio [Mr. JENKINS] that at least he has kept his committee above any partisanship. It surprised me to see how effective he has been in performing his difficult task without being involved in any partisanship. He has made several constructive proposals that should have been heeded.

Sixth. I could mention the REA which is supposed to be before the Committee on Agriculture but was referred to the great Commitee on Interstate and Foreign Commerce. I suppose they are beginning to think these lines are going to start to run from one State to another.

Seventh. Then we had the Special House Food Investigating Committee, of which our present Secretary of Agriculture was the chairman. As far as I am concerned personally, I did not try to get on that committee. I did not care to be on that committee. There was no reason in my mind for ever having the committee. I surely was not going to be in a position of doing anything to embarrass Marvin Jones.

What has this great committee done up to date? They have brought in a program of subsidizing meat. If you are going to eat the choice lamb or if you are going to eat the choice beef, so that every time you eat a pound of choice meat your grandchildren are going to pay 10 cents a pound on it. They did not take 10 cents per pound off the bologna or the side pork or the fatback or the kind of meat most people eat. They are going to have a dairy report here in a day or two so maybe I will change my position. They may have a good answer to that one. I am hopeful they will.

Where do we end up? We end up right down here at the White House.

Eighth. Then we have the President's Emergency Food Committee. Just remember that President Truman at Potsdam made certain commitments for food. I do not know of a man or a woman in this House that did not want and does not want President Truman to fulfill the commitment he made.

I took enough interest in that proposition to take it upon myself to ask for an audience with our distinguished President. I gave him every assurance that anything that I could do to help him fulfill that commitment I surely would do. But I just want to tell you that there is not any man who can help the President fulfill that commitment unless you have something to fulfill it with. They now sit around a table in the White House and divide up what? Divide you a scarcity. That is what they doing now—they are dividing up a scarcity. A scarcity that has been caused by a lack of forthrightness. But has the man who has produced this food ever been in this picture at all? Has there been any attempt at all to have a production of abundance? Where has there been any such attempt? How much influence do you think these farm organizations and these commodity organizations have had all during this time? They are the ones who have to go out and grow this food and produce and process it. They are the ones who really do the work in this food-production program. Their opinions evidently have not been considered very valuable. You ask me, "Well, what are you going to do about it? You are just making a lot of statements here." With all due respect to my distinguished colleague, the gentleman from Illinois, I say there are just two ways in which we are going to be able to correct that situation. I will give you a couple of examples. No. 1, any time you want to give the fellow who is working that machine out there in the field, and it takes quite a bit of knowledge to run that machine—if you do not think so, try to run a tractor sometime and try to run other farm machinery—you will have a lot of respect for it—just give that fellow who runs that machine as much of an hourly return for his labor as the man who made the machine in the first place. You do not have to pay him anything for his managerial ability. Just give him the same money per hour as you give the fellow who made the machine. Remember that. Just give him the same as the fellow who made the machine. You will not have to have these conferences to try to divide up a scarcity—to divide up something that does not exist. In other words, to put it plainly, any time you give the fellow who raises a pig the same hourly wages for raising that pig as you give to the fellow in the slaughterhouse who stabs it, then you will have plenty of meat in this country. I do not know of any formula, disregarding all the false propaganda that may be disseminated, I do not know of any other way that you are going to get food available to help the President fulfill his commitments. There may be some magic way. Maybe there is some other way that we have not heard of. But I do not think there is any magic way to do it, except by following a formula that is true and tried.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. H. CARL ANDERSEN. Is it not a fact that the Secretary of Agriculture, for whom I have very great respect and with whom I personally served upon our Appropriations Committee in years gone by, testified before a Senate committee recommending the adoption of the 65-cent per hour minimum wage for union labor. If that is the case, did it not follow that he and the Department of Agriculture should get behind a proposition to give at least that same consideration to the farmers of America?

Mr. MURRAY of Wisconsin. If we are willing to adopt a program that gives the farm people an hourly return or a support price comparable to the minimum wage that is given to industry, then I have no criticism of it. I just do not care

so much about one recommendation without the other because they must go hand in hand. I do not like to be in the position of thinking that the farmers are the only people in the United States. For that reason, I feel each of these groups are entitled to their own proportional share in the performance of their respective jobs.

Mr. DIRKSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. HAND].

Mr. HAND. Mr. Chairman, a situation has arisen so serious that I feel justified in bringing it to the attention of the whole Congress with the hope that their collective efforts may result in some fair solution, which has not yet been forthcoming from the executive branch of the Government. I refer to stock and poultry feed which is not only in desperately short supply, but which in some areas threatens to be nonexistent.

Supplies have become increasingly scarce since October, but no complaints were made to me until mid-February. Since that time I have been flooded with urgent pleas from everywhere in New Jersey, and particularly from the individual poultry raisers in Cumberland, Atlantic, and Cape May Counties. It is hard to read these letters. They are sincere, and they are desperate. They speak of the rapidly diminishing supply of feed, of its poor nutritive quality, and of the threatened starvation of their flocks; flocks which they are unable to market because the poultry market is already glutted.

Let me read a few quotations which are typical of the whole correspondence:

> I am a veteran of World War I and in the chicken business for years depending upon it entirely for my living. If there is no relief inside of a week or so I will be forced out of business and go broke.

> As a poultryman in Cumberland County, I, like hundreds of others, am vitally affected by the critical feed shortage. We are all going to be forced out of business unless something is done immediately to alleviate this situation. This surely will not help the country's already disrupted economic situation.

> My husband (a veteran) and I have purchased a farm under Farm Security Administration. We will be unable to operate it at all this year because of the feed shortage.

> We have a poultry farm, and it is our only means of support. Our feed dealer tells us he has 2 weeks' supply with no more in sight. According to market reports, the granaries seem to have plenty. Can't you help?

> I am 60 years of age and been in the poultry business for 26 years. My poultry farm is my only means of livelihood.

> Poultrymen are selling their stocks to an already overstocked poultry market, and even with reduced stocks we cannot buy feed. We can neither live nor educate our children if we are to be forced out of business.

Mr. Chairman, it would be laboring a point to read further quotations. They speak of hundreds of hard working American farmers in my district and throughout my State, who through hard work and enterprise have built up a business which sustains and keeps them as self-respecting families, and who are now faced with the immediate prospect of losing their poultry flocks, their farms, and their homes. Instead of facing a comfortable and independent future, they are facing the open door of the bankruptcy court.

This industry has expanded so greatly in my district that the Vineland area of Cumberland County has become one of the most important sources of poultry and eggs in the country. And may I tell you, that one of the reasons for this rapid expansion was a response to the insistent pleas of the Government throughout the war years for a greater production of poultry and eggs to alleviate the meat shortage. In short, the Government having induced farmers to expand and increase their flocks, now tells them to liquidate those flocks on a market which will not absorb them.

Of course, it is not only poultry which is involved, but also cattle and the production of milk, a food absolutely vital to the health and welfare of the children of America.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. HAND. I yield.

Mr. CANFIELD. Is it not true also that milk production in the State of New Jersey is seriously threatened because of the lack of this feed?

Mr. HAND. Very seriously. I had a telegram yesterday, and my colleague from New Jersey no doubt had a similar telegram, from the director of milk control, calling attention to that situation.

Mr. CANFIELD. May I say further, I think the gentleman is rendering a real contribution in calling this to not only the attention of the Congress but to the attention of the Secretary of Agriculture, to whom appeals have been made by our thousands of farmers.

Mr. HAND. I thank the gentleman for his contribution. I can say that I personally have called it to the attention of the Secretary of Agriculture. I listened to his testimony before the Committee on Agriculture last Monday, and while that testimony was clear and concise, and I am sure sincere, it gave me a very discouraging picture of this situation.

On March 4, I received the following telegram from Arthur F. Foran, director of milk control of the State of New Jersey, which reads:

> Feed situation in New Jersey most critical. Those in authority in Washington apparently unable to do anything about it. Already reduced milk production to alarming degree. Can you help?

I called this serious condition to the attention of the gentleman from Georgia [Mr. PACE] on February 6. I then said to him in part:

> I understand that as chairman of a subcommittee of the Committee on Agriculture, you are about to concern yourself with the stock feed shortage in the United States. I am greatly worried about this problem as it generally affects my district, and especially as it threatens to ruin the large poultry industry there. I herewith quote from a recent article appearing in the local press for your consideration:
>
> "Poultrymen are going through a very serious period now and face a future which does not look overly bright with price ceilings which are passed without consideration to increasing feed prices and inferior feed quality. Poultrymen are caught in the middle of the worse economic depression that they have known.
>
> "Most poultry flocks have not produced well because the feed which they have been getting has not been satisfactory. Despite this, egg prices are being forced down regularly by the OPA.
>
> "At the same time feed prices are increasing and feed dealers are at their wits end as how to get enough feed to take care of their customers. Not only is there a serious shortage of proteins but also they are faced now with a shortage of grain. There are ample quantities of grain but poultrymen cannot get it because those who own it will not sell at ceiling price and it is not being shipped into this area. Proteins are so scarce that most feed is very low in protein content."
>
> I was very disturbed to read in the Washington Post, February 6, 1946, an article suggesting that President Truman was about to outline steps to curb American consumption of wheat products so that wheat could be diverted to export. Six million tons of wheat by July 1 was mentioned. Among other things, the article suggested that the feeding of wheat to livestock be discouraged. This, I assure you, will likewise discourage the livestock, thousands of farmers and dealers, and, of course, the American consumer who, by now, must be getting used to it.

I am sure that the gentleman's subcommittee is anxious to do everything within its power. Hearings were commenced on March 4, and will continue for some time. On March 11, I hope to have the secretary of agriculture of New Jersey and others here in Washington to testify to the acute conditions prevailing in my area.

More than 200 New Jersey feed dealers and agriculturists met in Trenton on Lincoln's Birthday. This meeting was attended by Mr. Walter C. Berger, of the Department of Agriculture, and the Governor's feed committee made a number of recommendations. There is, of course, no doubt that the Department of Agriculture is fully aware of the catastrophe which is impending.

On February 15, I called this situation directly to the attention of the Secretary of Agriculture, and I also notified Mr. Chester Bowles and Mr. Porter of the Office of Price Administration. I did this because I am persuaded that one of the underlying difficulties with production and distribution in this industry, as in many others, is an artificial price structure which has disrupted both farm and industrial economy.

As I have said, a subcommittee of the Committee on Agriculture commenced hearings on March 4. The Secretary of Agriculture testified for 2 hours. I was present and carefully listened to his testimony. The Secretary made a clear and informative statement, but it left me with a sense of deep discouragement. Mr. Anderson dwelt at length on the world food crisis, and spoke of the 12,000,000 tons of wheat earmarked for export to Europe in the first 6 months of 1946. Of this amount, the United States seeks to supply one-half.

Food for the starving must inevitably make a strong appeal to our humanitarian instincts, and no doubt the Secretary is right in planning to export a surplus, but the question is—do we have an available surplus? It is perfectly

evident to me that unless some solution is found, we ourselves face in the not-too-distant future a very real shortage of essential food such as eggs, milk, and poultry. The Secretary promised that nothing would be done which would impair the nutritive diet of the American people. I want him to keep that promise. When we talk about exporting 375,000 tons of fats and oils and 1,600,000 pounds of meat, we better be sure that we ourselves, at least, have eggs to eat.

And, Mr. Chairman, I must confess that two recent occurrences have greatly disturbed me. The Secretary stated, as I recollect his testimony, that experts were being sent to Japan to inquire as to their needs for wheat, and in the Washington newspapers the following day I observed a brief article indicating that for the first time since the war, Japanese were eating white bread made from American flour. It is hard for me to understand why an enemy country that for centuries has lived on a fish and rice diet, should now enjoy white bread when the President is asking the American people to eat dark bread. Love them that hate you—yes—but even the Christian compassion of America strains at the treatment which tends to prefer the welfare of our brutal enemies to our own people.

So far as I am concerned, I am perfectly willing to eat dark bread, less of it or none at all, but I am unwilling to stand by and see hundreds of hard-working farmers bankrupt, and see the children of New Jersey, or any other State, deprived of milk and eggs.

But, Mr. Chairman, it is not the program of export which so seriously threatens us as it is maldistribution. Visible supply of wheat, by which is meant wheat actually in granaries and elevators, is down to a low point, but estimated wheat on farms is still at 358,000,000 bushels, which is a lot of wheat. We have been blest for 8 years with favorable growing weather. The American farmer, despite the shortage of labor and farm machinery, despite every handicap, has produced such as no farmer in the world, and the wheat, corn, and other grains have been produced. Where is it? It is being diverted to uses such as hog feeding, which are made more profitable than the sale of grain as a result of an artificial and improperly designed price structure. It is being diverted to the black market in such quantities that it never reaches the eastern seaboard at all. And the recent 3-cent-per-bushel increase in grain prices is a beautiful example of too little and too late.

I call upon the administration, with its vast and almost unlimited emergency powers to govern us by regulation and decree, to use these powers to meet a very real emergency. I call upon it to have and equitably distribute the available grain by such price and transportation arrangements as may be called for. This crisis must be solved within a matter of days, and will not be solved by sending missions to Japan to see what we can do for them.

And in the future, let us give some encouragement to the food producers and processors of America, who have upped production by 30 percent despite all handicaps. Remember, that the Department of Agriculture is seeking production of a very greatly increased acreage of corn, and a like amount of wheat and soy beans next season. This means that adequate farm labor must be provided and encouraged in every way, and it means that farm machinery must be produced.

Mr. Chairman, we are all getting a little tired of confusion in policies which result in the greatest producing country in the world having nothing to sell. That is a strange spectacle, indeed in America. Let me read a brief quotation from Time magazine, issue of February 11, 1946:

> Warsaw, 90 percent destroyed and almost deserted, is now a busy, noisy, dirty city of half a million (prewar population 1,300,000). It is hard at work erecting new houses and bridges. Its thousands of rubble-framed stores sell radio sets, toys, butter, Dutch cheese, cameras, furniture, sausage, cigarets, and wines. Its streets are packed with raucous vendors selling bread, jewelry, plumbing fixtures, haberdashery.

This is "destroyed" Warsaw.

Maybe the time will soon come when we will discard some of the strange economic theories which have crept into Government and we, too, can buy and sell radio sets, furniture, yes, and even bread and butter.

Mr. TARVER. Mr. Chairman, I yield 8 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, we have heard some very excellent speeches today. I was deeply impressed by the speech which the President made on yesterday and from which I would like to read one or two paragraphs.

The President was speaking to the Federal Council of Churches. He said:

> In our relations abroad and in our economy at home, forces of selfishness and greed and intolerance are again at work. They create situations which call for hard decisions, for forthrightness, for courage, and determination. But, above everything else, they call for one thing, without which we are lost. They call for a moral and spiritual awakening in the life of the individual and in the councils of the world.

I do not believe there is any truer word that could be spoken. I have repeatedly stressed the fact on this floor that in an age where there are atomic bombs created by the intellect of man, the whole possibility of survival of humanity depended upon whether or not the conscience of man could advance anywhere nearly as rapidly in the next few years as his intellect and scientific development has done.

The President goes on in another place and says this:

> Now that victory has come, that has stopped. But throughout the world there are now millions and millions of men, women, and children who still look to the rich and powerful nations of the world for help. Principally they look to the people of the United States for help. Not help to fight an enemy, nor help for luxuries and extravagances—but just help to keep themselves alive, help in the form of food and clothing, the barest necessities of life. Of course, we cannot feed them all. But we can go a long way.

Mr. Chairman, the President has laid before us a principle that we can ill-afford to neglect. America does stand, by all odds, in the most fortunate position of any nation on the face of the earth. If we propose to build a better world or to think for a moment of the protection of our children and future generations, then we have got to build good will, for in any time of conflict that may come in the future, it is as certain as that the night follows the day, that whatever diabolical forces may rise in the world again will deem it necessary to attempt the destruction of the United States first. Our whole future is bound up inextricably with the attainment of a world peace that can be kept, and such a peace can only have its roots in good will.

So, to the degree we can follow the admonition of the President, we certainly should. At the moment, a great effort is being put on to attempt to follow his admonition to get food to the starving peoples of the earth. Nothing must interfere with that. The American people as a whole are eager to help all they can.

The chairman of the committee addressed the House this afternoon on the subject of soil conservation, among other things, and I am sure that every single person will agree with what he said; namely, that the soil and its fertility is the fundamental wealth of America. Soil fertility is intimately connected with the livestock population of the country, all sorts of livestock; and yet at the moment as we come to the necessity of utilizing grain for the feeding of the peoples of the world and as inevitably that must come first, at the same time there has developed a shortage of feed for livestock in many parts of this Nation which is leading to an actual liquidation of a great deal of the livestock of those areas where the shortage is most acute.

Southern California happens to be one of the areas where the situation is extremely acute. If the choice is presented between hungry people on the one hand and the feeding of livestock on the other we must, of course, choose the hungry people; but, certainly, no stone should be left unturned to attempt to prevent any reduction in the storehouse of the wealth of soil fertility, of the fundamental well-being of this Nation which is locked in the livestock of the country.

I am for these reasons, Mr. Chairman, introducing a resolution today, which resolution authorizes the President and the Secretary of Agriculture to take such action as may be necessary during the time of food and feed shortage to prevent grain from flowing into any nonessential uses, including specifically the manufacture of liquors. I do this because I believe certain things have to come first, and because I believe it is bad economy for us to use for unnecessary purposes anything that can otherwise keep the livestock of America going and the farmers who have husbanded that livestock in their business at the same time that we try to meet the needs of the peoples of the world who are in desperate straits today.

Mr. Chairman, there are a number of other aspects of this problem that I do not have time to discuss.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. H. CARL ANDERSEN. I wish to compliment the gentleman from California on bringing out to this country the urgent necessity of the preservation of our soil, because to me that means whether or not the people of our Nation in the future will go hungry.

Mr. VOORHIS of California. That is true; and may I say in conclusion that as long as poultrymen and other livestock producers, through absolutely no fault of their own but through forces absolutely beyond their control, are confronted with the impossibility of securing sufficient feed to carry on, and forced to sell some of their animals there certainly should be a price-support program for their product so that they will not be forced to sell in the kind of distress markets we have seen the past few weeks. I was given assurance today that such a price-support program will be put into effect in the very near future.

To sum up, then, Mr. Chairman, we must recognize that the fundamental wealth of this or any other Nation is its agricultural wealth. That agricultural wealth consists primarily of the fertility of the soil and of livestock. We know well that over the long run only large numbers of livestock can maintain the fertility of the soil of any nation or the productivity of its agriculture.

We are in desperate need of grain, first to meet human hunger around the world and second to maintain the livestock of America, to prevent farmers being compelled to liquidate their poultry flocks or their dairy herds. Under all the circumstances it seems to me incontrovertible that we must divert the grain supplies of the United States from all nonessential uses into these two desperately needy channels. The amount of grain devoted to the production of liquors could, if used instead for the meeting of the hunger of human beings and for the feeding of American milk and dairy cows, poultry and other farm animals, make a significant contribution to the relief of hunger today and to the long-run production of highly nutritious food products in the future. These things are too important for us to indulge ourselves in wasteful, or nonessential uses of grain.

The text of my joint resolution follows:

Resolved, etc., That—

Whereas the President of the United States has called upon the people of this Nation to bend every effort in rendering assistance to peoples of other nations who suffer from a critical shortage of food; and

Whereas there exists at present throughout the world an acute shortage of grains which have formed the basic diet of millions of people for centuries; and

Whereas if America is to make her maximum contribution to the food needs of her own country and the world it is necessary that grains in particular be devoted to the most important uses therefor; and

Whereas farmers producing livestock products, including dairy products and poultry products in all their forms are at present confronted with so severe a shortage of food as to necessitate in certain portions of the country an actual liquidation of flocks and herds: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That the President and the Secretary of Agriculture are hereby authorized and directed to issue such directives as may be necessary to prevent, so long as the present food shortage in the world or the present shortage of livestock feed in the United States continues, the use of grains for the manufacture of liquors or for any other nonessential purposes and to channel such grains either into human consumption or into the feeding of livestock in the United States.

Mr. DIRKSEN. Mr. Chairman, I yield 10 minutes to the gentleman from North Dakota [Mr. ROBERTSON].

Mr. ROBERTSON of North Dakota. Mr. Chairman, my purpose in addressing you today is to discuss some of the fundamental resources and principles which have made the United States the most prosperous nation in the world.

At the time of the first session of Congress the United States was an agricultural nation with approximately 90 percent of its labor engaged in agriculture. The farmers of America won the freedom which we have enjoyed as a nation, and it was our farmers who gave us the Constitution of the United States.

It is my candid opinion that the confusion in our own Nation and the rest of the world is due to our failure to properly evaluate the importance of the products of the soil in creating income and the jobs needed for prosperity.

Of the 40 principal world commodities, weighted according to value, over 80 percent are agricultural. In other words, the world derives from agriculture 80 percent of its primary materials and, through price, most of its primary income.

In our own Nation, in spite of the fact that we consider ourselves a great industrial nation, agriculture still produces 65 percent of the value of all raw materials. It is still the foundation of our national economy, and if we wish to find the answer to the future operation of our Nation, then we must go to agriculture.

As I have pointed out, agricultural products total 65 percent of the value of all raw materials. It is a natural corollary that approximately 65 percent of our manufacturing, trade, and distribution depend on our farm production. Instead of trying to solve our problems from the top we should start at the bottom and permit natural economic laws and arithmetic to function.

Recent surveys by the Raw Materials National Council at Sioux City, Iowa, and the National Association of Commissioners, Secretaries, and Directors of Agriculture confirm the rather interesting and startling fact that our economy starts with agriculture and radiates out from it in a very positive manner.

Their surveys point out that in our economy each dollar of gross farm income in the United States annually generates $7 of national income as the farm products valued at a dollar pass from hand to hand through our trade channels. As a result, for each gain or loss of a billion dollars in farm income, the result of production and price, the Nation gains or loses in a seven times ratio, or approximately $7,000,000,000.

I have checked this ratio against the record of the United States during the past 25 years and find that it has held true with very little fluctuation. During the 25-year period we have had all sorts of changes, and the constancy of the ratio regardless of the ups and down in our economy proves that it is a yardstick by which we can gage our future.

The surveys also point out that the agricultural income is the governing factor in our economy with a precedence of approximately 6 months. For example, factory pay rolls, the value of manufactures, retail trade, transportation income, construction, and so forth, follow farm income up and follow it down. Again the record proves that this conclusion is based on facts.

Some of the ratios which exist in our economy are as follows:

First. For each dollar of gross farm income we will have a dollar of factory pay rolls.

Second. For each dollar of gross farm income we will have 50 cents of gross mineral production.

Third. For each dollar of gross farm income we will have $5.60 in the value of our manufactures.

Fourth. For each dollar of gross farm income we will have $4.20 of retail trade.

Fifth. For each dollar of gross farm income we will have $7 of national income.

The land—natural resource which is our national heritage—and the labor applied to the land is the chicken—and the product of this effort is the egg. To live—or even to exist—we must have food; then fibers for cloth and all other industrial uses; then hides and skins for leather; tobacco for the enjoyment of those who choose to use it; broom corn with which to make brooms; special crops such as oilseeds for paints, varnishes, soap, and so forth; sugar crops; popcorn; and so forth. Thus, production, based upon our natural resources and labor, is the egg.

Along with agricultural production comes operations in forests and fisheries and in mines and quarries. These must be operated in proportion to farm production in order to provide homes, machines, factories, transportation, and so forth, necessary to move the products, to store them, to process them, to deliver them to the ultimate consumers.

With this definite correlation between farm income and other segments of our economy and with each dollar of farm income meaning $7 to the Nation, then, indeed, we must start to solve our problems with agriculture as a base. We must stabilize the price of agricultural products at parity with the price of finished goods and increase our agricultural production to furnish the material and income for an expanding population and an expanding economy. With each dollar of farm income meaning $7 of national income, it becomes the height of folly to either curtail agricultural production or to permit agricultural prices to fall below parity.

Since the first session of Congress a great change has taken place in the United States. The efficiency of our per man production on the farm has permitted the release of labor to other fields and today approximately 80 percent of

our labor is engaged in other parts of our economy. It is hard for this 80 percent to realize that their welfare is still determined by our farm production. As a result we have neglected to give agriculture the proper consideration. We must rearrange our economic thinking and come back to fundamentals.

For those of you who find it hard to believe that agriculture is the governing factor in our economy let me point out a few basic factors which we have completely ignored.

Ours is a capital economy with our system of free enterprise and individual ownership of the productive resources, as the incentive to produce. At the present time we have approximately 9,000,000 business units of which 3,000,000 are nonagricultural and 6,000,000 are the individually owned or operated farms. On the average the capital invested in each farm is equal to the average investment in the nonagricultural industries. It can be safely stated that agriculture has two-thirds of the capital investment in productive enterprise. For example, in 1940 our agricultural investment in the United States was approximately $65,000,000,000 as compared to approximately $6,000,000,000 in the steel and automobile industry combined. From a labor standpoint agriculture employed 10,500,000, while the two industries mentioned employed less than 1,000,000. With these facts before us, is it not logical to assume that agricultural prosperity is more important than we have realized and the prime mover in our economy?

With this assumption as a fact we can readily find the reason for the depressions of the past. A depression in the United States is nothing more than too low a price for agricultural products and in turn too low an income for all groups.

Going through the records of the past, I find that agricultural production in the prosperous year, 1928, and the depression year, 1932, was almost identical. The farm income, however, in 1932 was $5,300,000,000 as compared to $11,700,000,000 in 1928. This loss in farm income radiated out in direct ratio to all other segments of our economy. Factory pay rolls fell off over $5,000,000,000 in 1932, as compared to 1928, and our national income dropped off approximately seven times the loss in farm income, or approximately $42,000,000,000.

In spite of this fact, we sit here in Congress and argue about the cost of maintaining proper farm prices when we ought to be discussing the loss we have sustained because we did not maintain them.

For example, in the period 1930–41 the failure of the United States to assure the farmer full parity for his production caused the Nation to suffer a loss of approximately $473,000,000,000. Our Nation could have had this additional income without any cost to the Government and to the taxpayer. How foolish we really are when we even consider a program for the farmer based on subsidies or an increase in the national debt when the facts prove that a proper farm income will automatically give us the proper national income without subsidies or debt.

For example, we know that we have the productive capacity at present price levels for farm products to create approximately $21,000,000,000 of gross farm income annually. This amount times the trade turn of the farm dollar or 7 times twenty-one billion will give us $147,000,000,000 of national income, and I ask that you check the record of 1945 to check the accuracy of this conlusion.

With $147,000,000,000 of national income, the natural laws of exchange will distribute this in equal ratio to all segments of our economy. The men in our factories can then have approximately $21,000,000,000 of factory pay rolls, our retail merchants can have approximately $90,000,000,000 of retail sales volume, the value of our manufactures will be approximately $120,000,000,000, and we will have the foundation for approximately $15,000,000,000 of new construction without the expenditures of any governmental agency.

Under our system of free enterprise there is no need for a Federal housing program if we will but maintain the income of the individual farm producer with a proper price for his production or services.

The trade turn of the farm dollar indicates the economic theory that we must have lower prices to sell surplus production in foreign markets have brought about our depressions. Lower prices have destroyed income in ratio, and we have complicated our economic problems by piling the surplus of underconsumption on top of whatever increased farm production, a cycle of good weather has given us.

With stable prices as a foundation for agriculture we can have a positive operation of our economy. Increased production at a stable price level will mean increased farm income, it will mean increased national income, and in turn an increase in the national consumption.

This conclusion is verified by the consumption records for 1935 as compared to 1944 and 1945. With higher farm prices during the war per capita income increased in ratio and food consumption per capita was greater in 1944–45 than it was in 1935. For example, our meat consumption had increased approximately 20 pounds per capita even with a program of rationing.

Some economists talk about the increased cost of living when farm prices rise. This theory is a fallacy. Increased farm prices do not mean increased living costs when a comparison is made on the basis of increased per capita income as the result of higher farm prices. Our cost of living on the basis of per capita income in 1925–29 was less than than in 1910–14, and our cost of living on a per capita income basis in 1944–45 was less than in 1935–39 when farm prices were far below parity in spite of subsidies, and so forth. The simple facts are that we have been trying to operate our economy in reverse gear by shutting off the power when we needed more of it.

In driving a car we feed more gas when we approach a hill. Experience has taught us the necessity of doing so. In like manner when we produce more farm products we must have more income to consume them. By stabilizing farm prices at parity, increased farm production automatically generates the additional income or power to consume. In other words, with stable farm prices the science of economics makes sense and increased production means an increase in our standard of living. Our upside-down economic theories have almost made the American people afraid to work because of a fear of surplus.

The loss of $473,000,000,000 in income during the 12-year period 1930–41 proves that we cannot afford to pay the farmer less than parity. Basic farm crops can easily be supported with commodity loans at 90 percent of parity and callable at parity. The banks in the farm areas have plenty of funds at a proper level to finance the agricultural industry without the aid of our Government. It is the duty of Congress to lay down the rules of the game so that the farmers' income is a safe foundation for the extension of credit. The commodity loan is merely a protective measure.

In regard to the rest of the world with its conflicting ideologies, economic, and fiscal policies, we can best help them if we maintain our American price level and protect it with proper tariffs or their equivalent at a level needed to protect our national solvency and prosperity. Our buying power will determine the amount of foreign trade we will have.

Again our economists argue that tariffs are trade barriers. This is true only when excessively high. When at the parity level, tariffs are merely an equalizer between our price level and the rest of the world and will give us more foreign trade than on a free-trade basis.

The record proves this conclusion. Our imports both in dollar values and tonnage were greater in 1925–29 when our farm prices were at parity than in 1935–39 when farm prices were below parity and we were permitting the Government to make trade agreements at less than our parity level.

With the tariff our Nation has been using 47 percent of the world's goods with a population equal to only 6 percent of the world population. In addition we have had, consistently, approximately 15 percent of the foreign trade of the world.

The principal trade barrier in the world is not tariffs but lack of income. The OPA ought to be willing to admit that fact because with all their rules and regulations they have not been able to stop the American people from buying the things which they had the income to buy.

Frankly, I am of the opinion that our propaganda as regards free trade is merely the expression of selfish exploiters who wish to buy cheap goods produced from cheap raw materials with cheap foreign labor. The selfishness of these groups prevents them from realizing that there is no such thing as a cheap product. Cheap products mean cheap markets and a cheap people. In other words of what value is a nickel sandwich when the people do not have the nickel.

The barrier to world trade is the fact that 60 percent of the world's population is working for 20 cents a day or less. The reason for the low wage is the low

prices for some foreign agricultural products and the exploitive system of international capital ownership of foreign raw-material resources.

Our duty to our Nation and the rest of the world is to maintain the price level of the United States and then to point out to the rest of the world that they should adopt our price level as their standard of values so that they too may have prosperity. This again is not theory because our price level today according to the Bureau of Labor Statistics is only 107 percent of 1926 established by the National Government as the best base year for making comparisons. The 1926 price level was the world price level.

Is it our fault that the rest of the world does not have the good common sense to pay its citizens a decent price for production? Is there any reason why our price level cannot become the world price level in the same manner that it was in 1926? Is there any reason why, by removing tariffs, we should join the rest of the world in a competitive struggle to join them in poverty? Decidedly none. Yet, that is the policy and the theoretical course we are following. It can have only one answer, complete chaos. Of course, if we wish to join the communistic philosophy, then our present course makes sense because communism flourishes when poverty is brought about through the destruction of free enterprise.

I have some questions in my mind for which I think the Members of Congress owe it to themselves and the Nation to demand an answer.

I wish to ask why the Bureau of Agricultural Economics in the Department of Agriculture has not informed Congress that our average farm production in the 10 years from 1930–39 did not equal the farm production in the 5 years 1925–29 when we had prosperity?

I want to ask why the Bureau of Agricultural Economics did not inform Congress that in the 20-year period—1922–41—our agricultural production was deficient and that we were on a net import basis for farm products?

I want to ask the question, why the Bureau of Agricultural Economics has not informed Congress that we have the lowest living cost on the basis of per capita income of any period in our history?

I want to ask the question, why has not the Bureau of Agricultural Economics told the Members of Congress that we do not have any more harvested acreage of crop land today than we had 25 years ago in 1919?

I want to ask the question: Why has not the Bureau of Agricultural Economics told the Members of Congress that we do not have any more beef cattle than we had in 1918?

I want to ask the Bureau of Agricultural Economics why they did not inform Congress that in the period 1934–41 we imported, net, the equivalent of approximately 50,000,000 acres of farm products per year while we were paying our farmers not to produce because they told us we had a surplus.

I would like to ask the Bureau of Agricultural Economics why they expect us to vote an appropriation for them if they are either incompetent to give us the right information or on the other hand are deliberately misinforming the Members of Congress.

Finally, I want to ask the Bureau of Agricultural Economics if the American wool grower—with a production equal to only approximately one-third of our expected requirements in the next 2 years—cannot get a proper price for his wool, how much will he have to reduce production?

Frankly, fellow Members of Congress, I believe that it is high time that we investigate the information which we have been getting from people hired to give us facts.

We have a right to demand that public servants serve the interests of the taxpayers who pay them. Misinformation strikes at the very foundation of our representative form of Government. How can you and I properly legislate for the welfare of the people if we cannot depend on the information of the experts in our governmental departments?

Yes, how can we help provide a foundation for world peace if the information we get will lead to another World War? How can we have peace when the information we get leads to bankruptcy for the United States?

And how can we have world prosperity, the best foundation for world peace, without a prosperous United States when the record reveals that the United States consumes approximately half of the production of the world?

The theorists are going to create prosperity for the world through the extension of credit by the United States. The extension of credit without a foundation of income is not only poor business but in addition it is the worst form of a good-neighbor policy. A banker does not like to make a poor loan for two reasons: First, he feels that he will not be repaid; and, second, if he is not repaid he will lose a customer. The same thing is true of any merchant extending a charge account or making a loan to a neighbor.

In closing, I want to ask a question: If the United States is to extend credit to a foreign nation, why should not we require the nation to which the loan is made to pay its citizens a proper price for their production? If we require the proper price for production in other nations, then the other nations can earn their own income.

To prove to you, in closing, that this conclusion is sound, I would like to ask the Members of Congress: Where did we get the income with which to carry on the war? Did we borrow from some other nation? The answer is "No." The record reveals that we gave billions of dollars of war materials to help other nations. The record further reveals that in 1942 to 1945, inclusive, we produced more war materials than all the rest of the world. How did we get the money? Through the simple process of production times price. We created the income so that the citizens of our Nation could buy the bonds to finance the war. We owe it to each other, but if we creditors are ever to be repaid we must maintain the income of the United States.

It is my firm belief that the Congress of the United States has a fundamental task, namely, the task of educating the people of the world that world peace depends on the price of agricultural products and that the best prevention against the use of the atomic bomb is a prosperous agriculture and, in turn, a prosperous world.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. DIRKSEN. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. ROBERTSON of North Dakota. I thank the gentleman.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. ROBERTSON of North Dakota. I yield to the gentleman from Illinois.

Mr. DIRKSEN. I want to compliment the gentleman from North Dakota for having been one of the stanch defenders of agriculture in this country and having been alert and sensible to its every interest here. He is to be complimented and I think the State of North Dakota is to be complimented for the yeoman service that he has rendered in that field.

Mr. ROBERTSON of North Dakota. I thank the gentleman.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. ROBERTSON of North Dakota. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. The gentleman will recall a year or so ago when he and I were together on a trip through the great farming area of the Midwest, and how disturbed we were at that time at the lack of evidence of feeding stock of all kinds in the farm yards that we passed by.

Mr. ROBERTSON of North Dakota. I remember it very clearly.

Mr. H. CARL ANDERSEN. From that trip I gained a high respect for the gentleman from North Dakota and his determination, as expressed to me during those days in which he brought out the fact that unless the Nation does agree to give agriculture its proper share of our national income, we never can, as a nation, hope to prosper, and that is the line along which the gentleman has been speaking today. I wish to compliment the gentleman from North Dakota for his very excellent contribution.

Mr. ROBERTSON of North Dakota. I thank the gentleman from Minnesota [Mr. H. CARL ANDERSEN] and the gentleman from Illinois [Mr. DIRKSEN] for the delightful contributions they have made. I will merely add this, that I happen to represent a State which is almost exclusively concerned with agriculture. No one could come to the Congress of the United States in the capacity in which I do and not give considerate attention at all times to the questions and the problems of agriculture.

Mr. DIRKSEN. Mr. Chairman, I yield 5 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, this morning national representatives of the Veterans of Foreign Wars, American Legion, Disabled American Veterans, and Amvets conferred with me and announced their support of a bill which I am introducing today.

These gentlemen were Mr. John C. Williamson, assistant legislative representative of the Veterans of Foreign Wars, Col. John Thomas Taylor, national legislative director of the American Legion, Mr. Millard Rice, national director of public relations of the Disabled American Veterans, Mr. Joseph H. Leib, national legislative director of Amvets, and Col. Raymond Sawyer, national housing director of Amvets.

This bill would require the National Housing Agency and other Government agencies charged with the disposal of Government-owned housing to give servicemen and World War veterans an effective priority in the purchase of such housing.

I have been advised that the Federal Government now has over 500,000 dwellings situated throughout the United States. Passage of this bill will enable many of our servicemen and veterans to acquire decent homes for their families.

Incidentally, this bill is similar to two other bills that I introduced on February 21 and 25.

Mr. Chairman, this is the first time that four veterans' organizations have endorsed the same bill. The gentleman from Alabama [Mr. MANASCO], chairman of the Committee on Expenditures in the Executive Departments, has promised me a hearing on the bill tomorrow.

Mr. Chairman, the bill, in part, provides that whenever any surplus residential property is to be disposed of other than to Government agencies as provided in sections 12 and 13 of the Surplus Property Act of 1944, as amended, veterans shall be granted not only a preference but a priority in the purchase of such property over nonveterans, in accordance with the provisions of this act.

It further provides that surplus residential property shall be subdivided into the appropriate units in which the Chairman deems it should be disposed of, giving due consideration to the character of the property and the objectives of this act to provide priorities and preferences in purchases thereof to veterans.

Units of surplus residential property which cannot be sold to a veteran under this act within 90 days after public notice of its availability for sale may be disposed of to a nonveteran, but no such unit shall be disposed of to a nonveteran upon terms more favorable than the terms under which the unit has been offered to veterans.

It also provides that the terms of the sale of any unit of surplus residential property to any veteran under this act shall include provisions requiring that in the case of any resale of such property during the 3-year period beginning on the date of the sale the property will first be offered for resale to veterans at not more than the purchase price. This would give a continuing priority to the veterans. It must be sold at a reasonable market price, and that market price would be based on the years 1937 to 1939. That was not an inflationary period and it was not a period of depression, such as took place in 1930 to 1934.

The following is the bill in full:

A bill relating to veterans' priorities and preferences in purchasing surplus property suitable for residential purposes

Be it enacted, etc., That as used in this act—

(a) The term "chairman" means the Chairman of the Board of Directors of the War Assets Corporation or the officer, employee, or agency of the United States to which his functions with respect to surplus residential property are transferred.

(b) The term "residential property" means any property consisting of land, together with any fixtures and improvements thereon of a permanent nature wherever located, which is suitable for residential purposes, including war housing.

(c) The term "surplus residential property" means residential property which has been determined under section II of the Surplus Property Act of 1944, as amended, to be surplus property and is classified by the Chairman as suitable for residential purposes.

(d) The term "public notice" means notice given as required by regulations prescribed under section II (e) of the Surplus Property Act of 1944, as amended.

(e) The term "veteran" means (1) any individual in the active military or naval service of the United States during the present war; (2) any individual who served in the active military or naval service of the United States on or after September 16, 1940, and prior to the termination of the present war, and who has been discharged or released therefrom under conditions other than dishonorable; or (3) any corporation, partnership, firm, association, or other entity either wholly composed of individuals described in clauses (1) and (2) or wholly owned or controlled by such individuals.

(f) The terms "Government agency," "owning agency," "disposal agency," "property," "State," and "war housing," have the same meaning as when used in the Surplus Property Act of 1944, as amended.

SEC. 2. Whenever any surplus residential property is to be disposed of other than to Government agencies as provided in sections 12 and 13 of the Surplus Property Act of 1944, as amended, veterans shall be granted a priority and preference in the purchase of such property over nonveterans in accordance with the provisions of this act.

SEC. 3. Surplus residential property shall be subdivided into the appropriate units in which the Chairman deems it should be disposed of, giving due consideration to the character of the property and the objectives of this act to provide priorities and preferences in purchases thereof to veterans.

SEC. 4. Units of surplus residential property offered for sale shall be appraised on the basis of the reasonable value in the normal market during the period beginning January 1, 1937, and ending December 31, 1939, by the disposal agency or other prospective seller subject to the concurrence of the Veterans' Administration. The sales price shall be at the value determined by such appraisal.

SEC. 5. (a) Any unit of surplus residential property which cannot be sold to a veteran under this act within 90 days after the public notice of its availability for sale may be disposed of to a nonveteran, but no such unit shall be disposed of to a nonveteran upon terms more favorable than the terms under which the unit has been offered to veterans.

(b) The terms of the sale of any unit of surplus residential property to any veteran under this act shall include provisions requiring that, in the case of any resale of such property during the 3-year period beginning on the date of the sale, the property will first be offered for resale to veterans at not more than the purchase price. Except as provided in this section, sales to veterans under this act shall be upon such terms as the Chairman may prescribe.

SEC. 6. The Chairman shall prescribe regulations to effectuate the provisions of this act.

Mr. DIRKSEN. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. JOHNSON].

Mr. JOHNSON of California. Mr. Chairman, I take this time to inform the Committee concerning a labor dispute in California that affects our agriculture very materially.

Perhaps most of you do not know that in California last year we raised on our ranches, in dollar values, $1,700,000,000 worth of produce. When it comes to the value of our products, we are the first State in agriculture in the entire United States. This great production is divided up among numerous crops, over 50 types of crops. These crops are fruits, vegetables, grapes, nuts, and so forth. A great part of the fruits and vegetables in California are canned. Last year we canned 53,000,000 cases of fruits and vegetables. This equals almost 1,300,000,000 cans of this food. The Third Congressional District of California, which I have the honor to represent, is in the center of the great valley of California, where most of these crops are raised and canned.

Unfortunately, just recently, the processors and the labor groups were trying to renew or make a new contract between the processors and the laborers in the canneries, and the two large groups of labor leaders got into some kind of a squabble over a bargaining election and we now have a jurisdictional fight facing us which might paralyze a great many of our canneries in California.

The National Labor Relations Board after a long hearing set aside the election to determine the bargaining agent. The result is that with all these workers anxious to work they probably will not have a bargaining agreement and two labor organizations will compete for the right to be the bargaining agent for the cannery workers. Perhaps this jurisdictional fight will continue and during its duration the canneries may stand idle.

There are three groups of people involved. One is the growers of these fruits and vegetables, another is the processors, and the third is the laborers who work in the canneries.

The average American living east of the Rockies does not understand how perishable our crops are. For instance, when the cherries become ripe they have to be placed in cans every day as they ripen. The whole season for any one ranch may only be 10 to 12 days. If the canneries are closed for 1 day in asparagus, in spinach, in cherries, in peaches, in apricots, and in plums, thousands and perhaps millions of dollars in food will be lost.

I call this to the attention of this committee which is interested in agriculture to see if we can find some way to have these labor groups compose their differences temporarily until an election can

be held. Because if the jurisdictional strike goes on, it may mean that dozens, and perhaps many more, canneries will be paralyzed, the food will be lost, and the growers will lose all their crops, and the laborers themselves will lose a great deal in wages. We simply cannot afford to have that happen at this time when food is so scarce in our country and throughout the world.

The Sacramento Bee, the largest paper in interior California, commented on the situation in these words:

> The situation shouts to high heaven for immediate action and for a show of statesmanship.
>
> That a jurisdictional dispute between 2 labor unions should progress to the point of depriving the Nation, and to some extent the world, of food is the very height of stupidity.
>
> And it becomes totally unconscionable in view of the fact that only adamant stubbornness stands in the way of a solution to this impasse.

The California Representatives in Congress who represent rural districts, under the leadership of our dean, the gentleman from California [Mr. LEA], of the First District, have been trying in every way to prevent the situation that seems to be developing. We simply cannot let our growers be ruined, our canneries stand idle, and our workers be prevented from working and intend to do all we can to see that the crops are harvested and canned, including, as a last resort, the recommendation that the Government take over if the matter cannot otherwise be resolved.

We hope this will not be necessary but to let wholesome fruits and vegetables rot simply because they cannot be placed in cans is criminal, when the world is so badly in need of food. We are confident that the overwhelming majority of the workers who will process this food would be glad to have the canneries open so the crops can be canned.

Mr. DIRKSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. HESELTON].

Mr. HESELTON. Mr. Chairman, in June of 1945, it was reported that the Department of Agriculture was considering a change in the formula under which the AAA conservation funds would be distributed among the States.

The New England delegation in the Senate and the House of Representatives authorized the appointment of a committee to discuss this with Mr. Norris E. Dodd, then Chief of the Agricultural Adjustment Agency and now Director of the Field Service Branch of the Production and Marketing Administration in the Department.

The committee learned that such a change was proposed and that, under each of the tentative formulas being considered, the Federal participation in the program in the northeastern region would be substantially reduced.

Consequently, the committee presented to Mr. Dodd and to Secretary Anderson a statement of the conservation needs of northeastern soils and attempted to establish the proposition that any new formula would operate inequitably against the Northeastern States unless it actually increased their proportionate share of the funds. A copy of this statement is inserted in the hearings at pages 1694 and 1695.

We argued that the conservation needs of the soil should be the primary consideration and that the soil requirements in the Northeast are actually greater than in most other parts of the country. We pointed out that the soils along the Atlantic seaboard have been cultivated extensively over a long period of time, thereby removing a considerable part of the plant food through continual cropping; that our agriculture was intensive in character; that in some sections we had several crops a year; that the pasture season there is relatively long, resulting in the removal of large amounts of minerals from high-yielding hay and pasture land; that the rainfall in these States is heavier than in many other agricultural areas of the country, resulting in substantial leaching of minerals and that this has left our soils more deficient in many of the essential minerals than in areas of lower rainfall; and that this, also, resulted in a relatively greater loss of soil through erosion. We showed that our farm land is very hilly in its nature and that this required extensive conservation practices and the application of minerals to encourage a vigorous growth of forage crops to check erosion.

We stressed the fact that an acreage basis would not be a fair method of determination for the distribution of funds because of the heavy concentration of population in the Northeast, where most of the food produced is consumed locally.

We suggested that the application of any new formula which would result in a limitation of the mineral treatment to the soil meant a reduction in the food production in the Northeast and would require additional feed to be shipped into that area. Incidentally, this is an extremely critical problem with us now because of the shortage of feed for poultry and cattle.

We called attention to the fact that the northeastern States were farmed before the development of our present agricultural planting and harvesting machinery and that many of the planting and harvesting operations are still performed in a limited way; that we had developed many small fields, lined by stone walls and hedge rows, and that these could not be effectively farmed and erosion prevented with the use of modern agricultural machinery unless many of them were combined.

After summarizing our contention, we urged Secretary Anderson and Mr. Dodd to emphasize the actual true conservation needs in developing any revised formula.

We took occasion, also, to point out that there had been relatively very small expenditures in these nine States under the AAA program, and that under the Pace committee formula our basic conservation needs justified a request for approximately 12.1 percent of any available funds annually.

However, we were not successful, and the new formula was developed, which is shown in the table at pages 1252 and 1253 of the hearings.

It is perfectly clear from Mr. Dodd's testimony as to the reason for the change in the formula that it is not based upon any accurate appraisal of the respective needs of funds for true conservation practices. At page 1250 of the hearings you will note that he testified that the change was "because of the pressure for money, because the requests for assistance have been so great that it had to develop a new formula for distributing the money among the States."

Yet, if you will examine the table at pages 1252 and 1253 of the hearings, you will note that in contrast to the 1945 apportionment there will be 22 of the 48 States where the conservation work in the current year will necessarily be sharply reduced below the amount done last year. It is extremely difficult to reconcile such a result with the repeated testimony of all of the witnesses, including Mr. Dodd, that there is greater need for increased sound conservation practices in every State during this immediate postwar period, when the soil throughout the United States has been so seriously depleted by reason of the war effort.

A closer examination of the new formula leads to the compelling conclusion that the $86,216,000, which is to be distributed on the basis of total cropland and orchard acreage multiplied by 18.6 cents, is a highly artificial and thoroughly unscientific item. Indeed, in explaining this item Mr. Dodd stated at page 1254 of the hearings that it was the balance of the money left. The table itself shows that every other item was developed upon the basis of existing data and that the rate applied was an even amount. Yet, after having completed the computations in colums 2 to 7, inclusive, the Department found itself with a balance of $86,260,000, and I submit that it is perfectly obvious that it then divided that amount by the total cropland and orchard acreage and arrived at the fractional figure of 18.6 cents.

We unsuccessfully attempted to present our request to the Department that any revision of the existing formula in these postwar days should fairly reflect a scientific and accurate appraisal of the actual and true conservation needs throughout the country. It is most significant that Mr. Dodd's testimony contains the frank statement, at page 1254, in reply to a question by the gentleman from Washington which I would like to quote here:

> Mr. HORAN. What were your reasons for saying that you think this is fair and just?
>
> Mr. DODD. I think it is as fair as any method we can develop, unless it is put entirely on a conservation needs basis.

That the distribution of funds should be put entirely on a conservation needs basis was specifically the basis our delegation urged as the only fair and just type of a formula for the distribution of public funds.

Although we recognized that an examination of the fairness and the justness of this revised formula was not primarily one over which the Committee on Appropriations could act, we did ask for the privilege of again presenting our case to the subcommittee, and it will be found in my statement in the hearings, from

pages 1692 to 1696, inclusive. We were sincerely appreciative of the courteous hearing given us and were particularly impressed with the comments of the chairman, the gentleman from Georgia. I want to call your attention to his remarks at page 1701 of the hearings, which state so clearly and impressively the only possible basis upon which the Department can hope to justify its discharge of the obligation to distribute these funds fairly in the interest of a Nation-wide program of sound conservation. When he said that he, too, has frequently indicated his feeling that the money used in this program should be used where the soil-conservation needs are the greatest, he emphasized the heart of our case.

Although we are forced to concede the correctness of the chairman's further comment that the subject matter is not one directly within the control of the Appropriations Committee, it does seem as though the program for the next fiscal year should definitely be placed upon the basis of a distribution of funds entirely on a conservation-needs basis and, consequently, I have prepared an amendment which I will offer later to bring about that result. This amendment which I will submit would follow the word "amended," in line 1 of page 45 of the bill and would read, "which programs shall be established under a formula for the distribution of funds among the several States in accordance with the true conservation needs of said States." You will note that this does not affect the current program to which the Department has already committed itself. Rather, it would be an indication of the dissatisfaction of the Congress with the inequitable nature of the present revised formula and a clear and specific direction to the Department to immediately provide another formula which would govern the distribution of these funds in the fiscal year 1948 and which would justly recognize the actual and true conservation needs throughout the country.

In connection with the consideration of this amendment, I wish to submit a list of the amounts of reductions in the 1946 agricultural-conservation program under a revised formula for the distribution of funds available under an appropriation of $300,000,000:

California	$735,000
Colorado	231,000
Connecticut	54,000
Delaware	52,000
Florida	292,000
Illinois	826,000
Iowa	748,000
Kentucky	833,000
Maryland	204,000
Nevada	3,000
New Jersey	114,000
New Mexico	280,000
New York	615,000
North Carolina	365,000
Pennsylvania	524,000
Rhode Island	9,000
South Dakota	743,000
Tennessee	444,000
Vermont	93,000
Virginia	401,000
Wisconsin	770,000
Wyoming	230,000

Mr. TARVER. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, it is now 25 minutes before 5 o'clock. While I understand there are other gentlemen on the minority side who desire to address the Committee of the Whole, they are not present. We have no requests for time on this side of the House at this particular moment. It is therefore going to be necessary that the Committee rise. I hope that tomorrow it may be possible to agree upon a reasonable limitation of further time for general debate, in the belief that if that is done it may be possible to pass the bill tomorrow. I wonder if the gentleman from Illinois would indicate whether or not he thinks it will be possible for him to reach such an agreement.

Mr. DIRKSEN. Mr. Chairman, we have a considerable roster of speakers here, but I assure the gentleman from Georgia that we will cooperate in that respect.

Mr. TARVER. I hope the gentleman during the evening will give very careful consideration to that matter, because I am sure he agrees with me it would be desirable to pass the bill tomorrow if possible.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WHITTINGTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5605) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1947, and for other purposes, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. REED of New York (at the request of Mr. MARTIN of Masachusetts) was given permission to extend his remarks in the RECORD and to include an editorial.

Mrs. LUCE (at the request of Mr. MARTIN of Massachusetts), was given permission to extend her remarks in the RECORD and include certain excerpts.

Mr. HAYS (at the request of Mr. CARNAHAN) was given permission to extend his remarks in the RECORD and to include an editorial.

Mr. ROWAN asked and was given permission to extend his remarks in the Appendix and include an article from the Chicago Daily Sun.

Mr. LINK asked and was given permission to revise and extend his remarks.

INVESTIGATION OF TRANSPORTATION SITUATION

Mr. LEA. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 318.

The Clerk read the resolution, as follows:

Resolved, That the Committee on Interstate and Foreign Commerce, or any duly authorized subcommittee thereof, be authorized and directed to investigate the transportation situation with a view to recommending legislation that will result in a consistent public policy fair to all competing agencies of transport, to the using and investing public, and to labor, to the end that the country's commerce may be moved with the greatest possible degree of economy, safety, and dispatch.

SEC. 2. The committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer oaths, to take such testimony, to procure such printing and binding, and to make such expenditures within the limits hereinafter fixed, as it deems advisable.

SEC. 3. (a) The committee shall have power to employ and fix the compensation of such assistants, experts, and employees, as it deems necessary in the performance of its duties under this resolution.

(b) The committee is authorized to utilize the services, information, facilities, and personnel of the departments and agencies of the Federal Government.

SEC. 4. The committee shall, from time to time, in its discretion, make such preliminary report or reports to the House of Representatives as it deems desirable; and shall, during the present Congress, report to the House the results of its investigation and study, and submit its recommendations.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, I understand this is an investigation by the Committee on Interstate and Foreign Commerce.

Mr. LEA. That is true. Yes.

Mr. MARTIN of Massachusetts. And it is a unanimous report from the gentleman's committee.

Mr. LEA. Yes, it is. The Rules Committee favorably reported this also.

Mr. MARTIN of Massachusetts. There has been a rule reported also.

Mr. LEA. Yes.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The resolution was agreed to.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. WASIELEWSKI, for 3 days, on account of official and personal business.

To Mr. CHAPMAN (at the request of Mr. GREGORY), for today and Friday, on account of official business.

ADJOURNMENT

Mr. TARVER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 42 minutes p. m.) the House adjourned until tomorrow, Friday, March 8, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

There will be a meeting of the Committee on World War Veterans' Legislation, in executive session, on Friday, March 8, 1946, at 10:30 a. m., in room

356, Old House Office Building, on the report of the investigation of the Veterans' Administration.

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

The Committee on Expenditures in the Executive Departments will hold hearings on surplus property on Friday, March 8, 1946, at 10 a. m., in room 304, Old House Office Building.

COMMITTEE ON THE JUDICIARY

On Wednesday, March 13, 1946, Subcommittee No. 1 of the Committee on the Judiciary will hold hearings on the following bills, relating to United States commissioners: H. R. 2460 (S. 346), H. R. 2461 (S. 345), H. R. 2462 (S. 344), and H. R. 2464 (S. 344).

The hearing will begin at 10 a. m. and will be held in room 346, House Office Building.

On Monday, March 18, 1946, Subcommittee No. 3 of the Committee on the Judiciary has scheduled a hearing on the bill (H. R. 5234) to authorize the Federal Security Administrator to assist the States in matters relating to social protection, and for other purposes.

The hearing will begin at 10 a. m., and will be held in room 346, House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1120. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1947 in the amount of $1,000,000 for the Department of Commerce, in the form of an amendment to the Budget for said fiscal year (H. Doc. No. 496); to the Committee on Appropriations and ordered to be printed.

1121. A letter from the Secretary, American Chemical Society, transmitting the annual report of the American Chemical Society for the calendar year 1945; to the Committee on the Judiciary.

1122. A letter from the Secretary of the Navy, transmitting a draft of a proposed bill to enact certain provisions now included in the Naval Appropriation Act, 1946, and for other purposes; to the Committee on Naval Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SABATH: Committee on Rules. House Resolution 544. Resolution providing for the consideration of H. R. 2115, a bill relating to the domestic raising of fur-bearing animals; without amendment (Rept. No. 1684). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 545. Resolution providing for the consideration of H. R. 2501, a bill to authorize the Secretary of Agriculture to continue administration of and ultimately liquidate Federal rural rehabilitation projects, and for other purposes; without amendment (Rept. No. 1685). Referred to the House Calendar.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 5511) granting a pension to Mrs. Lillian P. Seale, widow of Auva A. Seale, deceased, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM:

H. R. 5699. A bill to amend the Civil Service Retirement Act, approved May 29, 1930, as amended, so as to make such act applicable to officers and employees of the Columbia Institution for the Deaf; to the Committee on the Civil Service.

By Mr. LANE:

H. R. 5700. A bill to amend the Mustering-Out Payment Act of 1944, as amended, to provide mustering-out payments for certain persons discharged or relieved from active service in the armed forces to accept employment; to the Committee on Military Affairs.

By Mr. BRYSON:

H. R. 5701. A bill to amend the District of Columbia Barber Act; to the Committee on the District of Columbia.

By Mrs. ROGERS of Massachusetts:

H. R. 5702. A bill relating to veterans' priorities and preferences in purchasing surplus property suitable for residential purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. VOORHIS of California:

H. J. Res. 325. Joint resolution to prevent the use of grain for nonessential purposes during the period of shortage; to the Committee on Agriculture.

By Mr. PATTERSON:

H. Res. 546. Resolution reaffirming faith in the United Nations idea and opposing the formation of blocs of nations; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CASE of South Dakota:

H. R. 5703. A bill for the relief of Charles L. Cannon; to the Committee on Claims.

By Mr. FARRINGTON:

H. R. 5704. A bill for the relief of Mrs. Charles C. Lee; to the Committee on Immigration and Naturalization.

H. R. 5705. A bill for the relief of Y. S. Hu; to the Committee on Claims.

By Mr. HEFFERNAN:

H. R. 5706. A bill for the relief of Joseph H. Dowd; to the Committee on Claims.

By Mr. LARCADE:

H. R. 5707. A bill for the relief of Edwin Doyle Parrish; to the Committee on Claims.

By Mr. McMILLAN of South Carolina:

H. R. 5708. A bill for the relief of Thomas W. Williamson, Sr.; to the Committee on Claims.

H. R. 5709. A bill for the relief of Ellis Duke, also known as Elias Duke; to the Committee on Claims.

H. R. 5710. A bill to authorize and direct the Commissioners of the District of Columbia to set aside the trial-board conviction of Leo Murray and his resultant dismissal, and to reinstate Leo Murray as private, Metropolitan Police Department; to the Committee on the District of Columbia.

By Mr. PETERSON of Florida:

H. R. 5711. A bill for the relief of Francis S. Roe; to the Committee on Pensions.

By Mr. RICHARDS:

H. R. 5712. A bill for the relief of Mrs. Mabel Jones and Miss Mildred Wells; to the Committee on Claims.

By Mr. TRAYNOR:

H. R. 5713. A bill for the relief of the estate of James W. Taylor 3d; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1680. By Mr. CANFIELD: Resolution passed by the New Jersey State Council of Churches, endorsing legislation now in Congress (S. 1349 and H. R. 3914) which amends the Fair Labor Standards Act to provide a 65-cent hourly minimum wage, extension of coverage to addditional industries, and extension of child-labor control; to the Committee on Labor.

1681. By Mr. COLE of New York: Petition of members of Hornell Accounting Bureau Lodge No. 486, of the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees of the city of Hornell, N. Y., in opposition to the proposed construction of the St. Lawrence seaway project; to the Committee on Rivers and Harbors.

1682. By the SPEAKER: Petition of the Women's Democratic League of Long Beach, petitioning consideration of their resolution with reference to urging adoption of the Missouri Valley Authority; to the Committee on Rivers and Harbors.

SENATE

FRIDAY, MARCH 8, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Almighty and eternal God, Thou art the center and soul of every spinning sphere in the vastnesses of space that mocks our imagination, yet Thou art to each trusting heart how near. We are but the frail children of time and, from everlasting to everlasting, Thou art God. Yet even as we tread the earth the sky stoops to meet us, so Thy completeness meets our incompleteness as our fainting hearts cry out in the midst of every weakness and every need:

"All this God is all for me,
A Father all my own."

We come conscious that the regal fact of Thy fatherhood ties us to every son and daughter of Thine under the spreading canopy of Thy universal love. May the great causes that concern Thy human family, the selfless ministries that heal the world and rebuild it, the attitudes that create good will and make abiding peace possible at last, gain the utter allegiance of our labor and our love. In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, March 5, 1946, was dispensed with, and the Journal was approved.

LEAVE OF ABSENCE

Mr. WHITE. Mr. President, I ask unanimous consent that the junior Senator from North Dakota [Mr. YOUNG] may be excused from attendance upon the sessions of the Senate for a period of 10 days.

The PRESIDENT pro tempore. Without objection, leave of the Senate is granted.

NOTICE OF HEARING ON NOMINATION OF BRICE CLAGETT TO BE ASSOCIATE JUDGE, MUNICIPAL COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA

Mr. McCARRAN. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Friday, March 15, 1946, at 10:30 a. m., in the Senate Judiciary Committee room, upon the nomination of Brice Clagett, of Maryland, to be associate judge of the Municipal Court of Appeals for the District of Columbia, vice Hon. Nathan Cayton, elevated. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman, the Senator from Mississippi [Mr. EASTLAND], and the Senator from Oklahoma [Mr. MOORE].

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on March 6, 1946, the President had approved and signed the act (S. 1129) for the relief of Willie H. Johnson.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 176. An act for the relief of the city of Memphis, Tenn., and Memphis Park Commission;

S. 1532. An act to authorize the appointment of certain persons as permanent brigadier generals of the line of the Regular Army;

S. 1535. An act to authorize the Secretary of War to convey certain lands situated within the Fort Douglas Military Reservation to the Shriners' Hospitals for Crippled Children; and

S. 1637. An act for the relief of Herbert C. Rockwell.

The message also announced that the House had passed the following bills in which it requested the concurrence of the Senate:

H. R. 216. An act for the relief of John Seferian and Laura Seferian;

H. R. 988. An act for the relief of Bernice B. Cooper, junior clerk-typist, Weatherford, Tex., rural rehabilitation office, Farm Security Administration, Department of Agriculture;

H. R. 1235. An act for the relief of John Bell;

H. R. 1262. An act for the relief of W. E. Noah;

H. R. 1269. An act for the relief of Virge McClure;

H. R. 1352. An act for the relief of Herman Feinberg;

H. R. 1759. An act for the relief of Mildred Neiffer;

H. R. 2156. An act for the relief of Lee Harrison;

H. R. 2217. An act for the relief of Rae Glauber;

H. R. 2331. An act for the relief of Mrs. Grant Logan;

H. R. 2509. An act for the relief of the legal guardian of James Irving Martin, a minor;

H. R. 2682. An act for the relief of John Doshim;

H. R. 2750. An act for the relief of Stephen A. Bodkin, Charles A. Marlin, Andrew J. Perlik, and Albert N. James;

H. R. 2848. An act for the relief of the legal guardian of Wilma Sue Woods, Patsy Woods, Raymond E. Hilliard, and Thomas E. Hilliard, minors;

H. R. 2885. An act for the relief of Mrs. Frank Mitchell and J. L. Price;

H. R. 2904. An act for the relief of Clyde Rownd, Della Rownd, and Benjamin C. Day;

H. R. 3065. An act for the relief of Standard Dredging Corp.;

H. R. 3076. An act for the relief of the estate of Nellie P. Dunn, deceased;

H. R. 3100. An act for the relief of the legal guardian of Rolland Lee Frank, a minor;

H. R. 3161. An act for the relief of Mrs. Ruby Miller;

H. R. 3185. An act for the relief of the estate of Senia Lassila, deceased;

H. R. 3217. An act for the relief of Mattie Lee Wright;

H. R. 3355. An act for the relief of Elizabeth Jones Hansel;

H. R. 3365. An act for the relief of Kay Beth Bednar;

H. R. 3391. An act for the relief of Lawrence Portland Cement Co.;

H. R. 3400. An act for the relief of Herbert W. Rogers;

H. R. 3480. An act for the relief of Miss Ruth Lois Cummings;

H. R. 3483. An act for the relief of Mr. and Mrs. Cipriano Vasquez;

H. R. 3525. An act for the relief of Owen Young;

H. R. 3591. An act for the relief of Addie Pruitt;

H. R. 3823. An act for the relief of Gertrude McGill;

H. R. 3846. An act for the relief of the estate of Eleanor Wilson Lynde, deceased;

H. R. 3948. An act for the relief of Mrs. Clifford W. Prevatt;

H. R. 3985. An act for the relief of Kilpatrick Bros. Co.;

H. R. 4115. An act for the relief of the estate of Eleanor Doris Barrett;

H. R. 4174. An act for the relief of Meyer G. Hansen;

H. R. 4208. An act for the relief of the Calvert Distilling Co.;

H. R. 4210. An act for the relief of the estate of Bob Clark and the estate of George D. Croft;

H. R. 4270. An act for the relief of Southern California Edison Co., Ltd.;

H. R. 4400. An act for the relief of Nolan V. Curry, individually, and as guardian for his minor son, Hershel Dean Curry;

H. R. 4401. An act for the relief of Joe F. Rada and Bessie Rada;

H. R. 4414. An act for the relief of Eva D. Champlin, Robert H. Howell, Emily Howell, and Stella Ward;

H. R. 4418. An act for the relief of the city of San Diego, Tex.;

H. R. 4537. An act for the relief of Lillian Jacobs;

H. R. 4607. An act for the relief of Margaret Lee and Mike Sopko;

H. R. 4609. An act for the relief of Jerome Dove;

H. R. 4647. An act for the relief of Albert R. Perkins;

H. R. 4693. An act for the relief of Richard C. Ward;

H. R. 4712. An act for the relief of Caroline M. Newmark and Melville Moritz;

H. R. 4761. An act to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes;

H. R. 4801. An act for the relief of Raymond P. Guidoboni;

H. R. 4884. An act to relieve certain employees of the Veterans' Administration from financial liability for certain overpayments and allow such credit therefor as is necessary in the accounts of Guy F. Allen, chief disbursing officer;

H. R. 5529. An act to authorize the President to appoint Lt. Gen. Walter B. Smith as Ambassador to the Union of Soviet Socialist Republics, without affecting his military status and perquisites; and

H. R. 5671. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

REPORTS OF NAVAL AFFAIRS COMMITTEE FILED DURING THE RECESS

Under the authority of the order of the Senate of the 5th instant,

Mr. WALSH, from the Committee on Naval Affairs, submitted the following reports on March 7, 1946:

S. 1812. A bill to provide reimbursement for personal property lost, damaged, or destroyed as the result of explosions at the naval ammunition depot, Hastings, Nebr., on April 6, 1944, and September 15, 1944; without amendment (Rept. No. 1016);

S. 1862. A bill to repeal section 1548, Revised Statutes (34 U. S. C. 592); without amendment (Rept. No. 1017);

S. 1872. A bill to provide for the rank of original appointments in the Corps of Civil Engineers of the United States Navy, and for other purposes; with an amendment (Rept. No. 1018); and

S. 1907. An original bill to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes (Rept. No. 1019).

REPORT OF NATIONAL ADVISORY COUNCIL ON FOREIGN LOAN POLICY—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read and referred to the Committee on Banking and Currency, as follows:

(For message this day received, see proceedings of the House of Representatives, p. 2060.)

PERMANENT APPOINTMENTS IN THE GRADES OF GENERAL OF THE ARMY, FLEET ADMIRAL OF THE NAVY, AND GENERAL IN THE MARINE CORPS

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 1354) to authorize the permanent appointment in the grades of general of the Army, fleet admiral of the United States Navy, and general in the Marine Corps, respectively, of certain individuals who have served in such grades during the Second World War, which were, on page 2, line 2, strike out "August" and insert "December";

On page 2, line 9, after "who", insert "has been or";

On page 2, line 12, strike out all after "and" down to and including "duty" in line 15 and insert "while on the retired list shall be entitled to receive 75 percent

of the base pay of a rear admiral of the upper half and 75 percent of the personal money allowance prescribed by section 4 of such act of December 14, 1944";

On page 2, line 25, after "who", insert "has been or";

On page 3, line 3, strike out all after "and" down to and including "duty" in line 6 and insert "while on the retired list shall be entitled to receive 75 percent of the base pay of a rear admiral of the upper half and 75 percent of the personal money allowance prescribed by section 3 of such act of March 21, 1945.

"SEC. 3. The President is hereby authorized, by and with the advice and consent of the Senate, to appoint to the permanent grade of admiral in the Coast Guard any individual who shall have served as Commandant of the Coast Guard, with the grade and rank of admiral, after March 21, 1945, and before August 14, 1945. Any officer appointed under the provisions of this section shall receive the pay and allowances prescribed by section 3 of the act of March 21, 1945 (Public Law 20, 79th Cong.); and any such officer who has been or may hereafter be retired or relieved from active duty shall be entitled to have his name placed on the retired list with the highest grade or rank held by him on the active list or while on active duty, and while on the retired list shall be entitled to receive 75 percent of the base pay of a rear admiral of the upper half and 75 percent of the personal money allowance prescribed by section 3 of such act of March 21, 1945"; and

Amend the title so as to read: "An act to authorize the permanent appointment in the grades of general of the Army, fleet admiral of the United States Navy, general in the Marine Corps, and admiral in the Coast Guard, respectively, of certain individuals who have served in such grades during the Second World War."

Mr. THOMAS of Utah. Mr. President, I move that the Senate disagree to the amendments of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. THOMAS of Utah, Mr. JOHNSON of Colorado, Mr. HILL, Mr. AUSTIN, and Mr. BRIDGES conferees on the part of the Senate.

INVITATION FOR FOUR MEMBERS OF THE SENATE TO VISIT BERMUDA

The PRESIDENT pro tempore laid before the Senate a letter from the president of the legislative council, and joint president of the Bermuda branch of the Empire Parliamentary Association, which was referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

LEGISLATIVE COUNCIL,
Bermuda, February 14, 1946.

The Honorable KENNETH MCKELLAR,
President of the Senate of the United States, The Senate, Washington, D. C.

DEAR SENATOR MCKELLAR: As president of the Legislative Council of the Parliament of Bermuda and joint president of the Bermuda branch of the Empire Parliamentary Association, I am writing to you to extend an invitation for four members of your Senate to visit Bermuda for a period of about 10 days from June 10 next, as guests of the Bermuda branch of the association.

During that time the Bermuda branch will be the hosts in the Colony to delegations of members of all parties from the Parliaments of the United Kingdom and the Dominion of Canada. It is hoped also to have representatives of the Parliaments of the Australian Commonwealth, New Zealand, and the Union of South Africa, and possibly a representative of the Central Legislature of India.

The Bermuda branch of the association have lively recollections of the courtesies extended to their representatives who took part in the parliamentary gathering at Ottawa in 1943 at the invitation of the Dominion of Canada branch of the association, and who subsequently visited Washington as the guests of the Congress of the United States. Being impressed with the value of the parliamentary contacts and interchanges of views which took place on that occasion, the members of this legislature would propose, if this invitation is accepted, to provide opportunities during the visit for the discussion of some matters of common interest at informal conferences.

I should like to assure you that if it is found possible to accept this invitation, which I earnestly hope will be the case, the representatives of your Senate will receive a warm welcome from the Parliament and people of these islands.

I take the opportunity of extending to you personally my most cordial greetings and of expressing to you in your high office my feelings of deep admiration and respect.

Yours sincerely,

C. BROOKE FRANCIS,
President of the Legislative Council, and Joint President of the Bermuda Branch of the Empire Parliamentary Association.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

RELIEF OF CERTAIN POSTMASTERS

A letter from the Postmaster General transmitting a draft of proposed legislation for the relief of certain postmasters (with an accompanying paper); to the Committee on Post Offices and Post Roads.

MAIL SERVICE ON LAKE WINNEPESAUKEE, N. H.

A letter from the Postmaster General, transmitting a draft of proposed legislation relating to mail service on Lake Winnepesaukee, N. H. (with an accompanying paper); to the Committee on Post Offices and Post Roads.

RECREATIONAL RESOURCES OF THE ALASKA HIGHWAY AND OTHER ROADS IN ALASKA

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, a report of the recreational resources of the Alaska Highway and other roads in Alaska (with an accompanying report); to the Committee on Public Lands and Surveys.

ESTABLISHMENT OF TWO ADDITIONAL OFFICES OF ASSISTANT SECRETARIES OF AGRICULTURE

A letter from the Secretary of Agriculture, transmitting a draft of legislation to establish two additional offices of Assistant Secretaries of Agriculture, and for other purposes (with an accompanying paper); to the Committee on Agriculture and Forestry.

REPORT OF NATIONAL MEDIATION BOARD AND NATIONAL RAILROAD ADJUSTMENT BOARD

A letter from the Chairman of the National Mediation Board, transmitting, pursuant to law, the eleventh annual report of the National Mediation Board, including the report of the National Railroad Adjustment Board, for the fiscal year ended June 30, 1945 (with an accompanying report); to the Committee on Interstate Commerce.

PERSONNEL REQUIREMENTS

A letter from the Chairman of the National Mediation Board, transmitting, pursuant to law, an estimate of personnel requirements for the National Mediation Board, including the National Railroad Adjustment Board and the National Railway Labor Panel for the period ending June 30, 1946 (with accompanying papers); to the Committee on Civil Service.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, and so forth, were laid before the Senate, or presented and referred as indicated:

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the Commonwealth of Virginia; to the Committee on Education and Labor:

"Senate Joint Resolution 27

"Joint resolution requesting Congress to enact legislation providing for the return of public employment offices to State operation

"Whereas the public employment offices heretofore operated by the several States were loaned by the States to the Federal Government for the duration of the war so that the Federal Government could direct the placement of workers in plants engaged in the manufacture of supplies needed for the defense of the United States against foreign foes; and

"Whereas by reason of the unconditional surrender of the nations imperiling the sovereignty of the United States, it is now possible to turn from the manufacture of weapons of destruction to the manufacture of commodities needed by the people in the enjoyment of a normal life; and

"Whereas the President of these United States, although petitioned so to do by the governors of the several States, has refused to return to the States the public employment offices so loaned; and

"Whereas the public employment service, by reason of its relation to the payment of benefits under the unemployment compensation laws of the several States, should be integrated with the Unemployment Compensation Service, so as to provide for more efficient administration of both services: Now, therefore, be it

"*Resolved by the Senate of the Commonwealth of Virginia (the House of Delegates concurring)*, That the Congress of the United States be memorialized and it is hereby respectfully petitioned to forthwith enact the necessary legislation to require the return of the public employment service to the States.

"Agreed to by the Senate February 27, 1946.

"E. R. COMES,
"Clerk of Senate.

"Agreed to by the house of delegates March 1, 1946.

"E. G. DODSON,
"Clerk, House of Delegates."

A resolution adopted by the Hampshire Heights Citizens' Association, Washington,

D. C., favoring an increase in the appropriation of Federal funds to the general fund of the District of Columbia; to the Committee on Appropriations.

A resolution adopted by 350 citizens at a town meeting assembled in New Canaan, Conn., relating to labor management problems, equal protection for employer and employee, and the elimination of certain abuses as a result of strikes; to the Committee on Education and Labor.

A resolution adopted by the Board of Directors of the Camden County (N. J.) Chamber of Commerce, protesting against the construction or development of the St. Lawrence Seaway; to the Committee on Foreign Relations.

By Mr. CAPPER:

A petition of sundry citizens of Wichita, Kans., praying for the enactment of legislation to continue the Office of Price Administration; to the Committee on Banking and Currency.

A petition of sundry citizens of Duluth, Minn., praying for the enactment of Senate bill 599, to prohibit the advertising of alcoholic beverages in periodicals, newspapers, radio, motion pictures, or any other form of alcoholic advertising; to the Committee on Interstate Commerce.

A resolution adopted by the Allen County Republican Club, Fort Wayne, Ind., favoring the enactment of legislation to prohibit the drafting of men classified as IV–F and boys 18 years of age before the expiration of the draft act on May 15, 1946; to the Committee on Military Affairs.

WATER RESOURCES OF THE MISSOURI RIVER BASIN

Mr. CAPPER. Mr. President, I ask unanimous consent to present for appropriate reference and printing in the RECORD a letter from the executive manager of the Chamber of Commerce of Kansas City, Kans., together with a resolution of that chamber, in behalf of the development of the water resources of the Missouri River Basin.

There being no objection, the letter and resolution were received, referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

CHAMBER OF COMMERCE,
Kansas City, Kans., February 21, 1946.

The Honorable ARTHUR CAPPER,
United States Senator,
Washington, D. C.

MY DEAR SENATOR: Herewith enclosed you will note a resolution adopted by this chamber of commerce, which we will appreciate your most serious consideration and support.

Also, since writing you on February 11 with respect to the necessity of another half million dollars for flood-control work for the Liberty Bend cut-off, we are advised, as of yesterday, that it will require still another half million dollars, making a total of $1,000,000 above the original suggested appropriation for flood-protection works at the two Kansas Citys. Therefore, we will appreciate your efforts in recommending that the total amount of $1,000,000 be added to the appropriation for this project.

Thanking you very kindly, I am,

Sincerely yours,

C. M. WOODARD,
Executive Manager.

Be it resolved by the Board of Directors of the Kans.) Chamber of Commerce in meeting February 13, 1946, at the Chamber of Commerce, Kansas City, Kans.:

Whereas the comprehensive plan for control and development of the water resources of the Missouri River Basin approved and authorized by the Congress of the United States in the Flood Control Act of 1944 is of vital concern to the millions of citizens of this area; and

Whereas the immediate inauguration of this plan by the Federal agencies concerned is of primary importance to the prevention of disastrous floods, loss of life, destruction of property; to the irrigation of millions of acres of land in arid and semiarid sections; the development of navigation and hydroelectric power; soil conservation and other allied purposes; and

Whereas the Board of Directors of the Kansas City (Kans.) Chamber of Commerce wholeheartedly endorses and is doing its utmost to foster and promote this program: Therefore be it

Resolved, That the Congress be urged to make available adequate appropriations this year for the efficient and prompt carrying out of projects ready for construction; and be it further

Resolved, That the Appropriations Committee of the United States Senate be requested to include in the appropriations for the 1947 fiscal year, as recommended by the Bureau of the Budget and the Chief of Engineers, the following items:

1. An appropriation of $4,000,000 for the Cherry Creek Reservoir at Denver, Colo.

2. An appropriation of $2,000,000 for the Harlan County Reservoir in Nebraska.

3. An appropriation of $4,000,000 for the Garrison Reservoir in North Dakota.

4. An appropriation of $3,000,000 for flood-control works at Kansas City, Mo., and Kansas City, Kans.

RALPH PERRY,
President, Kansas City (Kans.) Chamber of Commerce.

Attest:

C. M. WOODARD,
Executive Manager, Kansas City (Kans.) Chamber of Commerce.

ALLOTMENT OF SUGAR FOR GENERAL AND HOME-CANNING USE

Mr. CAPPER. Mr. President, I have received a lengthy petition from Richard W. Lewis, of Home, Kans. It was signed by some 250 other citizens of that section of my State, including residents of the towns of Marysville, Beattie, Barnes, Summerfield, Frankfort, Bremen, and Home, Kans. They stated that some of these consumers were entirely out of sugar and most of them had been unable to do much canning. I brought the appeal to the attention of Mr. Paul A. Porter, Administrator of the Office of Price Administration.

Under date of March 7 Mr. Porter made reply and I ask unanimous consent to have Mr. Porter's letter printed in the RECORD and that the letter and petition be appropriately referred.

There being no objection, the letter and petition were received, referred to the Committee on Banking and Currency, and the letter from Mr. Porter was ordered to be printed in the RECORD, as follows:

OFFICE OF PRICE ADMINISTRATION,
Washington, D. C., March 7, 1946.

The Honorable ARTHUR CAPPER,
United States Senate,
Washington, D. C.

DEAR SENATOR CAPPER: This will acknowledge your letter of February 18 with which was enclosed a letter from your constituent, Mr. Richard W. Lewis, of Home, Kans., and a petition signed by residents in that vicinity, requesting an increase in the present allotment of sugar for general and home-canning use.

This Agency, as you probably know, is responsible for the distribution of the civilian supply including home-canning sugar, which is allocated to us quarterly for this purpose by the Department of Agriculture. The allocation for the first quarter of 1946 was not considered sufficient to permit an increase in consumer allotments. It does, however, take into consideration the amount which will be available for the initiation of our home-canning program which was announced on March 5. Stamp No. 9 in consumer ration books has been validated as of March 11 for 5 pounds of sugar for home-canning use.

Pending the announcement of the future allocations it is not possible for us to determine at this time whether or not an increase over the present consumer allowance can be made, or to estimate just what additional amount will be available for future allotments of home-canning sugar. You may be assured, however, that sugar rations will be increased or the rationing of sugar suspended entirely just as soon as supply conditions will permit.

Thank you for bringing this matter to our attention. Mr. Lewis' letter and the enclosures are returned for your files.

Sincerely yours,

PAUL A. PORTER,
Administrator.

COMPULSORY MILITARY TRAINING—RESOLUTION OF BOARD OF TRUSTEES OF McPHERSON COLLEGE, McPHERSON, KANS.

Mr. REED. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted by the members of the board of trustees of McPherson College, McPherson, Kans.

There being no objection, the resolution was received, referred to the Committee on Military Affairs, and ordered to be printed in the RECORD, as follows:

MCPHERSON COLLEGE,
McPherson, Kans., February 18, 1946.

The 23 members of the board of trustees of McPherson College, representing the States of Arkansas, Colorado, Idaho, Iowa, Kansas, Louisiana, Minnesota, Missouri, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, and Texas, in regular session, February 17, 1946, passed by unanimous vote the following resolutions:

1. We express ourselves without reservations, to be opposed to the proposition of compulsory military training in the time of peace in the United States. Such training, we believe, is opposed to the fundamental principles of democratic government provided in the Constitution for free people. Preparations for war do not prevent war, but do arouse fears and stimulate competitive armaments.

2. We favor the proposal of Representative JOSEPH MARTIN for the international abolition of conscription in peacetime.

3. We petition Congress to declare war officially at an end as of September 2, 1945.

Respectfully submitted.

W. W. PETERS,
Ex officio member of the Board of trustees.

RESOLUTIONS OF ARIZONA CATTLE GROWERS' ASSOCIATION

Mr. McFARLAND. Mr. President, I ask unanimous consent to present for appropriate reference and printing in the RECORD 10 resolutions adopted by the Arizona Cattle Growers' Association at its forty-second annual convention, held in Bisbee, Ariz., January 29 and 30, 1946.

The PRESIDENT pro tempore. Without objection, the resolutions will be re-

ceived, appropriately referred, and printed in the RECORD.

To the Committee on Banking and Currency:

"'Resolution 2

"'Resolution on subsidies and price ceilings

"'Whereas the Arizona Cattle Growers' Association has consistently opposed subsidies and price ceilings for our industry; and

"'Whereas we now find the lawful marketing of livestock largely controlled by subsidy and price-fixing programs, imposed as wartime measures: Now, therefore, be it

"'*Resolved*, That we urge upon the Congress that at the time of the discontinuance of beef-subsidy payments that all price ceilings on beef and beef products be also eliminated.'

"I hereby certify that this is a true and correct copy of a resolution passed by the Arizona Cattle Growers' Association in the forty-second annual convention, held in Bisbee, Ariz., January 29 and 30, 1946.

"Attest:

"Mrs. J. M. KEITH,
"Secretary."

To the Committee on Agriculture and Forestry:

"'Resolution 3

"'*Resolved*, That we endorse the policy of the American National Livestock Association and such action as its officers consider necessary for the welfare and stability of our industry.'

"I hereby certify that this is a true and correct copy of a resolution passed by the Arizona Cattle Growers' Association in the forty-second annual convention, held in Bisbee, Ariz., January 29 and 30, 1946.

"Attest:

"Mrs. J. M. KEITH,
"Secretary."

"'Resolution 4

"'Whereas there is a reduced acreage of cotton within the State of Arizona, whereby there is not more than 50 percent of the normal supply of cottonseed products; and

"'Whereas the Federal Government has by regulation ordered a 5 percent set-aside from all the mills for use as may be directed by the Washington officials: Now, therefore, be it

"'*Resolved*, That we request the proper officials to not only distribute the 5 percent set-aside within the State of Arizona but to ship into the State additional supplies if they are available.'

"I hereby certify that this is a true and correct copy of a resolution passed by the Arizona Cattle Growers' Association in the forty-second annual convention, held in Bisbee, Ariz., January 29 and 30, 1946.

"Attest:

"Mrs. J. M. KEITH,
"Secretary."

To the Committee on Military Affairs:

"'Resolution 8

"'Whereas over 5,000,000 acres of grazing land was taken over by the War Department for the prosecution of the war; and

"'Whereas it was the intention of the War Department that most of this land should return to its original ownership at the end of the emergency: Be it, therefore,

"'*Resolved*, That the Arizona Cattle Growers' Association urge that the War Department return the use or title to any lands which are not imperative to the War Department purposes to its original owners or users at the earliest possible date.'

"I hereby certify that this is a true and correct copy of a resolution passed by the Arizona Cattle Growers' Association in the forty-second annual convention held in Bisbee, Ariz., January 29 and 30, 1946.

"Attest:

"Mrs. J. M. KEITH,
"Secretary."

To the Committee on Public Lands and Surveys:

"'Resolution 1

"'Whereas we feel that any modification of Forest Service or Taylor Act administration policy with respect to retaining present fees and present grazing allotments would afford only temporary relief to the livestock industry; and

"'Whereas we feel that permanent stability of our industry and the local economy and proper conservation of the land can be attained only if and when all Federal grazing lands have been passed to other than Federal ownership: Now, therefore, be it

"'*Resolved*, That we urge Congress to use every effort to bring about the relinquishment of title by the Federal Government to the State in trust for eventual disposition of all Federal land principally valuable for grazing, by a method which would specifically safeguard the economy of the present users and permittees.'

"I hereby certify that this is a true and correct copy of a resolution passed by the Arizona Cattle Growers' Association in the forty-second annual convention, held in Bisbee, Ariz., January 29 and 30, 1946.

"Attest:

"Mrs. J. M. KEITH,
"Secretary."

"'Resolution 5

"'Whereas the present policy of the Forest Service contemplates many cuts in permits; and

"'Whereas we consider many of these cuts unjustifiable: Now, therefore, be it

"'*Resolved*, That we urge the Secretary of Agriculture to instruct the Forest Service officials to refrain from making any cuts until all investigations and appeals have been completed.'

"I hereby certify that this is a true and correct copy of a resolution passed by the Arizona Cattle Growers' Association in the forty-second annual convention, held in Bisbee, Ariz., January 29 and 30, 1946.

"Attest:

"Mrs. J. M. KEITH,
"Secretary."

"'Resolution 6

"'Whereas stability of range use is essential to national forest permittees; and

"'Whereas the enactment of Senate bill 33 has our full endorsement and would help to establish stability: Now, therefore, be it

"'*Resolved*, That a congressional investigation be made of the administration of grazing on the national forests so that Congress will see the need of Senate bill 33, and other legislation to remove existing evils.'

"I hereby certify that this is a true and correct copy of a resolution passed by the Arizona Cattle Growers' Association in the forty-second annual convention, held in Bisbee, Ariz., January 29 and 30, 1946.

"Attest:

"Mrs. J. M. KEITH,
"Secretary."

"'Resolution 7

"'Whereas in the national parks and national monuments there are large acreages valuable for grazing; and

"'Whereas much of this acreage in its present status serves no useful purpose for either the Parks Service nor anyone else: Now, therefore, be it

"'*Resolved*, That the Arizona Cattle Growers' Association urges that Congress order an investigation of all the national-park monument and withdrawal areas to determine the minimum area necessary to carry out the intent of the original withdrawal and the proper use thereof.'

"I hereby certify that this is a true and correct copy of a resolution passed by the Arizona Cattle Growers' Association in the forty-second annual convention held in Bisbee, Ariz., January 29 and 30, 1946.

"Attest:

"Mrs. J. M. KEITH,
"Secretary."

"'Resolution 9

"'Whereas over 80 percent of the land in Arizona is owned by the Federal Government; and

"'Whereas this Federal ownership is being increased continuously in alarming proportions: Now, therefore, be it

"'*Resolved*, That the Arizona Cattle Growers' Association urge that no further land be acquired by the Federal Government in the State of Arizona, without the specific consent of the Arizona State Legislature.'

"I hereby certify that this is a true and correct copy of a resolution passed by the Arizona Cattle Growers' Association in the forty-second annual convention held in Bisbee, Ariz., January 29 and 30, 1946.

"Attest:

"Mrs. J. M. KEITH,
"Secretary."

"'Resolution 10

"'Whereas an agreement was reached on September 3, 1943, between the National Park Service, the Bureau of Reclamation, the United States Fish and Wildlife Service, and the United States Grazing Service for the administration of the Lake Mead recreational area; and

"'Whereas the agreement met with the approval of the Arizona Cattle Growers' Association and the users of the area in open meeting at Phoenix, Ariz., during the hearings of the Public Lands Committee of the United States Senate, on September 3 and 4, 1943; and

"'Whereas a subsequent agreement in 1944 between the same Federal agencies covering the same territory was entered into without the knowledge or consent of the United States Public Lands Committee, the Arizona Cattle Growers' Association, or the users of the land; and

"'Whereas at hearings f the Public Lands Committee of the United States Senate held in Phoenix and Salt Lake City in May 1944, the agencies involved were ordered to comply with the original agreement: Now, therefore, be it.

"'*Resolved*, That the Arizona Cattle Growers' Association demands that the agencies involved administer the lands under the terms of the original agreement and that all subsequent agreements be nullified.'

"I hereby certify that this is a true and correct copy of a resolution passed by the Arizona Cattle Growers' Association in the forty-second annual convention held in Bisbee, Ariz., January 29 and 30, 1946.

"Attest:

"Mrs. J. M. KEITH,
"Secretary."

REPORT OF A COMMITTEE

Mr. GEORGE, from the Committee on Finance, to which was referred the bill (S. 1877) to amend paragraph 8 of part VII, Veterans Regulation No. 1 (a), as amended, to authorize an appropriation of $1,500,000 as a revolving fund in lieu of $500,000 now authorized, reported it without amendment and submitted a report (No. 1020) thereon.

INVESTIGATION OF WAR CONTRACTS AND DISPOSAL OF SURPLUS WAR PROPERTY—INCREASE IN LIMIT OF EXPENDITURES

Mr. O'MAHONEY, from the Committee on Military Affairs, submitted a report (No. 1021), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate, to

accompany the resolution (S. Res. 236) increasing the limitation of expenditures for the investigation of war contracts and the disposal of surplus war property, heretofore reported and referred to the Committee To Audit and Control the Contingent Expenses of the Senate.

PRINTING OF ADDITIONAL COPIES OF SENATE REPORT NO. 925 RELATING TO INVESTIGATIONS OF RAILROAD TRUSTEESHIPS AND RECEIVERSHIPS

Mr. HAYDEN. Mr. President, from the Committee on Printing I report favorably, without amendment, Senate Resolution 234, and ask unanimous consent for its present consideration.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 234) submitted by Mr. WHEELER on March 1, 1946, was read, considered, and agreed to, as follows:

Resolved, That there be printed 1,000 additional copies of Senate Report No. 925, current session, accompanying Senate Resolution 192, authorizing an investigation of railroad trusteeships and receiverships under section 77 of the Bankruptcy Act and in equity, for the use of the Committee on Interstate Commerce.

AUTHORIZATION FOR THE PRINTING BY THE SUBCOMMITTEE ON WARTIME HEALTH AND EDUCATION OF ADDITIONAL COPIES OF SUBCOMMITTEE MONOGRAPH NO. 1.

Mr. HAYDEN. Mr. President, from the Committee on Printing I report favorably, without amendment, Senate Resolution 235, and ask unanimous consent for its present consideration.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 235) submitted by Mr. PEPPER on March 1, 1946, was read, considered, and agreed to, as follows:

Resolved, That in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Senate Subcommittee on Wartime Health and Education authorized by Senate Resolution 74, Seventy-eighth Congress (extended by S. Res. 62, 79th Cong.), be, and is hereby authorized and empowered to have printed for its use 1,500 additional copies of its Subcommittee Monograph No. 1.

ADDITIONAL COPIES OF PART 6 OF HEARINGS BEFORE SENATE COMMITTEE TO INVESTIGATE THE PRODUCTION, TRANSPORTATION, AND MARKETING OF WOOL

Mr. HAYDEN. From the Committee on Printing I report favorably, with an amendment, Senate Concurrent Resolution 55, and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution which had been submitted by Mr. O'MAHONEY on February 21, 1946.

The amendment was in line 6, after the word "use", to strike out "four" and insert "three", so as to make the resolution read:

Resolved by the Senate (the House of Representatives concurring), That in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Senate Special Committee to Investigate the Production, Transportation, and Marketing of Wool be, and is hereby, authorized and empowered to have printed for its use 3,000 additional copies of part 6 of the hearings held before the said special committee during the first session, Seventy-ninth Congress, relative to the investigation of the production, transportation, and marketing of wool.

The amendment was agreed to.

The resolution, as amended, was agreed to.

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. BARKLEY, from the Joint Select Committee on the Disposition of Executive Papers, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon pursuant to law.

PERSONS EMPLOYED BY COMMMITTEES WHO ARE NOT FULL-TIME SENATE OR COMMITTEE EMPLOYEES

The PRESIDENT pro tempore laid before the Senate a report for the month of February 1946, from the chairmen of certain committees, in response to Senate Resolution 319 (78th Cong.), relative to persons employed by committees who are not full-time employees of the Senate or any committee thereof, which were ordered to lie on the table and to be printed in the RECORD, as follows:

APPROPRIATIONS

MARCH 2, 1946.

To the Senate:

The above-mentioned committee hereby submits the following report showing the name of a person employed by the committee who is not a full-time employee of the Senate or of the committee for the month of February 1946, in compliance with the terms of Senate Resolution 319, agreed to August 23, 1944:

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Mrs. Mamie L. Mizen	1434 Saratoga Ave	District of Columbia government	$3,970

KENNETH MCKELLAR, *Acting Chairman.*

SENATE MILITARY AFFAIRS COMMITTEE, SUBCOMMITTEE ON WAR MOBILIZATION

MARCH 1, 1946.

To the Senate:

The above-mentioned committee hereby submits the following report showing the names of persons employed by the committee who are not full-time employees of the Senate or of the committee for the month of February 1946, in compliance with the terms of Senate Resolution 319, agreed to August 23, 1944:

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Ann S. Gertler	3721 39th St. NW., Washington, D. C	Department of the Interior, Washington, D. C	$2,980.00
Joan P. Karasik	1919 19th St. NW., Washington, D. C	Foreign Economic Administration, Washington, D. C	4,300.00
C. Theodore Larson	3917 North 5th St., Arlington, Va	National Housing Agency, Washington, D. C	6,230.00
Fritzie P. Manuel	1621 T St. NW., Washington, D. C	State Department, Washington, D. C	5,180.00
Darel McConkey	509 Fontaine St., Alexandria, Va	Department of the Interior, Washington, D. C	6,230.00
Cora L. Moen	5327 16th St. NW., Washington, D. C	Office of Price Administration, Washington, D. C	2,650.00
Elizabeth H. Oleksy	1620 Fuller St. NW., Washington, D. C	Office of War Mobilization and Reconversion, Washington, D. C	3,000.00
Mary Jane Oliveto	500 B St. NE., Washington, D. C	National Housing Agency, Washington, D. C	2,100.00
Francis C. Rosenberger	5814 64th Ave., East Riverdale, Md	Office of Price Administration, Washington, D. C	6,230.00
Herbert Schimmel	5603 Minnesota Ave. SE., Washington, D. C	Office of War Mobilization and Reconversion, Washington, D. C	9,012.50

H. M. KILGORE, *Chairman.*

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Oklahoma (for himself, Mr. BUTLER, Mr. AIKEN, Mr. BILBO, Mr. YOUNG, Mr. SHIPSTEAD, Mr. STEWART, Mr. BUSHFIELD, Mr. WILLIS, Mr. CONNALLY, Mr. CAPPER, Mr. WILSON, and Mr. DOWNEY):

S. 1908. A bill to provide for the maximum and most effective utilization of surplus agricultural commodities through increased industrial and other uses and through the development of improved methods of storing and marketing such commodities, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. McFARLAND:

S. 1909. A bill for the relief of William E. Jacob;

S. 1910. A bill for the relief of George D. King; and

S. 1911. A bill for the relief of Mrs. Ida Elma Franklin; to the Committee on Claims.

By Mr. HILL:

S. 1912. A bill for the relief of Brig. Gen. Carl H. Seals; to the Committee on Claims.

S. 1913. A bill granting an increase of pension to Grizelda Hull Hobson; to the Committee on Pensions.

By Mr. LANGER:

S. 1914. A bill authorizing the Federal Security Administrator to make loans to institutions for the purpose of financing the construction of domiciliary facilities for the aged and the blind; to the Committee on Banking and Currency.

S. 1915. A bill to provide for designation of the United States Veterans' Administration hospital at Fargo, N. Dak., as the Clarence Theodore Hoverson Memorial Hospital; to the Committee on Finance.

By Mr. SALTONSTALL:

S. 1916. A bill to authorize the Secretary of State to transfer certain silver candelabra to May Morgan Beal; to the Committee on Foreign Relations.

By Mr. WALSH:

S. 1917. A bill to enact certain provisions now included in the Naval Appropriation Act, 1946, and for other purposes; to the Committee on Naval Affairs.

By Mr. BANKHEAD:

S. 1918. A bill to amend the provisions of the Agricultural Adjustment Act relating to marketing agreements and orders; to the Committee on Agriculture and Forestry.

S. 1919. A bill for the relief of Pershing W. Ridgeway; to the Committee on Claims.

By Mr. TUNNELL:

S. J. Res. 145. Joint resolution granting a pension or increase of pension of $50 per month to all widows of Civil War veterans who have attained or hereafter attain the age of 65 years; to the Committee on Pensions.

PRICE CONTROL AND STABILIZATION ACT—AMENDMENT

Mr. WILEY. Mr. President, I ask leave to submit an amendment intended to be proposed by me to the bill (H. R. 5270) to amend the Emergency Price Control and Stabilization Acts of 1942. The amendment is offered in an effort to help cope with the production crisis facing our Nation. I ask that the amendment be printed in the RECORD at this point.

There being no objection, the amendment was received, referred to the Committee on Banking and Currency, ordered to be printed, and to be printed in the RECORD, as follows:

At the end of the bill insert a new section as follows:

"SEC. —. In the administration of the provisions of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, during the period of the extension provided by sections 1 and 2 of this act, the appropriate Government agency or agencies shall—

"(1) provide sufficient price relief to yield profits normal to high-level operation; gearing such relief to actual costs of operation at the earliest possible date;

"(2) speed up administrative procedures and streamline price control organization so as to eliminate past administrative delays;

"(3) enforce restrictions on wages as well as on prices in order to hold the relative line of wartime controls; and

"(4) provide for progressive and bold steps for decontrol and the elimination of all wartime price controls as soon as production levels in any field are sufficiently high to restrain run-away prices."

Mr. WILEY. Mr. President, what does the production crisis, to which I have referred, consist of?

Six months after the end of the war, the national situation is muddled and the Nation's economic current is muddled, thanks to the administration's inaptitude, maladministration, and plain dumbness.

Production levels dropped in February lower than those in January which, in turn, were the lowest since the spring of 1941. Strikes are rampant and are increasing. Veterans are unemployed in large numbers, and there is loose talk of 5,000,000 unemployed citizens in the coming months. Industrial profits, the lifeblood of our economic system, have declined disastrously. Tax revenue, essential to pay our approaching $300,000,000,000 national debt, is rapidly falling. Millions are looking for homes. The national income is dropping.

All this is occurring while our country faces a greater effective demand here at home and abroad for goods and services than at any time in our own or any other peoples' history.

How has the administration brought on this crisis?

First. By a labor policy or lack of policy, without guts, without vision, without equity for management and labor.

Second. By the sort of official muddled thinking which stimulated a disastrous wave of strikes. It invited labor to seek so-called "legitimate" wage increases in spite of the overwhelming national need for continued production at this crucial time.

Third. By an absurd, un-American price policy which OPA has bull-headedly followed—a policy which apparently regards industrial profits as sinful and unnecessary, a policy which decrees that management must pay wage increases out of whatever reserves may be available for other vital purposes, a policy which orders manufacturers to produce at a loss, which in effect, confiscates their profits without due process of law.

Fourth. By suffocating red tape and administrative delays in granting whatever little price relief has been given.

Fifth. By lack of integration within the Government—between Government agencies torn by internal conflicts and lacking centralized overhead planning.

Sixth. By intolerable delays in disposing of Federal surplus property. Such surplus could make a splendid contribution toward coping with the present crisis. There were forwarded to me today from Los Angeles pictures of mountains and fields of construction and building material declared surplus but unavailable to the public because of governmental red tape and freeze orders.

Seventh. By policies of apparent favoritism between companies by persons in high places who have forgotten their obligations as public servants.

In this connection, I desire to read excerpts from a letter I have received today from a prominent manufacturer.

This manufacturer cited an instance wherein one foundry had been granted a 200-percent price increase by OPA allegedly because, like Mr. Henry Kaiser, this foundry had an RFC loan. The manufacturer states in his letter:

It would appear from the above that the Government has had, and is going to continue to have, two entirely different policies in dealing with business. If a company has a loan from the RFC, the other agencies give price increases promptly to prevent losses; but if a company has no RFC loans, they are expected to absorb losses until the entire industry shows an out-of-pocket loss.

The policy toward companies with Government loans will certainly eliminate private business and encourage Government ownership. When a company signs an RFC agreement, it practically turns the management over to the RFC bureaucrats.

I respectfully request that you pass this information along to all opponents of Government ownership; and I am prepared to give you sworn statements to support the above.

Mr. President, I have asked for these sworn statements in order that the serious charges made by this manufacturer may be investigated.

Now, Mr. President, the amendment which I propose today cannot solve all of the various shortcomings I have cited. But it can help to solve those relating to maladministration of price controls.

As for the other shortcomings, they can be solved by legislation which will insure equity in labor-management relations, by leadership within Government with guts and vision that will eliminate administrative wrangling and blundering, that will speed up the proper disposition of surplus property and that will cut out favoritism.

Some time ago, I proposed a Senate Committee on the Promotion of American Activities. That proposal has been referred to a subcommittee of the Judiciary Committee which, as yet, has neither met nor taken any action. The need for such a committee is obvious in the un-American rulings against our system of private profit, evidenced in O. P. A. Recently, I proposed in a public statement that "We get the Government out of the red and the Reds out of Government."

The conditions which I have cited prove the need for the realization of this slogan.

Mr. President, in connection with my remarks, I ask unanimous consent to have printed in the RECORD a telegram I have received from the directors of the Northwest Retailers Association, Inc.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

MINNEAPOLIS, MINN., *March 6, 1946.*
Hon. ALEXANDER WILEY,
Senate Office Building, Washington, D. C.

The directors of the Northwest Retailers Association, Inc., composed of leading merchants of Minnesota, North Dakota, and Wisconsin, representing department, dry goods, clothing and men's furnishings, shoe, and ladies' ready-to-wear stores, adopted the following resolution on March 5, 1946:

"The retailers of the Northwest have been in favor of price control as a wartime measure and, in fact, have much more at stake than the average consumer in preventing inflation. We are in favor of extending price control to not later than June 30, 1947, but with the following changes:

"1. That the maximum average price regulation be withdrawn and rescinded immediately. It has failed to restore low-priced merchandise to the market, and has hindered and prevented the manufacture, and distribution to the consumer of much-needed goods.

"2. The sure cure for the dangers of inflation is all-out production of goods, which will quickly make price control unnecessary. We favor extension of incentive pricing for manufacturers to stimulate the production of goods which are vanishing because they are unprofitable to produce, or which have been discontinued for the same reason.

"3. OPA's cost absorption policy should be terminated immediately. It is unsound, unfair, and ruinous in its operation. Wages, materials, and all other operating expenses have increased materially since March 1942. Any prices established by OPA should recognize increased costs, and should allow a normal mark-up to the manufacturer, to the wholesaler or jobber, and to the retailer.

"4. We favor an accelerated program of decontrol. When supply and demand are closely in balance, that item should be promptly removed from price control.

"5. We favor legislation restoring jurisdiction to the district courts of the United States to hear and determine any questions which may arise under OPA regulations or orders."

H. S. MCINTYRE,
Secretary.

SPECIAL COMMITTEE ON ATOMIC ENERGY—INCREASE IN LIMIT OF EXPENDITURES

Mr. McMAHON submitted the following resolution (S. Res. 237), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the limit of expenditures under Senate Resolution 179, Seventy-ninth Congress, first session, agreed to October 22, 1945, relating to the investigation of the development, use, and control of atomic energy, hereby is increased by $60,000.

HEARINGS BEFORE COMMITTEE ON NAVAL AFFAIRS—INCREASE IN LIMIT OF EXPENDITURES

Mr. WALSH submitted the following resolution (S. Res. 238), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Naval Affairs, authorized by Senate Resolution 9, agreed to January 6, 1945, to send for persons, books, and papers; to administer oaths; and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject referred to said committee, hereby is authorized to expend from the contingent fund of the Senate, for the same purposes, during the Seventy-ninth Congress, $10,000 in addition to the amount of $5,000 heretofore authorized.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred, as indicated:

H. R. 216. An act for the relief of John Seferian and Laura Seferian;

H. R. 988. An act for the relief of Bernice B. Cooper, junior clerk-typist, Weatherford, Tex., rural rehabilitation office, Farm Security Administration, Department of Agriculture;

H. R. 1235. An act for the relief of John Bell;

H. R. 1262. An act for the relief of W. E. Noah;

H. R. 1269. An act for the relief of Virge McClure;

H. R. 1352. An act for the relief of Herman Feinberg;

H. R. 1759. An act for the relief of Mildred Neiffer;

H. R. 2156. An act for the relief of Lee Harrison;

H. R. 2217. An act for the relief of Rae Glauber;

H. R. 2331. An act for the relief of Mrs. Grant Logan;

H. R. 2509. An act for the relief of the legal guardian of James Irving Martin, a minor;

H. R. 2682. An act for the relief of John Doshim;

H. R. 2750. An act for the relief of Stephen A. Bodkin, Charles A. Marlin, Andrew J. Perlik, and Albert N. James;

H. R. 2848. An act for the relief of the legal guardian of Wilma Sue Woods, Patsy Woods, Raymond E. Hilliard, and Thomas E. Hilliard, minors;

H. R. 2885. An act for the relief of Mrs. Frank Mitchell and J. L. Price;

H. R. 2904. An act for the relief of Clyde Rownd, Della Rownd, and Benjamin C. Day;

H. R. 3065. An act for the relief of Standard Dredging Corp.;

H. R. 3076. An act for the relief of the estate of Nellie P. Dunn, deceased;

H. R. 3100. An act for the relief of the legal guardian of Rolland Lee Frank, a minor;

H. R. 3161. An act for the relief of Mrs. Ruby Miller;

H. R. 3185. An act for the relief of the estate of Senia Lassila, deceased;

H. R. 3217. An act for the relief of Mattie Lee Wright;

H. R. 3355. An act for the relief of Elisabeth Jones Hansel;

H. R. 3365. An act for the relief of Kay Beth Bednar;

H. R. 3391. An act for the relief of Lawrence Portland Cement Co.;

H. R. 3400. An act for the relief of Herbert W. Rogers;

H. R. 3480. An act for the relief of Miss Ruth Lois Cummings;

H. R. 3483. An act for the relief of Mr. and Mrs. Cipriano Vasquez;

H. R. 3525. An act for the relief of Owen Young;

H. R. 3591. An act for the relief of Addie Pruitt;

H. R. 3823. An act for the relief of Gertrude McGill;

H. R. 3846. An act for the relief of the estate of Eleanor Wilson Lynde, deceased;

H. R. 3948. An act for the relief of Mrs. Clifford W. Prevatt;

H. R. 3985. An act for the relief of Kilpatrick Bros. Co.;

H. R. 4115. An act for the relief of the estate of Eleanor Doris Barrett;

H. R. 4174. An act for the relief of Mayer G. Hansen;

H. R. 4210. An act for the relief of the estate of Bob Clark and the estate of George D. Croft;

H. R. 4270. An act for the relief of Southern California Edison Co., Ltd.;

H. R. 4400. An act for the relief of Nolan V. Curry, individually, and as guardian for his minor son, Hershel Dean Curry;

H. R. 4401. An act for the relief of Joe F. Rada and Bessie Rada;

H. R. 4414. An act for the relief of Eva D. Champlin, Robert H. Howell, Emily Howell, and Stella Ward;

H. R. 4418. An act for the relief of the city of San Diego, Tex.;

H. R. 4537. An act for the relief of Lillian Jacobs;

H. R. 4607. An act for the relief of Margaret Lee and Mike Sopko;

H. R. 4609. An act for the relief of Jerome Dove;

H. R. 4647. An act for the relief of Albert R. Perkins;

H. R. 4693. An act for the relief of Richard C. Ward;

H. R. 4712. An act for the relief of Caroline M. Newmark and Melville Moritz; and

H. R. 4801. An act for the relief of Raymond P. Guidoboni; to the Committee on Claims.

H. R. 4208. An act for the relief of the Calvert Distilling Co.; to the Committee on Finance.

H. R. 4761. An act to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes; to the Committee on Banking and Currency.

H. R. 5529. An act to authorize the President to appoint Lt. Gen. Walter B. Smith as Ambassador to the Union of Soviet Socialist Republics, without affecting his military status and perquisites; to the Committee on Military Affairs.

H. R. 5671. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes; to the Committee on Appropriations.

CRUCIAL IMPORTANCE OF SMALL INVESTORS—ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address entitled "The Investor: Key Man to American Industry," delivered by him before the Free Enterprise Forum of Investors' League at Buffalo, N. Y., February 28, 1946, and following thereafter three articles by Thomas Furlong published in the Chicago Tribune, which appear in the Appendix.]

MEDIATION AND ARBITRATION IN LABOR DISPUTES—ADDRESS BY SENATOR LA FOLLETTE

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD an address on the labor situation delivered by him before the United Labor Committee to Aid the UAW-GM Strikers, at New York, N. Y., February 25, 1946, which appears in the Appendix.]

RURAL ELECTRIFICATION—ADDRESS BY SENATOR LA FOLLETTE

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD an ad-

dress on rural electrification delivered by him before the National Rural Electric Cooperative Association at Buffalo, N. Y., Tuesday, March 5, 1946, which appears in the Appendix.]

ADDRESS BY SENATOR HILL AT TESTIMONIAL DINNER TO GEN. HENRY H. ARNOLD

[Mr. HILL asked and obtained leave to have printed in the RECORD an address delivered by him at a testimonial dinner tendered by the Army Air Forces to Gen. Henry H. Arnold, the commanding general of the Army Air Forces, in Washington, D. C., on February 9, 1946, which appears in the Appendix.]

WASHINGTON'S BIRTHDAY ADDRESS BY SENATOR LANGER

[Mr. LANGER asked and obtained leave to have printed in the RECORD an address delivered by him at Minneapolis, Minn., on Washington's Birthday, before the George Washington Club, which appears in the Appendix.]

UPTON CLOSE—COMMENT BY ALBERT L. WARNER

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an excerpt from the 6 p. m. newscast of Albert L. Warner, director of the Washington news staff of WOL, delivered Wednesday, March 6, 1946, which appears in the Appendix.]

STATEMENT IN OPPOSITION TO COMPULSORY TRAINING BY DR. JOHN R. SAMPEY

[Mr. STANFILL asked and obtained leave to have printed in the RECORD a statement in opposition to compulsory military training entitled "A Worshiper of Lee Renounces War," by Dr. John R. Sampey, of the Southern Baptist Theological Seminary at Louisville, Ky., which appears in the Appendix.]

THE GENERAL MOTORS STRIKE—EDITORIAL FROM THE LOUISVILLE COURIER-JOURNAL

[Mr. STANFILL asked and obtained leave to have printed in the RECORD an editorial regarding the General Motors strike, from the Louisville Courier-Journal of March 5, 1946, which appears in the Appendix.]

THE ST. LAWRENCE SEAWAY

[Mr. MEAD asked and obtained leave to have printed in the RECORD a statement regarding the St. Lawrence seaway by Reginald P. Long, supervisor of Grand Island, Erie County, N. Y., together with resolutions adopted by the board of supervisors of Erie County, N. Y., which appear in the Appendix.]

CONTROL OF ATOMIC ENERGY—ARTICLE BY GEORGE FIELDING ELIOT

[Mr. McMAHON asked and obtained leave to have printed in the RECORD an article on the control of atomic energy, written by George Fielding Eliot and published in a recent issue of the New York Herald Tribune, which appears in the Appendix.]

THE FIGHT AGAINST CANCER—ARTICLE BY ERIC A. JOHNSTON

[Mr. McMAHON asked and obtained leave to have printed in the RECORD an article entitled "The Doctors Are Out To Conquer Cancer, and They Need Your Help" written by Eric A. Johnston, and published in the Reader's Digest for March 1946, which appears in the Appendix.]

THE OPA—EDITORIAL COMMENTS BY THE RECORD-HERALD AND INDIANOLA TRIBUNE

[Mr. HICKENLOOPER asked and obtained leave to have printed in the RECORD an editorial entitled "We Need OPA, but Let's Delouse It," from the Record-Herald and Indianola Tribune of February 21, 1946, and an editorial entitled "OPA in a Glass House" from the same newspapers of the issue of February 28, 1946, which appear in the Appendix.]

SMEAR CAMPAIGN BY JEWELRY MANUFACTURERS—EDITORIAL FROM THE MINERAL COUNTY INDEPENDENT-NEWS

[Mr. CARVILLE asked and obtained leave to have printed in the RECORD an editorial entitled "Smear Campaign by Jewelry Manufacturers," from the Mineral County Independent-News of February 26, 1946, which appears in the Appendix.]

PRICE CONTROLS—EDITORIAL FROM ARIZONA DAILY STAR

[Mr. McFARLAND asked and obtained leave to have printed in the RECORD an editorial entitled "Let Us End the Controls," published in the Arizona Daily Star of February 28, 1946, which appears in the Appendix.]

ADMINISTRATIVE PROCEDURE ACT

Mr. McCARRAN. Mr. President, I should like to have the attention of the leaders on both sides to the request I am about to make. I ask unanimous consent that S. 7, the administrative procedure bill, which was reported from the Judiciary Committee in November last, be made the unfinished business, with the understanding that it will go over until the next session of the Senate, which I understand will be on Tuesday. I ask unanimous consent that S. 7 be made the unfinished business.

The PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 7) to improve the administration of justice by prescribing fair administrative procedure.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Nevada?

Mr. BARKLEY. Mr. President, it is not necessary to ask unanimous consent, inasmuch as what the Senator desires could be accomplished by a motion. I have no objection, however to making the bill the unfinished business. I hope that Senators will take advantage of the week end to study this measure. It is a modified form of the so-called Logan-Walter bill, which, as I recall, Congress passed several years ago and which was vetoed by the President. I think that is correct. I myself have not studied the proposed modifications because I have not had the time. I shall attempt to do so over the week end, and I hope other Senators will study the bill, because it is a complicated subject and involves, or did involve in the previous legislation, what seems to me to be great handicaps in carrying out the administrative policies of the Government as directed by Congress.

I am not passing any judgment on this bill, because I have not had a chance to study it. I am merely expressing the hope that the Senate will study the bill before next Tuesday—we intend to recess until Tuesday after today's session—because it is a very important piece of legislation both from the standpoint of those who are for and those who are against it.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Nevada that Senate bill 7 be made the unfinished business?

Mr. WHITE. Mr. President, reserving the right to object, in view of what the majority leader has said, I inquire if it would not be appropriate to have a quorum called.

Mr. BARKLEY. I have no objection to a quorum call, although I do not think one is necessary in order to make it possible for the Senate to agree to make the bill the unfinished business, unless a Senator who is not now on the floor may desire to object. But even if objection were registered, the Senator from Nevada could move to make the bill the unfinished business.

Mr. WHITE. I was merely seeking to protect the interests of those who might be absent at the moment.

Mr. BARKLEY. Two or three important hearings, with important witnesses, are now in progress, and I think it might disturb that situation if we called Senators to the Chamber at this time. But whatever the Senator desires to have done is agreeable to me.

Mr. WHITE. I shall not object.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Nevada?

There being no objection, the Senate proceeded to consider the bill (S. 7) to improve the administration of justice by prescribing fair administrative procedure, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That this act may be cited as the "Administrative Procedure Act."

DEFINITIONS

SEC. 2. As used in this act—

(a) Agency: "Agency" means each authority (whether or not within or subject to review by another agency) of the Government of the United States other than Congress, the courts, or the governments of the possessions, Territories, or the District of Columbia. Nothing in this act shall be construed to repeal delegations of authority as provided by law. Except as to the requirements of section 3, there shall be excluded from the operation of this act (1) agencies composed of representatives of the parties or of representatives of organizations of the parties to the disputes determined by them, (2) courts martial and military commissions, (3) military or naval authority exercised in the field in time of war or in occupied territory, or (4) functions which by law expire on the termination of present hostilities, within any fixed period thereafter, or before July 1, 1947, and the functions conferred by the following statutes: Selective Training and Service Act of 1940; Contract Settlement Act of 1944; Surplus Property Act of 1944.

(b) Person and party: "Person" includes individuals, partnerships, corporations, associations, or public or private organizations of any character other than agencies. "Party" includes any person or agency named or admitted as a party, or properly seeking and entitled as of right to be admitted as a party, in any agency proceeding; but nothing herein shall be construed to prevent an agency from admitting any person or agency as a party for limited purposes.

(c) Rule and rule making: "Rule" means the whole or any part of any agency statement of general applicability designed to implement, interpret, or prescribe law or policy or to describe the organization, procedure, or practice requirements of any agency. "Rule making" means agency process for the formulation, amendment, or repeal of a rule and includes the approval or prescription for the future of rates, wages, corporate or financial structures or reorganizations thereof, prices, facilities, appliances, services, or allowances therefor, or of valuations, costs, or accounting, or practices bearing upon any of the foregoing.

(d) Order and adjudication: "Order" means the whole or any part of the final disposition (whether affirmative, negative, or declaratory in form) of any agency in any matter other than rule making but including licensing. "Adjudication" means agency process for the formulation of an order.

(e) License and licensing: "License" includes the whole or part of any agency permit, certificate, approval, registration, charter, membership, statutory exemption, or other form of permission. "Licensing" includes agency process respecting the grant, renewal, denial, revocation, suspension, annulment, withdrawal, limitation, amendment, modification, or conditioning of a license.

(f) Sanction and relief: "Sanction" includes the whole or part of any agency (1) prohibition, requirement, limitation, or other condition affecting the freedom of any person; (2) withholding of relief; (3) imposition of any form of penalty or fine; (4) destruction, taking, seizure, or withholding of property; (5) assessment of damages, reimbursement, restitution, compensation, costs, charges, or fees; (6) requirement, revocation, or suspension of a license; or (7) taking of other compulsory or restrictive action. "Relief" includes the whole or part of any agency (1) grant of money, assistance, license, authority, exemption, exception, privilege, or remedy; (2) recognition of any claim, right, immunity, privilege, exemption, or exception; or (3) taking of any other action beneficial to any person.

(g) Agency proceeding and action: "Agency proceeding" means any agency process as defined in subsections (c), (d), and (e) of this section. For the purpose of section 10, "agency action" includes the whole or part of every agency rule, order, license, sanction, relief, or the equivalent or denial thereof, or failure to act.

PUBLIC INFORMATION

SEC. 3. Except to the extent that there is involved (1) any function of the United States requiring secrecy in the public interest or (2) any matter relating solely to the internal management of an agency—

(a) Rules: Every agency shall separately state and currently publish in the Federal Register (1) descriptions of its central and field organization; (2) the established places and methods whereby the public may secure information or make submittals or requests; (3) statements of the general course and method by which its rule making and adjudicating functions are channeled and determined, including the nature and requirements of all formal or informal procedures available as well as forms and instructions as to the scope and contents of all papers, reports, or examinations; and (4) substantive rules adopted as authorized by law and statements of general policy or interpretations formulated and adopted by the agency for the guidance of the public. No person shall in any manner be required to resort to organization or procedure not so published.

(b) Opinions and orders: Every agency shall publish or, in accordance with published rule, make available to public inspection all final opinions or orders in the adjudication of cases except those required for good cause to be held confidential and not cited as precedents.

(c) Public records: Save as otherwise required by statute, matters of official record shall in accordance with published rule be made available to persons properly and directly concerned except information held confidential for good cause found.

RULE MAKING

SEC. 4. Except to the extent that there is involved (1) any military, naval, or foreign affairs function of the United States or (2) any matter relating to agency management or personnel or to public property, loans, grants, benefits, or contracts—

(a) Notice: General notice of proposed rule making shall be published in the Federal Register and shall include (1) a statement of the time, place, and nature of public rule making proceedings; (2) reference to the authority under which the rule is proposed; and (3) either the terms or substance of the proposed rule or a description of the subjects and issues involved. Except where notice or hearing is required by statute, this subsection shall not apply to interpretative rules, general statements of policy, rules of agency organization, procedure, or practice, or in any situation in which the agency for good cause finds (and incorporates the finding and a brief statement of the reasons therefor in the rules issued) that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest.

(b) Procedures: After notice required by this section, the agency shall afford interested persons an opportunity to participate in the rule making through submission of written data, views, or argument with or without opportunity to present the same orally in any manner; and, after consideration of all relevant matter presented, the agency shall incorporate in any rules adopted a concise general statement of their basis and purpose. Where rules are required by law to be made upon the record after opportunity for or upon an agency hearing, the requirements of sections 7 and 8 shall apply in place of the provisions of this subsection.

(c) Effective dates: The required publication or service of any substantive rule (other than one granting or recognizing exemption or relieving restriction or interpretative rules and statements of policy) shall be made not less than 30 days prior to the effective date thereof except as otherwise provided by the agency upon good cause found and published with the rule.

(d) Petitions: Every agency shall accord any interested person the right to petition for the issuance, amendment, or repeal of a rule.

ADJUDICATION

SEC. 5. In every case of adjudication required by statute to be determined on the record after opportunity for an agency hearing, except to the extent that there is involved (1) any matter subject to a subsequent trial of the law and the facts de novo in any court; (2) the selection or tenure of an officer or employee of the United States other than examiners appointed pursuant to section 11; (3) proceedings in which decisions rest solely on inspections, tests, or elections; (4) the conduct of military, naval, or foreign affairs functions; (5) cases in which an agency is acting as an agent for a court; and (6) the certification of employee representatives—

(a) Notice: Persons entitled to notice of an agency hearing shall be timely informed of (1) the time, place, and nature thereof; (2) the legal authority and jurisdiction under which the hearing is to be held; and (3) the matters of fact and law asserted. In instances in which private persons are the moving parties, other parties to the proceeding shall give prompt notice of issues controverted in fact or law; and in other instances agencies may by rule require responsive pleading. In fixing the times and places for hearings, due regard shall be had for the convenience and necessity of the parties or their representatives.

(b) Procedure: The agency shall afford all interested parties opportunity for (1) the submission and consideration of facts, argument, offers of settlement, or proposals of adjustment where time, the nature of the proceeding, and the public interest permit and (2), to the extent that the parties are unable so to determine any controversy by consent, hearing and decision upon notice and in conformity with sections 7 and 8.

(c) Separation of functions: The same officers who preside at the reception of evidence pursuant to section 7 shall make the recommended decision or initial decision required by section 8 except where such officers become unavailable to the agency. Save to the extent required for the disposition of ex parte matters as authorized by law, no such officer shall consult any person or party on any fact in issue unless upon notice and opportunity for all parties to participate; nor shall such officer be responsible to or subject to the supervision or direction of any officer, employee, or agent engaged in the performance of investigative or prosecuting functions for any agency. No officer, employee, or agent engaged in the performance of investigative or prosecuting functions for any agency in any case shall, in that or a factually related case, participate or advise in the decision, recommended decision, or agency review pursuant to section 8 except as witness or counsel in public proceedings. This subsection shall not apply in determining applications for initial licenses or the past reasonableness of rates; nor shall it be applicable in any manner to the agency or any member or members of the body comprising the agency.

(d) Declaratory orders: The agency is authorized in its sound discretion, with like effect as in the case of other orders, to issue a declaratory order to terminate a controversy or remove uncertainty.

ANCILLARY MATTERS

SEC. 6. Except as otherwise provided in this act—

(a) Appearance: Any person compelled to appear in person before any agency or representative thereof shall be accorded the right to be accompanied, represented, and advised by counsel or, if permitted by the agency, by other qualified representative. Every party shall be accorded the right to appear in person or by or with counsel or other duly qualified representative in any agency proceeding. So far as the responsible conduct of public business permits, any interested person may appear before any agency or its responsible officers or employees for the presentation, adjustment, or determination of any issue, request, or controversy in any proceeding or in connection with any agency function, including stop-order or other summary actions. Every agency shall proceed with reasonable dispatch to conclude any matter presented to it except that due regard shall be had for the convenience and necessity of the parties or their representatives. Nothing herein shall be construed either to grant or to deny to any person who is not a lawyer the right to appear for or represent others before any agency or in any agency proceeding.

(b) Investigations: No process, requirement of a report, inspection, or other investigative act or demand shall be issued, made, or enforced in any manner or for any purpose except as authorized by law. Every person compelled to submit data or evidence shall be entitled to retain or, on payment of lawfully prescribed costs, procure a copy or transcript thereof, except that in a nonpublic investigatory proceeding the witness may for good cause be limited to inspection of the official transcript of his testimony.

(c) Subpenas: Agency subpenas authorized by law shall be issued to any party upon request and, as may be required by rules of procedure, upon a statement or showing of

general relevance and reasonable scope of the evidence sought. Upon contest the court shall sustain any such subpena or similar process or demand to the extent that it is found to be in accordance with law and, in any proceeding for enforcement, shall issue an order requiring the appearance of the witness or the production of the evidence or data under penalty of punishment for contempt in case of contumacious failure to do so.

(d) Denials: Prompt notice shall be given of the denial in whole or in part of any written application, petition, or other request of any interested person made in connection with any agency proceeding. Except in affirming a prior denial or where the denial is self-explanatory, such notice shall be accompanied by a simple statement of grounds.

HEARINGS

SEC. 7. In hearings which section 4 or 5 requires to be conducted pursuant to this section—

(a) Presiding officers: There shall preside at the taking of evidence (1) the agency, (2) one or more members of the body which comprises the agency, or (3) one or more examiners appointed as provided in this act; but nothing in this act shall be deemed to supersede the conduct of specified classes of proceedings in whole or part by or before boards or other officers specially provided for by or designated pursuant to statute. The functions of all presiding officers and of officers participating in decisions in conformity with section 8 shall be conducted in an impartial manner. Any such officer may at any time withdraw if he deems himself disqualified; and, upon the filing in good faith of a timely and sufficient affidavit of personal bias or disqualification of any such officer, the agency shall determine the matter as a part of the record and decision in the case.

(b) Hearing powers: Officers presiding at hearings shall have authority, subject to the published rules of the agency and within its powers, to (1) administer oaths and affirmations, (2) issue subpenas authorized by law, (3) rule upon offers of proof and receive relevant evidence, (4) take or cause depositions to be taken whenever the ends of justice would be served thereby, (5) regulate the course of the hearing, (6) hold conferences for the settlement or simplification of the issues by consent of the parties, (7) dispose of procedural requests or similar matters, (8) make decisions or recommend decisions in conformity with section 8, and (9) take any other action authorized by agency rule consistent with this act.

(c) Evidence: Except as statutes otherwise provide, the proponent of a rule or order shall have the burden of proof. Any evidence, oral or documentary, may be received, but every agency shall as a matter of policy provide for the exclusion of immaterial and unduly repetitious evidence and no sanction shall be imposed or rule or order be issued except as supported by relevant, reliable, and probative evidence. Every party shall have the right to present his case or defense by oral or documentary evidence, to submit rebuttal evidence, and to conduct such cross-examination as may be required for a full and true disclosure of the facts. In rule making or determining claims for money or benefits or applications for initial licenses any agency may, where the interest of any party will not be prejudiced thereby, adopt procedures for the submission of all or part of the evidence in written form.

(d) Record: The transcript of testimony and exhibits, together with all papers and requests filed in the proceeding, shall constitute the exclusive record for decision in accordance with section 8 and, upon payment of lawfully prescribed costs, shall be made available to the parties. Where any agency decision rests on official notice of a material fact not appearing in the evidence in the record, any party shall on timely request be afforded an opportunity to show the contrary.

DECISIONS

SEC. 8. In cases in which a hearing is required to be conducted in conformity with section 7—

(a) Action by subordinates: In cases in which the agency has not presided at the reception of the evidence, the officer who presided (or, in cases not subject to subsection (c) of section 5, any other officer or officers qualified to preside at hearings pursuant to section 7) shall initially decide the case or the agency shall require (in specific cases or by general rule) the entire record to be certified to it for initial decision. Whenever such officers make the initial decision and in the absence of either an appeal to the agency or review upon motion of the agency within time provided by rule, such decision shall without further proceedings then become the decision of the agency. On appeal from or review of the initial decisions of such officers the agency shall, except as it may limit the issues upon notice or by rule, have all the powers which it would have in making the initial decision. Whenever the agency makes the initial decision without having presided at the reception of the evidence, such officers shall first recommend a decision except that in rule making or determining applications for initial licenses (1) in lieu thereof the agency may issue a tentative decision or any of its responsible officers may recommend a decision or (2) any such procedure may be omitted in any case in which the agency finds upon the record that due and timely execution of its function imperatively and unavoidably so requires.

(b) Submittals and decisions: Prior to each recommended, initial, or tentative decision, or decision upon agency review of the decision of subordinate officers the parties shall be afforded a reasonable opportunity to submit for the consideration of the officers participating in such decisions (1) proposed findings and conclusions, or (2) exceptions to the decisions or recommended decisions of subordinate officers or to tentative agency decisions, and (3) supporting reasons for such exceptions or proposed findings or conclusions. All decisions (including initial, recommended, or tentative decisions) shall become a part of the record and include a statement of (1) findings and conclusions, as well as the basis therefor, upon all the material issues of fact, law, or discretion presented; and (2) the appropriate rule, order, sanction, relief, or denial thereof.

SANCTIONS AND POWERS

SEC. 9. In the exercise of any power or authority—

(a) In general: No sanction shall be imposed or substantive rule or order be issued except within jurisdiction delegated to the agency and as authorized by law.

(b) Licenses: In any case in which application is made for a license required by law the agency, with due regard to the rights or privileges of all the interested parties or adversely affected persons and with reasonable dispatch, shall set and complete any proceedings required to be conducted pursuant to sections 7 and 8 of this act or other proceedings required by law and shall make its decision. Except in cases of willfulness or those in which public health, interest, or safety requires otherwise, no withdrawal, suspension, revocation, or annulment of any license shall be lawful unless, prior to the institution of agency proceedings therefor, facts or conduct which may warrant such action shall have been called to the attention of the licensee by the agency in writing and the licensee shall have been accorded opportunity to demonstrate or achieve compliance with all lawful requirements. In any case in which the licensee has, in accordance with agency rules, made timely and sufficient application for a renewal or a new license, no license with reference to any activity of a continuing nature shall expire until such application shall have been finally determined by the agency.

JUDICIAL REVIEW

SEC. 10. Except so far as (1) statutes preclude judicial review or (2) agency action is by law committed to agency discretion—

(a) Right of review: Any person suffering legal wrong because of any agency action, or adversely affected or aggrieved by such action within the meaning of any relevant statute, shall be entitled to judicial review thereof.

(b) Form and venue of action: The form of proceeding for judicial review shall be any special statutory review proceeding relevant to the subject matter in any court specified by statute or, in the absence or inadequacy thereof, any applicable form of legal action (including actions for declaratory judgments or writs of prohibitory or mandatory injunction or habeas corpus) in any court of competent jurisdiction. Agency action shall be subject to judicial review in civil or criminal proceedings for judicial enforcement except to the extent that prior, adequate, and exclusive opportunity for such review is provided by law.

(c) Reviewable acts: Every agency action made reviewable by statute and every final agency action for which there is no other adequate remedy in any court shall be subject to judicial review. Any preliminary, procedural, or intermediate agency action or ruling not directly reviewable shall be subject to review upon the review of the final agency action. Except as otherwise expressly required by statute, agency action shall be final whether or not there has been presented or determined any application for a declaratory order, for any form of reconsideration, or (unless the agency otherwise requires by rule) for an appeal to superior agency authority.

(d) Interim relief: Pending judicial review any agency is authorized, where it finds that justice so requires, to postpone the effective date of any action taken by it. Upon such conditions as may be required and to the extent necessary to prevent irreparable injury, every reviewing court (including every court to which a case may be taken on appeal from or upon application for certiorari or other writ to a reviewing court) is authorized to issue all necessary and appropriate process to postpone the effective date of any agency action or to preserve status or rights pending conclusion of the review proceedings.

(e) Scope of review: So far as necessary to decision, and where presented, the reviewing court shall decide all relevant questions of law, interpret constitutional and statutory provisions, and determine the meaning or applicability of the terms of any agency action. It shall (A) compel agency action unlawfully withheld or unreasonably delayed; and (B) hold unlawful and set aside agency action, findings, and conclusions found to be (1) arbitrary, capricious, or otherwise not in accordance with law; (2) contrary to constitutional right, power, privilege, or immunity; (3) in excess of statutory jurisdiction, authority, or limitations, or short of statutory right; (4) without observance of procedure required by law; (5) unsupported by substantial evidence in any case subject to the requirements of sections 7 and 8 or otherwise reviewed on the record of an agency hearing provided by statute; or (6) unwarranted by the fact to the extent that the facts are subject to trial de novo by the reviewing court. In making the foregoing determinations the court shall review the whole record or such portions thereof as may be cited by the parties, and due account shall be taken of the rule of prejudicial error.

EXAMINERS

SEC. 11. Subject to the civil-service and other laws to the extent not inconsistent with

this act, there shall be appointed by and for each agency as many qualified and competent examiners as may be necessary for proceedings pursuant to sections 7 and 8, who shall be assigned to cases in rotation so far as practicable and shall perform no duties inconsistent with their duties and responsibilities as examiners. Examiners shall be removable by the agency in which they are employed only for good cause established and determined by the Civil Service Commission (hereinafter called the Commission) after opportunity for hearing and upon the record thereof. Examiners shall receive compensation prescribed by the Commission independently of agency recommendations or ratings and in accordance with the Classification Act of 1923, as amended, except that the provisions of paragraphs (2) and (3) of subsection (b) of section 7 of said act, as amended, and the provisions of section 9 of said act, as amended, shall not be applicable. Agencies occasionally or temporarily insufficiently staffed may utilize examiners selected by the Commission from and with the consent of other agencies. For the purposes of this section, the Commission is authorized to make investigations, require reports by agencies, issue reports, including an annual report to the Congress, promulgate rules, appoint such advisory committees as may be deemed necessary, recommend legislation, subpena witnesses or records, and pay witness fees as established for the United States courts.

CONSTRUCTION AND EFFECT

SEC. 12. Nothing in this act shall be held to diminish the constitutional rights of any person or to limit or repeal additional requirements imposed by statute or otherwise recognized by law. Except as otherwise required by law, all requirements or privileges relating to evidence or procedure shall apply equally to agencies and persons. If any provision of this act or the application thereof is held invalid, the remainder of this act or other applications of such provision shall not be affected. Every agency is granted all authority necessary to comply with the requirements of this act through the issuance of rules or otherwise. No subsequent legislation shall be held to supersede or modify the provisions of this act except to the extent that such legislation shall do so expressly. This act shall take effect 3 months after its approval except that sections 7 and 8 shall take effect 6 months after such approval, the requirement of the selection of examiners pursuant to section 11 shall not become effective until 1 year after such approval, and no procedural requirement shall be mandatory as to any agency proceeding initiated prior to the effective date of such requirement.

Mr. McCARRAN. Mr. President, Senate bill 7, the administrative procedure measure, was reported and placed on the calendar of the Senate in November last, after nearly a year and a half of very careful consideration and study by the Department of Justice, by other departments, and by the Committee on the Judiciary of the Senate. We have attempted in every way possible to explain the bill by graphs which have been laid on the desks of Senators from time to time, some of which are now, today, on our desks. We have submitted a report on the bill which is on the desks of Senators this morning, a most detailed report, which goes into every phase of the bill, so that any Senator who will make a study of it in my judgment can know what the bill pertains to and what it proposes to do.

I have on several occasions, as the record will show, advised the Senate that in the near future I would bring the bill forward for consideration, in order that the Senate and Senators individually might make a study of it before it was proceeded with on the floor.

I implore my colleagues at this time to make a study of this bill before Tuesday next, because I hope we may go forward with this very important legislative proposal.

Mr. McCARRAN subsequently said: In connection with some brief remarks which I made earlier in the day with reference to Senate bill 7, the administrative law bill, I ask unanimous consent to have inserted in the RECORD in connection with those remarks a very scholarly address delivered by the Attorney General of the United States, Mr. Tom Clark.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

At your annual meeting in 1916, Elihu Root, as president of your association, made a memorable address on the subject of public service by the bar.

In the course of his speech he had occasion to recognize the inevitable development of a system of administrative law.

In this country, he said, such a system, "is still in its infancy."

The "infant" to which Mr. Root referred has had an extraordinary growth since that time.

So precocious has it shown itself that for the past 20 years it has been perhaps the primary subject of discussion among legal thinkers.

Some have considered the infant prodigy as a threat to our democracy—an alien system—a contrivance of self-seeking bureaucrats.

Others, with whom I agree, have recognized that the administrative process has had to expand to meet the needs of an increasingly complex civilization.

Full recognition, it seems to me, has not been given to the fact that the phenomenal events—two world wars of catastrophic proportions, and an intervening financial depression, all in one generation.

The belief is fairly common that the administrative process in the Federal Government is new—that it is wholly a creation of the present era.

Not at all. It is as old as the Government itself.

At the very first session of the First Congress under the Constitution, statutes were enacted conferring important administrative powers.

In that year—1789—the Congress passed laws involving the administration of customs and the regulation of ocean-going vessels—laws which are the antecedents of statutes now administered by the Bureau of Customs in the Treasury Department.

At that time the first pension law was passed—the first of a long series of pension laws now in the charge of the Veterans' Administration.

Payments to invalid pensioners were to be made under regulations issued by the President—an early recognition by Congress of the advantage of delegating to the Executive broad rule-making power within the framework of statutory policies.

In 1790, Congress initiated the succession of laws governing the issuing and recording of patents.

The Secretary of State, the Secretary of War, and the Attorney General of the United States were empowered to grant a patent to any person petitioning for it, if his invention or discovery were deemed "sufficiently useful and important."

In 1796, provision was made for trading with the Indians according to such rules as the President should prescribe.

In fact, the growth of the administrative process may be said to follow the path of the growth of the Union.

As problems have been encountered, they have been met—sometimes too quickly, it is true—sometimes not quickly enough.

To meet emergency problems, policies must be debated and adopted, appropriate governmental agencies must be established, appropriate procedures must be put into effect.

While hasty legislation is to be deplored, the lack of legislation may bring a result which will be mourned as "too little and too late."

It was the growth of steam navigation which gave rise in 1838 to "an act to provide for the better security of the lives of passengers on board of vessels propelled in whole or in part by steam."

This act made it unlawful for an owner of a steamboat to operate without a license from the collector of the port.

It was the rapid expansion of railroads, accompanied by discriminatory rate adjustments, irresponsible financial manipulation, and speculation, that led to the enactment in 1887 of "an act to regulate commerce," creating the Interstate Commerce Commission.

The creation of other agencies, to meet the needs of changing times, has steadily continued, in the State governments as well as the Federal.

The great advantage of administrative agencies is their flexibility, their capacity to do a complex task fairly and with dispatch.

A few weeks ago I read the fifth quarterly report of the Office of Contract Settlement.

I was amazed by the tremendous progress which has been made in settling terminated war contracts through administrative action.

The surrender of Japan caused the termination of over 100,000 prime contracts, involving $24,000,000,000 in canceled commitments. Add to this the contracts that were terminated by VE-day and you have some realization of the gigantic task faced by the War and Navy Departments and by the Office of Contract Settlement.

Some 288,000 prime contracts, involving $62,000,000,000 in canceled commitments, have been terminated from the beginning of our war production to date.

Of these, some 185,000 contracts, involving over $25,000,000,000, have now been settled.

Similar records of accomplishment may be found in other administrative agencies.

The Interstate Commerce Commission receives, analyzes, and files thousands of rate schedules, applications, and complaints.

Yet that is only a part of its work.

The Social Security Board keeps literally millions of records, and disposes of eight or nine hundred thousand claims a year.

The Grain Standards Administration in the Department of Agriculture supervises over a million gradings of grain annually.

In the light of these few examples, it is no wonder that Congress has resorted more and more frequently to the administrative process as an instrument for the execution of its legislative policies.

An examination of an act with which we are all familiar—the Selective Training and Service Act—will serve to illustrate the manner in which the Congress has placed broad rule-making and adjudicatory functions in a single agency.

In this statute Congress wisely refrained from seeking to control every possible aspect of the induction process.

Instead, Congress incorporated into the act a general statement of the policy to be pursued in inducting men into the armed forces.

It has delegated to the President the power to make such rules and regulations as may be necessary to carry out the congressional policy.

The President, under the express authority of the act, has delegated broad powers to the Director of Selective Service.

The Director, by virtue of his highly specialized duties, is in a position to know the day-to-day needs of the armed forces and the

manner in which those needs can best be met.

The Director has been able to weigh such considerations as age, occupation, and family status in formulating the rules guiding induction.

It is these rules, promulgated by the Director of Selective Service, that have given the act its flexibility and vitality.

In addition to the grant of rule-making power, the Selective Training and Service Act makes provision for the performance of quasi-judicial functions within the administrative framework.

Registrants who are dissatisfied with their classification may ask for a hearing to obtain a deferment, or a different classification.

The local selective service board hears and decides such complaints.

Should the registrant be dissatisfied with the decision of the local board, he has recourse to a local board of appeal and, in exceptional circumstances, to the President of the United States.

Such are the manifold administrative remedies which the act provides.

The administrative process, of course, has not been free of criticism.

Some of this criticism has been based on a disapproving view of the legislative policies which the agencies are bound by law to execute.

Some of it has been based on dissatisfaction—sometimes no doubt justified—with the procedures followed by some of the agencies.

Many members of the bar have vigorously opposed the growth of the administrative process.

This opposition, to quote Chief Justice Stone, is "reminiscent of the distrust of equity displayed by the common-law judges and of their resistance to its expansion."

Instead of resisting its growth, he added, the legal profession should seek "to adopt the undoubted advantages of the new agencies as efficient working implements of government, surrounded, at the same time, with every needful guarantee against abuse."

Your association, over a period of many years, has taken a very keen interest in problems of administrative law and procedure.

Your special committee on administrative law, since its formation in 1933, has steadily sought to have Congress enact regulatory legislation in this field.

And I think it is fair to say that we, in the Government, have also worked hard in the same general field in an effort to improve our procedures. As defects have been pointed out, we have tried to correct them.

We have tried to make of the administrative process an efficient and, withal, fair implement for the proper functioning of government.

In 1939, President Roosevelt directed Attorney General Murphy to select a committee of eminent lawyers, jurists, scholars, and administrators to investigate the need for procedural reform in the field of administrative law.

For 2 years this committee on administrative procedure examined carefully the workings of the more important administrative agencies.

In 1941, its full report was given to the President and to the Congress.

The committee made a number of specific recommendations for the improvement of the procedures of particular agencies—recommendations which, in the main, have been adopted.

In addition, the majority of the committee made general recommendations, embodied in a bill which it prepared for submission to Congress.

Further effort looking toward general legislation in the field of administrative law was in large measure necessarily suspended during the war years.

A number of bills on this subject have, however, been introduced in the present session of Congress.

I should like to speak particularly of the McCarran-Sumners bill.

For the past several months your special committee on administrative law and the Department of Justice have collaborated with the Judiciary Committees of both Houses, at their specific request, in seeking to arrive at a final draft of the McCarran-Sumners bill which would be acceptable to all interests concerned.

I think the hard work which has thus been carried on has been rewarded with success.

The final draft of the McCarran-Sumners bill, recently reported favorably by the Senate Judiciary Committee, may be described as a restatement of the law of due process for administrative agencies.

It establishes minimum procedural requirements in terms applicable to all administrative agencies of the Federal Government.

Broad general principles are laid down with a sufficient degree of definiteness to protect the public in its dealings with the Government.

Recognition has been given to the fact that not every function of governmental agencies can be regulated uniformly.

Their functions are far too varied for an over-generalized approach.

Adjudications of disputes between citizens, for example, are to be sharply distinguished from such matters as disposals of surplus Government property.

Accordingly, appropriate exceptions have been made, not of agencies as such, but of certain of their functions.

War and defense functions, for example, are exempted from all the provisions of the bill except the section requiring increased public information.

Appropriate exceptions, too, have been made of functions of the United States requiring secrecy in the public interest, such as the confidential operations of the Secret Service and the Federal Bureau of Investigation.

The paramount public interest is also appropriately recognized.

Thus, while the general rule is that agencies must publish notice of proposed rule-making in the Federal Register, such notice need not be given where it is contrary to the public interest.

Yet, in such circumstances, an agency must make a finding to that effect and incorporate a brief statement of the reasons therefor in the rules issued.

The basic scheme underlying this legislation is to classify all administrative proceedings into two general categories, namely, rule-making and adjudication.

But the bill does not specify the agencies which have rule-making powers and adjudicatory functions.

To determine that, reference must be made to the special laws Congress has enacted for a particular agency.

Proceedings are classed as rule-making under the bill, not merely when they result in regulations of general applicability (something akin to the legislative process), but also in certain cases involving subject matter demanding judgments based on a wide range of technical knowledge and experience, such as corporate reorganizations and prescription of rates for the future.

Proceedings are considered as adjudications, on the other hand, when the element of accusation is strong, and individual compliance or behavior is challenged.

It is important to bear in mind the essential difference between these two types of proceedings in order to understand why the doctrine of segregation of functions is applicable only to adjudication.

Adjudication, being quasi-judicial in character, must be conducted in quasi-judicial fashion.

For this reason, the examiner who presides at the hearing in such a proceeding is forbidden to consult with any person or party on any fact in issue unless upon notice and opportunity for all parties to participate.

Further, such an officer is not to be responsible to or subject to the supervision or direction of any person engaged in the performance of investigative or prosecuting functions.

The purpose is to divorce the trier of facts from the prosecutor.

Such a separation of functions will be found today in most, if not all, Federal agencies.

A separation of this sort, however, would be completely unrealistic if applied to rule-making, since there the presiding officer is not a trier of facts.

He sits to determine the advisability of the enactment of a rule, and should be allowed to call on all available sources for his information, including the highly specialized knowledge of the members of the agency staff.

In adjudications, the presiding examiner will generally be required to make a decision or recommend a decision.

In rule-making, the agency may in its discretion dispense with the decision of the examiner.

Some of the agencies, such as the Federal Communications Commission, find that in a field as highly technical as theirs the report of an examiner is not of great value or importance in the formulating rules.

But such a report is of fundamental importance in formal adjudications. Here, in view of the adversary nature of the proceeding, the presiding officer must evaluate evidence and consider the credibility of the witnesses.

I shall not attempt to cover all the provisions of the bill in the brief space of time remaining.

Of particular importance to the public, and to the legal profession as well, is the requirement that administrative agencies publish, or make available, an increased measure of information concerning their organizations, functions, and procedures.

I should also mention the requirement that trial examiners be appointed for each agency to conduct formal hearings.

They are to perform no duties inconsistent with their functions as examiners, and are to receive compensation prescribed by the Civil Service Commission.

The conditions of their tenure are designed to insure their impartiality and independence of judgment.

The section of judicial review of administrative action will be of particular interest to this audience.

Its provisions, while fully safeguarding the rights of aggrieved individuals, will not in my judgment hamper the proper conduct of administrative business, thus there is no right to a review of any agency action which is by law committed to agency discretion.

Courts are not to set aside agency findings unless they are found to be "arbitrary, capricious, or otherwise not in accordance with law," or "unsupported by substantial evidence."

Due account is to be taken of the rule of "prejudicial error."

The section thus enacts in statutory form those aspects of existing law which are generally recognized as most sound and practical in their application.

These are days of upheaval, change, and overturn, in the methods and procedures that were adopted in the years of war.

We lump it all under the head of reconversion.

It is a nice word, but it does not imply the bad faith and the grudges, the bad blood and the hostilities which we see everywhere.

But we will have to get over some of our childishness if we wish to be successful in

bringing prosperity under peace to this land of ours.

The time has come for business, in its two great subdivisions of labor and management, to cooperate with Government.

We need the sort of three-horse hitch that we had during the war, to get the wagon moving.

Labor is big business in our national life, as well as management, and it must be considered as such.

Business including labor in this day of our development has far more responsibility than just making money for its own members,

It had a national responsibility to the public during the war and it has the same responsibility in the peace.

We are bickering and squabbling like backfence cats, where if we get into production the present problems of wages and prices will tend to settle themselves.

How foolish we are to try to settle decimal points when we have not given the forces of production and competition a free play, and before the inexorable laws of supply and demand can be applied.

Let's jump off the merry-go-round and into production.

The task of business, including labor, is to create the highest possible levels of employment and productive activity.

A primary task of the Government is to assist in this process.

It must at the same time alleviate and correct impediments to the development of our economy.

The Government must, in the interest of society as a whole, regulate where regulation is required.

It must assist where assistance is needed.

But it is my firm belief that these necessary processes of business and the Government can be conducted on a plane of mutual understanding.

We lawyers have an unusual opportunity in this field.

During the war 40,000 lawyers donned the uniform so that the democratic processes might survive.

Now, greater than ever, is the need for this honored profession to make added efforts to bring about adequate cooperation in the national recovery.

Too often do we consider ourselves members of the wrecking crew rather than the construction gang.

Let's build rather than tear down.

The lawyer is, in countless situations, the intermediary between business and administrative agencies.

By his understanding of the problems of Government, as well as those of business, he can be of invaluable aid to both, and to our society as a whole.

The McCarran-Sumners bill in its present form seems to me to be a real contribution toward achieving this solid basis of cooperation.

If it is adopted it will be an earnest on the part of the Federal Government that it is willing to require of all Government agencies the highest standard of conduct, with full publicity and full opportunity for judicial review of administrative action.

The bill will offer to the public and to the legal profession statutory assurance that these standards must be strictly observed.

The legal profession will have the heavy responsibility of seeing to it that the provisions of the bill are used as a means of bringing about the more effective and just carrying out of governmental business, rather than as a means of hampering or delaying that business.

The courts will have a similar responsibility.

I have no doubt that they will use their powers wisely.

The Supreme Court has reminded us that "Although the administrative process has had a different development and pursues somewhat different ways from those of courts," administrative agencies and courts "are to be deemed collaborative instrumentalities of justice, and the appropriate independence of each should be respected by the other."

In this spirit, we may look forward to the establishment of a firm basis of cooperation and understanding.

REORGANIZATION OF CONGRESS—STATEMENT BY BEARDSLEY RUML

Mr. MURRAY. Mr. President, in connection with the proposed reorganization of the Congress, it will be interesting to note the advice recently given by Mr. Beardsley Ruml, a distinguished representative of the business world, on the subject of strengthening our democracy. If competent men are to be attracted to public life consideration must be given to the views expressed by this able student of our American system.

I ask that his views, which were broadcast Sunday, March 3, 1946, on the National Broadcasting Co.'s National Hour, be printed in the RECORD in connection with these remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Strengthening our Congress is one of the big jobs that has to be done to strengthen democracy at home and to make democracy the foundation for a peaceful world. Democracy must be made to work better, and to make democracy work better our Congress must be strengthened so that it can meet the requirements of modern conditions with modern methods. Much study has been given to the problem both in and out of Congress, but the time has now come to act. Strengthening the Congress is one of our number one reconversion jobs.

Many detailed suggestions have been made. I shall mention only two. First, there should be majority and minority policy committees that would make party responsibility a reality. Without party responsibility there can be no democracy that truly functions. Second, congressional salaries should be raised, not by the inadequate amounts that are being discussed, but to $25,000 the minimum compensation that should be paid for the top legislative job in the world's top democracy. This $25,000 rate was unanimously recommended by the agriculture, labor, and business committees of the National Planning Association after study and report by Robert Heller, the distinguished Cleveland management engineer. Study of the facts makes the $25,000 rate inescapable if we are to treat our Congressmen justly and if we are to be just to our democratic legislative process. If it is politically awkward for Congressmen to raise their own salaries we of the National Planning Association say, "Let the question be referred to the Supreme Court for an impartial recommendation." But let us not permit political fear and delicacy to saddle a substandard rate on our congressional representatives.

Unless the full correction of the present unjust situation is made at this time we are likely to go on with half-way salaries indefinitely. In the long run this will be bad for Congress and an obstacle to the strengthening of our democracy.

PRESIDENT HOOVER AND THE FAMINE SITUATION

Mr. SMITH. Mr. President, in connection with the famine situation in Europe, I call attention to the text of a day letter telegram sent from Florida on February 26 by former President Hoover to Secretary of Agriculture Anderson, accepting the invitation of the Secretary that Mr. Hoover participate in the setting up of the famine committee to take care of the desperate need in Europe and other parts of the world.

It is a great gratification to those of us who were associated with Mr. Hoover in the Food Administration in World War I and the relief operations during that war and afterward that Mr. Hoover has been invited by the President of the United States and the Secretary of Agriculture to participate in this important work. This is definitely an American project over and above any possible partisan consideration, and to me it is very inspiring that President Truman should have invited his only living predecessor to undertake this important task. During World War I, as we all know, Mr. Hoover headed up the magnificent work that was done in the administration of our food problems, and in organizing, after the war, the great relief undertakings that were one of the outstanding contributions of our country toward relieving the suffering of people throughout the world.

I call special attention to the fact that in Mr. Hoover's day letter telegram to Secretary Anderson, based on the wealth of his experience in matters of food relief, our former President urgently recommends that all food questions, whether of production, rationing, distribution, or price control, should be centered in the hands of one food administrator, in this instance, Mr. Anderson, Secretary of Agriculture, and in connection with this over-all recommendation, he recommends specifically that, so far as price controls of foodstuffs are concerned, the authority should be transferred immediately from the OPA to the Secretary of Agriculture. This, in my judgment, Mr. President, would relieve one of the difficult problems which are facing us in handling this famine situation, and would short cut the whole process of speeding food to Europe in this time of dire emergency.

In his telegram Mr. Hoover also suggests that the cooperation of the American people in this important humanitarian endeavor should be put upon a voluntary basis, as was so successfully done in World War I. In his telegram Mr. Hoover also points out that in his judgment the food program can be handled by the present Government agencies without adding to existing personnel and without requiring the setting up of a separate organization.

The short, concise recommendations contained in this telegram give such a clear-cut picture of how this desperate famine situation should be handled that I feel it is well worthy of the study of all of us who are so deeply concerned that this acute distress should be relieved by American cooperation as expeditiously as possible.

Mr. Hoover's day letter telegram to which I have referred is as follows:

CRAIG, FLA., *February 26, 1946.*

Hon. CLINTON ANDERSON,
Secretary of Agriculture,
Department of Agriculture,
Washington, D. C.:

I have your message, and I would like to be of help in any question of starving peoples.

I recently issued a statement supporting President Truman's call for conservation of

food on the assumption that desperate need had been established.

On thinking the matter over I do not believe the suggested general committee organization outside of the Government, though helpful, would cover the whole emergency. I recommended to the President last May that all control of food, scattered over different Goverment agencies, should be lodged in you as Food Administrator, because that office is inseparable from the Secretaryship of Agriculture. I am advised that this was not done. It should be done now. In any event only an official of Cabinet rank and an existing organization can create and direct the quick campaign that is needed now because shipments from the United States after the end of June will be of no avail in this famine and it is already very late to start.

In order that there be no delay in giving you the advice you request, I suggest steps in voluntary organization as follows:

The first step is for you as Food Administrator to be given complete authority over elimination of waste and unnecessary consumption, hoarding, substitution of foods, and control of exports and imports.

The second step in order to gear your organization is to determine:

(a) World need.
(b) World surpluses.
(c) Possible American surpluses.
(d) What kind of food in all cases.
(e) How much of each kind of food you can and should export from the United States without injury to public health.

I cannot adequately advise on this phase as it would require exhaustive investigations at home and abroad, and I assume you already have such information.

The third step is to constitute the State directors of the Department of Agriculture as State food administrators, and the county agents as county food administrators.

The fourth step is for you to ask each of the food trade associations, such as hotels, restaurants, bakers, packers, millers, etc., to appoint emergency famine committees under some respected leader, they, together with the experts of the Department of Agriculture, to work out ways and methods of voluntary action in each of their trades to save waste, unnecessary use, to devise substitutes, and to secure the adherence of the members of the trades to this voluntary program.

The fifth step is to prepare a simple program for housewives which will eliminate waste, save unnecessary consumption and make use of substitutes. This shoud be a voluntary program. Your State and county food administrators should organize the women in their localities and see that food trades are fully organized also.

All this can be done by the present Government agencies without adding to personnel and does not require the setting up of separate organization. It seems to me that if the situation is urgent, as I believe it is, then this is the only course to pursue in order to get quick and effective results.

HERBERT HOOVER.

GIVE FARMERS A BREAK—STATEMENT BY SENATOR THOMAS OF OKLAHOMA

Mr. THOMAS of Oklahoma. Mr. President, I have just released to the press a statement entitled "Give Farmers a Break." I ask permission to have the statement printed in the RECORD at this point in connection with my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Today's papers contain news stories to the effect that the Office of Price Administration will adopt a tough price policy with respect to farm products generally.

The OPA, working in conjunction with the Commodity Exchange Administration, is undertaking, so the papers state, to have the various commodity exchanges increase their margin requirements on cotton to the amount of $50 per bale, or $5,000 per contract of 100 bales.

It is the obvious purpose of this move to force the price of cotton down. Even the suggestion of this unprecedented act caused the price of cotton to fall over $5 per bale, thus causing a loss to the owners of the 11,000,000 bales of cotton in the United States of some $55,000,000.

The same tough policy proposed to be put in force against cotton has had a similar effect upon the price of stocks listed on the various exchanges of the country.

Commentators, in analyzing the effects of radio statements by responsible officials, state that such policy caused a slump in the value of stocks of some $4,500,000,000.

Those favoring a tough policy with respect to prices of industrial and farm commodities must favor a system wherein one man, or a small group of men, may, by making a single radio speech or using their official position, try to control prices either by discretionary power or through bluffs raise or lower prices at will.

Farmers are the only group in America that have not had a break during the war period. Wage earners have had their income increased in some instances by more than 300 percent. Industry has made such profits as to force the Congress to provide a system of renegotiation in order to keep such profits at a reasonable level.

Farmers, during the long years of the depression, were forced to produce the food necessary to feed our people at bankrupt prices. Cotton sold for less than 5 cents per pound, wheat sold for less than 20 cents per bushel, corn sold for less than 15 cents per bushel, and livestock sold for less than 3 cents per pound.

Since all other groups have profited during the war period, it would seem not unjust that farmers should have a chance to recoup at least a portion of their losses sustained during the depression years.

Today, with farm prices scarcely up to parity, the responsible officials are taking steps to beat down existing prices, and to the extent that they are successful, farmers will be injured.

Recently the same officials have consented to a general increase in industrial wages of some 18½ cents per hour, while they must, or should, know that the cotton farmer receives for his hourly labor only the amount of the price of a pound of raw cotton, which on the spot market is less than 25 cents per pound.

This means that with cotton selling for 25 cents per pound, the cotton farmer receives 25 cents per hour for his labor in planting, chopping, picking, and marketing the product.

Inasmuch as this issue will be raised in connection with the proposed extension of the Price Control Act, and inasmuch as the Senate Agriculture Committee has jurisdiction over agriculture matters, as chairman of such committee the moment the House committee reports the Price Extension Act to the House and we know the provisions of the bill, I propose to call the Senate committee together to consider the present status of agriculture prices under the existing law and under the law that may be passed extending the life of the Office of Price Administration.

In order to develop the facts, the representatives of the various farm organizations will be invited to attend the hearings. Also, the secretaries and directors of agriculture in the several States will be invited. In addition, the representatives of industries processing, distributing, and dealing in farm commodities will likewise be invited to advise the committee with respect to the effects upon production of the existing law and the probable effects upon future production of farm commodities if the law should be extended.

It is the opinion of many persons engaged in the farming industry that the acute shortage of supplies, as well as the existence of the numerous strikes, is the direct result of the mistaken policies of the Office of Price Administration and if the hearings develop the facts that the present rules and regulations with respect to farm prices are responsible for the present low prices of farm commodities when compared with the prices of industrial products and the wages of labor, and if it is developed that the production of farm products necessary for food and clothing will be retarded rather than helped by a continuation of such rules and regulations, then it will be the policy of the representatives of the farm industry to oppose a continuation of any law that will give the Office of Price Administration the power to fix prices on farm products.

The many letters coming to my office convince me that the opinion is current throughout the agricultural sections that the Office of Price Administration is definitely opposed to farmers recouping any of their losses sustained during the depression and to that extent farmers generally are being discriminated against by the agencies of their Government.

This general belief is the prime cause of the millions of farmers who have already left the farm and migrated to the cities seeking work in industry. Further, it is the cause of many farm boys returning from military service refusing to return to the farm, and instead seek homes and positions in the cities.

These developments will be considered by the committee the moment the Price Control Extension Act is reported for passage.

JURISDICTIONAL LABOR DISPUTE IN NORTHERN CALIFORNIA CANNING INDUSTRY

Mr. KNOWLAND. Mr. President, there is a matter of importance which I feel should be brought to the attention of the Senate. It not only adversely affects the people of California but also is most detrimental to the domestic and to the world-wide food supply.

As the result of reports from abroad of current food shortages and the danger of mass starvation in some countries, the President of the United States called together a group of representative citizens for the purpose of developing a food-conservation program that would better enable us to carry out our obligations.

Prevention of starvation cannot be secured by passing resolutions or by wishful thinking. The problem can only be met by the production and conservation of food and its shipment to the place of need.

On March 1 the A. F. of L. Teamsters Union put into effect a boycott of northern California canneries. This is not a controversy between employer and employee. The disruption of the canning industry is a result of a jurisdictional fight between the CIO Food, Tobacco, Agricultural and Allied Workers' Union of America and the A. F. of L. Cannery Workers' Union, affiliate of the Teamsters' International.

The State of California leads the Nation in the combined volume of production of processed fruits and vegetables. Of the total of nearly 170,000,000 cases of fruits and vegetables packed in the United States in 1945, California produced more than 55,000,000 cases or nearly one-third of the Nation's total output. Approximately 60 percent

of the entire national fruit pack is produced in California, while 23 percent of the total vegetable pack is produced in that State.

The membership of California Processors and Growers, Inc., process nearly 80 percent of the total volume of fresh fruits and vegetables (exclusive of citrus fruits) packed in California, and employs 80 percent of those gainfully employed in the canning industry of the State. Based on the near-record production of 1945 and with the knowledge that the canning industry plans in 1946 to equal or exceed this record, it is estimated that the entire fruit and vegetable canning industry will employ approximately 51,750 workers to produce processed fruits and vegetables having a retail value of more than $335,000,000. The membership of California Processors and Growers, Inc., expects in 1946 to employ approximately 41,400 workers to produce 44,000,000 cases of fresh fruits and vegetables with an estimated value, at current prices, of $264,000,000.

It is this food supply which is jeopardized by a jurisdictional fight between the American Federation of Labor canneries union and the CIO Food, Tobacco, Agricultural and Allied Workers' Union of America.

On Friday, March 1, the San Francisco Chronicle pointed out in a lead editorial the seriousness of the problem and the complications growing out of the decisions of the National Labor Relations Board. The editorial reads as follows:

WHILE THE WORLD GOES HUNGRY

A few weeks back the National Labor Relations Board penned some words which in the normal course of events are going to have an effect upon the entire world. Because the ramifications of these words are important to the California housewife, the Czechoslovak peasant, the Russian worker, and the French tradesman, they bear quoting.

Discussing last fall's challenged elections among the northern California cannery workers, the Board ruled that the results of the election should be set aside. But the important words are these:

"While we view the record as requiring this result, we reach it with considerable reluctance, because it means that the employees will have no bargaining representative to negotiate an exclusive collective agreement to cover the coming season, until a new election can be held, which may result in one of the rival unions being certified. The current AFL contract will expire on March 1 and, since the legal effect of the foregoing determination is to keep the question of representation pending before the Board, none of the unions is entitled to an exclusive status as the bargaining agent after that date * * *."

Today is March 1. As of this date the AFL Teamsters' Union has scheduled a boycott of northern California's canneries, which will close them up tighter than a drum. In the next 4 or 5 months, unless some settlement is reached, one-third of the Nation's annual crop of canned fruits and vegetables—the normal allotment of this prolific region—will rot in the fields. At a time when the United States has shouldered the burden of feeding a good part of the world, as well as its own people, the consternation will not be limited to Americans. Other, hungrier peoples will turn to us with the same question, "Why?"

It will be the purpose of this editorial to reduce the answer to its simplest terms.

For the past 9 years, the AFL Cannery Workers' Union, an affiliate of the Teamsters' International, has had an exclusive bargaining contract with the canners of northern California. The current contract, of 1 year's duration, expires today.

Last fall the CIO Food, Tobacco, Agricultural and Allied Workers' Union of America, the FTA, which had undertaken to organize the cannery workers, asked the NLRB to hold an election to determine whether the majority of workers preferred the AFL or the CIO.

On the basis of counted ballots, the CIO won a plurality by some 1,200 votes, but failed to win a majority. The AFL promptly challenged some 1,290 of the ballots, and the Labor Board declared the election null and void, and recommended another election be held at the next period of fullest employment in the industry—next July or August.

But the NLRB did not stop there in its decision. It went on to proclaim, in the words quoted above, that "in accordance with well-established principles" the employers had but two alternatives during the season just ahead—to bargain with all unions on an impartial basis, or to bargain with none.

The AFL, thus seeing its exclusive grip on the industry broken by Board ruling without the benefit of a valid election, rebelled. The CIO, on the other hand, quite understandably hailed with joy this opportunity to get its foot in the door without the usual recourse to a formal election.

So the teamsters said, in effect, "Extend our 9-year contract until such time as a new election is held, or we won't play."

And the CIO told the employers, in effect, "You heard what the NLRB said, now abide by the ruling."

The employers, this time, are by no means alone in their role of innocent bystander caught in the middle. They have with them the farmers, who stand to lose the profits of a year's labor; the American public, which stands to lose a third of its fruit and vegetables for the year; and a few million hungry world citizens, who seem about to learn that the vaunted American food surplus which was to tide them through the next year is in large part a mirage.

The neutrals who are charged with unraveling this knot like to dream of going back to the day the NLRB rendered its decision, and conjuring up a ruling which merely voided the election, without any added strings with regard to what the employers could or could not do by way of bargaining. That way, the AFL could have renewed its contract, the CIO could, had it desired, have challenged the legality of it, and the whole thing could have gone into extended litigation. In the middle of the litigation, the regular election could have been held as scheduled next summer, and the result would have rendered the litigation strictly academic anyway. Meanwhile, the produce would have been canned on schedule.

But that's just a pipe dream. What the conciliators have to face now is the problem of which alternative they can persuade the parties to accept—if any.

The teamsters' union could, if it chose, back down from its boycott. This would constitute a piece of labor statesmanship which would gain the union more in public esteem than it stands to lose in leaving the CIO's foot in the door.

The NLRB could, if it chose, modify its decision, even at this date, to leave the way open for litigation to take place while the crop is being canned.

Such action on the part of the Labor Board would involve loss of face, true, but the loss would be rather nominal. Its bureaucratic face is not in very good repair at this point anyway, considering that, through its stubborn administration of book rules, it has jockeyed a vital industry into a cul-de-sac which is currently baffling the best minds of the conciliation service. The NLRB muffed a golden opportunity for some bright labor statesmanship of its own when it failed to resist the temptation to write its own interpretation of the Wagner Act into its decision. The face it stands to lose in reversing itself now is trivial as compared with the amount of the same commodity it may relinquish if the pending mass crop-rotting becomes a fact.

And, unfortunately, the NLRB's face is not the only factor at stake at this moment. The health of a few million Americans, and the lives of a few million unfortunates elsewhere in the world, demand consideration in this crisis.

Mr. President, since the date of the editorial I have just read, the teamster blockade continues at all plants covered by the Labor Relations Board order. Results so far are that one plant at Stockton closed; one Oakland plant has had to reduce operations 40 percent; one San Jose plant has had to reduce 65 percent; two Alameda County plants are down one-third; construction programs are being starved out for lack of materials in six plants; others are faced with progressive shut-downs while the spinach crop starts to arrive in volume this week end. While the actual crop losses are at a minimum so far, the perishable nature of crops now maturing means that disastrous losses of food will be inevitable beginning within the next few days because of lack of trucking and also the impossibility of making plants ready for operation.

In addition to the American Federation of Labor active blockade, the industry has recently received a telegram from the CIO announcing that the steel workers holding contracts with can manufacturing companies intend to "give fullest support to the FTA-CIO campaign."

In between the pressures of these two great and powerful labor organizations is the major part of the canning industry of California. Starting today the spinach crop should be coming into these plants—the estimated 1946 pack is 48,000 tons. On April 15 the asparagus crop will start coming in with an estimated pack of 53,170 tons; apricots June 15 with an estimated pack of 260,000 tons; peaches on July 15 with an estimated pack of 754,000 tons; pears on July 15 with an estimated pack of 290,000 tons.

The American Federation of Labor has filed new union shop agreements with about 20 canneries not under the National Labor Relations Board order, which have a small total capacity and they are operating without interference.

With the serious food shortages facing the world this is not a time for a private fight for prestige or position on the part of either the American Federation of Labor or the Congress of Industrial Organizations. They both have a public responsibility and a public accountability. These two great and powerful labor organizations should be the first to recognize that with power must go responsibility. Collective bargaining as established by national law was never meant to entail collective bludgeoning.

The National Labor Relations Board is the agency primarily responsible for the development of this chaotic condition in California. Theirs is the prime responsibility in finding an immediate method of bringing order out of chaos.

However, time is of the essence. The Secretary of Labor should call into conference the responsible labor officials and bring home to them the necessity of an immediate solution to this jurisdictional controversy. It is a sufficiently important matter for the President of the United States to give it his attention. Certainly the Congress of the United States must itself take an interest in seeing to it that jurisdictional disputes of this kind are not allowed to jeopardize our food supply, retard our reconversion program, and by retarding production add to the inflationary danger with which our Nation is faced.

There has never been a time in the history of the Nation when it was more important for the leaders of organized labor to demonstrate their statesmanship. Now is the time and here is a place to demonstrate that they have this sense of responsibility and are placing the public interest paramount.

THE TRUTH ABOUT HOME BUILDING IN 1946—WORK STOPPAGES IN INDUSTRY

Mr. MOORE. Mr. President, Cushing, Okla., is a city of substantial size and typical of many such places in the United States. It has the usual number of industries, including three lumber yards which have no lumber or material to sell. The three lumber companies have made a statement in the form of a paid advertisement, which I wish to quote with approval. It reads as follows:

THE TRUTH ABOUT HOME BUILDING IN 1946

It's time veterans and all citizens were told the truth about the home building situation.

The main bottleneck to home construction is production of materials and equipment.

No legislation, Presidential announcement, Government-control plan, or system can produce a single additional home until production of materials is speeded up.

Lumber dealers and the building industry are eager to build homes for veterans and all citizens who need them. The reason few homes are being built is because materials are not being produced.

Why?

1. Governed by OPA's wartime pricing formulas, it is still more profitable for lumber mills to make items for export—and the items formerly required for war use, than it is to make lumber usable in home construction.

2. OPA's wartime pricing formulas are still keeping thousands of small mills out of production.

3. OPA's enforcement policies have allowed the creation of a large black market in lumber which is moving outside of regular channels of trade.

4. OPA's slowness in adjusting mill ceiling prices on hardwood flooring, siding, millwork, and plywood has contributed to the difficulties mills are having in securing necessary manpower.

With 400 brick and tile plants closed, it took 6 months for OPA to adjust prices. Now an additional 125 plants have opened and production is up 35 percent.

Clay sewer pipe, cast iron soil pipe and gypsum board manufacturers have experienced a similar OPA delay in the granting of price adjustments to make increased production possible.

No amount of juggling with an insufficient supply will produce a single home more than can be built with material available.

The OPA can hardly hold present price ceilings when it has no control over volume of employment, labor wage rates, cashing of Government bonds, and installment or credit expansion—but the OPA can act as a block to reconversion by clinging to unrealistic wartime price ceilings.

Unblock the production of materials caused by unrealistic wartime price controls and the building industry will build enough homes for veterans and all Americans.

Any Government program that does not first remove the obstacles blocking production of materials will simply add additional difficulties to the problem facing the building industry.

STEPHENSON-BROWNE LUMBER CO.
T. J. HUGHES LUMBER CO.
LONG BELL LUMBER CO.

Mr. President, I think that is the situation and the sentiment and the understanding of the people throughout the country. For the life of me I cannot understand how the Congress of the United States can, in response to the sentiment and understanding of the people of the country, see any sense in the extension of the OPA.

Mr. President, the Case labor bill passed the House by an overwhelming majority of 258 to 155. This vote is a reflection of the public demand that the Congress place necessary legal limitations upon labor unions and industry to end the chaotic economic conditions resulting from the Nation-wide CIO Communist-inspired labor stoppages and to protect the public from violence. The vote was the voice of the people exclaiming in no uncertain terms that they are sick and tired of the antics of these lawless mobs masquerading as labor unions. Work stoppages and the shut-downs of production experienced since VJ-day cannot be dignified by the term "labor strikes." Actually, they are outbreaks of communistic revolutionary forces. True, they are led by small minority groups; nevertheless, if they are not brought within legal restraints applicable to all the rest of the population their lawless acts will lead to a complete national break-down of our social and economic institutions. We have witnessed the recent spectacle of four large cities—New York, Philadelphia, Pittsburgh, and Houston—prostrate at the hands of public employees under the leadership of labor racketeers. We have witnessed the unrestrained violence and terror of these organized mobs, as exemplified at the Yale & Towne Lock Co., of Stamford, Conn., where officials attempting to enter the plant were beaten into insensibility. We have witnessed riots, violence, and, in a few cases even murder in St. Louis, Detroit, Chicago, and dozens of other industrial centers. We have suffered the indignities of uncontrolled rioting on the west coast by Communist-led mobs. Local authority has been either inadequate or too timid to cope with these national organizations. The work stoppages and the violence have predominantly occurred in industries engaged in interstate commerce and subject to the National Labor Relations Act.

The administration has proven itself as inadequate or as timid as the local authorities. In a thoroughly confused state the administration has aimlessly wandered from one ineffective suggestion to another.

On more than one occasion I have asserted that the present administration is obviously a captive of the CIO Communist movement. The internal administration split between the Roosevelt Reds on the one hand and the Truman politicians on the other, has made the CIO the balance of power in the executive branch of our Government. Labor racketeers, drunk with authority derived from New Deal legislation, have put a stranglehold on reconversion. This has been accomplished by a two-way program; first, by forcing the administration to continue wartime control of prices and critical materials that prevents mass production, and at the same time forcing the administration to remove wage controls, until a pattern for wage raises had been well established. Thus the economic gap was widened and the damage to private enterprise was increased, and the movement to a socialized economy accelerated. The second part of this two-way program entailed work stoppages, destruction, and violence in our key industries, and particularly among groups of employees serving municipalities and public utilities.

We are now going into the seventh month since VJ-day and reconversion is yet at a standstill. Shortages are becoming more severe. Prices are increasing and inflation is rampant. A large segment of the public is inadequately housed. Yet the tools of industry are decaying in rust for lack of use. The people are discouraged. Incentive and ambition are dying. Bureaucracy grows bigger and more powerful. Survival of private enterprise is threatened. Constitutional government has become a thing of ridicule. The administration laughingly tells us that everything is going to be all right.

It was encouraging to see so many Members of the House heed the voice of the people and pass the Case bill as a timid step forward in making these lawless mobs amenable to legal restrictions applicable to other citizens. At that point progress stopped. The public is due for another disappointment. I refer to the action of the Education and Labor Committee of the Senate which has made it clear that neither the Case bill nor any similar legislation will be passed. The chairman of that committee is reported in the press as having publicly stated, even before the hearings on the bill were concluded, that the proposed legislation would never be reported from the committee. I am now informed that the Case bill has been rejected, and that a subcommittee has been appointed to write a substitute measure, with assurances from the chairman that no drastic legislation will be recommended. In the face of the evidence that has been so forcefully presented to so many committees of the Congress on many occasions in recent months, it is hard to escape the conclusion that the action of the committee in refusing to report this piece of legislation is anything short of political expediency and amounts to an acceptance of the rule-or-ruin policy of these CIO Communist mobs which are led in many cases by sympathizers and advocates of Russian totalitarianism.

So long as the communistic forces that are responsible for our labor stoppages, the freezing of production, a controlled

economy, high prices, and inflation continue to operate, stagnation will prevail. Ultimate collapse is certain, and with it our constitutional form of government will vanish.

The responsibility is squarely upon the shoulders of the majority party membership of the Congress. The House has acted, not once, but on numerous occasions, with courage and with sound economic and social foresight. On each occasion the Senate has yielded to forces that are not in tune with Americanism. I suggest to the majority membership that they must be prepared to assume full responsibility for the consequences that must surely follow their negative policy.

There is nothing in the Case bill as it came from the House that is antilabor or can fairly be described as drastic. The provisions of the House legislation impose upon labor unions no restraint not imposed upon every other citizen of this country.

Millions of our people are desirous of working. We have hungry markets, and only by releasing the forces of production can we satisfy these markets and return to a stable economy and reasonable prices under the private-enterprise system.

THE ST. LAWRENCE SEAWAY

Mr. AIKEN. Mr. President, on January 21, 1946, Mr. Frederick S. Blackall, Jr., president of the New England Council, wrote a letter to the Senator from Massachusetts [Mr. SALTONSTALL] setting forth the objections of the directors of the New England Council to the proposed St. Lawrence seaway development. The letter to the Senator from Massachusetts was made public, and several thousand copies of it were distributed among New England businessmen. The letter contains so many unfortunate and erroneous statements that I have felt that it should be replied to. So I have done so, and in writing to Mr. Blackall I have pointed out wherein the directors of the New England Council were misinformed and wherein they have distributed misleading statements in publicizing the letter and giving it wide distribution.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD as a part of my remarks the letter from Mr. Blackall to the Senator from Massachusetts [Mr. SALTONSTALL]. I am sure the Senator from Massachusetts will have no objection, because thousands of copies of the letter have already been distributed. I also ask that my reply to Mr. Blackall, in pointing out the fallacy of his letter, be printed in the RECORD immediately following.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NEW ENGLAND COUNCIL,
Boston, Mass., January 21, 1946.

Hon. LEVERETT SALTONSTALL,
United States Senate,
Washington, D. C.

MY DEAR SENATOR SALTONSTALL: In reply to your recent inquiry as to the position of the New England Council with respect to the current proposal before Congress regarding the St. Lawrence project, I may state that at their eighty-first quarterly meeting, held in Boston, November 15 last, the directors of the council approved, on recommendation of our executive committee, the following vote:

"That it is the opinion of the directors of the New England Council that the proposed development of the St. Lawrence River for power and navigation purposes is not in the interest of the economic welfare of the New England area, nor necessary to the national defense."

This vote is essentially a reaffirmation of a vote adopted by the executive committee at its meeting in March 1941, and communicated at that time to the Governors of the New England States and to members of the New England delegation in Congress.

Our consultation with representatives of various elements in New England's economy, and the discussions within the executive committee as well, provided the basis for the above statement of the council's position.

With the exception of certain groups and individuals in Vermont, we found little or no support for the project anywhere in New England. In fact, we found vigorous opposition among the numerous elements and in diverse localities throughout our region. You will recall that as recently as 1941 the Vermont Legislature adopted a joint resolution in opposition to the St. Lawrence scheme.

We found practically no belief in New England that execution of the project would be immediately and directly beneficial to New England, though some individuals expressed the view that possibly New England should refrain from disapproving a project which is regarded in other areas as likely to prove helpful to them. However, our executive committee reached the conclusion that the prospects of benefits to other regions are not great enough or sufficiently assured to require that New England set aside its conviction that the project, if executed, would be definitely hurtful to this region.

Our conclusions may be summarized as follows:

The proposed seaway, if successful, could not fail to take traffic away from our New England railroads, possibly to the extent of impairing their ability to continue to provide the high standard of service required by New England industries in their competition with industries in other parts of the country. Owing to the freezing of the seaway in winter months, its traffic would be diverted to the railroads, thus requiring them to maintain excess equipment beyond the requirements of the warm-weather months. This would be neither economical, efficient, nor fair to the owners of those properties. Our railroads cannot be expected to compete successfully with subsidized transportation in the St. Lawrence-Great Lakes areas.

At the present time our New England ports, and especially the port of Boston, are making definite plans and undertaking large capital expenditures for the improvement of their facilities and services. These plans are based in part upon the expectation of securing a substantial flow of traffic from the Middle West and southern Canada. These plans and these expenditures will come to nothing and, indeed, will entail large losses if a great artery for ocean-borne commerce is opened up via the St. Lawrence and the Great Lakes, accessible to the areas to which our New England ports must look for a large part of their traffic. If the proposed seaway were used to the extent that its proponents predict, it would mean less and less use of our New England port facilities and greatly diminish the water transportation services available to New England industries, both coastwise and overseas. Without the seaway, New England ports and New England railroads will have a hard enough battle to secure a fair share of the traffic from the Middle West and southern Canada; with the seaway their chances of success will be negligible, except for a part of the year. We are authoritatively advised that this view is shared by all the port interests and steamship operators on the Atlantic coast. New England steamship operators tell us that, in their opinion, the St. Lawrence-Great Lakes seaway would not afford New England shippers the kind of transportation service that they need; also that the 27-foot depth proposed is too little for modern ocean vessels and too much for lake vessels.

As to the power aspects of the St. Lawrence project, we find no definite prospect of benefit to New England. We are advised that the costs of developing power as proposed would be about $500 per kilowatt of capacity. If only one-half of this amount is to be charged to power, the cost per kilowatt of capacity will amount to about $250. We are informed that steam power capacity can be installed in the area to be served by the St. Lawrence development for approximately $100 per kilowatt.

We are further advised that the assumption that a ready market exists for the 1,650,000 kilowatts that it is proposed to develop is not warranted by the currently available facts.

In 1944, New York State had an installed capacity of 5,148,000 kilowatts, and experenced a peak load during the war period of only 4,417,000 kilowatts. New York has, therefore, a surplus capacity available of 731,000 kilowatts. The six New England States in 1944 had an installed capacity of 2,858,000 kilowatts, and experienced a wartime peak load of 2,261,000 kilowatts. Thus, New England had, even during the peak of war production, a surplus capacity of 587,000 kilowatts. For both New York and New England, the combined surplus, over and above that required for war production, was 1,318,000 kilowatts.

Since 1944, there has been or is being installed in New England and New York about 600,000 kilowatts of additional capacity to take the place of less efficient units. The present-day peak loads in both New York and New England are declining from the prewar period, and the amount of surplus capacity is increasing. Therefore, it would appear indisputable that the only way to sell additional power from the St. Lawrence insofar as the United States is concerned is by replacing existing capacity. Regarding Canada, it is the understanding in the power industry that that country still has large amounts of unused hydroelectric power capacity, and undeveloped sites where large amounts of power can be obtained at less cost than on the St. Lawrence. In view of the above figures, it appears to us clear that the power made available by the proposed development of the St. Lawrence can be cheap power only to the extent that it is subsidized by the taxpayer. As a New Englander, and a former Governor of Massachusetts, you do not need any information from us as to how the people of New England feel about such subsidies.

From a national, rather than a regional, standpoint, the council's executive committee members, directors, and others whom we have had opportunity to consult are totally unconvinced that the execution of the St. Lawrence project is a sound or desirable undertaking on the part of the Federal Government at the expense of the taxpayers of the whole country. I am sure it is not necessary to review in this communication the various facts and considerations in support of this view of the project. We do wish to emphasize our firm conviction that New England, in consideration of its own economic interests, should and must disapprove Senate Joint Resolution 104 and its companion bill in the House of Representatives.

With appreciation of your consideration in inviting this expression of our views, and with warmest regards, I am

Very faithfully yours,
FREDERICK S. BLACKALL, Jr.,
President.

MARCH 7, 1946.

Mr. FREDERICK S. BLACKALL, Jr.,
President, New England Council,
Boston, Mass.

DEAR MR. BLACKALL: I have received a copy of the letter which you, as president of the New England council, wrote to Senator SALTONSTALL under date of January 21, 1946.

It appears from this letter that you have been grievously ill-advised concerning the merits of the St. Lawrence seaway development and its probable effect upon New England industry—as a result of which, you have, in the wide distribution of the letter addressed to Senator SALTONSTALL, distributed misleading statements among the members of New England industry.

I wish to point out wherein the letter which you addressed to Senator SALTONSTALL conveys impressions not in accord with the facts.

Your first conclusion is that the proposed seaway would take traffic away from New England railroads, possibly necessitating a reduction of rail service and that it would be necessary for the railroads to maintain excess equipment during the winter months to handle the tonnage which would be waterborne by way of the St. Lawrence during the warm-weather months.

According to factual data furnished by responsible Government agencies, the New England railroads normally require facilities to handle freight tonnage from spring until the peak is reached in October greatly in excess of the facilities needed for the winter months.

There can be no contradiction of the fact that if the railroads maintain adequate facilities for moving freight during the summer and fall months, they will have a large amount of equipment idle during the winter months. Therefore, instead of necessitating the maintenance of additional equipment during the winter months, as your letter suggests, the development of the St. Lawrence seaway will simply mean that New England railroads will have as much use for their total facilities during the winter months as they now have during the summer and autumn.

It is evident from your statement, however, that you do anticipate that an increased amount of freight tonnage will be produced as a result of the St. Lawrence development, otherwise you would not predict the necessity of the New England railroads maintaining additional equipment during the winter months.

Your reference to subsidized transportation on the St. Lawrence is a red herring which has been continually promoted by the utility companies.

It has not yet been decided whether tolls will be charged on the St. Lawrence or not, but in any case the costs of the maintenance would not exced $10,000,000 a year. This is a very small price to pay to furnish access to the world markets for a hundred cities on the Great Lakes as compared with the amount now spent in subsidizing facilities of a few ports fortunate enough to be located on the sea.

I might also call your attention to the fact that the railroads were at one time subsidized to the extent of one-tenth the entire land area of the United States and during World War II hundreds of millions of dollars have been spent in subsidizing rail transportation.

Your next objection to the St. Lawrence seaway is the disastrous effect which you claim it would have on existing New England ports.

Here you are in direct contradiction with the findings of experts in Government agencies and able businessmen of your own community.

The United States Department of Commerce states:

"Boston, Philadelphia, Baltimore, and other ocean ports can expect substantial gains in shipping traffic if the St. Lawrence project is constructed. Boston Harbor, in fact, would be one of the chief beneficiaries of the seaway. With little danger of existing traffic being diverted, Boston stands to gain a large volume of new commerce. New England imports large amounts of raw materials and foodstuffs from the Middle West, and with completion of the seaway project these would be shipped by water from the Great Lakes into Boston Harbor. At the same time, New England shoes, machinery, fish, and other products would move from Boston Harbor to Buffalo, Cleveland, Chicago, and other ports on the Lakes. A similar increase in waterborne commerce with the Middle West could be anticipated by other port cities along our seaboard."

I also quote from the testimony of Mr. Henry I. Harriman, of Boston, then president of the United States Chamber of Commerce, before the Senate Foreign Relations Committee a few years ago. Mr. Harriman estimated the effect of the St. Lawrence seaways on New England ports in these words:

"The total annual traffic available on the most conservative basis for a water route between New England and the Great Lakes will be not less than 6,000,000 tons, and very probably it will be twice that amount, and the annual saving to our New England industries will not be less than $16,000,000. What holds true for New England holds equally true for eastern New York and Pennsylvania."

I further quote the conclusions submitted by a committee of 30 New England business leaders, under the chairmanship of Charles R. Gow, former president of the Associated Industries of Massachusetts in the later 1920's.

"The committee looks upon the proposed expenditure for developing the waterway as in the nature of a capital investment of a national character upon which exceptionally liberal dividends will be returned in the form of reduced transportation costs and the general benefit and prosperity of a large and important section of the country which at the present time is laboring under a most serious and difficult economic handicap. It further believes that the net result of the development of such a waterway will incidentally be of considerable advantage to New England and the surrounding community, both from a broad national standpoint as well as that of purely local self-interest.

"The committee, therefore, places itself definitely on record as favoring the early entrance of this Government into negotiation with the proper officials of the Canadian Government looking toward the prompt consummation of a treaty which will make possible the undertaking of the enterprise and urges upon all New England's local and national representatives the desirability of their full cooperation in every reasonable manner to bring this result about."

Why do you assume that the findings of the United States Department of Commerce and the industrial leadership of New England during the past two decades are false and readily assume that the opinions of those who oppose the development for purely selfish reasons are correct?

The statement that the 27-foot depth proposed for the St. Lawrence seaway is too shallow for modern ocean vessels is refuted by the United States Maritime Commission, which has urged the St. Lawrence project as a means of developing markets as well as for our national security.

On February 19 of this year Capt. Edward Macauley, Acting Chairman of the Commission, testified before the Senate Foreign Relations Committee to the effect that the United States now has 3,977 ships totaling 26,671,935 tons that would be able to use the seaway with a 27-foot depth.

Turning to your objections to the power aspects of the St. Lawrence project, I find that your statement regarding the costs of developing power is not in accord with the facts.

You imply that the cost of developing power would be about $500 per kilowatt of capacity. According to the Federal Power Commission, the costs would be about $89 per horsepower of installed capacity, which would make the cost per installed kilowatt only about one-fifth the amount you suggest.

According to the best engineers of the War Department and the Federal Power Commission, the cost of developing St. Lawrence power would be about 1 mill per kilowatt-hour at the dam, including service and amortization charges. The cost of laying down St. Lawrence power at Providence, R. I., is estimated at 2.11 mills per kilowatt-hour, including fixed charges and overhead. This compares with a cost of generating power at the New England Power Association station at Providence of 4.32 mills per kilowatt-hour for the year 1944, to which amount must be added fixed charges and overhead.

Your statement to the effect that New England and New York already have adequate generating capacity is completely indefensible. During the war the Federal Government not only found it necessary to close down aluminum plants built at a cost of $72,000,000 in the New York area for lack of power, but we imported every kilowatt-hour we could get from Canada on a day-to-day basis.

Can it be that the directors of the New England council have already forgotten the brown-outs and the urgent appeals for conservation of electrical energy which were prevalent only a short time ago?

In a letter to the Secretary of State dated February 16, 1946, Hon. Robert P. Patterson, Secretary of War, speaking for the Joint Chiefs of Staff in advocating the development of the St. Lawrence seaway, gave us one reason for developing the seaway:

"A large source of cheap, dependable power, which can be generated without the use of coal or other critical combustibles and without use of crowded rail or highway transportation facilities; this power would be available in an area which, during World War II, was a power-deficit area."

The Secretary of War certainly has no reason for misrepresenting the facts as to the power shortage in the Northeast.

But, assuming your statement is correct and that we already have a large surplus of generating capacity in New England, is it unfair to ask then:

Why are the people of New England and New York, with the exception of Connecticut, required to pay the highest electrical rates prevailing in any area of the United States and why do the people of this area have to pay twice as much for power and light as do the people in the area served by the Tennessee Valley Authority which is no more favorably located for the production of hydroelectric energy than we are?

Why are 135,000 farms and rural homes in the States of New Hamshpire, Vermont, and New York alone still denied the benefits of electricity?

Why is the New England power group desperately seeking new sources of power even though it would necessitate the destruction of many beautiful valleys and thousands of acres of New England's finest farm lands in order to generate this power?

Why do the utility companies claim on the one hand that they have a surplus of electrical energy and on the other hand demand that our public service commissions give them the right to destroy hundreds of our best farms?

Finally, let me call your attention to the fact that the Joint Chiefs of Staff have urgently requested the development of the St. Lawrence seaway in the interests of national security.

Why do the officers of the New England Council set themselves up as superior to the experts of our Army and Navy in determining what is necessary to our national security? Is it because they are sure the United States will never again engage in war? If they are, I sincerely hope their judgment is right, but until I see more concrete evidence of their infallibility, I, for

one, shall continue to give higher credence to the best minds of our Army and Navy.

Frankly, Mr. Blackall, the position of the New England Council directors in opposing the St. Lawrence seaway more nearly expresses the desires of the New England utility interests than it does the needs of New England agriculture, industry, and commerce, and the security of our Nation.

I hope that the directors of the council will reconsider the position which they have taken contrary to the recommendations of the War and Navy Departments, the Commerce Department, the Maritime Commission, the Department of Agriculture, and the urgent appeal of the President himself and withdraw the opposition they have expressed to the development of the St. Lawrence seaway and which can only be characterized as misguided in the extreme.

Inasmuch as you have given wide distribution to unwarranted assertions concerning the St. Lawrence development, I am inserting a copy of your letter to Senator SALTONSTALL and this reply in the CONGRESSIONAL RECORD in the hope that more people of New England will become acquainted with the true facts.

Sincerely yours,

GEORGE D. AIKEN.

Mr. AIKEN. Mr. President, I also ask to have printed in the body of the RECORD at this point as a part of my remarks a resolution adopted last Monday night by the Board of Aldermen of the City of Burlington, Vt. The resolution rescinds the resolution which was adopted by the same board of aldermen on October 4, 1945, which expressed approval of the deep sea waterway connecting the St. Lawrence River with the Hudson River, or otherwise what is known as the Champlain cut-off. In order that the resolution of October 4, 1945, approving the Champlain cut-off may not be used as a diversion in the effort to secure approval of the St. Lawrence River seaway, the Board of Aldermen of the City of Burlington, Vt., have now completely rescinded the resolution of October 4 and have adopted a very strong resolution in behalf of the St. Lawrence River seaway project. This does not mean, however, that they now do not approve the Champlain cut-off, but it does mean that they do not wish to have the former resolution used in any way to hinder or to impede the construction of the St. Lawrence River seaway.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the Board of Aldermen of the City of Burlington, Vt., did, on October 4, 1945, adopt a resolution expressing approval of a deep-sea waterway connecting the St. Lawrence River with New York and the eastern seaboard of the United States by way of Lake Champlain and the Hudson River; and

Whereas said resolution made no reference to a deep-sea waterway connecting the Great Lakes with the Atlantic Ocean by way of the St. Lawrence River, and the development of electric power for rural electrification and other purposes as an incident of such development; and

Whereas the benefit and advantage to the Eastern States and eastern seaboard to be derived from a deep-sea waterway from the St. Lawrence River by way of Lake Champlain and the Hudson River would, in our judgment, be nil, unless and until the St. Lawrence deep waterway is an accomplished fact and the operation thereof is shown to demand a short cut to New York and the eastern seaboard; and

Whereas in our judgment the opening of deep-sea traffic through the St. Lawrence River and its attendant electric power development would be of truly tremendous value to the traffic needs of the whole Middle West section of our country, and, through moderate-cost electricity, to the rural electrification and industrial power needs of the whole northeastern section of the United States: Now, therefore, be it

Resolved by the Board of Aldermen of the City of Burlington, Vt., believing we speak not only for a large majority of the citizens of Burlington but with the approval of a majority of the people of Vermont, That we hereby register our unqualified approval of United States Senate Joint Resolution 104, introduced by Senator BARKLEY, of Kentucky, on October 2, 1945, and now pending in said Senate, relating to and authorizing participation by the United States in the construction of a deep-sea waterway connecting the Great Lakes with the Atlantic Ocean by way of the St. Lawrence River, with electric power development incident thereto, and that we urge the United States Senators and Representative from the State of Vermont in the Congress of the United States to give their unqualified and enthusiastic support to the passage of said resolution by the Congress; be it further

Resolved, That while we adhere to the ultimate advisability and wisdom of constructing a deep-sea waterway connecting the St. Lawrence River with New York and the eastern seaboard, as a later project of great value to the entire eastern section of the United States, and as a necessary complement to the St. Lawrence seaway, we feel that the present is not the time to urge support thereof, and that the resolution adopted by said aldermen on October 4, 1945, hereinabove alluded to, shall not be construed as urging any present support by any one of said last-named project to the embarrassment, even in the smallest degree of the support above urged for Senate Joint Resolution 104; be it further

Resolved, That the city clerk of the city of Burlington is hereby instructed to furnish forthwith a certified copy hereof to each of Vermont's Senators and its Representative in the Congress of the United States, and a like copy to United States Senator HATCH, of New Mexico, as chairman of the subcommittee of the Senate Foreign Relations Committee, now having said Senate Joint Resolution 104 under consideration.

RELIEF OF EMPLOYEES OF VETERANS' ADMINISTRATION FOR CERTAIN OVERPAYMENTS

The PRESIDING OFFICER laid before the Senate the bill (H. R. 4884) to relieve certain employees of the Veterans' Administration from financial liability for certain overpayments and allow such credit therefor as is necessary in the accounts of Guy F. Allen, chief disbursing officer.

Mr. ELLENDER. Mr. President, on last Tuesday, March 5, 1946, on the call of the calendar, the Senate passed Senate bill 1591 to relieve certain employees of the Veterans' Administration from financial liability for certain overpayments and allow such credits therefor as is necessary in the accounts of Guy F. Allen, chief disbursing officer. On the same day the House of Representatives passed an identical bill. I now ask unanimous consent that the Senate proceed to the consideration of House bill 4884.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H. R. 4884) to relieve certain employees of the Veterans' Administration from financial liability for certain overpayments and allow such credit therefore as is necessary in the accounts of Guy F. Allen, chief disbursing officer, was considered, ordered to a third reading, read the third time, and passed.

THE EPIC OF THE GERMAN UNDERGROUND—ARTICLE BY ALEXANDER B. MALEY

Mr. BRIDGES. Mr. President, during the war we heard a great deal about the underground forces in Germany. Many of us wondered why greater effort had not been made to work with the underground forces in Germany to overthrow the Hitler regime. Various excuses were given, none of which ever seemed very satisfactory to me. The American people have known very little about the situation, but recently there was printed in the publication called Human Events, which is edited by Felix Morley and Frank C. Hanighen, an article written by Alexander B. Maley, who was a lieutenant commander in the naval intelligence service of the United States Navy. He went into Germany, and was there for a number of months investigating the underground and endeavoring to ascertain what it was doing in an effort to overthrow Hitler. The article is a very amazing one, and is rather disillusioning from the standpoint of America and her allies not working with that large group of persons in Germany who were anti-Nazi, and determined to overthrow Hitler from the inside. The article is so illuminating that I ask unanimous consent to have it printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE EPIC OF THE GERMAN UNDERGROUND

(By Alexander B. Maley)

Early in the afternoon of July 20, 1944, Col. Klaus von Stauffenberg walked into a German staff headquarters building behind the eastern front, carrying a bulging brief case in which a carefully muffled time bomb was ticking toward its dead line. Casually he placed the brief case under a table on which was spread a large-scale military map placed there by the direction and for the convenience of Adolf Hitler.

When the führer entered, there were no formalities and, as customary, discussion began immediately. Standing by the map, Count Stauffenberg surreptitiously pushed the brief case toward Hitler with his foot and then, in answer to a prearranged official telephone message, apologetically left the room. On hearing the bomb explode, he hurried to the nearby airfield where a fast plane was in readiness to fly him to Berlin.

There the leaders of the conspiracy had everything in readiness to stage an anti-Nazi coup d'état. Five minutes after Stauffenberg reported that the assassination had taken place, the wires were humming with orders to selected army leaders. In far-away Paris, General von Stülpnagel arrested the entire SS staff at their headquarters in Avenue Foch. Throughout Germany, civilian-resistance leaders moved to assume control.

But Hitler was not dead. Though the explosion killed several officers, the führer himself was only knocked flat, suffering partial paralysis and a temporary concussion. The resulting confusion gave the conspirators too little time. In many cities local SS and Gestapo headquarters were informed of the failure of the plot before their

opponents knew of its assumed success. Before nightfall Stauffenberg was arrested and shot in Berlin. Radio stations remained for the most part in Nazi hands and Goebbels used them cleverly. A stooge for Hitler went on the air to ridicule and minimize the foolish joke of the plotters. That night the rank and file of the resistance movement knew only that the end of years of planning had been disastrous failure.

Actually it was proximity to success which cost the lives of many of the leaders. The trails had been made all too clear for the Gestapo manhunt, which immediately swung into action. Generals Von Witzleben, Von Brockdorf, and others were seized and executed. General Beck and Von Kluge committed suicide. Deeply implicated by his actions in Paris, General Von Stülpnagel hurried to Verdun, where he had fought as a young officer, and there shot himself. Blinded, but by some miracle not killed, he was for some days tortured by Himmler's men in the effort to identify accomplices.

With the military leaders obliterated, the destruction of the civilian underground began. Protestant and Catholic clergy, employers and former trade-union leaders, university professors and students, civil servants and members of the nobility were rounded up in batches—shot, hung, or herded into concentration camps together with their families. The number liquidated will never be exactly known, but 20,000 is a conservative estimate. When the concentration camps were finally opened and advertised as proof of German bestiality, Americans were not told that many of the miserable victims were heroic German men and women who had given their all to overthrow the Nazis.

None can say how much the German military resistance was weakened and the war shortened by this desperate anti-Nazi rising. Certainly many an American boy who would otherwise be buried in Europe is alive today because of the Germans who struck from behind the battle lines. The OWI explained to Americans that the attempted revolution was merely a plot on the part of some Junker generals who knew the war was lost and wished to save the General Staff intact for World War III. Now it would seem time for a more judicious appraisal of facts which cannot be kept concealed forever.

II

The origins of the tragic events described above trace to the start of the Hitler regime, when the Social Democrats and other parties dissolved by the Nazis decided to maintain a secret information service for their exiled leaders. While the underground was civilian in origin, a number of army officers, distrustful of Hitler's purposes, and realizing Germany's vulnerability in war, soon began to associate themselves with its work. They were welcomed by the civilian groups, for it was realized from the outset that no revolt against a totalitarian government can succeed without help from the armed forces. So, as early as 1933, a regular liaison with army leaders was established. It was under the direction of Wilhelm Leuschner, a Socialist who had been minister of the interior for the state of Hesse, and who took employment as a salesman to carry on this activity.

The necessity of secrecy for a time encouraged diversity and cross purposes in the anti-Nazi movement. The Communist organization, working in the Russian interest and, therefore, pro-Hitler when Stalin was in alliance with the Nazis, further confused the picture. Opposed to totalitarianism in principle, the liberal German underground naturally had no desire to swap a German for a Russian dictatorship.

Gradually, however, two principal opposition groups emerged, the one centering around Dr. Karl Gördeler, the former mayor of Leipzig, the other around young Helmut von Moltke, of the same family as Bismarck's famous general. The Gördeler circle was mainly composed of former civil servants and Nazi-ousted officials with a relatively conservative outlook, such as Dr. Johannes Popitz, former Prussian Minister of Finance. The Moltke circle was less restricted, containing many members of the former Center and Social Democratic Parties, trade-union leaders and leading figures in both the Catholic and Protestant churches, for instance, Pastor Dietrich Bonhöffer, of Berlin.

In 1937 and 1938, deterioration of the international situation hastened consolidation of hitherto divergent opposition groups. A united front of leaders, including clergymen and generals, Social Democrats and Conservatives, trade-unionists and business men, began to take shape. Its greatest obstacles were the vigilance and ruthlessness of the Gestapo; the complete Nazi control of press, radio, and communications; the full employment provided by Hitler's war preparation program; and the Führer's well-advertised diplomatic achievements as facilitated by the appeasement policy.

III

During the early months of the war, when the German Communists under Russian orders were supporting Hitler, Dr. Gördeler became the tacitly accepted head of the entire anti-Nazi front. In 1936 he had resigned as mayor of Leipzig in protest against the policy of anti-Semitism. After 1937 he was nominally employed as a promotion manager by the famous Bosch Co., manufacturers of magnetos and other electrical equipment.

Robert Bosch, head of this Stuttgart firm, had for many years worked valiantly for better Anglo-German and Anglo-French relations and was one of the few big industrialists who actively supported the underground. Many of the Jewish emigrés now safely in this country were financed and otherwise enabled to escape persecution through the aid of Bosch. When Gördeler joined the firm it was understood that he would spend his time working against the Nazis and that subsidies from the Bosch and other companies would be used to developed resistance, in spite of the terrible risks involved.

Following the annexation of Austria, in March 1938, Gördeler visited London to inform members of the Chamberlain Government that if they stood firm, in the Sudeten crisis, an important group of anti-Nazi generals would lead a rising against Hitler simultaneously with any overt military act attempted by the latter. Prominent in this group was Gen. Ludwig Beck, then chief of the general staff, one of those who died after the events of July 20, 1944. The Anglo-French appeasement policy ruined this plan and after the Munich Pact, Beck resigned his key post in despair. With Hitler's bloodless victories the task of the German underground became increasingly difficult, as well as dangerous. In the words of a memorandum by one of the suriviving leaders:

"The year 1938 brought Dr. Gördeler and his friends great disillusionment. Dr. Gördeler felt very dejected and declared that Chamberlain should never have been allowed to give in at Bad Godesberg. His friends in the army, especially Colonel General Beck, had definitely decided not to follow Hitler's orders to march into Czechoslovakia, but to put the Führer out of the way. * * * In Stuttgart, however, it was agreed to give in; to continue the work together with Gördeler and to support his people more than ever before."

IV

In August 1939, Adam von Trott zu Solz, a former German Rhodes scholar, was sent by the underground to London, where he was received by Prime Minister Chamberlain and by Lord Halifax, then Foreign Secretary. Von Trott warned the English leaders that war would make the task of the anti-Nazi movement far more difficult and that it might be temporarily immobilized by patriotic sentiment. Nevertheless, immediately after the German invasion of Poland, Von Trott carried through plans to visit the United States, where he stayed from September 1939 to January 1940, making contact with officials and influential private citizens in behalf of the German underground.

Among those whom he saw in Washington was Felix Morley, also a former Rhodes scholar, then editor of the Washington Post, later president of Haverford College, and now editor of Human Events. Dr. Morley, who has assisted in the compilation of this material, contributes the following excerpt from his diary, under date of November 20, 1939:

"Adam von Trott, who left Germany 3 weeks after the declaration of war, had tea with me yesterday, and today I arranged lunch for him with [Eugene] Meyer [published of the Washington Post] and me at the office. He is over, as a far-eastern expert, to attend the Conference of the Institute of Pacific Relations at Virginia Beach, but is devoting most of his time to developing a receptive attitude here toward the big change which he thinks is coming in Germany. * * * It is a heroic work in which this noble and idealistic young German is engaged. It may very easily cost him his life and he knows that he is constantly under surveillance, though whether by FBI men or agents of the Gestapo he is uncertain. The former would be quite natural and I trust that is all there is to it. * * * The chief problem is how to insure that a war of extermination against the Nazis will not force behind them all the elements beginning to cohere for Hitler's overthrow. And here Von T. confirms my feeling that if a Danzig formula could have been found there would have been no further aggression—because of the coalescing of anti-Hitler sentiment in Germany. Now it is far more difficult."

A part of Von Trott's mission in Washington was to inform the Department of State of the aims and personalities of the underground, through a secret memorandum which was also delivered to the British Ambassador, Lord Lothian. This memorandum stated the terms upon which the opposition hoped to terminate the war, after Hitler's overthrow, and included a pledge to prosecute the principal Nazi leaders for common crimes.

Von Trott's efforts were reinforced by other prominent refugees, including Dr. Heinrich Brüning, Catholic pre-Nazi German Chancelor, who visited the White House for this purpose in December 1939. President Roosevelt at first showed interest in the appeal for support of the German underground, but soon, apparently on the advice of men close to him, discouraged further contacts. Von Trott was even denounced as a Nazi agent, which is bitterly ironical in view of the sequel. At grave personal risk, after returning to Germany, he continued subversive work and was hanged by the Nazis as a traitor for his part in the July 1944 proceedings.

V

Although their numbers were decimated by arrests at home, and although they received little, if any, official encouragement from Washington and London, the leaders of the German underground continued throughout the war in their efforts to overthrow the Nazi tyranny and build a peace holding some hope for the civilization common to all of western Europe. Little or nothing in regard to these efforts has been divulged to the American public. Space permits only the briefest summarization here.

In the autumn of 1941 Ulrich von Hassel, former German Ambassador to Rome and a member of the inner circle of the anti-Nazi movement, requested a prominent American businessman then in Berlin to convey a peace proposal to the White House in the names of Generals Beck and Hammerstein.

This proposal, made at a time when Germany seemed everywhere victorious, was

along these lines: (1) Resignation, voluntary or enforced, of Hitler and all his government; (2) withdrawal of German armed forces to the borders of the Weimar Republic, excepting the Saar, Danzig, and Austria; (3) settlement of the Polish Corridor issue along the lines suggested by Marshal Pilsudski, of Poland (exchange of the Corridor for the four eastern districts of East Prussia); (4) no reparations to be asked by either side. The intermediary reached Washington December 1 but was unable to see President Roosevelt before December 7, when Pearl Harbor dashed all hopes.

In May 1942, Pastor Dietrich Bonhöffer, later executed by the Nazis, and Dr. Hans Schönfeld, director of research for the Geneva office of the World Council of Churches, approached the English Bishop of Chichester in Stockholm in behalf of the German underground. They reported on the widespread organization and enlightened aims of the anti-Nazi movement and pointed out that "it was extremely important to know whether the Allied attitude toward a Germany purged of Hitler would be different to the attitude toward a Germany under Hitler."

The bishop personally conveyed this message to Anthony Eden, then British Foreign Secretary, on June 30, 1942. On July 17, he was told that after consideration it had been decided that no action could be taken. Continued affirmation of the unconditional surrender policy made further effort seem fruitless to many German liberals.

Nevertheless, local agents of the underground were ordered, in the spring of 1943, to select reliable anti-Nazis who could take over administration when Nation-wide revolt was launched. Many memoranda, some of which are now in this country, were written by eminent scholars, such as Prof. Alfred Weber, of Heidelberg, on the democratic reorganization of Germany. A few of these documents fell into Gestapo hands, which led to arrests and execution. Other resistance leaders were struck down blindly in the air raids. The survivors closed their ranks and carried on.

Emissaries were sent to Switzerland and Sweden—von Trott was the most prominent in the latter country—to contact British and American representatives. The contacts were made and sympathetically received at lower levels. But always, from White House and Whitehall, came the rebuff of "unconditional surrender." On this basis many German generals, not without patriotism and pride, could not persuade themselves to raise the standard of revolt.

By midsummer of 1943, however, Gördeler had decided that the underground, even though wholly unsupported abroad; even though weakened by increasing oppression and despair in Germany, must strike. In July 1943 he wrote secretly to Field Marshal von Kluge:

"It is more and more evident to what national disaster our leadership has brought us. I direct a last plea to you, field marshal general. The hour has come for a decision of our own personal fate. Our conscience directs us this dangerous way, but it is honorable and any other will lead to a bitter and terrible regret. * * * Continuation of the war is an outright crime, because for a people there is never an heroic end, but always a having to go on living."

In the spring of 1944, in spite of almost insuperable difficulties, the general plan of government to follow Hitler's assassination was completed. General Beck was named provisional president of the projected German Republic with Dr. Gördeler as Chancelor. The veteran Socialist Wilhelm Leuschner was selected as Vice Chancelor, with a special mandate to reconstitute the free trade unions. Ambassador von Hassell was to be foreign minister and Dr. Julius Leber, a left-wing Socialist, minister of the interior. Marshal von Witzleben agreed to serve as commander in chief of the army, even though his first duty would be to negotiate immediate surrender. Governors, all with anti-Nazi records, were chosen for the German states, and mayors for the more important cities.

To secure the maximum of civilian support, Dr. Leber, on July 12, 1944, approached three Communist leaders to secure their cooperation. One of the three promptly revealed the plot to the Gestapo. Leber was arrested and a warrant issued for Gördeler. Thus, on July 20, the liberal underground was forced to strike, though not yet fully prepared.

VI

To what has been said of its failure, only a line about the fate of Gördeler need be added. For a few weeks, sheltered by friends, he escaped arrest, but then was captured in his native East Prussia. He was last seen, a prisoner of the Gestapo, in January 1945, a physical wreck who had been repeatedly drugged in the attempt to make him betray his associates. Perhaps fortunately, most of his papers relating to the underground were destroyed in a Berlin air raid before the Gestapo could locate them. But from the fragments which remain, the whole story will some day be reconstituted.

Those who went into Germany as the Nazi organization finally collapsed can best understand the heroism of Gördeler and those who vainly worked with him. It is a country of ruined cities, of crippled and broken men, of bewildered widows and orphans conscious only of "having to go on living." Against that picture, and against the equally terrible picture of totalitarian Germany in its heyday, the tenacious effort of the German underground seems almost a miracle and will live as a memorial to the ideals for which the war was fought. As von Moltke wrote, on the eve of his execution, "none of us is dying in vain."

Yet for some strange reason the epic of German liberal resistance has been suppressed. Its heroisms have not been told; its sacrifices remain unsung. We have been led to believe that, almost without exception, the German nation concurred in the crimes of its leaders. No evidence to the contrary has even been allowed to come from the Nuremberg trials, a serious psychological error since nothing would impress the German people more than to know the stories of their countrymen who sacrificed so much for them.

To withhold any part of this untold saga can only injure those who are denied the truth. For without full understanding, in place of blind hate, neither Germany nor Europe as a whole can ever be rehabilitated. In Gördeler's life we gave him no assistantce. Now we may at least remember the words he spoke 10 years ago: "What Europe needs most is to reaffirm the concept of human decency."

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. TUNNELL in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. CONNALLY, from the Committee on Foreign Relations:

Josiah Marvel, Jr., of Delaware, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Denmark.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

The PRESIDING OFFICER. If there be no further reports of committees the clerk will state the nominations on the calendar.

REGISTER OF LAND OFFICE

The legislative clerk read the nomination of Thomas F. Corbally to be register of the land office at Great Falls, Mont.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

SELECTIVE SERVICE SYSTEM

The legislative clerk read the nomination of J. Watt Page to be State director of selective service for Texas.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask unanimous consent that the postmaster nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

THE ARMY

The legislative clerk read the nomination of Col. Thomas Lovet Smith to be assistant to the Surgeon General, with the rank of brigadier general.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. BARKLEY. I ask unanimous consent that the President be notified of the confirmation of the nominations in all cases.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith in all cases.

RECESS TO TUESDAY

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon on Tuesday next.

The motion was agreed to; and (at 1 o'clock and 1 minute p. m.) the Senate took a recess until Tuesday, March 12, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 8 (legislative day of March 5), 1946:

DIPLOMATIC AND FOREIGN SERVICE

Foy D. Kohler, of Ohio, now a foreign-service officer of class 4 and a secretary in the diplomatic service, to be also a consul of the United States of America.

Reginald Bragonier, Jr., of Maryland, now a foreign-service officer of class 6 and a secretary in the diplomatic service, to be also a consul of the United States of America.

The following-named persons, now foreign-service officers of class 7 and secretaries in the diplomatic service, to be also consuls of the United States of America:

William Belton, of Oregon.
V. Lansing Collins, Jr., of New York.
Fulton Freeman, of California.
Martin J. Hillenbrand, of Illinois.
Frederick J. Mann, of New York.
J. Kittredge Vinson, of Texas.

George Tait, of Virginia, now a foreign-service officer of class 2 and a secretary in the diplomatic service, to be also a consul general of the United States of America.

Maurice W. Altaffer, of Ohio, now a foreign-service officer of class 3 and a secretary in the diplomatic service, to be also a consul general of the United States of America.

Prescott Childs, of Massachusetts, now a foreign-service officer of class 3 and a secretary in the diplomatic service, to be also a consul general of the United States of America.

Earl L. Packer, of Utah, now a foreign-service officer of class 3 and a secretary in the diplomatic service, to be also a consul general of the United States of America.

G. Frederick Reinhardt, of California, now a foreign-service officer of class 5 and a secretary in the diplomatic service, to be also a consul of the United States of America.

Miss Kathleen Molesworth, of Texas, now a foreign-service officer of class 6 and a secretary in the diplomatic service, to be also a consul of the United States of America.

COLLECTOR OF INTERNAL REVENUE

Sam E. Richardson, of St. Johnsbury, Vt., to be collector of internal revenue for the district of Vermont, with headquarters at Burlington, Vt., to fill an existing vacancy.

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for appointment and promotion in the Regular Corps of the United States Public Health Service:

To be assistant surgeons, effective date of oath of office:

Leonard T. Kurland	Thomas A. Burch
Howard N. Frederickson	James R. Mason
	John J. Antel
Robert B. Shelby	Gove Hambidge, Jr.
Carl A. Boswell	John F. Bell
William A. Himmelsbach	John G. Robinson
	Andrew L. Hoekstra
Lewis Francis	Gordon B. Wheeler

To be senior assistant surgeons, effective date of oath of office:

Milton I. Roemer	Charles R. Hayman
Earl H. Webster	Ira Lewis
Harry E. Malley	Wolcott L. Etienne

Assistant surgeons to be temporary senior assistant surgeons, effective dates indicated:

Robert J. Burleson, January 1, 1946.
Thomas O. Dorr, January 1, 1946.
Harold B. Alexander, January 1, 1946.
Martin J. Ittner, February 1, 1946.
Marvin W. Evans, February 1, 1946.

Senior assistant surgeons to be temporary surgeons, effective dates indicated:

Robert J. Anderson, February 1, 1946.
Kenneth W. Chapman, February 1, 1946.
Henry D. Ecker, December 1, 1945.
Gabriel P. Ferrazzano, February 1, 1946.
Emerson Y. Gledhill, December 1, 1945.
Robert Mc. Mitchell, January 1, 1946.
Robert M. Thomas, January 1, 1946.
Robert N. Lord, January 1, 1946.
Carl L. Larson, January 1, 1946.
Jack A. End, February 1, 1946.
James F. Maddux, January 1, 1946.
Mark E. Myers, February 1, 1946.
Lloyd F. Summers, February 1, 1946.
Randolph P. Grimm, January 1, 1946.

Senior surgeon to be temporary medical director, effective February 1, 1946:

Egbert M. Townsend

Pharmacists to be temporary senior pharmacists, effective October 1, 1945:

Raymond D. Kinsey
Thomas C. Armstrong

IN THE NAVY

Rear Adm. Frank E. Beatty, United States Navy, to be a rear admiral in the Navy, for temporary service, to rank from the 31st day of January 1943, in lieu of the date of rank as previously nominated and confirmed.

POSTMASTERS

The following-named persons to be postmasters:

ARKANSAS

Lamar W. Grisham, Pickens, Ark. Office became Presidential July 1, 1945.

CALIFORNIA

Michael D. Fanning, Los Angeles, Calif., in place of M. D. Briggs, deceased.

ILLINOIS

Clarence M. Sullivan, Glen Ellyn, Ill., in place of N. C. Knapp, resigned.

KANSAS

Raymond J. Renner, Andale, Kans., in place of Frank Batka, retired.

MISSOURI

Orvil T. Hughs, Lucerne, Mo., in place of D. F. Studabaker, transferred.

NORTH CAROLINA

Bonnie M. Godley, Grimesland, N. C. Office became Presidential July 1, 1943.

NORTH DAKOTA

Alvin N. Anderson, Marion, N. Dak., in place of Cleo Flugga. Incumbent's commission expired August 19, 1941.

OKLAHOMA

Clifford L. Hanan, Arnett, Okla., in place of A. J. Woods, transferred.

Homer B. Cluck, Guymon, Okla., in place of A. C. DeWolfe, resigned.

OREGON

Herbert G. Suttle, Noti, Oreg. Office became Presidential July 1, 1945.

PENNSYLVANIA

John C. Clouse, Rimer, Pa. Office became Presidential July 1, 1945.

TENNESSEE

Jona R. Clark, Haydenburg, Tenn., in place of T. S. Clark, retired.

TEXAS

Harvey L. Pettit, Bloomburg, Tex., in place of R. E. Brinkley, transferred.

E. Lilla McMichael, Cason, Texas. Office became Presidential July 1, 1945.

Thomas H. McBrayer, Lorena, Tex. Office became Presidential July 1, 1943.

UTAH

Iona S. Draper, Fountain Green, Utah, in place of U. S. Madsen, transferred.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 8 (legislative day of March 5), 1946:

INTERIOR DEPARTMENT

Thomas F. Corbally to be register of the land office at Great Falls, Mont.

SELECTIVE SERVICE SYSTEM

J. Watt Page to be State director of selective service for Texas with compensation at the rate of $7,175 per annum.

IN THE ARMY

APPOINTMENT IN REGULAR ARMY OF THE UNITED STATES

Thomas Lovet Smith to be Assistant to the Surgeon General, with the rank of brigadier general, for a period of 4 years from date of acceptance.

POSTMASTERS

FLORIDA

Lawrence H. Raker, Crawfordville.

KANSAS

Alice M. Howe, Mount Hope.
Alvin L. Sparks, Zurich.

KENTUCKY

James T. Linville, Fourmile.
H. Clay Darnall, Hardin.
Earl D. Enlow, Hodgenville.

LOUISIANA

Gladys H. Smith, Holden.

MINNESOTA

Sadie M. Miller, Bigelow.
Henry S. Ness, Holler.

NEW YORK

Elsie B. Henderson, Circleville.
Sherleigh L. Westerdahl, Gerry.
Fannie S. Raymond, Yaphank.

NORTH CAROLINA

Margaret T. Sides, East Spencer.
Irene R. Autry, Hampstead.
Edwin C. Eller, Lansing.
Wayman C. Melvin, Linden.

NORTH DAKOTA

Walter Herman Anderson, Wildrose.

PENNSYLVANIA

Joseph F. Moran, Chinchilla.
Andrew T. Ofsonka, East Vandergrift.
Hugh W. Billingsley, Flourtown.
Leon R. Leddy, Port Clinton.
Almeda K. Francisco, St. Petersburg.
Victor D. Crum, Sinnamahoning.

TENNESSEE

Ida B. Winningham, Allons.
Pearl I. McCamish, Calhoun.
Edward B. Simmons, Westmoreland.

VIRGINIA

Harry B. Jordan, Bedford.
Samuel Washington West, Lynchburg.

WEST VIRGINIA

Luther Lacy Lilly, Coal City.
Okey L. Curry, Ellenboro.

WISCONSIN

Ruth F. Steiner, Clam Falls.

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 8, 1946

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father Almighty, revealer of truth and sealer of every holy purpose, where love is, Thou art. O teach us the simplicity and the sublimity of such a life that walks in faith and love, in the spirit of Him who, when He was reviled, reviled not again. Here is the upper air of spiritual aspiration in which there is fellowship of confidence and peace and eager spirits are blended into brotherhood. On this day of Nation-wide prayer for the things that make for peace, O give us high courage for our tasks with sweet remembrances of love and fellowship where complainings and discontents cease. We renew our prayer for our President, that Thy continued care and watchful providence may be over him through the course of his days. Grant that all of us may be made wiser by our mistakes, and stronger by every temptation overcome. In the name of St. Mary's holy Son. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates

the President approved and signed bills of the House of the following titles:

On March 6, 1946:

H. R. 129. An act to provide for the barring of certain claims by the United States in connection with Government checks and warrants;

H. R. 1315. An act for the relief of B. Pendino;

H. R. 1464. An act for the relief of Leonard Hutchings;

H. R. 1848. An act for the relief of Max Hirsch;

H. R. 2168. An act for the relief of Charles Zucker;

H. R. 2171. An act for the relief of Solomon Schtierman;

H. R. 2240. An act to credit certain service performed by members of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service prior to reaching 18 years of age for the purpose of computing longevity pay, or for other purposes;

H. R. 2270. An act for the relief of Harry C. Westover;

H. R. 2289. An act for the relief of Arnold Mecham;

H. R. 2393. An act for the relief of Elsie Peter;

H. R. 2452. An act for the relief of Sam Kalak;

H. R. 2661. An act for the relief of W. D. Jones and Ethel S. Jones;

H. R. 2724. An act for the relief of the legal guardian of Forest Eldon Powell;

H. R. 2728. An act for the relief of R. H. Sindle;

H. R. 2769. An act for the relief of C. Frank James;

H. R. 2963. An act for the relief of William Phillips;

H. R. 2974. An act for the relief of the estate of Bobby Messick;

H. R. 3028. An act to amend the act of August 17, 1937, as amended, relating to the establishment of the Cape Hatteras National Seashore Recreational Area in the State of North Carolina;

H. R. 3046. An act for the relief of Thomas A. Butler;

H. R. 3444. An act to grant the title of public lands to the town of Safford, Ariz., for the use of its municipal water system;

H. R. 3514. An act for the relief of the legal guardian of Olga Stanik, a minor;

H. R. 3580. An act to authorize municipalities and public utility districts in the Territory of Alaska to issue revenue bonds for public-works purposes;

H. R. 3614. An act to ratify and confirm Act 33 of the Session Laws of Hawaii, 1945, extending the time within which revenue bonds may be issued and delivered under chapter 118, Revised Laws of Hawaii, 1945;

H. R. 3657. An act to ratify and confirm Act 32 of the Session Laws of Hawaii, 1945;

H. R. 3730. An act granting the consent of Congress to the State of West Virginia to construct, maintain, and operate a free highway bridge across the Monongahela River at or near Star City, W. Va.;

H. R. 3784. An act for the relief of C. H. Brumfield;

H. R. 3940. An act to revive and reenact the act entitled "An act granting the consent of Congress to Rensselaer and Saratoga Counties, N. Y., or to either of them, or any agency representing said counties, to construct, maintain, and operate a free highway bridge across the Hudson River between the city of Mechanicville and Hemstreet Park in the town of Schaghticoke, N. Y.," approved April 2, 1941;

H. R. 4249. An act for the relief of Lucy Delgado and Irma M. Delgado;

H. R. 4652. An act to provide credit for past service to substitute employees of the postal service when appointed to regular positions; to extend annual and sick leave benefits to war service indefinite substitute employees; to fix the rate of compensation for temporary substitute rural carriers serving in the place of regular carriers in the armed forces; and for other purposes; and

H. R. 4932. An act to amend section 9 of the Boulder Canyon Project Act, approved December 21, 1928.

On March 7, 1946:

H. R. 854. An act for the relief of Isabel Carlson.

On March 8, 1946:

H. R. 2284. An act to eliminate the practice by subcontractors, under cost-plus-a-fixed-fee or cost reimbursable contracts of the United States, of paying fees or kick-backs, or of granting gifts or gratuities to employees of a cost-plus-a-fixed-fee or cost reimbursable prime contractors or of higher tier subcontractors for the purpose of securing the award of subcontracts or orders;

H. R. 4571. An act to amend the First War Powers Act, 1941; and

H. R. 2348. An act to provide for the coverage of certain drugs under the Federal narcotic laws.

EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD and include certain letters and certain excerpts.

Mr. MARTIN of Massachusetts asked and was given permission to extend his remarks in the RECORD and include a resolution adopted on abolition of military conscription by the Federal Churches of Christ.

Mr. MARTIN of Massachusetts asked and was given permission to extend his remarks in the RECORD and include an editorial on housing subsidies appearing in the New York Times.

DEFICIENCY APPROPRIATION BILL

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5458) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Indiana? [After a pause.] The Chair hears none, and appoints the following confereees: Messrs. CANNON of Missouri, LUDLOW, O'NEAL, RABAUT, JOHNSON of Oklahoma, TABER, WIGGLESWORTH, and DIRKSEN.

THOMAS SUMNER

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1854) for the relief of Thomas Sumner, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "$750" and insert "$1,500."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

CHRISTOPHER DANCE

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1613) for the relief of Christopher Dance, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "$300" and insert "$50."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

JOHN BUCHAN AND LAWRENCE GILLINGHAM

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1615) for the relief of the legal guardian of John Buchan and Lawrence Gillingham, minors, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 5, strike out "$4,300" and insert "$5,850.55."

Page 1, line 7, strike out "$1,034" and insert "$2,294."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

MRS. FLORENCE MERSMAN

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3791) for the relief of Mrs. Florence Mersman, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "$2,000" and insert "$1,330."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

ESTATE OF MICHAEL J. McDONOUGH, DECEASED

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2483) for the relief of the estate of Michael J. McDonough, deceased, with Senate amendment thereto, disagree to the Senate amendment and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. McGEHEE, MORRISON, and JENNINGS.

THOMAS C. LOCKE

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 75) for the relief of Thomas C. Locke, with a House amendment thereto, insist on the House amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. McGEHEE, STIGLER, and PITTENGER.

ESTATE OF WILLIAM N. THERRIAULT AND MILLICENT THERRIAULT

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3808) for the relief of the estate of William N. Therriault and Millicent Therriault, with a Senate amendment thereto, disagree to the Senate amendment, and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs, McGEHEE, HENDRICKS, and CASE of New Jersey.

MRS. S. P. BURTON

Mr. McGEHEE submitted the following conference report and statement on the bill (H. R. 2487) for the relief of Mrs. S. P. Burton:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2487) for the relief of Mrs. S. P. Burton, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

That the House recede from its disagreement to the amendment of the Senate and agree to the same.

DAN R. McGEHEE,
J. M. COMBS,
JOHN JENNINGS, Jr.,
Managers on the Part of the House.
JAMES W. HUFFMAN,
ALLEN J. ELLENDER,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2487) for the relief of Mrs. S. P. Burton, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

The bill as passed the House appropriated the sum of $1,000 to Mrs. S. P. Burton for personal injuries and property damage sustained as the result of a collision, on September 17, 1943, on Airline Highway No. 61, near Reserve, La., between the car in which she was riding and a United States Army vehicle.

The Senate reduced the sum to $500, and at the conference the sum of $1,000 was agreed upon.

DAN R. McGEHEE,
J. M. COMBS,
JOHN JENNINGS, Jr.,
Managers on the Part of the House.

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H. R. 2487) for the relief of Mrs. S. P. Burton.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the statement.

The conference report was agreed to.

A motion to reconsider was laid on the table.

ALBERT E. SEVERNS

Mr. McGEHEE submitted the following conference report and statement on the bill (H. R. 2335) for the relief of Albert E. Severns:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2335) for the relief of Albert E. Severns, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the sum inserted by the Senate amendment insert $2,500; and the Senate agree to the same.

DAN R. McGEHEE,
W. A. PITTENGER,
Managers on the Part of the House.
ALLEN J. ELLENDER,
ARTHUR CAPPER,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2335) for the relief of Albert E. Severns, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

The bill as passed by the House appropriated the sum of $3,000 to Albert E. Severns for personal injuries sustained as the result of being struck by a United States Army command car near the intersection of First Avenue South and Railroad Avenue, Seattle, Wash., on June 19, 1943. The Senate reduced the sum to $2,000, and at the conference a compromise of $2,500 was agreed upon.

DAN R. McGEHEE,
W. A. PITTENGER,
Managers on the Part of the House.

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H. R. 2335) for the relief of Albert E. Severns.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the statement.

The conference report was agreed to.

A motion to reconsider was laid on the table.

ESTATE OF PETER G. FABIAN

Mr. McGEHEE submitted the following conference report and statement on the bill (H. R. 1890) for the relief of the estate of Peter G. Fabian:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1890) for the relief of the estate of Peter G. Fabian, deceased, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows: That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the sum inserted by the Senate amendment, insert "$3,500"; and the Senate agree to the same.

DAN R. McGEHEE,
E. H. HEDRICK,
JOHN W. BYRNES,
Managers on the Part of the House.
OLIN D. JOHNSTON,
KENNETH S. WHERRY,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two House on the amendment of the Senate to the bill (H. R. 1890) for the relief of the estate of Peter G. Fabian, deceased, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying report:

The bill as passed by the House appropriated the sum of $2,423.75 to the estate of Peter G. Fabian, deceased, for his death, hospital, medical, and funeral expenses incident thereto, as a result of being struck by a United States Army jeep in Rochester, N. Y., on June 14, 1944. The Senate increased the amount to $5,423.75, and at the conference a compromise of $3,500 was agreed upon.

DAN R. McGEHEE,
E. H. HEDRICK,
JOHN W. BYRNES,
Managers on the Part of the House.

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H. R. 1890) for the relief of the estate of Peter G. Fabian.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the statement.

The conference report was agreed to.

A motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mr. SIKES. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore entered, I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

EXTENSION OF REMARKS

Mr. MAY asked and was given permission to extend his remarks in the RECORD and include an address delivered by Mr. Earl Godwin over the American Broadcasting Co. network yesterday evening.

Mr. SOMERS of New York asked and was given permission to extend his remarks in the RECORD.

Mr. PRICE of Illinois asked and was given permission to extend his remarks in the RECORD and include a resolution adopted by the Progressive Mine Workers of America.

Mrs. DOUGLAS of Illinois asked and was given permission to extend her remarks in the RECORD and include an editorial.

Mr. BIEMILLER asked and was given permission to extend his remarks in the RECORD in two instances and include an editorial and a resolution.

Mr. SULLIVAN asked and was given permission to extend his remarks in the RECORD and include a resolution from the American War Dads' publication of February 1946.

Mr. OUTLAND asked and was given permission to extend his remarks in the RECORD and include a statement on atomic energy adopted by the Federal Council of Churches of Christ in America.

Mr. WICKERSHAM asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. PLUMLEY asked and was given permission to extend his remarks in the RECORD and include a poem entitled "The Army and Navy Forever."

Mrs. BOLTON asked and was given permission to extend her remarks in the RECORD and include a speech made by Jane Chilcoat at a meeting of the 4–H Clubs.

Mr. GWYNNE of Iowa asked and was given permission to extend his remarks in the RECORD and include a speech made by Durward Lyon at a meeting of the 4–H Clubs.

Mr. TIBBOTT asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. WEICHEL asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. VURSELL asked and was given permission to extend his remarks in the RECORD and include a communication from the Illinois Lumber and Material Dealers Association.

Mr. GROSS asked and was given permission to extend his remarks in the RECORD in two instances and include in one a newspaper article appearing in the Gettysburg Times of March 3, 1946, dealing with Major General Willoughby, a graduate of Gettysburg College, and in the other letters from the Pennsylvania Saw Corp. and the A. B. Farquhar Co., both of York, Pa., dealing with the hardships inflicted upon industry.

Mr. FULTON asked and was given permission to extend his remarks in the RECORD and include an editorial from Life magazine of March 8, 1946, entitled "Dear Congressman."

Mr. MILLER of Nebraska asked and was given permission to extend his remarks in the RECORD and include a statement made last night over the American Broadcasting Co. system on the Town Hall Meeting of the Air program on the subject What Must We Do To Feed Europe?

Mr. BRADLEY of Michigan asked and was given permission to extend his remarks in the RECORD and include a radio broadcast delivered by him on the subject A Congressional Office in Action.

Mr. MUNDT asked and was given permission to extend his remarks in the RECORD on the subject of the king of birds, the State bird of South Dakota, the South Dakota ring-necked pheasant.

Mr. SCHWABE of Oklahoma asked and was given permission to extend his remarks in the RECORD in two instances and include in each letters from correspondents.

Mr. HAND asked and was given permission to extend his remarks in the RECORD.

Mr. COCHRAN asked and was given permission to extend his remarks in the RECORD and include a speech by Mr. Chester Bowles.

Mr. HOFFMAN asked and was given permission to extend his own remarks in the RECORD and to include therein excerpts and certain other articles.

THE CASE BILL

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, the gentleman from South Dakota [Mr. CASE] seems rather optimistic. He is still talking about the so-called Case bill. He would not recognize a cemetery if he saw one. What is the use of talking about the Case bill, or any other bill dealing with labor disputes, when the Hobbs bill, which is more than 2 years old, which in no way restricts labor or unions, which was sent over to the other end of the Capitol, and there lies buried? You can go north out into the hall and you get an odor of some kind as of something dead. I do not know whether it is because of the inefficient burial of that bill or of the grave in which it is buried. Perhaps they did not bury it deep enough. It is about time the other body gave us a vote on the Hobbs bill for a starter and then we could take up other bills with some hope they would be acted upon.

The SPEAKER. The time of the gentleman from Michigan has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SMITH of Ohio. Mr. Speaker, next Wednesday another bill to provide pensions for Congressmen is scheduled to be considered. How it is possible for Members of Congress to support this bill to provide pensions for Congressmen, after the panning this body got from the the public when the other congressional pension bill was passed, is difficult to understand. So irate were the citizens that Congress was forced to repeal the pension law. This body voted almost unanimously for the repeal.

It was claimed by Members who supported that measure that the public did not understand it. I think the public did understand it, and I am sure they will understand this bill to provide pensions for Congressmen.

A Congressman who has served only 5 years would be eligible for a pension. Should this pension bill pass I could, if I retired at the end of my present term and lived to the age of expectancy, receive a total of retirement payments amounting to $15,315 at a cost to me of only $2,500. Pensions become proportionately larger according to length of service.

Surely this is not any part of the contract which Congressmen made with their constituents when they asked for their votes. With deference to those who are supporting this legislation I would be untrue to my convictions and to my duty if I did not vigorously oppose the passage of this legislation. I feel certain that if it is passed and the public learns the truth it will be no less aroused than it was when the other bill providing pensions for Congressmen was passed.

The SPEAKER. The time of the gentleman from Ohio has expired.

EXTENSION OF REMARKS

Mr. COLE of New York asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article appearing in the Army and Navy Bulletin.

Mr. BYRNES of Wisconsin asked and was given permission to extend his remarks in the Appendix of the RECORD and include a news story taken from a recent issue of the Green Bay Press Gazette.

Mr. LECOMPTE asked and was given permission to extend his remarks in the Appendix of the RECORD and include resolutions of the Monroe County (Iowa) Soil Conservation Service.

IT WAS THE HEEL OF THE OLD DEAL UNDER REPUBLICAN RULE WHICH GROUND DOWN SMALL BUSINESS

Mr. SABATH. Mr. Speaker, I ask unanimous consent to address the House

for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SABATH. Mr. Speaker, 3 weeks ago, on February 15, my genial colleague the gentleman from Illinois [Mr. ALLEN] no doubt imposed upon by the propaganda mill of the Republican publicity staff, made a statement which purported to show a high mortality of small businesses in recent years under the Democratic administration.

Had the gentleman had an opportunity of examining all the facts, I am sure his statement would have been different. I was moved to make further inquiries, and I ask unanimous consent, Mr. Speaker, to include as part of my remarks all the figures.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SABATH. Mr. Speaker, I desire to revert to my previous statement on February 15 that all the business failures of the last 4 years, under a Democratic administration, are just a little more than 10 percent of all the business failures under the last Republican administration, according to figures prepared and published by Dun & Bradstreet, a firm which certainly has no reason for favoring the Democratic administration in publishing its statistics.

Those figures show the following business mortalities under President Hoover: In 1929, 22,909; in 1930, 26,355; in 1931, 28,385; in 1932, 31,822; a grand, or should I say horrifying, total of 109,471.

The same source shows the following figures for Presidents Roosevelt and Truman in the last 4 years: In 1942, 9,445; in 1943, 3,221; in 1944, 1,221; in 1945, 810; a grand total, and I really mean a most wonderfully and hearteningly small total, of only 14,497, or one-seventh of those under Hoover.

IT WAS THE OLD DEAL BOOT

The gentleman from Illinois [Mr. ALLEN] made some rather strong statements in the course of his remarks.

> I have made many inquiries and have obtained figures which demonstrate conclusively that the small manufacturing industry has felt the repercussions of the New Deal panaceas—

He said. I quote his exact words, Mr. Speaker; I assure you I would not have presented his mixed metaphor in my own time otherwise. He further confused the figure of speech and the issue when he said:

> The little fellows who operate on small margins are the ones who felt and are feeling the heel of the New Deal boot.

The gentleman stated that his figures were drawn from the Survey of Current Business of July 1944. I have grave fears that my friend, the gentleman from Illinois, has been furnished only enough of that official publication of the Bureau of Foreign and Domestic Commerce to become as confused as his metaphors. I propose to cite all the facts, and more facts besides taken from equally authentic sources, to show that not only was the boot not a New Deal boot, but that it fits the Republican Party with tailor-made perfection.

PROOF IN A NUTSHELL

In a nutshell, here they are, extracted from the Survey of Current Business of July 1944:

First. Compared with earlier prewar years, business turn-over is, to quote, "always and 'normally' of startling proportions."

Second. Owners have found attractive opportunities in war industries.

Third. The draft "has been even more powerful as a deterrent to the entry into business."

Fourth. Shortages of goods and materials were also responsible for the decline among small manufacturers.

Fifth. A very large proportion of the turn-over has involved the smallest firms.

Sixth. If new businesses and business transfers are combined they would almost double the number of discontinued businesses.

Seventh. Discontinued businesses were comprised 95 percent of concerns having less than four employees. This is worthy of note.

Eighth. The authentic statistical records of Dun & Bradstreet show that from 1940 to 1945, inclusive, bankruptcies averaged but 5,027. In 1945 there were only 810 concerns among manufacturers, wholesalers, retailers, construction and commercial service which became bankrupts, the only measuring rod of the state of business conditions, as compared with 109,471 under Hoover.

Of this total of all manufacturers in 1940, 10,600 had no employees; 15,400 in business had only 1 to 3 employees; 500 were in the class of concerns employing 4 to 7 employees; another 500 employed 20 to 49, while 400 had 50 or more employees. Thus, in this 1 year 26,000 out of the total of 27,300 had 3 or less workers.

In detail, here are the figures for the 4 years of 1940–43 taken from the same Survey of Business of July 1944 from which my colleague from Illinois obtained his figures without showing the reasons for the discontinued businesses in these years, which, along with other statements from this survey, put an entirely different light on the actual facts:

FIGURES TELL THE STORY

	1940	1941	1942	1943
All manufacturers	27,300	26,400	27,700	23,200
No employees	10,600	10,200	10,400	7,700
1 to 3 employees	15,400	14,800	15,900	13,200
4 to 7 employees	500	500	600	800
8 to 19 employees	500	500	500	800
20 to 49 employees	100	200	200	400
50 or more employees	200	200	200	200

The number of new businesses and business transfers, when combined, exceed the discounted business by a wide margin, two to one in some years. The comparison of these two factors more than offset the business deaths among manufacturers, as the table readily shows:

	New businesses			
	1940	1941	1942	1943
All manufacturers	30,800	33,800	27,500	25,600
No employees	11,300	8,900	12,000	6,000
1 to 3 employees	11,500	14,700	9,100	11,500
4 to 7 employees	4,200	5,400	3,300	4,200
8 to 19 employees	2,100	2,700	1,700	2,100
20 to 49 employees	1,300	1,700	1,000	1,800
50 or more employees	400	600	300	400

	Business transfers			
	1940	1941	1942	1943
All manufacturers	18,200	22,500	17,200	17,400
No employees	5,400	6,400	5,100	2,500
1 to 3 employees	9,000	10,700	8,500	6,600
4 to 7 employees	1,700	2,200	1,300	2,900
8 to 19 employees	1,100	1,500	1,000	2,200
20 to 49 employees	400	1,200	900	2,100
50 or more employees	600	600	400	1,200

The business death in these two groups of manufacturers with three or less employees is explained in the Survey of Current Business in this way:

THE TRUE FACTS

> (a) Indeed, a large number of recent business deaths have been due, not to the fact that the economic forces of the war have driven entrepreneurs out of business, but the owners have found attractive alternative opportunities in war industries or have been called into the armed services.
>
> (b) The existence of lucrative employment opportunities and the operation of selective service has been even more powerful as a deterrent to entry into business.
>
> (c) Moreover, a comparison of the figures for the war period with those for earlier years indicates not so much that the war has had a devastating effect upon business as that business turn-over is always and normally of startling proportions.
>
> (d) That the rates were as high as shown in a field (manufacturing) usually regarded as relatively stable, is due to the inclusion in the manufacturing group of thousands of small shops and processors having few or even no employees. Included, for example, are small sawmills, printing establishments, cheese factories, custom industries, etc.

MORE CORROBORATION

In other words, it was not the New Deal policies that affected small business adversely but the draft and opportunities for those with less than three employees to obtain more lucrative position in war work than by conducting their own operations.

Even more emphasis on this point is supplied by the statement already quoted that "turn-over is always and normally of startling proportions." We knew that one-man shops numbering 10,600 out of the 27,300 in 1940 are primarily a neighborhood convenience. Their volume and earnings are small, and their owners are most likely to go to war plants.

This is demonstrated in the new businesses and business transfers in table 8 of the Survey of Current Business. As a whole of all manufacturing concerns, there were 30,800 new businesses established in 1940; also 18,200 business transfers which, combined, total 49,000.

They compare with 27,300 discontinued businesses or 21,700 more than the discontinuances. This is described by the Department of Commerce as normal.

ALMOST DOUBLE DISCONTINUED BUSINESSES

The figures for new businesses and business transfers are shown herewith for each of the 4 years in comparison with the number of discontinued businesses for comparison.

	New business	Business transfers	New business transfers combined	Discontinued businesses
1940	30,800	18,200	49,000	27,300
1941	33,800	22,500	56,300	26,400
1942	27,500	17,200	44,700	27,700
1943	25,600	17,400	43,000	23,200

As a matter of fact, combined, the new businesses with business transfers, the business discontinuances among manufacturers are wiped out entirely by almost two to one. The new businesses in each of these 4 years are alone far in excess.

TRUE REASONS FOR DISCONTINUANCES

Moreover, again quoting from this same Survey of Current Business, there appear these significant statements:

A very large part of the business turn-over during the war period has involved the smallest firms. This is not surprising in view of the fact that the rates of entry, exit, and transfer normally vary inversely with the size of concern. During the years 1942–43 concerns with fewer than 4 employees (comprising about 82 percent of all firms) provided 95 percent of all discontinuances, 91 percent of all new business, and 90 percent of all transfers.

It is evident at once that most of the wartime decline in the number of operating firms occurred during 1942–43. This was the time of the most rapid increase in our war production. Shortages of goods and material were first becoming acute. Entrepreneurs and their employees were being confronted with numerous alternative opportunities for lucrative war work. The induction of men into the armed forces was proceeding at peak rates.

"OLD DEAL" IS ENEMY OF SMALL BUSINESS

No, Mr. Speaker, it is not the New Deal which is the enemy of small business. It was not under the banner of Jefferson and Jackson, of Wilson and Franklin D. Roosevelt and Harry S. Truman that the little businessman has been robbed of his hope and substance.

Bankruptcies are the true measures of business conditions. When business is bad failures naturally increase, and so do the total of liabilities involved in the bankruptcies. It was under the Old Deal, the Republican deal, the Grant-Taft-Harding-Coolidge-Hoover deals, that bankers' panics swept the country, bringing tragedy and ruin in their wake, demoralizing the enterprise of the people, absorbing the savings of hardy souls who had the courage to venture into competition with combine and cartel and monopoly fostered and safeguarded by the Republican Party. The number of bankruptcies in this country, as recorded by Dun & Bradstreet over a 52-year period, reduced to graphic form, show conclusively that the peaks by number and by dollar volume of bankruptcies have occurred under Republican administrations.

BUSINESS PROSPERS UNDER DEMOCRATS

On the other hand, the valleys in the graphs of bankruptcies have occurred under the banner of democracy. Stringent enforcement of the antitrust laws, beneficial measures for loans and research, wise and equitable tax laws, encouragement of individual small enterprise, a stable economy, a constantly but healthfully mounting purchasing power, based on production and consumption and not on stock-market and commodity gambling—these have been the factors under Democratic administrations which have encouraged the safety and prosperity of the little man.

During the 12 years of Republican rule, from 1921 to 1932, inclusive, the number of failures totaled 282,007, according to Dun and Bradstreet. That is an average of 23,500 per year.

On the contrary, under leadership of Presidents Roosevelt and Truman for 13 years from 1933 to 1945 inclusive, the total number of bankruptcies were little more than one-third the tragic Republican totals. Bankruptcies during Republican occupancy of the White House in an average year were 2.4 times as many as those under Presidents Roosevelt and Truman.

BUSINESS LOSSES THREE TIMES GREATER UNDER REPUBLICANS

Measured in dollars, American business—American small business—lost three times as much during the 12 years of Republican catering to special interest as in 13 years of sound Democratic government. Total losses suffered in bankruptcies during 12 years of the Republican reign of big business passed the staggering total of $7,000,000,000—$584,392,000 a year.

In the 4 years including 1940 to 1943 taken by the gentleman from Illinois to show the number of discontinued businesses in his vain effort to prove New Deal injury to small business, bankruptcies, the real test of business conditions, continually declined and in 1945 were reduced to the extremely low figure of 810 of all types of manufacturing, wholesaling, retailing, construction, and commercial services. In the 6 years of Presidents Roosevelt and Truman 1940–1945, the bankruptcies were as follows:

	Number	Liabilities
1940	13,619	$166,684,000
1941	11,848	136,104,000
1942	9,445	100,763,000
1943	3,221	45,389,000
1944	1,221	29,378,000
1945	810	30,395,000

NEW DEAL BUSINESS SAVIOR

I am confining myself in these remarks, Mr. Speaker, to the problems of small business—the firms which employ only a handful of hands, or which are one-man businesses. It would, therefore, be irrelevant to explore the benefits to all business from the wise measures of the past 13 years, to go into any detailed discussion of loans from Reconstruction Finance Corporation, to fiscal policies which helped save the world from total prostration, to all the measures devised to repair the ravages of 12 years of Republican misrule and favoritism and scandal.

It is no exaggeration to say, however, Mr. Speaker, that the New Deal has been the savior of business, big and small.

Few of us knew, and fewer still now remember, the dangerous closeness of a complete break-down in our Government and our economy in 1932. The people were tragically desperate. Now they are prosperous and happy.

Not all the highly paid economists of the Republicans, no matter how they may distort and falsify the figures, can prove anything except that the United States has now the highest degree of prosperity in all history. I call upon my colleague to disprove these facts.

FOREIGN LOAN POLICY OF THE UNITED STATES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read, and referred to the Committee on Banking and Currency and ordered to be printed:

To the Congress of the United States:

On March 1, 1946, I sent to the Congress a "Statement of the Foreign Loan Policy of the United States Government" prepared by the National Advisory Council on International Monetary and Financial Problems. I have now received from the National Advisory Council a report on its activities during the last 6 months.

This report, which describes the manner in which the Council is discharging its duties of coordinating the foreign financial activities of the Government, should be considered by the Congress together with the previous statement of policy.

The report is attached hereto.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 8, 1946.*

HAROLD B. ALDEN AND WALTER E. STROHM—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, H. R. 1489, "An act for the relief of Harold B. Alden and Walter E. Strohm."

The purpose of this bill is to pay the sum of $350 to Harold B. Alden and the sum of $500 to Walter E. Strohm in full settlement of all claims against the United States for compensation for overtime work performed by them as civilian employees of the United States Military Academy during the period from January 17, 1942, to December 1, 1942.

Section 1 of the act of October 21, 1940 (54 Stat. 1205), authorized the payment of overtime compensation to such professional and subprofessional em-

ployees of the War Department as should "be designated from time to time by the Secretary of War."

It appears that since prior to January 17, 1942, Mr. Alden and Mr. Strohm have been civilian employees of the United States Military Academy, that their services to the Academy have been "professional" in nature, that commencing January 17, 1942, they performed overtime work, but received no additional compensation therefor until December 1, 1942, when all professional employees of the United States Military Academy became entitled to extra compensation for overtime work in accordance with the provisions of the act of December 22, 1942 (56 Stat. 1068).

It further appears that Mr. Alden and Mr. Strohm were not designated by the Secretary of War as professional employees of the War Department entitled to receive overtime compensation under the act of October 21, 1940, and they did not come within any of the classes of civilian employees of the War Department which were designated by the Secretary of War prior to December 1, 1942, as entitled to receive such overtime compensation. The Comptroller General has held that employees of the War Department were not entitled to receive extra compensation for overtime under the provisions of the act of October 21, 1940, unless they clearly came within the provision of the statute specifically granting overtime compensation.

Undoubtedly the wartime demands of a nation upon its employees, as well as upon all of its citizens, are exacting, resulting in many instances in personal inconvenience and sacrifice; but for the Government to compensate all individuals who have suffered inconvenience and sacrifice as a result of the war would be impossible, and to attempt to provide such compensation through special legislation, such as this bill attempts to do, would commit the Government to an impracticable policy. There were many civilian employees of the Government other than those of the War and Navy Departments who, during the period of hostilities, were engaged in work directly connected with the war effort and who worked many hours overtime without receiving any compensation therefor. For the Government now to attempt to compensate employees of the War Department for overtime work performed by them when they were not designated in accordance with law as entitled to overtime pay would be inequitable and not in keeping with the public interest. I am, therefore, constrained to withhold my approval from the bill.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 7, 1946.*

The SPEAKER. The objections of the President will be spread at large upon the Journal; and, without objection, the bill and the message referred to the Committee on Claims and ordered to be printed.

There was no objection.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SPECIAL ORDER GRANTED

Mr. COX. Mr. Speaker, I ask unanimous consent that on Tuesday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 40 minutes.

There was no objection.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL—FISCAL YEAR 1947

Mr. TARVER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 5605) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1947, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate may continue for and be concluded in 2½ hours.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. DIRKSEN. Mr. Speaker, reserving the right to object, I understand the gentleman from Georgia does not have many requests for time, if any. I have quite a few requests.

Mr. TARVER. I do not have any requests for time at the moment. As I explained to the gentleman, if I should have any requests for time, I will endeavor to accommodate my colleagues as far as I can.

Mr. DIRKSEN. I have no objection, Mr. Speaker.

Mr. HOFFMAN. Reserving the right to object, Mr. Speaker, does the gentleman expect to read the bill today and finish the bill tonight?

Mr. TARVER. The gentleman is just as well informed on that subject as I could be. I have no knowledge as to any pending controversy of any considerable magnitude.

I hope it may be possible to do that, but the action of the House with regard to offering amendments and the amount of discussion had with reference to them are matters that cannot, of course, be determined by me.

Mr. HOFFMAN. I was asking primarily, because there are two special orders in which some of us—at least I—are interested, one being that of the gentleman from Indiana [Mr. LAFOLLETTE] and the other that of the gentlewoman from California [Mrs. DOUGLAS]. I wanted to hear those if they were going to be used today.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 5605) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1947, and for other purposes, with Mr. WHITTINGTON in the chair.

The Clerk read the title of the bill.

Mr. DIRKSEN. Mr. Chairman, I yield 20 minutes to the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Chairman, during the years of the war our farmers, just as any other American citizen, did the best that they could and produced some of the greatest crops ever gathered from the fields. They did this in spite of the several million farm boys going into the armed services. In spite of the lack of much needed farm machinery and in spite of higher costs all along the line for everything they had to buy, the patriotic urge to do their part for our country during the war and to back up their sons and nephews in the service resulted in the harvesting of the two greatest crops on record. Even with those great crops we are today scraping the bottom of the bins to find extra food for starving peoples throughout the world.

On September 23, 1942, in an address to the House, I pleaded for the recognition of production of food as an essential industry, equal to that of any war material.

May I quote from that speech of 3½ years ago here today:

> Did you ever stop to think that food is just as necessary to the winning of this war as is almost anything, except manpower, that you can mention, tanks, guns, planes, or munitions? Have you momentarily paused and thought of what may come to our beloved Nation in a few years time if too much farm labor is stripped from the farms, if experienced farmers continue to be taken in the draft, if dairy cows and brood sows go to the slaughter pens rather than to remain on the farms to further our production? We have plenty of food today. How about tomorrow? Meat rationing is already on the way.
>
> I have here, Mr. Chairman, 42 auction notices gathered from 1 week's issue of my district's newspapers. Forty-two sales that means the dispersal of herds of milk cows whose butterfat our Nation needs so badly today. Forty-two sales selling hogs and sheep because of farmers having to quit farming. Does this appear as a future promise for the production of the food we must have for our armed forces, our civilians, and our Allies? Does this seem to indicate that all is well with the granary of America? To me these numerous sales spell disaster.

Mr. Chairman, was I right in September 1942, when that statement was made to the House? Have we not seen our people go without butter and meat simply because the production of food was not designated by this administration as being essential?

Too much farm labor was taken from the farm, and too much of our small supply of farm machinery was sent abroad; 18,000 of our farm tractors going to Canada alone in 1 year while our own farmers pleaded for them so that they could replace their worn-out machinery. Today strikes by union labor have done irreparable harm to the production of farm machinery. UNRRA is shipping out a good deal of our farm

equipment and our returning veterans are unable to again get started farming because of these conditions. Let me read you a letter from a veteran in southwestern Minnesota:

I was forced to sell all of my farm equipment when I entered the Army in May 1942. I was discharged February 12, 1946, after having seen over 22 months' service in the European theater of operations, from Normandy to Germany. When I returned I found my fields in weeds and everything else in a general run-down condition. It will require considerable work with good equipment to get the place back into shape, and I must have the equipment to start plowing as soon as weather permits. I cannot work this farm without good equipment. I have covered almost every implement dealer within a 50-mile radius and all I have succeeded in getting is indifference and even sarcasm. This so-called veterans' priority system appears to be a joke. In two instances I learned of opportunities to buy used machinery. Upon investigation I found these implements to be 8 to 9 years old and in practically hopeless condition, yet the prices asked in some cases ran 35 to 40 percent more than the current prices on new equipment. In all cases the prices were far more than the stuff was worth.

The equipment vital to operate this farm this year includes a three-plow tractor, a three-bottom plow, a two- or four-row corn planter with fertilizer attachment, a two- or four-row cultivator, a 15-foot disc, and a four- or five-section drag.

I am not asking for a hand-out. I have some means and, within a reasonable price range, I can pay for these implements. I definitely do not want to throw those hard-earned dollars away on junk. All I ask is a chance to earn my own way. It is realized that I am not the only veteran having troubles, but it strikes me as being criminal to let 240 acres of good land lie idle because of lack of equipment.

It is disgusting to hear and read all the tripe and prattle coming from our politicians about the great sacrifices of our soldiers; talk doesn't raise crops or produce anything tangible. My experiences in combat were not pleasant, but I do not regret or begrudge the 4 years I gave to the service. Surely it is not unreasonable to want to get to a self-supporting basis.

What will this Congress do to remedy problems such as this?

Today we find consideration given by the armed services to the release of football and baseball players. Men can get out of the services to get back into business and professional lines. How many of you Members of this House have been able to secure the release of any farm boys needed desperately by their fathers to help them continue to produce food? Case after case of hardship on the farm has been presented by me to the War and Navy Departments for consideration. No; production of food is not essential until we are faced with the facts that the winning of the peace is based now, after the war, on food. A loaf of bread today to some starving person in Europe will bring more friendship back to America than can a thousand promises.

Many of us have urged the establishment of one food authority. That has been ignored by those in power and we have gone from one emergency in food to another. One year too many hogs are produced, the next year we have a meat and butter famine, and now the administration suddenly wakes up to the fact that millions will starve throughout the world unless America tightens its belt and shares with them what we have.

We will reap the whirlwind, Mr. Chairman, the whirlwind of distrust in the program as seriously contemplated for agriculture by the Bureau of Agricultural Economics. I was amazed to learn that our Department of Agriculture has within it a group of people who feel that the best that our Nation can promise to our farmers is competition in our own markets for a world price on farm products, and then to look to the Treasury for a hand-out at the end of the year to give to agriculture so-called parity.

Let me quote to you from the hearings just completed by our subcommittee on agriculture, and you can see what I mean by this whirlwind of distrust which will envelop the Nation's farmers unless we here today apply the scalpel and cut out of this appropriation bill funds for theoretical and impractical thinkers in positions of high authority. Let me read it to you:

Mr. DIRKSEN. So if we reach that point in 1947, or beyond, where we have a surplus to deal with, and where we have exhausted every possibility that you can see at the moment to relieve the situation, and prices still continue to tumble, then next it would be your suggestion—not necessarily yours, but the suggestion has been made to let the level of prices on the domestic market go down to what may be the same thing as world market.

Mr. TOLLEY. Yes.

Mr. DIRKSEN. And then subsidize the producer of agricultural products out of the Federal Treasury.

Mr. TOLLEY. Yes.

Mr. DIRKSEN. That is your feeling.

Mr. TOLLEY. That is one of the suggestions.

Mr. DIRKSEN. Did that suggestion emanate from your Bureau?

Mr. TOLLEY. We have given thought to it. I think I have already stated here that we have analyzed the consequences of the situation you refer to.

Mr. DIRKSEN. Is it a fair question to ask you whether or not the Secretary of Agriculture has indicated his reaction to that kind of a program, either publicly or privately? Or is that a fair question to ask you?

Mr. TOLLEY. I would rather you ask him that. We have discussed the matter with him, and with a group of other leaders.

Mr. TARVER. May I interrupt for a question right there?

Mr. DIRKSEN. Yes, Mr. TARVER.

Mr. TARVER. Is it not a well-known fact that the Secretary of Agriculture at Anderson, S. C., and Memphis, Tenn., and at other points, has heartily endorsed the idea of having agricultural products go at the world price, with a subsidy to farmers from the Treasury to make up the difference in their income? You know that to be the fact do you not?

Mr. TOLLEY. I read his speech; yes.

Mr. TARVER. There is no controversy about that. I do not see how there could be.

Mr. DIRKSEN. Dr. Tolley, has the plan been seriously considered, when at some time in the future we may come to grips with the so-called farm problem, of letting the prices go down to the world level; has that been seriously entertained as a part of our own economy[

Mr. TOLLEY. That is a hard one to answer, when you say seriously. We have given, yes, we have given serious consideration to it ourselves; and I know that other people have.

Mr. Chairman, in fairness to the Secretary of Agriculture, I want to state that he personally has refuted any intention of foisting any such program upon the American farmer. I fear, however, that he may be over-ridden by certain men who have more authority in policy making than he has in this administration.

We must have for agriculture, not a defeatist program as seriously studied by the Bureau of Agricultural Economics, but a constructive forward-looking program, which will hold up farm commodity prices, union labor wages, and give a decent scale of living for all of us here in America.

I am fearful, however, Mr. Chairman, that the Secretary cannot put into effect a program, even if he wishes to do so, designed to give real parity to the farmer. The CIO wants and is receiving raises all along the line for union labor. The CIO wants cheap food, wants the lid held tight onto the cost of living, but at the same time through strikes enforces its demands that its 40-hour-per-week members must receive more for their labors than it is willing to grant to agriculture for its 80-hour week. The CIO wants class legislation, and is fostering hatred between agriculture, labor, and industry. A CIO official publicity asserted 2 years ago that 25 cents per pound for butter was as much as farmers should receive.

This administration is kept in office by the CIO and the left-wing elements of America, who we saw just yesterday listing the majority of Congressmen as saboteurs, just because we wanted a workable housing bill enacted and not one that would superimpose on the American people an additional bureau with Gestapo powers.

If the farmers of America are ever compelled to strike, as do the CIO, without compunction, God help America and the starving nations dependent upon her for food. Steel workers, auto workers, farm-equipment workers may strike; farmers, never.

This administration refuses to accept the Brown bill, which would force the computation of parity so as to include the cost of farm labor. How can my farm produce corn, wheat, hogs, and cattle at a profit if I do not receive a price for those products which at least represents the 65 cents an hour or more my farm labor costs me? The farmers of America produced the food to win the war. They did not receive an equal break with union labor and industry. They, however, were producing for their country in its hour of need. Now they demand equality of treatment. Twenty-five million people on farms, 18 percent of our population, received last year 9½ percent of our national income. That, according to Secretary Anderson, seems to be fair treatment. He testified to such belief before our subcommittee. He also has testified before a Senate committee that the 65 cents per hour minimum for others is fair.

Shall these farmers now be rewarded by a program of defeat, a program forcing the 6,000,000 farmers to sell their corn in Chicago alongside of Argentine corn, their wheat in Buffalo in competition with Russian wheat, and their butter and dairy products in the same market as products produced by cheap foreign labor? Yes; that is a beautiful picture very strongly hinted at by the Bureau of

Agricultural Economics for the future of agriculture. The rosy tint painted on the edge of that dark cloud of defeatism is the coming to the Treasury of the United States each year for a hand-out to secure a doubtful parity. These free traders forget that Congress never could and never would appropriate the billions necessary to give our farmers real parity. That parity must be obtained in the market place and not out of the Treasury.

Union labor gets its wage on our own markets out of the sale price of the products produced and industry has always, and always will, get its profit in our own market places. The Bureau of Agricultural Economics and any who might hope for cheap food in a high-wage market are barking up the wrong tree. One segment of our people cannot prosper if some others do not. That is not our American way of life.

May I quote further from my speech to the House 3½ years ago:

> The farmer does not begrudge labor a square deal, nor does he resent seeing industry profit on its investment. No reasonable man or woman will argue against permitting the farmer to include the cost of his farm labor, whether it be his or his family's labor, or hired labor, when figuring parity any more than he would begrude decent pay and working conditions for union labor or a fair recompense for professional men. How can the farmer ever compete for labor nowadays if he cannot obtain sufficient for his products to justify the wages farm labor demands?

Mr. Chairman, the Secretary of Agriculture, the representative of the farmer in the Cabinet, has appeared before a committee of Congress, and has expressed his approval of the 65 cents per hour minimum wage for those outside of agriculture. Surely we all want that but, personally, I feel that the time has come for our Secretary of Agriculture to demand for the farmers of the Nation parity based on that same wage; at least he is advocating for other labor. Food production is the only answer today to starvation throughout the world. An adequate and a fair price will bring forth that production from the farms of America—the theory of the impractical dreamers and leftists will kill that production—take your choice.

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to my friend from Iowa, the greatest agricultural State of the Union. The gentleman's personal sacrifice in this war is respected by the House.

Mr. CUNNINGHAM. Does not the gentleman feel that America owes an everlasting debt of gratitude to the farmer for his patriotism and his continuing to produce food under present conditions?

Mr. H. CARL ANDERSEN. I believe the farmers of America, next to the servicemen of America, will go down in history as being one of the most patriotic groups in the country. A good portion of our armed services came from the farms and their fathers and families backed them up the best they could by long, hard hours of work.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to one of the best friends that farmers have in Congress—a man who knew first hand in 1917 the problems of the servicemen.

Mr. JENSEN. Would the gentleman care to tell the House what he believes to be the purpose of the economic and social planners and what their ideas are in advocating that the prices of American farm products go down to a world level and then pay subsidies out of an already bankrupt Treasury to make up the difference between the world market price and parity prices? I have my own ideas about it, but I would like to hear the gentleman express his ideas.

Mr. H. CARL ANDERSEN. I will be frank and tell the gentleman what I think is the underlying purpose of this. I believe every man in the House who reasons for himself and is not dictated to by any group knows the plan. My friends, it is simply because a certain group wants a regimented economy in this Nation of ours. They want the farmers of the Nation to come for a hand-out eternally and forever to the Treasury of the United States so that they, the particular party in power, can continue in their domination of the political set-up in the country. They will not allow our products to bring their lawful prices in our markets, but we must, as in the case of butter, get a subsidy to be paid later on by our grandchildren in taxes.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. DIRKSEN. Mr. Chairman, I yield five additional minutes to the gentleman.

Mr. JENSEN. Does not the gentleman believe as soon as the checks stop coming to the American people from the Government that the party that has been subsidy-minded all these years will then lose their stock in trade and lose the appeal which has kept them in office for too long?

Mr. H. CARL ANDERSEN. Many farmers, thousands and millions of farmers, who object to subsidies are forced to accept them; otherwise, they would not get a decent price for what they produce. That is the hole that I, myself, am in as a farmer. I voted against these subsidies, but nevertheless I have to depend on subsidies on my butterfat in order to get what I should, a fair and decent price for butter. Certainly the time will come, and at least I hope it will come shortly, when the farmers may expect to get a fair price for his produce in the market place, just as union labor does and everybody else does. Two billions a year in subsidies, which consumers today should pay, will amount to six billions, including interest before these bonds are paid.

Mr. JENSEN. Of course, during the war we had to have subsidies in a great many cases.

Mr. H. CARL ANDERSEN. It was essential in certain lines, yes; especially in critical materials, for high-cost production cost of copper and such metals.

Mr. JENSEN. Yes. But at the present time is it not a fact that the farmers would rather have a fair price in the market place without subsidies. Is that not a fact?

Mr. H. CARL ANDERSEN. Two years ago I appealed to the Office of Price Administration for a rise in the price of butter.

Mr. JENSEN. May I interrupt the gentleman to say that I am not talking about payments for good soil-conservation practices.

Mr. H. CARL ANDERSEN. I understand. The gentleman and I have always supported AAA and hope to see soil conservation made a permanent policy in our Government.

Mr. JENSEN. That is a different issue. I am talking about subsidies to be paid out of the Federal Treasury for a number of things.

Mr. H. CARL ANDERSEN. Including butter, for instance.

Mr. JENSEN. I am talking about the payment of subsidies, not only to farmers, but to everybody else. I am speaking of subsidies that are not necessary. Certainly, we cannot continue that practice for long under present conditions.

Mr. H. CARL ANDERSEN. May I again state that over 2 years ago I appealed to the Office of Price Administration to permit the price of butter to go up on the market to a decent price so that sufficient butter would be produced. But OPA considers its wisdom superior to that of any producer of needed commodities. In that all-wise way of theirs, they refused to permit a price increase and said that the price per pound was sufficient and that the farmers would produce butter in quantities sufficient to meet the demand at that price. Was OPA right? We know the answer to that. Every housewife knows there has not been sufficient butter produced. That same thing applies to work clothing on the farm. The gentleman from Iowa and I have both appealed to OPA to permit the producers of overalls, work gloves, and underwear for children to receive a high enough price so that they could furnish them at a small profit to the retailers in our districts but without avail. Consequently, through this blundering on the part of OPA, there are a great many children in my part of Minnesota, where the weather has been 20 below zero, who have not had warm clothing to wear this past winter. Such actions by OPA bring it into disrepute; no butter, no work clothes, no children's clothing, just regulations by the basketful.

Mr. JENSEN. Of course, the gentleman must remember that if OPA adjusts its prices so that the producers of everything could stay in business and make a little profit, we would have such a large production of everything that there would be no use for controls.

Mr. H. CARL ANDERSEN. Certainly. That is why they are fearful of releasing these controls. Production alone is the answer to inflation.

Mr. JENSEN. Of course, they live on control and power.

Mr. H. CARL ANDERSEN. Any bureaucratic machine thrives on power. The only cure for such a condition is defeat at the polls. Our people give the power and likewise they can, if they see fit, take that power away.

Mr. JENSEN. One more thing. We know that the national economy is always

seven times that of the farm income. The gentleman belongs to a group, and is very active in that group, that has been making a study of the ups and downs in agriculture and in national income. I am a little proud to say that I am also a member of that group that has been making that study.

Mr. H. CARL ANDERSEN. I believe the gentleman is referring to what is known as the Wilkins plan. Our group, as he knows, has held several meetings on that subject the past few weeks.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. DIRKSEN. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. H. CARL ANDERSEN. The gentleman from Iowa has been one of the leaders trying to secure consideration of that plan, which is not a defeatist plan but, on the other hand, is one which would give not only to the farmers but to every segment of our American society a fair and square deal and a just share of the national income.

Mr. JENSEN. I thank the gentleman. The farmer only asks that he can have the maximum use of our own great market. The gentleman from Minnesota and I both realize the tremendous market to farmers in our own country for automobiles, frigidaires, radios, farm equipment, and untold other items which can be built for them by union labor at a good wage. All the farmer wants in return is a parity price for the food he produces for the rest of America.

Mr. H. CARL ANDERSEN. The gentleman is absolutely correct.

Mr. RIZLEY. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield.

Mr. RIZLEY. Of course, I want to commend my colleague from Minnesota, whose reputation in this House is well known as being one of the able and vigorous champions of the farmers and of agriculture in general.

Mr. H. CARL ANDERSEN. I thank the gentleman and feel that he, in his capacity as a member of the Committee on Agriculture, has been one of the best friends of the farmers in Congress. I wish there were more like him.

Mr. RIZLEY. The gentleman comes from a State that produces a great deal of corn. I do not have too much corn in my State. I noticed a little statement in the newspaper this morning that I think is quite disturbing, and it is quite a serious charge, particularly against the farmers who produce corn for commercial purposes. I call this to the attention of the gentleman to see if he cares to comment on it:

NYLONS GIVEN FARM GIRLS TO LURE CORN TO MARKET

Congress learned yesterday that in one Corn Belt area nylon hose were distributed to farmers' daughters to induce their papas to sell some corn.

Clinton P. Anderson, Agricultural Secretary, told the House Banking Committee of the incident in relating that most grain for hog and cattle feed is "changing hands in the black market or in other unorthodox ways."

As I understand it, the Secretary was up there yesterday testifying in connection with the extension of OPA. Undoubtedly this charge he makes is a very grave charge to bring against the farmers of Iowa, Nebraska, and the entire Farm Belt, that they are handling their corn through the black market or in unorthodox ways. Would the gentleman care to comment on that?

Mr. H. CARL ANDERSEN. Personally, I feel that the Secretary must have secured the wrong information. It has never come to my knowledge in my district in Minnesota that there is any black market whatsoever in farm products. The farmers in that region are too patriotic to indulge in that sort of a practice.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield.

Mr. MUNDT. I think the corn which is being distributed in the black market referred to by the gentleman from Oklahoma probably is that type of corn in which Oklahomans specialize which is sold through commercial channels in liquid form.

Mr. H. CARL ANDERSEN. Measured by gallons rather than by bushels.

Mr. MUNDT. I would not be surprised, because it goes back to the old slogan, "Wine, women, and song." The farmers of Minnesota, South Dakota, and Iowa who raise the corn are selling it through legitimate markets and through the ordinary outlets. After it is sold by them it may get into unclean hands, but for that they cannot be held responsible.

Mr. H. CARL ANDERSEN. I thank the gentleman.

Mr. RIZLEY. I wish to say to the gentleman from Minnesota and the gentleman from South Dakota that the gentleman from Oklahoma made no such charge or no such claim against the farmer. I merely quoted an AP dispatch which purported to quote a statement made by the Secretary of Agriculture in which he is alleged to have said that the farmers in the great Corn Belt had indulged in these practices.

Mr. H. CARL ANDERSEN. I think the gentleman will agree with me that before making any such statement as that the Secretary should be sure of his facts, before casting reflections on a great people engaged in a great industry.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

Mr. DIRKSEN. I yield 10 minutes to the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Chairman, I enjoyed the colloquy between the gentleman from Minnesota and other Members from the Farm Belt. I hope at some future time we can have a forum at which we can discuss these many vital matters pertaining to agriculture. It is most proper that we should be discussing the agriculture appropriation bill at this very time when the farmers of America are again being called upon to produce food for the Nation and a starving world. It seems strange that only in times of emergency does the farmer receive the proper recognition due him. At most other times in our national economy he is shoved into the background. After all, agriculture is the basic industry in this country. The production of food was never recognized as a war industry during the war effort. In spite of it all the farmers went forward during the war and accomplished unbelievable results under very adverse circumstances. Now once again they are called upon to produce food to relieve a shortage that threatens starvation all over the world. The farmer is the victim of the elements at all times, and has learned long ago that he cannot be dependent alone upon labor and machinery to do his job. In my own home community in the spring of the year the farmers of many denominations gather together in their churches to pray for a blessing on their efforts and for a bountiful harvest. Their prayers have not gone unanswered. There are many commendable provisions in this bill and I am sorry a limitation in time prevents me from referring to all of them.

I am particularly pleased with the new appropriations made in this bill for the Extension Service, which will provide additional 4–H Club workers in the field. It is my understanding that a great number of these workers are going to be engaged in the work of the 4–H Clubs, one of the finest things in agriculture today. I am glad to note that we are really getting down to the business of doing something for the boys and girls on the farm. There are some 3,200,000 of them in the United States, 1,590,598 of whom as of 1944 belonged to the 4–H Clubs in America. May their tribe increase. It is highly essential that such steps be taken to keep youth on the farm and to keep them interested in farm life. It is somewhat discouraging to note that many of our farm boys coming back from the service are not inclined to go back to the farm and something must be done to combat that trend. The only way I know of is to make farming more attractive.

The 4–H Clubs are doing a magnificent piece of work in making better farmers and better citizens.

Much can also be said about the flood control provisions in this bill. I am very much interested in the appropriation of $4,280,000 for the Little Sioux River flood-control project in my congressional district, located right in the heart of the food belt of this country. Flood waters in this territory have caused damage considerably in excess of one-half million dollars each year by the washing away of valuable farm crops. I therefore am pleased to see that an appropriation is now being made to go forward with a remedial program which is so long overdue.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to my colleague from Iowa.

Mr. JENSEN. I am very pleased also to see this amount placed in the appropriation bill and funds made available for flood control and soil conservation of the Little Sioux River Basin. This project extends into my district also.

Mr. HOEVEN. The gentleman has cooperated with me in bringing this project to the attention of the Congress. The appropriation will permit us to go forward with the over-all program which has been long in the making and is now actually coming into being.

I also want to mention the appropriation made in this bill for soil conservation. It is the coming thing in this country. Our people in Iowa are now becoming educated in soil conservation and they have been made to realize that throughout the years we have been using that beautiful black loam indiscriminately without putting back into the land those things that are so vital to the production of crops.

I also note that there is an appropriation in this bill of $250,000,000 for REA loans. In 1935, 10.9 percent of the farms of America were electrified while last year, 1945, 55.3 percent of the farms were electrified. Progress in the extension of this service has been most remarkable. The day is not far distant when every farm in America will be electrified, which is exactly as it should be in this modern day and age.

Mr. Chairman, I want to devote the balance of my time to saying something about the shortage of farm machinery, which so vitally affects agriculture.

American farmers desperately need new machinery and equipment. During the past 4 years they have accomplished one of the greatest production jobs of the war—and they have done it without the tools and the labor such as the Government provided so lavishly for other war industries.

Farmers themselves made their magnificent accomplishment possible, by putting in 80 to 100 hours a week on the job and by patching up and wiring together old machinery which could not be replaced or even adequately repaired.

Now, both the men and the machines are tired. Farmers have driven themselves through 4 years of harder work than most city folks can even imagine. Much of their antiquated equipment has squeaked and wobbled its last possible trip around the field.

What are their prospects of getting new machinery this year, to take some of the back-breaking work off their own shoulders, to replace equipment which simply will not run through another planting and harvesting?

I think our farmers deserve an honest answer to that question. Here are the facts as I have been able to dig them out of confusing and sometimes conflicting reports and statements—and the outlook is bleak.

The Department of Agriculture asked for a minimum increase in production of farm machinery of 30 percent in 1946 over 1945 production. Manufacturers hoped to increase production approximately 50 percent.

Neither goal will be realized. Even under the most favorable conditions, it is now obvious that we will be lucky to get even as much production in 1946 as we had in 1945. It is equally obvious that favorable conditions are not going to prevail in the farm machinery industry for the next several months. Strikes, material shortages, and price difficulties must be ironed out before production can proceed at its fullest.

Because of the uncertainties of the situation no one, either in industry or Government, is willing to hazard a guess as to the actual quantity of tractors, plows, and harrows which will be produced this year. The best sober judgment is, however, that it will be considerably smaller than 1945.

In this connection, it is worth noting that the 1945 production of new farm machinery was not sufficient even to replace the machines which wore out during the year.

Strikes are the major factor now retarding production of farm machinery. Strikes are in progress at three of the biggest plants—International Harvester, J. I. Case, and the Oliver tractor works. These, of course, affect production directly.

Equally as serious, however, are the effects of the steel strike. There was a shortage of steel sheets even before the strike in the steel industry started. This shortage has now become critical and production in many small farm-machinery plants is tied up because of scarcity of material.

This condition will not be remedied overnight. It will take from 1 to 3 months after steel plants resume full operation for the steel which is holding up production of farm machinery to reach many of the plants that are waiting for it.

It will take even longer for steel to reach the hundreds of small manufacturers who do not buy their steel direct from the mills, but from warehouses. The warehouses will have to be filled first before the equipment manufacturer can get all he needs.

The fighting war is over but the farmer's war job is not done. Food is a munition of peace as important as guns are to war. All-out production by American agriculture is going to be as essential in 1946 as it was at any time during the war. Are American farmers going to be asked to do this war job again without the labor and without the tools they need?

For more than 2 years the Republican Congressional Food Study Committee has pleaded with the administration to classify food production as a war industry—give it priorities on labor and machinery with which to do its war job. Last April the whole Republican conference of the House joined in this appeal.

From every farming section of the country now come grave warnings that such action is still necessary. Farmers and their machines are worn out. Farm labor is unavailable or demands such high wages that it cannot be employed. Young farmers are not returning to the land from the armed services and from war industry. Those who are closest to the soil warn us that food production may fall far below our goals this year unless the farmer gets help. The help he needs most is new equipment.

There is no reason why this equipment cannot be made available. The Nation that astounded the world with its war production can meet agriculture's desperate need for tools if it wants to do it. There is not more important job facing the Federal Government.

The Republican Congressional Food Study Committee, therefore, renews its appeal that the administration undertake at once a determined and adequate construction program to provide American farmers with the tools they need to do their job—the job of feeding the people of this country and helping to prevent starvation throughout the world.

Mr. DIRKSEN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, as this bill comes from the committee it carries, according to the statement on page 1 of the report, approximately $1,103,000,000 in all. That includes direct appropriations, reappropriations, loan authorizations, transfers, and all that sort of thing. There are a great many things in it that are probably required by the condition of agricultural production in the country. On the other hand, there are included in the Budget estimate 3,200 so-called man-years of additional jobs. This means when you come to translate it into terms of the numbers who will be employed, probably 4,000 or 5,000 additional people on the pay roll.

There are a great many activities in the Department of Agriculture like the Bureau of Agricultural Economics where they are doing things that are absolutely unconscionable. For instance, there has very recently been sent out to the farmers a questionnaire asking all kinds of foolish questions about the acreage, the cost, and the farmer's method of acquiring title, questions that could be of no possible value. For instance, they want to know how many years the farm has been in a particular family, whether the farm was acquired by purchase or inheritance, how many other farms the man has besides the one he operates, and a lot of questions that have no particular value. This kind of business indicates that they must have too much money available or they would not be sending out these questionnaires.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. Is it not a fact, and I believe the gentleman from Mississippi [Mr. WHITTINGTON] can bear me out, that this bureau has even gone to the length of having reports sent in as to the race question and the prohibition subect? What has that got to do with agriculture?

Mr. TABER. They have overstepped the bounds about as far as they can. This is apparent from the things they have done and the capers they have cut. They have so much money available to them and so much personnel lying around loose doing nothing that they absolutely ought to be curtailed considerably even from their present activities.

There are three or four other items about which I want to say a word. The Farm Security Administration has a group of people in every agricultural county of the country. These people are running around annoying the farmers to death, soliciting loans. I have seen this operation repeatedly myself. I know that it is a terrific waste.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. DIRKSEN. Mr. Chairman, I yield five additional minutes to the gentleman from New York.

Mr. TABER. There are also a great many farm credit activities supported by

the Department of Agriculture. All of those ought to be consolidated, and we ought not to have this duplication. An agency was up before the Deficiency Committee the other day. It is in charge of those loans to farmers on drainage and local irrigation and things of that sort. In each State office they have two or three people. The average total amount of loans made by each employee individually was about $15,000 and the average of each loan was about $1,500. That meant 10 loans in the course of a year per employee in these offices, which is a perfectly ridiculous figure, to maintain an office to lend that amount of money with that sort of overhead. There are so many other things in connection with it that call for criticism along that line that I think there should be a general survey of the Agriculture Department with the idea of finding out where the 25,000 surplus employees in the Department of Agriculture are so that the Congress might pull them out, and I might add that my information comes from sources that I believe are absolutely dependable.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. DIRKSEN. I quite agree with the gentleman from New York that there ought to be a survey of the whole agricultural structure. It is entirely possible that by sending out a chief liaison man for the Department in the agricultural counties and sort of funneling and pipe lining the various activities through him very substantial economies may be made both in respect to the pay roll and the personnel as well.

Mr. TABER. I think that stands out like a sore thumb. Any man who really represents the farmers and wants to see the farmer get what he should and be treated the way he should be treated, must realize he is not doing the farmers any good when he supports 25,000 more people on the pay roll of the Department of Agriculture than ought to be there. There is not any question about that in my mind. A fellow cannot be a friend of the farmer who stands for that sort of thing because the farmers back home do not want it any more than you or I do.

There is another thing I believe I should call to the attention of the committee while I am on my feet. That is the increase of $42,500,000 in the appropriation for soil conservation and domestic allotments. Insofar as the appropriation for aiding farmers in developing soil-conservation programs and that sort of thing, I am in full accord with that appropriation. I believe it is serving a useful purpose. But I do not believe that these payments which are directly in the nature of hand-outs should be increased above the Budget.

Mr. DIRKSEN. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Chairman, I am pleased to get this time to speak upon the appropriation for the Department of Agriculture. It was my privilege, through the courtesy of the able chairman of the committee, the gentleman from Georgia, Judge TARVER, and the ranking minority member, the gentleman from Illinois [Mr. DIRKSEN], to sit in at times and participate in these hearings. I know how seriously the committee considered these items.

I think the hearings themselves, composing over 2,000 pages, are a tribute to this subcommittee and direct proof of the sericus study they gave to the responsibility this House has committed to their particular attention.

For the main part, all of these appropriations were authorized by the Congress. Some of the items for which appropriations had to be made were not authorized, and it was necessary to bring this bill in under a rule waiving the points of order that could have been made in order that activities of the Department, considered essential, might continue.

I would like to explore, if I may, some of the problems that confront a Subcommittee on Appropriations as they attempt to hold down unnecessary appropriations and maintain the solvency of this Nation.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the distinguished gentleman from Minnesota, a member of the Subcommittee on Agricultural Appropriations.

Mr. H. CARL ANDERSEN. Personally, I have had the pleasure of serving with the gentleman for the past 2 years on our subcommittee. I feel that in certain lines of agriculture, especially that which affects his home State of Washington, he is without doubt one of the best-versed men in Congress along those particular lines.

Mr. HORAN. I thank the gentleman.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the able ranking minority member of this subcommittee.

Mr. DIRKSEN. I was very happy for the contribution which the gentleman from Washington made. He is a large orchardist in his own right and he is thoroughly familiar with that branch of agriculture. He has rendered yeoman service to the committee in that respect as well as other respects.

Mr. HORAN. I thank the gentleman.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Michigan.

Mr. DONDERO. As one who had the privilege to travel in the Old World with the gentleman from Washington, I can say to the House and the country, no man on that committee of 11 showed greater interest in agriculture and its problems than the gentleman from Washington.

Mr. HORAN. I thank the distinguished gentleman from Michigan. Certainly those questions crying for solution over there have their implications upon our own agriculture and industry. They should be studied if we are to intelligently legislate for the future.

There are some people in this Congress who challenge our capitalistic system. I personally see no better alternative in prospect. Certainly the mere substituting of socialistic monopolies will not serve our free society as well as our time-tested competitive economy. Our main concern is to keep our society free and our country competitive. To do this we must fully recognize monopolies already granted in the public interest as such, and challenge, not the capitalism upon which our great social system rests, but the threats and controls that menace our competitive system. I say that the greatest threat to our Nation today is insolvency, and the greatest need right now, although it is a dry subject, is a balanced budget. The security of every pension, every annuity, every individual in the white-collar classes who must live within their incomes which are proportionately lower now than they were 10 years ago, since their salaries have not been proportionately raised, every investment, every inventory in the United States; in fact, the security of the entire Nation is founded today upon our ability to maintain the solvency of this Nation. That is simply because only the Federal Government can issue or coin money. The solvency of the Federal Government is the direct concern of everyone who must earn his living through acquiring and disbursing dollars. Let us work to make and keep it an honest dollar.

Our security, then, is based upon two broad factors: the maintenance of full and continuous production, and a balanced Budget.

I know that many men on this Committee on Appropriations, and this subcommittee, have given this matter a great deal of sincere and serious thought. I have heard many, many formulas as to how we might wisely cut appropriations and yet achieve a balanced budget. It has been suggested that we make a straight 25-percent cut in all appropriations coming before this House. Personally, I have been inclined to reject any such proposal. I maintain that any cutting of appropriations should be intelligent and selective.

Take the bill before us now. If we were to make a straight horizontal cut in all appropriations, there are many items in this bill that would be harmed, particularly in the field of research. I think the time is here, in fact, it is long past, when, if anything, we should increase appropriations for research.

So it goes on down the line.

Then, there was another suggestion that has merit, and which has been criticized on factual grounds; that is, to require every department to expend their money on a quarterly basis. This has been opposed—I believe with considerable logic—with the argument that requiring expenditures to be made on an inflexible quarterly basis in a department which because of its very nature had a seasonal bulge in its activity was not an intelligent approach to this question.

The third field which I believe the membership of this House can wisely approach and fully explore is the field of subsidies. I am well aware of what the mere raising of that challenge means.

It is not apparent in the bill before us, but last year for purposes of agricultural production, largely in the field of food, wool fibers, and tobacco, we spent a total of $2,388,500,000. Only a small portion of that sum is included in the appropriation bill before us. Yesterday we passed a housing bill, and the mem-

bership, I think again wisely, rejected the $600,000,000 subsidy item in that measure. Some 2 or 3 weeks ago I voted against a ship subsidy bill because I did not feel that at this time we could enter into such a procedure and maintain the solvency of the Nation.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from New York, ranking minority member of the whole Committee on Appropriations.

Mr. TABER. The current subsidies that are being paid now would bring the total for agricultural products way above the figure it has been in the past. Is not that correct?

Mr. HORAN. I feel certain that that is so and therefore, I believe it is a field, I may say to the gentleman from New York, that we should explore.

Mr. TABER. We should.

Mr. HORAN. And the House should know absolutely where we stand in this matter. Over in the New House Office Building now the Committee on Banking and Currency is considering a proposal placed before them by the OPA for $2,700,000,000 to be spent on subsidies. I understand that the Secretary of Agriculture has concurred in this request. Perhaps we should agree—but we must know why.

I believe the time is here when the House should have these figures laid out in the simplest type and form before the membership in order that we may understand what it is that supports our economy and be able therefore to pass wiser judgment. I have not for the life of me—and I have made some effort to obtain them, been able to find out even approximately what our total indirect payments are, subsidies of every type, size, form, and purpose that are filtered and channeled through various controls and bureaus of the Government.

Last fall we passed what many of us at the time thought was a good measure, we passed a tax-reduction bill. As it has worked out, however, we find we have practically subsidized business in this country to the tune of some $3,000,000,000. Fortunately the Committee on Appropriations recognizes the need for this house to fully know the implications of all these loosely legislated expenditures.

A new subcommittee has been set up under the leadership of the able and distinguished gentleman from Texas [Mr. MAHON]. It is the Subcommittee on Government Corporations. Let us hope they will fully review and factually report the activities of all these agencies which, today, disburse billion after billion of this Nation's wealth—and, as usual, even before it is produced.

We have got to become alert. In our hands rests the solvency and the future of one of the greatest nations that ever rose on the face of the globe. Alertness and wisdom provide our only salvation and security.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. DIRKSEN. Mr. Chairman, I yield 7 minutes to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Chairman, I take this occasion to sound a warning to veterans, their organizations, and the country as a whole, that the Communist Party of the United States is making strenuous efforts to infiltrate veterans' organizations and to incite veterans against our Government. It will be remembered that the Communists took an active part in the Bonus March of 1932. Speaking of this event, Earl Browder, then general secretary of the Communist Party, declared at its eighth convention in Cleveland on April 2–8, 1934:

> The tremendous revolutionary potentialities in this movement was startlingly revealed by the great Bonus March in 1932 * * * The veterans' movement is a most valuable ally to the revolutionary working class movement. It stands as one of the important tasks of the entire party in mobilizing the auxiliary forces for the working class movement in the United States.

Today the Communist Party is even more ambitious. It has already organized posts of so-called Labor Legionnaires within the American Legion. It is steadily infiltrating into that organization, the Veterans of Foreign Wars, the American Veterans' Committee, and other groups. It has established a special veterans' commission to supervise this work. Its first ambitious project shrewdly camouflaged, is a new monthly magazine called Salute, which I propose to analyze in detail.

You will remember that Members of Congress repeatedly called attention to the suicidal policy of the War Department in permitting individuals with Communist records to take control of Army publications. Now the Communists are cleverly exploiting this mistake by announcing that Salute is produced by former editors and writers of Yank and Stars and Stripes. In fact, they have even copied the format of Yank in order to befuddle the veterans.

The first issue of Salute, dated April 1946, follows the Communist Party line to the letter. In What I Think of the Army by Irwin Shaw, he says:

> Every time you open your mouth in the Army you feel the entire weight of 9,000 colonels hanging onto the tip of your tongue.

I am sure the Soviet Army did not tolerate any propaganda for democracy to creep into Army publications as we allowed Communist propaganda to be published in our own Army press.

Throughout the publication there is a note of bitter criticism of the American Army fully in harmony with the propaganda issued by Communists in connection with recent demonstrations demanding demobilization. On page 12, we find a reprint of the bonus march of 1932, obviously in preparation for another bonus march in 1946 under Communist initiative.

On pages 16 and 17 we find a number of scurrilous cartoons directed against Army officers.

Richard Watts, Jr., in his article China Gropes for Freedom, espouses the cause of the Chinese Communists and denounces Gen. Patrick J. Hurley.

DeWitt Gilpin, a former writer for the Daily Worker, seeks to enlist the support of the veterans for strikes in his article entitled "Bread and Butter Front." This is in full accord with the policy outlined above by Earl Browder.

Walter Bernstein contributes his Balkan Adventure, eulogizing the Communist Marshal Tito.

Who are the men behind this insidious publication? Let me give a brief history of some of the outstanding figures.

In advance publicity it was announced that the publisher of Salute is none other than Leverett Gleason, who is also known as Alexander Lev, former business manager of Soviet Russia Today, and connected in a managerial capacity with Communist-line publications: Friday, Scoop, and Readers' Scope. For some unexplained reason, Mr. Gleason's name is not mentioned in the first issue of Salute. Other contributors are:

James Dugan, writer for the Young Communist Review in 1939 and 1940; writer for the Communist New Masses; signer of the Call of the League of American Writers for its congress on June 6 to 8, 1941, against "involvement in this war," He was a writer for the British edition of Yank.

DeWitt Gilpin, correspondent for the Daily Worker; discharged as a social worker because of his Communist activities in Kansas City. He was a writer for Yank.

Irwin Shaw, member, Citizens' Committee for Harry Bridges; author of the pro-Communist play, Bury the Dead; signer of a statement defending the Moscow trials. He was a writer for Yank and Stars and Stripes.

Walter Bernstein, writer for the Daily Worker; leading apologist for Marshal Tito. He was an editorial writer for Yank.

A further check-up by the FBI will disclose many more Communist connections than I have given here.

It should be noted incidentally that Max Novack, a contributor to Salute, has just been appointed head of the reemployment unit of the veterans' affairs section of the Claims Division of the Department of Justice. Mr. Novack should either renounce and explain his connection with Salute, or he should be dismissed.

It is clearly the responsibility of the War Department, in justice to the veterans who may be misled by the announced connections of these individuals with official Army publications to inform all former members of the armed forces that it assumes no responsibility for this publication. The veterans of the United States should be forewarned of this insidious hoax.

Mr. DIRKSEN. Mr. Chairman, I yield 7 minutes to the gentleman from Indiana [Mr. GILLIE].

Mr. GILLIE. Mr. Chairman, my purpose in addressing the House at this time is to pay tribute, very briefly, to the accomplishments of one of the outstanding agencies of the Department of Agriculture—the Bureau of Animal Industry. The appropriation requested for the work of this Bureau during the coming fiscal year is not large. Viewed as a dollar-and-cents investment in our livestock and food industry it is good business. It will pay big dividends to farmers and consumers in the form of improved herds and farm products of the highest quality.

The Bureau of Animal Industry and the Meat Inspection Service are constantly at work inspecting animals and food and conducting research and experimentation to insure a healthy and disease-free livestock industry and a steady stream of healthful food to our tables.

Most of you, I know, are familiar with the stamp reading "U. S. Government Inspected and Passed" which appears on the meat you buy. That stamp means that a Bureau veterinarian has found that meat pure, and free from disease-carrying agents.

Housewives who can still buy butter may see on the label of butter wrappers the statement, "This butter is made from cream produced by tuberculin-tested cows in modified accredited areas." This means that State government cooperating veterinarians have tested cattle in those areas until the chances of getting TB through milk or cream are practically nonexistent.

Butter, cheese, and poultry, too, all come under the Government veterinarian's test.

It is impossible in a short time to outline in detail the work being done by the Bureau in meat and food inspection. Bureau veterinarians work in packing houses, in butter factories, in dairies, in warehouses. They even inspect livestock while it is on the farm and before it has been slaughtered for marketing, and carry on from there until the food is sold to us over the counters of our stores.

Perhaps the most spectacular accomplishment of the Bureau has been in the field of livestock improvement. Largely due to Bureau efforts during the more than 60 years of its existence, our livestock industry is the largest and healthiest in the world. Tribute should be paid to the fearless leadership of men such as Salmon, Melvin, and Mohler, who headed the Bureau during its most turbulent years. Several national campaigns against animal diseases were conducted under their leadership considerably in advance of public opinion in many areas. Lawsuits, violence, and even bloodshed marked the progressive application of veterinary science. In more recent years, I am glad to say, public opinion has been highly receptive to these campaigns.

Congress has had a real share in this accomplishment. Lending an attentive ear to legislative needs of agriculture and stock raising, it has served as consulting architect for the upbuilding of these resources. There has been need for a great deal of research—to find improved systems of breeding, to develop more useful types of animals, to test new feeds, to reduce losses, to save labor, and to enhance quality.

Acting in the public interest, Congress has supplied needs of the kind outlined. Livestock production responded accordingly. In some cases the benefits have been measurable with a high degree of precision. Through dairy-herd improvement fostered by research and extension work, production of milk and butterfat per cow has taken a distinct upward trend. The same is true of egg yields in poultry flocks.

Modern types of animals mature much earlier than those raised at the turn of the century. Good steers now are ready for market within 2 years, instead of 3 or 4. Improved livestock also yield a greater quantity of finished product for the feed utilized.

In the Bureau's scientific research there has been more devotion to achievement than fanfare of results. Entanglements of old traditions and smoke screens of skepticism have sometimes impeded application of the new knowledge, but in spite of obstacles, progress has been continuous. Take, for instance, the painstaking research on worm parasites of hogs and the development of the now familiar swine sanitation system.

The recommendations of the scientists to scrub and disinfect farrowing houses, to wash the sow before the birth of her pigs, and to take her out of the muddy hog lot and put her in clean pasture—all these things at first seemed, to practical folks, like putting pigs in the parlor. But now this sanitary system of raising pigs is the rule rather than the exception. And it is responsible, to a large extent, for the ability of farmers to raise pigs with so few losses.

Let us examine another illustration. Back in 1917 when the national campaign against bovine tuberculosis began, about 50,000 cattle a year failed to pass Federal meat inspection. Instead of qualifying for human food, those animals went for fertilizer, grease, or tankage. By contrast, the number failing to pass inspection in recent years has been less than 2,500—in other words an annual saving of about 47,500 cattle, equivalent to some 24,000,000 pounds of dressed beef.

Thus we see how the Bureau's foresight a quarter of a century ago, plus good organization and courageous effort, is now paying food dividends in a hungry world.

Bovine tuberculosis is just one of several disease enemies now practically conquered. Southern cattle ticks are another, sheep scab is another, and pullworm disease is another. The Bureau is currently working on contagious abortion in cattle, known as Bang's disease. Milk from cattle which have this disease causes undulant fever in the human, for which there is no known cure.

You can see, therefore, how closely tied up are human health and livestock health.

These are only a few of the many jobs Bureau veterinarians are engaged in. Progress against other important maladies is a matter of public record. Congress, in providing funds for such activities, is performing a real service to agriculture and to the Nation.

As I have said on a previous occasion to my colleagues in Congress, we are now literally holding in trust for the rest of the world the best blood lines now extant for the reestablishment of disease-free herds and flocks in all those war-stricken countries.

Thanks to a vigilant, aggressive Bureau of Animal Industry.

Mr. DIRKSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. SMITH].

Mr. SMITH of Wisconsin. Mr. Chairman, what about the future for the American farmer? I believe this is the time and place to discuss that important question, because our national prosperity is dependent upon the prosperity of agriculture. We cannot expect to raise the living standards in this country or in the world unless those who work our farms and natural resources are prosperous. My thesis is that farm incomes must not only be maintained, but increased in our effort to secure a balanced and prosperous economy. This is an economic necessity and we must succeed in our attempt to raise the American standard of living.

Mr. Chairman, this country is in the throes of an industrial revolution. We are witnessing the effort of one group to force its demands upon other groups at any cost. Their right to achieve that objective, in a lawful manner, cannot be denied. The affect, however, upon the economy of this country will be far-reaching. There will be calls for increases all along the line—including increases for agriculture. When President Truman some weeks ago authorized increases in wages and said the price line would be held, notwithstanding, he was not forthright with the American people. Events have and will continue to disprove his statement. The time has come as one authority has said, to realize "that each group is interwoven with every other group in an indivisible economy, with each group a multiple of the complete economy of the United States." When one secures an economic advantage over another it throws our economy out of balance and greatly upsets normal levels of consumption of raw and manufactured commodities.

It is a fact and not a theory, Mr. Chairman, that if the man who works in our factories is entitled to increased wages to maintain a high standard of living, which I approve, it is just as necessary that the man who works on the farm is likewise entitled to increased income for his labor. Some reasonable balance must be maintained between these groups. I do not plead the cause of one group as against the other, but I do say, "What is sauce for the goose is sauce for the gander." It is necessary to understand that there is an interdependence of interest, not a conflict of it. We are told that each dollar of agricultural incomes translates into $1 for factory pay rolls—for industrial workers—resulting in a total of all groups of $7 in national income or purchasing power. I am offering for the record at this point a table showing the operation of our national economy covering the period from 1921 to 1938, inclusive:

Year	Gross agricultural income (millions)	Factory pay rolls (millions)	Gross national income (millions)
1921	$8,900	$8,300	$62,300
1922	9,900	9,100	61,100
1923	11,000	11,000	59,200
1924	11,300	10,500	71,900
1925	12,000	10,800	76,500
1926	11,500	11,400	80,200
1927	11,600	11,200	82,900
1928	11,700	11,300	84,100
1929	11,900	11,700	81,100
1930	9,500	9,600	75,400
1931	7,000	7,000	63,200
1932	5,300	5,200	48,800
1933	6,400	5,500	44,200
1934	7,300	6,800	50,400
1935	8,500	7,600	55,800
1936	9,500	8,800	63,900
1937	9,800	9,300	67,500
1938	7,500	7,800	54,100

There is a striking balance between agriculture and factory pay rolls and the national income.

Mr. Carl Wilken has well said these figures indicate approximately $1 of agricultural income to $7 of national income. The above table shows income of $1 for agriculture, $1 for factory pay rolls and $7 for national income. With this showing of a definite relationship of agricultural income, raw material income, and factory pay rolls to national income, it seems logical and possible to operate our economy on an actuarial basis the same as life-insurance companies are operated. Mr. Wilken contends that by using the commodity index as a guide we can determine the price for basic materials in direct proportion to the national income required to operate the Nation as a business.

These are important facts, Mr. Chairman, for they show that our economic cycle starts with the production of farm commodities and raw materials. The public has no such understanding. Look about and you will will realize that the things you eat, wear, and use have been produced on the farm or came from the mine, the forest, the lake, or stream. When called to our attention, the facts are quite obvious and need no further elaboration. We must remember, then, that this is the starting point; the dollars that operate in our economy start from the bottom with agriculture and percolate up through to the top. Certainly they do not move from the top down, and some labor leaders ought to realize this fact and understand the principle involved, for they should understand that under normal conditions, the farmer purchases 30 to 40 percent of all manufactured products.

Now then, Mr. Chairman, I return to my first proposition that our national prosperity starts on the farm. When agriculture is prosperous, the whole Nation is prosperous. When the farmer, the miner, and the woodsman are receiving an income commensurate with their efforts, then their city cousin who works in the factory or for some service organization will be prosperous. In fact, this is the only way city men will ever achieve full employment in the true sense of that term; he will never achieve it by Government-made jobs.

But what has the farmer been earning? Let us take a look at the record. I have had an opportunity, Mr. Chairman, to examine a table offered in the CONGRESSIONAL RECORD by my distinguished colleague the gentleman from Wisconsin, the Honorable REID F. MURRAY. These are official figures obtained from the United States Department of Agriculture. This table shows the return per hour to all labor used, total labor used, and total investment of the typical family-operated farm. A majority of the farms in my district, southern Wisconsin, are engaged in the dairy industry. I was amazed to see what farmers were getting per hour for their labor over a period of 10 years. Here are the figures:

1930	$0.27
1931	.04
1932	.06
1933	.07
1934	.09
1935	$0.32
1936	.24
1937	.32
1938	.25
1939	.20

The picture presented, Mr. Chairman, is one that the majority of our citizens will find difficult to believe or understand. City workers will agree that those who labor in agriculture are entitled to more money for their work when they understand that agriculture is the very basis for his own prosperity. This means that the prices we pay for the products of the farm must be increased when subsidies are removed. The hourly return as indicated by the above table gives credit for rent, garden, and other farm benefits. It also includes subsides received by the farmer. Further, it includes the labor by the owner, his family, and hired help, if any.

In further support of my position in this matter, I bring to bear the testimony of Mr. J. B. Hutson, Under Secretary of Agriculture, before your committee. Discussing the matter of farm income on page 1214 of the hearings, he said:

> The income of people on farms now is about $500 a year average income. The average income of people not living on farms or living off of farms is about $1,300 a year. We do not believe that with that difference that the people living on farms can maintain a standard of living equal to that of the nonfarm people.

This is important testimony and shows the true picture of our farm people and their relationship to the city people, and it is apparent that under these conditions, our economic scale is out of adjustment for the farm group.

Obviously, Mr. Chairman, the great need at this time is to bring industrial and agricultural prices in balance. I leave to the experts the charting of that course. Perhaps there is no unanimity of opinion among them, but we must make a start in that direction. Congress should lend its support to any movement designed to bring about such a result.

Economic problems, however, cannot be solved by enacting laws. This fact is fundamental and has been recognized for centuries. Socialists and Communists may deny it, for they strive to solve every economic problem by legislative fiat. Hitler and Mussolini are present-day examples and so is the Russian experiment. Yet there is a legislative responsibility to assist wherever we can without governmental interference in the operation of our free economy. The free functioning of economic laws is a prime necessity. It is as necessary as the protection of the individual in his endeavor to earn a living—on the farm, in the factory, in his business, or in his profession.

The farmers hold the power of life or death over all the people in this country. Yes, in every country in this world. We live upon the raw materials that are produced in fertile soil. Desert land is unproductive, and we are told that the Holy Land was at one time a veritable paradise. Today, it is bleak and barren, and the people who live there barely eke out an existence. So the modern farmer is charged with a double responsibility. He must produce our food, and in addition, maintain the soil beds that yield the food. In short, his job is production and soil conservation.

If we are honest in our judgments, we must admit that the farmer is entitled to an income for his work which is comparable to the man who works in modern industrial plants. That is the goal we must seek in order to insure a material prosperity for all of our people.

Mr. DIRKSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, I have asked for this particular time to discuss briefly the question of employment, not only in this department, but in other departments of the Government, and the manner in which it has been increased without any effort whatsoever being made to decrease employment in our Federal agencies. Together with other Members who have spoken before me, I want to pay tribute to the American farmers for their splendid efforts and their work during the war period and want to express appreciation of the great responsibility that our farmers are required to assume in the production of crops, not only for food for the people of America, but for starving people in other countries.

Mr. BISHOP. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield.

Mr. BISHOP. Does not the gentleman think the department heads at the present time would sanction such a move, thereby eliminating a lot of employees?

Mr. REES of Kansas. I want to discuss the question of employment in Government. It has been alleged we have something like 25,000 more employees in the Department of Agriculture than are necessary. Yet, upon reading this report, I observe a request was made by the Bureau of the Budget to increase this agency by something more than 3,000 employees, the committee has cut the 3,000 by one-half—evidently a sort of compromise, was made with the Bureau of the Budget.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield.

Mr. DIRKSEN. Of course, that estimate of surplus is predicated upon the reorganization, in line with what has been suggested on the floor.

Mr. REES of Kansas. The thing I want to suggest, and I have mentioned it many times here, is the time has long passed when some group representing the Congress should get busy and find out how many employees we do need, because it is alleged many times that we have too many employees. We should eliminate this duplication of activity and cut out all activities not necessary in line with the fiscal condition of our Treasury.

This bill asks for 1,500 additional employees. Up to this time, the Bureau of the Budget in making requests for the old-line agencies, outside of the Veterans' Administration, and of course we expect increase in personnel in this agency because we know they will require great additional expansion of employment and should have it. So far as I know we do not have the requests for the so-called war agencies. They

may show reductions when the requests are submitted. Leaving out the War and Navy Departments, the total over-all requests—and this also leaves out the Veterans' Administration—show requests by the Bureau of the Budget for substantial increase in 44 agencies reported. There are some small reductions in a few of them, but the over-all picture with respect to these agencies will show requests for more than 100,000 additional employees, as I understand it. That may not seem to be very many compared with total employment, but it does indicate that the Bureau of the Budget, which, after all, is the arm of the administration, has not made much of an effort in asking for reduction of employees in this Government.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield further?

Mr. REES of Kansas. I yield.

Mr. DIRKSEN. I thoroughly agree with the sentiments expressed by the gentleman from Kansas. I am of the opinion that if the job of reorganizing that and other departments for the purpose of securing the elimination of duplication is done and done properly, it must be done by the Congress in the form of a statute.

Mr. REES of Kansas. I appreciate the gentleman's statement, because there is not a single one that I know of among the various agencies that will ask for any reduction in force or for any reorganization that amounts to anything, whereby we not only can economize in employment but more efficiency that is so much needed right now.

Sometime ago I introduced legislation that would put in the hands of the House and the Senate the power to go into the whole problem of employment and find out what employment we do need and what we do not need, and put our Government nearer on a business basis. Of course, we do not run our Government on a businesslike basis. If we should run our business as we run the Government in that respect and a great many other respects, we would go broke immediately.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield.

Mr. MURRAY of Wisconsin. As a member from one of the leading agricultural States, as the gentleman from Kansas is, and also as a member of the Committee on Civil Service, I wonder if the gentleman could tell us why these employees of the Department of Agriculture, like PCA, AAA, and employees outside of the top brackets, are not blanketed under any Social Security or Civil Service or have any provision for retirement. Some of them have been working for at least 10 years without any provision for their retirement when they finish their Government service. I would like to have the gentleman explain that situation.

Mr. REES of Kansas. There are a number of people who work for agencies closely associated with the Federal Government who, as the gentleman said, are under neither Social Security or the regular retirement system. They should be under one or the other. The matter is now being examined by a number of committees of the House, and legislation is pending, I am informed the problem is being studied by the Ways and Means Committee at the present time. The Civil Service Committee also has legislation under consideration on the subject matter. I want to add I appreciate the interest of my colleague in this important problem. He has called attention to an inequality that ought to be corrected.

Mr. MURRAY of Wisconsin. I thank the gentleman.

Mr. DIRKSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, in the press a few days ago there appeared a statement by a leading member of the other body and later another statement by the Secretary of State to the effect that we should adopt a firmer policy toward Russia. Tell Russia not to push us around. Today the press carries a statement to the effect that Russia has sent us word to keep our nose out of Manchuria. I wonder if it would be possible for someone on the majority side to tell the American people whether the radio station established in the Pentagon Building during war time on an Executive order and said then to be under the exclusive control of the Russians and still said to be under that control—whether that station is still operating and if it is whether we know what it is being used for, what is the purpose of its use? What is going out and coming in over it. If we can get that information tomorrow I think it will be worth while; be of interest to our people.

Yesterday the House passed the so-called housing bill the purpose of which we were told was to provide homes for veterans, but the House seems strangely inactive when we attempt to provide jobs for veterans or attempt to fix it so the veterans can work when they find themselves a job. We are for the veteran when he does not come in conflict with the administration's political friends, the PAC, the CIO, the UAW-CIO, or the A. F. of L.—when he sees how quickly the administration deserts him.

In the News Palladium, published at Benton Harbor in the Fourth Congressional District of Michigan, a very, very good newspaper with not quite as large a circulation as the New York Times or the Chicago Tribune, but still with a large circulation, there appears an item headed "Veteran with gun routs strikers." From this article it appears that a veteran, Lawrence Squires, who prior to his enlistment worked for 2 years in a foundry in the city of Grand Rapids, which is in the Fifth Congressional District, represented so ably by our colleague the gentleman from Michigan [Mr. JONKMAN]. After enlisting and serving for a number of years in the armed forces, Squires returned and went back to his old job and became a good union member. Unfortunately, one of his children had died. He did not have any great financial resources. He had some bills to pay, he had the funeral expenses to pay; and so when his fellow-workers in an unauthorized strike walked out and established a picket line, he did not like that and he told them that having these bills to pay he just would have to go to work. He told them he was going down to work the next day and he was going to bring a gun along with him. The next day he took a 16-gage shotgun and went down and wanted to go through the picket line.

There were 15 pickets who told him he could not go through. Luckily his gun was not loaded, but he did point it at one of them and that fellow dropped to the sidewalk and got out of the way. Then Squires, forgetting that he was back at home and a civilian, that he was no more than a returned veteran, the glamour of whose return had worn off in his local community, had been forgotten by his coworkers in the factory, took the 16-gage shotgun by the barrel and went through the picket line. In going through in some way he cracked the stock of his gun. I am wondering whether the committee could not include in this deficiency appropriation bill an item to buy him a new stock for that gun.

Well, he got through the picket line and went in the factory. Then what do you suppose happened to him there in Michigan? The gentleman from Detroit [Mr. O'BRIEN], on the majority side, sitting here, a lawyer, knows as I do that we have in Michigan a statute which makes it a misdemeanor to interfere with a man who is going to or from his work.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. DIRKSEN. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. HOFFMAN. Mr. Chairman, I say our law makes it a misdemeanor, a crime, to interfere with a man going to or from his work. After this soldier, exercising his right to go to work, to earn money to buy food and clothing for himself, his wife and one remaining child, went through, as he had a right to do, and it was unlawful to block his way to his work, what do you suppose happened to that man? Lo and behold, the authorities came down and arrested him for assault with a dangerous weapon. But they did not do anything to the 15 who had unquestionably violated the State law, to others in other cities, who had been violating the State statute for several days, and there are hundreds of thousands of violations of that kind in the State of Michigan where the pickets have by force kept the men away from their work.

The point, and the only point I wish to make, is that if under the influence of the Communists, about whom the gentleman from Royal Oak, Mich. [Mr. DONDERO] spoke so ably a few moments ago and about whom he gave us so much information, and those other fellows working inside of the union keep on with their mass picket lines, there will be more and more Squires seeking to go through. You know what the result will be. There will be bloodshed; then we will have a hue and cry from union leaders about men using force and violence when they want to go to work.

If this Congress and the law-enforcing authorities do not protect the right of the returning veterans to work, if they do not protect the right to work guaranteed

to every man by the Constitution, and violence and bloodshed and death follow, we cannot escape our share of the responsibility.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

If there are no other requests for time, the Clerk will read the bill for amendment.

Mr. TABER. Mr. Chairman, I make the point of order a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Forty-five Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 48]

Adams	Fenton	Mankin
Allen, Ill.	Fisher	Morgan
Anderson, Calif.	Flood	Morrison
Andresen, August H.	Fogarty	Murphy
Andrews, N. Y.	Fuller	Norton
Auchincloss	Gamble	O'Neal
Bailey	Gardner	Patman
Baldwin, Md.	Gary	Patrick
Baldwin, N. Y.	Gavin	Peterson, Fla.
Barden	Gerlach	Peterson, Ga.
Barrett, Pa.	Goodwin	Pfeifer
Barry	Gossett	Philbin
Beall	Granahan	Ploeser
Bennet, N. Y.	Green	Powell
Bland	Hale	Price, Fla.
Bonner	Hall, Leonard W.	Rabin
Bradley, Pa.	Halleck	Rains
Buck	Hancock	Randolph
Buckley	Hart	Rayfiel
Bulwinkle	Heffernan	Reed, N. Y.
Burch	Henry	Rich
Burgin	Herter	Richards
Butler	Holmes, Mass.	Riley
Byrne, N. Y.	Hook	Rivers
Byrnes, Wis.	Izac	Robertson, Va.
Camp	Jackson	Robinson, Utah
Campbell	Jarman	Roe, N. Y.
Canfield	Jennings	Rogers, N. Y.
Cannon, Fla.	Kelley, Pa.	Russell
Cannon, Mo.	Kelly, Ill.	Schwabe, Mo.
Celler	Keogh	Sharp
Chapman	Kilburn	Sheppard
Clark	King	Sheridan
Cole, Kans.	Kinzer	Short
Cox	Kirwan	Sparkman
Curley	Klein	Spence
Daughton, Va.	Knutson	Stigler
Davis	Kunkel	Sumners, Tex.
Dawson	Landis	Taylor
D'Ewart	Lane	Thom
Dingell	Latham	Thomas, N. J.
Domengeaux	Luce	Thomas, Tex.
Drewry	Lynch	Torrens
Durham	McConnell	Traynor
Eaton	McGlinchey	Vorys, Ohio
Elsaesser	McGregor	Wasielewski
Fallon	McKenzie	White
		Wolfenden, Pa.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WHITTINGTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 5605) the agriculture appropriation bill, 1947, and finding itself without a quorum, he had directed the roll to be called when 276 Members responded to their names, a quorum, and be submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. General debate having been concluded, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Agriculture for the fiscal year ending June 30, 1947, hereinafter referred to as the current fiscal year, namely:

Mr. MARTIN of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to see if we can find out the program for next week.

Mr. McCORMACK. Mr. Chairman, I will be glad to announce the program to the House in response to the inquiry of the gentleman from Massachusetts.

If this bill is not disposed of today, and we hope it will be, consideration of the bill will be continued on Monday; Monday is District of Columbia day, but I understand there are no bills from the District of Columbia Committee.

After disposition of this bill, H. R. 307, relating to the atomic tests, will be taken up, after which consideration of H. R. 5356, relating to ships for the Republic of China will take place.

On Tuesday, House Resolution 541, providing for taking from the Speaker's desk and sending to conference, the so-called Petrillo bill will be taken up. Thereafter, the second rescission bill which has been reported by the Appropriations Committee will be considered. It may be that I will ask unanimous consent of the House to meet at 11 o'clock on that day, maybe not, according to what time the members of the Appropriations Committee might want on the second rescission bill.

On Wednesday, the House will consider H. R. 4199, the civil retirement bill for Members of Congress, that very just legislation that should have been passed long ago.

On Thursday and Friday, the bill H. R. 2501, relating to Federal rural rehabilitation projects will be called up; H. R. 4512, which amends the Public Health Service, and H. R. 2115, relating to the domestic raising of fur-bearing animals.

Conference reports will be brought up at any time they are ready. There is one that is likely to be ready, and I refer to the conference report on the deficiency bill which went to conference today.

I wish to announce to the House that the Second War Powers Act has been reported by subcommittee to the full Committee on the Judiciary. In the event that bill is reported by the Judiciary Committee and a rule is granted, every effort will be made to bring it up promptly. If the bill is ready and the rule is granted, it may be that I will ask that it be considered Thursday on account of the importance of the matter. I understand from information I have received that the subcommittee has unanimously agreed on its report to the full Committee on the Judiciary, which is always a very good sign and a healthy way to legislate.

Mr. MARTIN of Massachusetts. I thank the gentleman.

The Clerk read as follows:

Economic investigations: For conducting investigations and for acquiring and diffusing useful information among the people of the United States, relative to agricultural production, distribution, land utilization, and conservation in their broadest aspects, including farm management and practice, utilization of farm and food products, purchasing of farm supplies, farm population and rural life, farm labor, farm finance, insurance and taxation, adjustments in production to probable demand for the different farm and food products; land ownership and values, costs, prices and income in their relation to agriculture, including causes for their variations and trends, $1,923,457, together with such amounts from other appropriations or authorizations as are provided in the schedules in the Budget for the current fiscal year for such salaries and expenses, which several amounts or portions thereof, as may be determined by the Secretary, not exceeding a total of $71,150 shall be transferred to and made a part of this appropriation: *Provided, however*, That if the total amounts of such appropriations or authorizations for the current fiscal year shall at any time exceed or fall below the amounts estimated, respectively, therefor in the Budget for such year, the amounts transferred or to be transferred therefrom to this appropriation and the amount which may be expended for personal services in the District of Columbia shall be increased or decreased in such amounts as the Director of the Bureau of the Budget, after a hearing thereon with representatives of the Department, shall determine are appropriate to the requirements as changed by such reductions or increases in such appropriations or authorizations: *Provided further*, That no part of the funds herein appropriated or made available to the Bureau of Agricultural Economics shall be used for State and county land-use planning, or for the maintenance of regional offices, or for conducting social surveys.

Mr. H. CARL ANDERSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. H. CARL ANDERSEN: On page 11, line 8, strike out "$1,923,457" and insert in lieu thereof, "$1,623,457."

Mr. H. CARL ANDERSEN. Mr. Chairman, as I previously pointed out in my 30-minute address to the House in general debate, this is one appropriation which I believe could be cut to a certain extent with great benefit to the farmers of America. I say that, Mr. Chairman, because this program, which the Bureau of Agricultural Economics has in mind for the future of agriculture, is simply nothing but a defeatist program. This is the program which the gentleman from Iowa [Mr. TALLE], as you can see from the hearings on page 251 in his discourse with the gentleman from Illinois [Mr. DIRKSEN], admitted is under serious consideration. I am glad to say that the Secretary of Agriculture disclaims any responsibility for any such program. It is my feeling, however, that we must instill into that particular Bureau the need for very, very careful thinking before they begin to advance such impractical theories as to the future of agriculture in America, and because of that belief I am offering this amendment to take away from them $300,000 of the particular part of their appropriation which has to do with economic investigations.

The amendment which I have offered, Mr. Chairman, proposes a cut of $300,000 to be applied as follows: $100,000 for the Division of Farm Population and Rural Welfare, $50,000 for the Division of Farm Management and Costs, and the balance of the $300,000 reduction to the Division of Land Economics.

May I say that the Bureau of Agricultural Economics, in the opinion of many

people, should have its work limited entirely to that which was programed for its original purpose, Mr. Chairman, namely, to assemble, analyze, and publish statistical and economic data with respect to agriculture. These people go far afield when they try to tell you and me and the farmers of America that all we can depend upon for the future of agriculture is the defeatist plan of permitting our products to sink to a world level, and then come to the Treasury for a hand-out to make up the difference between that and parity.

In conclusion, may I read from the testimony of Mr. Edward O'Neal of the Farm Bureau while being questioned by our chairman, the gentleman from Georgia [Mr. TARVER]. I quote from page 1653 of the hearings:

Mr. TARVER. Now, as to the Bureau of Agricultural Economics: I am very much impressed with your testimony in that regard, and with your suggestion that its activities should be confined to statistical and factual research work. According to the evidence which has been delivered before this committee in the last day or two by the officials of that Bureau, they have apparently gone into fields very far different from that and, among other things, they have been largely responsible for the development of a proposed new farm policy, the purport of which is to have the American farmer produce at world price levels, even the part of his production which is used for domestic consumption, and then, if he is sinking, to raise his head above the water by giving him some dollars from the Federal Treasury to enable him to keep going and keep on producing so that the rest of us will not starve to death. Do you think that is a good plan, Mr. O'Neal?

Mr. O'NEAL. Assuredly not.

Mr. Chairman, we hear much from certain people about economy in Government and balancing the Budget. Here is an opportunity to save $300,000 without doing the least bit of harm to our Department of Agriculture. I hope this amendment will receive the serious consideration of the Committee.

Mr. TARVER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Minnesota.

Mr. Chairman, as has been indicated in the remarks of the gentleman from Minnesota, there has been no member of our subcommittee more critical of recent operations of the Bureau of Agricultural Economics than I. If that were not sufficiently indicated in the hearings it was, I think, stressed in the remarks I undertook to make to the Committee of the Whole on yesterday. I felt and still feel that the Bureau of Agricultural Economics has gone far out of the field for which it was set up originally and that its extra-jurisdictional activities ought to be appropriately curbed. However, the subcommittee has accomplished that. The subcommittee has by changes in the appropriation language eliminated its authority to make so-called planning investigations of the type which have subjected it to just criticism, in my judgment. In addition, the subcommittee has reduced its appropriation below Budget estimates by $485,543, representing a reduction below the amount carried in the bill for the present fiscal year of $454,500. A further reduction, in my opinion, is not justified.

This is a very important Bureau. It is charged with the duty of discharging functions that are of the utmost importance to American agriculture. The fact that it may have exceeded its jurisdiction in some types of investigation and planning that it has carried on during the past 2 or 3 years ought not to cause us to destroy the Bureau or to make it impossible for it to discharge its proper and useful functions. But I think the adoption of the amendment offered by the gentleman from Minnesota, while it would not destroy the Bureau, would certainly hamper it unduly in the discharge of its functions in the collection of statistical and factual information, which I consider to be the functions which it was originally intended to discharge.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. H. CARL ANDERSEN. The gentleman, of course, knows this does not affect in any way the $2,037,000 we give to that Bureau for the collecting of statistical data and the analyzing of such data. I am not touching that whatsoever.

Mr. TARVER. That is true, but at the same time there are many types of investigation which may be carried on with the funds proposed for appropriation in this item which ought to be carried on and carried on in a proper way, and which if carried on in a proper way would be of vast benefit to American agriculture.

If the Bureau of Agricultural Economics is not being properly conducted or if the head of the Bureau has done things which he ought not to have done in the performance of his duties and gone into fields which he ought not to have entered, that is not in my judgment a reason for destroying or unduly hampering the work of the Bureau. Let us assume that individuals who are in charge of this work will be changed when the necessity for change appears, but let us make adequate provisions for carrying on the functions we think ought to be carried on for the benefit of agriculture in this country. If we do that, I think we will have gone far enough in approving the reduction which has been recommended by the subcommittee which is so considerable in amount. So far as I know, no member of the subcommittee, with the exception of the gentleman from Minnesota, feels we should go further than has been indicated by the subcommittee's action. I hope, therefore, that the amendment offered by the gentleman will be defeated.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Minnesota because I am in absolute accord with any and all attempts to cut out many of the expenditures which are being diverted to bureaucratic enhancement and augmentation. I want to point out another serious condition at this time, and that is the overwhelming threat to the dairy farmers of the Northeast in the ghastly shortage they are now facing in dairy and poultry feed. I submit that within 2 weeks, unless some remedy is brought about on the part of the Government or the administration, they will be forced to do away with many of their dairy herds and kill off some of the older stock and allow their cattle to get what sustenance they can upon pasturage this spring and summer. That will mean a reduction in the output of milk in our section. As I have many times said on this floor, the dairymen of the Northeast are the last people in the world to be thought of or considered in the entire Nation.

Furthermore, there are millions of poultry and turkey stock that will have to be killed off unless the dairy and poultry feed situation is improved.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield to the gentleman.

Mr. H. CARL ANDERSEN. The gentleman has always been very interested in agriculture, and as a member of the Committee on Agriculture he has proven that interest. Neither he nor I would do anything to injure the cause of agriculture.

Mr. EDWIN ARTHUR HALL. Of course not.

Mr. H. CARL ANDERSEN. Does the gentleman not agree with me that $1,623,000 should be enough for this Bureau of Agricultural Economics to play around with in the line of economic investigations?

Mr. EDWIN ARTHUR HALL. It is probably more than they would need. There are plenty of ways that they can spend that money to help out the farmers in the gentleman's district and the farmers in my district and throughout the Northeast generally. They ought to help them to get enough feed for their dairy stock and to help them keep on producing for the city consumers.

Mr. H. CARL ANDERSEN. Does the gentleman not feel that in coming before the Congress and before the people of America with a request for 3,254 additional personnel above that of last year the Department of Agriculture and the Bureau of the Budget are not playing fair with the taxpayers of America?

Mr. EDWIN ARTHUR HALL. They are certainly not playing fair with them. The only thing for them to do is to come to up-State New York and try to revive and sustain some of the dairy farms that are going to wrack and ruin as a result of this disastrous policy.

Mr. H. CARL ANDERSEN. We in the subcommittee shaded down this approximately 3,200 additional personnel to approximately 1,600. Is the gentleman not in agreement with me that perhaps by a few amendments today we, the friends of agriculture, should try to show that while we want economy in government, we at the same time are willing to put the knife to our own Department in which we are most interested?

Mr. EDWIN ARTHUR HALL. The gentleman is right. I agree with him.

I want to say one thing further in regard to subsidies. I have supported subsidies right down the line ever since that

question was started. Nobody can charge me with trying to sabotage the subsidy program which the administration has brought forth for the relief of the farmers. However, it is time that we are given a program that would supersede the subsidy plan so that we can go along and give the farmer some kind of a chance; give him an opportunity to live on something besides subsidies. I want to see that question considered, and I hope this House will solve it.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TARVER. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 10 minutes, the last 5 minutes to be utilized by the committee if it desires to do so.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. TABER. Mr. Chairman, this is an attempt by the gentleman from Minnesota [Mr. H. CARL ANDERSEN] to cut $300,000 from an item that has been reported at $1,923,457 by the committee. It is the Bureau of Agricultural Economics. They have some rather peculiar ideas, as appears from the testimony on page 251 of the hearings. Let me read a couple of lines:

Mr. DIRKSEN. So if we reach that point in 1947, or beyond, where we have a surplus to deal with, then where we have exhausted every possibility that we can see at the moment to relieve the situation, and prices still continue to tumble, then next it would be your suggestion to let the level of prices on the domestic market go down to what may be the same thing as world markets.

Mr. TOLLEY. Yes.

Mr. DIRKSEN. And then subsidize the producer of agricultural products out of the Federal Treasury.

Mr. TOLLEY. Yes.

And this comes at a time when the people of America have the money in their pockets to pay for their food; at a time when they and the thinking representatives of agriculture are against subsidies, and when they feel that we must get away from that sort of operation.

This is the same bureau which has been sending circulars of the most ridiculous character to farmers all over this land, with reference to the manner in which the farmers have acquired title; with reference to the manner in which they are operating their farms, and things that could be of absolutely no use from an economic standpoint. The real work that they are expected to do is provided for in the appropriation for crop and livestock estimates, which were referred to by the gentleman from Minnesota. There they are given $2,037,000, and that is the only activity they have which is of value to the farmer. The gentleman from Minnesota [Mr. H. CARL ANDERSEN] advises me that he did not intend to try to cut that item.

Is it not about time we tried to curtail those unnecessary and improper activities of the Department of Agriculture and put the Department on a more sound basis than it has fallen into the last few year?

I hope this amendment will be adopted and that we can save $300,000 to the taxpayers of the United States.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment although I find myself practically in accord with the sponsor of the amendment as far as my feelings are concerned with reference to the Bureau of Agricultural Economics. The only difference between us is that in my opinion the committee has gone as far as it can afford to go, looking to the work of the Department in its present reduction.

Mr. ABERNETHY. My colleague from Mississippi was one of those who got his hands on a report from this Bureau and it caused me to make some investigation in connection with which we found that this Bureau had gone very, very far afield in some of its activities. They had made some studies in Minnesota, Illinois, and in Mississippi, some of which they certainly had no right to make and the reports filed were such as to antagonize and stir up those of us coming from those areas. It was in my opinion a waste of Government money, but as I recall it the expenditures in this particular investigation and report was less than $100,000.

We also took exception to and found fault with the attitude of the head of this Bureau in advocating that the American production of agricultural commodities be sold at the world price and that the Government through payments to the farmers make up the difference. I am glad to state the Secretary of Agriculture had entirely a different view of the matter.

When these things happen they have a natural tendency to make us want to cut to the bone. We have got to resist that attitude, however, because this work with which we find fault and in which I agree with the gentleman from Minnesota, is only a very small part of the activities of this Bureau.

We have cut this Bureau under this bill right at $500,000. This is the Bureau that prepares the statistics that are used in so many of the workings of this Government, the Bureau that prepares the information and facts for parity loans of the CCC.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. H. CARL ANDERSEN. As I said to the chairman of the subcommittee, the gentleman realizes, of course, that this does not cut in any way the money available for statistics. In this we all agree.

Mr. WHITTEN. I beg to differ with the gentleman to some extent and I will point that out as I go along.

This Bureau is the one that prepares the statistics, and in addition to that they are engaged in making a study of the actual cost to the farmers of the things they have to buy. The information they accumulate is used throughout the Government; and while I agree with my friend from Minnesota, and was one of those who was primarily responsible, I might say, for going into some of these matters that this Bureau has veered off into, I do think that when you cut this appropriation more than 25 percent, cut them approximately $500,000, which is 4 or 5 times as much as the amount spent for these particular activities; I think this Committee would be going astray to recommend to the House that they make the additional cut. I feel that when we have cut $500,000 from this Bureau we have gone as far as we can at this time, as certainly we must be sure that because of our difference with the Bureau we do not cut out work essential to the proper operation of the Department of Agriculture.

Mr. Chairman, I hope the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

The question was taken, and, the Chair being in doubt, the Committee divided; and there were—ayes 46, noes 54.

Mr. H. CARL ANDERSEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. TARVER and Mr. H. CARL ANDERSEN.

The Committee again divided, and the tellers reported that there were—ayes 53, noes 68.

So the amendment was rejected.

The Clerk read as follows:

SPECIAL RESEARCH FUND, DEPARTMENT OF AGRICULTURE

For enabling the Secretary to carry into effect the provisions of an act entitled "An act to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges," approved June 29, 1935 (7 U. S. C. 427, 427b, 427c, 427f); for administration of the provisions of section 5 of the said act, and for special research work, including the planning, programing, coordination, and printing the results of such research, to be conducted by such agencies of the Department as the Secretary may designate or establish, and to which he may make allotments from this fund, including the employment of persons and means in the District of Columbia and elsewhere; $1,193,000, of which amount $723,126 shall be available for the maintenance and operation of research laboratories and facilities in the major agricultural regions provided for by section 4 of said act.

Mr. VOORHIS of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wanted during the course of general debate to make the remarks I am going to make now because it follows along the line of some of the discussion that was had about the organization of the Department of Agriculture. For some time now I have had introduced in Congress a bill, H. R. 2215, the provisions of which I should like to call to the committee's attention and which are rather pertinent to the paragraph in the bill just read.

The purpose of that bill, frankly, is to simplify the agricultural program and the work of the Federal Department at the local level, and to bring together into the hands of a democratically elected committee of farmers in each county the local direction of all of those programs, and a coordination of them by that democratically elected committee of farmers. The actual choice of members of these committees begins in what are termed "agricultural communities," and the bill provides that the natural boundaries of those communities or neighborhoods shall be carefully drawn and marked out, and within each of those

communities the farmers and their wives, including the farm owners, tenants, and share croppers, shall elect three members to be on their committee. Those community members in turn will choose county committees, and in the hands of those county committees will be the local direction of all phases of the agricultural program, that is, the farm-credit program, the soil-conservation program, the various types of forestry programs, and everything else would be coordinated together at the local level by this means.

I believe this to be a constructive and important approach to this problem. The present Secretary of Agriculture has made some, I believe, very earnest and worth-while attempts at simplification of the structure of the Department. I am of the opinion that that work is going to go forward, that it needs to go forward, but that Congress will have to help. But I want to emphasize the fact that, from the viewpoint of the individual farmer, the place he needs to have the agricultural program simplified is in his local county much more than he needs to have it simplified in Washington at the top, and to the extent that it is possible to bring together, both physically and from the standpoint of administration, all the different parts of our agricultural program in that local community, we will have done a very great deal to be of constructive assistance to the farmers of America and also probably to make some substantial savings on governmental expense.

The Clerk read as follows:

Animal husbandry: For investigations and experiments in animal husbandry and animal and poultry feeding and breeding, and for carrying out the purposes of section 101 (b) of the organic act of 1944 (7 U. S. C. 429) authorizing cooperation with State authorities in the administration of regulations for the improvement of poultry, poultry products, and hatcheries, $928,400.

Mr. RIZLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RIZLEY: On page 20, line 3, strike out "$928,400" and insert in lieu thereof "$1,300,400, $75,000 of said total sum appropriated to be used to establish a poultry research station at Woodward, Okla."

Mr. RIZLEY. Mr. Chairman, I think this amendment speaks for itself. It increases the total appropriation $75,000, to establish a poultry unit at Woodward, Okla.

In 1914 there was established at Woodward, Okla., the Southern Great Plains field station of the United States Bureau of Plant Industry, which has served a most useful purpose, not only for that section of Oklahoma but for the States of Colorado, Texas, New Mexico, and all of that great semi-arid section of the country. It has performed such excellent service that in 1921 a dairy field station was established at Woodward to serve that great section of the United States.

The only other poultry experiment stations that I know anything about in the country are located—one at Glendale, Ariz.; one at Beltsville, Md.; one at East Lansing, Mich.; and one at Brooksville, Fla. There is no similarity, of course, in the conditions that exist in the sections of the country where these stations are established and the Great Plains area.

The purpose in going out to Woodward, Okla., and the purpose the Federal Government had back in 1914 and again in 1921, when these stations were established there, is to set up this experiment in that section of the country so it will serve the States of Colorado, Oklahoma, Texas, and New Mexico, and the whole high-plains semiarid regions where similar conditions exist. The poultry industry has become one of the vital industries in that particular section of the country in the past few years. There was a time when that whole section of the country was devoted to the raising of wheat and livestock. Then dairying came along and this experiment station for the dairy people was put in at Woodward. It is still a great wheat country and a great dairying country, but the poultry industry has great potential possibilities throughout this whole section. We need to stress it more. I believe this small expenditure of $75,000 for the people in this great semiarid region will be well worth while at this time.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. RIZLEY. I yield.

Mr. TARVER. I may have misunderstood the gentleman's amendment, but if I understood it correctly it provides for an additional expenditure of $372,000.

Mr. RIZLEY. No; I just increase the appropriation of $928,400 by $75,000. May I say further to my distinguished friend from Georgia, I do not think it would require an annual appropriation of that amount once the unit is established.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. RIZLEY. I am glad to yield.

Mr. ZIMMERMAN. Which is the nearest poultry experiment station to your district?

Mr. RIZLEY. Glendale, Ariz. Of course, some little experiments are carried on in local agricultural colleges.

Mr. ZIMMERMAN. I understand; but there are no experiment stations nearer than that?

Mr. RIZLEY. No; none nearer than Glendale, Ariz.

Mr. ZIMMERMAN. That is the nearest one to your section of the country?

Mr. RIZLEY. That is right. The gentleman will recall that there is one at Beltsville, Md.; one at Lansing, Mich.; one in Florida; and one in Glendale, Ariz. Those are the only ones I know of.

Mr. ZIMMERMAN. And your reason for wanting this experiment station is owing to the peculiar conditions obtaining in that section of the country, you require some special privilege?

Mr. RIZLEY. That is exactly right. And it is in keeping with what the Government found to be a good policy in establishing these other experiment stations at Woodward in the high-plains area.

Mr. TARVER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Oklahoma is always interesting and undoubtedly he has some information on this particular subject which would be of value to the Department and to the committee in writing an agricultural appropriation bill undertaking to take care of the needs of this type for the country as a whole. But the gentleman did not appear before our committee and urge this project. So far as his remarks indicate, he has not taken the matter up with the Department of Agriculture with a view to having Budget estimates submitted through the regular channels and accorded consideration first by the Bureau of the Budget and thereafter by the Congress. Of course, I do not anticipate that the gentleman feels under such circumstances the Committee of the Whole would be justified in increasing this item of appropriation by $75,000 in order to take care of a station in his congressional district. There are undoubtedly many sections of the country which would like to have and might be able to justify expenditures of this type for a station of this character, but if and when they are justified the regular procedure should be followed, which would certainly involve some investigation by the Department and by the committee undertaking to write an appropriation bill before affirmative action is taken by the Committee of the Whole in writing such an appropriation into the bill. Therefore, I regretfully oppose the amendment offered by the gentleman and suggest to him that he present the matter to the Senate committee after the bill reaches the Senate in order that there may be full and thorough investigation of the facts in the case. I think he can rest assured that committee will give him sympathetic consideration. At the present time, on the basis of the facts as we have them, the amendment should be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. RIZLEY].

The amendment was rejected.

The Clerk read as follows:

Field crops: For investigations on the production, improvement, and diseases of alfalfa, barley, clover, corn, cotton, flax, grasses, oats, rice, rubber crops, sorghums, soybeans, sugar beets, sugarcane, tobacco, wheat, and other field crops, $2,364,500; and there shall be transferred to the Bureau of Plant Industry, Soils, and Agricultural Engineering, without compensation therefor, real property (located in the vicinity of Salinas, Calif.) and personal property valued at not exceeding a total of $306,000, acquired for and heretofore used in connection with the emergency rubber project; and there shall be included in the next annual Budget a statement in detail of the amount and value of the property so transferred.

Mr. GRANGER. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. GRANGER: On page 25, line 3, after the word "crops", strike out "$2,364,500" and insert "$2,391,300."

Mr. GRANGER. Mr. Chairman, I feel called upon to offer this amendment. I think the subcommittee should accept the amendment. I think it is right and proper that the Committee on Agriculture be defended in this matter.

The amendment I have offered simply restores to the bill an item of $26,800, an item that was recommended by the Department for the study of black root in sugar beets in the Ohio Valley. A complaint was made to the Committee on Agriculture that this disease was prevalent in Ohio, Michigan, and other States, and if it were not curbed the entire industry might be destroyed. Thereupon, the Committee on Agriculture appointed a subcommittee, of which I was chairman, to investigate this matter. We spent 2 days conducting hearings. We heard experts from the Department of Agriculture, farmers from the infested area, processors, and other people on this item. We thought it of enough importance to report it back to the entire Committee on Agriculture, which committee, by resolution, authorized us to take the matter up with the Department of Agriculture and insist that an appropriation be made for this purpose. At that time the Deficiency Appropriation Committee was conducting hearings. The chairman of the committee, the gentleman from Missouri [Mr. CANNON], and the gentleman from New York [Mr. TABER], suggested that since we did not have an estimate from the Budget at that time, we wait until the regular appropriation, and then they would be glad to hear about this request for an appropriation. The Department recommended it, the Bureau of the Budget approved it. When it came to the subcommittee, for some reason it was disallowed. The Committee on Agriculture is behind this appropriation. It is absolutely necessary, and it seems to me that in good conscience the committee should accept the amendment, and I hope it will.

Mr. WICKERSHAM. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. WICKERSHAM. I would like to state that the information the gentleman has given to the Committee is correct. I think it would be in the interest of the sugar-beet industry throughout the entire United States for this small appropriation to be made, to prevent the spread of this disease.

Mr. GRANGER. I thank the gentleman. It will be proposed that there are funds in the appropriation available that could be diverted for this purpose. I do not think there is any money there. This work will not be done if this appropriation is not made. I am not going to propose an amendment that would earmark any of these funds now in the bill to go to this purpose, when they might be allocated to projects just as important as this particular project.

I hope the Committee will accept this amendment. I think it should in fairness to our committee and the investigation it made.

Mr. TARVER. Mr. Chairman, I offer a substitute for the amendment offered by the gentleman from Utah.

The Clerk read as follows:

Substitute amendment offered by Mr. TARVER for the amendment offered by Mr. GRANGER: Page 25, line 3, after the word "crops", insert "Including investigations in the black-root disease of sugar beets."

Mr. TARVER. Mr. Chairman, we had some discussion of this subject matter yesterday in the presentation of the bill, but since some of you were not able to be present I feel justified in referring to that discussion briefly at this time.

The budget estimate for the Bureau of Plant Industry, Soils, and Agricultural Engineering contemplated an increase of $1,379,180 all for projects which were apparently well worth while. The committee, however, felt that under the financial conditions of the Government as they exist at this time, we must exercise some economy in dealing with requests, however worthy in character; and we felt further that it was quite possible for the Bureau of Plant Industry, Soils, and Agricultural Engineering to divert personnel from investigations which in many cases they had been carrying on for a great many years, sometimes without any fruitful result, and study these new problems that arise, and that there should not be an additional appropriation by Congress every time a new disease of an important agricultural plant, or a new disease of animals, or a new insect pest affecting plants or animals may be discovered. So we approved for the entire Bureau an increase above the appropriation for the present fiscal year of $758,189, which is a very considerable increase in times like these; and we disallowed of the entire estimate submitted $621,000 which included the item in which the gentleman from Utah is interested.

I have offered a substitute for his amendment providing that out of this rather tremendous amount of money which is here provided, $2,364,600, they shall conduct investigations of the black root disease in sugar beets. I think there is no necessity for increasing the amount. I think the gentleman's cause is worthy, that this disease is of a character which ought to receive investigation; but I believe the Bureau will be able to conduct the investigation within the limits of the funds which have been provided and without hampering any useful activity which it is carrying on; that there is, therefore, no necessity for the appropriation of additional money for that purpose.

I therefore hope the Committee will approve the substitute amendment which I have offered.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Georgia.

Mr. H. CARL ANDERSEN. I am in full agreement with the gentleman from Georgia [Mr. TARVER] that we can very nicely take care of this item out of the $2,364,000 already allotted, and I hope that will satisfy the gentleman from Utah. This is specific notice to the Department that they must take care of the gentleman's item out of this particular sum. I sincerely hope that the substitute will be agreed to.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Utah.

Mr. GRANGER. I may say it is not the gentleman's problem alone. This is a problem that affects the whole country. What you are saying here is simply that we take money that has already been allocated to other projects, perhaps just as important as this one, and earmark the money.

Mr. H. CARL ANDERSEN. No. I do not mean that at all. There are—and the gentleman from Georgia will bear me out—in this particular item of more than $2,000,000, items from which the bureau can very easily squeeze out some of the water and take care of the project of the gentleman from Utah.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. CLEVENGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the amendment offered by the gentleman from Utah is identical with one I offered a moment ago. The gentleman from Georgia refers to this black root disease as being a sugar disease of rather new origin. That is not so. It has been prevalent up and down the Mississippi and Ohio River Valleys, and as far west as the Rocky Mountain States, for years. It is progressively getting worse. I have had the brush-off year after year on this thing by the statement that it would be taken care of out of this fund.

I have been in communication with the Department this afternoon, and they assure me that there is no money available to make this study, that this appropriation is very necessary.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. CLEVENGER. Let me speak a moment. The gentleman foreclosed a lot of debate on this thing yesterday. I have not taken any time of the Committee. When I ask for an expenditure it is an event in this House if you are acquainted with my voting record.

The shortage of sugar today is not a joke to the people of this country. These black root experiments were started in my own district years ago. When the Wallace influence came into the Department of Agriculture, he was very bitter against the production of sugar in continental United States, either cane or beet. That attitude began years ago and since then they have taken $100,000 away from the study of beet and cane sugar diseases.

This appropriation is one of the most essential things that has ever come before the House. There is not a man in this House who thinks I would stand up here and ask for an appropriation if it was not a proper one. It is an appropriation that will return a thousandfold.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. CLEVENGER. I yield to the gentleman from Georgia.

Mr. TARVER. The gentleman is aware, I am sure, that if the substitute amendment offered by myself is adopted, despite anything the Department may have said to the gentleman it will be compelled to study the black root disease of sugar beets. There will be no way for the Department to evade it. So the gentleman will get what he wants if the substitute is adopted and the Treasury will be saved $28,600.

Mr. CLEVENGER. Will the gentleman give me that assurance?

Mr. TARVER. I am giving it to the gentleman now.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. CLEVENGER. I yield to the gentleman from Utah.

Mr. GRANGER. I want to say that is not any assurance.

Mr. CLEVENGER. I know it is no assurance.

Mr. GRANGER. It is just a matter that money has already been allocated to other experiments and you will not get any money for this. There is not any money there for it.

Mr. CLEVENGER. I have been here and I have appeared before the Agriculture Committee in the other body to try to get the item taken care of year after year and nothing has been done.

Mr. GILLIE. Mr. Chairman, will the gentleman yield?

Mr. CLEVENGER. I yield to the gentleman from Indiana.

Mr. GILLIE. May I say that I trust what the gentleman from Georgia said is true, because in my district Adams County is one of the heaviest producing counties in the district. The sugar-beet growers had to abandon the production of sugar beets because of leaf rot.

Mr. CLEVENGER. Yes. There is another angle to this.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. CLEVENGER. I yield to the gentleman from New York.

Mr. TABER. I am wondering if this thing could not be worked out by inserting in the substitute offered by the gentleman from Georgia the words, "including not to exceed $26,800 for the investigation of black-root disease."

Mr. CLEVENGER. That is perfectly satisfactory.

Mr. TABER. That would not increase the over-all amount.

Mr. CLEVENGER. Not at all.

Mr. TABER. I am wondering if the gentleman from Georgia would agree to that?

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. CLEVENGER. I yield to the gentleman from Georgia.

Mr. TARVER. I feel that we ought not to designate the exact amount to be used. I feel that we should leave to the discretion of the Bureau of Plant Industry the determination of how much money should be used for the purpose of studying one disease of sugar beets and how much for another. There are $214,000 in the bill for sugar beets alone. So I believe the orderly way would be simply to include the language which has been suggested in my substitute amendment, relying upon the officials of the Bureau to provide the necessary funds which, in their judgment, should be used for that purpose.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. CLEVENGER. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. CLEVENGER. I yield to the gentleman from New York.

Mr. TABER. If that were done, they would have to spend that amount on this program. As I understand the situation described by the gentleman from Ohio and the gentleman from Utah, this is a real serious situation.

Mr. CLEVENGER. It certainly is.

Mr. TABER. I ask the gentleman from Georgia if he will not accept that amendment. It might help solve the problem.

Mr. TARVER. Mr. Chairman, if the gentleman will yield, I believe the other method of procedure, as I have indicated, would be the better method, but in the interest of harmony, and being sure that it affects what is apparently a very grave problem, I ask unanimous consent that the language of my substitute may be amended so that the substitute will read: "including $26,800 for the investigation of black-root disease of sugar beets."

Mr. CLEVENGER. That is acceptable to me, I will say to the gentleman.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Georgia for the amendment offered by the gentleman from Utah [Mr. GRANGER].

The substitute amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Utah as amended by the substitute.

The amendment as amended was agreed to.

The Clerk read as follows:

Insect and plant disease control: For carrying out operations or measures to eradicate, suppress, control, or to prevent or retard the spread of Japanese beetle, sweetpotato weevil, Mexican fruitflies, gypsy and brown-tail moths, Dutch elm disease, phony peach and peach mosaic, cereal rusts, and pink bollworm and Thurberia weevil, including the enforcement of quarantine regulations and cooperation with States to enforce plant quarantines as authorized by the Plant Quarantine Act of August 20, 1912, as amended (7 U. S. C. 151–167), and including the establishment of such cotton-free areas as may be necessary to stamp out any infestation of the pink bollworm as authorized by the act of February 8, 1930 (46 Stat. 67) and for the enforcement of domestic plant quarantines through inspection in transit, including the interception and disposition of materials found to have been transported interstate in violation of Federal plant quarantine laws or regulations, and operations under the Terminal Inspection Act (7 U. S. C. 166), $2,791,000: *Provided*, That no part of this appropriation shall be used to pay the cost or value of trees, farm animals, farm crops, or other property injured or destroyed: *Provided further*, That, in the discretion of the Secretary, no part of this appropriation shall be expended for the control of sweetpotato weevil in any State until such State has provided cooperation necessary to accomplish this purpose, or for barberry eradication until a sum or sums at least equal to such expenditures shall have been appropriated, subscribed, or contributed by States, counties, or local authorities, or by individuals or organizations for the accomplishment of this purpose: *Provided further*, That in the discretion of the Secretary, no expenditures from this appropriation shall be made for applying methods of control of the Dutch elm disease in any State where measures for the removal and destruction of trees on non-Federal lands suffering from the Dutch elm disease are not in force, provided such removal and destruction are deemed essential or appropriate for the carrying on of the control program, nor until a sum or sums at least equal to such expenditures shall have been appropriated, subscribed, or contributed by State, county, or local authorities, or by individuals, or organizations concerned: *Provided, however*, That expenditures incurred for removal of trees infected with Dutch elm disease from non-Federal lands shall not be considered a part of such appropriations, subscriptions, or contributions: *Provided further*, That no part of this appropriation shall be expended for the removal and destruction of trees infected with the Dutch elm disease except where such trees are located on property owned or controlled by the Government of the United States, or on property included within local experimental control areas.

RELATIVE TO THE REESTABLISHMENT OF THE TOBACCO INSECT LABORATORY AT QUINCY, FLA., AND TO DOG-FLY ERADICATION AND CONTROL MEASURES

Mr. SIKES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wish to speak on two items which I feel should be carried in the present bill. First: Insects constitute one of the serious hazards involved in the production of cigar tobacco in the Georgia-Florida area. Growers in north Florida applied to the United States Department of Agriculture as early as 1915 for assistance in controlling these pests. A permanent research laboratory was established at Quincy, Fla., in 1917 and has been in continuous operation until 1943.

The work of the laboratory has been of vital assistance to the tobacco industry and to the counties at large. Specific controls of high efficiency have been developed for the tobacco budworm and flea beetle. Valuable, but less effective methods have been found for controlling other pests. No satisfactory remedy has been found for hornworms which continue to reduce the value of the crop.

During the past 25 years the laboratory built up a library of information of vital importance to our tobacco industry. The station staff maintained a constant watch for insect outbreaks and the introduction of foreign pests. All of these services were performed at an infinitesimal cost as compared to the taxes paid by our industry.

The Quincy laboratory and five other similar stations located in Connecticut, North Carolina, South Carolina, Tennessee, and Virginia were financed from an appropriation fund which was a separate item under "Truck crop and garden insect investigations, Bureau of Entomology and Plant Quarantine," in the yearly appropriation bill of the Department of Agriculture.

In 1942 a reduction in appropriations resulted in reduced facilities for the Quincy laboratory and the discontinuance of the Connecticut laboratory. In 1943 the appropriation was further reduced and the department was forced to make additional curtailments. Efforts made at the time were not successful in preventing the discontinuance of the Quincy laboratory. At the present time

the equipment and library of the laboratory remain intact and the remaining personnel have been temporarily assigned to other departmental work.

While we favor economy in all governmental operations, I wish to emphasize the fact that the curtailment of necessary functions is not real economy. I consider the work of the Quincy laboratory of vital importance to our industry and that the relatively small expenditure needed in its operation is fully justified.

I take this opportunity to bring these facts to the attention of other Representatives in Congress with the request that they help to reestablish the tobacco insect research work at Quincy. Delay in this matter will be distinctly unfavorable for the progress of our industry. I am certain that the Department is in favor of continuing this laboratory. The necessary adjustment in funds should be made in the present appropriation bill with the stipulation to the Department that the laboratory be reestablished. Representatives of the other States where tobacco insect laboratories are now located will no doubt concur in this effort as these laboratories have suffered definite deductions due to the lack of sufficient appropriations.

I respectfully request that we consider the necessary financing of the Quincy laboratory as an immediate and pressing obligation. It is estimated that $15,000 to $20,000 per year will be ample to finance the laboratory.

THE DOG FLY

The second item is "Dog-fly control and eradication." For years we in northwest Florida have fought the dog fly, which is one of the worst pests in our area from the standpoint of humans and of livestock. At one time this pest constituted a threat to our tourist trade and to the dairy and livestock industries. Control measures have been in effect for several years, in combination with detailed studies on the life and habits of the dog fly. As a result real progress has been made in destroying these pests and they are not now the serious nuisance which they consituted a few years ago.

However, it is obvious that control measures must be continued, otherwise we shall lose the progress made. If continued it is my belief we shall in a reasonable time eradicate the dog fly. The Army has for the war period helped to keep this important work in progress because of the handicap provided by the dog fly to the training programs.

We in northwest Florida cannot afford to have this work discontinued. For the money to be expended, I know of nothing which will be of greater value to us. It has a key importance in the continued growth and progress of two cornerstones of our development—for tourists and the livestock industry.

The Clerk read as follows:

Forest and range management investigations: Fire, silvicultural, watershed, and other forest investigations and experiments under said section 2, as amended, and investigations and experiments to develop improved methods of management of forest and other ranges under section 7, at forest or range experiment stations or elsewhere, $2,330,000.

Mr. WALTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALTER: On page 38, line 19, strike out "$2,330,000" and insert "$2,405,000."

Mr. WALTER. Mr. Chairman, the purpose of the $75,000 increase in this appropriation is the erection of an experimental forest in the Delaware Valley. For a great many years we have had a very acute problem of water supply. The establishment of this experimental forest will make it possible to study the effect of the forest on water supply, on the rapidity of the run-off, on floods, and low-water flow.

Annually, we appropriate many hundreds of thousands of dollars for the purpose of dredging the channels in the lower region of the river so as to make possible the sailing of our battleships into the Philadelphia Navy Yard. Annually, the States of Pennsylvania and New Jersey spend upward of a quarter of a million dollars for the repair of the interstate bridges along the river.

As most of you know, the water supply in Philadelphia is inadequate. Under an arrangement made between the States of New Jersey and New York many millions of gallons of water are drawn off the upper reaches of the river, and from this supply most of the metropolitan area in New Jersey receives its water. However, annually the problem is becoming more acute.

The Committee on Appropriations added $400,000 to the budget estimate. It certainly seems to me that if they have gone over the budget recommendation by that much we can well afford the additional $75,000. Both the States of New Jersey and Pennsylvania are spending a great deal of money in making these studies. In the Delaware Valley, organizations have been set up composed of leading citizens who are, out of their own pockets, employing engineers and other people to do this work. I am quite certain that after the work that has already been started by the States and these local organizations is completed we shall not need the appropriations that are now being made for flood damages, the dredging of the river and, more important, an adequate water supply for a section in which a quarter of the population of the United States resides.

Mr. TARVER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, last year when this question of experimental forest and range stations came up, the committee indicated its opinion that any program of this type, however desirable, and we thought that it is desirable, should be a Nation-wide program worked out by the Forest Service in cooperation with the State forestry officials and intended to meet the problem of the Nation as a whole. We recognize the fact that different types of forestry problems exist in different areas of the country and have felt there should be a decentralization of forest investigations. Congress last year provided funds with which 12 additional forest and range investigation stations have been established or will be established during the current fiscal year. Our committee had requested the Forest Service to work out this Nation-wide plan of dealing with this very great problem. In their evidence before us, in the present session of the Congress, you will observe from a reading of the hearings, they have submitted to us a plan, the initial part of which contemplates the establishment of 16 additional forest and range experimental stations throughout the Nation at various points which you will find designated in the hearings. We provide in this bill $480,000 above the budget or $30,000 each for each of these additional suggested stations, bringing the total number of stations for the next fiscal year to 53, to provide for their establishment. If you will examine the hearings on pages 852 and 853, you will find that of the present experimental forest stations already established, there is one located at Kane, Pa., in the State of the gentleman who has offered this amendment. You will find that among the additional forest experiment stations which are proposed for establishment under the language of the pending bill, one is proposed for Anthracite, Pa., also in the State of the gentleman who has offered this amendment. I feel under these circumstances with many areas of the country desiring the establishment of stations of this type, the gentleman from Pennsylvania should be satisfied to have 2 of these stations out of a total of 53 which will be provided for the entire country if the pending appropriation bill is approved. I certainly feel the Committee of the Whole should not provide $75,000 to establish an additional station for the gentleman from Pennsylvania under these circumstances. This must be a Nation-wide plan worked out by people who are qualified to do so, which people in my judgment are the officials of the Forest Service in cooperation with the State forestry authorities.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. WALTER. If the stations in the State of Pennsylvania which you have just mentioned were anywhere near the place where the forestry services, both Federal and State, think there should be one, I would not be offering this amendment. The stations that have been provided for are nowhere near this very important section.

Mr. TARVER. Does the gentleman feel he is entitled to more than 2 stations out of the 53 for the entire United States?

Mr. WALTER. I am not going into that question, but I might point out the fact that my State makes a very large contribution toward the money that has provided all of these stations.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. H. CARL ANDERSEN. Mr. Chairman, I feel the gentleman from Georgia has declared the situation exactly as it exists with reference to the subcommittee and I sincerely hope that we do not begin to take care of this great problem in a piecemeal fashion.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WALTER].

The amendment was rejected.

The Clerk read as follows:

Under special acts: For the acquisition of land to facilitate the control of soil erosion and flood damage originating within the exterior boundaries of the following national forests, in accordance with the provisions of the following acts authorizing annual appropriations of forest receipts for such purposes, and in not to exceed the following amounts from such receipts: Uinta and Wasatch National Forests, Utah, act of August 26, 1935 (Public Law 337), as amended, $40,000; Cache National Forest, Utah, act of May 11, 1938 (Public Law 505), as amended, $10,000; San Bernardino and Cleveland National Forests, Riverside County, Calif., act of June 15, 1938 (Public Law 634), as amended, $22,000; Nevada and Toiyabe National Forests, Nevada, act of June 25, 1938 (Public Law 748), as amended, $10,000; Angeles National Forest, Calif., act of June 11, 1940 (Public Law 591), $20,000; Cleveland National Forest, San Diego county, Calif., act of June 11, 1940 (Public Law 589), $5,000; Sequoia National Forest, Calif., act of June 17, 1940 (Public Law 637), $35,000; in all, $142,000.

Mr. HAYS. Mr. Chairman, I move to strike out the last word.

If I may have the attention of the chairman of the subcommittee, I rise to make inquiry regarding the effect of the reduction in the appropriation for land acquisition, since reference was made in the report to the purchase of lands in the Ozark and Ouachita National Forests. As I understand it, it was not the purpose of the subcommittee to suspend the purchase of lands in that area, but merely to bring it under the Weeks Act, rather than under the special act of 1940. Is that correct?

Mr. TARVER. The gentleman is correct. It was the feeling of the committee that purchases of land in the Ozark and Ouachita National Forests, which are eligible for consideration in any general land-acquisition program under the Weeks Act, should be made under the general program and not under any special act providing for the diversion of receipts from these forests for that purpose. It is outlined in the report, and it is for that reason that we struck out the $250,000 estimated for the purchase of land in those two national forests from forest receipts, placing those forests on the same basis as other forests located on watersheds throughout the United States.

Mr. HAYS. Nothing developed in the hearings that would affect at all the continued acquisition of lands in that area, as in other national forests?

Mr. TARVER. Under the general program.

Mr. HAYS. I thank the gentleman very much.

The Clerk read as follows:

FOREST ROADS AND TRAILS

For carrying out the provisions of section 23 of the Federal Highway Act approved November 9, 1921, as amended (23 U. S. C. 23, 23a), and for the construction, reconstruction, and maintenance of roads and trails on experimental areas under Forest Service administration, (1) $12,500,000 for forest development roads and trails, which sum is authorized to be appropriated by the act of December 20, 1944 (Public Law 521), and (2) $13,714,222 for forest highways, which latter sum consists of (a) the balance of the amount authorized to be appropriated for the fiscal year 1942 and the amount authorized to be appropriated for the fiscal year 1943 by the act of September 5, 1940 (54 Stat. 867, Public Law 780, 76th Cong.), and (b) $4,500,000, a part of the amount authorized to be appropriated by the act of December 20, 1944 (Public Law 521), in all, $26,214,222 (including not to exceed $99,804 for personal services in the District of Columbia), to be immediately available and to remain available until expended: *Provided*, That this appropriation shall be available for the rental, purchase, construction, or alteration of buildings necessary for the storage and repair of equipment and supplies used for road and trail construction and maintenance, but the total cost of any such building purchased, altered, or constructed under this authorization shall not exceed $10,000, with the exception that any building erected, purchased, or acquired, the cost of which was $10,000 or more, may be improved within any fiscal year by an amount not to exceed 2 percent of the cost of such building as certified by the Secretary.

Mr. ELLIOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ELLIOTT: On page 41, line 25, strike out "$12,500,000" and insert "$23,000,000."

Mr. ELLIOTT. Mr. Chairman, the reason I have offered this amendment to increase the amount $10,500,000 is due to the fact that we have been discussing for more than a week legislation to provide more homes. We know that in order to get more homes we must have more roads opened up in the various areas to provide lumber to build these homes. The Forestry Department have advised me that they need an additional $10,500,000. I talked to them as late as yesterday. Of the $12,500,000 now in the bill, $5,500,000 will go for the purpose of maintenance, leaving only $7,000,000 for new construction. Any of us who knows anything about road construction knows that the $7,000,000 will not go very far in opening up new roads and trails to get to areas where there is new lumber to be brought out.

We can talk all we want to about legislation. Without lumber we cannot and will not build the homes needed for the veterans, and I think this is very much needed. The Forest Service told me, as I said yesterday, that they need this additional amount of money; and I have sat on the Roads Committee for the last 7 or 8 years and heard the testimony of the Forest Service touching the need for more roads and trails, and now that we have come to the point of needing lumber and needing it badly I hope the committee will grant this additional money to make it possible for us to have additional roads and trails into the areas to provide the urgently needed material, as I have stated.

Mr. TARVER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the committee is very strongly of the opinion that all needed funds for the development of forest roads and trails ought to be provided in order to facilitate the utilization of the national forest resources in the pending building program which is of such vital importance to the people of our country, and we have sought to ascertain how much money could be utilized in that program, that is, in the construction and development of forest roads and trails; and we have placed in this bill every dollar of the money which was recommended by the departmental authorities, every dollar of the money which was recommended by the Bureau of the Budget for this purpose, and all of the money which the most enthusiastic proponent of this type of construction advocated in his appearance before our subcommittee. So there is no reason why the Committee of the Whole should add an additional $10,000,000 or some approximate amount to the $12,500,000 we have provided in the bill and which in itself is an increase of $5,699,067 over the funds available for the present fiscal year. We have certainly dealt in a very liberal manner with this particular item, and if the Members have the opportunity to examine the hearings and the evidence of the authorities not only of the Forest Service but of the Bureau of Public Roads they will find that we have provided all of the money that, as I have said, even the most enthusiastic supporters of the program suggested for utilization during the next fiscal year.

Mr. ELLIOTT. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from California.

Mr. ELLIOTT. I might say to my friend from Georgia that the forest people of the State of California arrived here this week Tuesday, came to my office and asked that this amount of money be increased by at least $10,000,000 to provide badly needed funds to open up new roads and trails. I immediately contacted the Forest Service and again yesterday talked to them and asked them if the amount of money they had was enough since the people from the West had come here demanding more funds, and they estimated there should be at least $10,500,000 more provided.

Mr. TARVER. When the gentleman says "They told him so and so" the question naturally arises as to who "they" may have been. When I speak of officials of the Forest Service I speak of those who appeared before our subcommittee and undertook to represent the Forest Service and who knew about this particular question. There is nothing in their testimony to justify the addition of a single dollar to the amount carried in the pending bill.

The authorities from the State of California who called at the gentleman's office 2 or 3 days ago with respect to this matter, if they are justified in their position, which I do not think they are, were certainly somewhat negligent in not undertaking to contact the gentleman himself earlier or our subcommittee, for our subcommittee has been conducting hearings on this bill ever since the 14th day of January. We have never denied a hearing to anybody who wanted to be heard and it is certainly a rather late day for these authorities from California to come to the gentleman on Tuesday of this week and suggest that he have the House without justification appearing in the hearings and upon their solicitation approve $10,000,000 for an item of this kind. I

sincerely hope that the amendment of the gentleman will be rejected.

Mr. ELLIOTT. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from California.

Mr. ELLIOTT. Since January, or even February, the housing situation has changed materially, and I am appealing for these funds because the condition shows that if we get this lumber we will have to open up new areas in order to get it.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to back up what the gentleman from Georgia has stated upon this particular amendment offered by the gentleman from California. We have been very liberal in regard to the Forestry Service and all of its branches and I see no reason for the fear as expressed by the gentleman from California that there will not be ample sums to take care of the situation as he presents it.

Mr. ELLSWORTH. Mr. Chairman, I move to strike out the last two words.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. ELLSWORTH. I yield to the gentleman from Georgia.

Mr. TARVER. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. ELLSWORTH. Mr. Chairman, I do not propose to take much of the time of the committee in what I have to say on the pending amendment. It has come to my attention only recently, even since the debate began on the housing bill, that a serious bottleneck in connection with the production of lumber in the Pacific Northwest area, which produces some 8,000,000,000 feet, nearly 40 percent of the Nation's total, is the shortage of logs. That is one of the reasons why, in that region, lumber production is down about 30 percent over what it was a year ago. The shortage of logs, I am informed, is partly due to the inaccessibility of the Federally-owned timber which could be made accessible by additional forest roads and trails, or access roads.

I understand from talking with members of the Appropriations Committee that they are very anxious to have the access-road program at the maximum and that the sum included in the bill was placed where it is with the idea that that is about all of the money that could be expended during a year. It develops now, with the pressure that is being put on the Northwest area and all over the Nation for more lumber, that additional access-road money could be used to good advantage to aid the housing program. Furthermore, we know that this money is not an outright expenditure to the Government. The price of the timber sold by the Government is increased sufficiently to amortize the expense for these access roads, so this amendment does not mean an additional spending program but the appropriation is self-liquidating over a period of time.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. ELLSWORTH. I yield to the gentleman from Arizona.

Mr. MURDOCK. I agree with the gentleman that our much-needed building program depends on these access roads into untouched timber-areas. I wonder if the gentleman from Georgia [Mr. TARVER] or the gentleman from Minnesota [Mr. H. CARL ANDERSEN] can give us any guaranty that we will have adequate appropriation for such access roads in the other bill? I hope we may count on their help toward such appropriation.

Mr. ELLSWORTH. I cannot answer that question. It has been suggested that this matter could be taken up in a deficiency appropriation bill. This is March, and the road-building program should go forward now. If additional funds are appropriated for access roads, which will help the housing program, they should be appropriated in this bill. I know that the program for additional access roads has been approved by the Housing Administrator, who will probably be the Expediter under the new bill.

Mr. ANGELL. Mr. Chairman, will the gentleman yield?

Mr. ELLSWORTH. I yield to the gentleman from Oregon.

Mr. ANGELL. May I ask the gentleman if it is not true, particularly in the Northwest area, that the major portion of this timber is owned by the Federal Government?

Mr. ELLSWORTH. About 60 percent of it, I may say.

Mr. ANGELL. This money which is allowed for forest roads and trails is really going to the Government itself to market a product which it has.

Mr. ELLSWORTH. The Government is repaid by the firm which buys the timber on an amortization basis over a period of time, so an access road appropriation is not an outright expenditure of Government funds.

I strongly urge the adoption of this amendment as necessary due to the present emergency need of logs for lumber for housing.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. ELLIOTT].

The question was taken; and on a division (demanded by Mr. ELLIOTT and Mr. ELLSWORTH) there were—ayes 15, noes, 36.

So the amendment was rejected.

The Clerk read as follows:

Soil-conservation operations: For carrying out preventive measures to conserve soil and water, including such special measures as may be necessary to prevent floods and the siltation of reservoirs, and including the improvement of farm irrigation and land drainage, the establishment and operation of conservation nurseries, the making of conservation plans and surveys, and the dissemination of information, $37,800,000: *Provided*, That no part of this appropriation may be expended for soil and water conservation operations in demonstration projects.

Mr. ALLEN of Louisiana. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am delighted that the Committee on Appropriations has seen fit to increase the appropriation for soil conservation. I note from the report that the number of soil-conservation districts has steadily increased until now we have over 1,463 and it is expected that by the end of the year we will have 1,580 districts organized. We are told that by the end of the 1947 fiscal year we will probably have 1,761 districts. This illustrates very forcefully the tremendous interest in this great program. It is Nation-wide. There is great interest in the hill sections and also in the sections of level land.

Our lands have been washing away for 150 years and the destruction has proceeded at a rapid rate during the war because we had little labor and inadequate machinery to conserve our soils. Now that the war is over it is a matter of first importance that we redouble our efforts in the great program to conserve and rehabilitate our soils so that this Nation may not be left helpless in years to come. Not only is this service needed in the hill sections, but it is needed in the valleys and level sections for drainage purposes. In Louisiana we have tens and tens of thousands of acres of the finest land in the world that is not productive because of surface water. Through this program these vast areas are being drained and placed in cultivation.

Mr. Chairman, this is a great national program, just as flood control is a national problem. We are making this year the farm-forest program a national program. This is as it ought to be. It is a matter of great interest to the people living in every section of the Nation, the city dweller as well as those living in the country, that we conserve our lands and our resources for our children and those who will be living here in the coming centuries. Any other view is shortsighted. I, therefore, commend the committee for not reducing this fund, but, on the other hand, increasing it. That is wise. That is farsighted. That is looking after those who are to come after us. That is a very wise expenditure of public funds. I hope this full sum remains in the bill. I shall oppose any effort to reduce it. It is none too large. I appeal for universal support for the Soil Conservation Service. It represents a very wise investment.

The Clerk read as follows:

CONSERVATION AND USE OF AGRICULTURAL LAND RESOURCES

For all expenses necessary to enable the Secretary to carry into effect the provisions of sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended (16 U. S. C. 590g–590q), and the provisions of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1281–1407) (except the provisions of sections 201, 202, 303, 381, and 383 and the provisions of titles IV and V), including personal services in the District of Columbia and elsewhere; not to exceed $6,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States; purchase of lawbooks, books of reference, periodicals; $257,500,000, together with $42,500,000 of the unobligated balances for the fiscal years 1944, 1945, and 1946 of the funds appropriated by section

32 of the act entitled "An act to amend the Agricultural Adjustment Act, and for other purposes," approved August 24, 1935 (7 U. S. C. 612 (c)); in all, $300,000,000, to remain available until December 31, 1947, for compliance with programs under said provisions of the Agricultural Adjustment Act of 1938, as amended, and the Act of February 29, 1936, as amended, pursuant to the provisions of the 1946 programs carried out during the period July 1, 1945, to December 31, 1946, inclusive, and, in addition, $12,500,000 for making additional payments on an acreage and pound basis for harvesting seeds of grasses and legumes determined by the Secretary to be necessary for an adequate supply of such seeds; in all, $312,500,000: *Provided*, That not to exceed $26,942,888 of the total sum provided under this head shall be available during the current fiscal year, for salaries and other administrative expenses for carrying out such programs, the cost of aerial photographs, however, not to be charged to such limitation; but not more than $7,886,480 shall be transferred to the appropriation account, "Administrative expenses, section 392, Agricultural Adjustment Act of 1938": *Provided further*, That none of the funds herein appropriated or made available for the functions assigned to the Agricultural Adjustment Agency pursuant to the Executive order (No. 9069) of February 23, 1942, shall be used to pay the salaries or expenses of any regional information employees or any State or county information employees, but this shall not preclude the answering of inquiries or supplying of information to individual farmers: *Provided further*, That such amount shall be available for salaries and other administrative expenses in connection with the formulation and administration of the 1947 programs (so long as such administrative expenses do not relate to programs exceeding $300,000,000, including administration) of soil-building practices and soil and water-conservation practices, under the act of February 29, 1936, as amended, and programs under the Agricultural Adjustment Act of 1938, as amended; but the payments or grants under such program shall be conditioned upon the utilization of land with respect to which such payments or grants are to be made, in conformity with farming practices which will encourage and provide for soil-building and soil- and water-conserving practices in the most practical and effective manner and adapted to conditions in the several States, as determined and approved by the State agricultural conservation committee for the respective States: *Provided further*, That the Secretary, may, in his discretion, from time to time transfer to the General Accounting Office such sums as may be necessary to pay administrative expenses of the General Accounting Office in auditing payments under this item: *Provided further*, That such amount shall be available for the purchase of seeds, fertilizers, lime, trees, or any other farming materials, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary in the 1946, 1947, and 1948 programs under said act of February 29, 1936, as amended, provided, however, that the Secretary of Agriculture is authorized and directed to make payments to farmers who complied with the terms and conditions of the agricultural conservation programs, formulated pursuant to sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, as amended, if the Secretary determines that, because of induction into the armed forces of the United States, such farmers failed to file, or were prevented from filing, applications for payment under any such program during the period the applicable appropriation for such program was available for obligation, such payments to be made out of the unobligated balance of the appropriation, "Conservation and use of agricultural land resources," in the Department of Agriculture Appropriation Act, 1946: *Provided further*, That an application for payment on the prescribed form is filed by any such farmer within 1 year from the date of his discharge from the armed forces, or by December 31, 1946, whichever is later: *Provided further*, That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the act entitled "An act to prevent pernicious political activities," approved August 2, 1939, as amended, or who has been found in accordance with the provisions of section 6 of the act of July 11, 1919 (18 U. S. C. 201), to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 47, lines 12 to 17, strike out beginning with the word "together" in line 12 to and including the figure "$300,000,000."

Mr. TABER. Mr. Chairman, the Budget submitted an estimate of $257,500,000 for this particular item. The committee has brought in a recommendation for an increase of $42,500,000, taking the funds out of the tariff money which was set aside for agricultural uses by an act in 1935, under the so-called Borah amendment.

This is an item where we have a tremendous amount of money paid out to agricultural committeemen and a tremendous lot paid out to farmers. The total ran $300,000,000 last year, and the Budget has recommended $257,500,000 for that purpose this year. It would seem to me that it was about time we began to be ready to go along with Budget cuts of this kind, and not raise them on every occasion. Our farmers are receiving moderately good prices, especially for grain and corn, and reasonably good prices for livestock. They are at this time in a position where they should be receiving prices for their products based upon a fair return, and I believe they are. I do not believe we need at this time to provide all of these funds for allotments to them. This is not the item where there is an agency which goes out and provides assistance to farmers in working out their problems in soil conservation; it is an item where we have these agricultural committeemen and where we have the allotments to farmers.

I hope that this amendment will be adopted and that we can save $42,500,000 to the Treasury of the United States.

Mr. TARVER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have the very highest regard for the sincerity of purpose of the gentleman from New York and for his feeling that drastic economy should be effected in governmental expenditures. I have, as I think he will testify, cooperated with him in many items which have had the attention of the Committee on Appropriations in trying to bring about needed and warranted economies. I do not feel that the action suggested by his amendment in relation to the conservation and use of land resources program, commonly known as the triple-A program, is warranted or that, if taken, it would be in compliance with what amounts to a moral obligation on the part of the Congress of the United States.

Last year in the consideration of the agricultural appropriations bill for the present fiscal year the Budget suggested that this program for the 1946 crop year should be reduced to $200,000,000, and they submitted a recommendation for the inclusion of that language in the bill. Our subcommittee struck it out, and the question was submitted to the House and thereafter to the Senate. Finally, in the adoption of the conference report, an agreement was had upon limitation of this year's program to $300,000,000. Plans were formulated by the administrative authorities upon the basis of recommendations submitted by State triple-A committees for the utilization of that amount of money. The farmers of the country have been led to believe that a program involving the expenditure of that amount of money would be carried out during the present crop year.

In my judgment there is a moral obligation on the Congress of the United States to make good the amount which it set in passing the Agriculture Appropriation Act for the present fiscal year as the limit for this program. That is the reason our committee, with the exception of the gentleman from Illinois [Mr. DIRKSEN], felt that this amount of money which the Budget had undertaken to deduct from the funds available for the present crop year program should be restored.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. VURSELL. The question I had in mind was to what the $42,500,000 was to be expended for. I believe the gentleman has partially answered the question.

Mr. TARVER. It is the sum necessary for bringing the amount involved up to $300,000,000, the amount of limitation in the program provided in the agriculture appropriation act for the present fiscal year.

The Budget desires to gradually eliminate this program. That is a question for the Congress of the United States to decide as to whether it shall be eliminated or not. It is not a program so much for the benefit of the farmers of the United States as it is for the conservation of the soil of the United States and repair of erosions of the soil and the protection of a great natural resource which, as I said on yesterday, is not the property of those who presently appear to own it but the property of future generations of Americans. I believe the people of this country want this program carried on, not in order to add to the income of farmers, but in order to protect this great natural resource. If you do not want it done, if you want the program reduced, the time to make that decision is in the enactment of the bill for the next crop year. You can place a limitation of less than $300,-

000,000 for the next crop year if you want to. There is language in the bill relating to that subject matter. Then no program above the figures designated by you will be formulated for the next crop year. But this program for which this appropriation is proposed is a program which you authorized last year. Upon the basis of your authorization, the departmental authorities have taken action; the AAA authorities in the various States in the Union have taken action; and presumably millions of farmers throughout the Nation who rely upon the limitation which you fixed in the bill for the present crop year have undertaken to meet the requirements for participation in this program, upon the basis of the figures which you named. I think it is not now a matter of good conscience to refuse to appropriate the money necessary to carry out the implied moral obligation. We hope, therefore, that the amendment will be defeated.

Mr. H. CARL ANDERSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I cannot go along with my good friend from New York on this amendment. To me, Members of the House, this $300,000,000 does not represent the same sort of money, even though it does come out of the Treasury, as the money which is spent for personnel and such.

It was upon my motion in the subcommittee that this AAA fund was restored. I called attention in our hearings to the fact that the Department, on the one hand, asked for 3,254 new personnel over 1946 and in the same breath the Budget tries to delete over $40,000,000 of direct payments to 6,000,000 farmers for soil-conserving practices.

We in the subcommittee trimmed out a good part of the over $50,000,000 requested to implement the new personnel and other ventures. It is my hope we can still further trim the sails of the good ship "bureaucracy" so as to make more efficient the great number of personnel who remain. We do have thousands of first-class men and women in our Department of Agriculture. There is, however, some driftwood that should be cut loose, but not at the expense of soil conservation. Unless we have a cooperative program among the farmers of America to keep up the fertility of our soil, we are likely to be in the same position that China is today, in the years to come.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the majority leader.

Mr. McCORMACK. As one who represents a city district, who has always supported authorizations and appropriations for this purpose, the convincing thing that prompted me, looking at it from a national interest, was that this was a real investment for our country to make. The fertility of the soil is a matter of paramount interest to all of us, no matter what our economic lot may be or where we may live. Furthermore, I have always been impressed that we are very fortunate in America to have not only a powerful industrial nation but one of the greatest agricultural nations of the world. That is very vital from the angle of national defense. That evidenced itself in no unmistakable manner during the last war.

Mr. H. CARL ANDERSEN. The gentleman is correct.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to my friend from Missouri.

Mr. ZIMMERMAN. I would like to call the gentleman's attention to the fact that our soil conservation program is a great insurance policy in favor of future generations of this country. The people of the city, who must look to the farmers for food, are just as much interested in this program as the man who lives on a farm. The most economical investment this Nation has made is in money expended in conserving the soil which is to support the future generations of this country. I hope this amendment will be defeated.

The gentleman from Illinois [Mr. DIRKSEN] yesterday pointed out what has happened to other nations. We have started in the nick of time to conserve our soil, and I am surprised that the gentleman from New York [Mr. TABER] would come in here and try to hinder a program which means so much.

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. H. CARL ANDERSEN. I yield.

Mr. TABER. This item is for allotments to farmers and is not for soil conservation. The soil conservation is the $37,000,000 item that we have passed over.

Mr. H. CARL ANDERSEN. May I say to the gentleman that I do not agree with that statement. I know the good job the gentleman has done in saving millions upon millions for the taxpayers of America. He is entitled to the thanks of our Government for his outstanding work in that line. This, however, is an investment in the future for the welfare of our children and grandchildren. Unless we do have a cooperative effort by which the farmers have an incentive to join and preserve for the future the soils of this Nation, I really fear that we will wake up some day and find for example that the great States of Iowa, Minnesota, Wisconsin, and Illinois, that great Midwest which today produces two-fifths of the food of America, will not be what we always proudly proclaimed it to be, that is, the bread basket of the Nation.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from New York [Mr. TABER].

The amendment was rejected.

Mr. TARVER. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. TARVER: On page 48, lines 21 to 23, strike out all the language within the parentheses and insert in lieu thereof the following: "amounting to $300,000,000, including administration."

Mr. TARVER. Mr. Chairman, I am presenting for the consideration of the Committee of the Whole the question to which I made reference a few moments ago. That is, whether or not you are going to authorize for the crop year 1947 program, $300,000,000. I am presenting it in language which is so definite in character as to admit of no misconstruction. It is the time now to decide whether you want to reduce the 1947 crop-year program, not next year after the plans of the Department and those of State AAA authorities and the farmers have already been completed. If we want to reduce it, reduce it now and reject my amendment and offer some other amendment to indicate a lower figure.

But if you want to fix it definitely and in such form as to enable the farmers of the country to rely upon it implicitly so that even the Bureau of the Budget cannot disregard it, then adopt the amendment which I have offered.

I may say that I have submitted this amendment to the members of the subcommittee and it is, therefore, offered as a committee amendment, since it met with their approval.

I hope the amendment will be adopted.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. POAGE. I wish to see if I thoroughly understand the amendment. The bill as now written puts on a ceiling of $300,000,000 for next year.

Mr. TARVER. Exactly.

Mr. POAGE. As I understand it, if we adopt the gentleman's amendment we have in effect approved $300,000,000 for next year without either putting it up or down; in other words, it is a kind of floor as well as ceiling.

Mr. TARVER. That is correct.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 62, noes 19.

So the amendment was agreed to.

Mr. HESELTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HESELTON: On page 49, line 1, after the word "amended", insert "which programs shall be established under a formula for the distribution of funds among the several states in accordance with the true conservation needs of said states."

The CHAIRMAN. The gentleman from Massachusetts is recognized for 5 minutes in support of his amendment.

Mr. HESELTON. Mr. Chairman, let me first express my appreciation to the Committee for not raising a point of order against this amendment, for it would clearly be subject to a point of order if one were made. I hope that what I may say in support of the amendment will lead the Committee to accept it as a constructive effort to place this soil-conservation program of the AAA on a sound basis. Yesterday during the general debate I outlined the reason for urging that the Committee adopt this amendment, and you will find that statement at pages 2031 and 2032 of yesterday's RECORD.

I wish also to refer to the hearings, pages 1692 to 1701 and also page 1953, which indicate that this is a definitely and completely nonpartisan effort on the part of the New England delegation in

Congress to create a formula for the distribution of the Federal soil-conservation funds which will reflect justly the true conservation needs of every State in the Nation. We first undertook to bring this about by a direct appeal to the Department, and I want to state frankly that we did so because we knew it could be demonstrated clearly that New England has not been receiving an equitable share of the funds devoted to this purpose. We were not successful in our efforts with the Department, and, consequently, as the record will show, we presented the matter to this Committee and received a cordial reception, for which we are very grateful.

May I call attention particularly to the testimony during the hearings with reference to the revision of this formula. There the matter is discussed extensively.

The reasons given by Mr. Dodd, who was then Chief of the Division, were that because of the pressure for money, because the requests for assistance had been so great in recent months it was necessary to adopt a new formula. However, the most significant evidence during the course of the hearings is the testimony at page 1254, which I inserted in the RECORD yesterday, when the gentleman from Washington [Mr. HORAN] asked:

> What were your reasons for saying that you think this—

Referring to the revised formula—

> is fair and just?

Mr. Dodd replied:

> I think it is as fair as any method we can develop, unless it is put entirely on a conservation-need basis.

Mr. Chairman, that is the very basis we have urged upon the Department and we believe and submit to you that is the only basis upon which these Federal funds can fairly and equitably be distributed for this program.

You will note this does not affect the current program. We recognize that the Department has already committed itself to the program for this fiscal year and while we regret it, we do not believe it will be proper or fair to attempt to change that formula as it applies to the current appropriation. But we do feel this would be an indication, if the amendment is adopted, of the dissatisfaction of Congress with the inequitable nature of the present revised formula, and definitely a clear, specific direction to the Department, now that an expression has been made by the House that we should undertake this program for the next fiscal year, that it should immediately provide another formula to govern the distribution of these funds which will justly recognize throughout the United States the actual and proven conservation needs of every State.

Those Members who have had the opportunity to read the RECORD of yesterday may be interested in the States which will be affected by this reduction, and while I will not give the amounts involved I would like to run through the 22 States where the work will be reduced substantially by reason of this change in formula.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. HESELTON. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Chairman, these States are: California, Colorado, Connecticut, Delaware, Florida, Illinois, Iowa, Kentucky, Maryland, Nevada, New Jersey, New Mexico, New York, North Carolina, Pennsylvania, Rhode Island, South Dakota, Tennessee, Vermont, Virginia, Wisconsin, and Wyoming.

It might be asked why anyone from Massachusetts is questioning the effect of this formula. I think that in and of itself the fact the entire delegation from Massachusetts, which will receive the same amount under this formula as it did last year, without regard to party, feels that this program should be put on a fair, equitable, and a scientific basis, is a sufficient guarantee of the soundness of the reasons which we have presented in support of this amendment.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. TARVER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Massachusetts [Mr. HESELTON] who has just addressed the Committee of the Whole, appeared with others before the Subcommittee on Agricultural Appropriations and presented, in my judgment, very interesting evidence concerning this important subject matter with which he is concerned. I said to him then and I say now that in my judgment since this is now a soil-conservation program, the money should be expended where it is most badly needed in correcting soil-erosion conditions and in the protection of the soil. That is the purpose of the expenditure.

So far as I am individually concerned, I have no objection to the language which he proposes in his amendment. I do wish to point out, however, that that language has no relationship necessarily to the table showing what would be the distribution of the funds involved which, at his request, has been inserted in the record of the hearings. It would be an administrative matter for the proper officials of the Department to determine as to how the funds involved in this appropriation would necessarily be distributed in accordance with true soil-conservation needs. I am not authorized to speak for the subcommittee. The subcommittee has taken no action with reference to the proposed amendment, but so far as I am individually concerned it represents my view although, as I have said, I am not committing myself, nor do I think that the Department would be committed to any particular formula of distribution of funds by supporting the amendment, nor do I think the House would be committing the Department to any proposed formula by adopting the amendment. It would still be a question for the administrative authority to determine as to how the funds should best be distributed in order to most truly conserve soil-conservation needs.

Mr. MURRAY of Wisconsin. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, it seems that the administration's agricultural face ought to be red. Here we have now another bill for a billion dollars, and we come in here and talk some more about soil conservation, but doing little. We never had a war food program until 1944. We could have plenty of food. We have the people sitting around the table down at the White House now trying to figure a way to distribute the scarcity. We are appropriating a million dollars for this and another million dollars for that, and it is too bad that the American people cannot eat dollars, because pretty soon it will be easier to eat dollars than eat food. If we keep going down the pathway we are going, money will be more abundant than food.

When we talk about this soil conservation; there never has been any attempt to allocate this money to really conserve the soil of this country. Even during this war the big land owners—and yet we talk about the family sized farm—the big land owners have been getting from $50,000 to $85,000 and the big bulk of the small farmers only obtain from $20 to $40. How much soil conservation is he going to do with that $20 bill? That $20 bill is more for New Deal conservation than it is for soil conservation, I imagine, because at least they get the check out right before election time. So far as I am concerned, I am willing to forgive and forget all of the money that has been spent in the name of "soil conservation," if the American people are now cognizant and recognize that we do have a national soil problem. But they have never really seriously attempted to conserve the soil. We are not making much progress even today. We are farther away from soil conservation than we were 5 years ago, and 5 years ago we were farther away from it than we were 10 years ago. If we are going to build up the soil in this country, there are two bases on which we have to build it. One of them is to build on the basis that the farmer will get enough for what he raises so that he can keep up his soil. That is the first requirement that he must have. The second requirement that he must have, if he is going to conserve his soil, is to be encouraged to follow a system of farming that conserves the soil like livestock farming. Livestock farming has been weakened year after year. Yet millions upon millions of dollars are being appropriated to subsidize soil depleted crops.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I have listened with a great deal of interest to the gentleman. The gentleman from Massachusetts [Mr. HESELTON] has an amendment pending. As I understand, the

gentleman is not against the amendment offered by the gentleman from Massachusetts.

Mr. MURRAY of Wisconsin. I will answer the distinguished majority leader by saying that I am against pretty near everything the New Deal does in an agricultural way, because the New Deal has an agricultural program that is upside down.

Mr. McCORMACK. I do not want the gentleman to get into the position now of hurting an amendment that it appears will be adopted.

Mr. MURRAY of Wisconsin. I see in the Star today that they have O'Dwyer coming down here from New York to tell them how to run the United States. I do not doubt but we will have Kelly-Nash down here pretty soon, and probably Hague. The time must be coming when people will not have anything to eat in this country if this is the leadership. We can sit around the table and talk about the scarcity, but that time is coming, and someone had better be doing something about it pretty soon about getting some food produced. I am not talking about it happening today or tomorrow but in the future. You can go ahead and sell these things to the people, and you sure have sold them lots of bills of goods. I am not saying anything here that I would not just as soon say in my own district.

As my friend from Massachusetts has told you, and as I can show you in connection with the amendment, there is one district in one State, one in another State, and one in another State, each of which received more money than many States.

This money has not been used to conserve the soil; the main purpose of this money has been to conserve the New Deal. It is not conserving the New Deal in a good many places, but that is what it has been used for. If they would spend as much time and energy trying to conserve the soil as they have spent trying to conserve the New Deal, that soil would be in a good deal better shape than it is today and more food would be produced.

Mr. TARVER. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS. Mr. Chairman, I asked for this time to praise the Soil Conservation Service upon its fine work. The money spent for soil-conservation purposes has yielded value received many times. Money has been wisely spent for inviting and encouraging soil-conservation practices by the farmers, both large and small.

Mr. Chairman, I have checked carefully into the work being done in my home State of Louisiana.

In fact, just before I left home to come back for this session of the Congress I attended a meeting held by the soil-conservation people along the shores of the well-known Caney Lake just north of the city of Minden, La. At that meeting, representatives of the farmers from every section of north Louisiana attended. I will say to my friend who has just spoken that the representatives there were largely of the small farmers who till the land in the hill sections of northern Louisiana, which sections are proverbially the poorer agricultural sections of my State. They came there and testified to the work which they were doing and the work which their neighbors were doing in reference to soil-conservation practices. They came there to get help, advice, and counsel from the representatives of the Soil Conservation Service who were likewise there to advise and help them in their work to rebuild the soil that had been worn down through erosion and years of cultivation in a thickly settled rural portion of north Louisiana. Mr. Chairman, I was very much interested in that meeting. I found the small farmers, some with only 40, 60, 80, or 120 acres of land, who had come there for the purpose of asking questions and swapping advice concerning farming. I can easily see that the money which was spent for soil-conservation purposes has brought much value and much return to our farmers. This portion of our agricultural program will have the benediction of the centuries, and those who come after us will thank the creative mind which has devised and the steadfast will which has executed one of the best programs of this generation.

The CHAIRMAN. The gentleman from California [Mr. PHILLIPS] is recognized.

Mr. PHILLIPS. Mr. Chairman, the remarks of the gentleman from Wisconsin [Mr. MURRAY] make very appropriate something I have wanted all afternoon to call to the attention of the members of this Committee.

The gentleman from Wisconsin [Mr. MURRAY] has several times stated a fact which should be more emphasized. That is, that the United States has not, for some years, fed itself, yet today responsible agencies of Government have very properly called upon the United States to help feed the world. I think, therefore, I should again call the attention of this Congress, as did the gentleman from California [Mr. ANDERSON], the day before yesterday, and the gentleman from California [Mr. JOHNSON], yesterday, to the fact that one-third of the Nation's foodstuffs which go into cans is being jeopardized. I do so by reading a telegram which was received by the gentleman from Ohio [Mr. JENKINS], the distinguished chairman of the Republican Congressional Food Study Committee, which telegram reads as follows:

> The greatest amount of saving of food that can be accomplished is in the settlement of the jurisdictional labor dispute in the California canning industry. If the last election was legal, the CIO should have been certified as the bargaining agent, whereas if it was not legal, which the Board decided, then the present bargaining agent should be continued until such time as an accredited election is held. Something must be done promptly or one-third of the Nation's annual crop of canned fruits and vegetables will rot in the fields.

That is signed "W. H. Albers," who I understand to be the head of a marketing group in Ohio. This telegram indicates that the jurisdictional trouble in California is not a matter of local interest but of interest to the consumers of the entire United States.

The CHAIRMAN. The gentleman from New York [Mr. TABER], is recognized.

Mr. TABER. Mr. Chairman, I think I ought to call attention to two or three things that need to be called to your attention. Soil-conservation operations are contained in a paragraph on page 45, lines 10 to 19, where $37,000,000 is appropriated.

The gratutities that are given the farmers are in the paragraph that is presently under consideration, page 46, line 24, to page 51, line 3. There are 123,000 county committeemen on the pay roll for $23,000,000. The rest of it is parceled out in small allotments. Some of the best farmers in my territory whose soil practices are the best, received nothing. Some of the poorest farmers whose practices are the worst, receive more. It is not an item that really appeals to those who are interested in the farmer, but is an item that especially appeals to those interested in handing out gratuities.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. I just want to point out that through all the years I have supported the effort of the gentleman from Kansas [Mr. REES], to distribute this money equitably between the large operators and the small operators, but up to this late hour that has not been done.

Mr. TABER. And some of the great big operators have been receiving as much as $20,000 out of it.

Mr. MURRAY of Wisconsin. One hundred and twelve thousand dollars.

Mr. TABER. One hundred and twelve thousand dollars in one payment?

Mr. MURRAY of Wisconsin. Yes.

Mr. TABER. We were told a little while ago that the New Deal took care of big business. I suppose that is so, is it not?

Mr. MURRAY of Wisconsin. That has been cut down since that time.

Mr. TABER. It has been cut down?

Mr. MURRAY of Wisconsin. Yes.

Mr. TABER. How big is it now?

Mr. MURRAY of Wisconsin. The biggest one last year was $85,000, paid to an insurance company over here in New Jersey.

Mr. TABER. Only $85,000?

Mr. MURRAY of Wisconsin. Yes; they are making progress.

Mr. TABER. That is not big business, is it?

Mr. RIZLEY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. RIZLEY. What I am trying to find out, if the gentleman can tell us, is the purpose of the amendment offered by the gentleman from Massachusetts.

Mr. TABER. Yes; I believe I can tell what it does. It provides that the funds

shall be distributed according to the conservation need.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. HESELTON].

The question was taken; and on a division (demanded by Mr. HESELTON) there were ayes 42, noes 28.

Mr. MURRAY of Wisconsin. Mr. Chairman, I make a point of order a quorum is not present.

The CHAIRMAN. The Chair will count.

Mr. MURRAY of Wisconsin. Mr. Chairman, I withdraw my point of no quorum.

Mr. MAHON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MAHON. Mr. Chairman, is it too late to ask for tellers on this vote?

The CHAIRMAN. No; it is not too late to ask for tellers.

Mr. MAHON. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the chairman appointed as tellers Mr. MAHON and Mr. HESELTON.

The committee again divided; and the tellers reported that there were—ayes 30, noes 48.

So the amendment was rejected.

The Clerk read as follows:

SUGAR ACT

To enable the Secretary to carry into effect the provisions, other than those specifically relating to the Philippine Islands, of the Sugar Act of 1937, approved September 1, 1937, as amended (7 U. S. C. 1100–1183), including the employment of persons and means in the District of Columbia and elsewhere, as authorized by said act, $53,500,000, to remain available until June 30, 1948: *Provided, however,* That none of the funds appropriated under this head shall be used for payments in amounts in excess of those determined by the Secretary to be necessary to provide returns to producers equivalent to those contemplated under the 1946 support payment programs approved by the Stabilization Administrator.

Mr. TARVER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WHITTINGTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5605) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1947, and for other purposes, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD in two instances; to include in one, statements, and in the other, the testimony of Gov. James B. Allred before the Committee on Banking and Currency relating to oil.

Mr. BATES of Massachusetts asked and was given permission to extend his remarks in the RECORD and include an address delivered by the Honorable Henry Cabot Lodge at Middlesex Club, Boston, Mass.

Mr. VOORHIS of California asked and was given permission to extend his remarks in the RECORD and include an address delivered by the President of the United States.

Mr. CRAWFORD asked and was given permission to extend his remarks in the RECORD and include a statement on the Hobbs bill by Mr. Fred Branckman.

Mr. COOLEY asked and was given permission to extend his remarks in the RECORD and include a statement by the American Plant Food Council.

COMMITTEE TO INVESTIGATE FOOD SHORTAGES

Mr. PACE. Mr. Speaker, I ask unanimous consent that the Committee To Investigate Food Shortages may have until midnight tomorrow night to file a report on butter and dairy products.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

EXTENSION OF REMARKS

Mr. MURRAY of Wisconsin asked and was given permission to extend his remarks in the RECORD in three instances, and include articles.

4–H CLUBS

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON. Mr. Speaker, it was my privilege on Wednesday morning of this week to attend a breakfast meeting of the friends of the 4–H Clubs, held in observance of National 4–H Club Week, in company with the Secretary of Agriculture, Senator CAPPER, Senator THOMAS of Oklahoma, and my distinguished colleagues, the gentleman from Virginia [Mr. FLANNAGAN] and the gentleman from Iowa [Mr. GWYNNE]. Presiding was Mr. Thomas E. Wilson, chairman of the National Committee on Boys' and Girls' Club Work, a privately supported voluntary group of public-spirited citizens, incorporated not for profit, to assist the Extension Service of the State agricultural colleges and the United States Department of Agriculture cooperating in furthering the program, membership, and influence of the 4–H Clubs.

Those of us who have worked in such fields as education and correlative spheres that influence the youth of this and other lands have long realized that the influence of the 4–H Clubs is one of far reaching, yes, of incalculable value. Eleven million men and women have had 4–H training. One million seven hundred thousand of our present youth are building themselves mentally, physically, and spiritually to take their place as strong leaders, and strong, intelligent followers as well. They are learning to farm our lands properly, to work our mines, strengthen our homes, use our money, conserve our resources, and they are doing this with stars in their eyes and a deep sense of the privilege it is to be Americans and of the responsibility that is theirs to this, the greatest of all countries, and to the world.

Two representatives of this fine group spoke at this breakfast. My distinguished colleague the gentleman from Iowa [Mr. GWYNNE], is inserting the talk given by Durwald Lyon, of his State. It is my privilege and pleasure, Mr. Speaker, to insert in the Appendix of the RECORD that of Jane Chilcoat, 8 years a member of her Maryland 4–H group. I am certain that as you read the sincerely spoken words of these two young people you will feel as I do, that the future of this country is safe in their hands.

RAILWAY LABOR ACT SHOWS THE WAY TO AVOID INDUSTRIAL WAR

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, the avoidance of the threatened railroad strike under the provisions of the Railway Labor Act furnishes a good example of the protection the public might enjoy from general industrial warfare. And the opportunity, Mr. Speaker, lies in the application of the principles of the Railway Labor Act to industrial disputes generally, as is proposed in the so-called Case bill, recently passed by the House of Representatives and now pending in the Senate.

Under the Railway Labor Act, a 30-day notice of proposed change in working conditions must be given by carrier or employees to the other. During that 30 days the National Mediation Board, created under the Railway Labor Act, is required to notify the President if efforts to adjust differences break down.

The President may thereupon create a board to investigate and report respecting the dispute, and the strike is automatically postponed for another 30 days if the Board requires that long to make its report.

And after the Board reports to the President, for a third 30-day period the law says:

No change, except by agreement, shall be made by the parties to the controversy in the conditions out of which the dispute arose.

Thus, under the Railway Labor Act, a total of 90 days may elapse during which efforts are made to adjust the disputes before a strike will take place. The Case bill does not go that far. Under its provisions, a maximum of 35 days could elapse.

In other words, the so-called cooling-off or mediation period, which some radicals have called an abridgement of the right to strike, is approximately three times as long under the existing Railway Labor Act as proposed for industry in general under the case bill.

The proposals for settlement are very similar in the Case bill to those of the Railway Labor Act, except that the Case bill does not carry the compulsions for arbitration that the existing Railway Labor Act carries. It will be remembered of course that the Case bill expressly

exempts the matters coming under the purview of the Railway Labor Act.

So to the Nation, which breathes a sigh of relief today over the averting of the threatened railroad strike, I commend the application of the principles of the Railway Labor Act to industry in general.

The SPEAKER. Under previous order of the House, the gentleman from Indiana [Mr. LAFOLLETTE] is recognized for 30 minutes.

GENERAL MOTORS STRIKE

Mr. LAFOLLETTE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include certain editorial and newspaper articles, and read from a magazine.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. LAFOLLETTE. Mr. Speaker, yesterday I charged that the action of the management of General Motors in the strike in that plant was a deliberate attempt to spread the growth of communism in the United States. This is a true observation: That when a man pursues a course of conduct which is calculated to lead to an antisocial result he is either a fool if he does not know what he is doing or a knave if he does it deliberately. Mr. Charles Wilson, the president of General Motors; Mr. Harry E. Anderson, its vice president in charge of personnel; Mr. Harry Coen, its industrial relations manager, and the Sloanes and the du Ponts for whom they speak can take either horn of that dilemma they wish. I choose to take the latter. Having thereby charged them with being knaves, I am obligated to establish that charge, and I intend to prove it.

On Saturday, March 2, Mr. Anderson made the statement that what was involved in this strike was the election to come up in the Automobile Workers Union, CIO, on March 23 in Atlantic City. In the first place, it was a gratuitous intrusion into the affairs of that union. I call to the attention of the public what the public reaction would have been had Mr. Reuther said that the failure of General Motors to make a fair settlement was predicated upon their fear of the action of the stockholders at their next annual election.

I am not the only one who saw the significance of this act of General Motors and who understands the significance of that act. The Chicago Sun on Tuesday, March 5, 1946, carried a lead editorial, which reads as follows:

DOES GM WANT TO BREAK ITS UNION?

If the General Motors management wants to score some kind of "victory" over the United Automobile Workers, and possibly smash the union leadership of Walter Reuther, its stubborn refusal to settle its strike may do the job. But the self-righteous tone of the company's rejection of the union arbitration proposal is not justified by the record. Business leaders with a sense of statesmanship might well doubt whether "victory" over 175,000 workers is worth buying at the cost of embittered future relations.

GM's Vice President Anderson, in turning down arbitration, emphasized that the company had offered an 18½-cent hourly wage increase—equal to or larger than the raises granted by other automobile companies.

But he did not mention the fact that 19½ cents was recommended by the President's fact-finding board. He did not mention the fact that, with 19½ cents, GM's wage levels would still be below Ford's and slightly below Chrysler's. He did not mention the fact that the 18½-cent offer came only after the workers had been out on strike for more than 2 months, and after Ford and Chrysler had settled their wage problems by peaceful collective bargaining.

Throughout this controversy there has been evident in GM's conduct a strain of half-frightened anxiety to defend itself, to yield no more than was inescapable, to take the offensive when possible—presumably to "teach the union a lesson."

The company reacted violently to the original union demand for higher wages without higher prices and has never ceased talking about this "radical" and "critical" issue. It canceled the union contract—as it had a right to do after the strike—and has since refused any parallel to the wartime maintenance-of-membership clause. It rejected both the fact-finders' wage proposal and their recommendation for reinstatement of the original contract. The union has made important if little-noticed concessions, but the company still refuses the settlement arbitration would make possible.

Such tactics, if pursued long enough, might force the union to abandon the strike without gaining the 19½ cents. There is a limit, always, to the length of time workers can endure payless pay days.

Defeat, if it comes, might endanger Reuther's position as UAW vice president in charge of the General Motors division. Reuther is constantly under attack from leftwing elements in the turbulent union; if GM wants to punish him for daring to discuss wages and prices together, prolonging the strike is one method of doing it. GM's Anderson introduced this issue publicly Saturday with the claim that "union politics" prevented a settlement.

The strike would not have taken place, however, had GM granted a wage increase last November comparable to those granted by its competitors. It would have been ended in January had the company accepted the fact-finders' proposal; it could be settled now on clauses less favorable to the union than in the old contract. The company can scarcely escape responsibility at this late date.

On March 6, Mr. Edwin A. Lahey, a member of the Detroit Free Press Washington Bureau, regarded as one of the leading labor writers in the country, wrote a lead article for that paper. The article is as follows:

HOW ONE PENNY CAN BAR PATH TO PACT AT GM—IT'S VICTORY SYMBOL TO BOTH SIDES—UNION POLITICS PART OF STALEMATE

(The following article analyzes the stalemate that has developed in negotiations between General Motors and the UAW (CIO). The writer, Edwin A. Lahey, of the Free Press Washington Bureau, is regarded as one of the leading labor writers in the country.)

(By Edwin A. Lahey)

The General Motors strike, now 106 days old, is a complete stalemate.

The visitor who returns to Detroit to look at the strike, after an absence of 3 months, can think only of a couple of punchy fighters refusing to fall. There the analogy stops.

In this gigantic and wasteful contest, there is no boxing commissioner who can stop the fiasco in the name of humanity.

In the matter of wage rates, which other corporations and industries have argued out with the unions, to everyone's apparent satisfaction, GM and the UAW (CIO) are a penny apart. But the bitterness of this strike has made a penny a big difference.

Why is this penny so important?

To UAW Vice President Walter P. Reuther and to his 175,000 striking members of GM locals, that penny is highly important. They feel that if they accept GM's "last offer" of an 18½-cent increase, their fight will be lost.

A Presidential fact-finding board recommended 19½ cents an hour, and after months of bitter relations with the corporation, the union is in no mood to allow GM to have the last word.

To C. E. Wilson, president of GM, to Harry Anderson, vice president, to Harry Coen, industrial relations man, that penny is equally important.

If their rejection of the Presidential proposal for a 19½-cent increase is successful, if they win a strike settlement for 18½ cents, they may conceivably scuttle Walter Reuther's ambitious career as a labor leader.

That project ranks in importance with these gentlemen second only to the resumption of automobile production in GM factories.

The feelings of the GM officials about the fiery young red-haired union official are no longer any secret, even if they haven't been expressed formally. Suggestions have found their way to other CIO officials that the GM strike could be settled if Reuther were out of the picture.

And in recent days GM officials in negotiation have taunted Reuther with the accusation that it has always taken a Phil Murray, a Defense Mediation Board, or a War Labor Board to settle his strike difficulties.

Strangely enough for a union in which political factionalism has degenerated at times into anarchy, there has been no overt break in the unity of the auto workers' officialdom.

This unity has been reflected in picket lines.

The workers have sweated out Thanksgiving, Christmas, New Year's, and now are tramping into spring. Their war savings are about depleted and only a penny separates their union officials and the corporation in the matter of wage settlement.

Yet there is no recorded instance of revolt or threatened revolt against the union leadership in all the farflung locals of GM workers.

Despite the surface unity of the union's officials there is an undercurrent of rivalry and resentment that will break out with a bang once the GM strike has been settled.

One of the big question marks in Detroit today is whether this strike will be settled before the union's national convention, which opens March 23 in Atlantic City.

To anyone who has witnessed an auto workers' convention it would seem beyond possibility that emotions growing out of the GM strike and out of the rival political ambitions of the union's top men, could be smothered.

Whatever the final judgment of the union's rank and file on the timing and the strategy of the GM strike, it is doubtful that Reuther's leadership in the strike will lift him into the presidency of the union at Atlantic City.

(In justice to Reuther, it should be noted that his ambition to be president of the UAW is attributed to him by union rivals, and not proclaimed by himself.)

A vice presidency recently vacated by Richard T. Frankensteen will probably be contested by Jack Livingston, a St. Louis local official who would have the support of Reuther, and Richard T. Leonard, head of the Ford division of the UAW.

Now, what is the significance of all this? I charge that the significance of it is that by defeating Walter Reuther, who, in my opinion, is one of the great labor leaders in America, the truly American democratic leadership of that union

will lose its most valuable member. We have had some queer statements made on the floor of this House about Walter Reuther. I want to correct several of them and then proceed with my statement. In the first place, it has been charged that Walter Reuther was receiving his salary as an official of the union while the union was on strike. That charge is false. He is donating his whole salary to the workers' strike fund. Fulton Lewis, Jr., made that charge about 2 weeks ago, and upon being advised, he retracted it. But I ask, How Mr. Wilson or Mr. Anderson or any of the rest of General Motors' highly paid officials could draw their salaries during this strike of their own making? I hope the Members of this House who have made that charge would likewise retract it. There have been some charges made here by inference that because Walter Reuther went to Russia and worked, he is a Communist. References have been made to a letter which I have never seen, but which I assume is in the RECORD, in which he is supposed to have said in writing to his father in West Virginia where he was born, "Work for the coming of a Soviet America." I do not know what he said when he was young. I am not concerned about the truth or untruth of that statement. I do know that today all of the Communists in America hate Walter Reuther more than anyone in the labor movement unless it happens to be Dave Dubinsky. I will prove that statement in just a minute, but before I do I recall that Shakespeare said, "Hell hath no fury like a woman scorned." Those who know anything about the labor movement in America know there is no fury in the world more than that of a believer in the Communist ideology against those who having looked it over in the past now reject it.

Mr. BIEMILLER. Mr. Speaker, will the gentleman yield?

Mr. LAFOLLETTE. I yield.

Mr. BIEMILLER. I compliment the distinguished gentleman from Indiana in bringing certain facts to light which badly needed to be brought to light. I would like to add just one more point about the false statement that was made on this floor regarding Mr. Walter Reuther. In a colloquy I had with one of the Members 2 or 3 days ago, that Member stated Mr. Walter Reuther had been born in Russia and educated in Russia.

Mr. LAFOLLETTE. He was born in West Virignia.

Mr. BIEMILLER. I am well aware of the fact, and the gentleman from Indiana has cited it and already read it in the RECORD, and it should be reiterated, that he was born in West Virginia and educated in the United States.

Mr. LAFOLLETTE. Now, what do the Communists of the United States think of Walter Reuther? Do not forget, my friends, that Mr. Harry Anderson, who has been in charge of personnel for this company for at least 10 years, to my knowledge, is well aware of the facts I am going to read to you, because he can find them in the magazine from which I read, which can be purchased by any American.

On June 18–20, 1945, the Communist Political Association had a plenary meeting of the national committee. That meeting was held after the French Communist, Duclos, had attacked the policy of Mr. Earl Browder in dissolving the Communist Party and forming the Communist Political Association. The events of that meeting are recorded in the magazine called Political Affairs, described, as it describes itself, as a Marxist magazine devoted to the advancement of democratic thought and action.

Earl Browder, editor; Eugene Dennis, associate editor; V. J. Jerome, managing editor.

May I call attention to the fact that this was before Mr. Browder was taken out of the party. At that meeting members of the party engaged in what I understand they designate as Marxian self-examination. Anyway, they reversed the line. In connection with reversing the line, there was reprinted in that meeting, in their magazine which carried that story, a letter which Mr. William Z. Foster had addressed to the members of the National Communist Party, United States of America, January 20, 1944. Mr. Foster was opposed to Browder's dissolution of the Communist Party. As everybody knows, William Z. Foster is the head of the present Communist Party, which is his business; but I quote from hi letter of January 20, 1944, because it is particularly important with reference to the innuendos that have been heard on this floor about Mr. Reuther and at the same time discloses what Mr. Anderson is up to.

I quote:

> Perhaps we can learn a lesson from the recent hotly contested elections for the auto workers' conventions when we—

That is the Communists—

> in the name of trade-union unity, took a neutral position and the dangerous Social-Democrat, Walter Reuther, almost won control of the convention out of the hands of the win-the-war forces.

They made many speeches at the meeting, many of which were recorded.

In that same issue of Political Affairs I read from a speech by Roy Hudson:

> We have played a decisive role in maintaining the unity of the basic win-the-war forces in the labor movement; but an examination will also lead us to conclude that our revisionist errors hindered the consolidation and strengthening of this unity, the deepening of the understanding of the masses and key forces, the exposing and defeating of Lewis, Hutcheson, Dubinsky, and Reuther, and the strengthening, to the full of our relations, with the basic sections of the working class.

Does that look like Walter Reuther was a Communist or that the Communists in America love Walter Reuther? That is what some of the people in this House would have you believe, and that is what the press of this country has been attempting to feed to the people of these United States, because, in my opinion, many elements of the press want to create social discord, class hatred, and eventually class clash in this country, and as long as I am here and this is my country I shall use this forum to denounce both totalitarians who are attempting to bring on that crash.

Now, after the change was made, the line was reversed and Browder suppressed, Political Affairs changed its description of itself. I read from the March 1946 edition, volume 25, No. 3. It is now called a magazine devoted to the theory and practice of Marxism-Leninism.

The editorial board is Eugene Dennis, editor; he was the old associate editor, V. J. Jerome, associate editor; he was connected with the old publication; Alexander Bittelman; Max Weiss; Henry Winston.

The lead article is entitled "Lessons of the Strike Struggles," by Jack Stachel.

I am quoting now:

> But, unfortunately, some of the leaders of the United Automobile Workers of America, led by Vice President Reuther, basing themselves on the erroneous conception that they could win their demands through a policy of dividing the Big Three in the auto industry, struck the General Motors plants on November 21. Whatever other motives may have entered into Reuther's consideration, it is now clear that this was a great disservice to the entire labor movement.
>
> Reuther's policy, which was supported—

Now, get who it was supported by—

> Reuther's policy, which was supported by the die-hard Social-Democratic elements in both the A. F. of L. and CIO, while it may have appeared as very militant to some, was actually one of right opportunism because it underestimated the true aims of the monopolies, was based on illusions regarding their role. In actual practice it was a direct aid to the employers because it tended to disrupt the common strategy aimed at by the CIO and its major affiliates, and threw one section of labor into battle at a time when it was inopportune to test the strength of labor as a whole. The General Motors workers will win their demands for wage increases, not because of Reuther's tactics, but in spite of them.

Does that look like Reuther is a Communist that some of the uninformed Members of this body have tried to charge by innuendo, if not otherwise?

I insert the balance of that article in the RECORD:

> Another weakness in the General Motors strike resulting from Reuther's tactics, was the manner in which he coupled the fight for wages with that against price increases. It is absolutely correct and essential for the entire labor movement and all the people to fight against price increases, for price control, and to emphasize the ability of the capitalists to grant the workers' full wage demands without price increases. We must oppose such policies, as practiced by Lewis and Dubinsky, of entering into collusion with the employers, where the labor leaders advocate price increases to compensate for wage increases. But it is another thing to do as Reuther did, so to couple wages and prices in one industry as to play into the hands of the employers and endanger the strike. Reuther, in fact, continually stated that the auto workers want no increases in wages if it can be demonstrated that they cannot be granted without price increase. We are certain he did not reflect the opinions of the GM workers in such a stand. The correct policy on this question—which essentially is being followed by the CIO under Murray's leadership—is to fight for the maximum wage demands on the basis of the workers' needs, to expose the exploitation of

the workers in the industry and the big profits of the trusts, while at the same time developing a broad, popular fight against the pressure of the trusts for price increases.

I also insert at this point a further article entitled "For a Mass Marxist Party of the Working Class," which appeared in that same edition of Political Affairs.

FOR A MASS MARXIST PARTY OF THE WORKING CLASS

(By John Williamson)

Wherever there was a functioning party—and this meant particularly where the shop clubs had been established and the district and county committees followed a concentration policy—one invariably saw the best results. For instance, in Indiana Harbor, where we had a live and active mill branch, the vote for the strike was 18 to 1. In South Chicago, in the big mill where we have long had influence and today have a branch that functions fairly well, the vote was 12 to 1. In Gary, however, where we were slow in organizing mill branches and in developing party work, the strike vote was only 5 to 1.

In the organization of the strikes themselves, including the picket lines and other activities, a similar picture was revealed.

One could give other examples, for instance, the Homestead Mill, the Cleveland Fisher Body plant, the General Motors plant in Linden, N. J., and several important General Electric shops. However, in some steel mills, or in the General Motors plants in Detroit, where we had no members or had such small party clubs that they could not influence the situation decisively, we saw stay-at-home picket lines, or passive acceptance of injunctions limiting picketing.

I insert this because it contains some interesting information which General Motors knows, of ccurse. I read just a part of it. They are discussing the effect of and the work which the members of the Communist Party are being able to do in the strike situation:

However, in some steel mills, or in the General Motors plants in Detroit, we had no members or had such small party clubs that they could not influence the situation decisively, we saw stay-at-home picket lines, or passive acceptance of injunctions limiting picketing.

I made the charge here on the floor, and I make it again, that Mr. Anderson knew what he was doing, that he is attempting to break down Walter Reuther. He does not care if the people who despise Reuther should happen to get in control, because, of course, it has always been the policy of the reactionaries, who do not want to turn loose of the power that they have, to be able to cry "Communist" in the labor union; to produce the man on horseback; and then to produce strife in the country and to destroy society.

Of course, you can understand why the Communist Party changed its line from that of Browder which was claimed to be cooperation with the capitalists. They do not have to cooperate with the capitalists, the capitalists are always ready to cooperate with them by creating a situation in which they hope to survive because they have found by experience that they have survived, in the first instance, in Spain, then in Italy, and then in Germany. It is a tragic situation with which we are confronted by GM management. A deliberate attempt to create here another Spain, another Italy, another Germany.

Now, let us see whether there is anything in this man Anderson's background to let us believe that he is not deliberately attempting to foment trouble in the CIO auto workers and that he hopes to create a situation in which the Communist elements in the labor movement in America, whom I have demonstrated by their documents despise Walter Reuther, can advance into positions of power and control.

Let us see whether Anderson is capable of such activity. I will say to you that a man who was capable of urging the use of the notorious Black Legion is capable of doing anything. As a matter of fact, his action in that case was infinitely more culpable than his hopes and intent in this case. We all know that the Black Legion was sort of the bobtailed branch of the Ku Klux Klan. They did not bother much with rituals. All they needed was a few hoods, lead pipes, and blackjacks..

What is Anderson's connection with this? Anderson's connection is determined and proved, not by anything that this LAFOLLETTE says, but by evidence in the record of the subcommittee of the Committee on Education and Labor of the United States Senate, Seventy-sixth Congress, which was investigating under a resolution "to investigate violations of the right of free speech and assembly, and interference with the rights of labor to organize collectively," commonly known throughout the country as the La Follette committee, because it was headed by that distinguished statesman, the senior Senator from Wisconsin, who happens to be the same name and a distant relative of mine, of both of which facts I am extremely proud.

The industrialists of America had in those days, back in 1936, an outfit called the Special Conference Committee, which was made up of important officers of eleven of the largest corporations in America. Its purpose was to fight the Wagner Act and all union organizing activities under that act. Its secretary was a man named Cowdrick.

On page 16784, contained in part 45 of the hearings, we find, taken from the annual report of this special conference committee, that J. M. Larkin, chairman, Bethlehem; George J. Kelday, International Harvester; C. S. Ching, United States Rubber; F. W. Pierce, Standard Oil of New Jersey; G. H. Pfeif, General Electric; Northrop Holbrook, Irving Trust; C. J. Hicks, F. W. Climer, Goodyear; A. H. Young, United States Steel; W. A. Griffin, American Telephone & Telegraph; H. W. Anderson, General Motors; W. B. Foster, du Pont; W. G. Marshall, Westinghouse; constituted the committee.

If you are interested further, let me point out to you that the 11 corporations involved at that time, at the close of business in October 1937 had gross assets of over $13,000,000,000 and that the average number of employees was 1,400,000, a sizable element, a determining element, of industrial force in the United States. Both their wealth and the number of employees involved have increased enormously since then.

Mr. Cowdrick investigated all kinds of people; particularly, he investigated labor-busting organizations. Included in his files was information about such organizations as the Crusaders, the Sentinels of the Republic, Men of America, American Union Men, Constitutional Educational League, Industrial Assurance of United Industries, Industrial and Public Relation Service, and others.

Mr. Cowdrick, on June 1, 1936, wrote to this same Harry W. Anderson of General Motors and asked him if he knew anything about the Sentinels of the Republic. Mr. Anderson said, "No," he did not know anything about them, when he got around to answering the letter on June 11, but here is the significant letter he wrote. It is on the stationery of the General Motors Corp., it is dated June 11, 1936, it is found in the hearings and the date and reference I shall insert in the RECORD:

GENERAL MOTORS CORP.,
Detroit, June 11, 1936.

Mr. E. S. COWDRICK.
New York City.

DEAR MR. COWDRICK: With reference to your letter of June 1 regarding Sentinels of the Republic, I have never heard of the organization. Maybe you could use a little Black Legion down in your country. It might help.

Very truly yours,
HARRY W. ANDERSON.

(Exhibit 7608, p. 16,945, part 45, of the Hearings on Violations of Free Speech and Rights of Labor, Subcommittee of the Committee on Education and Labor, U. S. Senate, 76th Cong. (S. Res. 266, 74th Cong., Jan. 16, 1939).)

If you think that is funny, let me show to you just how funny it is. Suppose he had said, "Maybe you could use a little 'Jew baiting' down in your country," or suppose he had said, "Maybe you could use a little 'nigger hating' down in your country," you would understand then, would you not? You would know then that a man who could even discuss such odious terms or such low, foul standards, or had them in his mind could not even have been facetious about them. So I do not care whether he was facetious or not. I say that by his own letter this man, Anderson, is branded before the bar of public opinion as a monstrous person in the eyes of every decent man in America. That is the man who says and has the temerity to say that maybe what is involved in the General Motors strike is the coming election in the auto workers union.

Oh, yes, Mr. Anderson; you know what is involved in the coming election. What is involved in the General Motors strike has nothing to do, as far as anyone knows, with the coming election. There is no charge, as Mr. Leahy pointed out, that Mr. Walter Reuther has ever pointed out that he wants to be advanced to leadership of the CIO. But Mr. Anderson hopes to hold up settlement so that Reuther is discredited. Having dealt with something as low as the blackshirts, Mr. Anderson has no compunctions now about creating a situation where the "commies" can come into power. For then, 2 years later, when the public has forgotten his foul deed, he can scream, "Communists in the labor movement" to a bewildered public.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. LAFOLLETTE. I yield to the gentleman from Michigan.

Mr. HOFFMAN. If we assume that the officials of General Motors who are carrying on these negotiations have personal feelings against Reuther—I say, assuming that, and getting that thing out of the way—does the gentleman know of any other reason why the strike in General Motors should not be settled when so many others have been?

Mr. LAFOLLETTE. I have attempted to draw my case, may I say to the gentleman, and, in my opinion, the reason that it is not settled is because the General Motors executives want to break Mr. Reuther and discredit him in that union, because he is the most outstanding, able officer in that union.

Mr. HOFFMAN. The gentleman says that that is his charge.

Mr. LAFOLLETTE. That is my charge.

Mr. HOFFMAN. For the purpose of the argument here we will admit that, but does the gentleman know of any other reason why the General Motors strike should not be settled when so many other strikes in Detroit and in that area have been settled?

Mr. LAFOLLETTE. No; I do not know of any other. However, the very fact that I can think of no other reasonable one, contributes to the establishment of my charge by most rules of evidence.

Mr. HOFFMAN. Did it ever occur to the gentleman that perhaps General Motors maybe could not afford to pay or perhaps they did not care to have Mr. Reuther or his associates tell them how to run their plant? Might not either or both of those reasons be back of the lack of settlement?

Mr. LAFOLLETTE. May I answer the gentleman's first charge that General Motors cannot pay? They had the right to prove, if they had produced the books and showed their operations and their possibilities of 1946 sales, and the mere fact that they failed to do that, having it within their power to do so, as the gentleman knows, being an able lawyer, charges them with having the capacity to do so because of their refusal to disclose whether they could or not.

The SPEAKER. The time of the gentleman from Indiana has expired.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that the gentleman be permitted to proceed for 10 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. LAFOLLETTE. May I answer the second charge? The gentleman mentioned two things, and I only answered one. The second charge that the gentleman makes is this——

Mr. HOFFMAN. No; I am not making any charge. I am asking a question.

Mr. LAFOLLETTE. All right; let us say the question that the gentleman addressed to me. However, in it is implied a charge, I think.

Mr. HOFFMAN. The gentleman is saying now that if I do not make it directly I am implying a charge. If I want to make a charge I will make it directly. I am not trying to make directly or indirectly any charge, I am just seeking some information.

Mr. LAFOLLETTE. All right. I will repeat the gentleman's question to him, and then I will let the gentleman, who is an eminently fair person in the treatment of his colleagues here, judge what the nature of the question is.

The second question, as I recall—we have talked so much now it is hard to get back to it—was that maybe General Motors did not want Mr. Reuther and some of his people telling them how to run their business. I think that is an implied charge. The gentleman may think otherwise. I know of no fact upon which to base that charge.

Mr. HOFFMAN. Is it not a fact that for several years now labor has been seeking a place in management, a part in management, that it wants a representative of labor in management? Is not that true? Is not that beyond controversy, even?

Mr. LAFOLLETTE. No; just the opposite, I think, is true, and I will quote my authority. I will have to get it and the gentleman will have to accept it. Madam Perkins made a speech about a week or 2 weeks ago which I picked up in the New York Herald Tribune in which she said that labor only wanted wages and fair working conditions, and that labor did not ask for a part in management. If that is not an accepted fact generally, Madam Perkins, who has just stepped out of the Labor Department, should be better acquainted with that fact than my colleague, I think.

Mr. HOFFMAN. Let me call the gentleman's attention to this. What office does Mr. Carey hold with the CIO? Is he not secretary-treasurer now?

Mr. LAFOLLETTE. He is secretary-treasurer.

Mr. HOFFMAN. Formerly he was president of the electrical workers, was he not?

Mr. LAFOLLETTE. Yes. We are digressing a little, but go ahead. I wanted to talk about General Motors.

Mr. HOFFMAN. At that time, I recall very distinctly, in a discussion over the radio and for an hour and a half after the discussion was over, Mr. Carey advanced the proposition that labor was entitled to a share in management, entitled to a share in the profits; and it has been my understanding for more than a year that one of the objectives has been a part in management. They want a man in management.

Mr. LAFOLLETTE. My friend knows as well as I do that in no court of law could he prove anything against Walter Reuther by a statement of Jim Carey.

Mr. HOFFMAN. Suppose Walter Reuther did want a part in management. His proposition was that General Motors had the money. Assuming that is true, he wanted to distribute a part of that money as wages. The gentleman will agree to that. My point is that it is up to management to say, if they have $1,000,000 or $10,000,000,000, how much of that shall be used for repairs, for replacements, for extensions of the business to provide new jobs, and also for research.

Mr. LAFOLLETTE. Of course, the gentleman does not want me to attribute to General Motors his point of view, either. The gentleman is not speaking for General Motors.

Mr. HOFFMAN. No. I do not have any of their stock and, unless an Oldsmobile is made by General Motors—I do not know whether it is or not—I am not interested in the company.

Mr. LAFOLLETTE. Since other statements have been attributed to Mr. Reuther, I cannot very well answer the gentleman because I cannot attribute the gentleman's point of view to General Motors. But I am going to answer the gentleman as far as LAFOLLETTE is concerned, and let us make this very clear. The greatest man the Republican Party ever had, a man by the name of Abraham Lincoln, whose republicanism I think I follow, said that labor is the greater and comes first. A fair part of the wealth which is produced by the work of man upon tools which other men may own is the first consideration of any honest, inteligent, socially conscious management in this country today, set aside before all these other things.

I also say to my friend, as far as LAFOLLETTE is concerned—I do not speak for General Motors, I do not speak for Walter Reuther, I speak for LAFOLLETTE—if we do not evolve in America a system whereby we spread the basis of ownership in mass production, industry so that people feel they have a real share in the job they are doing, we are going to get some vicious form of totalitarianism of the left or the right. This is definitely what I think. I have said it before. I do not hesitate to say it now. I do not know whether the development of the union movement in America is strong enough or whether its teachings have been strong enough so that today it is capable of having a right to participate in these decisions, together with the responsibility for them and accepting the responsibility for the errors of those decisions, if there is a real participation. But I disagree with the proposition that a union is an end in itself. To me, a labor union is a means to an end. That is, the development of a democratic capitalism in this country, and that is what LAFOLLETTE believes in.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. LAFOLLETTE. I yield.

Mr. HOFFMAN. I think no one disagrees with the gentleman that labor should have a fair share in the earnings. The only disagreement arises in the question as to how much that share should be in each case. The fundamental question, as I get it, which is at the bottom of all these controversies where unions contend that they should have a share in the profits is the question as to whether management or the representatives of labor are to say how much of any accumulated surplus or what you might call profit is going to be used in the coming year to pay the wages and how much is to go into these other things

that I have mentioned. Is that not the issue?

Mr. LAFOLLETTE. All right. I think it is the issue. Now, may I answer the gentleman as well as I can. In the first place, the President's fact-finding committee found that a 19½-cent increase was fair. Unfortunately, the President today apparently has said he will have nothing more to do with it. So we have a situation, in my opinion, where the President of the United States is leaving one of the greatest leaders of the American laboring movement with his future in jeopardy, because he refuses to back up the fact-finding board which he originally appointed. That is No. 1. To further answer the gentleman: No. 2, if we are going to determine what reasonable share of the wealth produced should go to the worker, who comes first in any industrial society and a democracy that amounts to anything, it is fundamental that there must be an open discussion involving the prospect of future earnings and an open discussion of the capacity to pay. May I say to the gentlemen before I came here, if I may cite my personal experience, I had a rather unusual law practice. I represented labor unions and I represented a good many insurance companies and some corporations. I know of two occasions where the corporations which I represented back in 1936 and 1935, which were in hard times, wanted the workers to come in and look at their books so that they could demonstrate that they could not pay a wage increase.

And in those days, although I do not think the workers were sufficiently wise or concerned, they said, "We do not even want to look at your books. We would not know whether they were honest or not." I think that made for industrial anarchy. This question of looking at the books depends largely upon whose ox is being gored. I think if we are going to develop the kind of economy in this country that I want to see we will have bona fide bargaining with intelligent people, about a fair distribution of the wealth which is produced and held by the corporations because, may I call my colleague's attention to this fact which is one of the disturbing elements in capitalism as it exists today, if I own stock in General Motors and I wish to sell that stock, no matter what the market value may be, an element in the value or the price that I receive for that stock is the surplus or reserve which that corporation holds. That surplus or reserve was created out of the wealth which was produced by the worker working at the machines. But only the owner of the machine today gets that extra wealth.

The SPEAKER. The time of the gentleman from Indiana has expired.

Mr. LAFOLLETTE. Mr. Speaker, I ask unanimous consent to proceed for five additional minutes.

The SPEAKER. Without objection, it is so ordered.

Mr. LAFOLLETTE. The man who works walks out of that plant without anything after spending in many instances 25 years in the plant and we today are talking begrudgingly about social security. But he takes no share in that wealth, but the stockholder can.

Mr. HOFFMAN. Let me ask you why he does not have a share in it.

Mr. LAFOLLETTE. Because we have not evolved a sense of justice and responsibility, in my opinion, which will produce a method which will give him a share.

Mr. HOFFMAN. Because he does not own any stock. That is the reason, is it not?

Mr. LAFOLLETTE. Well, yes. That is the reason. Here is the fallacy of my colleague's argument. I have always said that simply because a man owns stock, which is a share of the tool, that he was not necessarily entitled to all of the excess wealth created under capitalism. I find nothing in the basic tenets of capitalism which prohibits the granting of a portion of the actual value of the total wealth produced to the labor of the man who works in the plant to develop the wealth, or that necessarily denies to him a share of that excess wealth which he produces over and above the wage and over and above a fair rental for the use of the tool.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield further?

Mr. LAFOLLETTE. Surely

Mr. HOFFMAN. Then, it is your argument that the employee comes first and must be paid first. Of course, he must be paid, otherwise he could not work, but he must have an adequate wage or he cannot work.

Mr. LAFOLLETTE. And he has a real interest in what happens.

Mr. HOFFMAN. And then there is nothing to give the stockholders and the business is out?

Mr. LAFOLLETTE. The business is out, and the tool must be kept. Also the worker is out when the tool is not used.

Mr. HOFFMAN. And the stockholders are wiped out.

Mr. LAFOLLETTE. That is a part of collective bargaining also, my friend.

Mr. HOFFMAN. Now, the gentleman said we should have a system in this country whereby the workers should have security. There is not any reason, is there, under our system and our practice, why any man who is an employee and has a hundred dollars cannot buy stock? It is on the market, is it not?

Mr. LAFOLLETTE. All right. Now, let me close.

Mr. HOFFMAN. I thought you wanted to educate us. I am sorry I came over, if that is the way you feel about it.

Mr. LAFOLLETTE. I will educate the gentleman, if he will listen.

Mr. HOFFMAN. But I have listened, and when I get a doubting mind and want to ask a question you do not want to answer me.

Mr. LAFOLLETTE. I got five additional minutes and the gentleman wants to take four of them. I thought the gentleman was a pretty fair fellow.

Mr. HOFFMAN. I will be glad to ask the Speaker for additional time.

Mr. LAFOLLETTE. You have taken up 4 of the 5 minutes.

Mr. HOFFMAN. Mr. Speaker, I will ask that the gentleman have as much more time as he may desire to conclude.

The SPEAKER. Is there objection?

Mr. SIKES. Mr. Speaker, reserving the right to object, and I shall not object, but I hope the gentleman will be considerate of others who have special orders.

Mr. LAFOLLETTE. I will be considerate. If my friend will let me answer, I will close in a few minutes.

Mr. Speaker, I ask unanimous consent to proceed for four additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. ARNOLD. Mr. Speaker, will the gentleman yield?

Mr. LAFOLLETTE. I yield.

Mr. ARNOLD. What will be the attitude of labor when the firm for which he is working has losses? We are talking about profits. What will happen when there are losses?

Mr. LAFOLLETTE. I cannot speak for labor. I think labor today is one of the most conservative forces in America. It has very little to back up on, to risk. It has no reserves, but I am trying to say that if we begin to think about these things, to educate ourselves on these things, if we are to be preserved and permitted to live and exist between the forces of arch reactionary on the right, who wants totalitarian fascism, and the Communist on the left who wants communism, we must work out some method in this country in which if a man is to receive a proportionate share when there is an extra profit, and he has real participation in the decisions that are to be made, I mean real participation, then any man who is worthy of being a man is willing to take the consequences, assuming he has real participation in the decision.

Those conditions do not exist today. I cannot say that Mr. Reuther endorses any of the things that I have said; I do not know, I have never discussed them with him. We got off onto what LAFOLLETTE thinks, and I am saying that because I think I am obliged to say what I think as long as I accept public office. It is one of the responsibilities that goes with holding it.

I want to close by saying that if I were a member of the Un-American Activities Committee, on the basis of the record I have read here, I would call Harry Anderson down here, I would call Charles Wilson down here, and I would say to them: "Look here, what is it you are trying to do when you are talking about the coming election and the strike settlement is being controlled by that, in the face of this record and the fact that you know that the Communists in America despise Walter Reuther?"

I would ask Mr. Wilson and Mr. Anderson: "Are you trying to separate our country? Are you trying to push them, our people, into a class struggle? Are you trying to destroy decent Americans' labor leaders in the United States?"

And I would say: "I want you to answer under oath as to what your purposes are and as to what your intentions are."

For myself, as long as I am here I will continue to fight all men who want strife and hate, because I want to help produce a real, decent America in which I can live and my child and my neighbor and his child can live now and in the future.

Anyone who wants to destroy our chances for such a future is un-American. I charge that Charles Wilson, Harry W. Anderson, Harry Coen, Alfred Sloan, and the du Ponts in GM are un-American! that they are deliberately seeking to spread communism and that the Un-American Activities Committee should investigate their actions.

The SPEAKER. Under the previous order of the House the gentleman from Florida [Mr. SIKES] is recognized for 10 minutes.

MR. ICKES AND MR. PAULEY

Mr. SIKES. Mr. Speaker, yesterday a situation was brought into sharp focus which I believe warrants the close and continued attention of the House—and for that reason I would like briefly to explain it here.

Before a hearing of the Senate Naval Affairs Committee on the question of approval of the nomination of Edwin W. Pauley for the post of Under Secretary of the Navy, Mr. Harold L. Ickes not only contradicted himself to an extent unusual even for the ex-Secretary of the Interior, but in so doing revealed an amazing paradox.

Mr. Ickes said that while he would not necessarily oppose Mr. Pauley's appointment to other positions of trust and responsibility in the Government, he was forced to disapprove the pending nomination. In support of his position, Mr. Ickes said:

> I do not think that a man actively in the oil business should be Secretary of the Navy, or Under Secretary or Assistant Secretary.

In almost the same breath, he referred to the Navy's Elk Hills field as a reserve "where a very bad operational project has been carried on from the very beginning." He went on to say:

> The Navy has allowed probably 150,000,000 barrels of oil over the years to be drained away from that field. They didn't have sense enough to put down offset wells, protect their own holdings, and no one seemed to care.

Those are Mr. Ickes' exact words—and he is something of an authority on petroleum matters. From one side of his mouth he says no oil man should hold high office in the Navy Department, not only Mr. Pauley but any and all men connected with the oil business. Out of the other side of the same mouth comes evidence that because of ignorance of the subject and perhaps, as Mr. Ickes suggests, "no one seemed to care," the Navy has wasted some of its precious petroleum reserves.

I cannot attest to the absolute accuracy of Mr. Ickes' figure of 150,000,000 barrels. The actual amount is immaterial. If any oil at all has been wasted, that in itself is sufficient cause for concern.

A few days prior to this, Secretary of the Navy Forrestal testified before the same committee that when a certain contract in respect to oil production in Elk Hills reserves had been legally drawn it was sent to a civilian oil man for his criticism and suggestions.

The conclusion to be drawn from these two statements is apparent. Despite the fact that Mr. Ickes and others are taking the stand that an active oil man cannot occupy a top Navy Department chair, it would seem that the contrary is highly important—that somewhere in the Navy Department, and in the War Department, as well, an experienced and thoroughly capable oil man should occupy a position of commanding authority. How else can the Department adequately and effectively cope with the increasingly important problems which constantly confront these two services, problems which are of vital importance to the Nation's security?

There is no need to dwell on the indispensability of petroleum to America's basic economy as well as its wartime essentiality. Without oil in its many forms the Navy cannot sail a ship out of harbor, the Army advance a single tank 1 inch across a battlefield, or the Air Forces launch a single plane into the air. Nor can ships, tanks, or planes even be constructed.

Sound business and administrative practice demands experts where experts are needed. The Army and Navy both have their own staffs of petroleum specialists, the lack seems to be the absence of an over-all expert in the high places to coordinate and encourage the activities of the specialists, a man who speaks and understands oil in the Navy way. By expert I do not mean any classroom theorist or even any regular officer regardless of his rank, record of capabilities, who has gained his knowledge second hand during his tours of shore duty. I mean a practical, experienced, two-fisted and able man out of the oil business who has been through the mill and knows all the details of this highly complex and specialized industry—such a man as Mr. Ralph K. Davies, Deputy Petroleum Administrator for War, has so thoroughly demonstrated himself to be—such a man as Mr. Pauley obviously is.

In a report presented to a Senate Special Committee to Investigate Petroleum Resources, Senator O'MAHONEY, its chairman, remarked:

> What we have done for the war is certainly a challenge to us now, to perform for peace. We cannot rest upon the victory; we must prepare for the future.

The fact that a certain group of both insiders and outsiders is aggressively advancing a philosophy which would bar practical oil men from Navy service most assuredly militates against one vital phase of adequate preparation. It is a preposterous doctrine which can only result in harm to both Army and Navy by perpetually denying them the services of men who most certainly could prove invaluable to their essential activities.

To even intimate, as this doctrine clearly does intimate, that there is some stigma which disbars men of the oil business from serving in executive capacity with either branch of the armed services is to cast a gratuitous insult at an entire industry. Furthermore, at an industry whose members gave unstintingly of their energy and brains that the Allied Nations might have all the oil they required, regardless of the extent of their demands.

In commenting on this, Senator O'MAHONEY said:

> I have no hesitation in saying that no achievement in all the history of wartime and of industry ever exceeded the achievement made by the Petroleum Administration for War.

The men essentially responsible for this unprecedented performance were oil men, of the very same group Mr. Ickes and the others now declare should not sit in the high councils of the Navy Department. That just does not make sense not by any logical process of reasoning.

Mr. Ickes and others so-minded, surely must be aware that the Nation is fully protected against depredations on the naval oil reserves or malfeasance on the part of Navy officials by Public Law No. 343.

I trust that Members of the House do not entertain this same fantastic theory. And I hope that some action soon will be completed which will lead to inclusion of qualified and experienced petroleum experts in both branches of the armed services.

This whole matter is, I am sure, of sufficient moment to command the most thoughtful consideration of all Members of this body.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. SHERIDAN (at the request of Mr. D'ALESANDRO), for 10 days, on account of illness.

ENROLLED BILLS SIGNED

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1090. An act for the relief of Mrs. Margaret McWilliams;

H. R. 2748. An act for the relief of the Dubuque & Wisconsin Bridge Co.;

H. R. 3224. An act for the relief of Mrs. Lionel Comeaux and New Orleans Public Service, Inc.;

H. R. 4027. An act authorizing sale of the allotment of LeRoy Milliken on the Crow Indian Reservation, Mont.;

H. R. 4034. An act authorizing the issuance of a patent in fee to Alice Yarlott Othermedicine;

H. R. 4035. An act authorizing the issuance of a patent in fee to Wilbert Keiser; and

H. R. 4269. An act for the relief of Ida Barger, Hazel A. Beecher, Etta Clark, Jesse Ruth France, John W. Nolan, Anna Palubicki, and Frank J. Schrom.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 176. An act for the relief of the city of Memphis, Tenn., and Memphis Park Commission;

S. 1532. An act to authorize the appointment of certain persons as permanent brigadier generals of the line of the Regular Army;

S. 1535. An act to authorize the Secretary of War to convey certain lands situated within the Fort Douglas Military Reservation to the Shriners' Hospitals for Crippled Children; and

S. 1637. An act for the relief of Herbert C. Rockwell.

ADJOURNMENT

Mr. SIKES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 3 minutes p. m.) the House, pursuant to its previous order, ad-

journed until Monday, March 11, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Federal Trade Subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m., Monday, March 11, 1946.

Business to be considered: Continuation of public hearings on H. R. 2390, a bill to amend the Federal Trade Commission Act. Opposition witnesses will be heard.

There will be a meeting of the Public Health Subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m., Monday, March 11, 1946.

Business to be considered: To commence hearings on the bill S. 191, an act to amend the Public Health Service Act to authorize grants to the States for surveying their hospitals and public-health centers and for planning construction of additional facilities, and to authorize grants to assist in such construction.

COMMITTEE ON THE JUDICIARY

On Wednesday, March 13, 1946, Subcommittee No. 1 of the Committee on the Judiciary will hold hearings on the following bills, relating to United States commissioners: H. R. 2460 (S. 346), H. R. 2461 (S. 345), H. R. 2462 (S. 344), and H. R. 2464 (S. 344).

The hearing will begin at 10 a. m. and will be held in room 346, House Office Building.

On Monday, March 18, 1946, Subcommittee No. 3 of the Committee on the Judiciary has scheduled a hearing on the bill (H. R. 5234) to authorize the Federal Security Administrator to assist the States in matters relating to social protection, and for other purposes.

The hearing will begin at 10 a. m., and will be held in room 346, House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1123. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal by various Government agencies; to the Committee on the Disposition of Executive Papers.

1124. A letter from the Postmaster General, transmitting a draft of a proposed bill for the relief of certain postmasters; to the Committee on Claims.

1125. A letter from the Postmaster General, transmitting a draft of a proposed bill relating to mail service on Lake Winnepesaukee, N. H.; to the Committee on the Post Office and Post Roads.

1126. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal years 1946 and 1947 in the amount of $12,816,000, for the Department of State (H. Doc. No. 499); to the Committee on Appropriations and ordered to be printed.

1127. A communication from the President of the United States, transmitting a draft of a proposed provision pertaining to existing appropriations for the fiscal year 1946 for the Department of State (H. Doc. No. 500); to the Committee on Appropriations and ordered to be printed.

1128. A letter from the Chairman, National Mediation Board, transmitting quarterly estimate of personnel requirements for the National Mediation Board, including the National Railroad Adjustment Board and the National Railway Labor Panel, for the period ending June 30, 1946; to the Committee on the Civil Service.

1129. A letter from the Chairman, Reconstruction Finance Corporation, transmitting report of its activities and expenditures for the month of September 1945; to the Committee on Banking and Currency.

1130. A letter from the Chairman, National Mediation Board, transmitting a copy of the eleventh annual report to Congress of the National Mediation Board, including the report of the National Railroad Adjustment Board; to the Committee on Interstate and Foreign Commerce.

1131. A communication from the President of the United States, transmitting the budget for the Navy Department and naval service for the fiscal year 1947, containing estimates of appropriation amounting to $3,725,186,000 cash, and $275,000,000 contract authorizations, and in addition, there is authorized the transfer of $550,000,000 between certain appropriations (H. Doc. No. 501); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PACE: Select Committee To Investigate Supplies and Shortages of Food, Particularly Meat, submits a report pursuant to House Resolution 195, Seventy-ninth Congress, first session, on the dairy situation (Rept. No. 1688). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BUTLER:

H. R. 5714. A bill to provide permanent additional compensation for postmasters and employees of the postal service; to the Committee on the Post Office and Post Roads.

By Mr. STEVENSON:

H. R. 5715. A bill to provide for the mobilization of the scientific resources and knowledge of the United States for the purpose of seeking the causes and cure of cancer, poliomyelitis, and certain other diseases of mankind; to the Committee on Interstate and Foreign Commerce.

By Mr. HOBBS:

H. R. 5716. A bill to amend the Second War Powers Act, 1942, as amended; to the Committee on the Judiciary.

By Mr. KILDAY:

H. R. 5717. A bill to amend the Selective Training and Service Act of 1940, as amended, so as to extend the benefits of the Employees' Compensation Act to conscientious objectors; to the Committee on Military Affairs.

By Mr. McMILLAN of South Carolina:

H. R. 5718. A bill to facilitate the liquidation of Washington Railway & Electric Co.; to the Committee on the District of Columbia.

H. R. 5719. A bill to amend the act entitled "An act to authorize black-outs in the District of Columbia, and for other purposes," approved December 26, 1941, as amended; to the Committee on the District of Columbia.

By Mr. EBERHARTER:

H. Res. 547. Resolution to create a special committee of the House of Representatives to investigate campaign expenditures, 1946; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRETT of Wyoming:

H. R. 5720. A bill for the relief of Marcus M. Schaffner; to the Committee on Claims.

By Mr. BROWN of Georgia:

H. R. 5721. A bill for the relief of Jessie Thompkins; to the Committee on Claims.

By Mr. CASE of South Dakota:

H. R. 5722. A bill for the relief of Charles L. Cannon; to the Committee on Claims.

By Mr. COURTNEY:

H. R. 5723. A bill for the relief of Albert (Jack) Norman; to the Committee on Claims.

By Mr. GIFFORD:

H. R. 5724. A bill for the relief of the Crosby Yacht Building & Storage Co., Inc.; to the Committee on Claims.

By Mr. LEONARD W. HALL:

H. R. 5725. A bill for the relief of Sadie Frey and the estate of Marie Hviding; to the Committee on Claims.

By Mr. KEFAUVER:

H. R. 5726. A bill granting 6 months' pay to Elizabeth Walter Brown, widow of late Lt. Comdr. Carl A. Bostrom, United States Navy; to the Committee on Naval Affairs.

By Mr. McGEHEE:

H. R. 5727. A bill confirming the claim of Cary H. Spurlock to certain lands in the State of Mississippi, county of Amite; to the Committee on the Public Lands.

By Mr. O'KONSKI:

H. R. 5728. A bill for the relief of Marian Chudecki; to the Committee on Immigration and Naturalization.

By Mr. SIKES:

H. R. 5729. A bill for the relief of Albert J. Jenkins; to the Committee on Claims.

By Mr. WOOD:

H. R. 5730. A bill for the relief of the legal guardian of Ralph Stanfield, a minor; to the Committee on War Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1683. By Mr. BRYSON: Concurrent resolution adopted by the South Carolina House of Representatives, urging the use of South Carolina farm products in the national and world food programs; to the Committee on Agriculture.

1684. Also, a concurrent resolution of the House of Representatives of the State of South Carolina to authorize and direct the commissioner of agriculture and the State forester to take immediate steps in an effort to have the Office of Price Administration correct discriminating price ceiling on pulpwood in South Carolina as compared with prices in other States; to the Committee on Banking and Currency.

1685. By Mr. GOODWIN: Petition of Essex County (Mass.) Commissioners, for initiation of legislation or support of pending bills for amendment to Public Law 346 to provide unemployment compensation to World War II veterans unemployed by reason of labor disputes; to the Committee on World War Veterans' Legislation.

1686. By Mr. LUTHER A. JOHNSON: Petition of La Fayette Reed, Legion, Tex., favoring House bill 3960; to the Committee on World War Veterans' Legislation.

1687. By Mr. NORBLAD: Petition signed by John Earl Hosmer and 44 other citizens of Silverton, Oreg., urging prompt enactment of the Townsend bills, House bills 2229 and 2230; to the Committee on Ways and Means.

1688. By Mr. WELCH: Petition signed by 77 persons residing in San Francisco and nearby cities, for the continuation of the Office of Price Administration; to the Committee on Banking and Currency.

1689. Also, petition of California Senate Resolution No. 41, re memorializing the Congress of the United States to make a thorough investigation of the United States Forest Service and the basis of its policies for the purpose of enacting legislation which would prevent certain evils and limit the service to the performance of administrative functions; to the Committee on Agriculture.

1690. By the SPEAKER: Petition of Circuit No. 8 of the American Relief for Poland, petitioning consideration of their resolution with reference to aid to Poland; to the Committee on Foreign Affairs.

1691. Also, petition of the Hampshire Heights Citizens' Association, petitioning consideration of their resolution with reference to protesting any cut in the District of Columbia appropriations; to the Committee on the District of Columbia.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 11, 1946

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Merciful Father, in a day so full of change and antagonisms, persuade us that it is faith that nourishes life and hope that sustains it. Wisely and humbly help us to devote ourselves to the just claims of our fellow men. With united hearts and minds, grant us to serve with no thought of reward, to toil without seeking personal aggrandizement.

We praise Thee that from humblest beginnings in our land have come contentment and a sense of well-being, with confidence in the future and a certainty that right will prevail. Give a new sense of urgency to the indifferent, for the hour is earnest and demanding. Help us to watch carefully the things that might annoy or make a rift in the lute that will end in bitterness and disappointment. O guard the portals of our impetuous lips that the words of our mouths and the meditations of our hearts may be acceptable in Thy sight, O Lord, our strength and our redeemer. Amen.

The Journal of the proceedings of Friday, March 8, 1946, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 4884. An act to relieve certain employees of the Veterans' Administration from financial liability for certain overpayments and allow such credit therefor as is necessary in the accounts of Guy F. Allen, chief disbursing officer.

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 55. Concurrent resolution authorizing the Senate Special Committee to Investigate the Production, Transportation, and Marketing of Wool to have printed for its use additional copies of part 6 of the hearings held before said special committee during the first session, Seventy-ninth Congress, relative to the production, transportation, and marketing of wool.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1354) entitled "An act to authorize the permanent appointment in the grades of general of the Army, fleet admiral of the United States Navy, and general in the Marine Corps, respectively, of certain individuals who have served in such grades during the Second World War," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. THOMAS of Utah, Mr. JOHNSON of Colorado, Mr. HILL, Mr. AUSTIN, and Mr. BRIDGES to be the conferees on the part of the Senate.

The message also announced that the President pro tempore has appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following Departments and Agency:

1. Department of Justice.
2. Department of the Navy.
3. Department of War.
4. Alien Property Custodian.

HOUSE RESOLUTION 543—APPROPRIATIONS CONTINUED

Mr. COCHRAN. Mr. Speaker, by direction of the Committee on Accounts, I submit a privileged resolution (H. Res. 548) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the appropriation contained in House Resolution 387 of the Seventy-eighth Congress is hereby continued during the Seventy-ninth Congress for the same purposes and under the same conditions as authorized by House Resolution 387 of the Seventy-eighth Congress.

Mr. MARTIN of Massachusetts. Mr. Speaker, if the gentleman will yield, will he please explain this resolution?

Mr. COCHRAN. Mr. Speaker, in the last Congress the House provided for a limitation on appropriation bills denying the right of anyone to pay any part of that money to three individuals. Those three individuals then went into the Court of Claims. It was necessary for the House to appoint its own legal representatives to defend this action, as the Department of Justice does not represent the House of Representatives but represents the executive branch of the Government. Attorneys were employed and served during the Seventy-eighth Congress and appeared before the Court of Claims. The case was appealed to the Supreme Court. Those attorneys have been working. They did not put in any bills during the Seventy-eighth Congress, although they were employed.

The $15,000 that we appropriated was not touched, but I am advised that a continuing resolution is necessary in order for the Committee on Appropriations to pay the lawyers that they have employed, and this is simply a continuation of the appropriation.

Mr. MARTIN of Massachusetts. Why did they not put in their bills before this?

Mr. COCHRAN. The gentleman from North Carolina [Mr. KERR] might be able to tell the gentleman that. I asked Judge KERR, and he said that they had not put in any bill.

Mr. MARTIN of Massachusetts. May I ask the gentleman from North Carolina why they did not put in their bills before this?

Mr. KERR. Because the case pending in the courts took longer than we thought, and they just did not ask for their compensation.

Mr. MARTIN of Massachusetts. Were the men employed in any other capacity before, and were they drawing money from the Government during that time?

Mr. KERR. Oh, no. These were private counsel who appeared for the House of Representatives. They were not employed by the Government.

LET US DRIVE EVERY ENEMY OF OUR COUNTRY FROM THE FEDERAL PAY ROLL

Mr. COCHRAN. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Speaker, of course I am for continuing this resolution. We are now having it thrown into our faces that there are Communists, who are dedicated to the overthrow of this Government, parked in key positions in practically every department of this Government. They did not mention the Supreme Court, but they might as well have done so.

We found some of these subversives on the Federal pay roll who were dedicated to the undermining and destroying of our form of government at a time when American boys by the millions were fighting on every battle front in the world to protect our country from enemies abroad. We struck the names of those subversives from the pay roll, and certain judges, arrogating to themselves the right to dictate to Congress, held that Congress had no right to take such action and placed them back on the Federal pay roll.

I say it is about time we began to impeach some judges of this country. The American people are going to demand, and have a right to demand, that Congress protect our form of government; that Congress protect American institutions; that Congress protect the American way of life from being destroyed by this bunch of Karl Marx Communists who have flooded into this country in the last few years in violation of our immigration laws, and have wormed their way into every department of this Government.

Every time you pick up a Communist paper you see an attack on the Committee on Un-American Activities. Why? Simply because we are doing our best to bring this condition to the attention of the Congress and the country and to expose those subversive forces that are dedicating their efforts to the destruction of everything for which America stands.

That is the reason for these contemptible attacks on the Daughters of the American Revolution, one of the most

patriotic organizations the world has ever seen.

That is the reason for these contemptible attacks on the white people of the South, calling them "native Fascists." That is the reason for all these attacks on everyone who opposes communism in any form.

Nobody ever accused me of voting for Herbert Hoover; but today I regard him as one of our greatest living Americans. He is asking no favor and no office at our hands. He is simply volunteering his valuable services in the great cause of humanity.

These Communists are bitterly attacking Mr. Hoover and maligning him in every possible way, simply because President Truman has appointed him to check up on our relief expenditures in Europe.

As a southern Democrat, I did not agree with many of Mr. Hoover's policies, when he was President. But I must say that he has the confidence and respect of the Christian people of the world today.

President Truman acted wisely when he selected him to see what is happening to the money that is supposed to feed the starving Christian men, women, and children of Europe, as well as a lot of Communists who are running about over the world trying to destroy Christianity in every form.

Communism and Christianity can never live together in the same atmosphere.

Communism and free government cannot live together in the same atmosphere.

Communism and constitutional government cannot occupy the same soil at the same time.

As I have said, it is time for Congress, and the President, to wake up, drive these subversives from the Government pay roll, and say to these judges that whenever we say we are not going to appropriate money to keep men on the Federal pay roll who are attempting to undermine or destroy our Government, you have no right to come back and say that we cannot prevent their being paid out of Government funds.

It is time we impeach some judges while we are cleaning house, beginning with the palace guard, the State Department, the Civil Service, and the War Department, where these Communists were commissioned over our protests.

Remember, they destroyed our counterintelligence system. We had the finest counterintelligence system on earth. It has now been destroyed by these very elements of which the decent, Christian Americans are now complaining.

Yes; I am for continuing this resolution, and I am for keeping every subversive individual off the Federal pay roll. I am for a complete house cleaning, driving every Communist from the Government service. I am for putting a stop to their entrance into this country, and for deporting every one who is here unlawfully, or, who is abusing our confidence by conspiring against our country.

Let us save America for Americans.

Mr. COCHRAN. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

JOINT COMMITTEE ON THE INVESTIGATION OF THE PEARL HARBOR ATTACK

Mr. COCHRAN. Mr. Speaker, by direction of the Committee on Accounts, I submit a concurrent resolution (S. Con. Res. 56) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the limit of expenditures authorized by Senate Concurrent Resolution 27, Seventy-ninth Congress, for the investigation of the Pearl Harbor attack, be, and the same is hereby, increased by an additional $25,000, one-half of said amount to be paid from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives, upon vouchers signed by the chairman of the Joint Committee on the Investigation of the Pearl Harbor Attack.

The Senate concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON CLAIMS

Mr. COCHRAN. Mr. Speaker, by direction of the Committee on Accounts, I submit another privileged resolution (H. Res. 549) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That effective March 1, 1946, ther shall be paid out of the contingent fund of the House additional compensation at the rate of $1,000 per annum to the second assistant clerk to the Committee on Claims.

SEC. 2. The provisions of this resolution shall cease effective January 1, 1948.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON LABOR

Mr. COCHRAN. Mr. Speaker, by direction of the Committee on Accounts, I submit a further privileged resolution (H. Res. 550) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the further expenses of conducting the studies and investigations authorized by House Resolution 230 of the Seventy-eighth Congress, and continued by House Resolution 45 of the Seventy-ninth Congress, incurred by the Committee on Labor acting as a whole or by subcommittee not to exceed $5,000 additional, including expenditures for the employment of experts, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman thereof and approved by the Committee on Accounts.

SEC. 2. The official stenographers to committees may be used at all hearings held in the District of Columbia unless otherwise officially engaged.

The resolution was agreed to.

A motion to reconsider was laid on the table.

OFFICE OF THE MAJORITY LEADER

Mr. COCHRAN. Mr. Speaker, I present a privileged resolution (H. Res. 551) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That in lieu of one assistant clerk employed in the office of the majority leader at the rate of $1,800 per annum there shall be paid out of the contingent fund of the House, effective March 1, 1946, until otherwise provided by law, compensation at the rate of $3,000 per annum for the employment of an assistant legislative clerk in the office of the majority leader.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON BANKING AND CURRENCY

Mr. COCHRAN. Mr. Speaker, I present a privileged resolution (H. Res. 552) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That in lieu of the provisions of the Legislative Appropriation Act for 1946 providing salaries for employees of the Banking and Currency Committee, until otherwise provided by law, there shall be paid out of the contingent fund of the House, effective March 1, 1946, compensation at the rate of $3,300 per annum for the employment of a clerk (which shall be considered the prevailing rate in accordance with the terms of Public Law 512, approved December 20, 1944, as amended), $2,460 for the employment of an assistant clerk, and $1,560 for the employment of a janitor to the Committee on Banking and Currency.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMUNICATIONS ACT OF 1934

Mr. SMITH of Virginia, from the Committee on Rules, reported the following privileged resolution (H. Res. 541, Rept. No. 1695), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution the bill S. 63, with House amendments thereto, be, and the same is hereby, taken from the Speaker's table; that the House insists on its amendments to the said bill and agrees to the conference requested by the Senate on the disagreeing votes thereon.

FEDERAL WORKS ADMINISTRATION

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 553, Rept. No. 1696), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5407) to grant to the Federal Works Administrator certain powers with respect to site acquisition, building construction, purchase of buildings, and other matters. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Public Buildings and Grounds, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same back to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

PUBLIC HEALTH SERVICE

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 554, Rept. No. 1697), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4512) to amend the Public Health Service Act to provide for research relating to psychiatric disorders and to aid in the development of more effective methods of prevention, diagnosis, and treatment of such disorders, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same back to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

EXTENSION OF REMARKS

Mrs. MANKIN asked and was given permission to extend her remarks and insert in the RECORD an editorial appearing in the Atlanta Journal of March 5, 1946.

Mrs. DOUGLAS of Illinois asked and was given permission to extend her remarks and include an article.

Mr. BARTLETT asked and was given permission to extend his own remarks in the RECORD.

Mr. MANSFIELD of Montana (at the request of Mr. BARTLETT) was given permission to extend his remarks and include therein a short magazine article.

Mr. HUBER asked and was given permission to extend his remarks in the RECORD and include therein a letter from a deceased former member of the United States Navy appearing in the Akron Beacon Journal.

Mr. BURGIN asked and was given permission to extend his remarks in the RECORD and include a newspaper clipping.

HON. KARL STEFAN

Mr. KERR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. KERR. Mr. Speaker, I noticed in yesterday's Washington Post that a very outstanding honor has been accorded our beloved and able colleague, Hon. KARL STEFAN. He has been awarded the Philippine Military Merit Medal from the Commissioner of the Commonwealth Government representing President Sergio Osmeña.

Of course, I am not familiar with the services our distinguished colleague did in respect to his contact with the Philippine Constabulary when he resided in those islands, but I assert unhesitatingly that what he did then and thereafter during the recent war was a great service to these islands and to the United States, and was occasioned by a heart attuned to the heartbeats of humanity and his love for his fellow man.

KARL STEFAN never did a bad job and never will. He has become one of the outstanding men of this House because of his accurate knowledge of the problems of the Nation, his wisdom, and his personality. This House is proud of his achievement and extends to him its warmest congratulations.

ALLIANCE OF ISOLATIONISTS AND PROVINCIALISTS

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia.

There was no objection.

Mr. BAILEY. Mr. Speaker, I have here a clipping from the front page of Sunday's Washington Post. This news release tells an already politically confused Nation that the temporary alliance of the isolationists and the provincialists, that has already sabotaged most of President Truman's liberal legislative program is to be made a permanent House organization.

One of the major activities of this group at present, is shedding crocodile tears over the lack of a balanced national budget, a budget that has been out of balance ever since former President Hoover failed to make good on his promise to banish all poorhouses and to have a car in every garage and two chickens in every pot.

The legislative program for this week includes an appropriation rescission bill. I make bold to suggest that the House Military Affairs Committee should be on guard to see that these economic royalists do not cover into the Treasury the funds now available to maintain an around-the-clock armed-guard vigil at the tomb of the unknown soldier.

EXTENSION OF REMARKS

Mr. CELLER asked and was given permission to extend his remarks in the RECORD in two instances.

SPECIAL ORDER GRANTED

Mr. CELLER. Mr. Speaker, I ask unanimous consent that on Wednesday, following the legislative program of the day and any special orders heretofore entered, I may address the House for 20 minutes on the subject of the British loan.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

HON. HATTON W. SUMNERS, HON. FRITZ G. LANHAM, AND HON. SAM M. RUSSELL

Mr. SLAUGHTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SLAUGHTER. Mr. Speaker, as a Member of the House of Representatives, I know of no news dispatch that has concerned me like the one I read yesterday. I refer to the announcement that the gentleman from Texas [Mr. SUMNERS], the gentleman from Texas [Mr. LANHAM], and the gentleman from Texas [Mr. RUSSELL] are about to retire from this body. I hope that these announcements are premature and that those gentlemen will stop and reconsider. The Texas delegation is a strong delegation in this House. Next to the Speaker himself, I submit there are no three Members of the House who enjoy the esteem of this body as do these three experienced men. I sincerely trust they will reconsider. While we can understand their desire to throw off their burdens, we hope that they will postpone their retirement in order that the House and the country may have the benefit of their experience in the difficult days ahead.

EXTENSION OF REMARKS

Mr. SUMNERS of Texas asked and was given permission to extend his remarks in the RECORD and include a speech recently made by him.

THE LATE LT. COL. HAROLD McGUGIN

Mr. WINTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. WINTER. Mr. Speaker, it is my sad duty to announce to the House of Representatives the death of Lt. Col. Harold McGugin, of Coffeyville, Kans., a former Member of this body. Colonel McGugin died March 8, 1946, at an Army hospital in Hot Springs, Ark., at the age of 52, from a service-connected disability contracted in the European theater of operations.

Colonel McGugin most ably represented the Third Congressional District of Kansas in Congress from 1931 to 1935. During his service in the Congress Colonel McGugin made many friends and by his untiring work and ability as an orator brought Nation-wide recognition to himself and high honor to his district and State.

Colonel McGugin was steadfast in his course as he saw his duty. He could not be perplexed or frightened. He was very seldom outclassed in capacity and never in courage. His concept of his duty as a public servant, his devotion to his country as a soldier, his convictions as to the requirements of good citizenship were his guiding lights in his private life and in his public career both as a statesman and a soldier.

Colonel McGugin has left to his loved ones, his State, and to the Nation a noble heritage of honor and glory upon the altar of public service.

Mr. PITTENGER. Mr. Speaker, will the gentleman yield?

Mr. WINTER. I yield.

Mr. PITTENGER. I wish to say to the gentleman from Kansas that it was my privilege to serve with Harold McGugin when he was a Member of the House of Representatives. I join with the distinguished gentleman from Kansas and the distinguished gentleman from

Mississippi in paying tribute to an aggressive, fine Member of this House, to a patriotic American, to a man who represented his State with honor and distinction in this body; and I join them in these expressions of sympathy to his family and give voice to the thought that the Nation has lost a great and a valuable man.

Mr. SCRIVNER. Mr. Speaker, will the gentleman yield?

Mr. WINTER. I yield.

Mr. SCRIVNER. Mr. Speaker, Lieutenant Colonel McGugin was called upon to answer the last roll call altogether too soon. He served gloriously in both World War I and World War II. As he served in war so he served his Government, State, and Nation in peace as an outstanding American citizen.

Mr. CARLSON. Mr. Speaker, will the gentleman yield?

Mr. WINTER. I yield.

Mr. CARLSON. Mr. Speaker, in the passing of Col. Harold McGugin, I lost one of my personal friends. Our State and Nation lost the services of a man who was a veteran with honorable service in two wars. He was also a fighting civilian. There were some who may have questioned his views but no one ever questioned his courage. He served in Congress when the New Deal was in its infancy. He vigorously opposed the New Deal philosophy and insisted that sooner or later these new-fangled ideas of government would destroy the fundamental principles of our democracy.

Those of us who have been privileged to observe the inroads of foreign "isms" which threaten our very form of government can look back with the knowledge that Harold McGugin's fears were justified.

Our State suffers a real loss and I want to extend to his wife and other members of the family my sincerest and deepest sympathy.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. WINTER. I yield.

Mr. REES of Kansas. Mr. Speaker, I join with my fellow Members to pay tribute to the memory of a former Member of this House, Lt. Col. Harold McGugin, of Kansas.

I had the honor of an acquaintance with Harold McGugin over a period of many years. I had the honor of serving with him as a member of the Kansas Legislature where he served with distinction, as he served as a Member of this House later on.

Colonel McGugin served his country with distinction in war as well as in peace. He saw active service in World War I and in World War II where he discharged his duty with honor to himself and to his country.

Harold McGugin was a man of deep convictions. He was fearless. He was sincere. He was courageous. He believed in the Constitution of the United States, which he often quoted. He believed in the American way of life. He was imbued with a deep sense of justice. As we admired and honored him in life, so we revere him in death.

To his devoted wife, his mother, and his brother who survive, we extend our deepest sympathy in this hour of sorrow.

Death is only a quiet door,
Set in a garden wall;
On gentle hinges it gives, at dusk
When the thrushes call.

Along the lintel are green leaves,
Beyond the light lies still;
Very willing and weary feet
Go over that sill.

There is nothing to trouble any heart,
Nothing to hurt at all.
Death is only a quiet door
In an old garden wall.

Mr. HOPE. Mr. Speaker, will the gentleman yield?

Mr. WINTER. I yield.

Mr. HOPE. Mr. Speaker, the death of Harold McGugin will bring sadness to those who served with him in the House of Representatives and his many friends in Kansas and elsewhere.

I knew Harold McGugin when we were fellow law students. I served with him in Congress. I met him frequently in the intervening years. His was an unusual personality. His friends in Congress will remember him as a keen student of public affairs and an excellent speaker and debater. During his 4 years in this body, he played a very active part in its proceedings. His most outstanding characteristic was his courage. He was never neutral and he never ran from a fight. He stood for the things in which he believed and what he believed, he believed passionately.

Ahead of most people, Harold McGugin saw the approach of World War II. It is characteristic of him that he early sought an opportunity to serve his country in that war. Although a veteran of the First World War and past military age, he patriotically volunteered for service early in the war. He served with ability and distinction until stricken by his fatal illness.

In times like these this country can ill afford to lose men like Harold McGugin. Now, more than ever, his ability, courage, and vision are needed. His death is indeed a real loss to America.

EXTENSION OF REMARKS

Mr. REED of New York. Mr. Speaker, last Friday I was given permission to include certain letters and printed matter. I am advised by the Public Printer that it exceeds the limit established by the Joint Committee on Printing by $80. Notwithstanding the excess I ask that the extension may be made.

The SPEAKER. Notwithstanding the cost, without objection, the extension may be made.

There was no objection.

Mr. REED of New York asked and was given permission to extend his remarks in the Appendix of the RECORD and include therein a letter.

Mr. ANDERSON of California asked and was given permission to extend his remarks in the Appendix of the RECORD and include two communications with reference to the jurisdictional cannery dispute in California.

PERMISSION TO ADDRESS THE HOUSE

Mr. McMILLEN of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a letter dated March 11, 1946, from the fiscal service of the Treasury Department.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[Mr. McMILLEN of Illinois addressed the House. His remarks appear in the Appendix.]

Mr. MASON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[Mr. MASON addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. ARENDS asked and was given permission to extend his remarks in the RECORD and include an editorial from the Christian Century magazine under date of March 6, 1946.

Mr. LEWIS asked and was given permission to extend his remarks in the RECORD and include a newspaper editorial.

Mr. HESS asked and was given permission to extend his remarks in the RECORD and include two letters.

Mr. ELLIS asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD and include an article entitled "Forest Products Research," by Paul M. Dunn.

Mr. JONKMAN asked and was given permission to extend his remarks in the RECORD and include an article by George E. Sokolsky.

REDS IN UNITED STATES JOBS

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection..

Mr. RICH. Mr. Speaker, I want to call attention to the headlines of an article which appears in this morning's Washington Post entitled "Two Thousand Reds Hold United States Jobs, Priest Asserts." This article goes on to say:

Catholic official says public inquiry would shake Nation.

Communists have penetrated so deeply into Federal Government departments that a public investigation of the situation would shake the Nation, a National Catholic Welfare Council official charged yesterday.

Rev. John G. Cronin, assistant director of the social action department of NCWC, said that some 2,000 active Communists now hold Federal jobs in Washington.

Mr. Speaker, I should like to call this article to the attention of the Committee on Un-American Activities. I suppose the members of that committee already know about it, but it wants their thorough investigation.

Mr. Speaker, there is more to what this man of the cloth says than the people of this country realize. If the people of this country knew what was happening in our Government and where these Communists have their men placed in every branch of the Federal Government, they would clean them out. Really we have, I believe, more foreigners in our departments and more so-called Americans who could overthrow our form of government than the people have any idea of, it is a shame and it is really a crime that you do not rout them out, fire them, send them out of our country. Why the President and Cabinet keep them on the job is beyond me. Our State Department is infested with Communists and the Secretary of State permits them to remain. O America, wake up before it is too late.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

DISCRIMINATION AGAINST THE WHEAT FARMER BY GOVERNMENT AGENCIES

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES of Kansas. Mr. Speaker, I call attention of the House to what I regard as very unfair treatment by the Department of Agriculture to farmers of the Middle West, who secured commodity loans on their wheat. Commodity Credit Corporation loans on wheat are due April 30, 1946. On February 15, the Corporation exercised its option to call their loans on demand and thereby demanded payment or delivery of the wheat on or before March 1, 1946. This order covered all wheat under loan in the Kansas City and Chicago area. On March 4, just 3 days after the wheat had been delivered or sold, the Office of Price Administration increased the ceiling on the wheat price 3 cents per bushel.

This action on the part of our Government agencies is difficult to explain. To take advantage of farmers in the Middle West, by requiring the wheat to be sold before the increase of price was allowed, is manifestly unfair and inexcusable. The farmers who raised the wheat were certainly entitled to any rise in price that might be granted, instead of permitting someone else to have the benefit of it.

This looks like another case of the failure on the part of one department of Government to coordinate with the other. In other words, it is a further example of Government service, where the left hand does not know what the right hand is doing.

The SPEAKER. The time of the gentleman from Kansas has expired.

EXTENSION OF REMARKS

Mr. PITTENGER asked and was given permission to extend his remarks in the RECORD and include a newspaper item.

Mr. STEVENSON asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Milwaukee Sentinel entitled "Postal Pay Is Inadequate."

Mr. BISHOP asked and was given permission to extend his remarks in the RECORD and include a summary of Public Law 346, Seventy-eighth Congress, known as the GI bill of rights.

Mr. SCHWABE of Oklahoma asked and was given permission to extend his remarks in the RECORD in two instances and to include in each a letter from a constituent.

Mr. CRAWFORD asked and was given permission to extend his remarks in the RECORD in two instances; to include in one an editorial on the British loan and in the other a statement on Russian production of cotton.

Mrs. LUCE (at the request of Mr. MARTIN of Massachusetts) was given permission to extend her remarks in the RECORD and include excerpts.

Mr. GIBSON asked and was given permission to extend his remarks in the RECORD and include a poem in memory and honor of the late President, Franklin D. Roosevelt.

Mr. PRICE of Illinois asked and was given permission to extend his remarks in the RECORD in two instances and include in each a newspaper article.

Mr. BIEMILLER asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

SOIL CONSERVATION

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. MURRAY of Wisconsin. Mr. Speaker, I guess it will not be necessary to have any continued argument as to whether or not we are conserving the fertility of the soil of this country. I wish to call your attention to an extension of remarks in last Friday's RECORD by our colleague, the gentleman from North Carolina, the Honorable HAROLD COOLEY. Just take a look at this table. We have 500,000,000 acres of land in the United States, and 350,000,000 of it crop land. Divide this 350,000,000 that represents the cultivated land into the amount of fertilizer that is produced in the United States, then you will begin to see just exactly how many spoonfuls are being dished out for each acre in the United States. If we are going to recognize and be cognizant of the fact that we do have a soil-fertility problem, we might as well begin at bedrock and begin to deal in facts and not in so much fiction. The best way to help, maintain, or increase the fertility of the soil is to see that the farmer gets a decent price for his product. The $1.13 per hundredweight price for milk in Wisconsin from 1930 to 1940 was not an incentive for the conservation of the fertility of the soil.

HOSPITAL BILL

Mr. PRIEST. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. PRIEST. Mr. Speaker, a number of Members of the House have indicated in personal conversation a desire to be heard when hearings were held on the hospital bill S. 191. Those hearings are now being held by the Public Health Subcommittee and have been under way for a few days and will continue perhaps through Thursday of this week, beginning each morning at 10 o'clock, in the Interstate and Foreign Commerce Committee room. All Members who desire to appear before the subcommittee are welcome.

THIRD PARTY

Mr. GALLAGHER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. GALLAGHER. Mr. Speaker, there has been a continual effort to advertise a certain political party in this House. I am opposed to that party, but I never mention its name. This is an independent party and votes by itself, but it is given a million dollars worth of advertising every week on this floor. I believe that the Democrats and Republicans would welcome such an effort to take care of their advertising as the House advertises this third party.

THE LATE JOHN JOSEPH CARDINAL GLENNON

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN. Mr. Speaker, John Joseph Cardinal Glennon died in Ireland, a few miles from the place of his birth, on Saturday morning.

For 43 years, the 83-year-old prince of the Catholic Church had been archbishop of the city of St. Louis. His remains will be flown from Ireland to St. Louis and he will be buried in the new St. Louis Cathedral which was erected under his supervision.

Cardinal Glennon was on his way home from Rome where he had been installed on February 21, as a member of the Sacred College. Had he not been taken ill during the ceremonies in Rome he would have been in St. Louis now receiving the congratulations of people from all walks of life regardless of creed. My city is grief-stricken at the great loss it has sustained.

Cardinal Glennon entered the priesthood 61 years ago. He was appointed a bishop 50 years ago and had been an archbishop of St. Louis for the last 43 years. It was Cardinal Glennon who was responsible for the tremendous extension of the Catholic Church as well as its educational facilities in St. Louis. There was no city in the country where Catholic charitable activities were better organized. This under his direction.

The expressions of grief at the death of Cardinal Glennon came from all over the world, including the Pope. Auxiliary Bishop George J. Donnelly, who has

temporarily assumed the duties of the Cardinal expressed himself as follows:

"In the death of John Cardinal Glennon I have lost, for the present, the companionship of a superior, who has been to me the past 23 years also a friend who was kindness itself; a counsellor of gentle, fatherly interest and unlimited experience, and a benefactor whose generosity knew no bounds.

"For the archdiocese he has been these 43 years the faithful shepherd, tireless in the care of the sheep intrusted to him by the Good Shepherd Himself. Like Him, he has spent his life for his sheep.

"Holy mother church is now deprived of the services of one whom history is certain to assign a very prominent place among her most illustrious workers.

"We will all miss Cardinal Glennon for what he has been to us personally and officially since his coming to St. Louis in the spring of 1903.

"In his death we find a parallel with another of his native countrymen, for Archbishop Glennon by his elevation to the College of Cardinals has given his heart to Rome; at death his body lies in Ireland, and with one universal plea of mourning we pray that his soul has gone to heaven.

"Yesterday was the feast of his namesake—St. John of God. He has been these 83 years, John of God.

"Eternal rest grant unto him, O Lord, and let perpetual light shine upon him."

Bishop Donnelly said that in referring to the parallel with "another of his native countrymen," he paraphrased the words of Daniel O'Connell, Irish patriot, who shortly before he died said he bequeathed his soul to heaven, his body to Ireland, and his heart to Rome.

Other members of the clergy, as well as laymen and public officials paid tribute to his life, character, and his service to the church and the community. I know that I express the feeling of the citizens of my city when I say that no man has ever been closer to the hearts of his people.

The message from the Vatican secretariat of state said that in the death of Cardinal Glennon the church had lost one of its most able and deserving pastors, strongly equipped both in theological doctrine and social studies, is a tribute well deserved.

Mr. SULLIVAN. Mr. Speaker, Almighty God in His wisdom has laid His hand on John Joseph Glennon, 62 years a priest, 43 years Archbishop of St. Louis, a few short weeks a member of the Sacred College of Cardinals, and called him to his eternal reward.

Men of all faiths, on the soil of his ancestry, in the country of his adoption and the region of his labors, mark his passing with sorrow and regret, just as a short time ago they joined in proud tribute to one who had received the honor and distinction he so well merited.

By his wisdom and learning, by his tact and diplomacy, and by his generosity and wit and sanctity, he was a symbol in St. Louis where people of diverse beliefs and racial origins had long ago learned to live in peace and harmony with their neighbors.

Yes; we mourn his passing. He will be sadly missed, but perhaps in the manner of his going we may find consolation.

As a very young man he left his native soil to study for the priesthood in a new and distant land. As a missionary he labored in the vineyard of the Lord, advancing in responsibility. As bishop and archbishop he built well.

As cardinal he visited his old home and place of studies. As cardinal he died quietly in the official home of the President of Eire, a free Republic.

John Joseph Cardinal Glennon will make this last trip to America by the greatest of air liners, the Constellation. His labors finished, his life spent, he will be laid to rest in St. Louis among the people he loved so well. Almost his last words were: "I belong to St. Louis."

OFFICE OF PRICE ADMINISTRATION

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GROSS. Yes, sir; the Office of Price Administration has held the line. In Lancaster County, Pa., at a farm sale on last Thursday 9 pounds of butter were exposed to public auction and brought $1.69 a pound. The first bidder took 8 pounds and the one single pound left was knocked down to another bidder at the same price.

In Franklin County, Pa., a big machine shop that employed 490 men closed down on Friday because of the OPA regulations not permitting them to carry on, not giving them prices at which they could operate. Surely the OPA ought to be continued for another year. Question mark. Period.

EXTENSION OF REMARKS

Mr. McCORMACK asked and was given permission to extend his remarks in the RECORD and include an address recently delivered by Dr. Daniel L. Marsh, president of Boston University.

Mr. SABATH asked and was given permission to extend his remarks in the RECORD and include an editorial from the Chicago Sun, one from the Chicago Times, and one from the Washington Star.

Mr. PLOESER asked and was given permission to extend his remarks in the RECORD and include some resolutions of the American War Dads.

Mr. HOFFMAN asked and was given permission to extend his remarks in the RECORD.

Mr. RANKIN asked and was given permission to extend his remarks in the RECORD and include a statement on the settlement of the steel strike.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL—FISCAL YEAR 1947

Mr. TARVER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 5605) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1947, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 5605, with Mr. WHITTINGTON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee last rose the Clerk had read the bill down to and including page 51, line 17, the title of the last paragraph being the "Sugar Act." The Clerk will read.

The Clerk read as follows:

EXPORTATION AND DOMESTIC CONSUMPTION OF AGRICULTURAL COMMODITIES

To enable the Secretary to further carry out the provisions of section 32, as amended, of the act entitled "An act to amend the Agricultural Adjustment Act, and for other purposes," approved August 24, 1935 (7 U. S. C. 612 (c)), and subject to all provisions of law relating to the expenditure of funds appropriated by such section 32, there is hereby reappropriated for the fiscal year 1947 the unobligated balances of the funds made available for the purposes of such section 32 for the fiscal years 1944, 1945, and 1946, less $42,500,000, which is appropriated herein for "Conservation and use of agricultural land resources." Such sums shall be in addition to, and not in substitution for, other appropriations made by or for the purposes of such section 32: *Provided*, That not exceeding $50,000,000 of the funds appropriated by and pursuant to such section 32 may also be used during the current fiscal year to provide food for consumption by children in nonprofit schools of high-school grade or under and for child-care centers through (a) the purchase, processing, and exchange, and the distribution of agricultural commodities and products thereof; or (b) the making of payments to such schools and centers or agencies having control thereof in connection with the purchase and distribution of agricultural commodities in fresh or processed form and, when desirable, for the processing and exchange of such commodities and their products; or (c) by such other means as the Secretary may determine: *Provided further*, That funds made available hereunder for a school-lunch program shall be apportioned for expenditure in the States, Territories, possessions, and the District of Columbia in accordance with school enrollment and need, as determined by the Secretary, except that if program participation in any State, Territory, possession, or the District of Columbia does not require all funds so apportioned, the Secretary may reapportion such excess funds to such other States, Territories, possessions, or the District of Columbia in consideration of need, as he may determine: *Provided further*, That benefits under (b) of this paragraph to schools or child-care centers or other sponsoring agencies shall in no case exceed the cost of the agricultural commodities or products thereof purchased by the school or child-care center or other sponsoring agencies as established by certificates executed by the authorized representative of the sponsoring agency: *Provided further*, That such sponsoring agency shall maintain accounts and records clearly establishing costs of agricultural commodities or products furnished in the program and that such accounts and records shall be available for audit by representatives of the Department: *Provided further*, That these funds may be used for, or to make payments in connection with, the purchase of such agricultural commodities and for exchanging, distributing, disposing, transporting, storing, processing, inspection, commission, and other incidental costs and expenses without regard to the provisions of section 3709 of the Revised Statutes and without regard to the 25-percent limitation contained in said section 32: *Provided further*, That not more than 2 percent of the funds made available hereunder for a school-lunch program shall be used to provide food for children in child-care centers. The amount of funds available hereunder for a school-lunch program used in any State, Territory, possession, or the District of Columbia during any fiscal year shall not exceed the

total amount otherwise furnished for the same purpose by or on behalf of the school authorities and other sponsoring agencies in such State, Territory, possession, or District of Columbia, including the value of donated services and supplies, as certified by the respective schools, care centers, or agencies having control thereof.

Mr. CURTIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think it is appropriate in considering this bill for an appropriation for the Department of Agriculture to keep in mind that the way to feed the world is to produce more food. The way to produce more food is to raise the prices to the farmers on farm crops. It is impossible to pick up a newspaper these days without reading of accounts where Government agencies order and approve raises in wages and raises in prices. Wages and prices are tied together. I know of no one who believes that wages are going to come down. I hold here the March 2 issue of the Nebraska Farmer. In an article from Washington, the first paragraph is as follows:

Many things farmers must buy, especially farm equipment and machinery, are going to cost more under President Truman's relaxation of the Government's hold-the-line policy.

What I am trying to say is that you cannot compare farm prices now with what they were some months or years ago. The fact is, if you compare the prices that farmers are offered with the increased prices they are going to have to pay because of the added burdens of government, shorter hours, and higher wages represented in manufactured articles, farm prices are out of line.

We have gone through a period when the products of our factories have been taken to fight a war. That war is over. If we want a sound economy in America, we must see to it that the income of the producers of raw materials and agricultural products is high. Unless it is high, you have no market for the greater share of our industrial production.

I was impressed by the statement of the gentleman from Kansas [Mr. REES] about the calling of the wheat loans. It is true that these loans could lawfully be called, although they are not due until some time in April. The Commodity Credit Corporation called these loans as of March 1. Four days later they raised the ceiling on wheat. They raised the ceiling by 3 cents. Now, that is really a small matter in a way, but, on the other hand, the farmer who had borrowed on 2,000 bushels of wheat lost $60 by that action. That is a plain Government gyp—a loan-shark trick, if you please. They collected the loan and then raised the prices in order to show a gain by the Commodity Credit Corporation.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. I yield.

Mr. H. CARL ANDERSEN. Is it not a fact that the Commodity Credit Corporation did the very same thing to the corn producers in a previous year?

Mr. CURTIS. Yes; I am glad to have that comment from the gentleman, who is himself a farmer. I also want to point out that raising the ceiling on grain in the month of March is not helping the individual who raised that grain. It has all left his hands by that time.

I think all of this has a direct relation to this appropriation bill. The better price that is paid to farmers for their products the less money will need to be appropriated for the Department of Agriculture. Take the field of soil conservation alone, if the American farmers receive an adequate price for the things they have to sell, they can and will conserve their own soil and continue to do it for coming generations. An impoverished agricultural group cannot conserve the soil.

Can anyone suggest a reason why we should pay the American workingman a just American wage and not have that same principle apply to the man and his family who produce the food which we eat?

The doctrine of the Department of Agriculture that farm prices should seek the world level is unsound and unfair. Every citizen who enjoys the high standards of this country ought to pay a price for his food that will enable the farmers to have a decent American standard of living. Occasionally you hear someone complain that there is a great disaster pending because they have noticed a farmer have some money in his pocket.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. CURTIS. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. CURTIS. The reason the farmers have a little money in their pockets is that they have been unable to buy tractors, plows, drills, cultivators, new automobiles, and the other things they need and must have. If they can buy them, they will last many, many years. The farmers have been trained by long experience to buy those things in the years in which they could buy them. Furthermore I have seen drought-stricken farmers and farmers during periods of low prices who did not have any money in their pockets for long periods of time. I am not alarmed when our farmers have a little money in their possession. I am glad they have it, for they have earned it.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. I yield.

Mr. RANKIN. The gentleman said it did not help the farmer to raise the price of wheat in March. I agree with that. But it does help the wheat-grower in Argentina, where they are now completing the harvest of a great wheat crop in competition with our farmers. The same thing applies to the cotton farmer. It does not help the cotton farmer of this country so much to raise the price of cotton in March, but it does help the cotton farmer in Brazil and other South American countries that are now harvesting their crops which compete with us.

In addition, the American dollar is much cheaper outside the United States than it is here where we have the OPA to try to hold down the prices of farm commodities. So those people are reaping an abundant harvest and enormous prices for the farm commodities they now have to sell, that are raised in competition with us.

Mr. CURTIS. I thank the gentleman, and I now yield to the gentleman from Pennsylvania.

Mr. RICH. The gentleman spoke about a comparison of the farmer and the man who works in a mill, for instance. Those farmers begin to work at daylight and they work 10, 12, 15, and 18 hours a day, while the man in the mill works 8 hours, from 7 o'clock until 4 in the afternoon.

Mr. CURTIS. The gentleman's statement is very true. I want all workingmen to have a high wage, but I want a balanced economy, and you cannot have it with poverty on the farms. High farm income means a high national prosperty on the farms in America, and means prosperity for the entire Nation.

The CHAIRMAN. The time of the gentleman from Nebraska, [Mr. CURTIS], has again expired.

Mr. PACE. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, on the front page of each of the three Washington Sunday papers there appeared an Associated Press article yesterday, reporting the appointment of a committee to work out some amendments to the laws relating to the Office of Price Administration.

The article was identical in all three papers with one exception. There was no mention of my name as being a member of this committee in the article as published in the Post and Times-Herald. But as published in the Star my name is listed as being a member of the committee.

As I have not attended any meetings relating to changes in the OPA law, have not been asked to serve on any committee relating to that subject, and have not been notified of my appointment as a member of such a committee, I am, of course, at a loss to know how or why my name was mentioned in the article published in the Star.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield.

Mr. TARVER. The gentleman says he is at a loss to know why his name was used. The gentleman surely see the very apparent purpose of the entire article which, so far as I know, is not well-founded in fact, to try to influence the Congress in its actions with regard to the extension of OPA. It is simply a propaganda article, in my judgment.

Mr. PACE. I thank the gentleman.

Nor do I know, of course, which version was used in out-of-town dispatches. Nevertheless, I am disposed to set the record straight to avoid any possible misunderstanding.

This article states that about 100 Members of Congress had a meeting last Wednesday morning to discuss the question of continuing OPA and at that time authorized the appointment of a committee to work out amendments. I did

not attend the meeting on Wednesday and have not the slightest idea of who did attend or what was discussed. Last Wednesday morning, in fact the entire morning every day last week, I was rather busy, as chairman of the House Committee to investigate food shortages, conducting hearings with regard to the existing shortage of wheat, corn, other grains and feed. These hearings will continue throughout this week.

I favor the extension of OPA. I deeply regret the need for extending the life of this agency. I am anxious to dispense with wartime controls at the earliest possible moment, and I had hoped that by this time the reconversion program would be at full speed, production would be at full capacity, the supply of all necessities would be equal to the demand, and that rationing and price controls would not be needed any longer.

But, unfortunately, labor-management disputes have greatly retarded our reconversion to peacetime production. And, frankly, I am convinced that the Office of Price Administration has also contributed in good measure to reduction in production and our present shortages. Its stubborn and unrealistic policy of maintaining a fixed line, except as to wages, and its efforts to hold the price of many articles below the cost of production in order to control profits, is bringing about the critical shortage of many articles desperately needed in the homes and on the farms.

These are conditions I am ready to help correct when the bill to extend OPA is brought before us for consideration. I do not believe the American people ask or expect the farms and the factories to supply them with goods at less than the cost of producing them. But, regardless of who may be at fault for our present shortages, we must face the fact that they exist and we must, for the time being, maintain reasonable controls with respect to price and distribution. At the same time we must redouble our efforts to bring about increased and abundant production. That is the answer and will hasten the day when these controls can be released. Abundant production is the sure prevention of inflation and the death blow to black-market operations.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. PACE. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

Mr. TARVER. Mr. Chairman, I shall not object to this request, but I shall object to other requests for extensions of time when Members are not talking about the bill, because we want to get through with the bill as soon as possible.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. PACE. As much as I regret it, we cannot strike down the control of prices at this time. To do so could bring on unbridled inflation as a result of the shortage of goods, the pent-up demand and the enormous increase of cash and buying power in the hands of the people. Such inflation could quickly destroy all values. It could prove disastrous to every one, particularly the wage earners and those with fixed incomes. The protection and value of our insurance policies, our bonds, all bank deposits and investments, would be gone like the wind.

And, in this connection, I make a special and urgent appeal that the Congress take immediate action on the question of extending OPA and making any changes in the law. The present uncertainty is definitely slowing down production and limiting available supplies. Many manufacturers are restricting production or withholding goods from the market until they know what the future price policy is going to be. In the hearings by the food committee last week it was stated by nearly all the witnesses that wheat and corn were being held on the farms because the producers thought there might be a rise in ceiling prices or an early end to price control. It is of the utmost importance that Congress settle these questions at once.

Now just a word more about the newspaper article published in the papers yesterday. Certainly a part of it was fantastic and merely the imagination of a sensationally minded newspaper reporter. The opening sentence reads as follows:

> A large group of Republican and southern Democrats teamed up yesterday in an organized bid for control of Congress.

As I stated before, I was not present at the meeting and have no knowledge of what was said and done, but I understand the sole purpose of the meeting was to consider the question of extending OPA. The newspaper reporter writing this article indicates that he was not present either. So clearly his statement that some particular group is trying to take control of Congress can be no more than a desire on his part to write something of a sensational and provocative nature.

For my part, I am certainly not interested in meeting with or trying to organize this group of Democrats and Republicans to take over control of Congress. As a Democrat I still recognize the Democratic leadership here in the House. I am not always too happy about some of the measures they propose and vote my own conviction of what I believe to be best for my country and the people I am trying to serve, but that does not mean that we are now prepared to establish new leaders.

Mr. TARVER. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. RICH. Mr. Chairman, reserving the right to object, I would like to say something on this paragraph.

Mr. TARVER. Mr. Chairman, there is another paragraph coming up which the gentleman can discuss. There are no amendments pending to this paragraph.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. ALLEN of Louisiana. Mr. Chairman, it has been the custom for a good many years to place in the agricultural appropriations bill the appropriation for the school-lunch program. The committee has followed that course this year and has placed in the pending bill the sum of $50,000,000 for school lunches. I am delighted to see this. I have always given my full support to every appropriation for school lunches contained in these bills since the very inception of this program several years ago. I gladly support the appropriation of $50,000,000 for that purpose contained in this bill.

I am also glad to see that the committee has brought this item to us in this bill, just as it has done heretofore, without the controversial amendment which confronted this house this year in considering an authorization bill on the question of the school lunch. Many of us thought that the injection of the controversial race question into the recent authorization bill was unwise and unwarranted and we thought that this should not be done at all. Therefore, some of us did our best to keep that amendment out of the bill. I hope that the House and Senate conferees will yet remove this controversial amendment from the final bill presented to us.

Mr. Chairman, I hope that the conferees will bring to us a much better bill and I hope they will see the wisdom of taking that controversial amendment out of the authorization bill. I also hope that the bill will be changed so as to make it easier for the poorer States to meet the requirements of State contributions. I hope that the conferees will agree on a larger authorization than that contained in the House bill.

The Clerk read as follows:

> Market-news service: For collecting, publishing, and distributing, by telegraph, mail, or otherwise, timely information on the market supply and demand, commercial movement, location, disposition, quality, condition, and market prices of livestock, meats, fish, and animal products, dairy and poultry products, fruits and vegetables, peanuts and their products, grain, hay, feeds, cottonseed, and seeds, and other agricultural products, $1,284,000.

Mr. HOLMES of Washington. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. HOLMES of Washington: On page 4, line 24, after the word "products", strike out "$1,284,000" and insert "$1,291,000."

Mr. HOLMES of Washington. Mr. Chairman, the purpose of this amendment is for the procuring of $7,000 for the agricultural market-news service for the city of Yakima, Wash.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. HOLMES of Washington. I yield to the gentleman from Georgia.

Mr. TARVER. The gentleman made a very impressive statement before our subcommittee in regard to the necessity for this small item, and I think it was

the intention of our subcommittee to approve it, but in writing up the bill, with so many hundreds of items, we inadvertently overlooked doing so. I have conferred with the members of the committee on both sides of the aisle, and we have no objection to the amendment offered by the gentleman.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. HOLMES of Washington. I yield to the gentleman from Illinois.

Mr. DIRKSEN. Let me confirm what the chairman of the subcommittee has said. I think it was an inadvertence that caused the omission of this item, and we concur in the action.

Mr. HOLMES of Washington. Mr. Chairman, I rise to present this amendment to increase the amount available for marketing service from $1,284,000 to $1,291,000. This $7,000 is for the establishment of agricultural marketing service in Yakima, Wash.

The immense production of the Yakima Valley of fruits, hay, potatoes, sugar beets, hops, truck gardening, and general diversified crops has been such that it is highly important for a stabilized market that this news service be instituted.

The bringing in of new lands under the Rosa division of the Yakima project will still further increase the production. When you realize that this service will benefit not only the Yakima Valley but also the northern area, including the Kittitas Valley and the Wenatchee Valley, and the southern area, including Kennewick Highlands, Lower Columbia Basin, Walla Walla Valley, and Big Bend development, its importance is very evident. In a comparatively few years the tremendous Columbia Basin project will be bringing in additional thousands of acres of production so that the total volume covered by market news reporting service in Yakima will affect a production amounting to several hundred million dollars.

Due to the perishability of a large portion of products grown in this area, it is highly essential that as much current market information as possible be furnished the growers and shippers, in order that they might realize maximum returns from their production. With the establishment of this market-news service in Yakima, the growers and shippers throughout this area would receive daily information currently as to shipments, distribution, arrivals on the track in principal markets, as well as terminal market price information and free on board price information from competing areas for their use in connection with marketing their own products.

The Pomona Granges of Benton County, Yakima County, Kittitas County, and Chelan County, as I understand it, are wholeheartedly urging this service. Joining with the granges are the Washington State Peach Council, Yakima Cherry Institute, and Yakima Pomological Society, as well as many others.

The service would serve a densely populated area where the production right now amounts to more than $100,000,000 annually.

Fred J. Martin, State director of agriculture, has offered his assistance in the plan for a Federal-State market-reporting agency, and Governor Wallgren has announced that the State has made the necessary funds available for the State's participation.

The eastern Washington development and production is growing at such a pace that the Seattle office is no longer sufficient to cover the need.

In addition to fruit and vegetable production, the development of the processing industry is becoming more important each year. This includes canneries, dryers, and quick-freezing plants. In view of all this, we realize the exceeding importance of expanding and readjusting this fine, important market-news service.

I have discussed the subject with officials in the Department of Agriculture and have been advised that the Department is prepared to institute the service if an appropriation is made. Under a cooperative agreement with the State of Washington, whereby the State would contribute 50 percent of the expense, we do not believe that the Federal cost would be more than $7,000 or $8,000 per year.

I unequivocally and wholeheartedly urge a sufficient appropriation to permit allocation of funds for this news service as an extremely important step in food production and marketing in our reconversion program.

Following is the tentative plan suggested by the Grange committee for a Federal-State market-reporting agency and a statement of carload shipments from the counties affected:

A central Washington service to report farm prices as well as f. o. b. prices.

To be set up in the city of Yakima.

A general market-reporting agency to report prices on important farm products produced here and throughout the district served.

There is probably one-quarter to one-third of our products that are not bought from the grower on an f. o. b. basis. The information on these sales can be obtained from the fruit and produce houses and supplemented by country correspondents where needed.

This service should cover all fruits, berries, vegetables, and truck crops grown on a commercial basis. It should also include livestock, grain, hay, potatoes, mint, and such new crops as may be grown on a commercial basis.

Particular attention should be given to the matter of giving good service to the Big Bend project along with the new development in this valley.

One of the most important phases of this project should be to report Federal rulings which will affect the market price of agricultural products.

Its estimated cost is $10,000 per year, which would be participated in by the State and Federal Governments. The growers would be willing to pay a nominal fee for service to help finance the cost. This could take the form of a membership fee which could entitle one to mailing service.

Reports should be made daily by mail service, radio, and newspaper.

The six Pomona Granges supporting this request offer their full cooperation in interesting their 46 subordinate granges and in maintaining this agency on a thoroughly serviceable basis.

Commercial carload shipments of fresh fruits and vegetables by counties during the years 1942–44

Yakima:	
1942	18,492
1943	17,332
1944	24,291
Benton:	
1942	477
1943	347
1944	313
Kittitas:	
1942	1,507
1943	1,493
1944	1,568
Grant:	
1942	239
1943	348
1944	871
Chelan:	
1942	12,536
1943	12,745
1944	14,011
Grand total, 1942	33,251
Grand total, 1943	32,265
Grand total, 1944	41,054

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. HOLMES].

The amendment was agreed to.

LET'S HEAD OFF ANOTHER DEPRESSION

Mr. RANKIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in line with what the gentleman from Georgia [Mr. PACE] said a few moments ago, I desire to say that I never heard of this alleged interparty committee until I saw an announcement of it in the newspapers.

In the first place, that is not the way to get legislation passed, or to fight for or against legislation in this House.

For many years I have been a member of what is known as the public-power bloc, whose object is to advance the development of our water power and to promote the extension of rural electrification. You never hear of us having meetings of this kind, or putting the names of our members in the newspapers for our enemies to shoot at. But we have been successful, especially in our fight for rural electrification.

But I want to say a word, Mr. Chairman, with reference to the OPA. I cannot agree with the gentleman from Georgia that the OPA should be continued in its present form, for the simple reason that it is holding down the price of farm commodities below the cost of production, while our competitors in other countries are selling their wheat and corn and cotton and livestock for much higher prices than our farmers enjoy.

I pointed out the other day to the Committee on Banking and Currency—and I hope some of those Members are present here today—that instead of having someone go around trying to fix prices on individual commodities and persecuting people who are alleged to have violated their rules and regulations, the thing to do was to control the issuance of money at its source.

I want to show you now what is happening. I pointed out that in 1920 we had a maximum of $5,698,000,000 in circulation, and cotton was 35 cents a pound. I pointed out that we had $28,-

514,000,000 in circulation as of December 31, 1945, and yet they are holding the price of cotton, corn, wheat, hogs, cattle, and lumber down, and at the same time wages of people in the steel plants and other large industries are being raised all out of proportion to what the farmers make toiling in the hot sun.

Now, let me warn you of this danger. Deflation has already started in. If the Committee on Banking and Currency does not take this matter in hand, we are likely to be precipitated into the greatest deflation of all times. On January 31, 1946, we had in circulation $28,514,000,000. To date, on the 31st of January, we have $27,917,000,000, a deflation of $600,000,000 in 1 month. Get that? A deflation of $600,000,000 in 1 month.

If that precipitation continues and gathers force as it goes, we are likely to be driven into the greatest depression this country has ever seen.

You cannot safely turn over to a group of private bankers the power to coin money and regulate the value thereof when it is to their interest to deflate the currency or to their interest to expand it. The thing to do is for the Committee on Banking and Currency to bring out a bill to amend the Federal Reserve Act and to restore to the Congress the power to "coin money and regulate the value thereof," decide the point at which to stabilize, and then provide that when the currency gets down to that point, if they undertake to reduce it below that level the Government shall issue currency, United States notes, with a gold reserve behind them to stabilize the currency at that point.

In that way we can guarantee a reasonable measure of prosperity for generations to come.

You are playing with the worst economic dynamite the world has ever seen. I do not think you are going to control prices by appointing some fellow to go out and regulate prices and drive people out of business or into the black market.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Arizona.

Mr. MURDOCK. Although I disagree with the gentleman in some matters, I can find it as easy to agree with the gentleman on the question of curbing the power of the banks over the volume of our money as on the REA matter. The gentleman knows my appreciation of his efforts in rural electrification and my support of that program.

Mr. RANKIN. I thank the gentleman.

In calling this matter to your attention I am reading you the official figures that have come from the Treasury Department. I say to you that the country is sitting on a keg of economic dynamite, and some people are striking matches with both hands.

We cannot afford to let this deflation get so far out of hand as to take us into another disastrous depression.

Mr. TARVER. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOOK].

Mr. HOOK. Mr. Chairman, I rise to get some information from the chairman of the subcommittee. On page 46 of the bill under the heading "Production and marketing administration," the first item is an appropriation of $312,500,000 for conservation and use of agricultural land resources. This appropriation is stated to be for the purpose of carrying out the provisions of the Soil Conservation and Domestic Allotment Act and the provisions of the Agricultural Adjustment Act of 1938 as amended.

On reading the hearings before this subcommittee of the Committee on Appropriations, the possibility seems to exist that this money we are asked to appropriate for conservation and use of agricultural land resources by the triple-A budget officer. Is it the intent by the Director of the triple A or the triple A budget officer. Is it the intent that the administrative funds designated as a part of the $312,500,000 may be pooled with the administrative funds of some 20 other agricultural agencies?

Mr. TARVER. Any consolidation of agencies within the Department of Agriculture would have to be accomplished under legislation which is currently in effect giving authority to the President to consolidate various bureaus and agencies of the Government, except that the Secretary of Agriculture has certain limited authority within the field of his discretion in the consolidation of agencies within the Department. I know of no plan which is at present under contemplation by the Secretary of Agriculture to consolidate the administration of the triple A, as it is commonly called, with any other agency of the Department. I think that aside from saying that, there is probably no information I could give the gentleman.

Mr. HOOK. It is not the intention that there be a general pooling of these funds without such a consolidation or reorganization?

Mr. TARVER. The Subcommittee on Agricultural Appropriations has made no provision in this bill for any such procedure.

Mr. HOOK. I thank the gentleman. I just wanted that matter cleared up.

The Clerk read as follows:

Marketing farm products: For acquiring and diffusing among the people of the United States useful information relative to the needed supplies, standardization, classification, grading, preparation for market, handling, transportation, storage, and marketing of farm and food products, including the demonstration and promotion of the use of uniform standards of classification of American farm and food products throughout the world, for making analyses of cotton fiber as provided by the act of April 7, 1941 (7 U. S. C. 473d), and for expenses necessary to enable the Secretary to perform functions vested in him by Executive Orders 9280, 9310, 9322, 9328, 9334, and 9577, including not to exceed $10,000 for employment pursuant to the second sentence of section 706 (a) and not to exceed $20,000 for transportation, per diem, and other necessary expenses pursuant to section 706 (b) of the organic act of 1944 (5 U. S. C. 514b, 574); printing and binding; the purchase of books of reference, periodicals, and not to exceed $150 for newspapers; and operation and maintenance of one passenger automobile in the District of Columbia; $1,901,500: *Provided*, That the Secretary may make available to any bureau, office, or agency of the Department such amounts from this appropriation as may be necessary to carry out the functions for which this appropriation is made, and any such amounts shall be in addition to amounts transferred or otherwise made available to appropriation items in this act: *Provided further*, That none of the funds herein appropriated shall be used for the promulgation or execution of orders under which assessments are made against producers or handlers of agricultural products, excepting walnuts, for administration of such orders.

Mr. TARVER. Mr. Chairman, I offer two committee amendments.

The Clerk read as follows:

Committee amendments offered by Mr. TARVER:

On page 56, line 1, after the parenthesis enclosing the letter "a", insert a comma.

On line 4 of the same page, strike out "514 (b)" and insert in lieu thereof "541 (b)."

Mr. TARVER. Mr. Chairman, these amendments are merely for the purpose of correcting two typographical errors.

The committee amendments were agreed to.

The Clerk read as follows:

LOANS, GRANTS, AND RURAL REHABILITATION

To enable the Secretary to continue to provide assistance through rural rehabilitation and grants to needy farmers in the United States, its Territories and possessions, including (1) loans to needy individual farmers, (2) grants, (3) making and servicing of loans and grants under this and prior laws, (4) farm debt adjustment service, (5) liquidation as expeditiously as possible of Federal rural rehabilitation projects, and (6) servicing and collecting loans made under the provisions of the act of July 12, 1943, Public Law 140, as amended, $24,000,000, which sum shall be also available for necessary administrative expenses incident to the foregoing, including personal services in the District of Columbia and elsewhere; not to exceed $57,000 for employment pursuant to the second sentence of section 706 (a) of the organic act of 1944 (5 U. S. C. 574); purchase of lawbooks, books of reference, periodicals, and not to exceed $1,000 for newspapers; and printing and binding: *Provided*, That the Secretary shall transmit to the Congress semiannually a progress report with respect to the liquidation of Federal rural rehabilitation projects, under his supervision, showing by name and by States all dispositions of such projects, or parts thereof, together with the amounts of Federal funds expended in the process of liquidation, and any losses incurred in the use of such funds.

Mr. H. CARL ANDERSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. H. CARL ANDERSEN: On page 60, line 3, strike out the sum "$24,000,000" and insert "$23,000,000."

Mr. H. CARL ANDERSEN. Mr. Chairman, this past Friday I was very much disappointed when in an effort to make a little saving to the taxpayers of $300,000, which, of course, some think to be simply chicken feed, but which never-

theless still amounts to a good deal of money in my part of the country; I repeat, it was very much disappointing to note that when the teller vote was had upon that particular amendment not one Member of the majority side of this House saw fit to go down this aisle in support of that little saving to the taxpayers of the Nation, while all but one on the Republican side did so. We hear a lot about economy. Just the other day I noted that some distinguished gentlemen from the majority side are included in a committee much publicized to try to help balance the Budget in 1947. Last fall bleeding hearts on the majority side of the House declaimed about the dire necessity of balancing the Budget at the time we had the tax reduction bill before the Congress. Yet there were at that time only two men who rose on the floor of the House—the gentleman from Missouri [Mr. CANNON], chairman of the Committee on Appropriations, and I, who argued against that particular tax reduction bill at that time, holding such reduction to be poor business. Had that tax reduction bill not been so hastily jammed through Congress, we today would be within sight of our goal, a balanced budget. Many talk of economy and act contrary to their expressed convictions. Perhaps it is a case of the spirit being willing but the flesh being weak.

I am hoping that in this amendment to take away from the Farm Security administrative expense account $1,000,000 which Farm Security can well afford to do without, it will not simply be a matter of political division on the vote in this House. Many times I personally have voted against my side of the House when in agreement with the Democratic majority. I hope you will see fit to regard this amendment as an effort only to reduce a little of this additional personnel which is in this particular bill today. Do you know that there are an additional 1,800 new positions over last year in this measure? When the budget came before us it represented 3,254 new positions entirely apart from what this Department had this past year. We took out 1,400 of those in subcommittee but more should be cut out. Are we going to make an effort to balance the Budget? Are you going to be serious about such effort, you who get up and bemoan the fact that our budget must be balanced or chaos will result? Or are we simply going to go along the easy road for fear that we may harm somebody's feelings and not help shear off from the pay roll 2,000 people provided for in this bill who are absolutely unnecessary? It will not harm the efficient field work in the granting and servicing of loans in the least. It affects only regional offices, one-third of them. The Farm Security Administration has $24,000,000 allotted to it under this bill for mainly administrative expenses. There is no reason whatsoever, in my opinion, for the maintenance of many of the regional offices. For the maintenance of these particular offices there was more than $3,600,000 available in 1946. Over 1,500 of the 8,400 full-time employees of Farm Security are employed in the regional offices, and this proposed reduction of $1,000,000 would only cause at the most the closing of one-third of these offices. It would have no effect whatsoever upon the personnel in the county offices and in the field, where the real work is done.

Farm Security is doing good work in Minnesota, but that is no argument as to keeping regional offices employing 18 percent of the personnel in operation. My amendment would save the taxpayers $1,000,000 and would remove perhaps 300 employees from the roll. Is that unreasonable? Is that not a step toward balancing the Budget? There would be just as many loans available for farmers or veterans who need such loans. We will only be shaving off 4 percent of the Farm Security people, and I am sure such a saving would be beneficial to the entire organization. It is well known that almost every Government bureau is overstaffed and wasteful of manpower.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. H. CARL ANDERSEN. I came to the Congress directly from my farm in Minnesota. Certainly it is not my intention to do anything here today that would injure anyone of my neighbors who might need help from this Government. At the same time, I do not intend to permit this Agricultural Department appropriation bill, in which bill I am most interested, and which I have helped to write, to prevent me from watching out for the taxpayers of the Nation. If we permit an appropriation bill, now that the war is over, to pass with additional employees over last year, a war year, we are not doing right.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

Mr. TARVER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there has been reported from the Committee on Agriculture a bill dealing with the Farm Security Administration, and it proposes to authorize its continuance legislatively. A rule has been granted by the Rules Committee for the consideration of that bill. Upon its consideration, any changes which may be necessary in the organization of the Farm Security Administration so as to provide, if it is deemed wise by the Congress, for the elimination of regional offices, might be very properly dealt with; but, in my judgment, it is not possible for you, upon the consideration of the pending bill, to deal properly with that subject matter.

I have been interested in bringing about every possible economy in the administration of the affairs of the Farm Security Administration, although I believe that that Administration should be continued for the benefit of the lower-income class of farmers of this country.

Since 1943, the administrative expenses of Farm Security have been reduced from $38,000,000 to $24,000,000 carried in this bill. During the last 2 years the number of employees of the Farm Security Administration has been decreased from 17,000 to 8,400, contemplated for the next fiscal year. I mention these facts in order that you may know that our subcommittee has not only not been neglectful but has been very diligent in endeavoring to cut down the administrative expenses of this organization of the Government. Reducing these administrative expenses still further, in addition to the cut of about $1,200,000 which we have already made below the level of the administrative expenses for the present fiscal year, would not be economy. It would be failure on the part of the Government to adequately look after the money it has invested in the Farm Security Administration loans.

The administrative personnel in the field, the farm supervisors, the home supervisors, who are endeavoring to aid these families who have these loans, are largely responsible for the very satisfactory rate of repayment which has been accomplished. The Government has several hundred millions of dollars invested in Farm Security Administration loans. If you do not provide proper administrative expenses, then you may reasonably expect that greater losses will be sustained by the Government than otherwise would be true.

I think the the provision of enough money to carry on properly the administrative expenses of this organization is a matter of economy, and that if we failed to provide enough it would lead to waste because you would be failing to conserve the property of the United States Goverment, these three-hundred-odd-millions of dollars that have to be serviced during the next fiscal year, not speaking of the $67,500,000 additional loans for which provision is made in this bill.

I think our committee has gone as far as it reasonably can in reducing these administrative expenses; and, so far as I know, no other member of our subcommittee concurred in the judgment of the gentleman from Minnesota who desires to make a reduction here of an additional $1,000,000.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. H. CARL ANDERSEN. Normally I agree with my chairman. I find he is a very fair man upon our subcommittee, and I am glad to serve on that subcommittee under him.

Mr. TARVER. I thank the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. Is it not a fact that 18.6 percent of these eight-thousand-odd-full-time employees are employed in regional offices?

Mr. TARVER. I believe that is true, and I think that in consideration of a bill which will probably be up next week to establish the Farm Security Administration on a legislatively authorized basis, consideration should be given by Congress to attempting to simplify the administrative machinery of the Farm Security Administration. But I do not think you want to do it today with a broad ax by simply cutting off a million dollars as suggested by the gentleman

from Minnesota. I think the matter ought to be given careful and thorough consideration, and then the judgment of the Congress written into the proposed bill which will come before us within a few days.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield for a further question?

Mr. TARVER. I yield.

Mr. H. CARL ANDERSEN. Is it not a fact that we have not shaved down by one nickel the request as made to us by the Budget?

Mr. TARVER. That is true, but it has been decreased below what it is for the present fiscal year.

Mr. H. CARL ANDERSEN. Would not that indicate that they had too much money with which to operate?

Mr. TARVER. No. Under the administration of a former Member of this House, the gentleman from North Carolina, Mr. Hancock, followed by his successor, Mr. Lasseter, this office has been administered on a common-sense basis.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. TARVER. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. RICH. Mr. Chairman, reserving the right to object, I wish to remind the gentleman from Georgia that when another Member asked for an extension of time he said he was going to object to any further requests for extension of time.

Mr. TARVER. My statement, Mr. Chairman, was, that if other Members wanted time in excess of 5 minutes to talk on matters not connected with the bill, I would object.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. TARVER. Mr. Chairman, the administration has been making reductions wherever it could in administrative expenses. That is the reason the number of its employees has been reduced from 17,000 to 8,400 for the next fiscal year. We think they are doing a good job, doing it in good faith and when they are doing a good job, trying in good faith and good common sense to effect economy, surely we ought not to throw a monkey wrench into the machinery by cutting off a million dollars which action would probably severely handicap the program.

Mr. TABER. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for one additional minute in order that I may ask him a question.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. TABER. Is it not a fact that the activities outside of the collection of funds and the lending of funds has been reduced by about two-thirds in the last year? That is, the number of acres they have on hand is only about 600,000 as against 1,800,000; and they have gotten rid of a lot of other things like a spinning mill and something of that kind down in Alabama, and they are planning to get rid of a lot of other stuff. Would not that be a basis for a deeper cut than 600 in employment?

Mr. TARVER. I am glad the gentleman asked that question, because it indicates he does not clearly understand the situation.

The 1,800,000 acres to which the gentleman refers is the acreage they had in these cooperative projects and other similar projects where large tracts of land were owned or controlled by the Farm Security Administration. We have been insisting on the liquidation of those holdings and they are now down, as the gentleman said, to about one-third.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. TARVER. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. TARVER. Mr. Chairman, the whole administrative expense of this remaining 600,000 acres of land is only $125,000. That is not the administrative expense about which the gentleman from Minnesota and myself are talking, the administrative expense of handling all of the loans that have been made to individual farmers throughout the United States, aggregating over 400,000 in number where service to those borrowers is necessary.

Mr. TABER. Why would they need 1,800 people in regional offices if that were the situation? It would seem as if that number could be trimmed down right now.

Mr. TARVER. The question whether or not they ought to be allowed to retain the regional offices should receive consideration of the Congress in connection with the bill which is pending, but I do not think you can accomplish that result or that it would be desirable to accomplish that result simply by adopting an amendment reducing the amount of money carried for administrative expenses in this bill.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Pennsylvania.

Mr. RICH. Has not the gentleman found out that the only way you can cut down on any department that is set up by this Congress is to eleminate the appropriation? That is the only way you can reduce these departments.

Mr. TARVER. That is the way we have been cutting down, and we have made what we feel is a very fine record in that respect. What I am objecting to is the suggestion made by one member of the committee out of seven to cut administrative expenses a million dollars more in order to show that we are in favor of economy. I think the result would show we are in favor of not having sufficient supervision of the Government loans so as to insure proper returns.

Mr. RICH. I think that gentleman of the committee has a lot of good judgment.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. MAHON. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, I rise to support the position of the gentleman from Georgia [Mr. TARVER], chairman of the subcommittee. None of us wants to see the Government run riot so far as administrative expenses are concerned, whether such expenses are for the Farm Security Administration, or otherwise. I know something about the good work which this committee has already done in undertaking to reduce unnecessary expenses. There is another aspect to this question that should be pointed out at this time. There are hundreds of farmers all over the United States, many of them veterans, asking for Farm Security Administration loans. But funds for FSA loans have been exhausted in many farming areas.

There is no doubt in my mind but what this Congress will this week or next week in this or the other body to provide an urgent deficiency appropriation for additional Farm Security Administration loans so that these veterans and others who so much need this money and need it quickly can go ahead with their farm operations. If we make these additional loans, and I think we will, that will increase the administrative burden in 1946 and in the fiscal year 1947. That is another reason why I would hesitate, as much as I favor economy, to cut farther than the committee itself has cut this particular item.

I have discussed the immediate need for additional FSA loan funds with Mr. Lasseter, head of the Farm Security Administration and with the director for Texas. Many west Texas farmers have written me about the necessity for additional loan funds. The proper place for the action to be taken will be on the urgent deficiency bill now pending in the Senate. Senator RUSSELL advises me of his interest in securing action in the Senate. Action could then be quickly taken in the House.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. Is it not just too bad that we have to relegate the veterans of this Nation down to the scale of the Farm Security rehabilitation group? What is the matter with their rights under the GI bill?

Mr. MAHON. I do not see any harm in doing everything we can to afford the veteran all his rights under all the laws of the land, including the GI bill of rights. He should not be confined to the GI bill of rights. All of the laws

of the land should operate in the interest of veterans in like manner as in the interest of other citizens.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Georgia.

Mr. PACE. Of course, the difficulty is that unfortunately the GI bill is not functioning for farm operation loans, and the veterans just cannot get them under the GI bill of rights. The banks are not making loans.

Mr. MAHON. There is great need for immediate action in providing additional FSA loans for veterans. Since that action is anticipated it would be unwise now to adopt the gentleman's amendment.

Mr. RICH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it seems to me that the amendment offered by the gentleman from Minnesota can well be considered in eliminating or aiding in cutting down of some personnel of the Department of Agriculture. I have been up in the Agriculture building, walking around there, before Mr. Anderson became Secretary, and I saw more people in the Agricultural Department, I believe, than any other Department of the Government sitting around doing nothing. When I think of the Farm Security Administration having all these offices over the country and the number of employees that they have, certainly we can get better work done if we do not have too many employees. They should give more attention to the work at hand rather than discussing the questions of the day and how they are going to maintain and hold on to their jobs.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Kansas.

Mr. REES of Kansas. I notice the committee takes a lot of credit, and they are entitled to it, perhaps, for having cut down the number of employees, but I notice according to the report that they have increased the number at least 1,500 under this bill. It seems to me that the only way we can cut employment and the only means we seem to have of doing it, is through the Committee on Appropriations.

Mr. RICH. When I came to Congress we had less than 500,000 employees. Remember this, during World War I, we had a total of less than 3,000,000 employees at the highest point of World War I. We have over 3,000,000 employees on the Government pay roll now, and the war is over, and we are holding on to them. We are not getting rid of them, but by the adoption of this amendment we will eliminate a great many Government employees. It will ease the tax burden. Stop hoarding help needed in reconversion.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Georgia.

Mr. TARVER. The gentleman ought to realize that the increase in the overall employment in the Department of Agriculture in personnel has been occasioned by such things as the expansion of the program for Forest Service, the expansion of white pine blister rust-control funds and the expansion of various other types of appropriations for the Department for which I think the gentleman probably voted; at least most of his colleagues on the Republican side did.

Mr. RICH. The gentleman is not charging me with that, is he?

Mr. TARVER. The only way you can keep down personnel is to keep from voting for these bills which have to have personnel in order to carry out their provisions.

Mr. RICH. All right. I want to say right here that I have been voting against them ever since I have been in the House, and the gentleman knows it. The only way we can cut them down, and the gentleman knows this, is to cut out the appropriations, and I think we ought to support the amendment offered by the gentleman from Minnesota.

I want to call your attention to the agricultural appropriation bill. A lot of things you are doing, in my judgment, are entirely wrong. Let us take the payment you are making for subsidies, and the ones that are getting subsidies over $1,000. You have given $28,900,625.45 to these farmers that are getting over $1,000 apiece. Let us see who is getting it. Let us take our State of Pennsylvania. They get $13,740. Pennsylvania is a great agricultural State. Pays 10 percent of your bills. Let us take Alabama, subsidies of $1,653,000; Arkansas, $1,096,000; California, $2,064,000; Georgia, the State the gentleman represents, $1,224,000; Louisiana, $1,853,000; Mississippi, $2,030,000; Montana, $1,364,000; New Mexico, $1,012,000; and Texas, $6,238,000.

It seems strange that a great many of these States have such a great number of large farms that they receive these enormous amounts of money. It does not seem right that that should happen. I am going to insert this list in the RECORD.

Payments to payees who received $1,000 or more under the 1944 agricultural conservation program

STATE SUMMARY

State	Number of payees	Amount of payment
Alabama	721	$1,653,023.51
Arizona	258	753,103.79
Arkansas	538	1,096,768.57
California	924	2,064,508.45
Colorado	543	943,232.95
Connecticut	5	12,605.72
Delaware	22	40,947.45
Florida	393	888,469.20
Georgia	629	1,224,664.07
Idaho	182	329,710.08
Illinois	62	118,019.41
Indiana	27	36,833.86
Iowa	31	50,208.85
Kansas	534	858,730.52
Kentucky	66	98,036.45
Louisiana	753	1,853,513.27
Maine	19	31,705.35
Maryland	31	50,459.38
Massachusetts	9	15,465.04
Michigan	5	7,595.06
Minnesota	39	68,376.03
Mississippi	960	2,030,689.32
Missouri	92	132,048.87
Montana	751	1,364,117.17
Nebraska	170	282,296.15
Nevada	50	114,497.76
New Hampshire	1	$1,403.65
New Jersey	18	66,901.63
New Mexico	516	1,012,083.92
New York	1	10,000.00
North Dakota	93	129,652.26
North Carolina	36	62,552.20
Ohio	15	28,661.48
Oklahoma	456	718,833.66
Oregon	458	880,676.34
Pennsylvania	6	13,740.13
South Carolina	470	831,902.59
South Dakota	203	336,251.33
Tennessee	345	571,277.52
Texas	2,301	6,238,893.16
Utah	56	95,626.66
Virginia	49	95,564.62
Vermont	2	8,807.65
Washington	413	699,605.99
West Virginia	11	15,566.75
Wisconsin	17	27,717.54
Wyoming	432	884,011.67
Hawaii	18	51,268.42
Total	13,731	28,900,625.45

Payments to payees who received $1,000 or more under the 1944 agricultural conservation program—Continued

Source: U. S. Department of Agriculture, Production and Marketing Administration, Field Service Branch, Dec. 21, 1945.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. RICH. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. I call your attention to the amount of subsidies all the farmers in all the States are getting, $327,004,273.41:

Amount of farm subsidy payments by States

Washington, D. C	$2,621,624.22
Alabama	9,628,581.43
Alaska	7,062.46
Arizona	1,420,286.69
Arkansas	7,597,960.10
California	8,124,200.97
Colorado	6,380,435.81
Connecticut	419,186.72
Delaware	784,276.78
Florida	3,474,018.04
Georgia	7,691,983.68
Hawaii	219,605.73
Idaho	3,802,284.46
Illinois	13,334,738.31
Indiana	8,620,957.98
Iowa	14,491,458.84
Kansas	13,261,617.23
Kentucky	9,497,623.65
Louisiana	5,460,276.17
Maine	807,310.58
Maryland	2,517,850.99
Massachusetts	634,738.84
Michigan	8,539,089.18
Minnesota	9,603,738.35
Mississippi	9,672,786.70
Missouri	12,998,103.33
Montana	6,160,538.24
Nebraska	10,374,883.67
Nevada	376,220.24
New Hampshire	385,898.73
New Jersey	1,543,971.23
New Mexico	3,756,558.20
New York	5,052,430.54
North Carolina	6,943,108.16
North Dakota	6,031,424.26
Ohio	9,754,790.37
Oklahoma	11,834,287.62
Oregon	4,220,912.01
Pennsylvania	7,334,030.33
Puerto Rico	2,000,856.27
Rhode Island	102,622.02

Amount of farm subsidy payments by States—Continued

South Carolina	$5,853,639.20
South Dakota	7,562,213.30
Tennessee	9,873,041.24
Texas	33,691,181.87
Utah	1,610,600.32
Vermont	1,066,523.61
Virginia	5,394,359.14
Washington	3,388,836.78
West Virginia	3,009,447.04
Wisconsin	11,619,291.18
Wyoming	2,872,181.15
Undistributed	3,578,579.45
Total	327,004,273.41

Official 1945 report of AAA of USDA.

This is the situation. When the farmers of this country are getting subsidies they are not getting for their commodities the prices they should get. Some day we are going to find that this Nation will have to stop paying subsidies to everybody, not only to the farmers. Then the farmers will be sitting high and dry because the prices of their commodities are so low that they will be unable to make ends meet, and they will be sold out by the sheriff, the chances are, because the prices they will get for their milk, for their wheat, for their oats, for their hogs, and for their cattle, and so forth, will be so low they cannot maintain themselves in the agricultural field. It will be a terrible time when that day comes.

Just remember that you are not treating the farmers right until you stop subsidies and see that they get paid for their commodities, until you see that they get paid for the hours they put in in work. The farmer gets up at 5 o'clock in the morning and goes out to milk the cows. Then he works all day, until late at night, then he comes back and milks those same cows again. Remember, they give milk twice a day. The farmers are going to be in a hole and you will be in a hole because you are not going to get any more milk. Oh, the subsidy payment will ruin everybody who receive them now. Remember all the money paid in subsidies are added to our national debt to be paid for by our children and children's children—just because of the lack of common sense and decency in our fiscal policy. The New Deal Congress is to blame. Where are you going to get the money to pay your debts?

Mr. TARVER. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 25 minutes, the last 5 minutes to be utilized by the gentleman from Mississippi [Mr. WHITTEN].

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. I rise in opposition to the amendment.

Mr. Chairman, when the House Committee on Agriculture sought authority to investigate the Farm Security Administration, those of us who were interested in the investigation were accused by the press and the public generally of requesting the investigation for the sole purpose of destroying or eliminating Farm Security Administration. Time has proven the good intentions of the sponsors of that investigation. As chairman of the special committee charged with the duty of conducting the investigation, I assured the Congress and the country that the investigation would be in all respects fair and thorough. I am sure that everyone familiar with the investigation will now agree that the investigation was fair and in all respects full and complete. As a result of the work of the special committee legislation was drafted and reported by the House Committee on Agriculture. For many reasons the legislation did not come before the House during the Seventy-eighth Congress, but a bill substantially similar was introduced at the beginning of the Seventy-ninth Congress, and after many delays was recently favorably reported. Last week the Rules Committee granted a rule, and I am advised by the leadership that the bill will be before the House for consideration within the very near future. I commend the bill to your consideration.

During the course of the investigation many changes were made in the personnel and policies of the Farm Security Administration. Mr. C. B. Baldwin resigned as Administrator and a former Member of this House, Hon. Frank Hancock, was appointed as his successor. After conferences with members of the investigating committee, the new Administrator started out to accomplish the things which had been indicated by the committee as being desirable. Mr. Hancock applied himself diligently to the discharge of the duties of his position, and now the most ardent critics of the Farm Security Administration commend Mr. Hancock upon the very magnificent manner in which he carried out the wishes of Congress.

Addressing myself directly to the amendment now pending, while I can agree with all that has been said with regard to economy in government, and while I appreciate the necessity for curtailing Federal expenditures and balancing the Federal Budget, I am frank to say that this is a poor place to start to practice economy. This amendment seeks to curtail and to handicap an activity of the Federal Government which deals directly with farmers in the very lowest income brackets. No farmer is eligible for a loan from the Farm Security Administration if he can obtain credit from a commercial bank or other private or cooperative lending agency. In other words the only person eligible for a Farm Security Administration loan is one who cannot obtain credit elsewhere. As stated by the gentleman from Texas, many applicants for loans are returning heroes, men who are coming home from the fields of glory, anxious for an opportunity to engage in farming.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. LUTHER A. JOHNSON. I have a letter which I received just a few days ago from a man in my district, stating that there were no funds now available to make these loans. The fund is totally depleted. I think this is the worst place on earth, as you have well stated, to begin with the practice of economy, to deny these applicants for loans.

Mr. COOLEY. Many provision of this bill deal with other aspects of agriculture, but it seems to me that it would be unfortunate for the House to cripple this agency which is now dealing with the low-income farmers.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. KEEFE. Under the law at the present time, there is no authorization for Farm Security Administration appropriations.

Mr. COOLEY. That is correct.

Mr. KEEFE. I understand that the bill which will be submitted as the result of the investigation conducted by the gentleman's committee will be before the House next week for consideration, a rule having been reported, as I am advised, by the Committee on Rules.

Mr. COOLEY. That is correct.

Mr. KEEFE. Does that bill provide or set up an authorization, and in what amount, for the Farm Security Administration?

Mr. COOLEY. It does provide basic legislation for the Farm Security Administration, not under the name of the Farm Security Administration, but by the legislation which we seek to activate the Farmers' Home Corporation which Congress sought to create in 1937. It provides authorization for an amount sufficient to take care of the needs of those who have formerly borrowed from the Farm Security Administration, the Emergency Crop and Feed Loan Office, and from the Regional Agricultural Credit Corporation.

Mr. KEEFE. In other words, that bill combines those three agencies?

Mr. COOLEY. It combines those three agencies and hereafter the farmers deal only with one agency.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. Mr. Chairman, I think it would be unwise at this time to change this appropriation. I say that for the reason that this whole situation should be ironed out if and when the Cooley bill comes to the floor for consideration.

As far as the Bankhead-Jones bill is concerned, there is no one who can justify it who does not believe in the nationalism of land. If anyone believes in the nationalism of land, then they should subscribe to it. As I said to Marvin Jones one time, the only thing I liked about it was the author's name. I surely always have liked him. You cannot very well justify appropriating 100 percent of the money with which to buy a farm unless you are willing to buy a store for the man's brother and stock it up for him and tell him to go into the mercantile business, or a filling station, or any other kind of business.

This whole thing has had the study of a very competent committee. The gentleman from North Carolina [Mr. COOLEY] is chairman of that committee. If there is anything in the bill when it comes here that does not meet your approval, if a majority of the Members of this House want to change it they

will be given every opportunity to change it. It is an open rule. It is a strengthening step, so far as personal property is concerned.

I think it would be appropriate at this time to call attention to the fact that the gentleman's bill is really the only bill that gives veterans any preference, as far as the interest rate is concerned, that has been offered up to this time. Under the gentleman's bill a veteran will receive his money at 3 percent, and other groups will pay 4-percent interest. At the present time, when it is all said and done, it is hard to excuse the Congress for appropriating money for an agency to loan money to nonveterans at 3 percent when the veteran is paying 4 percent, as he is at the present time. So, when this legislation comes to the floor, I am sure we will iron out all the questions, not only as far as real estate is concerned, but also as far as personal property loans is concerned. We will not be in the position of having 100-percent loans at 3 percent, 75-percent loans at 4½ percent, and 65-percent valuation loans at 4 percent. We will have that all ironed out in a constructive piece of legislation. I believe the thing to do, so far as this amendment offered by my distinguished colleague from Minnesota is concerned, is to reject the amendment. I am willing to follow the gentleman from Minnesota 99 percent of the time. I know he is interested in every phase of agriculture, but in this particular case I think we had better skip over it and support the gentleman from Georgia [Mr. TARVER] instead.

The CHAIRMAN. The gentleman from Georgia [Mr. PACE] is recognized.

Mr. PACE. Mr. Chairman, I want to join with the gentleman from North Carolina [Mr. COOLEY] in commending Mr. Hancock for the splendid job he did as Administrator of Farm Security Administration. I want to go one step further and ask the Members of Congress to get acquainted with the present Administrator, Mr. D. B. Lasseter. He is a man who, in my judgment, measures up to Mr. Hancock's standard; a man who believes in efficiency and economy and will be governed by sound business principles in the administration of farm security. If you do not have an opportunity to go and see him, ask him to come and see you, because I think you should know him. He is the type man you will like.

I want to express regret that the GI bill is not operating, so far as loans of this character are concerned. For weeks I have been receiving appeals from veterans in my part of the country for assistance in making a crop this year. For some reason, which you can judge for yourself, the banks are not making production loans under the GI bill. The situation has become so critical that Mr. Stelle, national commander of the American Legion, has issued an appeal for additional funds. Many of you have received similar messages.

I thought I might take this occasion to state that probably this week the urgent deficiency bill which passed this House last week will be before the Senate, and I have been assured by Senator RUSSELL, of Georgia, and Senator BANKHEAD, of Alabama, and others that they will propose an amendment to add funds to that bill sufficient to give the veterans the benefit of these rehabilitation loans this year. Whatever is done, of course, will have to be done immediately or it will be too late to pitch this year's crop.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield.

Mr. RANKIN. The reason the veterans have been unable to obtain loans from local banks in many localities is because of the low rate of interest. Some banks are used to getting 6 or 8 percent for their money, sometimes 10 percent, and many of them have not been enthusiastic at all about making these loans for 4 percent, although up to $4,000 they are guaranteed by the Federal Government.

Mr. PACE. There seems to be a number of reasons, because the veterans have submitted their applications and they have not been approved.

Mr. RANKIN. Another reason is that as a rule—I do not know how it is in other sections of the country, but in our section of the country, as a rule we will say, the veteran who desires to buy or build can get money at a reasonable rate of interest, at least they consider it reasonable, without having to go through all the red-tape requirements of these GI loans.

Mr. PACE. We are trying to simplify that, of course. We thought we had done it in the amendments to the GI bill, but apparently we did not do a complete job.

Mr. RANKIN. As a rule, the veteran who wants money wants it only for a few years and therefore the difference in the interest, which is around 2 percent or probably 1 percent, is not sufficient inducement to him invariably to go through all the red tape he has to go through to get one of these loans.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield.

Mr. H. CARL ANDERSEN. I recognize the splendid job my friend, the gentleman from Georgia, who is now addressing the House, has done for agriculture, but does he not feel that perhaps the GI bill of rights can be amended so as to take care of the situation he mentioned? We are all in full agreement with him on that. I simply do not believe that this is the place for the veterans to go to get aid.

Mr. PACE. I certainly will agree that thought should be given to amendments, but that will not help them in pitching this year's crop. If the veteran is going to produce a crop he must be able to get this money within the next 30 days.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield.

Mr. GRANGER. The gentleman knows, of course, that the committee did not have in mind that this was a measure for returned veterans. It is a measure to take care of the low-income farmer from now on if we pass the Cooley legislation. It also makes it possible for the local banks to lend the farmer money to overcome obstacles.

Mr. PACE. That is one of the most valuable provisions of the Cooley bill.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield.

Mr. COOLEY. I may say in further reply to the gentleman from Minnesota that a veteran is not eligible for a loan under this bill if he can obtain it any place else on earth. This Administration is not set up to lend money unless no other agency will make the loan.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

The gentleman from Illinois [Mr. DIRKSEN] is recognized.

Mr. DIRKSEN. Mr. Chairman, first let me commend my colleague from Minnesota for his zeal in being a constant crusader in the garden of economy. As a general thing, he and I see eye to eye pretty well, and I regret deeply that I cannot go along with him in the amendment now pending to cut the administrative expenses for Farm Security and Rural Rehabilitation from $24,000,000 to $23,000,000.

I believe everyone who is familiar with the record over a good many years will appreciate that I have not been a sugar daddy or a gentle angel for the Farm Security Administration. Many of those present will remember that 11 days after the close of the fiscal year a number of years ago when the then Secretary of Agriculture was in Mexico City we held up the Agriculture appropriation bill for that year, and it was being held up because of our controversies over Farm Security.

I concur in the observation that Farm Security has done an increasingly good job. In those early days they had nearly 20,000 people on the pay roll. They have approximately 9,000 as of this moment, and under the pending bill, which will become effective the first of the fiscal year, we shall have 8,400, or a net reduction of about 600 from their present pay roll. Meanwhile they have been servicing a growing accumulation of loans and collections of all kinds. They have been handling their field work, and many of the men have done a reasonably creditable job.

If I have any complaint to make it would be largely because of the duplication I see as between the functions which they pursue and other functions in the Department of Agriculture. I have never been able to disabuse myself of the notion that there is a considerable duplication between the field work done by the Farm Security agents and the demonstration agents in the field and that which is carried on under the Extension Service by the county home agents and also by the home economics advisers in all the agricultural counties of the United States.

I think the House Committee on Agriculture takes a definitely forward step in coming in here with legislation that is designed to consolidate and eliminate some of these duplicating functions and gradually to bring about economy in that domain in the Department where economy can be effected. If you will analyze this bill in its entirety, the $1,120,000,000 that is here, you will find that, roughly, about 14½ percent of all that money is devoted to personal service. That means approximately $178,000,000. I

have been of the opinion for a long time that that can be substantially cut, perhaps as much as 25 percent, but it can be cut only in proportion as these agencies that are operating on parallel paths toward the same objective are gradually brought together so that the overhead and duplication can be squeezed out.

I am afraid this is not a selective amendment that is before us today and for that reason I regret deeply I must oppose my good friend on the subcommittee. I hope that the Committee will vote down the pending amendment.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from South Dakota.

Mr. MUNDT. If we were to vote for this amendment to reduce these administrative appropriations, we might increase the hazard of not being able to collect some of the loans which the Farm Security up to now has collected rather well?

Mr. DIRKSEN. The many outstanding loans must necessarily be collected. You will find a table in the hearings to the effect that there are $16,000,000 that are as good as charged off at the present time. So if we reduce it too much and use what I commonly call the meat-ax technique with respect to this administrative appropriation, we may lose an equivalent amount or more, and curtail or cripple some of these functions.

Mr. MUNDT. There is an able body of men servicing these loans at the present time. If we should cut down the amount, we might lose ten or fifteen million dollars in the form of uncollected loans?

Mr. DIRKSEN. I am satisfied that the gentlemen who heads the Farm Security Administration has had enough business experience to give it a conservative administration. The request that came before us in the form of a reduction for the next fiscal year is certainly a step in the right direction.

Mr. MUNDT. May I suggest that we also have the situation of these veterans seeking aid at this time and it is not the proper time to reduce the funds of the FSA in the field.

Mr. DIRKSEN. The gentleman is correct.

Mr. Chairman, I hope the pending amendment will be defeated.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

The Chair recognizes the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, I have been a member of the Appropriations Committee now for several years. It is most unusual for any of these departments or departmental heads to come in with a program for the ensuing year which provides for a reduced personnel and for less administrative expenses. It is sufficiently unusual that I think when such an occasion does arise certainly we should be a little slow to go further than the department itself has gone.

The Farm Security Administration handles loans for people who are unable to obtain loans from other sources; so probably you would say their borrowers were the poorest credit risks. Real attention must be given to the collection of money owed by them. I am one of those who has opposed in the past many of the activities of the Farm Security Administration. I have made many criticisms of some of their programs. Since the advent of Mr. Hancock, former head of the agency, and later Mr. Lasseter, we have seen those things that we criticized in the program gradually eliminated. We have seen the efforts on the part of these top administrators and those under them, and they have cut down personnel and have cut out many of the things in which many of the American people do not believe.

During the coming year for which this appropriation is made the number of employees will be reduced from right around 9,000 persons to approximately 8,400, a reduction of about 600 personnel. Furthermore the record shows that of the loans that they have made, there has been collected 89.5 percent of all maturities due. The record further discloses that 65 percent of the principal has been paid on all loans and it further shows that in the fiscal year 1947 there are $331,000,000 loans which must be serviced by the Farm Security Administration. This agency has a million dollars less in administrative funds in the present bill than they have had for the present fiscal year.

In addition, they will have something like 600 less individuals on the pay roll during fiscal 1946.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. May I say at this point that the gentleman from Mississippi is one of the most valuable Members on the subcommittee. But is it not a fact that we have 1,800 more personnel in the entire bill than we had last year?

Mr. WHITTEN. That is true, and I am one of those who regret that situation. I have worked with the gentleman from Minnesota in an effort to hold this in line, and I appreciate his desire to save money. I feel the same way about it. But I do say when you consider the over-all work of a department or agency that comes to you with a good record of reducing its own force next year, do not say to them, "Because you did not come in complaining, because you have not enough money and need more men, we are going to penalize you still further." That is one of the unfortunate things that the Committee on Appropriations has to deal with. If departmental heads come to the committee and say they could hardly get by, that they need more help, that they need more men, they are prone to get as much money as last year. But, as in this case, if they ask for less money than last year, and for less personnel, there is a tendency to say, "Well, you had too much last year." We should make it worth while for the agencies to work out their own problems and come in with a request for less money and less personnel and say, "If you reduce your overhead, we will not penalize you but will commend you."

Mr. H. CARL ANDERSEN. There is no quarrel at all about the fact that Farm Security today is doing a good job. But, in my opinion, just why should approximately 1,500 people be employed in these regional offices? There is no reason for those regional offices.

Mr. WHITTEN. I am pleased to admit that the gentleman from Minnesota is one of the hardest working members of this committee and one who believes in real economy. But so far as my own knowledge is concerned, I have to admit that I do not know enough about the Farm Security organization to know whether the regional offices are necessary or not. Those in charge made a good showing for the continuance. I do say that we have a man heading the agency who is trying to do a good job. He is making his recommendations, and he is possibly dependent on those regional offices to help him to work out further reductions in the number of his forces and the amount of money that it takes to operate. After all, these clients owe the Federal Government more than $300,000,000 and I know that proper supervision to insure collection is sound business. I feel we should not further reduce this supervision and hope the amendment will be defeated.

The CHAIRMAN. The time of the gentleman from Mississippi has expired. All time has expired.

The question is on the amendment offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

The amendment was rejected.

The Clerk read as follows:

None of the moneys appropriated or otherwise authorized under this caption "Loans, grants, and rural rehabilitation," shall be used for (1) the purchase or leasing of land or for the carrying on of any land-purchase or land-leasing program; or (2) the carrying on of any operations in collective farming, or cooperative farming, or the organization, promotion, or management of homestead associations, land-leasing associations, land-purchasing associations, or cooperative land purchasing for colonies of rehabilitants or tenant purchasers, except for the liquidation as expeditiously as possible of any such projects heretofore initiated; or (3) the making of loans to any individual farmer in excess of a total outstanding obligation of $2,500 for all such loans; or (4) the making of loans to any cooperative association; or (5) the making of loans for the payment of dues to or the purchase of any share or stock interest in any cooperative association (except for medical, dental, or hospital services) or for any expenditure other than that deemed necessary, in the discretion of the Secretary, for the production of agricultural commodities.

Mr. HULL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HULL: On page 62, line 19, strike out "$2,500" and insert "$5,000."

Mr. HULL. Mr. Chairman, my purpose in offering this amendment is to make available to the veterans and small-income farmers who are unable to obtain loans from other sources loans from the Farm Security Administration for engaging in farming. Originally there was no limitation upon such loans, but a few years ago the limitation of $2,500 for all such loans was inserted.

The gentleman from Georgia, chairman of the subcommittee, states that next week, or soon, at least, we shall have another bill here from the Committee on Agriculture which will set forth fully

the policy of the Farm Security Administration on rehabilitation or loans to people who are without other means of borrowing, but this limitation may not be enacted before that bill becomes law. It is very possible that that bill from the Committee on Agriculture may pass this House, go to the Senate and pass there, and go to the President and be signed and become law, after which this appropriation bill may be passed by the other body, and this limitation may still be in it. So, no matter what the House may do next week regarding the Farm Security Administration policy, unless this limitation is repealed you are going to bar those veterans, especially, and other small-income farmers who are now seeking Farm Security Administration loans, from engaging in agriculture in States like Wisconsin, Minnesota, and several other States where they are largely engaged in livestock raising and dairying.

It does seem to me it is wrong to limit the amount to $2,500. At present it is an impossibility for a veteran coming back from the war, for instance, unless he is able to secure a GI loan promptly, to obtain a farm. If he is unable to obtain a farm and desires to engage as a tenant farmer, then this limited amount will not be sufficient to buy his cows, his team of horses, and his equipment, and permit him to engage in agricultural pursuits.

It does seem to me that this law should be broad enough and, with an appropriation of $67,500,000, adequate to enable the Farm Security Administration, under proper control, to make loans to veterans in excess of $2,500. That is the whole purpose of my amendment. It does not change the amount involved in the appropriation. It does not change the right of other people to have their privilege increased as far as the loans are concerned. It merely raises the limit from $2,500 to $5,000 and leaves the rest to the discretion of the Farm Security Administration. It would permit the borrowers to carry on their operations on a sound basis.

It does seem to me that this limitation should be stricken out and those returning veterans who now look to the Farm Security Administration should have the just relief to which they are entitled. Unless this limitation is so raised, all such Farm Security loans will be made mainly in the cotton-growing and other single-crop States.

Mr. TARVER. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 15 minutes, the last 5 minutes to be reserved to myself.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Montana [Mr. D'EWART].

Mr. D'EWART. Mr. Chairman, I have at the Clerk's desk an amendment similar to the one that has just been offered.

The type of agriculture carried on in Montana requires a relatively high capital investment even for a medium-size family farm. The loan limits under which the Farm Security Administration presently operates are entirely too low to permit it, in many cases, to adequately finance a satisfactory farm operation.

Few returned veterans and an equally small percentage of the present farm boys who will be wanting to become established in agriculture will have accumulated enough money to create more than a small equity in a satisfactory farming enterprise. There will be need, therefore, for the expansion of supervised Government credit.

In the West the size of farms has increased, with new machinery and new methods of farming. In my own State, the average farm is 1,100 acres. These farms in the West are not specialized farms but grow a variety of crops, which means they must have all kinds of machinery in order to plant, cultivate, and harvest these crops. The price of this machinery is going up and it takes more money to finance these operations. The men who are eligible for this type of loan do not have other funds or they could not get this kind of loan. It is therefore necessary that they be financed very largely by these loans. Therefore, the small sum of $2,500 puts a limitation on them which does not make it possible for them to get a good start. The chairman of the committee stated a while ago that the Farm Security Administration had sold to these men approximately one-third of the tenant farms that the Farm Security Administration had been operating. These men that purchased these farms do not have very much capital. They need the sum of $5,000 if they are to be adequately financed. I have telegrams and letters from the Ladies' Auxiliary of the Veterans of Foreign Wars, from the Veterans of Foreign Wars, from the Veterans' Welfare Commission, from a veteran himself, from the Central Trades and Labor Council of Kalispell, and also from the Richland County Farm Security Advisory Committee asking that the amount of this loan be raised.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. D'EWART. I yield.

Mr. KEEFE. If I understand the position of the gentleman from Wisconsin and the gentleman from Montana, it is that the beneficiaries under this title of the bill are those who cannot secure credit from established lending agencies?

Mr. D'EWART. That is entirely correct.

Mr. KEEFE. And being unable to obtain loans from established lending agencies, they are forced to go to the Farm Security Administration for assistance in establishing themselves in an agricultural pursuit or in farming. But a loan of $2,500 in Montana or in the State of Wisconsin is utterly and completely inadequate to set an individual up in business and carry on the business of farming. So you are seeking to increase the amount of the limitation from $2,500 to $5,000 so that in a case where the circumstances warrant, and in a situation which the Administrator may approve, he may grant a loan in excess of the present limitation of $2,500. Is that the gentleman's position, as I understand it?

Mr. D'EWART. That is absolutely right. In order for a man to set up a satisfactory business of farming that will be successful, he must have more than $2,500.

Mr. KEEFE. I am in complete accord with the position taken by the gentleman from Wisconsin and the gentleman from Montana.

Mr. MURDOCK. Mr. Chairman, without knowing what the gentleman from Georgia [Mr. TARVER] will say in opposition to this amendment, I want to say that I am favorably impressed with the Hull amendment and feel that there are good reasons why I should vote for it. No doubt it will be contended that to double the amount permitted such loans to veterans and raise it from $2,500 to $5,000 would require an additional sum total of appropriation. Well, what if it does? The matter is important enough from the standpoint of justice to veterans to warrant an increase in the sum total of the appropriation. I say this on the assumption that this method is the proper way to enable veterans to get a home on the land. There are other ways, but I do not know how effective those other ways are going to prove to be.

What are those other ways? One of them is a method on which I have been working for many months, and that is to furnish some qualified veterans family-sized farm units on newly irrigated land open for settlement by the United States Bureau of Reclamation. I have been working on this for months before I became chairman of the Committee on Irrigation and Reclamation, and naturally I have redoubled my efforts since becoming chairman of that important committee in the Seventy-ninth Congress. I cannot say that I have been entirely successful, although much has been accomplished. Frankly, I am disappointed that more has not been accomplished by legislative action for the thousands of veterans who would like homes on irrigated land within the 17 Western States. What has been accomplished in that direction to date?

I am happy to announce to the hundreds of veterans in the Southwest, chiefly in Arizona and California, that my bill, H. R. 4932, has now become law. It is Public Law 318, of the Seventy-ninth Congress, signed by the President on March 6 last. This measure extends a preference to the veterans of the Second World War, exactly as the original Boulder Canyon Project Act of 1928 extended a preference to the veterans of the First World War, with this difference: Public Law 318 extends that preference to lands in Arizona as well as in California. Therefore, this preference is to lands irrigated not only by the All-American Canal in California but also by the Gila Canal in Arizona. I am happy to see this proposal written into law. In addition to writing such policy into law, we have also been fortunate to have fairly large appropriations made to the Bureau of Reclamation to open up these lands for settlement by veterans. Then what is it about which I am yet dissatisfied?

I am sorry to tell veterans that one bill of similar intent for veterans, but which covered the entire 17 Western States included within the reclamation area, has not yet been enacted. I refer to my bill in this Congress, H. R. 520, which was reported out of my committee nearly a

year ago, and passed the House with some unsatisfactory amendments on September 19, 1945. This bill has gone to a Senate committee, and no further. I would be glad to see H. R. 520 written into law, even exactly as it passed the House, if nothing better is possible for it. I do think that the bill could be bettered by inserting certain provisions very similar to those that were in the bill as reported out by my committee, and yet not include anything that would overlap the jurisdiction of any two governmental departments.

Whatever opposition H. R. 520 encountered because of the so-called overlapping in the first draft does not in any way apply to the measure as it passed the House. Opponents of H. R. 520 will need to get some better excuse to offer veterans for their stand. I cannot see how any Member of Congress or any Cabinet officer can look a veteran in the eye and say that he wants the veteran to have a farm home, and yet oppose the enactment of H. R. 520. We are told that 850,000 veterans in uniform only a few months ago declared their wish to own a piece of land on which they could make a living after the war. What has Congress done to provide that one-tenth of that number attain their goal? Somebody is going to have some explaining to do. True, we have liberalized the GI bill of rights, but even so that will not enable many veterans to obtain a piece of good land in this day of inflated prices. Shall we further liberalize the GI act, or enact H. R. 520, or what shall we do for land-hungry veterans. Now, gentlemen, the veterans are going to judge you by your vote and by your act, rather than by your professions.

I would far rather enact H. R. 520, or some similar measure, and make it possible for veterans to have a good piece of productive new land and not be harassed by inflated prices on old land. However, I would like also to supplement a generous irrigation program for them with a liberalized loan provision in the GI bill of rights and also by a more liberal provision in this appropriation bill, such as the adoption of the Hull amendment. I cannot put this too emphatically, that the Government has fallen down on its profession of concern for veterans more in regard to farm homes than it has even in regard to housing and jobs for them. And what is the excuse?

With regard to jobs we have said, "Let private enterprise furnish the jobs." And we've left it to private enterprise. As nearly as I can make out from the action of the House on the Patman bill last week, we are going to let private enterprise furnish the housing with results easily predictable. Shall we let private enterprise sell them farms? If the Bureau of Reclamation could be furnished proper basic law and adequate appropriation, it could furnish millions of acres of good land in the 17 Western States to provide better homes for veterans than they could provide themselves, even if you doubled or trebled the loan value in the GI bill of rights, or adopt the Hull amendment to this bill.

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there are two or three things which I think should be kept in mind in connection with this amendment. If the Members will take cognizance of these two or three points, their good judgment will tell them what should be done.

First of all, it should be remembered that this limitation of $2,500 was placed on the appropriations relating to Farm Security loans several years ago. I do not recall the exact year, but it must have been at least 6 or 7 years ago. The prices of livestock at that time were considerably below what they are now. In other words, a limitation of $2,500, however it might fit the situation when it was adopted, is obviously too low now for the operation of a family-type farm in many States. The price of cattle, both milk cows and beef cattle, is considerably more than it was when this limitation was established.

I would not recommend and do not recommend that large cattle operations be financed by FSA at present prices, but there is a minimum number of animals needed for an efficient farm unit and the loan should permit purchase of enough stock for an efficient operation if it is to be made at all.

The second thing to keep in mind is that the change in this limitation does not increase the appropriation a single dollar. The appropriation for Farm Security Administration is carried in the preceding paragraph that has already passed the committee. It is not up for consideration. So that the change of this limitation does not increase the draft on the Treasury at all. On the contrary, by making it possible for Farm Security supervisors, when they find an operator will be better able to carry on a sound farming operation by a loan in excess of the $2,500 and under the limit proposed by the amendment, to make a larger loan may protect the Treasury by doing so. In other words, it makes it possible for sounder loans to be granted than if you held them to a limitation which might mean an uneconomical farming operation.

I trust that the arguments that have already been presented by the gentleman from Wisconsin [Mr. HULL], the gentleman from Wisconsin [Mr. KEEFE], and the gentleman from Montana [Mr. D'EWART] will be kept in mind. I, too, have letters from veterans and from others saying that it is impossible for them to get a proper loan to carry on a sound farming operation under existing limitations. The amendment will make it possible for the Farm Security supervisors, in their discretion, to give a sound loan within the $5,000 limitation and without increasing the total amount of money appropriated.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. KEEFE. I want to congratulate the gentleman for bringing out the point he has just made; namely, that the raising of this ceiling in many instances will permit a sound, profitable farming operation that perhaps would be an unsound operation if the loan were limited within the ceiling of $2,500, as in the present law. It simply means that it gives discretion to the supervisor in the field, where a man may need three or four additional cows, to put that farm into profitable operation, that he will be permitted to increase the loan sufficiently to enable the placing of that livestock on the farm.

Mr. CASE of South Dakota. I thank the gentleman for bringing that point out clearly, and I hope the amendment will be adopted.

The CHAIRMAN. The gentleman from Georgia [Mr. TARVER] is recognized for 5 minutes to conclude the debate on the pending amendment.

Mr. TARVER. Mr. Chairman, it would be a very unfortunate thing, in my judgment, if this amendment should receive favorable consideration. This is not a general farm-credit program. This is not a veteran's program. If it were either one, the amount of money carried in this bill would not be a drop in the bucket compared with the amount of money which would be needed.

The ordinary farmer gets consideration through the agencies of the Farm Credit Administration for loans which he needs. The veteran gets consideration through the medium of the facilities provided in the GI legislation which, if not sufficiently liberal, should be liberalized.

I am not in favor, and I hope you are not, of turning the veteran over to what was originally intended as a relief organization.

When this Farm Security Administration was established, it was established for the purpose of trying to afford some measure of relief to hundreds of thousands of the lower-income farmers in the United States. They are not the farmers who operate large ranches. They are not the farmers who have farms of 1,800 acres, such as one gentleman mentioned. They are the farmers who are at the very bottom of the scale, who have to have some kind of assistance in order to keep their heads above water. Other types of farmers can go to other agencies, to the Farm Credit Administration, to the production credit associations throughout the country, and can get the financial assistance which they need.

When I commenced working on this Farm Security Administration problem several years ago, as chairman of the Subcommittee on Agricultural Appropriations, we found a very distressing situation.

Under the so-called relief program loans were made aggregating as much in some cases as $18,000 to one individual, to a man who stood in almost relief status; and a great deal of the money was wasted. Sixteen million dollars of it, as the gentleman from Illinois [Mr. DIRKSEN] has told you, has been written off the books as uncollectible.

We set about trying to make some changes in this situation that would make this program sound and would insure to the Government a reasonable return from the loans made; and on the basis of our recommendations we provided a limitation of $2,500 on the amount of loan that might be made to any one individual. Since then the collection record has improved. Since then

we have not needed as much money to carry on the program. It has been possible to reduce the amount of funds made available for this program and still the program is functioning efficiently and with satisfaction to most of the people throughout the country who are interested in it.

Now, if you want to double this limitation and make it $5,000, if you want to turn this into a veterans' program instead of the type of program it was originally, you certainly ought to increase the amount of money provided for the purpose, the $67,500,000. If you raise this limitation, or if you provide for carrying this on as a veterans' program, you cannot do it with $67,500,000; and you ought not to do it unless you are prepared to go very largely in excess of that figure in the provision of funds. I am surprised that the gentleman interested in this amendment allowed that portion of the bill to pass in which the amount of the funds made available was specified without offering to increase the amount of $67,500,000 by the very substantial amount that would be very necessary if we are to carry on a program in which the limitation on individual loans is raised to $5,000 instead of being left at $2,500.

As I have said heretofore, within a few days you will be given an opportunity to consider legislation on the subject matter of giving legislative authorization to the Farm Security Administration. Then will be the time to write in these provisions. Then will be the time to make it a veterans' program if you want to make it such. Then will be the time to raise the amount of these loans if you think they should be raised; and as long as the bill is passed before July 1 it would be effective as far as this appropriation is concerned. So I suggest that you defer this subject matter until the bill is presented to you to write FSA into statute law. Then is the time to express your wishes.

The CHAIRMAN. The time of the gentleman from Georgia has expired, all time has expired.

The question is on the amendment offered by the gentleman from Wisconsin [Mr. HULL].

The question was taken; and on a division (demanded by Mr. HULL) there were—ayes 22, noes 68.

So the amendment was rejected.

Mr. VOORHIS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VOORHIS of California: On page 62, line 20, after the figure "5", strike out the balance of line 20 and all of lines 21 and 22, and through line 23 to and including the word "or."

Mr. VOORHIS of California. Mr. Chairman, this amendment would lift from the bill the prohibition which the bill now carries against any borrower from the Farm Security Administration using any portion of the money that he borrows from it for the payment of dues or for the purchase of a share in a farmers' cooperative association. In other words, the effect of my amendment would be to leave out of the bill any prohibition against his spending a few dollars of that money in that way.

I call attention to the fact that the fourth limitation which I do not seek to strike is a prohibition against making loans to cooperative associations. I do not believe the Farm Security Administration should make loans to cooperative associations because, in my opinion, co-ops are essentially the farmers' own answer to their economic problems whereby they can in most instances do a better job in solving their own problems than can be done through any governmental program. I do object to having a prohibition carried in the bill against a man who happens to borrow from the Farm Security Administration spending a part of it to join a cooperative for the purpose of enabling him to get a fair price for his product, for example, by selling it cooperatively with other farmers, or for the purpose of being able to buy more advantageously some of his necessary farm supplies because he buys them cooperatively. I do not think there ought to be any prohibition against a man who gets a loan from the Farm Security Administration to prevent him from doing that any more than a man who borrows from the First National Bank should be prevented from doing so.

I believe so earnestly in the beneficial effects of the farm cooperative, I believe so sincerely that it is the farmers' own way of solving their problems through their own efforts without asking for help from anybody else that if we have any limitation like this there should be a limitation that none of these funds should be used in buying a membership in some other type of association. I do not like to see the co-ops singled out, as I believe they are in this particular limitation. I am altogether in favor of the fourth limitation. I do not want to see the Government foster co-ops, I do not want to see the Farm Security Administration foster them, I do not think it is their business to do so; but I do believe that the man who borrows from the Farm Security Administration has the same right to go into a cooperative, to become a member of the cooperative, to use that method to solve his own problem. That is the purpose of my amendment.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from North Carolina.

Mr. COOLEY. The language in the bill would not prevent a borrower from joining a cooperative. It provides that the money cannot be loaned to him for the specific purpose of paying a membership fee.

Mr. VOORHIS of California. I agree with the first part of the gentleman's statement. But the question is broader than that. It says that none of these funds shall be used for the making of loans for the payment of dues and so forth. I take it that if a man who was a Farm Security borrower does join a co-op he would be subject to being asked, "What money do you use? Did you use any of your borrowed funds?" He probably would not know whether he did or not.

Mr. COOLEY. He probably never will be asked.

Mr. VOORHIS of California. All right. I hope he will not be, but he could be, could he not? I just do not think that situation ought to be allowed to arise.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. TARVER. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. TARVER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from California.

Mr. Chairman, the language in the bill that is contained in limitation No. 4 and that is contained in limitation No. 5, which the gentleman from California seeks to strike out by amendment, is a little different in character from what his remarks would indicate he believes. These limitations were placed in the bill originally in order to stop what we considered, and what the Congress evidently considered, to be abuses which had grown up in the formation and operation of the so-called cooperative farm associations, under which the authorities of the Farm Security Administration who preceded those who are now in charge of its operations undertook to carry on cooperative farm projects substantially upon the same basis, we were informed, as such projects were being carried on in Russia; that is, those participating in those projects did not have any individual interest in the crops on large tracts of land, but they labored with all the others who were located on those projects and shared with all the others equally in the proceeds from the farming operations on those projects without regard to whose labor might have been more efficient, who may have been more industrious, and without regard to any other question of that type, it being purely a socialistic or communistic method of operating a cooperative farming project and distributing such profits as might come about by reason of that operation. We sought to prohibit that sort of thing by the inclusion not only of limitation No. 5, but limitation No. 4. There is no purpose in these limitations to prevent any of these farmers from belonging to the ordinary cooperative associations carried on in the way that such associations are usually carried on. The purpose of this language is to prevent exactly the type of practice to which I referred, and we have succeeded in bringing about the abandonment of those projects and the liquidation of the lands which were being utilized in those projects, with the exception of about 600,000 acres which are yet to be disposed of not all of which are in the so-called cooperative projects. Certainly, I do not think the efforts of the committee should be nullified by striking out the limitations to which the gentleman from California objects.

Mr. VOORHIS of California. Mr. Chairman, if the gentleman will yield, I do not want to nullify the efforts of the committee in that respect. Is it not true that all of those projects the gentleman referred to are, in fact, being liquidated under the direction of Congress?

Mr. TARVER. Then why does the gentleman want to authorize them again?

Mr. VOORHIS of California. I do not.

Mr. TARVER. The gentleman wants to strike out the limitation against them so that some administrator who might take it into his head to carry on this sort of function could do it.

Mr. VOORHIS of California. The purpose of my amendment has nothing to do with such projects but only to do with legitimate farm cooperatives.

Mr. TARVER. I am sure that the gentleman did not mean for his amendment to have anything to do with such projects, but in view of the fact that he wants to strike out of the bill language which prevents the sort of thing I have described, the effect of his amendment would be to permit the administrative authorities to go ahead and do the same things that they have done in the past, and, therefore, I hope the gentleman's amendment will be voted down.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Utah.

Mr. GRANGER. As a practical matter, what would the gentleman think of a borrower who borrowed $2,500 and joined a cooperative? Should he be called upon to say where he got the money under the language of the bill?

Mr. TARVER. I do not think he could use any funds in this bill for the purpose of joining a cooperative. But surely he will have some type of income from his farming operations that he could use for that purpose.

Mr. GRANGER. I am wondering, from an administrative standpoint, how you would know that he spent any of those funds to join a cooperative? How could it be effective at all?

Mr. TARVER. It would not be loaned to him for that purpose, and I assume that the Farm Security would check on the methods or manner in which the expenditure of funds was made, so that they could not be spent for purposes not authorized by law. These funds would not be paid out except for approved purposes.

The CHAIRMAN. The time of the gentleman from Georgia has expired; all time has expired.

The question is on the amendment offered by the gentleman from California [Mr. VOORHIS].

The amendment was rejected.

Mr. ALLEN of Louisiana. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD after line 10 on page 54 of the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. TARVER. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read as follows:

Salaries and expenses: For necessary expenses in connection with the making of loans and the collection of moneys due the United States on account of loans heretofore made under the provisions of title I of said act, including the employment of persons and means in the District of Columbia and elsewhere, exclusive of printing and binding, as authorized by said act, $2,804,000.

Mr. CANNON of Missouri. Mr. Chairman, in this world food crisis, we should not overlook the great contribution made throughout the war period by the rank and file of our citizens working as victory gardeners on the farms, in the towns, and in the cities.

A survey taken during one of the war years showed that 40 percent of our fresh vegetables were produced in the victory gardens. The patriotic response of this vast number of home food producers may well have been the difference between success and failure of our food efforts in helping to win the war. These men and women not only served the country well in this emergency but they learned the fundamentals of tilling the soil. From this experience our brothers in the towns and cities have learned to appreciate more fully the problems of the farmers. Through this better understanding the Nation is stronger and more unified.

Through a combination of unfavorable weather conditions in most parts of the world we are now faced with a more serious food crisis than at any time during the war. Again the victory gardeners of the Nation have been called into action and I know that they will again respond as effectively as before. They will again produce a vast amount of food for our citizens so that even the scarce items, such as wheat, fats, and oils can be sent in larger quantities to the starving people in the various parts of the world. The increased food supply produced in these victory gardens will result in the saving of the lives of untold numbers of unfortunate people.

It will also be a factor in easing the critical transportation problem, will help check inflation by having an abundance of home-grown foods. It will be a large factor in meeting the living cost of the average family and will benefit the health of all who participate in the program.

I wish to pay the highest tribute to these men and women who have contributed this loyal service, many of whom have learned to love to work in the soil. They want to continue it in the future, not only in growing vegetables but in working in the broad phases of gardening that will improve and enhance the home grounds and tend toward a happier family home life. These people in their work in the soil should be given every encouragement and assistance. During the war the United States Department of Agriculture has done an excellent job in assisting and guiding these home gardeners. The Department in this program has worked through, and in cooperation with, the State agricultural colleges, the Cooperative Extension Service, and other State and private agencies. Knowing that the home gardeners are requesting this service from the Department of Agriculture, we want them to realize that we appreciate and recognize their right to receive efficient and adequate assistance from the Department. These home gardeners in the country, towns, and cities have had little professional experience, but they have produced a surprising volume of wholesome food. Although they are not commercial farmers, they are nevertheless true tillers of the soil; they are taxpayers and are helping to support the Department of Agriculture and must receive any and all service the Department is in a position to render.

I wish to take advantage of this opportunity to congratulate them on their patriotic service to their neighbors and the Nation.

The Clerk read as follows:

RURAL ELECTRIFICATION ADMINISTRATION

To enable the Secretary to carry into effect the provisions of the Rural Electrification Act of 1936, approved May 20, 1936, as amended (7 U. S. C. 901–915), as follows:

Mr. RANKIN. Mr. Chairman. I desire to ask a question of the chairman of the subcommittee. I notice this bill provides:

That no part of the funds herein provided for the Rural Electrification Administration shall be used for the processing or approval of any loan, the application for which does not stipulate (1) that the borrower shall, in awarding contracts under such loan, award such contracts to the lowest financially responsible and qualified bidder in each case, as determined by the Administrator of the Rural Electrification Administration, (2) that the borrower shall open and consider all bids submitted, and (3) that such stipulation shall be made a part of the loan agreement covering such loan.

As I understand it, this does not apply to the loans that are made to cooperative power associations that build the lines with their own forces. That is correct, is it not?

Mr. TARVER. I do not know that I understand the gentleman's question. It applies to all loans made under the jurisdiction of the Rural Electrification Administration.

Mr. RANKIN. Then I will make myself clear because this is a vital matter. In the first place, I am afraid this is a dangerous provision. If there is a cooperative power association which borrows money to build rural power lines and it does not let a contract but builds them with its own force, then these provisions do not apply, as I understand it.

Mr. TARVER. If they do not let a contract, of course, there would be no application of these provisions.

Mr. RANKIN. That is what I want to know, that this does not hamper those cooperative power associations which build their own lines by the work of their own employees.

Mr. TARVER. It certainly would not apply to anything except contracts that are let.

Mr. RANKIN. Mr. Chairman, I regret that this provision was put into the bill at all, but since this measure carries the appropriation for which we have asked, $250,000,000, for rural electrification for the coming year, I shall not raise any objection to these provisions at this time. I do not want to run the risk of losing what we have gained. I hope, however, that the Senate will eliminate these provisions.

As everyone knows, rural electrification is closer to my heart than any other legislation that has been passed by the Congress since I have been a Member of the House. I have devoted more of my time and more of my energy, more study, and more work to the program of rural electrification than any other one subject for the last 15 years. I was co-author of the bill creating the Tennessee Valley Authority, and I organized the first cooperative power associations under the TVA Act in the various counties in the district I have the honor to represent, and had the program well under way throughout the district long before the present REA was created.

When the REA was set up, there was a ceiling of $40,000,000 placed on the amount that could be advanced for rural electrification in any one year. That meant that we would not have electrified the farms of this country in a hundred years.

In 1938, I went through what they called the relief or spending bill, against which points of order had been waived, and offered an amendment for an extra $100,000,000, which was adopted by six votes. With the $40,000,000 provided under existing law, that gave us $140,000,000 for the fiscal year 1939. That is when the rural electrification movement in this country really came to life.

The next year we got $60,000,000 for the fiscal year 1940 in addition to the $40,000,000 provided under existing law and we did the same thing for the year 1941.

Then the war came on and rural electrification was slowed down. If you remember, I secured the adoption of an amendment to the REA Act in the last Congress removing the limit that could be provided for rural electrification each year, eliminating the $40,000,000 ceiling, extending the life of the loans to 35 years, and reducing the interest rate to 2 percent. That will enable us to electrify every farm house in this country that can be found by the tax collector or reached by the draft.

Last year we secured an appropriation amounting to $200,000,000 for rural electrification during this fiscal year 1946. That appropriation has now been exhausted, and we have provided another $100,000,000 in a deficiency bill.

Here we are asking for $250,000,000 for the fiscal year 1947, which begins July 1. Every dollar of this money will come back with interest. This Government will not lose a dollar in the long run on these rural power lines.

Besides this rural electrification program is adding untold billions of dollars to the wealth of the Nation. It is enriching practically every State in the Union. So far as living conditions are concerned, it doubles the value of every farm it reaches.

At this point I am inserting a table showing the progress we have made in rural electrification since 1934. So far as the farmers of this country are concerned, it is the greatest story ever told.

The matter referred to follows:

Comparison of rank, percentage, and number of farms electrified with central-station service, 1935, 1940, 1944, and 1945, by States and for the United States

Area	Farms, Jan. 1, 1935	Farms receiving central-station electric service, Dec. 31, 1934			Farms, Apr. 1, 1940	Farms receiving central-station electric service, Apr. 1, 1940			Farms receiving central-station electric service, June 30, 1944			Increase in electrified farms, from Dec. 31, 1934, to June 30, 1944			Estimated number of farms receiving central-station electric service, June 30, 1945			Increase in electrified farms from Dec. 31, 1934, to June 30, 1945		
	Number	Number	Percent	Rank	Number	Number	Percent	Rank	Number	Percent	Rank	Number	Percent	Rank	Number	Percent	Rank	Number	Percent	Rank
United States	6,812,350	743,954	10.9	------	6,096,799	1,853,249	30.4	------	2,572,960	42.2	------	1,829,006	245.8	------	2,725,610	44.7	------	1,981,656	266.4	------
Alabama	273,455	11,053	4.0	33	231,746	33,907	14.6	41	60,500	26.1	37	49,447	447.4	15	66,400	28.7	36	55,347	500.7	14
Arizona	18,824	5,577	29.6	12	18,468	5,607	30.4	24	8,100	43.9	25	2,523	45.2	46	8,250	44.7	26	2,673	47.9	46
Arkansas	253,013	2,943	1.2	47	216,674	21,303	9.8	45	37,900	17.5	44	34,957	1,187.8	3	41,450	19.1	45	38,507	1,308.4	3
California	150,360	81,093	53.9	1	132,658	107,904	81.3	4	118,600	89.4	3	37,507	46.3	45	122,200	92.1	3	41,107	50.7	44
Colorado	63,644	7,145	11.2	25	51,436	14,823	28.8	25	24,200	47.0	24	17,055	238.7	27	25,300	49.2	24	18,155	254.1	27
Connecticut	32,157	10,138	31.5	10	21,163	16,995	80.3	5	18,800	88.9	4	8,662	85.4	40	19,300	91.2	4	9,162	90.4	40
Delaware	10,381	1,791	17.3	20	8,994	3,545	39.4	21	5,100	56.7	20	3,309	184.8	31	5,250	58.4	21	3,459	193.1	31
Florida	72,857	5,700	7.8	26	62,248	15,476	24.9	28	20,500	32.9	33	14,800	259.6	26	22,200	35.7	31	16,500	289.5	23
Georgia	250,544	6,956	2.8	41	216,033	42,409	19.6	33	72,100	33.4	30	65,144	936.5	5	78,000	36.1	30	71,044	1,021.3	5
Idaho	45,113	13,433	29.8	11	43,663	25,439	58.3	13	33,200	76.0	13	19,767	147.2	35	34,100	78.1	13	20,667	153.9	35
Illinois	231,312	28,379	12.3	23	213,439	80,027	37.5	22	115,500	54.1	22	87,121	307.0	17	122,800	57.5	22	94,421	332.7	17
Indiana	200,835	23,476	11.7	24	184,549	91,127	49.4	17	129,500	70.2	14	106,024	451.6	14	135,500	73.4	14	112,024	477.2	15
Iowa	221,986	32,047	14.4	22	213,318	73,308	34.4	23	116,200	54.5	21	84,153	262.6	23	128,600	60.3	20	96,553	301.3	21
Kansas	174,589	13,224	7.6	28	156,327	27,960	17.9	37	41,200	26.4	36	27,976	211.6	28	43,600	27.9	38	30,376	229.7	28
Kentucky	278,298	8,480	3.0	39	252,894	38,607	15.3	40	61,500	24.3	41	53,020	625.2	10	65,500	25.9	40	57,020	672.4	10
Louisiana	170,216	2,826	1.7	46	150,007	16,058	10.7	44	26,200	17.5	44	23,374	827.1	8	31,150	20.8	43	28,324	1,002.3	6
Maine	41,907	13,959	33.3	8	38,980	20,221	51.9	15	23,500	60.3	19	9,541	68.4	41	23,600	60.5	19	9,641	69.1	42
Maryland	44,501	6,791	15.3	21	42,175	17,170	40.7	20	25,600	60.7	18	18,809	277.0	20	26,850	63.7	18	20,059	295.4	22
Massachusetts	35,094	14,494	41.3	7	31,897	26,220	82.2	2	27,300	85.6	5	12,806	88.4	38	27,700	86.8	5	13,206	91.1	39
Michigan	196,517	42,152	21.4	17	187,589	131,126	69.9	7	153,700	81.9	7	111,548	264.6	22	157,300	83.9	6	115,148	273.2	26
Minnesota	203,302	13,783	6.8	30	197,351	50,075	25.4	26	84,500	42.8	26	70,717	513.1	12	92,500	46.9	25	78,717	571.1	11
Mississippi	311,683	2,802	.9	48	291,092	26,078	9.0	46	47,800	16.4	46	44,998	1,605.9	1	54,500	18.7	46	51,698	1,845.0	1
Missouri	278,454	17,893	6.4	31	256,100	39,204	15.3	39	64,700	25.3	39	46,807	261.6	24	72,850	28.4	37	54,957	307.1	19
Montana	50,564	2,768	5.5	32	41,823	7,947	19.0	34	10,800	25.8	38	8,032	290.2	18	11,350	27.1	39	8,582	310.0	18
Nebraska	133,616	9,544	7.1	29	121,062	22,832	18.9	35	34,400	28.4	35	24,856	260.4	25	37,050	30.6	35	27,506	288.2	24
Nevada	3,696	946	25.6	15	3,573	1,555	43.5	19	1,760	49.3	23	814	86.0	39	1,860	52.1	23	914	96.6	38
New Hampshire	17,695	9,495	53.7	2	16,554	10,845	65.5	10	13,700	82.8	6	4,205	44.3	47	13,850	83.7	7	4,355	45.9	47
New Jersey	29,375	15,162	51.6	4	25,835	21,298	82.4	1	23,400	90.6	2	8,238	54.3	43	24,300	94.1	2	9,138	60.3	43
New Mexico	41,369	1,350	3.3	37	34,105	4,479	13.1	42	6,900	20.2	42	5,550	411.1	16	7,400	21.7	42	6,050	448.1	16
New York	177,025	57,825	32.7	9	153,238	102,283	66.7	9	118,200	77.1	11	60,375	104.4	36	121,200	79.1	11	63,375	109.6	36
North Carolina	300,967	9,672	3.2	38	278,276	67,627	24.3	29	98,500	35.4	28	88,828	918.4	6	106,350	38.2	28	96,678	999.6	7
North Dakota	84,606	1,968	2.3	43	73,962	3,218	4.4	48	5,800	7.8	48	3,832	194.7	29	6,250	8.5	48	4,282	217.6	29
Ohio	255,146	48,048	18.8	19	233,783	137,680	58.9	11	180,900	77.4	10	132,852	276.5	21	184,600	79.0	10	136,552	284.2	25
Oklahoma	213,325	5,648	2.6	42	179,687	20,149	11.2	43	33,800	18.6	43	28,152	498.4	13	36,400	20.3	44	30,752	544.5	13
Oregon	64,826	17,839	27.5	14	61,829	36,369	58.8	12	47,700	77.1	11	29,861	167.4	32	49,400	79.9	9	31,561	176.7	33
Pennsylvania	191,284	45,182	23.6	16	169,027	94,081	55.7	14	112,800	66.7	15	67,618	149.7	34	116,200	68.7	15	71,018	157.2	34
Rhode Island	4,327	1,975	45.6	6	3,014	2,457	81.5	3	2,900	96.2	1	925	46.8	44	2,950	97.9	1	975	49.4	45
South Carolina	165,504	3,796	2.3	44	137,558	27,568	20.0	32	52,300	38.0	27	48,504	1,277.8	2	57,100	41.5	27	53,304	1,404.2	2
South Dakota	83,303	2,939	3.5	36	72,454	3,981	5.5	47	7,800	10.8	47	4,861	165.4	33	8,300	11.5	47	5,361	182.4	32
Tennessee	273,783	9,727	3.6	34	247,617	38,884	15.7	38	61,700	24.9	40	51,973	534.3	11	63,350	25.6	41	53,623	551.3	12
Texas	501,017	11,466	2.3	45	418,002	79,127	18.9	36	130,200	31.1	34	118,734	1,035.5	4	144,900	34.7	32	133,434	1,163.7	4
Utah	30,695	16,130	52.5	3	25,411	17,411	68.5	8	19,700	77.5	9	3,570	22.1	48	20,000	78.7	12	3,870	24.0	48
Vermont	27,061	7,945	29.4	13	23,582	12,213	51.8	16	15,400	65.3	16	7,455	93.8	37	15,800	67.0	16	7,855	98.9	37
Virginia	197,632	14,954	7.6	27	174,885	42,144	24.1	30	58,000	33.2	32	43,046	287.9	19	60,250	34.5	33	45,296	302.9	20
Washington	84,381	40,060	47.5	5	81,686	58,283	71.4	6	66,700	81.7	8	26,640	66.5	42	68,300	83.6	8	28,240	70.5	41
West Virginia	104,747	3,647	3.5	35	99,282	25,199	25.4	27	33,100	33.3	31	29,453	807.6	9	33,550	33.8	34	29,903	820.0	9
Wisconsin	199,877	39,206	19.6	18	186,735	87,556	46.9	18	115,000	61.6	17	75,794	193.3	30	124,450	66.6	17	85,244	217.4	30
Wyoming	17,487	527	3.0	40	15,018	3,474	23.1	31	5,300	35.3	29	4,773	905.7	7	5,550	37.0	29	5,023	953.1	8

As you know, I have led this fight from the beginning; and I expect to keep it up as long as I live, or until we electrify every farm house in America at rates the farmers can afford to pay.

Mr. Chairman, patriotism, like charity, begins at home. While fighting to get electricity to the farmers of the whole country, I have not neglected my own people. I believe I have the best electrified agricultural district in the whole country. We have not reached all our farmers yet, but we are on our way, and it is my hope that we will soon be able to reach them all.

I not only have one of the best electrified districts in the whole country, but we have the cheapest rates. Every person who turns on an electric switch, or turns on an electric light, in the district I represent, gets TVA power at TVA rates.

At this point I am inserting a table of electricity sales statistics of the TVA, showing the distribution of electricity throughout the area, together with the average rates charged residential and commercial consumers, as well as the average amount used by those consumers during the month. Note the rates paid for electricity by the people served by each association or municipality.

I hope to see these rates applied in every community in the United States. Then, indeed, we will have an electrified America.

The table referred to follows:

Electricity sales statistics, retail distribution of electricity at TVA resale rates, October 1945

Distributors grouped according to fiscal 1945 gross revenue	Wholesale purchases				Number of customers		Residential customer statistics						Commercial service	
	Kilowatt demand		Kilowatt-hours per month	Mills per kilowatt-hour	Total month	Added during month	Number of customers				Average kilowatt-hours per customer	Average cents per kilowatt-hour	Kilowatt-hours per customer month	Cents per kilowatt-hour month
	Month	Maximum, 12 months					Farm	Non-farm	Urban	Total				
MUNICIPAL DISTRIBUTORS														
Group A (over $750,000):														
Chattanooga, Tenn.	104,223	107,149	49,876,967	3.60	47,836	156	474	7,255	34,698	42,427	202	1.72	543	1.99
Huntsville, Ala.	20,636	20,636	7,650,047	4.62	10,566	96	1,374	550	7,166	9,090	174	1.73	416	1.96
Knoxville, Tenn.	64,446	64,446	30,031,360	3.87	45,553	132	1,276	5,564	33,514	40,354	192	1.73	537	1.71
Memphis, Tenn.	108,135	108,735	55,274,903	3.67	83,633	199	1,808	7,057	60,909	69,774	102	2.30	399	2.50
Nashville, Tenn.	84,681	84,681	36,730,606	4.06	66,842	368	1,805	1,215	53,777	56,797	200	1.69	469	1.74
Group B ($251,000 to $750,000):														
Bristol, Tenn.	5,209	5,209	2,236,325	4.68	5,858	29	[1]	[1]	4,999	4,999	131	2.01	423	1.97
Bristol, Va.	5,633	5,633	2,259,942	4.78	4,388	26	107	693	2,813	3,613	118	2.10	466	1.94
Clarksville, Tenn.	6,606	6,606	2,940,840	4.18	3,801	32	------	------	3,151	3,151	198	1.66	513	2.01
Cleveland, Tenn.	7,000	7,000	2,801,000	4.47	4,887	22	195	502	3,459	4,156	149	1.80	416	1.78
Clinton, Tenn.	4,288	4,638	1,588,111	5.21	3,299	31	132	883	1,677	2,692	124	2.07	419	2.02
Columbia, Tenn.	6,174	6,174	2,345,240	5.35	4,970	52	601	360	3,164	4,125	172	1.79	404	1.91
Decatur, Ala.	11,194	11,456	4,956,800	4.52	5,464	29	------	------	4,746	4,746	208	1.25	498	1.36
Jackson, Tenn.	9,648	9,648	4,979,520	3.74	8,104	57	111	1,076	5,708	6,895	117	2.06	468	1.92
Johnson City, Tenn.	9,516	9,516	4,088,776	4.49	9,695	29	1,772	1,384	5,139	8,295	113	2.06	375	1.98
LaFollette, Tenn.	5,157	5,754	1,631,160	6.04	3,489	19	375	236	2,353	2,964	118	1.97	434	1.92
Maryville, Tenn.	4,865	4,865	1,795,840	4.84	4,831	8	361	458	3,340	4,159	182	1.75	446	1.71
Murfreesboro, Tenn.	4,186	4,186	1,621,137	4.98	3,571	21	242	221	2,559	3,022	232	1.55	505	1.89
Sheffield, Ala.	6,130	6,749	2,576,300	4.16	3,892	42	333	660	2,373	3,366	225	1.57	417	1.79
Group C ($101,000 to $250,000):														
Athens, Ala.	3,578	3,578	1,238,617	5.17	3,638	35	1,429	397	1,264	3,090	156	1.72	387	1.77
Athens, Tenn.	3,269	3,269	1,224,800	5.40	3,627	21	236	205	2,683	3,124	140	1.90	511	1.80
Bessemer, Ala.	2,403	2,403	907,782	4.62	4,259	−32	------	------	3,653	3,653	99	2.18	472	1.78
Bowling Green, Ky.	3,351	3,457	1,356,650	5.03	5,335	−1	71	------	4,457	4,528	71	2.59	439	1.96
Carroll County, Tenn.	2,177	2,177	849,493	5.06	3,374	50	736	403	1,483	2,622	131	1.96	260	2.18
Columbus, Miss.	4,260	4,350	1,663,200	4.72	4,255	3	------	------	3,546	3,546	120	1.51	487	1.36
Dickson, Tenn.	2,298	2,330	1,022,800	5.04	2,873	5	511	457	1,429	2,397	125	2.01	290	1.99
Elizabethton, Tenn.	2,670	2,670	1,021,491	5.15	4,886	33	135	2,148	1,967	4,250	106	2.22	288	2.20
Erwin, Tenn.	2,316	2,316	957,600	4.87	2,017	11	198	747	813	1,758	124	2.07	271	2.19
Florence, Ala.	5,750	5,750	2,272,000	4.11	4,348	37	------	------	3,633	3,633	261	1.17	489	1.40
Gallatin, Tenn.	1,464	1,500	590,400	5.10	1,729	1	19	------	1,347	1,366	133	1.99	378	1.99
Greeneville, Tenn.	3,061	3,061	1,194,000	5.31	4,558	30	1,759	495	1,545	3,799	122	2.04	355	1.99
Harriman, Tenn.	3,544	3,544	1,550,094	4.79	3,488	−5	21	866	2,045	2,932	155	1.90	466	1.74
Hopkinsville, Ky.	2,599	2,714	1,139,554	4.62	3,851	8	21	------	3,077	3,098	87	2.43	393	2.01
Lawrenceburg, Tenn.	1,656	1,656	[2] 603,000	5.62	2,762	24	452	236	1,534	2,222	128	1.98	321	2.03
Lebanon, Tenn.	1,888	1,888	796,800	4.87	1,971	14	60	18	1,487	1,565	164	1.82	432	1.75
Lenoir City, Tenn.	3,476	3,728	1,464,600	4.58	3,447	8	278	1,023	1,733	3,034	159	1.81	461	1.71
Lewisburg, Tenn.	1,980	2,720	716,000	5.33	1,394	23	14	------	1,088	1,102	211	1.24	515	1.39
Mayfield, Ky.	1,993	1,993	743,977	5.23	2,971	2	------	------	2,470	2,470	91	2.32	386	2.05
McMinnville, Tenn.	4,773	4,773	1,369,400	5.01	4,367	34	335	629	2,490	3,454	145	1.83	313	2.09
Milan, Tenn.	1,872	2,016	746,400	5.04	1,842	2	497	220	843	1,560	185	1.56	519	1.68
Mount Pleasant, Tenn.	4,429	5,058	2,058,240	4.88	1,337	11	40	14	1,071	1,125	189	1.67	451	1.88
New Albany, Miss.	1,863	1,863	700,200	5.21	2,374	17	481	243	1,174	1,898	119	1.99	257	2.35
Newport, Tenn.	1,656	1,752	698,400	4.92	2,709	32	866	557	877	2,300	105	2.01	367	1.90
Paris, Tenn.	2,988	3,150	1,180,800	4.87	3,409	17	454	627	1,784	2,865	167	1.77	428	1.94
Pulaski, Tenn.	3,471	3,471	1,308,587	5.40	2,919	21	756	330	1,262	2,348	173	1.74	363	1.78
Ripley, Tenn.	2,058	3,171	769,440	5.49	1,995	4	135	137	1,257	1,529	115	2.02	276	2.31
Rockwood, Tenn.	1,926	1,962	804,600	4.90	2,143	16	159	367	1,282	1,808	159	1.80	548	1.82
Russellville, Ala.	2,472	3,341	927,360	6.04	1,424	16	18	35	1,161	1,214	156	1.76	439	1.77
Shelbyville, Tenn.	4,336	4,480	1,801,200	4.88	2,404	28	------	------	2,010	2,010	181	1.70	491	1.89
Springfield, Tenn.	1,876	1,876	771,400	4.95	1,699	6	------	------	1,284	1,284	155	1.73	411	1.95
Tupelo, Miss.	3,570	3,570	1,437,500	4.70	2,766	29	41	36	2,172	2,249	146	1.41	592	1.34
Weakley County, Tenn.	2,370	2,370	796,200	5.63	3,608	44	818	116	2,010	2,944	119	2.01	263	2.27
Group D ($51,000-$100,000):														
Aberdeen, Miss.	864	864	324,800	5.64	1,256	3	16	11	925	952	128	1.92	315	1.93
Albertville, Ala.	1,890	1,890	792,900	4.89	1,287	10	------	------	1,050	1,050	191	1.76	380	1.83
Amory, Miss.	964	964	406,110	5.18	1,307	6	41	134	905	1,080	102	2.20	460	1.69
Bolivar, Tenn.	984	984	371,223	5.52	1,083	12	153	141	519	813	148	1.78	250	2.17
Brownsville, Tenn.	908	908	298,400	6.06	1,021	11	------	------	777	777	97	2.24	362	1.93
Cookeville, Tenn.	1,009	1,160	[3] 436,800	4.98	1,399	7	------	------	1,090	1,090	158	1.77	488	1.94
Dayton, Tenn.	890	924	366,400	5.40	1,337	−4	141	72	921	1,134	147	1.80	464	2.14
Etowah, Tenn.	1,038	1,038	396,000	5.46	1,523	30	42	269	1,029	1,340	135	1.98	375	2.05
Fayetteville, Tenn.	1,650	1,710	622,980	5.26	1,558	9	------	------	1,258	1,258	202	1.60	461	1.76
Fort Payne, Ala.	1,356	1,356	518,400	5.31	1,464	7	------	------	1,218	1,218	165	1.81	445	1.71
Guntersville, Ala.	1,776	1,776	789,600	4.75	1,230	−3	65	29	928	1,022	176	1.79	426	1.81
Holly Springs, Miss.	965	965	306,500	6.32	1,227	18	132	171	621	924	167	1.67	207	2.79
Humboldt, Tenn.	1,240	1,260	524,000	5.03	1,604	−3	24	12	1,327	1,363	85	2.24	350	1.97
Jellico, Tenn.	936	1,128	307,200	6.06	1,701	11	52	601	810	1,463	68	2.38	302	2.07
Lexington, Tenn.	1,591	1,591	540,935	5.95	1,909	33	192	127	1,108	1,427	163	1.79	257	2.27
Loudon, Tenn.	1,422	1,422	522,600	5.75	1,939	33	282	229	1,197	1,708	147	1.78	346	1.86
Louisville, Miss.	832	1,096	358,700	5.30	1,303	7	------	5	986	991	90	2.25	273	2.27
Murphy, N. C.	990	990	357,300	5.67	772	13	46	51	457	554	194	1.59	450	1.87
Murray, Ky.	1,287	1,287	502,994	5.26	1,657	0	22	5	1,283	1,310	127	2.05	316	2.12
Okolona, Miss.	1,206	1,206	420,900	5.94	1,198	4	371	117	499	987	163	1.74	298	2.63
Philadelphia, Miss.	1,260	1,280	432,000	5.67	1,181	17	2	144	774	920	171	1.73	407	1.94
Russellville, Ky.	1,010	1,020	320,000	6.12	1,277	−1	23	------	924	947	68	2.60	292	2.21
Scottsboro, Ala.	1,352	1,352	473,600	5.56	1,211	12	------	------	989	989	204	1.66	467	1.72
Sevierville, Tenn.	1,324	1,324	517,374	5.25	1,423	26	104	321	640	1,065	135	1.90	529	1.83
Starkville, Miss.	1,880	1,880	763,200	4.99	1,450	11	23	62	1,152	1,237	105	1.62	485	1.35
Sweetwater, Tenn.	1,499	1,622	551,123	5.60	1,567	18	340	210	797	1,347	138	1.95	354	1.98
Tarrant City, Ala.	750	801	279,318	5.16	1,345	−7	1	------	1,212	1,213	136	2.07	303	2.09
Trenton, Tenn.	1,380	1,380	496,000	5.46	1,028	−3	------	------	827	827	201	1.18	381	1.47
Tuscumbia, Ala.	1,754	1,754	674,388	4.66	1,548	9	------	------	1,335	1,335	277	1.50	455	2.13
West Point, Miss.	960	1,030	424,000	5.03	1,324	2	------	------	1,055	1,055	90	2.31	437	1.91
Winchester, Tenn.	984	984	355,200	5.66	1,156	−2	31	60	837	928	193	1.72	413	2.01

[1] Data not yet available.
[2] 108,000 kilowatt-hours generated by Lawrenceburg's own plant not included.
[3] 80,000 kilowatt-hours generated by Cookeville's own plant not included.

Electricity sales statistics, retail distribution of electricity at TVA resale rates, October 1945—Continued

Distributors grouped according to fiscal 1945 gross revenue	Wholesale purchases				Number of customers		Residential customer statistics						Commercial service	
	Kilowatt demand		Kilowatt-hours per month	Mills per kilowatt-hour	Total month	Added during month	Number of customers				Average kilowatt-hours per customer	Average cents per kilowatt-hour	Kilowatt-hours per customer month	Cents per kilowatt-hour month
	Month	Maximum, 12 months					Farm	Nonfarm	Urban	Total				
MUNICIPAL DISTRIBUTORS—con.														
Group E ($50,000 or less):														
Benton, Ky	297	297	120,600	5.98	715	3	43	95	453	591	81	2.38	241	2.46
Benton County, Tenn	475	475	170,640	6.05	774	13	22	61	514	597	125	1.94	266	2.20
Courtland, Ala	471	471	145,800	6.43	340	17			264	264	179	1.56	288	2.07
Franklin, Ky	696	708	262,800	5.73	1,160	1			882	882	52	2.78	285	2.24
Hartselle, Ala	808	808	279,200	5.91	937	19			753	753	173	1.74	242	2.25
Macon, Miss	608	620	241,600	5.62	529	0			400	400	137	1.95	326	2.18
Muscle Shoals, Ala	402	414	140,700	5.59	400	5			374	374	280	1.49	643	1.68
Newbern, Tenn	408	408	138,300	6.34	520	1			412	412	147	1.84	379	1.99
Somerville, Tenn	611	611	192,900	6.28	433	15	23	18	270	311	234	1.49	403	2.06
Water Valley, Miss	636	636	251,200	5.61	978	−8	9	44	734	787	123	1.96	194	2.39
COOPERATIVE DISTRIBUTORS														
Group B ($251,000 to $750,000):														
Duck River Electric Membership Corp., Tennessee	9,149	9,149	3,620,957	5.35	8,624	79	4,375	838	2,241	7,454	135	1.95	265	2.13
Gibson County Electric Membership Corp., Tennessee	7,898	7,898	2,110,204	6.19	8,583	95	3,982	706	2,588	7,276	123	1.97	215	2.35
Middle Tennessee Electric Membership Corp., Tennessee	4,524	4,524	1,678,848	5.43	6,893	61	4,446	788	686	5,920	151	1.92	223	2.31
Sequachee Valley Electric Corp., Tennessee	8,046	8,046	3,264,390	5.00	4,532	−58	586	782	2,352	3,720	122	1.98	290	2.12
Volunteer Electric Corp., Tennessee	4,085	4,085	1,535,500	5.55	6,781	84	2,981	464	2,379	5,824	119	2.06	294	2.08
Group C ($101,000 to $250,000):														
Alcorn County Electric Power Association, Mississippi	4,640	4,640	1,810,800	4.72	3,813	28	1,056	418	1,691	3,165	202	1.22	385	1.47
Appalachian Electric Corp., Tennessee	3,897	4,413	1,590,600	5.09	3,102	21	1,325	269	1,074	2,668	129	1.90	295	2.04
Cullman Electric Corp., Alabama	1,902	1,902	502,800	6.40	4,915	67	4,103	178	206	4,487	58	3.15	132	2.92
Cumberland Electric Membership Corp., Tennessee	3,601	3,601	1,239,007	5.72	7,245	67	4,130	671	1,598	6,399	110	2.32	163	2.73
4-County Electric Power Association, Mississippi	3,602	3,602	1,409,904	5.39	5,224	57	3,195	74	1,138	4,407	105	2.06	153	2.65
Holston Electric Corp., Tennessee	1,602	1,602	627,300	5.16	3,297	43	1,594	796	491	2,881	83	2.27	272	2.10
Marshall-DeKalb Electric Corp., Alabama	2,794	2,794	913,120	5.79	3,154	75	1,908	89	697	2,694	81	2.33	233	2.06
Meriwether Lewis Electric Corp., Tennessee	2,396	2,604	845,400	5.88	2,945	24	558	349	1,400	2,307	117	2.08	270	2.21
North Georgia Electric Membership Corp., Georgia	3,901	3,901	1,596,372	4.61	7,005	71	6,211	249	1	6,461	99	2.19	156	2.72
Pennyrile Rural Electric Cooperative Corp., Kentucky	1,944	1,944	691,260	5.84	4,049	3	1,387	110	1,855	3,352	98	2.58	162	2.78
Pontotoc Electric Power Association, Mississippi	2,130	2,130	718,800	5.50	2,749	20	1,284	164	886	2,334	87	2.20	197	2.25
Southwest Tennessee Electric Membership Corp., Tennessee	4,359	4,359	1,305,829	6.06	4,246	152	2,094	427	950	3,471	138	1.92	187	2.79
Tombigbee Electric Power Association, Mississippi	2,808	2,808	901,800	5.55	4,638	34	2,572	256	1,175	4,003	92	2.16	158	2.71
Tri-County Electric Membership Corp., Tennessee	2,698	2,698	1,015,320	5.20	7,378	43	3,622	287	2,227	6,136	72	2.53	208	2.38
Upper Cumberland Electric Membership Corp., Tennessee	1,852	1,852	750,977	5.55	4,646	55	1,691	708	1,410	3,809	92	2.25	203	2.30
Group D ($51,000 to $100,000):														
Central Electric Power Association, Mississippi	810	810	229,500	6.58	2,331	85	1,829	180		2,009	69	2.94	90	3.44
Cherokee Electric Corp., Alabama	1,404	1,404	490,500	5.57	3,745	11	3,058	12	349	3,419	58	2.66	136	2.75
Fort Loudoun Electric Corp., Tennessee	1,136	1,136	386,700	6.12	2,527	42	1,952	57	241	2,250	89	2.36	235	2.41
Joe Wheeler Electric Membership Corp., Alabama	2,351	2,351	759,870	5.99	2,720	23	1,253	500	493	2,246	121	2.07	201	2.40
Lincoln County Electric Membership Corp., Tennessee	1,912	1,912	674,953	5.53	2,049	48	1,297	268	212	1,777	122	2.11	177	2.73
Mountain Electric Corp., Tennessee	651	669	227,075	6.46	2,845	44	1,344	470	584	2,398	48	2.88	130	3.20
Natchez Trace Electric Power Association, Mississippi	1,977	1,977	638,040	5.94	2,823	31	761	550	916	2,227	94	2.16	201	2.44
North Alabama Electric Corp., Alabama	1,666	1,666	583,360	6.07	1,889	35	612	184	785	1,581	107	2.11	200	2.32
Pickwick Electric Membership Corp., Tennessee	1,158	1,158	373,200	6.42	2,033	10	631	206	850	1,687	87	2.21	287	2.05
Plateau Electric Corp., Tennessee	984	984	312,660	6.36	1,578	25	305	703	295	1,303	89	2.29	312	2.18
Prentiss County Electric Power Association, Mississippi	1,875	1,888	659,550	5.41	2,266	19	1,016	16	859	1,891	132	1.83	325	1.90
Sand Mountain Electric Corp., Alabama	1,621	1,621	459,532	6.51	3,295	12	1,750	673	291	2,714	75	2.50	148	2.65
Tallahatchie V. Electric Power Association, Mississippi	2,004	2,004	588,000	5.99	3,373	77	2,479	170	251	2,900	100	2.22	196	2.50
Tennessee Valley Electric Corp., Tennessee	1,075	1,075	366,740	6.17	1,665	33	92	111	1,118	1,321	118	1.98	289	2.14
Tippah Electric Power Association, Mississippi	1,602	1,602	459,600	6.16	1,324	14	197	168	664	1,029	123	1.92	250	2.06
Warren Rural Electric Cooperative Corp., Kentucky	1,118	1,118	371,835	6.41	2,876	33	1,562	269	621	2,452	80	2.63	164	2.90
West Kentucky Rural Electric Cooperative Corp., Kentucky	1,298	1,298	355,546	7.02	3,346	54	2,225	159	615	2,999	66	3.07	107	3.19

Electricity sales statistics, retail distribution of electricity at TVA resale rates, October 1945—Continued

Distributors grouped according to fiscal 1945 gross revenue	Wholesale purchases				Number of customers		Residential customer statistics						Commercial service	
	Kilowatt demand		Kilowatt-hours per month	Mills per kilowatt-hour	Total month	Added during month	Number of customers				Average kilowatt-hours per customer	Average cents per kilowatt-hour	Kilowatt-hours per customer month	Cents per kilowatt-hour month
	Month	Maximum, 12 months					Farm	Nonfarm	Urban	Total				
COOPERATIVE DISTRIBUTORS—con.														
Group E ($50,000 or less):														
Blue Ridge Electric Association, Georgia	539	539	164,100	6.51	1,624	19	969	76	295	1,340	66	2.55	119	2.96
Caney Fork Electric Corp., Tennessee	609	609	165,600	6.88	2,144	28	1,959	8	-------	1,967	60	2.95	66	3.72
Chickasaw Electric Corp., Tennessee	558	558	171,420	6.43	1,046	0	634	47	193	874	124	1.89	176	2.26
East Mississippi Electric Power Association, Mississippi	796	796	231,560	6.76	1,646	14	1,132	29	267	1,428	75	2.87	184	2.48
Forked Deer Electric Corp., Tennessee	691	691	173,400	7.44	1,938	27	1,803	-------	-------	1,803	67	2.72	71	3.69
Hickman-Fulton Counties Rural Electric Cooperative Corp., Kentucky	378	402	148,800	5.83	1,242	48	1,071	95	-------	1,166	90	2.83	96	3.35
Monroe County Electric Power Association, Mississippi	780	780	228,000	6.50	1,397	8	927	146	132	1,205	68	2.48	95	3.48
Northeast Mississippi Electric Power Association, Mississippi	506	506	153,900	6.73	973	14	675	169	-------	844	84	2.21	71	3.64
Tishomingo County Electric Power Association, Mississippi	1,017	1,017	330,824	6.39	1,464	29	380	62	755	1,197	91	2.13	165	2.86
Private companies:														
Bells Light & Water Co., Tennessee	300	344	103,600	6.53	338	0	-------	-------	277	277	116	2.02	239	2.65
Franklin Power & Light Co., Tennessee	1,670	1,670	574,000	5.50	1,334	9	-------	-------	1,060	1,060	216	1.62	386	1.87
Tennessee Light & Power Co., Kentucky	128	128	37,000	7.11	234	5	38	7	137	182	134	1.99	131	2.72
TVA direct operations:														
Copperhill district, Tennessee	----------	----------	----------	-------	2,191	13	172	355	1,266	1,793	142	1.84	304	2.09
Lauderdale district, Alabama	----------	----------	----------	-------	2,325	13	1,298	379	344	2,021	131	2.00	169	2.67
Total:														
92 municipalities	----------	----------	268,462,144	4.16	469,529	2,244	23,706	41,409	331,982	397,097	157	1.82	431	1.96
46 cooperatives	----------	----------	37,833,453	5.61	159,978	1,804	85,013	13,951	37,831	136,795	102	2.16	209	2.34
3 private companies	----------	----------	714,600	5.73	1,906	14	38	7	1,474	1,519	182	1.75	328	2.01
2 TVA direct operations	----------	----------	----------	-------	4,516	26	1,470	734	1,610	3,814	136	1.92	247	2.26
Grand total	----------	----------	307,010,197	4.35	635,929	4,088	110,227	56,101	372,897	539,225	143	1.88	376	2.02

Mr. Speaker, we have enough water power now going to waste in our navigable streams alone to electrify every single home, including every farm house and every outhouse and every barn as well as every commercial establishment in the United States at these TVA rates, which you will note averages 1.88 cents a kilowatt-hour for residential users and 2.02 cents for commercial users.

Let us develop that water power and supply it to the people of this country, and especially to every farmer in the Nation, at these rates, and make this the richest, the most prosperous, and the most contented country the world has ever seen.

Mr. RAYBURN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I am very much interested in some of these provisions providing for a limitation of expenditures, that are being carried in appropriation bills in the House and in the Senate. It happened that I carried the rural electrification program through the House in 1934. Like the gentleman from Mississippi, I have been tremendously interested in it. I warn this House and everybody else who is interested in rural electrification against any kind of demonstration that may come from those against so-called public power. I remember when the so-called Wheeler-Rayburn Holding Company Act was being considered by the House in 1935 that this town was seething with utility lobbyists saying that if that bill passed everybody in the United States who owned stock in a utility would be ruined.

Today every decent operating utility company in the United States is glad that the bill was passed; that they can own their own utilities, and that they will not be controlled by a holding company in New York City.

This town, for the past 6 months, has been seething with utility lobbyists. They are now before a subcommittee of the Committee on Appropriations where we have asked for a little appropriation to carry on the business of the Southwest Power Authority. They are in there to kill it off. Oh, they are great friends of rural electrification now, but they fought it when the bill was under consideration. Why, I have never known, because in 90 cases out of a hundred there was no place on earth for the rural electrification set-ups to buy their power except from the power companies.

There was practically no rural electrification in all the great Southwest at the beginning of 1935. There was 1 mile of rural electrification in the great county in which I live. Other great counties had not a mile. That 1 mile was built from the corporation of Bonner out to the Rayburn farm. In that district, year 1944, 9,100 families were getting the convenience and comforts of rural electrification.

I simply want to warn you who are in favor of the rural electrification program and the use of the power that is generated at these dams, that properly used and sold to rural electrification districts and public bodies and amortized over the years to come, the expense of those great dams will be paid.

I had a brush with these people in 1935. If they are spoiling for another fight with me, as far as I am concerned they can get it, because I am just one man who is not afraid of them as I have already had my fight with them.

The CHAIRMAN. The time of the gentleman from Texas has expired.

The pro forma amendment was withdrawn.

The Clerk read as follows:

SEC. 3. Within the unit limit of cost fixed by law the lump-sum appropriations herein made for the Department shall be available for the purchase of motor-propelled and horse-drawn passenger-carrying vehicles necessary in the conduct of field work of the Department outside the District of Columbia, but the number of such vehicles purchased or otherwise acquired for all the activities of the Department for which appropriations are made in this act shall not exceed the total number indicated for purchase by the Department under the statements of proposed expenditures for purchase, maintenance, repair, and operation of motor-propelled passenger-carrying vehicles in the Budget: *Provided*, That such vehicles shall be used only for official service outside the District of Columbia, but this shall not prevent the continued use for official service of motortrucks in the District of Columbia: *Provided further*, That appropriations contained in this act shall be available for the

maintenance, operation, and repair of motor-propelled and horse-drawn passenger-carrying vehicles: *Provided further*, That the funds available under the appropriation "Conservation and use of agricultural land resources" may be used for the maintenance, repair, and operation of one passenger-carrying vehicle in the District of Columbia.

Mr. BROOKS. Mr. Chairman, we are now at the end of this, the first postwar agricultural appropriation bill. I think it is an excellent bill, and the committee which framed this bill is entitled to the commendation of the membership of this House.

I am in favor of many items in this bill and I am especially in favor of the item in the bill providing for the continuation of the school-lunch program. This has been an excellent program for our undernourished and underprivileged school children. It has been administered in a most humane manner, and yet no child has been publicly pointed out as a recipient of this beneficiary from those in charge of the program. The amount of $50,000,000 provided for this can be well spent.

One of the reasons why I am enthusiastic over the provisions of this bill is the fact that there are no strings and no conditions attached to this appropriation. It goes to the schools of the several States for the purpose of providing free school lunches for those children unable to provide their own lunches. The United States does not attempt to interfere in any way with our schools, whether it be in the operation of this program or in the general handling of foods and services incident to the program. This is as it should be. When our school system becomes the object of Federal bureaucratic regulations and regimentation, it is started along the way to bigotry and decay.

The Clerk concluded the reading of the bill.

Mr. TARVER. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WHITTINGTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 5605) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1947, and for other purposes, had directed him to report the same back to the House with sundry amendments with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. TARVER. Mr. Speaker, I move the previous question on the bill and amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amenment? If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. TARVER. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days within which to extend their remarks in regard to the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

EXTENSION OF REMARKS

Mr. D'ALESANDRO asked and was given permission to extend his remarks in the Appendix of the RECORD and to include a speech made by Stanislaw Kwasniewski, major general in the Polish Army; to include a resolution, a letter from the Minister of Lithuania, and a letter from Secretary of State Byrnes.

Mr. FEIGHAN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Cleveland News.

Mr. MILLER of California asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter from the Tacoma Chamber of Commerce pertaining to statehood for Hawaii.

Mr. ROWAN asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. McDONOUGH asked and was given permission to extend his remarks in the Appendix of the RECORD and include a radio broadcast.

Mr. JUDD asked and was given permission to extend his remarks in the Appendix of the RECORD in three separate instances, in the first to include a letter and a petition; in the second to include an article; and in the third to include a letter.

Mr. MURRAY of Wisconsin asked and was given permission to extend his remarks in the Appendix of the RECORD in three separate instances and to include newspaper articles and necessary tables.

Mr. RANKIN asked and was given permission to revise and extend the remarks he made in the Committee of the Whole this afternoon and include tables and statistics.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes today following the special orders heretofore granted.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

AUTHORIZING USE OF NAVAL VESSELS FOR ATOMIC-WEAPON TEST

Mr. SMITH of Virginia. Mr. Speaker, I call up House Resolution 505 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of House Joint Resolution 307, to authorize the use of naval vessels to determine the effect of atomic weapons upon such vessels. That after general debate, which shall be confined to the resolution and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Naval Affairs, the resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the resolution for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. Speaker, this resolution makes in order consideration of a joint resolution authorizing the use of certain naval vessels for experimentation in the Pacific with the atomic bomb. It permits of 1 hour's general debate and is an open rule, subject to the usual rules of the House.

The joint resolution itself authorizes the Secretary of the Navy, by direction of the President, to use certain obsolete vessels for experimental purposes with the atomic bomb. There is a reservation in the bill, however, that no vessel may be used without consent of the Committee on Naval Affairs of both the Senate and the House.

After use of the vessels the Secretary of the Navy is authorized to either sink them or prepare them for further experimental purposes or for other uses.

There is also a limitation in the bill of 2 years from the date of its enactment, and there is also the reservation that the Secretary of the Navy and the Secretary of War shall see to it that no information is allowed to be conveyed to foreign countries that might be deleterious to the interests of the United States.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 2 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS], and I ask unanimous consent that she may be permitted to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am delighted that President Truman has seen fit to appoint former President Hoover as the honorary chairman of the food-conservation program. I made a request in President Roosevelt's administration that Mr. Hoover be asked to take charge of the conservation program. Mr. Hoover performed wonders in feeding the starving people of Europe during World War I, and his voluntary methods of conserving food in the United States during that war was much more effective than the Government control during World War II. I note that the same thing is happening now that happened during the First World War under Mr. Hoover's guidance, and that is the public is responding to the many suggestions as to how they can control and curtail the use of food. Furthermore, the public is making their own suggestions regarding the saving of food in order to feed the starving children abroad. Many requests have come

to me from women that the bakers make their loaves smaller and also that the grocery be allowed to sell hard loaves of bread.

It is amazing how much can be saved in that way. Everywhere I find the restaurants, clubs, and so forth, trying to save bread. I wish we had done that all the time. If we had been more economical and more saving we would be a very much stronger country today.

Mr. ALLEN of Illinois. Mr. Speaker, there is no objection to the rule on this side of the aisle; in fact, I do not know of any objection to the resolution itself.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. VINSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H. J. Res. 307) to authorize the use of naval vessels to determine the effect of atomic weapons upon such vessels.

The SPEAKER. The question is on the motion offered by the gentleman from Georgia.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of House Joint Resolution 307, with Mr. POAGE in the chair.

The Clerk read the title of the bill.

Mr. VINSON. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with and that it be printed at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

House Joint Resolution 307 is as follows:

Resolved, etc., That the Secretary of the Navy, with the approval of the President, is authorized to employ vessels of the Navy as targets for purposes of test and experimentation in determining the effect of atomic weapons upon such vessels.

SEC. 2. After employment pursuant to authority contained in section 1 of this act vessels may, in the discretion of the Secretary of the Navy or such other person as may be designated by him, be—

(a) sunk if considered unseaworthy; or

(b) retained with or without repair for further test and experimentation, for further naval use, or for other disposition in accordance with other provisions of law.

SEC. 3. Prior to the employment of any vessel of the Navy under authority of section 1 of this act, the Secretary of the Navy shall come into agreement with the Naval Affairs Committee of the Senate and of the House of Representatives with respect to such prospective employment.

Mr. VINSON. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the purpose of House Joint Resolution 307 is to authorize the Secretary of the Navy, with the approval of the President, to employ naval vessels as targets in conducting tests and experiments to determine the effect of the atomic bomb upon ships.

At the present time there is in existence no accurate information obtained by exact or scientific means as to the effect which an explosion of an atomic bomb would produce upon a ship, a submarine, or other water-borne vessel. It is necessary that such information be obtained as soon as possible. It can only be obtained by test. In order that the test may be of convincing value it must consist of an actual explosion of a bomb in the vicinity of a target consisting of ships of many types placed at various distances from the point of explosion of the bomb. Such a test will be costly. It will involve many highly technical problems.

The Joint Chiefs of Staff are arranging to perform the test. A task force for that purpose has been provided. Vice Adm. W. H. P. Blandy, United States Navy, has been ordered to command the task force. Vice Admiral Blandy has organized a staff to assist him in accomplishing his mission. The staff consists of Army officers, Army Air Force officers, and civilian scientists as well as naval officers. The Navy Department has selected the ships of the United States Navy and of the defeated Japanese and German Navies which are considered to be appropriate for use as targets for the test.

Under existing law the Secretary of the Navy is restricted in the use of naval vessels as targets for the proposed test. He is authorized to use for experimental purposes only such vessels as have been stricken from the Navy Register—act of June 24, 1941; Fifty-fifth Statutes, 260—by reason of having been found unfit for further service by a naval board of inspection and survey in accordance with the act of August 5, 1882—Twenty-second Statutes, 296. In order that the atomic test may be realistic and valuable some ships of fairly modern construction must be used. It is necessary, therefore, that the Congress enact legislation authorizing the use of naval vessels for the atomic experiment.

In order that the Congress may retain its control over the size of the Navy, the resolution provides that no naval vessel may be used for the atomic test until the Secretary of the Navy has come into agreement with the Committees on Naval Affairs of both the House and the Senate regarding the employment of the vessel as a target. This procedure is identical with that prescribed by the act of April 4, 1944—Fifty-eighth Statutes, 189—for acquisitions or disposals of land by the Navy. This method of exercising congressional control has worked satisfactorily both for the Congress and the Navy Department, and its employment in this resolution appears to be the best way for the Congress to continue to exercise its constitutional responsibility "to provide and maintain a Navy."

A list of the ships which it is desired to use in the test is printed in the committee's report on this resolution—Report No. 1514. The total approximate book value of the ships be used as targets is $450,000,000. This figure represents cost of construction plus normal equipment of the ships. As I shall explain, many of the ships are of no more military value and would be disposed of by other methods if not used for this test. If sold for scrap the ships would bring only a small part of their book value. The cost of the target for these tests is not as great as it may seem.

The United States battleships to be used are old and of no further naval value. Whether or not these battleships are employed for the atomic test they will not again take their places in a battle line. The Japanese battleship *Nagato* is the only mobile enemy battleship remaining afloat. The carrier *Saratoga* is a stout ship but advances in carrier design have outmoded her. The light carrier *Independence* is a carrier type built upon a light cruiser hull. It is a fairly modern ship but of an emergency or compromise design. It is necessary that the Navy have more than one carrier available for the test, and it is desirable that the effect of the bomb upon the light carrier and light cruiser type hull be ascertained. The Japanese light cruiser *Sakawa* is a modern enemy ship and is the only one of that type available to the United States Navy. The two United States heavy cruisers *Pensacola* and *Salt Lake City* are the oldest of their type. The German *Prinz Eugen* is the only enemy ship of the type available. The destroyers listed in the table, though of recent date, have been outmoded by the development of later destroyer types. All of them have seen active service throughout the war. A large number of assault type cargo ships and transports will be used in the test. The effects observed upon these ships will indicate the effect of the bomb upon merchant type construction. A number of the transports will be equipped with instruments for making scientific observations of the effect of bomb explosions. Some modern so-called heavy hull submarines are to be used in the test. It is essential that these heavy hull submarines be used in order that bomb effect upon modern construction may be observed.

The Navy Department considers that bomb effects upon all surface types, even of the most modern design, can be ascertained from a study of results observed upon the ships listed in the foregoing table. A number of landing vessels will be used. Some of these will be beached for the test, while others will be water-borne. A number of them will be equipped with instruments for recording data.

The number of ships to be used is large, for reasons of the vast import of the atomic effect upon ships your committee considers that a large expenditure of vessels is warranted. It would be futile to undertake a test of this importance, cost, and magnitude without providing an adequate number of target ships.

The Naval Affairs Committee feels that it is desirable to give the Secretary of the Navy or his representative broad authority to deal with target vessels after a bomb has been exploded at or near the target. If a vessel is sunk as a result of the test no problem is presented. If, however, a vessel is damaged the Secretary or his representative may, under section 2 of the resolution, either sink the

damaged vessel if it is considered unseaworthy, or retain it with or without repairing it for such further use as the Secretary may desire. If vessels are retained after having been used as targets for the atomic bomb they can be disposed of only under other provisions of law applicable to the disposition of naval vessels.

The committee has been advised that the proposed tests will be three in number; the first, a dropped bomb in May; the second, a bomb placed on the surface approximately 6 weeks after the first test; and the third, a bomb exploded deep under the surface about a year after the second test. The third test presents more technical difficulties than its predecessors. Since the tests should be complete well within a period of 2 years, section 5 of the resolution will terminate authority to use ships for target purposes 2 years after enactment of the resolution.

It is felt that the technical results of the atomic test should be preserved for the benefit of the United States and those governments who participated in the development of the bomb. It is realized, however, that the proposed tests will reveal a wealth of general information concerning which the entire world should be advised. In this connection your committee has been informed that the Navy Department is arranging for observers from the Congress and from the press to witness the tests in its aspects of general interest. In order to enunciate clearly the views of the committee, section 4 of the resolution provides that the Secretaries of War and Navy shall take the measures they deem necessary to insure that no release of information pertaining to the test shall be made to foreign governments, or to the nationals thereof, except such as the Secretaries may determine to be not prejudicial to the best interest of the United States. It is felt that section 4 will serve to protect the security of the United States and, at the same time, permit the release of information which is appropriate for general consumption.

An atomic test upon ships is necessary at this time. The provisions of House Joint Resolution 307 are necessary if the test is to be conducted. The committee feels that it has written into the resolution sufficient safeguards to the security of this country.

I understand the distinguished gentleman from New York [Mr. COLE] has an amendment covering that point. He thinks probably it can be clarified to make it more positive that no information shall be given out except what the Secretaries want revealed. We have no objection to making it stronger, but I consider that when we reported the bill we made it just as strong by saying it cannot be given out if it is prejudicial to the best interests of the United States.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. We are going to considerable expense to make this test. Of course, each Member of the House and Senate will be interested in the results of the test. Will there be any way for the Members to be informed as to that?

Mr. VINSON. Yes; as I stated a moment ago, the press will be invited, and Members of Congress will be invited. When this resolution passes, if any Member of the House desires to witness this test, I am satisfied that—unless the whole body wants to go—if he will write to the Secretary of the Navy or the Secretary of War, arrangements will be made to accommodate whoever wants to go. Personally, I do not think I will witness the test, but if the gentleman from Kentucky wants to go, it would be a pleasure for me to see that he has an opportunity of going.

Mr. ROBSION of Kentucky. How far is it to the place where this test will be held?

Mr. VINSON. An examination of the report will show that the test will take place in Bikini Lagoon in the Marshall group. It is about 2,000 miles west of Honolulu. These 70 ships will be anchored in the lagoon and an airplane will fly overhead and drop an atomic bomb. I do not know how the gentleman from Kentucky feels about it, but as far as I am concerned, I will not be able to witness this test.

Mr. ROBSION of Kentucky. The gentleman has always been able to keep a safe distance from explosives.

Mr. VINSON. Yes; both physical and political.

Mr. ROBSION of Kentucky. I am serious about this. I think that in the present state of world conditions there should be secrecy, but I am wondering about the Members of the House and Senate who are legislating on this matter and who will be called upon to make appropriations.

Mr. VINSON. We do not want this information given to the world. We want to keep it secret. We want the results of it. The gentleman from New York thinks his language is a little bit more positive than the language of the committee. The gentleman has shown me the courtesy of giving me the text of his amendment. I have no objection to accepting it. His amendment states:

> The Secretaries of War and of the Navy shall take such measures as they may deem necessary to safeguard the information, observations, findings, conclusions, and recommendations pertaining to and resulting from these tests and which are of a military nature as would normally be attached to any other vital military information or military secret.

Both of them have the same objective. We want this information kept within the Joint Chiefs of Staff. We do not want it divulged. I have no objection to accepting the amendment. I thought when we put the language in the bill that it cannot be divulged if it is prejudicial to the best interests of the Government that would cover it. However, I will accept the suggested amendment with pleasure.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. Has the date for the making of this test been fixed?

Mr. VINSON. My recollection is that preparations are being made to hold it on the 15th day of May. To go into a little detail, it is proposed to put certain types of amphibious boats on the shore, then place out in the lagoon some 70-odd ships. It is proposed that the Army and Navy will conduct this test under the auspices of the Joint Chiefs of Staff, and that a plane will fly from Kwajelein and drop a bomb over the ships anchored in the lagoon.

Two or three days later qualified people will investigate the effect on these ships by the explosion of that bomb. At the same time, there will be instruments on the ships and in the air to record anything that may possibly be recorded. In that way, it is hoped some information will be obtained as to the effect of an atomic bomb upon battleships, airplane carriers, cruisers, destroyers, and landing barges. In addition, there will be placed on these ships tanks, certain types of guns, perhaps certain types of uniforms, supplies, and provisions, so that we may obtain whatever knowledge it is humanly possible to obtain as a result of this experiment.

The book value of these ships is about $450,000,000. If any of these ships are not destroyed by the bomb, it is left up to the officials in charge to determine whether they will be used in a second test or whether they will be destroyed right then and there.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield with pleasure to the gentleman.

Mr. RANKIN. This is going to be exclusively an American experiment?

Mr. VINSON. That is what the bill intends. The purpose of the bill is to try to fix it so that no one except the nations which participated in the development of the atomic bomb would have any of the information resulting from this test. I imagine the Secretary of War and the Secretary of the Navy might invite the nationals of the two governments who participated in the development of the bomb, but I would say then it is left to the Secretary of War and the Secretary of the Navy as to what information will be given out.

Mr. RANKIN. You have reference, of course, to Great Britain and Canada?

Mr. VINSON. That is correct.

Mr. RANKIN. They are the only ones who will be invited?

Mr. VINSON. I do not know about that. I will not go on record on that question because I do not know whether any invitation will be given to any other foreign government or to any nationals of a foreign government. But I know from the language contained in the bill and by what is proposed by the distinguished gentleman from New York that no information or military secret can be divulged to anyone except probably to the nationals of the two governments who participated in the development of the atomic bomb.

Mr. THOMASON. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. THOMASON. Will the gentleman explain to the House the necessity

for this experiment at this time and also why there should be so much haste in view of the controversy now going on, especially with regard to the atomic bomb?

Mr. VINSON. I think it is highly important. Here is one reason: These are obsolete and surplus ships. We have no need for them. They are either going to be scrapped by cutting them up for scrap material or else they will be tied up and deteriorate. It would be far better for the Nation to know what the effect of the atomic bomb is on a battleship by an actual experiment than to merely rely on conjectures, anticipation, and expectancy. In other words, here we have this surplus property. It is going to be expended in one way or another. The best way would be for the Government to find out something about the atomic bomb so that it will be helpful and guide us in the future as to the building of ships and so forth.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. VINSON. Mr. Chairman, I yield myself five additional minutes.

Mr. THOMASON. Did I understand the gentleman from Georgia to say that these ships had a salvage value of $400,000,000?

Mr. VINSON. No, not at all. The book value of these ships at the time they were built was about $400,000,000.

Mr. THOMASON. Then what is the value of the ships at the present time?

Mr. VINSON. It is whatever you can get for them when they are scrapped. It was called to my attention the other day that certain aircraft engines costing $16,000 were sold as scrap at $4 each. Then, when the manufacturer began to melt them down he blew up his whole plant.

Mr. THOMASON. We have had a great deal of talk recently about surplus property in both the Army and the Navy. May I ask if these 90 ships costing $400,000,000 have been declared surplus?

Mr. VINSON. No. That is what this resolution is for. They cannot be declared surplus without the authority of Congress. Any vessel of this type that is surplus cannot be classified as surplus under the act of 1882 by being wiped off as an obsolete ship. Bear in mind that these vessels have certain military value. If the Congress would appropriate money to keep a Navy made up of this kind of ship, you would not have a modern, up-to-date Navy. So the money we are going to use would be far better spent on a modern ship than on these old ships some of which were constructed 25 or 30 years ago.

Mr. THOMASON. The atomic bomb was given quite a test out in New Mexico. Later on it was given a real test at Hiroshima and Nagasaki.

Mr. VINSON. That is correct.

Mr. THOMASON. When these 90 ships, costing $400,000,000, have not even been declared surplus, and when the Congress has not decided who is going to be the custodian of the atomic bomb, I would like to renew my inquiry as to why the haste about this. Why the necessity of that grand destruction of property at this time?

Mr. VINSON. I would say it would be wise in future building to know what effect the atomic bomb is going to have on the ships of the Navy. We are coming in here in a day or two asking for three and a half billion dollars to support the Navy. You would be in a far better position knowing what effect the most modern destructive weapon ever devised would have on the ships of that Navy. It will guide the Government in the building of its future navies. Of course, I recognize the fact, and so does the gentleman, that the atomic bomb can destroy a city. We recognize the fact that it will kill human beings. But cities will continue to be built and human beings will continue to be born. We are going to try to find out if it can destroy navies. Regardless of the result, we know that in all probability nations will continue to build navies, but you would build your navy based around the results of tests that will be made.

Mr. GRANT of Indiana. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. GRANT of Indiana. In further answer to the question of the gentleman from Texas [Mr. THOMASON], is it not also true that at least one battleship that was partially completed has been held up, and the work on that battleship has been suspended or slowed down to a walk.

Mr. VINSON. Yes. We have spent $60,000,000 on the battleship *Kentucky*. It will cost $40,000,000 more to finish it. We have slowed down the construction on the battleship *Kentucky* until this test is made, to give that new ship the benefit of the test. I think it is an experiment that is well justified. We are building new modern submarines with a new kind of hull. We are taking one of those most modern submarines to see what effect the atomic bomb will have on that. Why should you appropriate billions and billions of dollars to build submarines when you do not know what effect the atomic bomb will have upon the submarines you are building? I say again I consider it a wise thing to find out exactly what effect the atomic bomb will have on ships.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. VINSON. Mr. Chairman, I yield myself one additional minute.

Mr. ROE of Maryland. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. ROE of Maryland. I would like to know if the committee has considered the advisability of making two tests, of destroying 45 of these boats with one bomb and 45 with a second bomb? You might find things from the first test that would make the second test more enlightening.

Mr. VINSON of Georgia. I think the Joint Chiefs of Staff and the experts are better qualified to determine how many ships will be used in the first test and how many will be used in the second test.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. RANKIN. And this experiment will probably not only save this country billions of dollars but will save the other nations of the world billions of dollars in buiding battleships that will prove to be useless in years to come.

Mr. VINSON. That is right, exactly.

Mr. WORLEY. Mr. Speaker, will the gentleman yield.

Mr. VINSON. I yield.

Mr. WORLEY. How many foreign ships will be used in this experiment?

Mr. VINSON. Three.

Mr. WORLEY. Why could we not use more foreign ships?

Mr. VINSON. In the case of the Japanese battleships only one is in condition to reach the place where the test is going to take place. In the case of the German Navy we will use one of the large German cruisers.

Mr. WORLEY. I thought it was three.

Mr. VINSON. The third one is a Japanese light cruiser.

Mr. WORLEY. The committee did exhaust the possibilities?

Mr. VINSON. Oh, yes; we went into that.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from New York [Mr. COLE] is recognized for 30 minutes.

Mr. COLE of New York. Mr. Chairman, I yield myself 5 minutes.

The CHAIRMAN. The gentleman from New York is recognized for 5 minutes.

Mr. COLE of New York. Mr. Chairman, so far as I have observed there has been no serious objection to the conduct of this test, to the methods that are to be used in the test, or to the objectives sought. It is going to be a costly experiment, but as has already been indicated by the discussion, who knows but what the dollar spent this year may not save this Government hundreds of dollars in years to come? If the atomic bomb can effectively destroy ships on a large scale, then we should consider discontinuance of the construction of ships.

I consider the experiment as being somewhat larger than the purely military consideration. There are many who bewail the discovery of atomic energy and believe the world would have been much better had not our scientists had the capacity to make this discovery. I am not one of those who share that opinion. I am of the mind that every force that has been discovered by mankind has as beneficial a purpose and function as it has harmful and destructive. It is not the atomic force itself which makes it objectionable or injurious or dangerous, it is the hearts of the men who guide the force which make it dangerous. I am of the opinion that atomic energy can be used to benefit mankind equally as well if not more so than to destroy mankind. So it seems to me this test should be conducted if for no other reason than to permit our scientists to learn the potential aspects of atomic energy as well as to determine its destructive forces.

Let me suggest to you also that from a military standpoint this experiment would have a military value by giving our

scientists and military people an opportunity to inquire into antidotes to atomic energy, to try to provide some mechanism to offset it, some defense against it, which is equally as important, if not more important, now that the energy has been discovered as is the exercise of the energy itself.

One criticism has been directed to the experiment which I do feel has some justification, and that is that the test is to be conducted exclusively by our military people. They are to make the studies and they are to make the recommendations on the results of those studies so far as our future military matériel is concerned. The charge is made that it is natural to expect the military people will view these tests through colored glasses, that they will be biased in their opinion, that they will not have the objective viewpoint that a civilian scientist would have. As many of you will recall back through the years, especially in the life of the airplane, that charge has some justification. We all recall that the airplane came into an accepted place in military circles only after perhaps two decades.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Mississippi.

Mr. RANKIN. Bearing out what the gentleman has said, one of the great disasters of all time was the failure of the military and naval forces of this country to report properly, and to evaluate properly, the destruction of the German battleship *Ostfriesland* from the air in 1921 by Billy Mitchell. General Mitchell told them what he could do. They dared him to come out and try it. I know it has been said that he struck the *Ostfriesland* time after time. He had used it for target practice for small shells, but when the time came to sink the ship he only used three shells of 2,000 pounds each. The first one missed it entirely, the next one went down by the side of the ship and blew a large hole in it which caused it to turn over and as the water rolled over it about 3 or 4 feet deep he came over and dropped a third one. They never saw the *Ostfriesland* again. That was in 1921, yet Billy Mitchell was court-martialed by the brass hats in the War Department, our air force was slowed down and minimized, with the result that the Japanese destroyed our Navy at Pearl Harbor with the very kind of instrument Billy Mitchell was urging us to build.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. COLE of New York. Mr. Chairman, I yield myself five additional minutes.

Mr. RANKIN. I submit the gentleman from New York is correct in his apprehension that this experiment may be used for the very purposes that they used the bombing of the *Ostfriesland*, that is, to slow down and minimize its importance.

Mr. COLE of New York. Mr. Chairman, it is to guard against that certain accusation, and its possible justification, that when the bill is reached for amendment I am going to suggest the creation of a board to be appointed by the President to cooperate with the military people in the conduct of the test; but in addition to conduct an independent study of the results of the test and make recommendations to the civilian heads of the two departments. This board will be composed of five civilians, one to be chairman. There will be 3 Naval officers, 1 of whom shall be an air man, and 3 Army officers, 1 of whom shall be an air man, making a total of 11 persons, 5 of whom will be civilians.

It is important that this Commission or Board, in addition to working along with the military people in the preparation for the conduct of the test, will subsequently gather together whatever scientific information we gain from it and make such recommendations as the board deems advisable in the premises to the civilian heads of the service departments, so that the recommendations and the study will not be channeled exclusively through the hands of the professional military personnel.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I remember in 1925 after I had run for Congress and had been elected, the then Secretary of War caused pictures of the damage and the sinking of ships from the air by bombs to be shown to me over the protest of a great many of the Army officers.

I was asked to speak all over the State of Massachusetts at clubs, and described those pictures and the need for a larger air force. We all know what happened to the flying of the air mail by Army pilots before they were given the proper equipment for their planes.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Ohio.

Mr. FEIGHAN. There is no provision made, is there, for the inclusion of the actual scientists who perfected this bomb to be present at these tests? It seems to me that is very vital, and I see no indication either in the report or in the bill with reference to it or that their expert advice has either been sought or will be utilized.

Mr. COLE of New York. Of course, that is true so far as the bill goes; there is no provision requiring consultation with them. I think the report contains no reference to it, but as we are all aware, having read the papers, we know that many of those scientists have been and are cooperating with the departments. That is a further reason for the conduct of these tests now rather than a year or 2 years hence so that we can take advantage of the group of scientists who have fathered this study from the very beginning, and take advantage of that organization in the conduct of the studies rather than waiting for a period of time and find that the organization has been dispersed and disbanded.

Mr. WICKERSHAM. Mr. Chairman, if the gentleman will yield, if the committee deems it in the best interest of the world that this test be made, I think the committee acted wisely in the suggestion that members of the press and Members of Congress view this test. Like the gentleman from Ohio, I think it would be wise if the scientists would attend, too.

Mr. COLE of New York. Of course, it is that thought I had in mind when I set up this board to be composed of civilians. I would assume that the President, in exercising that authority, would select the most competent, scientific people that he could.

Mr. RANKIN. Mr. Chairman, will the gentleman yield further?

Mr. COLE of New York. I yield to the gentleman from Mississippi.

Mr. RANKIN. When Billy Mitchell put on the demonstration to sink the *Ostfriesland* the ones in charge set the date for that bombing on the very day the House of Representatives had set to vote on the Fordney-McCumber tariff bill, so that none of us could go, and for that reason I do not think a single Member of Congress witnessed that demonstration. We ought to see that this demonstration is held at a time when at least some Members can go and see it.

Mr. COLE of New York. I am not so certain that it is going to be very helpful in reaching a sound determination of these tests that the Members of Congress be on hand to witness them. However, if there are any who have that desire, I hope that the chairman of the committee perhaps can make the necessary arrangements.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. What does the gentleman say about the proposal to sink about 18 ships that were constructed in 1944 and six or eight ships that were constructed in 1945, altogether 100 ships? Does the gentleman feel it is necessary to sink a whole fleet in order to carry on such an experiment?

Mr. COLE of New York. Of course, as I understand, these ships to which the gentleman refers are destined for the reserve fleet and are not to be kept in active status anyway. Certainly, if the test is to be conducted, it should be conducted on some modern vessels because there is not much point in making the test on obsolete and average vessels.

Mr. VINSON. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I asked for this time to ask the distinguished chairman of the Committee on Naval Affairs a question or two.

Mr. Chairman, I would like to know if the scientists who have testified before your committee have given approval to this particular kind of a test?

Mr. VINSON. May I say to the distinguished gentleman from California that we did not have the benefit of any scientist's testimony. We had the benefit of Admiral Blandy, speaking for the Joint Chiefs of Staff. My recollection is that scientists who contributed to the building of the atomic bomb will be invited to witness the experiment, but the experiment is to be strictly under the guidance of the Joint Chiefs of Staff and not of any scientists.

Mr. HOLIFIELD. I am in favor of this legislation, but it seems to me it would have been only fair to ask some of these

scientists, who know more about the effect of the atomic bomb than any other persons, to testify regarding the type of tests that is to be held.

Mr. VINSON. They will guide the Joint Chiefs of Staff in selecting the type of bomb that will be dropped. They will aid in every way they can. However, this is a military test as to the effect of something the scientists have created, the atomic bomb, will have on ships.

Mr. HOLIFIELD. I understand that. Now, may I ask the chairman this. In connection with the appointment of this judicial board which we read about in the papers and reference to which I see is not included in the committee report, has there been any indication that that board will not be overweighted toward the Navy side or the military side?

Mr. VINSON. There is nothing in this resolution dealing with any board. The board to which the gentleman refers will have to do with the question of handling atomic energy, a matter which is now before the Senate Committee on Military Affairs. That is entirely separate from this. What this resolution does is merely to authorize the Congress to say that some ships can be used for this test.

Mr. HOLIFIELD. I understand that, and thank the gentleman.

Now, may I ask the gentleman from New York [Mr. COLE], along the line of the amendment which he intends to offer, and which calls for the appointment of a judicial board or commission to evaluate the effects of this bomb, how many members that board will have?

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. COLE of New York. Mr. Chairman, I yield four additional minutes to the gentleman from California.

In reply to the gentleman's question, there will be a total of 11 members, 5 of whom shall be civilians, 3 Navy—1 of whom will be an airman—and 3 Army—1 of whom will be an airman; so there will be 3 Navy, 3 Army, and 5 civilians.

Mr. HOLIFIELD. I wish to compliment the gentleman on preparing that amendment. I think the Congress would do well to consider it favorably. We considered the atomic-energy bill in the House Committee on Military Affairs. I regret that we had it there for only 5 days, although the similar committee of the other body has seen fit to spend several months in accumulating the information that is available and that it is necessary to have in order to evaluate properly the future control of this energy in a domestic sense. I know that a very important part of this test—and I am for the test—is to have a judicial board or commission to evaluate the effect of the test, a board which will be over and above and independent of the military forces. In my opinion, the military forces might do the same thing they did in World War I and refuse to admit the effect of this bomb as they refused to admit the effect of the bombs that Billy Mitchell dropped. We do not want to prepare for another war with the methods which have been used in the war just ended and which are now obsolete because of the development of atomic energy.

Mr. MANSFIELD of Montana. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Montana.

Mr. MANSFIELD of Montana. It is my understanding from reading the report that three types of bombings will be carried on, the first with a bomb exploding in the air, followed 6 weeks later by a surface bombing, and 2 years later by an underwater bombing. It appears to me that the first two bombings will be of a type which has already been carried on at Hiroshima and Nagasaki. If I recall the testimony in the newspapers, at least, the leading atomic scientists, like Dr. Urey, think that the only type of experimentation which will prove anything is the underwater bombing. Why is that being delayed for 2 years?

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. VINSON. The reason why they cannot test it under water now is because they do not have any method worked out by which they can detonate the bomb at the desired depth. It is physically impossible with the knowledge we have today to place a bomb 1,000 feet under water and detonate it. It is a very difficult problem and they are trying to work it out.

Mr. MANSFIELD of Montana. Will the gentleman explain whether the type of bombs to be used in this experiment in the Marshalls are the Hiroshima and Nagasaki type or are they most modern and advanced type?

Mr. VINSON. The testimony shows it will be somewhat different. That is one of the secrets too.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. BATES of Massachusetts. I know the gentleman is fully familiar with the facts that the scientists who have assisted in the development of the atomic bomb have been working very closely on the staff with the naval officials all during this experiment and are still working with them. The whole program is being carried on together with the scientists with whom the work has been done over the last 2 or 3 years.

Mr. HOLIFIELD. My understanding is that some of the scientists are working with them, but a great many of the scientists who have been critical of turning this atomic energy discovery over to exclusive military control have been critical of the type of tests that are going to be held.

Mr. BATES of Massachusetts. Some of the key scientists who have worked in conjunction with the Navy in the development of this bomb are still working with them now.

Mr. HOLIFIELD. And some of the key scientists are critical of this test. Some of the outstanding scientists of the Nation, I cannot give their names, are personally critical of the type of test that is going to be made. I say the reason they are critical because they are not sure that certain people will be on that official board to evaluate the effects who will not be predisposed in favor of the military point of view.

Mr. BATES of Massachusetts. I am equally satisfied that if the gentleman knew the names of the key scientists who have been working with the Navy for the last 2 or 3 years, and also in conjunction with them concerning this test, will appreciate they are some of the best scientists in the world.

Mr. VINSON. Mr. Chairman, I yield 4 minutes to the gentleman from Oklahoma [Mr. JOHNSON].

WHY SINK ENTIRE FLEET AS EXPERIMENT?

Mr. JOHNSON of Oklahoma. Mr. Chairman, I have a very high regard for the author of House Joint Resolution 307, the gentleman from Georgia, chairman of the House Naval Affairs Committee. I followed his leadership on matters pertaining to the United States Navy during the war in his shipbuilding program. As the gentleman well knows, for many years previous to the war I went along with him on his shipbuilding program, resolving any doubt in my mind in favor of the chairman of the great Committee on Naval Affairs. But I am not going to be able to follow him in support of this pending resolution to sink 100 ships unless it is drastically amended. The gentleman, I believe, has stated that a large number of Members of Congress will be invited to witness this so-called experiment. No doubt there are some Members of Congress who are anxious to go out into the middle of the Pacific Ocean and watch this experiment. No doubt it will be a great show. For my part, I have no desire to witness it. I could get no enjoyment or satisfaction in seeing 100 ships, or a fewer number, sent to the bottom of the ocean, especially when I know that 18 of them are new ships, only finished in 1945—ships that I voted hundreds of millions to construct. Nor could I get any pleasure out of seeing those 8 ships that are less than 2 years old destroyed. Some of the ships in question are barely completed. Even the sinking of the great battleship *Arkansas* and the airplane carrier *Saratoga*, both of which did yeoman service during the late war, are included in the long list of ships to be sunk.

Again, Members have been talking as if the atomic bomb is still a very deep, dark secret. Some people talk as if they have not the slightest idea what is going to happen to these 100 ships that are doomed for destruction. Now let us be honest with ourselves. Does any Member of this Congress doubt what will happen if the test is on the up and up? I do not think anybody wonders about what the general results will be. The people in Hiroshima, who were left alive, have no misgivings as to the power of that bomb. The few people in Nagasaki who remain alive do not wonder about it. The people out in New Mexico, who lived within a radius of many miles of where the atom bomb was exploded, are satisfied that it is not a fake nor were its results a mere accident. The scientists, who, incidentally, up to this good hour, have not been invited, tell us that the atom bombs now are much more devastating than the bombs that fell upon the two Japanese industrial cities. And bombs of tomorrow may be even more devastating. So what are we

trying to do here except put on a glorified show, impress Russia and other countries, and sink a whole fleet of ships, many of which we may be called upon to replace sooner than we now anticipate.

Few, if any, of us would oppose any reasonable atomic test or experiment. Of course, there are a goodly number of obsolete ships that are large and no doubt would be as difficult to sink as many of the new ones, that could be used. The several captured enemy ships would make excellent "guinea pigs." But by no stretch of the imagination can one say that 18 new ships constructed last year are in fact obsolete. To give our blessing to the sinking of a whole fleet is so absurd that it is ridiculous.

Many of us have not forgotten another ship sinking immediately following another war. In 1921 there was a so-called peace conference held in Washington, following which some 14 ships were sunk. Then it was in the interest of peace. Now it is in the interest of science. Then it was also quite a show. Some Members of Congress actually witnessed that ship sinking as they want to witness this one. Then the Navy Band played the Star-Spangled Banner. May I express the hope that the band not be required to play that tune this time. The people of America did not approve of the ship-sinking show back in 1921. The citizens of this country very well knew it was so much tomfoolery then. Yet that was only a small party compared to the one which is proposed now. But the chairman of the great Naval Affairs Committee invites Members of Congress to go out to witness that spectacle and view the watery grave in midocean. Not a word was said about inviting the scientists who perfected the bomb. Moreover, I am amazed to note that there is no provision in this pending legislation for a single scientist to be present. It is strictly a military show. What would Members of Congress know about it after they saw it? I shall vote against the resolution. And I give notice that I shall demand a roll call on final passage.

Mr. COLE of New York. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. ANDERSON].

Mr. ANDERSON of California. Mr. Chairman, I think the gentleman has the wrong slant on this resolution if he has any idea that those who go out to witness this test are going to see any hundred Navy ships sunk. No member of our committee, and certainly no member of the Navy Department who testified before the committee, anticipates that any such thing is going to happen. This is the first experiment with ships at sea. The bomb that dropped on Hiroshima, the bomb that dropped on Nagasaki were not against steel ships, ships with heavy armor plate. This is something entirely new, and I hope the gentleman will go along with the committee as he has followed the able gentleman from Georgia [Mr. VINSON] all during the war, because we members of the committee feel that this test is most important. None of us anticipates there will be a hundred ships sunk in either the first test, the second test, or the three tests combined.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of California. Certainly I yield.

Mr. JOHNSON of Oklahoma. I am glad to know that the entire hundred ships proposed to be sunk are not going to be in the first test.

Let me also make it plain to the gentleman that I am not opposing any reasonable test or experiment in connection with the atomic bomb, but to sink or attempt to sink a whole fleet of ships, many of which are new ones, ships that we may need in the future, is, in my judgment, sheer folly. We hope and pray we will never need them; many thought we would never need more ships back in 1921, when this Government sank a much smaller fleet. Again, many people did not think we would ever need ships in 1939 and 1940, but a few months later at Pearl Harbor we did need them and need them badly. I shall oppose the pending resolution unless amended drastically and give notice now that I shall demand a roll call on its final passage.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of California. I yield.

Mr. VINSON. I trust the gentleman from Oklahoma will still be in that frame of mind when we come in with an appropriation bill trying to get an increase to $5,000,000,000 instead of the $3,500,000,000 to keep this Navy modern. All of these ships are obsolete ships. I hope he will be in that same frame of mind of preserving these ships when the appropriation bill comes in, which has been reduced by the Budget by about a billion and one-half dollars.

Mr. JOHNSON of Oklahoma. Answering the gentleman from Georgia, I will say that it is just such resolutions as this, proposing to sink over a hundred ships that cost the taxpayers $4,000,000, 18 of which are new ships, that help put some of us in the present frame of mind. It is also such proposals as this that are certain to cause the Appropriations Committee to stop look, and listen, and wonder if it would be justified in appropriating a single dollar for new ship construction, to say nothing of an additional $5,000,000,000 in the new shipbuilding program. Yes; I will say to my good friend, the gentleman from Georgia, that in my judgment, the Committee on Appropriations in the future will scrutinize every item for new shipbuilding construction much more carefully hereafter than we did during the late war.

Mr. ANDERSON of California. I would like to answer that question. The chairman of the committee has attempted to point out to the gentleman from Oklahoma that these are not modern ships that are going to be used in this test, with possibly a few exceptions. I was one member of the committee that insisted that some modern ships be used. Why try out the atomic bomb on ships that are obsolete? These four battleships are 25 or 30 years old. Any one of our modern battleships could engage those four battleships in a running fight and sink every one of them without being touched. I hope the gentleman from Oklahoma does not persist in his attitude. If we do not try out the atomic bombs on some ships that are modern, how will we know how to design ships in the future that will resist the attacks of the atomic bomb?

Mr. VINSON. When we have an appropriation bill to maintain a Navy, it will be advocated by some, "How do you know the effect of the atomic bomb?" And therefore they may hesitate to make an appropriation to maintain the Navy.

Mr. ANDERSON of California. We hope after this experiment is conducted to have some information to give the Members.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of California. I yield.

Mr. RANKIN. If we can sink a hundred of these vessels with one bomb, it will save us untold billions of dollars to let the world know that these battleships are obsolete.

Mr. ANDERSON of California. That is a point that has not been covered, and I am glad the gentleman from Mississippi has brought it out.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of California. I yield.

Mr. HOLIFIELD. Will there be more than one bomb dropped?

Mr. ANDERSON of California. Only one bomb dropped in the first experiment.

Mr. HOLIFIELD. Now I will ask the gentleman this question: We know that the bomb dropped on Hiroshima covered an area of only about 6 miles across. If you are going to put a hundred ships over a 25-mile area, is it not obvious that many of those ships will be undamaged?

Mr. ANDERSON of California. That is correct. The purpose of laying these ships out over a rather large district is to get graded damage.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. COLE of New York. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. ANDERSON of California. We are advised by the Navy Department that there will be one ship called the bull's-eye. The other ships will be spaced at various distances from the bull's-eye. Perhaps the bull's-eye will be sunk, but perhaps ships 3 or 4 miles away will not be sunk or even damaged. That is what we are trying to find out.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of California. I yield.

Mr. VOORHIS of California. Would not the gentleman agree that, in an attempt to find out, it is most important that competent people, whose judgment can be regarded as being not only competent but completely detached be present?

Mr. ANDERSON of California. The gentleman is speaking of civilian scientists?

Mr. VOORHIS of California. That is right. Let them be in position where they can know all that anybody else does.

Mr. ANDERSON of California. Definitely.

Mr. VOORHIS of California. There does not seem to be any valid objection against the amendment offered by the gentleman from New York.

Mr. ANDERSON of California. I shall support the amendment. Now I wish just briefly to read a sentence from the hearings:

Admiral BLANDY, That is true. Some of the civilian scientists are actually participating in the planning and preparation of the tests, and they will participate in the conduct of the tests and in the writing of the reports.

It is not anticipated by the Navy Department that these scientists will be left out, but I think we can assure their being included by supporting the amendment offered by my colleague from New York.

Mr. HENRY. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of California. I yield.

Mr. HENRY. If there are to be three tests made, how far apart will they be?

Mr. ANDERSON of California. It is anticipated that the first test will be made about the middle of May, the dropping of the first test bomb to be discharged a certain number of feet above the water.

The second test, namely, the explosion of the second bomb on the surface of the water, will be conducted about 6 weeks later.

The third test will be conducted sometime next year after they have mastered the technical difficulties of sinking the atom bomb to a certain depth and then discharging it.

Mr. HENRY. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of California. I yield.

Mr. HENRY. I understand these battleships, as far as they are battleships, will have all their guns, and food, and everything on them except humans, as if they were going to battle.

Mr. ANDERSON of California. No; I do not believe that is quite correct. We were told by Admiral Blandy that they were not certain yet just what kind of material would be placed on the ships, but it will not be a full complement. There may be some food on some ships and some ammunition on some to find out what the results of the radioactivity will be; but I do not believe the ships will go into the test as if they were going to battle.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of California. I yield.

Mr. VINSON. On the airplane carriers there will be some airplanes, and on the American battleships there will be a certain number of tanks and a certain amount of Army equipment.

Mr. ANDERSON of California. That is quite correct. They want to be in a position to know what the effect of the bomb is on every type of military equipment.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of California. I yield.

Mr. GRANGER. I understand that instead of having sailors and admirals they are going to have goats, but at least there will be some type of life on board the ships.

Mr. ANDERSON of California. That is what we were told.

Mr. HOLIFIELD. At least there will be animal life on the ships.

Mr. ANDERSON of California. There will be animal life on some of the ships.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. COLE of New York. Mr. Chairman, I yield 3 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Chairman, I rise to secure some information from the gentleman from Georgia [Mr. VINSON], chairman of the Naval Affairs Committee. Did the Committee on Naval Affairs of the House, in its consideration, find unanimously that this experiment ought to be made? Are the members unanimous?

Mr. VINSON. I do not recall any objection to it. The only objection I found was as to the matter of publicity. Yes; there was no objection; it was unanimous.

Mr. ROBSION of Kentucky. Both Democrats and Republicans? Do the Secretary of War and the Secretary of the Navy think this ought to be done?

Mr. VINSON. I would say if they had not been for it they would have so advised the committee, and the bill would never have been introduced. This is a departmental measure.

Mr. ROBSION of Kentucky. Does the General Staff of the Army and Navy think it ought to be done?

Mr. VINSON. It is being done at the request of the General Staff.

Mr. ROBSION of Kentucky. These are the same men we followed in the winning of the war and they having shown beyond question their interest in the defense of our country, I think we should follow them in making this test.

I wanted to inquire further, Was the gentleman jesting when he said each Member of Congress could attend?

Mr. VINSON. No; I would say that invitations will be given to Members of Congress to go if they can get away to go. We are perfectly willing for them to go so far as we have accommodations for them; but I do not believe many Members of Congress want to go. The press, of course, is going to be invited.

Mr. ROBSION of Kentucky. The gentleman from New York is offering an amendment providing that civilian scientists shall be present and take a part in this test. Is that correct?

Mr. VINSON. I do not recall that the civilian appointees were to be scientists.

Mr. ROBSION of Kentucky. We have this proposal backed by the Committee on Naval Affairs of the House. Up to this time I have heard no objection to this proposal from any member of the Military Affairs Committee. It is unanimously approved by the Naval Affairs Committee of the House; it is also approved by the Secretary of War and the Secretary of the Navy, by the Chiefs of the Staffs of the Army and Navy, and also by many of the leading scientists of the country.

It is planned to use approximately 100 ships. As to the number of ships and the types of ships to be used that must be left to the discretion and good judgment of those in charge of this experiment. We observe that some persons insist that we should not use this number of ships as these ships cost, when they were constructed, $400,000,000. Of course, these ships are not worth anything like that sum of money now. Many of these ships are from 25 to 30 years old, and they are of all types. The number of larger ships is very limited. Many of these ships, if not used for this purpose, would go to the scrap heap. Only a limited number of modern ships, which would be of service to this country in time of war, are to be used. A greater part of those that would not be scrapped are now on the reserve list. The cost of scrapping these old ships would be greater than their actual value.

THE ATOMIC AGE

Mr. Chairman, the discovery and the production of the atomic bomb will likely prove to be the greatest scientific and material event in human history. The discovery of gunpowder, the cannon, steam, electrical energy, the X-ray, radar, the airplane, may become insignificant as compared to atomic energy in its effects on this country, the world, and mankind. Do the people of our own country as well as the peoples of the world fully appreciate what this discovery may mean for good or ill to ourselves and to the world? Many persons look upon it only as the most destructive and devastating weapon of warfare yet discovered. Have we delved into the innermost secret chambers of the knowledge of the Creator Himself? Have we opened the doors to a force that will ultimately destroy us and the human race?

I am anxious to see this experiment made so that we may see and know and the world may see and know what this discovery may mean to us and the world. Our Nation is now very much concerned over strengthening our Navy which already is the greatest, finest, and best Navy in the world. The President urges that Congress appropriate approximately $4,400,000,000 for the fiscal year beginning July 1, 1946. The Navy insists that they must have approximately $6,400,000,000 for the fiscal year beginning July 1, 1946. The President, the State, War, and Navy Departments insists that we should build up our Army and Navy strength through the continuance of the draft and universal military conscription of our boys to meet the commitments of the State Department in world affairs and to have our country adequately defended.

This experiment may, and no doubt will, revolutionize offensive and defensive warfare throughout the world and the facts developed may be so profound as to induce the people of the world to think in terms of peace as they have never before and they will set about seriously to outlaw war as a means of settling disputes among nations. They will likely know that war carried on by the atomic bomb will be many times more terrible and destructive of life and property than the recent global and cruel war.

The United States collaborated with Great Britain and Canada and developed this atomic bomb at a cost of approximately $2,000,000,000 to our country. Britain and Canada know something of the secrets of this bomb, but the total secrets of this bomb are still locked in the bosom of our own country. I am of the opinion that in view of the unsettled conditions in the world and lacking in knowledge of this discovery, it might be well for us to retain this secret for the present, and at least, until this test is made in the near future. I realize that there is quite a division of opinion in Congress and in our country as a whole as to what course we should pursue. The United Nations Organization has provided for an Atomic Energy Commission; a number of bills and resolutions have been introduced in Congress. Some favor a commission or board made up entirely of civilians, while others provide a military liaison board to make suggestions to this commission and scrutinize its acts if in the opinion of the military liaison board the act or acts are inimical to the defense of our country. The President would make the final decision, and there are those in this country who would promptly turn over all the secrets of atomic energy to all of the members of the United Nations Organization. I hope that this test will have been made before we are called upon to pass upon this very, very important question. We do know the destructive effects of atomic energy as demonstrated in the open spaces down in New Mexico and the effect of the atom bomb on the people and buildings at Hiroshima and Nagasaki, Japan. In Hiroshima, nearly 100,000 people lost their lives and a great portion of that city was literally destroyed. In Nagasaki, approximately 45,000 people lost their lives. Scientists report that the atomic bomb at that time was 20,000 times more powerful than TNT, and its destructive power has been greatly increased since that time.

We do not know, however, what effect it will have on the great battleships, cruisers, destroyers, and other craft. It is now stated by many great scientists that a limited number of these bombs would destroy such cities as New York, Chicago, Boston, Detroit, Cleveland, San Francisco, or Los Angeles, and it is known that atomic rockets can and will be developed with a speed of more than 3,000 miles an hour.

I think what must disturb all of us most is that up to this time there is no weapon that would serve as an effective defense against atomic energy. All of these considerations have caused the greatest consternation in diplomatic as well as military and naval circles throughout the world. It is, of course, of prime importance that we, the keepers of this great secret, must determine what we shall do with it, if we are to share it with other nations, and on what terms. It calls for sound-thinking and most-considered judgment. It challenges the highest degree of unselfish statesmanship and the best thought on the part of our military and naval leaders. It also challenges the highest moral concepts of the American people. This great discovery, through cooperation, may turn out to be the greatest and choicest blessing of our own country and mankind. It is quite likely that the scientists of other countries will unlock the secret. I am very hopeful that this experiment will provide the answer to many of our perplexities.

BIKINI ATOLL

Bikini Atoll, the place of the atomic-bomb test, is a very small speck of an island in the far-flung Pacific. The Polynesians who occupied this little spot for centuries are being removed. There will be gathered Army and Navy personnel as well as civilians, about 25,000 Americans, who will have some part in making this test. This little speck in the Pacific from now on will have a place in history. The eyes of the world will be turned on it. It is here where atomic energy will be given its greatest test. May there be disclosed such facts as will insure peace for our own country as well as the world.

Mr. COLE of New York. Mr. Chairman, I yield 2 minutes to the gentleman from Nebraska [Mr. MILLER].

Mr. MILLER of Nebraska. Mr. Chairman, after the last World War we deliberately sank our ships to prepare for the everlasting peace that was to follow. Of course, we know now that was not a peace that lasted very long. From the reading of the hearings I have wondered how much money will be involved in the sinking of these ships. I presume it is several billion dollars. Maybe the chairman of the Committee on Naval Affairs can tell us.

Mr. VINSON. Mr. Chairman, as I said when I presented the bill, the book value of these ships is in the neighborhood of $400,000,000. That is what it cost to build these ships.

Mr. MILLER of Nebraska. That will be a small amount of money if the results are such that it gives the people of the United States and the world some information about these atomic bombs. It is my understanding that bombs can now be created that will do 10,000 times the damage the one did at Hiroshima.

I also talked to a scientist recently who thought that perhaps the exploding of the bomb under water ought to be delayed. I am not a scientist except as a medical man. He says there is a possibility that the hydrogen element of the water might be set loose so that you might send this world off into a blazing star. Perhaps Congressmen, judges, and newspaper men are not ready to go off just yet in a fiery furnace. It is at least something for the world to think about.

Mr. Chairman, I hope the amendment to be offered by the gentleman from New York will be adopted because it is a safeguard to the bill. The information that comes from this test will be valuable and it might even prove, Mr. Chairman, that battleships in the future are obsolete.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

If there are no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Resolved, etc., That the Secretary of the Navy, with the approval of the President, is authorized to employ vessels of the Navy as targets for purposes of test and experimentation in determining the effect of atomic weapons upon such vessels.

Mr. IZAC. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take the floor at this time to try to clarify some of the points that have been raised. There is already an advisory committee set up that is advising Admiral Blandy. This is a group composed of civilians. There is also an advisory group for the War Department.

I may say at this point that there are several members of the military fraternity who believe that we should put these ships loaded with explosives all together and then say, "Well, of course, the bomb blew up all of the ships." But the Navy was not willing to do that because under normal wartime conditions we anchor these ships 1,000 yards apart. It is impossible to do that in the limited waters of the lagoon at Bikini; so we are going to put them about 300 yards apart. It would not do any good if you had a chain reaction that swept down on all of the ships and made them disintegrate; neither would you prove anything if you had the ships alongside of each other. The explosion from one magazine would blow up the magazines in all the other ships. That would not prove anything. I want to convey from what I am saying that in my opinion the Navy is overlooking nothing in the way of determining the exact effects of this atomic bomb right down to the most minute detail. They are considering and gaging the effective force of the explosion directly under the point of explosion out to the perimeter of the destructive area. They have graduated the amount of oil, the amount of explosives of all kinds, the amount of various elements, such as equipment that we might have aboard ship under actual conditions. If everyone cannot get the reading from the instruments that they have set up, we can, at least, take a look at the ships that do escape. We think some will escape destruction. So, on that basis, I do not know of anything that has been overlooked.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. IZAC. I yield to the gentleman from California.

Mr. JOHNSON of California. Did any scientist object to these experiments before the gentleman's committee, or by letter or otherwise?

Mr. IZAC. No. Furthermore, you all have read yesterday's paper and found out that a large number of scientists are landing out there today and setting up their instruments. I know that they have not asked all of the scientists in the world to go out there. I assume that the Navy Department does have to be a little unreasonable when it comes to taking care of some of these requests, if you want to call it unreasonable, because I know that nearly every newspaperman in the world wants to view these tests. They have had thousands of requests, and they cannot take care of all of them. I

assume they have had similar applications or requests from scientists all over the world, but they cannot take care of them all. In fact, you will be interested in this: They are providing 60 places on an observation ship for Members of Congress; only 60. I imagine that if there are more that want to go, they will take care of us, but you can see that it will be quite a problem to subsist a great number of people out on Kwajelein or on some of the other atolls where we have no facilities of any kind, not even refrigeration, except what we take out there.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. IZAC. I yield to the gentleman from Mississippi.

Mr. RANKIN. The gentleman says that the Navy has not overlooked anything. We had that same thing told us in 1921 when Billy Mitchell bombed the *Ostfriesland* at their invitation, yet they failed to take advantage of the information obtained, with the result that we had our Navy destroyed 20 years later at Pearl Harbor.

Mr. IZAC. I cannot go along with the gentleman in that being the reason, because if you sit at the breakfast table with a so-called friend and he pulls out a gun and shoots you that is not your fault; nor does it prove the effectiveness of any battleship, nor Billy Mitchell's observation on what certain tests proved. That is one of those things that can happen tomorrow; it could happen any day in the year. I do not like to be taken by surprise any more than the admiral and the general were out there; but it could happen to me or to my friend. The fact remains that you cannot always remain completely armed nor be secure where treachery is involved. The gentleman knows that.

Mr. RANKIN. If they had come and given the Congress and the American people the facts, instead of trying to suppress Billy Mitchell, we would have had an air force in 1941 not only with the Army, but with the Navy, that would have protected us against what happened at Pearl Harbor.

Mr. IZAC. Let me say to the gentleman that we did have a pretty fine air force. The fleet air wing was a mighty fine organization, but it was not big enough.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. IZAC. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. IZAC. Had we had the number of patrol craft that we needed at Pearl Harbor there would not have been any surprise. The fact remains that we did not have them. Incidentally, I will say to my colleague that I blame Congress for that.

Mr. RANKIN. For what?

Mr. IZAC. For the lack of planes. The Navy had demonstrated the value of the PBY's, but we only had a few. You cannot cover a vast territory, 360 degrees, with a few patrol planes. It would have taken hundreds, and we did not have them.

Mr. RANKIN. The Congress is not responsible. The Congress would have given the Army and the Navy all the air force they wanted. I was here at the time and I went through that fight.

Mr. IZAC. My recollection of that is a little different from that of the gentleman.

Mr. RANKIN. If they are going to use this information in the same way they used the information with reference to the bombing of the *Ostfriesland*, we had better send some Congressmen along to see what happens, and many of them.

Mr. IZAC. I am hopeful that every Member of Congress can go. I really believe that when we have something of this importance affecting perhaps the lives and livelihood of all the people of this world, the fact whether they are to remain alive or meet death in time of war is of enough importance that we who legislate here and are directing the destinies of our country should know something about the effects of this bomb. Certainly I do not know how we could ever legislate correctly unless we knew something about it.

Mr. RANKIN. You say you are going to invite all the press. Are you going to invite the Communist Daily Worker and PM, its uptown edition?

Mr. IZAC. I imagine we are going to invite the representatives of foreign nations. However, when it comes to the evaluating of it and the actual sizing up of the destructive effect, it will be done by our scientists, our own patriotic scientists, our Army and our Navy. If we do not want to divulge the effects or the results we do not have to. I do not expect to see those newspapermen on the observation ships going down there and examining everything that took place, as the scientists will. Certainly what appears on the surface they can see. Then the evaluating is going to be done, of course, by the Army and Navy, and I understand by a civilian board that is to be set up also. I have heard that my colleague from New York is going to offer an amendment to that effect, but I know that the Navy is planning already on having that evaluation group separate and distinct from its own. While there may be disagreement between the findings of the Army, the Navy, and the civilians, we will have to put it into the hands of the people who have to fight these ships to determine the full effect of this experiment.

I have heard about a 2-year delay on the underwater test. You have to have at least a 1-year delay, because we cannot submerge the submarines at various depths in a few days. That is one of the hardest jobs we will run up against. As you all can surmise, the deeper in the water we explode this bomb the more destructive the force. If you can get that bomb down at a mile depth in the ocean you will have perhaps a thousand times more disastrous results for the ships that are caught in the effective radius or cone. Therefore, of course, we must endeavor to put that bomb down as low as we can, and moor our submarines at various depths. The Navy plans doing all of that. I am sure that any scientist, if he understood exactly what was going on, would not be able to find any fault. In my opinion, the experiments are very fair and are going to be carried on in a way that will redound to the benefit of our country.

Mr. THOMASON. Mr. Chairman, I rise in opposition to the pro forma amendment and ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMASON. I have followed the distinguished gentleman from Georgia for many years on Naval Affairs legislation. I have followed the Committee on Military Affairs in the same way. I do not yield to anybody in my support of national defense, but I think the timing on this bill is bad and that this glorified experiment is not wise or necessary at this time. I have a 100-percent record for military and naval preparedness ever since the day it was proposed we fortify Guam. But now is the most critical time perhaps in the world's history. Everything is chaotic and uncertain. We must make the United Nations Organization work, or civilization is gone. We should for the present center our efforts on peace. It seems to me that we ought to give the appropriate committees and the Congress time to determine what course of action this Government shall take with reference to the atomic bomb. Instead a bill is brought to the floor of the House to immediately, or within the next few months, send a lot of the high-ranking men of the Army and of the Navy and all the newspapermen who want to go, together with all the Members of Congress who want to go, out on a glorified experiment, or perhaps a glorified junket, to sink 90 ships which cost $400,000,000. And what will it prove? The committee, of which I happen to be a member, has spent many days in investigating the atomic bomb. I think Dr. Oppenheimer, of California, Dr. Condon, Dr. Compton, of M. I. T., Dr. Bush, and all the other great scientists who have been before the committees of both the House and Senate know what the atomic bomb is all about. They and their associates developed it. It is our baby. They had a chance to try it out in New Mexico. Heaven knows it proved what it could do in Hiroshima and Nagasaki. Now, less than 10 months after VE-day and less than 8 months after VJ-day, it is proposed to send these 90 ships out into the far Pacific—at a time when all this war talk is going around the world—it is proposed to sink 5 battleships that cost $100,000,000 each to build. You are going to sink the aircraft carrier, the old Saratoga, which performed such valiant service in this war. You have about 30 or 40 heavy cruisers and you have a cargo ship included which was built only last year. You have about 50 transport ships, and 8 of them were built only last year. What does it prove? What more will you know about the atomic bomb than you know now? Will it be a good-faith effort to destroy the ships? Yet,

my distinguished friend, the gentleman from Georgia, says he is going to soon ask for a large appropriation for new ships. Sink or damage them one day—build new ones the next day.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. VINSON. Does not the gentleman think it would be the part of wisdom, in view of the fact that we have a shipbuilding program today of some 75 or 80 ships, one of them particularly the battleship *Kentucky*, on which we have spent $60,000,000, to have the benefit in the future construction of ships as to what effect the atomic bomb will have on them?

Mr. THOMASON. No, I do not think so. I do not think it is wise to send hundreds of men to Honolulu—beautiful Honolulu, which is about as close as they will be able to get to the atomic experiment if they expect to come back alive, men who do not know any more about the atomic bomb than the man in the moon. One thing it will do will be to spend plenty of the taxpayers' money when we are talking about economy and peace. Scientists have worked on it; committees of the House have worked on it. The committee of which I am a member has a bill pending before the Committee on Rules right now to set up a commission to handle the atomic bomb. A great special committee in the Senate has been making extensive research to try to set up some kind of commission. As for myself, I want it understood that I am not in favor of giving the secret of that bomb at this time to anybody or bringing about a situation where certain other countries can more easily learn the secret. The gentleman from California [Mr. IZAC] just said that he supposed representatives of other governments would be present. I think there ought to be a civilian commission set up with both the Army and Navy represented on it to take care of the situation until we can settle down and get our bearings. There has never been anything in the history of mankind comparable to the possibilities of the atomic bomb. I am hoping the atomic bomb can be put to some peaceful use. Our boys back from Japan know what the atomic bomb can do. They know the horrible damage it wrought. Let us get it under control first and in the hands of a wise commission. The UNO and Security Council can then determine what we should do with it. Our great scientists are already working on that very proposition. We all know that at Nagasaki and Hiroshima it was proved that the bomb could do such tremendous damage that it really does not make so much difference whether the bomb sinks a ship or not. We know that it will destroy or wreck anything in its path. Our airplane bombs sank ships. Why is the Navy so anxious for this experiment? Why all this great haste? Why all this great party to the Pacific for this sensational bombing and holocaust at this time?

Mr. ANDERSON of California. I rise to correct the statement that the gentleman made inadvertently, when he referred to 30 or 40 heavy cruisers. There will be three heavy cruisers.

Mr. THOMASON. Well, that is too many when it is not necessary.

Mr. ANDERSON of California. There are three heavy cruisers and one light cruiser.

Mr. THOMASON. I notice you say that in order that the atomic test may be realistic and valuable, some ships of fairly modern construction must be used; yet you are talking about economy, and we are talking about universal military training; we are talking about unification of the Army and Navy. Yet, I cannot find where any provision is made to send any scientists in an official capacity. I suppose they will go like the newspapermen and the Congressmen.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. VINSON. The gentleman's main objection, as I observe from his remarks, is that this is not the proper time. Will the gentleman advise the House when he thinks it would be the proper time?

Mr. THOMASON. I do not know. Time and world conditions will tell. I would suggest you wait until the President gets his commission set up and we make sure that we keep our secret instead of going out for a great display that will prove nothing at this time except perhaps to arouse suspicion in other countries.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. VINSON. Mr. Chairman, I ask unanimous consent that the gentleman may have five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VINSON. Does not the gentleman know that the resolution prohibits the Secretary of the Navy and the Secretary of War from divulging any information that would be prejudicial?

Mr. THOMASON. Of course, I understand that, but do you think, with several hundred men going out there, Congressmen, newspaper reporters, curiosity seekers, and what not, that there will not be some kind of a leak? I repeat that we should first get this terrible weapon under control. There is ample time later for experiment. Besides, it is no time for the wanton destruction of 90 great ships that might be needed later, and certainly have great salvage value.

Mr. VINSON. Now, this has no relation whatsoever to that.

Mr. THOMASON. Oh, it has a direct bearing on it. It is the heart of the bill.

Mr. VINSON. Of course, it does not. Is that the reason the gentleman thinks it is not the proper time?

Mr. THOMASON. You have got to have a commission set up to control this thing. I think, in addition to that, to go out and sink or damage 90 ships, that cost $400,000,000, just as an experiment for men who are not scientists is ridiculous. You are not sending as officials Dr. Compton, Dr. Condon, Dr. Bush, Dr. Oppenheimer, and their associates and the men who have been working on this thing for years. Why do you not also send those men over there along with the brass hats?

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. BATES of Massachusetts. Admiral Blandy has informed us that hundreds of scientists, in all categories, medical and otherwise, those who have been associated with the atomic-bomb development, are going out on this trip.

Mr. THOMASON. Anybody ought to know what damage the atomic bomb can do. That is not our problem now. The question for the immediate future is to determine what we are going to do with this weapon and who is to be its custodian.

Mr. BATES. I have been out to the arsenal.

Mr. THOMASON. If you read the story of Hiroshima and Nagasaki, or let some of the boys who have come back tell you about it, you do not need to spend all this money and destroy all this property at this time. You had better take some of these ships and send food to the starving in Europe. You might use some of them to bring our boys home. You might also bring back some of our surplus property now scattered all over the world. This thing can wait until a law is passed and a commission is set up.

Mr. IZAC. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. IZAC. The gentleman realizes that we have over 10,000 ships. Of course, we do not anticipate another war, but if there should be one, does not the gentleman think it is the path of wisdom for us to know the destructive effects of the atomic bomb, so that another nation may not put us in another predicament on account of lack of knowledge?

Mr. THOMASON. I have not forgotten what was done in 1922, when we sank a lot of our finest ships. We have paid a terrible price during the last 5 years for that mistake.

Mr. IZAC. Unfortunately, in the 1922 disarmament conference we scrapped the finest ships the world had ever seen. These five old battleships could not stand up for 5 minutes against modern warfare.

Mr. THOMASON. I do not know how you can go about disarming more effectively than within 10 months after VE- and VJ-day we go out ourselves and with one bomb try to sink or damage 90 ships, including battleships, airplane carriers, and cargo carriers.

Mr. IZAC. You see we are not going to sink all the ships.

Mr. THOMASON. What are you going to do then?

Mr. IZAC. Some may be sunk that will be directly under the bomb, but others will be quite a distance away.

Mr. THOMASON. Why not have scientists determine the effectiveness of the atomic bomb? They already know without further experiment how dangerous and effective it is.

Mr. IZAC. That is exactly what is going to be done.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. DONDERO. The gentleman made a statement that challenged my attention to the effect that he had supported every bill for national security from the fortification of Guam, on. I have been here many years but I do not recall any bill coming before the House for the fortification of Guam with the exception of some $5,000,000 to remove the coral obstructions from the harbor of Guam, but not a cent for fortifications.

Mr. THOMASON. I stand corrected on that. I was just trying to say that I have been a pretty good friend of national defense whether it concerned the Army or the Navy.

I think this is entirely too critical a time for us to be sinking any 90 ships, considering their cost and present value and in view of world conditions, and in view of the future fact that we are going to set up a commission to handle this atomic bomb. I think it is just bad business at this time. If it is necessary or advisable later, I will then support it.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. VINSON. Does not the gentleman just assume for the sake of argument that the atomic bomb is going to sink all 90 of the ships? Does not the gentleman want the world to know the effect of the atomic bomb?

Mr. THOMASON. Of course I do, but we already know that; it has already been proved.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. VOORHIS of California. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, when the scientists released atomic energy the greatest event in the history of mankind except only the birth of Christ Himself took place; there is no question about that. Here is the basic release of energy, the transformation of mass into energy. So far as I know, no one has challenged the correctness of the Einstein formula that when mass is transformed into energy you get energy equal to that mass multiplied by the square of the speed of light. It is hard to think in such terms but we must.

Other speakers have already said that we have in our own possession bombs many times as devastatingly effective as the bomb that was dropped on the Japanese cities. I guess that is true. I have not been able to get it out of my mind that when mankind comes to the place where the fundamental energy that is in the basic element out of which all things on this earth and in this universe are made, when mankind comes to the place where he can release that energy and does so, he is unlocking the ultimate storehouse of God Almighty Himself, and unless ways can be found to devote that fruit of God's storehouse to some use better than the destruction of humanity, we are going to destroy humanity, and the American people will be no exception. God's laws are inexorable and they will be obeyed regardless of the will of man.

Does not everyone know who knows a single, solitary thing, that if there is to be a next war the very first target of the atomic bomb that is going to drop is going to be right here where we are today? That is part of the price of preeminence and power and wealth which this country has to recognize. I am one of those who believe the universal testimony of every single scientist in this field to the effect that when men talk about the "secret" of the atomic bomb they talk in a childish sort of way. Such a thing there may be, yes, for 5 minutes or 5 years, whatever little time you want to name, but in the Smythe report there was given to every intelligent scientist of the world all the essential knowledge needed to enable him and the people of his country to construct atomic bombs. What is the answer?

I am not going to stand here today and tell you I know how to achieve the answer, but I know what the answer is and I know there is only one. I agree with the statement of the President and the two prime ministers that it would be folly for the United States to give away any knowledge it may have to any one country or six countries or a dozen countries as completely sovereign countries. I am against that. But while America still possesses her preeminence in this field we literally must be statesmen enough to take leadership in creating a sufficiently powerful and supreme international control so it can say to every nation on this earth that no nation can possess or produce weapons like this. The nations, led by our own, must give to that world-governing body of cooperating nations, not to one of them but to that body of nations, the exclusive right to possession of such weapon so that it can prevent their possession by any one nation. To it must be given the unlimited right to use police powers to enforce such a situation, and unless somehow or other this can be achieved, here is the situation that is going to obtain: There will be more than one nation—I do not know how many—with weapons like this. Every single person will know that the only advantage that can be gained from their use is to use them first and ruthlessly. Do you believe, because I do not, that our Nation would be the first one to do it?

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. VOORHIS of California. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. VOORHIS of California. Mr. Chairman, the only way ultimately that we or anyone else can protect the American people in this day and age is by means that will represent something like the same degree of moral advance on this earth that the atomic bomb represents in scientific advance.

Now, about this bill. I have been in doubt. But I think the gentleman from Georgia is right, that before Congress goes about appropriating money for a navy it is a good idea for us to know the effect of the one all-important force on earth, namely, atomic energy. I believe all the tests must be made, not just part of them. Now, my concern is that these tests must be so conducted that the reports of the results will be such as to be accepted by all of us, so that we are going to know that these reports are thorough, accurate, and true. That is why I am going to support the amendment to be offered by the gentleman from New York.

If I had my way, Mr. Chairman, I would want as many people around the world as possibly could do it to see this explosion. I have some hope that maybe if enough people, people in this Chamber and people every other place, could know what this force is, we might get peace. Mankind does not want to commit suicide. Maybe if all peoples realized how grim is the danger that confronts every man, woman, and child on earth today, we could hope for a change in the dangerous drift now taking place. Maybe there would begin in deadly earnest the work for peace, the work for peace that will brook no obstacles, no barriers, no discouragement, until mankind has been saved.

Mr. RANKIN. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I am opposed to giving the secret of what President Truman calls the "know-how" of making the atomic bomb to anyone at this time.

I hear gentlemen say that other countries already have the secrets. But if they have all the information that is necessary, I wonder if they have the billions of dollars it cost us to build the plants in order to make the atomic bomb? The one plant at Valley Hill, Tenn., covers 70 square miles.

It would take any other countries 5 or 10 years to make the machinery with which to make the machinery to make the atomic bomb.

My distinguished friend from California [Mr. VOORHIS] says that in case of an atomic war the first bomb would fall right here on Washington. He is wrong about that. If any country forces an atomic war on us, we will drop the first bomb—and the last one.

The American people are not going to be caught asleep again as we were at Pearl Harbor. I am for peace. I did not want the war we have just had. I was in hope it could be avoided——

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from California.

Mr. VOORHIS of California. Does the gentleman really believe that our Nation would strike an atomic bomb blow?

Mr. RANKIN. If our Nation found out that some other nation was getting ready to bomb us we would beat them to it. The sooner we let the world understand that the sooner we will have peace throughout the world.

And we must know what is going on in every quarter of the globe. That is one reason I am in favor of an independent intelligence system, making the FBI an independent agency. If that had been the case in 1941, the Pearl Harbor disaster never would have occurred.

It must not occur again.

When we find some outfit getting ready to attack us with atomic bombs, as the

boys say, we are going to "beat them to the draw." We are not going to suffer another Pearl Harbor or anything like it; and, as I said, the sooner we stop trying to appease ruthless aggressors who disregard the rights of other peoples, including ourselves, the sooner we will have peace.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield further?

Mr. RANKIN. I yield.

Mr. VOORHIS of California. The gentleman realizes, of course, that every other nation is going to take just the same attitude.

Mr. RANKIN. The trouble is that some of them have taken that position already. The only language some of them seem to understand is the language of force.

If we are going to have another conference, I am in favor of having it here. Every time we send our representatives abroad, we get into trouble or inspire contempt. I am tired of this whole appeasement program. I am tired of foreign nations sending their spies into our country, as well as their agents, to undermine and destroy what we stand for; and the way to keep peace in this world is to let them know now that we are ready and that we are not going to stand for any foolishness. I am just as much for peace as the gentleman from California, or anyone else; but when a foreign power mistakes our generosity for weakness and sends its spies and fifth columnists here to try to stir up trouble, it is time to call a halt. Some day I will tell you how I almost got on my knees and pleaded with the powers that be, or that were, in 1939 to pursue a course that, in my opinion, would not only have kept us out of the war but would have kept Great Britain and France out also, and would have stopped the war in its inception.

I do not want another war, but I want to tell you now that we never expect to have another Pearl Harbor; and whenever anybody gets ready to use the atomic bomb on us, we will be far ahead of them. We not only have the bombs but we are ready to make more of them if necessary, and we have the finest air force on earth with which to deliver them. We also have the finest navy in the world.

We might as well let the world understand this now, and give these subversive elements that are nosing around this country to understand that their days in this field are numbered.

I am in favor of this resolution. I agree with the gentleman from Georgia [Mr. VINSON] that going there and seeing this explosion will give spectators very little information so far as the construction of these bombs is concerned, and, as I said, even if they have the information, probably it would take them years and years and years to make it.

Some scientist said that if Great Britain had all the information we have, it would take her 5 years, with all her machinery and all her ingenuity, to make the machinery with which to make the machinery to make the bomb. If, it would take Great Britain that long, how long do you think it would take other nations to catch up with us and to match our splendid air force—to say nothing of our Navy?

So we are away out in front. Let us stay that way until we know that the world is ready for peace, and then let us lead the way in guiding the nations of the world into an area of peace and progress, and not let it be done by some one who wants to ruthlessly destroy the smaller nations of the eath, wipe Christianity out of existence and set up a reign of atheistic barbarism throughout the world.

As I said, we have the secret of the know-how of making the atomic bomb, we have the machinery, and we have a supply of bombs ready. Everybody knows we do not covet the territory of any other country on earth. Everybody knows we are not going out and assault any other country. But let us give the world to understand now that we are going to use this information to maintain peace among the nations of the earth and say to them, "You start making these bombs preparatory to some of your sadistic assaults on mankind, and especially on the United States, and we will not only call a halt but we will be there 1 day before you arrive."

I think this is a great step forward. As far as losing these ships is concerned, if this bomb should destroy 100 ships it would be worth it, because it would show that kind of vessels to be useless in the future, and would probably insure the peace of the world for generations to come.

Almighty God has placed this great weapon in our hands at a time when atheistic barbarism is threatening to wipe Christianity from the face of the earth. As the leading Christian nation in the world, we are charged with the grave responsibility of safeguarding and protecting at least our own country, furthering the cause of our Christian civilization, and helping to maintain peace among the nations of the earth.

Let us meet that great responsibility in the American way, and lead the tottering nations of the earth into the light of a new day of peace, happiness, prosperity, and Christian progress for all mankind.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. JOHNSON of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am in favor of this resolution because I think the conducting of this experiment may help bring about permanent peace.

I sat in the Committee on Military Affairs and listened for weeks to testimony concerning the atomic bomb. It made me conclude that warfare in the future is going to be of an entirely different pattern than the type of warfare we have today. It also convinced me, beyond that, that if we cannot solve and control atomic energy the human race will commit suicide. We simply cannot have an atomic war, or very soon all the nations will perish.

There has been a great deal of discussion about the secrecy of the atomic bomb. As a matter of fact, there is no secret to atomic energy. I asked General Groves, "How can we maintain the secret of the atomic bomb?" He said, "Mr. JOHNSON, when the atomic bomb exploded the secret exploded with it. There is a little secrecy in the method of manufacture, in the industrial wherewithal, and we have that and are not going to give it away."

I am convinced that this experiment will show how devastating, how dangerous, how utterly impossible it is for the human race to live and have atomic war.

In my opinion, the overpowering problem of our day is a method of finding security, and I am convinced that we have to find it through getting along with other nations. We cannot sit down and contemplate the fact that great nations are going to fight each other with atomic bombs. The sad thing in this cold world is that the nations seem to listen to the ones that have power behind their words, military and physical power. This experiment will demonstrate to the world that America has power beyond any description. It has the first manufactured bomb, and it has the industrial set-up to make bombs. In my opinion, this fact will add persuasiveness to the words of our diplomats, our President, and our Secretary of State in trying to bring the nations together and settle their disputes in a Christian way around the conference table.

The results of this experiment will be known round the world. America, that is diligently seeking world peace, will by this display of power add force to its plea for a world of law. By demonstrating our capacity, above every other nation, to conduct an atomic war we will convince the others that at last the people of the earth must find ways of getting along together and settling their disputes without resort to that legalized murder that we call war.

We are at the crossroads. Unless the international morals of the nations of the world can equal or exceed their destructive capacity, the world is doomed to come to an end in a very few decades.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield.

Mr. VOORHIS of California. Does not the gentleman agree that along with the demonstration of the power of the atomic bomb there must be a corresponding degree of statesmanship and readiness to recognize the tremendously new problem that we face?

Mr. JOHNSON of California. Yes.

Mr. VOORHIS of California. And must not there also be a willingness to adopt new measures if necessary in order to achieve the very goal which the gentleman is talking about?

Mr. JOHNSON of California. I agree exactly with the gentleman, my distinguished colleague from California. That is what I have been trying to say. We must find some way to get along in the world and not let the world be torn asunder by atomic war. A curious fact is that all the wars that have been generated in the last 250 years have been generated right in the Christian countries where they talk about the brotherhood of man and the fatherhood of God. The countries are the ones that have these brutal, devastating, ghastly wars.

I believe if we can have this experiment so the world will realize the devas-

tation that one little bomb can do, and appreciate the possibilities of the future developments of the bomb, we will stand a good chance of furnishing the leadership required in the United Nations Organization to bring it together and find a peaceful way to settle our disputes.

Mr. IZAC. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield.

Mr. IZAC. Does not the gentleman believe that if we should refuse to go ahead with this experiment it would be just like the ostrich sticking his head in the sand?

Mr. JOHNSON of California. That is exactly it, and I thank my distinguished colleague for his apt illustration. The world would not then have universal knowledge of the danger of the situation. This experiment will bring it to the attention of the entire world strikingly and graphically in its most elemental form. That is what will persuade the people who are in doubt about bringing about a world order of peace. With the knowledge this experiment will bring to the whole world about our atomic might and the devastation which we could bring to the nations of the world, the peoples of the world and its rules will realize that they should join with us now to fashion a world of peace.

Mr. MARTIN of Massachusetts. Mr. Chairman, I move to strike out the last word.

May I inquire of the majority leader What is the program for tomorrow?

Mr. McCORMACK. The rescission bill was scheduled for tomorrow, but it will be impossible to bring that bill up. After the present bill is disposed of and after the China ship bill, if there is time, then the retirement bill, which is scheduled for Wednesday, will be brought up for the consideration of the House.

Mr. MARTIN of Massachusetts. If this bill is not finished tonight, it will be the first order of business tomorrow?

Mr. McCORMACK. Yes. May I call to the attention of the gentleman from Massachusetts [Mr. MARTIN] that the rule to send the Petrillo bill to conference comes up tomorrow.

Mr. MARTIN of Massachusetts. Will that matter precede the China ship bill?

Mr. McCORMACK. If the bill presently being considered is not disposed of today, the first order of business will be the present bill. Thereafter the resolution to send the so-called Petrillo bill to conference will be the next order of business.

Mr. MARTIN of Massachusetts. And then we will take up the China ship bill?

Mr. McCORMACK. Yes.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to throw just a little bit of light on some of the statements that have been made here. Dr. Leo Sczilard, the Hungarian-born scientist, who with Dr. Fermi were most responsible for the chain reaction phase of the atomic bomb, testified before the House Military Affairs Committee. Dr. Sczilard testified before the Committee on Military Affairs of the House that it was not necessary to spend $2,000,000,000, to make an atomic bomb factory now. Most of that amount was spent in experimentation. He said $100,000 was all that was necessary to make an atomic bomb factory with the knowledge the scientists have at this time.

Dr. Oppenheimer, Dr. Fermi, Dr. Urey, and Dr. Condon, four of the foremost scientists and physicists in this country, also testified that the talk of keeping this atomic bomb know-how secret, is foolish. It is child talk. It cannot be done any more than you can keep the law of gravitation secret. General Eisenhower and Admiral Parnell testified before the Senate and House committees that there is no present defense against the atomic bomb. So let us get the idea of tactical defense out of our heads. If there is no possibility of keeping this discovery secret for over a year or so and there is no defense against it, we have to look at it a little differently Why is this test important? Why should we all be for it? I will tell you why. Specific knowledge is necessary so we can know the effect of atomic energy explosion upon naval vessels. That information will be considered by us when we arrive at the type of ships and the size of Navy, the number of ships and the construction of ships. It also means that we have to know this in order to know the type of Army we are going to have. Are we going to have millions of soldiers carrying Springfield rifles or a small force of scientific experts in the Army of the future? What kind of an air force will we have? Do you realize that we dropped 1,400,000 tons of TNT on the Axis nations? Seven hundred B–29's, each with one Hiroshima-type of bomb on it, in one night could drop the explosive force that was dropped in 4 years by the United States Air Force. Do you realize that the B–29 is obsolete? The B–36 can carry twice as much bomb load. Do you realize the Hiroshima bomb is obsolete? There are bombs in existence that are a thousand times more fearful and with more explosive power in them. That is why this test is important. We have to know what this terrific force will do. If it takes $400,000,000 book value—and remember that is only the book value of the ships involved, and some of these ships are 30 years old and some of them are not worth $50 for war purposes. If it takes $400,000,000 to find out what the explosive force of atomic energy in naval warfare will be, it is worth it. We are spending $500,000,000 right now, per year, making atomic bombs. Will we step back now and say, "Let us not spend a hundred million dollars to find out what is the effect of this atomic energy when used in bombs?"

Mr. IZAC. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from California, a highly respected member of the Naval Affairs Committee.

Mr. IZAC. Is it not important to find this out immediately? Has the gentleman any idea we would gain anything by postponing this thing?

Mr. HOLIFIELD. Of course, we must find out as soon as possible. Every one of these famous scientists have said that certain foreign nations may have this secret very soon. Where do you think the German scientists went when Germany was taken over? Where is Strassman, and the other great scientists who helped to split the atom in 1939 in Berlin?

We know that Strassman and many other famous German physicists have disappeared. Are they in Russian laboratories? None of us know the answer.

This is no time to bury our heads in the sands of ignorance and willful self-deception. This is no time to rattle the saber against our former ally, Russia.

Russia will have the atomic secret, whether we like it or not. In the short time before any nation can develop it and use it. We must demonstrate to the world its fearsome power, and take international action to prevent its use in the future for war purposes.

Mr. BATES of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, for many years we have been listening to the advice of those who were in charge of the defense of our country. I well recall, back in 1938, when the Navy of this country reached the lowest ebb in efficiency in its history, when Admiral Leahy appeared before the Naval Affairs Committee and drew a word-picture of what was happening throughout the world in the development of dictators and war lords, and told us how necessary it was for us to begin to think about our own defense. He then advocated a 20 percent increase in the tonnage of the American Navy, which for the preceding 16 years, running back to 1922, practically had no ships of any size added to it, except a few cruisers. No battleships had been built during that period of time. At that time, in 1938, a hue and cry against the proposal rose throughout the country and was reflected in the votes of the Members of the House who opposed that increase in the tonnage of the Navy at that time.

Then, my mind goes back only about a year and a half ago, when Admiral Moreell, Chief of the Bureau of Yards and Docks, came back from the scene of the battle of Leyte Gulf, and in glowing words told us of the victory that took place there, and attributed the victory to the ships that came off the ways that we had authorized in the bill of 1938.

If we do not have faith in our military leaders, especially in these critical days that we are told lie ahead of us, then I do not know whom we should follow for advice.

The Joint Chiefs of Staff, both Army and the Navy, have recommended that this test be made. We know that the Joint Chiefs of Staff are being advised by and are following the advice of the leading scientists of the country in respect to the procedure and the practical approach to this problem. We are also told that actually hundreds of technical and scientific civilians and officers of both Army and Navy will participate and are working very closely in the development of this program. We know, also, that the National Academy of Science

has been asked to delegate a group of scientists throughout this country who they feel should be present at this demonstration of the effectiveness of the atomic bombs on ships of various catagories.

We know the effect the bomb has had at Nagasaki and Hiroshima. Some of us were there relatively few weeks ago. We do not, however, know what effect it will have on ships riding the seas or the effect it will have on underwater conditions. These are things the Army and the Navy are trying to find out and it is only through a program of this kind in which the scientists of the country are taken into the project that we shall be able to get the full facts and perhaps guide the Congress of the future as to what we should do to meet the problems we find as a result of our experiment. The Committee on Naval Affairs has given a great deal of attention to this test, and we believe in the interest of our own security this bill should be passed today.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. HOFFMAN. Mr. Chairman, I rise in opposition to the pro forma amendment.

The CHAIRMAN. The gentleman from Michigan is recognized for 5 minutes.

Mr. HOFFMAN. Mr. Chairman, there may be some speculation as to the destructive effect if this bomb is dropped on or near a modern warship, but there is not very much difference of opinion about the destructive effect of certain other bombs.

In the morning paper I notice this headline: "UAW head hints Reuther plays 'politics'." I am calling attention to that because last week the gentleman from Indiana [Mr. LAFOLLETTE] took occasion here to charge, if I understood him correctly, that one Anderson, of General Motors, was to blame for all the destructive effects that were growing out of the General Motors strike. So I want to call attention to this news article from the Washington Post and also to an editorial from the New York Mirror. The statement from the Post reads in part as follows:

DETROIT, March 10.—R. J. Thomas, president of UAW-CIO, admitted today that union politics have figured in General Motors strike negotiations.

In a 40-minute off-the-record report to members of the National Ford Council, Thomas hinted strongly that the political ambitions of UAW-CIO Vice President Walter P. Reuther have delayed settlement of the strike.

He contrasted the long and bitter battle Reuther had engaged in with General Motors against the successful negotiations of UAW Ford Director Richard T. Leonard. Thomas then demanded, "Why has not Reuther been able to end the General Motors strike?"

"For myself," he continued, "I would not play politics to the detriment of General Motors strikers."

That is not some so-called labor baiter who is talking; that is the president of UAW-CIO, Detroit, Thomas. Now, I do not know whether Mr. Thomas knows what he is talking about or whether he does not, but anyway there is the president of the union who says that brother Reuther is playing politics with this strike which has continued more than a hundred days.

Then the New York Mirror—not the Daily Worker—the New York Mirror, says:

STOP IT, MR. MURRAY

Continuation of the General Motors strike, now 106 days old, is plain, savage stupidity. It is beyond the ridiculous. President Philip Murray of the CIO can and should step in and stop it.

The strike has cost the workers, the company, and related industries over $1,000,000,000.

The war savings of many workers have been drastically reduced or wiped out. Others have gone into debt. Detroit has had to appropriate $400,000 for relief.

I might add there that the press states that the Detroit city council asked the President to intervene and seize the works.

Well, of course, the President refused. I assume he had no authority, but if he did seize the plants he could not do anything about it. He could not operate them. Certainly the President of the United States would not ask for an appropriation to pay these workers when they are not working, nor would be ask that they be paid out of the Federal Treasury even if they were working.

Let me continue:

The basic issue is no longer wages. The company has offered a raise of 18½ cents an hour against the union's demand of 19½. For each 2 days loss it would take 1 year's work to make up this differential of one single penny an hour. CIO unions settled with Ford for 18 cents, with Chrysler and steel for 18½.

But the basic issue in the GM strike is a dastardly struggle for power within the union.

Reuther swore he wouldn't budge for less than 19½. Reuther burns to displace Thomas as president of the UAW. The convention is coming up. Reuther has to save face.

The company, the public, the workers can lump it while this alien-minded radical, a student of Soviet Russia, pursues his own ruthless ambition.

Mr. Murray should realize this situation turns the stomach of every fair-minded American. He should put a stop to it, as he did in New York City recently in a similar case of bullheaded, bare-face effrontery.

He would be doing a favor to himself and to all organized labor.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

The Clerk read as follows:

SEC. 2. After employment pursuant to authority contained in section 1 of this act vessels may, in the discretion of the Secretary of the Navy or such other person as may be designated by him, be—

(a) sunk if considered unseaworthy; or

(b) retained with or without repair for further test and experimentation, for further naval use, or for other disposition in accordance with other provisions of law.

SEC. 3. Prior to the employment of any vessel of the Navy under authority of section 1 of this act, the Secretary of the Navy shall come into agreement with the Naval Affairs Committee of the Senate and of the House of Representatives with respect to such prospective employment.

With the following committee amendment:

Page 2, after line 10, insert the following:

"SEC. 4. The Secretaries of War and of the Navy shall take such measures as they may deem necessary to insure that no release of information pertaining to these tests shall be made to foreign governments or nationals except such as the Secretaries may determine to be not prejudicial to the best interests of the United States.

"SEC. 5. Such provisions of this joint resolution as relate to the employment of vessels of the Navy as targets shall terminate 2 years after the date of its enactment into law."

Mr. COLE of New York. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: Page 2 line 11, strike out section 4 and insert the following:

"SEC. 4. The Secretaries of War and of the Navy shall take such measures as they may deem necessary to safeguard the information, observations, findings, conclusions, and recommendations pertaining to and resulting from these tests and which are of a military nature as would normally be attached to any other vital military information or military secret."

Mr. VINSON. Mr. Chairman, there is no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. COLE] to the committee amendment.

The amendment to the committee amendment was agreed to.

Mr. COLE of New York. Mr. Chairman, I offer another amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: On page 2, line 17, before section 5 insert a new section as follows:

"SEC. 4a. The President is authorized to appoint an advisory board to cooperate with the Secretaries of War and of the Navy in the conduct of these tests, to undertake an independent study of the tests and to submit its observations, findings, conclusions, and recommendations to the Secretaries of War and of the Navy. This advisory board shall be composed of:

"(a) Five civilians, one of whom shall be designated as chairman of the advisory board;

"(b) Three naval officers, at least one of whom shall be a naval aviator; and

"(c) Three Army officers, at least one of whom shall be an Army aviator."

Mr. VINSON. Mr. Chairman, there is no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. COLE] to the committee amendment.

The amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment as amended.

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. POAGE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the joint resolution (H. J. Res. 307), to authorize the use of naval vessels to determine the effect of atomic weapons upon such vessels, pursuant to House Resolution 505, he reported the resolution back to the House with an amend-

ment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time and was read the third time.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that further consideration of this joint resolution be postponed until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

JOINT COMMITTEE ON THE ECONOMIC REPORT

The SPEAKER. Pursuant to the provisions of section 5, Public Law 304, Seventy-ninth Congress, the Chair appoints as members of the Joint Committee on Economic Report the following Members of the House: Mr. HART, Mr. PATMAN, Mr. OUTLAND, Mr. HUBER, Mr. BENDER, Mr. JUDD, and Mr. RICH.

EXTENSION OF REMARKS

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Christian Science Monitor.

Mr. DOYLE asked and was given permission to extend his remarks in the RECORD and include an editorial.

SPECIAL ORDERS GRANTED

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that on Wednesday and Thursday next, at the conclusion of the legislative programs on those days and following any special orders heretofore entered, I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan.

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from Wisconsin [Mr. BIEMILLER] is recognized for 1 hour.

NEEDED IMPROVEMENTS IN THE SOCIAL SECURITY ACT

Mr. BIEMILLER. Mr. Speaker, August 14, 1935, was a historic day for America.

On that day the United States Government for the first time undertook to do what most other governments of civilized countries had done long before.

On that day President Franklin D. Roosevelt set his signature to the Social Security Act. This meant that from that day on the Government was to guarantee a large proportion of its citizens some measure of protection against five of the major misfortunes of present-day life—loss of job, insecurity in old age, unprotected childhood, blindness, and ill health.

But the act brought howls of indignation from the self-styled "rugged individualists" who had learned nothing from the terrible depression the country had just gone through.

Men of substance like the president of Colgate University told a school commencement gathering:

> Most of you believe in social security for the old, but I would rather see a few old people suffer than see the race go soft.

The conservative press excoriated the measure as an unwarranted intrusion by the Government into the private affairs of citizens. The whole plan, they said, was un-American—it had been imported lock, stock, and barrel from abroad.

On November 2, 1936, the New York Sun, taking a tip from John D. M. Hamilton, then chairman of the Republican National Committee, printed a fearsome story headed "New Deal will tag workers." Next to the story was a picture of a regimented victim of social security, stripped to the waist and wearing a metal tag on a chain around his neck. According to the Sun, the picture showed "the suggested 'dog tag' for security tax and how it will look on a taxpayer."

Many other newspapers also went off the deep end. The Santa Fe New Mexican, which supported the Republicans in the 1936 elections, began substituting social-security numbers for bylines over their stories. The editor signed himself [redacted] In the personal columns of the paper appeared items like this: "No. [redacted] is recovering from an attack of the flu."

All this, of course, was sheer and malicious nonsense. But I think it is worth recalling, because there are still some today who are afflicted with the same virus.

The Social Security Act has been in effect a little more than 10 years. It is a good time, therefore, to take stock. Let us briefly consider what has been achieved under this legislation—what it has meant in terms of benefit to individuals and to the Nation as a whole.

Today some 40,000,000 persons are insured under the old-age and survivors' insurance section of the act. As long as a person is working in a type of employment covered by the act, 1 percent of his salary or wages up to $3,000 is deducted for this type of insurance. An additional 1 percent is paid by the employer. The 40,000,000 people who are now insured are accumulating credits toward old-age benefits, and if they should die today monthly payments or lump sums would be paid to the survivors mentioned in the act. This survivor insurance alone amounts to $50,000,000,000 in family-insurance protection.

Additional millions of workers have some credits toward benefits, although at the present time they do not happen to be working in covered types of employment. In all, more than 74,000,000 persons, or about two-thirds of the population aged 14 or over, had credits in the fund by the middle of 1945.

In mid-1945 the fund was making payments amounting to $23,000,000 a month to some 1,300,000 people. This included 760,000 old people—either workers or workers' aged dependents—380,000 children of retired or deceased workers, and 145,000 widows who had children of deceased workers in their care.

The number of people who are benefiting from this kind of protection today is only a fraction of the number that will be receiving benefits 10 or 15 years hence. It is easy to see how, as the proportion of our population in the older age brackets grows increasingly larger, this added security of income for senior citizens will play an important part in maintaining mass purchasing power and contributing to a more stable economy.

The benefits under the old-age and survivors' insurance system are not lavish. In no instance is anyone paid more than $85 a month on one worker's account. But at least the payments do provide a minimum of subsistence even for those who are not fortunate enough to have additional income from savings or other insurance.

For thousands of American men and women these benefits have made it possible to grow old in dignity rather than destitution. For thousands of American families they have provided a means of livelihood when death has suddenly removed the breadwinner. And by sparing them the stigma of reliance on charity they have enabled thousands of our people to keep their self-respect.

The second great accomplishment of the Social Security Act has been to provide a system of unemployment insurance to help tide people over the difficult period when for one reason or another they are thrown out of work

These days very few people have the assurance that they will be steadily employed. Whether most workers stay on the job or not depends on whether the company needs them, and that, in turn, depends on a great many factors over which neither they nor the company exercise much control. But as Leon Henderson once said, "The effect is the same whether a man hits you on the head accidentally or on purpose."

In the last hundred years there have been 10 major business depressions. Each time the pattern has been pretty much the same—a period of relative prosperity culminating in greater production and higher prices than the market could absorb; this results in curtailed production and lay-off of workers; this in turn reduces still further the amount of goods the public is able to buy, and so still more workers are laid off.

Now, no economist will claim that unemployment insurance will cure a depression. But it can be a very potent factor in preventing one, once the deflationary phase of the business cycle gets under way.

The worker who loses his job, and who has no unemployment insurance, either exhausts his savings, becomes a burden on his friends or relatives, or goes on relief. In any case, he has to watch every penny he spends. Multiply this person by the thousands or millions of others who are in the same plight, and it is not long before the grocer, the butcher, the doctor, and the dentist begin to feel the pinch, too. Before we know it the whole country is off on another economic toboggan slide.

Today, as a result of the Social Security Act, about 36,000,000 workers have the assurance that their incomes will not suddenly be cut off if they lose their jobs. This assurance does not cost the worker anything. The system is financed by a

tax levied on employers in industries covered by the act. In 1944 the average rate of this tax was 1.8 percent.

The amount a worker collects when he is involuntarily unemployed varies in the different States, but generally it amounts to about one-half of his wage loss for a period of from 16 to 26 weeks. The average payment per worker in August 1945 was $18 a week. During that month 190,000 persons were receiving unemployment compensation payments. In June 1940, before war production really got under way, more than 1,250,000 persons received benefits.

With the future so dependent upon continued maintenance of a high level of purchasing power there can be no question about the beneficial effect of this cushion against reduced spending.

When an insured worker loses his job he does not splurge, but at least he is able to pay his grocery bills for 4 or 5 or 6 months. Consequently, the grocer stays in business and the worker and his family stay off the relief rolls.

Besides these two major contributions to individual self-sufficiency and economic stability—old-age insurance and pay for the jobless—the Social Security Act rendered another service of inestimable value. It revamped and improved our system of public aid to the needy aged, to the blind, and to dependent children.

Prior to 1935 the chief characteristic of public-assistance programs was their shocking inadequacy. Although most States had laws providing for aid to the blind and to destitute old people and children, the amounts of money appropriated for such purposes were frequently negligible.

Besides, the programs were often not State-wide. Sometimes the laws were put on the books for the same reason that a feather is put in a hat—for the sake of appearances only. The State of Arkansas, for example, authorized a maximum benefit to a needy blind person of $300 a year. What the State actually paid to the blind, however, was a flat sum of $10 a year, or 83 cents a month.

The Social Security Act changed all this by making substantial sums of Federal money available to States which set aside funds of their own for assistance programs that meet certain standards laid down by the Social Security Board.

As a result, payments for old-age assistance and aid to the blind are now available in every county in the United States, and aid to the blind is being administered in every county except the three in the State of Delaware.

In contrast to this, in the year before the Social Security Act became law, old-age assistance and aid to the blind were available in less than one-third of the counties in the United States, and aid to dependent children in only about one-half of them.

Up to June 1945, Federal grants to States for these three types of programs had amounted to nearly $3,000,000,000. Under the stimulus of these Federal funds, the States have greatly increased the amounts that they contribute to such aid. The over-all result has been a tremendous improvement in standards of care for those who, through no fault of their own, cannot take care of themselves.

Another feature of the Social Security Act which had far-reaching consequences was the appropriation of Federal money to aid States and localities in the development and maintenance of public health services.

For a country that had achieved such remarkable technical progress in other fields, the United States was deplorably slow in making use of advances in medical science and public health.

Although by the time World War I began the practice of public health was highly developed in many European countries, there were in this country in 1915 only 14 counties that had full-time local public-health service.

As the years went on more and more communities were provided with such service, but progress was discouragingly slow. By 1935, only 762 of the 3,070 counties in the country were served by full-time health units. The rest of them got along without any local health service at all, or employed a physician on a part-time basis to perform such rudimentary functions as giving emergency care to the sick poor and enforcing quarantine regulations.

Passage of the Social Security Act in 1935 made $8,000,000 of Federal funds available annually to the States for helping them to develop public-health services, including establishment of free clinics for control of diseases such as tuberculosis and venereal afflictions. Funds were also provided for the training of much-needed health personnel. Later the amount of the Federal grant was increased to $11,000,000 a year.

This money, combined with the amounts the States had to put up in order to receive the Federal funds, gave a tremendous impetus to the health movement. By 1942, 1,828 counties, or about 60 percent of the total number, had full-time service. During the war some ground was lost because so many doctors, nurses, dentists, and other health personnel were taken by the Army and Navy. Now that the war is over, however, we may confidently expect a resumption of progress in this field.

Thanks to this activity, disease and death rates in many parts of the country have been materially reduced, and a great many communities have become more attractive and healthful places in which to live.

The Social Security Act also provided funds for aid to the States in developing maternal and child-health programs.

As a result, maternal and infant death rates have fallen substantially. In 1935, 58 mothers died for every 10,000 children who were born alive. By 1943, the rate was down to 24 per 10,000, or a reduction of more than one-half. During the same period, infant mortality fell from 56 to 40 per 1,000 live births, which means that in 1943 only 1 infant out of 25 died instead of 1 out of 18, as in 1935.

The greater degree of security that has been achieved under this law in the last 10 years should now impel us to improve its provisions. For, despite all it has accomplished, there are still many gaps and shortcomings. During the 10 years we have accumulated enough experience to know that a great deal more could be done within the general framework that has been established.

The House Ways and Means Committee now has before it a voluminous report prepared by a special technical staff, dealing with the need for liberalization of the law's provisions. The committee is holding extended hearings on the subject at the present time. In view of the overriding interest in emergency legislation, these hearings have not commanded as much public attention as the importance of the subject deserves. But few matters now before the Congress have such significance as far as the future strength and prosperity of this country are concerned.

What are the present shortcomings in the law which should be rectified?

In the first place, coverage should be broadened to include all employed persons under the insurance provision of the act.

At the present time some 20,000,000 workers are excluded from old-age and survivors' insurance benefits, because they do not work in occupations which come within the terms of the law. Among those excluded are farm workers; domestic servants; employees of Federal, State, and local Governments; workers in nonprofit agencies such as churches, the Red Cross, and the YMCA and the self-employed, such as the small businessman and the small farm owner.

Likewise, some 15,000,000 persons are excluded from unemployment-compensation benefits.

There is no sound reason why the law should not be broadened to include these groups. They are subject to the same hazards as those who are insured, and their need for protection is just as great. Furthermore, the interest of the Nation as a whole in their continued self-sufficiency is just as great as it is in the welfare of the insured group. When such a tried and tested means of guaranteeing basic security is readily at hand the Nation cannot afford to withhold it from so large a portion of the population.

Public sentiment throughout the country is overwhelmingly in favor of extending the program to cover all employed workers. The magazine Fortune conducted an opinion poll on the subject last year, and found that 77.6 percent of the people were in favor of such extension. Only 9.6 percent of those questioned did not think it was a good idea, and 13.7 were uncertain.

The proposal to extend coverage was approved by every group among those questioned—by the rich and the poor, the old and the young, the well educated and the not-so-well educated. In only one geographic area—the Deep South—did the affirmative answers fall below 70 percent. And in that region 61.8 percent thought it was a good idea.

Could anyone ask for a better indication that the program has been eminently successful?

Another thing that should be done immediately is to give service men and women credit on the Social Security Board's books for the time they spent in the armed forces.

There is no good reason why these men and women, who served their coun-

try so unselfishly during the time of its crisis, should be penalized for their devotion. Yet, that is the effect their exclusion from the system during their period of service has had. The Government should in simple justice to all veterans and service personnel assume payment, on a liberal basis, of the premiums which they did not, and do not, have an opportunity to pay into the fund.

A third reform urgently needed in the law has to do with the increasing of benefits.

The present old-age benefits are grossly inadequate to meet the needs of many of those who have to depend on them. In 1944, no retired worker could receive more than $43.20 per month, apart from any amounts payable to his dependents. The average benefit for a retired worker on June 30, 1945, was only $23.80 per month.

At the end of 1944, family benefits averaged $37.60 a month for an aged couple, that is, a retired worker and his wife who has also reached the age of 65. Of the aged couples who benefited, three-fifths received less than $40 a month, and only about one in seven as much as $50 monthly.

Among families in which a widow and two children were beneficiaries, nearly three-fifths received less than $50. Only a very few families—those in which a widow and three or more children were entitled to benefits—received the maximum allowable benefit of $85 a month.

Obviously, such allowances are too meager, especially in times like the present when the cost of living is so high. Fortunately, a majority of the beneficiaries have other sources of livelihood—savings, or life insurance, or Government allotments from servicemen's pay, or small incomes from investments or such work as they are able to do despite their advanced age. But many of the beneficiaries have little or no reserves to fall back on.

Many aged persons who are eligible for benefits have failed to claim them when they could find work because they did not feel that they could make ends meet on the small allowances they would receive. This is not a desirable situation. Benefits ought to be sufficient to enable large numbers of elderly insured workers in the marginal income category to leave the labor force, thus giving work opportunities to younger and more productive persons.

Especially hard hit are those who have worked all or most of their lives for low wages. Because of the small amounts deducted from their pay, these people do not accumulate credits in the social-security fund sufficient to give them more than a mere pittance at retirement age. Yet, it is this very group whose need in old age is greatest, for few of them have been able to set aside anything out of their meager wages or salaries.

For these reasons, a number of changes should be made in the law.

At present, benefits are computed on the basis of 40 percent of the first $50 of monthly earnings and 10 percent on the remaining amount up to as much as an additional $200. A heavier weighting should be given to a larger amount than the first $50 a month. This would increase benefits to all, but it would help the low-income workers most.

Increasing the base amount on which social-security taxes are levied from $3,000 to $3,600 would also have the effect of increasing the amount of credit in the worker's account.

Certain items, such as tips, dismissal payments other than those which the employer is required to make, and awards made by labor boards, which are not defined as "wages" under the terms of the act, should be so defined.

The maximum amount payable on any one person's account should be raised from $85 a month to $120. At the same time, the minimum benefits set by the law should be raised to a more substantial figure.

Other changes recommended by the Social Security Board are also needed in order to make the law serve its purpose more adequately. One of the most important of these is lowering the qualifying age of women beneficiaries from 65 to 60 years. Women experience more difficulty in finding or retaining a job after 60 than do men. And since wives are usually several years younger than their husbands, many aged couples suffer hardship when the man retires at 65 and his wife is not eligible for the supplemental allowance until several years later.

The main shortcoming of the unemployment compensation system is that benefits vary substantially from State to State, as do the reasons for disqualification from benefits. This not only places workers in some States at an unfair disadvantage, but it has led to interstate competition between employers to reduce their contribution rates. As long as the rules are left entirely in the hands of the States, this situation will be difficult or impossible to remedy.

The solution lies in an amendment to the Federal law which will impose certain minimum standards which the States will have to meet. It has been proposed that a Federal standard of $25 a week for 26 weeks be established.

This proposal drew a storm of opposition from many Members of Congress, and so far it has not won approval. One of the chief arguments raised against it was that any such arrangement would put a premium upon idleness—that people would not choose to work if they could get that much for doing nothing.

This is not only an outright misrepresentation of the facts—it is also a libel upon the character of the American people.

Under the law, benefits will not be paid to any unemployed person who refuses an offer of work without good cause. And the determination of whether or not the individual has good cause for such a refusal is made in each case by the State unemployment compensation agency.

Those who have so little respect for the integrity and the enterprise of the American working man and woman that they give credence to this slanderous accusation should pay some attention to figures of the Social Security Board which show that for every person over 65 who has claimed old-age benefits there are two persons who, though eligible for such benefits, have neglected to claim them because they have preferred to hold on to their jobs. If this attitude is so prevalent among old people who have earned the right to take things easy, it is reasonable to assume that it would be even more characteristic of the general run of able-bodied workers.

Closely connected with the need to increase unemployment insurance benefits as an additional cushion against the job crisis that we are almost bound to face when the present surplus of purchasing power is reduced is the need for a permanent United States Employment Office.

During the war, the United States Employment Service took over from the State employment offices the task of finding workers and getting them placed expeditiously in the areas and plants where they were needed.

The Employment Service did a good job. Placing the whole operation on a Federal basis was the only way the job could have been done successfully. The individual States could no more have handled the task than they could have managed recruitment of the Army and Navy.

Now that the war is over there is a pell-mell rush to hand the functions of the employment service back to the States. This despite the fact that in the next few years the country will in all probability face an employment problem equal in magnitude, if different in nature, to that which prevailed during the war. Then the problem was to find men for jobs—soon we shall have to find jobs for men. The theory that the opponents of continued Federal control are apparently operating on is that if we break the unemployment problem up into 48 separate pieces it will be a lot easier to solve.

To my way of thinking such a theory is obviously absurd.

American labor has in recent years, and especially during the war, become more and more migrant. There is no reason to believe that this trend will be reversed. Workers will continue to move freely from State to State and from region to region. Employers will continue to need and demand more or less workers than are available in their own States at any particular time. The only way that the best interests of both can be served is through a centralized employment service with one set of rules for all, and with the broad welfare of the Nation as its guiding principle.

Most of the proposals I have mentioned for broadening and strengthening our social-security system are incorporated in the bill introduced in Congress during the opening days of this session by Senators WAGNER and MURRAY, S. 1050. A companion bill has also been introduced in the House by the gentleman from Michigan, Representative DINGELL.

This bill also provides for increased public-assistance grants and for a system of cash disability benefits to those who are temporarily or permanently disabled. The United States is almost alone among the great nations of the world in failing to provide its workers with insurance against wage loss because of

physical infirmity arising from other than occupational causes. We do have workmen's compensation for disability incurred on the job, but most disability is of nonoccupational origin. Protection against this ever-present hazard is sorely needed.

On the 19th of November, the day that President Truman sent his health message to Congress, Senators WAGNER and MURRAY, and the gentleman from Michigan, Representative DINGELL, introduced another bill providing for a comprehensive health program based on an expansion of community-wide health services—such as those already made available to a limited extent under the Social Security Act—and a Nation-wide system of prepaid personal health-service benefits.

The need for this type of legislation has long been apparent. Contrary to the popular notion, the United States is by no means the healthiest country in the world. Just before the war in Europe, seven countries had lower infant death rates than we did. From 7 to 11 countries, depending upon the age groups considered, had lower death rates among adolescents. And no less than 20 countries had lower death rates among persons between the ages of 35 and 64.

Besides, everyone is now familiar with the shockingly high rejection rates among selective service registrants. About 40 percent of our young men in the very prime of life were unfit for military duty because of physical or mental defects.

It has long been recognized that one of the principal reasons for this sorry state of affairs is that many people do not get the medical care they need. The main reason they do not get it is that they cannot afford it.

These days medical care—especially good care which requires expensive equipment and treatment—comes high. None of us knows when he is going to be sick, but almost every one requires costly treatment at some time or other. When the siege does come it is a serious drain even on those who are comparatively well off. For those in the lower-income brackets major illness involves real catastrophe.

Moreover, because of the expense involved, most of us tend to put off visits to the doctor until we are really ill. The wonders of preventive medicine being what they are, this is not right at all. But we keep putting it off until we are forced to go. Then it may be too late. If the disease is cancer the result is premature death. If it is something less serious we may escape with a more or less protracted illness. The Wagner-Murray-Dingell health bill, S. 1606, offers a realistic and sensible solution to this problem. It would set up in the Treasury of the United States a special "Health Services Account." Into this account each employed person would pay an amount equal to 3 percent of his earnings up to $3,000 a year. Self-employed persons would pay a little more. States and local governments could, if they chose to do so, pay the premiums of the unemployed and others who could not meet the required payments. Employers would also contribute 3 percent of each employee's salary up to $3,000 a year.

In return for these payments, all insured persons and their dependents would be entitled to all the medical care they needed. The services would include care by a general practitioner and by a specialist when necessary. All laboratory fees would be paid. Each person would be entitled to hospital care up to 60 days, or 120 days if the fund permitted. Limited nursing and dental services would be available at the outset of the plan.

This plan, which is simply the application of the good old American principle of insurance, has been condemned by some as "socialized medicine" and an unwarranted intrusion by the Government into the affairs of its citizens.

This claim has about as much truth in it as the extravagant statements that were made about old-age insurance and unemployment compensation when the Social Security Act was first up for consideration.

The fact is, that under the plan each person would be able to choose his own doctor, group clinic, or hospital from the entire list of physicians and institutions participating in the plan. No physician or institution would be required to participate.

The chief difference between such a system and the one that prevails today is that everyone, regardless of his income or his place of residence, would have the opportunity eventually to get high-quality medical care if he wanted it. It would undoubtedly take some time before good services were available in many rural and depressed areas from which the doctors have long ago fled. But with money available to pay people's bills, doctors would again settle in these areas. As long as our present system prevails there will be no hope of getting decent care in these places.

I am sure that when people fully understand the proposal put forth in the Wagner-Murray-Dingell bill they will insist on its enactment. The medical profession is by no means all against it. The American Medical Association—or rather those who reserve to themselves the right to speak for it—is loud in its denunciation of the bill. But by the very extravagance of their claims they show how weak and untenable their position is. More and more doctors, including prominent members of the AMA, are supporting the measure.

I have tried in very brief outline to convey to you the nature and significance of the social-security program.

This program is a magnificent and enduring monument to the genius and humanity of the man who, more than anyone else, was responsible for its adoption—Franklin D. Roosevelt.

In 1941 President Roosevelt, looking back over the dark days when he first took office, said:

> Eight years ago, when the life of this Republic seemed frozen by a fatalistic terror, we proved that this was not true. We were in the midst of shock, but we acted. We acted quickly, boldly, decisively.

Today, again, Americans are uncertain and afraid of what the future holds. In waging the war we set in motion forces which can either carry us on into a brighter and more prosperous era or plunge us into a period as dark and dreadful as that in 1932.

The road to the brighter day lies through the provision of security for every citizen. There are still many who do not have the basic guaranties that we can and should provide. Once again the time for decisive action is at hand. In the Social Security Act and the other progressive measures that marked the New Deal we have a sound framework on which to build. Let us lose no time in making the structure as perfect as possible.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BIEMILLER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I was very glad to listen to the gentleman's remarks, and I want to congratulate him. I remember well, because I was a member of the Committee on Ways and Means in 1938 or 1939, when we passed the original Social Security Act and later the amendments to that act. Well do I remember the howls that were raised by the opponents. We were called Communists, Socialists, called every name under the calendar, and the bill, as well as those who supported it, was characterized similarly. One of the greatest problems concerning the Government today is the economic outlook for our people, and in order to bring about justice we have to consider progressive measures. When you are fighting for the average person today you hear the same argument that was advanced against social security, that it is socialism and communism, by those who are satisfied with their status quo. I am glad the gentleman has made the speech he has, and I congratulate him, because he is one of the outstanding Members of the House, with vision and a progressive outlook. The people of his district may well be proud of him.

Mr. BIEMILLER. I thank the distinguished majority leader for his kind remarks about me, and for his remarks on the general subject.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. RABIN, for an indefinite period, on account of illness.

To Mr. ROBERTSON of North Dakota (at the request of Mr. MARTIN of Massachusetts), for the week of March 11, on account of official business.

SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table, and, under the rule, referred as follows:

S. Con. Res. 55. Concurrent resolution authorizing the Senate Special Committee to Investigate the Production, Transportation, and Marketing of Wool to have printed for its use additional copies of part 6 of the hearings held before said special committee during the first session, Seventy-ninth Congress, relative to the production, transportation, and marketing of wool; to the Committee on Printing.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 11 minutes p. m.) the House adjourned until tomorrow, Tuesday, March 12, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

There will be a meeting of the Committee on World War Veterans' Legislation, in executive session, on Tuesday, March 12, 1946, at 10:30 a. m., in the committee room 356, Old House Office Building, relative to the report of the investigation of the Veterans' Administration.

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

The Committee on Expenditures in the Executive Departments will hold hearings on surplus property on Tuesday, March 12, 1946, through Friday, March 15, at 10 a. m., in room 304, Old House Office Building.

COMMITTEE ON THE JUDICIARY

On Wednesday, March 13, 1946, Subcommittee No. 1 of the Committee on the Judiciary will hold hearings on the following bills, relating to United States commissioners: H. R. 2460 (S. 346), H. R. 2461 (S. 345), H. R. 2462 (S. 344), and H. R. 2464 (S. 344).

The hearing will begin at 10 a. m. and will be held in room 346, House Office Building.

On Monday, March 18, 1946, Subcommittee No. 3 of the Committee on the Judiciary has scheduled a hearing on the bill (H. R. 5234) to authorize the Federal Security Administrator to assist the States in matters relating to social protection, and for other purposes.

The hearing will begin at 10 a. m., and will be held in room 346, House Office Building.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Tuesday, April 9, 1946, at 10:30 a. m. to begin hearings on projects to be reported out in an omnibus river and harbor authorization bill.

EXECUTIVE COMMUNICATIONS, ETC.

1132. Under clause 2 of rule XXIV a letter from the secretary, United States Employees' Compensation Commission, transmitting copy of the quarterly estimate of personnel requirements for the quarter ending June 30, 1946, was taken from the Speaker's table, referred to the Committee on the Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COCHRAN: Committee on Accounts. House Resolution 548. Resolution continuing House Resolution 387 of the Seventy-eighth Congress; without amendment (Rept. No. 1689). Referred to the House Calendar.

Mr. COCHRAN: Committee on Accounts. Senate Concurrent Resolution 56. Concurrent resolution increasing the limit of expenditures for the investigation of the Pearl Harbor attack; without amendment (Rept. No. 1690). Referred to the House Calendar.

Mr. COCHRAN: Committee on Accounts. House Resolution 549. Resolution providing additional compensation to the second assistant clerk to the Committee on Claims; without amendment (Rept. No. 1691). Referred to the House Calendar.

Mr. COCHRAN: Committee on Accounts. House Resolution 550. Resolution providing for the further expenses of conducting the study and investigation authorized by House Resolution 45; without amendment (Rept. No. 1692). Referred to the House Calendar.

Mr. COCHRAN: Committee on Accounts. House Resolution 551. Resolution providing for employment of an assistant legislative clerk in the office of the majority leader; without amendment (Rept. No. 1693). Referred to the House Calendar.

Mr. COCHRAN: Committee on Accounts. House Resolution 552. Resolution providing compensation for employees of the Committee on Banking and Currency; without amendment (Rept. No. 1694). Referred to the House Calendar.

Mr. SMITH of Virginia: Committee on Rules. House Resolution 541. Resolution providing for the immediate consideration of S. 63; without amendment (Rept. No. 1695). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 553. Resolution providing for the consideration of H. R. 5407, a bill to grant to the Federal Works Administrator certain powers with respect to site acquisition, building construction, purchase of buildings, and other matters; without amendment (Rept. No. 1696). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 554. Resolution providing for the consideration of H. R. 4512, a bill to amend the Public Health Service Act to provide for research relating to psychiatric disorders and to aid in the development of more effective methods of prevention, diagnosis, and treatment of such disorders, and for other purposes; without amendment (Rept. No. 1697). Referred to the House Calendar.

Mr. SPENCE: Committee on Banking and Currency. House Joint Resolution 321. Joint resolution to authorize the making of settlement on account of certain currency destroyed at Fort Mills, P. I., and for other purposes; without amendment (Rept. No. 1698). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARTLETT:

H. R. 5731. A bill to extinguish the Indian title to lands in the Territory of Alaska; to the Committee on Indian Affairs.

By Mr. CHIPERFIELD:

H. R. 5732. A bill to authorize a National Mississippi River Parkway and matters relating thereto; to the Committee on the Public Lands.

By Mr. HAVENNER:

H. R. 5733. A bill to provide for the automatic promotion of certain naval officers who were prisoners of war; to the Committee on Naval Affairs.

By Mr. VINSON:

H. R. 5734. A bill to enact certain provisions now included in the Naval Appropriation Act, 1946, and for other purposes; to the Committee on Naval Affairs.

By Mr. McDONOUGH:

H. R. 5735. A bill to amend the Social Security Act, as amended, so as to provide old-age insurance benefits for husbands and survivors-insurance benefits for widowers, and for other purposes; to the Committee on Ways and Means.

By Mr. LAFOLLETTE:

H. R. 5736. A bill authorizing the Indiana State Toll Bridge Commission to construct, maintain, and operate a toll bridge or a free bridge across the Ohio River at or near Mauckport, Ind.; to the Committee on Interstate and Foreign Commerce.

By Mr. BUNKER:

H. Res. 555. Resolution providing for an investigation and study of the policies of the United States with respect to grazing on public lands; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GRANT of Indiana:

H. R. 5737. A bill for the relief of Mrs. Margaret Schwartz; to the Committee on Claims.

H. R. 5738. A bill for the relief of John F. Marshall; to the Committee on Claims.

By Mr. WELCH:

H. R. 5739. A bill for the relief of Frances Fitzgerald; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1692. By Mr. ANDREWS of New York: Resolution adopted by Circuit No. VIII of the American Relief for Poland, Buffalo, N. Y., urging assistance in speeding up the delivery of food, medicine, and clothing to Poland in sufficient quantities so as to sustain the lives of the helpless people starving by the thouhands; to the Committee on Foreign Affairs.

1693. By Mr. ROWAN: Petition of Marcia J. Lyttle, and others, from Chicago, Ill., protesting peacetime compulsory military training; to the Committee on Military Affairs.

1694. By the SPEAKER: Petition of detainees in Eritrea, petitioning consideration of their resolution with reference to the immediate return to Palestine of all Jewish exiles detained without trial; to the Committee on Foreign Affairs.

SENATE

TUESDAY, MARCH 12, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Dr. Russell D. Cole, president of Cornell College, Mount Vernon, Iowa, offered the following prayer:

Eternal God, as we, Thy children, turn to Thee, a sustaining love enfolds us, for first Thou didst love us. In the midst of disquieting times, we are in confidence, for in the end Thy way will prevail.

We know that when eternal ideas, flowing out of the heart of the universe, are fused in the lives of persons there is let loose in the world a force which can shape and mold, bend and direct. Love, intelligence, reason, and cooperation are of the eternal fabric, and the whole purpose of life is the development of these noblest powers.

Grant, O God, that this Nation, all who call this land home, who carry responsibility and trust, may be richly

blessed of Thee and guided by Thee because they search out, pursue to fulfillment, and breathe into life a more fruitful expression of things immortal, to the end Thy Kingdom may come and Thy name be glorified among men. Amen.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, March 8, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on March 11, 1946, the President had approved and signed the joint resolution (S. J. Res. 136) changing the name of the Shoshone Dam and Reservoir to Buffalo Bill Dam and Reservoir in commemoration of the one hundredth anniversary of the birth of William Frederick Cody, better known as Buffalo Bill.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House insisted upon its amendment to the bill (S. 75) for the relief of Thomas C. Locke, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MCGEHEE, Mr. STIGLER, and Mr. PITTENGER were appointed managers on the part of the House at the conference.

The message also announced that the House had severally agreed to the amendment of the Senate to the following bills of the House:

H. R. 1613. An act for the relief of Christopher Dance;

H. R. 1854. An act for the relief of Thomas Sumner; and

H. R. 3791. An act for the relief of Mrs. Florence Mersman.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H. R. 1615) for the relief of the legal guardians of John Buchan and Lawrence Gillingham, minors.

The message also announced that the House had severally agreed to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the following bills of the House:

H. R. 1890. An act for the relief of the estate of Peter G. Fabian, deceased;

H. R. 2335. An act for the relief of Albert E. Severns; and

H. R. 2487. An act for the relief of Mrs. S. P. Burton.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 2483) for the relief of the estate of Michael J. McDonough, deceased; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MCGEHEE, Mr. MORRISON, and Mr. JENNINGS were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 3808) for the relief of the estate of William N. Therriault and Millicent Therriault; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MCGEHEE, Mr. HEDRICK, and Mr. CASE of New Jersey were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 5458) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CANNON of Missouri, Mr. LUDLOW, Mr. O'NEAL, Mr. RABAUT, Mr. JOHNSON of Oklahoma, Mr. TABER, Mr. WIGGLESWORTH, and Mr. DIRKSEN were appointed managers on the part of the House at the conference.

The message also announced that the House had passed a bill (H. R. 5605) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1947, and for other purposes, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to Senate Concurrent Resolution 56, as follows:

Resolved by the Senate (the House of Representatives concurring), That the limit of expenditures authorized by Senate Concurrent Resolution 27, Seventy-ninth Congress, for the investigation of the Pearl Harbor attack, be, and the same is hereby, increased by an additional $25,000, one-half of said amount to be paid from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives, upon vouchers signed by the chairman of the Joint Committee on the Investigation of the Pearl Harbor Attack.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 176. An act for the relief of the city of Memphis, Tenn., and Memphis Park Commission;

S. 1532. An act to authorize the appointment of certain persons as permanent brigadier generals of the line of the Regular Army;

S. 1535. An act to authorize the Secretary of War to convey certain lands situated within the Fort Douglas Military Reservation to the Shriners' Hospitals for Crippled Children;

S. 1637. An act for the relief of Herbert C. Rockwell;

H. R. 1090. An act for the relief of Mrs. Margaret McWilliams;

H. R. 2748. An act for the relief of the Dubuque and Wisconsin Bridge Co.;

H. R. 3224. An act for the relief of Mrs. Lionel Comeaux and New Orleans Public Service, Inc.;

H. R. 4027. An act authorizing sale of the allotment of LeRoy Milliken on the Crow Indian Reservation, Mont.;

H. R. 4034. An act authorizing the issuance of a patent in fee to Alice Yarlott Othermedicine;

H. R. 4035. An act authorizing the issuance of a patent in fee to Wilbert Keiser; and

H. R. 4269. An act for the relief of Ida Barger, Hazel A. Beecher, Etta Clark, Jesse Ruth France, John W. Nolan, Anna Palubicki, and Frank J. Schrom.

CALL OF THE ROLL

Mr. CONNALLY obtained the floor.

Mr. HILL. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	Myers
Austin	Hart	O'Daniel
Bailey	Hatch	O'Mahoney
Ball	Hawkes	Overton
Bankhead	Hayden	Pepper
Barkley	Hickenlooper	Radcliffe
Bilbo	Hill	Reed
Brewster	Hoey	Revercomb
Briggs	Huffman	Robertson
Buck	Johnson, Colo.	Russell
Bushfield	Johnston, S. C.	Saltonstall
Butler	Kilgore	Shipstead
Byrd	Knowland	Smith
Capper	La Follette	Stanfill
Carville	Lucas	Stewart
Chavez	McCarran	Taft
Connally	McClellan	Taylor
Cordon	McFarland	Thomas, Okla.
Donnell	McKellar	Thomas, Utah
Downey	McMahon	Tobey
Eastland	Magnuson	Tunnell
Ellender	Maybank	Tydings
Ferguson	Mead	Vandenberg
Fulbright	Millikin	Walsh
George	Mitchell	Wheeler
Gerry	Moore	Wherry
Gossett	Morse	White
Green	Murdock	Wiley
Guffey	Murray	Willis

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from New York [Mr. WAGNER] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

Mr. WHERRY. I announce the absence of the Senator from Illinois [Mr. BROOKS], who is recovering from a recent operation.

The Senator from Iowa [Mr. WILSON] is absent because of illness. The Senator from North Dakota [Mr. YOUNG] is necessarily absent. He has been excused.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Indiana [Mr. CAPEHART], and the Senator from North Dakota [Mr. LANGER] are necessarily absent.

The PRESIDENT pro tempore. Eighty-seven Senators having answered to their names, a quorum is present.

REPORT ON LONDON MEETING OF UNITED NATIONS

Mr. CONNALLY. Mr. President, I have recently returned from London, where I attended the meetings of the first General Assembly of the United Nations as a member of the United States delegation under appointment of President Truman, the honored and trusted spokesman of the United States in the field of foreign affairs. I was gratified, of course, that the Senate confirmed the appointment. With the permission of the Senate, I desire to present an account of the transactions of the Conference.

It was significant that the first General Assembly was convened in England—that fortress of democracy which so proudly and so valiantly held off the invader when the western world was on the brink of disaster. London, with her battle scars still stark and grim, seemed to urge the United Nations to display the

same virtues and the same sturdy principles which had given her strength to meet the supreme test in war's darkest hour.

To the other members of the United States delegation, I desire to accord the highest praise. As at San Francisco, it was completely bipartisan and representative of the interests of this favored land. Under the able and skillful leadership of Secretary Byrnes and later of former Secretary Stettinius, the delegation acted in unison and harmony at all times. The Senator from Michigan, Mr. Vandenberg, Mrs. Roosevelt, Representative Sol Bloom, former Senator John G. Townsend, Gen. Frank Walker, and John Foster Dulles, all worked tirelessly and faithfully in the interests of their country and of world peace. Each of these members spoke from the rostrum of the General Assembly, and each brought honor to the United States delegation. We all deeply regretted that a last-minute illness prevented the attendance of Representative EATON.

I desire to pay tribute to the splendid contribution of our colleague, the senior Senator from Michigan [Mr. VANDENBERG]. Members of the Senate were privileged to hear the excellent report which he made to the Senate 2 weeks ago. Among other activities he took a leading part in the deliberations of Committee V, which dealt with the important problem of organizing the Secretariat, setting up the budget for the new Organization, and other administrative matters so vital to the functioning of the United Nations Organization. The Senate and the people of the United States owe him a debt of gratitude for representing the interests of our country and the United Nations so wisely and well.

One of the outstanding personalities at the Conference was Mrs. Franklin D. Roosevelt. Through her great personal charm, her democratic qualities, her remarkable ability, and her indefatigable energy she was able to make a vital contribution to the success of the General Assembly. We are all proud of her. Women delegates from Brazil, Haiti, the United Kingdom, Norway, the Netherlands, Russia, and other countries also distinguished themselves.

Mr. President, in view of Mrs. Roosevelt's splendid record, and in view of the proclamation read in the General Assembly urging the women of the world to play a more active role in the United Nations, it is my sincere hope that every delegation we send to the Assembly in the future will include at least one representative of the women of our country.

At the outset, Mr. President, I want to make my position unequivocally clear. In my opinion the General Assembly was an outstanding success. In my opinion, the United Nations machinery demonstrated undeniably its usefulness and the great influence it may exert in behalf of world peace. In my opinion, the Charter remains the best hope of mankind.

I repeat, Mr. President, in my view, the first General Assembly was an unqualified success. After San Francisco we had only the bare skeleton of the Charter. At London the inert framework was invested with flesh and blood. It became a living organism. It was not expected that the London meeting would do more than set up the organization and its agencies. It was called for that purpose alone.

Before we left London, the General Assembly had been organized. The six nonpermanent members of the Security Council had been elected and that body had been organized. The 18 members of the Economic and Social Council had been selected and that body had begun its duties. The 15 judges of the International Court of Justice had been elected. The Court will soon convene at The Hague. The Military Staff Committee had been set up. It convened in London and meets again soon in New York. Its task is well in hand. The Secretary-General had been selected and far-reaching plans laid for the new Secretariat. The resolution providing for the atomic energy commission had been approved.

By no means the least of our gains was the fact that progress was also made toward setting up the Trusteeship Council. Great Britain, New Zealand, Australia, Belgium, and France all agreed to place under the trusteeship system the territories they now hold under League of Nations mandates. It is hoped that appropriate agreements can be concluded by the time the Assembly meets again in September.

The meetings of the Assembly and its committees challenged our admiration and stimulated our hopes. Here was a world assembly devoting its labors to international and world problems. No other gathering to compare with its importance or potentiality had ever before assembled on the planet. It suggested the projecting into world affairs of the principles on which the British Parliament was established, and the profound political doctrines promulgated by the Constitutional Convention of the American States in 1787. It marked an epoch. It will become historic.

With all the organizational problems properly disposed of, the General Assembly might have adjourned with its task well done. However, it proceeded to demonstrate its vitality by passing resolutions relating to a wide array of substantive matters, including UNRRA, war criminals, the colonial areas of the world, war refugees, and food, to mention only a few.

The agreement reached on the atomic energy resolution was encouraging to the advocates of world peace. The resolution was presented to the Assembly by Secretary Byrnes on behalf of the delegation in an eloquent and convincing address. After only 2 hours of debate, the Committee on Political and Security Affairs unanimously agreed to recommend the establishment of a commission for the control of atomic energy and other related matters. Rarely in the annals of recorded history has such a momentous decision been arrived at so quickly by a deliberative body.

As Senators know, the resolution makes ample provision for adequate security safeguards. Neither the United States nor any other country will be asked to give up any atomic energy secrets until security devices have been established to protect humankind against the terrific blasting power of the atomic bomb.

Moreover, as I pointed out when I presented the resolution on behalf of the sponsoring powers, the commission will not have the authority to compel action on the part of any nation. Each state will be free to consider the acceptance or rejection of the commission's recommendations in accordance with its own constitutional processes.

I would not be frank, Mr. President, if I were to imply that all was light without heat in London. Just as there are evidences of party politics, sectionalism, and pressure-group activities in our own Congress, so there were evidences of nationalism, power politics, and lobbying in London.

One very heated controversy arose over the insistence on the part of France, Belgium, the Ukraine, the Soviet Union, and certain other states with strong trade-union movements, that the World Federation of Trade Unions should be placed in a privileged position in the United Nations Organization. Some wanted to go so far as to grant WFTU representatives the right to speak in the General Assembly and vote in the Economic and Social Council. The United States delegation objected to any nongovernmental organization speaking in the General Assembly or voting in any of the organs of the United Nations Organization. That proposal was abandoned. We objected vigorously to the principle that any single organization, regardless of its size and influence, should be granted a special position of power and prestige in the Organization. I am pleased to observe that our position was adopted by the General Assembly by an overwhelming vote.

A second controversy—this time over war refugees—illustrates the differences which at times divided the members of the Assembly. Some delegations, including our own, used as their text the fundamental principle of democratic life and argued that full freedom of speech and information should be encouraged in all refugee camps. Certain other delegations strongly opposed permitting in refugee camps any propaganda directed against the United Nations or any member of the United Nations, or even propaganda against the refugees returning to their native lands. Once again, after a heated debate, the Assembly upheld our view.

Mr. President, of course, there were differences. With 51 nations present it would be surprising if there were not differences. But these differences were by no means diplomatic crises. They were the kind of disagreements which arise very often on the floor of the Senate. In each case, after the debate was over, after the arguments had been exhausted and the vote taken, the defeated states accepted the decision of the Assembly with perfectly good grace.

Even so, disappointment has been expressed in some quarters because the Soviet Union voted against the United States on a number of occasions. We differed with them in respect to the postponement of the Security Council elections. We differed with them on the refugee problem and the World Federation of Trade Unions. We differed with them on other fundamental issues.

For my part, Mr. President, I have no objection to sincere opposition. Each nation has a right to its own views in the light of its own national interests. Once the vote is taken, however, all the United Nations, in accordance with the terms of the Charter, are obligated to respect the will of the Assembly.

Slowly and painfully the 51 United Nations, through the instrumentality of the General Assembly, are learning to cooperate on a peacetime basis. We must not be impatient with the progress made. We cannot expect a child to run before he has first learned to walk.

It was not anticipated that the Security Council would do more than organize. However, four delicate international issues were submitted to the Council. Issues in these cases were presented by formal complaints by Iran demanding the removal of Russian troops from Iranian territory; by Russia complaining of the presence of British troops in Greece; by the Ukraine protesting against British troops in Indonesia, and by Syria and Lebanon demanding the withdrawal of French troops from those territories. British troops are also present, but the demand of Syria and Lebanon was that the British troops not be removed until the French should evacuate.

The Security Council, even though still in its infancy, demonstrated remarkable vigor and vitality. It faced with courage and promptness the situations in Iran, Greece, Indonesia, and Syria and Lebanon even before it had adopted its rules of procedure. It has given new courage to the proponents of collective security and new hope for the future success of the United Nations Organization.

Instead of crippling the Security Council, Mr. President, these four disputes served as fortunate opportunities for the new Organization to justify its existence and to demonstrate without question its stability and its possibilities.

Some are displeased with the action of the Security Council. They feel that the Council should have taken more vigorous action to insure the immediate evacuation of troops from Iran and Indonesia.

I attended regularly the meetings of the Security Council, without a vote, and it is my belief that the Council acted as it was directed to act by the Charter. Whenever a dispute arises, its first and foremost duty is to encourage the disputing parties to settle the affair by peaceable means of their own choice.

This the Council did. As a result, distinct progress was made toward the solution of all these problems with the possible exception of Syria and Lebanon. In that case, the negative vote of the Soviet Union blocked official action by the Council. Even here, however, as a direct result of the proceedings before the Council, diplomatic action has already been taken voluntarily by Great Britain and France, and a date has been set by the states involved providing for the withdrawal of French and British troops from Syria and Lebanon. The result that was sought is being obtained by voluntary action stimulated by the meetings of the Council.

This goes to demonstrate that, veto or no veto, the great powers will not lightly disregard the moral force of the obligations they have assumed to act in harmony with the purposes and principles of the Charter.

Can anyone deny that the hand of the Iranian Government has been strengthened in its negotiations with the Soviet Union by the fact that the spotlight of world opinion was thrown on the whole affair in the Security Council? Can anyone deny that the tense situation in Syria and Lebanon has been adjusted by the Council's discussion?

Here lies one of the enduring values of the United Nations machinery. Instead of allowing two countries to carry on their quarrel in secret, the Security Council took the issues out in the open, where they were considered and discussed by the representatives of 11 nations in a forum upon which all the world could look. An opportunity was given for the formation of a vigorous and definite world opinion.

It is possible, too, that the frank and open statements in the Council may be ushering the world into a new era in diplomacy, when statesmen will speak to the people in a language they can understand. They may be the beginning of a reversion to shirt-sleeve diplomacy in the best American tradition.

The meeting of the Security Council was significant and historic. It was a solemn hour when the 11 members, speaking for and serving the United Nations, considered international problems affecting distant parts of the earth. It was inspiring to look upon a tribunal in which a small and weak nation could and did call to the bar of judgment a great nation flushed with victory and conscious of its military power.

It was one of the most notable assemblages of recorded history. It was the assizes of the nations. Here the longing for peace was struggling to achieve concord and harmony among the powers capable of making war or banishing war. May the years give it strength. May God bless and inspire it.

There has been some suggestion that the United States representative did not take a sufficiently aggressive attitude. It must be said that Mr. Stettinius, as a member of the Council, without bluster made clear his position on all of these issues. His views were plainly and vigorously advanced. There was no evasion or shirking of responsibility.

I often heard it said in London that the greatest difference between the United Nations and the League of Nations is that the two most powerful nations in the world—the United States and the Soviet Union—are members of the United Nations. It follows that the success of the organization will depend, in large measure, on the ability of the people of these two great states and Great Britain, China, and France to work together cooperatively.

Much has recently been said in addresses and the press respecting the conduct of the Soviet Union and its future course toward the United Nations.

My contacts at San Francisco and London convince me that Russia does not want another war. When one contemplates the devastation of territories stretching to the gates of Leningrad and Moscow by armies of the enemy; when one remembers the carnage and destruction that left Stalingrad a pile of ruins; when the graves where sleep hundreds of thousands of gallant Russians cry for peace for future generations, it can be understood why Russia does not want another war.

Russia can have peace by supporting and cooperating with the United Nations. Her responsibility is great because her power is great.

So long as Russia, Great Britain, and the United States are loyal to the obligations of the Charter and adjust differences as they arise, there will be peace. Those who want peace must not commit acts that tend to provoke war.

We fought the war together. We must maintain the peace together. It is complained that Russia, not in a single and isolated instance, but in a number of situations in distant parts of the earth, has revealed a pattern of conduct with respect to the results of the war which is disquieting and disturbing to international good will and harmony. Of course, no nation has a right by the exertion of tremendous economic or political pressure to subordinate other nations to its will. The United States will remain true to its treaty obligations. The United States will remain true to its commitments under the Charter. The United States expects all other members of the United Nations Organization to respect and perform every duty and obligation which they have assumed.

Peace treaties are yet to be considered and adopted between the nations participating in the war. These treaties must settle many questions that now vex us. Boundaries, reparations, and the status of governments are to be fixed and determined by these instruments. All nations must await their execution. No unilateral action should be taken toward anticipating what may result.

It is my belief that the task of achieving mutual understanding and cooperation with Russia is not insuperable. The cloud of suspicion and distrust which arose between Russia and the western democracies after the First World War has plagued our relations ever since. It is hoped that Russia will not permit her new-found power to blind her to the necessity of recognizing and respecting the rights of other nations.

I have high hope that through a spirit of understanding and frank discussion the relations between the United States, Great Britain, and Russia under the Charter may be continuously improved and strengthened. These three nations have the supreme opportunity of the centuries to achieve and maintain the peace of the world. Shall they throw it away and turn back to the days of suspicion and distrust and fear?

Russia has a right to any form of government which it sanctions. It has the right to adopt its own system without the interference or intervention of any foreign nation. These rights, however, do not extend beyond her boundaries.

The United States and all the other members of the United Nations have the same inalienable right to adopt their system of government and economy without the interference or intervention of any other power. The United States will resist aggression by arms. It will also oppose aggression by economic or political pressure or maneuver. Let us hope that in the mutual recognition of the international rights of all nations under the Charter, a system of mutual respect and understanding may grow and develop in support of the Charter and its lofty principles.

It is my belief that our proper course is to meet each issue in the Security Council or the Assembly or in diplomatic conduct as it arises, and to take our stand firmly upon our rights under the Charter, under treaties and under international law, and hold to that position with firmness and insistence. The consequences that follow would establish our honorable and just course in our dealings with foreign nations and with the issues of peace. Let us say to Russia, "We want your friendship. We want to cooperate. We shared your comradeship in the bloody chapters of the most tremendous war of all time. We want your comradeship in the peace. Our countries have been traditional friends. Let that traditional friendship be cemented and strengthened and buttressed by mutual labors in behalf of world peace."

So long as the supreme goal of the great powers remains world peace, this should not be an insuperable task. From San Francisco to London there has been noticeable progress. The course of our negotiations has not always been easy. There were sharp controversies and there were interminable hours of discussion and debate. But in the end, even though we were not always in agreement, we understood each other better.

It is well here to remember—and it cannot be repeated too often—that every member of the United Nations assumed definite and unequivocal obligations when it ratified the Charter. In solemn covenant they agreed, in the purposes and principles of the Charter, to the following:

First. To "fulfill in good faith the obligations assumed by them in accordance with the present Charter."

Second. To "settle their international disputes by peaceful means in such a manner that international peace and security and justice are not endangered."

Third. To "refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the purposes of the United Nations."

Fourth. To "give the United Nations every assistance in any action it takes in accordance with the present Charter."

Complete respect for, and adherence to, these solemn commitments ought to be in the minds of all statesmen who are in any way controlling the affairs of government in the various countries that are members of the Organization.

It seems to me that the heads of state or the foreign ministers of the Big Three or the Big Five might meet with considerable advantage to the cause of peace at stated intervals or appropriate times to discuss mutual problems. In frank conversations face to face, in candid explanations eye to eye, in language clear and plain and if need be blunt, many questions which might otherwise result in serious international friction could, in my opinion, be adjusted.

Such conversations would generate mutual convictions of sincerity of purpose. They would develop confidence and trust. Like treatments in the field of preventive medicine, if used at the right time, they may be able to avoid a major surgical operation.

Thus far, I have presented what may seem to some a rather optimistic report of the London meetings. Even the most sanguine among us, however, will admit that there are dangers which beset the new Organization as it begins its tortuous and yet hopeful journey down the road to world peace. What shall the future be?

What is vital to keep in mind is that the machinery is not automatic. It needs moral energy to power it and intelligence to guide it.

The answer lies in undergirding and strengthening the United Nations and giving it our complete and loyal support. It will require the constant and unremitting care of the great and small states alike. Its high purposes must be made known to the peoples of the world.

There is one heartening fact which gives us hope. The peoples of the world, regardless of language, religion, or color, really want peace. That is a fundamental fact which enables us to face the storms that may arise as the United Nations proceed with its work.

We shall, of course, cheerfully supply our quota of assistance the Security Council needs—whatever it may call for in the way of troops and planes and ships—in order to maintain world peace.

Advancing the power and prestige of the United Nations will require patience on our part. It will require tolerance. It will require firmness tempered with understanding and tact.

We shall not shirk our responsibilities under the Charter. We shall not abandon our traditional and historic policies. We gave millions of heroic men to the Allied cause. We poured out our treasure and are now staggering under the heaviest national debt ever witnessed in the history of the world. We made these sacrifices not for conquest, not for booty, not for dominion either by the sword or by political pressure. We made these sacrifices to defend free government and liberty. We fought to preserve the right of governments and peoples to determine their own destiny. We fought against the evil forces of world mastery and conquest. We are now devoted to preserving and maintaining the peace which must follow the greatest tragedy in the annals of all time. The world must live together in peace or go down to ruin in the most terrible holocaust that has ever blasted the face of the globe.

The world knows that we do not look with covetous eyes upon territories of any other nation. The world knows that we do not desire to extinguish the liberties of any other people. The world knows that we have no plans hostile to its peace and happiness.

Destiny has laid upon the United States a challenge for leadership in this noble cause. Such a responsibility is tremendous. We must meet it. We must never evade its obligations. Without partisan or political division among our people we mean to serve the world and its preservation through the maintenance of peace. All the centuries call upon us in this supreme hour to stand staunchly and firmly for the obligations of the Charter, for the sanctity of treaties, for the maintenance of international law, and for the traditional principles of government that have distinguished the life of this Republic.

One threat to the United Nations will be the relentless and insidious attempts of the enemies of real democracy to drive wedges of suspicion and distrust into the ranks of the United Nations.

After World War I, the Allies began quarreling among themselves even before the peace was signed. By 1936 they were so split apart that German troops were able to reoccupy the Rhineland without resistance from the League of Nations.

Another difficulty which confronts the United Nations Organization is the possibility that the terms of the peace settlements may not be satisfactorily adjusted. The Organization is charged with the responsibility of keeping the peace when the outlines of that peace are not yet clearly discernible.

Boundary lines are to be drawn, reparations must be adjusted and political and economic settlements must be sanctioned. For this reason, it is imperative that the peoples of the United Nations exert every effort toward establishing just and righteous treaties of peace.

As we survey the world situation, as we appraise our own national and international interests, as we peer into the troubled years ahead, I am convinced that it is imperative that the United States maintain an adequate Army, a superior Navy, and a superlative Air Force. We shall not maintain these armed forces for aggression or conquest. They must be maintained for our security, for the defense of our people and our territories. They must be maintained to sustain our international rights and obligations. They must be maintained to resist any aggressor who may threaten our security or any plan or scheme for world conquest. These purposes are not inconsistent with our loyalty and devotion to the United Nations. Such forces will be the armies of security and peace.

It would be a tragic and cruel blow to the cause of peace if our people or the people of the United Nations were to conclude that our glorious victories on the battlefield and the mere creation of the United Nations Organization will automatically usher us into an era of peace and happiness without further interest and toil and constant struggle toward our common goal.

Mr. President, the meetings of the General Assembly and the Security Council in London were an outstanding success. The Assembly performed its duty of setting up the constituent organs of the United Nations according to the

plans adopted at San Francisco. The Security Council with courage and wisdom met the unexpected issues that were presented to it. All in all it may be said that the Organization was auspiciously launched. The forces of peace have been advanced and strengthened.

We have assumed gigantic obligations. We must meet them; we must insist that other nations meet their commitments; we must give of our thoughts, of our strength and of our moral power to utilize the new machinery we have created. We must see to it that the United Nations Organization becomes, in fact, "the overriding factor in foreign policy."

Mr. President, in this solemn and portentous hour of civilization's history there lie before the nations of the earth two pathways. One leads to peace, to happiness, to prosperity. The other leads to war, and tragedy and misery and blood and death. I would set before the peoples and nations two placards, two pointing fingers indicating directions and the fate of the traveler. One would say, "We have set up the United Nations—here is the road to peace." The other would read, "There is the road to misery and ruin and death—war."

Let those nations or peoples who may dream of war look upon the devastated lands of Russia; let them look upon the vast areas that have been scorched and seared by fire and sword. Let them look upon England, scarred and bruised by the cruel and brutal bombs of our enemy. Let them look upon Japan, whose dreams of aggression and dominion over the vast territories of eastern Asia and the Pacific vanished in the clouds of fire and smoke over Hiroshima and Nagasaki. Let them look upon Japan, stripped of her conquests, occupied by the military power of the Allies, with her government and institutions controlled and directed by the armies and navies of the nations she hoped to subjugate. Let them look upon Italy, conquered and wounded and facing hunger and hardship, with her armies scattered and her fleets torn from her. Let them look upon the grave of the dishonored Mussolini, who led her to her tragic fate. Let them look upon the far-flung territories which Hitler's legions conquered and occupied in the early stages of the war, now liberated but writhing in confusion and suffering.

Let them visit Germany. Let them look upon great industrial cities that now lie crushed and broken. Let them lift up their gaze to Berlin, once the proud capital of the German Empire, shattered and bleeding and pulverized by the constant hammering of Allied bombs and artillery. Let them look upon Germany, occupied by the armies of the Allies, with its government and institutions under the armed might of the nations whose peace was challenged by the cruel ambitions of German aggression. Let them visit the fortress of Hitler—the madman who led them to disaster and ruin—beneath the Reich Chancellery where 50 feet of concrete could not save Hitler from the St. Helena of madness, misery, and death.

Mr. President, the United Nations offers the world the highway to peace. We pray God that it may travel that way. [Applause, Senators rising.]

SEPTEMBER 1945 REPORT OF RECONSTRUCTION FINANCE CORPORATION

The PRESIDENT pro tempore laid before the Senate a letter from the Chairman of the Reconstruction Finance Corporation, transmitting, pursuant to law, a report of the activities and expenditures of the Corporation for the month of September 1945, which, with the accompanying report, was referred to the Committee on Banking and Currency.

PETITIONS

Petitions were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution adopted by the Women's Democratic League of Long Beach, Calif., favoring the enactment of legislation providing for the Missouri Valley Authority; to the Committee on Agriculture and Forestry.

By Mr. GREEN:

A joint resolution of the General Assembly of the State of Rhode Island; to the Committee on Finance:

"Joint resolution requesting the Senators and Representatives from Rhode Island in the Congress of the United States to lend their efforts to fullest capacity to the passage of legislation for the expansion of the old-age and survivors' insurance system with increases in present benefit payments under the Social Security Act

"*Resolved*, That the Senators and Representatives from Rhode Island in the Congress of the United States be and they hereby are respectfully urged to lend their efforts to fullest capacity for the passage of legislation for the expansion of the old-age and survivors' insurance system with increases in present benefit payments under the Social Security Act, a plan recently recommended to the House Ways and Means Committee by A. J. Altmeyer, Chairman of the Social Security Board and as advocated by President Harry S. Truman; and be it further

"*Resolved*, That the Secretary of State is hereby authorized and directed to transmit to the Senators and Representatives from Rhode Island in the Congress of the United States duly certified copies of this resolution."

TRAINING OF GERMAN TEACHERS IN ZONE OF OCCUPATION—RESOLUTION OF COUNCIL OF ADMINISTRATION OF KANSAS EDUCATORS

Mr. REED. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD as a part of my remarks, a resolution adopted by the Council of Administration of Kansas Educators meeting at Emporia, Kans., relative to the training of German teachers in the zone of occupation.

There being no objection, the resolution was received, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

The Council of Administration of Kansas Educators, assembled in regular session at Emporia, Kans., instructed the secretary to send the following resolution to the Honorable Secretary of State, James F. Byrnes; Chief of Staff Dwight D. Eisenhower; President Harry Truman; and to each Congressman and Senator from Kansas:

"Being informed by Dr. Gregor Ziemer, former headmaster of the American Colony School in Berlin that the present German schools in the American zone of occupation have as yet failed to teach the democratic principles for which we fought, and since we feel that we can best promote these democratic principles by first enlightening the German teachers who are responsible for the German youth; be it

"*Resolved*, That we strongly urge the United States Government to establish at least four teaching training centers—one at Heidelberg, one at Munich, one at Nuremberg, and one at Frankfort, where American educators, with full backing of the American Government, shall instill the tenets of democracy into the present and future German teachers and imbue them with the realization that Germany can live more profitably in peace with the world; that German teachers be acquainted with the American method of teaching; that German teachers not willing to follow the plan of teaching as outlined in these schools be barred from teaching in Germany. We as educators feel strongly that the prestige of the American flag in Europe depends on the work we do with German children; and that the question of education of the next generation of Germans is most vital and urgent."

AMERICAN RELIEF FOR POLAND

Mr. MEAD. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a set of resolutions adopted at the annual meeting of the delegates representing relief groups in the eighth circuit in western New York, organized under the name of American Relief for Poland. These resolutions were adopted at the meeting held at Buffalo on February 24.

There being no objection, the resolutions were received, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Resolutions adopted at the annual meeting of the delegates representing American Relief for Poland in the eighth circuit, in western New York, held at Polish Union Hall in Buffalo, N. Y., on February 24, 1946

Whereas we now have authentic reports of eyewitnesses and various commissions returning from European war zones to the effect that the need for help to Poland is greater than ever, most urgent and desperate; and

Whereas 7,000,000 children in Poland have been orphaned at a time when 75 percent of the health and child care centers were destroyed by the most devastating war in history; and

Whereas other millions of bewildered, displaced persons, suffering from hunger and terror, are being conditioned for becoming an easy prey to unscrupulous dictators while the United Nations Organization is discussing conditions essential to enduring peace; and

Whereas by comparison, the United States of America is the only country today which can provide adequately the food, medicine, and clothing out of the abundance with which merciful providence so generously blessed our Nation; and

Whereas the President of the United States, Harry S. Truman, in his appeal to the people on February 6, 1946, presented a food saving program, recognizing the fact that starvation and disease can produce serious political repercussions in the unsettled world affairs today; and

Whereas on October 15, 1945, the United States Post Office opened the way for help to Poland by accepting packages of specified size and weight for delivery to individuals in Poland; and

Whereas we mourn today the sudden and untimely passing of Adam Felerski, of Rochester, N. Y., the vice president of the eighth circuit of American Relief to Poland Committee: Now, therefore, be it

Resolved, That we beseech the President, Harry S. Truman, and the Congress of the United States, to lend their assistance in speeding up the delivery of food, medicine and clothing to Poland in sufficient quantities, so as to sustain the lives of the helpless people starving by the thousands. In evidence of our whole-hearted support of the President's food saving program, we accept willingly any food restrictions at home in order to relieve the desperate need abroad; and be it further

Resolved, That we respectfully urge the Director-General of the United Nations Relief and Rehabilitation Administration to do all in his power to provide devastated Poland with supplies and services to the millions of displaced persons, widows and orphans ravished by war and ruled by terror; and be it further

Resolved, That we, as individuals, assume the responsibility for increasing the number of packages of food and clothing sent to individuals by means of the United States Post Office service; and be it

Resolved, That we extend our sincere sympathy to the family of our vice president and fellow worker, the late Adam Felerski, whose faithful service inspires us to greater effort in our work for America and for Poland, and finally be it

Resolved, That a copy of this resolution be sent to the President of the United States, to our Representatives in Congress, to the Director-General of the United Nations Relief and Rehabilitation Administration, and to the family of the late Adam Felerski.

STANISLAUS E. CZASTER,
President.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ELLENDER, from the Committee on Claims:

S. 1604. A bill for the relief of Leo Stuhr; without amendment (Rept. No. 1033);

H. R. 804. A bill for the relief of Mrs. Trixie Minnie Twigg; without amendment (Rept. No. 1022);

H. R. 841. A bill for the relief of Lander H. Willis; without amendment (Rept. No. 1023);

H. R. 1950. A bill for the relief of Harry Cohen; without amendment (Rept. No. 1024);

H. R. 3003. A bill for the relief of Mary G. Paul; without amendment (Rept. No. 1025);

H. R. 3431. A bill for the relief of F. W. Burton; without amendment (Rept. No. 1026);

H. R. 3543. A bill for the relief of the legal guardian of James Thompson, a minor; with amendments (Rept. No. 1031);

H. R. 3677. A bill for the relief of J. Tom Stephenson; without amendment (Rept. No. 1027);

H. R. 4335. A bill for the relief of the Morgan Creamery Co.; without amendment (Rept. No. 1028);

H. R. 4797. A bill to confer jurisdiction upon the United States District Court for the Eastern District of Virginia to determine the claim of Lewis E. Magwood; without amendment (Rept. No. 1029); and

H. R. 4957. A bill for the relief of Herman Gelb; without amendment (Rept. No. 1030).

By Mr. CAPPER, from the Committee on Claims:

H. R. 2884. A bill for the relief of B. H. Spann; without amendment (Rept. No. 1032).

By Mr. WALSH, from the Committee on Naval Affairs:

H. R. 4896. A bill to provide for payment of travel allowances and transportation and for transportation of dependents of members of the naval forces, and for other purposes; with amendments (Rept. No. 1034).

By Mr. McCLELLAN, from the Committee on Naval Affairs;

H. R. 5121. A bill authorizing the Secretary of the Navy in his discretion to deliver to the custody of the State of Arkansas the silver service presented to the United States for the battleship *Arkansas;* without amendment (Rept. No. 1035).

By Mr. McCARRAN, from the Committee on the Judiciary:

S. 1714. A bill to amend the act entitled "An act to prevent purchase and sale of public office," approved December 11, 1926; without amendment (Rept. No. 1036); and

S. 1801. A bill authorizing the appointment of an additional judge for the district of Delaware; without amendment (Rept. No. 1037).

By Mr. O'MAHONEY, from the Committee on Military Affairs:

S. 1636. A bill to amend the Surplus Property Act of 1944, to designate the Department of State as the disposal agency for surplus property outside the continental United States, its Territories, and possessions, and for other purposes; with an amendment (Rept. No. 1039).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

(Mr. HILL introduced Senate bill 1920, to provide for the demonstration of public library service in areas without such service or with inadequate library facilities, which was referred to the Committee on Education and Labor and appears under a separate heading.)

By Mr. JOHNSON of Colorado (for himself, Mr. LA FOLLETTE, Mr. BUTLER, and Mr. MCFARLAND):

S. 1921. A bill to increase by 20 percent the monthly rates of compensation, pension and retirement payments to veterans and their dependents; to the Committee on Finance.

DEMONSTRATION OF PUBLIC LIBRARY SERVICE

Mr. HILL. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill concerned with the establishment of a research and demonstration program in library service to the 35,000,000 Americans who are without it. Representative EMILY TAFT DOUGLAS, of Illinois, will today introduce a companion bill in the House of Representatives.

There being no objection, the bill (S. 1920) to provide for the demonstration of public library service in areas without such service or with inadequate library facilities, was received, read twice by its title, and referred to the Committee on Education and Labor.

Mr. HILL. Mr. President, the bare statistics of library service show the national scope of the problem. Six hundred counties in the United States do not have a single public library within their borders—23 of them in my own State of Alabama, 31 in Virginia, 20 in Wisconsin, and 15 in Colorado. As many other counties have one or two small libraries which do not serve the rural population at all. Eighty percent of the people without library service live in rural areas. One million six hundred and twenty-four thousand people in New York State and 1,705,000 in Illinois have no public library service.

The importance of public libraries to an American educational program cannot be overestimated. Libraries furnish books, pamphlets, magazines, and films which are basic materials to supply educational needs. No program of adult education can exist without access to libraries. Thirty-five million Americans have no library service.

In a democracy such as ours, we insist that the ordinary citizen participate in decisions affecting our major problems, yet these problems are becoming so grave and so complex that even experts cannot without serious study realize the consequence of their decisions. This country must provide some means by which the ordinary citizen can obtain all the pertinent information on all sides of the problems which he must consider. Libraries have worked out effective methods for obtaining, organizing, and making such information available.

The bill which Representative DOUGLAS of Illinois and I are introducing today provides a broad program of experimentation and demonstration in using these methods to give library service to the 35,000,000 people who are now without it.

A brief analysis of the bill is as follows:

PURPOSE

1. To provide demonstrations of adequate public-library service to people now without it or inadequately served.

2. To provide means for studying various methods of providing public-library service primarily in rural areas, and for studying the effect of planning on an area basis upon the development of library service.

PROVISIONS

1. State library agencies may submit plans for use of Federal funds in demonstrating public-library service primarily in rural areas. These plans shall be drawn entirely by the State agencies and need not be uniform throughout the country.

2. Two types of plans may be submitted: one calling for a basic demonstration using $25,000 per year or 4 years in each State, financed entirely by Federal funds; or an expanded plan may be added to this which would allow States to match an additional $25,000 to $50,000 of Federal funds annually for 4 years.

3. The Commissioner of Education would be required to make annual reports to Congress upon the operation of the demonstrations and would be required to make a final public report evaluating the demonstrations.

AMENDMENT OF FAIR LABOR STANDARDS ACT—AMENDMENT

Mr. RUSSELL (for himself, Mr. MAYBANK, and Mr. JOHNSTON of South Carolina) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, which was ordered to lie on the table and to be printed.

HEARINGS BEFORE COMMITTEE ON EDUCATION AND LABOR—INCREASE IN LIMIT OF EXPENDITURES

Mr. MURRAY submitted the following resolution (S. Res. 239), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Education and Labor, authorized by Senate Resolution 9, agreed to January 6, 1945, to send for persons, books, and papers; to administer oaths; and to employ a stenographer, at a cost not exceeding 25 cents per 100 words, to report such hearings as may be had on any subject referred to said committee, hereby is authorized to expend from the contingent fund of the Senate, for the same purposes, during the Seventy-ninth Congress, $5,000 in addition to the amount of $5,000 heretofore authorized.

AMENDMENT OF CONSTITUTION RELATING TO EQUAL RIGHTS FOR MEN AND WOMEN—INDIVIDUAL VIEWS ON SENATE JOINT RESOLUTION 61 (PT. 2 OF REPT. NO. 1013)

Mr. HUFFMAN submitted the individual views of himself, Mr. MURDOCK, Mr. MOORE, and Mr. REVERCOMB, as members of the Committee on the Judiciary, in connection with the joint resolution (S. J. Res. 61) proposing an amendment to the Constitution of the United States relative to equal rights for men and women.

NEW SOURCES OF PETROLEUM IN THE UNITED STATES

Mr. O'MAHONEY. Mr. President, the hearings of the Special Senate Committee to Investigate Petroleum Resources will have a volume of its hearings on new sources of petroleum in the United States ready for publication at the Government Printing Office within the next week or 10 days. This volume contains the latest information gathered from experts in the industry and experts in the Government in respect of deposits of petroleum within Territories under the jurisdiction of the United States. It is the most valuable recent compendium of information on the subject. Persons who are interested in this matter—and I know there are many, from letters which have come to the committee—will do well to notify the Superintendent of Documents. He has advised me that the volume will be on sale at 75 cents a copy. The number of copies available to the committee for distribution will not be sufficient to meet the demand, and I think all those who desire more than one copy should notify the Superintendent of Documents. His address is "Superintendent of Documents, Government Printing Office, Washington, D. C." If orders are placed now, the Printing Office can determine how many copies to print.

ADDRESS BY SENATOR MAYBANK AT THE CHARLESTON NAVY YARD

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an address delivered recently by him at the Charleston Navy Yard, which appears in the Appendix.]

THE LEGISLATOR—ADDRESS BY SENATOR FULBRIGHT

[Mr. FULBRIGHT asked and obtained leave to have printed in the RECORD an address on the subject The Legislator, delivered by him at the University of Chicago February 19, 1946, which appears in the Appendix.]

EMPLOYMENT ACT OF 1946—STATEMENT BY HON. HENRY A. WALLACE

[Mr. MURRAY asked and obtained leave to have printed in the RECORD a statement on the Employment Act of 1946, made by Hon. Henry A. Wallace, Secretary of Commerce, on Monday, March 4, 1946, which appears in the Appendix.]

THE FULL EMPLOYMENT ACT—ARTICLE BY FRANCIS E. McMAHON

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an article by Francis E. McMahon on the Full Employment Act, which appears in the Appendix.]

TRIBUTES TO DR. VANNEVAR BUSH

[Mr. AIKEN asked and obtained leave to have printed in the RECORD excerpts from remarks made at a dinner in honor of Dr. Vannevar Bush on his fifty-sixth birthday anniversary March 11, which appear in the Appendix.]

FRANCIS CARDINAL SPELLMAN—ADDRESS BY THE CARDINAL AND EDITORIALS FROM THE NEW YORK TIMES

[Mr. MEAD asked and obtained leave to have printed in the RECORD an address by His Eminence, Francis Cardinal Spellman, at the Metropolitan Opera House, New York, March 5, 1946, with three editorials from the New York Times relating to the elevation of His Eminence to the College of Cardinals, which appear in the Appendix.]

ROUND-TABLE DISCUSSION ON PALESTINE OR MASS SUICIDE

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD a round-table discussion on the subject Palestine or Mass Suicide, broadcast over the radio on February 23, 1946, and participated in by Senator Magnuson, former Senator Gillette, Louis Bromfield, and Miss Ruth Chatterton, which appears in the Appendix.]

UNITED STATES OF EUROPE—ARTICLE BY GEORGE CREEL

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an article entitled "United States of Europe," written by George Creel and published in Collier's for December 1945, which appears in the Appendix.]

IMPORTANCE OF COLUMBIA RIVER DEVELOPMENT TO THE LUMBER INDUSTRY—EDITORIAL FROM THE WOODWORKER

[Mr. MITCHELL asked and obtained leave to have printed in the RECORD an editorial on the importance of the Columbia River development to the logging and lumber industry, published in the Woodworker, which appears in the Appendix.]

THE ST. LAWRENCE SEAWAY PROJECT—STATEMENT OF JULIUS H. BARNES

Mr. AIKEN. Mr. President, during the last 3 weeks hearings have been held on the St. Lawrence seaway development and a great deal of testimony on both sides has been presented. On the part of the proponents of the project, much of the rebuttal of the testimony of its opponents was made by Mr. Julius H. Barnes without manuscript, and consequently it received very little coverage. I ask unanimous consent to have printed in the body of the RECORD the testimony which Mr. Julius H. Barnes gave before the subcommittee of the Committee on Foreign Relations.

There being no objection, Mr. Barnes' testimony was ordered to be printed in the RECORD, as follows:

STATEMENT OF JULIUS H. BARNES, PRESIDENT, THE NATIONAL ST. LAWRENCE ASSOCIATION, DULUTH, MINN.

Senator TUNNELL (presiding). I take it you have given your name and whom you represent to the reporter?

Mr. BARNES. Yes, Senator.

May I say at this time that when I appeared 2 weeks ago I had intended to file a list of the limited membership of the National St. Lawrence Association. With your permission I would like to offer it now, but I would like, just for the record, to note a few of the names as they appear, such as ex-Governor Benson; John Cowles, the publisher; Jay N. Darling, the cartoonist; James E. Davidson, a ship owner on the Lakes; Cyrus Eaton, of Cleveland; Marshall Field III, of Chicago; Henry Ford II; Daniel W. Hoan, of Milwaukee; Rollo F. Hunt, of Duluth; Harold Johnson, of Watertown, N. Y.

Senator TUNNELL. What committee is that whose membership you are naming?

Mr. BARNES. I explained in my opening testimony that the National St. Lawrence Association was a voluntary association of limited membership. We have less than 100 members. The idea was that instead of going into a great campaign of membership solicitation, that some businessmen do not like, and I do not, we would try to select in the various communities men who were known there for their good judgment and public spirit, and we have just picked a list with the idea that what they say would certify that it is the honest-to-goodness opinion of their localities.

We have, for instance, Edward J. Noble, of the Blue Network; Paul O'Dwyer, the brother of the new mayor of New York; Charles Poletti, former Governor of New York State; Gideon Seymour, vice president, Star Journal and Tribune Co., Minneapolis; Leathem D. Smith, shipbuilder on the Great Lakes; Murray D. Van Wagoner, an ex-Governor of Michigan; Oscar Webber, the head of the great Hudson Co. Stores; William L. White, publisher; Owen Young, of the utility industry; Michael Straight, of New York; Gifford Pinchot, former Governor of Pennsylvania; J. David Stern, publisher of the Philadelphia Record.

I merely mention those because I think they do represent the opinion of that type of person.

I said in my introduction 2 weeks ago that we would never knowingly make a misstatement or an inaccurate one. I am appearing today in rebuttal of the testimony which was presented by the opponents of the St. Lawrence seaway during this last week. I have carefully read the testimony, and I want to discuss it very briefly, particularly with regard to several instances that illustrate the point of inaccuracy and misstatement; and I want to do that with every recognition of these men as good citizens. I think their judgment in some respects has been warped, perhaps from admirable motives—loyalty to their city, or to their industry or to their railroad. But, just the same, they are appearing in opposition to a project which has been declared on the highest authority as one of the great projects of the world.

We believed in it for 30 years, many of us in this association. We think it is inevitable, but it never will be settled until it is settled rightly by opening that great waterway which nature intended.

So that when I criticize some of the statements made here to the committee I would like to make clear that I am doing it with no animus and only with the purpose of laying before this committee and the Senate the actual facts in respect of certain phases. So that it is fair for me to state that, going over the record of the witnesses who appeared in opposition last week, the grounds on which the opposition is based fall into six or eight phases. There is a power phase which has been discussed by adequate authority. There is a coal miner and coal dealer phase. There is a difference of opinion on the estimates of traffic or use of the canal. We rely on the fact that the history of every project that has cheapened transportation cost has been that it has resulted in increased tonnage. That is shown by the history of the Suez, the Panama, and every large canal built. It has created its traffic against the usual opposition and opinions expressed in advance.

On these estimates of traffic the opposition witnesses have appeared on both sides. There have been those who stated that it would be useless and not used, and those that have figured that it will divert disastrously the business and revenues of Atlantic ports and railroads.

There was the opposition argument that the opening of the seaway would mean in-

jury to other sections, particularly the Atlantic ports and the Gulf ports. I would like to comment on that briefly in this statement.

We have had cost estimates. Some of them have been fantastic, picked out of the air. We have the best authority in the world, the Corps of Engineers, who have made three different estimates on this and who have blueprints and plans today so complete that a contractor could make his own estimates tomorrow. There cannot be much variation, or else Congress should no longer maintain the Corps of Engineers. But we have every confidence in the engineers and in their skill and judgment.

We have the question of treaties versus agreements. Those who are sincere in raising this question must be answered by the authority of the State Department and by the sponsorship of 10 bipartisan Senators, who in the changed form of the resolution have attempted to meet the difficulties of treaty action by eliminating two sections that the State Department, through Dean Acheson, who 2 weeks ago pledged this committee that they would follow through on the treaty negotiations prescribed for those two sections. As Dean Acheson said at that time, this seems to remove that argument. We think it does.

Then we have the security phase; and it is astonishing the casual and light manner in which this is swept aside against the earnest admonitions of the Corps of Engineers, the Joint Chiefs of Staff, the Maritime Commission, and the State Department itself. I want to speak briefly on that a little later, based upon what I know of the submarine menace and what I feel out of personal experience could have been contributed in the saving of ships, time, and actual lives.

Then we have the old-time opposition of the Association of American Railroads, which was formed in 1934. Previous to the formation of that association the western railroads were a unit, eight of them facing on the Great Lakes, that their interests lay in opening the St. Lawrence. Since then they have been silent. There is only one survivor of the 11 western railroad executives who certified their belief in the St. Lawrence project in the 1920's; and he wrote a letter which Mr. McGrath filed last week with this committee which expressed a change of view on his part because of the evidence that transportation facilities were now adequate.

Against that we have today the peril to entire European populations because of the inability to move our western stocks of food grains to the coast in time.

I was really expecting to argue one new phase which was brought out by the president of one of the minor trunk lines, and that was the elimination of further necessity for the project because the atomic bomb or atomic energy would soon be our source of power.

I do not know how to meet that argument. I know as little about it as I imagine the railroad president does. But it has never been the American way to be timid and wait. We go ahead and develop and meet conditions as they arise.

Then we have the absence of one of the old arguments that used to be presented in previous hearings. That was the appeal to local patriotism through the development of an all-American waterway. That is the development of the Erie Canal between the Great Lakes and the Hudson, to an extent, for ocean ships. It took some years to finally get over the fact that since the Erie Canal rises from Lake Ontario and then falls to the Hudson, its capacity is governed by the supply of water at the crest; and that is not adequate for any ocean ships. The engineers have finally stopped that story, but I presume we will hear something further about it.

Senator TUNNELL. That was a proposal to enlarge or deepen the old Erie Canal?

Mr. BARNES. That is right, to ocean size. If it could be done, I would be for it.

Right here, Senator, may I say that I think I speak from rather wide experience. We do what we can with businessmen in the West to use the facilities provided. West of the block in the St. Lawrence just above Montreal this Government has proven immensely farsighted. It has provided the finest waterway in the world and then left to private enterprise the devising of the ships and the docks and the facilities to operate it, with the result that on bulk freight, where private enterprise could play freely, we have the miracle transportation costs of the world. One of those large ships will go 800 miles up the lake with a cargo of ore, and 800 miles back with earnings on one way at a cost per ton not higher than you would pay to carry a ton of coal across the sidewalk into your cellar. A miracle. It is very different as to package freight. There the railroad influence comes into play.

Senator TUNNELL. May I ask you just one more question?

Mr. BARNES. Certainly, sir.

Senator TUNNELL. Are there any locks in that canal?

Mr. BARNES. In the Erie Canal?

Senator TUNNELL. Yes.

Mr. BARNES. There are thirty-odd.

Senator TUNNELL. That bears out your statement, then.

Mr. BARNES. Senator, I want to make clear that I believe I can speak authoritatively on that, because I am a ship operator on that canal. It requires a special type of ship, with its deck houses low in order to go under the fixed bridges. The ship is of shallow draft to accommodate the 12-foot depth that the Erie allows.

I would like to show you the fleet we developed to use those facilities. They are almost at their peak. [Handing a photograph to Senator TUNNELL].

My associates argue with me because I favor opening the St. Lawrence, when that might compete with and destroy the direct service which I maintain across the Lakes and down the Erie Canal and down the coast. I do not think it is just pose on my part to say that I put public interest above private interest, plus the fact that I think we are resourceful enough to find the business and the ships in this trade.

On the power phase I have heard nobody comment here on what is the real value of the St. Lawrence for power. Dennis Driscoll, who was for several years on the Public Service Commission of Pennsylvania, told me a few weeks ago, after his experience as trustee for Associated Gas & Electric as he has been for 6 years, that if there was a utility industry that had all the money in the world and wanted to plan a plant for safe, stable generation of power, it could not devise anything better than the flow of the St. Lawrence, buttressed by the five Great Lakes as reservoirs containing more than half the fresh water of the world.

It is inconceivable, from an economic point of view, that with such a treasure created by nature, with no variation in flow, no drought, a flow that would represent the cheapest generated power in America, that we should let that water flow to the sea unused 12 months of the year. It is just inconceivable to an economic historian.

Those who appear in opposition will argue against that. Those that argue that coal generated power is cheaper are just prejudicing themselves to the economic historian. It just is not true. The matter of rates of power has been adequately presented both by the Federal Dam Commission and by the New York State Power Authority. I think the highlight on that is the testimony by Rural Electrification Administrator Wickard, 2 weeks ago, in which he stated that the computed cost of this St. Lawrence power if generated and delivered would compare 3.1 mills versus 13.1 mills that it costs today for New York State power. That is a tremendous saving. Think what that means to farms, homes, and small industries.

There have been witnesses that have not been influenced by the fact that this is a power-driven country. Our leadership in this war and our industrial leadership, which we think we can maintain against Russia's 5-year plan or any other competition, rests upon the fact that we know how to use power, through economies and with highly paid labor, to produce products more cheaply than any other country in the world. And we can continue to do it.

The trend of this is impressed on me because I served in a Government position in the last war, World War I, at a time when our total power generation was 14,000,000,000 kilowatt-hours. In 1941, when one of the New York commercial organizations opposed this project, saying that we did not need the power, the generation was 160,000,000,000 kilowatt-hours. Last year it was 240,000,000,000 kilowatt-hours. That is going to continue. We have learned the secret of cheap production with highly paid labor, by harnessing every source of power obtainable.

Senator TUNNELL. What was the year of the 14,000,000,000 kilowatt-hours?

Mr. BARNES. That was 1914. No wonder that we made a better showing in this war than in the last. We had the mechanical servants to do it.

On the opposition of the coal miners and the coal dealers, it seems to me that the record of production in that industry is not only creditable to the industry management and the industry personnel or workmen, but it shows a trend that it's far more important to their prosperity than any possible discussion of losing a fraction of export trade, which is doubtful of itself.

When I say that in 1932 we produced 358,000,000 tons of coal and in 1944 we produced 684,000,000 tons, nearly twice the amount, it seems obvious that the prosperity of the coal dealer and the coal miner rests in a stimulated industry and the expansion of consumption at home in an attempt to maintain the market, more than it does in any further discussion about losing 15,000,000 or 25,000,000 tons of export coal. At the moment this is impossible, of course, because we are exporting coal to every country in the world. No imports are possible.

Here I want to comment very briefly on the testimony by Secretary-Treasurer Kennedy in respect to the coal trade. First, I would object to his statement, in which he said that—

"We opposed the St. Lawrence project in 1934 when it was rejected as being unnecessary for either power or commerce."

It seems to me that a vote in the Senate of 46 in favor to 42 against is hardly fairly characterized as a rejection.

He said, further:

"We insist that the power to be generated by this project can be produced more cheaply by coal in steam plants."

I am obliged to characterize that as an inaccurate statement at the best.

Senator TUNNELL. When you speak of rejection by a vote of 46 to 42, was that a vote on the treaty which required a two-thirds vote?

Mr. BARNES. Yes; there was a majority, but not the two-thirds majority required.

In the same way I want to comment on the testimony of another witness of the opposition who took the stand from the interest of the coal dealer. I refer to Mr. R. E. Howe, of Cincinnati, who is quoted as saying:

"If the St. Lawrence waterway project would be a good thing for American transportation and foreign trade, is it not strange that American steamship companies which carry on foreign trade are not only not in favor of it, but actually oppose it? Is it not strange that American labor is not only not

in favor of it, but preponderantly opposes it?"

It seems to me that obviously the statement as to American labor is not an accurate one, when the National Maritime Union, which is the seamen's union most directly affected, is very strongly in favor of the St. Lawrence seaway.

As to the steamship companies being in favor of it, we have the outstanding endorsement of Robert Dollar, before his death; and he was the most enterprising steamship operator we ever had in America. He thought that it should be opened and that it would be used.

Other steamship companies, after 30 years of disappointment, are not going to actively plan their services from the Great Lakes until they see some sign that this seaway is going to be opened. It will take 4 years after it is authorized for them to do that. As a ship operator I can assure you that it will be done.

With reference to the next phase, that it is injurious to other sections, it is difficult for me to see why the South Atlantic States should be opposed to the St. Lawrence seaway. Surely there is not enough direct, active competition to affect them. Surely they are satisfied with the recent stimulus of growth in their own areas by power and by the advanced wage scales of a better social conscience and a better business management in those districts. Surely opposition based on the fear that some other section will profit at a greater rate than their own is not a sound method of opposition on a great project like this.

In the same way, with reference to the Gulf ports, I have in mind that Walter Parker, who is a very able commercial organization executive, made certain statements here with which I would like to differ. He said:

"We in New Orleans are advocates of adequate outlets for all sections of the country which can be economically justified, but we feel that the St. Lawrence-Great Lakes seaway would do more harm to interests in other sections than it would do good to the Great Lakes centers. We also feel that the urge to create the seaway is being supplied, not by the advocates of the seaway itself, but by advocates of public-power projects as a means of getting a great public-power project largely in the guise of a seaway, all of which is hostile to the system of free enterprise under which the United States has prospered beyond other countries."

It is interesting, Senator, that on the one hand it is stated that the stimulus for the waterway rests within the power industry with its ulterior purposes. Most of the other opposition witnesses say that the opposition is within the power industry itself. We cannot have it both ways. Either there is a difference of judgment and view as to conclusions, or else one of them is badly mistaken.

As a matter of fact, the public utility industry is not as bitterly opposed as it was in previous years. The membership, for instance, of Owen Young, a leader in that industry, in our association, shows that there is a shift in opinion on that.

Mr. Parker goes on to say that the Nation now has ample power. That might be disputed. He says, further:

"There is now a channel 14 feet in depth between the Great Lakes and the St. Lawrence, while the great Mississippi River transportation system, not yet completed, has a 12-foot channel."

It happens, Senator, that I know something about the Mississippi River, also. I was a shipbuilder in World War I. I opened a 20-year-idle shipyard in Duluth to build ships in World War II. Among the orders which we filled was an emergency order for seven Maracaibo type tankers for Standard Oil to replace tankers that were destroyed by an over-night raid by submarines on the north coast of South America. At Lake Maracaibo there is a bar across the entrance which limits the draft of ships to about 12 feet. This is a special type of tanker devised with a shallow draft for that express purpose. We built seven of them in Duluth and delivered them down the Mississippi River, through the Chicago River and down the Mississippi. We were able to deliver them under their own power, making their own way that full distance, because they were a shallow draft type for a special purpose. None of the other commercial ships can do that. They have to be lifted by pontoons and they have to be towed all the way from Chicago to New Orleans at immense expense, because the 12-foot channel in the Mississippi is not adequate for these ordinary commercial ships to use under their own power. In no case can they carry cargo either up or down that waterway with an ocean-type ship. It is no answer to an adequate outlet to the world trade channels.

There is a special ungraciousness about such testimony as Walter Parker's and that of the New Orleans group. In 1927 I remember very well that Herbert Hoover was Secretary of Commerce, and we had unprecedented floods on the Mississippi. He made an inspection of the Mississippi personally, and I know the heartfelt grief with which he saw the death and destruction of the uncontrolled floods. That was in 1927. He was the first public officer to really do something about it; and the great system of flood control on the Mississippi really originated with Herbert Hoover. This being so, it is especially ungracious for them to oppose the utility of the St. Lawrence which in 1924 was first urged by this same Secretary of Commerce in the public interest of the growth of commerce and industry in this county.

They owe something to Herbert Hoover and to the chamber of commerce, because the chamber of commerce, under its new president, Mr. Pierson, was of a great deal of help in the Mississippi Valley.

This sectionalism has just got to stop in a country 3,000 miles wide, with a population of 140,000,000 people.

The next point of opposition expressed here was the question of cost estimates. I have seen the cost quoted as high as $1,350,000,000, although five engineer boards have examined that project and two of them have made detailed estimates of cost, resulting in an estimate of $600,000,000 to be divided between the two countries. An estimate of about $300,000,000 for us to complete that waterway, by every test that business judgment can apply, is about as accurate as can be made.

It is not generous and it is not accurate to pick out of the air any sum you want that might frighten somebody as an unknown factor in the cost obligation.

In that connection I would like to quote at this time from the statement of Frank S. Davis of Boston, in opposition:

"The power needs of New England industries can be more economically supplied by steam generating plants."

We have answered that. He says, further:

"Opposition to the St. Lawrence project is Nation-wide, the principal support being limited to the area tributary to the Great Lakes."

We have had six successive Presidents of both parties in favor of it, the four Governors of New York, back over a quarter of a century, and Governors of Minnesota for the same period. Every department of the Government today is in favor of it, including the Chiefs of Staff and the Corps of Engineers. Yet he says that the opposition is Nation-wide. That is not a just statement. It does not do credit to an officer like Mr. Davis.

He says that several estimates have been submitted, and he quotes five estimates, ranging from $543,000,000, made by the International Joint Commission, and $1,350,000,000 by the Cooper Co.

But what I want to point out is the willingness of opponents of this project to publish and repeat inaccuracies, because he includes former President Hoover as estimating $800,000,000. That $800,000,000 estimate was in a publication by a New York commercial organization, printed in their advance committee report. I raised a question about it, because I spoke to Mr. Hoover about it and he said he had never quoted anything but the engineers' estimates. As a result, when that measure came on the floor of the Chamber of Commerce of New York they announced they had withdrawn that statement. It was never justified. It was always wholly inaccurate. But here it is repeated again, 4 months after the first publication of it by a great commercial organization of New York; it had been withdrawn.

He goes on with a tabulation of the canals which have cost more than the first estimate. He includes the Panama Canal, for example, estimated at $150,000,000 and costing $375,000,000.

The whole intent of tabulations like that is to discredit the engineering estimates for the St. Lawrence. That is not generous and it is not fair. That was sufficiently answered by the letter of General Markham, who was Chief of the Army Engineers, in a letter to Senator VANDENBERG on January 16, 1934, answering the same question as to excess of actual cost for the Panama Canal. He said:

"In 1908, when the increased dimensions and widening of the channel through the Culebra cut were authorized, the estimate approved was $375,201,000. On June 30, 1918, when the Canal was opened and in permanent operation, the actual cost was $372,000,000."

It is not fair to take an estimate of a smaller canal and then compare them with an extended canal.

We have next the phase of the use of the St. Lawrence seaway, and there comes into play the argument as to whether this should be a treaty or an agreement. The natural place to look for an authoritative answer to that would be the State Department. They have answered it. Their answer is filed with this committee. The State Department declares that in its present form, with the two sections eliminated for future treaty negotiations, the passage by both Houses as a joint resolution is perfectly proper. That is sponsored also by Senators of experience and standing, like VANDENBERG, BARKLEY, LA FOLLETTE, and AIKEN.

You heard witnesses in opposition last week, one of whom I greatly respect, the counsel of the Lake Carriers Association, Mr. Johnson. He argued at great length that the complications of introducing foreign ships with different signaling and sailing customs on the Great Lakes would lead to inextricable confusion. I know that foreign ships of all flags, all laws, and all customs operate on the Yangste River 3,000 miles inland, and on the Amazon 4,000 miles inland; and in my New York apartment, right on the East River, I watch the ships go by under flags of all nations, using passing signals without any confusion. It seems to me to be pretty finely drawn opposition to argue that Canada, our great neighbor on the north, similar to us in character and racial and business characteristics, will not agree. I would like to employ Mr. Johnson for about an hour just to rewrite, in consultation with Canada, such navigation requirements as they both would agree on, and eliminate any question of conflict. It could be done just that quickly.

I am reminded, too, when I watch these ships go up and down the East River right under my window, that they are shortening the route between the great harbor of New York and the harbors of New England by an intelligent development of the transporta-

tion facilities just by blowing the natural impediment of Hellgate out of East River. Otherwise, these ships would be going 130 miles east, around Long Island, to reach Long Island Sound ports in New England. They have no trouble over regulations, signals, and other details.

Senator TUNNELL. When was that done?

Mr. BARNES. Hellgate was opened about 25 years ago.

If anyone has any doubt that Canada will work with us on suggestions of that sort, they certainly doubt it in the face of a history of unanimity between the two nations, having for 100 years an unfortified frontier and under laws and commercial practices.

I also want to make the comment here that I think it was ungenerous of Mr. Woods, president of the Lake Carriers Association, with his justifiably splendid showing of what has been done in the development of bulk carriage on the Great Lakes, to add a sentence that looked like criticism as to why package freight on the Great Lakes was not developed in the same way.

I will tell you why. I have lived that story. It is because of the constant railroad opposition, a definite policy of the railroads to divert from water carriage on the Great Lakes all the package freight they can. It requires a special type of ship which costs more money to build. Its decks and its types of gangways and hatches make it undesirable for bulk carriage. They cannot even carry grain, and certainly never did carry coal or ore. Nobody has built a ship of that type for 30 years, because they knew the attitude of the railroads toward any kind of cooperation in package freight handling on the great waterway because of the supine acceptance of the management of the Great Lakes Transit Corporation.

The only package freight company on the Lakes, which started with 30 ships—and I helped to start it 30 years ago—has shown that by advancing the rates, by narrowing the spread between the water rates and the competitive rail rates, they have diverted from the Great Lakes ships tonnage which used to be adequate to give them net earnings in the first few years on the basis of a rate scale of 62 cents first class, New York to Duluth, until today, at $1.74 New York to Duluth, there is not tonnage enough to pay operating expenses of those ships, and they are gradually disappearing. Today we have no package-freight service, although there is just a hope that with some old ships returning to the Lakes there will be something done about water rates.

But it is ungenerous of the bulk freight, left free to devise their own type of carrier and docks, to point out as on its way out the package-freight trade, because it is in the shape of barrels and bales and casks which must go on a certain type of ship, and the rates are framed deliberately to divert that tonnage from water transport.

At this point I would like to discuss the security phase, and I would like to do this very soberly and with great earnestness.

God forbid that we have a third world war, but if we had had the treaty of 1934 confirmed and the waterway opened, when we got into the war in 1941, it would have shortened the submarine menace to American ships carrying supplies to north Europe, to our allies, by 3,000 miles, with less exposure to submarine attack.

Read Churchill's address of April 1942 to Commons, when things were at their lowest ebb, as recently published in Life magazine. Four hundred ships sunk along our coast and in the Gulf. Six thousand lives of sailors lost. But the delay in ship time and the loss of cargo after it had been produced and manufactured and put afloat, is just inconceivable, but it translates itself back to the lives of your boys and mine. But I do not propose to remain quiet when I see that is true.

Moreover, in Herbert Hoover's letter to this subcommittee, filed in your record, he makes a statement which I would like to read. He says:

"It was obvious in 1924 that aside from its great peacetime importance the waterway would have been of immense value in prosecuting World War I. Had the treaty of 1932 been ratified at that time, and construction followed, the waterway would have directly or indirectly paid for itself several times over in World War II. There can be no doubt as to its value as a defense measure."

There is a public servant who, in the area of European relief, rendered distinguished service—so much so that he is called back now in this emergency to do the same.

I was president of his grain corporation. I had the direction of every ship that loaded for Europe. We knew 3 weeks ahead of the armistice that it was coming, and we prepared cargoes to be sent into the dismal ports of Europe, loaded in proper proportions with sugar, milk, lard, and flour. They were on their way, one chain of them to be directed to north European ports, at an Irish port of call, another stream to go for direction at Gibraltar into Mediterranean ports for human relief.

You cannot close your eyes to experiences like that. We have been through two wars, and we have had an argument on the trivial ground that it is going to divert earnings from some trunk-line railroads or from some Atlantic ports, against the security phases which are certified to by the Joint Chiefs of Staff, the Corps of Engineers, the Maritime Commission, and the State Department. This puts a responsibility on those who oppose it that I would think they would be afraid to face.

With regard to the point mentioned by Dean Acheson, of good faith to Canada, Canada has built ocean-size locks around a 327-foot drop at Niagara, 30 feet of depth over the sills. We use them with our ships, because it is the short way from Duluth or Chicago down to New York through the Erie Canal, to go through the Welland Canal first, and then across Lake Ontario. Canada has always shown enterprise as far as she could with 12,000,000 people. The Canadians are like us: they are energetic, they are progressive.

It happens that the other day, in the New York Herald Tribune in its One Hundred Years Ago column, I found an item which appeared in the Herald Tribune regarding the Welland Canal. It says:

"We have reason to believe that communication between Lake Erie and Lake Ontario will be open in the spring for vessels of 26-feet beam and measuring 138 feet from knighthead to taffrail, though vessels of 141 feet can pass. Hitherto, on account of the noncompletion of the two lower locks, 120 or 122 feet has been the extreme length."

Canada has had enterprise enough to build ocean-size locks around that great lift of Niagara. We owe them the good faith to go ahead and do our part.

Now I want to talk a minute about the opposition of the American Association of Railroads, formed in 1934. The western trunk lines, in the 1920's, recognizing the service to their roads in the territory they served, if delivered cargo at western Lake ports. They have been slow to express opposition. I do not believe they would care to do it, with the sentiment of the territory they serve.

The opposition did file a letter from the only survivor of those 11 executives, saying that he had changed his mind because transportation facilities seemed to be adequate now by railroad. I mentioned that. I would like at this point to put in the evidence a letter of March 30, 1932, from the president of the Nickel Plate Railroad, to George Hardy, of Toledo. This was in 1932, before the Association of American Railroads was formed. The great trunk lines in that association do control the policies of it, its utterances, its position, and the rest of the railroad industry keeps quiet, either because of loyalty to the organization, which can be admired, or because they fear reprisals in distribution of traffic or divisions of rates. The power of the Association of American Railroads is very marked. It has representatives in every village and hamlet across the country. They can pass the word down and contact the citizens of all the villages of America almost instantly. They ought to realize that it is a very solemn responsibility on an organization like that. They are men of character, after all.

This letter refers to the development of Toledo harbor, and says:

"I have not changed my mind in the least with reference to a development of this kind. I have always been favorable to the St. Lawrence development for the reason that public sentiment was for it * * *. It is one thing to spend the taxpayers' money for projects that show no return, just simply to do something. It is another thing to develop along sound economic lines."

Then, with the omission of a paragraph or two that do not touch on the St. Lawrence project, he says:

"I am sure this letter would not strike a popular chord, but I think our experience throughout the country justifies the conclusions I have reached, as outlined in this letter."

So the sentiment within the railroads is not uniformly what the American Railroad Association creates the impression that it is. I do not want to attack the public policies of the American Railway Association unnecessarily. We have never passed a congressional act for the control of transportation that did not in the preface declare that the purpose of the act was to preserve the unique advantages of each type of transportation. I feel inclined to offer a reward for one single instance in the 25 years since the act of 1920 was passed that showed wholehearted support of the railroads to cooperate with any kind of water interchange of goods, coastal, intercoastal, or on the Great Lakes. I think that is not a creditable record for a great association doing a great job.

Why the railroad employees lend themselves so readily is also, I think, a matter of interest, when I see that the number of railroad employees on all the railroad systems of the country has fallen from 1,282,000 in 1931 to 1,159,000 in 1941. I wonder why they think the industry itself has exhausted every ounce of energy and enterprise in developing that business and expanding employment—whether it has been a good thing to produce more goods and carry more goods with fewer men; but why the men should sympathize with it and play the game of railroad management by supporting their opposition to a great waterway, which at least is sure in the judgment of economists and engineers to stimulate employment and business activity in the Middle West, I cannot understand.

These great cities that have money invested in new plants right around the Great Lakes—what are we going to do with them? We have attracted new populations to those cities. Are we going to provide them employment?

Here is a new day in a great world, with new markets, new peoples that have learned how to earn and to spend. The outlook is brilliant for overseas trade. But to pay high wages and maintain our leadership requires the stimulus of every possible reduction of transportation costs.

I have just one more phase that I would like to comment on about the opposition. That is the successive resolutions of local organized commercial bodies.

I find great difficulty in criticizing the method of expression of business opinion through business organizations. I had something to do with setting up the method of

operation of the Chamber of Commerce of the United States, at President Taft's request, so that there would be an agency of business opinion expressed devotedly, free of any selfish interest. To safeguard that the Chamber of Commerce of the United States requires that every referendum submitted to the vote of its constituent member organizations shall carry the reasons for and the reasons against the question submitted. I do not know of any other business organization in America that does that.

I think many resolutions of business organizations are merely the expression of the majority opinion of individual persons, individual businessmen, and not the fully-informed-after-study conclusions of men who are devoted to the public interest as they should be. I am sorry to say that in my judgment the influence of business organizations has obviously fallen in the last 10 or 15 years.

I am encouraged that I am not doing that system or method an injustice when I get a letter like this from the president of one of the great national organizations. I have not his permission to use his name and I have not asked for it, so I shall not give his name, but I would like to read you what he says. This is a great national organization opposed to the St. Lawrence seaway:

"Without discussing either the merits or the justification for the policies stated by the resolution adopted by the board of directors, I can probably appropriately say that I have been consistently against the adoption of such resolutions by our board largely because in the very nature of things they cannot express a considered judgment based upon careful investigation and research, but only indicate the opinions of a majority of the board, most of whom cannot possibly keep up with the course of events in all fields of transportation. Various circumstances combine to make it impossible for me to prevent the adoption of the resolution. But in saying this I do not wish to absolve myself from responsibility for the action taken."

There is high authority for distrust of the present method of resolutions presented, as a number of them were before this subcommittee last week.

I repeat that, as for the national association that I represent here, we will never knowingly allow a misstatement or inaccuracy to creep into any expression that we tender. We believe earnestly that this project has great possibilities for national progress. We believe there are people in America that put the public interest first, as is certified by our President and members of every agency of Government in Washington that touches commerce that would use the St. Lawrence seaway. Every one of them approves it, endorses it, and pleads for it. I believe we ought to rise above the selfish interest of any port, railroad, occupation, or section.

Thank you.

WASHINGTON, D. C., *March 5, 1946.*

THE ADMINISTRATIVE PROCEDURE ACT

Mr. MEAD obtained the floor.

Mr. McCARRAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Nevada?

Mr. MEAD. Mr. President, I have merely a very brief statement to make. I shall yield for brief insertions in the RECORD, but I should like to finish my statement before I yield for remarks of any length.

Mr. McCARRAN. Mr. President, the unfinished business is pending. I do not know what the order is under such conditions.

The PRESIDENT pro tempore. The Chair lays before the Senate at this point the unfinished business, which will be stated.

The LEGISLATIVE CLERK. A bill (S. 7) to improve the administration of justice by prescribing fair administrative procedure.

THE HOUSING EMERGENCY

Mr. MEAD. Mr. President, having been recognized by the Chair and having the floor I should like to have permission to proceed with the statement I have to make.

The PRESIDENT pro tempore. The Senator may proceed, but the Chair understood the Senator wanted to put something in the RECORD.

Mr. MEAD. Mr. President, I desire at the outset of my statement to ask unanimous consent to have inserted in the RECORD an editorial from the Buffalo Evening News, entitled "Housing Bill Watered Down." I quote from the editorial the following concluding paragraph:

After months of administration fumbling with the housing crisis, Housing Expediter Wyatt has come up with a coordinated, well-planned program to meet it. It is a complex undertaking and easy to criticize as to details, but none of the congressional critics has offered a substitute that gives greater promise. For Congress merely to water it down will be no service either to the veteran or to free enterprise; in fact, the quickest way to restore free enterprise would be to pitch in and get this emergency job done even more rapidly than Mr. Wyatt contemplates. The leadership shown by the administration on this issue merits a better response than it received in the House, and it may be hoped that the Senate's action will be more reassuring.

Mr. President, that editorial coming from the conservative and Republican Buffalo Evening News, in my judgment merits consideration.

The PRESIDENT pro tempore. Without objection, the editorial submitted by the Senator from New York will be printed in the RECORD.

The editorial is as follows:

HOUSING BILL WATERED DOWN

By watering down the administration's emergency housing program before approving it by an overwhelming vote, the House has weakened the measure in the name of private enterprise without doing any service to private enterprise. Administration spokesmen overstate the case when they say that the House amendments have torn the heart out of the bill, but there is a danger that the measure, as it now stands, will require just enough Government control to be burdensome but not enough to make the program as effective as it could be.

The only practical ways to end the unprecedented housing shortage, after all, are to build houses as we built ships and planes during the war, by turning our national energies to the task in an all-out, coordinated effort, or to touch off an old-fashioned building boom, with a free market as the controller. In the present abnormal situation, the latter technique involves far greater risks to our economic health than the former. The Senate, therefore, would be wise to restore the Patman bill to its original form.

As it passed the House, the measure calls for price control on materials and new houses, but none on used homes. The subsidy plan for breaking material bottlenecks was eliminated, which may make it necessary to grant inflationary price increases across the board to get key materials flowing. Many of those who voted to modify the bill did so in the belief that subsidies and controls which were accepted in wartime have no places in peacetime. But this reasoning misses the point. The housing shortage and real-estate inflation we face are delayed-action bombs left in the wake of war. Far from abating with the end of hostilities, they were sharply intensified by the demobilization of millions of veterans.

After months of administration fumbling with the housing crisis, Housing Expediter Wyatt has come up with a coordinated, well-planned program to meet it. It is a complex undertaking and easy to criticize as to details, but none of the congressional critics has offered a substitute that gives greater promise. For Congress merely to water it down will be no service either to the veteran or to free enterprise; in fact, the quickest way to restore free enterprise would be to pitch in and get this emergency job done even more rapidly than Mr. Wyatt contemplates. The leadership shown by the administration on this issue merits a better response than it received in the House, and it may be hoped that the Senate's action will be more reassuring.

Mr. MEAD. Mr. President, the acute shortage of homes and shelter for veterans has already reached the proportions of a crisis in virtually every city and town throughout the country, and on virtually every college campus. This situation presents a serious question.

But even today, the worst of the housing shortage has yet to be felt. There are still millions of servicemen to be demobilized. There are still hundreds of thousands of veterans who will marry and will seek to establish homes for their brides; there are other hundreds of thousands, married and single, who will seek to complete their education under the GI bill of rights at colleges and universities where housing facilities are already swamped.

According to the authoritative estimates of the Housing Expediter and the National Housing Agency, more than 3,000,000 American families—primarily veterans' families—will be in need of homes between now and the end of 1947. This is over and above at least 1,200,000 families who were compelled to share living accommodations with others at the time that mass demobilization of the military forces began.

These statistics on the housing emergency are confirmed by headlines on the front pages of newspapers in cities and towns throughout the country. They are confirmed by long waiting lists, by veterans and their families living in a single room, or crowding in with in-laws. They are confirmed by thousands of married veterans seeking their right to a college education jeopardized by lack of housing.

Mr. President, the housing emergency is one of the gravest threats to the postwar stability of America. This emergency did not come as a bolt from the blue but its remedy was not possible under conditions of all-out war. This housing emergency is the climax to long years of underbuilding. We did not build sufficient housing to keep pace with our population growth and we did not replace the houses which were unfit for habitation by American families. That is why there are 10,000,000 slum tenements and rural shacks still in use in our country today.

The roots of today's veterans' housing emergency were laid in the late twenties when speculative overbuilding of high-

priced houses cut off the building boom. Those roots were deepened by the disastrous collapse in the early thirties when the HOLC was required to rescue more than a million families from foreclosure and loss of homes and when new building came to a standstill.

It was not until the immediate prewar years that home building recovered to anything like normal proportions under the stimulus of the FHA and of the Wagner Act's public-housing program. During the war, materials and labor clearly had to be reserved for essential war production except for the minimum volume of war housing needed in support of the Nation's war effort. As a result, the supply of vacant housing in most cities dropped to the vanishing point and there was no surplus available to accommodate the millions of married servicemen who are now searching for housing.

That, in brief, Mr. President, is the origin and picture of today's housing emergency. It is clear that the emergency calls for a double-barreled, all-out attack. We must have emergency measures in order to bring the quickest possible relief. We must have basic, long-range measures to cure the causes of the housing shortage and to make a start toward the goal of rebuilt cities and decent homes for all American families. These two approaches are inseparable. They are equally urgent and equally indispensable to a prompt and lasting solution of the housing emergency.

That is precisely the kind of attack on the problem which the Truman administration is making. At the first of the year, President Truman brought in Wilson W. Wyatt to make an intensive study of the veterans' housing emergency and to map out comprehensive plans for relieving it. Mr. Wyatt tackled this assignment with vigor and energy. By working night and day, he got the views of all experienced authorities on housing and he evolved a comprehensive program which has been adopted in full by President Truman and which, in my opinion, deserves the earnest support of Congress and the country.

The Wyatt program calls for the starting of 2,700,000 homes and apartments for veterans by the end of 1947. That is a very high target; it greatly exceeds the amount of housing built in any 2 years in the past. But even with 2,700,000 houses, there would be more overcrowding by the end of 1947 than there was when mass demobilization began last fall. That is how huge the housing shortage is; that is how serious the emergency is.

In his report to the President, Mr. Wyatt made a few comments on his goal which I think bear repeating. He said:

> We met in full our obligation to our men and women in uniform. To meet our obligation to those same men and women in civilian life, we will need the same drive and ingenuity on the part of American business and American labor and the same Government stimulus and financial assistance that made possible the miracle of war production.

The Wyatt program contemplates that 2,450,000 houses and apartments of the 2,700,000 units shall be permanent structures of conventional or prefabricated type, and that 250,000 shall be converted temporary war housing or barracks, and trailers.

On this latter phase of the program, Congress has already provided the necessary financing tools, or is in the process of doing so. Under amendments to the Lanham Act which I sponsored in December, in excess of $190,000,000 was appropriated to finance the moving and conversion of an additional 100,000 temporary family units from surplus war housing or barracks, and a bill authorizing a further appropriation of $250,000,000 for approximately 100,000 additional units has recently passed the Senate. I am confident that this increased authorization which passed the Senate recently and is now in the House, will be approved by that body this week and that early action will be forthcoming on the necessary appropriation.

The main area for congressional support of the Wyatt veterans' housing program therefore involves the 2,450,000 new permanent houses which he proposes for 1946 and 1947. Today, houses are being built at only a fraction of the rate needed to reach the goal of the Wyatt program. Consequently, every day's delay in the enactment of the legislation needed to carry out the program is costing veterans thousands of homes that could otherwise be started and completed in 1946. There is no more important problem, no more serious problem, than that of providing housing for those who served the country so valiantly in the war.

The Wyatt program calls for a combination of emergency measures and basic, long-range housing measures to meet the veterans' housing emergency and to get the housing industry into full swing as a leading factor in a prosperous postwar America.

Until the supply of critical building materials is greatly increased, the Wyatt program calls for priorities and allocations to channel most of the current supply of those materials into housing construction for veterans at prices and rents they can afford.

The Wyatt program seeks to choke off the dizzy upward spiral in sales prices of existing houses, which presents one of the gravest threats of inflation now facing the country. It would not penalize any present homeowner, since he could sell at the highest price the current market brings, but thereafter that price would be the maximum ceiling for the duration of the emergency.

The Wyatt program approaches realistically the problem of stimulating the huge increase in materials production needed for 2,700,000 houses without contributing further to higher housing prices. It allows for incentive price increases or readjustments where such action would not contribute to inflation.

Finally, recognizing that the attack on the veterans' housing emergency should also attack the basic deficiencies in our housing structure, the Wyatt program also embraces the far-reaching provisions of the Wagner-Ellender-Taft bill, which I understand will shortly be reported from the Committee on Banking and Currency.

The emergency housing legislation now before the Senate and the Wagner-Ellender-Taft bill deserve full support. We should take quick action to provide the essential legislative authority to attack the veterans' housing emergency and to pave the way toward long-range building aimed at decent homes for all American citizens.

Of course, Mr. President, we are not limited in our legislative efforts by the Wyatt program. We can extend and improve upon that program. But we must pursue our efforts with vigor and promptness, or we will deny our veterans the simple justice they richly deserve. We rose to great heights in time of war in the productive enterprise of our democracy. We must meet this problem with the same determination and vigor and success with which we met the problems of production during the war.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House insisted upon its amendments to the bill (S. 63) to amend the Communications Act of 1934, as amended, so as to prohibit interference with the broadcasting of noncommercial cultural or education programs, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. LEA, Mr. BULWINKLE, Mr. HARRIS, Mr. REECE of Tennessee, and Mr. BROWN of Ohio were appointed managers on the part of the House at the conference.

The message also announced that the House insisted upon its amendments to the bill (S. 1354) to authorize the permanent appointment in the grades of general of the Army, fleet admiral of the United States Navy, and general in the Marine Corps, respectively, of certain individuals who have served in such grades during the Second World War, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MAY, Mr. THOMASON, Mr. BROOKS, Mr. ANDREWS of New York, and Mr. SHORT were appointed managers on the part of the House at the conference.

The message further announced that the House had passed a joint resolution (H. J. Res. 307) to authorize the use of naval vessels to determine the effect of atomic weapons upon such vessels, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 1613. An act for the relief of Christopher Dance;

H. R. 1615. An act for the relief of the legal guardians of John Buchan and Lawrence Gillingham, minors;

H. R. 1854. An act for the relief of Thomas Sumner;

H. R. 1890. An act for the relief of the estate of Peter G. Fabian, deceased;

H. R. 2335. An act for the relief of Albert E. Severns;

H. R. 2487. An act for the relief of Mrs. S. P. Burton;

H. R. 3791. An act for the relief of Mrs. Florence Mersman; and

H. R. 4884. An act to relieve certain employees of the Veterans' Administration from financial liability for certain overpayments and allow such credit therefor as is necessary in the accounts of Guy F. Allen, chief disbursing officer.

HOUSE BILL AND JOINT RESOLUTION REFERRED

The following bill and joint resolution were each read twice by their titles and referred, as indicated:

H. R. 5605. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1947, and for other purposes; to the Committee on Appropriations.

H. J. Res. 307. Joint resolution to authorize the use of naval vessels to determine the effect of atomic weapons upon such vessels; to the Committee on Naval Affairs.

ADMINISTRATIVE PROCEDURE ACT

The Senate resumed the consideration of the bill (S. 7) to improve the administration of justice by prescribing fair administrative procedure.

Mr. McCARRAN. Mr. President, the unfinished business before the Senate is S. 7, the administrative procedure bill, which has been so long considered and studied by this body. In order that the Senate may have a preview of what it shall consider in connection with the bill, I send to the desk a very able article by Mr. Willis Smith, president of the American Bar Association, entitled "Drafting the Proposed Federal Administrative Procedure Act," and I ask that the clerk may read the article, because it is brief, and will lend emphasis to the explanation which I shall make of the bill immediately.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). Without objection, the clerk will read as requested.

The Chief Clerk read as follows:

DRAFTING THE PROPOSED FEDERAL ADMINISTRATIVE PROCEDURE ACT

(By Willis Smith [1])

"How to assure public information, how to provide for rule making where no formal hearing is provided, how to assure fairness in adjudications, how to confer various incidental procedural rights, how to limit sanctions, how to state all the essentials of a right to judicial review, and how to make examiners independent—these were the main questions."

During the last 3 months of 1945 there took place a remarkable series of events in connection with the proposed statute regulating Federal administrative procedure and conferring powers of court review. On October 19, 1945, the Attorney General of the United States issued a strong statement in support of it. On the following November 19 the Committee on the Judiciary of the United States Senate unanimously and favorably reported it (S. 7, Rept. No. 752). On December 10 it was introduced in the House of Representatives as H. R. 4941 in the form reported by the Senate committee. On December 18 and 19, at the sixty-eighth annual meeting of the American Bar Association, Chairman HATTON W. SUMNERS, of the Committee on the Judiciary of the House of Representatives made a favorable statement on it, Attorney General Tom C. Clark gave a full address on the subject, and resolutions in favor of it were adopted.

In these days, when so much legislation is done piecemeal and the demands of special interests hold the center of the stage, the legislative proposal which has met with such general acceptance is even more notable because it deals broadly with the problem of administration and is a measure for good government. It deals with procedure, not privileges, and provides a general method of assuring that government will operate according to law. A bill of that character in these days required a background of preparation to achieve such acceptance.

The proposed statute involves almost all administrative operations. It deals with the very important problem of the relation of courts to administrative agencies. It is obviously not such a statute as may easily be drawn and simply submitted to the usual legislative routine. The method of procedure adopted by the Senate Judiciary Committee, under the chairmanship of Senator PAT MCCARRAN, of Nevada, recognized the nature of the task. That method is not only important for this bill but opens possibilities for the future.

LEGISLATIVE HISTORY

For more than 10 years Congress has considered proposals for general statutes respecting administrative law and procedure. Ten or more important bills have been introduced in Congress, and most of them have received widespread consideration.

In 1937 the President's Committee on Administrative Management recommended the complete separation of investigative-prosecuting functions and personnel from deciding functions and personnel in administrative agencies, but the significance of its report was lost in the turmoil of other issues. In 1938 the Senate Committee on the Judiciary held hearings on a proposal for the creation of an administrative court. In 1939 the Walter-Logan administrative procedure bill was favorably reported to the Senate. In 1940 it was passed by the Congress but vetoed by the President in part on the ground that action should await the then imminent final report by a committee appointed in the executive branch. Early in 1941 that committee, popularly known as the Attorney General's Committee on Administrative Procedure, made its extensive report.

Growing out of the work of the Attorney General's Committee on Administrative Procedure, several bills were introduced in 1941. Senate hearings were held on these bills during April, May, June, and July of that year. All interested administrative agencies were heard at length and the proposals then pending involved the basic issues.

Further consideration was postponed for three war years. Bills were again introduced in June 1944 and reintroduced with revisions in 1945. The Committee on the Judiciary of the House of Representatives held hearings in June 1945, but it seemed clear that the real problems were detailed and technical. It had come to be widely accepted that such legislation should be functional in the sense that it should apply to kinds of operations rather than to forms of agencies. Accordingly, the proposed statute dealt primarily with the legislative and judicial functions of administrative agencies. Within each of those functions, however, it was necessary to define procedures and except subjects which were either not regulatory in character or were soundly committed to Executive discretion.

TECHNICAL REVISIONS

Anticipating that this would be the situation, the chairmen of the Judiciary Committees of the Senate and House of Representatives had requested administrative agencies to submit their views and suggestions in writing. The Attorney General was requested to act as a liaison officer between the legislative committee and the several administrative agencies. Representatives of the staff of the Senate committee, with the aid of the representatives of the Attorney General and other interested parties, engaged in an extensive series of conferences at which points made were discussed and alternative proposals as to language were debated. Then, in May 1945, the Senate committee issued a committee print in which the text of S. 7 appeared in one column and a tentatively revised text in the parallel column.

The revised text so proposed was then again submitted to administrative agencies and other interested parties for their written or oral comments, which were analyzed by the committee's staff and a further committee print was issued in June 1945. In four parallel columns it set forth (1) the text of the bill as introduced, (2) the text of the tentatively revised bill previously published, (3) a general explanation of provisions with references to the report of the Attorney General's Committee on Administrative Procedure and other authorities, and (4) a summary of views and suggestions received.

About this time Tom C. Clark became Attorney General and added new representatives to the conference group. Senator MCCARRAN, chairman of the Senate Committee on the Judiciary, asked that they screen and correlate any further agency views. After this had been done and representatives of private organizations had submitted their additional views, the bill as further revised was made a committee print under date of October 5, 1945.

This final draft was submitted to the Attorney General for his formal perusal. He not only reported that the proposal was not objectionable but recommended its enactment in a strong statement on October 19, 1945. A month later the Senate committee reported the measure. Its report of 31 pages plus appendix reflects the long and painstaking consideration given the bill. The process of that consideration was not only well adapted to the technical nature of the job at hand but it was truly democratic, for private as well as governmental representatives were given every opportunity to submit their views and suggestions.

PARTICIPATION OF LEGAL PROFESSION

The organized bar had the same opportunities for presentation of views and suggestions. Bar associations had adopted resolutions and had presented reports to the congressional committees. The American Bar Association's special committee on administrative law took an active part, culminating in a full day's meeting of the 13-man committee at Washington on October 2. The committee unanimously approved the final draft of the bill and certified its position to the chairmen of the congressional committees.

Contrary to the impression which some people seem to have, the proposed Administrative Procedure Act is not a compromise. The problem was not "how much" but "how." How to assure public information, how to provide for rule making where no formal hearing is provided, how to assure fairness in adjudications, how to confer various incidental procedural rights, how to limit sanctions, how to state all the essentials of a right to judicial review, and how to make examiners independent—these were the main questions.

There were two reasons why the legal profession could not engage in trading for advantage in the details. First, if the statute should prove unworkable, it might prejudice procedural legislation for all time. Secondly, onerous requirements, such as those respecting evidence, might aid one private interest in one case—that is, where prohibitory orders are issued—but would harm them in another—e. g., where a license is sought. Mainly, however, it was a simple matter of good citizenship and good statesmanship to seek the best and fairest provisions for each subject.

CONCLUSION

The draft of bill as reported by the Senate Committee on the Judiciary offers a means

[1] The author is a member of the Raleigh (N. C.) bar and president of the American Bar Association.

of securing and maintaining a government according to law. Its workability has been tested by the elaborate procedure discussed above. Its utility has been approved by the representatives of most of the legal profession. Its desirability is admitted by public officers of the highest rank. The necessity for it has been attested by the responsible Members of the National Legislature. If it is adopted, as it should speedily be, the result will be due to the background of study and care with which its terms have been drafted and tested.

Mr. McCARRAN. Mr. President, it has been said that the law is a jealous mistress. I regret exceedingly that I cannot have before me at this moment every Member of the Senate of the United States so that each might listen to the explanation of a bill which to my mind and to the mind of the bar of America is one of the most important measures that has been presented to the Congress of the United States in its history.

We have set up a fourth order in the tripartite plan of Government which was initiated by the founding fathers of our democracy. They set up the executive, the legislative, and the judicial branches; but since that time we have set up a fourth dimension, if I may so term it, which is now popularly known as administrative in nature. So we have the legislative, the executive, the judicial, and the administrative.

Perhaps there are reasons for that arrangement. We found that the legislative branch, although it might enact law, could not very well administer it. So the legislative branch enunciated the legal precepts and ordained that commissions or groups should be established by the executive branch with power to promulgate rules and regulations. These rules and regulations are the very things that impinge upon, curb, or permit the citizen who is touched by the law, as every citizen of this democracy is.

The bill comes from the Committee on the Judiciary of the Senate of the United States, and I think it should be explained to every Member of the Senate, because the Committee on the Judiciary desires that there should be a full understanding of its provisions and purposes. The Committee on the Judiciary is the law committee of this body, and the law is the thing which makes democracy vital. This is not a Government of men. It is a Government of law; and this law is a thing which, every day from its enactment until the end of time so far as this Government is concerned, will touch every citizen of the Republic. So I proceed with a detailed explanation of a bill which should be listened to by every Member of the Senate.

Mr. President, Calendar No. 758, Senate bill 7, the purpose of which is to improve the administration of justice by prescribing fair administrative procedure, is a bill of rights for the hundreds of thousands of Americans whose affairs are controlled or regulated in one way or another by agencies of the Federal Government. It is designed to provide guaranties of due process in administrative procedure.

The demand for legislation of this type to settle and regulate the field of Federal administrative law and procedure has been widespread and consistent over a period of many years. Today there are no clearly recognized legal guides for either the public or the administrative officials of Government departments. The subject of administrative law and procedure is not expressly mentioned in the Constitution, and there is no recognizable body of such law, as there is for the courts in the Judicial Code.

Even the ordinary operations of administrative agencies are often difficult to know, and undoubtedly there have been litigants before Government agencies who have received less than justice because they were not fully advised of their rights or of the procedure necessary to protect them.

The Committee on the Judiciary has been convinced that there should be a simple and standardized plan of administrative procedure. This bill is intended to put such a plan into effect.

Proposals for general statutes respecting administrative law and procedure have been before the Congress in one form or another, and have been considered by the Congress over a period of more than 10 years. I call the attention of the Senate to the chart on page 2 of the Judiciary Committee's report on Calendar No. 758, Senate bill 7. This is Senate Report No. 752, which is on the desks of all Senators. This chart clearly shows the chronology of the main bills on this subject which have been introduced. Each of the bills shown on this chart has received wide public attention and long and serious consideration in the Congress. Problems of administrative law and procedure have been increased and aggravated by the continued growth of the Government, particularly in the executive branch. By the middle of the 1930's the situation had become so serious that the President then in office appointed a committee to make a comprehensive survey of administrative methods, overlapping functions, and diverse organizations, and to submit suggestions for improvement. While that committee was not primarily concerned with the more detailed questions of administrative law and procedure as the term is now understood, the committee inevitably was brought face to face with the fundamental problem of the inconsistent union of prosecuting and deciding functions exercised by many executive agencies.

In 1937 the President's Committee on Administrative Management issued its report. I quote excerpts from that report:

> The executive branch of the Government of the United States has * * * grown up without plan or design * * *. To look at it now, no one would ever recognize the structure which the founding fathers erected a century and a half ago. * * * Commissions have been the result of legislative groping rather than the pursuit of a consistent policy. * * * They are in reality miniature independent governments set up to deal with the railroad problem, the banking problem, or the radio problem. They constitute a headless "fourth branch" of the Government, a haphazard deposit of irresponsible agencies and uncoordinated powers. * * * There is a conflict of principle involved in their make-up and functions. * * * They are vested with duties of administration * * * and at the same time they are given important judicial work. * * * The evils resulting from this confusion of principles are insidious and far-reaching. * * * Pressures and influences properly enough directed toward officers responsible for formulating and administering policy constitute an unwholesome atmosphere in which to adjudicate private rights. But the mixed duties of the commissions render escape from these subversive influences impossible. Furthermore, the same men are obliged to serve both as prosecutors and as judges. This not only undermines judicial fairness; it weakens public confidence in that fairness. Commission decisions affecting private rights and conduct lie under the suspicion of being rationalizations of the preliminary findings which the Commission, in the role of prosecutor, presented to itself.

Mr. President, I have been quoting from the report of the President's Committee on Administrative Management, issued in 1937. In transmitting that report to the Congress, President Roosevelt added a comment of his own, from which I also wish to quote. He said:

> I have examined this report carefully and thoughtfully, and am convinced that it is a great document of permanent importance. * * * The practice of creating independent regulatory commissions, who perform administrative work in addition to judicial work, threatens to develop a "fourth branch" of the Government for which there is no sanction in the Constitution.

Mr. President, those are the words of the late, beloved President of the United States, Franklin Delano Roosevelt.

The remedy proposed by that committee, back in 1937, was a very drastic one, namely, complete separation of investigative and prosecuting functions and personnel from deciding functions and personnel. That remedy had inherent administrative difficulties which, while not so great as the fault which it sought to remedy, were in themselves serious. The pending bill does not go as far as that 1937 recommendation.

A proposal for creation of an administrative court came before the Senate Judiciary Committee in 1938 and extensive hearings were held. In connection with those hearings, the Judiciary Committee issued a committee print elaborately analyzing the administrative powers conferred by statute. That was in the third session of the Seventy-fifth Congress. In the following year, 1939, the Walter-Logan administrative procedure bill was favorably reported to the Senate from the Committee on the Judiciary. That was during the Seventy-sixth Congress, first session, and the report I have mentioned was Senate Report 422 of that Congress, reporting on Senate bill 915 of that Congress. In the third session of the Seventy-sixth Congress, the Walter-Logan bill was reported to the House of Representatives with amendments. The bill eventually was passed by the Congress, but was vetoed by the President in 1940, partly on the ground that action should await the final report of a committee which had been appointed 2 years earlier to study the entire situation.

The committee which the President had in mind was the so-called Attorney General's committee, which had been appointed in December 1938. The background of that committee was a renewed

suggestion from the Attorney General concerning the need for procedural reform in the wide and growing field of administrative law. The President had concurred in the Attorney General's recommendation for the appointment of a commission to make a thorough survey of existing practices and procedures, and to point the way to improvements, and had authorized the Attorney General to appoint a committee for that purpose. The committee was composed of Government officials, teachers, judges, and private practitioners.

The Attorney General's committee made an interim report in January 1940. The staff of that committee prepared, and during 1940 and 1941 issued, a series of studies of the procedures of the principal administrative agencies and bureaus in the Federal Government. Executive sessions of the committee were held over a long period, and representatives of Federal agencies were heard at such sessions. The committee also held lengthy public hearings. It then prepared and issued a final report which was exhaustive and voluminous. The Senate should be informed that the Judiciary Committee, in framing the bill which is now before the Senate, has had the benefit of the factual studies and analyses prepared by the Attorney General's committee.

Several bills were introduced in 1941, as the outgrowth of the work of the Attorney General's committee. Hearings on these bills were held during the spring and early summer of that year. The matter was postponed, however, because of the international situation then existing, and the apparent need for concentrating on matters of national defense and, soon afterward, of actual war. However, all interested administrative agencies were heard at length during the 1941 hearings, and the proposals then pending involved the same basic issues as does the present bill.

On the basis of the studies and hearings in connection with prior bills on the subject, and after several years of consultation with interested parties in and out of official positions, identical bills on this subject were introduced in June 1944, Senate bill 2030 of the Seventy-eighth Congress in the Senate, and House bill 5081 in the House. Introduction of these bills brought forth a large volume of further suggestions from every quarter. As a result, a revised and simplified bill was introduced at the opening of the present Congress, on January 6, 1945. This bill was Senate bill 7, introduced in the Senate by the chairman of the Judiciary Committee of the Senate; and an identical measure, House bill 1203, was introduced on January 8 in the House of Representatives by the chairman of the Judiciary Committee of that body.

A great deal of informal discussion with interested parties followed the introduction of these two bills. In the latter part of June 1945 the Judiciary Committee of the House held hearings on the House bill. Prior to those hearings the House committee and the Senate Committee on the Judiciary had requested administrative agencies to submit their views in writing. All submissions were carefully analyzed and, with the aid of representatives of the Attorney General and interested private organizations, in May 1945 there was issued a Senate committee print setting forth in parallel columns the bill as introduced and a tentatively revised text.

Once more interested parties in and out of Government were invited to submit, and did submit, comments orally or in writing on the revised text. These were analyzed by the staff of the Senate Committee on the Judiciary, and a further committee print was issued in June 1945. This committee print set forth, in four parallel columns, first, the text of the bill as introduced; second, the text of the tentatively revised bill previously published; third, a general explanation of provisions with reference to the report of the Attorney General's committee on administrative procedure and other authorities; and, fourth, a summary of views and suggestions received.

After the preparation and publication of this committee print, the Attorney General again designated representatives to hold further discussions with interested agencies and to screen and further correlate agency views, some of which were submitted in writing and some orally. Private persons and representatives of private organizations also participated in the discussions at that time.

After completion of those discussions the committee drafted the bill in the form in which it has been reported and is now before the Senate. The Attorney General has reported favorably on this bill, and I call the attention of the Senate to the text of the Attorney General's report, which appears as Appendix B of the committee's report.

Mr. President, I have gone rather fully into the background of this bill and the various steps which were taken prior to its presentation to the Senate, because I wish every Member of this body to know and realize that not only the general subject, but every detailed provision of the bill, has had the most careful consideration possible. The bill has the approval of the Judiciary Committee of the Senate. It has the active support of the Attorney General. Not one agency in the executive branch of the Government is on record as opposing it. The American Bar Association has endorsed it wholeheartedly. The bill has, in short, the kind of virtually unanimous support which would be expected in the case of a bill which has received such very lengthy, and very full, and meticulous consideration.

It has been the purpose of the Committee on the Judiciary, throughout the lengthy process of consideration which I have outlined, to make sure that no operation of the Government would be unduly restricted by the bill. The committee has also taken the position that the bill must reasonably protect private parties even at the risk of some incidental or possible inconvenience to, or change in, present administrative operations. The committee is convinced, however, that no administrative function is improperly affected by this bill.

Admittedly, this is a complicated bill, but it deals with a complicated subject. I wish to say—and I take no credit for it—that this bill represents one of the finest pieces of legislative draftsmanship in my experience. That is the natural result of the lengthy process of writing and rewriting, involving careful attention to every detail, and to every nicety of expression, which I have already outlined to the Senate.

Perhaps it might be well at this time to emphasize that this bill is a coherent whole; no section or paragraph of the bill is completely independent; all parts of it are closely interrelated. The bill must be read and considered as a whole, and in this case the whole is considerably more than the sum of its parts.

Mr. President, without attempting to minimize the many problems with which the committee dealt, I want to point out to the Senate the four principal problems which had to be solved. These were, first, to distinguish between different types of administrative operations; second, to frame general requirements applicable to each such type of operation; third, to set forth those requirements in clear and simple terms; fourth, to make sure that the bill was complete enough to cover the whole field.

As it has been reported to the Senate, the committee feels that it has avoided the mistake of attempting to oversimplify this measure. It has not hesitated, therefore, to state functional classifications and exceptions where those could be rested upon firm grounds. In so doing, the committee has followed the undeviating policy of dealing with types of functions as such and in no case dealing with administrative agencies by name. That point is important, and I will repeat it if I may. The committee has not deviated from the policy of dealing with types of functions as such, and the bill in no case deals with administrative agencies by name.

For example, certain war and defense functions are exempted under the bill, but there is no exemption of the War or Navy Departments in the performance of their other functions. Obviously it would be folly for the committee to presume to distinguish between "good" agencies and "bad" agencies, and there is no attempt in the bill to make such a distinction.

To cite another example, the legitimate needs of the Interstate Commerce Commission have been fully considered, but the Commission has not been placed in a favored position over other Government agencies by exemption from the bill. To state the matter another way, the committee feels that administrative operations should be treated as a whole, lest the neglect of some link should defeat the purposes of the bill. In this connection, I wish to call the attention of Senators to the chart on page 9 of the committee's report, which emphasizes the committee's approach, by showing, in diagram form, how the principal sections of the bill are interrelated.

I think it will be well at this point to give the Senate a brief comparison between the pending bill and the Walter-Logan bill, and between it and the recommendations of the Attorney General's committee.

The Walter-Logan bill, which was vetoed by the President, differed materially from the bill now before the Senate. The

Walter-Logan bill, while distinguishing between regulations and adjudications, simply required administrative hearings for each, and provided special methods of judicial review. More particularly, in the matter of general regulations, the Walter-Logan bill failed to distinguish between the different classes of rules. It stated that rules should be issued within 1 year after the enactment of the statutory authority. It required a mandatory administrative review upon notice and hearing within a year, and set up a system of judicial review through declaratory judgments by the Court of Appeals for the District of Columbia within a limited time after the adoption of any rule.

In the adjudication of particular cases, the Walter-Logan bill also provided for administrative hearings of any controversy before a board of any three employees of any agency. Decisions of such boards were to be made within 30 days, under the Walter-Logan bill, and were subject to the apparently summary approval or modification of the head of the agency or his deputy. On the other hand, independent commissions—with not less than three members sitting—were required to hold a further hearing after any hearing by an examiner. A special form of judicial review was provided for any administrative adjudication. A long list of exemptions of agencies, by name, was included in the Walter-Logan bill.

Now let me point out some of the essential respects in which the pending bill differs from the Walter-Logan bill. The bill now before the Senate differentiates the several types of rules. It requires no agency hearings in connection with either regulations or adjudications unless statutes already do so in particular cases, thereby preserving rights of individual trials de novo. Where statutory hearings are otherwise provided, this bill fills in some of the essential requirements; and it provides for a special class of semi-independent subordinate hearing officers.

The bill includes several types of incidental procedures. It confers numerous procedural rights. It limits administrative penalties. It contains more comprehensive provisions for judicial review for the redress of any legal wrong. And, since it is drawn entirely upon a functional basis, it contains no exemptions of agencies as such.

The pending bill is more complete than the solution favored by the majority of the Attorney General's committee, but is, at the same time, shorter and more definite than the proposal of the minority of that committee. While it follows generally the views of good administrative practice as expressed by the whole of that committee, it differs in several important respects.

The bill provides that agencies may choose whether their examiners shall make the initial decision or merely recommend a decision, whereas the Attorney General's committee made mandatory a decision by examiners.

The bill provides some general limitations upon administrative powers and sanctions, particularly in the rigorous field of licensing, while the Attorney General's committee did not touch upon that subject.

This bill relies upon independence, salary security, and tenure during good behavior of examiners within the framework of the civil service, whereas the Attorney General's committee favored short-term appointments approved by a special Office of Administrative Procedure.

If Senators desire to consult a more detailed comparison of the pending bill, with full references to the report of the Attorney General's committee, such a comparison is to be found in the third parallel column of the committee print issued by the Senate Judiciary Committee in June of 1945.

I cannot emphasize too strongly that the bill now before the Senate is not a specification of the details of administrative procedure. Neither is it a codification of administrative law. It represents, instead, an outline of minimum basic essentials, framed out of long consideration and in the light of the comprehensive studies I have previously mentioned.

To state it simply, this bill is designed to afford parties affected by administrative powers a means of knowing what their rights are, and how they may be protected. At the same time, administrators are provided with a simple course to follow in making administrative determinations. The jurisdiction of the courts is clearly stated. The bill thus provides for public information, administrative operation, and judicial review.

The substance of what the bill does may be summarized under four headings:

First. It provides that agencies must issue as rules certain specified information as to their organization and procedure, and also make available other materials of administrative law.

Second. It states the essentials of the several forms of administrative proceedings and the limitations on administrative powers.

Third. It provides in more detail the requirements for administrative hearings and decisions in cases in which statutes require such hearings.

Fourth. It sets forth a simplified statement of judicial review designed to afford a remedy for every legal wrong.

The first of those four points is basic, because it requires agencies to take the initiative in informing the public. In stating the essentials of the different forms of administrative proceedings, the bill carefully distinguishes between the so-called legislative functions of administrative agencies—where they issue general regulations—and their judicial functions—in which they determine rights or liabilities in particular cases.

Quite different procedures are provided by the bill for the legislative and judicial functions of administrative agencies. In the rule-making, that is, legislative, function the bill provides that, with certain exceptions, agencies must publish notice and at least permit interested parties to submit their views in writing for agency consideration before issuing general regulations. No hearings are required by the bill unless statutes already do so in a particular case. Similarly, in adjudications—that is, the judicial function—no agency hearings are required unless statutes already do so, but in the latter case the mode of hearing and decision is prescribed. Where existing statutes require that either general regulations—which the bill calls rules—or particularized adjudications—which the bill calls orders—shall be made after agency hearing or opportunity for such hearing, then section 7 of the bill spells out the minimum requirements for such hearings; section 8 states how decisions shall be made thereafter, and section 11 provides for examiners to preside at hearings and make or participate in decisions.

While the administrative power and procedure provisions of sections 4, 5, 6, 7, 8, and 9 are law apart from court review, the provisions for judicial review provide parties with a method of enforcing their rights in a proper case. However, it is expressly provided that the judicial review provisions are not operative where statutes otherwise preclude judicial review, or where agency action is by law committed to agency discretion.

Five types of provisions compose this bill. They are:

First. Provisions which are largely formal, such as the sections setting forth the title, definitions, and rules of construction.

Second. Provisions which require agencies to publish or make available information on administrative law and procedure.

Third. Provisions for different kinds of procedures such as rule-making, adjudications, and miscellaneous matters, as well as for limitations upon sanctions and powers.

Fourth. Provisions concerning the detail for hearings and decisions as well as for examiners.

Fifth. Provisions for judicial review.

I desire to emphasize the fifth type of provisions, namely, provisions for judicial review, because it is something in which the American public has been and is much concerned, harkening back, if we may, to the Constitution of the United States, which sets up the judicial branch of the Government for the redress of human wrongs and for the enforcement of human rights.

As I have already pointed out, the bill is so drafted that its several sections and subordinate provisions are closely knit. The substantive provisions of the bill should be read apart from the purely formal provisions and minor functional distinctions. The definitions in section 2 are important, but they do not indicate the scope of the bill, since the subsequent provisions make many functional distinctions and exceptions. The public information provisions of section 3 are of the broadest application because, while some functions and some operations may not lend themselves to formal procedure, all administrative operations should as a matter of policy be disclosed to the public except as secrecy may be obviously required or only internal agency "housekeeping" arrangements may be involved.

Sections 4 and 5 of the bill prescribe the basic requirements for the making of rules and the adjudication of particular cases. In each case, where other statutes require opportunity for an agency hearing, sections 7 and 8 set forth the minimum requirements for such hearings and the agency decisions thereafter, while section 11 provides for the appointment and tenure of examiners who may participate. Section 6 prescribes the rights of private parties in a number of miscellaneous respects which may be incidental to rule making, adjudication, or the exercise of any other agency authority. Section 9 limits sanctions, and section 10 provides for judicial review.

Again, I wish to call the attention of Senators to the chart on page 9 of the committee report on the bill.

Mr. President, an analysis of the bill, section by section, may prove helpful at this point. If Senators will refer to their copies of the bill, and follow me as I go along, I shall undertake to discuss each section of the bill in its proper order.

Section 1 refers to the title of the bill, and provides that the measure may be cited as the Administrative Procedure Act. Although this short title has been chosen for the sake of brevity, Senators will note, as I have previously pointed out, that the bill actually provides for both administrative procedure and judicial review.

Section 2 contains the definitions.

The word "agency" is defined by excluding legislative, judicial, and Territorial authorities, and by including any other "authority" whether or not within, or subject to review by, another agency. The bill is not to be construed to repeal delegations of authority provided by law. Expressly exempted from the term "agency," except for the public information requirements of section 3, are: first, agencies composed of representatives of parties or of organizations of parties; and, second, defined war authorities including civilian authorities functioning under temporary or named statutes operative during "present hostilities."

The term "person" is defined to include specified forms of organization other than agencies.

The term "party" is defined to include anyone named, or admitted, or seeking, and entitled to be admitted, as party in any agency proceeding except that nothing in the subsection is to be construed to prevent an agency from admitting anyone as a party for limited purposes.

The term "rule" is denied as any agency statement of general applicability designed to implement, interpret, or prescribe law, policy, organization, procedure, or practice requirements.

The term "rule making" is defined to mean agency process for the formulation, amendment, or repeal of a rule, and includes any prescription for the future of rates, wages, financial structures, and so on.

The term "order" is defined to mean the final disposition of any matter, other than rule making but including licensing, whether or not affirmative, negative, or declaratory in form.

The term "adjudication" is defined as the agency process for the formulation of an order.

The term "license" is defined to include any form of required official permission, such as certificate, charter, and so on.

The term "licensing" is defined to include agency process respecting the grant, renewal, modification, denial, revocation, and so forth, of a license.

The term "sanction" is defined to include any agency prohibition, withholding of relief, penalty, seizure, assessment, requirement, restriction, and so on.

The term "relief" is defined to include any agency grant, recognition, or other beneficial action.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. DONNELL. Will the Senator be kind enough to permit me to ask him a question in regard to one of the definitions in section 2? I am not clear as to the meaning of the language which reads as follows:

> Except as to the requirements of section 3, there shall be excluded from the operation of this act (1) agencies composed of representatives of the parties or of representatives of organizations of the parties to the disputes determined by them.

I should greatly appreciate it if the Senator would be kind enough to amplify somewhate his explanation of that provision.

Mr. McCARRAN. Section 2 (a) exempts from the operation of the act agencies composed of representatives of the parties, or of organizations of the parties, to the disputes determined by them—except for the requirements of section 3 relating to the publication of rules, orders, and decisions. The effect of that language is to exclude, from all but section 3, such agencies as the National Railroad Adjustment Board. Other boards composed of such representatives, under the Railway Labor Act or similar statutes, would be likewise exempt. It may also be noted that various functions of such agencies as the National Mediation Board and the Railroad Retirement Board are excluded from provisions of the act by the applicable language of later sections.

Mr. DONNELL. I thank the Senator for the explanation.

Mr. REED. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. REED. I confess a lack of understanding of the bill. I have had considerable experience with some of the Government agencies, particularly the Interstate Commerce Commission. Over the years the Congress has laid down rules of procedure instructing the Interstate Commerce Commission as to how to act in certain cases in the matter of rate making, valuations, and orders. All that is prescribed by statute. Is there anything in this bill that would interfere with that procedure?

Mr. McCARRAN. There is nothing in this bill which would interfere with such procedure.

Mr. REED. I was a little uncertain, due, of course, to my lack of understanding of the bill and my lack of opportunity to give it the study which it requires.

Mr. McCARRAN. I wish to make it very clear to the Senator, because I appreciate the fact that he has had long experience in practice before the Interstate Commerce Commission, that there is nothing in this bill which would take away from the Interstate Commerce Commission anything in the way of functions.

Mr. REED. And it would not change its method and rule of doing business when the method and rule is founded on statutory authority?

Mr. McCARRAN. That is correct.

Mr. REED. I thank the Senator.

Mr. McCARRAN. Let me say to the Senator from Kansas that that has been one of the great problems we have had to work out in the long months of study which we have devoted to the bill. We did not wish to disrupt or change any thing that was statutory; and yet we wanted to establish something which would prescribe and define the avenue by which the individual citizen could gain access to a public agency which would touch his private life, and we wished to find for him a way through the procedure.

Mr. REED. I wish to pay tribute to the Senator from Nevada for the great amount of hard work he has done, and the vast amount of ability and intelligence which he has brought to bear upon this effort, which I hope will be successful. In the light of the great expansion of governmental activities into the private lives of our citizens, some protection of the citizen against these agencies should be provided. It is long overdue. I extend to the Senator from Nevada my appreciation of the great amount of work he has done, and the great ability he has brought to this task.

Mr. McCARRAN. I am very grateful to the Senator from Kansas. I have one ambition in life, and that is that this bill, when enacted into law—as I hope it will—will become a monument to the Congress of the United States for its careful study, and a monument to the Committee on the Judiciary of the Senate for the time, zeal, and diligence which that committee has put into the construction of the bill.

Mr. AUSTIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. STEWART in the chair). Does the Senator from Nevada yield to the Senator from Vermont?

Mr. McCARRAN. I yield.

Mr. AUSTIN. Before the Senator leaves section 2, I should like to inquire about a phrase which is new to me. I refer to the expression "legal wrong" which appears in section 10 (a) on page 34, line 16, and which is used for the purpose of describing a person who is entitled to review. My inquiry is for the purpose of having the RECORD show

what the intention of the author of the bill is with respect to the combination of words "legal wrong." For a long time we have known just what the meaning of "legal injury" is. It seems to me that by the use of the word "wrong" a much broader category of individuals is admitted to review. I suppose that was the benign purpose of the author of the bill; but I should like to have it in the RECORD as a definition, in the course of his address, while he is still on the subject of definitions.

In Bouvier's Law Dictionary, volume 3, page 3500, appears a definition of "wrong."

In its broad sense, it includes every injury to another, independent of the motive causing the injury (*Union Pacific Railway Company* v. *Henry*, 36 Kans. 570, 14 Pac. 1).

There is more to the definition. Is it the intent of the author of the bill to have the words "legal wrong" comprehend the scope of the definition of "wrong" as it appears in Bouvier's Law Dictionary?

Mr. McCARRAN. I have not in mind the language to which the able Senator refers, but the language as I heard him read it is rather common language addressing itself to that subject. My conception of the term "legal wrong" is set forth in the committee report on page 26:

The phrase " legal wrong" means such a wrong as is specified in subsection (e) of this section. It means that something more than mere adverse personal effect must be shown—that is, that the adverse effect must be an illegal effect. The law so made relevant is not just constitutional law, but any and all applicable law.

Let me read further in connection with the construction which I place on the term:

Reviewing courts are required to decide all relevant questions of law, interpret constitutional and statutory provisions, and determine the meaning or applicability of any agency action. They must (A) compel action unlawfully withheld or unreasonably delayed and (B) hold unlawful any action, findings, or conclusions found to be (1) arbitrary, (2) contrary to the Constitution, (3) contrary to statutes or short of statutory right, (4) without observance of procedure required by law, (5) unsupported by substantial evidence upon the administrative record where the agency is authorized by statute to hold hearings subject to sections 7 and 8, or (6) unwarranted by the facts so far as the latter are subject to trial de novo.

I have tried to anticipate the question which the able Senator has propounded to me. I am glad that he asked the question. I have tried to define the term, because I thought it might be well to have it defined in the RECORD.

Mr. AUSTIN. Mr. President, will the Senator further yield?

Mr. McCARRAN. I yield.

Mr. AUSTIN. I see the application of what the distinguished Senator has just stated to the following part of the clause in section 10 (a) namely, "or adversely affected or aggrieved by such action within the meaning of any relevant statute." That is another category of men and women who are entitled to review. But my question was limited to the category described as "any person suffering legal wrong because of any agency action." On this point I should like to read further from the definition of "wrong," because this is a new use of the word. If the author of the bill intends by the use of the term "legal wrong" what is here set forth, I should like to have it in the RECORD, because it would save a great deal of controversy. May I take the time of the Senator to read further from the definition of "wrong" in Bouvier's Law Dictionary?

Mr. McCARRAN. Yes; I should like to have the Senator read it.

Mr. AUSTIN. The definition is as follows:

Wrong. An injury; a tort; a violation of right.

In its broad sense, it includes every injury to another, independent of the motive causing the injury (*Union Pac. Ry. Co.* v. *Henry* (36 Kan. 570, 14 Pac. 1)).

A wrong is an invasion of right to the damage of the party who suffers it. It consists in the injury done, and not commonly in the purpose or mental or physical capacity of the person or agent doing it. It may or may not have been done with bad motive; the question of motive is usually a question of aggravation only (*Williams* v. *Hays* (143 N. Y. 447, 38 N. E. 449, 26 L. R. A. 153, 42 Am. St. Rep. 743)).

In its most usual sense, wrong signifies an injury committed to the person or property of another, or to his relative rights unconnected with contract; and these wrongs are committed with or without force. But in a more extended signification, wrong includes the violation of a contract; a failure by a man to perform his undertaking or promise is a wrong or injury to him to whom it was made (3 Bla. Com. 158).

A public wrong is an act which is injurious to the public generally, commonly known by the name of crime, misdemeanor, or offense; and it is punishable in various ways, such as indictments, summary proceedings and, upon conviction, by death, imprisonment, fine, etc.

Private wrongs, which are injuries to individuals, unaffecting the public; these are redressed by actions for damages, etc. See Remedies; Tort.

For a classification of wrongs, see Holland, Jurisprudence 270.

The combination of words used here is very significant. The adjective "legal" is a limiting adjective; and, as it has been applied in jurisprudence to "injury," it is defined as follows in Words and Phrases, fourth series, second volume, page 548:

"Legal injury" must be violation of some legal right and is distinct from "damage," which is harm, or loss, sustained by injury (*Combs* v. *Hargis Bank & Trust Co.* (27 S. W. (2d) 955, 956, 234 Ky. 202)).

For the sake of the future of those practicing under this estimable bill, I think it would be well to have the RECORD show whether the distinguished author of the bill regards the category of persons entitled to review which is here described, that is, "any person suffering legal wrong," as any person who has suffered in the manner described in the quotation from Bouvier's Law Dictionary.

Mr. McCARRAN. Taking Bouvier and Words and Phrases combined, and taking the decisions of the courts of last resort, to whose language we have access, I should answer the Senator "yes." That is, I take into consideration all the definitions which apply to define that term, and I respectfully refer to the committee report, which I read a moment ago. It means that something more than mere adverse personal effect must be shown; that is, that the adverse effect must be an illegal effect. So, to Bouvier, to Words and Phrases, and to the decisions to which the able Senator refers, I also add the expression contained in the committee report.

Mr. AUSTIN. I thank the Senator.

Mr. McCARRAN. Let me go a little further, because I am very grateful to the Senator for bringing up this question. We asked the Attorney General and the Department of Justice to comment on this bill. I now read to the Senate the Attorney General's comment:

Section 10 (a): Any person suffering legal wrong because of any agency action, or adversely affected or aggrieved by such action within the meaning of any relevant statute, shall be entitled to judicial review of such action. This reflects existing law. In *Alabama Power Co.* v. *Ickes* (302 U. S. 464), the Supreme Court stated the rule concerning persons entitled to judicial review. Other cases having an important bearing on this subject are: *Massachusetts* v. *Mellon* (262 U. S. 447), *The Chicago Junction Case* (264 U. S. 258), *Sprunt & Son* v. *United States* (281 U. S. 249), and *Perkins* v. *Lukens Steel Co.* (310 U. S. 113). An important decision interpreting the meaning of the terms "aggrieved" and "adversely affected" is *Federal Communications Commission* v. *Sanders Bros. Radio Station* (309 U. S. 470).

Mr. President, I have referred the Senator to that expression coming from the Attorney General, in connection with this bill, to indicate to him and to the Senate the meticulous study which we have tried to give to this bill, so that we may construe the terms in such a way that there may be no divergence of views when we get through.

I realize that the layman says this is an intricate bill. In a way it is, and yet in a way it simplifies itself in practice.

Mr. AUSTIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. TUNNELL in the chair). Does the Senator from Nevada yield to the Senator from Vermont?

Mr. McCARRAN. I yield.

Mr. AUSTIN. I wish to compliment the Senator upon his courage in launching out with a new phrase like this. Personally, I think it is an improvement in the law.

Mr. McCARRAN. I am very grateful to the Senator.

Mr. DONNELL. Mr. President, will the Senator yield for an inquiry?

Mr. McCARRAN. I yield.

Mr. DONNELL. I should like to ask the distinguished Senator a question. Section 10 of the bill recites in part that—

Except so far as (1) statutes preclude judicial review or (2) agency action is by law committed to agency discretion—

(a) Right of review: Any person suffering legal wrong because of any agency action, or adversely affected or aggrieved by such action within the meaning of any relevant statute, shall be entitled to judicial review thereof.

It has occurred to me the contention might be made by someone in undertaking to analyze this measure that in any case in which discretion is committed

to an agency, there can be no judicial review of action taken by the agency. The point to which I request the Senator to direct his attention is this: In a case in which a person interested asserts that, although the agency does have a discretion vested in it by law, nevertheless there has been abuse of that discretion, is there any intention on the part of the framers of this bill to preclude a person who claims abuse of discretion from the right to have judicial review of the action so taken by the agency?

Mr. McCARRAN. Mr. President, let me say, in answer to the able Senator, that the thought uppermost in presenting this bill is that where an agency without authority or by caprice makes a decision, then it is subject to review.

But in answer to the first part of the Senator's question—namely, where a review is precluded by law—we do not interfere with the statute, anywhere in this bill. Substantive law, law enacted by statute by the Congress of the United States, granting a review or denying a review is not interfered with by this bill. We were not setting ourselves up to abrogate acts of Congress.

Mr. DONNELL. But the mere fact that a statute may vest discretion in an agency is not intended, by this bill, to preclude a party in interest from having a review in the event he claims there has been an abuse of that discretion. Is that correct?

Mr. McCARRAN. It must not be an arbitrary discretion. It must be a judicial discretion; it must be a discretion based on sound reasoning.

Mr. DONNELL. I thank the Senator.

Mr. AUSTIN. Mr. President, will the Senator yield to me once more?

Mr. McCARRAN. Yes; I yield.

Mr. AUSTIN. Is it not true that among the cases cited by the distinguished Senator were some in which no redress or no review was granted, solely because the statute did not provide for a review?

Mr. McCARRAN. That is correct.

Mr. AUSTIN. And is it not also true that, because of the situation in which we are at this moment, this bill is brought forward for the purpose of remedying that defect and providing a review to all persons who suffer a legal wrong or wrongs of the other categories mentioned?

Mr. McCARRAN. That is true; the Senator is entirely correct in his statement.

Mr. President, I now continue. I wish to say that I am exceedingly grateful for the interruptions; in fact, I do not consider them interruptions, but I consider them amplifications of the thought sought to be expressed by this proposed legislation.

Let me say to the Senators now present—and I think I can speak for the Committee on the Judiciary—that I do not believe a more important piece of legislation has been or will be presented to the Congress of the United States than the one which I am trying in my humble way to explain to the Senate today, because it deals with something which touches the most lowly as well as the most elevated and lofty citizen in the land. It touches every phase and form of human activity, and it deals with that which at the opening of my statement I described as the fourth dimension or fourth branch of our democracy. In other words, by the Constitution the executive, the legislative, and the judicial branches of our Government were set up; but now we have a fourth branch, the administrative form of our Government.

Mr. SMITH. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield to the Senator from New Jersey.

Mr. SMITH. I should like to remark that I had the honor of being on the Judiciary Committee when this bill was first brought up; and it was because I felt so strongly what the distinguished Senator from Nevada has just said—namely, the vital importance of a measure of this kind—that I asked the privilege of having the committee postpone reporting the bill until I had had an opportunity as the Senator from Nevada will recall, to send copies of the bill to friends of mine in the legal profession, both in the State of New Jersey and in the State of New York, and to ask for their judgment. I wish if I may to pay the Senator from Nevada the tribute of saying that, without exception, the distinguished jurists who examined this bill said that it was one of the finest measures they had ever seen, and they were wholeheartedly behind it and urged its passage as soon as possible. I may say that certain minor suggestions were made, as the Senator may recall, with reference to possible changes here and there, and that points arose such as those which have arisen here on the floor. But I cannot allow this occasion to pass without paying my tribute to the Senator from Nevada for the great job which he has done, and for the care which he has taken over a period of possibly 3 years to bring before this body one of the most important pieces of judicial legislation of which I can conceive. I wish to go on record as supporting this measure and as supporting the Senator from Nevada in his effort to secure its passage.

Mr. McCARRAN. Mr. President, I am very grateful to the Senator from New Jersey for what he has said. I may say that, because of the Senator's outstanding contributions to the principles of law, and the fine guidance which the chairman of the committee received at his hands, it was a great regret to the chairman of the Judiciary Committee to learn that it was not possible for the Senator from New Jersey to remain with the committee.

Mr. MORSE. Mr. President, will the Senator from Nevada yield to me.

Mr. McCARRAN. I yield.

Mr. MORSE. Mr. President, I wish to commend the Senator from Nevada for the great work which he has done in the preparation and presentation of this bill to the Senate. As one who has taught in the field of administrative law for many years, I may say that the bill supplies what has been to me a very obvious need in the administration of government by law, in that it recognizes the relationship between procedural rights and substantive rights as such rights relate to administrative law.

For many years I have spoken and written in support of the basic principles embodied in the pending bill. I particularly commend the Senator from Nevada for the recommendation contained in the bill of at least a rule of evidence stronger than the some-evidence rule. As I understand the bill in its present form, it recognizes and approves the substantial evidence rule. I believe that in the future, however, as the Congress deals with specific administrative law agencies and tribunals, we will have to recognize that in some particular instances we need an evidence rule even stronger than the substantial evidence rule. In many instances it seems to me that the weight-of-evidence rule should be the rule used to govern judicial reviews of the decisions of many administrative tribunals.

Mr. McCARRAN. Mr. President, I am very grateful to the Senaor from Oregon for his observations, and for his knowledge of the law.

I wish now to proceed section by section with an explanation of the bill.

Mr. BARKLEY. Mr. President, before the Senator continues. I ask that he yield to me because he might wish to have in mind, in making his explanation, what I am about to say.

Several years ago there was before the Congress the Walter-Logan bill, which was an administrative law measure. I was not in favor of that measure. I opposed it as actively as I could. I felt that under the terms of the bill the agencies of the Government established by Congress would be woefully handicapped in carrying on their functions, because of interminable delay and long-drawn-out proceedings which might be involved, thereby resulting in nullifying acts of the legislative departments until such time as the acts would be of no value even if carried out. Congress passed the bill and President Roosevelt, as I recall, vetoed it.

The pending bill is a new effort to deal with the subject about which we all admit something should be done.

When the Senator expains the terms of the bill section by section, will it be his purpose to show in what respect and in what way the Walter-Logan measure has been modified, or provisions of it have been eliminated, so as to remove some of the objections some of us had to that proposed legislation?

Mr. McCARRAN. A few days ago the able Senator from Kentucky evinced his attitude with reference to the Walter-Logan bill, and I knew of his attitude with reference to it. Therefore, I have now prepared a presentation of comparisons of provisions. I have done so by way of explanation, I may say in answer to the Senator. It would be impossible for me to compare the Walter-Logan bill provision by provision with the pending bill, for the mere reason that they are two entirely different bills. They relate to the same subject, but they approach it in entirely different ways. However, I believe that I can illustrate the difference in a few words.

The pending bill is designed to set forth minimum procedural essentials for various types of functions. It does not refer to agencies by name. It contains no ex-

ceptions. It is thus not aimed at any particular agency or agencies. The Walter-Logan bill, on the other hand, contained a great many exceptions of agencies and subjects. Section 7 (b) was thought to indicate either that it was aimed at particular agencies, or was so imperfectly conceived that it could not be applied across the board. The pending bill does, however, in section 2 (a), exempt war agencies, because they are presumably self-liquidating, and it was deemed unwise to attempt to cover them at this late date.

The definitions of the Walter-Logan bill were imperfect and confusing. Rules were so defined as to include "orders" and were limited to interpretations of terms of statutes. That bill, therefore, failed to distinguish between substantive, interpretive, and procedural rules. The pending bill exempts from its procedural requirements all interpretive, organizational, and procedural rules, because under present law interpretive rules, being merely adaptations of interpretations of statutes, are subject to a more ample degree of judicial review, and because the problem with respect to the other exempted types of rules is to facilitate their issuance rather than to supply procedures.

The pending bill, therefore, applies procedures only to the making of so-called substantive rules, that is, through administrative legislation under authority of Congress. Other definitions in the Walter-Logan bill are entirely different from those in the pending bill, but, in answer to the Senator from Kentucky, I believe that nothing will be gained by examining those differences here.

Mr. BARKLEY. In other words, the Senator's bill is the result of a careful study of the whole subject made since the consideration by Congress of the Walter-Logan bill, and since the formal veto of that measure by the President, and the recommendation of former Attorney General Homer Cummings who, I believe, as one of the last things which he did before retiring, recommended legislation along this line without going into detail about it. Subsequently a committee was appointed, perhaps by the present Attorney General or one of his predecessors——

Mr. McCARRAN. A former Attorney General.

Mr. BARKLEY. A former Attorney General, all of which took place following the consideration of the previous legislation known as the Walter-Logan bill, or the Logan-Walter bill, I do not know which. However, in the main, the pending bill complies with the recommendations of the various investigations which have been made since consideration of the Walter-Logan bill with respect to legislation upon this subject.

Mr. McCARRAN. I would not use the word "complies." I would say that the bill takes into consideration those studies and is guided by them.

Mr. BARKLEY. I did not mean in my use of the word "complies" that the bill followed the recommendations word for word, but it does take into consideration the facts developed by the various investigations to which I have referred. The committee has been, of course, well informed as to the validity of any recommendations made upon the subject, but it does approach the subject from the standpoint of helpfulness in the administration of the law, rather than from the standpoint of undertaking to nullify what executive departments set up by Congress might be attempting to do.

Mr. McCARRAN. Positively, we nullify nothing.

Mr. BARKLEY. That was my objection to the former measure, as the Senator will recall.

Mr. McCARRAN. I do recall very well. I may say to the Senator from Kentucky that earlier in my discourse upon the pending bill I discussed the differentiations between the Walter-Logan bill and the Attorney General's committee report, and so on.

Mr. BARKLEY. I was necessarily called from the Chamber and was not present.

Mr. McCARRAN. I realize that.

Mr. President, section 3 of the bill concerns provisions respecting public information and it should be noted that the bill exempts from the public-information provisions of this section, first, matters requiring secrecy in the public interest, and second, matters relating solely to the internal management of an agency.

Subsection (a) of section 3 concerns rules. Under this subsection every agency is required to publish in the Federal Register its organization, its places of doing business with the public, its methods of rule making and adjudication, including the rules of practice relating thereto, and such substantive rules as it may frame for the guidance of the public. No person is in any manner to be required to resort to organization or procedure not so published.

Subsection (b) of section 3 concerns opinions and orders. Under this subsection agencies are required to publish or, pursuant to rule, to make available to public inspection all final opinions or orders in the adjudication of cases except those held confidential for good cause and not cited as precedents.

Subsection (c) of section 3 concerns public records, and provides that except as statutes may require otherwise, or information may be held confidential for good cause, matters of official record are to be made available to persons properly and directly concerned, in accordance with rules to be issued by the agency.

Section 4 concerns rule making. The introductory clause exempts from all of the requirements of section 4 any rule making, so far as there are involved military, naval, or foreign affairs functions, or matters relating to agency management or personnel, or to public property, loans, grants, benefits, or contracts.

Mr. President, I wish the Senate would give close consideration to what I am about to discuss, because it is all important.

Subsection (a) of section 4 concerns notice. It provides that general notice of proposed rule making must be published in the Federal Register and must include the time, place, and nature of the proceedings, a reference to the authority under which such proceedings are held, and the terms, substance, or issues involved. However, except where notice and hearing is required by some other statute, the subsection does not apply to rules other than those of substance, or where the agency for good cause finds, and incorporates the finding and reasons therefor in the published rule, that notice and public procedure are impracticable, unnecessary, or contrary to the public interest.

Subsection (b) of section 4 concerns procedures. This subsection provides that after such notice as required by the preceding subsection, the agency must afford interested persons an opportunity to participate in the rule-making, at least to the extent of submitting written data, views, or argument. This subsection also provides that after consideration of such presentations, the agency much incorporate in any rules adopted a concise general statement of their basis and purpose. However, where other statutes require rules to be made after hearing, the requirements of sections 7 and 8, which relate to public hearings and decisions thereon, apply in place of the provisions of this subsection.

Subsection (c) of section 4 refers to effective dates. The required publication or service of any substantive rule must, under this provision, be made not less than 30 days prior to the effective date of such rule, except as otherwise provided by the agency for good cause found and published, or, in the case of rules recognizing exemption or relieving restriction, interpretative rules, and statements of policy.

Subsection (d) of section 4 concerns petitions, and provides that every agency shall accord any interested person the right to petition for the issuance, amendment, or repeal of a rule.

Section 5 of the bill concerns adjudications. The initial provision of this section makes it clear that subsequent provisions of the section apply only where the case is otherwise required by statute to be determined upon an agency hearing, except that, even in that case, the following classes of operations are expressly not affected: First, cases subject to trial de novo in court; second, selection or tenure of public officers other than examiners; third, decisions resting on inspections, tests, or elections; fourth, military, naval, and foreign affairs functions; fifth, cases in which an agency is acting for a court; and, sixth, the certification of employee representatives.

Subsection (a) of section 5 refers to notice. Under this subsection, persons entitled to notice of an agency hearing are to be duly and timely informed of the time, place, and nature of the hearing, the legal authority and jurisdiction under which it is to be held, and the matters of fact and law asserted. Where private persons are the moving parties, respondents must give prompt notice of issues controverted in law or fact; and in other cases the agency may require responsive pleading. In fixing the times and places for hearings the agency must give due regard to the convenience and necessity of the parties.

Subsection (b) of section 5 concerns procedure. Under this subsection the agency is required first to afford parties

an opportunity for the settlement or adjustment of issues, where time, the nature of the proceeding, and the public interest permit; and then requires that such opportunity for settlement or adjustment be followed, to the extent that issues are not so settled or adjusted, by hearing and decision under sections 7 and 8.

Subsection (c) of section 5 concerns the separation of functions. It provides that officers who preside at the taking of evidence must make the decision or recommended decision in the case. They may not consult with any person or party except openly and upon notice, save in the disposition of customary ex parte matters, and they may not be made subject to the supervision of prosecuting officers. Prosecuting officers may not participate in the decisions except as witnesses or counsel in public proceedings. However, the subsection is not to apply in determining applications for initial licenses or the past reasonableness of rates; nor does it apply to the top agency or members thereof.

Subsection (d) of section 5 provides that every agency is authorized, in its sound discretion, to issue declaratory orders with the same effect as other orders.

Section 6 concerns ancillary matters. The provisions of this section relating to incidental or miscellaneous rights, powers, and procedures do not override contrary provisions in any other part of the bill.

Subsection (a) of section 6 refers to appearance. It provides that any person compelled to appear in person before any agency or its representative is entitled to counsel. In other cases, every party may appear in person or by counsel. So far as the responsible conduct of public business permits, any interested person may appear before any agency or its responsible officers at any time for the presentation or adjustment of any matter. Agencies are to proceed with reasonable dispatch to conclude any matter so presented, with due regard for the convenience and necessity of the parties. Nothing in the subsection is to be taken as recognizing or denying the propriety of nonlawyers representing parties.

Mr. AUSTIN. Mr. President, before the Senator leaves that thought, I wish to ask a question. I notice on page 28 of the bill, line 7, in the section to which the Senator is referring, this language:

> Nothing herein shall be construed either to grant or to deny to any person who is not a lawyer the right to appear for or represent others before any agency or in any agency proceeding.

Is it not a fact that somewhere in the bill the distinguished Senator has reserved the right to a nonprofessional—that is, a man who is not a lawyer—to appear, if the agency having jurisdiction permits it? That is, there is a discretion permitted, is there not? For example, take a case where a scientific expert would better represent before the Commission the interests involved than would a lawyer. The right to obtain that privilege is granted in the bill somewhere, is it not?

Mr. McCARRAN. The Senator is correct; and in connection with that I wish to read from the Attorney General's comment, as follows:

> This subsection does not deal with, or in any way qualify, the present power of an agency to regulate practice at its bar. It expressly provides, moreover, that nothing in the act shall be construed either to grant or to deny the right of nonlawyers to appear before agencies in a representative capacity. Control over this matter remains in the respective agencies.

That is the Attorney General's observation.

Mr. AUSTIN. Mr. President, will the Senator yield to me further?

Mr. McCARRAN. Gladly.

Mr. AUSTIN. I wish to ask the Senator if the provision of the bill which I shall now read means to make permissible the appearance for a principal of any person the agency deems appropriate. I read:

> Any person compelled to appear in person before any agency or representative thereof shall be accorded the right to be accompanied, represented, and advised by counsel or, if permitted by the agency, by other qualified representative.

Does the Senator construe that language as authorizing, for example, a principal to be represented by an accountant?

Mr. McCARRAN. The answer is emphatically "yes."

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. McKELLAR. The next sentence following the one which the distinguished Senator from Vermont has just read apparently provides for that. The language is:

> Every party shall be accorded the right to appear in person or by or with counsel or other duly qualified representative in any agency proceeding.

That language seems to be broad enough to cover the whole matter.

Mr. AUSTIN. I hope it does, Mr. President.

Mr. McKELLAR. I hope so, too.

Mr. AUSTIN. I have doubt about it, however. The word "representative" having a special legal interpretation, I did not know but that it was limited to that. That is why I asked the question.

Mr. McCARRAN. I want to make very clear that my answer is in the affirmative both to the Senator from Vermont and to the Senator from Tennessee.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. FERGUSON. Did the Senator say that the language guarantees the right of a person in all cases to appear by his counsel?

Mr. McCARRAN. Positively so.

Mr. FERGUSON. How would the Senator define the word "counsel"? Does that mean lawyer?

Mr. McCARRAN. He may be a lawyer or he may be a nonlawyer.

Mr. FERGUSON. He may be a nonlawyer. Then could the agency determine what particular person may be qualified to appear before it?

Mr. McCARRAN. Will the Senator repeat the question?

Mr. FERGUSON. Could the agency itself determine the qualifications of representatives of parties?

Mr. McCARRAN. It is left open so that the agency may determine the qualification of any one who may appear in certain classes of cases. As, for instance, in an accusatory case, where one is accused of something, he may be required to appear by attorneys so as to defend him in his rights.

Mr. FERGUSON. Let us consider the Tax Board. Could the Board itself determine that certain individuals were qualified to appear and that other persons were not qualified to appear?

Mr. McCARRAN. The answer to that question is "No." The Board could not do so. The Board would have to accept lawyers or nonlawyers, as the case might be, because a tax expert may not be a lawyer.

Mr. FERGUSON. Let us take the patent bar.

Mr. McCARRAN. The same is true in that case. A certified public accountant, for instance, may not be a lawyer, but he could appear.

Mr. AUSTIN. Mr. President, the only point is that he would have to be permitted to appear.

Mr. McCARRAN. That is true. He would have to be permitted by the agency to appear. There is an explanatory statement in the committee report which I desire to read. It refers to subsection (a) of section 6, and is found on page 19 of the report:

> The final sentence provides that the subsection shall not be taken to recognize or deny the right of nonlawyers to be admitted to practice before any agency, such as the practitioners before the Interstate Commerce Commission.

That has become quite an outstanding practice.

> The use of the word "counsel" means lawyers. While the subsection does not deal with the matter expressly, the committee does not believe that agencies are justified in laying burdensome admission requirements upon members of the bar in good standing before the courts. The right of agencies to pass upon the qualifications of nonlawyers, however, is expressly recognized and preserved in the subsection.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. McCARRAN. Yes.

Mr. FERGUSON. The last sentence read by the able Senator would indicate that if a member of the bar was in good standing before the bar he would have the right to appear. Only with respect to nonmembers of the bar could the agency make determination as to whether they have the qualifications to appear before it.

Mr. McCARRAN. That is correct.

Mr. McKELLAR. Mr. President, will the Senator again yield?

Mr. McCARRAN. I yield.

Mr. McKELLAR. May I ask the Senator a very general question, which will show that I have not examined the bill with care? Do I correctly understand that the principal purpose of the bill is to allow persons who are aggrieved as the result of acts of governmental agencies to appeal to the courts?

Mr. McCARRAN. Yes.

Mr. McKELLAR. That is the general underlying purpose of the bill?

Mr. McCARRAN. Yes. But let me add, that where a statute denies resort to the court the bill would not set aside such statute. If a statute denies the right of review, the bill does not interfere with the statute.

Mr. McKELLAR. The bill applies only to orders.

Mr. McCARRAN. The bill paves the avenue by which administrative procedure may be conducted in orderly fashion, and by which an individual aggrieved and believing he has a right to appear before an administrative body may find his way clearly defined to get before that body.

Mr. McKELLAR. If not otherwise prohibited by existing law.

Mr. McCARRAN. Yes.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. BARKLEY. The bill assumes then that when Congress has heretofore passed legislation providing that there shall be no access to a court, Congress had a particular reason for enactment of such legislation, and the bill's provisions would also apply to future legislation of similar kind.

Mr. McCARRAN. Yes. I shall now proceed with my statement.

Subsection (b) of section 6 concerns investigations. It provides that investigative process is not to be issued or enforced except as authorized by law. Persons compelled to submit data or evidence are entitled to retain, or, on payment of costs, to procure, copies of such data or evidence, except that in nonpublic proceedings a witness may for good cause be limited to inspection of the official transcript.

Subsection (c) of section 6 concerns subpenas. It provides that where agencies are by law authorized to issue subpenas, parties may secure them upon request and upon a statement or showing of general relevance and reasonable scope if the agency rules so require. Where a party contests a subpena, the court is to inquire into the situation, and, so far as the subpena is found in accordance with law, the court is to issue an order requiring the production of the evidence under penalty of contempt for failure then to do so.

Subsection (d) of section 6 requires that prompt notice shall be given of denials of requests in any agency proceeding, and that such notice shall be accompanied by a simple statement of grounds for such denial.

Section 7 concerns hearings and applies only where hearings are required by section 4 or 5.

Subsection (a) of section 7 provides that the hearing must be held either by the agency, a member or members of the board which comprises it, one or more examiners, or other officers specially provided for in other statutes or designated by other statutes. All presiding and deciding officers are to operate impartially. They may at any time withdraw if they deem themselves disqualified; and, upon the filing of a proper affidavit of personal bias or disqualification against them, the agency is required to determine the matter as a part of the record and decision in the case.

Subsection (b) of section 7 concerns hearing powers. It provides that presiding officers, subject to the rules of procedure adopted by the agency and within its powers, have authority as follows: First, to administer oaths; second, to issue such subpenas as are authorized by law; third, to receive evidence and rule upon offers of proof; fourth, to take depositions or cause depositions to be taken; fifth, to regulate the hearing; sixth, to hold conferences for the settlement or simplification of the issue; seventh, to dispose of procedural requests; eighth, to make decisions or recommended decisions under section 8 of the bill; and, ninth, to exercise other authority as provided by agency rule consistent with the remainder of the bill.

Subsection (c) of section 7 relates to evidence. It provides that except as statutes otherwise provide, the proponent of a rule or order has the burden of proof. While any evidence may be received, as a matter of policy agencies are required to provide for the exclusion of irrelevant and unduly repetitious evidence, and no sanction may be imposed, or rule or order issued, except as supported by relevant, reliable, and probative evidence. Any party may present his case or defense by oral or documentary evidence, may submit rebuttal evidence, and may conduct reasonable cross-examination. However, in the case of rule making or determining applications for initial licenses, the agency may adopt procedures for the submission of evidence in written form so far as the interest of any party will not be prejudiced thereby.

Mr. AUSTIN. Mr. President, at that point I wish the Senator from Nevada would yield for a question.

Mr. McCARRAN. I gladly yield to the Senator from Vermont.

Mr. AUSTIN. Did the committee intentionally choose the language "except as supported by relevant, reliable, and probative evidence" in order to avoid the rule of scintilla of proof? This phrase is very significant, as I see it. On review, for example, the case, in order to carry through as decided by the agency, would have to be supported by relevant, reliable, and probative evidence. That is, in my opinion, a very important forward step in judicial procedure, to say nothing about administrative procedure. For my part I am glad to see it in the bill.

Mr. McCARRAN. Let me say to the Senator from Vermont that in the preparation of this bill many obstacles were encountered. Some of us insisted that the testimony must be relevant, material, and competent, and that nothing else should be taken. However, representatives of agencies came before us and presented their views, saying that such a rule would curtail their operations, and that they ought to be given greater latitude. They said to us, "We are not lawyers." We are acting in a quasi-judicial capacity. We ought to be able to go outside and get hearsay testimony, if you please. We might be able to indulge in theory." So rather than curtail the agencies, we sought an intermediate ground which we thought would be protective of the rights of individuals, and at the same time would not handicap the agencies. So we said to them, 'You may go outside and get what would be secondary evidence, or hearsay; you may perhaps even go into the realm of conjecture; but when you write your decision it must be based upon probative evidence and nothing else. If in the formation of your decision you consider other than probative evidence, your decision will be subject to being set aside by a court of review."

In other words, we did not wish to destroy the administrative agencies or prescribe the methods under which they have been operating. Some of us know that in committees of the Senate we very frequently hear evidence which we know is hearsay. I doubt very much if any hearing is ever conducted in which, to some extent, hearsay is not admitted. But we believed, and we now believe, that reasonable men can sift the grain from the chaff. Then we laid down the rule that the administrative agencies must not make a finding which impinges upon an individual unless there is behind such finding probative evidence to sustain it. That is what we have worked out in this bill. I have given the explanation at some length in answer to the Senator from Vermont.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. FERGUSON. Would the Senator, then, say that the judgment or decision of the agency must be based upon stronger proof than a scintilla of evidence?

Mr. McCARRAN. Very much stronger.

Mr. FERGUSON. The old rule which applied in the courts, particularly on certiorari, was that if there was any evidence to sustain the verdict or judgment, it should be sustained. The courts have many times so held. The Senator would say, would he not, that something more than "any evidence" is required to sustain such a decision.

Mr. McCARRAN. The answer is in the affirmative. We say that the evidence must be substantial probative evidence.

Mr. FERGUSON. So we are changing the rule which has been applied in the past that any evidence, or a scintilla of evidence, as it is sometimes defined, is sufficient to sustain a verdict or judgment.

Mr. McCARRAN. We tried as best we could to establish a guide for administrative groups so that they would apply the rule in such a way that there would be substantial probative evidence behind their findings, and so that they could say, "We are not afraid to have our findings reviewed by a court."

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. GEORGE. The courts have many times held that if there is any evidence to sustain the finding of an administrative board under the statute, the courts have no power to intervene. If this bill should become a law would that rule, as heretofore construed by the courts, remain in effect?

Mr. McCARRAN. The courts have given various constructions. The courts,

in reviewing an order, are governed by the provisions of section 10 (e), which states the substantial-evidence rule. In other words, in some instances the courts have held that there must be substantial evidence. We are saying that there must be probative evidence of a substantial nature, and that even though the commission or bureau may take hearsay evidence in its hearings, it must have some probative evidence to sustain its finding.

Mr. GEORGE. The point I wish to raise is that some of the acts of Congress, particularly those enacted in recent years, have led the courts to hold—and they so hold—that if there be any evidence to sustain the finding of a board or agency, the court has no power to interfere with it.

Mr. McCARRAN. I would put it in this way—

Mr. GEORGE. Would the enactment of this bill require some substantial or probative evidence to support such a finding?

Mr. McCARRAN. Yes.

Mr. GEORGE. Take the labor relations cases. Senators are familiar with them. The circuit courts have frequently complained against what the Labor Relations Board did, but have said, "We are powerless to interfere with it." Would this bill change that rule, if the court were of the opinion that there was no probative evidence?

Mr. McCARRAN. Yes; it would change that rule.

Mr. GEORGE. I am pleased to hear it.

Mr. McCARRAN. I thank the Senator.

Subsection (d) of section 7 provides that the record of evidence taken and papers filed is exclusive for decision, and, upon payment of costs, is available to the parties. Where decision rests on official notice of a material fact not appearing in the evidence of record, any party may on timely request show the contrary.

Section 8 relates to decisions, and applies to cases in which a hearing is required to be conducted pursuant to section 7.

Subsection (a) of section 8 relates to action by subordinates. It provides that where the agency has not presided at the reception of the evidence, the presiding officer, or any other officer qualified to preside, in cases exempted from subsection (c) of section 5, must make the initial decision unless the agency, by general rule or in a particular case, undertakes to make the initial decision. If the presiding officer makes the initial decision, it becomes the decision of the agency in the absence of an appeal to the agency or review by the agency on its own motion. On such appeal or review, the agency has all the powers it would have had in making the initial decision. If the agency makes the initial decision without having presided at the taking of the evidence, whatever officer took the evidence must first make a recommended decision, except that, in rule making or determining applications for initial licenses, the agency may instead issue a tentative decision or any of its responsible officers may recommend a decision, or such intermediate procedure may be wholly omitted in any case in which the agency finds on the record that the execution of its functions imperatively and unavoidably so requires.

Subsection (b) of section 8 concerns submittals and decisions. It provides that prior to each recommended or other decision or review, the parties must be given an opportunity to submit for the full consideration of deciding officers, first, proposed findings and conclusions, or exceptions to recommended decisions or other decisions being appealed or reviewed; and, second, supporting reasons for such findings, conclusions, or exceptions. All recommended or other decisions become a part of the record and must include findings and conclusions, as well as the basis therefor, upon all the material issues of fact, law, or discretion presented by the record, besides including the appropriate agency action or denial.

Section 9 concerns sanctions and powers, and relates to the exercise of any power or authority by an agency.

Unlike sections 7 and 8, section 9 applies in all relevant cases, regardless of whether the agency is required by statute to proceed upon hearing or in any special manner. Section 9 also applies to any power or authority that an agency may assume to exercise.

Subsection (a) of section 9 requires that no sanction may be imposed, or substantive rule or order issued, except within the jurisdiction delegated to the agency, and as authorized by law.

Subsection (b) of section 9 refers to licenses. Under this subsection, agencies are required, with due regard for the rights or privileges of all interested parties or persons adversely affected, to proceed with reasonable dispatch to conclude and decide proceedings on applications for licenses. Under this subsection, agencies are not to withdraw a license without first giving the licensee notice in writing and an opportunity to demonstrate or achieve compliance with all lawful requirements, except in cases of wilfulness or those in which public health, interest, or safety requires otherwise. In businesses of a continuing nature, no license is to expire until timely applications for new licenses or renewals are determined by the agency.

Section 10 is the section which relates to judicial review. This section does not apply in any situation so far as there are involved matters with respect to which existing statutes preclude judicial review, or with respect to which agency action is by law committed to agency discretion.

Subsection (a) of section 10 provides that any person suffering legal wrong because of any agency action, or adversely affected within the meaning of any statute, is entitled to judicial review.

Subsection (b) of section 10 concerns the form and venue of action. It provides that the technical form of proceeding for judicial review is any special proceeding provided by statute, or, in the absence or inadequacy thereof, any relevant form of legal action, such as those for declaratory judgments or injunctions, in any court of competent jurisdiction. Furthermore, under this subsection, agency action is also made subject to judicial review in any civil or criminal proceeding for enforcement, except to the extent that prior, adequate, and exclusive opportunity for such review is provided by law.

Subsection (c) of section 10 concerns reviewable acts of agencies. This subsection provides that agency action made reviewable specially by statute, or final agency action for which there is no other adequate judicial remedy, is subject to judicial review. In addition, preliminary or procedural matters not directly subject to review are made reviewable upon the review of final actions. Except as statutes may expressly require otherwise, agency action is final regardless of whether there has been presented or determined any application for a declaratory order, for any form of reconsideration, or unless the agency otherwise requires by rule, for an appeal to superior agency authority.

Subsection (d) of section 10 concerns interim relief. It provides that pending judicial review, any agency may postpone the effective date of its action. Upon conditions, and as may be necessary to prevent irreparable injury, any reviewing court may postpone the effective date of any agency action, or preserve the status quo pending conclusion of review proceedings.

Subsection (e) of section 10 concerns the scope of review. Under this subsection, reviewing courts are required to decide all relevant questions of law, interpret constitutional and statutory provisions, and determine the meaning or applicability of any agency action. Such courts are required to compel action shown to be unlawfully withheld or unreasonably delayed. They are required to hold unlawful any action, findings, or conclusions found to be either arbitrary or contrary to the Constitution or contrary to statutes or short of statutory right or without observance of procedure required by law or unsupported by substantial evidence upon the administrative record, where the agency is authorized by statute to hold hearings subject to sections 7 and 8, or unwarranted by the facts insofar as the latter are subject to trial de novo. In making these determinations the court is to consider the whole record or such parts as the parties may cite, and due account must be taken of the rule of prejudicial error.

Section 11 relates to examiners. It provides that, subject to the civil-service and other laws not inconsistent with this bill, agencies are required to appoint such examiners as may be necessary for proceedings under sections 7 and 8. Such examiners are to be assigned to cases in rotation, insofar as practicable and are to perform no inconsistent duties. Under this section, examiners are removable only for good cause determined by the Civil Service Commission, after opportunity for hearing, and upon the record thereof. Examiners are to receive compensation prescribed by the Civil Service Commission independently of agency recommendations or ratings. One agency may, with the consent of another and upon selection by the Civil Service Commission, borrow examiners from another agency. The Civil Service Commission is given the

necessary powers to operate under this section.

Section 12 relates to the construction and effect of the bill. It provides that nothing in the bill is to diminish constitutional rights or limit or repeal additional requirements of law. It provides that requirements of evidence and procedure are to apply equally to agencies and private persons, except as otherwise provided by law. The unconstitutionality of any portion or application of the bill is not to affect other portions or applications. Agencies are granted all authority necessary to comply with the bill. Subsequent legislation is not to modify the bill except as it may do so expressly. The bill would become law 3 months after its approval, except that sections 7 and 8 would take effect 6 months after approval, the requirements of section 11 would become effective a year after approval, and no requirement is mandatory as to any agency proceeding initiated prior to the effective date of such requirement.

That completes the synopsis of the bill.

Mr. President, as I have pointed out before, this bill is designed to operate as a whole, and its provisions are closely interrelated. At the same time, it should be pointed out that there are certain provisions which touch upon subjects long regarded as of the highest importance. On some of these subjects, such as the separation of examiners from the agencies they serve, there has been a wide divergence of views. The committee has, in such cases, taken the course which it believes will suffice, without being excessive. Amendatory or supplementary legislation can supply any deficiency which experience discloses in such cases. The committee believes that special note should be made of these situations:

The exemption of rule making and determining applications for licenses, from provisions of sections 5 (c), 7 (c), and 8 (a) may require change if, in practice, it develops that they are too broad. The committee believes it has followed sound discretion in selection of the language used, and it is the feeling of the committee that, where cases present sharply contested issues of fact, agencies should not as a matter of good practice take advantage of the exemptions.

The committee has considered the possibility that the preservation in section 7 (a) of the "conduct of specified classes of proceedings in whole or part by or before boards or other officers specially provided for by or designated pursuant to statute" might prove to be a loophole for avoidance of the examiner system. If experience should prove this true in any real sense, corrective legislation would be or might be necessary. Therefore, the committee desires that Government agencies should be put on notice that the provision in question is not intended to permit agencies to avoid the use of examiners, but only to preserve special statutory types of hearing officers who contribute something more than examiners could contribute, and at the same time to assure the parties fair and impartial procedure.

The basic provision respecting evidence, in section 7 (c)—the provision requiring that any agency action must be supported by plainly "relevant, reliable, and probative evidence"—will require full compliance by agencies, and diligent enforcement by reviewing courts, and so forth. Should the language prove insufficient to fix and maintain the standards of proof, supplemental legislation will become necessary. That is another matter which, at the outset of legislation such as this must depend upon the spirit in which the agencies attempt to comply fully with the law. The committee anticipates nothing less than full compliance and adequate enforcement; and, with such compliance and enforcement, the committee believes that the language in question will be adequate.

Another extremely important matter is the substantial evidence rule contained in section 10 (e).

As a matter of language, "substantial evidence" would seem to be an adequate expression of law. The difficulty, if any, arises from the practice of agencies to rely upon—and, in some cases, the tendency of courts to tacitly approve—something less than adequate evidence; to rely upon suspicion, surmise, implications, or plainly incredible evidence. It will be the duty of the courts to determine, in the final analysis, and in the exercise of their independent judgment, whether on the whole the evidence in a given instance is sufficiently substantial to support a finding, conclusion, or other agency action as a matter of law. In the first instance, however, it will be the function of the agency to determine the sufficiency of the evidence upon which it acts; and the proper performance of its public duties will require the agency to undertake this inquiry in a careful and dispassionate manner. Should these objectives of the bill, as worded, fail to produce the desired result, supplemental legislation will be required.

Mr. AUSTIN. Mr. President, will the Senator yield at this point?

Mr. McCARRAN. I yield.

Mr. AUSTIN. In the event that there is no statutory method now in effect for review of a decision of an agency, does the distinguished author of the bill contemplate that by the language he has chosen he has given the right to the injured party or the complaining party to a review by such extraordinary remedies as injunction, prohibition, quo warranto, and so forth?

Mr. McCARRAN. My answer is in the affirmative. That is true.

Mr. AUSTIN. And does he contemplate that even where there is no statutory authority for certiorari, a party might bring certiorari against one of these agencies?

Mr. McCARRAN. Unless the basic statute prohibits it.

Mr. AUSTIN. I thank the Senator.

Mr. McCARRAN. Mr. President, what follows in my explanation is largely the expression of the opinion of the author of the bill. I have gone through the various sections of the bill section by section.

The matters which I have just mentioned do not include all the provisions of this bill which will require vigilant attention in order to assure their proper operation. Almost any provision of the bill, if wrongly interpreted, or minimized, may present occasion for supplemental legislation. On the other hand, should it appear at any time that the requirements result in some undue impairment of a particular administrative function, appropriate amendments or exceptions may be in order.

This bill enters a new legislative field. It attempts to provide a form and scope of protection long overdue. In the nature of things, we must anticipate that experience will indicate certain points at which the law should be strengthened or amended. But, Mr. President, it would be folly to contend that the protection which this bill seeks to give should be deferred until it is possible to come here and say: "This bill is perfect." Because, Mr. President, that day cannot come until we have had the experience of operation under such a law, and that experience alone will serve to point out what may be the actual deficiencies of the bill.

Except in a few respects, this is not a measure conferring administrative powers, but is one laying down definitions and stating limitations. These definitions and limitations must, to be sure, be interpreted and applied by agencies affected by them, in the first instance. But the enforcement of the bill by the independent judicial interpretation and application of its terms is a function which, in the final analysis, is clearly conferred upon the courts.

Therefore, it will be the duty of reviewing courts to prevent avoidance of the requirements of the bill by any manner or form of indirection, and to determine the meaning of the words and phrases used, insofar as they have not been defined in the bill itself. For example, in several provisions of the bill, the expression "good cause" is used. The cause so specified must be interpreted by the context of the provision in which it is found, and the purpose of the entire section and bill. The cause found must be real and demonstrable. If the agency is proceeding upon a statutory hearing and record the cause will appear there; otherwise, it must be such that the agency may show the facts and considerations warranting the finding in any proceeding in which the finding is challenged. The same would be true in the case of findings other than of good cause, required in the bill. As I have said, these findings must in the first instance be made by the agency concerned; but, in the final analysis, their propriety in law, and on the facts, must be sustainable upon inquiry by a reviewing court.

Nevertheless, Mr. President, it must be obvious that for most practical purposes the Congress and the people must look to the agencies themselves for fair administration of the laws and for compliance with this bill. Judicial review is of utmost importance, but it can be operative in relatively few cases because of the cost and general hazards of litigation. It is indispensable, since its mere existence generally precludes the arbitrary exercise of powers, or the assumption of powers not granted. Yet, in the vast majority of cases, the agency concerned usually speaks the first and last word. For that reason, the agencies must

make the first, primary, and most far-reaching effort to comply with the terms and the spirit of this bill.

The committee does not consider this bill as an indictment of administrative agencies or administrative processes. The committee takes no position one way or the other on those questions. By enacting this bill, the Congress—expressing the will of the people—will be laying down for the guidance of all branches of the Government, and all private interests in the country, a policy respecting the minimum requirements of fair administrative procedure.

Mr. President, I present this bill to the Senate of the United States in the firm belief that the Judiciary Committee of the Senate has accomplished something of great value to the people of the United States.

Mr. AUSTIN. Mr. President, I do not wish to weary the Senator by interruptions.

Mr. McCARRAN. Not at all; that is quite all right.

Mr. AUSTIN. But if he will permit one more question——

Mr. McCARRAN. Yes; indeed.

Mr. AUSTIN. What has been provided in the bill with respect to the separation of the powers of prosecution and judgment? In other words, how does the bill devise a plan by which the same man shall not be both prosecutor and judge?

Mr. McCARRAN. Section 11 of the bill provides very specific machinery for independent examiners. We have provided by what method they shall be selected and that they shall be independent, and we have further provided that they shall make the initial findings when they sit as examiners. That is the method which separates the prosecutor from the judicial officer, and so forth.

Mr. President, I now lay the bill before the Senate with the hope that it may be approved and passed.

Mr. FERGUSON obtained the floor.

Mr. JOHNSON of Colorado. Mr. President——

Mr. FERGUSON. Does the Senator from Colorado wish to have me yield to him?

Mr. JOHNSON of Colorado. I wish to place in the RECORD at this point a statement in regard to the bill.

Mr. FERGUSON. I yield.

Mr. JOHNSON of Colorado. I ask unanimous consent to have printed at this point in the RECORD a discussion of the proposed Administrative Procedure Act. The discussion or address is by Mr. Allen Moore, who is a prominent member of the Colorado bar.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

[From the January 1945 issue of Dicta, official publication of the Denver and Colorado Bar Associations]

THE PROPOSED ADMINISTRATIVE PROCEDURE ACT

(By Allen Moore)

The proposed Federal Administrative Procedure Act, sponsored by the American Bar Association and drafted by its special committee on administrative law, has been said to provide the most fertile ground for statesmanship in the field of the administration of justice since the Judiciary Act of 1789. This view seems not only to be a bit of overemphasis but it is quite in line with the approach of the American Bar Association toward the growth of administrative law in the past 10 or 12 years, during which repeated efforts have been made to obtain legislation, such as the Walter-Logan bill, which, if enacted, might easily have thwarted a necessary and inevitable development of the administrative process.

The bill under consideration here is entitled "A bill to improve the administration of justice by prescribing fair administrative procedure," and was recently introduced in the Senate by Senator McCARRAN, of Nevada, and in the House by Congressman SUMNERS, of Texas.

The bill marks the culmination of more than 5 years of continuous study and drafting by the special committee on administrative law and by the association itself following the veto by the President of the Walter-Logan bill, the association's first effort to secure such legislation.

The bill is also said to mark the commencement of a new responsibility upon association members and lawyers generally to promote the enactment of the measure.

This paper is an attempt to evaluate the merits of the proposed act for the members of the Colorado Bar Association at this, its annual meeting, in order that they may be more fully advised and in a better position to make an intelligent determination when the association considers a resolution to approve the bill and urge its enactment, and thereby, as individual members, responding to President Henderson's appeal to "constitute yourself a committee of one to do what you can to aid in securing favorable consideration of the association's immediate objective—the improvement of the administration of justice through the adoption of a statutory framework of fair administrative procedure."

It is indeed a grave responsibility which confronts the bar associations and the lawyers of this country. We should make certain that the proposed act would actually improve the administration of justice and that it truly prescribes fair administrative procedure. We should be certain that the public interest and welfare will properly be protected; that the act will not impede the normal development of administrative law, and that it is not an effort to emasculate the growth of new instrumentalities designed to meet the will of the people in a rapidly expanding society in periods of stress and strain.

These points are raised because frequently in recent years advocates of this type of legislation have used, somewhat carelessly, clichés such as "administrative absolutism," "bureaucracy," "dictatorship," "the issue here is constitutional government versus bureaucratic dictatorship," "the new despotism," this "wonderland of bureaucracy," this "pattern for tyranny."

Now, what is this thing which has so frightened members of the Congress, bar associations, lawyers, the press, and some of the general public? What is this thing which brings about such violent attacks? Are the very foundations of our Government being undermined? Are such fears well-founded? I think not. "Administrative law," "the administrative process," "administrative tribunals" do not appear so sinister if one understands something of the origins, developments, and characteristics of the administrative process and its proper evaluation in our scheme of government.

It therefore seems appropriate before giving a synopsis of the proposed Administrative Procedure Act to give something of the background of administrative law in this country, as well as to trace the steps leading to the introduction of the McCarran-Sumners bill.

James M. Landis in the Storrs Lectures given at Yale University in 1936, later published in book form as The Administrative Process, says in the introduction:

"The last century has witnessed the rise of a new instrument of government, the administrative tribunal. In its mature form it is difficult to find its parallel in our earlier political history; its development seems indigenous. The rapidity of its growth, the significance of its powers, and the implications of its being are such as to require notice of the extent to which this new 'administrative law' is weaving itself more and more into our governmental fabric.

"In terms of political theory, the administrative process springs from the inadequacy of a simple tri-partite form of government to deal with modern problems. It represents a striving to adapt governmental technique that still divides under three rubrics to modern needs and, at the same time, to preserve those elements of responsibility and those conditions of balance that have distinguished Anglo-American government."

Landis here refers to the doctrine of separation of powers, an old political maxim, based upon the division of governmental powers in the federal and state constitutions into the legislative, executive, and judicial. This tripartite ideal of government, and the checks and balances to be found in our constitutions have resulted in fineness of logic-chopping by our courts, to uphold the separation of powers, and for a tendency on their part to establish new categories of quasi-legislative and quasi-judicial powers when they find an executive agency infringing on the powers of either of the other branches of government.

Dean Landis then states:

"The insistence upon the compartmentalization of power along triadic lines gave way in the nineteenth century to the exigencies of governance. Without too much political theory but with a keen sense of the practicalities of the situation, agencies were created whose functions embraced the three aspects of government. Rule making, enforcement, and the disposition of competing claims made by contending parties were all entrusted to them. As the years passed, the process grew. These agencies, tribunals, and rule-making boards were for the sake of convenience distinguished from the existing governmental bureaucracies by terming them 'administrative.' The law the courts permitted them to make was named 'administrative law,' so that now the process in all its component parts can be appropriately termed the 'administrative process.'"

The term "administrative law" thus came into general use and the administrative process has resulted in a voluminous literature and the inclusion of courses in administrative law in most of the law schools.

Since the administrative process deals with the relationships of governmental agencies to persons it has necessarily been associated with the term "bureaucracy." From bureaucracy to autocracy to dictatorship is a simple transition in some people's thinking. The literature of the subject abounds with fulminations. It treats the administrative process as if it were an antonym of that supposedly immemorial and sacred right of every Englishman, and every American, the legal palladium of the rule of law. The process is denounced by worthy lawyers, legislators, bar associations, and politicians as heralding the death knell of ancient liberties and privileges. The independent administrative agencies of the Federal Government have been said to constitute "a headless fourth branch" of the Government, a haphazard deposit of irresponsible agencies and uncoordinated powers whose institution did "violence to the basic theory of the American Constitution that there should be three major branches of the Government, and only three."

Such glorification of the doctrine of the separation of powers obscures rather than clarifies thought. In spite of this chorus of abuse and tirade, the growth of the adminis-

trative process shows or will show little signs of being halted.

The administrative process in the Federal Government is not new. On the contrary it is as old as the Government itself, and its growth has been virtually as steady as that of the statutes at large. The growth has been pragmatic. Congress has passed laws and has resorted to the administrative device in the framing of the laws and in the practical effort to meet particular needs.

The 9 executive departments and the 18 or more independent agencies are examples of administrative agencies, but so also are the many subdivisions of departments termed "bureaus," "offices," "administrations," "services" and the like, which have a substantial measure of independence in the department's internal organization and in the conduct of their adjudicative or rule-making activities. At the time of the Attorney General's committee report, there were 51 administrative agencies of the type which were deemed to be parts of the administrative process. The war has added to that number about 25 more, making a total of about 75 strictly administrative agencies. There are, of course, other agencies which do not have rule-making or adjudicatory powers.

Since the administrative process has developed in this fashion and without a definite plan, it invites comprehensive study with a view to coordination and improvement and not blind repeal or emasculating and unthinking legislation. It should be understood that the administrative process has deep roots in American history and it should be recognized that it embodies the practical judgments of successive Congresses and Presidents, and of the people. It is no socialistic, foreign ideology, plotted by the so-called palace guard for the purpose of substituting a government of men for a government by law. It should be and can be improved and developed into an ever-increasing instrumentality for efficient government in an increasingly complex society where goverment is certain to be charged with more and more functions, which in a simple, economic society of earlier days were either nonexistent or could easily enough be left to the ordinary legislative, executive, or judicial processes.

The American Bar Association has for many years been preparing itself for leadership in undertaking to effectuate more adequate legislative and judicial guidance or control of the development of administrative law. Through its special committee on administrative law, first established in 1933 and continued annually to this time, it had made many studies and reports to the association.

In recent years the first substantial recommendation of the special committee on administrative law was the establishment of a Federal administrative court. That effort proved abortive. It was succeeded by the legislative proposal known generally as the Walter-Logan bill, which was sponsored by Congress and vetoed by the President. Shortly thereafter the Attorney General's Committee on Administrative Procedure made its final report, including legislative recommendations by both a majority and a minority of that committee.

The American Bar Association did not adopt either of those measures as its choice, nor did it continue its backing of the Walter-Logan bill; instead, it adopted a declaration of principles which it felt should be included in any adequate Federal legislation and declared that of the existing proposals that of the minority of the Attorney General's committee more nearly met the principles so declared.

Thereafter a subcommittee of the Senate Judiciary Committee held extensive hearings on the proposals growing out of the Attorney General's committee hearings, but suspended consideration in the summer of 1941 because of the imminence of war and the then declared national emergency. Accordingly, for the next year and a half the special committee on administrative law devoted its energies to the development of the conference on administrative law and other matter covered in its annual reports.

The house of delegates of the association, on August 26, 1943, adopted recommendations authorizing the special committee on administrative law (1) to draft a bill respecting the basic problems and requisites of fair administrative procedure, and (2) upon the approval of such a bill (a) to publicize it and take all necessary steps to secure its consideration and adoption, and (b) to make special recommendations to congressional committees with reference to legislative action in connection with specific administrative agencies or powers as may arise.

A first draft of such general Federal legislation accompanied the 1943 report of the committee. A second tentative draft was printed in 30 A. B. A. Journal 7, January 1944. A further amendment of this draft was presented to and approved by the house of delegates February 28, 1944, and was printed in 30 A. B. A. Journal 226, April 1944, and as stated earlier was introduced in the Senate by Senator McCARRAN as S. 2030 and in the House by Mr. SUMNERS as H. R. 5081, Seventy-eighth Congress, second session.

With this perhaps overlong introduction and background material in mind, I shall now proceed to discuss the purposes, scope, and effect of the bill if enacted and to give an analysis or synopsis of its principal features with comments interspersed as to what I consider to be its good and bad points.

The McCarran-Sumners bill is designed primarily to secure publicity of administrative law and procedure, to require that administrative hearings and decisions shall be conducted in such manner as to preclude the secret reception of evidence or argument, to restate but not expand the right of and procedures for judicial review, and to foster the foregoing by requiring an intra-agency segregation of deciding and prosecuting functions and personnel. No attempt is made to require formal administrative hearings where the law under which the agency operates has not so required. No attempt is made to limit existing administrative authority. Agencies are simply confined to the scope of their authority.

The proposed act is said by its drafters to be designed to achieve four essential and simple purposes:

"(1) It requires administrative agencies to publish their organizations and procedures, and to make available to public inspection their orders and releases.

"(2) As to rule making, it requires that agencies publish notice and at least permit interested parties to submit views or data for consideration.

"(3) As to adjudication, it provides that, in the absence of agreement through informal methods, agencies must accord the parties notice, hearing, and decision before responsible officers, with provision for the segregation of deciding and prosecuting functions.

"(4) As to judicial review, it provides forms of review actions for the determination of all questions of law in all matters not expressly committed to executive discretion."

The short title of the act is given as the "Administrative Procedure Act."

Section 1 defines the terms "agency," "rule," "rule making," "adjudication," and "order." The bill is concerned primarily with administrative agencies; that is, the Congress, the courts, the governments of the possessions, the territories, and the District of Columbia are excluded, and to judicial review of their regulatory actions. It applies to functions rather than enumerated agencies and deals comprehensively with:

(1) The issuance of "rules," by which is meant the written statement of any regulation, standard, policy, interpretation, procedure, requirement, or other writing issued or utilized by any agency, of general applicability and designed to implement, interpret, or state the law or policy administered by, or the organization and procedure of any agency; and "rule making" is the administrative procedure for the formulating of a rule, and

(2) the adjudication of particular cases, meaning the administrative procedure of any agency, and

(3) the issuance of orders by which is meant its disposition or judgment, whether or not affirmative, negative, or declaratory in form, in a particular issuance other than rule making and without distinction between licensing and other forms of administrative action or authority.

These terms include the three typical administrative functions which bear upon private rights and parties.

The bill is further limited in scope since war agencies and functions are excluded in toto, except as to the requirements in section 2 that they publish their procedures and make their orders available for public inspection (sec. 1), which in turn is not mandatory as to military, naval, or diplomatic functions (sec. 2).

No fault is found with respect to the definition section, since the terms "agency," "rule," "rule making," and "order" are essentially those included in the Federal Reports Act of 1942, the Federal Register Act, and the Federal Register Regulations, in which the essential language is "general applicability and legal effect." It is predicted, however, that many, if not most, old-line agencies, such as the Interstate Commerce Commission and the Federal Trade Commission, will be excluded from the scope of the act before final passage, and that its terms will be limited to the newer agencies as was done in the Walter-Logan bill.

Section 2 of the act is headed "Public information" and requires, except as to military, naval, or diplomatic functions of the United States requiring secrecy in the public interest, the publication concurrently of all rules concerning the organization of the agency, substantive regulations, statements of general policy and all procedures; the preservation and publication, or the making available to public inspection of all rulings on questions of law, and all opinions rendered or orders issued in the course of adjudications, and the filing of releases with the Division of the Federal Register. To these provisions are added certain substantive prohibitions regarding the issuance of publicity reflecting adversely upon any person, product, commodity, security, private activity, or enterprise otherwise than by issuance of the full texts of authorized public documents, impartial summaries of the positions of all parties to any controversy, or the issuance of legal notice of public proceedings within its jurisdiction. These obscure substantive provisions appear to have no proper place in a procedural act. In many instances pitiless publicity is a useful device. These last-mentioned provisions would be most difficult to administer. There is, of course, no objection to giving the public all possible information through publication, inspection, and filing.

Section 3 is an important section on rule making, one of the major functions of administrative agencies. The first subsection (a) on notice requires every agency to publish general notice of proposed rule making including (1) a statement of the time, place, and nature of any public rule-making procedures, (2) reference to the authority under which the rule is proposed, and (3) a description of the subject and issues involved. This requirement does not apply to cases in which the agency is authorized by

law to issue rules without a hearing and notice is impracticable because of unavoidable lack of time or other emergency. The subsection applies only to substantive rules, and is not mandatory as to interpretive rules, general statements of policy, or rules of agency organization or administrative procedure.

The second subsection (b) provides procedures affording interested parties an adequate opportunity to participate in rule making through (1) submission of written data or views, (2) attendance at conferences or consultations, or (3) presentation of facts or argument at informal hearings. This subsection applies only to the type of rules for which notice is required by the first subsection. Where a law specifically requires that rules be issued only upon a formal hearing, separate procedures are set forth in sections 6 and 7. Public participation in the rule-making process does not appear to be necessary or desirable to the extent provided in this subsection. It would prove costly, time consuming, and would impede the efficiency and effectiveness of the agency.

The third subsection (c) provides that every agency authorized to issue rules shall afford any interested person the right to petition for the issuance, amendment, or recission of any rule. Few agencies have regular procedures whereby private parties may petition with respect to rules. Both the majority and the minority of the Attorney General's committee proposed that such a provision be included in legislation.

Section 4 of the proposed act covers the subject of "adjudication" and provides that in every case of administrative adjudication in which the rights, duties, obligations, privileges, benefits, or other legal relations of any person are required to be determined only after opportunity for an administrative hearing (except to the extent that if there is directly involved any matter subject to a subsequent trial of the law and facts de novo in any court notice shall be given [subsec. (a)]).

The introductory double exception to the section removes from the operations of sections 4, 6, and 7 all administrative procedures in which the law concerned does not require rules or orders to be made upon a hearing and all matters subject to a subsequent trial de novo in any court.

Of the two introductory exceptions, that limiting the adjudication procedure to those cases in which statutes require a hearing is the more significant, because thereby are excluded the great mass of administrative routine as well as pensions claims, and a variety of similar matters in which Congress has intentionally or traditionally refrained from requiring an administrative hearing.

The second exception rules out such matters as the tax function of the Bureau of Internal Revenue (which are triable de novo in The Tax Court) the administration of the custom laws (triable de novo in the customs courts), the work of the Patent Office (since judicial proceedings may be brought to try out the right to a patent), and subjects which might lead to claims determinable subsequently in the Court of Claims. The second exception also exempts administrative reparation orders assessing damages, such as are issued by the Interstate Commerce Commission and the Secretary of Agriculture, since such orders are subject to trial de novo in court upon attempted enforcement.

Subsection (a) of section 4 provides that the agency shall give due and adequate notice in writing specifying (1) the time, place, and nature of the proceedings, (2) the precise legal authority and jurisdiction, and (3) the matters of fact and law in issue. Adequate notice is certainly a prerequisite to a fair hearing. Room remains for considerable improvement in the notice practice of many agencies. A provision is included which provides that the statement of issues of fact in the words of the statutes shall not be compliance with the notice requirement.

Subsection (b) provides that in every case after the notice required by subsection (a) is given, the agency shall afford all interested parties the right and benefit of fair procedure for the settlement or adjudication of all relevant issues through (1) opportunity for informal submission and full consideration of facts, claims, arguments, offers of settlement, or proposals of adjustment, and (2) thereafter, to the extent that the parties are unable to determine any controversy by consent, formal hearing and decision in conformity with sections 6 and 7. Two lengthy provisions concerning cases resting upon physical inspection or test, permitting reinspection and retest and providing for summary action in certain cases, all included. Some agencies either neglect or preclude informal procedures, although now even courts through pretrial proceedings dispose of much of their business in that way. There is even more reason to do so in the administrative process, for "informal procedures constitute the great bulk of administrative adjudication and are truly the lifeblood of the administrative process." Insofar as possible, cases should be disposed of through conferences, agreements, or stipulations, hence the inclusion of such informal methods in the act, and their application to inspections and summary proceedings, will strengthen the administrative arm and serve well the interests of private parties.

Subsection (c) provides for declaratory rulings upon petition of any proper party in order to terminate a controversy or to remove uncertainty as to the validity or application of any administrative authority, rule, or order with the same effect and subject to the same judicial review as in the case of other rules, or orders of the agency. The administrative process has been slow to adopt declaratory judgment procedures, although courts, particularly State courts, have long recognized the validity of such procedures. The Attorney General's committee strongly recommended that declaratory rulings be made a part of the administrative process and subject to judicial review.

Section 5 of the bill concerns certain ancillary matters in connection with any administrative rule making, adjudication, investigation, or other proceeding or authority, such as appearance, the conduct of investigations, subpenas and denials.

Subsection (a) of the section recognizes the right of parties to appear before administrative agencies, in person, or by counsel, and be accorded opportunities and facilities for the negotiation, information, adjustment, or formal or informal settlement of any case. A provision recognizes that, in the administrative process, the right to counsel shall be accorded as of right just as recognized by the Bill of Rights in connection with judicial process, and as proposed by both majority and minority of the Attorney General's committee. A second provision is designed to do what is possible to remedy delays in the administrative process, since "expedition in the disposition of cases is commonly a major objective of the administrative process." It relieves the private parties from consequences of unwarranted or avoidable administrative delay, provides that cases shall be promptly set and determined, and makes essential provisions for cases in which licenses are required by law but administrative agencies fail to act. In such cases the licenses are deemed granted after 60 days.

Subsection (b) relates to the conduct of investigations, stating that they shall be confined to the jurisdiction and purposes of the agency to which the authority is delegated.

Subsection (c) relating to subpenas is designed (1) to assure that private parties as well as agencies shall have a right to such subpenas, (2) limit the showing required of private parties so that they may not be required to disclose their entire case for the benefit of agency personnel, and (3) recognize that a private party may contest the validity of an administrative subpena issued against him prior to incurring penalties for disobedience, since otherwise parties may in effect be deprived of all opportunity to contest the search or seizure involved. The haphazard and often unfair methods of issuance of administrative subpenas were recognized in the final report of the Attorney General's committee.

Subsection (d) provides that every agency shall give prompt notice of denials accompanied by the grounds for such denial and any further administrative procedures available.

No exception is taken to any of the ancillary matters included in section 5.

Sections 6 and 7 of the bill are of the greatest importance, since they provide the essential procedures thought to constitute a full and fair hearing and proper decisions or findings thereafter.

Section 6 on "Hearings" states that no administrative procedure shall satisfy the requirement of a full hearing unless (subsec. (a)) the case shall be heard (1) by the ultimate authority of the agency or (2) by one or more subordinate hearing officers designated by the agency from members of the board or body which comprises the highest authority therein. State representatives authorized by law to preside at the taking of evidence or examiners appointed subject to the civil service or other laws, at salaries ranging from $3,000 to $9,000. Numerous provisions are inserted respecting the functions of such presiding officers.

In subsection (b) presiding officers are given power to (1) administer oaths and affirmations, (2) issue subpenas, (3) rule upon offers of proof and receive evidence, (4) take or cause depositions to be taken, (5) regulate the course of hearings and the conduct of the parties, (6) hold informal conferences, (7) dispose of motions, etc., and (8) make or participate in decisions in conformity with section 7

Subsection (c) relates to evidence. The principles of relevancy, materiality, probative force, and substantiality as recognized in judicial proceedings of an equitable nature shall govern the proof, decision, and administrative or judicial review of all questions of fact. Thus it appears that no attempt is made to require the application of the so-called common law or jury trial rules of evidence in administrative hearings. This is proper. It is in line with basic principles of evidence followed among admnistrative agencies. This subsection contains other pertinent provisions regarding burden of proof, the rights of cross-examination and rebuttal, admission of written evidence, official notice, and a declaration that no sanction, permission, or benefit shall be imposed or granted, or permission or benefit withheld except upon evidence which on the whole record is competent, credible, and substantial.

Subsection (d) enumerates the materials which shall constitute the record and provides that it shall be available to all parties.

Section 7 contains provisions relating to decisions for the initial submission of briefs, proposed findings and conclusions, and oral argument for consideration in preparing an initial decision, or where subordinate officers preside, an intermediate report, the details of such report or decision, provisions for administrative review, the consideration of cases, the findings and opinions and the service thereof upon all the parties.

The provisions of these two sections on fair hearings and findings or decisions should serve to meet most of the heated criticisms heretofore directed against administrative agencies in the conduct of hearings. Most well-run agencies have already provided for such procedures.

Section 8 relates to penalties and benefits. The first subsection (a) prohibits the imposition of extra-legal sanctions. Rules may not enlarge such authority [subsec. (b)], nor may orders do so [subsec. (c)]. Subsection (d) prohibits the imposition of burdens in issuing licenses except as provided by law, or the withdrawal of licenses except in cases of willfulness or stated cases of urgency, without warning notices giving an opportunity for the correction of conduct questioned by the agency.

Subsection (e) is designed to place limitations upon the retroactive operation of rules or orders whether such operation is designed as a penalty or for cause. These provisions seem proper and wise.

Section 9 treats of judicial review and constitutes the longest, most involved and most controversial features of the proposed act. Chapter VI of the final report of the Attorney General's committee gives an extensive analysis of this important but technical subject from the viewpoint of the majority of the committee. It concludes that dissatisfaction with the existing standards as to the scope of judicial review derives largely from dissatisfaction with the fact-finding procedures employed by the administrative bodies, that is, whether or not such action inspires confidence, and assumes that if the notice, hearings, and finding procedures are adopted as recommended they will obviate the reasons for change in the area and scope of judicial review.

However, the minority of the committee, Messrs. McFarland, Stason, and Vanderbilt, was of the contrary opinion and thought that Congress should provide by general legislation for both the availability and scope of judicial review. It therefore included in its proposed bill a quite elaborate section on judicial review. In successive drafts, and in the proposed act here under discussion, the judicial review section became increasingly elaborate and involved until it either means nothing at all or else its adoption would result in seriously crippling the administrative process and impose upon the courts a hopeless burden and thus substitute the judicial for the administrative process.

With this background, I shall attempt as briefly as possible to describe the contents of section 9 on judicial review.

There is an introductory limitation by which there is excluded any matter subject to a subsequent trial de novo or judicial review in any legislative court such as the Customs Court, the Court of Customs and Patent Appeals, The Tax Court, or the Court of Claims.

Subsection (a) provides that any party adversely affected by any administrative action, rule, or order within the purview of the act or otherwise presenting any issue of law shall be entitled to judicial review thereof in accordance with this section, and reviewing courts are given plenary power with respect thereto. I shall not attempt here to make crystal clear what "an issue of law" is as distinguished from "an issue of fact" or a mixed issue of law and fact. I suspect the courts will wrestle with that problem for a long, long time.

Subsection (b) states the types of available review proceedings that are statutory and nonstatutory and enumerates declaratory judgments as one such type. A further provision authorizes an action for review against the agency by its official title as well as the head officer or officers, or any of them.

Subsection (c) relates to courts and venue, and contains provisions as to the transfer of review proceedings, amendment thereof, and general provisions to assure that the rights of parties will not be defeated by complicated court and venue provisions of law, defects pointed out by the Attorney General's committee.

Subsection (d) on reviewable acts states that any rule shall be reviewable upon its judicial or administrative application or threatened application, and, whether or not declaratory or negative in form or substance, except those matters expressly committed by law to absolute executive discretion. Only final actions, rules, or orders, or those for which there is no other adequate judicial remedy are reviewable; in other words, a recognition of the principle of the exhaustion of administrative remedies.

Subsection (e) deals with interim relief, such as stay orders, in elaborate fashion.

Subsection (f), on scope of review, is the heart of section 9. The drafting committee states this subsection does not attempt to expand the scope of judicial review, nor reduce it directly by implication. "Nor is it possible to specify all instances in which judicial review may operate. Subsection (f), therefore, seeks merely to restate the several categories of questions of law subject to judicial review."

The essential words are directly quoted:

"Upon such review, the court shall hold unlawful such act or set aside such application, rule, order, or any administrative finding or conclusion made, sanction or requirement imposed, or permission or benefit withheld to the extent that it finds them (1) arbitrary or capricious; (2) contrary to constitutional right, power, privilege, or immunity; (3) in excess of statutory authority, jurisdiction, or limitations or short of statutory right, grant, privilege, or benefit; (4) made or issued without due observance of procedures required by law; (5) unsupported by competent, material, and substantial evidence, upon the whole record as reviewed by the court, in any case in which the action, rule, or order is required by statute to be taken, made or issued after administrative hearing, or (6) unwarranted by the facts to the extent that the facts in any case are subject to trial de novo by the reviewing court."

Every clause, phrase, and word of this quotation deserves extensive and intensive study to determine its true significance. What its effect would be in actual operation no one can say. As a whole I am of the opinion that this subsection goes entirely too far is dangerous, and would result in an impossible substitution of the judicial for the administrative process and thus deprive our jurisprudence of that process or else delay its proper and normal development. This subsection constitutes a bold and ambitious effort on the part of the critics of administrative law to kill it or nullify it before it has had an opportunity to prove its true worth. Similarly, conservative common law judges and lawyers have fought the development of equity and most every other judicial reform.

Subsection (g) provides that judgments of original courts of review shall be appealable in accordance with equity law and in the absence thereof, by the Supreme Court upon writs of certiorari.

Subsection (b) recognizes that all other provisions of law relating to judicial review shall remain in effect unless inconsistent with section 9, except where Congress has forbidden it or broadened it.

Section 10 relates to separations of functions so as to achieve an internal segregation of deciding and prosecuting personnel. The minority of the Attorney General's committee thought that there should be a complete separation of functions, that is that hearings should be held and decisions made by an administrative tribunal separate from the agency engaged in investigations and prosecutions or by a court. The majority of the committee thought this unnecessary and undesirable, holding that the problem is simply one of isolating those who engage in the adjudicative activity. This section follows quite closely the view of the majority rather than of the minority.

Section 11, the concluding section of the proposed act, includes the usual provisions respecting the construction and effect of the act and certain other technical matters.

The proposed administrative act represents one of three conflicting doctrines of public administration now struggling for domination of the Federal Government. Blachley and Oatman in Federal Regulatory Action and Control have called these three doctrines (1) the doctrine of executive management; (2) the doctrine of the judicial formula; (3) the revisionist doctrine.

The essential feature of the doctrine of executive management is the assertion that all administrative activities of the Federal Government (except those of a quasi judicial nature) should be under the control of the Chief Executive.

Those who advocate the doctrine of the judicial formula would require the administrative process to act insofar as possible, according to the judicial formula of notice and hearing followed by a decision, and would subject to judicial review practically every act which would even remotely affect personal and property rights.

The revisionist doctrine sees in the present Federal administrative system a fairly satisfactory adaptation of structure and relationship to function. At the same time it advocates improvement.

There are many objections to the first doctrine which need not be developed here.

The doctrine of the judicial formula of public administration is largely the product of the special committee of the American Bar Association, the activities of which have been mentioned herein. The chief criticism of the present system offered by it and the association may be expressed in two words, "administrative absolutism." The proposals of the committee at various stages have been embodied in bills which have been mentioned and in the proposed administrative act just described and commented upon. In my opinion the doctrine of the judicial formula as embodied in the act is wrong in its fundamental objectives. Although some of the doubtful features from a constitutional standpoint and some of the most rash departures of earlier bills have been eliminated in the proposed act, yet its animating purpose, the desire to subject every possible disagreement between the individual and the administrative agency to complete control by the courts, is opposed to the inevitable, necessary, and useful evolution of administrative procedures and administrative and judicial controls that have been a notable feature of the Federal Government during more than a half century.

The theory is based on the moribund concept that law cannot prevail or justice be done except through the courts. It fails to accord to the administrative process the degree of power and finality which the courts themselves, applying the laws under the Constitution of the United States, have recognized as belonging to that process. It looks backward and tries to revive the very system of judicial regulation of business and industry which proved so impossible as to lead to the establishment of regulatory agencies. It destroys and is not constructive. It offers no real protection to the citizen but does menace effective administration. It rests upon dead theory instead of evolving reality. The doctrine of the judicial formula should be discarded and rejected. It appears that the "tendencies toward administrative absolutism," so feared by certain advocates of the proposed act and its predecessors, are largely nonexistent.

The revisionist doctrine, on the other hand, sees in the present system of Federal administration a vast complex of organizations performing a multitude of functions, employing a wide variety of methods and procedures, and subjected to numerous types of control, carried on within a constitutional framework, based on individual rights, adequately protected. The administrative process has developed step by step to meet everyday needs. Changes which are necessary should be made to improve it and should not be designed to

destroy it. It was with this idea in mind that the Attorney General's committee was appointed in 1939 and carried on its painstaking research for 2 years or more. Its final report is an imperative for one who would be fully informed of the issues involved here.

The majority of the committee recommended (1) the establishment of an Office of Administrative Procedure under a director with an advisory committee; (2) the publication of rules and other information, and certain safeguards with respect to rule making; (3) administrative adjudication through a system of independent intra-agency hearing commissioners such as is now in use in the OPA; and (4) the power to issue declaratory rulings. Specific recommendations were made concerning individual agencies, many of which recommendations have been adopted. It made no suggestions for judicial review. It summarily rejected the idea of the minority of the committee that it was feasible to draft a code of standards of fair administrative procedure, although such a code was included in the final report, and, as I have indicated, the proposed act is its present form.

Progress in the administratitve process can be made (1) by maintaining the independence of regulatory agencies; (2) by further developing administrative rule making and adjudication; (3) by more exact differentiation of the various forms of administrative action; and (4) by simplifying administrative judicial procedure, and, where possible, by making it more uniform.

These things will leave the administrative system intact, will add to its strength and stability, and will broaden and develop it to meet the expanding needs of a living democratic society. The adoption of the proposed act would have quite the opposite effect.

Mr. FERGUSON. Mr. President, I wish to say a few words regarding this bill. I am of the opinion that it is worthy of passage by the Senate and should become the law.

This bill seeks to lay down rules and regulations for administrative agencies. During the course of the years there has been great growth of such agencies. Any lawyer who has practiced before them has found on numerous occasions that the officer charged with the responsibility of rendering a decision has acted in a way contrary to the ideas and ideals of the bar and of the ancient procedures by which we, as members of the bar, were able to get, as we believed, equal justice under law.

While I do not think anyone can say that this is such a bill as he himself would draft, or that in every instance it contains language such as he himself would employ, nevertheless I think it is a bill which is worthy of passage. It is a very good start. I know that when the bill came before the Judiciary Committee, of which I am a member, I sent copies of it to members of the bar, as did other members of the committee. We found probably a greater degree of satisfaction regarding this bill than has been evidenced in regard to the great mass of legislation which is passed by the Senate.

Recently I conferred about the bill with Dean Stason, of the University of Michigan Law School, who has taught administrative law. After a study of this bill he believes it to be a great step forward. I wholeheartedly agree with him. I think this bill lays down certain rules and regulations which will be beneficial to the people of America, and that before the bar of public opinion administrative decisions will be accepted with a greater degree of satisfaction than has prevailed in the past. In my opinion, there will be fewer complaints because of the activities of governmental agencies if they will attempt to live within the rules and regulations laid down by Congress. After all, the Congress is the policy-making body of the United States. In this measure we are simply laying down a policy; we are trying to provide rules and regulations which in our opinion will be for the benefit of the people of America and will result in a greater assurance of justice at the hands of administrative agencies. I hope the bill will be passed.

Mr. WILEY. Mr. President, I wish to join in the praise and compliments which have already been bestowed upon the Senator from Nevada, the distinguished chairman of the Judiciary Committee, and his staff. They have done a tremendous job in relation to this bill.

There is no question about the need which the bill is designed to fill and which has become apparent, I believe, to every lawyer who has transacted business before agencies and departments of the Government. In recent years, because of governmental bureaucratic controls, the need has also become very apparent to the laity. As a result, as the chairman has stated, a number of committees had investigated the subject and submitted reports.

Mr. President, I was particularly interested in the report on administrative management of the President's committee which was made in 1937. That report, in part, is set forth in the report of the Committee on the Judiciary on the pending bill. I desire to read briefly from it. It very aptly brings to mind the tendency in republics to what might be called barnacle growth such as that found on the hulls of ships. Unless we are alert, barnacle growth will endanger us, and the ship of state will become fouled, so to speak, and our institutions will become endangered. Here is the language to which I refer:

> The executive branch of the Government of the United States has * * * grown up without plan or design * * *. To look at it now, no one would ever recognize the structure which the founding fathers erected a century and a half ago. * * * Commissions have been the result of legislative groping rather than the pursuit of a consistent policy. * * * They are in reality miniature independent governments set up to deal with the railroad problem, the banking problem, or the radio problem. They constitute a headless "fourth branch" of the Government, a haphazard deposit of irresponsible agencies and uncoordinated powers.

I do not believe I have overemphasized the situation by my use of the term "barnacle growth":

> There is a conflict of principle involved in their make-up and functions. * * * They are vested with duties of administration * * * and at the same time they are given important judicial work. * * * The evils resulting from this confusion of principles are insidious and far reaching. * * * Pressures and influences properly enough directed toward officers responsible for formulating and administering policy constitute an unwholesome atmosphere in which to adjudicate private rights. But the mixed duties of the commissions render escape from these subversive influences impossible. Furthermore, the same men are obliged to serve both as prosecutors and as judges. This not only undermines judicial fairness; it weakens public confidence in that fairness. Commission decisions affecting private rights and conduct lie under the suspicion of being rationalizations of the preliminary findings which the Commission, in the role of prosecutor, presented to itself.

Mr. President, that statement is from the report of the President's Committee in 1937. If there were ever definite language which set forth an undesirable situation and the necessity for providing a remedy, it is the language which I have read.

So again, Mr. President, I compliment the chairman of the committee for what he has accomplished. Even after this bill becomes law, it will not be the final answer. What we are saying to these agencies is, "Get busy, formulate your rules, prescribe the pattern, and make it uniform so that those who desire to practice before you will be fully informed as to what is necessary in connection with the practice." After we have done that, we will take another step next year and say, which we should say, that the practice in all these agencies should be uniform in order that they may not adopt their own rules and prescribe certain pleadings, or whatever they may be called, which may differ from each other. When we have, in due course, a uniform practice laid down and followed by uniform pleadings, we will have accomplished what I am sure was envisioned by those who drew this bill.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was to strike out all after the enacting clause and in lieu thereof to insert:

> That this act may be cited as the "Administrative Procedure Act."
>
> DEFINITIONS
>
> SEC. 2. As used in this act—
>
> (a) Agency: "Agency" means each authority (whether or not within or subject to review by another agency) of the Government of the United States other than Congress, the courts, or the governments of the possessions, Territories, or the District of Columbia. Nothing in this act shall be construed to repeal delegations of authority as provided by law. Except as to the requirements of section 3, there shall be excluded from the operation of this act (1) agencies composed of representatives of the parties or of representatives of organizations of the parties to the disputes determined by them, (2) courts martial and military commissions, (3) military or naval authority exercised in the field in time of war or in occupied territory, or (4) functions which by law expire on the termination of present hostilities, within any fixed period thereafter, or before July 1, 1947, and the functions conferred by the following statutes: Selective Training and Service Act of 1940; Contract Settlement Act of 1944; Surplus Property Act of 1944.
>
> (b) Person and party: "Person" includes individuals, partnerships, corporations, associations, or public or private organizations of any character other than agencies. "Party" includes any person or agency named or admitted as a party, or properly seeking and entitled as of right to be admitted as a party, in any agency proceeding; but nothing herein shall be construed to prevent an agency from admitting any person or agency as a party for limited purposes.

(c) Rule and rule making: "Rule" means the whole or any part of any agency statement of general applicability designed to implement, interpret, or prescribe law or policy or to describe the organization, procedure, or practice requirements of any agency. "Rule making" means agency process for the formulation, amendment, or repeal of a rule and includes the approval or prescription for the future of rates, wages, corporate or financial structures or reorganizations thereof, prices, facilities, appliances, services, or allowances therefor, or of valuations, costs, or accounting, or practices bearing upon any of the foregoing.

(d) Order and adjudication: "Order" means the whole or any part of the final disposition (whether affirmative, negative, or declaratory in form) of any agency in any matter other than rule making but including licensing. "Adjudication" means agency process for the formulation of an order.

(e) License and licensing: "License" includes the whole or part of any agency permit, certificate, approval, registration, charter, membership, statutory exemption, or other form of permission. "Licensing" includes agency process respecting the grant, renewal, denial, revocation, suspension, annulment, withdrawal, limitation, amendment, modification, or conditioning of a license.

(f) Sanction and relief: "Sanction" includes the whole or part of any agency (1) prohibition, requirement, limitation, or other condition affecting the freedom of any person; (2) withholding of relief; (3) imposition of any form of penalty or fine; (4) destruction, taking, seizure, or withholding of property; (5) assessment of damages, reimbursement, restitution, compensation, costs, charges, or fees; (6) requirement, revocation, or suspension of a license; or (7) taking of other compulsory or restrictive action. "Relief" includes the whole or part of any agency (1) grant of money, assistance, license, authority, exemption, exception, privilege, or remedy; (2) recognition of any claim, right, immunity, privilege, exemption, or exception; or (3) taking of any other action beneficial to any person.

(g) Agency proceeding and action: "Agency proceeding" means any agency process as defined in subsections (c), (d), and (e) of this section. For the purposes of section 10, "agency action" includes the whole or part of every agency rule, order, license, sanction, relief, or the equivalent or denial thereof, or failure to act.

PUBLIC INFORMATION

SEC. 3. Except to the extent that there is involved (1) any function of the United States requiring secrecy in the public interest or (2) any matter relating solely to the internal management of any agency—

(a) Rules: Every agency shall separately state and currently publish in the Federal Register (1) descriptions of its central and field organization; (2) the established places and methods whereby the public may secure information or make submittals or requests; (3) statements of the general course and method by which its rule making and adjudicating functions are channeled and determined, including the nature and requirements of all formal or informal procedures available as well as forms and instructions as to the scope and contents of all papers, reports, or examinations; and (4) substantive rules adopted as authorized by law and statements of general policy or interpretations formulated and adopted by the agency for the guidance of the public. No person shall in any manner be required to resort to organization or procedure not so published.

(b) Opinions and orders: Every agency shall publish or, in accordance with published rule, make available to public inspection all final opinions or orders in the adjudication of cases except those required for good cause to be held confidential and not cited as precedents.

(c) Public records: Save as otherwise required by statute, matters of official record shall in accordance with published rule be made available to persons properly and directly concerned except information held confidential for good cause found.

RULE MAKING

SEC. 4. Except to the extent that there is involved (1) any military, naval, or foreign affairs function of the United States or (2) any matter relating to agency management or personnel or to public property, loans, grants, benefits, or contracts—

(a) Notice: General notice of proposed rule making shall be published in the Federal Register and shall include (1) a statement of the time, place, and nature of public rule making proceedings; (2) reference to the authority under which the rule is proposed; and (3) either the terms or substance of the proposed rule or a description of the subjects and issues involved. Except where notice or hearing is required by statute, this subsection shall not apply to interpretative rules, general statements of policy, rules of agency organization, procedure, or practice, or in any situation in which the agency for good cause finds (and incorporates the finding and a brief statement of the reasons therefor in the rules issued) that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest.

(b) Procedures: After notice required by this section, the agency shall afford interested persons an opportunity to participate in the rule making through submission of written data, views, or argument with or without opportunity to present the same orally in any manner; and, after consideration of all relevant matter presented, the agency shall incorporate in any rules adopted a concise general statement of their basis and purpose. Where rules are required by law to be made upon the record after opportunity for or upon an agency hearing, the requirements of sections 7 and 8 shall apply in place of the provisions of this subsection.

(c) Effective dates: The required publication or service of any substantive rule (other than one granting or recognizing exemption or relieving restriction or interpretative rules and statements of policy) shall be made not less than 30 days prior to the effective date thereof except as otherwise provided by the agency upon good cause found and published with the rule.

(d) Petitions: Every agency shall accord any interested person the right to petition for the issuance, amendment, or repeal of a rule.

ADJUDICATION

SEC. 5. In every case of adjudication required by statute to be determined on the record after opportunity for an agency hearing, except to the extent that there is involved (1) any matter subject to a subsequent trial of the law and the facts de novo in any court; (2) the selection or tenure of an officer or employee of the United States other than examiners appointed pursuant to section 11; (3) proceedings in which decisions rest solely on inspections, tests, or elections; (4) the conduct of military, naval, or foreign affairs functions; (5) cases in which an agency is acting as an agent for a court; and (6) the certification of employee representatives—

(a) Notice: Persons entitled to notice of an agency hearing shall be timely informed of (1) the time, place, and nature thereof; (2) the legal authority and jurisdiction under which the hearing is to be held; and (3) the matters of fact and law asserted. In instances in which private persons are the moving parties, other parties to the proceeding shall give prompt notice of issues controverted in fact or law and in other instances agencies may by rule require responsive pleading. In fixing the times and places for hearings, due regard shall be had for the convenience and necessity of the parties or their representatives.

(b) Procedure: The agency shall afford all interested parties opportunity for (1) the submission and consideration of facts, argument, offers of settlement, or proposals of adjustment where time, the nature of the proceeding, and the public interest permit and (2), to the extent that the parties are unable so to determine any controversy by consent, hearing, and decision upon notice and in conformity with sections 7 and 8.

(c) Separation of functions: The same officers who preside at the reception of evidence pursuant to section 7 shall make the recommended decision or initial decision required by section 8 except where such officers become unavailable to the agency. Save to the extent required for the disposition of ex parte matters as authorized by law, no such officer shall consult any person or party on any fact in issue unless upon notice and opportunity for all parties to participate; nor shall such officer be responsible to or subject to the supervision or direction of any officer, employee, or agent engaged in the performance of investigative or prosecuting functions for any agency. No officer, employee, or agent engaged in the performance of investigative or prosecuting functions for any agency in any case shall, in that or a factually related case, participate or advise in the decision, recommended decision, or agency review pursuant to section 8 except as witness or counsel in public proceedings. This subsection shall not apply in determining applications for initial licenses or the past reasonableness of rates; nor shall it be applicable in any manner to the agency or any member or members of the body comprising the agency.

(d) Declaratory orders: The agency is authorized in its sound discretion, with like effect as in the case of other orders, to issue a declaratory order to terminate a controversy or remove uncertainty.

ANCILLARY MATTERS

SEC. 6. Except as otherwise provided in this act—

(a) Appearance: Any person compelled to appear in person before any agency or representative thereof shall be accorded the right to be accompanied, represented, and advised by counsel or, if permitted by the agency, by other qualified representative. Every party shall be accorded the right to appear in person or by or with counsel or other duly qualified representative in any agency proceeding. So far as the responsible conduct of public business permits, any interested person may appear before any agency or its responsible officers or employees for the presentation, adjustment, or determination of any issue, request, or controversy in any proceeding or in connection with any agency function, including stop-order or other summary actions. Every agency shall proceed with reasonable dispatch to conclude any matter presented to it except that due regard shall be had for the convenience and necessity of the parties or their representatives. Nothing herein shall be construed either to grant or to deny to any person who is not a lawyer the right to appear for or represent others before any agency or in any agency proceeding.

(b) Investigations: No process, requirement of a report, inspection, or other investigative act or demand shall be issued, made, or enforced in any manner or for any purpose except as authorized by law. Every person compelled to submit data or evidence shall be entitled to retain or, on payment of lawfully prescribed costs, procure a copy or transcript thereof, except that in a nonpublic investigatory proceeding the witness may for good cause be limited to inspection of the official transcript of his testimony.

(c) Subpenas: Agency subpenas authorized by law shall be issued to any party upon request and, as may be required by rules of procedure, upon a statement or showing of

general relevance and reasonable scope of the evidence sought. Upon contest the court shall sustain any such subpena or similar process or demand to the extent that it is found to be in accordance with law and, in any proceeding for enforcement, shall issue an order requiring the appearance of the witness or the production of the evidence or data under penalty of punishment for contempt in case of contumacious failure to do so.

(d) Denials: Prompt notice shall be given of the denial in whole or in part of any written application, petition, or other request of any interested person made in connection with any agency proceeding. Except in affirming a prior denial or where the denial is self-explanatory, such notice shall be accompanied by a simple statement of grounds.

HEARINGS

SEC. 7. In hearings which section 4 or 5 requires to be conducted pursuant to this section—

(a) Presiding officers: There shall preside at the taking of evidence (1) the agency (2) one or more members of the body which comprises the agency, or (3) one or more examiners appointed as provided in this act; but nothing in this act shall be deemed to supersede the conduct of specified classes of proceedings in whole or part by or before boards or other officers specially provided for by or designated pursuant to statute. The functions of all presiding officers and of officers participating in decisions in conformity with section 8 shall be conducted in an impartial manner. Any such officer may at any time withdraw if he deems himself disqualified; and, upon the filing in good faith of a timely and sufficient affidavit of personal bias or disqualification of any such officer, the agency shall determine the matter as a part of the record and decision in the case.

(b) Hearing powers: Officers presiding at hearings shall have authority, subject to the published rules of the agency and within its powers to (1) administer oaths and affirmations, (2) issue subpenas authorized by law (3) rule upon offers of proof and receive relevant evidence, (4) take or cause depositions to be taken whenever the ends of justice would be served thereby, (5) regulate the course of the hearing, (6) hold conferences for the settlement or simplification of the issues by consent of the parties, (7) dispose of procedural requests or similar matters, (8) make decisions or recommend decisions in conformity with section 8 and (9) take any other action authorized by agency rule consistent with this act.

(c) Evidence: Except as statutes otherwise provide, the proponent of a rule or order shall have the burden of proof. Any evidence, oral or documentary, may be received but every agency shall as a matter of policy provide for the exclusion of immaterial and unduly repetitious evidence and no sanction shall be imposed or rule or order be issued except as supported by relevant, reliable, and probative evidence. Every party shall have the right to present his case or defense by oral or documentary evidence, to submit rebuttal evidence, and to conduct such cross-examination as may be required for a full and true disclosure of the facts. In rule making or determining claims for money or benefits or applications for initial licenses any agency may, where the interest of any party will not be prejudiced thereby, adopt procedures for the submission of all or part of the evidence in written form.

(d) Record: The transcript of testimony and exhibits, together with all papers and requests filed in the proceeding, shall constitute the exclusive record for decision in accordance with section 8 and, upon payment of lawfully prescribed costs, shall be made available to the parties. Where any agency decision rests on official notice of a material fact not appearing in the evidence in the record, any party shall on timely request be afforded an opportunity to show the contrary.

DECISIONS

SEC. 8. In cases in which a hearing is required to be conducted in conformity with section 7—

(a) Action by subordinates: In cases in which the agency has not presided at the reception of the evidence, the officer who presided (or, in cases not subject to subsection (c) of section 5, any other officer or officers qualified to preside at hearings pursuant to section 7) shall initially decide the case or the agency shall require (in specific cases or by general rule) the entire record to be certified to it for initial decision. Whenever such officers make the initial decision and in the absence of either an appeal to the agency or review upon motion of the agency within time provided by rule, such decision shall without further proceedings then become the decision of the agency. On appeal from or review of the initial decisions of such officers the agency shall, except as it may limit the issues upon notice or by rule, have all the powers which it would have in making the initial decision. Whenever the agency makes the initial decision without having presided at the reception of the evidence, such officers shall first recommend a decision except that in rule making or determining applications for initial licenses (1) in lieu thereof the agency may issue a tentative decision or any of its responsible officers may recommend a decision or (2) any such procedure may be omitted in any case in which the agency finds upon the record that due and timely execution of its function imperatively and unavoidably so requires.

(b) Submittals and decisions: Prior to each recommended, initial, or tentative decision, or decision upon agency review of the decision of subordinate officers the parties shall be afforded a reasonable opportunity to submit for the consideration of the officers participating in such decisions (1) proposed findings and conclusions, or (2) exceptions to the decisions or recommended decisions of subordinate officers or to tentative agency decisions, and (3) supporting reasons for such exceptions or proposed findings or conclusions. All decisions (including initial, recommended, or tentative decisions) shall become a paart of the record and include a statement of (1) findings and conclusions, as well as the basis therefor, upon all the material issues of fact, law, or discretion presented; and (2) the appropriate rule, order, sanction, relief, or denial thereof.

SANCTIONS AND POWERS

SEC. 9. In the exercise of any power or authority—

(a) In general: No sanction shall be imposed or substantive rule or order be issued except within jurisdiction delegated to the agency and as authorized by law.

(b) Licenses: In any case in which application is made for a license required by law the agency, with due regard to the rights or privileges of all the interested parties or adversely affected persons and with reasonable dispatch, shall set and complete any proceedings required to be conducted pursuant to sections 7 and 8 of this act or other proceedings required by law and shall make its decision. Except in cases of willfulness or those in which public health, interest, or safety requires otherwise, no withdrawal, suspension, revocation, or annulment of any license shall be lawful unless, prior to the institution of agency proceedings therefor, facts or conduct which may warrant such action shall have been called to the attention of the licensee by the agency in writing and the licensee shall have been accorded opportunity to demonstrate or achieve compliance with all lawful requirements. In any case in which the licensee has, in accordance with agency rules, made timely and sufficient application for a renewal or a new license, no license with reference to any activity of a continuing nature shall expire until such application shall have been finally determined by the agency.

JUDICIAL REVIEW

SEC. 10. Except so far as (1) statutes preclude judicial review or (2) agency action is by law committed to agency discretion—

(a) Right of review: Any person suffering legal wrong because of any agency action, or adversely affected or aggrieved by such action within the meaning of any relevant statute, shall be entitled to judicial review thereof.

(b) Form and venue of action: The form of proceeding for judicial review shall be any special statutory review proceeding relevant to the subject matter in any court specified by statute or in the absence or inadequacy thereof, any applicable form of legal action (including actions for declaratory judgments or writs of prohibitory or mandatory injunction or habeas corpus) in any court of competent jurisdiction. Agency action shall be subject to judicial review in civil or criminal proceedings for judicial enforcement except to the extent that prior, adequate, and exclusive opportunity for such review is provided by law.

(c) Reviewable acts: Every agency action made reviewable by statute and every final agency action for which there is no other adequate remedy in any court shall be subject to judicial review. Any preliminary, procedural, or intermediate agency action or ruling not directly reviewable shall be subject to review upon the review of the final agency action. Except as otherwise expressly required by statute, agency action shall be final whether or not there has been presented or determined any application for a declaratory order, for any form of reconsideration, or (unless the agency otherwise requires by rule) for an appeal to superior agency authority.

(d) Interim relief: Pending judicial review any agency is authorized, where it finds that justice so requires, to postpone the effective date of any action taken by it. Upon such conditions as may be required and to the extent necessary to prevent irreparable injury, every reviewing court (including every court to which a case may be taken on appeal from or upon application for certiorari or other writ to a reviewing court) is authorized to issue all necessary and appropriate process to postpone the effective date of any agency action or to preserve status or rights pending conclusion of the review proceedings.

(e) Scope of review: So far as necessary to decision and where presented the reviewing court shall decide all relevant questions of law, interpret constitutional and statutory provisions, and determine the meaning or applicability of the terms of any agency action. It shall (A) compel agency action unlawfully withheld or unreasonably delayed; and (B) hold unlawful and set aside agency action, findings, and conclusions found to be (1) arbitrary, capricious, or otherwise not in accordance with law; (2) contrary to constitutional right, power, privilege, or immunity; (3) in excess of statutory jurisdiction, authority, or limitations, or short of statutory right; (4) without observance of procedure required by law; (5) unsupported by substantial evidence in any case subject to the requirements of sections 7 and 8 or otherwise reviewed on the record of an agency hearing provided by statute; or (6) unwarranted by the facts to the extent that the facts are subject to trial de novo by the reviewing court. In making the foregoing determinations the court shall review the whole record or such portions thereof as may be cited by the parties, and due account shall be taken of the rule of prejudicial error.

EXAMINERS

SEC. 11. Subject to the civil-service and other laws to the extent not inconsistent with this act, there shall be appointed by and for each agency as many qualified and competent examiners as may be necessary for proceedings pursuant to sections 7 and 8, who shall be assigned to cases in rotation so far as practicable and shall perform no duties inconsistent with their duties and responsibilities as examiners. Examiners shall be removable by the agency in which they are employed only for good cause established and determined by the Civil Service Commission (hereinafter called the Commission) after opportunity for hearing and upon the record thereof. Examiners shall receive compensation prescribed by the Commission independently of agency recommendations or ratings and in accordance with the Classification Act of 1923, as amended, except that the provisions of paragraphs (2) and (3) of subsection (b) of section 7 of said act, as amended, and the provisions of section 9 of said act, as amended, shall not be applicable. Agencies occasionally or temporarily insufficiently staffed may utilize examiners selected by the Commission from and with the consent of other agencies. For the purposes of this section, the Commission is authorized to make investigations, require reports by agencies, issue reports, including an annual report to the Congress, promulgate rules, appoint such advisory committees as may be deemed necessary, recommend legislation, subpena witnesses or records, and pay witness fees as established for the United States courts.

CONSTRUCTION AND EFFECT

SEC. 12. Nothing in this act shall be held to diminish the constitutional rights of any person or to limit or repeal additional requirements imposed by statute or otherwise recognized by law. Except as otherwise required by law, all requirements or privileges relating to evidence or procedure shall apply equally to agencies and persons. If any provision of this act or the application thereof is held invalid, the remainder of this act or other applications of such provision shall not be affected. Every agency is granted all authority necessary to comply with the requirements of this act through the issuance of rules or otherwise. No subsequent legislation shall be held to supersede or modify the provisions of this act except to the extent that such legislation shall do so expressly. This act shall take effect 3 months after its approval except that sections 7 and 8 shall take effect 6 months after such approval, the requirement of the selection of examiners pursuant to section 11 shall not become effective until 1 year after such approval, and no procedural requirement shall be mandatory as to any agency proceeding initiated prior to the effective date of such requirement.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the bill.

The bill (S. 7) was ordered to be engrossed for a third reading, read the third time, and passed.

ESTATE OF MICHAEL J. McDONOUGH, DECEASED

The PRESIDING OFFICER (Mr. TUNNELL in the chair) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 2483) for the relief of the estate of Michael J. McDonough, deceased, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ELLENDER. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. ELLENDER, Mr. EASTLAND, and Mr. MORSE conferees on the part of the Senate.

ESTATE OF WILLIAM N. THERRIAULT AND MILLICENT THERRIAULT

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 3808) for the relief of the estate of William N. Therriault and Millicent Therriault, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ELLENDER. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. ELLENDER, Mr. O'DANIEL, and Mr. WILSON conferees on the part of the Senate.

SETTLEMENT OF COAST GUARD CLAIMS

Mr. ELLENDER. Mr. President on February 21, 1946, the Senate passed Senate bill 1811. The bill provided for the settlement of Coast Guard claims, and when it was called up I made an explanation of it on the floor of the Senate. On March 4, 1946, the House of Representatives passed an identical bill which was subsequently referred to the Senate Committee on Claims. From that committee I now report favorably, without amendment, House bill 5239 to amend Public Law 277, Seventy-ninth Congress, so as to provide the Coast Guard, at such time as it is transferred back to the Treasury Department, with a system of laws for the settlement of claims, and for other purposes, and I submit a report (No. 1038) thereon. I ask unanimous consent that the Senate proceed to consider the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. WHITE. Mr. President, reserving the right to object, is the House bill, which I assume that the Senator from Louisiana wishes to have substituted for the Senate bill, identical in words with the Senate bill?

Mr. ELLENDER. It is identical in words, and comma for comma.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 5239) was considered, ordered to a third reading, read the third time, and passed.

PERMANENT APPOINTMENTS IN THE REGULAR NAVY AND MARINE CORPS

Mr. WALSH. Mr. President, I move that the Senate proceed to the consideration of Senate bill 1907, Calendar No. 1027.

The PRESIDING OFFICER. The bill will be stated by its title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1907) to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes.

Mr. WALSH. Mr. President, perhaps a brief statement of the bill would be appropriate.

The objective of the bill is to increase and improve the process of demobilization by permitting the transfer of Reserve officers in the Navy and Marine Corps to the Regular Navy and Regular Marine Corps. It is highly desirable that immediate action be taken because of the fact that a large number of Reserve officers have made application to be taken into the permanent Navy, and their applications are pending. Some of the applications have been pending for weeks and months, and the delay in enacting legislation of this kind has resulted in at least 700 of the applicants withdrawing their applications. By enactment of the bill we will make it easier for officers who have been discharged from the Navy to be transferred to the Regular Navy if they wish to do so, and thereby be in the Regular service.

Mr. AUSTIN. Mr. President, will the Senator from Massachusetts permit a question?

Mr. WALSH. I will explain the bill a little more in detail after I obtain permission to have it considered.

Mr. AUSTIN. Reserving the right to object, I should like to ask about the scope of the bill.

Mr. WALSH. At this time?

Mr. AUSTIN. Yes, at this time.

Mr. WALSH. Later I shall be pleased to discuss the bill in detail.

Mr. President, the Navy, as well as the Army, is in the condition of no after-war authorization from the Congress. There is legislation defining the size of the Navy, and prescribing the number of officers and number of enlisted men prior to the war.

The House has passed an authorization bill, indicating what the Naval Affairs Committee of the House, because it has passed on the matter, believes should be the postwar size of our Navy. That bill came to the Committee on Naval Affairs of the Senate. The committee consulted the Commander in Chief, who also is deeply interested in the matter from a budget standpoint and who believes that this is not the time to fix a definite size for the postwar Navy. He favors, as was done in the case of the Army, the enactment of an ad interim bill which would provide for the immediate needs of the Navy in taking over from the Reserves a designated number of officers. The number of officers is designated in the bill.

The bill makes the following authorizations:

(a) An increase in the number of line officers in the Regular Navy from 12,760 to 23,760.

(b) An increase in the number of officers in the Marine Corps from 2,552 to 5,552.

(c) An increase in the number of officers in the Medical Corps from 2,081 to 3,781.

(d) An increase in the number of officers in the Supply Corps from 1,531 to 3,231.

(c) An increase in the number of officers in the Dental Corps from 640 to 1,215.

(f) An increase in the number of officers in the Civil Engineer Corps from 255 to 505.

(g) An increase in the number of officers in the Chaplain Corps from 253 to 528.

Mr. President, as will be seen, the bill authorizes a total of 23,760 line officers, as against the provision of the bill which passed the House, which authorizes a total of 40,000 line officers. It is thought this number of officers can temporarily take care of the needs of the Navy until general authorization legislation can be enacted and the Congress is able to determine what should be the size of the postwar Navy. The committee feels the time for definite legislation will not be opportune until we know what the trend of world affairs will be, and what experiments on naval ships in connection with the atomic bomb may develop.

The bill has been submitted to the President and meets with his approval. It is a compromise with the bill as it passed the House. It is what the administration feels should be authorized now in order that we may not lose the large number of Reserve officers who are applying to enter the Regular Navy. This bill will supply the machinery to take them over.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. AUSTIN. I should like to ask the distinguished chairman of the Senate Committee on Naval Affairs if the bill undertakes in any way to fix the size of the Navy personnel.

Mr. WALSH. It is an ad interim bill only.

Mr. AUSTIN. It provides only for a sufficient number of officers to maintain the mission of the Navy until final determination of how large the Navy should be, and how large the other components of the armed forces should be. Is that correct?

Mr. WALSH. Exactly.

Mr. AUSTIN. It corresponds, in other words, to the bill which was passed not long ago providing for taking up to 25,000 officers from the Army of the United States into the United States Army?

Mr. WALSH. Exactly. It is modeled entirely on that.

Mr. AUSTIN. I have no objection.

Mr. WHITE. Mr. President, will the Senator from Massachusetts yield?

Mr. WALSH. Certainly.

Mr. WHITE. I have no such knowledge of the proposed legislation as to justify me in having an opinion as to its merits or its demerits, if there be any of the latter, but I have talked with such of the minority members of the Naval Affairs Committee as I could contact during the day, and I found complete unanimity of approval of the proposal, for the general reasons stated by the Senator from Massachusetts.

The PRESIDING OFFICER. The bill having been reported on a day when the Senate was not in session from the Committee on Naval Affairs as an original measure, it is necessary that it be read the first and second times.

The bill was read twice by its title.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Massachusetts for the immediate consideration of the bill?

There being no objection, the bill (S. 1907) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in order to remove any apprehension on the part of Naval Reserve officers regarding their opportunities for advancement in event of their transfer to the Regular Navy, it is hereby declared to be the policy of the Congress that in all matters relating to commissioned officers in the Regular Navy there shall be no discrimination whatsoever against officers because of the source from which they entered the Regular Navy, and that no preference shall be given officers by reason of the fact that they entered the Regular Navy from any particular source; and, among other things, that all commissioned officers in the Regular Navy, regardless of the source from which they entered the Regular Navy, shall receive the same treatment with respect to opportunities for (1) promotion or advancement to all grades in the Navy, (2) holding any positions or assignments in the Navy including proportionate representation on selection boards, and (3) attending the Naval War College, postgraduate school, or other schools, or otherwise receiving advanced or technical training.

SEC. 2. (a) The President may appoint male officers of the Naval Reserve and of the Marine Corps Reserve, officers of the Regular Navy and Marine Corps without permanent appointments therein, commissioned warrant and warrant officers of the Regular Navy and Marine Corps with temporary appointments in higher grades and ranks, and any person who served on active duty in any such capacity during World War II and shall have been separated from such officer status under honorable conditions, to permanent warrant grades or, with the advice and consent of the Senate, to permanent commissioned grades and ranks in the Regular Navy and Marine Corps, respectively, but no such person shall be appointed to a grade or rank higher than the highest grade or rank in which he served on active duty. Appointments pursuant to this subsection to commissioned warrant and warrant grades shall be in such numbers as the President may determine, and to other grades and ranks in numbers not to exceed the following: Line of the Navy, 11,000; Marine Corps, 3,000; Medical Corps, 1,700; Supply Corps, 1,700; Dental Corps, 575; Civil Engineer Corps, 250; Chaplain Corps, 275; and the numbers of officers authorized by law in effect prior to the date of enactment of this act for the line and for each of the Staff Corps of the Navy and for the Marine Corps are increased accordingly.

(b) (1) Each appointee who is serving on active duty in a higher grade or rank than that in which appointed under subsection (a) of this section shall also be appointed for temporary service pursuant to, and subject to the limitations of, the Act of July 24, 1941 (55 Stat. 603), as now or hereafter amended, to such higher grade or rank and with the precedence held by him at the time of acceptance of permanent appointment; each appointee not serving on active duty in an officer grade or rank who is appointed under subsection (a) of this section to a grade or rank lower than the highest grade or rank held while on active duty in World War II other than by virtue of a temporary appointment which by its terms was of limited duration, may be similarly appointed to such higher rank or grade and with precedence determined in accordance with regulations promulgated under subsection (c) of this section.

(2) During such period as the Secretary of the Navy may determine but not later than 6 months after June 30 of the fiscal year following that in which the present wars shall terminate, notwithstanding date or rank and lineal position assigned upon permanent appointment under subsection (a) of this section, (A) each officer who receives a permanent appointment in the same grade or rank in which he is then serving on active duty in the Naval or Marine Corps Reserve shall retain the precedence held by him at the time of such appointment; (B) each person not serving on active duty in an officer grade or rank or serving on active duty in his permanent commissioned warrant or warrant grade who is appointed under subsection (a) of this section to the highest grade or rank held while on active duty in World War II other than by virtue of a temporary appointment which by its terms was of limited duration, shall have precedence determined in accordance with regulations promulgated under subsection (c) of this section.

(c) (1) Appointments under subsection (a) of this section shall be made pursuant to regulations prescribed by the President for the administration of this section.

(2) Such regulations shall include, among other provisions, (A) provisions establishing standards and qualifications for appointment thereunder to the several grades and ranks and for the determination of the lineal position and precedence of appointees; and (B) provisions for the assignment of running mates to officers appointed thereunder to the Staff Corps of the Regular Navy.

(3) Such regulations may provide for (A) readjustment of the lineal position and precedence of persons heretofore or hereafter appointed under other provisions of law to commissioned grades or ranks in the Regular Navy subsequent to September 8, 1939, and in the Regular Marine Corps subsequent to June 30, 1939, and (B) reassignment of running mates to persons so appointed to commissioned grades or ranks in the Staff Corps of the Regular Navy.

(d) Except as provided in subsection (b) of this section, the authority granted by this section shall expire 6 months after June 30 of the fiscal year following that in which the present war shall terminate or 2 years after the effective date of this act, whichever shall be the later.

SEC. 3. (a) The commission of any appointee under subsection (a) of section 2 may be revoked by the Secretary of the Navy until the latest date on which the commission of any officer (or in the case of officers of the Staff Corps of the Navy, an officer in his corps) senior in lineal position to that assigned such appointee pursuant to regulations established under subsection (c) of section 2 of this act is revocable.

(b) Each officer (other than officers appointed or reappointed pursuant to subsection (c) of this section) whose commission is so revoked shall thereupon be discharged from the naval service without advanced pay or allowances.

(c) Each officer above the grade of commissioned warrant officer whose commission is so revoked and who (1) at the time of his appointment under subsection (a) of section 2 held permanent status as a commissioned warrant officer may be reappointed by the President to such permanent status without examination, with the lineal position and precedence to which his seniority would have entitled him had his service subsequent to reappointment under such subsection (a) been rendered in such permanent status, or (2) at the time of his appointment under subsection (a) of section 2 held permanent status as a warrant or petty officer, may be

appointed by the President without examination to the permanent commissioned warrant, warrant grade, or chief petty officer permanent grade and with the same lineal position and precedence which he normally would have attained in due course had he not been appointed pursuant to subsection (a) of section 2.

SEC. 4. Notwithstanding any other provision of law, each officer of the Naval Reserve and of the Marine Corps Reserve and each officer of the Regular Navy and Marine Corps without permanent appointments therein, appointed to officer rank in the United States Navy or United States Marine Corps pursuant to this act, who at the time of such appointment had to his credit leave accrued but not taken, may, subsequent to appointment, be granted such leave without loss of pay or allowances.

Mr. WALSH. Mr. President, for the information of the large number of Reserve officers who will be interested in the bill, I ask that a statement by me regarding the bill be incorporated in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

As is generally known, the demobilization of Reserve officers and enlisted men of the Navy is proceeding rapidly. It is expected that prior to September 1, 1946, all reserves who desire to be released will be discharged or released to inactive status, and that thereafter the Navy will be manned entirely by Regular officers, temporary officers, and Reserve officers who volunteer to remain on active duty, and by enlisted men in the Regular Navy.

To meet this requirement some legislation is immediately necessary in order that there may be a sufficient number of Regular officers in the Navy to take over the duties that have been carried on up to the present time by Reserve officers.

Upon the issuing of a proclamation terminating the present emergency the Navy will by law revert to the strength it was authorized to have prior to the present emergency, and that was 12,760 line officers and 232,000 enlisted men in the Regular Navy, and 2,552 officers and 64,400 enlisted men in the Marine Corps.

During the war there were a total of 3,401,728 persons in the Navy and 454,598 persons in the Marine Corps. As of January 1, 1946, there were 138,708 Reserve officers on active duty and 1,354,862 Reserve enlisted men still on active duty. In the next few months it is contemplated that all of the above Reserve officers who desire to return to civil life will be separated from the service and that all enlisted personnel in the Reserve category will be released from the naval service. When this procedure is completed, and if the pending legislation is enacted into law, the number of regular officers authorized will be 23,760 line officers of the Regular Navy plus 3,740 temporary officers of the Regular Navy and 500,000 Regular Navy enlisted men. In addition, some of the Reserve officers who volunteer to remain on active duty will be employed to meet the needs of the Navy. The figures in the Marine Corps are 5,552 officers and 100,000 enlisted men.

At the moment there is no special urgency in dealing with the number of enlisted men in the Navy because we are now allowed 500,000 temporarily and the Navy is proceeding to recruit up to this strength. The situation with respect to officers is different, however, as Reserve officers are being released when they attain a sufficient number of points. The result will be that unless some legislation of this nature is passed there will be an insufficient number of officers next September to meet the needs of the service. For this reason it becomes imperative that some legislation be enacted authorizing an increase in the number of officers in the Navy and Marine Corps to replace those that are being discharged and enable the Navy to man the many vessels that will be required in the immediate future. Naval officials, after consultation with the Commander in Chief, believe that the number authorized to be transferred by the present bill is the minimum that is necessary at this time and that this number will be necessary in the postwar era.

The House of Representatives passed a bill fixing the size of the Navy as 500,000 enlisted men and 40,000 line officers. This bill had not been cleared by the Bureau of the Budget and a subcommittee of the Senate Naval Affairs Committee visited the President to ascertain his desires. The President desired time to study the budget requirements for the armed forces and felt that the House bill should not be enacted at this time. Although some members of the committee favored the House-approved bill, the committee decided to report the present ad interim bill favorably, as the enactment of this bill would bridge the requirements of the Navy until legislation is enacted fixing definitely the size of postwar naval personnel.

It is highly desirable that this bill be passed at once, as many thousands of young men who are now in the service desire to transfer to the Regular Navy and Marine Corps. Many applications are pending and the applicants are restless because there is no definite authority without enactment of this bill to transfer them to the regular service. Many of them are fine and able and experienced young men who desire to make the Navy a career.

The present bill will permit the Navy Department to take action on a considerable number of these applications. Delay in getting the present legislation has led approximately 700 applicants, who a short time ago were willing to be transferred, to request withdrawal of their applications.

Officers who enter the Regular Navy are career men and serve for life or until retired. Enlisted men enter for a number of years, usually 4 or 6, and can be released as their terms of enlistment expire. If the present bill is enacted, 11,000 line officers, 3,000 Marine Corps officers, 1,700 Medical Corps officers, 1,700 Supply Corps officers, 575 Dental Corps officers, 250 engineers, and 275 chaplains may be transferred to the Regular service. An increase of this number of officers in the Regular service plus the temporary officers who may still be retained plus the Reserve officers who may volunteer for retention will, it is believed, supply enough officers to maintain our Navy during the next year or two. Legislation fixing definitely the number of enlisted men to be retained in the postwar Navy and the additional number of officers which will be required will undoubtedly be taken up at a later date.

Additional features of the bill are as follows:

(a) It authorizes the officers transferred to the Regular Navy to be inducted in temporary ranks which they now hold.

(b) It authorizes the Secretary of the Navy to adjust the lineal list of the Navy, both of the line and staff corps, by means of regulations.

(c) It provides for the revocation of commissions for the same period of time as present law permits the revocation of commissions of those officers who are already in the service.

(d) It authorizes officers transferred the privilege of taking their accumulated leave.

(e) A paragraph is included which states the policy of the Congress that there shall be no discrimination whatsoever against any officer regardless of the source from which he received his appointment in the Regular Navy.

MEMORANDUM ON PROPOSED WOOL PROGRAM (S. DOC. 140)

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that there be printed as a Senate document a letter which I have today received from the President of the United States transmitting a memorandum outlining an effective wool program. Last January, at the conclusion of extensive hearings which were held by the Senate Special Committee on Wool, I called upon the President and requested of him that all the Government departments and agencies having any jurisdiction over this commodity should be requested to cooperate, in an effort to work out an executive-congressional program to stimulate the use of wool and to meet the desperate condition in which the growers of wool in the United States have found themselves for many years. The letter transmits a response to that request. It will be of great interest to all the wool-growing areas of the United States, and, therefore, in my opinion should be printed as a Senate document.

It will also be of interest to all branches of the wool industry. I am sure that dealers and manufacturers will find it a sound and practical solution of a most difficult problem. One of the great virtues of the plan is that it provides for the attainment of necessary results without disturbing normal business practices or working a disadvantage to any group.

The proposed program was fully discussed by the Cabinet last week. It comes to Congress, therefore, with full support of the administration, which means that the State Department and all other departments and agencies of the Government will be behind it. In the President's letter to me he specifically pointed out that the wool committee "will be able to call on the interested agencies for any desired assistance in drafting appropriate legislation."

Numerous suggestions to meet the admittedly desperate situation in which the wool producer finds himself were made at the full-scale hearings conducted last November by the Senate Wool Committee. These suggestions came from members of industry, Members of Congress, and from expert observers. They were all thoroughly studied in the conferences following my appeal to the President last January, and I feel that the resulting proposal will be found to be eminently practical and satisfactory. The proposed program not only corrects the parity handicap under which wool producers have been suffering and provide for the disposal of domestic stock piles at competitive prices, but it substitutes a constructive long-term plan for the year-to-year makeshift policy upon which the wool grower has had to depend in the past. I was particularly pleased that the administration has included in the outline a provision for research to improve the quality of domestic wool and to stimulate the processing and utilization of wool. This means the creation of new markets for the product and together with other features of the program will enable the wool grower to look to the future with confidence.

Parity for wool has always been far below that of any other agricultural commodity. This was brought about by the fact that during the base period, 1910 to 1914, wool was at a low level, sales during that period averaging 18.3½ per pound as compared with 23.8 cents per pound from January 1935 to December 31, 1939. This discrepancy would be removed under the new plan and parity price of wool placed on an equality with that of other agricultural commodities.

The proposal submitted by President Truman may be summarized as follows:

It recommends raising the parity price for wool, and recommends commodity credit purchases to support wool on an equality with other agricultural commodities.

It provides that the purchase price shall not be revised while sheep numbers are declining.

It authorizes the Commodity Credit Corporation to continue to sell wool at prices competitive with imported foreign wool.

It recommends that the Marketing Agreements Act be made applicable to wool.

It calls for a research program to improve the quality of the domestic wool and stimulate the use of wool, and provides that duties collected under the customs laws each calendar year may be appropriated to finance this program.

I feel that this is a practical program, which will appeal to all who are interested in the wool industry, whether as growers, dealers, manufacturers, or consumers. There is wide interest in the problem in the Congress, and for that reason I make the request that the President's letter and the memorandum be printed as a Senate document. I ask also that there be printed with the other matter a memorandum which I submitted to the President at his request and to which this letter is a response. I also ask that the matters be printed in the RECORD.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wyoming? The Chair hears none, and it is so ordered.

The matters referred to are as follows:

MARCH 11, 1946.

DEAR SENATOR O'MAHONEY: On January 5, 1946, you sent me a memorandum on wool in accordance with a suggestion I had made to you at a conference on the subject. In your memorandum you suggested that I request the interested agencies of the Government to confer and to prepare a wool program. Such a program has now been prepared and is attached. It represents the considered views of the administration on the best methods for solving a serious and difficult problem.

Your committee will, of course, be able to call on the interested agencies for any desired assistance in your further studies of the wool situation or in drafting appropriate legislation.

I trust that the Congress will find that this proposed wool program constitutes a sound and adequate basis for constructive legislation.

In closing I wish to express my agreement with you that cooperation between the Executive and the Congress is essential to the establishment of an effective wool program.

Sincerely yours,

HARRY S. TRUMAN.

PROPOSED WOOL PROGRAM

At the present time there is a serious world-wide wool situation. The United States Government must develop and carry out a wool program that will adequately safeguard the interests of growers, merchants, and consumers. Such a program must also be consistent with our general foreign economic policy.

Abroad the war stopped trade between the principal wool-producing countries of the Southern Hemisphere and the principal wool-consuming countries on the Continent of Europe and in Asia. This has resulted in the accumulation of large stocks of raw wool in foreign countries. The distribution of these accumulated stocks and of future clips will be retarded until transportation, coal mining, manufacturing, and international trade can be rehabilitated, despite the great consumer need for wool textiles and clothing. In view of these facts, the Governments of Great Britain, Australia, New Zealand, and South Africa have formed an agency called the Intergovernmental Joint Wool Organization for the twofold purpose of protecting prices to producers in Empire countries and of disposing of the accumulated surplus of Empire wool. It is said that this agency will be prepared to operate for a period of 10 years, or longer if necessary, to complete the liquidation of these stocks. While the joint wool organization is in operation it is understood that wool produced in these countries will be sold to the established trade in the normal manner as long as prices equal or exceed the stabilization levels established by the organization. When the wool cannot be sold to the trade at such prices it will be purchased by the organization at the stabilization prices. It is to the advantage of wool growers in the United States to have wool prices stabilized in the major producing countries abroad. Our growers are somewhat apprehensive, however, lest the desire of the joint wool organization to speed liquidation might result in undue pressure to sell in the United States.

Domestically, sheep numbers have been reduced 25 percent in the past 4 years. This reduction has resulted from higher production costs, difficulties in obtaining labor, and the fact that many sheep raisers have found prices of some other farm products to be at more remunerative levels. To alleviate the situation confronting growers, the CCC has been purchasing domestic wool at ceiling prices since April 1943. However, foreign wool is being sold duty-paid in the United States at prices materially below those at which the corporation is buying from domestic producers. Accordingly, our mills have turned largely to imported wool, and although our consumption in recent years has been the largest in history, the Commodity Credit Corporation has accumulated stocks in excess of 1 year's domestic production. Since November the Corporation has been selling wool at a loss as a means of moving it into consumption in competition with imported wool.

There is general agreement that this Government must protect the incomes of wool growers on a level comparable with that afforded producers of other agricultural products. The Senate Special Committee To Investigate Production, Transportation, and Marketing of Wool, during its comprehensive hearings, received several alternative proposals for dealing with the wool problem. Basically, the major proposals fall into two groups—those under which the prices of foreign wool in the United States may be raised, either through higher tariffs, import fees or import quotas, and those under which the selling prices of domestic wool would be lowered sufficiently to make domestic wool competitive with duty-paid imported wool. Some plans were also suggested which would have the effect of spreading the premium paid for domestic wool over the cost of all wool used in the United States so as to make the cost of all wool to domestic mills approximate an average between the support price paid growers for domestic wool and the duty-paid price of imported wool.

From a careful review of the entire problem it appears that it will be more desirable from a national point of view and more dependable for growers to have the Government absorb losses on sales of domestic wool rather than to raise additional trade barriers against imports. This would involve a program essentially similar to that now being carried out by the Commodity Credit Corporation, but on a more permanent basis and with adequate guides to determine the amount of protection to be given growers. When the postwar wool situation becomes better clarified, it may become desirable to change the method of operation from a purchase program so as to remove the Government, insofar as possible, from participation in the wool business. In developing such program it should be kept in mind that the domestic sheep raising industry has been experiencing a major decline in sheep numbers and therefore care should be exercised not to take action which would place additional handicaps on the industry so long as this decline continues. It would also be advisable to provide for more adequate research and developmental work on wool marketing and utilization and to make it possible for the industry to utilize marketing agreements and orders if that should become necessary in dealing with the wool situation in the future.

Specifically, in view of the large-scale decline of sheep numbers in the United States during recent years, the large wool surpluses now hanging over foreign and domestic markets, and the present and prospective marketing problems confronting wool growers, it would seem desirable for Congress to enact special wool legislation. Such legislation should provide that:

1. The parity price of wool be revised or established at the so-called comparable level so that wool parity prices will be on a level equivalent to parity prices for other farm products.

2. The Commodity Credit Corporation support incomes to wool producers through purchases, loans, or payments, at the same minimum percentage of the revised parity prices as it is directed to support prices to producers of basic agricultural commodities. This level will be not less than 90 percent of the revised parity prices until the expiration of the 2-year period beginning with the 1st day of January immediately following the date upon which the President by proclamation, or the Congress by concurrent resolutions, declares that hostilities in the present war have terminated.

Because of the continuing decline in sheep numbers, it should be provided: (a) that no reduction shall be made in the general level of support prices from the level at which the Commodity Credit Corporation has agreed to purchase 1946 wool until the year in which the number of sheep kept for breeding purposes on January 1 first stops the decline which has been in effect continuously since 1942, except (1) that specific reductions can be made to equalize the support given on various types and qualities of wool, and (2) that additional discounts could be established to reflect market values of off-quality, inferior, and poorly prepared wool and to discourage unsound marketing practices; and (b) that the reduction for any one year shall not exceed 8 percent of the average support price for the previous year.

The legislation should authorize the Commodity Credit Corporation to elect to make payments to producers in lieu of making pur-

chases or loans. In the event of such election, such payments should equal the amount, if any, by which the United States average farm price falls below the estimated average price per pound at which the Corporation would have supported prices under a purchase or loan program.

3. The Commodity Credit Corporation be authorized to continue to sell wool at prices competitive with imported foreign wool, irrespective of other provisions of law, since existing legislation would prohibit any sales at prices below parity.

4. Funds from the gross receipts from duties collected under the customs law during the period January 1 to December 31, both inclusive, of each calendar year be appropriated and made available to the Commodity Credit Corporation as of each following June 30, in sufficient amount to equal the losses incurred by the Corporation under purchase or loan operations, or the amount of payments made to wool producers in lieu of such purchase or loan operations, for the fiscal year ending on the respective June 30.

5. Marketing agreement and order programs under the Marketing Agreement Act of 1937, as amended, be made applicable to wool on the basis of the comparable, or revised parity, price.

6. A research and developmental program be provided for the purpose of improving the quality of domestic wool and wool marketing practices, and the processing and utilization of wool.

In addition to such legislative program, it would seem desirable to have the Executive agencies undertake the development of an international wool agreement in collaboration with the various interested foreign governments, to provide for coordinated action and more unified supervision of world wool marketing and price policies from the standpoints of producers, consumers, and international trade. I am asking the Executive agencies to determine the willingness of foreign governments to participate in such undertaking. In the meantime, it is hoped that consultations can be held with foreign wool agencies which will provide for a mutual understanding of objectives and activities in selling policies.

The above program will, in my opinion, afford domestic wool growers the protection and assistance to which they are properly entitled under this country's general trade and agricultural policies. The program will tend to encourage wool consumption in the United States, and will be consistent with our general foreign economic policy. In accordance with the views you have so frequently expressed, this country also should cooperate with foreign producing and consuming countries in efforts to encourage wool consumption abroad.

STATEMENT FILED WITH PRESIDENT TRUMAN ON JANUARY 5, 1946, BY SENATOR JOSEPH C. O'MAHONEY, CHAIRMAN, SPECIAL COMMITTEE TO INVESTIGATE PRODUCTION, TRANSPORTATION, AND MARKETING OF WOOL

The four governments of the United Kingdom and of the three Dominions, Australia, New Zealand, and South Africa, have formed a joint organization to hold and market the huge British stocks of surplus wool which overhang the world market. As much as 85 percent of the total world supply of wool, now estimated at more than 4,000,000,000 pounds, for more than a decade to come will be controlled and handled by this state-managed monopoly.

The United States is the world's greatest market for wool and woolen products, but it produces less wool than it consumes, whereas the British Dominions produce far more wool than they can consume.

The British Government not only undertakes to protect its Dominion wool producers from loss by marketing their wool for them in the United States, but it also encourages the production of wool in the British Isles by a system of bounty payments to the English wool grower.

The British also pursue a policy the objective of which is to increase the exports of woolen fabrics into the United States. In order to bring this about the British Government is seeking to restrain the consumption of woolen goods in the United Kingdom. Contrasted with this clear-cut policy intended to make the growing of wool and the manufacture of woolen fabrics a profitable enterprise for the inhabitants of England and of the British Dominions the Government of the United States has no consistent policy with respect to its own wool growers.

The Commodity Credit Corporation has purchased the domestic clip during the war, but only on a year-to-year basis, and without any assurance to the growers that the program would be continued even during the reconversion period. These purchases were made because it was recognized by the Commodity Credit Corporation that unless the Government purchased the domestic clip the liquidation of domestic flocks, which now number 20 percent less than they did in 1942, would be accelerated with a consequent serious decrease in the supply of lamb and mutton. Meanwhile, the United States Forest Service in the Department of Agriculture and the Grazing Service in the Department of the Interior have been deterred only by congressional pressure from increasing grazing fees on Government-owned lands. The Office of Price Administration has held down ceiling prices on wool in the face of increasing costs of production, while the handling of lamb prices and lamb subsidies has been both uncertain and unrealistic.

The American wool grower, therefore, faces the postwar period with a much higher level of production costs than in the British Dominions, and with a price structure both on wool and on meat that does not reflect these costs, with a tremendous world surplus of wool under British state-management competing with him for the domestic market, and without any reason to believe that his own Government has any real understanding of or concern for his predicament. On the contrary, he has good reason to believe that his Government will not only make a large loan to Great Britain, but may even follow that loan by granting additional tariff concessions on British wool and woolen imports.

In these circumstances, the domestic wool industry is declining. Indeed, so many growers have abandoned the business that in 1946 the United States will, it is estimated, produce scarcely more than 300,000,000 pounds of wool, as compared with a normal prewar production of 450,000,000 pounds. Yet wool is an essential commodity, and both the Army and the Navy call it a strategic necessity. It was so important to have wool in the United States that at the outbreak of World War II the British Government sought and obtained from this Government the right to establish a British stock pile here. Of this stock pile, there now remains 286,000,000 pounds.

It is clear that unless the Government of the United States adopts a constructive long-term policy the very existence of the wool-growing industry in this country will be threatened. Further liquidation of domestic flocks will be injurious to the economy of many parts of the United States, particularly to the area in the West stretching from Mexico to Canada.

At the November hearings of the Senate committee on wool, several remedies were suggested, but it was clear that there was no agreement among the executive departments of the Government.

The State Department suggested the payment of subsidies to domestic producers. The Department of Agriculture declared its opposition to subsidies upon the ground that it is the policy of the administration to abandon all subsidy programs.

Upward revision of the tariff was suggested by some growers and some manufacturers, but this remedy was opposed by the State Department on the ground that it is not in harmony with the over-all policy of reducing trade barriers.

The imposition of import quotas was also opposed as contrary to basic policy and difficult of administration. Moreover, there is no agreement among American growers and American manufacturers with respect to this suggestion.

Another suggestion, which originated with Dean J. A. Hill, of the University of Wyoming, and which was presented in different forms, would make the United States Government the sole purchaser of wool to be used in the United States, both foreign and domestic, and would give it the power to market the wools. This plan was criticized on the ground that it would institute a form of state-managed economy. It was defended on the ground that domestic wool can be marketed only in competition with a state-managed economy.

Another remedy was suggested by the National Wool Marketing Corporation. Under this plan the Commodity Credit Corporation would continue to purchase the domestic clip for a period as long as the United Kingdom continues to manage the handling and sale of British wool. Domestic wool would be purchased by the Commodity Credit Corporation at prices which reflect the domestic cost of production plus a reasonable profit. It would, however, sell to American manufacturers through normal trade channels at competitive prices. This would entail a loss to the Commodity Credit Corporation, which, it was proposed, could be reimbursed from tariff duties.

Failure upon the part of the Government of the United States to meet the world situation created by the world surplus and the British monopoly plan means disaster to so large a segment of our domestic economy that it is imperative for the United States to adopt a long-term policy. Representatives of all of the Government agencies having anything to do with wool or lamb responded promptly to the request of the committee to discuss the problem at its public hearings. Discussion, however, is not enough. It is essential that we should have a program. An effective program can be obtained only by cooperation between the executive and the Congress. I, therefore, respectfully suggest that you request the Department of State, the Department of Agriculture, the Department of Commerce, the Department of the Interior, the Office of War Mobilization and Reorganization, the Office of Price Administration, the Reconstruction Finance Corporation, the United States Tariff Commission, and the Federal Trade Commisson to confer durng the recess of Congress and be prepared to submit to the Wool Committee a joint plan to meet what every Government agency acknowledges to be a desperate situation.

EXECUTIVE SESSION

Mr. McCARRAN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. TUNNELL in the chair) laid before the Senate messages from the President of the

United States submitting several nominations and withdrawing a nomination, which nominations were referred to the appropriate committees.

(For nominations this day received and nomination withdrawn, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. McCARRAN, from the Committee on the Judiciary:

David C. Walls, of Kentucky, to be United States attorney for the western district of Kentucky, vice Eli H. Brown III, resigned;

Donald C. Miller, of Ohio, to be United States attorney for the northern district of Ohio;

Carl L. Sackett, of Wyoming, to be United States attorney for the district of Wyoming; and

John H. Manning to be United States attorney for the eastern district of North Carolina, vice Charles F. Rouse, resigned.

By Mr. THOMAS of Utah, from the Committee on Military Affairs:

Philip H. Bartholomew for appointment as State medical advisor for Nebraska, under the provisions of section 10 (a) (3) of the Selective Training and Service Act of 1940, as amended.

By Mr. WALSH, from the Committee on Naval Affairs:

Rear Admiral Frank E. Beatty, United States Navy, to be a rear admiral in the Navy, for temporary service, to rank from the 31st day of January 1943, in lieu of the date of rank as previously nominated and confirmed.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Michael D. Fanning, to be postmaster at Los Angeles, Calif., in place of M. D. Briggs, deceased.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

FOREIGN SERVICE

The legislative clerk read the nomination of Josiah Marvel, Jr., of Delaware, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Denmark.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McCARRAN. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc.

That completes the calendar.

Mr. McCARRAN. I ask that the President be immediately notified of all nominations this day confirmed.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

RECESS TO THURSDAY

Mr. McCARRAN. As in legislative session, I move that the Senate take a recess until 12 o'clock noon on Thursday next.

The motion was agreed to; and (at 4 o'clock and 12 minutes p. m.) the Senate took a recess until Thursday, March 14, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 12 (legislative day of March 5), 1946:

WAR ASSETS ADMINISTRATION

Lt. Gen. Edmund B. Gregory to be War Assets Administrator.

UNITED STATES DISTRICT JUDGE

Sam M. Driver, of Washington, to be United States district judge for the eastern district of Washington, vice Hon. Lewis B. Schwellenbach, resigned.

IN THE NAVY

Vice Adm. Arthur S. Carpender, United States Navy, to be a vice admiral in the Navy for temporary service, to rank from the 3d day of April 1945.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 12 (legislative day of March 5), 1946:

FOREIGN SERVICE

Josiah Marvel, Jr., to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Denmark.

POSTMASTERS

LOUISIANA

Pierre D. Lorio, Jr., Hahnville.
Bernice L. Crespo, St. Rose.

MARYLAND

Frederick Mitchell Hopkins, Aberdeen.
Harry C. Kirk, Chesapeake City.
Elmer G. Armstrong, Olney.
Margaret S. Cross, Queenstown.

MISSISSIPPI

Sam L. White, Anding.
William E. King, Lambert.
Annie L. Chorley, Sledge.

MISSOURI

Edward J. Murphy, Jr., Strafford.

NORTH DAKOTA

Agnes Dettmann, Judson.

UTAH

Harold M. Creer, Spanish Fork.

WEST VIRGINIA

Jennings C. Minnix, Haywood.
Thelma B. Rogers, Yukon.

WITHDRAWAL

Executive nomination withdrawn from the Senate March 12 (legislative day of March 5), 1946:

WAR ASSETS ADMINISTRATION

Lt. Gen. Edmund B. Gregory to be War Assets Administrator.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 12, 1946

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

With confidence undismayed, our Father, we pray Thee to give us that power that will not strike sail to any doubt. At the altar of prayer there comes Thy whisper as fresh as spring, an inner consciousness as restful as sleep, and a breath of hope as unwithering as divine love. O lead us to live out the Master's definition of a good life, blending the elements of Christian character, making our objective each day not merely to succeed but to deserve its fruits, remembering that in the calendar of time there are no faithful failures. In our public service may there be no waste of energy and no flat, nagging weariness, but a flow of wisdom enriched by the "water of life." We praise Thee that for our sins Thou has given us the glorified cross, within whose shadow we make our confession, and Thou art faithful and just to forgive us and to cleanse us from all unrighteousness; O give us understanding, dear Lord, and we shall live. Amen.

The Journal of the proceedings of yesterday was read and approved.

AUTHORIZING USE OF NAVAL VESSELS FOR ATOMIC-WEAPON TESTS

The SPEAKER. The unfinished business is the question on the passage of House Joint Resolution 307.

The question was taken; and the Speaker announced the "ayes" appeared to have it.

Mr. VINSON. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 313, nays 25, answered "present" 2, not voting 91, as follows:

[Roll No. 49]

YEAS—313

Abernethy	Case, S. Dak.	Elston
Adams	Celler	Engel, Mich.
Allen, La.	Chenoweth	Engle, Calif.
Almond	Chiperfield	Ervin
Andersen, H. Carl	Church	Fallon
Anderson, Calif.	Clason	Feighan
Andresen, August H.	Clevenger	Fellows
Andrews, Ala.	Clippinger	Fenton
Andrews, N. Y.	Cochran	Flannagan
Angell	Cole, Kans.	Flood
Arends	Cole, Mo.	Fogarty
Auchincloss	Cole, N. Y.	Forand
Barry	Combs	Fulton
Bates, Ky.	Cooper	Gallagher
Bates, Mass.	Corbett	Gary
Beall	Courtney	Gathings
Beckworth	Cox	Gearhart
Bell	Cravens	Geelan
Bender	Crawford	Gibson
Bennet, N. Y.	Crosser	Gifford
Bennett, Mo.	Cunningham	Gillespie
Biemiller	Curtis	Gillette
Bishop	D'Alesandro	Gillie
Blackney	Daughton, Va.	Goodwin
Bland	Davis	Gordon
Bloom	Delaney, James J.	Gore
Bolton	Delaney, John J.	Graham
Bonner	Dingell	Granahan
Boykin	Dirksen	Grant, Ala.
Brehm	Dolliver	Grant, Ind.
Brooks	Domengeaux	Gregory
Brown, Ga.	Dondero	Griffiths
Brown, Ohio	Doughton, N. C.	Gross
Brumbaugh	Douglas, Calif.	Gwinn, N. Y.
Bryson	Douglas, Ill.	Gwynne, Iowa
Buck	Doyle	Hagen
Bunker	Drewry	Hale
Burch	Durham	Hall, Edwin Arthur
Byrnes, Wis.	Earthman	Hall, Leonard W.
Campbell	Eaton	Halleck
Canfield	Eberharter	Hancock
Cannon, Fla.	Elliott	Hare
Carlson	Ellis	Harless, Ariz.
Carnahan	Ellsworth	Harness, Ind.
Case, N. J.	Elsaesser	Harris

Hartley	McCormack	Robinson, Utah
Havenner	McCowen	Robsion, Ky.
Hays	McDonough	Rockwell
Healy	McGregor	Rodgers, Pa.
Hébert	McMillan, S. C.	Roe, Md.
Hedrick	McMillen, Ill.	Rogers, Mass.
Heffernan	Madden	Rowan
Hendricks	Mahon	Russell
Henry	Maloney	Ryter
Heselton	Manasco	Sabath
Hess	Mankin	Savage
Hill	Mansfield, Tex.	Schwabe, Okla.
Hinshaw	Marcantonio	Scrivner
Hobbs	Martin, Iowa	Sharp
Hoch	Martin, Mass.	Sheppard
Hoeven	Mathews	Short
Holifield	May	Sikes
Holmes, Wash.	Michener	Simpson, Ill.
Hook	Miller, Calif.	Simpson, Pa.
Hope	Miller, Nebr.	Slaughter
Huber	Mills	Smith, Maine
Izac	Mundt	Smith, Va.
Jackson	Murdock	Smith, Wis.
Jenkins	Murphy	Spence
Jennings	Murray, Tenn.	Springer
Jensen	Murray, Wis.	Starkey
Johnson, Calif.	Neely	Stefan
Johnson, Ill.	Norblad	Stevenson
Johnson, Ind.	O'Brien, Ill.	Stewart
Johnson, Lyndon B.	O'Brien, Mich.	Stigler
	O'Konski	Stockman
Jones	O'Neal	Sullivan
Jonkman	O'Toole	Taber
Judd	Outland	Talle
Kean	Pace	Tarver
Kearney	Patman	Thomas, Tex.
Kee	Patterson	Tibbott
Keefe	Peterson, Fla.	Tolan
Kefauver	Pfeifer	Towe
Kelly, Ill.	Philbin	Trimble
Kerr	Phillips	Vinson
Kilday	Pickett	Voorhis, Calif.
Kinzer	Pittenger	Vorys, Ohio
Kirwan	Ploeser	Vursell
Klein	Plumley	Wadsworth
Kopplemann	Poage	Walter
Kunkel	Price, Ill.	Welch
LaFollette	Priest	West
Landis	Rabaut	White
Lane	Ramey	Whittington
Lanham	Rankin	Wickersham
Larcade	Reece, Tenn.	Wigglesworth
Lea	Reed, Ill.	Wilson
LeCompte	Reed, N. Y.	Wolfenden, Pa.
LeFevre	Rees, Kans.	Wolverton, N. J.
Lewis	Resa	Woodhouse
Link	Rich	Woodruff
Lyle	Richards	Worley
Lynch	Riley	Zimmerman
McConnell	Rivers	

NAYS—25

Arnold	Hoffman	Mansfield, Mont.
Barrett, Wyo.	Horan	Mason
Buffett	Hull	Norrell
Burgin	Johnson, Luther A.	Sumners, Tex.
Colmer	Johnson, Okla.	Thomason
D'Ewart	King	Whitten
Dworshak	Lemke	Winstead
Folger	McGehee	Winter
Granger		

ANSWERED "PRESENT"—2

Bailey	Smith, Ohio

NOT VOTING—91

Allen, Ill.	Gardner	O'Hara
Baldwin, Md.	Gavin	Patrick
Baldwin, N. Y.	Gerlach	Peterson, Ga.
Barden	Gorski	Powell
Barrett, Pa.	Gossett	Price, Fla.
Boren	Green	Quinn, N. Y.
Bradley, Mich.	Hand	Rabin
Bradley, Pa.	Hart	Rains
Buckley	Herter	Randolph
Bulwinkle	Holmes, Mass.	Rayfiel
Butler	Howell	Rizley
Byrne, N. Y.	Jarman	Robertson, N. Dak.
Camp	Kelley, Pa.	
Cannon, Mo.	Keogh	Robertson, Va.
Chapman	Kilburn	Roe, N. Y.
Chelf	Knutson	Rogers, Fla.
Clark	Latham	Rogers, N. Y.
Clements	Lesinski	Rooney
Coffee	Luce	Sadowski
Cooley	Ludlow	Sasscer
Curley	McGlinchey	Schwabe, Mo.
Dawson	McKenzie	Shafer
De Lacy	Merrow	Sheridan
Fernandez	Monroney	Somers, N. Y.
Fisher	Morgan	Sparkman
Fuller	Morrison	Sumner, Ill.
Gamble	Norton	Sundstrom
Talbot	Torrens	Weichel
Taylor	Traynor	Wolcott
Thom	Wasielewski	Wood
Thomas, N. J.	Weaver	

So the joint resolution was passed.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. Keogh with Mr. Schwabe of Missouri.
Mr. Sparkman with Mr. Rizley.
Mr. Randolph with Mr. Shafer.
Mr. Gardner with Mr. O'Hara.
Mr. Barrett of Pennsylvania with Mr. Latham.
Mr. Coffee with Mr. Taylor.
Mr. Somers of New York with Mr. Fuller.
Mr. Sheridan with Mr. Allen of Illinois.
Mr. Bradley of Pennsylvania with Mr. Howell.
Mr. Kelley of Pennsylvania with Mr. Gavin.
Mr. Curley with Mr. Holmes of Massachusetts.
Mr. Baldwin of Maryland with Mr. Bradley of Michigan.
Mr. Byrne of New York with Mr. Herter.
Mr. Torrens with Mr. Gamble.
Mr. Rooney with Mr. Baldwin of New York.
Mr. Green with Mr. Knutson.
Mr. Buckley with Mrs. Luce.
Mr. Rayfiel with Mr. Kilburn.
Mr. Lesinski with Miss Sumner of Illinois.
Mr. McGlinchey with Mr. Talbot.
Mr. Powell with Mr. Weichel.
Mr. Morrison with Mr. Thomas of New Jersey.
Mr. Roe of New York with Mr. Wolcott.
Mr. Peterson of Georgia with Mr. Gerlach.
Mrs. Norton with Mr. Butler.
Mr. Cannon of Missouri with Mr. Merrow.

Mr. MASON changed his vote from "yea" to "nay."

Mr. WINSTEAD changed his vote from "yea" to "nay."

Mr. SMITH of Ohio withdrew his vote of "yea" and answered "present."

Mr. BAILEY withdrew his vote of "yea" and answered "present."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

SPECIAL ORDER VACATED

Mr. COX. Mr. Speaker, I ask unanimous consent that the special order granted me today may be vacated.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

PERMANENT APPOINTMENT IN GRADES OF GENERAL OF THE ARMY, FLEET ADMIRAL OF THE UNITED STATES NAVY, AND GENERAL OF THE MARINE CORPS

Mr. MAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1354) to authorize the permanent appointment in the grades of General of the Army, Fleet Admiral of the United States Navy, and General in the Marine Corps, respectively, of certain individuals who have served in such grades during the Second World War, with House amendments, insist on the amendments of the House and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. MAY, Mr. THOMASON, Mr. BROOKS, Mr. ANDREWS of New York, and Mr. SHORT.

CONFERENCE ON THE BILL S. 63

Mr. SMITH of Virginia. Mr. Speaker, I call up House Resolution 541, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution the bill S. 63, with House amendments thereto, be, and the same is hereby, taken from the Speaker's table; that the House insists on its amendments to the said bill and agrees to the conference requested by the Senate on the disagreeing votes thereon.

Mr. SMITH of Virginia. Mr. Speaker, this is a resolution to send to conference the so-called Petrillo bill. It will be recalled that that bill passed the House about 2 weeks ago, in an amended form, in a form different from that in which it passed the Senate. It was sent to the Senate. The Senate disagreed to the amendments of the House and sent the bill back asking for a conference. There was objection made when a request was made to send the bill to conference. The sole purpose of the resolution is to carry out the usual routine of sending the bill to conference.

I yield 2 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Speaker, the reason I objected to sending this bill to conference was because I felt we were deprived of an opportunity to have a record vote on passage of a very vital measure, affecting the rights of American musicians and other workers engaged in the broadcasting industry I believed then and I believe now that by objecting to the request to send the bill to conference we would have an opportunity to vote on the resolution to send it to conference, and thereby have an opportunity to obtain a record vote on such an important measure. A vote in the affirmative, under the circumstances, is a vote for the bill. A vote in the negative can be construed as a vote against the bill.

I sincerely believe that legislation of this character which is so sweeping as to provide, for the first time in the history of this Government, imprisonment of men who go out on strike, should not pass this Congress without a record vote. If any musician or other employee of a broadcasting company should go out on strike, he would be subject to imprisonment under the provisions of this bill. I, for one, will not vote to imprison any worker who exercises his inalienable right to strike. So I do hope the Members of this House who are for this kind of legislation, as well as those who are opposed to it, will stand up on this test and be counted by a record vote. If you want this kind of legislation, let the American people know where you stand.

Those are the reasons why I objected to sending the bill to conference, and that is why I stand here today making a plea that we go on record on the most extreme antilabor legislation that has ever been passed by this House.

The SPEAKER. The time of the gentleman from New York [Mr. MARCANTONIO] has expired.

Mr. SMITH of Virginia. Mr. Speaker, I yield to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I have just listened to the statement made by the gentleman from New York [Mr. MARCANTONIO]. I disagree with it thoroughly. This bill was approved on the floor of the House. It was passed by an overwhelming majority. The only reason the roll was not called was because the hour was late, and there was practically no opposition to the enactment of the measure, as the record shows, and as the gentleman knows. There will be full opportunity for a roll call vote, and for a complete discussion of this measure, once it comes back from conference, as to what that conference report contains.

We have debated this matter thoroughly in the House, as I said a moment ago; and, of course, the gentleman—and I am sure not purposely—was incorrect in his statement that this would send anybody to jail for just anything. The only thing this bill does, as the gentleman well knows, and as the House has decided, should be done, is to prohibit, as illegal certain acts in the broadcasting field, and to provide that anyone who attempts to compel the performance of such illegal acts shall in turn be considered as violating the law and shall be punished therefor.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. Yes; I yield to the gentleman from Mississippi.

Mr. RANKIN. The gentleman from New York [Mr. MARCANTONIO] could have got a roll call on the bill had he wanted it.

Mr. BROWN of Ohio. Yes; we would have been very glad to join with him in a request for a roll call.

Mr. RANKIN. He could have had a roll call had he wanted it.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. MARCANTONIO. I did ask for a roll call and the gentleman from Ohio, as well as practically everybody with the exception of about twenty-some-odd Members did not stand up to support my request for the yeas and nays.

Mr. BROWN of Ohio. If the gentleman states he did ask for the yeas and nays the record speaks for itself.

Mr. MARCANTONIO. I did ask for them.

Mr. BROWN of Ohio. I withdraw the remarks in which I said the gentleman did not attempt to get a roll call.

Mr. RANKIN. He could have obtained a roll call on a point of no quorum.

Mr. MARCANTONIO. We could not get an automatic roll call as a vote by division disclosed that there were more than 218 Members present.

Mr. BROWN of Ohio. The vote also showed a majority of 5 or 6 to 1 in favor of this bill and there were not sufficient Members opposing the bill to support the demand for the yeas and nays and thus obtain a roll call.

Mr. ROE of Maryland. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. ROE of Maryland. My recollection is that more than a majority of the whole House voted for the bill.

Mr. BROWN of Ohio. Yes; there was no question as to the position of the House on this measure.

Mr. ROE of Maryland. The gentleman can get a roll call now if he wants it.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 159, noes 23.

Mr. MARCANTONIO. Mr. Speaker, I object to the vote on the ground a quorum is not present and make the point of order a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 310, nays 39, answered "present" 1, not voting 81, as follows:

[Roll No. 50]

YEAS—310

Abernethy	Cole, Mo.	Graham
Adams	Cole, N. Y.	Granger
Allen, La.	Colmer	Grant, Ala.
Almond	Combs	Grant, Ind.
Andersen, H. Carl	Cooper	Gregory
Anderson, Calif.	Corbett	Griffiths
Andresen, August H.	Courtney	Gross
Andrews, Ala.	Cox	Gwinn, N. Y.
Andrews, N. Y.	Cravens	Gwynne, Iowa
Angell	Crawford	Hagen
Arends	Cunningham	Hale
Arnold	Curtis	Hall, Edwin Arthur
Auchincloss	D'Alesandro	Hall, Leonard W.
Barrett, Wyo.	Daughton, Va.	Halleck
Barry	Davis	Hancock
Bates, Ky.	D'Ewart	Hare
Bates, Mass.	Dingell	Harless, Ariz.
Beall	Dirksen	Harness, Ind.
Beckworth	Dolliver	Harris
Bender	Domengeaux	Hartley
Bennet, N. Y.	Dondero	Hays
Bennett, Mo.	Doughton, N. C.	Hébert
Bishop	Douglas, Calif.	Hedrick
Blackney	Douglas, Ill.	Hendricks
Bland	Doyle	Henry
Bolton	Drewry	Herter
Bonner	Durham	Heselton
Boren	Dworshak	Hess
Boykin	Earthman	Hill
Brehm	Eaton	Hinshaw
Brooks	Eberharter	Hobbs
Brown, Ga.	Elliott	Hoeven
Brown, Ohio	Ellis	Hoffman
Brumbaugh	Ellsworth	Holifield
Bryson	Elsaesser	Holmes, Wash.
Buck	Elston	Hope
Buffett	Engel, Mich.	Horan
Burch	Engle, Calif.	Hull
Burgin	Ervin	Izac
Byrnes, Wis.	Fallon	Jackson
Campbell	Feighan	Jenkins
Canfield	Fellows	Jennings
Cannon, Fla.	Fenton	Jensen
Cannon, Mo.	Flannagan	Johnson, Calif.
Carlson	Flood	Johnson, Ill.
Carnahan	Fogarty	Johnson, Ind.
Case, N. J.	Folger	Johnson, Luther A.
Case, S. Dak.	Forand	Johnson, Okla.
Chenoweth	Fulton	Jones
Chiperfield	Gary	Jonkman
Church	Gathings	Kean
Clason	Gearhart	Kearney
Clements	Gibson	Keefe
Clevenger	Gifford	Kefauver
Clippinger	Gillespie	Kelly, Ill.
Cochran	Gillette	Kerr
Cole, Kans.	Gillie	Kilday
	Goodwin	Kinzer
	Gore	Kirwan
	Gossett	Kopplemann
	Hand	Kunkel
	Hart	LaFollette
	Holmes, Mass.	Landis
	Howell	Lanham
	Huber	Larcade
	Jarman	Lea
	Judd	LeCompte
	Kelley, Pa.	LeFevre
	Keogh	Lemke
	Kilburn	Lewis
	King	Lyle
	Knutson	McConnell
	Latham	McCormack
	Lesinski	McCowen
	Luce	McDonough
	Ludlow	McGehee
	McGlinchey	McGregor
	McKenzie	McMillan, S. C.
	Merrow	McMillen, Ill.
	Morrison	Mahon
	Norton	Maloney
	O'Hara	Manasco
	Patrick	Mankin
	Peterson, Ga.	Mansfield, Mont.
	Powell	Mansfield, Tex.
	Price, Fla.	Martin, Iowa
	Quinn, N. Y.	Martin, Mass.
	Rabin	Mason
	Rains	Mathews
	Randolph	May
	Rayfiel	Michener
	Resa	Miller, Calif.
	Rizley	Miller, Nebr.
	Robertson, N. Dak.	Mills
	Robertson, Va.	Monroney
	Roe, N. Y.	Mundt
	Rogers, N. Y.	Murdock
	Rooney	Murphy
	Sasscer	Murray, Tenn.
	Schwabe, Mo.	Murray, Wis.
	Shafer	Norblad
	Sheridan	Norrell
	Somers, N. Y.	
	Sparkman	
	Sundstrom	
	Talbot	
	Taylor	
	Thom	
	Torrens	
	Wasielewski	
	Weichel	
	Wood	
	O'Brien, Ill.	Spence
	O'Konski	Springer
	O'Neal	Stefan
	Outland	Stevenson
	Pace	Stewart
	Patman	Stigler
	Peterson, Fla.	Stockman
	Phillips	Sullivan
	Pickett	Sumner, Ill.
	Pittenger	Sumners, Tex.
	Ploeser	Taber
	Plumley	Talle
	Poage	Tarver
	Priest	Thomas, N. J.
	Rabaut	Thomas, Tex.
	Ramey	Thomason
	Rankin	Tibbott
	Reece, Tenn.	Tolan
	Reed, Ill.	Towe
	Reed, N. Y.	Traynor
	Rees, Kans.	Trimble
	Rich	Vinson
	Richards	Voorhis, Calif.
	Riley	Vorys, Ohio
	Rivers	Vursell
	Robinson, Utah	Wadsworth
	Robsion, Ky.	Walter
	Rockwell	Weaver
	Rodgers, Pa.	Welch
	Roe, Md.	West
	Rogers, Fla.	White
	Rogers, Mass.	Whitten
	Russell	Whittington
	Ryter	Wickersham
	Schwabe, Okla.	Wigglesworth
	Scrivner	Wilson
	Sharp	Winstead
	Sheppard	Winter
	Short	Wolcott
	Sikes	Wolfenden, Pa.
	Simpson, Ill.	Wolverton, N. J.
	Simpson, Pa.	Woodhouse
	Slaughter	Woodruff
	Smith, Maine	Worley
	Smith, Ohio	Zimmerman
	Smith, Va.	
	Smith, Wis.	

NAYS—39

Bailey	Granahan	Morgan
Barrett, Pa.	Green	Neely
Biemiller	Havenner	O'Brien, Mich.
Bradley, Pa.	Healy	O'Toole
Bunker	Heffernan	Patterson
Celler	Hoch	Pfeifer
Delaney, James J.	Hook	Philbin
Delaney, John J.	Kee	Price, Ill.
Gallagher	Klein	Rowan
Geelan	Lane	Sabath
Gordon	Link	Sadowski
Gorski	Lynch	Savage
	Madden	Starkey
	Marcantonio	

ANSWERED "PRESENT"—1

Johnson, Lyndon B.

NOT VOTING—81

Allen, Ill.	Gossett	Rabin
Baldwin, Md.	Hand	Rains
Baldwin, N. Y.	Hart	Randolph
Barden	Holmes, Mass.	Rayfiel
Bell	Howell	Resa
Bloom	Huber	Rizley
Bradley, Mich.	Jarman	Robertson, N. Dak.
Buckley	Judd	Robertson, Va.
Bulwinkle	Kelley, Pa.	Roe, N. Y.
Butler	Keogh	Rogers, N. Y.
Byrne, N. Y.	Kilburn	Rooney
Camp	King	Sasscer
Chapman	Knutson	Schwabe, Mo.
Chelf	Latham	Shafer
Clark	Lesinski	Sheridan
Coffee	Luce	Somers, N. Y.
Cooley	Ludlow	Sparkman
Crosser	McGlinchey	Sundstrom
Curley	McKenzie	Talbot
Dawson	Merrow	Taylor
De Lacy	Morrison	Thom
Fernandez	Norton	Torrens
Fisher	O'Hara	Wasielewski
Fuller	Patrick	Weichel
Gamble	Peterson, Ga.	Wood
Gardner	Powell	
Gavin	Price, Fla.	
Gerlach	Quinn, N. Y.	

So the resolution was agreed to.

The Clerk announced the following pairs:

Addditional general pairs:

Mr. Keogh with Mr. Schwabe of Missouri.

Mr. Sparkman with Mr. Rizley.

Mr. Randolph with Mr. Shafer.
Mr. Gardner with Mr. O'Hara.
Mr. Morrison with Mr. Latham.
Mr. Coffee with Mr. Taylor.
Mr. Camp with Mr. Fuller.
Mr. Sheridan with Mr. Allen of Illinois.
Mr. Byrne of New York with Mr. Howell.
Mr. Kelley of Pennsylvania with Mr. Gavin.
Mr. Curley with Mr. Holmes of Massachusetts.
Mr. Baldwin of Maryland with Mr. Bradley of Michigan.
Mr. Torrens with Mr. Gamble.
Mr. Rooney with Mr. Baldwin of New York.
Mr. Robertson of Virginia with Mr. Knutson.
Mr. Buckley with Mrs. Luce.
Mr. Rayfiel with Mr. Kilburn.
Mr. Lesinski with Mr. Merrow.
Mr. McGlinchey with Mr. Talbot.
Mr. Powell with Mr. Weichel.
Mr. Peterson of Georgia with Mr. Gerlach.
Mrs. Norton with Mr. Butler.
Mr. Somers of New York with Mr. Sundstrom.
Mr. Bulwinkle with Mr. Robertson of North Dakota.
Mr. Quinn of New York with Mr. Judd.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The doors were opened.

The SPEAKER. The Chair appoints the following conferees: Mr. LEA, Mr. BULWINKLE, Mr. HARRIS, Mr. REECE of Tennessee, and Mr. BROWN of Ohio.

DEFICIENCY BILL—CONFERENCE REPORT

Mr. CANNON of Missouri submitted a conference report and statement on the bill (H. R. 5458) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

EXTENSION OF REMARKS

Mr. ROGERS of Florida asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article.

Mr. DOYLE asked and was given permission to extend his remarks in the Appendix of the RECORD in four instances and include an editorial.

Mr. SAVAGE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement by a group of people supporting OPA.

Mr. LANE asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from a newspaper.

Mr. BURGIN asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

Mr. LARCADE asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. SUMNERS of Texas asked and was given permission to extend his remarks in the Appendix of the RECORD and include a speech by General Spaatz.

Mr. GILLESPIE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter from Mr. Fred H. Madison, of Denver, Colo.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and to include editorials.

Mr. BLACKNEY asked and was given permission to extend his own remarks in the Appendix of the RECORD.

Mr. ANGELL asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. McDONOUGH asked and was given permission to extend his remarks in the Appendix of the RECORD concerning conservation week in the State of California.

Mr. JONKMAN asked and was given permission to extend his own remarks in the Appendix of the RECORD.

Mr. MILLER of Nebraska asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

Mr. GRANT of Indiana asked and was given permission to extend his remarks in the Appendix of the RECORD and include a short editorial.

Mr. STEVENSON asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances, one under the title "A Congressman Reports From Washington," and the other his own remarks on the bill H. R. 5715, with regard to providing a fund for scientific research seeking the cause and cure of the degenerative diseases.

Mr. SMITH of Ohio asked and was given permission to extend his own remarks in the Appendix of the RECORD.

Mr. SCHWABE of Oklahoma asked and was given permission to extend his own remarks in the Appendix of the RECORD in two instances, in one to include a resolution and in the other an article written by the Honorable Samuel B. Pettingill.

Mr. GWINN of New York asked and was given permission to extend his own remarks in the Appendix of the RECORD concerning a bill introduced by him affecting the United States Office of Education.

Mr. JARMAN (at the request of Mr. RANKIN) was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

SPECIAL ORDER GRANTED

Mr. SAVAGE. Mr. Speaker, I ask unanimous consent that I may address the House for 15 minutes on Thursday next after the legislative business of the day and special orders heretofore entered for that day.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

ASSISTANCE TO THE REPUBLIC OF CHINA IN AUGMENTING AND MAINTAINING A NAVAL ESTABLISHMENT

Mr. JOHN J. DELANEY. Mr. Speaker, I call up House Resolution 513 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of H. R. 5356, a bill to provide assistance to the Republic of China in augmenting and maintaining a naval establishment, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. JOHN J. DELANEY. Mr. Speaker, I yield one-half hour to the gentleman from Michigan [Mr. MICHENER].

Mr. Speaker, at this time I yield 10 minutes to the gentleman from Illinois [Mr. SABATH].

SHIPS FOR THE AID OF CHINA

Mr. SABATH. Mr. Speaker, I now present the resolution which provides for 1 hour of debate on the bill (H. R. 5356) which authorizes the President to turn over to our ravished and ravaged ally, China, such vessels and other matériel as China may request, and the President, with the consent of Congress, may grant. The rule provides for 1 hour of debate, and for the offering of amendments under the 5-minute rule.

I do not believe, Mr. Speaker, that there is or can be any serious opposition to this rule or this bill. I believe the people of this Nation, deeply grateful for the heroic resistance of China to the bloody aggression of the Japanese, are desirous of doing their share in the rehabilitation of China, which suffered from the Japanese Fascist drive for empire more than any other country, and for a longer period.

I say there will be no opposition to this bill. There may, perhaps, be one gentleman, who almost daily endeavors to inject some bit of racial or religious prejudice into every debate, no matter how irrelevant, who would object because this relief is not for white Christian people. It is true. The Chinese are not Christian and they are not white; but they have courage and hardihood, kindness and forbearance, the patience to live and the bravery to die, which would reflect credit on any white Christian nation. The Chinese are honorable and proud. China had a high civilization and an enviable culture when Europe was a trackless wilderness filled with wild bands of tattooed savages.

The establishment of contact with our western civilization was, for China, synonymous with exploitation.

The western powers united in the rape of China in the nineteenth century. After the Boxer uprising the United States was the one Nation which undertook to treat China as a sovereign power deserving our aid and assistance. The bonds of friendship then established bore fruit in the establishment of Dr. Sun Yat Sen's Republic. Before the Chinese Republic could find her strength and catch up with the industrial development of the rest of the world, the avarice of Japan provoked internal strife as the Japanese, with the open blessing of the

imperialist powers of the Western World like Great Britain, set faction against faction.

Finally, the Shanghai incident was provoked and the conquest of China began. Unarmed, unprepared, disunited, without financial strength, without food, without armies or arms, the Chinese people began the desperate slow retreat to the mountains, pushed back by the Japanese in years of rape and torture and suffering and starvation. The Japanese aggressors paid for every inch of Chinese soil they seized.

After Pearl Harbor only the heroic Chinese, fighting behind the lines of the battle, fighting a guerrilla warfare, fighting for life, held back the war-hardened Japanese armies which might easily have swept over all of Asia, Australia, and the Pacific before America could prepare for the conflict. Who knows? Those armies, had they dared release their hold on the throat of China, might have poured across the Pacific into our own America, into Canada, into South America.

It is to our advantage, Mr. Speaker, and to the advantage of the world and of world peace, to strengthen China, to help China help herself, so that in the future she may not be at the mercy of the Japs or of any other nation bent on conquest.

Mr. Speaker, I am indeed gratified that America has been able to contribute to the understanding of the Chinese factions. Torn by civil strife, China cannot and could not heal the wounds of war, restore her agriculture and her industry, rebuild her trade. I want to congratulate President Truman on his selection of Gen. George Marshall as Ambassador to China. General Marshall has performed a splendid service not only to the Chinese people but to all the people of the world. Mr. Speaker, there are more than 400,000,000 people in China—almost a fifth of all the world's population. The world cannot be indifferent, and America cannot be indifferent, to what goes on there.

If we furnish China with these ships, help her to rebuild her commerce, and restore her trade, assist with engineering projects, with irrigation systems and industrial installations, we shall win and hold her friendship. The Chinese people value friendship and honor. This is an unparalleled opportunity to do a simple, good neighborly deed which will help us insure our own welcome in China and help the Chinese stand on their own feet as the great power she should be.

The truce which has been arranged between the Chiang Kai-shek government and the Communist states of north China is, I feel, an omen of good fortune; but it is not the only good omen.

I have been pleased to observe newspaper reports that the Russian occupation armies are withdrawing, or perhaps by now have withdrawn, from Mukden in Manchuria. A great deal of international political capital has been made of the fact that the Russians stayed in Manchuria longer than had been contemplated. Now it appears that their stay was in response to the request of the Chinese Government. I know I was pleased to learn that fact, and I feel that many Members share my pleasure. In view of what is going on now in Mukden it seems it might have been better for the Russian armies to have remained for another 10 days or more.

I presume the attacks against Russia we have read during the past 2 weeks, emanating from the propaganda of Great Britain, and, unfortunately, from many other unfriendly people not averse to war with Russia, from sensational newspapers, and even repeated by some Members here, hastened the withdrawal of Russian forces. The enemies of Russia are unwilling to credit her good faith. Months ago it was widely charged that Russia would never get out of China, and would support the Communist governments of north China against the Kuomintang. Instead, and to the surprise and disapproval of all Russia's ill-wishers, Russia has recognized the Chiang Kai-shek government and has continued to keep the pledges she gave. So it is with many other charges against Russia. They gradually fall of their own weight as the truth and full circumstances appear to light.

Mr. Speaker, the gifts we propose in this bill for China are an infinitesimal fraction of the cost of defeat or even of victory. To China, however, these ships are a vital need beyond all price. I hope that we shall pass this bill unanimously and demonstrate to China the solidity of our friendship, and to the world the reality of our pledges to share the burdens of rebuilding the war-torn world.

Mr. MICHENER. Mr. Speaker, this is a far-reaching bill; I say "far reaching" as far as the subject matter covered in the bill is concerned. Personally only the exigency of the occasion and the obligations of the times persuade me to vote for it. I hope the House will listen carefully to the explanation of the bill by the chairman and other members of the Committee on Naval Affairs. Legislation of this type a few years ago would not have received five votes in the House. It is simply an illustration of how far we have advanced in world affairs. We are in China and I prefer to have the Chinese furnish the men and use these surplus ships, rather than for us to furnish both the men and the ships. I do not like the delegation of power carried in the bill, but that seems to be the most effective method of approach to a desirable end.

Mr. Speaker, I have no further requests for time.

Mr. JOHN J. DELANEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. VINSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5356) to provide assistance to the Republic of China in augmenting and maintaining a naval establishment, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5356, with Mr. CARNAHAN in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

Mr. VINSON. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the bill H. R. 5356 is to provide assistance to the Republic of China in augmenting and maintaining a naval establishment, and for other purposes.

There is a limited type and amount of naval assistance which our country is in a position to give to China out of surpluses we now have. A little of such assistance at this time will enable the Republic of China to care for its own immediate naval needs and to begin to build a naval establishment with which to contribute its share to the maintenance of peace and order in the Pacific. The bill H. R. 5356 will permit the President to render certain restricted kinds of naval aid to China.

The bill, if enacted, will permit transfers of naval vessels and craft which are in excess of the naval needs of the United States to China. However, no battleship, carrier of any type, cruiser, destroyer, or submarine could be transferred under authority of the bill without the further consent of the Congress. Another law authorizing transfers of these large combatant ships would have to be enacted before the larger ships could be transferred. The escort destroyer is the largest combatant type that could be transferred to China under authority of this bill. Furthermore, the Navy Department has furnished the Naval Affairs Committee with a list of all vessels which it is contemplated might be transferred in the near future.

The list is as follows:

Six buoy and light tenders.
Ten landing craft, infantry.
Eleven landing craft, tank.
Twenty-four mine sweepers.
Twenty-five landing craft, control.
Eighty landing craft, support.
Six destroyer escorts.
Six motor gunboats.
Four submarine chasers, 136 feet.
Six submarine chasers, 173 feet.
Ten submarine chasers, 110 feet.
Three oilers.
One surveying ship.
Two repair ships
Two floating drydocks.
Nine landing ships, tank—LST.
Eight landing ships, medium—LSM.
Twenty-five landing craft, mechanized.
Twenty-five landing craft, vehicle, personnel.
Eight submarine chasers, 136 feet, or motor-mine sweepers.

The total is 271 vessels or craft, most of them very small, all of them surplus. If the Navy Department proposes to transfer any other small vessels to China the Naval Affairs Committee will be informed and the committee will inform the House of Representatives. I wish to emphasize that the President is not required to transfer any or all of these ships to China. The authority contained in the bill is permissive only.

The bill will enable the President to provide the Chinese with material necessary to operate and maintain the vessels transferred. China will acquire machine spare parts and ammunition for the ships we give her. Because China has no industrial facilities to produce many of the technical items required in the operation of ships constructed in the United States, such ships would soon become useless without the provision of specialized material. In addition to ships and some materials necessary to operate and maintain them, the bill would authorize the President to furnish China with naval services, training, plans and such technical advice as he may deem proper. The services, training, plans and advice contemplated are such as would assist China in the organization and efficient operation of the small naval force that country may have if the bill H. R. 5356 is enacted.

This measure also provides authority for the President to detail officers and men of the Navy and Marine Corps to assist the Republic of China in naval matters. There are similar provisions in existing law which permit details of naval personnel to the American republics and to the Philippines. Present estimates indicate that approximately 100 officers and 200 men would be needed to give adequate advice and assistance to China. Details of officers and men for this purpose could be made only if requested by the Republic of China. I understand that such a request has been made. The bill authorizes personnel to accept compensation from China in amounts approved by the Secretary of the Navy. Compensation received from China would be in addition to the usual pay and allowances to which the persons concerned are entitled from our own Government.

In order to assure that Congress will have an opportunity to review the general subject of naval assistance for China in the not too distant future, the provisions of the bill H. R. 5356 will terminate 5 years after its enactment.

China has never had a strong modern navy. The small Chinese Navy was destroyed at the outset of the war with Japan in 1937. It is not the purpose of this bill to equip China as a major naval power. It is true, however, that China has a pressing and an immediate need for a small naval force. Until she gets that force her essential naval functions must be performed by her allies.

The Chinese Maritime Customs Service is the agency which performs for China the services which our Coast Guard and Coast and Geodetic Survey perform for us. This customs service should be equipped with vessels to meet its needs. Buoy and light tenders, vessels for river entrance control and customs police duties are required.

Mine fields laid by the Japanese along the China coast are still in existence. As long as they remain they are a threat to the shipping of all nations. Our own naval forces are engaged in sweeping the mine fields. China will and can perform this hazardous duty if she is supplied with suitable vessels manned with trained crews.

There are approximately 2,000,000 Japanese nationals in China who must be deported to Japan. Deportation of Japanese from China is now going forward in United States LST's, manned in most instances by Japanese crews. Little remains of the Japanese merchant marine and consequently the burden falls upon American tonnage.

Necessary movements of Chinese troops along the China coast, the transportation of Koreans from Japan to their homeland, the carrying of essential supplies, such as coal from north China to Shanghai, are tasks which are being performed very largely by LST's manned by Americans because China has no equipment with which to perform these services for herself.

The basis for this bill, therefore, is to enable us to use a small part of our surplus so that China may fulfill her own responsibilities and release some of our men to other duty. The provisions of the bill are restrictive enough to keep control of the matter entirely in Congress.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from New York.

Mr. COLE of New York. The gentleman has indicated that two drydocks are among the vessels to be turned over to the Republic of China. Can the gentleman advise us of the size of the drydocks?

Mr. VINSON. These drydocks will be of only a sufficient size to accommodate the ships that are being transferred. They will not be the floating drydocks large enough to accommodate airplane carriers and battleships. They will be the small type that will accommodate the ships enumerated here.

Mr. ELLIS. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield with pleasure to the gentleman.

Mr. ELLIS. On the first page of the bill, the language reads:

> To provide the Republic of China such naval services—

And so forth. That appears to me to be a rather broad provision and could provide for an extensive grant of authority. Would the gentleman from Georgia, the chairman of the Committee on Naval Affairs, care to discuss that point?

Mr. VINSON. Let us read the language of the bill. It provides:

> Notwithstanding the provisions of any other law, the President is authorized, whenever in his discretion the public interests render such a course advisable, to provide to the Republic of China such naval services, training, plans, and technical advice, as he may deem proper.

That is exactly the three things I have been talking about. That is all we contemplate doing. We contemplate transferring certain ships which are positively known. We contemplate giving the Republic of China certain equipment to maintain those ships, and also certain personnel to aid China in telling them how to operate those ships.

Mr. ELLIS. My question was directed to the two words "naval service." I wondered just how extensive that could be.

Mr. VINSON. It would only be to the extent enumerated in the bill. The ships and the equipment to keep the ships operating, and the personnel as a mission to teach the Chinese how to operate those ships. In that connection, let me say this: China has students in this country today under instructions to be naval officers.

Mr. ELLIS. On page 2, I understand that the personnel can receive any emolument or compensation from the Republic of China, and in addition they can receive their full pay from the Navy, and all the other things that go with it.

Mr. VINSON. That is correct.

Mr. ELLIS. I would like to know the reason for that.

Mr. VINSON. The reason for that is this: Whenever a naval mission is sent from this Government to the South American Republics, for instance, it has been customary that they should be compensated by that country in which they are serving, and at the same time draw their salaries as regular United States naval officers. I do not know how much China is going to pay, but I imagine a man should be given some inducement to go out to China and spend a long time in the service out there. If the Chinese Republic wants to pay him $75 or $100 a month extra, on account of the inflation that is in China, it will soon be absorbed and he will hardly get clear the pay that he is getting now.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. DONDERO. I think the gentleman is making a very clear statement on this bill. There is one other factor that he might well allude to. We are at the same time extending a helping hand to a friendly people and a friendly nation, when it is so much desired in the Orient.

Mr. VINSON. Yes. Of course, I do not know whether I am trespassing upon debatable ground, but I think I can say with propriety that General Marshall is doing a great mission out there. No doubt this bill grows out of the fact that we are trying to reconcile things in the Far East. I might say the testimony shows the fact that the British Government has offered them a light cruiser and several destroyers. We want the friendship of China. We want to maintain peace in China. We want to maintain peace in the Orient. Personally, I would like to see China build up a defensive navy, because it all has a bearing on keeping the peace of the world.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. VINSON. Mr. Chairman, I yield myself five additional minutes.

Mr. ENGEL of Michigan. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. ENGEL of Michigan. Does the gentleman think it is good policy for naval or army officers to accept pay from a foreign country?

Mr. VINSON. Well, I might say "No," because you should owe allegiance to only one country. They will have allegiance to the United States only, but you have got to take into consideration the inflation that is in China. Where would a commander's salary of some $4,000 go, when we read some of these newspaper accounts telling about a meal costing a thousand dollars or more in Chinese money?

Mr. ENGEL of Michigan. I feel personally that the gentleman is right as far as inflation is concerned, but I believe that the entire pay of such officers should be met by the United States including the increase necessary because of the inflation.

Mr. VINSON. Probably the gentleman is right, but I doubt very seriously whether my distinguished friend would support a measure providing for doubling the pay of these officers, because then we might be confronted with too many applications to go to China and not have enough to stay at home.

Mr. ENGEL of Michigan. We did that with the soldiers in France in order to make up at least a part of their expenses due to inflation.

One more question, if the gentleman will permit. In the matter of these ships we are turning over to China, do we also turn over title to them?

Mr. VINSON. I cannot answer that positively. I would assume that would be the case for otherwise we should not need this authority.

Mr. ENGEL of Michigan. I hope we are.

Turning now to another subject, as I understand, at the conclusion of the war there were about 2,000,000 Jap soldiers to be repatriated.

Mr. VINSON. That is right.

Mr. ENGEL of Michigan. And someone must find shipping for that purpose, either the United States or China; and one of the considerations in connection with the transfer of these ships is that China assumes the obligation of repatriating these Japanese troops, thus relieving our own men in China so that they may come home.

Mr. VINSON. That is correct, exactly; in other words, as I stated, General MacArthur is carrying on part of the work now. As a matter of fact, we do not want our crews engaged in that kind of work; we would rather the Chinese took the Japanese back on Chinese ships than to have to use American crewmen to do that work.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. SMITH of Wisconsin. I am in favor of this legislation. My attention, however, is directed to two questions. Can the gentleman indicate the value of the property in the form of ships and equipment that we are transferring to China?

Mr. VINSON. I am sorry, I cannot. I would say they are comparatively expensive ships because they were built during the war, but I do not know what their book value is.

Mr. SMITH of Wisconsin. Would the gentleman's answer be the same as far as material is concerned?

Mr. VINSON. Yes, exactly; but it is all surplus. If you do not do this what are you going to do with it?

Mr. SMITH of Wisconsin. I think it is a good investment.

Mr. VINSON. Otherwise it would have to be scrapped.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. VINSON. With pleasure.

Mr. CASE of South Dakota. I note with interest the committee amendment proposed in line 3 on page 2 that authorizes the transfer of "material necessary for the operation and maintenance of the vessels and craft disposed of under this act and for the training of the crews of such vessels and craft." Would the Chairman say that that was directed to the transfer of material which might be owned by other branches of the United States Government than the Navy?

Mr. VINSON. No; because the jurisdiction of this committee and the limitations of this bill apply to naval property. It has no relationship to the merchant marine or to anything the Navy does not own.

Mr. CASE of South Dakota. I regret that because the Appropriations Subcommittee for the War Department, which visited the outlying islands in the Pacific and India and China, saw a great deal of material that might be so used which may otherwise be junked. I wish it could be disposed of in some such fashion as this. Unless we do something like this we will not get very much return for some of it. I am in sympathy with the purpose of this legislation, and I had hoped it would be broad enough to permit the transfer of such surplus materials in those outlying posts that would be of assistance.

Mr. VINSON. Under this bill we must restrict the transfer to the matter of these ships. Why should Congress say they will transfer certain other property unless it is in support of maintaining this fleet?

Mr. ENGEL of Michigan. It should be in support of maintaining the vessels which are the major objects to be transferred. It occurs to me, however, that the Navy may not have certain items of equipment.

Mr. VINSON. The Navy has all the surplus property necessary to take care of supporting these ships.

Mr. CASE of South Dakota. I am glad to have that assurance on that point and am glad to support this legislation.

Mr. VINSON. I thank the gentleman.

Mr. ENGEL of Michigan. Mr. Chairman, will the gentleman yield again?

Mr. VINSON. I yield to the gentleman from Michigan.

Mr. ENGEL of Michigan. With reference to the question asked by the gentleman from Wisconsin [Mr. SMITH], as to the value of the ships, the present-day value of the ships has practically no relation to the cost of the ships because they are surplus. The present-day value would be practically the scrap value; is that not true?

Mr. VINSON. Exactly. In other words, as I stated on the floor yesterday, a certain type airplane engine cost the Government $16,000 and was sold as scrap for $4.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from New York.

Mr. BUCK. The gentleman has mentioned several times that the material to be transferred would be surplus material, yet as the bill is written would it not permit the transfer of new material or material to be bought?

Mr. VINSON. It is the intent that it should be the transfer of surplus material only.

Mr. BUCK. The word "surplus" does not appear in the bill.

Mr. VINSON. That is all it has reference to because the report shows it is nothing in the world but surplus material all the way down the line.

Mr. BUCK. The gentleman also referred to the number of men to be turned over.

Mr. VINSON. Yes.

Mr. BUCK. Again the bill is silent on that point.

Mr. VINSON. That appears in the hearings. The present estimate indicates that possibly 100 officers and 200 men will be needed in order to give adequate advice and assistance to China. That is all it is proposed to detail for this work now.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Minnesota.

Mr. JUDD. If we pass this legislation we will not have to furnish ships to repatriate the Japanese. If we do not pass the legislation we will have to furnish just as many ships and men, too?

Mr. VINSON. Yes.

Mr. JUDD. Right at the present time there is a great famine in parts of China. UNRRA is having a great deal of difficulty using the supplies bought with the money we appropriated and getting those supplies to interior parts of China. Practically the only means of transportation is by shallow-draft boats. The Chinese have no boats, the Japanese having destroyed all of them. These LST's and shallow-draft boats are the most valuable kind of boats on the inland waterways of China. It is necessary for us to make those available to the Chinese right now.

Mr. VINSON. Yes; and it will relieve our crews and ships from doing the work.

Mr. JUDD. These supplies can be handled so much quicker this way than by having railroads and roads built.

Mr. VINSON. Yes.

Mr. GILLESPIE. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Colorado.

Mr. GILLESPIE. This is a gesture that will make for friendship with China and will help China?

Mr. VINSON. Let us put it on the ground of helping China because China is already our friend and we are her friend.

Mr. GILLESPIE. That is right.

Mr. VINSON. It will be giving aid to China and, as the distinguished gentleman stated, it will help relieve conditions in China and serve the Chinese people.

Mr. GILLESPIE. It will cement the friendship even greater than it is now?

Mr. VINSON. Exactly.

Mr. GILLESPIE. I am in favor of the legislation.

Mr. MANSFIELD of Texas. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Texas.

Mr. MANSFIELD of Texas. May I ask the gentleman's opinion as to whether or not we should do something like this also for the Filipinos?

Mr. VINSON. That question has not been considered by the Committee on Naval Affairs.

Mr. Chairman, I reserve the balance of my time.

Mr. BATES of Massachusetts. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this bill has been fully and adequately considered by the Committee on Naval Affairs and, in my opinion, it is so important that it should pass without delay. It was my privilege within the last few weeks to visit the Pacific area, including Japan and also north China, and to observe conditions existing in that theater. We can well understand the obligation we are under as a result of the peace pact with the Japs on September 2, 1945.

Mr. Chairman, this bill has a good deal to do with the obligations that we made to the Japanese at the peace table on September 2, last year. That obligation is to assist not only in the disarmament of the Japanese who are presently in China, but also in the repatriation of those Japanese soldiers and civilians who are to be taken out of China. It is admitted at the present time that there are over 2,000,000 soldiers and civilians still in China, and up to the present time the process of repatriation has been extremely slow.

I have discussed the matter at great length with other members of the Committee on Naval Affairs who recently visited north China and with the officers in command of the marines who are in that area assisting in the repatriation program. We were informed that that program is not only being carried out with our own ships, but also with many of our own men. We have turned over some of these ships to the naval officer in command of shipping control in the Japanese area. Some of those ships are being operated by Japanese soldiers in the repatriation of their own soldiers and civilians. On the other hand, the work is going so slow that unless we find some way by which we can implement the present force of Japs with Chinese, it will mean that we, as Americans, will be compelled to operate our own ships in that repatriation program which we are pledged to carry out and also to maintain the large force of marines in the north China area for a much longer period of time.

This bill provides that we shall turn over to the Chinese Government, the Nationalist Government, that has fought this war with us down through the last 3 or 4 years, those ships below the category of what we call our largest combat ships, because battleships, cruisers, and aircraft carriers and destroyers are not included within the scope of this bill. The only ships that we are transferring to China are the smaller types of ships, from the DE's and the LST's down. Many of them are of the Coast Guard type boats which are essentially needed by the Chinese Government for many purposes for which our Coast Guard and customs boats are now being used in this country. It is very important to know that prior to the time of the invasion of China in 1937 by the Japs, she had but very little of what you might call navy, but, subsequent to the invasion by the Japanese, her navy, whatever she had or how little she had, was completely destroyed. That means that today that great coast line of China is without proper facilities to take care of her customs requirements, her police regulations, her buoy and light tender obligations, and her revenues. It seems to me that, going the distance that we are going now in maintaining the military forces in China, we ought to go a step further and permit the Chinese to have the use of these boats which are in excess of our naval needs. They have no value from our viewpoint, and unless we find some way to dispose of them, we are informed that they will be relatively only of junk value. It is our duty to assist in the maintenance of peace in China. That is one of the principal reasons that General Marshall is there today as the emissary of the United States Government. We know all too well that a conflagration starting in one part of the world may well spread to other parts. We know as a result of the sad experience of this war, with over 1,000,000 casualties, including 250,000 of our own boys and girls who have paid the supreme sacrifice, that we ought to be interested in maintaining peace in every part of the world, including China.

Mr. BENDER. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield to the gentleman from Ohio.

Mr. BENDER. Does the gentleman have any comment to make on the Russian action in Manchuria?

Mr. BATES of Massachusetts. I have some comments that I could make with regard to the actions of the Russians in Manchuria. This, however, is not the place, nor is this the bill upon which we ought to discuss that very important question. We do know because of conditions in China and in north China and Manchuria that we ought to give a helping hand to the Chinese Nationalist Government, because we fully realized down through the period of the last 3 or 4 years that they have been our friends; that they have been fighting our battles and we have been fighting theirs in the interest of world peace.

To that end, I believe when we look at the over-all world conditions that are facing us today we may well give a helping hand to China in this, her most critical hour, to see to it that she has the implements with which she can work, with which she can defend herself, and with which she can maintain peace in her own country and in the Pacific area and help us to maintain peace in the world at large. I trust that this bill will receive favorable action by this House.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield to the gentleman from New Jersey.

Mr. CANFIELD. I recall that several weeks ago the gentleman now in the well of the House made a like speech before 600 United States marines in Tientsin, China, and they cheered him to the sky.

Mr. BATES of Massachusetts. All that the marines in China wanted to know was what they were there for, what their mission was, and how long they were going to stay there. Those were things they did not know. I believe that when the committee visited north China they performed a very worth-while service in telling those boys what the world-wide situation was, the part we are playing in the conditions that exist throughout the world, and why we are interested in world peace, because after all, if we are not interested in maintaining that peace now we do not know what will follow if war breaks out again in any part of the world. When we talk about sacrifice, when we talk about the suffering which the people of the world have endured during the past 6 years, when we talk about the 50,000,000 casualties that were suffered in World War II, the whole thing will sink into complete insignificance compared to the cost in human lives and suffering of World War III if we do not do our part now in preventing it from happening.

Mr. VINSON. Mr. Chairman, I yield 5 minutes to the gentlewoman from Illinois [Mrs. DOUGLAS], and ask unanimous consent that she be permitted to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

LIBRARY DEMONSTRATION BILL

Mrs. DOUGLAS of Illinois. Mr. Chairman, I am today introducing a bill which is modest in title and in proposed expenditures, but which can open endless vistas of a fuller life. It is probably the cheapest means both of enriching existence to millions of Americans and of raising the quality of our citizens. The Senator from Alabama, the Honorable LISTER HILL, is presenting a companion measure in the Senate.

This bill, sponsored by the American Library Association, provides for demonstrations of library service in communities which do not today possess such service. It would authorize to each participating State $25,000 annually for the next 4 years in order to assist State agencies to show how library service can be extended through the use of bookmobiles and library deposits.

It is a shocking fact that 35,000,000 American citizens have no library service whatsoever. More than 600 counties in the country, roughly one out of five, are without a library. An equal number have only small libraries in the county seats which serve no rural people. Almost every State, in fact, has large areas without any service. These regions are chiefly rural where handicaps of distance, poor roads, and low incomes have prevented the communities from opening

libraries. Experience has shown, however, that good rural service can be provided by using a large enough administrative area with a widespread system of branch libraries, service stations, and bookmobiles. Where the people have been offered such service, they have learned to value it and never want to be again without it.

Books have become a necessity in an unstable world and we cannot afford to deny large numbers of our people the chance for this basic means of education. Nor can the big cities, with well-stocked libraries, be oblivious to the lack elsewhere. The cities are forever being repopulated by people from the country, and the quality of urban citizenry is therefore dependent on the quality of the whole country.

In a sense a library is yeast for all the worth-while life of a community. Its services are supplementary and illumine every civic and cultural project. It is not competitive with other agencies, but enriches the work of each. The scope of a country school is meager if the students cannot supplement their reading beyond the one or more basic texts. A child lacks an essential of growth in our modern world if he is cut off from the intellectual leaven of a library. Adult education, similarly, becomes impossible without recourse to books. The wide-awake citizen is crippled in the pursuit of his interest if he cannot check his own experience against that of others, whether that interest lies in farming, health, child care, canning, vocational guidance, science, or politics. In a country where we, the people, are the government, it is necessary that there should be authoritative information available throughout every section of the land. In an era of vast and swift changes, it is imperative that the citizens have material to keep abreast of the times.

On the other hand, with service, whether found in the marble halls of the Congressional Library or in the tightly packed shelves of a bookmobile, there is an open sesame to the resources of the world and to the thought of all past ages as well as that of the present. As John Ruskin wrote:

> The eternal court is open to you with its society wide as the world, multitudinous as its days—the chosen and the mighty of every time and place.

This can and should be the heritage of all Americans.

While rural library service is spreading, it is not doing so with enough speed to keep pace with the needs of our time. This bill would allow State agencies to give samplings of their services. Judging by the experience of such regional experiments as have been made in Tennessee, Louisiana, and North Carolina, once a taste has been given for library service, the appetite grows and the community is eager to cooperate with the State to carry on the service. Fifty percent of the books used in these regional projects are of a substantial type. In addition to books, the service would supply educational films, current magazines, and pamphlets.

A brief analysis of the bill follows:

PURPOSE

First. To provide a demonstration of adequate public library service to people now without it or inadequately served.

Second. To provide means for studying various methods of providing public library service primarily in rural areas, and for studying the effect of planning on an area basis upon the development of library service.

PROVISIONS

First. State library agencies may submit plans for use of Federal funds in demonstrating public library service primarily in rural areas. These plans shall be drawn entirely by the State agencies and need not be uniform throughout the country.

Second. Two types of plans may be submitted: one calling for a basic demonstration using $25,000 per year for 4 years in each State, financed entirely by Federal funds; or an expanded plan may be added to this which would allow States to match an additional $25,000 to $50,000 of Federal funds annually for 4 years.

Third. The Commissioner of Education would be required to make annual reports to Congress upon the operation of the demonstrations and would be required to make a final public report evaluating the demonstrations.

Mr. VINSON. Mr. Chairman, I ask that the bill be now read for amendment and also ask unanimous consent that the reading thereof be dispensed with and that the bill be printed in the RECORD at this point and be open to amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The bill is as follows:

Be it enacted, etc., That notwithstanding the provisions of any other law, the President is authorized, whenever in his discretion the public interests render such a course advisable, to provide to the Republic of China such naval services, training, plans, and technical advice as he may deem proper; and to dispose of the following specified property of the United States, to the Republic of China by sale, exchange, lease, gift, or transfer for cash, credit, or other property, with or without warranty, or upon such other terms and conditions as he may deem proper: (1) Naval vessels and craft, except battleships, carriers of all types, cruisers, destroyers (but not destroyer escorts), and submarines; and (2) floating drydocks of capacity sufficient to accommodate vessels of the destroyer class or smaller.

SEC. 2. The President is authorized, upon application from the Republic of China, and whenever in his discretion the public interests render such a course advisable, to detail officers and enlisted men of the United States Navy and Marine Corps to assist the Republic of China in naval matters: *Provided*, That the officers and enlisted men so detailed are authorized to accept from the Republic of China such compensation and emoluments thereunto appertaining as may be first approved by the Secretary of the Navy: *Provided further*, That while so detailed such officers and enlisted men shall receive, in addition to the compensation and emoluments allowed them by the Republic of China, the pay and allowances thereunto entitled in the United States Navy or Marine Corps and shall be allowed the same credit for longevity, retirement, and for all other purposes that they would receive if they were serving with the forces of the United States.

With the following committee amendment:

Page 1, strike out line 8 and insert "of naval vessels and craft which are in excess of the naval needs of the United States, floating drydocks of capacity sufficient to accommodate any vessel or craft disposed of under authority of this act, and material necessary for the operation and maintenance of the vessels and craft disposed of under authority of this act and for the training of the crews of such vessels and craft, to."

Mr. ANDERSON of California. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDERSON of California to the committee amendment: On page 1, line 9, after the word "craft" and before the word "which" insert the following: ", not to exceed two hundred and seventy-one vessels and craft."

Mr. VINSON. Mr. Chairman, we have no objection to the amendment because that is what the Navy Department contemplates, and it is probably wise to put a limitation in the bill of 271 vessels and craft.

The amendment to the committee amendment was agreed to.

Mr. DE LACY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. DE LACY. Mr. Chairman, H. R. 5356 provides for military assistance to the Republic of China. It provides that the President shall have power to give China naval services and training, technical advice, and to transfer naval vessels and naval craft. We are not providing China with a Navy for war. We are not providing a reactionary feudalistic regime of warlords with a means of suppressing their fellow countrymen. We are authorizing the President of the United States to assist a sister nation, lay the foundations for the development of her naval power, to furnish her with the smaller vessels, valuable to clear her rivers of pirates and to protect her coastline. We are placing with the President the discretion as to the time when this material assistance shall be given. That is the point I rise on this floor to drive home this afternoon.

When President Truman sent General Marshall to China, he stated clearly what American objectives are. He urged the formation of a democratic regime representing all the political groupings in China. He urged an end of separate party armies. He appealed for a united and democratic China. And then he made this significant concluding statement:

> As China moves toward peace and unity along the lines described above, the United

States would be prepared to assist the National Government in every reasonable way to rehabilitate the country, improve the agrarian and industrial economy, and establish a military organization capable of discharging China's national and international responsibilities for the maintenance of peace and order.

If the purpose of the bill before us today were to provide Chiang Kai-shek's reactionary dictatorship with the naval means to block the most proper aspirations of the great mass of the Chinese people, I am sure that not a single voice would be raised in this House to support the bill. I am sure that any move to furnish military force for keeping in power in China a government wholly dependent upon foreign troops and equipment could never be sustained in the great court of American public opinion. H. R. 5356, in the language beginning line 4, states:

The President is authorized, whenever in his discretion the public interest renders such a course advisable, to provide to the Republic of China—

Various services and facilities—

upon such other terms and conditions as he may deem proper.

Plainly Congress is leaving to the President the full power to time the sending of any naval facilities authorized under this bill. It is putting in the President's hands another means by which to strengthen America's insistence that the recently concluded political agreements in China shall be carried through. It is making it possible for the President to offer China another important form of aid as a further inducement to perfecting the representative coalition government to which the Democratic League, the Chinese Communists, and the leaders of the Kuomintang have committed themselves.

It cannot be said either that there is no need for further inducements or further pressure. It cannot be said that there is no danger in China that the agreements in which General Marshall has played so brilliant a part might not be carried out. The press is filled with rumors of war in Manchuria. The press is filled with reports of inspired anti-Soviet editorials and demonstrations in Chungking and Shanghai. Even our own Government has reported to have sent the Soviet Government a note concerning alleged stripping of Japanese industries of Manchuria. A Red Army general is reported to have told American correspondents that Soviet troops would withdraw from Manchuria not before or not later than American troops withdrew from China.

Obviously tensions are rising. Obviously those reactionary forces within China and the powerful forces of dollar imperialism in America which dominate so many newspapers are maneuvering to destroy the policy which President Truman has enunciated for China and the sound preliminary work of General Marshall. Clearly the forces which want a reactionary puppet government held in power in China by American bayonets as an outpost in the war they want with the Soviet Union, are desperately trying to break the political agreements in China.

That is why Manchuria, bordering on Soviet Russia, is the test of whether America means to press forward for a united, a democratic China, which will include all the forward-looking Chinese, all who stand for the basic governmental land, tax, educational, sanitary, and other reforms so essential to the well-being of 450,000,000 of our fellow human beings.

Many of us in the House have been urging the withdrawal of American troops from China. We have felt that the presence of our troops on Chinese soil gave a handle to the historic anti-foreign agitation in that country might be viewed with concern by the Soviet Government, but chiefly under the policies of General Hurley—that our troops in China were bolstering up the Generalissimo's rotten and reactionary power, giving it artificial strength to repress the inevitable democratic Chinese people's revolution.

I believe the Members will be interested therefore, in the letter which I have received from President Truman. It is dated February 15.

DEAR CONGRESSMAN: I have just received another communication from General Marshall, and, if things continue going as favorably as they are going now, I believe we can have all our forces out of China before the year is out. We are now relieving some Marines with Chinese soldiers.

The transportation situation in China, however, is a most difficult one, as you know. All movements of troops from south China into north China have to be made by water or by air under present conditions. If the two factions in China finally get together that situation will be easily remedied because the troops in northern China can be used for relief purposes.

General Marshall has done a magnificent job and I hope we will come out with a unified China and a good friend in the Far East for the United States.

General Marshall is now on his way home. He will report to President Truman.

But this much is plain, that the Manchurian situation threatens to undermine both the letter and the spirit of the steps taken so far toward a unified and democratic China.

The New York Times reported, in one of Tillman Durbin's articles, that the Chinese Communists are asking a joint administration in Manchuria composed of representatives of all forces which resisted the Japanese, including Kuomintang forces; disbanding of all Japanese puppet troops, and local and provincial self-government.

That report came out on a Saturday and to it was appended a wire dispatch quoting the Chinese ministry of foreign information as saying that the Soviet Government had made four economic proposals, but that no negotiations had yet been held. The next morning, Sunday, came reports from Communist sources in China that there was fighting in Manchuria. That evening came confirmation from Chungking sources that there was fighting in China.

It was therefore established that the proposal of a joint Manchurian administration, composed of representatives of all anti-Japanese forces was rejected on the battlefield by the Central Government.

But that is the very heart of the principle upon which the recent agreement was concluded. It is the very heart of President Truman's statement of American objectives in China.

It is true, of course, that the armed truce arranged with General Marshall's help, was understood to permit the moving of troops in Manchuria, and Central Government troops, transported by the United States Navy, did move in, as undoubtedly did Communist and other armed forces remaining from the guerrilla days, each seeking a position of advantage.

Now one of the most notable things about this situation is that the next morning after the reports of fighting in Manchuria were confirmed, Monday morning, the Chinese Government-controlled press in Chungking and in Shanghai began denouncing the Soviet Government for keeping its troops in Manchuria. A day later, reports began to come in of student demonstrations, also demanding the removal of Soviet troops.

Those demands in the press were made on the Monday following the Saturday on which the Chinese Ministry of Foreign Information had quite calmly said that Russia had made economic proposals upon which no negotiations had yet been made. Yet 2 days later the controlled press was aflame against Russia.

And the student demonstrations which were brutally attacked by the Generalissimo's secret police when they demanded the withdrawal of American troops were given a most friendly reception in the Chinese and foreign press when they demanded the withdrawal of Russian troops.

Another interesting side light upon what the real underlying issues in the Manchurian situation are, is to be found in the curious tone of alarm being taken by part of the American press at what are called Red uprisings in Mukden, following on the heels of the withdrawal of the Red Army from that city. It seems that the Soviets are wrong when they keep their troops in Manchuria and wrong when they withdraw.

Of course, the real trouble is that the Kuomintang has never ruled Manchuria. When the Manchu dynasty was overthrown, the Central Government did not succeed in getting more than nominal sovereignty over Manchuria. Local war lords, the famed Young Marshall among them, ruled Manchuria. What little authority the Central Government had was totally destroyed there, when the Japanese marched in in 1931, and in the 15 intervening years the Chinese patriotic resistance forces have been people's guerrilla forces, remnants of war lord's forces which did not go over to the Japanese, and Communist-led and Communist-organized armed movements.

Now, of course, with the help of American shipping and equipment the Central Government is trying to take Manchuria over.

And there can be no objection to Manchuria becoming an integral part of China, but the ambitions of those die hards around Generalissimo Chiang Kai-shek who do not want to accept the principle of representative government must not be permitted to play upon the powerful anti-Soviet sympathies of big business imperialists in America.

If the basic agreement concluded between the Generalissimo, the Democratic League, and the Chinese Communists is not extended to Manchuria and some kind of interim provisional, and representative government established there, the grave danger is that the whole agreement may be wrecked on the Manchurian rock. The grave danger is that the reactionary war lords who have hitherto controlled the Generalissimo may, speculating on powerful help from anti-Soviet-minded Americans, blow up the latent fires of a bloody Chinese civil war.

Such a war could destroy prospects of any early development of a large-scale market in China for American goods. It would set back the cause of democratic progress in China by two generations. It might well be the fuze for a great, new war, with its seat in Asia and the Pacific.

In view of this somber background, the bill before us is more than ordinarily important. It is wise that we do not fix the time or the conditions in this bill for granting the aid it contemplates. Under the language of H. R. 5356, we put it in President Truman's hands to time and condition the naval aid which America is willing to give so that it contributes most toward the further development of our announced policy, so that it encourages and hastens the development of a truly powerful, truly democratic, basically progressive Republic of China.

My own hope is that General Marshall will recommend a conference between China, ourselves, Russia, Australia, France, Britain, and other powers having interests in Asia. Our object should be to get all foreign troops out of China, out of every Asiatic country, and to promote measures looking to democratic government and basic economic progress.

The colonial question is the most burning issue of our times. The Big Five must soon adopt a common policy for the liberation and self-government of all peoples now in colonial or semicolonial status. Without resolution of that explosive question, there can be no lasting harmonious relationships even among the Big Five. We must help the colonial peoples get their independence and stand, politically and economically, upon their own feet or pay the price in wasting depression and totally destructive atomic warfare.

H. R. 5356 does give President Truman another inducement to offer for the speedy carrying out of the preliminary political agreement in China. To the extent that it is so applied it will be helpful in attaining the great objectives which the American people support.

Mr. VINSON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. RANKIN].

UNITED STATES REFUSES TO JOIN IN ATTACK ON SPAIN

Mr. RANKIN. Mr. Chairman, we are not surprised to hear the attack made on Generalissimo Chiang Kai-shek by the gentleman from Washington [Mr. DE LACY]. We are getting used to that kind of attack on those leaders who refuse to bow to communism throughout the world.

One of the greatest impressions ever made by a foreign visitor to this Capitol was made by that great Chinese Christian leader, Mme. Chiang Kai-shek, when she stood on that platform and pleaded for weapons with which the suffering people of China could defend themselves against the savage brutality of atheistic Japan. The Christian people of America are backing Chiang Kai-shek in his attempts to bring a civilized government to the people of China and to put a stop to Communist interference.

Another thing has come to light that ought to be cheering to real patriotic Americans throughout the country. You have heard the Communists, their fellow travelers, and their misguided followers demanding that America break relations with Spain. They would like to see us declare war on Spain.

What is behind all this? It is an effort to drive across Spain with communism and plant the Red flag on the Rock of Gibraltar.

The communistic regime in France sent President Truman a note the other day asking that this country join in bringing Spain before the Security Council of UNO. Yesterday morning I heard over the radio from Paris that President Truman had answered that demand in no uncertain terms. I watched for it in the newspapers and I found it in the following article which I am going to read to you:

UNITED STATES REFUSES TO JOIN FRANCE IN FRANCO CASE

Government officials said today the United States has refused to join France in presenting the Allied case against Spain's Franco government to the United Nations Security Council.

These officials said this country's views on the matter were delivered to the French Government Saturday. Essentially they are:

"1. The United States acknowledges the right of France or any other member of the United Nations to lay a matter before the Security Council at any time.

"2. This Government believes, however, that the Franco regime—whatever else it may be—is not a threat to international peace; hence, the United States will not join in bringing the Spanish situation before the Council."

Britain also has refused to join with France in the action, but officials said the American position is somewhat different from that of the British.

In other words, they have failed in their attempt to drag the United States into this Communist combination to stir up trouble with a country that refused to join the Axis Powers against us during the darkest hours of the war with Germany. During that time Mr. Churchill had an understanding with Spain that she would not permit the Axis Army to cross Spain. If Germany had driven across Spain she would have closed the Strait of Gibraltar, prolonged the war, and probably cost hundreds of thousands of American lives.

President Truman knows that, Winston Churchill knows that; therefore England and the United States have refused to be drawn into another war with the Spanish-speaking nations of the earth, merely in order to gratify the cupidity of the Communists and their fellow travelers who want us to break with Spain and plunge this country into another foreign war.

I bring this proposition to your attention because, as I say, it is time for the American people to speak up and, so far as I am individually concerned, I expect to answer on this floor those attacks that are being made on patriotic Americans as well as our patriotic allies who are trying to iron out the international situation and to bring peace to all the nations of the earth, including the United States.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

The question is on the committee amendment as amended.

The committee amendment as amended was agreed to.

The Clerk read as follows:

Committee amendment: Page 2, line 9, strike out all after the colon, all of lines 10 to 13, inclusive, and insert *"Provided*, That prior to the disposition under the authority of this act of any battleship, aircraft carrier of any type, cruiser, destroyer (but not destroyer escort), or submarine the President shall first obtain the authority of the Congress in each instance."

Mr. HOFFMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this bill to give aid to China brings to mind a situation which existed when I was a lad, where one woman was attending to everyone's business but not to her own. We had two women in our town who lived in the same block. One was a university graduate. She was a very well educated woman, quite a lot of style about her, good looking, kept herself dressed up, went around to all the bridge parties, a good wife, too, attended to the business of other people. She had a kid, a young lad, a fine young boy, full of ginger. He was all the time heaving rocks through the windows of the vacant buildings. Sometimes he hooked a melon, went around with a dirty face, was quite fresh, sometimes impudent. His mother never did very much about it, though she gave a lot of good advice to all the other women, including another lady who lived in that block, about how to bring up their children, reform the community, and convert the heathen Chinese. This other woman was not quite so well dressed, perhaps did not have as much style, she did not go

around to civic affairs or bridge club meetings, nor did she take so much interest in society, did not give so much advice. She had a kid, and when he threw a rock through a window, or when he chased the neighbors' chickens, and occasionally stole one and roasted it out in the woods or down by the river, she took him in the wood shed and laid it on, and made a good man out of him. She always had a jar filled with cookies. She always had a crock of milk, the neighborhood kids were always welcome. Her kid went barefoot, washed his feet before going to bed, and became a good citizen without going through very many hardships. The other kid turned out to be a good man, too, not so much because of the mother's care, but through the boys whom he associated with in high school and college who trimmed him up a little here and there, who gave him an occasional black eye, a bruised nose. He came up the hard way and it took him some time and some hard knocks to round into form.

Sure, my folks say, help China and all the other countries, but why not, while you are down there, speak to some of your colleagues about attending to some of their home work. They say, "We have things at home that need attention; we would like to have some of the strikes settled; we would like to have some of this racketeering stopped; we would like to have you put an end to this highway robbery that is being carried on by Dan Tobin's teamsters' union; we would like to have that looked into." I write back to them and say, "Well, the House more than 2 years ago, by a two-thirds vote, passed a bill against that, and they sent it over to another body in the United States Capitol," and I write, "It has been buried over there, and you write to the two distinguished gentlemen from our State who represent Michigan, and you ask them about it. One of them has influence in world affairs, and I have no doubt if he would turn his attention to this he might get it through. If those two gentlemen will just turn their attention to this so-called Hobbs bill, maybe we will get some action over there." Some of them write back and say, "Why do you not see them?" I say, "No, a Congressman cannot talk to one of those gentlemen; that will not do; that would be presumptuous. I will keep out of that." Now I am suggesting that perhaps these strikes that the folks want settled are not unsettled solely because General Motors and the stockholders do not want to settle them, it might be there are some politics in it. Here is the Detroit Free Press, published by Mr. Knight, whose father sat here in Congress from a district in Ohio years ago. Knight has been a New Dealer, a radical New Dealer at times, but in the March 11 issue of that paper—there have been New Deal editorials in before—there is this news story, and right across the top—look at it—are big black letters, "Thomas Denounces Reuther." Now, who is Thomas? Thomas is the president of the UAW-CIO. He is their highest ranking officer. "Thomas denounces Reuther." That is not some old dirty Republican labor-baiter in Congress, speaking; that is the head of the UAW-CIO union. Down below it says, "UAW Rift Over Politics Perils Pacts." "Ford Agreement May Be Rejected."

Think of it. This is the one hundred and eleventh or one hundred and twelfth day of that strike, which is costing millions upon millions of dollars of loss in wages, three or four times that to the stockholders and company, and to the automobile dealers, a loss of millions and yet the strike goes on.

Now I say, pass your bill giving the ships to China if you want to, and then let the leadership on both sides here suggest to the Members of the other body that they get that Hobbs bill, 2 years old—now, that is old enough to be weaned out of committee. That committee ought to let it go. They ought to get it off the bottle. They ought to put it out on the floor. We have no right to say how they shall vote, but they should not continue that sit-down strike; 2 years old, it is time to let her out.

As to a reported reason for the continuation of the General Motors strike let me read from the Detroit Free Press:

R. J. Thomas, UAW-CIO president, openly criticized Walter P. Reuther, UAW vice president, as the rising tempest of union politics threatened settlement of the 111-day-old GM strike.

The trouble started with a "draft Reuther" boom for the union presidency, sponsored by a group of 17 local presidents.

Sunday, the Thomas-Reuther feud as well as a long-dormant "rightist-leftist" conflict at Ford Local 600 broke out into the open.

Thomas, speaking before delegates to the union's National Ford Council, was reported to have assailed Reuther in terms which he later failed to deny.

Thomas was reported to have said:

"Why isn't Reuther trying to settle the GM strike? That's what he should be doing."

Also coming up is the question of the ratification by the union of the contract with Ford. The news story continues:

There are 120 delegates to the Ford council session and they will be in conference until Tuesday. At that time a vote on the contract will be taken.

The delegates represent approximately 150,000 Ford workers in 32 plants. Their action, while not mandatory on the subsequent local union referendum elections on the contract, are bound to exert a controlling influence.

All UAW agreements must ultimately be endorsed by the membership. The Ford contract elections are scheduled for early April.

Objections to the so-called model contract are based on the proposals for company security, promotion, umpire, seniority, premium pay, and other clauses.

But there was no concealing the fact that the company security proposals were the chief target of attack.

These provide penalties for wild-cat strikes, calling for lay-offs and discharge of participants and instigators.

Chief strength of the "leftists" in the delegate body comes from the Rouge plant, where Communist-endorsed delegates hold a majority of the posts.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 3, at the end of the bill insert:

"SEC. 3. The provisions of this act shall terminate 5 years after the date of its enactment."

Mr. SMITH of Wisconsin. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

NEEDED HELP FOR CHINA

Mr. SMITH of Wisconsin. Mr. Chairman, for many years this Nation has exhibited its friendliness for China. A few years ago the Congress, in an effort to show its good will toward China at a time when it appeared impossible for that nation to stay in the war, authorized the appropriation of $500,000,000. From time to time since then we have evidenced a real interest in the fight that China was making against Japan.

During the war a limited amount of money and matériel were sent to China by way of the Burma Road and later by flying matériel over the Hump. Our efforts to help China were sincere but they were wholly inadequate.

By passage of H. R. 5356, which is a bill to provide assistance to the Republic of China in augumenting and maintaining a naval establishment, we are actualy rendering more than a lip service to the great nation of China. With the transfer of the ships, the money, and the matériel covered by this bill we put into the hands of China weapons and equipment it needs to defend a long coast line opposite its former enemy.

My only regret, Mr. Chairman, so far as this bill is concerned is the fact that the committee has failed to submit to the House any figures which would indicate the cost in dollars of the ships and materials involved in the bill. This in my opinion is a glaring omission. With all deference to the distinguished chairman of the committee, the gentleman from Georgia [Mr. VINSON], and other members of that great committee, I believe that the American people are entitled to know how much money is involved in the transfers covered by the bill. No amounts were submitted, although in answer to a direct question from me to the distinguished chairman of the committee, he stated that he could not indicate the amount in dollars and cents that are involved. It is not sufficient to say that the ships we are transferring as surplus are of no further use to our Government. They do have a value because they were built with American taxpayers' dollars, and the taxpayers are entitled to know how many of their dollars have been transferred to China.

Mr. Chairman, I am in favor of this bill because I believe that notwithstanding the amount involved that it is a most worth-while investment in Chinese friendship which has been maintained on a high plane for many years. China is our best friend in the Far East. We must maintain that friendship and increase our influence there.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. VINSON. Mr. Chairman, I offer an amendment.

The Clerk read, as follows:

Amendment offered by Mr. VINSON: On page 2, line 24, after "matters", strike out the remainder of section 2, as follows: *"Provided*, That the officers and enlisted men so detailed are authorized to accept from the Republic of China such compensation and emoluments thereunto appertaining as may be first approved by the Secretary of the Navy: *Provided further*, That while so detailed such officers and enlisted men shall receive, in addition to the compensation and emoluments allowed them by the Republic of China, the pay and allowances thereunto entitled in the United States Navy or Marine Corps and shall be allowed the same credit for longevity, retirement, and for all other purposes that they would receive if they were serving with the forces of the United States."

Mr. VINSON. Mr. Chairman, I have offered this amendment to strike out this language in view of the fact that it might be a wise course for the Congress to adopt that officers and men of the United States Navy, even though they are serving in a mission outside of the United States, cannot receive pay except from the United States.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from New York.

Mr. COLE of New York. The effect of the gentleman's amendment, then, is to require that officers detailed to this duty receive as compensation only such pay as is provided by present statutes for duty in the continental United States?

Mr. VINSON. That is correct.

Mr. COLE of New York. There is no provision for an increased percentage of pay occasioned by reason of overseas duty, such as military personnel now receive?

Mr. VINSON. The other statute would apply to the time when a man is serving at sea or serving outside the continental limits of the United States, but even if it does not, the more I think about it the more satisfied I am that I am on firm ground that an officer of the United States should not draw pay from any government except his own Government. If the Government of the United States does not give him enough, then we should provide it by an increase in pay so that he would be paid directly from the Treasury of the United States.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Michigan.

Mr. DONDERO. This would in no way prevent the Government of China from making some restitution to the Government of the United States under such circumstances as it might desire?

Mr. VINSON. It would not prohibit the Republic of China from giving something to the Government of the United States, but it would prohibit an officer on this mission receiving any pay or emolument from the Chinese Government. If we do not pay the men who may serve in a mission of this kind enough, then let us have the courage to pay them what they should be paid and not call upon the Republic of China to pay them for us.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman with pleasure.

Mr. HOFFMAN. Under the language of section 2, are enlisted men in the Navy forced to serve the Republic of China on the order of the President?

Mr. VINSON. They may be detailed wherever the President or the military authorities see fit to detail men, if Congress gives such permission.

Mr. HOFFMAN. Then they can be assigned to the service of the Republic of China?

Mr. VINSON. They would be detailed as a part of the mission, not to serve the Republic of China. They would be detailed in an educational capacity and an instructive capacity, not as sailors or officers of the Chinese Navy.

Mr. HOFFMAN. If China goes to war with some other nation, would they serve the Republic of China?

Mr. VINSON. Of course not.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. BATES of Massachusetts. The language of the bill carries out the provisions of the present law with respect to the aid we are now giving to the Republics of South America and also to the Philippines.

Mr. VINSON. I grant that. That may be true. But there may be debatable questions in the continuation of a policy by which other governments pay our men. If we do not pay them enough, then let us have the courage to pay them what they are entitled to and compensate them for this service instead of having a foreign government pay our officers and men.

Mr. ENGEL of Michigan. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman with pleasure.

Mr. ENGEL of Michigan. Is it not rather a question of trying to equalize the pay that these officers and men will receive in view of the inflated value of the currency in China? When I was in China, as I recall it, it took 3,400 Chinese dollars to buy an American dollar. Is that not a fact?

Mr. VINSON. I am not informed on that question.

Mr. ENGEL of Michigan. I think that ought to be taken care of by the United States Government, not by the Government of China.

Mr. VINSON. That is right.

Mr. IZAC. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. IZAC. We have established a precedent, of course, in South America with reference to the missions we have sent to the various South American Republics. I do not like the system, but I do think we should say something in this bill about how we want these officers and men to be paid. I cannot understand why it would not be a good idea for us to give them their regular pay and ordinary emoluments and then in addition give them an expense account to bring their total compensation to a level commensurate with the cost of living.

Mr. VINSON. I have no objection to that provided it is done by the United States Government and not by the Chinese Government. Let us be fair about it. These men are officers of the United States Navy. We are going to lend them to China to help them with their Navy. Let the United States Government do the right and proper thing and compensate them in a proper manner for the services that they render and not have the Republic of China pay them.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman with pleasure.

Mr. ROBSION of Kentucky. I am in full accord with the gentleman's amendment and agree that that part of section 2 should come out. We certainly ought not to have our men being paid by another nation because there would be more or less two allegiances.

Mr. VINSON. That is right.

Mr. ROBSION of Kentucky. And we want only one allegiance.

Mr. VINSON. That is right.

Mr. ROBSION of Kentucky. But I should like to inquire if this contemplates that these persons who are detailed by the President may engage in any war?

Mr. VINSON. Of course not. They are still citizens of the United States Government and they cannot be engaged in Chinese affairs or even in carrying on any Chinese business or taking part in any wars that China might be involved in.

Mr. ROBSION of Kentucky. In view of the fact that we are giving them these ships, is it contemplated that this mission would help them in that regard?

Mr. VINSON. The mission would help them and instruct them in how to operate a navy. That is all.

Mr. COLE of New York. Mr. Chairman, I offer a substitute for the amendment offered by the gentleman from Georgia [Mr. VINSON].

The Clerk read as follows:

Amendment offered by Mr. COLE of New York as a substitute for the Vinson amendment:

On page 2, line 24, strike out the proviso and insert: *"Provided*, That the Secretary of the Navy is authorized to pay such persons such additional compensation as may be necessary to make appropriate adjustments for increased cost of living occasioned by reason of detail to such duty."

And strike out, in line 4, on page 3, the words "in addition to the compensation and emoluments allowed them by the Republic of China."

Mr. VINSON. Mr. Chairman, I have no objection. That is making the Government of the United States bear the cost, and that is what we should do. Let us pay it out of our own pocket instead of out of the pocket of China. I accept the substitute amendment.

The substitute amendment was agreed to.

The amendment as amended was agreed to.

Mr. TARVER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TARVER: On page 2, line 7, strike out the word "gift."

Mr. TARVER. Mr. Chairman, last year, when this Congress was passing the Surplus Property Disposal Act, an amendment was offered by the gentleman from Texas [Mr. POAGE] which would have authorized the donation to soil conservation districts in this country of surplus Army equipment capable of being used for soil moving and other purposes in those soil-conservation districts. That amendment was very strongly resisted on this floor by those who said that the soil-conservation districts should pay for such equipment to the Government a reasonable valuation. The amendment was rejected, and the Surplus Property Disposal Act, as it stands today, carries no provision for the donation of any type of surplus Government property to any useful purpose in this country, although proposals were also made for the contribution of such property to educational purposes.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. ROBSION of Kentucky. Under the present law, if we have any surplus property we cannot give it even to our veterans or to American citizens, can we?

Mr. TARVER. That is right. Now, here is a proposal of a very liberal character, even if you strike out the word "gift," as suggested by my amendment, under which naval vessels and equipment, without limit, excepting the limitation contained with reference to the disposal of battleships, cruisers, and aircraft carriers, and an amendment offered by the committee with which I am not familiar may be transferred to the Republic of China, and naval personnel, without limit, may be transferred, in the discretion of the President, to the service of the Republic of China.

In addition to the proviso for transfer "by sale, exchange, lease, or transfer for cash, credit, or other property, with or without warranty, or upon such other terms and conditions as he may deem proper," there has been inserted the word "gift," which is an implied invitation to the Republic of China to request donation of these various items of property without cost whatever to that nation. I think that is going entirely too far. The President, under the terms of the bill, without the word "gift," could fix a small price if he thought the value small and the action were so justified, but by the insertion of the word "gift" you are impliedly inviting the Republic of China to ask for the donation of this property, without regard to what its value might be.

Mr. ROBSION of Kentucky. Will the gentleman yield further?

Mr. TARVER. I yield.

Mr. ROBSION of Kentucky. I wonder what will be the effect of the gentleman's amendment striking out the word "gift"? The bill will still provide for the sale for cash, credit, and so forth, or upon such other terms or conditions as he may deem proper. Under that language could he not in effect give them away if he desires?

Mr. TARVER. No; I believe the proper construction of that language, if the word "gift" is taken out, would be that the sale, lease, or transfer shall be upon such other terms and conditions as he may deem proper.

I yield to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. I think if the word "gift" comes out of this bill it carries out the intention of the bill. These ships certainly are worth something. The word "gift" is an invitation to expect them for nothing. They may not be worth more than $10, but a ship is worth something. I know I am not going to vote for this bill, I may say to my colleague from Georgia, with the word "gift" in the bill.

Mr. TARVER. I see no reason why we should be more liberal with the Republic of China than we are with our own people.

Mr. VINSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it would seem according to the argument of the distinguished gentleman from Georgia [Mr. BROWN] that a mere token sale would be sufficient. The ships, of course, have some value, they have at least salvage value, but if you got 1 cent on the dollar or just a nominal sum, that would ease his conscience so he could say we had not given them away.

What are the facts? The facts are that there are some thousand ships of this type which are lying around in the ports, docks, and yards of the country. Either we have got to give them away, scrap them, or do something with them; we are not going to appropriate money to maintain them. Now, if we can be generous enough to a struggling nation that is trying to build up and maintain peace in the Orient by having a little navy of this kind, we should. If this great rich Nation with some five thousand ships it does not know what to do with has got to say we are not going to give them to you, we are going to exact the pound of flesh from you, it comes with poor grace. But to ease the conscience of the gentleman from Georgia [Mr. BROWN], and my distinguished friend the gentleman from Georgia [Mr. TARVER], it would be all right if the President said to China: "Well, you just pay a token sum; that will be sufficient; but we do not want to give anything away."

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. TARVER. I made no such suggestion. We should expect to ask a reasonable price.

Mr. VINSON. That would not be the result of the gentleman's amendment. The result of his amendment would be a token sale just because you do not want to give something away that the Government does not want, although in turn it will do much in creating friendship and peace throughout the world.

Mr. ENGEL of Michigan. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. ENGEL of Michigan. My colleague from Georgia, I believe, inadvertently stated that this would allow the exchange, lease, sale, or transfer of an unlimited number. Let me call his attention to the fact that the bill has been amended already to place a limitation of 217 ships that can be so transferred.

Mr. VINSON. I cannot yield further in this connection, so I ask for a vote on the amendment.

Mr. BATES of Massachusetts. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Massachusetts is recognized for 5 minutes.

Mr. BATES of Massachusetts. The net result of this amendment, if adopted, would be for us to ask perhaps one of the most impoverished nations in the world to pay for what we are describing as junk. Every vessel that is included within the scope of this bill is excess to our naval needs. I well recall after the 1922 Disarmament Conference when we scrapped 28 battleships in the interest of world peace.

Seventeen of those battleships were then in the active service and the other 11 were in various stages of construction and had been completed in some cases up to 75 percent. It cost us $657,865 to scrap those ships. We received in junk value $2,155,168. The net proceeds therefore were approximately $1,397,303. Those were battleships. The ships referred to in this bill are all small ships, excepting the DE, which is a modified destroyer, and all of which have seen extensive and continuous service in the Pacific area during the recent war period. It will cost money to scrap every one of these ships and it seems to me from the standpoint of good will to a struggling nation, the most impoverished in this world, a nation that has been fighting a battle in the interest of world peace since 1937, the least we can do is to say to the President of the United States: "Transfer these ships. They are of no value to us, but they may be of some value to China." Let us not, as the chairman of the Committee on Naval Affairs stated previously, exact the last pound of flesh from one of our struggling allies that has sacrificed so much in the last 9 years.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield to the gentleman from Minnesota.

Mr. JUDD. Suppose we put it on the basis of sale and the Chinese Republic refuses or is unable to buy. Then we will have to send ships over there and equip them with American boys.

Mr. BATES of Massachusetts. Yes. Those ships are over there today. We have over 200 ships of this very type over there now being operated by our own boys, by our own flesh and blood. These ships are being used to repatriate the Japanese soldiers and civilians, as we agreed to do under the peace pact of September 2. We have to do that under

the agreement we have with them and this will continue for several months. It is just a question whether we are going to do it with our own boys and with our own ships or turn the ships over to China to be manned by the Chinese with their own personnel. That is the only issue.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield to the gentleman from Tennessee.

Mr. JENNINGS. In short and simple language, we are proposing to give them ships that will be worth something to China but are not now worth anything to us?

Mr. BATES of Massachusetts. The gentleman is correct, and it will cost money to scrap them back here in the United States, plus the cost of bringing them back.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

The question is on the amendment offered by the gentleman from Georgia [Mr. TARVER].

The question was taken; and on a division (demanded by Mr. TARVER) there were—ayes 13, noes 78.

So the amendment was rejected.

Mr. COLE of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: On page 2, line 22, strike out the words "officers and" and insert "not to exceed one hundred officers and two hundred."

Mr. COLE of New York. Mr. Chairman, the purpose of my amendment is to place a limitation on the aggregate number of personnel that may be used in the Chinese naval mission. The plans of the Navy Department at the present time contemplate a total of 100 officers and 200 men and this provision is in conformity with their plan.

Mr. VINSON. Mr. Chairman, we accept the amendment, for that is what the Navy Department intends to use; 100 officers and 200 men.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CARNAHAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 5356) to provide assistance to the Republic of China in augmenting and maintaining a naval establishment, and for other purposes, pursuant to House Resolution 513, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read a third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. TARVER) there were—ayes 123, noes 6.

Mr. TARVER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 313, nays 32, not voting 86, as follows:

[Roll No. 51]

YEAS—313

Abernethy	Dingell	Hess
Adams	Dirksen	Hill
Almond	Dolliver	Hinshaw
Andersen, H. Carl	Domengeaux	Hobbs
Anderson, Calif.	Dondero	Hoch
Andresen, August H.	Doughton, N. C.	Hoeven
Andrews, Ala.	Douglas, Calif.	Holifield
Andrews, N. Y.	Douglas, Ill.	Holmes, Wash.
Angell	Doyle	Hook
Arends	Drewry	Hope
Barrett, Pa.	Durham	Horan
Barry	Earthman	Huber
Bates, Ky.	Eaton	Izac
Bates, Mass.	Eberharter	Jackson
Beckworth	Elliott	Jenkins
Bell	Ellis	Jennings
Bender	Ellsworth	Johnson, Calif.
Bennet, N. Y.	Elsaesser	Johnson, Ill.
Biemiller	Elston	Johnson, Ind.
Bishop	Engel, Mich.	Johnson, Luther A.
Blackney	Engle, Calif.	Johnson, Lyndon B.
Bland	Ervin	Jonkman
Bloom	Fallon	Judd
Bolton	Feighan	Kean
Bonner	Fenton	Kearney
Boren	Fernandez	Kee
Bradley, Pa.	Flannagan	Keefe
Brehm	Flood	Kefauver
Brooks	Fogarty	Kelly, Ill.
Brown, Ga.	Folger	Kerr
Brown, Ohio	Fulton	Kilburn
Brumbaugh	Gallagher	Kilday
Bryson	Gary	King
Buck	Gathings	Kinzer
Bunker	Gearhart	Kirwan
Burch	Gibson	Klein
Byrne, N. Y.	Gifford	Kopplemann
Byrnes, Wis.	Gillette	Kunkel
Campbell	Gillie	Landis
Canfield	Goodwin	Lane
Cannon, Fla.	Gordon	Lanham
Cannon, Mo.	Gore	Latham
Carlson	Graham	Lea
Carnahan	Granahan	LeCompte
Case, N. J.	Granger	LeFevre
Celler	Grant, Ala.	Lewis
Chenoweth	Grant, Ind.	Link
Chiperfield	Green	Ludlow
Church	Gregory	Lyle
Clason	Griffiths	McConnell
Clements	Gross	McCormack
Clevenger	Gwinn, N. Y.	McCowen
Clippinger	Hagen	McDonough
Cochran	Hale	McGregor
Cole, Kans.	Hall, Edwin Arthur	McMillan, S. C.
Cole, Mo.	Hall, Leonard W.	McMillen, Ill.
Cole, N. Y.	Halleck	Madden
Combs	Hancock	Mahon
Cooper	Hare	Manasco
Corbett	Harless, Ariz.	Mankin
Courtney	Harness, Ind.	Mansfield, Mont.
Cox	Harris	Mansfield, Tex.
Crosser	Hart	Marcantonio
Cunningham	Havenner	Martin, Iowa
Curtis	Hays	Martin, Mass.
D'Alesandro	Healy	Mason
Daughton, Va.	Hébert	Mathews
Davis	Hedrick	May
De Lacy	Heffernan	Michener
Delaney, James J.	Hendricks	Miller, Calif.
Delaney, John J.	Henry	Miller, Nebr.
D'Ewart	Herter	Mills
	Hesselton	Monroney
Morgan	Reed, N. Y.	Sullivan
Mundt	Rees, Kans.	Taber
Murdock	Resa	Talle
Murphy	Richards	Thomas, N. J.
Murray, Tenn.	Riley	Thomas, Tex.
Murray, Wis.	Rivers	Thomason
Neely	Rockwell	Tibbott
Norblad	Rodgers, Pa.	Tolan
Norrell	Roe, Md.	Towe
O'Brien, Ill.	Rogers, Mass.	Traynor
O'Brien, Mich.	Rowan	Trimble
O'Konski	Russell	Vinson
O'Neal	Ryter	Voorhis, Calif.
O'Toole	Sabath	Vorys, Ohio
Outland	Sadowski	Wadsworth
Patman	Savage	Walter
Patterson	Sharp	Welch
Peterson, Fla.	Sheppard	West
Pfeifer	Short	Whitten
Philbin	Sikes	Whittington
Phillips	Simpson, Ill.	Wickersham
Ploeser	Slaughter	Wigglesworth
Plumley	Smith, Maine	Wilson
Poage	Smith, Va.	Winstead
Powell	Smith, Wis.	Wolcott
Price, Ill.	Spence	Wolfenden, Pa.
Priest	Springer	Wolverton, N. J.
Rabaut	Starkey	Woodruff
Ramey	Stefan	Worley
Randolph	Stevenson	Zimmerman
Rayfiel	Stigler	
Reece, Tenn.	Stockman	

NAYS—32

Allen, La.	Hoffman	Rankin
Arnold	Hull	Robsion, Ky.
Barrett, Wyo.	Jensen	Schwabe, Okla.
Bennett, Mo.	Johnson, Okla.	Scrivner
Bradley, Mich.	Jones	Smith, Ohio
Buffett	Larcade	Stewart
Colmer	Lemke	Tarver
Cravens	McGehee	Vursell
Crawford	Pace	White
Dworshak	Pickett	Winter
Gwynne, Iowa	Pittenger	

NOT VOTING—86

Allen, Ill.	Gerlach	Rich
Auchincloss	Gorski	Rizley
Bailey	Gossett	Robertson, N. Dak.
Baldwin, Md.	Hand	Robertson, Va.
Baldwin, N. Y.	Hartley	Robinson, Utah
Barden	Holmes, Mass.	Roe, N. Y.
Beall	Howell	Rogers, Fla.
Boykin	Jarman	Rogers, N. Y.
Buckley	Kelley, Pa.	Rooney
Bulwinkle	Keogh	Sasscer
Burgin	Knutson	Schwabe, Mo.
Butler	LaFollette	Shafer
Camp	Lesinski	Sheridan
Case, S. Dak.	Luce	Simpson, Pa.
Chapman	Lynch	Somers, N. Y.
Chelf	McGlinchey	Sparkman
Clark	McKenzie	Sumner, Ill.
Coffee	Maloney	Sumners, Tex.
Cooley	Merrow	Sundstrom
Curley	Morrison	Talbot
Dawson	Norton	Taylor
Fellows	O'Hara	Thom
Fisher	Patrick	Torrens
Forand	Peterson, Ga.	Wasielewski
Fuller	Price, Fla.	Weaver
Gamble	Quinn, N. Y.	Weichel
Gardner	Rabin	Wood
Gavin	Rains	Woodhouse
Geelan	Reed, Ill.	

So the bill was passed.

The Clerk announced the following pairs:

Additional general pairs:

Mr. Coffee with Mr. Taylor.

Mr. Sparkman with Mr. Rizley.

Mr. Keogh with Mr. Schwabe of Missouri.

Mr. Camp with Mr. Fuller.

Mr. Torrens with Mr. Gamble.

Mr. McGlinchey with Mr. Talbot.

Mrs. Norton with Mr. Butler.

Mr. Bulwinkle with Mr. Robertson of North Dakota.

Mr. Robertson of Virginia with Mr. Knutson.

Mr. Baldwin of Maryland with Mr. Shafer.

Mr. Gardner with Mr. O'Hara.

Mr. Morrison with Mr. Weichel

Mr. Sheridan with Mr. Allen of Illinois.

Mr. Buckley with Mrs. Luce.

Mr. Peterson of Georgia with Mr. Gerlach.

Mr. Somers of New York with Mr. Sundstrom.

Mr. Rooney with Mr. Baldwin of New York.

Mr. Kelley of Pennsylvania with Mr. Howell.
Mr. Quinn of New York with Mr. Gavin.
Mr. Gorski with Mr. Holmes of Massachusetts.
Mr. Lesinski with Mr. Merrow.
Mrs. Woodhouse with Mr. Auchincloss.
Mr. Sasscer with Mr. Beall.
Mr. Cooley with Mr. Hartley.
Mr. Jarman with Mr. Fellows.
Mr. Thom with Mr. Reed of Illinois.
Mr. Burgin with Mr. Simpson of Pennsylvania.

Messrs. BRADLEY of Michigan and VURSELL changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent that on Monday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 40 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SIKES. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore entered, I may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

PERSONAL EXPLANATION

Mr. BELL. Mr. Speaker, earlier this afternoon during the vote on the so-called Petrillo bill I was necessarily absent from the Chamber. Had I been present I would have voted "aye."

Mr. RANDOLPH. Mr. Speaker, earlier this afternoon I was necessarily absent from the Chamber. During the morning I was in my home city, where I voted in an important special election involving the issuance of bonds for flood control. I came by plane to the Capital, but arrived too late to vote on roll call 49, in reference to the atomic bomb test. If present, I would have voted "aye." On roll call 50, the sending of the so-called Petrillo bill to conference, I would have also voted "aye."

EXTENSION OF REMARKS

Mr. MASON asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. WHITE asked and was given permission to extend his remarks in the RECORD in two instances, and include excerpts in each.

Mr. CHURCH asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Chicago Daily News by John S. Knight, editor and publisher, dated March 9, entitled "We Seek Peace in UNO, Not in Alliance."

Mr. GORDON asked and was given permission to extend his remarks in the RECORD in two instances and include articles appearing in the Baltimore Sun on Sunday, March 10, entitled "Chaos Found in Poland."

Mr. SADOWSKI asked and was given permission to extend his remarks in the RECORD in two instances, and include excerpts.

Mr. ELLIS (at the request of Mr. JENKINS) was given permission to extend his remarks in the RECORD and include an editorial.

Mr. WOODRUFF asked and was given permission to extend his remarks in the RECORD and include an article by Sam Pettengill.

EXTENDING EXISTING CONTRIBUTORY SYSTEM OF RETIREMENT BENEFITS TO ELECTIVE OFFICERS OF THE UNITED STATES AND HEADS OF EXECUTIVE DEPARTMENTS

Mr. SABATH. Mr. Speaker, I call up House Resolution 452 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4199) to extend the existing contributory system of retirement benefits to elective officers of the United States and heads of executive departments. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on the Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, later on I shall yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. Speaker, this is an open rule which provides for 2 hours of general debate and consideration of amendments under the 5-minute rule. The rule refers to legislation that has been pending for many years, and with which you gentlemen are familiar—H. R. 4199. I want to state that the most liberal construction that could be placed on this legislation would not aid me personally. Because of my age and length of service, I would have to pay in much more than I could possibly receive in retirement benefits. However, I am interested in the legislation because it will materially benefit the House and the country and many Members.

During this Congress we have lost four outstanding Members of Congress, and I read regretfully in the newspapers that we are going to lose three others who do not contemplate running for reelection. I am informed that from 15 to 25 other Members will not be candidates for reelection because it is impossible for them to continue to serve the Nation under present conditions. They feel that they must provide for their future and for their families, and that it is impossible for them to remain here. I believe this bill will bring relief, encouragement, and assurance to those Members who will continue to serve their country in this House.

I hear that some people say Members receive compensation on which they can well exist. The word "exist" I think is right, but the additional word "well" is not in order. If a man has been here for 10, 15, or 20 years, his best years have been given to the service of his country, and a mere existence is small reward. Even the retirement benefits would not be princely. I am satisfied that each of you who heard the remarks of the gentleman from Virginia, Mr. Woodrum, here not long ago, and the remarks of the gentleman from Georgia, Mr. Ramspeck, must come to the conclusion that their advice should be heeded and this bill should be enacted.

I am of the opinion, Mr. Speaker, and I might as well be candid and say I am absolutely certain, that the Members of this House compare favorably with any group of men, whether they be bankers, manufacturers, or businessmen in integrity and in ability. When we take into consideration the earnings of these men and the earnings of the Members of the House, I know the country will almost unanimously—there are always a few against anything; there is nothing perfect under the sun—come to the conclusion that we have delayed this legislation altogether too long.

Mr. Speaker, I hold in my hand a long list, so long that I could not even count all the names, of men who are earning from $75,000 to $400,000 a year in salaries, to say nothing of bonuses and dividends they receive.

I venture to say that if you compare any 435 men of this group, although there are perhaps 3,000 of them, with the 435 Members of the House, Members will compare favorably with those who draw these tremendous salaries. They will compare favorably in ability, in their activities, in the duties that they perform, and in every other way. Passage of this bill will insure the country of retaining the services of Members of ability, of experience, and integrity, and attract new candidates of high caliber to the benefit of the country.

Mr. Speaker, I have received hundreds upon hundreds of letters urging this legislation. I have received resolutions from civic and commercial organizations and from other groups throughout the United States in favor of it.

A special committee appointed from all walks of life and from different industries last year recommended an increase of salaries for Members of Congress and favored this retirement bill. I know the gentleman who introduced the bill and the chairman of the committee will later explain the bill more thoroughly than I can. I am familiar with most of the provisions, but I cannot compare my knowledge with that of the gentleman from West Virginia and the gentleman from Georgia [Mr. VINSON]. I am satisfied that when you have heard them, and if you have given consideration to this legislation, nearly all of you will vote for the rule, and later for the bill. As I have stated, I think it is legislation in the direction of better government. It will make for a better legislative body and for better legislation.

I have been in Congress, as you know, for the last 39 years. I am grateful that you have shown appreciation of my services here. The activities and the duties of Members of Congress today are 10 times as hard and exacting as when I first came to the House. While you are here listening to me speak your desks are piled high with letters demanding your attention; in your office are many people waiting to see you. That is a daily occurrence. The work that has been placed upon us is tremendous. I hope in the near future something will be done to make our work a little easier. I hope we will secure additional help, so that we can devote more time to consideration of pending legislation. Several Members wish to be heard on the rule. I shall conclude, reserving the balance of my time.

I now yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, House Resolution 452 makes in order the consideration of H. R. 4199 and provides for 2 hours' general debate upon this important and controversial measure.

H. R. 4199 provides for amending the Civil Service Retirement Act so as to include under its provisions coverage for all officers and employees of the executive, judicial, and legislative branches of the Government, insofar as retirement pay is concerned. In plain English, this bill would include under the retirement provisions of the civil-service law Members of Congress, as well as employees of the legislative branch.

A few years ago we had a rather unfortunate experience of having brought before this body a bill which contained a general retirement provision which would have included Members of Congress. That Members of Congress were included was not made clear during the consideration of the bill, and as a result the whole matter was also misunderstood by the country generally. Probably the effect of the legislation was also misinterpreted by the press of the Nation. However, I do not believe that anyone who can read English can misunderstand the import of this particular measure. I believe it is proper that this measure be brought to the floor of the House, under this arrangement, so there can be no misunderstanding, and so that we can frankly and fully discuss and debate all of its provisions, and let the House work its will.

Personally I am so young in years and so young in service that this measure means little or nothing to me, so I can discuss and speak upon it in an objective manner.

I cannot help but believe that the members of the legislative branch of the Government of the United States are just as much entitled to proper retirement protection as are those engaged in any other activity—no more and no less.

We have seen in this country, through recent years, a steady progress toward the coverage of all citizens with the protection of retirement pay. American industry, to its credit, was the first to take a step in that direction. The Federal Government began to cover certain of its employees. The great Railroad Retirement Act was enacted, and then came Social Security to include the millions, who are not otherwise covered, from among those who work in various occupations. Today probably two-thirds, and perhaps three-quarters, of all persons gainfully employed in the United States are protected in one form or another by retirement pay. So certainly it is only proper that we at least consider legislation which will extend to the legislative branch of the Government the same rights, the same privileges, the same coverage as is provided for all other servants of the Federal Government. The judiciary is covered under a special act, which requires that judges contribute nothing and yet receive retirement pay after 10 years' service and after they have attained a certain age.

Mr. MAY rose.

Mr. BROWN of Ohio. The Army and the Navy, as the gentleman well knows, and was probably going to suggest, provide retirement pay for those who serve with honor and distinction in the armed forces of the Nation.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. MAY. I was going to suggest to my colleague that the Government for many decades has recognized the fact that men who served long terms in the Army, and they have to serve a long time in order to be retired, are given retirement benefits because it is recognized they have drained off the best days of their life. Is there any reason why the legislators who make it possible for the Army to have pensions should not themselves be allowed some retirement protection toward which they contribute?

Mr. BROWN of Ohio. I certainly agree with the gentleman that the legislators of this great Nation should not be set apart, and thereby punished, by being refused the protection of a retirement system to which they must contribute on the same basis as other employees of the Government.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. MURDOCK. When I rose a moment ago there was a matter I wished to have made a little clearer, but I believe the gentleman has since made the matter perfectly clear. It was a matter of definitions of terms. Will the gentleman, however, stress the difference between the terms "pension" and "retirement"? Is this a pension bill or is this a retirement bill? As a newspaperman the gentleman from Ohio is no doubt keenly appreciative of the difference between those terms.

Mr. BROWN of Ohio. This is not a pension bill, this is a retirement bill under which, as I understand it—and I believe I do understand it—Members of Congress would contribute and pay in at least 5 percent of their salary, and from which payments and contributions, made under the Retirement Act, those who reach the retirement age would receive back from the established fund certain small annuities.

Mr. MURDOCK. What is the percentage paid by the Federal employees who are covered in the same way? Is the plan for Members the same as for Federal employees?

Mr. BROWN of Ohio. Five percent; and the Members of Congress would have to pay 5 percent of their salaries into the retirement fund. In other words, every Member of Congress would be called upon to pay $500 a year to come under this retirement plan or program as already set up under the Civil Service Retirement Act.

Mr. BELL. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Missouri.

Mr. BELL. Is this voluntary? That is, does a Member have to pay in his $500?

Mr. BROWN of Ohio. No. As I understand it, a Member does not have to pay in the $500. He can refuse to pay in and thus forfeit any right to participate. The fact of the matter is, as I figure it out on my own age and service, I would probably be much better off if I took the same amount of money this bill would cost me and invested it in an annuity.

Mr. GRANGER. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Utah.

Mr. GRANGER. I am confused. The gentleman says he is too young in years and in age to receive any benefits from this bill.

Mr. BROWN of Ohio. For some time to come.

Mr. GRANGER. The gentleman from Illinois says he is too old in service and in years to receive any benefit. Who is going to receive the benefit then?

Mr. BROWN of Ohio. I think the gentleman who addresses me will probably receive a benefit because he seems to be in the happy age medium between that of myself and the gentleman from Illinois.

Mr. Chairman, getting back to the bill, as an employer of labor myself I pay regularly into a fund to give retirement pay to those who work for me. The employees contribute the same amount as I contribute, in a direct way; but, in connection with that fund, I also pay heavy taxes to the State to support old-age pensions, so that actually my employees are paying only about one-fourth or one-fifth of the total cost of their retirement pay, while I, as the employer, pay much more.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Missouri.

Mr. SHORT. They do not have to run for office every 2 years, do they?

Mr. BROWN of Ohio. No; and that, I understand, is sometimes a rather burdensome expense. I might remark to the gentleman from Missouri that under this proposed bill the 5 percent levy for your retirement pay would be on the entire income. You would not get a deduction for your campaign expenses.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Michigan.

Mr. DONDERO. The gentleman has indicated what Members of Congress would be compelled to pay to the fund. What would the Federal Government pay into the fund?

Mr. BROWN of Ohio. I cannot give the exact figure. It is given in a table in the committee report.

I do not care to discuss the bill in detail. I simply rose for the purpose of discussing the rule. I want to urge adoption of the rule so we may have a frank, full, and complete discussion of the bill. We should consider this measure just as calmly and impartially as we would consider any other legislation, and not consider what someone might say or think about us, because we are legislating for future Congresses as well as for ourselves.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from New York.

Mr. REED of New York. The gentleman spoke about being too young to enjoy the benefits of a bill of this kind. I want to mention something which perhaps some of the younger Members have not considered. I think it is fair to say that probably 95 percent of the men who enter this House feel that they will stay here for only a couple of terms; in fact, they have no intention of staying for more than two or three terms when they come here. But there is some strange lure about political life that causes them to change their minds and before they know it they have been here quite a number of years and have given the best years of their life to the service of their country. They have built up no financial backlog for their old age. It seems to me that the Members as a body of this kind, going through that experience over a period of years, looking to the welfare of future Congresses as well as to the Members who serve here for a long time, keeping in mind that the young men who think they will not stay here will continue to stay for many years and also that they are willing to pay for their own retirement, as is proposed in this bill, should, regardless of his age, vote for the bill.

Mr. BROWN of Ohio. I thank the gentleman.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Michigan.

Mr. DONDERO. Indicating, however, how fast and rapid is the change on the floor of this House, a year ago yesterday 15 Members of this body sat together for lunch. They were the sole survivors of the 150 new Members who came into this House on March 4, 1933. In other words, in a period of 13 years only 15, or 1 out of 10, survived.

Mr. BROWN of Ohio. Of course, the change here is very rapid, and we all know that every man, and especially a professional man, who comes to Congress and gives the prime of his life to legislative service is the great loser. While he contributes much to his Nation, when he returns to civilian life his earning power is usually gone because he has lost touch with his profession and his clients, and must start practice all over again.

I urge the adoption of this rule so we may consider this bill on its merits.

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, I am sure that the remarks I am going to make are not going to receive any great applause or possibly may not be the wisest thing said here today. But I am thinking about this matter from another angle. I am not going to debate whether or not Members of Congress are entitled to the same privileges that Federal employees are, but we seem to be caught here on the wave of hysteria on the expenditure of public funds. Members of Congress occupy a unique position in the affairs of this Government. They are not Federal employees. They are lawmakers, and they are looked upon by the country as the leaders of the Government, as the wise fathers of the country, and when Congress does anything that affects either a direct or an indirect raising of the salaries of the Members of Congress we at that moment make ourselves vulnerable to every bloc in the country, every organization. They will come to Congress with the argument, "Well, you raised your own salary, and why not raise ours?" This bill if adopted will be followed with that line of argument and Congress will find itself in a vulnerable position. I recognize that there is some merit in the argument that is made for this proposition. On the other hand, I also recognize the other, the bigger, the over-all proposition that we are the leaders—we must set the example for economy in Government if we are ever to have economy in Government.

This country has a national debt approaching $300,000,000,000. What I would like to see in this country is a tightening of the belt of our whole people and our whole economy and try to get back on a pay-as-you-go basis, get back to retiring some of these obligations rather than building up new ones. I do not set myself up as a man of superior wisdom on this subject, but I do feel that way about it. I shall therefore oppose the bill.

Mr. BROWN of Ohio. Mr. Speaker, I yield such time as he may desire to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Speaker, the question of retirement benefits for Members of Congress has been before the House for a considerable period of time. I am opposed to the legislation, but I do think the problem should be fairly presented and thoroughly discussed so that all Members of the House, who want to do so, may have a chance to express their views and then vote in accordance with their judgment.

Although I do not favor this legislation, I have the highest respect for those who have opposite views from my own.

I do not believe legislative officers belong in the same category as those now under civil service employment. They are not, as I see it, career employees, but serve at the will of the people.

Furthermore, Mr. Speaker, I do not believe that in view of the condition of the Federal Treasury, Members of Congress should seek funds from the Government Treasury to provide them with retirement pay.

Until this Congress has given consideration to the question of security of thousands of people in this country who have little or no security, it is rather difficult to justify this legislation. I cannot support it.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Speaker, let me say at the outset that I believe in the soundness of the proposal contained in the bill as described by the gentleman from Ohio. Under ordinary circumstances I would support it. I want that position of mine to be thoroughly understood. I regret, however, that this rule has been brought in here at this time, not for the reasons suggested by the gentleman who preceded me but for an entirely different set of reasons.

A special joint committee of the House of Representatives and the Senate, headed on the Senate side by Senator LA FOLLETTE and on the House side by the gentleman from Oklahoma [Mr. MONRONEY], after a year's study, and most earnest study, has reported to the Congress a number of recommendations, recommendations calculated in their view to increase the efficiency of the Congress, not only the efficiency of individual Members but also the efficiency of the congressional machinery. In their report they recommend the establishment of a retirement system for Members of Congress. They also recommend an increase in salaries for Members of Congress. They also recommend a wide, sweeping consolidation of standing committees in both the House and the Senate. They also recommend an improvement at some expense of the clerical and expert assistance of the committees of the House and of the individual Members of the House, in order that the committees and the individual Members shall be better able to perform their functions. Their report contains some other suggestions of great interest.

I cannot help but consider that report as one single recommendation. I think it would be unwise for us to think about one element of the recommendation for action and leave the others without action or postpone it indefinitely. I would infinitely rather see the parliamentary situation so arranged that the House could meet this whole problem as suggested to it by the La Follette-Monroney committee.

It is not often that I speak of congressional tactics upon the floor, but I think it would be poor tactics, Mr. Speaker, for the House to start in with a measure obviously for the benefit of individual Members, perhaps to be followed by another measure for the benefit of individual Members—and in my own judgment the Members deserve it—and not at the same time give evidence to the public that we intend to increase the efficiency generally of the machinery of the House. I think those things should all be taken together.

It is with great regret that I find myself in disagreement upon the tactics here involved. I hope the rule will not be adopted.

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Speaker, I regard it as extremely unfortunate that this

proposal comes before the House of Representatives at this time. At a time when the Congress is confronted by some of the gravest problems which have ever confronted the Congress of the United States we are taking a day off to discuss whether or not we are going to provide additional benefits for ourselves from the Treasury of the United States.

I do not question the honesty of purpose or the sincerity of anyone who advocates this proposal, although I cannot myself support it, but I want to point out to you, as has already been done in a very forceful way by the gentleman from Mississippi, that at a time when the national tax burden is very heavy, when the national debt is increasing by leaps and bounds, we provide here, by a comparatively small amount, it is true, but yet by some amount, an addition to the burdens of the taxpayers of the United States.

It seems that an effort is now being made to organize all of the Federal employees of the United States into the support of this program for additional benefits for Congress. We are getting letters now from Federal employees who want another salary raise, having had two salary raises within the last 2 years, wanting a 20-percent additional raise, all of which wind up by saying that they are also in favor of raising the salaries of Members of Congress and the benefits of Members of Congress. Perhaps additional pay for Federal employees is justified. The subject should be examined very carefully; but it is in no way connected with any proposal to provide additional benefits for ourselves from the Federal Treasury. I am sorry to say that in my judgment the Federal employees who have thus written me underestimate the integity of the Congress of the United States. I do not believe we are going to permit ourselves to be made a part of a bloc composed of Federal employees and Members of Congress whose highest ambition is to secure greater benefits for themselves from the Treasury of the United States. Most Federal employees in my district would not join such a bloc. The greatest nations in the past have begun their disintegration when their governing authorities devoted most of their time to the provision of greater benefits for themselves and their friends from the public funds. I hope this Congress is not going to embark upon that sort of program. I hope you will defeat this rule. I believe you ought to say that we have so many important problems now to decide that we are not going to take the time to discuss this subject matter providing for additional benefits for ourselves, paid for in large part from the public funds. I believe perhaps that the only roll call you could possibly have would be a roll call on the rule. I do not know what parliamentary maneuvers may be adopted in order to prevent a roll call on the passage of the bill through the House, if the rule is adopted. But I do hope there will be a roll call on the adoption of the rule and also on the passage of the bill through the House of Representatives in the event that the rule is adopted.

Personally, I did not come to Congress to make money, nor with the expectation that the Government would provide for me in my old age. If I had wanted only to make money, I feel sure I could have made more, or at least saved more, at home. I consider it a high honor to represent my people in this House, and I shall not use the authority they have given me to feather my own nest by increasing the benefits I am to receive from this service from the Treasury of the United States.

I am not an employee of the United States but I am commissioned by the State of Georgia.

Mr. SABATH. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma [Mr. STEWART].

Mr. STEWART. Mr. Chairman, I want to make my position clear with reference to the bill (H. R. 4199) and with all the emphasis at my command voice my opposition to its passage and to try to prevent its passage with all the ability that I am able to muster. I only favor two kinds of pensions; first, a pension for ex-service men and women; and, second, an adequate pension for the old folks. We certainly should take into account every public official, whether city, town, county, State, or Federal official, before casting a vote for a pension for ourselves. If we feel we are making a sacrifice by serving as a Member of Congress, then we should cast our eyes upon greener pastures and enter such enterprises or businesses as would justify our work.

Mr. BROWN of Ohio. Mr. Speaker, I yield 3 minutes to the gentleman from Kentucky [Mr. MAY].

Mr. MAY. Mr. Speaker, I was greatly impressed by the suggestion of the gentleman from New York [Mr. WADSWORTH]. At the same time I realize that the entire program recommended by the La Follette-Monroney committee cannot be handled as a single proposition. This is just one of the ways of beginning the reforms that this Congress can put into effect. The gentleman from New York admits the soundness of the principle in the pending proposal, but says it is not the time to do it. I reply the principle is right and the plan just doing right, and justice is always in order. I hope that while I speak to you nobody will think I am trying to express pride for myself when I refer to my personal situation. I was impressed very much by the remarks of the distinguished gentleman from New York [Mr. REED] because he said something that fits my situation exactly. I came to Congress at the age of 55, with no idea of serving longer than one term and returning to a fairly lucrative law practice, and I will be 71 years of age next June. I have lost money by the thousands of dollars for every year that I have been here. I feel that I have given the best years of my life to my country. In all modesty and humility, I am willing to say, and stand on what I say, that if I had been working for the United States Steel Corp., or some other great industrial corporation for the last 8 years, since I have been chairman of the House Committee on Military Affairs, and had rendered to that corporation the services that I believe that I have rendered to my country, in terms of time worked and responsibilities involved, I would have earned and possibly received $100,000 a year. I say that in view of the long list of handsome salaries paid by the great industries of America referred to by the distinguished chairman of the Rules Committee, the gentleman from Illinois [Mr. SABATH].

I think it is absurd, and I hope this House will not turn into the scoop that it made a few years ago when somebody started a campaign, "Bundles for Congress." I hope we will realize that this is nothing more nor less than a retirement plan, to which we contribute in proportion to what we get out of it, and that it is only equality with civil-service employees of the Government. We are not employees in the sense of the word "employee," but we are public officials charged with graver responsibilities than any other group of men in the Government, I do not care who they are.

I understand this bill, all told, will cost possibly a million dollars a year. I challenge the opposition to name a department in the executive branch of the Government, headed by a Cabinet officer, that does not spend more than a million dollars a year for telephone calls. You can look up the records and you will find that it is so. Yet somebody will say that because we propose to expend probably a million dollars a year, while we pay in a like amount, that we are doing something for ourselves, something to which we are justly entitled, something we pay for as others do. The plan would save millions to the American taxpayers.

The SPEAKER pro tempore. The time of the gentleman from Kentucky [Mr. MAY] has expired.

Mr. SABATH. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Speaker, I personally want to concur completely with the remarks made by the gentleman from New York [Mr. WADSWORTH]. No one could more firmly believe in the necessity and the eventual benefit to good government of a retirement plan for Members of Congress than I do, or the members of the committee who have been studying this problem for a year.

I am asking today that in the interest of a modern, well-organized Congress, a Congress that the people of the United States will approve of, that you delay action on this bit of legislation. If it were possible to ask that this bill go over without prejudice, that would be my plea. I am making this plea as an individual Member of Congress and not as an officer of the committee.

Today, in the legislative drafting service, is being drawn a bill to embody in a wrapped-up package most of the 37 provisions that were recommended after 1 year's study by your committee on the organization of Congress. Many of those things embodied in the report are items the public knows the Congress is reluctant to do about its organization, but which must be done to improve our operation.

If the Congress takes this first step, after the report of the Reorganization Committee, to pass legislation primarily benefiting itself and leave back the many necessary things that must be done to make our organization effective to han-

dle the problems we have before us today, we will be receiving not the plaudits of the public but a repetition of the condemnation that followed the previous retirement bill.

I think the best thing we could do would be to show the people that we are not going to rush into this thing and take, without relation of the over-all organization problem, items in the report which benefit the Members of Congress the most.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. BROWN of Ohio. Mr. Speaker, I have no further requests on this side, but I do have requests from the other side. If the gentleman wishes, I shall be glad to yield to some Members on that side.

Mr. SABATH. I will yield 1 minute to the gentleman from Texas [Mr. PICKETT].

Mr. PICKETT. Mr. Speaker, I shall vote against the rule, and if the rule is passed I shall vote against the bill, for many reasons that time does not allow me to state. I believe it is not appropriate nor is it timely.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia [Mr. VINSON].

Mr. VINSON. Mr. Speaker, the distinguished gentleman from New York [Mr. WADSWORTH] says that probably he is for the principle, but the tactics or timing is bad, due to the reason that the joint committee, headed by Senator LA FOLLETTE and the gentleman from Oklahoma [Mr. MONRONEY] have given thought to that subject matter and other subject matters, and they should be treated in their entirety. You confront yourself with this kind of proposition: Here we are doing in a piecemeal manner one of the urgent things set out in the Monroney bill. It occurs to me it is always good, if you are on sound ground, to accept that which is ready for enactment even though this entire subject matter is not before the House now. The vice chairman of this special committee, the gentleman from Oklahoma [Mr. MONRONEY] has recommended civil-service retirement for the Members of Congress. But when the Congress gets down to carrying out his recommendations, we find the gentleman from Oklahoma [Mr. MONRONEY] saying this is not the time to do it. I assume that this distinguished committee was in accord with every principle it set out, and, if it could not get it all, it was willing to take what the Congress did with reference to carrying out their viewpoint.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield at that point simply to clarify one matter?

Mr. VINSON. I yield.

Mr. RANDOLPH. I think it should be noted that the recommendation of the House Committee on the Civil Service on the subject of retirement for Members of Congress and certain officials of the executive departments is not in the nature of a bill which came out at approximately the time the La Follette-Monroney report was written, but this measure was reported in December of 1945 while the distinguished former chairman of the committee, Mr. Ramspeck, was in charge.

Mr. HERTER. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. HERTER. I am very grateful to the gentleman for yielding. When the gentleman from Oklahoma [Mr. MONRONEY] made the statement that all of his recommendations would be brought into the House in a single bill, I inquired from the distinguished Speaker and the Parliamentarian as to what committee such a bill could be referred to, and found there was no committee to which it could be referred.

Mr. VINSON. I was coming to that next.

Let us analyze this omnibus bill talked about by the gentleman from Oklahoma. Part of it would go to the Committee on the Judiciary because it relates to an increase of salaries which is under the jurisdiction of the Judiciary Committee. The matter of consolidating certain committees would go to the committee of which the gentleman from Alabama [Mr. MANASCO] is chairman, for that is the one that would have jurisdiction of that subject matter, that portion which deals with the reorganization of the House. The Rules Committee would have a certain phase of it, and the Civil Service Committee would have a certain phase of it. So there is no committee in the Congress that can take an omnibus bill such as set out in the Monroney report and consider all phases of it.

In this bill today you are asked to do exactly what the gentleman from Oklahoma [Mr. MONRONEY] proposed.

In this connection, Mr. Speaker, I wish to have printed in the RECORD recommendations that would carry out what the gentleman from Oklahoma [Mr. MONRONEY] and his distinguished committee propose as the proper method of retirement for Members of Congress.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The matter referred to follows:

Members of Congress may, upon their option, to be exercised not later than 6 months after the date of last taking the oath of office, or within 6 months after the date of the enactment of this act, become members of the Civil Service Retirement and Disability Fund.

Members of Congress who exercise the option to become members of the retirement fund shall make contributions thereto from the effective date of said option at the rate of 6 percent of base pay. All such contributions shall be credited to each member's individual account and if the service of a Member should for any reason terminate before eligibility for retirement, his contributions shall be refunded in pursuance of the provisions of the Civil Service Retirement Act.

To be entitled to an annuity a Member of Congress must have served at least 6 years as such Member and have reached the age of 62 years: *Provided*, That a Member becoming disabled while in the service may have a disability benefit after at least 5 years of such service regardless of attained age.

Purchase of credit for all service as a Member of Congress shall be at the rate of contribution provided by the Civil Service Retirement Act for all such service prior to the effective date of the inclusion of the office of Member of Congress under the said Civil Service Retirement Act, subsequent to August 1, 1920, and at 6 percent of base pay after such inclusion.

Deposit may be made in a lump sum or in installments for service prior to the inclusion of the office of Member of Congress within the Civil Service Retirement Act, subsequent to August 1, 1920, with interest at the rate of 4 percent compounded annually through all periods of service as such Member and upon payment of such deposit full credit shall be allowed for all such service: *Provided*, That contributions shall be made currently for the last 5 years of service as a Member of Congress or an amount deposited equivalent to the current contributions, with interest, for such 5 years of service and if contributions or deposit are not made for any service rendered prior to the last 5 years of such service, the annuity shall be reduced by the amount of annuity purchaseable with the amount not deposited.

Except for the purposes of this section, service as a Member of Congress shall not be considered as creditable service under the terms of the Civil Service Retirement Act.

The annuity of Members of Congress shall consist of 2½ percent of the average salary multiplied by the years of service as such Member: *Provided*, That no annuity payable to a former Member of Congress shall exceed three-fourths of his congressional salary.

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. SABATH. Mr. Speaker, I yield to the gentleman from Tennessee [Mr. KEFAUVER].

Mr. KEFAUVER. Mr. Speaker, the bill H. R. 4199, which makes the Civil Service Retirement Act applicable to Members of Congress the same as it is applicable to employees of the executive and judicial branches of the Government is fair and reasonable and in the public interest. I can see no valid reason why Members of Congress should not come under the act. I do, however, think that action upon this rule should be delayed.

The La Follette-Monroney committee, after many months of study on the methods and measures required for modernizing Congress, has filed an excellent report. Its report recommends some 25 improvements in our legislative machinery. These include consolidation and merger of committees, better staffing of committees, eliminating jurisdiction of Congress over private claims and District of Columbia affairs. And a very important recommendation of this joint committee is that Members of Congress be included in the retirement plan. I am advised that the joint committee has held a meeting and that they are now preparing an over-all bill which will cover all of their recommendations.

In the interest of strengthening Congress, I think all of the recommendations ought to be acted upon together. We know as a practical matter that that is the only method we can pursue that will get early favorable action upon these long-needed changes. If each proposal of the joint committee has to be considered separately, I doubt if very much will come from the recommendation of the joint committee.

I am advised that the gentleman from Washington [Mr. JACKSON], who is chairman of the Subcommittee of the Civil Service Committee, which has been considering increasing compensation for Members of Congress, joins in the view

that the provision for increased compensation should also be considered along with the other recommendations of the joint committee.

Therefore, Mr. Speaker, I expect to vote against the resolution, but, in the event the resolution is passed, I will vote for the bill.

Mr. SABATH. Mr. Speaker, I yield to the gentleman from Oklahoma [Mr. JOHNSON].

Mr. JOHNSON of Oklahoma. Mr. Speaker, I am unalterably opposed to the pending resolution for a rule to make it in order to bring up the so-called pensions-for-Congress bill. If there is a roll-call vote on the rule, which I think I can safely say there will be, I shall vote against the rule. Then should the rule be adopted to bring up the so-called retirement bill, I shall actively oppose and vote against the bill. Just to keep the record straight, let me say that when a similar bill was presented to Congress a few years ago I refused to support it. Later I actively supported its repeal. With the present depleted Federal Treasury, I see no reason or excuse for supporting such a bill now.

My position on Federal pensions is well known. For years I have advocated fair, reasonable, and adequate old-age pensions direct from the Federal Treasury without all of the present red tape. It is common knowledge that many of our needy aged citizens are now receiving a mere pittance. I might add that one of the first old-age pension bills ever introduced in this House was presented by me during my early days in Congress. To adopt this resolution proposing to bring up a retirement bill for Congressmen only, while millions of needy and deserving aged citizens are receiving less than sufficient old-age assistance to keep body and soul together, is, in my judgment, both inexcusable and indefensible.

Moreover, some ten or twelve millions of World War veterans are now coming home. Some of them who are able to work are unemployed. Others are on small salaries or have very modest incomes. Many others are sick and disabled and, of course, unable to work. Of course, no pension can ever repay them for what they have done for us. Pensions for some of our country's defenders who are numbered among this growing group of sick and disabled are still unreasonably low. For this Congress to seriously consider a pensions-for-Congressmen bill under the circumstances cannot, in my judgment, be defended.

Mention has been made of the recent report of the Reorganization Committee. It made some thirty-odd suggestions and recommendations, most of which I approve. But for this House to pick out this one isolated proposal to give security to ourselves and at the same time ignore the more than 30 other committee recommendations is not only bad taste but it would hold this body up to ridicule. The rule ought to be defeated.

Mr. BROWN of Ohio. Mr. Speaker, I yield one-half minute to the gentleman from Washington [Mr. JACKSON].

Mr. JACKSON. Mr. Speaker, I wish simply to concur in the statement made by the gentleman from New York [Mr. WADSWORTH] and the gentleman from Oklahoma [Mr. MONRONEY]. The House set up a special committee to go into this matter. An integrated plan has resulted from the study and effort of the Monroney-La Follette committee which is now in the process of being submitted in the form of legislation. We are now, however, attempting in a piecemeal fashion to take up the various phases of the proposed congressional reorganization plan. I can say to the House as a result of a conference that has taken place earlier today that there is very little likelihood of the Senate taking any action on this matter unless it deals with the entire problem of congressional reorganization.

The SPEAKER. The time of the gentleman from Washington has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield the balance of my time to the gentleman from West Virginia.

Mr. RANDOLPH. Mr. Speaker, I share with the other Members of this body my appreciation and admiration for the painstaking and the noteworthy report which has been given to the Congress and the country by the La Follette-Monroney committee.

I call your attention to what I believe to be a fact, and that is that we are either for or we are against the principle of retirement for those who serve in the United States Congress. If we are for permitting Congressmen to join the Federal retirement system as recommended recently by the distinguished committee of Senate and House Members, there is absolutely no cogent reason why the House should not, after adequate debate, and the offering of amendments, either vote up or vote down this proposal as contained in H. R. 4199.

Too often we are inclined to be for this or that bill except that we say it is not the time to bring it to the floor or the specific matter should be incorporated in an omnibus measure. In other words, for one reason or another, we delay in taking either affirmative or negative action on all-absorbing questions of this type which the people of the country have a right to know that elected representatives with their voice and vote are ready to uphold or defeat. The current issue of Life magazine, in a full-page editorial advocating retirement benefits for Congressmen, says: "This is a vital proposal." Generally a thoughtful and fair press endorses the plan and urges action now.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. RANDOLPH. I yield to the able gentleman from Missouri.

Mr. COCHRAN. One of the most important recommendations of the Monroney committee, and one which I generally approve, is consolidation of the committees of the House. The gentleman knows, as I know, that is not done by law. It is done by a resolution of the House that must come before the Rules Committee. It is a House resolution, and that is law as far as the House of Representatives is concerned.

Mr. RANDOLPH. I agree with the plan to eliminate many committees, and the observation of the gentleman is correct. I am not sure I support all recommendations of the joint committee, particularly the one calling for a congressional assistant for each Member, at an $8,000 salary.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. RANDOLPH. I yield to the majority leader, the gentleman from Massachusetts.

Mr. McCORMACK. I think the argument against consideration of this bill because it is included in the Monroney-La Follette report is not a sound one to this particular bill. It might be to other parts of the report requiring legislation. This matter has been considered by the House for a long while. This bill was introduced long before the report of the subcommittee was made, it has been on the House program for a long time, but on account of the importance of other legislation we could not bring it up heretofore. While the argument might be sound against other proposals I do not think it is sound against this particular one in view of the historic background of this bill in relation to the report.

Mr. RANDOLPH. I appreciate the gentleman calling attention to the history of this legislation. It is a fact, as I earlier interrupted the gentleman from Georgia to say, that the measure now before us, H. R. 4199, is not a new proposal. Hearings were again held on this subject matter nearly a year ago after the Congress had marched up the hill and marched down again on the first attempt to pass retirement. It was under the leadership of the former chairman of the Civil Service Committee, Mr. Ramspeck, that hearings were conducted in the fall of 1945. The majority of the committee approved this bill in November of that year, and on December 5, 1945, the measure was reported to this House. The hearings were held before a special subcommittee, and as its chairman, I joined my colleagues in carefully considering the testimony by many competent witnesses who were heard over a period of several weeks of hearings. During general debate the gentleman from Georgia [Mr. VINSON] and myself will carefully explain the provisions of the bill and set forth with charts and tables a break-down which can be easily understood as an aid to full knowledge of the details of congressional retirement.

This is not an off-the-cuff measure. This bill is not a fly-by-night proposition. This measure deals basically with the subject of retirement for Members of Congress if, in their individual responsibilities, they believe it is in the best interest of the Congress and our citizenry to adopt such legislation. It would seem to me that we are in a proper legislative position to bring to the floor this bill after the passage of the rule. Let it be thoroughly discussed. Let amendments be offered, and then the House in its individual and collective responsibility can study and vote exactly. I hope we shall act with courage and pass the rule and consider now, and not at some date which may never come, the proposal to give Members of Congress the permission to be embraced within the Federal retirement system.

Mr. Speaker, had the rule been passed I would have presented the following re-

marks regarding H. R. 4199, extension of the existing contributory system of retirement benefits to elective officers of the United States and heads of executive departments during the general debate.

The purpose of the pending legislation is to provide a contributory retirement system to elective officers of the United States and heads of executive departments. By this bill, Members of Congress and heads of departments would be brought under the coverage of the Civil Service Retirement Act.

At the outset, let me say that this bill does not set up a special higher schedule of annuity payments for elective officers than is provided for career civil-service employees.

It is not a gratuity.

It is not a pension.

It is a strictly contributory system for those Congressmen who elect to participate and for the heads of executive departments. It extends to elective officers the retirement privileges that are recognized as an earned right in the Federal Civil Service and in private industry. In private industry, the Social Security Act provides a retirement benefit for those who wish to exercise it at age 65 regardless of whether the individual is a minor employee or a high-paid executive of a corporation. Furthermore, it is the rule rather than the exception for progressive industrial concerns to supplement the provisions of the Social Security Act by private retirement plans to which the employee contributes and to which the employer contributes at least an equal amount. The high-paid executive is no exception to the benefits of a private retirement plan.

This measure does that and no more for Members of Congress and the heads of executive departments. This proposal requires financial participation by those Members who elect to be covered. There is no gift of free retirement.

This legislation is sound, equitable, and should receive the support of this body because:

First. It provides no special consideration for Members of Congress. Elective officers and heads of executive departments will receive only what they have earned and paid for, and by it they will not get something for nothing.

Second. It goes even further and places an extra requirement on Members of Congress and heads of executive departments to make a minimum deposit of $2,500 in order to qualify for retirement benefits. This requirement is not imposed on anyone else but Members of Congress and heads of executive departments.

Third. Members of Congress will receive no higher retirement payments than civil-service employees. The retirement payments will be strictly calculated on years of service, average salary, and amount in the fund, as is presently provided for career civil-service employees.

Fourth. We provide that Members of Congress shall treat themselves less generously than are comparable members of the judicial branch and comparable officers of the Army and Navy.

Fifth. This bill recognizes that a plan for retirement must be provided for a person working on a nominal salary whether that person be an employee of industry, an employee in the career public service, or a representative of the people.

Sixth. The plan is sufficiently flexible to recognize that no Congressman knows when he first becomes a Member whether he is privileged to serve a single term, a few terms, or make a career of public service representing his constituents. H. R. 4199 clearly recognizes this situation and provides that if a Member fails of reelection before he has acquired a total of 5 years of service, his deductions of 5 percent plus interest shall be returned to him. The bill, therefore, provides a banking feature for those Members with short duration of service, and a means—for those Members who make a career of public service--of contributing toward a retirement plan.

Let me emphasize. This bill is no "bundles for Congress" plan. It provides that for those Members who elect to participate, 5 percent shall be deducted from their salaries and deposited in the civil-service retirement and disability fund. It further provides that no Congressman or head of department would be eligible for credit for congressional service or service as the head of a department unless he has paid for all of his service or had contributed at least $2,500—the equivalent of 5 years' contributions at a $10,000 salary at the regular 5-percent rate. This bill provides for a retirement system which is essentially a share-and-share-alike plan—one-half of the money provided by the participant and one-half of the money provided by the Government as the employer.

Of course, at the time of inception and during the early years of the system, there is a greater cost by the Government in the calculation of an individual annuity, but this is not unusual. That feature is typical of any retirement system, whether it be a retirement plan of a private corporation, the Social Security Act, or for career civil-service employees under the Civil Service Retirement Act. This bill in fact is less liberal in this respect than customary, in that it provides, as I have previously indicated, that no Congressman or head of a department may receive credit for his congressional service or service as the head of a department until he has contributed at least $2,500.

It has been estimated by the Civil Service Commission, which administers the Civil Service Retirement Act, that the cost to the Government would not be more than $80,000 per annum for the very small number of Members of Congress who would be able to meet the required age and service conditions. If the retirement system were applied to the full membership of the House and the Senate, which would never be the case at any time, the cost per annum would be approximately $500,000.

The salient aspects of retirement under H. R. 4199 are as follows:

First. A Member of Congress or an executive head would be eligible for annuity at ages 55, 60, 62, or at any age after 62, the Member contributing a percentage of his compensation as follows: 2½ percent from August 1, 1920, to June 30, 1926; 3½ percent from July 1, 1926, to June 30, 1942; 5 percent from July 1, 1942.

Second. Rates of annuity vary with length of service, but no annuity is payable with less than 5 years of service. Disability annuity is payable without regard to age after 5 years' service.

Third. Contributions to the retirement fund are refundable if service is less than 5 years, with interest at 4 percent compounded annually.

Fourth. No Member of Congress or executive head would be eligible for credit for congressional service or service as head of a department unless he has paid for all this service, or had contributed at least $2,500—the equivalent of 5 years' contributions on a $10,000 salary at the regular 5-percent rate.

Fifth. Thus the required minimum contribution of $2,500 could be paid in 5 years through the annual contribution—salary deductions—of 5 percent of the congressional salary of $10,000 or could be paid in a lump sum.

Sixth. Coverage is discretionary, rather than mandatory, with the individual. But election to come under the civil-service retirement system would have to be made (a) within 6 months of the enactment of the act if a Member of Congress at the time of enactment, or (b) within 6 months after taking the oath of office if not a Member of Congress at the time of the enactment of the act.

Private industry has provided an honest and straightforward American method of retirement for their employees and executives, a plan by which the employees and the management share in the cost during the working career of the individual. The Congress, through the Civil Service Retirement Act, has also provided a means through which its civil servants may contribute on a share-and-share-alike basis to a fair and equitable retirement plan.

It is past time when the Congress should give concern to providing for the retirement of its present and future Members who have served their constituents long and faithfully. We all recognize the annual salary of a Member of Congress is not adequate to permit the accumulation of sufficient money to provide for the old-age period of its long-term Members.

It is grossly unfair to the families of our Members with long service to avoid facing this issue fairly and squarely. We must recognize here and now that by and large, our Members have no substantial private means with which to support themselves and their dependents upon their retirement after long years of serving their constituents.

I urge the House to favorably act on this legislation which permits discretionary participation by each Member but which would permit our senior Members a modest income during the period following their retirement from public service.

The SPEAKER. The time of the gentleman from West Virginia has expired. All time has expired.

The question is on the resolution.

The question was taken; and on a division (demanded by Mr. TARVER) there were—ayes 70, noes 70.

Mr. VINSON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 116, nays 217, answered "present" 2, not voting 96, as follows:

[Roll No. 52]

YEAS—116

Anderson, Calif.	Graham	O'Neal
Andrews, Ala.	Granahan	O'Toole
Arnold	Granger	Outland
Barrett, Pa.	Grant, Ala.	Philbin
Barry	Green	Phillips
Bell	Hagen	Ploeser
Bender	Hall,	Plumley
Bishop	Leonard W.	Powell
Bland	Hancock	Price, Ill.
Boykin	Harless, Ariz.	Rabaut
Bradley, Pa.	Havenner	Randolph
Brown, Ohio	Hébert	Rayfiel
Burch	Heffernan	Reed, Ill.
Byrne, N. Y.	Hendricks	Reed, N. Y.
Canfield	Herter	Rowan
Clippinger	Hobbs	Russell
Cochran	Hook	Sabath
Cole, N. Y.	Izac	Sadowski
Crosser	Johnson, Ill.	Sheppard
Davis	Kean	Simpson, Pa.
De Lacy	Kearney	Slaughter
Delaney,	Kee	Smith, Maine
James J.	Kelly, Ill.	Smith, Va.
Delaney,	Kilburn	Somers, N. Y.
John J.	King	Sullivan
Dingell	Kinzer	Sumners, Tex.
Douglas, Calif.	Kirwan	Taber
Drewry	Klein	Thomas, N. J.
Eaton	Lanham	Tolan
Eberharter	Latham	Towe
Engel, Mich.	Link	Vinson
Feighan	Lynch	Walter
Flood	McCormack	Weaver
Fogarty	Marcantonio	Welch
Forand	May	West
Fulton	Michener	White
Gathings	Miller, Calif.	Wolcott
Geelan	Morgan	Wolfenden, Pa.
Gifford	Murdock	Woodruff
Gordon	O'Brien, Ill.	

NAYS—217

Abernethy	Church	Gibson
Adams	Clason	Gillespie
Almond	Clements	Gillette
Andersen,	Clevenger	Gillie
H. Carl	Cole, Kans.	Goodwin
Andresen,	Cole, Mo.	Gore
August H.	Colmer	Gossett
Angell	Cooper	Grant, Ind.
Arends	Corbett	Gregory
Bailey	Courtney	Griffiths
Barrett, Wyo.	Cravens	Gross
Bates, Ky.	Crawford	Gwinn, N. Y.
Bates, Mass.	Cunningham	Gwynne, Iowa
Beall	Curtis	Hale
Beckworth	D'Alesandro	Hall,
Bennet, N. Y.	D'Ewart	Edwin Arthur
Bennett, Mo.	Dolliver	Halleck
Biemiller	Domengeaux	Hare
Blackney	Dondero	Harness, Ind.
Bolton	Doughton, N. C.	Harris
Bonner	Douglas, Ill.	Hart
Boren	Doyle	Healy
Bradley, Mich.	Durham	Hedrick
Brehm	Dworshak	Henry
Brooks	Earthman	Heselton
Brown, Ga.	Elliott	Hess
Brumbaugh	Ellis	Hill
Bryson	Elsaesser	Hinshaw
Buck	Elston	Hoch
Buffett	Ervin	Hoeven
Bunker	Fallon	Hoffman
Byrnes, Wis.	Fellows	Holmes, Wash.
Campbell	Fenton	Hope
Cannon, Mo.	Fernandez	Horan
Carlson	Flannagan	Howell
Carnahan	Folger	Huber
Case, N. J.	Gallagher	Hull
Chenoweth	Gary	Jackson
Chiperfield	Gearhart	Jenkins
Jennings	Mankin	Ryter
Jensen	Mansfield, Tex.	Schwabe, Okla.
Johnson, Calif.	Martin, Iowa	Scrivner
Johnson, Ind.	Martin, Mass.	Short
Johnson,	Mathews	Sikes
Luther A.	Miller, Nebr.	Simpson, Ill.
Johnson,	Mills	Smith, Ohio
Lyndon B.	Monroney	Smith, Wis.
Johnson, Okla.	Mundt	Spence
Jones	Murphy	Springer
Jonkman	Murray, Tenn.	Starkey
Judd	Murray, Wis.	Stefan
Keefe	Neely	Stevenson
Kefauver	Norblad	Stewart
Kerr	Norrell	Stigler
Kilday	O'Konski	Stockman
Kopplemann	Pace	Sumner, Ill.
Kunkel	Patman	Talle
Landis	Patterson	Tarver
Lane	Pickett	Thomason
LeCompte	Pittenger	Tibbott
LeFevre	Poage	Trimble
Lemke	Priest	Voorhis, Calif.
Lewis	Ramey	Vorys, Ohio
Ludlow	Rankin	Vursell
Lyle	Rees, Kans.	Wadsworth
McConnell	Resa	Whitten
McCowen	Richards	Whittington
McGehee	Riley	Wickersham
McGregor	Rivers	Wigglesworth
McMillan, S. C.	Robsion, Ky.	Wilson
McMillen, Ill.	Rockwell	Winstead
Madden	Rodgers, Pa.	Winter
Mahon	Roe, Md.	Worley
Manasco	Rogers, Mass.	Zimmerman

ANSWERED "PRESENT"—2

Cox	Dirksen

NOT VOTING—96

Allen, Ill.	Gorski	Rabin
Allen, La.	Hand	Rains
Andrews, N. Y.	Hartley	Reece, Tenn.
Auchincloss	Hays	Rich
Baldwin, Md.	Holifield	Rizley
Baldwin, N. Y.	Holmes, Mass.	Robertson,
Barden	Jarman	N. Dak.
Bloom	Kelley, Pa.	Robertson, Va.
Buckley	Keogh	Robinson, Utah
Bulwinkle	Knutson	Roe, N. Y.
Burgin	LaFollette	Rogers, Fla.
Butler	Larcade	Rogers, N. Y.
Camp	Lea	Rooney
Cannon, Fla.	Lesinski	Sasscer
Case, S. Dak.	Luce	Savage
Celler	McDonough	Schwabe, Mo.
Chapman	McGlinchey	Shafer
Chelf	McKenzie	Sharp
Clark	Maloney	Sheridan
Coffee	Mansfield,	Sparkman
Combs	Mont.	Sundstrom
Cooley	Mason	Talbot
Curley	Merrow	Taylor
Daughton, Va.	Morrison	Thom
Dawson	Norton	Thomas, Tex.
Ellsworth	O'Brien, Mich.	Torrens
Engle, Calif.	O'Hara	Traynor
Fisher	Patrick	Wasielewski
Fuller	Peterson, Fla.	Weichel
Gamble	Peterson, Ga.	Wolverton, N. J.
Gardner	Pfeifer	Wood
Gavin	Price, Fla.	Woodhouse
Gerlach	Quinn, N. Y.	

So the resolution was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Pfeifer for, with Mr. Camp against.

Mr. Rooney for, with Mr. Morrison against.

Mr. Roe of New York for, with Mr. Weichel against.

Mr. Buckley for, with Mr. Rains against.

Mr. Gorski for, with Mr. Wood against.

Mr. Quinn of New York for, with Mr. Peterson of Georgia against.

Mr. Celler for, with Mr. Rich against.

Mr. LaFollette for, with Mr. Knutson against.

Mr. Keogh for, with Mr. Shafer against.

Additional general pairs:

Mr. Lea with Mr. Hartley.

Mr. Thomas of Texas with Mr. Gamble.

Mr. Cox with Mr. Fuller.

Mr. Cooley with Mr. Ellsworth.

Mr. Sparkman with Mr. Dirksen.

Mr. Coffee with Mr. Allen of Illinois.

Mr. Torrens with Mr. Holmes of Massachusetts.

Mr. Bloom with Mr. Butler.

Mr. Sheridan with Mr. Mason.

Mr. Gardner with Mr. Reece of Tennessee.

Mr. Bulwinkle with Mr. Taylor.

Mr. Savage with Mr. Wolverton of New Jersey.

Mr. Cannon of Florida with Mr. Talbot.

Mr. Burgin with Mr. Gavin.

Mr. Sasscer with Mr. Auchincloss.

Mr. Baldwin of Maryland with Mr. Baldwin of New York.

Mr. Jarman with Mrs. Luce.

Mr. McGlinchey with Mr. Merrow.

Mrs. Norton with Mr. Rizley.

Mr. Kelley of Pennsylvania with Mr. O'Hara.

Mr. Holifield with Mr. Gerlach.

Mr. GARY, Mr. KOPPLEMANN, and Mr. CANNON of Missouri changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

Mr. ROBSION of Kentucky. Mr. Speaker, I voted against the rule which would have made in order H. R. 4199, known as the Ramspeck bill, and favorably reported by the Committee on the Civil Service of the House December 7, 1945. Because of the lack of time I did not have an opportunity to speak on the resolution before the vote was taken, and I take this opportunity through the courtesy of the House to assign some of the reasons for my opposition to H. R. 4199. This bill could not have come up for consideration unless the rule had been adopted. The House has voted 217 to 116 against the adoption of the rule. Because of my attitude on this legislation I felt impelled to vote against the rule. H. R. 4199 would extend the existing contributory system of retirement benefits to Members of the House and Senate and heads of the executive departments of the Federal Government. It is well known that practically all other Federal officers and employees of the legislative and executive departments of the Government are accorded the benefits of the contributory retirement system. They pay in 5 percent of their salaries and after a certain number of years of service may retire on annuities fixed by the law. The Federal Government contributes to that retirement system. This bill would extend these benefits to Members of Congress and heads of the executive departments of the Government who desire to take advantage of it. It is not compulsory. No Member of Congress or head of an executive department could take advantage of it unless such person has had at least 5 years of service and has paid in at least $2,500 and had reached the age of 55 years. If such person retired after 5 years of service had paid in $2,500, and reached the age of 55 years, he would draw in retirement pay $418 per year during the lifetime of such person. Of course, a person who had served a longer period of time and had paid in more at 5 percent of his salary, would receive a larger amount of retirement pay.

In view of the fact that all Federal judges after a certain number of years of service may retire and receive compensation during the balance of their life and that officers in our armed services may retire by reason of disability or length of service and receive retirement pay, it

could be very logically argued that this same privilege should be extended to Members of the House and Senate, and to the heads of the executive departments of the Government, and that such action would be just, right, and proper. It is also urged that this should be done because practically all of our officers and employees in the executive and other branches of the Government, including postmasters, rural and city carriers, may retire after certain length of service and Congress should not hesitate to pass this act giving to them and the heads of the executive branch of the Government the same rights and privileges. There are many good reasons that can be advanced for such action and the passage of this bill, and for those who favor this legislation, I have no word of criticism. I feel, however, that I would not be justified in supporting this legislation and especially at this time, although by reason of my length of service and age I would benefit as only a few Members of Congress would.

It has been pointed out that our national debt is approximately $300,000,000,000. The contingent liability of this Government is over $300,000,000,000 more. The tax burden of the American people is very great. This Nation has now had 15 years of deficits. We have been spending each year billions of dollars more than we have taken in in taxes and other revenues. We must preserve the credit and solvency of this Nation, and we should resist all unnecessary expenditures, and especially until we can balance the budget, and not spend more than we take in. Demands are being made on our Government and the Treasury every day. I feel that I will be in a stronger position to help resist these demands and so will the Congress if we do not vote these retirement benefits to ourselves a part of which must come from the taxpayers. We must quit spending more than we take in. To continue to do so means disaster for the Nation. We must also preserve the independence of the Congress.

I know that many organizations and individuals have urged you and me to pass this bill. I have received no word from any of my constituents expressing opposition to it. However, I am afraid that we will weaken our position and our independence of action if we do pass it.

More than 15,000,000 young men and young women went out from their homes, sacrificed their opportunities for gain, endured great hardships, and a million or more of them either gave their lives, were wounded in action, or contracted diseases, in helping to preserve this great Nation. I feel that we, too, must make sacrifices, and the American people must be willing to help preserve the financial stability of this Nation. Some may say that it will only cost the Government about $1,000,000 a year, and it would strengthen the independence of the Members of the House and Senate, and heads of executive departments. I am afraid that would not be the result. It may weaken the independence of Members of Congress when they are assailed by demands from various groups throughout the country. Millions of good Americans would not understand this action on the part of Congress, and it would shake the faith of these in their representatives. If such a system should be set up I do not feel that this is the time to do it. This includes the heads of the various departments of the Government who likely are receiving $10,000 or more a year as salaries. We already have too many officeholders under present conditions. They can get along better than Members of Congress without this retirement act. They do not have to make any races. They are not called on for contributions as are Members of Congress.

I wish to say I accord the same sincerity of purpose to those who are supporting this legislation as I have in opposing it. Many good reasons have been assigned why Congress should pass this legislation in its interest as well as the public interest. I wish to repeat as I see it in the disturbed condition of the Nation and the world this is not an opportune time to take such action, if it should be taken at all.

AMENDING SECOND WAR POWERS ACT, 1942

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 558, Rept. No. 1703), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5716) to amend the Second War Powers Act, 1942, as amended. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same back to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CALENDAR WEDNESDAY BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on tomorrow, Calendar Wednesday, be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. TARVER, Mr. REES of Kansas, and Mr. COLMER asked and were given permission to revise and extend their remarks.

Mr. HAYS (at the request of Mr. TRIMBLE) asked and was given permission to extend his remarks in the RECORD.

Mr. STEWART asked and was given permission to extend his remarks in the RECORD and include a resolution passed by the stockholders of the Oklahoma Livestock Marketing Association.

Mr. DE LACY asked and was given permission to extend his remarks in the RECORD in two instances and include in each an editorial.

Mr. COLMER asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a letter written to the President by the Committee for a Car for Every Amputee.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to include at the close of my remarks made upon the rule which was just defeated the remarks which I would have made in the Committee of the Whole had the bill been actually before us for consideration.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

SPECIAL ORDER GRANTED

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore entered, I may be permitted to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from Florida [Mr. SIKES] is recognized for 20 minutes.

TASKS OF RECONVERSION

Mr. SIKES. Mr. Speaker, a year ago we were all looking forward eagerly to the time this country and the world would be at peace.

During those dark days we were inclined to view the postwar period through rose-tinted glasses. Faced with the grim reality of what was then taking place, it was perhaps only natural for us to regard the future with some complacency and a feeling that after the shooting was over we could all relax.

Of course, the end of the war did bring with it a tremendous sense of relief. But now that we have had a bit of time to get attuned to the pattern of peacetime living, we find that there is little opportunity to settle back and take it easy.

In transforming our swords into plowshares we find that we face problems almost as great as those with which we had to cope during the war.

Indeed, in a certain sense, the tasks of reconversion are more difficult than those of the war.

During the war the urgency of the situation gave us the determination and the drive to forge ahead and get the job done. Today we do not have the same compelling motive. Nor did we have the unity of purpose and effort that enabled us to win such a glorious and decisive victory over our enemies.

Once more there is a sharp and growing split between the forces of progress and reaction.

On the one hand are those who believe that a much brighter future is in store for America if our people and our Government have the foresight and the will to achieve it.

On the other, are those who are so enamored with the past that they oppose all change and insist that we go back to what they call the tried-and-true policies of the 1920's.

The credo of the progressives has never been better expressed than in the words of the great Democrat, Thomas Jefferson, who wrote:

> Laws and institutions must go hand in hand with the progress of the human mind. As that becomes more developed, more enlightened, as new discoveries are made, new truths disclosed, and manners and opinions change with the change of circumstances, institutions must advance also and keep pace with the time.

This dynamic conception has been the guiding principle behind the elaboration of Democratic Party policy.

It was the basis on which President Franklin D. Roosevelt waged the battle against want and privation during the great depression. It was the basis on which he led the country to victory in the war. And it is the basis on which President Truman has outlined his program for the reconversion period.

If there was ever a time when Thomas Jefferson's observation on the necessity of change was particularly applicable, it is today.

Never before in human history have so many events of sweeping significance taken place in so short a time. Never before have science and invention developed at so breath-taking a pace.

We are entering an era of almost incredible speed. Ordinary commercial airplanes are now spanning the continent in less than 7½ hours. A new jet-propelled plane has cut the time down to a little more than 5 hours—almost the speed of sound.

During the war the Government spent millions of dollars for scientific research. By mobilizing science and streamlining its processes we were able to win the race against the enemy scientists who were also frantically striving to develop new weapons.

Because we did not allow ourselves to be shackled by adherence to old concepts and traditional methods we got there first with such developments as the atom bomb, radar, and the time-proximity-fuze shell—all of which hastened the end of the war and saved hundreds of thousands of American lives.

As President Truman has pointed out, these and other wartime developments now present us with magnificent peacetime opportunities. Adapted to the needs of peace, they can mean the creation of new industries, new and improved products, wider markets, and higher standards of living for all Americans.

Not long ago a Senate committee reported that there were no less than 1,400 of these wartime technological advances which are immediately applicable to civilian production and use. Many others need further development, but give promise of production for use within the next 10 years.

Here are some of the things which the Senate committee tells us we can have—if we have the gumption to think and act in terms of 1946 instead of 1926:

Prefabricated houses, with packaged kitchens, bathrooms, and heating units, delivered complete, and durable plastic or plywood walls ready to be welded on the site by techniques now used in building aircraft and ships.

Static-free radios with a tone range much wider than that of present models, and inexpensive television sets bringing up-to-the-second news and visual entertainment into the home.

New lightweight plastic or plywood automobiles with motors of light metal alloys, easy to drive and cheap to operate because they burn so little fuel.

Small passenger planes convertible into automobiles for driving from home to the nearest airstrip.

In November of this year, and in the primaries prior to November, the people of America will go to the polls to elect a new Congress. The outcome of that election will—I firmly believe—determine the kind of a country we shall have to live in during the crucial years that lie ahead. It will determine whether we shall continue to adapt our laws and institutions to the needs of the times, or go back to the static, do-nothing policies that kept the Nation paralyzed during the catastrophe of the early 1930's, or turn to the extremists who seek to revolutionize the Nation's policies and its customs.

We emerge from the catastrophe of the early thirties only because the Democratic Party, following the people's mandate, adopted a program of dynamic and courageous action. In the main, that program was strenuously opposed by the Republicans. It is significant that much of it has now been adopted by them.

Today a sound Democratic President—Harry Truman—has presented a realistic plan for national achievement and progress. Again the Democrats are in the forefront of the fight for the protection of the rights and interests of the great majority of the people.

We want not only to preserve the gains that have been made during that last 13 years in the interest of the workingman, the farmer, and the small businessman, but we want to provide even greater opportunities for these groups through a continued high level of employment, full production, and high wages. We know that unless we can achieve these things the future of this country will be both dark and stormy.

Thanks to the administration's far-sighted policy, and to its firmness in withstanding tremendous pressure, we have come through the war with the value of the American dollar still relatively high. After every war there has been inflation, but this time it has, thus far, been held in check.

After the Revolutionary War the value of the dollar fell to 33 cents.

After the Civil War to 44 cents.

After World War I to 40 cents.

But after World War II—the greatest war in all history—the dollar is still worth about 76 cents in terms of its pre-war buying power.

Inflationary pressures are substantially greater today than they were immediately after World War I. After 1918, controls were quickly abolished and prices soared. By June 1920 living costs rose to 108 percent more than the 1914 level. Clothing went up 200 percent. Rents went up 54 percent. Housefurnishings 179 percent. Sugar 300 percent. There was a brief period of high prices and high profits. For this we sacrificed economic and business stability. Then—as now—an inability and unwillingness to look ahead meant disaster.

By 1921 the country was reaping the dire results, after a brief spree came the hang-over. Prices fell to disastrous levels. The results were devastating to every segment of life in the country—business, agriculture, labor, and consumers.

Net farm income dropped from $8,800,000,000 in 1919 to less than $3,000,000,000 in 1921.

Average farm income fell from $1,360 to $460.

Nearly one-half million farmers lost their farms through mortgage foreclosures between 1922 and 1926.

In the year 1922, approximately 20,000 businesses went bankrupt.

The bottom fell out of corporation profits. In 1919, after taxes, they had been about $6,500,000,000. On 1921 there was a total net loss of $55,000,000.

Factory pay rolls decreased by almost 50 percent, and about 6,000,000 workers lost their jobs.

This catastrophe was followed by the boom and bust cycle that culminated in the great crash of 1929.

The Truman administration is determined that there shall not be a repetition of these tragic events The recent assignment of Chester Bowles as Director of Economic Stabilization and of Paul Porter as OPA Administrator is an unmistakable indication of this determination to hold the line.

On the other hand, the new and modified stabilization policy provides that no group is to be dealt with unfairly. Where a real need for price adjustment can be demonstrated it will be granted.

In the field of foreign relations, as on the domestic front, the administration has a concrete, realistic, and forward-looking program.

Under President Roosevelt a firm foundation was laid for lasting world peace through continued cooperation of the great powers. Under President Truman this policy is going forward to fruition, with full participation of the United States in the United Nations Organization.

The public pressure for world cooperation to insure peace is so great that few have dared to oppose the administrations's policy with a frontal attack. Behind the scenes, there are some who are busy trying to becloud the issue and raise impediments to forthright and genuine international cooperation.

In 1918, just after World War I had ended, the people elected a Republican Congress. The first thing they did was to scuttle the League of Nations—the instrument which then gave some promise of future peace. They scuttled it not by frontal attack, but by loading it down with reservations which made cooperation between the United States and other nations impossible.

Similar tactics today from any quarter can bring trouble and discord in the international arena, with the awful shadow

of another war darkening the horizon and coming ever closer.

Thus, in every one of the major issues facing the country today, the choice is between bold, constructive action on the one hand and a do-nothing or obstructionsist policy on the other.

President Harry S. Truman, in his Vice Presidential acceptance speech in 1944, said:

> If we devote the same ingenuity to production for peace in America as we have to the making of engines of war, our future will be secure. But to do this will require energy and courage. The forces of reaction, and the selfishness of those who always fear any kind of change, will have to be overcome. We cannot go back, as we tried to do in 1920. We cannot stand still. We must go forward.

I am convinced that the American people feel the same way as the President, and that they will back him to the limit in achieving for this country the tremendous advances of which it is capable.

The SPEAKER. Under previous order of the House, the gentleman from Kansas [Mr. REES] is recognized for 5 minutes.

INVESTIGATION OF GOVERNMENT DEPARTMENTS

Mr. REES of Kansas. Mr. Speaker, during the past several months there has been a considerable amount of discussion and criticism through the press and on the floor of Congress, alleging we have numerous employees on the Federal pay roll, some of whom have key positions, who are not in sympathy with, and do not believe in the American form of government as we know it. Charges have been made many times by responsible citizens, that people of communistic views and beliefs not in accord with representative government, have infiltrated in our Government agencies. My attention has been called to this matter on numerous occasions, many from whom I regard as reliable sources. If this sort of thing is going on in our own Government, the sooner we find out about it the better.

Mr. Speaker, I feel that the atmosphere ought to be cleared and that investigation be made to determine, as far as can be done, whether we have individuals on our pay rolls that do not belong there. If so, of course, they ought to be dismissed. In view of the serious charges that have been made, it seems to me agencies of government should welcome such investigation and ought to cooperate in every way possible. I am not asking for any "witch hunting." I do not believe in that. I want a fair, clean, thorough, impartial investigation.

Mr. Speaker, I am today introducing a joint resolution providing for the appointment of a joint committee from the membership of the House and Senate Civil Service Committees, to be appointed by the Speaker and by the President pro tempore of the Senate, respectively, giving full power and authority for subpena and anything else necessary to investigate the various departments and agencies and to make a joint report to the House and Senate of their findings.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. AUGUST H. ANDRESEN, for Wednesday and Thursday of this week, on account of official business.

To Mr. HOCH, for Wednesday, Thursday, and Friday of this week, on account of official business.

ENROLLED BILLS SIGNED

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1613. An act for the relief of Christopher Dance;

H. R. 1615. An act for the relief of the legal guardians of John Buchan and Lawrence Gillingham, minors;

H. R. 1854. An act for the relief of Thomas Sumner;

H. R. 1890. An act for the relief of the estate of Peter G. Fabian, deceased;

H. R. 2335. An act for the relief of Albert E. Severns;

H. R. 2487. An act for the relief of Mrs. S. P. Burton;

H. R. 3791. An act for the relief of Mrs. Florence Mersman; and

H. R. 4884. An act to relieve certain employees of the Veterans' Administration from financial liability for certain overpayments and allow such credit therefor as is necessary in the accounts of Guy F. Allen, Chief Disbursing Officer.

BILLS PRESENTED TO THE PRESIDENT

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 1090. An act for the relief of Mrs. Margaret McWilliams;

H. R. 1613. An act for the relief of Christopher Dance;

H. R. 1615. An act for the relief of the legal guardians of John Buchan and Lawrence Gillingham, minors;

H. R. 1854. An act for the relief of Thomas Sumner;

H. R. 1890. An act for the relief of the estate of Peter G. Fabian, deceased;

H. R. 2335. An act for the relief of Albert E. Severns;

H. R. 2487. An act for the relief of Mrs. S. P. Burton;

H. R. 2748. An act for the relief of the Dubuque & Wisconsin Bridge Co.;

H. R. 3224. An act for the relief of Mrs. Lionel Comeaux and New Orleans Public Service, Inc.;

H. R. 3791. An act for the relief of Mrs. Florence Mersman;

H. R. 4027. An act authorizing sale of the allotment of LeRoy Milliken on the Crow Indian Reservation, Mont.;

H. R. 4034. An act authorizing the issuance of a patent in fee to Alice Yarlott Othermedicine;

H. R. 4035. An act authorizing the issuance of a patent in fee to Wilbert Keiser;

H. R. 4269. An act for the relief of Ida Barger, Hazel A. Beecher, Etta Clark, Jesse Ruth France, John W. Nolan, Anna Palubicki, and Frank J. Schrom; and

H. R. 4884. An act to relieve certain employees of the Veterans' Administration from financial liability for certain overpayments and allow such credit therefor as is necessary in the accounts of Guy F. Allen, Chief Disbursing Officer.

ADJOURNMENT

Mr. HOOK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 3 minutes p. m.), the House adjourned until tomorrow, Wednesday, March 13, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

There will be a meeting of the Committee on World War Veterans' Legislation, in open session, on Wednesday, March 13, 1946, at 10:30 a. m., in committee room 356, Old House Office Building, on insurance legislation.

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

The Committee on Expenditures in the Executive Departments will hold hearings on surplus property on Wednesday, March 13, 1946, through Friday, March 15, at 10 a. m., in room 304, Old House Office Building.

COMMITTEE ON THE JUDICIARY

On Wednesday, March 13, 1946, Subcommittee No. 1 of the Committee on the Judiciary will hold hearings on the following bills, relating to United States commissioners: H. R. 2460 (S. 346), H. R. 2461 (S. 345), H. R. 2462 (S. 344), and H. R. 2464 (S. 344).

The hearing will begin at 10 a. m. and will be held in room 346, House Office Building.

On Monday, March 18, 1946, Subcommittee No. 3 of the Committee on the Judiciary has scheduled a hearing on the bill (H. R. 5234) to authorize the Federal Security Administrator to assist the States in matters relating to social protection, and for other purposes.

The hearing will begin at 10 a. m. and will be held in room 346, House Office Building.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Tuesday, April 9, 1946, at 10:30 a. m., to begin hearings on projects to be reported out in an omnibus river and harbor authorization bill.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CANNON of Missouri: Committee on Appropriations. H. R. 5458. A bill making appropriations to supply urgent deficiencies in certain appropriations (Rept. No. 1699). Ordered to be printed.

Mr. BONNER: Committee on the Merchant Marine and Fisheries. H. R. 3139. A bill to authorize the Coast Guard to investigate and employ new methods of promoting safety at sea and aiding navigation; with amendment (Rept. No. 1700). Referred to the Committee of the Whole House on the State of the Union.

Mr. D'EWART: Committee on the Public Lands. S. 1185. An act to change the designation of Custer Battlefield National Cemetery, in the State of Montana, to "Custer Battlefield National Monument," and for other purposes; without amendment (Rept. No. 1701). Referred to the Committee of the Whole House on the State of the Union.

Mr. BARRETT of Wyoming: Committee on the Public Lands. S. 1162. An act to convey certain lands to the State of Wyoming; without amendment (Rept. No. 1702). Referred to the Committee of the Whole House on the State of the Union.

Mr. SABATH: Committee on Rules. House Resolution 558. Resolution providing for the consideration of H. R. 5716, a bill to amend the Second War Powers Act, 1942, as amended; without amendment (Rept. No. 1703). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BUCKLEY:

H. R. 5740. A bill to increase the rates of pensions payable to certain veterans of the War with Spain, the Philippine Insurrection, and the China Relief Expedition; to the Committee on Pensions.

H. R. 5741. A bill to increase the rates of pensions payable to widows of veterans of the War with Spain, the Philippine Insurrection, and the China Relief Expedition; to the Committee on Pensions.

By Mrs. DOUGLAS of Illinois:

H. R. 5742. A bill to provide for the demonstration of public library service in areas without such service or with inadequate library facilities; to the Committee on Education.

By Mr. GWINN of New York:

H. R. 5743. A bill in relation to the United State Office of Education; to the Committee on Education.

By Mr. SUMNERS of Texas:

H. R. 5744. A bill to incorporate the Civil Air Patrol; to the Committee on the Judiciary.

By Mr. TRAYNOR:

H. R. 5745. A bill to provide permanent additional compensation for postmasters and employees of the postal service; to the Committee on the Post Office and Post Roads.

By Mr. RANKIN:

H. R. 5746. A bill to provide increases of pension or compensation for veterans with service-connected disabilities who have dependents; to the Committee on World War Veterans' Legislation.

By Mr. DE LACY:

H. R. 5747. A bill to amend title II of the Servicemen's Readjustment Act of 1944; to the Committee on World War Veterans' Legislation.

By Mr. McMILLAN of South Carolina:

H. R. 5748. A bill to revive and reenact the act granting the consent of Congress to the South Carolina State Highway Department to construct, maintain, and operate a free highway bridge across the Santee River, at or near Leneudes Ferry, S. C. (H. R. 4231); to the Committee on Interstate and Foreign Commerce.

By Mr. PIÑERO:

H. R. 5749. A bill to provide for the investigation and conservation of the fishery resources and the development of the fishing industry of the island possessions of the United States of America and of adjacent waters of the Caribbean Sea and the Atlantic Ocean, and for other purposes; to the Committee on the Merchant Marine and Fisheries.

By Mr. REES of Kansas:

H. Con. Res. 131. Concurrent resolution to create a joint congressional committee to investigate Communists and communistic activities in the civil service of the United States; to the Committee on Rules.

By Mr. O'NEAL:

H. Res. 556. Resolution creating a special committee to investigate expenditures made by candidates for the House of Representatives; to the Committee on Rules.

By Mr. SABATH:

H. Res. 557. Resolution to create a special committee to investigate legislative lobbies; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. D'EWART:

H. R. 5750. A bill authorizing the Secretary of the Interior to issue a patent in fee to Claude E. Milliken; to the Committee on Indian Affairs.

By Mr. HAVENNER:

H. R. 5751. A bill to authorize the naturalization of Mrs. Kanta Chandra Gupta; to the Committee on Immigration and Naturalization.

By Mr. KLEIN:

H. R. 5752. A bill for the relief of Giuseppe Pellegrino; to the Committee on Immigration and Naturalization.

By Mr. McMILLEN of Illinois:

H. R. 5753. A bill for the relief of Herbert F. Wascher; to the Committee on Claims.

By Mr. TOWE:

H. R. 5754. A bill for the relief of James Kinoshita; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk, and referred as follows:

1695. By Mr. FORAND: Joint resolution of the General Assembly of the State of Rhode Island and Providence Plantations, requesting the Senators and Representatives from Rhode Island in the Congress of the United States to lend their efforts to the fullest of their capacity toward the passage of legislation for the expansion of the old-age and survivors insurance system with increases in present benefit payments under the Social Security Act; to the Committee on Ways and Means.

1696. By Mr. RICH: Petition of Mrs. Margaret P. Putnam and other citizens of Lawrenceville, Tioga County, Pa., in opposition to continuance of OPA; to the Committee on Banking and Currency.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 13, 1946

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord of glory, who travelest on the wings of the morning, we praise Thee for Thy unremitting care which has brought us to this hour of duty. Through the mists of our human nature, draw near that we may hear Thy voice and Thy holy will be fulfilled in us. As Thou art the dispenser of all good, make us rich in our conceptions, firm in our convictions, and strong to do the right as Thou dost give us to see the right. Forgive, blessed Lord, our misspent days and our vain complaints, that we may be worthy of Thine approbation. O take unto Thyself every household; preserve them from idle luxury, from vanity arising from blind adherence to things material, and from undue ambition in things intellectual, that Thy name may be reverenced in our prosperity. Lay Thy hand upon our President and his advisers, and let Thy wisdom be magnified throughout our borders. As our trust is in Thee, do Thou hear our prayer. In Jesus' name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 5329. An act to amend Public Law 277, Seventy-ninth Congress, so as to provide the Coast Guard, at such time as it is transferred back to the Treasury Department, with a system of laws for the settlement of claims, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 7. An act to improve the administration of justice by prescribing fair administrative procedure; and

S. 1907. An act to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 2483) entitled "An act for the relief of the estate of Michael J. McDonough, deceased," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. EASTLAND, and Mr. MORSE to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 3808) entitled "An act for the relief of the estate of William N. Therriault and Millicent Therriault," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. O'DANIEL, and Mr. WILSON to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Washington Post with regard to the gentleman from Texas [Mr. SUMNERS].

Mr. LUDLOW asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Indianapolis Star with regard to the retirement of the gentleman from Texas [Mr. SUMNERS].

Mr. LYLE asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances, in one to include an article by Paul Bolton and in the other to include an article prepared by the gentleman from Georgia [Mr. VINSON].

Mr. HOPE asked and was given permission to extend his own remarks in the Appendix of the RECORD.

Mr. ANGELL asked and was given permission to extend his remarks in the Appendix of the RECORD and include therein an editorial from the Capital Press of Salem, Oreg., commending the gentleman from Massachusetts [Mr.

MARTIN] on his opposition to universal conscription.

BRITISH INHUMANITY TO JEWS

Mr. CELLER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, it begins to look as if once again we have been outsmarted by the British. President Truman had joined in a committee on inquiry in Palestine in good faith, going so far as to leave in abeyance his demand that 100,000 Jews be admitted into Palestine immediately. It was clearly understood that an interim report was to have been made as soon as the subcommittees of the Anglo-American Committee on Palestine had concluded their separate investigations of the conditions of the Jews in Europe.

Now we are told there will be no interim report and no interim recommendation. We are told that Jews fleeing pogroms in central Europe will not be considered displaced persons and thus not entitled to food rations. Thus, while the Jews languish in camps and while the Jews from other parts take to the road fleeing persecution, the British play politics. At the expense of human lives and dignity, the British pretend to study and restudy and study again that which is already as plain as a nose on a face. Are we to concur like sickly shadows? Concurrence on our part means we play the British game of hide-and-seek again.

SPECIAL ORDER GRANTED

Mr. JARMAN. Mr. Speaker, I ask unanimous consent that I may address the House for 10 minutes on March 21 after the legislative business of the day and the special orders heretofore entered for that date.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

ADDITIONAL COPIES OF HEARINGS HELD BEFORE THE SENATE SPECIAL COMMITTEE TO INVESTIGATE THE PRODUCTION, TRANSPORTATION, AND MARKETING OF WOOL

Mr. JARMAN. Mr. Speaker, from the Committee on Printing, I report (Rept. No. 1704) a privileged concurrent resolution (S. Con. Res. 55), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Senate Special Committee To Investigate the Production, Transportation, and Marketing of Wool be, and is hereby, authorized and empowered to have printed for its use 3,000 additional copies of part 6 of the hearings held before the said special committee during the first session, Seventy-ninth Congress, relative to the investigation of the production, transportation, and marketing of wool.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I gladly yield to my colleague on the committee.

Mr. RICH. I hope that when these additional copies are printed the fact will be revealed that the Federal Government is now purchasing all the wool that is grown in this country, and that we have an established price that the Government pays to the farmers of this country for the wool. After they buy and pay for it then they turn around and sell it to the wool manufacturer for about 12 to 15 cents a pound less than they paid for it. I am wondering if that is not one reason why we have an unbalanced budget—that with other items. So I am hoping this fact will be revealed.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

THE NATIONAL DEBT

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I call attention to the fact that on March 8 the Government of the United States was $279,000,000,000 in the red.

Mr. Speaker, I quote from the Watchdog, a little publication put out monthly by the General Accounting Office Employees Association. Mr. Lindsay Warren, Comptroller General, gave an address in North Carolina and this editorial, commenting on Mr. Warren's address, states as follows:

To refinance this indebtedness is in itself a tremendous task.

The burden will not be eased by huge loans to foreign governments, or by other commitments tending to reduce the purchasing power of the American dollar.

Mr. Warren's warning is indeed timely.

The first order of business for the Government and the individual should be to put the financial house in order, to spend less and save more.

As Poor Richard would say: "We have scraped the bottom of the meal box, and unless we put in some meal tomorrow we may go hungry come suppertime."

Mr. Speaker, that is the situation we find ourselves in at the present time. When it comes to the Congress doing business in a sound way we have got to do differently than we have been doing in the last 10 or 12 years.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

THE LATE HARRY H. MASON

Mr. HOWELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HOWELL. Mr. Speaker, it is my sad duty to inform the Members of the House of Representatives of the death of Hon. Harry H. Mason, of Pawnee, Ill., who served in this body as a Member of the Seventy-fourth Congress, which occurred in Springfield, Ill., last Sunday, March 10.

Mr. Mason was born in McLean County, Ill., on December 16, 1873, and was reared in Delavan, Tazewell County.

In 1900 he came to Sangamon County and ever since that time had been active in democratic politics and participated in every campaign.

While secretary of the Sangamon County Democratic Control Committee in 1930, he was appointed by Hon. J. Earl Major as the latter's secretary, a position which he held until 1933 when Congressman Major was appointed Federal judge in the southern district of Illinois.

In 1942 Mr. Mason was appointed to fill the vacancy left when Edgar L. Crane, then serving as Sangamon County circuit clerk, was inducted into the Army, and he continued in that post until Crane was honorably discharged from the armed forces. For more than a quarter of a century Mr. Mason was publisher of the Pawnee Herald.

He is survived by his wife, Mabel P.; two sisters, Miss Laura and Miss Edith Mason, both of Delavan; and two nephews.

I am sure the entire membership of this body join with me in extending our deepest sympathy and sincere condolences to the bereaved members of his family.

EXTENSION OF REMARKS

Mr. EATON asked and was given permission to extend his remarks in the RECORD and include a brief address which he delivered last Saturday over the radio on the United Nations Organization.

Mr. MILLER of Nebraska asked and was given permission to extend his remarks in the RECORD on the extension of the War Powers Act and to include some remarks made on the forum of the air last night on the same subject.

PERMISSION TO ADDRESS THE HOUSE

Mr. HILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks in the RECORD and include a resolution.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

[Mr. HILL addressed the House. His remarks appear in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mrs. SMITH of Maine. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Maine?

There was no objection.

[Mrs. SMITH of Maine addressed the House. Her remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. BEALL asked and was given permission to extend his remarks in the RECORD and include a telegram received from a constituent.

Mr. SMITH of Ohio asked and was given permission to extend his remarks in the RECORD and include a news item.

Mr. ADAMS asked and was given permission to extend his remarks in the RECORD and include a telegram.

Mr. COCHRAN asked and was given permission to extend his remarks in the RECORD and include an editorial.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. O'TOOLE, for an indefinite period, due to illness in his family.

LOBBYISTS

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I am quite sure the Member from Maine does not intend to intimate in any way that the Speaker of the House or the chairman of the Committee on Rules are a little bit slow. I am sure she does not mean that their investigation or the investigation will not go far enough. But I do hope when they do get to investigating these lobbyists, none of whom I have ever seen in my 12 years' experience here, that they will go along and investigate this man Arundel, I think that is his name, who gives these parties down here on Jefferson Island at a considerable cost to the chosen of the Democratic Party. It is my hope that they will make public Mr. Arundel's activities as a lobbyist for the Bulova Watch Corp., which has imported millions of dollars' worth of watches made by cheap foreign labor. When they get through with him they should investigate Mr. Bowles' activities and find out how much tax money he has spent to induce the school children to write in requesting that we continue OPA. Then they might go on down the line of the executive agencies and their employees and find out all about the money and efforts spent and used to influence legislation. Then let them call Postmaster General Hannegan and ask him to inform us of the pressure he has used on House Members.

There is at least one good thing about these lobbyists; they are spending their own and the money of the companies they represent. They are not relying on the Public Treasury to get the money to influence the Members of Congress as do the men at the head of some administrative agencies.

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. Mr. Speaker, on yesterday the House shelved a bill, and I think largely so, on the ground that this is part of a recommendation contained in the 37 recommendations made by the Joint Committee on the Organization of Congress. Now, this morning, comes an illusion to still another matter, namely, the treatment of lobbyists who appear before committees and elsewhere. May I say to you that that matter is also covered in the report of the Joint Committee on the Organization of Congress. I do hope that all or most of the reform that is contemplated in that bill can be handled as one package. Yesterday, I think, some interesting but rather inaccurate information was given to the House to the effect that because there is divergent subject matter in this report it must be broken up and scattered among the various committees. Obviously, committees exist by virtue of the action of the House. The House can create and the House can destroy. The House can create a special committee and endow it with all the necessary power and functions to consider that kind of a report in toto irrespective of what the rules of the House may presently require, and I hope that that will be done.

As a matter of fact if my concept of the House Rules is correct the Speaker could refer legislation that is drafted in pursuance of the recommendations contained in the report of the joint committee to the Committee of the Whole House on the State of the Union for consideration.

I alluded to this matter this afternoon only because it becomes a little distressing to hear a confession that existing House rules impede action of this kind because that amounts to a confession of imprudence and that the House as a whole is not the master of its own destiny. Moreover, it might be interpreted as a kind of willing inertia based on the whole proposition of letting well enough alone.

I do not subscribe to that theory and I do believe that this House can consider the reforms of the joint committee in a single package without scattering them over a half dozen committees of this House.

PERMISSION TO ADDRESS THE HOUSE

Mr. SAVAGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. SAVAGE. Mr. Speaker, on February 27 I took the floor and attacked the activities of certain lobbyists representing the private-power interests and requested an investigation. I pointed out that these lobbyists have been increasing their work in recent years and are now doing everything possible to sabotage the efforts of those Members of this body who have fought for the development of public power for many years.

I pointed out how they are operating through so-called reclamation associations and development leagues to spread propaganda opposed to public power and to the building of Federal dams and transmission lines. They are appearing before committees of this House in opposition to appropriations for these projects with the avowed intention of taking over the distribution of power at the bus bar and again perpetrating the Muscle Shoals fraud upon the American people.

Our Speaker, the gentleman from Texas [Mr. RAYBURN], took the floor on last Monday, March 11, and confirmed, I believe, my charge that private-power lobbies are active here and that they are trying to retard the development of public-power projects in various parts of the Nation.

I am glad to learn that the distinguished gentleman from Illinois [Mr. SABATH] has introduced a resolution, House Resolution 557, for the purpose of creating a special committee to investigate legislative lobbies. I congratulate the gentleman. I am sure the resolution could have no better sponsor than the dean of the House. I think this is the first step toward curbing the activities of these lobbies and I offer the gentleman my full support.

EXTENSION OF REMARKS

Mr. DOMENGEAUX, Mr. HOCH, and Mr. SABATH asked and were given permission to extend their remarks in the RECORD.

Mr. SCHWABE of Oklahoma asked and was given permission to extend his remarks in the RECORD in three instances and to include in one an article from the Associated Press and in the others letters from constituents.

Mr. COLE of Kansas asked and was given permission to extend his remarks in the RECORD and include a resolution adopted by the Council of Administration of Kansas Educators.

Mr. BUFFETT asked and was given permission to extend his remarks in the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. GROSS addressed the House. His remarks appear in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix.]

LEGISLATIVE LOBBIES

Mr. SABATH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Speaker, I am pleased that the gentleman from Michigan and others have called attention to the resolution I have introduced to provide for an investigation of the powerful, well-organized, and well-financed lobbies operating in Washington now.

I have seen, and you have seen, as have all the older Members of the Congress, some vicious and unscrupulous lobbies here in Washington. I doubt, however,

that any of us have seen a time when there were so many, nor when there was more evidence of common understanding and purpose among the legislative counsels and the national representatives. They know all the tricks and dodges. They can turn the flood of propaganda letters and telephone calls and telegrams on and off as simply as an engineer opens or closes the floodgates of a dam.

I remember when over $2,000,000 was spent by Hopson, who later went to the penitentiary. He was opposing the Holding Company Act, which he and others labeled the "death-sentence bill." The same techniques are still in use. We know that many of the people who sign telegrams and letters protesting against this and that have never read the bill and have no idea of what they are signing. Many, I am sure, as the gentleman from Texas [Mr. PATMAN] has stated, are not even consulted.

We have no laws to require registration of lobbyists, nor to limit their activities. To preserve unabridged the rights of American citizens to hold and to express political views, I do not know what kind of bill can be devised which still will make it possible to find out who pays for all this pressure, and why, and how much.

At the same time, the American people have a right to know who is footing the bill and what is going to be got out of it. I agree with the gentlemen who have spoken that we should investigate the lobbies, and I hope the committee appointed will be strong, wise, and courageous, and can write some legislative recommendations which will hold this evil in check without impairing the liberties of the people.

You will all remember the investigation in the other House which followed the fight on the Holding Company Act, and of the revelations made at that time. It was found that thousands and thousands of telegrams had been sent signed by names taken out of the telephone directories. It was found that there was a close link between some of the powerful, rich, respectable companies fighting against legislation in the interest of the people with every means at their command, and some of the vicious, un-American peddlers of racial and religious hatreds.

Turn to the classified directory of your Washington telephone book. You will find 14 solid columns under the heading, "Associations." Not all, but most, of these listings are, in plain words, lobbyists. And that does not represent all of them by any means. Telephones are hard to get and offices are hard to rent. Scores of lobbyists operate from their own apartments, or share quarters with someone else, or have been unable to obtain a telephone, and work without one, or from a hotel room. There are many attorneys actively practicing law, the bulk of whose practice is some form of lobbying.

The practices of many of the lobbyists is most objectionable. There are at least a hundred or more lobbyists in Washington who are literally operating under false pretenses; they draw retainers, and substantial retainers, on the false claim that they control the votes of Members of Congress. Nothing could be falser or more malicious. To back up their claims they must be seen with the Members, and so the lobbyists make a nuisance of themselves by calling at our offices, by buttonholing Members in the halls and restaurants, and by calling us off the floor. If all that fails the flood of mail and telegrams and telephone calls is turned on. Not only is it insulting to Members of Congress for these lobbyists to make their false claims of control and to assume that we are so unthinking we can be swayed by misrepresentation and pressure; it districts us from our proper duties, prevents our accomplishing our proper work, and wears us out.

Aware of these conditions at the time of the Holding Company Act propaganda battle, I prepared legislation at that time providing for registration of legislative representatives. Similar legislation has been introduced in both houses at various times, but as yet we have taken no effective action, and the evil, far from being abated, is greater than ever before in my memory of my long service here.

EXTENSION OF REMARKS

Mr. TABER. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I expect to make in the Committee of the Whole this afternoon and include a table which was supplied to the Committee on Appropriations.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

URGENT DEFICIENCY APPROPRIATION BILL, 1946

Mr. CANNON of Missouri. Mr. Speaker, I call up the conference report on the bill (H. R. 5458) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5458) "making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 5.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, and 4, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "For an additional amount for clerical assistance to Senators (including chairmen of standing committees) at the rate of $2,400 per annum, effective March 16, 1946, fiscal year 1946, $67,200."

And the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert the following: "and the amount available for printing and binding fixed at $346,000 by the First Supplemental Surplus Appropriation Rescission Act, 1946, is hereby increased to $398,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$1,600,000"; and the Senate agree to the same.

CLARENCE CANNON,
LOUIS LUDLOW,
EMMET O'NEAL,
LOUIS C. RABAUT,
JED JOHNSON,
JOHN TABER,
R. B. WIGGLESWORTH,
EVERETT M. DIRKSEN,
Managers on the Part of the House.

KENNETH MCKELLAR,
CARL HAYDEN,
MILLARD E. TYDINGS,
RICHARD B. RUSSELL,
CHAN GURNEY (except on item No. 7),
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5458) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendments Nos. 1 to 3, relating to the Senate: Appropriates an additional amount of $67,200 for clerical assistance to Senators, effective March 16, 1946, instead of $76,800, effective March 1, 1946, as proposed by the Senate, and authorizes the employment of Federal employees receiving compensation at a rate of $2,000 or more for folding speeches and pamphlets, to be paid for at the prevailing rates provided by law, as proposed by the Senate.

Amendment No. 4, relating to the House of Representatives: Appropriates $10,000 for payment to the widow of a deceased Representative, as proposed by the Senate.

Amendments Nos. 5 and 6, relating to the Civilian Production Administration: Appropriates $1,500,000, as proposed by the House, instead of $750,000, as proposed by the Senate, and establishes the limitation upon expenditures for printing and binding at $398,000, as proposed by the House, instead of $372,000, as proposed by the Senate.

Amendment No. 7, relating to the Office of Price Administration: Appropriates $1,600,000 instead of $1,854,000, as proposed by the House, and $927,000, as proposed by the Senate.

The committee of conference was motivated primarily by the need to assure the provision of housing for veterans in arriving at the amounts agreed upon for the Civilian Production Administration and the Office of Price Administration.

CLARENCE CANNON,
LOUIS LUDLOW,
EMMET O'NEAL,
LOUIS C. RABAUT,
JED JOHNSON,
JOHN TABER,
R. B. WIGGLESWORTH,
EVERETT M. DIRKSEN,
Managers on the Part of the House.

Mr. CANNON of Missouri. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, there are only two items in this bill about which there was any material difference of opinion either in the House, the Senate, or the conference committee. The first of these was Senate amendment No. 5 having to do with the Civilian Production Administration, the successor to the War Production Board. On that, the House committee approved $1,500,000 out of the $1,700,000 which the Bureau of the Budget had recommended. The Senate cut that item in two. When we went to conference, the difference between the two Houses involved three-quarters of a million dollars. But there was involved in this amendment the matter of housing for veterans, one of the paramount issues before the country today. It was felt that controls must be maintained in regard to the production, allocation, and channeling of materials essential to the building of low-cost housing essential to the provision of housing for men returning from overseas with families and in desperate need of a home. On that basis, the Senate receded and we provide for this agency, which is the only agency in complete control of that phase of the situation, the full amount recommended by the Committee on Appropriations and by the House.

There was a wide difference of opinion on the second proposition, providing money for the Office of Price Administration. On that item the House had allowed $1,854,000. Again, on this appropriation, as on the appropriation for the Civilian Production Administration, the Senate had cut it in two.

Much can be said for and against the Office of Price Administration. I doubt whether there is any other war agency that has been subjected to more bitter criticism and about which wider differences of opinion prevail than the OPA. Notwithstanding the many objections that have been offered and the many mistakes that have been made, because no agency dealing with such a wide range of subjects and covering such a vast area could be expected to operate without making mistakes, the committee decided, in the language of the gentleman from Kentucky [Mr. O'NEAL], "It was a necessary evil."

You can imagine what would have been the effect if the OPA had not been in operation during the war. The price of food, sugar, and coffee, for example, would have gone up time and again above the price at which it was maintained throughout the war. The price of farm machinery, the price of automobiles, the price of clothing would have skyrocketed all over the country. You have but to consider what would have been the effect on the price of nylons had no ceiling been placed upon them, after the demonstration seen here in Washington yesterday. In other words, the average man, the man with a moderate income, would have been defenseless. Not only would his cost of living have gone up, necessitating a raise in the wages of labor, but it would have precipitated inflation of such a serious nature that in this country, as in other countries that did not operate under OPA, we would have had to carry our money around in a basket.

It was testified before the committee that without the OPA the dollar would have been worth about 20 cents and that the average man who is dependent upon his daily wage would have been in a very serious situation.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Mississippi.

Mr. RANKIN. The one feature in this bill that I am most interested in is the $100,000,000 for rural electrification. That was agreed to in the Senate as it passed the House, was it not?

Mr. CANNON of Missouri. Yes. There was some difference of opinion on that point, but we agreed shortly to the entire amount recommended by the House.

Mr. RANKIN. And it is agreed to just as it passed the House.

Mr. CANNON of Missouri. Without any variation whatever.

Mr. RANKIN. I want to commend the gentleman from Missouri [Mr. CANNON] for his support of this provision. He has rendered a great service to the farmers of the Nation by thus enabling them to electrify their homes. He deserves the gratitude of every farmer in America.

Mr. CANNON of Missouri. Mr. Speaker, I note in the newspapers a statement recently issued, and widely publicized which 16 Members of the House and Senate signed, urging that the Federal budget for the period July 1, 1947, to June 30, 1948, be balanced.

It is a consummation devoutly to be wished. But the inference is that nobody else in the House or Senate favors balancing the budget. You know there are two things essential to balancing the budget. First, we must have sufficient taxes to bring in national revenue to run the Government and reduce the national debt. Second, after we have levied taxes and have collected the revenue economy must be exercised in making appropriations. If you will look over this list of signers you will notice that almost without exception they voted the last time we had a tax-reduction bill before Congress to reduce taxes.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Texas.

Mr. PATMAN. Will the gentleman state how they voted on the Ruml plan? You know that remitted $6,500,000,000 right in the middle of the year.

Mr. CANNON of Missouri. And practically all of them voted likewise to remit the $6,500,000,000. What a help that $6,500,000,000 would have been toward balancing the budget. Then I noted that when the Committee on Appropriations, in one of the most notable efforts it has made at this session to hold down appropriations, opposed the rivers and harbors and flood-control features of the first deficiency bill, 1946, on the amendment that a large number of these gentlemen who signed this statement voted against economy, voted to spend the money.

May I call attention to the fact, Mr. Speaker, that we are not going to balance the budget by getting out newspaper statements. If we propose to balance the budget, we must balance it by levying taxes and by voting against expenditures; and I earnestly recommend to every Member of the House to reflect on these facts when moved to give out a statement which leaves the inference that the Committee on Appropriations has failed to exercise economy when as a matter of fact it has exercised a greater measure of economy than any appropriations committee under similar circumstances in a similar period of the history of the United States.

May I also in this connection call attention to another measure now pending in one of the legislative committees. In order to balance the Budget, it is advisable not to wait until the authorizations come to the Appropriations Committee but to take time by the forelock and appear in opposition when the authorization bill is before the legislative committees. That is where the trouble starts. After the legislative committee authorizes an appropriation, those in interest come before the Appropriations Committee and tell us we have no right to deny or circumscribe or curtail the appropriation because the authorization is a mandate from the House which makes it imperative that the Appropriations Committee report out an appropriation.

So, Mr. Speaker, Members who are interested in balancing the budget should go back to the source of the matter and when these propositions to spend large amounts of money are before legislative committees appear before the committees and take a stand for economy there where such a stand will really prove effective.

For example there is now pending before the Committee on Interstate and Foreign Commerce a bill under which the Federal Government will contribute to the States to build hospitals.

Mr. Speaker, no more worthy project could be brought before the country today than the building of hospitals. There is no more appealing subject; we need them all over the country. But the question before us is whether they should be built by the local government, by the States, by the counties or by the municipalities, or whether they should be built wholly or in part by the Federal Government.

This bill carries in it the potentiality for a draft upon the Public Treasury, so vast that it cannot now be fully foreseen. There are over 3,000 counties in the United States. A large number of them are now waiting for the Federal Government to provide the money with which to build a county hospital. There are cities all over the United States that now need new or expanded hospital facilities and which are waiting for the Federal Government to provide all or a part of the money to build them. In fact, there is the general impression throughout the United States that the Government is going back to the old WPA days of furnishing unlimited money to provide hospitals and other local facilities of every type. Of course, this has nothing to

do with the provision of veterans hospitals which are being built by the Government at every strategic location.

I am heartily in favor of these hospitals, I favor providing these facilities wherever needed—but at local expense. The Federal Government is heavily in debt while practically every State in the Union is debt free and with a record-breaking surplus in its treasury.

The Federal Government is without means of providing money for every county and city that needs a hospital unless it postpones indefinitely the payment of the national debt and is willing to borrow more money and finance these facilities by deficit expenditures. While we should do everything to encourage such building by providing money to make surveys to be repaid when construction starts, the economy-minded Members of the House should appear before the legislative committee and protest further deficit spending by the Federal Government. There is no other certain way of balancing the budget and avoiding inflation.

It might be noted some of these counties are asking the Federal Government not only to build the hospital but to maintain it. I ask the Members of the House, what would be the situation on the floor here if after the Federal Government has built these hospitals, and there are anywhere from one to a dozen in every congressional district in the United States, they came in here asking money for maintenance. Why, Mr. Speaker, the Treasury would not have a chance. As bottomless as some people seem to believe the Federal Treasury to be, it would be unable to supply even a small part of the amount required for that purpose.

So, Mr. Speaker, permit me to again remind the gentlemen of the Congress that the budget cannot be balanced by releasing statements to the newspapers. It can only be balanced by voting for taxes and against expenditures.

Mr. Speaker, I now yield 10 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I shall not oppose this particular conference report because it represents a compromise, and the amounts involved are not large enough to justify putting up a fight. However, there is an item in here for the OPA, and I want to call attention to that for just a moment. They came up here with a Budget estimate for an additional $1,854,000. This conference report carries $1,600,000. It involves a build-up on their part of a total of probably 1,500 to 2,000 employees. I hope the management of the OPA will pay some heed to some of the things that have been called to their attention.

They are operating a so-called information or propaganda service all over the country which is serving no useful purpose. It is not persuading the people to comply with the regulations with reference to the Office of Price Administration, but it is persuading the people that the OPA operation of that service is totally incompetent, because they are sending out the most foolish and ridiculous things.

We all understand that the real block in the housing program is in the OPA, in their regulations; regulations which have not been given consideration by any competent person. For instance, for 6 months following the war they had a regulation in effect which the lumber manufacturers tried to eliminate which required a large percentage of the lumber produced by the mills to be deck flooring for ships, for which there was no demand after the 1st of September last, and a very large percentage for things connected with ammunition, and there was no demand for that after the 1st of September. But it took the OPA 6 months, to the 1st day of March, to get out any amendment to the order, and there still are many things that need to be done to the order. As the result of that negligence and lack of ordinary common horse sense on the part of the OPA, a great many of the lumber mills were obliged to reduce their production, and that is one of the principal reasons why the housing program has been slowed up as badly as it is.

Mr. SPRINGER. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Indiana.

Mr. SPRINGER. I was interested in hearing what the gentleman had to say about the OPA. On the question of rent control, I had a case which came to my attention from a person residing in the congressional district which I have the honor to represent, in which this person had bought a piece of property. Under the law, the rental term between the tenant and the previous owner was a renting from month to month, which under the State law of Indiana, would require 30 days' notice to terminate it. However, the OPA and the Rent Control Division refused to permit the person who purchased the property from making any attempt to secure possession under the specific provisions of our State law. Finally, however, the OPA gave the authority to this man, who had purchased the property, which he would under ordinary conditions, under the law, be entitled to receive the possession after giving a 30-day notice, stating that he could proceed to get possession of the property in 6 months and not before that time.

Mr. TABER. That is one of their regulations, and that has done a great deal to keep property vacant which otherwise would have been rented.

Perhaps one of the worst things they have done is to fail to give any consideration of an intelligent character to applications of those who are rebuilding houses for rental as apartments, that would justify the people who own the buildings in fixing them up. That has been a very serious handicap to the housing of our people. There has been in that, as in almost every feature of the OPA, an absolute failure to exercise any common sense. They have felt that instead of exercising common sense and trying to keep things going they should spend their money on foolish propaganda, which simply disgusts and revolts the public and creates a sentiment against the OPA. I am hopeful that when they get through now they will turn over a new leaf and behave themselves.

Mr. SPRINGER. In the particular case to which I called the attention of the distinguished gentleman from New York, the OPA, by its regulations, superseded the laws of the State of Indiana.

Mr. TABER. They have done that all over the country. I hope the OPA will take a lesson from the discussion that has gone on and will try to do a decent job on the things that come before them hereafter and clean up those regulations that need cleaning up with reference to lumber, so that there may be some progress made by our people in the construction and rehabilitation of homes in order that the housing of our people can go on. Today the OPA and Federal regulations are the chief handicap to the construction of houses. I hope that we can have an end to the attempts on the part of OPA to thwart housing throughout the country.

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from Nebraska [Mr. MILLER].

Mr. MILLER of Nebraska. Mr. Speaker, it was my hope that the conference report on the urgent deficiency appropriation bill would follow very much the lines adopted in the Senate. They did cut down the amount of money that was being appropriated to the OPA.

I think these war-born agencies, of which the OPA is one, conceived, born, and dedicated as war agencies, were needed during the war, but I question very much that we need to continue them and some of the methods they have adopted since the war is over.

The OPA by their own confession and their own testimony before the committee last year said they were trying to control prices on some 8,000,000 different items in this country. I submit to you that that is ridiculous. I think recently they have taken price ceilings off bird cages, teething rings, and manhole covers. I find that they are continuing price ceilings on the pictures taken of hula-hula girls in Hawaii. That is actually still one of their regulations. I submit to the House that such regulations are ridiculous.

I think we need price control upon only the essential items of living, but I am convinced that the regulation of food could be transferred to the Department of Agriculture, where it belongs, and I think rent control ought to be transferred to the Federal Housing Agency or to the States. That is where they belong. Then the OPA with its un-American gestapo methods could fold up and quit. This country will never get rid of its growing bureaucratic government unless we end some of these war-born agencies. During the war we needed some brakes and restrictions but the OPA should be nearing the end of its existence. If appropriations are continued they will never quit. It was a war-born agency and was needed during the war. If you think the OPA is keeping down prices and helping the consumer you should look at the exhibit in room 221 of the Old House Office Building. You will see how the OPA has shoved off the market the good, standard products and

in their place has permitted the market to be flooded with cheap, imitation, shoddy goods, which are costing the consumer a great deal. This is another way of concealing inflation.

I presume the House must go along on the conference report, but I do think that with the new approach to the problem of prices in this country we ought to give serious consideration to the transferring of all control of food to the Department of Agriculture and the control of rents to the Federal Housing Agency or the States and let OPA become a memory as is the dodo bird. Certainly there is no longer any necessity of their trying to control some 8,000,000 separate items of living.

Mr. CANNON of Missouri. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. GALLAGHER].

Mr. GALLAGHER. Mr. Speaker, I would like to ask a few questions of the Members of the House: What increase in prices do the Members who are fighting the OPA want on lumber? What increase in price do they want on vacant land? What increase in price do they want on, let us say, farm machinery and other things? These are questions that I would like to ask those who are fighting the OPA.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. GALLAGHER. I yield.

Mr. HOFFMAN. On farm machinery, we would like to have a price that is great enough so that the people who are making the machinery will go ahead and make it so the farmers can buy it. Can you figure that one out? You cannot?

Mr. GALLAGHER. No; I cannot.

Mr. HOFFMAN. On food, we would like to have a price that is great enough so the farmers can afford to produce it. You cannot get that one either? On lumber, the same thing, as the gentleman suggests. In other words, we would like to be able to buy this stuff instead of having it crowded off the market by price regulations.

Mr. GALLAGHER. In other words, the people who are striking against OPA want inflated prices?

Mr. HOFFMAN. Well, wage increases are being given. They want an increase in wages, and why should not the producers get an increase in what is produced as a result of that increased labor cost?

Mr. GALLAGHER. The producers got a decrease in taxes.

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

SECOND SURPLUS SUPPLEMENTAL RESCISSION ACT, 1946

Mr. CANNON of Missouri. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5604) reducing or further reducing certain appropriations and contractual authorizations available for the fiscal year 1946, and for other purposes; and pending that motion, I ask unanimous consent that debate be limited not to exceed 3 hours, half of the time to be controlled by the gentleman from New York and the other half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5604, with Mr. JARMAN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. CANNON of Missouri. Mr. Chairman, for the fourth time the committee is presenting a measure for reducing obligational availability under wartime-granted appropriations and contractual authorizations. We expect to present another and final one, perhaps, before the fiscal year ends.

This measure rescinds $6,635,700,168 of cash and $468,673,001 of contractual authorizations. Added to those which have gone before, we get a total of cash rescissions of $57,407,562,040 and of contractual authorizations of $5,246,046,297, or a combined total of $62,653,608,332.

The showing is a very creditable one and a very meaningful one. We of the Congress, however, cannot take all of the credit, although we were the instigators of the modus operandi. The Bureau of the Budget has contributed in a large way and I wish to add that there is great credit due all members on the committee who have aided and cooperated in the formulation of the several measures that have been presented.

The importance of these measures has assumed a new significance, which makes it of paramount importance that there be another bill presented for your consideration before the fiscal year ends. In his Budget message following the opening of this session, the President's prediction of the aggregate of expenditures for the fiscal year 1947 came as a great surprise to all who were at all conversant with the war organization and with the colossal task of demobilization. The amount forecast roundly was $35,800,000,000, a drop of something more than $100,000,000,000 from 1945, and over sixty-seven and one-fourth billion dollars from the present fiscal year ending next June 30. It was both a surprising and heartening prediction. If realized, the difference between receipts and expenditures in the fiscal year 1947 will be narrowed to $4,347,000,000, which, if we can ward off a new spending orgy, should certainly make possible a balanced budget 1 year later. If we do that well, a most commendable and remarkable job will have been accomplished.

There are some people, including Members of the Congress, who entertain the view, how seriously I do not know, that the budget balancing should occur in the 1947 fiscal year; that the predicted excess of $4,347,000,000 should and can be avoided. I want to say to those people that we shall do well—very well, if we can succeed in canceling a sufficient amount of existing obligations, which, if not canceled, will entail large expenditures in the fiscal year 1947, and thereby occasion a deficit—not of four-billion-dollars-plus, but of several billion dollars more.

That is the primary job right now of those who seriously wish to see the budget balanced, and it is the job on which the Committee on Appropriations intends to work with great zeal and determination. In our examination of the submission which formed the basis of the measure under consideration—House Document 394—we found, as to the Army and Navy, expenditure and obligation totals way and beyond sums which could be absorbed by the projected expenditure totals for such services constituting a part of the over-all expenditure programs for the fiscal years 1946 and 1947, upon the realization of which budget balancing in the fiscal year commencing July 1, 1947, depends.

Unless such obligations are very materially reduced, the President's predictions will prove to be wide of the mark. That is the new significance of the work we are doing in rescinding funds and authorizations. We are keeping in touch with the situation, and the Bureau of the Budget is giving it the closest possible attention. By early June we hope to be in a position to report success. I wish to emphasize that that is the major job right now in budget balancing or in striving for a balanced budget.

The Committee on Appropriations is as much concerned and interested as regards budget balancing as anyone possibly could be and is open to suggestions and counsel from all responsible sources. I further wish to say to the 16 Members of the Congress who, according to the press, issued a general statement on the 3rd of this month that they believed the 1947 Federal Budget should be balanced and that it could be done, that if they will submit detailed recommendations to the Committee on Appropriations as to reductions which they consider to be appropriate and practicable, the committee will proceed to consider them without delay.

It is very easy to give out such a statement. It is very highly questionable whether such a statement should be given without support beyond opinions.

More is involved than the appropriations that are made during this fiscal year for expenditure in the fiscal year 1947 to bring about budget balancing. The big problem is to bring about a reduction in the expenditures during the next fiscal year, 1947, that will flow from obligations incurred in the present fiscal year and in prior fiscal years. The armed services still have prodigious unliquidated obligations, and unless they are canceled on a very large scale and early enough to make cancellation monetarily worth while, budget balancing in 1947, in my judgment, simply is idle talk.

The committee has a dual job on its hands. One is to hold the new appropriations it proposes down to the lowest practicable levels, and the other is, through the rescissory course, to cancel every existing contract for war material not now justifiable, and every dollar of existing obligationable availability to the

extent practicable. Neither can be done by using meat-ax methods. There are many considerations which require a studied course, and among them, I might say, would be potential opposition for one reason or another on this floor. But if you will give us your wholehearted support, I can assure you that the committee will bring about a balanced budget at the earliest practicable moment.

As regards cutting appropriations ad lib., I hope the time will never come when the Committee on Appropriations will conduct its work by such a rule. It has been the custom, and I hope will continue so, for the committee carefully to canvass all estimates of appropriations which come to it for consideration. We weigh the merits of all estimates and appraise them both from the standpoint of the worth of the items themselves and whether or not such worth justifies a charge upon the Federal Treasury. In other words, whether we can afford it. No other course is tenable.

Reverting to the bill before us, Mr. Chairman, it is covered quite adequately by the report, which has been available to the membership for several days. The committee has added to the amount proposed for rescission by the President a total of $932,865,686 of cash and contractual authorization, but very largely cash. When the bill is being read for amendment I shall propose committee amendments which will raise such added amount to more than a billion dollars.

AN ANVIL WHICH HAS WORN OUT MANY HAMMERS—CONGRESS AND ITS TRADUCERS

Mr. Chairman, the House of Representatives is the heart and soul of the American system of government. Destroy or nullify its functions and you have left but the shell of free government. Any influence which tends to reduce the confidence or the regard in which it is held by the American people militates to that extent against the effectiveness of the Government, if not the preservation of the Government itself.

Mr. Chairman, wherever dictators and usurpers have climbed to autocratic power in any country, their first care has been to strike at the representatives of the people in the legislative branch of the Government. Oliver Cromwell, in proroguing the English Parliament, pointed his sword at the mace lying upon the table of the House of Commons and cried, "Take away this bauble." When it was carried out there went with it representative government in all England.

Again, Napoleon, stalking into the French Chamber of Deputies at the head of his grenadiers, cried, "Follow me. I am destiny. I am the divinity of the day." As his bayonets drove out the representatives of the people, some of them climbing through windows to escape, they drove out civil and religious liberty.

From that day until the end of the Napoleonic dynasty, France, and all Europe controlled by France, was without representative government.

Again, so recently, Hitler, endeavoring to seize the reins of government in Germany, as the first step toward world domination, burned down the Reichstag Building, so that Germany's House of Representatives, unable to meet, was scattered in confusion, and before it could reassemble, a large number had been proscribed or were in concentration camps, and free government in Germany had been destroyed, and free government was in peril throughout the world.

Here in America, whenever any man or group of men have sought to establish autocratic control, whether political, economic, or industrial, they have struck, either directly or by innuendo, at the influence of the representatives of the American people on this floor. Of course, the American people have long ago advanced beyond the stage of armed interference with the legislative branch of the Government by military authorities. That would be impossible in America today. Our state of civilization does not countenance the political prison or the concentration camp. But there are other ways of undermining the standing and influence of the Congress in the regard and confidence of the people, which, whether with or without sinister motives, can be just as effective when carried to their ultimate conclusion.

The Congress has been subject to criticism—as it should be—ever since the establishment of the Republic. One of the most priceless prerogatives of every American is the right to criticize Congress and the Members of Congress, and that right has been widely and fully exercised from the First Congress down to the Seventy-ninth Congress now in session. At times that criticism has been more virulent and more undeserved than at others. And that is as it should be. Better that Congress and Congressmen be unjustly accused on many occasions than that they should escape merited stricture on any single occasion.

But, Mr. Chairman, in the last 2 years such a flood of unwarranted and unsupported abuse and castigation has been loosed against Congress and its procedure as has no equal in the annals of congressional condemnation.

Newspaper columnists and radio broadcasters have vied with written and spoken jeremiads delivered here on this floor to an extent that at times transcend even the bounds of truth and good taste. The abuse of Congress, criticism of the Congress and its membership and its procedure, has been without precedent since the stormy days of the Sixtieth and Sixty-first Congresses when the House Rules were a national political issue.

Effort has been made to convince the American people that something is so wrong with congressional procedure that dire disaster menaces the country, its form of government, and its democratic institutions, unless immediate and drastic action is taken to save the Nation and its democratic practices from onrushing ruin and destruction. In order to foster this propaganda a campaign of abuse and disparagement of Congress individually and collectively has been waged. Let me quote from just a few of many such castigations. Here is a summarization of such criticism epitomized by one of the distinguished Members of the other body and published in the Pageant magazine:

> The trouble with Congress is, briefly, Congressmen. Their two main interests have been getting reelected and lining their pockets. Short of everything else they are lazy and overpaid. They have it soft. The lobbyists write our laws, and in a way that is fortunate for Congressmen are numbskulls, they are windbags, obstructionists, and worse. Only a vigilant press deters them from raiding the Treasury.

Mr. PITTENGER. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Minnesota.

Mr. PITTENGER. Does the gentleman know of anyone who has taken issue with these foolish and wild and irresponsible and untrue statements?

Mr. CANNON of Missouri. The author of the article himself took issue with them and the rest of us here who know the situation realize how absurd such statements are. They are so absurd that we give little or no attention. As a result, the country too often considers them an accurate report on the actual situation.

Here is a quotation from a statement made on our own floor:

> The people think we are a bunch of clowns.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Maybe the gentleman who made that statement has heard from his home folks and he does not know about the rest of us.

Mr. CANNON of Missouri. That is quite possible.

These statements reflect not only on Congress and Congressmen but on the American people. Here is a statement from a national magazine, Life.

> Like the American people, they—

That is the Congressmen—

> Like the American people they represent, they are indeed often ignorant, provincial, and greedy.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Now, some of those statements may be due to the fact that the House does not protect itself when charges are made. I recall very definitely in 1943 when three of the daily papers carried the statement that every Republican who had voted for the Ruml bill, so-called, had received by way of a bribe $5,000.

Around about that same time a radio commentator wanted to know what we were going to do about the saboteurs in Congress. At that time a resolution was offered which would have authorized the calling of the publishers of those papers, their reporters, and the radio commentator, making them submit what they might have by way of proof. As the gentleman knows, the radio commentator would not have it. The object of the resolution was to call him before us and make him admit he was untruthful, to

say the least. But the House would not do anything about it.

Just a few days ago a Member of the House rose on the floor and from the well of this House charged that the House was keeping in power a committee which was carrying on un-American activities. I have pending now with the Parliamentarian the question whether that raises a question of the privilege of the House. I do not know what the final decision will be, but it occurs to me we are to blame ourselves for some of these things. We do not take hold of them and clean up on them.

Mr. CANNON of Missouri. I would hardly favor bringing in the publisher of any magazine or newspaper. As I have said, it is better that Congress be accused untruthfully a hundred times than not to be accused one time when we should be accused.

Mr. HOFFMAN. When this radio commentator made the statement publicly, undoubtedly heard by hundreds of thousands, that there were saboteurs in Congress, is there any reason why the Congress should not have called him down and made him produce his proof, if he had any, or made him admit the falsity and the untruthfulness of his charge, thereby branding him publicly as a liar?

Mr. CANNON of Missouri. I think we should demonstrate, as we have demonstrated, and as we are demonstrating, on the floor here, the untruthfulness of these statements.

Mr. HOFFMAN. There are good people, honest people, patriotic people, who lack sufficient experience to be able to weigh those statements. Especially is that true when they see those statements in books or pamphlets. I have received many letters stating, "If the charge is not true, why do you not sue him?" But the gentleman knows how futile and how expensive that sort of procedure is. When a charge is made against the House as a whole, it does occur to me that the makers of the charge should be brought before the bar of the House.

Mr. CANNON of Missouri. Here is another statement appearing in Reader's Scope:

> Washington's great Capitol dome covers a lot of statesmanship and a lot of skullduggery and bungling inefficiency.

Again, here is an editorial appearing in one of the great newspapers of the Nation:

> Congress is unintelligent, lacks courage, is bogged down in red tape.

You will notice, Mr. Chairman, that there is no distinction here between the Congress and its membership. They do not make that statement with reference to some one or two Members of the House. They make the broad statement that the Congress is unintelligent, lacks courage, and is bogged down in red tape. It is in the deadliest form in which it could be put in order to affect the sentiment of the country. There is no differentiation between the institution and its membership.

Then I include a statement from the Saturday Evening Post, in one of the most astounding articles I have ever read in a national magazine, a number of copies of which have been sent to me from different parts of the United States:

> Congress has been ridiculed by the public and kicked around by the executive departments until a groveling inferiority complex has brought wide conviction to its Members that the future is without hope.

An astonishing statement in a great national magazine, that all hope is gone. These statements have appeared in newspapers and periodicals in every city in the United States, not merely once, but systematically and serially. They are not merely attacks upon the House and its Membership, but the idea intended to be conveyed to the people is that a serious situation obtains today which, if not remedied in the immediate future, is fraught with catastrophic disaster.

Mr. HOFFMAN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 53]

Allen, Ill.	Gardner	Pfeifer
Almond	Gavin	Pickett
Andresen, August H.	Gibson	Poage
Arends	Gorski	Powell
Bailey	Gossett	Price, Fla.
Baldwin, Md.	Halleck	Quinn, N. Y.
Baldwin, N. Y.	Hand	Rabin
Beckworth	Hart	Rains
Bland	Hoch	Rich
Bloom	Holmes, Mass.	Rizley
Bonner	Johnson, Luther A.	Robertson, N. Dak.
Boykin	Johnson, Lyndon B.	Robinson, Utah
Bradley, Mich.	Keefe	Rogers, N. Y.
Buckley	Kelley, Pa.	Russell
Bulwinkle	Kilburn	Schwabe, Mo.
Burgin	Kilday	Shafer
Byrne, N. Y.	Knutson	Sheridan
Camp	LaFollette	Slaughter
Case, S. Dak.	Lea	Sparkman
Chapman	Lesinski	Starkey
Chelf	Luce	Stockman
Coffee	Lyle	Sumner, Ill.
Cooley	Lynch	Sumners, Tex.
Cox	McGlinchey	Talbot
Curley	McKenzie	Taylor
Dawson	Mahon	Thomason
Delaney, John J.	Mansfield, Tex.	Weaver
Douglas, Calif.	Miller, Nebr.	West
Fallon	Neely	White
Fisher	Norton	Wilson
Flannagan	Patman	Wood
Folger	Patrick	Woodhouse
Fuller	Peterson, Ga.	

Accordingly, the committee rose; and the Speaker pro tempore, Mr. GORE, having resumed the chair, Mr. JARMAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 5604, and finding itself without a quorum, he had directed the roll to be called, when 326 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The SPEAKER pro tempore. The Committee will resume its sitting.

The Committee resumed its sitting.

Mr. CANNON of Missouri. The impression is given that the situation amounts to a national crisis in which the liberties and the integrity of the Government itself are at stake. As an example, in this article in the Saturday Evening Post the situation is represented as—

> An issue as grave as any in the history of federalization.

Now that is covering a wide territory, but that is the phraseology of the statement. The article goes on to say this supreme and transcendent issue is—

> whether Congress can modernize its archaic machinery and thoroughly regain its historic position of power without which the democratic process will fail.

It will be noticed that the unmistakable inference is that Congress has lost its powers, and that unless some miracle of recovery can be achieved, democracy is dead, and this in face of the fact that Congress in this session has brushed aside any conflict with other branches of the Government, has maintained its position and power under the Constitution as never before, and has just administered victoriously, without error or scandal, the greatest war in history—a record unapproached in that respect by any Congress since the establishment of the Republic.

Another Member of the coordinate body of the Congress makes this statement:

> Upon a stronger and more effective Congress may well depend the preservation of democracy in the United States.

You cannot imagine a statement of a more serious tenor.

And another Member of the same body says that something should be done—

> To see that the American Congress does not wither away.

Another Member of this body says:

> Unless the representative system is strengthened, Congress will fade out as an effective control by the people of their Government.

And, again, this:

> Situation means a concentration of Government power in one branch of Government. It is a threat to the basic liberties of the people.

And, by another Member of the other body:

> We must have a reorganization of Congress to the end that the Congress of the United States may reclaim its lost powers and prestige, and may once again become a truly coordinated branch of the Government.

These Jeremiahs insist that it is not merely a problem; that it is a danger. For example, here is a quotation from the floor:

> Rule by the people must surely end if the Federal Legislature is abolished or reduced to relative unimportance. Both friends and foes of Congress agree that has in a measure already come.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Mississippi.

Mr. RANKIN. I wonder how they ever got the idea that the friends of Congress agreed to any such proposition.

Mr. CANNON of Missouri. I think anybody who is familiar with the actual situation here will appreciate the absurdity of it.

Mr. RANKIN. Of course, the gentleman from Missouri who is now addressing the House knows more about parliamentary law and parliamentary procedure than any other man alive today. I say that advisedly. I knew him when he was a Parliamentarian. I knew him

when he first came to Congress. I believe I am as familiar with Cannon's Precedents as any other man in the House. I am sure the gentleman from Missouri will agree that the rules of the House of Representatives as they now stand constitute the greatest system of parliamentary procedure the world has ever known. Am I right in that?

Mr. CANNON of Missouri. The gentleman is unfortunate in his premise but he affirms the opinion of every constitutional authority in his estimate of the rules of the House.

Our system of procedure is the product of more than a thousand years of legislative experience. Some objection has been made that it is not up to date, that like a woman's hat or a man's necktie, it ought to change every year. As a matter of fact, parliamentary procedure is based upon fundamental rules of decorum which do not change any more than the fundamental rules of human conduct as set forth in the Ten Commandments change. It has been built up through centuries of experience in various legislative bodies, beginning with the Anglo-Saxon Witenagemot, continuing down through the development of parliamentary government in the colonial legislatures in this country and under our own system of government for more than 150 years.

The tenor of these statements is that the Government faces a crisis. That the threat is serious, the danger is real, the life of representative government is at stake. I ask you seriously, if there is any basis for these statements so industriously disseminated over the country.

Mr. RANKIN. Mr. Chairman, will the gentleman yield further?

Mr. CANNON of Missouri. I yield to the gentleman from Mississippi.

Mr. RANKIN. The rules of the House of Representatives were written originally by Thomas Jefferson, who knew more about the proceedings of the British Parliament and all other parliaments than any other man of his day. Congress for 150 years has gradually modified those rules to meet changing conditions. To me, after listening during the years that I have to the great parliamentarians of Congress, and going back through the records for 150 years and searching the decisions, realizing that Congress can do anything that it wants to do under the present rules that is within the limits of the Constitution of the United States. With that information and that view, it certainly does seem ridiculous to me to hear men who have been in Congress barely long enough to know what it is about come in and want to revise the entire system to suit their whims or the whims of somebody on the outside.

Mr. CANNON of Missouri. I am certain the gentleman expresses the general sentiment of the House.

Continuing, here is an editorial from one of the great newspapers of the Nation, a newspaper which probably ranks as one of the 10 great papers on the American Continent. This is what it says, referring to the situation supposed to have brought about the appointment of the streamlining committee:

> The crisis is a challenge to do something before it is too late. It is an alarming situation.

"Do something before it is too late." Too late for what? "An alarming situation." What is it that is so alarming?

This Congress has been tried as no other Congress has been tried. It has had to meet situations no other Congress has been called upon to meet and it has met them effectively and successfully. Still they say that the situation is so alarming that before it is too late something must be done or chaos will follow.

Every once in a while a messiah arises to predict the end of the world, but the world keeps on going, and despite these tongues of Thersites, Congress keeps on doing a good job—the best it has ever done—but these prophets of calamity say that something must be done, must be done quickly, must be done before it is too late.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Utah.

Mr. GRANGER. I think the gentleman is making a very fine contribution. Is there a single thing that this Congress has done by way of granting power to the executive branch of the Government or to anyone else that it could not take back tomorrow if it wants to?

Mr. CANNON of Missouri. No. No Congress has ever maintained itself against executive or judicial encroachment as this body has. It is not a rubber-stamp Congress as is so frequently charged. It has maintained its integrity and its rights and prerogatives beyond cavil.

The CHAIRMAN. The gentleman from Missouri has consumed 30 minutes.

Mr. CANNON of Missouri. Mr. Chairman, I will use another 30 minutes.

Continuing, this statement says:

> Congress has largely abdicated its legislative as well as its supervisory functions and duties.

Gentlemen, anyone visiting the House on any day it is in session would be surprised at that statement. What has Congress abdicated? What right or prerogative has it relinquished? What function has it waived? Wherein has it failed in any duty or responsibility?

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Mississippi.

Mr. RANKIN. What these critics on the outside are "beefing" about is that Congress has not capitulated to them. What they are raising sand about is that they cannot nose in here and, those subversive elements that want to destroy Congress cannot nose in and browbeat Congress into doing what they want done.

Mr. CANNON of Missouri. Obviously they must have some motive.

I have read some of the testimony adduced before the streamlining committee. The committee invited all Members of the House and Senate and anyone else who had a grievance and felt that something was wrong and ought to be remedied, to appear before them. Much of the testimony adduced before the committee borders on the ridiculous. One of the first Members of the other body who appeared before that committee began his statement with an excoriation of the acoustic properties of the Senate Chamber. It has been claimed here that the liberties of the Republic were at stake, and when he was called in and asked how and why they were at stake, he said he could not be heard when he spoke in the Senate Chamber and something ought to be done about it. Another mentioned in his opening statement that he had received a request from a constituent as to where colored feathers could be sold. He was irked because a constituent who wanted to dispose of commodities which he was in a position to produce inquired of him where a market could be found. He was advised to stand on his dignity and refuse to answer.

Mr. Chairman, we invite every legitimate criticism. But many of the statements that have been so widely circulated in order to whip up interest over this question, are without any foundation of fact.

For example, the statement has been made on the floor here and copied in most of the metropolitan papers of the country, and one of the great newspapers of the country carried it in a box on its editorial page, day after day, week after week, and month after month, as follows:

> Not since 1893 has the machinery of Congress been overhauled.

Largely on that one statement they based their demand for a change of congressional procedure.

Now, that situation, even if it were true, might not be so serious, because the fundamental rules of procedure in a deliberative body do not change from year to year. There are no fashions in legislative procedure. We do not have to have a new set of rules every spring. But the thing I am calling attention to is that the statement which has been so widely publicized, and upon which most of the objection to our procedure has been founded, is utterly without a basis of fact. It simply is not true.

For example, instead of going back to 1893 for a revision of our procedure, the greatest revision of the rules of the House of Representatives of all time was in the Sixty-second Congress, 1911–12. There are Members still on the floor who participated in that revision. We had just come through a political campaign in which the issue was the rules of the House, and, in particular, the control of the Speaker over the House, and the country had, by its vote at the polls, demanded a change in the rules and curtailment of the power of the Speaker. When the House assembled that was the prior item of business.

Accordingly the revision of 1911–12 was the most drastic in the history of the Congress. Committees were established and discontinued. That is the piece de resistance before us today—as to whether we will have new committees or retain old committees or consolidate committees, or what we are going to do about it. In the revision of 1911–12 many committees were changed. Committees were created and abolished. The control of the Speaker over the House, which had become autocratic, was broken. The Speaker's power of recognition, which had been one of his great prerogatives, was circumscribed by the establishment of the Unanimous Consent Calendar, the

Discharge Calendar rule, provision for Calendar Wednesday, and restriction to the minority of the right to offer a motion to recommit.

The House took away from the Speaker those powers which had given him autocratic control over legislation. Reference of bills to committees was standardized by the rigid enforcement of the rule of jurisdiction. Recalcitrant committees and managers of conferences were rendered subject to summary discharge. The Holman rule was permanently incorporated in the rules of the House—a provision which has saved more money than any other one provision in the rules. The right to appoint committees, perhaps the greatest source of his power, was taken from the Speaker. Previously he could put a man on a committee or could take him off. If a man did not do what he was told to do, he was taken off the committee, or was sometimes put on a committee with the understanding that he would take some particular action. That power—a power which had been in effect since the beginning of the Government—was taken from him. The Speaker was made ineligible to membership on the Committee on Rules. I remember when the Committee on Rules consisted of three members: John Dalzell, of Pennsylvania; Speaker Joseph G. Cannon, of Illinois; and the gentleman from Mississippi, one of the most distinguished Members of this House of all time, John Sharp Williams. The committee would bring in a rule providing for the consideration of such legislation as they wanted. John Sharp Williams would rise and protest vigorously against the "outrage." Finally, when they wanted a meeting of this committee, John Dalzell would go over to Mr. Williams on the floor and say, "Come on, John, we are going to perpetrate another 'outrage'." No bill could be brought up unless the Speaker approved it.

All this was changed in 1911–12. For the first time in the history of the House, its rules were completely democratized. It constituted the most important and farthest-reaching revision in the annals of parliamentary government in the United States; numerous other changes have been made in subsequent revisions; and yet the country is told that nothing has been done in the way of revising the rules since 1893. In other words, this statement, which has been used more than anything else to bolster up the claim that our procedure is antiquated, out of date, and inadequate, is based upon a statement that is utterly without foundation.

Mr. MAY. I should like to ask the gentleman how the rule originated which authorized the discharge of a committee by a petition signed by a majority of the membership of the House.

Mr. CANNON of Missouri. The original idea was embodied in a rule adopted as a byproduct of the revolt of 1910. The first practical rule was a part of the revision of 1911–12—less than a year after its first inception. It has since been repeatedly amended before reaching its present form.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. The gentleman has been quoting from some article that criticized the present procedure of the Congress. From what paper was he quoting?

Mr. CANNON of Missouri. I quoted from a number of Members of the other body, a number of Members of this body, and from a number of magazines and newspapers.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Mississippi.

Mr. RANKIN. The Members not only have a right to elect members of the various committees but we also have the right to remove a man from a committee if his conduct is such that it affects the safety, the dignity, or the integrity of the proceedings of the House. Any Member has a right to rise to a question of the privilege of the House and offer resolutions to remove him from a committee on any one of those three grounds.

We have the most effective set of rules from the standpoint of governing the membership and controlling committees that any legislative body ever had.

Mr. CANNON of Missouri. There is no legislative body which has a more direct control over its committees than that exercised by this House under its present system of procedure.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. While the political parties take the initial steps in selecting members of committees, chairmen, and so forth, all of those proceedings must be brought here and passed upon by the House as a whole. Is not that true?

Mr. CANNON of Missouri. Yes; the assignment of a Member of the House to a committee becomes effective only when a majority of the House approves.

Mr. ROBSION of Kentucky. And this House under the rules has the power to elevate a man at the foot of a committee to be chairman of the committee, has it not?

Mr. CANNON of Missouri. Absolutely. This House can, and it has exercised its right to place men upon committees regardless of rank or seniority.

Among the statements lacking in accuracy but advanced as a reason for revision of House procedure is the statement that bills are referred to committees in consideration of the attitude of the chairman toward the proposed legislation. As you know, the Parliamentarian actually refers the bills by authority granted to the Speaker under the rules of the House. The inference is that the Speaker of the House of Representatives, the man who so enjoys the confidence and affection of this body as to be elected its presiding officer, will, if he is opposed to a measure, refer it to the committee where the chairman is hostile to that measure, or if he favors it, will refer it to a committee where the chairman is favorable to the legislation. I have here the book and page on which this charge is set forth.

As a matter of fact, nothing could be further from the facts. Never has the oldest Member of this House ever heard, much less known, it to be so much as intimated that the Speaker was governed by his attitude on a bill in its reference to a committee.

Then I think there is no charge that has been made more frequently, and more inaccurately, in an endeavor to secure public approval of some notion that something is seriously wrong with the procedure of the House than the statement that committees have overlapping and duplicating jurisdiction. As a matter of fact, the jurisdiction of the committees of the House is so definitely established and has been for so many years that the question of the reference of a bill never arises on the floor. There is no overlapping committee jurisdiction in this House.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. Is it not a fact that the rules of the House provide that, if any Member has an objection to the reference of a bill, he can make a point of order and bring the matter to the attention of the House and the Speaker and have a ruling by the House itself?

Mr. CANNON of Missouri. I appreciate the gentleman's suggestion, because I was just proceeding to make the statement the gentleman has made. If a bill should be referred to a committee which does not have jurisdiction, there is every provision for its rereference to the committee properly having jurisdiction. If it is a private bill, as the gentleman very well says, a point of order can be raised by any Member. I ask you, When did you ever hear a point of order raised on the floor against the reference of a bill to a committee? I do not recall that in recent years anybody has ever made a point of order against the reference of a bill. Still they would have the country believe that we have such confusion here and so many committees have jurisdiction of the same subject matter that it interferes with the transaction of the business on the floor of the Congress.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. I wish also to observe that the various committees of the House are very jealous of the jurisdiction of their respective committees, and they do not take it lying down if an attempt should be made to improperly refer it.

Mr. CANNON of Missouri. I am glad the gentleman calls attention to that very pertinent fact. As the gentleman says, the committees of the House are jealous of their jurisdiction, and if anybody, at any time, by the improper reference of a bill should infringe upon their jurisdiction, that committee would immediately protest. The rules provide that if a public bill is improperly referred there are three methods of rereference to proper jurisdiction.

First, by unanimous consent. A Member may rise on the floor and say, "This bill has been referred to the wrong com-

mittee. My committee has jurisdiction. I ask unanimous consent that the bill be rereferred." The fact that you have heard no such request in many years is convincing proof that jurisdiction of the committees is well established and understood and there are no conflicting jurisdictions which would give rise to any dispute between committees as to the reference of any of the thousands of bills which are referred every session.

Second, rereference may be made on the authorized motion of the committee claiming jurisdiction. If any committee thinks a bill to which it is entitled has been improperly referred, they may come in here and ask for a rereference. Have you heard in recent years of a rereference on the motion of a committee claiming jurisdiction of a bill assigned to another committee?

Third. A rereference may be made on the motion of a committee to which a bill has been erroneously referred. Motions for change of reference are privileged, and yet there has been no contest over jurisdiction of committees on motions or change of reference since I can remember. There can be no more convincing proof of the lack of interference between the jurisdictions or the lack of overlapping jurisdictions between the committees of the House. In other words, the widely publicized charge that there is overlapping jurisdiction is without foundation.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Kentucky.

Mr. MAY. I was just going to inquire of the distinguished gentleman from Missouri if it is not a fact that when a bill is improperly referred and a motion is made to rerefer it if the Speaker rules on the question, which is a privileged question without debate, that there is an appeal from the Speaker's ruling by which the House can then vote on the question whether the Speaker did act properly or not.

Mr. CANNON of Missouri. Every facility is given for a change of reference if there has been an improper reference, even on appeal, as the gentleman says. And the fact that none of these facilities have been invoked in recent years is conclusive evidence that there is no foundation for the charge of overlapping jurisdictions so often reiterated through the columns of the press.

Mr. KEFAUVER. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Tennessee.

Mr. KEFAUVER. I think most of the complaint about overlapping jurisdiction of committees has been not with the matter of reference of the bills to committees, but as the result of this: For instance, in the Contract Termination Act, I recall that one bill was filed having reference to the Army, and that bill went to the Committee on Military Affairs of the House. A similar bill was filed with reference to naval matters, and that went to the Committee on Naval Affairs. Then perhaps some bill amending the RFC Act, having to do with contract termination, was filed, and it went to the Committee on Banking and Currency. Then finally an over-all bill was filed and it came to the Committee on the Judiciary. What happened, of course, was that the Secretary of War, or Mr. Hancock, the man in charge of contract termination at that time, had to go before each of the four or five committees and make substantially the same statement.

Of course, that is not a matter of erring insofar as referring the bill is concerned, but the public complained, it seemed to me with some justification, that that was a duplication of effort. I just wondered if the gentleman has any remedy by which that can be corrected.

Mr. CANNON of Missouri. On the contrary, it was not in any way due to overlapping jurisdiction. It is seldom that a bill is introduced in the House which does not contain matter falling within the jurisdiction of one committee, other matter within the jurisdiction of a second committee and still other matter under the jurisdiction of a third or fourth or fifth committee. In the same bill may be several provisions each of which comes within the province of as many different committees. However, the rule which always applies, and the rule which is always followed by the Parliamentarian, and the rule which has always been satisfactory to the House, is that the bill goes to the committee which has jurisdiction of the major matter in the bill. No change in rules of jurisdiction that you can suggest will prevent that. That is not a conflict of jurisdiction. It is the way in which the bill was drawn, and no change that you can make in the rules would affect it in the slightest.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. No matter how many committees you set up or how you outline the jurisdiction of the particular committees you set up, the same thing would occur in the future at all times?

Mr. CANNON of Missouri. Certainly. It could not be avoided by any provision of the rules.

So far as departmental officials coming before several committees on the same subject is concerned, the repetition of evidence before different committees is highly salutary. The members of the committee have an opportunity to review the data submitted by the witness on former appearances and are in better position for cross-examination; the witness goes back to the department with a larger cross section of congressional opinion; and the executive and legislative branches of the Government have been each time a little more closely associated. The more frequently the departments are subjected to congressional inquiry the better—and the more carefully they will watch their step in administration and the greater care they will exercise in the expenditure of public funds.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Mississippi.

Mr. RANKIN. If any committee were to refuse to report a bill, we have a rule whereby we can petition it out on the signature of a majority of the Members of the House.

Mr. CANNON of Missouri. Exactly. Under our system of procedure a majority of the House is always in complete control and may consider, or refuse to consider, any particular measure at will.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Utah.

Mr. GRANGER. With reference to what the gentleman from Mississippi has said, what is the gentleman's opinion on that rule? Has not the discharge rule been changed from time to time?

Mr. RANKIN. If the gentleman will yield I will answer that, because I went through that fight myself back in the Sixty-eighth Congress. We adopted a rule providing that 145 Members could petition out a bill. We found ourselves in the position where a disgruntled minority could bring out a bill and debate it to their hearts' content, when they did not have enough strength to pass it. So we went back and adopted the original philosophy, that a majority should rule, and the rule was amended to provide that a majority of the Members had to sign the petition before the committee that had the bill under consideration could be discharged from its further consideration.

Mr. GRANGER. Does the gentleman from Missouri think that is a fair rule? Does he subscribe to that?

Mr. CANNON of Missouri. When the House convened in 1911 in the Sixty-second Congress there were four or five major problems. The one that perhaps at that time was most provocative was that each committee have opportunity to report its bills—have its day in court. To meet that need the House adopted the Calendar Wednesday rule.

Another was to control the Speaker's power of recognition. That was taken care of by the Consent Calendar rule.

Another was a provision to take from a committee a bill which the House wanted to consider but which the committee did not want to report. The rules of the Sixty-second Congress solved all these problems with the exception of that requiring a recalcitrant committee to report a bill which the House wanted considered but which the committee did not desire to report. This need gave rise to the discharge rule. That rule had to be revised and amended a number of times before it reached its present form.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent to proceed for another 15 minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. CANNON of Missouri. Mr. Chairman, there are other instances of misstatements made in order to inflame the people against Congress and congressional procedure. One such instance, for example, is the statement that 95 percent of the bills passed by Congress are

drafted in the departments. We had the testimony of the legislative drafting authorities of the Senate and House on that matter. In the House they testified that 23 percent of the bills introduced, and practically all the major legislation which passed the House, passed through their office. On the Senate side, they testified that 50 percent of the bills enacted passed through their office. Any member of the Committee on Appropriations can testify that no department has ever written any appropriation bill that ever came to the floor. In other words, the country is led to believe that a situation exists here which is completely different from what actually exists and that this situation makes it imperative that the procedures of the House be radically revised.

Here is still another misrepresentation: A Member of the House last week reprinted an editorial in the RECORD from a newspaper in his district which said that because he was a new Member he was not allowed to speak and had no opportunity to express himself on the floor. We all know that the newest Member of the House stands on equal footing with the oldest Member of the House, in that respect.

The Committee on Appropriations, like the rest of the committees of the House, frequently has bills on the floor, and any Member who applies can get all the time he wants. No distinction in recognition for debate is made between Members on the ground of length of service. If this gentleman had applied, he could have talked as frequently and as long as the oldest Members of the House, either in point of age or service, or previous condition of servitude.

Another charge which will not bear the test of accuracy is that the men who serve as chairmen of committees have ex officio the power to report legislation or to kill legislation. On the face of it the charge cannot be sustained. Nothing could be further from the truth. The committee of which I happen to be a member has 45 members and the chairman has 1 vote in the 45 and no more. He cannot report a bill unless a majority of the other 44 members approve and he must report a bill if a majority of the committee directs him to report it no matter how unalterably opposed he may be to the measure. The myth that the chairman of a committee has any more power than any other member of the committee is another fabrication calculated to disturb the people and shake their confidence in the one institution which is the safeguard of their liberties and the guaranty of their right of free government.

In the brief time remaining let me say just a word about the much-mooted question of seniority. It is a matter that is not included in the report but it has been so widely discussed I would like to scatter just a few grains of truth and reason on the subject.

To begin with, the importance of the chairmanships is greatly exaggerated. There may be a little glamour connected with the chairmanships but that is about all. Some chairmen have extra rooms and patronage but as chairman of one of the House committees I do not have even these modest perquisites. I have no more personal clerks and no more office space than I had before I became chairman, and I pay for all my own stationery.

Furthermore, the rule of seniority does not always obtain in the election of a chairman. The rule of seniority is in that respect neither absolute nor invariable. In my own committee there have been notable instances in which the rule of seniority was disregarded. For example, in the Fifty-eighth Congress, although Henry H. Bingham, of Pennsylvania, was ranking member of the Appropriations Committee, James A. Tawney, of Minnesota, was elected chairman. Again, in the Sixty-seventh Congress, although Charles R. Davis, of Minnesota, was the Member of longest service on the committee, Martin B. Madden, of Illinois, was made chairman.

As the gentleman from Kentucky [Mr. ROBSION] has just indicated, the House, under its system of procedure, may elevate a Member from the foot, or from any intervening position, to the chairmanship of a committee—and has done so, the seniority tradition to the contrary notwithstanding.

But, regardless of the effect of its application, why should the rule of seniority be deprecated in the Congress of the United States, when it is followed implicitly in every other major activity and industry in the United States?

In the armed forces, in the Army and the Navy, the rule of seniority obtains and has been followed from the days of Gen. George Washington and Commodore Barry. Here is a quotation from a recent editorial in the St. Louis Globe-Democrat:

> Regular Army promotions up to brigadier general are traditionally automatic, predicated on seniority.

It is the rule in the War Department and in the Navy Department, and has been so in all armies and navies for time immemorial.

It is likewise the rule in the labor unions of the Nation. Quoting from the International Teamster:

> Members of labor unions rank according to seniority. War veterans are assured they will be given their seniority rights when they return from the service.

The rule of labor seniority has been affirmed in two recent decisions in the Federal courts—one by Judge Lederle, in the Federal Court of the District of Columbia, and the other by Judge Briggle, of Springfield, Ill.

Commenting on the decision of Judge Lederle, the CIO News said:

> "A veteran is rehired in accordance with his seniority, and continues to work in accordance with his seniority" the CIO veterans' committee pointed out in interpreting Judge Lederle's ruling. "Seniority under union contract is the controlling factor, and if operations are curtailed the veteran may be laid off in line of seniority just as any other worker."

With reference to the Briggle opinion, Labor, the official organ of the railroad brotherhoods, said:

> A returning serviceman should regain his old job rights and seniority plus accumulated seniority for time spent in uniform. Thus, a veteran should have the same seniority standing as though he had never left his job.

The rule of seniority is followed in international relations and the dean of the diplomatic corps is always the ambassador of longest service, irrespective of the size or standing of his country.

In keeping with that long-established precedent, the United Nations Organization follows the rule of seniority. In order to be elected to the International Court of the UNO, a candidate must secure a majority vote in the 57-nation Assembly and also in the 11-nation Security Council.

Here is the rule:

> If more than one citizen from the same country gets a majority, only the eldest can become a member of the Court.

The new Russian Constitution, direct and dynamic in its approach to the administrative problems of the day, recognizes the rule of seniority and under its provisions the first sessions of the Supreme Soviet of the U. S. S. R. are always opened by the oldest deputies of each chamber.

Just today President Truman himself emphatically voiced the importance of long service in Congress.

I quote from an Associated Press dispatch just released:

> President Truman said today he believes it is a good general policy for Senators of long service to remain in the Senate rather than take other jobs.
>
> He made this observation at his news conference in response to a question bearing on his recent action in urging Senator MCFARLAND, of Arizona, to remain in the Senate rather than take a Federal judgeship in his State. The questioner wanted to know if the President thinks this is a good general policy.
>
> The President replied affirmatively, asserting that a Senator with lengthy service is invaluable to his State and should remain in the Senate.

In matters spiritual and ecclesiastical, as well as civil and temporal, the rule of seniority is observed, notably in the Holy Roman Catholic Church and the Church of England. In both, recognition and advancement are by seniority.

St. Peter himself admonishes:

> Likewise, ye younger, submit yourselves unto the elder. Yea, all of you be subject one to another, and be clothed with humility, for God resisteth the proud and giveth grace to the humble.

In every department of the economic life of the world—national and international—the rule of seniority obtains, and has obtained for time immemorial. Why should Congress be made the exception to the rule?

Directly associated with the diatribes against seniority is the charge that age and experience accumulated in the service of the House disqualify for further usefulness as a Member of the Congress.

Since when has age become a disqualifying factor in human endeavor and accomplishment? Between the ages of 70 and 83, Commodore Vanderbilt added $10,000,000 to his fortune. Verdi at 85 produced his magnificent Ave Maria, his Stabat Mater, and his Te Deum. What a loss to the world if he had been retired at 80. Oliver Wendell Holmes at 79 wrote his Over the Teacups, and Ten-

nyson at 83 wrote Crossing the Bar. Samuel Gompers was head of organized labor in his seventy-fifth year and John Cardinal Glennon, of St. Louis, was elevated to the cardinalate in his eighty-fourth year. President Roosevelt's war Cabinet was made up of Hull at 72, Jones at 70, Ickes at 70, Knox at 70, and Stimson at 76—the Cabinet that won the greatest war in history—and Henry Ford at 82 came back from retirement to make an incalculable contribution to industry and American victory.

Carried to their ultimate conclusions, these critics of seniority propose, in effect, to demote General MacArthur and put a second lieutenant in command, to retire William Green and substitute a husky young hodcarrier, to superannuate His Holiness Pope Pius XII and elevate a parish priest, to fire Eugene Meyer and install a young police-court reporter, to supersede Speaker RAYBURN and put a young two-termer in the chair. They badger men grown old in honored service in the House, men who have made supreme contributions to the Nation in the most critical period in human history with the taunt: "Yeah, yir gittin old." It is the philosophy of the aborigine; the culture and finesse and good taste of the jungle.

It is a philosophy repudiated by a thousand years of experience in the parliaments of the world. The situation is well summarized in a speech delivered by President Taft before the Ohio Society of Washington:

> We are told by Edmund Burke himself that it was by slow degrees and constant discussion that Charles James Fox became the greatest parliamentary debater the world ever saw. Fox entered the British Commons before he was 20 years old. He remained a member of that body until his death.
>
> Had Fox been an American and a Member of our Congress, he would have been fortunate if he had been chosen to and served in 10 Congresses—20 years. Sam Randall was not bred a statesman, but he became one of our Congress, he would have been fortuof his long service. Had John G. Carlisle been English born, he would have served in the House of Commons at the least 50 years. Gladstone was in the Commons 50 years. Had he been an American, it is doubtful if the whim of a single constituency would have allowed him 12 Congresses.
>
> There is a truth as profound as political experience can make it.

It is further expressed by a speech delivered by Speaker Clark on the floor of the House during his speakership:

> A man has to learn to be a Representative just as he must learn to be a blacksmith, a carpenter, a farmer, an engineer, a lawyer, or a doctor.
>
> The best rule is for a district to select a man young enough to learn and to grow, with at least fair capacity, industrious, honest, energetic, sober, and courageous, and keep him there so long as he discharges his duties faithfully and well. Such a man will gradually rise to high position and influence in the House.

But the young man must be willing to learn, and grow, and should be content to rise gradually. We can all appreciate his impatience. We have all been through it ourselves, to a greater or lesser degree. After a spirited campaign we were finally elected to Congress—the culmination of a life's ambition. The newspapers of our district and State had daily featured our speeches and activities. An enthusiastic delegation with a brass band saw us off on our train to Washington and our friends freely predicted that we would wake Congress up. In fact we rather encouraged that idea.

I recall a Congressman who came to Washington a few years ago assuring his constituents that when he got here he would start Congress off at 9 o'clock in the morning instead of waiting to meet at noon and wasting half the day. Some years ago I happened to be walking behind a new Congressman and his wife on their way over from the House Office Building to attend his first session and his charming little wife said nervously, "Oh, I do hope they will not call on you the very first day."

So, as we all recall, it is something of a disappointment when we reach Washington not to find a delegation and a brass band at Union Station to welcome us to the National Capital. And by some oversight there is no note from the President asking us to hurry down to the White House before unpacking. Most surprising of all, there is nothing in the morning papers about our arrival on the national scene. And when our committee meets we are not elected chairman. It is then we discover there is some sort of conspiracy by the old fellows who have been hanging around the Capitol for several years to keep a young man down. They refuse to recognize ability. And we immediately perceive that the system is all wrong. Let me assure these ardent young members we have all been through it. It is an old story. Don't take it too hard.

These "old duffers," like you, have come up the hard way. They have not only been though your experience but they have repeated it many times—the odds against them growing heavier each time as they gradually accumulate from year to year inevitable opposition and antagonism growing out of requests for services they are unable to render and the unreasoning slogan "It is time for a change." In the average congressional district there are at least a hundred able men who every 2 years covertly appraise their chances of defeating the sitting Congressman. Everyone of them would file in the primary if he thought he had a chance to win. They have many advantages in such a contest. The Congressman is constantly on the rack. He must vote on every controversial question before the Nation. On every roll call he must alienate large numbers of his constituents who disagree with him. He must daily confess his inability to find jobs, to secure discharges, to modify the mail service, to provide appropriations for roads, dams and Federal buildings in his district. In a thousand ways he must fall short of the expectations of his friends and constituents in failing to accomplish the impossible and then must so ably serve his district and his country as to be able to overcome this growing handicap at every election. And yet there are those who in the press and over the air, and on this floor, insist that because he has had the capacity to retain his seat in Congress over all actual and prospective competitors through many elections, he is an incompetent moron and disqualified from presiding over a committee.

Time and experience are necessary to give the Nation effective service in Congress. James R. Mann, of Illinois, universally conceded to be the greatest and most effective Pariamentarian who ever sat in the American Congress, said: "I did not open my mouth for the first 2 years I was a Member of the House." On the other hand, William Murray—"Alfalfa Bill"—of Oklahoma, a man of exceptional native capacity who had served his State as president of its constitutional convention, speaker of its house of representatives and governor, convulsed the House with derisive merriment when he attempted to debate a point of order a short time after he came to Congress.

Let our impatient young friends, who are so eager to take over the ship of State, serve an apprenticeship as Webster and Calhoun and Lincoln and Truman and Rayburn did before dismissing all the elder statesmen and heading the old ship out to sea in these critical times. Let them serve for a time as seamen "before the mast" before essaying to push the admiral off the quarterdeck.

Seniority, based upon the capacity of men to demonstrate such a high order of statesmanship as to warrant their return to Congress over growing opposition, election after election, offers the only practical system of priority in House and committee procedure.

> Seniority settles harmoniously the problem of priorities without dispute or controversy and without jeopardizing morale. Abolition of the rule would be followed by log-rolling, factional fights, and political trading on a grand scale.

And I am reading from a recent book on the subject:

> The danger that committee places would go to those who were chosen with specific bills or policies in mind, would be real and would be suspected even when it did not exist. The bitter personal feeling engendered by an open contest would complicate party management and there would be a delay in beginning work until personal and sectional quarrels could be smoothed out.

It is difficult to conceive of anything that would have a more disastrous effect on the work of a committee than a continuous potential rivalry between half a dozen members of the committee as to which of them would be made chairman in the next session, or in event of a sooner change. The entire membership of the committee would be immediately divided into factions. There would be such continuous maneuvering for position and such suspicion of every move by any faction, however inconsequential, as to seriously impede the work of the committee and prejudice its conclusions. No chairman, however qualified, could secure maximum results in such an atmosphere.

On the other hand, the present system of seniority has been in effect so long no one gives any particular attention as to who is presiding, or who will

preside in the future. The system is understood and respected. Attention is concentrated on the work of the committee. The difference between the seniority system and any alternative system is the difference between order and chaos.

But let us take up the one issue on which all reformers of Congress and all streamliners and renovaters of congressional procedure are agreed—the number of committees. We are told that the foundations of free government, the preservation of democracy, and the maintenance of American institutions rests on the number of committees. According to newspaper and magazine statements, if the number of committees is reduced the Republic is safe; if the number of committees is not reduced all hope is gone.

Now what would be accomplished by the reduction of the number of committees? Would there be less work? No. Would the reduction of the number of committees reduce the number of men required to do the work of the committees? No. The reduction of the number of committees would neither reduce the amount of work nor increase the number of men to do the work. In other words, whether you have 10 committees or a hundred committees, you have the same amount of work and the same number of men to do the work. And you would follow the same system of handling the work.

The only difference would be that instead of doing the work in committees, as at present, it would be done by subcommittees made up of the same men. As soon as you combine the 48 committees of the House into 18 committees, you immediately appoint 48 subcommittees. For example, one of the stock arguments in favor of consolidation of committees is that we have three committees dealing with pensions. They fail to note that each of the three committees deal with an entirely different phase of pensions, deals with a different class of beneficiaries, different periods of service, different statutory enactments. The three do not conflict or overlap in any way. So when you consolidate, instead of having three committees and three chairmen, you have one committee and three subcommittees and three subchairmen. The same would be true of every consolidation of committees in the reform.

Now, if a man does the work why should he not have the credit? A chairman of a subcommittee will have to do identically the work he now does as chairman of a committee. Why should he not have a chairmanship?

A manufacturer who operated his plant successfully during the war was awarded an E, and it was conferred with great ceremony. A scholar who has distinguished himself in his particular field is given a doctor of laws degree. An Army or naval officer serving creditably at his desk here in Washington is awarded a bronze star or a promotion. Why should not a man who has served faithfully and effectively through the years here on this floor have some slight recognition? Why should he not have a chairmanship? Under the proposed change—with only 18 committees—men will come here and serve a lifetime, and though they give the Nation the most distinguished service, will never reach a chairmanship. They will do the same work, their subcommittees will do the same work, but there will be no recognition.

"Oh," they say, "one Member is serving on half a dozen committees. He can't attend them all." He can at least choose those in whose work he is most interested. If he was on one or two, he would be confined to the work of those committees. As a matter of fact, conflicts between any two committees to which a Member may be assigned can usually be arranged if he requests it. Assignment to a number of committees gives him a wider range of work and usefulness than if he is limited to one or two.

And much is made of the statement that some two or three men from the departments have been called to testify before a number of committees on the same subject matter. The more often they are called to testify the better—the closer the relation between the executive and legislative branches, the better opportunity for the executive to judge the reaction to his testimony and the more searchingly the committee can scrutinize the operations of the bureaus of the Government. The complainers complain because the representatives of the executive branch are called to testify so frequently and then they complain because there is not a closer relation between the two branches of the Government. The time of the representatives of the departments is not so valuable that they cannot come before the congressional committees and subcommittees whenever requested—and the more frequently the better.

So all this hullabaloo about the number of committees is pointless and misleading. Reduction of the number of committees would not affect the situation. The same men would still do the same work and do it no better and no worse. There would be no advantages to offset the disadvantages.

Connected with the question of committee structure is the proposal to make further unnecessary and more expensive additions to committee staffs. In this connection the report reflects on the system which has been in use by the Committee on Appropriations for more than 3 years. The system has been too often discussed here on the floor to require further justification. Suffice to say it has met every requirement. No information has been requested which it did not supply and its cost of maintenance in comparison with service rendered has been the smallest in the history of congressional investigations. The Drafting Service of the Congress has met every requirement. I have never yet heard of a request for service which they have failed to supply. The Legislative Reference Service of the Congressional Library has likewise supplied every need. If any of these research services has failed in its functions, no one has called it to the attention of the House. I have frequently asked on the floor, and in the committee, when complaint was made of lack of research facility, "What information does the gentleman desire? What does he want investigated?" And in no instance has the complainant ever been able to specify any date desired or any particular subject or agency he wanted investigated or on which needed information could not be obtained. If they happen to need further funds at any time, the Committee on Appropriations will provide them in the future, as in the past, on the authority of the legislative committees having jurisdiction, without the report of a special committee. The recommendation for a stenographic pool and an $8,000 assistant for each Congressman borders on the preposterous.

The recommendation that salaries of Members be increased and privileges of retirement be provided has a somewhat more sinister connotation. We witnessed here yesterday the extraordinary spectacle of a determined effort by members of the streamlining committee to restrict all proposals relative to salaries and retirement annuities of Congressmen to the bill recommended by the streamlining committee—for the frankly announced purpose of baiting and sugar-coating such a bill to the extent that Congressmen would be induced to vote for all committee proposals in order to secure larger pay and retirement privileges for themselves. Surely there must be a dearth of merit in the committee proposals if the committee feel that it is necessary to resort to such questionable means of securing consideration of their recommendations, and the streamlining committee does not encourage a very flattering opinion of the membership of the House in suggesting so broadly that Congressmen can be cajoled into supporting its measures for a remunerary consideration—in order to get an increase in pay.

Perhaps the most extraordinary recommendation by the streamlining committee is that relating to fiscal control:

Recommendation: That by joint action the Revenue and Appropriations Committees of both Houses submit to the Congress within 60 days after each session opens (or by April 15) a concurrent resolution setting over-all Federal receipts and expenditures (estimated) for the coming fiscal year. If total expenditures recommended exceed estimated income, Congress should be required by record vote to authorize creation of additional Federal debt in the amount of the excess. All appropriations, excepting those of a permanent nature, interest on the public debt, veterans' pensions and benefits, trust expenditures, and public-debt retirement, would be reduced by a uniform percentage in case total appropriations exceeded the amount of the approved budget figure.

Let us consider the effect of such a recommendation. If observed, it could only mean committing the Congress to a budget in advance of detailed consideration. It would be physically impossible to conduct adequate hearings in the time proposed.

Following the recommendation through, after having voted more or less blindly on a ceiling, there would be lessened interest in effecting reductions in the estimates for the several Federal agencies on the part of the committee and the House. It is difficult to appraise such a proposal in any other light than

that of discouraging economies rather than that of contributing to economies.

The provisions of the Budget and Accounting Act are much more practical and effective:

If the estimated receipts for the ensuing fiscal year contained in the Budget, on the basis of laws existing at the time the Budget is transmitted, plus the estimated amounts in the Treasury at the close of the fiscal year in progress, available for expenditure in the ensuing fiscal year, are less than the estimated expenditures for the ensuing fiscal year contained in the Budget, the President in the Budget shall make recommendations to Congress for new taxes, loans, or other appropriate action to meet the estimated deficiency.

As to supplemental or deficiency estimates, it further provides:

Whenever such supplemental or deficiency estimates reach an aggregate which if they had been contained in the Budget, would have required the President to make a recommendation under subdivision (a) of section 202, he shall thereupon make such recommendation.

This is the law today. It leaves the door open to reductions determined upon after searching inquiry, and it carries the incentive to so curb appropriations as to avoid the need for new taxes, loans, or other means of avoiding deficit spending.

The tendency of the proposal carried in the report of the streamlining committee would be to lessen the interest of Members of the Congress generally in appropriations other than those particular items in which there was a direct interest.

There is too great a tendency in this direction as it is. Appropriation bills go through too quickly. There is too much reliance on the committee reports and too much dependence on the recommendation of the committee. Under the rules the committee merely reports its recommendations as an agent of the House. The presumption is that these recommendations will be sharply scrutinized and subjected to critical analysis when taken up for consideration on the floor. Every bill reported by the Committee on Appropriations should be carefully reviewed and, if necessary, amended by the House. In the last analysis it is the responsibility of the House and the country profits to the degree that responsibility is exercised. The House works through its committees but committees may, and do, err at times and the House should not rely too implicitly on its committees' recommendations. The final responsibility is here on this floor. The suggestion of the streamlining committee would not emphasize this responsibility. Under its proposal, Members of Congress could without compunction vote against all tax bills and for all appropriation bills. And it would always be possible under such procedure to include in any appropriation for popular projects, such as flood control, a provision that the amount provided for such purpose be not included in the list when the percentage reduction is applied.

Mr. Chairman, we do not have the time to dwell too long on these questions of technical procedure. They are comparatively inconsequential. The frenzied vituperation of sensationalists to the contrary notwithstanding, the Congress can be depended upon to do its work and do it well—as it has been doing it with particular efficiency during the war sessions.

The important thing is to stop all this byplay and stop alarming the country. If there are minor defects which need adjustment, let us make them—preferably on consideration and recommendation by the committee having jurisdiction—and have the matter over with and stop prejudicing the public against the legislative branch of the Government and against their representatives in the House and Senate.

It would be unfair to the press and the country not to include here, along with the unbridled criticisms which have been quoted, some of the sane appraisals of the Congress in general, and this Congress in particular.

Here is one by William Green, president of the American Federation of Labor:

Anything that brings Congress into disrepute weakens the fabric of American democracy.

Mr. Chairman, nothing in recent years has so disturbed the public and so shaken their confidence in, and their regard for their Government as this campaign to capitalize on the general lack of knowledge of the minutae of congressional procedure.

Here is a comment from Fulton Lewis, Jr., one of the most reliable of the commentators of the day:

The Seventy-eighth Congress adjourned sine die last night. It was a good Congress, a very good Congress, probably the best and most courageous Congress that we have known since the days of the last World War, and perhaps for even longer than that. It did more to revive and restore the dignity and integrity and the prestige of the legislative branch of the American Government than any other Congress in many, many decades. We might well give it a salute of a job well done, and we might dub it, in congressional history, the Great Seventy-eighth.

Let me also include a pertinent comment from Labor, one of the prominent labor journals of the Nation:

We shouldn't make radical changes without mature reflection and until we are certain we have a better system. Labor still believes that the best way to streamline Congress is to elect the right kind of men to the House and Senate. They will always find a way to enact desirable legislation.

And here is a considered opinion by one of the outstanding historians of our times, Prof. Charles A. Beard:

After studying the operations of the First Congress of the United States and the operations of the Seventy-sixth Congress, I am convinced that for the absence of corruption and concern with the public good, the present body is of the highest order.

Mr. Chairman, in 1944 the United States Government collected more money, borrowed more money, spent more money, and created a greater deficit than any government in any country has ever collected, borrowed, spent, or owed in human history. It is a world record. And in 1945, Congress rescinded more appropriations, reclaimed more money, and made greater reductions in expenditures than was ever effected by any government before in fiscal history. That likewise is a world record. And in all this accumulation and disbursement of wealth—in amounts beyond the capacity of the finite mind of man to comprehend—there has been less unwarranted expenditure, diversion, and waste in proportion to the amounts involved, and results secured, than ever before since government was established among men.

In all the annals of the past there is no parliamentary body which has borne such heavy responsibilities, administered such vast empires of production and distribution, and discharged its duties so faultlessly as the war Congress of the United States. The American people are to be congratulated on the efficiency and integrity with which their representatives in Congress have successfully met the problems created by a war of extermination with the mightiest war machines modern science and military proficiency could create.

It is a great Congress—and it could not have operated so satisfactorily without a great system of procedure.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

I yield to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, there is involved in this bill a rescission of $7,112,230,059 as it comes from the committee. Committee amendments will be offered, I expect, increasing the amount somewhere around $70,000,000, so that the total amount of the rescission should be approximately a billion dollars above the estimate that came from the President. Part of that has been due to action by the committee and part of it has been due to more recent figures submitted by representatives of the Government. The total rescissions over all probably run with this one close to $70,000,000,000. Most of them that are brought in here today come in with the unanimous report of the committee.

There is one situation that I feel I should call particular attention to, and that is the item for defense aid or lend-lease. There the unexpended balance on January 1 was $4,400,000,000. The obligations on that date were $3,009,000,000. The difference involved was practically $1,400,000,000. The recommendation for a saving was $850,000,000. They claim they are going to save out of recoveries on cancellation of contracts approximately $100,000,000, and to spend, from a December 1 figure, on additional obligations, $727,000,000. That figure undoubtedly will be reduced as of the first of January and much farther as of today. There was only one thing that they needed to obligate funds for. Frankly, if they did no worse, obligated no more for the rest of the year, and if they changed their picture no more in the rest of the year than they did in December, there should be at least $205,000,000 left when they get through besides this money that we are taking away; in other words, they paid out $527,000,000 in the month of December and they reduced the obligations

by $440,000,000, indicating that other obligations ran at the rate of $87,000,000 a month. Six times that is $522,000,000, and that, subtracted from the $727,000,000, would leave $205,000,000 in addition to that which has been estimated here that should be recovered. I can see no possible excuse for not taking that money back, and I can see no reason under any circumstances why that should not be done.

Mr. CARLSON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Kansas.

Mr. CARLSON. Can the gentleman give the Committee any information as to whether or not we are furnishing lend-lease material and supplies to Russia at the present time? Was that discussed in the committee in any way?

Mr. TABER. At my request there was furnished to the committee a table which I will place in the RECORD at this point. If the gentleman would like, I will show him a copy of it so that he can follow it. This indicates that down through the 31st of January there had been a pipe line set up. I understand that was set up as of the date of the close of the war, when we made certain contracts for the sale of certain things to some of these other countries. There was in the pipe line $280,000,000 for Russia, and of that as of the 31st of January 1946, $100,000,000 had been delivered. How much has been delivered since I do not have any means of knowing. I do know that as to these other countries I would make no comment on what was delivered to them because mostly it would be agricultural products and items that their economy might perhaps require in very considerable amounts.

Mr. CARLSON. If I understand the gentleman's statement correctly, then, $280,000,000 was set up for the fiscal year, and as of January 31, 1946, $100,000,000 had been delivered?

Mr. TABER. I understand that deliveries are still going on. I cannot answer that as of this date, but as of the date when we held our hearings they were still going on, and that was about the 31st of January.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. COLE of New York. What effect, if any, does this rescission bill have on closing the valve on that pipe line?

Mr. TABER. It does not affect it at all as it is presently written.

Mr. COLE of New York. Does the gentleman's committee have any recommendations to make on that point?

Mr. TABER. The committee has made no recommendations on that. It has authority only to make or reduce appropriations.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Chairman, I yield myself 10 additional minutes.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Missouri.

Mr. SHORT. I have been under the impression that lend-lease legislation was wartime legislation, and that the law specifically stated that lend-lease would automatically stop with the cessation of hostilities. Is not that the case?

Mr. TABER. I think probably that is the way most people suppose it was. We seem to be going on delivering things now.

Mr. SHORT. By the time VJ-day arrived we had given to Britain in lend-lease approximately $29,000,000,000 worth of goods and services and to Russia approximately $10,800,000,000, making a total of approximately $40,000,000,000 in lend-lease that we furnished to our two chief allies. I should like to know how much of lend-lease has been given not only to those two chief allies but to other allies since the cessation of hostilities or the surrender of Japan VJ-day.

Mr. TABER. I understand that all together, including this pipe-line set-up, there has been delivered to Great Britain about $630,000,000 of different items. The item that is set up in the pipe line for Russia is $280,000,000, of which $100,000,000 had been delivered as of January 31. But millions of dollars in merchandise has been purchased by lend-lease since September 1 last.

Mr. SHORT. Who sets up these pipe lines? On what authority are they established?

Mr. TABER. These pipe lines were supposed to have been set up prior to the end of hostilities, as I understand; that is, the inventories existed in the Agricultural Department and the Procurement Division, either by inventories they had on hand or by merchandise they had purchased prior to the cessation of hostilities. They have continued to ship them right along. Frankly, I am not going to criticize what has been shipped to these other countries, but I believe we are missing the boat in our own State Department at the present time. It seems to me it is the duty of the State Department at this time to indicate to these other countries that we must have a conclusion of peace and have it immediately and have a definite understanding as to what is to be done; and that the longer we wait and the more we hand out to other countries without a definite understanding of what is to be done the more we are inviting other countries to create situations which will not result in ultimate peace.

Mr. SHORT. And if it continues much longer, we will not even have a boat to miss.

Mr. TABER. Perhaps that is so.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. COLE of New York. The gentleman probably remembers that last fall after the cessation of hostilities, the President abruptly announced that lend-lease assistance would be immediately terminated, which caused a good bit of discussion and dismay among many of our allies. From what the gentleman tells us today, that announcement of the President has not been observed, and as a matter of fact lend-lease assistance has continued since the cessation of hostilities.

Mr. TABER. I believe perhaps I should read this memorandum which I have before me and which was furnished to the committee in response to my question as to just what the picture is so that the Congress may know it.

Mr. COLE of New York. I hope that in giving that information the gentleman will not only tell us what is actually being done but the justification for it.

Mr. TABER. I cannot give the justification for it. I can tell what is being done insofar as I have been able to get the figures. Frankly, I do not think their operations are in good shape. I know of many cases where they have purchased things for enormous prices through the Procurement Division and I cannot understand why such things should be bought, such as, for example, thousands and thousands of garden tools and hand trowels and thousands and thousands of hand chisels and such things as that.

Mr. SHORT. The gentleman realizes that the American farmer is finding it very difficult to acquire any kind of equipment or machinery today.

Mr. TABER. Of course, the warehouses of the Procurement Division are bulging with these things right now.

May I now read from this memorandum and give this picture so the Members of the House may have it:

Estimated pipe line of goods in United States and deliveries up to Jan. 31, 1946

[Dollar cost FAS]

	Total pipe line	Estimated deliveries Jan. 31, 1946
United Kingdom and colonies (excluding Ceylon)	$325,853,070	$211,804,495
Australia	16,248,000	12,000,000
New Zealand	2,062,500	2,062,500
India and Ceylon	2,247,480	1,900,000
Saudi Arabia [1]	9,558,960	5,878,969
Union of Soviet Socialist Republics	280,000,000	100,000,000
American Republics	[2] 4,500,000	None
China	55,000,000	20,000,000
Metropolitan France	305,000,000	160,000,000
Belgium	52,000,000	22,000,000
Netherlands	62,000,000	41,000,000
Total	1,114,470,010	576,725,964

[1] Figures include inland and ocean freight charges.
[2] Including $1,500,000 Treasury Procurement and $3,000,000 to $3,500,000 Army and Navy pipe line.

I understand that Great Britain has given us notes with interest at something like 2⅜ percent on the six-hundred-odd million that she has received from us. What the rest have done, I do not know. The British notes are due in 50 years.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. COLE of New York. Can the gentleman advise us the nature of the majority of the items that are now flowing or have been flowing through the pipe lines?

Mr. TABER. Yes, largely. Such items as I have indicated, agricultural products; that is, food of all kinds; wheat, cotton, meats, dried milk, butter, lard, pork and pork products, and all that sort of thing.

Mr. COLE of New York. How about implements of war?

Mr. TABER. Anything of that kind would be a salvage proposition out of their surplus.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. TABER. Mr. Chairman, I yield myself five additional minutes.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. MURRAY of Wisconsin. I was interested in what the gentleman said about food. Two or 3 weeks ago I noticed in the paper that the British had acquired through bulk purchase, pretty much all the food surplus of the world outside of the United States. I wrote a letter to the State Department and I have an answer from them confirming that newspaper article. I cannot understand why we would have to send food under lend-lease to the British at this time, because they have control not only of their own dominions but they have control of any other surplus food that happens to be in the world at the present time.

Mr. TABER. I would not know that, but I expect the gentleman is correct.

Mr. BREHM. That is what they are using the chisels for is it not?

Mr. TABER. Maybe.

Mr. SHORT. How many chisels.

Mr. TABER. Thousands and thousands.

Mr. SHORT. That makes this the age of chiselization.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. EDWIN ARTHUR HALL. The gentleman made an excellent point when he mentioned 2⅜ percent interest that the British are supposed to be paying us. It seems to me, if I might express my opinion, that it is pretty unfair to allow Great Britain to pay a 2½ percent rate of interest when our own servicemen and veterans are having to pay at least 4 percent.

Mr. TABER. Well, there is something to be said on that subject.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. H. CARL ANDERSEN. Is there any evidence to the effect that much farm machinery is going abroad under that line at present?

Mr. TABER. I would not think there was very much going at the present time. A very considerable item of seed has already gone. For this reason a lot of those people will have no excuse for not producing as much as their land will permit. I believe also a very considerable quantity of tractors and other agricultural machinery—plows, drills, reapers, mowers, and things of that sort—have already gone, together with some fertilizer.

Mr. H. CARL ANDERSEN. Then, if the gentleman from New York will permit an interruption, that may explain why veterans who were formerly farmers in my district coming back now are unable to find any farm machinery whatever for themselves.

Mr. TABER. I do not know whether that is the only reason, but it is a part of the reason.

Mr. ANGELL. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. ANGELL. I wonder if that also includes building materials and lumber.

Mr. TABER. As far as I am able to see, the building materials and lumber products that have gone abroad since the 1st of September have been largely items that were sent over by the Army for its purposes, not big items for allocation to other countries—some, but not big items.

Mr. ANGELL. Does it also include grains and feed for stock?

Mr. TABER. There has been a considerable amount of that, more of wheat for human consumption than of wheat and other grains for stock feed. That is the picture as I get it.

I expect to offer an amendment, the one to which I referred, and I hope it will be adopted, and that we will add at least $200,000,000 to the rescission.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. CANNON of Missouri. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. CELLER].

THE BRITISH LOAN

Mr. CELLER. Mr. Chairman, something has been said about the British loan and I want to submit an alternative to the British loan.

Objections to the British loan agreement have arisen on all sides. Even the conservative Wall Street Journal states:

> The strongest argument for this loan is on a political basis, that it will strengthen Britain and that America needs a strong friend. We doubt that it will engender either strength or friendship.

Without extraordinary administrative pressure, I doubt whether the proposed loan agreement will be approved by Congress.

Perhaps there may be a way out of this dilemma.

By granting a loan to Britain for the whole of the British Empire, excluding only Canada and Newfoundland, and including such sovereign countries as Ireland, Iraq, Egypt, the Sudan, Iceland, and now probably Siam, as well as the mandates of Palestine, British Cameroons, Tanganyika, Transjordan, and other areas of the sterling area bloc pool, we place ourselves in the most ambiguous position of increasing dependence on Britain of sovereign countries and of extending the duration of the British mandates.

As an alternative, our assistance to Britain could be extended in goods and services, to be paid for in pounds sterling as delivered, the pounds sterling so produced to be placed to the credit of the United States Treasury in the United Kingdom. Trade should be thrown wide open. The British should be allowed to buy anything and everything they need and want for their own island economy.

A considerable body of opinion in England, including particularly retailers whose shelves are empty, read into the Anglo-American credit agreement a possibility that England would use her funds for the purchases of shoes, clothing, and household furnishings, of which England is in desperate need.

Such wishful thinking was quickly dashed by a spokesman for the British Board of Trade, who informed inquirers that the money would not be made available for the purchase of such consumer goods. He asserted that there will be no squandering of these funds for such luxuries and added: "The credits which Britain has established in the United States will be made available for the purchase of foodstuffs and for raw materials which can be manufactured into goods for export and for capital goods which can be used to increase the productivity of our factories."

This clearly indicates that the controls are not going to be eliminated in the near future, either in the United Kingdom or elsewhere within the sterling bloc. It makes equally clear that England, despite the loan, will continue her system of internal controls.

Remember, though, that Great Britain is in the hands of the Labor Party. According to the Socialist theory, you cannot have controls internally if you leave your citizens free to trade and invest externally without restraint. Therefore, the 100-percent Socialists in the government are opposed to the American loan and to all that the loan implies. They want to regiment the British and to develop the sterling area as a closed bloc. This was recently pointed out in the Atlantic Report of the Atlantic Monthly for January. Foreign Minister Bevin was talked out of this Socialist external and internal control by Lord Keynes. It was said that after a conversation with Lord Keynes, Bevin said: "You have convinced me but I regret you have." Bevin's subsequent behavior conveys the impression that he is only half-convinced. How long will he remain even half-convinced?

However, with or without controls, Britain needs shoes, clothing, house furnishings, food, refrigerators, washing machines, textiles, and many other items of consumer and capital goods. Let us furnish her with them. The mechanics for so doing should be fairly simple. The British importers could buy directly from American producers and exporters as in the prewar period. The American exporter would quote in dollars and receive dollars when negotiating his drafts on the British buyer. In England, the buyer would pay to his bank the equivalent in pounds, which would be placed to the credit of the United States Treasury. The Treasury would reimburse an American bank in dollars for the benefit of the American exporter. Credits of all types could be opened with suitable modifications, as in the past. The pounds which we accumulate in Britain would be convertible, upon request, into any other sterling bloc area currency. This would entail double-column bookkeeping in the United Kingdom—one column to show dollars and another to show pounds sterling. In the agreement to be made, the British would undertake to increase the pound total in exact ratio to any devaluation in the value of the pound in relation to dollars. This would not mean reappraisal in the event of only slight fluctuations.

As to other sovereign governments, including the British Dominions and countries such as India and Egypt, we would deal with them directly after concluding an agreement with each one of them. Each agreement would stipulate that we will accept local currency in much the same manner as outlined above. These countries would likewise agree to double column bookkeeping and freedom to exchange our acumulations for the currency of any other sterling bloc country. Furthermore, we should be entitled to most favorable nation treatment in regard to customs duties by these countries. This would give us, as well as the individual buyers throughout the sterling bloc, entire freedom of selection. It would eliminate entirely government or state trading and, finally, it would put the burden of using foreign currencies on us, where it belongs.

If we insist on loaning dollars, the burden of repayment rests on the borrowing nation. The borrower can repay only by shipping goods, rendering services, or paying in gold. In the case of the loan to Great Britain, it seems clear that she could not discharge this obligation with sufficient shipments of goods, or services, or payments in gold.

By assuming the burden ourselves—we could probably stipulate that our future tariff policy would tend toward reduction rather than increase in rates so as to facilitate the free movement of goods throughout the world.

The local currencies which we accumulate in sterling bloc countries would be used primarily in buying foreign products for shipment to the United States but in many countries, considerable sums should be used immediately to house our embassies, ministries, and consulates in suitable quarters. The manner in which the representatives of the wealthiest nation on earth are presently housed is a disgrace. This applies not only to the quarters for official business but to the official residences of our ambassadors, ministers, and consuls as well.

In addition, American entrepreneurs might be inclined to go abroad to help establish new industries, hydroelectric schemes, irrigation, housing, and construction projects. With millions of pounds lying to our credit in the United Kingdom, it is conceivable that an American syndicate might undertake the construction of the English Channel tunnel at long last. American construction companies might wish to help in the reconstruction of bombed-out areas in England and elsewhere.

By accepting local currency in sterling bloc countries, we are not loaning money; therefore, these countries are not assuming a debt in dollars which they might find it exceedingly difficult to repay. India and Egypt now have large sterling balances in London and would, therefore, be reluctant to take on another debt in a foreign currency but would certainly welcome the chance of buying our goods and paying in their own local currencies.

In making the loan to Britain, we profess a desire to aid in this very difficult postwar transition period, but present help in dollars is most certainly, going to pile up grief in the future when Britain may be unable to pay. We are putting all our eggs in one basket instead of innumerable baskets.

By granting a loan to Britain for the entire British Empire, we invite the Russians, the Dutch, the French, and the Belgians to do likewise, in spite of the fact that we have gone on record as desiring native peoples to become progressively more independent. The riots in Indochina and Java show a spirit of independence, and it should not be part of our foreign policy to refrain from active participation in quelling such riots and, at the same time, negotiate loans with the so-called mother countries, which funds would be in part, undoubtedly, used in these areas to smother independence movements.

At the present time and under the conditions of the pending loan agreement, despite Great Britain's protestations to the contrary, we agree to allow London to dictate what we shall sell to Australia, New Zealand, South Africa, India, Egypt, Iraq, and so forth. Sovereign peoples should be permitted full freedom of choice in a world of free enterprise. We stand firmly on that platform. Under the present loan agreement, there is no definite commitment on the part of Great Britain to dissipate the sterling area bloc pool. There is only a promise to try and break it up. Furthermore, the restrictions against us, by virtue of the system of imperial preferences, are not even mentioned in the agreement.

Finally, the international situation is not nearly so well settled as one would have a right to expect. More than 6 months have passed since VJ-day. The statements of Russian leaders point to a huge military program. We are planning the largest Navy in our peacetime history. In view of the deterioration of international cooperation, the method of taking foreign currencies in exchange for our goods might be extended to include the purchase of strategic materials for stock-piling purposes. Such materials might well include jute, quinine, manganese, wool, chrome, rubber, vegetable oils, copper, tin, and so forth.

This stock piling would tend to support foreign markets and would eliminate the probabilities of large foreign currency accumulations. We would get tangible assets in goods for our dollars rather than mere promises to pay. Valuable good will would be created for us in each country.

Mr. TABER. Mr. Chairman, I yield 20 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Chairman, this bill carries in terms of rescinded appropriations and contract authorizations approximately $7,112,000,000, bringing the total with other rescission bills to about $62,653,000,000. The amount carried in this bill is about $934,000,000 in excess of the rescissions recommended by the Bureau of the Budget.

The rescissions are allocated, first, to the Executive Office of the President, independent offices, and executive departments, in the amount of about $2,324,000,000; second, to the War Department, in the amount of about $1,616,000,000; and third, to the Navy Department, in the amount of about $3,167,000,000.

Title I rescissions for the executive and independent offices are largely in respect to the Maritime Commission, the War Shipping Administration, and the Lend-Lease Administration, to which the gentleman from New York [Mr. TABER] has referred.

I agree with him that the presentation by the latter is not satisfactory. It appears that as of October 31 last there remained about $3,400,000,000 of outstanding obligations, and the agency requested some $727,885,000 for operation during the final 8 months of the fiscal year. The committee has increased the Budget rescission by about $230,000,000.

I hope that in this bill and in the rescission bill to come further and substantial recoveries can be made in reference to Lend-Lease Administration.

Title II, referring to the War Department, brings total rescissions to about $31,879,000,000, leaving about $32,242,000,000 for fiscal year 1946 operations.

The War Department contemplates an over-all force as of July 1 next of 1,550,000, of which 794,000 will be overseas, 654,000 in the zone of the interior, 52,000 in the pipe lines, and 50,000 in the Philippine Scouts. It contemplates an air force of about 400,000 men in 70 groups, costing about one and three-quarters billion dollars annually.

Title III, referring to the Navy Department, brings the total rescissions to about $17,537,000,000, leaving about $21,470,000,000 for fiscal year 1946 operations.

The Navy Department contemplates as of July 1, 1946, an over-all force of about 1,000,000 men, with an Air Force of some 12,000 planes.

It may be also pointed out that the Coast Guard is contemplating an over-all force of 35,000 men as compared with 13,000 for the fiscal year 1940.

Mr. Chairman, we have today a gross public debt of something less than $282,000,000,000, and a gross public debt plus contingent liabilities of some $650,000,000,000.

This means an average per county of about $94,000,000, if we take the gross public debt alone, or about $216,000,000 if we include the contingent liabilities. It means an average per State of about $5,875,000,000 if we take the gross public debt, alone, or about $13,541,000,000 if we include the contingent liabilities.

The importance of these rescission bills cannot be overemphasized. Committee amendments will increase the rescissions in this bill if adopted by about $82,000,000. It is hoped that further and substantial rescissions can be brought about in the next rescission bill.

In this connection, I want to point out, Mr. Chairman, that the Budget figures presented to your committee just do not make sense. Anyone reading House Document 394, containing Bureau of the Budget figures, upon which the action in respect to this bill is based, would find expenditures for the Army in the present fiscal year of about $37,000,000,000, and for the Navy of about $27,500,000,000. Yet, the Budget itself indicates expendi-

ture for the same year for the Army of only $27,995,000,000, and for the Navy of only $14,700,000,000.

I understand the difference has been partially reconciled but that there is still a discrepancy running into billions of dollars. It is to be hoped that these billions can be taken care of in connection with the next rescission bill.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from New York.

Mr. TABER. The Navy budget officer estimated an expenditure for this year of $16,000,000,000 just the other day.

Mr. WIGGLESWORTH. Yes; and that is $11,500,000,000 less than anyone would be led to assume was the correct figure from the Budget Bureau document supporting this bill.

Mr. TABER. That is right.

FEDERAL COMMUNICATIONS COMMISSION

Mr. WIGGLESWORTH. Now, Mr. Chairman, I want to speak briefly of the Federal Communications Commission, in the light of a verdict recently rendered by a jury in the city of New York in the amount of $350,000.

Members of the committee will recall, long and well, I trust, the House select committee of the Seventy-eighth Congress appointed to investigate and report on the transactions and activities of the Federal Communications Commission; how that committee, again and again, was thwarted in its efforts to gather pertinent information by Presidential and other administration edicts which gagged Army, Navy, and civilian personnel; how officials of the Government, past and present, including those of the Federal Communications Commission itself, repeatedly sought to and did block the committee in the discharge of the duties imposed upon it by the Congress; and how, administration pressure, together with resort by the majority members of the committee to postponements, executive sessions, and other unusual tactics, forced the resignation of two of the committee's counsel and prevented the public disclosure of important facts concerning the Commission's activities and the conduct of its officials and employees.

The House select committee did, however, accomplish some good in disclosing to the Congress and the public that the Federal Communications Commission in diverse ways, had shown favoritism to, and bestowed political rewards upon, persons and concerns high in administration favor; and that, by threats and intimidation in the field of radio station licensing and license renewals, the Commission had so operated as to dictate and control the content of radio programs, despite the fact that section 326 of the Federal Communications Act in the plainest of terms denies to the Commission all power of censorship over radio programs.

One of the most publicized matters brought to the attention of the House select committee was the sale of a Government-owned radio frequency, known as station WMCA, by Donald A. Flamm to Edward J. Noble.

It was shown to my entire satisfaction at least that, through pressure, brought presumably for the protection of certain administration favorites, including the well-known Thomas Gardner Corcoran—"Tommy, the Cork"—William J. Dempsey, and William C. Koplovitz, the select committee, acting by and through the majority of its members, first postponed hearings on the complaint of Flamm that he had been coerced into selling his station to Noble by improper representations by Noble and his attorneys, Dempsey and Koplovitz; and then directed, when the matter was finally heard by the committee, that the hearing be held behind closed doors, with the evidence adduced never being published either to the House or the public.

The majority of the committee, taking what I conceived to be a strained view of the testimony, reported no substantial irregularities in the sale of station WMCA to Noble by Flamm.

Among other things, the majority found—

That Mr. Flamm was under no pressure, coercion, or duress when he finally signed the contract for the sale of the station to Mr. Noble;

That it found nothing to censure in the conduct of Mr. Edward J. Noble; and

That the Federal Communications Commission cannot be charged with failure to investigate rumors of pressure on Flamm when Flamm himself, or his attorneys, submitted nothing to the Federal Communications Commission to justify an inquiry.

I took occasion to file minority views on the subject, which were printed with the report of the committee.

Among other things, I stated that—

In my judgment, the Commission cannot escape condemnation for its conduct in this case. Either the Commission was guilty of gross negligence and failed to live up to the trust reposed in it or it was guilty of malfeasance in office.

And that—

I disagree most emphatically with the conclusions of the majority in this connection, shown to me for the first time 2 hours before the time limit for filing this report.

Under leave to extend my remarks, I insert at this point in the RECORD certain portions of those minority views:

On February 8 and 9, 1944, public hearings were commenced into the notorious circumstances surrounding the sale and transfer of radio station WMCA, New York. Startling testimony was presented, alleging conspiracy and coercion to deprive a station owner of his frequency by past and present officials of the New Deal.

On February 10 the hearings were necessarily postponed to the following week. In the following week they were abruptly terminated and indefinitely postponed by action of the majority members of the committee, one of whom had arrived by plane from the Aleutian Islands the day before the meeting. Neither minority member had any notice as to the purpose of the meeting. One minority member had no notice whatever of the meeting until after it had been held. Both minority members were absent at prearranged meetings of other committees.

The action taken served to suppress indefinitely alleged unsavory facts said to involve high administration officials and advisers, both past and present.

Action was deferred for approximately 8½ months when public hearings were resumed on November 22, 1944. They resulted in 3 more days of amazing testimony tending strongly to confirm the testimony of last February. Charged with having had parts in the alleged conspiracy were Edward J. Noble, William J. Dempsey, William C. Koplovitz, and Thomas G. Corcoran, all former officials under the New Deal, as well as members of the Federal Communications Commission. One witness went so far as to furnish, in detail, the facts of the alleged conspiracy, stating under oath that he had played a principal part in it from start to finish.

The following day, at a special meeting of the committee, and over the protest of the chairman and myself, the committee voted 3 to 2 to discontinue public hearings and to proceed behind closed doors, in executive sessions, with the understanding and agreement, assented to by the majority, that the testimony taken in executive sessions would later be made public.

No justification whatever, in my judgment, was shown for this action serving once again to suppress the truth and to withhold facts from the Congress and the people. The public interest is paramount. It transcends any private interests claimed to be involved in private litigation. As Congressman Miller, of Missouri, a minority member of this committee, stated on the floor of the House on March 7, 1944:

"There is no record of any case where the mere pendency of a civil action has been made the pretext for stopping hearings once commenced on a matter between private persons. Such conduct is neither supported by reason nor justified by apology."

* * * * *

This investigation has seen the enforced resignation of the original chairman of the committee under methods both brutal and shameful. They were without justification, whether or not the chairman was to remain in office.

This investigation has seen the resignation of its original general counsel, Mr. Eugene L. Garey, and three of his principal associates, on February 25, 1944, Mr. Garey criticizing the action of the majority members of the committee as "a patent fraud on the Congress and the public" and charging that the investigation was being converted into "a sheer whitewashing affair, wholly responsive to political pressures and dominated by political expediency."

At the same time it was publicly charged in the press that "the same tactics are being pursued that caused the original chairman of the committee to announce his resignation in a dramatic floor speech last September 30" (1943). "The Justice Department," the article continued, "is said to have been enlisted in the campaign, bringing pressure upon one of Counsel Garey's associates to persuade him to give up the thankless task of exposing Fly and his dictatorship methods which have reduced the radio industry to terror."

This investigation has seen the resignation of its second general counsel, Mr. John J. Sirica, on November 28, 1944, Mr. Sirca stating at a public hearing that he did not want anyone to be able to say that he was a party to a "whitewash" and that, in his opinion, there was no other word that could be used than that for the action of the majority of the committee.

* * * * *

Station WMCA, New York: Charges of coercion and irregularity in connection with the sale and transfer of Station WMCA from Donald Flamm to Edward J. Noble in December 1940 have been notorious for years. The story is an amazing one and appears in full in the public and executive hearings of the committee. I shall not attempt to detail all the facts attending the transaction.

Briefly, the evidence and circumstances indicate the following conclusions:

Noble, a close friend of Thomas G. Corcoran, and a former holder of two high posisions in this administration, became interested, for reasons unstated, in the acquisition

of a radio station and of Station WMCA in particular.

With this end in view he retained William J. Dempsey and William C. Koplovitz, close friends of Corcoran and recommended to Noble by Corcoran, and who, until a few months before that time had been general counsel and assistant general counsel to the Federal Communications Commission.

While employed at the Commission, Dempsey and Koplovitz had, of course, full information as to the standing of Flamm with the Commission and as to all matters concerning Station WMCA which came before the Commission. During the year 1939, Dempsey, in person, had represented the Commission on an order to show cause why the license of Station WMCA should not be revoked. After hearing on that order, the Commission found that an order of revocation need not be entered "at this time," but added:

"On the whole, however, grave doubt has been cast upon the licensee's qualifications to operate its station in a manner consistent with the public interest. Accordingly, the record made in the different phases of this proceeding must be of cumulative weight in determining the disposition to be made of any future examination into the conduct of this station."

Dempsey and Koplovitz accepted employment by Noble only a few days after an interview with Flamm, who also sought their services, at which, according to Flamm, details as to Station WMCA and his fears as to his standing at the Commission, were discussed with them.

Negotiations ensued, Flamm being finally persuaded to sell to Noble, for $850,000, Station WMCA, for which he had received previous offers of well over $1,000,000, and which Noble later resold at a profit of some $400,000.

Flamm was, in substance, told by Dempsey and Koplovitz that he could either sell at Noble's price or that Noble would file for his frequency with the Commission. This assurance was given with the knowledge and acquiescence, if not with the specific authorization or direction of Noble. Flamm was also assured that in the opinion of Dempsey and Koplovitz, there was no doubt of their ability to obtain the frequency for Noble in the event of Flamm's refusal to sell, with the result that Flamm would receive nothing for his station.

The standing of Dempsey and Koplovitz at the Commission, and the knowledge obtained by them while at the Commission were, of course, well known to Flamm.

According to Flamm, no doubt was left in the minds of Dempsey, Koplovitz, or Noble that his agreement to sell was an agreement made under duress and coercion resulting solely from his fear of losing the station entirely without compensation.

Attention is invited to the fact that, when Dempsey and Koplovitz first went to the Commission, a rule of the Commission, typical of rules in other agencies, provided that—

"No person serving as an attorney at law in the Federal Communications Commission on or after July 1, 1935, shall be permitted to practice, appear, or act as an attorney in any case, claim, contest, or other proceeding before the Commission until 2 years shall have elapsed after the separation of the said person from the said service."

Prior to the resignation of Dempsey and Koplovitz that rule was amended to read as follows:

"No member, officer, or employee of the Commission shall, within 2 years after his service with the Commission is terminated, appear as attorney before the Commission in any cause or application which he has handled or passed upon while in the service of the Commission."

In view of all the circumstances, it is impossible to escape the conclusion that the spirit, if not the letter, of the rule, even as amended, was violated in the WMCA transaction.

Information gained while employees of the Commission was clearly used for private advantage. Its use was without question a material, if not decisive, factor in the negotiations.

The bill for services submitted to Noble by Dempsey and Koplovitz amounted to $75,000. It was torn up by Noble, who subsequently paid them $25,000. The bill would appear to have been based upon the unusual results accomplished rather than upon actual work and time involved, which was limited to a period of but a few weeks.

The interest of Corcoran in the transaction in question is apparent in the picture from start to finish. He recommended to Noble the employment of Dempsey and Koplovitz. He contacted the Commission in the interest of Noble. He interceded with the White House in Noble's interest after a request of the President had gone to the Commission for a thorough investigation of the circumstances surrounding the transaction, a request which was withdrawn shortly after his intervention. He appears in an interview with Mark Etheridge, former president of the National Broadcasters Association (who had been asked by the President to make a study of the entire radio picture), in an attempt to justify the entire WMCA transaction in terms of personalities. He appears in a later interview with counsel for Flamm in an endeavor to persuade Flamm not to bring suit for rescission; he appears throughout this investigation, in appeals to the Speaker of the House, to the former chairman of the committee, to the former general counsel to the committee, and others, in attempts to prevent the committee from inquiring into the WMCA transaction.

Whatever may be said of other aspects of the case, the record makes it abundantly clear that the Commission had full information of the charges of coercion and irregularity in connection with the sale and transfer of Station WMCA, before, during, and after the transaction. The record shows that these charges were common knowledge in both Washington and New York at the time of the sale. It shows that they were specifically brought to the attention of the Commission from various sources while the matter was under consideration by the Commission. It shows that the Commission was told of the charges by the President of the United States.

In spite of these facts, the Commission at no time took steps to inquire into the merits of the charges. On the contrary, it approved the request for transfer of the station in the unusually short period of 15 days, and subsequently turned down a request for rehearing, both actions without any public hearing and over the recorded protests and dissent of one member of the Commission who stated, in substance, that there were ugly rumors in connection with the sale; that it was impossible, under the circumstances, and without further information, to cast an intelligent vote; and that, in his opinion, a public hearing should be held in the matter.

It may be added that the Commission also subsequently approved the sale of Station WMCA by Noble to Nathan Straus, another former administration official, at a profit to Noble of some $400,000, as well as the acquisition by Noble of the Blue Network, without consideration of the transactions in the WMCA case.

In my judgment, the Commission cannot escape condemnation for its conduct in this case. Either the Commission was guilty of gross negligence, and failed to live up to the trust reposed in it, or it was guilty of malfeasance in office.

I disagree most emphatically with the conclusions of the majority in this connection, shown to me for the first time 2 hours before the time limit for filing this report.

As shown by the hearings before the select committee, Flamm brought an action in New York City against Noble for the wrongful acts of Noble and his attorneys. That suit has recently resulted in a verdict of $350,000 plus costs in Flamm's favor. The verdict, of course, reflects what a jury of the peers of Flamm and Noble thought of the controversy, and is directly contrary to the finding of the majority members of the select committee.

The committee hearings disclosed that the Federal Communications Commission approved the sale and transfer of radio station frequency WMCA from Flamm to Noble without hearing Flamm's complaint that he had been fraudulently coerced into agreeing to the sale; and that the action of the Commission in approving the transfer was taken in the face of knowledge, or the means of knowledge, of widespread charges that the sale was not a proper one.

The principal part of Flamm's complaint was that Noble, through Dempsey and Koplovitz, his attorneys, had represented that unless Flamm sold the station at Noble's price, they had sufficient influence with the Commission to apply for and obtain, and that they would apply for and obtain, Flamm's assigned frequency without paying anything for the station.

And be it remembered that when these representations were made Dempsey and Koplovitz had but recently left the Commission in their capacities of general counsel and assistant general counsel, respectively.

Certainly, Mr. Chairman, the verdict of the New York jury leaves the Federal Communications Commission and others concerned in a sorry light.

Under leave to extend my remarks, I include at this point in the RECORD an article appearing in the New York Herald Tribune on March 2, 1946:

FLAMM WINS WMCA VERDICT FOR $350,000—HE HAD ASKED $2,925,000 ON CHARGE OF COERCIVE SALE OF STATION TO NOBLE

Donald Flamm, former owner of radio station WMCA, received a verdict of $350,000 from a jury in supreme court yesterday in his suit for damages of $2,925,000 against Edward J. Noble, chairman of the board of the American Broadcasting Co. and former Under Secretary of Commerce.

The suit was based on Mr. Flamm's charge that he had been defrauded through coercion in selling the radio station at a price below its true value to Mr. Noble in January 1941. The purchase price was $850,000. The station was later resold by Mr. Noble for $1,255,000 in September 1942, to its present owner, Nathan Straus, former administrator of the United States Housing Authority.

The verdict, climaxing a trial which began February 5, was handed down after less than 2 hours of deliberation by a jury of 10 men and 2 women. It also touched off a statement by Mr. Flamm, who said he would "immediately seek to recapture the station."

There was no comment by Mr. Noble, but his attorney, Franklin S. Wood, said an appeal would be made.

Among the allegations made during the trial was one that Mr. Noble had been represented as a man of politically powerful connections and that, unless Mr. Flamm consented to the sale of the radio station, he (Mr. Flamm) would lose his license to broadcast. Mr. Noble contended that the sale was a "simple transaction between two businessmen."

The purchase of WMCA by Mr. Noble was brought into a congressional investigation of

the Federal Communications Commission in 1944, when it was charged on the floor of the House that a study of the Noble-Flamm deal was being held behind closed doors to prevent disclosure of another case of "behind-the-scenes operations" by Thomas G. Corcoran. Mr. Corcoran is a former New Deal "brain-truster" now in private law practice in Washington.

Mr. Noble, who is also president of Life Savers, Inc., of Port Chester, N. Y., purchased the American Broadcasting Co., then known as the Blue Network, from the Radio Corp. of America for $8,000,000 in July 1943. WJZ is the network's outlet in New York City. He was Chairman of the Civil Aeronautics Authority, in Washington, when he was appointed in 1939 by the late President Franklin D. Roosevelt to be Under Secretary of Commerce. Mr. Noble resigned that position in 1940 to campaign for the late Wendell L. Willkie, in the Presidential election.

Mr. Flamm is now chairman of the board of radio station WPAT in Paterson, N. J., and part owner of the LaSalle Hotel, in Washington. He lives at 25 Central Park West.

There can be little doubt, Mr. Chairman, that the labors of the House select committee produced some good. Despite the difficulties encountered, much was accomplished and enough was developed to indicate clearly an imperative need for improvement in the standards of administration by the Commission and for remedial legislation.

The investigation unquestionably contributed to the retirement to private life of the Federal Communications Commission's former chairman, James Lawrence Fly.

Mr. Fly was succeeded by Mr. Paul A. Porter, previously a high official of the Democratic National Committee, as well as the prior and present holder of other Federal offices of importance. Mr. Porter's incumbency was of short duration. It is worthy of note, however, that one of his last, if not his last, official acts was apparently to cause the granting to a political friend, or to the father of a political friend, without any hearing before the Commission, of a radio station license in the State of Kentucky for the use of a frequency said to have been unsuccessfully sought by an existing radio-station licensee over a period of some 7 years.

The party so favored by Mr. Porter before he left the Commission to become Administrator of the Office of Price Administration was Mr. Edward F. Pritchard, the father of Edward F. Pritchard, Jr., general counsel for the Democratic National Committee by appointment of Mr. Hannegan, and high in the councils of the administration.

Under leave to extend my remarks, I include at this point in the RECORD an article appearing in the Chicago Tribune under date of February 25, 1946:

PORTER GRANTS RADIO LICENSE TO PAL'S FATHER—DEAL IS HIS LAST AS FCC CHAIRMAN

(By Walter Troham)

WASHINGTON, D. C., February 24.—Records of the Federal Communications Commission disclosed today that one of the final acts of Chairman Paul A. Porter was to approve a license for a Kentucky broadcasting company owned in part by the father and brother of Edward F. Pritchard, Jr., protege of Supreme Court Justice Frankfurter and close personal friend of Porter. Porter was recently named to the OPA chairmanship.

Pritchard and Porter are members of the team of administration lobbyists Democratic Chairman Hannegan recently named to push President Truman's legislative program through Congress. Other members include former OPA Chairman Leon Henderson and Deputy Reconversion Director Robert Nathan.

Last Wednesday, at the final FCC meeting presided over by Porter, a radio license was approved for the Kentucky Broadcasting Co., of Lexington, Ky. Edward F. Pritchard, Sr., father of the New Deal hatchetman, is treasurer and a director of the company and Henry P. Pritchard, a brother of Porter's pal, is another director. Each was listed as the owner of stock valued at $10,000.

SOUGHT BY OTHER GROUPS

For 7 years Station WLAP, of Lexington, Ky., has been trying unsuccessfully to get the frequency given to the Kentucky Broadcasting Co. Lindsay Nunn, owner of Station WLAP, was denied the frequency on the ground of interference with another station.

Last Wednesday the Pritchards were granted the license without a hearing. FCC officials explained this is not an unusual procedure on uncontested applications. Paul A. Walker and Clifford J. Durr, New Deal members of the Commission, concurred in the license grant.

Last December the FCC ordered a hearing at which the Kentucky Broadcasting Co. would have been called upon to produce its financial and technical qualifications. It would also have had to define the service it intended to give and face questioning on possible interference with other stations. This hearing was canceled by the FCC.

The Kentucky Broadcasting Co. filed its application for a license last October. At the time it was reported that Porter had turned down a suggestion that it be given special attention.

CITIZEN OF KENTUCKY

Porter, who was born in Missouri, is a citizen of Kentucky. Pritchard recently returned to Lexington to practice law there. More recently he was called to the Democratic National Committee for lobbying service.

The 30-year-old Pritchard's most important Federal post was in the Office of Economic Stabilization. He was in the Army a few weeks but was discharged reportedly because doctors gave up attempts to reduce his weight.

Pritchard's father and brother also live in Lexington. The company of which they are directors was given permission to operate a 1,000-watt station at 1,300 kilocycles on unlimited time.

The father once owned a beer-distributing business and a dairy. He went into bankruptcy, but later paid off his debts, according to FCC records. He is now worth $65,000, records revealed.

The present Acting Chairman of the Federal Communications Commission is Mr. Charles R. Denny who, throughout the long days of the select committee's hearings, fought the Commission's battle to conceal its shortcomings as its chief counsel.

The Federal Communications Commission has requested vastly more funds for the fiscal year 1947 than were appropriated for it in war years, when it professed to be engaged in indispensable war work.

Its claim for increased peacetime and postwar funds is predicated largely upon anticipated work incident to new discoveries and improvements in the radio art, although there is no clear showing as to how much the regulatory work incident to such discoveries and improvements has actually increased or will increase in the next fiscal year.

The Commission has just completed and distributed a report consisting of 139 pages entitled "Public Service Responsibility of Broadcasting Licensees."

This report has been construed by some as indicating an intent on the part of the Federal Communications Commission to assume unlawful control over what the people shall or shall not hear over the air.

While time for detailed study has not been available, the report makes it clear that the Federal Communications Commission in the past has renewed the licenses of those who had obtained their original licenses on the basis of false representations; and has renewed the licenses of those whom the Commission now cites as having operated not in the public interest but for private profit. Whether or not this action has been due to political pressure, favoritism or other motives is not apparent.

The report also offers striking testimony of the extent to which radio time on Sundays has been used for commercial purposes.

Twenty-five Columbia Broadcasting System stations have devoted from 90 to 95 percent of their time and 28 National Broadcasting Co. stations from 80 to 90 percent of their time to money-making programs on a Sunday. The question arises as to what extent the Sabbath should be desecrated in this manner.

I repeat, Mr. Chairman, as I stated in my minority views, that there is an imperative need for improvement in standards of administration by the Commission and for remedial legislation. Both are essential to impartial and efficient regulation and to equality of opportunity and freedom of speech over the radio, one of the greatest single factors in the Nation today in terms of the preservation or destruction of our American way of life.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. TABER. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. SHAFER].

RUSSIA'S LATEST MOVE

Mr. SHAFER. Mr. Chairman, a former officer, on duty with Second Army Headquarters in Tennessee in the winter of 1943–44, during the maneuvers to train American troops for the Normandy invasion, has recounted to me an incident during the visit of some 18 military attachés of friendly nations to the maneuver area as observers.

The foreign attaché group stood in front of a great war map one night and the British attaché and the Turkish attaché discussed the postwar problems of Turkey. The British attaché indicated a belief that Russia, after the war, would seek to obtain the north shore of the Bosporus and the Dardanelles. The Turkish attaché smiled and said, in effect:

The postwar status of the Bosporus and the Dardanelles is well understood by my country and Russia. I wonder sometimes if the British Government has as complete an understanding of Russia's postwar ambitions for a corridor between the Caspian Sea and the Persian Gulf. I wonder if Great Britain realizes what it would mean in India, always restless, if Russia had a short, warm-water route, to pour cheaply made Russian goods

into India in competition with the long-haul, higher-production-cost goods of Britain.

This morning, Mr. Chairman, the Washington Post printed a map under the caption "Russia's latest moves," showing Russia moving armed columns southward toward the Persian Gulf, with prongs of the directional arrows aimed toward Turkey and Iraq to the west and Iran toward the east.

Perhaps that map, and the recounted observation of the Turkish military attaché in 1943–44, may have the answer to Senator VANDENBERG'S question, when he came back from UNO, "What is Russia up to?" Perhaps the Turkish attaché's observation in 1943 and the map printed today contain the answer to Secretary of State Byrnes' latest request to Russia for an explanation of her moves in the Iran area.

Mr. Chairman, I am not a member of the Foreign Affairs Committee of this House, but perhaps some member of that committee can inform the House whether the Foreign Affairs Committee, theoretically the direct representatives of the American people in this body to deal with our foreign problems, has been consulted by the State Department in any way on the Iran situation, prior to the dispatch of Secretary of State Byrnes' latest note. Perhaps members of the House Committee on Foreign Affairs can inform the House whether the committee was consulted in any way before the recent note on the Spanish situation was dispatched, or whether there was consultation with the committee before the State Department attack on the Argentine Government's foreign policies was dispatched—and widely publicized.

It is my understanding that a subcommittee of the House Foreign Affairs Committee recently made a rather extensive trip through the Near East and took rather extensive records while that trip was being made. I am most interested to know if this subcommittee has ever had a chance to have its findings recorded before the full committee, or if the State Department ever asked the subcommittee to submit a report. It was an authorized subcommittee of Congress and carried a committee stenographer. Was anything ever done with the information gathered?

If the State Department's policy is to ignore the Foreign Affairs Committee of Congress, it is my belief that Congress should not ignore the State Department.

It is my belief that this proper committee of the House should be kept fully informed by the State Department of movements planned and in process, rather than coming to Congress only when the State Department's handling has so muddied the water of our foreign relations that even the State Department becomes unable to see clearly to the bottom of the pool.

Mr. Chairman, after World War I the then Democratic administration in power promised a peace with "open covenants openly arrived at." History has shown us that this lip service to a desirable end was never more than lip service.

Since the shooting ended in World War II we have had a constant series of revelations of secret agreements at Casablanca, Teheran, Yalta, and Potsdam. We have as yet no certain knowledge that there are not other secret covenants, concluded without consent of Congress or the American people, which have yet to see the light of day.

All of us in this House must report to our constituents before next November on our stewardship of the rights of our constituents during the Seventy-ninth Congress. I believe we will be remiss in that stewardship if we are unable to give a complete and honest report of commitments, promises, and gentlemen's agreements made by the past or present Executive and State Department in our field of foreign relations.

After all, we of the House are the most direct representatives of the people in National Government. I say to you, Mr. Chairman, and to every Member of this House, that we have been kept in the dark, hoodwinked and contemptuously ignored by both the Executive and the State Department in the field of foreign affairs.

What are we going to do about it?

If the answer is "nothing," in my opinion, each and every Member of this House is guilty of disloyalty, if not treasonable inaction, toward the American Nation and its people.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, I was considerably interested in the discourse this afternoon with respect to the modification of the rules of the House. I think it was a very engaging and very interesting discourse, but, as I reflect upon the work of the joint committee, it was inhibited by a provision in the resolution which created the committee with respect to recommendations on policies and procedures on the floor. It is a matter that the committee did not exactly address itself to. If you have taken the trouble to scan the subject matter with which the committee dealt, you will find that there are eight major items.

The first one is committee structure and operation. That proposes a plan for the reorganization of the committee structure in both the House and Senate.

The second item is the majority and minority policy committee. That brings about a more effective coordination between the executive and legislative branches of the Government.

The third matter relates to research staffing facilities, notably the staffing of committees, the augmentation of the facilities of the Library of Congress, and also an improvement and strengthening of the legislative counsel of the House and Senate.

The fourth item deals with strengthening of fiscal control. That is an item of considerable interest to me, and I am sure, Mr. Chairman, it is to you. Some years ago I appeared before the Ways and Means Committee in the course of hearings on a revenue bill and I made a suggestion to that committee that perhaps we ought to work out some kind of over-all budget ceiling, then make it a little more difficult than by the device of a simple majority vote of the House and Senate, either on a bill or conference report, to puncture that ceiling. It is something of that theory that we have pursued in connection with the joint committee recommendations as they relate to fiscal control.

Mr. Chairman, I thought perhaps I ought to recur for a moment to what has been said here on that subject, because it ought to be of interest since we are discussing a rescission appropriation bill.

Mr. Chairman, let me read from the report of the Joint Committee on the Organization of the Congress and what it said with respect to an annual Federal Budget. Here is the recommendation on page 19 of the report:

> Recommendation: That by joint action the Revenue and Appropriations Committees of both Houses submit to the Congress within 60 days after each session opens (or by April 15) a concurrent resolution setting over-all Federal receipts and expenditures (estimated) for the coming fiscal year. If total expenditures recommended exceed estimated income, Congress should be required by record vote to authorize creation of additional Federal debt in the amount of the excess. All appropriations, excepting those of a permanent nature, interest on the public debt, veterans' pensions and benefits, trust expenditures, and public-debt retirement, would be reduced by a uniform percentage in case total appropriations exceeded the amount of the approved Budget figure.

That was a theory I had in mind years ago, and I do believe, Mr. Chairman, that sooner or later there is going to have to be greater coordination between the committee that devises the revenue structure of the country and the committee that is charged with the responsibility of recommending appropriations for expenditure. If I remember, Mr. Chairman—and if I am in error I hope someone will correct me—I do not recall that there have been any meetings between the Ways and Means Committee of the House and the Committee on Appropriations or that there have been any formal or stated meetings for the purpose of discussing this common problem of income and outgo of the Federal Government. I doubt very much, as a matter of fact, whether we are going to make a great deal of progress in the reduction of our Federal debt and in the development of a coordinated fiscal program of which we can be truly proud until a procedure similar to that which I read a moment ago is devised. That matter is of the utmost importance as we consider a bill of this kind.

In the present bill by interpolation and the changes that were made this morning by the committee, I would say offhand that it provides for a rescission of about $7,500,000,000 in cash and contract authority. When added to all other rescissions it will doubtless exceed $60,000,000,000.

We had a deficit in 1945 of $54,000,000,000. In the fiscal year 1946 the deficit, according to the President's budget statement, is estimated at $29,000,000,000.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. TABER. Mr. Chairman, I yield the gentleman six additional minutes.

Mr. DIRKSEN. Obviously that is subject to certain modifications and it may be a little more or a little less. But in the Budget for 1947 the President estimated a deficiency of roughly $3,600,000,000, and then by adjusting the amount of cash in the Treasury might very conceivably come out in black ink for the first time in 16 or 17 years. We, therefore, have not made too much progress, and as I see the deficiency bills that come to us from time to time I apprehend that probably the hope of balancing the Budget will be wiped out.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from New York.

Mr. TABER. The gentleman does not mean to imply that by reducing your cash balance you can change the amount of your expenditures and your income?

Mr. DIRKSEN. Definitely not. It is just a little bit of wizardry and financial jugglery, but it always brings us back to the very stubborn and inescapable question of income and outgo. In proportion as the income truly and properly and forthrightly exceeds outgo then, of course, we can make some inroad on this two hundred and seventy-nine thousand million dollar national debt. The thing is of the utmost importance. How much we hear about inflation today; how much is said about OPA controlling prices and controlling inflation. Well, in my considered judgment, I admit that I am no financial wizard and I hold no degree that would qualify me as one of the great economists of this generation, but somehow I am content to believe that neither OPA nor any other agency in government, no matter how much authority with which they are endowed, is going to control inflation so long as deficit spending continues. We have to look in another quarter, and that quarter is simply this: It is the pumping of money, money, money in the form of deficit spending into the economic blood stream of the country. In proportion as you continue to do it you make available more and more spendable funds as against a limited supply of goods. You can readily understand the apprehension of men skilled in finance and the men who are charged with the responsibilities of acting as stewards of the savings of people that are invested in life-insurance policies over unrestrained spending and by a continual and continuing unbalanced Budget.

One of the great regrets in my life is that it has not been possible for me to somehow or other dramatize that fiscal problem in terms that people could understand so that you could thoroughly impress them with the very thought of the continual unbalanced Budget. It is so easy to say, of course, that it has been in a state of unbalance for 16 years. As a matter of fact, I suppose there was only one time in the history of the country when the Federal debt was exactly nothing, and that was in the days of Andrew Jackson, when he had his fight with the Bank of the United States, took out the money, paid off the national debt, and distributed the surplus profits among the State banks of the country. But do not forget that we reaped the harvest of financial and fiscal headaches some time thereafter. So, some may point to history and say that it does not make any difference. Every once in a while you encounter that squib in history, or in the history of economics, that England did not even bother to pay off the debt that was incurred in the Napoleonic wars. All that may be, but the fact of the matter is that the inflationary force is generated and it develops acceleration in proportion as you add to this huge supply of money in the country as against the disrupted production where supply and demand for all types of staple goods are not in balance.

So I come back, then, to the thesis that there is a tremendous responsibility on the Congress to walk carefully in this field and to define and to adopt the best processes we can in order to set a ceiling on the budget from year to year and make it pretty difficult to torpedo that ceiling, and then to provide that when we by our own votes here and in another body that is a part of the legislative branch go above that ceiling we must at once automatically make provision for increasing the national debt, which will be a salutary experience for us. Then perhaps we shall get around to a more wholesome concept of this whole question of debt and budget in relation to the economy of the country as measured by the pocketbook of the man who takes his dinner bucket home on Saturday night, hands his wife a check, and then wonders whether or not it is going to stretch over the need for wearing apparel, food, and all those other things that are so indispensable in the life and economy of the average citizen of this country. It is a great responsibility, and I am glad for one that the joint committee did make a recommendation on this point. I do hope we can translate it into feasible legislation and that it will have favorable consideration on the part not only of the House but of the Senate as well. In the fiscal field is where we must conquer inflation.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Idaho [Mr. DWORSHAK].

Mr. DWORSHAK. Mr. Chairman, I desire to commend this subcommittee of the Appropriations Committee for bringing in this rescission bill. I am particularly interested in the item for $1,080,000,000 which it is proposed to recapture from the funds which have already been appropriated for lend-lease operations.

On October 19 of the past year, when the first rescission bill was before this body, I offered an amendment proposing to recapture an additional half-billion dollars from lend-lease funds which were then available. I was opposed by majority party leaders on the floor. On a teller vote my amendment was defeated by 121 to 114. At that time it was obvious there was much confusion concerning the status of lend-lease funds, so I realized then that, sooner or later, additional information would be made available to the House Committee on Appropriations and to this body so that some subsequent action might be taken.

The President recently recommended the recapture of $850,000,000 of lend-lease funds, and the committee, I am pleased to note, has increased that sum by $230,000,000, making a total of $1,080,000,000.

During the debate on the first rescission bill last October, I sought to point out that the Congress had appropriated a total of $66,000,000,000 and that only about $41,000,000,000 had been accounted for, leaving funds remaining unaccounted for in the total of about $25,000,000,000. As you know, the President by Executive order on August 17, 1945, terminated the lend-lease operations. Now, 7 months after the termination of operations under that act, we find that, in the so-called pipe line and in various other categories, we have funds unaccounted for. I believe this body, representing the taxpayers of the Nation, should make demands upon the appropriate Federal agencies downtown to bring in complete reports so that we may know what has been done with lend-lease money.

Within the past few weeks you have read in some of the newspapers accounts that about $6,000,000,000 worth of lend-lease obligations have been settled by Great Britain for about 10 or 11 cents on the dollar. I have endeavored to read the quarterly reports submitted to the Congress by the President to give us greater information and data concerning lend-lease, but they do not contain specific facts relating to administration.

On December 4, 1945, I introduced House Resolution 446, under which a select committee of seven Members of the House would be created to make a thorough investigation of lend-lease operations. The Committee on Rules so far has given it no consideration.

With a total of approximately $66,000,000,000 originally appropriated, of which about two and one-half billion will have been recaptured, the responsibility rests upon Congress to ascertain just what has been done with these many billions of the taxpayers' money. If there is nothing wrong, and I am not making allegations now—although I have received reports indicating that the procurement officers paid 100 percent in excess of the ceiling prices for various articles purchased under the Lend-Lease Act—I believe that the various agencies which have been charged with the responsibility of administration and likewise this Congress should welcome an opportunity to have a full investigation of the Lend-Lease Act and the operations thereunder. I say that not because anything can be accomplished as to what has passed, in the event we do reveal abuses, extravagance, inefficiency, and bungling, but we know the only way we can maintain a direct and effective check upon appropriations that have been made by the Congress is to serve notice upon these agencies in the executive departments that they will be held to a strict accounting.

Mr. Chairman, many references have been made to lend-lease goods in the "pipe line," covering supplies which were to be delivered to our allies after VJ-day. It has been contended by administration spokesmen that full recovery of 100 cents on the dollar would be made from such deliveries. Of course, cash is not involved but merely the promise to pay

on the part of the beneficiaries over a 30-year period at a low rate of interest.

Not only is there a housing shortage in our own country but many commodities, such as lumber and building materials, are almost impossible to secure by veterans, farmers, and other citizens. Under such circumstances it is difficult to justify continued shipment abroad of these scarce commodities under the Lend-Lease Act, especially in view of the fact that the President terminated operations thereunder on August 17, 1945.

During the hearings information was requested of Commissioner Thomas B. McCabe, of the Office of Foreign Liquidation, as to the status of shipments of pipe-line supplies going to various lend-lease countries. Commissioner McCabe has submitted information to the House Committee on Appropriations showing deliveries up to January 31, 1946, which I have asked permission to insert in the RECORD, as follows:

Estimated pipe line of goods in United States and deliveries up to Jan. 31, 1946

[Dollar cost FAS]

	Total pipe line	Estimated deliveries Jan. 31, 1946
United Kingdom and colonies (excluding Ceylon)	$325,853,070	$211,804,495
Australia	16,248,000	12,000,000
New Zealand	2,062,500	2,062,500
India and Ceylon	2,247,480	1,900,000
Saudi Arabia [1]	9,558,960	5,878,969
Union of Soviet Socialist Republics	280,000,000	100,000,000
American Republics	[2] 4,500,000	None
China	55,000,000	20,000,000
Metropolitan France	305,000,000	160,000,000
Belgium	52,000,000	22,000,000
Netherlands	62,000,000	41,000,000
Total	1,114,470,010	576,725,964

[1] Figures include inland and ocean freight charges.
[2] Including $1,500,000 Treasury Procurement and $3,000,000 to $3,500,000 Army and Navy pipe line.

It is apparent, from the foregoing tabulation, that it is proposed to make additional deliveries totaling almost a half billion dollars of these so-called pipeline supplies. It is questionable whether Congress has given any authority to conduct such operations and, therefore, I urge early consideration of House Resolution 446, so that Congress will learn what has actually been done by the executive department of Government under the Lend-Lease Act.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that the bill be considered as read, and that the same be open to amendment.

Mr. TABER. Mr. Chairman, reserving the right to object, and I shall not object, does that mean that the committee amendments will be offered before any other amendments may be offered?

Mr. CANNON of Missouri. If that is agreeable, we can consider the committee amendments first, Mr. Chairman.

Mr. TABER. That is, all through the bill?

Mr. CANNON of Missouri. Through the entire bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The bill is as follows:

Be it enacted, etc., That the appropriations and contractual authorizations of the departments and agencies available in the fiscal year 1946, and prior year unreverted appropriations, are hereby reduced in the sums hereinafter set forth, such sums to be carried to the surplus fund and covered into the Treasury immediately upon the approval of this act:

TITLE I—EXECUTIVE OFFICE OF THE PRESIDENT, INDEPENDENT OFFICES, AND EXECUTIVE DEPARTMENTS

EXECUTIVE OFFICE OF THE PRESIDENT

Office for Emergency Management

National War Labor Board: Salaries and expenses, $2,250,000.

Office of Scientific Research and Development: Salaries and expenses, $555,000.

War Shipping Administration: Revolving fund, $375,000,000.

Maritime training fund, $2,000,000.

Marine and war risk insurance fund, revolving fund, $60,000,000.

Office of Censorship: Salaries and expenses, $415,400.

Petroleum Administration for War: Salaries and expenses, $200,000.

In all, Office for Emergency Management, $440,420,400.

EMERGENCY FUNDS APPROPRIATED TO THE PRESIDENT

Defense aid—lend-lease, $1,080,000,000, to be deducted from such of the categories specified in the various appropriation acts as may be determined by the Secretary of State or such official as he shall designate.

INDEPENDENT OFFICES

Employees' Compensation Commission: Employees' compensation fund, $1,300,000.

United States Maritime Commission: Construction fund, act of June 29, 1936 revolving fund, $300,068,000.

Federal Security Agency

Public Health Service: Health and sanitation activities, war and defense areas (national defense), $125,000.

Federal Works Agency

Office of the Administrator:

War public works (community facilities), $5,750,000.

Liquidation of Work Projects Administration, 1944, $120,000.

Work relief in Puerto Rico and the Virgin Islands, 1944, $1,000,000.

Public Buildings Administration:

Emergency safeguarding of public buildings and property, $75,000.

Construction of public buildings outside the District of Columbia, $15,662,600.

Construction of public buildings in and near the District of Columbia, $1,500,000.

Public Roads Administration: Flight strips (national defense), $56,732, and such additional amount as may remain unobligated.

In all, independent offices, $325,657,332.

EXECUTIVE DEPARTMENTS

(Nonwar)

Department of Agriculture

Emergency supplies for Territories and possessions, $5,000,000.

Department of the Interior

Office of Fishery Coordination: Salaries and expenses, $12,000.

Emergency funds appropriated to the President: Emergency fund for the President, national defense (allotment to Interior, Territories, and island possessions), $1,391,143.

Department of Justice

Legal activities and general administration: Salaries and expenses, Lands Division, $300,000.

In all, executive departments, $6,703,143.

In all, title I, $1,852,780,875.

Miscellaneous Provisions, Title I

Reductions in contractual authorizations

Contractual authorizations of the departments and agencies available in the fiscal year 1946 are hereby reduced in the sums hereinafter set forth:

Independent offices

United States Maritime Commission: Construction fund, act June 29, 1936, revolving fund, $460,000,000.

Federal Works Agency, Public Buildings Administration: Construction of buildings in the District of Columbia, $3,673,001.

Reductions in limitations on administrative expenses

Limitations on amounts from funds of corporations and other agencies for administrative expenses are hereby reduced in the following sums:

Executive Office of the President

Office for Emergency Management, Foreign Economic Administration:

Rubber Development Corporation, $160,000.

U. S. Commercial Company, $250,000.

Independent offices

Federal Loan Agency, Reconstruction Finance Corporation: Administrative expenses, Reconstruction Finance Corporation and its affiliated organizations, $7,000,000.

CORPORATE FUNDS TO BE TRANSFERRED TO THE TREASURY

Executive Office of the President

Office for Emergency Management:

Office of Inter-American Affairs: The Director of the Office of Inter-American Affairs is hereby directed to deposit in the Treasury of the United States as miscellaneous receipts the following sums representing excess funds of corporations created by the Coordinator of Inter-American Affairs under authority of law:

Institute of Inter-American Transportation, $171,890.

Inter-American Navigation Corporation, $175,000.

Prencinradio, Incorporated, $100,000.

TITLE II—MILITARY ESTABLISHMENT

Office of Secretary of War: Expediting production of equipment and supplies for national defense, 1940–4C, $20,545,000.

General Staff Corps: Special field exercises, Army, 1942–46, $2,413,868.

Adjutant General's Department: Command and General Staff School, Fort Leavenworth, Kans., 1942–46, $20,000.

Finance Department: Finance Service, Army, 1942–46, $66,140,457, and subappropriations under this head are hereby decreased as follows: (1) Pay of the Army, $61,435,757; (2) expenses of courts martial, $4,700; (3) apprehension of deserters, $450,000; (4) Finance Service, $4,000,000, and (5) claims for damages due to loss or destruction of property, or personal injury, or death, $250,000.

Quartermaster Corps:

Quartermaster Service, Army, 1942–46, subappropriation "Welfare of enlisted men," $5,400,000.

Transportation Corps:

Transportation Service, Army, 1945–46, $80,000,000.

Signal Corps:

Signal Service of the Army, 1942–46, $85,000,000.

Air Corps: Air Corps, Army, 1942–46, $1,000,000,000.

Medical Department: Medical and Hospital Department, Army, 1942–46, $27,615,000.

Corps of Engineers:

Engineer Service, Army, 1942–46, subappropriation "Engineer Service," $50,000,000, and no part of such subappropriation shall be available after February 25, 1946, for acquiring land or building permanent structures within the continental limits of the United

States, except structures not costing more than $20,000.

Repair of arsenals, Army, 1942–46, $661,905.

Repair of arsenals, emergency construction, no year, $480.

Acquisition of land, Panama, Army, no year, $395,593.

Acquisition of land, Buchanan, P. R., no year, $8,284.

Acquisition of land, act June 26, 1940, no year, $13,254.

Acquisition of land for military purposes, national defense, no year, $360,941.

Acquisition of land, San Bernardino, Kern, Los Angeles Counties, Calif., no year, $1,470.

Acquisition of land, Ogden Ordnance Depot, Utah, no year, $60,420.

Sites for military purposes, no year, $10,065.

Construction of buildings, utilities, and appurtenances at military posts, no year, $12,533,633.

Office buildings and appurtenances, War Department, Arlington County, Va., no year, $157.

Buildings for United States representatives, Philippine Islands, no year, $304.

Ordnance Department: Ordnance service and supplies, Army, 1942–46, $201,035,000.

Chemical Warfare Service: Chemical Warfare Service, Army, 1942–46, $21,600,000.

Special service schools: Special service schools, Army, 1942–46, $382,500, and subappropriations under this head are hereby decreased as follows: (1) Infantry School, $181,200; (2) Cavalry activities, $30,300; (3) Field Artillery activities, $130,500; and (4) Coast Artillery activities, $40,500.

Armored force: Instruction in armored force activities, 1942–46, $83,000.

Seacoast defenses:

Seacoast defenses, general, 1942–46, $14,683,000, and no part of such appropriation shall be available after February 25, 1946, for the acquisition of land.

Seacoast defenses, general, no year, $9,698,373.

Seacoast defenses, no year, $708,225.

Seacoast defenses, insular departments, no year, $50,456.

Seacoast defenses, Panama Canal, no year, $622,470.

United States Military Academy: Pay of Military Academy, 1942–46, $126,272.

Citizens' Military Training:

Military supplies and equipment for schools and colleges, 1942–46, $6,083.

National Board for Promotion of Rifle Practice, Army:

Promotion of rifle practice, 1942–46, $17,500.

Inter-American relations, War Department:

Inter-American relations, War Department, 1943–46, $30,000.

National defense activities, War Department, 1942–46, $2,659.

Office of the Secretary:

Contingent expenses, War Department, 1942–46, $1,200,000.

Printing and binding, War Department, 1942–46, $4,500,000.

Emergency funds appropriated to the President: Emergency fund for the President, national defense (allotment to War), 1942–46, $10,000,000.

In all, title II, $1,615,926,369.

TITLE III—NAVAL ESTABLISHMENT

Office of the Secretary:

Naval Research Laboratory, $75,000.

Ocean and lake surveys, Navy:

Fiscal year 1944, $48,925.

Fiscal year 1945, $7,953.

Bureau of Naval Personnel:

Naval Training Station, Lake Pend Oreille, Idaho, 1944, $11,456.

Naval Training Station, Port Deposit, Md., 1946, $200,000.

Libraries, Navy, 1945, $171,373.

Welfare and recreation, Navy:

Fiscal year 1945, $1,968,936.

Fiscal year 1946, $2,000,000.

Naval Reserve Officers' Training Corps:

Fiscal year 1944, $8,608.

Fiscal year 1945, $62,595.

Fiscal year 1946, $250,000.

Naval prison farms and prison personnel (receipt limitation), 1944, $38.

Bureau of Ships:

Maintenance, Bureau of Ships:

Fiscal year 1942, $3,090,591.

Fiscal year 1943, $53,724,957.

Fiscal year 1946, $30,000,000: *Provided*, That this appropriation shall be available for continuing the purposes of the appropriation "Defense installations on merchant vessels, Navy," when such latter appropriation is exhausted.

Bureau of Ordnance:

Ordnance and ordnance stores, Navy:

Fiscal year 1945, $205,247,233.

Fiscal year 1946, $100,000,000.

Bureau of Supplies and Accounts:

Pay, subsistence, and transportation, Navy, 1944, $2,763,960.

Pay and subsistence of naval personnel, 1946, $400,000,000.

Maintenance, Bureau of Supplies and Accounts:

Fiscal year 1944, $5,000,000.

Fiscal year 1946, $15,000,000.

Transportation of things, Navy, 1946, $150,000,000.

Fuel and transportation, Navy, 1945, $20,000,000.

Naval stock fund, $275,000,000.

Bureau of Medicine and Surgery:

Medical Department, Navy:

Fiscal year 1944, $2,372,599.

Fiscal year 1945, $7,000,000.

Fiscal year 1946, $17,000,000.

Bureau of Yards and Docks:

Maintenance, Bureau of Yards and Docks:

Fiscal year 1944, $1,500,000.

Fiscal year 1945, $4,000,000.

Fiscal year 1946, $100,000.

Public Works, Bureau of Yards and Docks, $190,000,000, and the contractual authorization for "Public works, Bureau of Yards and Docks," available in the fiscal year 1946, is hereby further reduced in the sum of $5,000,000, applicable to projects within the continental limits of the United States, and neither the appropriation nor contractual authorization under this head shall be available after February 25, 1946, for the acquisition of land.

Bureau of Aeronautics:

Aviation, Navy:

Fiscal year 1943, $225,000,000.

Fiscal year 1943–44, $10,000,000.

Fiscal year 1944, $200,000,000.

Fiscal year 1946, $215,887,000, and subappropriations under this head are hereby decreased as follows: (1) New construction and procurement of aircraft and equipment, spare parts, and so forth, from "$128,116,900" to "$94,737,200"; (2) replacement of navigational and radio equipment for aircraft in service, etc., from $44,934,000" to "$34,917,200"; and (3) maintenance, repair, and operation of aircraft factory, air stations, etc., from "$800,374,950" to "$627,884,450."

Marine Corps:

General expenses, Marine Corps:

Fiscal year 1944, $10,000,000.

Fiscal year 1945, $10,000,000.

Increase and replacement of naval vessels:

Increase and replacement of naval vessels, construction and machinery, $602,491,000.

Increase and replacement of naval vessels, armor, armament and ammunition, $338,848,000.

Increase and replacement of naval vessels, emergency construction, $20,387,000.

Repair facilities, Navy:

Repair facilities, Navy, $18,281,000.

Coast Guard:

Pay and allowances, Coast Guard:

Fiscal year 1944, $11,816,086.

Fiscal year 1945, $5,940,838.

Fiscal year 1946, $7,000,000.

General expenses, Coast Guard:

Fiscal year 1944, $136,250.

Fiscal year 1945, $48,286.

Fiscal year 1946, $1,500,000.

Retired pay, former Lighthouse Service, Coast Guard, 1946, $41,000.

Salaries, Merchant Marine Inspection, Coast Guard, 1945, $5,985.

NAVY DEPARTMENT

Salaries:

Salaries, Compensation Board, 1944, $109.

Salaries, Bureau of Naval Personnel, 1945, $577.

Salaries, Hydrographic Office:

Fiscal year 1944, $65,119.

Fiscal year 1945, $30,461.

Salaries, Bureau of Ships, 1945, $7.

Salaries, Bureau of Supplies and Accounts, 1945, $33,299.

Salaries, Bureau of Yards and Docks, 1945, $153.

Contingent expenses:

Contingent expenses, Navy Department, 1945, $106,000.

The amount which may be transferred to this appropriation from other appropriations contained in the Naval Appropriation Act, 1946, is hereby decreased from "$5,500,000" to "$4,000,000."

Printing and binding, Navy Department, 1945, $2,118,500.

The amount which may be transferred to this appropriation from other appropriations contained in the Naval Appropriation Act, 1946, is hereby decreased from "$18,500,000" to "$8,500,000."

Contingent and miscellaneous expenses, Hydrographic Office:

Fiscal year 1945, $52,000.

Fiscal year 1946, $600,000.

Transfer of appropriations

Transfers of the amounts hereinafter set forth shall be made from the appropriation "Aviation, Navy, 1946," to the following appropriations:

Navy War College, 1946, $37,000;

Naval Training Station, Newport, 1946, $907,000;

Pay, Naval Academy, 1946, $159,000;

Naval Home, 1946, $12,640;

Pay, subsistence and transportation, 1943, $4,500,000;

Maintenance, Bureau of Supplies and Accounts, 1943, $350,000;

Maintenance, Bureau of Supplies and Accounts, 1945, $29,364,000;

Fuel and transportation, Navy, 1944, $1,415,000;

Civilian employees, Coast Guard, 1946, $395,000;

Salaries, Merchant Marine Inspection, 1946, $72,000;

In all, $37,211,640.

Naval stock account and fund

Effective April 1, 1946, the limitation, specified in the First Supplemental National Defense Appropriation Act of 1944, on the value of stock in the "Naval stock account" plus outstanding obligations under the "Naval stock fund" shall be reduced from $2,250,000,000 to $1,650,000,000, and thereafter said stock and obligations shall not exceed at any time said latter amount.

In all, title III, $3,166,992,924.

General provision

The War and Navy Departments are hereby relieved from reimbursing each other from the appropriations of the "Military Establishment" and the appropriations of the "Navy Department and the naval service" for the amounts which on the date of this act may be owing by either Department to the other (exclusive of working fund accounts) for materials, supplies, equipment, or services furnished to either of said departments by the other, prior to September 1, 1945. The

department furnishing such materials, supplies, equipment, and services shall be responsible for the expenses arising in connection with the termination of contracts or settlement of the accounts in connection therewith.

SEC. 301. This act may be cited as the "Second Supplemental Surplus Appropriation Rescission Act, 1946."

COMMUNISM IN CENTRAL AMERICA—ITS THREAT TO THE UNITED STATES

Mr. CANNON of Missouri. Mr. Chairman, before I offer the first committee amendment, I desire to yield to the gentleman from West Virginia [Mr. RANDOLPH] and ask unanimous consent that he may have five additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. RANDOLPH. Mr. Chairman, I move to strike out the last word. I appreciate the courtesy of the able chairman of the Committee on Appropriations and shall ask the indulgence of my colleagues for these few minutes that I may present to you, not my opinions in the manner of an alarmist who would try to arouse his fellow members, but to give you what I believe to be facts in reference to a situation which I feel is of the utmost importance at the present time.

Within recent days I have returned, together with other Members of the House who journeyed to Central America to investigate the construction of the Inter-American Highway running through seven countries. We occupied about 3 weeks in this important task. I shall not now discuss the problems in connection with the building of that road which passes through Panama, Costa Rica, Nicaragua, Honduras, El Salvador, Guatemala, and Mexico. That will be a proper subject for the distinguished chairman of the Committee on Roads, the gentleman from Utah [Mr. ROBINSON], and those of us who joined in the investigation and study. We shall make a report to the Congress of the United States in reference to whether we should or should not appropriate additional sums of money for its completion. I shall, therefore, refrain at this time, although I am absorbed with the subject matter, from a discussion of that vitally important highway.

I call attention, however, to what I found to be in evidence in these Central American countries with reference to the Communist-controlled forces which are being directed, vigorously, against the Government of the United States.

I read an editorial with which I agree It appeared in yesterday's Washington Daily News:

RUSSIA AND CHURCHILL

Moscow's bitter attacks on Winston Churchill for proposing closer Anglo-American fraternal association come with bad grace from the Russians, of all people. They seem to forget that they have a 20-year military alliance with Britain, and an offer of one for 50 years. And they have military alliances with other nations. Those in glass houses should not throw stones.

The reason an Anglo-American treaty of alliance is not in the picture has nothing to do with Russian feelings. Certainly Washington would not recognize Moscow's right or good faith in offering objections to the United States following the Russian precedent.

Actually, however, American tradition is against peacetime military alliances of an exclusive nature. That tradition is not apt to be changed.

Moscow knows this. She also knows that treaties of alliance are not worth much, as her own experience shows.

What counts in the relations of nations are common purposes and mutual interests—or conflicting purposes and interests. The Anglo-American conflict of interests is minor compared with the basic purposes and standards shared by the two peoples. The fraternal association which Churchill mentioned—he did not propose a treaty of alliance—already exists and has existed for a long time. Repeatedly it has held Britain and America together in times of grave crisis. It is stronger today than ever.

That does not mean that the United States underwrites all British imperial policy, or that England always agrees with us. It does mean that on the larger issues of world peace, and defense against aggression, the United States and the British Commonwealth are united.

This is not a menace to any peaceful nation, not a threat to any freedom. It is the best hope of the United Nations, and is so recognized by most members.

It will not be used for aggression against Russia. Whether it is ever used in defense against Russian aggression will depend on Moscow. Certainly the democracies and Soviet Russia can exist peacefully in the same world—but not if Russian-directed communism tries to overthrow our democracies. Certainly there is no legitimate territorial conflict between the United States and Russia—but Russia can create conflict if she is determined on expansion at the expense of her neighbors.

If Russia will live up to her United Nations pledges, she will have the United States and Britain as enduring friends in that alliance for peace. But if she continues to violate her peace agreements—as she is doing today in Manchuria and Iran and elsewhere—no power on earth can make others trust her. Unless Russia learns that before it is too late, the future is dark.

I repeat the words: "Certainly the democracies and Soviet Russia can exist peacefully in the same world, but not if Russian-directed communism tries to overthrow our democracies." Mr. Chairman, that policy, not conducive to peace, is being used in the republics of Central America at this hour.

Not only in talking with the officials of the governments concerned, but in checking with literally hundreds of people who reside in those nations, I found evidence which I shall hope to authenticate at a later date, of Communist-controlled forces that are not only using Central America to spread the doctrines of Soviet Russia in those respective countries, but I learned that those nations are being used as a springboard of bitter, virulent attacks upon the United States of America, its Government, and our institutions. Why do I say this? I believe that the Communist newspaper publications in Central America are directed, not from channels in Cuba or from Mexico, but are patterned in their editorial policies and their utterances from Russia itself. The clippings are similar in nature, and the thread of comment running through all of them indicates that there is one central fountain from which the attacks spring.

We visited Managua, the capital of Nicaragua. I found there a man by the name of Fletcher Warren, a clear-thinking, hard-working American, who is our Ambassador in that Central American country. He is thoroughly American, and he is attempting in every possible manner to cooperate with Nicaragua in its contacts with the United States in building a sustained peace and understanding. And yet what did I find? Within the last few weeks at least two and possibly three Communist newspapers in Central America which had previously been praising only the Soviet system of government have now turned their poisoned pens on Fletcher Warren. I have read the slanderous attacks. They are not against the man himself, but they are focusing on Fletcher Warren because he is the Ambassador of the United States. He is a symbol of our country.

Mr. Chairman, I know it is easy to say that perhaps this subject should not be discussed at this time. I thought carefully before uttering the words I have spoken today. I believe, however, that it is absolutely necessary that the United States of America probe painstakingly and continually into the attacks which are being made on the representatives of our Government and our institutions by the Communist newspapers of Central America. I do not believe that those editorials spring sporadically from the newspapers themselves at the plants where they are printed. I know because of the common thread that runs through each and every article that there is a direction, and it appears to come from no other spot than Soviet Russia itself.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. BREHM. Why limit the investigation to newspapers of Central America? Why not extend them to some of our own publications in the United States? In my opinion, certain Communist newspapers in America are using the right of free speech granted to them by the American Government to destroy the very Government which gives them the right of free speech.

Mr. RANDOLPH. I only concern myself, at the moment of course, with what I believe to be the using of Central American countries as an outlet for expressions derogatory to the representatives of this country who are our ambassadors in Central America. We are not aiding those peoples in an effort to exploit, but only to build solidly for peace. I would remind you that I saw cotton acres presumably planted for that purpose by the Japanese, but anyone alert to the situation would know that these lands had been anticipated, in the final analysis, as air fields. The Nazis used the coffee plantations as blinds for radio stations and contact points.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I am glad to yield to the gentleman from Illinois.

Mr. DIRKSEN. What the gentleman says should have a sobering effect upon our opinions when they come as suppliants for money out of the Treasury of this country.

Mr. RANDOLPH. I have this further observation to make. I feel that the clever and dangerous Communist forces in Central America are more thoroughly and effectively organized today against the United States of America than were the Japanese or the German attempts in Central America prior to World War II. I hope that we as a Nation will not be gullible enough to allow facts to pass unnoticed. I do feel, I may say in reference to the observation of my distinguished friend from Illinois, that the leaders and people generally, within these Central American countries, are thoroughly in accord with the fullest cooperation with the United States. We can and must, in a constructive manner, continue to foster this spirit.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. CANNON of Missouri. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 7, strike out "$2,250,000" and insert in lieu thereof "$1,600,000."

Mr. CANNON of Missouri. Mr. Chairman, this amendment is self-explanatory and is offered on the recommendation of the subcommittee. I ask for an immediate vote.

The amendment was agreed to.

Mr. CANNON of Missouri. Mr. Chairman, I offer an amendment on page 3 after line 20.

The Clerk read as follows:

Committee amendment: Page 3, after line 20, strike out the matter in lines 21 and 22.

Mr. CANNON of Missouri. Mr. Chairman, this amendment is offered on the recommendation of the chairman of the Committee on Public Buildings and Grounds and is unanimously approved by the subcommittee.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. CANNON of Missouri. Mr. Chairman, I offer a further amendment on page 3, after line 22.

The Clerk read as follows:

Committee amendment: Page 3, after line 22, strike out the matter in lines 23 and 24.

Mr. CANNON of Missouri. Mr. Chairman, this amendment is also offered with the approval and recommendation of the chairman of the Committee on Public Buildings and Grounds.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. CANNON of Missouri. Mr. Chairman, I offer a further committee amendment on page 11, line 7.

The Clerk read as follows:

Committee amendment: Page 11, line 7, after the comma insert "1946."

Mr. CANNON of Missouri. Mr. Chairman, this is merely a formal amendment designed to clarify the text.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. CANNON of Missouri. Mr. Chairman, I offer an amendment on page 13, line 20.

The Clerk read as follows:

Committee amendment: Page 13, line 20, before the period insert the following: "except in pursuance of a specific appropriation."

Mr. CANNON of Missouri. Mr. Chairman, this amendment is offered for the purpose of requiring the department to come before the committee and justify any contemplated land acquisitions.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. CANNON of Missouri. Mr. Chairman, on page 13, line 23, I offer a further amendment.

The Clerk read as follows:

Committee amendment: Page 13, in line 23, strike out "$225,000,000" and insert in lieu thereof "$265,000,000" and on page 14, line 1, strike out "$200,000,000" and insert in lieu thereof "$260,000,000."

Mr. CANNON of Missouri. Mr. Chairman, this is for the purpose of saving additional funds and is offered on the recommendation of the Navy Department.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. CANNON of Missouri. Mr. Chairman, on page 17, after line 8, I offer a further amendment.

The Clerk read as follows:

Committee amendment: Page 17, after line 8, insert the following: "Salaries, Office of Commandant, United States Coast Guard, 1946, $265,000."

Mr. CANNON of Missouri. Mr. Chairman, this amendment is offered to care in part for the additional funds needed by this office. We were asked to provide $410,000. This is a reduction of $145,000.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 2, line 22, strike out "$1,080,000,000" and insert in lieu thereof "$1,280,000,000."

Mr. TABER. Mr. Chairman, this amendment is offered to increase the amount of rescission on lend-lease $200,000,000.

The hearings upon this subject are not as good as I wish they were. The lend-lease bookkeeping is not very good either. It is perfectly clear that they are reporting obligations of $3,000,000,000 and they are only proposing to save out of cancellations the sum of $100,000,000. They are proposing to spend during the rest of the year something like $727,000,000.

The committee raised the cut $230,000,000 above the Budget, but I think that we can take $200,000,000 more and they will still have plenty of money. Perhaps the most outstanding feature at the present time is the pipe line of goods headed for Russia, involving $280,000,000 and deliveries of only $100,000,000.

It is apparent to me from the whole set-up and from the amount of the outstanding obligations and from the amount of contracts that might be canceled that they can save at least $200,000,000 more. When the last rescission bill was up an attempt was made by the gentleman from Idaho [Mr. DWORSHAK] for adding $500,000,000. It was said at that time that it was not possible. On the other hand, they come in here now with a recommendation themselves to take out $850,000,000, and the committee $1,080,000,000. It is apparent to me, because these rescissions are resulting in so much less savings than any other department or agency, in proportion, that they can save this additional $200,000,000 and still have plenty of money to do anything that they need to do.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Indiana.

Mr. SPRINGER. What are they using the lend-lease funds for at this time?

Mr. TABER. To send stuff to these countries. Frankly, I recognize our obligation to more or less feed the hungry nations, but I question, after the way Russia is acting, whether we should send anything more over there. I do not think that it promotes international good will. The more you give them the worse they seem to act.

Mr. SPRINGER. Are they creating any new obligations to any great extent at this time?

Mr. TABER. In the new obligations that they are creating, they wanted to create $727,000,000. The committee cut that by $230,000,000, so I presume you would have to take that off. That would be $500,000,000 new obligations, and the only legitimate obligation they might create would be for freight charges in sending and making the deliveries of the stuff. They would have plenty of money for that and still make the cut I propose.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. I wish the gentleman would go a little more into detail about these commitments to Russia, the amount of them, and what they are used for.

Mr. TABER. I cannot give the commitments to Russia as of today. They had $280,000,000 in the pipe line as of January 31, and they had delivered out of that $280,000,000, $100,000,000 worth of stuff, leaving $180,000,000 that was still in the pipe line, headed for Russia.

Mr. ROBSION of Kentucky. Does the gentleman mean it is in transit to Russia?

Mr. TABER. No; I do not mean in transit. They call it "delivery" when they load it on the ships here in this country ready to go.

Mr. ROBSION of Kentucky. Has it been loaded yet?

Mr. TABER. It had not been on the 31st of January, and that is the latest date that I have been able to get figures on.

Mr. ROBSION of Kentucky. I guess you would say then that it was earmarked.

Mr. TABER. It was earmarked for Russia.

Mr. ROBSION of Kentucky. Under what obligation are we to supply these additional funds?

Mr. TABER. I do not know.

Mr. ROBSION of Kentucky. Is that not a violation of the law itself?

Mr. TABER. I think it is.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Whether it is in violation of the law or not, is it not true that we could reassert title to those goods?

Mr. TABER. Yes, at any time, under the law, if we needed them for ourselves.

Mr. CASE of South Dakota. So that if the Administrator felt that we should recapture those goods and not permit them to get into the hands of Russia or England, or whoever it might be, we could reassert title up to the time of actual delivery?

Mr. TABER. Yes. Frankly, I do not object to that.

Mr. CASE of South Dakota. Even after delivery we can reassert title, if they are surplus goods, when the war is concluded.

Mr. TABER. That is right.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. VORYS of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have not had a chance to study very fully the arithmetic of the lend-lease accounting to the Appropriations Committee, but I am supporting this amendment.

I want to remind the committee of certain recent history. Last spring when we extended lend-lease there was included an amendment sponsored originally by a Republican minority of the House Committee on Foreign Affairs prohibiting the use of lend-lease as a postwar mechanism for relief, rehabilitation, or reconstruction. In that amendment, which was drafted in my office, was an exception that lend-lease supplies which we had agreed to send before the war was over for use in the war, and for which payment was made, could be delivered after the war. That exception was called the pipe-line provision. The purpose of the exception was to take care of lend-lease materials that were in the pipe line, that had been ordered or were on the way over, and that when the war ended would become war surplus as far as we were concerned.

After the House adopted this amendment it was claimed that this pipe-line provision was a loophole in the postwar lend-lease prohibition and would be used by the administration for furnishing indefinite amounts of postwar lend-lease, in spite of the apparent prohibition of postwar lend-lease in the rest of the amendment.

In the Senate an attempt was made to take out that pipe-line loophole. The vote on the amendment to take it out was 39 to 39. The then Vice President Truman, seeing that the vote was a tie and not realizing that since it was a tie the motion failed, cast his only vote as a Senator while he was Vice President in order to break that tie. Therefore, the bill went to the White House as written here on the floor of the House of Representatives, containing this Republican-sponsored amendment. President Roosevelt died and Vice President Truman became President and signed that bill, so he therefore voted on it as a Senator, signed it as Vice President, and signed the same bill as President.

A group of Republican members of the Committee on Foreign Affairs in May, after VE-day, the same group that had sponsored this amendment in the House, being concerned that there would be an attempt made to use this pipe-line amendment as a loophole to use lend-lease as a postwar mechanism, wrote the President asking him what his policy would be and whether he intended to comply with this amendment or use the pipe line as a loophole to use lend-lease for postwar relief, reconstruction and rehabilitation purposes, as had been charged on the floor of the Senate and elsewhere. In our letter we reminded him that no President ever knew the intent of Congress better than he did in connection with this bill, having been present in the Senate and heard the debates as Vice President and having voted on it on that tie vote as a Senator. The answer came back that he understood the intent of Congress and intended to carry it out clearly and not do anything except clear the pipe line.

As we know, shortly after VJ-day came an announcement that was astounding in some quarters, but it was clearly in accord with the intention of the Congress, that lend-lease would be cut off. The President was thereby complying with the law.

As I say, I have not had a chance to study the figures carefully, and they are so put together in the hearings that it will require a great deal of study to make head or tail of them. However, it seems to me that we are seeing the lend-lease pipe line used as a loophole to furnish postwar food, relief, rehabilitation, and reconstruction to certain countries, that we are seeing a violation of the provision of the Congress. Under the pipe-line agreements we are not obligated to furnish anything after the war, but the other countries are obligated to take, and pay for, whatever is in the pipe line that we want to continue to deliver. Thus, there can be no legal obligated appropriations for postwar lend-lease, yet the hearings and reports show millions of such obligations.

I cannot see how any food could still be in the pipe line, yet we find $400,000,000 still to be spent for agricultural items. Thus food is postwar relief, not war surplus. Therefore, it seems to me it would be fully in accord with the clear intention of Congress if we made this additional rescission that the gentleman from New York has suggested by his amendment, and cut down this amount to make sure that the lend-lease law on this subject is observed by the administration.

Mr. LUDLOW. Mr. Chairman, I rise in opposition to the amendment.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that the gentleman from Indiana may proceed for five additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. LUDLOW. Mr. Chairman, the gentleman from New York and I have served so long together on the Committee on Appropriations, sometimes it seems to me that the memory of man runneth not to the contrary. I have learned through the years to appreciate his incalculable value to this House and to the United States of America. Usually, when we write these appropriation bills in committee, his pencil and mine move in the same direction—and that is downward. But I do not believe the gentleman from New York understands all of the facts about the status of the lend-lease appropriation or he would not advocate a greater rescission than is provided in this bill.

There is only one proper way to decide the amount of lend-lease appropriations that should be rescinded, and that is on the basis of clearly ascertained facts. What are the facts?

Let us bear in mind, first of all, that lend-lease is on a purely folding-up basis. It is not buying a new thing and it cannot undertake any new obligations. Let us not forget that its activity is to be devoted henceforth to paying its bills and closing up shop. It is nothing more than a liquidating operation from now on.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. TABER. The evidence indicates they expect to obligate $500,000,000.

Mr. LUDLOW. That is a mistake. They do not expect to enter into any new contracts or any new commitments.

Mr. TABER. Then we ought to be able to save something.

Mr. LUDLOW. Thomas B. McCabe, Foreign Liquidation Commissioner, and his staff made a careful survey to determine how much money they would have to have in order to close out. They decided that by wringing out every unnecessary dollar of their resources at hand they could return $750,000,000 to the Treasury. Then they screwed up the wringer a little tighter and decided that they could possibly add $100,000,000 to that amount, making the total rescission $850,000,000, and the Budget Bureau sent our Deficiencies Subcommittee an estimate of that amount. This left a total of $727,885,000 to cover liquidating operations from December 1, 1945, to the end of the availability of the lend-lease appropriations. These obligations are listed in 10 categories on page 208 of the committee hearings.

I am advised that the $850,000,000 rescission exhausts—in fact, more than exhausts—all of the available uncommitted resources of lend-lease. Every dollar held by lend-lease beyond that amount is committed by hard and fixed

obligations of this Government. Therefore, it has nothing beyond that amount it can rescind. It is impossible to squeeze blood out of a turnip and I am convinced that no money can be squeezed out of lend-lease for rescission purposes beyond the $850,000,000 proposed by lend-lease and approved by the Budget.

I believe from my investigation of the matter that this is a plain factual statement, the truth of which will be brought out later. Since Mr. McCabe and his staff, with some misgivings, agreed to rescind $850,000,000, other obligations have turned up which, if taken into account, would reduce the rescission many millions of dollars below $850,000,000. These result from so-called open-end contracts, the bills for which are now coming in and which are adding in a surprising way to the total of lend-lease obligations. Open-end contracts were contracts in which the Government bound itself to take the complete output of factories. Many steel contracts were of this character. In such cases the Government's actual obligations could not be known until the vouchers come in. Since lend-lease last reported to our subcommittee it has learned of $50,000,000 or $60,000,000 of obligations it did not know it had and all of the vouchers from open-end contracts, especially steel contracts, are not yet in.

I am satisfied that Lend-Lease overshot rather than underestimated its rescindable resources when it fixed the amount at $850,000,000. I believe that our subcommittee made a mistake when it increased the rescission $230,000,000, and I am certain that any further increase of the rescission as proposed by the gentleman from New York would be a perfectly futile performance, which would either result in an enormous lot of claims being filed against the Government for unsatisfied obligations or in the presentation later of estimates for deficiency appropriations to cover these claims. I hope that all efforts to increase the rescission will be defeated.

The adoption of the amendment of the gentleman from New York would put the House in a ridiculous position. The Senate would be certain to reject it, for there is no such money to rescind. I repeat that you cannot get blood out of a turnip.

Mr. CASE of South Dakota. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the gentleman from Indiana [Mr. LUDLOW] spoke of this obligation as a hard and fixed obligation of the Government and said that we could not get blood out of a turnip.

Now, just what is the situation? Are we under hard and fast obligations to deliver goods in the lend-lease pipe line? In Chungking, in Calcutta, in New Delhi, in Tehran, in Frankfurt, in Berlin, in Paris, and in Cairo, members of the Appropriations Subcommittee for the War Department discussed the problem of the left-over lend-lease goods in the various countries which we visited. I see at least three members of that subcommittee on the floor this afternoon, and I am sure they will bear me out when I say that that question was repeatedly raised, as to whether the United States Government could not reassert title to lend-lease goods which had already been delivered but which were surplus and no longer needed with the war over. Repeatedly, in all of those places we were told that the United States Government could assert title to lend-lease goods which had been delivered, when they were surplus and the war was over. Then, how can anyone contend now that we have a fixed obligation to deliver additional lend-lease goods because they happen to be in the pipe line?

Here are samples from the pipe-line figures which total something over a billion dollars:

United Kingdom and colonies, $325,000,000.

India and Ceylon, $2,247,000.

Union of Soviet Socialist Republics—Russia—$280,000,000.

Metropolitan France, $305,000,000.

There have been a great many red faces in this country because of the sale of scrap and oil to Japan and to some other countries, and the delivery of some other goods which they later used to make war on the United States.

In the present unsettled condition, in the present turmoil about the situation in the world, what justification can there be for the United States continuing the delivery of lend-lease goods to some or any of those countries I have mentioned, under any theory of obligation?

What is this money to be used for? An analysis of the projected obligations as given in the hearings on page 208 shows that ordnance and ordnance materials account for $11,000,000; aircraft and aeronautical materials for $23,000,000; trucks and automotive vehicles for $45,000,000; vessels, water craft, and equipage, $173,000,000, and so on; also agricultural commodities and items of that sort, $400,000,000.

What obligation have we to make the delivery of goods that are now in the pipe line when we can reassert title to those we delivered before the war ended when they became surplus? I suggest to the Members of the House that we had better consider pretty carefully and, if we can, reclaim more of these funds lest there be a lot of red faces if the delivery of some of these materials should later be found to have placed them into the hands of persons who would use them for aggression or for purposes that would run counter to the interests of the United States.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. SMITH of Virginia. Mr. Chairman, I ask unanimous consent that the gentleman from South Dakota may proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. SMITH of Virginia. What some of us would like to know is whether as a matter of physical fact we are now delivering any goods to any foreign country under lend-lease obligations?

Mr. CASE of South Dakota. As I understand it, the purpose of this appropriation item is to make the delivery of goods which have not yet got to them, and to complete the contracts for those goods.

Mr. SMITH of Virginia. Under what authority of law are we giving any foreign country under lend-lease now?

Mr. CASE of South Dakota. I am sure I do not know other than as the gentleman from Ohio [Mr. VORYS] said that it grows out of the pipe-line clause which technically offers some escape, although it was not intended to be so used as he explained.

Mr. SMITH of Virginia. Is that why this $200,000,000 is claimed to be needed, to take care of goods in the pipe line?

Mr. CASE of South Dakota. Yes; that is why the funds were originally appropriated; the bill now pending rescinds a portion of those appropriations; the amendment by the gentleman from New York seeks to increase the rescission by $200,000,000.

Mr. SMITH of Virginia. What I would like to know is whether we are giving any goods today to foreign countries under lend-lease, and, if so, by what authority? And I hope some member of the committee will explain.

Mr. LUDLOW. There are no new commitments.

Mr. SMITH of Virginia. I am not talking about that. What I am talking about is delivering goods to foreign countries under lend-lease at this time.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from New York.

Mr. TABER. I read from the Twenty-first Report on Lend-Lease Operations, which was presented here on January 31:

> Adherence to this policy has meant the almost complete cessation of expenditures of lend-lease funds except to the extent that these funds have been encumbered by obligations assumed.

There are $400,000,000 available above the amount that is encumbered. That is what I propose to cut.

Mr. CASE of South Dakota. And the gentleman proposes that we shall not spend any more money than is necessary to complete those obligations, and then not fill the pipe line any more.

Mr. TABER. That is right.

Mr. DIRKSEN. Mr. Chairman, I move to strike out the last word.

Mr. CANNON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes, the last 5 to be reserved to the committee.

Mr. SMITH of Virginia. Mr. Chairman, reserving the right to object, this seems to me to be a matter of very grave importance about which the House understands little. I do not think the gentleman should cut off debate on this matter until it has been further gone into.

Mr. CANNON of Missouri. We have already debated this matter pretty fully. Does the gentleman want 5 minutes?

Mr. SMITH of Virginia. I want information, not particularly time for my own use.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes, the last 5 to be reserved to the committee.

Is there objection?

There was no objection.

Mr. DIRKSEN. Mr. Chairman, I would like to address myself particularly to the gentleman from Virginia [Mr. SMITH] because I think that is an interesting question and one on which there is a great deal of confusion. I can best illustrate it in the form of an inquiry I checked up on very recently when the housing bill was before this body for consideration. There was a note in my mail to the effect that some 40,000,000 board feet of hardwood lumber was being exported out of the country. I thought that was an abnormally large estimate, so I called up the Treasury Department to check on the matter and I got hold of the appropriate person down there who is working in the lend-lease end of the Treasury Procurement. He searched around and came up with a different figure. I asked him what it was and he said the amount was 18,000,000 feet. That is to say that we were obligated to export 40,000,000 feet, but 18,000,000 feet remained undelivered. I said, "By what warrant is 18,000,000 board feet of hardwood lumber being sent out of the country?" He said, "A selection was made by countries with whom we had a lend-lease contract or lend-lease agreement, and we permitted them at the time that lend-lease came to an end to make a selection of the contracts that they would like to see fulfilled." So those contracts are being fulfilled today, as I recall, on a 30-year credit basis at an interest rate of 2 percent.

Mr. LUDLOW. Two and three-eighths percent.

Mr. DIRKSEN. Or 2⅜ percent. We said to these countries: "All right, you pick out the contract you want fulfilled, notwithstanding the fact that here is a proclamation to the effect that lend-lease as such should terminate." Now we are fulfilling those contracts notwithstanding the declaration that was made to the effect that lend-lease came to an end.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. Can the gentleman inform me on this point: In those cases where we are delivering further goods to foreign countries under lend-lease, are those countries now purchasing and obligating themselves to pay for those goods?

Mr. DIRKSEN. Insofar as I know, that is being handled on the basis of 30 years' credit at 2⅜ percent. If I am in error I will be happy to have somebody correct my recollection. In addition to that, there is a bookkeeping transaction and reimbursement to the various agencies of government where these commitments are being liquidated and obligations raised similar to the fixed obligations read a moment ago by the gentleman from South Dakota; then, of course, there is the administrative expense that goes along with it.

The point I raise on behalf of the pending amendment is this: Wherever it involves our own Government and we find ultimately there is a deficiency we can cure it in a subsequent deficiency bill. It does not necessarily have to be done today, for one thing, and, secondly, if there is a possibility that some excess funds are left over, it occurs to me that the Congress can still reexamine into that matter very carefully to make sure that there is no extravagant expenditure of those funds irrespective of how much is involved.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Michigan.

Mr. RABAUT. In connection with these goods that were in the mill, so to speak, when they were in the mill and when the lend-lease proposition came up that they could decide either to buy them or leave them, there was a great loss to be sustained on the cessation of lend-lease in some cases because goods were almost 100 percent completed and in those cases where they took the goods there was a great saving to the Government.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. It is perfectly clear that lend-lease ends on June 30, 1946. Nothing more can be sent after that except "goods for use in the prosecution of the present war," that having been indicated by the Congress last spring when we were talking about before VJ-day and before VE-day. There cannot be any pipe-line agreements, any of these so-called 3 (c) agreements unless they were made before VE-day because it had to be made during the present war. In addition to that, the agreement had to provide for payment for the goods.

Can the gentleman tell us whether the hearings show that pipe-line agreements have been made since VJ-day? If they have been, it seems to me they are contrary to law.

Mr. DIRKSEN. I do not recall whether a statement of that fact appears in the hearings or not.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Yes; I yield.

Mr. CASE of South Dakota. I would like to ask somebody to answer on the floor definitely whether this money for lend-lease operations contemplates delivering goods under the original lend-lease agreement as it was understood, or whether this money will be used to pay for goods delivered under a sales agreement in harmony with the so-called 3 (c) paragraph.

Mr. HOFFMAN. Will someone on the majority side in charge of the bill answer that question, please? Apparently nobody over there knows the answer.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from New York.

Mr. TABER. Those contracts would not have too much bearing upon this appropriation because there is a margin in here for the enormous, extravagant expenditures on obligations to be incurred subsequent to January 1. They would have plenty of money by cutting out this additional $200,000,000 and still get by with everything they need.

Mr. HOFFMAN. Mr. Chairman, the remarks made by the gentleman from Illinois [Mr. DIRKSEN] at least cleared up one point in my mind. One of my constituents has been trying to get hardwood flooring for the last 8 months, and I have been unable to find out why he could not get it. The departments down below would not tell me. The mills said they had a ceiling price on it and they could sell the rough lumber for more than the finished hardwood flooring would bring, so I supposed they were not making it. Now I am happy to pass the information along to my constituent that 18,000,000 board feet of that hardwood lumber went overseas. I wonder if the gentleman could tell me where it went?

Mr. DIRKSEN. Mr. Chairman, if the gentleman will yield, 22,000,000 feet have already been delivered, and 18,000,000 feet are still to be delivered.

Mr. HOFFMAN. It is still going?

Mr. DIRKSEN. Yes.

Mr. HOFFMAN. Well, then, that will make my constituent happy, or will it?

Mr. DWORSHAK. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Idaho.

Mr. DWORSHAK. I am receiving complaints from farmers in my State who are unable, under the priority system, to get a few boards with which to repair their machinery so that they can produce more food.

Mr. HOFFMAN. The OPA will fix that for you if and when we put it out of business.

Mr. DWORSHAK. And lumber is now being shipped overseas to Russia and other foreign countries.

Mr. HOFFMAN. I know I have some maple trees that I wanted to cut into flooring, but I could not get anybody to do it, either to cut it or haul it away to the mill. It is only 3 miles away. There is nobody to work in the mill to make it into flooring.

What I want to talk about, though, is this: While we are wandering all over the world trying to settle everybody's troubles, it might be well to take a look at home. I should not place too much reliance, if I was a member of the CIO or the PAC on what some Representative might say, because the CIO would not agree with what I thought, and being good PAC'ers would never agree to anything contrary to what they thought it ought to be.

ADVOCATING VIOLENCE

When goon squads seized possession of factories; drove women and men from their jobs; defied court orders; assaulted and beat innocent citizens; repeatedly violated the law, from the 1st day of January to the 10th day of June 1937, the

national administration and the then Governor of Michigan condoned that civil rebellion by neglecting to enforce the law.

To enforce the laws, proclaimed the Governor of Michigan, would lead to bloodshed. He overlooked the fact that the goon squads imported from other cities and States were beating and shedding the blood of Michigan citizens who wanted to work.

That, you say, is all in the past and should be forgotten. Well it might be, were it not for the fact that today individuals and organizations, following communistic methods and procedure, are again advocating open defiance of the law, and the Congress of the United States fails to take action to force Federal authorities to enforce the law.

From the Philadelphia Record of March 3, 1946, published by one Julius David Stern, comes a news story, the caption of which, in large, black-face type, reads: "Union aide urges labor defy law to wake up city."

In smaller type we find these words: "CIO official says people here are 'not mad enough.'"

The news story continues:

What Philadelphia needs is more outright defiance of law and order, Franz Daniel, Washington representative of the Industrial Union of Marine and Shipbuilding Workers (CIO), said here yesterday.

Daniel, former executive head of the CIO Political Action Committee in this city, addressed some 300 delegates to the Philadelphia regional conference on the Community in Action, at the Girls' High School, Seventeenth and Spring Garden Streets.

Obviously referring to the General Electric strike and the demands of teachers for higher pay, Daniel said that conferences on such disputes are likely to end in futility until the organizing power of defiance is understood.

RAPS NEWSPAPERS' ATTITUDE

"We are not mad enough," Daniel declared. "If three teachers went to jail it would be the greatest thing that ever happened to Philadelphia. You would find rallying behind them people from the really good parts of the community."

Accusing the newspapers of a holier-than-thou attitude in their editorials on the GE strike, Daniel said: "Until the time comes when people are willing to defy law and order for the sake of democracy, we are not going to change conditions."

More than 2 years ago, the House sent over to the other body the Hobbs bill, designed to end what was described by a United States Supreme Court Justice as highway robbery and extortion, but which the Court held was legal when practiced by members of a union.

The American people are waiting, not only for Congress to take effective action looking toward the enforcement of the laws, the protection of the citizen's right to work, but they are looking toward the north end of the Capitol building in Washington, wondering where lies buried the Hobbs bill; they are wondering who buried it and who is sitting on the grave.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. Mr. Chairman, this is a very simple proposition. On VJ-day, in compliance with a directive from the President, all new lend-lease commitments of every character ceased. Lend-lease was at an end. Of course, at that time we had contracts for goods; goods in the pipe line; goods in the mill, which are considered in the pipe line, all of which involved obligations and losses to the Government if canceled. Immediately everything was discontinued except under the so-called 3 (c) agreements with respect to France, Belgium, and the Netherlands, which had to be carried out and which have been carried out. With that exception, all lend-lease deliveries ceased. Where we had goods in the pipe line and under contract, such goods were turned over to those who wanted to buy them for cash in advance or for notes payable in 30 years at 2⅜ percent.

It can be readily understood that with the large number of contracts uncompleted, the quantities of goods en route and under manufacture in the mills, involving a charge against the United States Government, the sale of these goods to foreign nations which would pay for them was to the financial interest of our Government. We will save money by completing them.

That is all there is to it. There have been no new commitments and no new contracts since VJ-day.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. The gentleman has had the benefit of the hearings and whatever discussion there was there, and knows where these various deliveries will be made of the pipe-line material. Would he say that in his judgment it is a good thing to complete the delivery on all of these goods to the particular countries that are involved and that are going to receive them?

Mr. CANNON of Missouri. I think we will save money by it. Let me read one paragraph from the report which I think should ease the minds of Members. Speaking of lend-lease, the report states:

This activity is being liquidated. No new commitments will be made. Unexpended funds are for discharging existing obligations, a goodly portion of which may yet be canceled. Settlements are being accelerated and the committee is advised that every effort is being made, in consequence of committee pressure, to liquidate all outstanding obligations as expeditiously as practicable.

Mr. CASE of South Dakota. The gentleman will agree with me that under the basic lend-lease law the United States could assert title to anything that was delivered under lend-lease.

Mr. CANNON of Missouri. Right.

Mr. CASE of South Dakota. Does the gentleman say it is better to make these deliveries abroad than to keep these supplies in the United States, bearing in mind that the supplies in some instances are military material and in some cases lumber and things of that sort?

Mr. CANNON of Missouri. The gentleman is covering a great deal of territory. I will say that as far as the committee was able to ascertain no goods are being delivered the delivery of which is contrary to the interest of the United States Government.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The question was taken; and on a division, there were—ayes 64, noes 60.

Mr. CANNON of Missouri. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed Mr. CANNON of Missouri and Mr. TABER as tellers.

The Committee again divided; and the tellers reported that there were—ayes 69, noes 67.

So the amendment was agreed to.

Mr. CANNON of Missouri. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JARMAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5604) reducing or further reducing certain appropriations and contractual authorizations available for the fiscal year 1946, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. CANNON of Missouri. Mr. Speaker, I ask for a separate vote on the amendment decreasing the amount of funds for lend-lease.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gross.

The other amendments were agreed to.

The SPEAKER. The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 2, line 22, strike out "$1,080,000,000" and insert "$1,280,000,000."

The SPEAKER. The question is on agreeing to the amendment.

Mr. CANNON of Missouri. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 148, nays 172, answered "present" 1, not voting 110, as follows:

[Roll No. 54]

YEAS—148

Adams	Bradley, Mich.	Church
Andersen, H. Carl	Brehm	Clason
	Brown, Ohio	Clevenger
Anderson, Calif.	Brumbaugh	Clippinger
Angell	Buck	Cole, Mo.
Arnold	Buffett	Corbett
Auchincloss	Butler	Cunningham
Bates, Mass.	Byrnes, Wis.	Curtis
Beall	Campbell	D'Ewart
Bender	Carlson	Dirksen
Bennet, N. Y.	Case, N. J.	Dworshak
Bennett, Mo.	Case, S. Dak.	Ellsworth
Bishop	Chenoweth	Elsaesser
Blackney	Chiperfield	Engel, Mich.

Fenton	Jenkins	Ramey
Fulton	Jennings	Rankin
Gamble	Jensen	Reese, Tenn.
Gathings	Johnson, Calif.	Reed, Ill.
Gearhart	Johnson, Ill.	Rees, Kans.
Gerlach	Johnson, Ind.	Robsion, Ky.
Gillespie	Jones	Rockwell
Gillette	Jonkman	Rodgers, Pa.
Gillie	Judd	Rogers, Mass.
Goodwin	Kean	Schwabe, Okla.
Graham	Kearney	Scrivner
Grant, Ind.	Kilburn	Shafer
Griffiths	Kinzer	Sharp
Gross	Kunkel	Short
Gwinn, N. Y.	Landis	Simpson, Ill.
Gwynne, Iowa	Larcade	Simpson, Pa.
Hagen	LeCompte	Smith, Maine
Hale	LeFevre	Smith, Ohio
Hall, Edwin Arthur	Lemke	Springer
	Lewis	Stefan
Hall, Leonard W.	McConnell	Stevenson
	McDonough	Sumner, Ill.
Halleck	McGehee	Taber
Hancock	McGregor	Talle
Harness, Ind.	McMillen, Ill.	Thomas, N. J.
Henry	Martin, Iowa	Tibbott
Herter	Martin, Mass.	Towe
Heselton	Mathews	Vorys, Ohio
Hess	Merrow	Vursell
Hill	Michener	Weichel
Hinshaw	Mundt	Welch
Hoeven	Murray, Wis.	Wigglesworth
Hoffman	O'Hara	Winter
Hope	O'Konski	Wolcott
Horan	Phillips	Woodruff
Howell	Pittenger	
Hull	Ploeser	

NAYS—172

Abernethy	Gore	Murray, Tenn.
Allen, La.	Gossett	Norrell
Almond	Granahan	O'Brien, Ill.
Andrews, Ala.	Granger	O'Brien, Mich.
Bailey	Grant, Ala.	O'Neal
Barden	Green	Outland
Barrett, Pa.	Gregory	Pace
Bates, Ky.	Hare	Patman
Beckworth	Harless, Ariz.	Patterson
Bell	Harris	Peterson, Fla.
Biemiller	Hart	Philbin
Bland	Havenner	Pickett
Bloom	Hays	Poage
Bonner	Healy	Powell
Boren	Hébert	Price, Ill.
Boykin	Hedrick	Priest
Bradley, Pa.	Hendricks	Rabaut
Brooks	Hobbs	Randolph
Brown, Ga.	Hook	Resa
Bryson	Huber	Richards
Bunker	Izac	Riley
Burch	Jackson	Rivers
Cannon, Fla.	Jarman	Robertson, Va.
Cannon, Mo.	Johnson, Luther A.	Rooney
Carnhan		Rowan
Celler	Johnson, Lyndon B.	Russell
Clements		Ryter
Cochran	Johnson, Okla.	Sabath
Coffee	Kee	Sadowski
Combs	Kefauver	Sasscer
Cooper	Kelly, Ill.	Savage
Courtney	Keogh	Sheppard
Cravens	Kerr	Sikes
Crosser	Kilday	Slaughter
D'Alesandro	King	Smith, Va.
De Lacy	Kirwan	Somers, N. Y.
Delaney, James J.	Klein	Spence
	Kopplemann	Starkey
Delaney, John J.	Lane	Stewart
	Lanham	Stigler
Domengeaux	Lea	Sullivan
Doughton, N. C.	Link	Thom
Douglas, Ill.	Ludlow	Thomas, Tex.
Doyle	Lyle	Thomason
Drewry	Lynch	Torrens
Durham	McCormack	Trimble
Earthman	McMillan, S. C.	Voorhis, Calif.
Elliott	Madden	Walter
Engle, Calif.	Mahon	Wasielewski
Ervin	Manasco	Weaver
Feighan	Marcantonio	West
Fernandez	May	Whitten
Flood	Miller, Calif.	Whittington
Folger	Mills	Wickersham
Forand	Monroney	Winstead
Gallagher	Morgan	Woodhouse
Gary	Morrison	Worley
Geelan	Murdock	Zimmerman
Gordon	Murphy	

ANSWERED "PRESENT"—1

Dingell

NOT VOTING—110

Allen, Ill	Andrews, N. Y.	Baldwin, N. Y.
Andresen, August H.	Arends	Barrett, Wyo.
	Baldwin, Md.	Barry
Bolton	Gibson	Price, Fla.
Buckley	Gifford	Quinn, N. Y.
Bulwinkle	Gorski	Rabin
Burgin	Hand	Rains
Byrne, N. Y.	Hartley	Rayfiel
Camp	Heffernan	Reed, N. Y.
Canfield	Hoch	Rich
Chapman	Holifield	Rizley
Chelf	Holmes, Mass.	Robertson, N. Dak.
Clark	Holmes, Wash.	
Cole, Kans.	Keefe	Robinson, Utah
Cole, N. Y.	Kelley, Pa.	Roe, Md.
Colmer	Knutson	Roe, N. Y.
Cooley	LaFollette	Rogers, Fla.
Cox	Latham	Rogers, N. Y.
Crawford	Lesinski	Schwabe, Mo.
Curley	Luce	Sheridan
Daughton, Va.	McCowen	Smith, Wis.
Davis	McGlinchey	Sparkman
Dawson	McKenzie	Stockman
Dolliver	Maloney	Sumners, Tex.
Dondero	Mankin	Sundstrom
Douglas, Calif.	Mansfield, Mont.	Talbot
Eaton		Tarver
Eberharter	Mansfield, Tex.	Taylor
Ellis	Mason	Tolan
Elston	Miller, Nebr.	Traynor
Fallon	Neely	Vinson
Fellows	Norblad	Wadsworth
Fisher	Norton	White
Flannagan	O'Toole	Wilson
Fogarty	Patrick	Wolfenden, Pa.
Fuller	Peterson, Ga.	Wolverton, N. J.
Gardner	Pfeifer	Wood
Gavin	Plumley	

So the amendment was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Fuller for, with Mr. Gorski against.

Mr. August H. Andresen for, with Mr. Sheridan against.

Mr. Ellis for, with Mr. Flannagan against.

Mr. Taylor for, with Mr. McGlinchey against.

Mr. Knutson for, with Mr. Dingell against.

Mr. Robertson of North Dakota for, with Mr. Roe of Maryland against.

Mr. Schwabe of Missouri for, with Mr. Pfeifer against.

Mr. Latham for, with Mr. Dawson against.

Mr. Allen of Illinois for, with Mrs. Douglas of California against.

Mr. Canfield for, with Mr. Byrne of New York against.

Mr. Arends for, with Mr. Holifield against.

Mr. Dondero for, with Mr. Roe of New York against.

Mr. Cole of New York for, with Mr. Kelley of Pennsylvania against.

Mr. Eaton for, with Mr. Heffernan against.

Mr. Crawford for, with Mr. Rayfiel against.

Mr. Fellows for, with Mr. Eberharter against.

Mr. Gifford for, with Mr. Barry against.

Mr. Hartley for, with Mr. Sparkman against.

Mr. Keefe for, with Mr. Quinn of New York against.

Mr. Holmes of Massachusetts for, with Mr. Curley against.

Mr. Miller of Nebraska for, with Mr. O'Toole against.

Mr. Holmes of Washington for, with Mr. Baldwin of Maryland against.

Mr. Reed of New York for, with Mr. Cooley against.

Mr. Wilson for, with Mr. Bulwinkle against.

Mr. Rich for, with Mr. Gardner against.

Mr. Wolfenden of Pennsylvania for, with Mrs. Norton against.

Mr. Hand for, with Mr. Rains against.

General pairs until further notice:

Mr. Vinson with Mr. Mason.

Mr. Tarver with Mr. Plumley.

Mr. Hoch with Mr. Rizley.

Mr. Peterson of Georgia with Mr. Stockman.

Mr. Traynor with Mr. Talbot.

Mr. Mansfield of Texas with Mr. Wadsworth.

Mr. Buckley with Mr. Gavin.

Mr. Colmer with Mr. Wolverton of New Jersey.

Mr. Robertson of Virginia with Mr. Dolliver.

Mr. Cox with Mr. Baldwin of New York.

Mr. Neely with Mr. Elston.

Mr. Rogers of New York with Mr. Barrett of Wyoming.

Mr. Price of Florida with Mrs. Luce.

Mr. DINGELL. Mr. Speaker, I have a live pair with my colleague the gentleman from Minnesota [Mr. KNUTSON]. If he were present, he would vote "aye." I voted "nay." I withdraw my vote and answer "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that the Clerk may be authorized to change totals, where necessary.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

GENERAL PERMISSION TO EXTEND REMARKS

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that all Members who have spoken on the bill may have five legislative days in which to revise and extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

EXTENSION OF REMARKS

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD and include a letter from Mr. Chester Bowles.

Mr. GATHINGS asked and was given permission to extend his remarks in the RECORD and include an article that appeared in the February edition of Coronet magazine.

PERMISSION TO ADDRESS THE HOUSE

Mr. WEST. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER Is there objection to the request of the gentleman from Texas?

There was no objection.

[Mr. WEST addressed the House. His remarks appear in the Appendix.]

PERMISSION FOR COMMITTEE ON RULES TO FILE REPORT AND PROGRAM FOR BALANCE OF WEEK

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file reports on the bills H. R. 5407, giving the Federal Works Administrator certain powers with respect to site acquisition; H. R. 5413, relating to renunciation of pension by former Judge Johnson; and H. R. 5455, amending section 502 of the Housing Act with respect to certain phases of housing for veterans.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, and I shall not, I understand there has been a change of program for tomorrow.

Mr. McCORMACK. Yes. We had originally listed for consideration tomorrow the bill H. R. 2501, dealing with rural rehabilitation. This bill will not come up.

In place of it we will call up the bill H. R. 5455, which is a bill relating to emergency housing for veterans. It will be remembered that a similar bill was passed last December appropriating some one hundred and sixty-odd million dollars for emergency housing for veterans providing for the fixing up of barracks and the moving and use of temporary war housing. This bill is an extension of that program.

Also on tomorrow we will take up the bill (H. R. 4512) amending the Public Health Service Act. The other one, H. R. 2165, will not come up. That will be programed later on.

On Friday I am very hopeful it will be possible, and I expect the situation to be such that it will be, to bring up the extension of the Second War Powers Act. I understand the Committee on the Judiciary is having a meeting tomorrow on certain aspects of it. I feel confident that Members on both sides will agree to the bills being brought up on Friday.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts that the Committee on Rules may have until midnight tonight to file certain reports?

There was no objection.

SPECIAL ORDER CHANGED

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the special order granted the gentlewoman from California [Mrs. DOUGLAS] for March 15, be transferred to March 29.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. HOLMES of Massachusetts (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his own remarks in the RECORD.

SETTLEMENT OF GENERAL MOTORS STRIKE

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. RABAUT. Mr. Speaker, I rise to say that other quarrels are sometimes settled and wish to announce that the General Motors strike was settled this afternoon. All the details of the settlement are not known but they claim there is great satisfaction all around.

The increase is 18½ cents an hour and there is a 1-cent equalization payment which is described as being 1 cent for each working hour of each person being put into a fund which fund is to be used by some sort of agreement to equalize differences for similar work in different plants. This further tends toward equality and harmony.

EXTENSION OF REMARKS

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD and include two recent articles appearing in the Boston Herald.

Mr. BARRY (at the request of Mr. LUDLOW) was given permission to extend his remarks in the RECORD and include a statement made by Mayor O'Dwyer, of New York, before the House Banking and Currency Committee in reference to OPA.

Mr. DOYLE asked and was given permission to extend his remarks in the RECORD and include a short editorial.

Mr. KEOGH asked and was given permission to extend his remarks in the RECORD and include a resolution adopted by the national defense committee of the American Legion.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include a statement made before the Committee on Ways and Means by a representative of the National Catholic Welfare Conference.

Mr. CHURCH asked and was given permission to extend his remarks in the RECORD and include an article appearing in the Chicago Daily News of March 11, entitled "Stop Inflating."

Mr. DWORSHAK asked and was given permission to revise and extend the remarks he made in the Committee this afternoon and include lend-lease statistics.

Mr. CLASON asked and was given permission to extend his remarks in the RECORD.

Mr. SHAFER asked and was given permission to extend his remarks in the RECORD.

Mr. PITTENGER asked and was given permission to extend his remarks in the RECORD and include a letter and a newspaper item.

SETTLEMENT OF GENERAL MOTORS STRIKE

Mr. SAVAGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. SAVAGE. Mr. Speaker, General Motors have agreed to settle the strike today at a cost of 19½ cents an hour. That is the exact amount recommended 2 months ago by President Truman. If the company would have agreed to the recommendation then instead of today, the public would now be enjoying the use of a great many more automobiles. The company has maintained that it could not afford the raise, while the workers have contended they could, without raising the price of cars. Evidently if they can afford the raise now, they could have then.

One of the hardest tasks for a large group of workers to do is to maintain sufficient solidarity over a long period of time to conduct a good strike. The General Motors workers have conducted an exceptionally good strike, and they are to be congratulated. Public support for their cause was the best I have ever seen. Perhaps because they immediately agreed to the President's proposal.

EXTENSION OF REMARKS

Mr. RUSSELL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RUSSELL. Mr. Speaker, the following Members of the Texas delegation were privileged to hear the Admiral of the Fleet, Chester Nimitz, discuss Navy's plans, and were unable to attend the quorum call at 1:30 p. m. today: Messrs. WEST, GOSSETT, THOMPSON, POAGE, KILDAY, LYLE, LUTHER A. JOHNSON, LYNDON B. JOHNSON, MANSFIELD, RUSSELL, PATMAN, BECKWORTH, and MAHON.

LEAVE OF ABSENCE

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent that I may have a leave of absence from Friday of this week until Tuesday following.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 7. An act to improve the administration of justice by prescribing fair administrative procedure; to the Committee on the Judiciary.

S. 1907. An act to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes; to the Committee on Naval Affairs.

ADJOURNMENT

Mr. GORE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 45 minutes p. m.), the House adjourned until tomorrow, Thursday, March 14, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

There will be a meeting of the Committee on World War Veterans' Legislation, in open session, on Thursday, March 14, 1946, at 10 o'clock a. m., in the committee room 356, old House Office Building, on national service life insurance legislation.

COMMITTEE ON THE JUDICIARY

On Monday, March 18, 1946, Subcommittee No. 3 of the Committee on the Judiciary has scheduled a hearing on the bill (H. R. 5234) to authorize the Federal Security Administrator to assist the States in matters relating to social protection, and for other purposes.

The hearing will begin at 10 a. m. and will be held in room 346, House Office Building.

COMMITTEE ON FLOOD CONTROL

The Committee on Flood Control will begin hearings on an omnibus flood control authorization bill on Monday, April 8, 1946, at 10 a. m. The hearings will

continue daily except Saturday up to and including Friday, April 22.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Tuesday, April 9, 1946, at 10:30 a. m., to begin hearings on projects to be reported out in an omnibus river and harbor authorization bill.

EXECUTIVE COMMUNICATIONS, ETC.

1133. Under clause 2 of rule XXIV, a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1946, in the amount of $253,727,000, for the National Housing Agency (H. Doc. No. 503), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JARMAN: Committee on Printing. Senate Concurrent Resolution 55. Concurrent resolution authorizing the Senate Special Committee to Investigate the Production, Transportation, and Marketing of Wool to have printed for its use additional copies of part 6 of the hearings held before said special committee during the first session, Seventy-ninth Congress, relative to the production, transportation, and marketing of wool; without amendment (Rept. No. 1704). Referred to the House Calendar.

Mr. ROBINSON of Utah: Committee on Roads, submits an interim report pursuant to House Resolution 255 (79th Cong., 1st sess.) on the Alaskan Highway; without amendment (Rept. No. 1705). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAVENNER: Committee on Naval Affairs. House Resolution 529. Resolution requesting the Secretary of the Navy and the Secretary of War to appoint a joint board to investigate and report on the need for constructing a bridge between San Francisco and Bay Farm Island or a system of dams across San Francisco Bay; without amendment (Rept. No. 1706). Referred to the House Calendar.

Mr. WEAVER: Committee on the Judiciary. House Joint Resolution 304. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1946, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; without amendment (Rept. No. 1707). Referred to the House Calendar.

Mr. CRAVENS: Committee on the Judiciary. H. R. 5317. A bill to amend the act establishing the Hot Springs National Park; without amendment (Rept. No. 1708). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAY: Committee on Military Affairs. S. 1523. An act to modify the time limitations governing the award of certain military and naval decorations for acts performed during the present war; without amendment (Rept. No. 1709). Referred to the Committee of the Whole House on the State of the Union.

Mr. SABATH: Committee on Rules. House Resolution 559. Resolution providing for the consideration of H. R. 5455, a bill to amend section 502 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, so as to authorize the appropriation of funds necessary to provide an additional 100,000 temporary housing units for distressed families of servicemen and for veterans and their families; without amendment (Rept. No. 1710). Referred to the House Calendar.

Mr. SLAUGHTER: Committee on Rules. House Resolution 560. Resolution to provide for the consideration of H. R. 5413, a bill to accept the renunciation by Albert W. Johnson of pension under section 260 of the Judicial Code; without amendment (Rept. No. 1711). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CELLER:

H. R. 5755. A bill to amend section 2800 (d) of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. COMBS (by request):

H. R. 5756. A bill for the retirement of public-school teachers in the District of Columbia; to the Committee on the District of Columbia.

By Mr. FLANNAGAN:

H. R. 5757. A bill to establish two additional offices of Assistant Secretaries of Agriculture, and for other purposes; to the Committee on Agriculture.

By Mr. GEARHART:

H. R. 5758. A bill to amend section 2800 (d) of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. SMITH of Virginia:

H. R. 5759. A bill to amend the second paragraph of section 371, title 12, of the United States Code; to the Committee on Banking and Currency.

By Mr. FORAND:

H. R. 5760. A bill authorizing the Secretary of the Navy to convey to Middletown Post, No. 66, American Legion, Middletown, R. I., without charge therefor, 15.82 acres of land at Newport, R. I.; to the Committee on Naval Affairs.

By Mr. TRAYNOR:

H. R. 5761. A bill to establish a Chiropody (Podiatry) Corps in the Medical Department of the United States Army; to the Committee on Military Affairs.

By Mr. MAY (by request):

H. R. 5762. A bill to provide for the construction of armories, warehouses, and other storage facilities and the maintenance of same upon an equitable basis; to the Committee on Military Affairs.

By Mr. ROBERTSON of North Dakota:

H. Con. Res. 132. Concurrent resolution to declare December 7, 1945, as the date of the cessation of hostilities in, and as the date of the termination of, the present war; to the Committee on the Judiciary.

By Mr. SCHWABE of Oklahoma:

H. Con. Res. 133. Concurrent resolution to declare December 7, 1945, as the date of the cessation of hostilities in, and as the date of the termination of, the present war; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BATES of Kentucky:

H. R. 5763. A bill granting a pension to Mary P. Payne; to the Committee on Pensions.

By Mr. ELSAESSER:

H. R. 5764. A bill for the relief of Luke Mauriello; to the Committee on Claims.

By Mr. HÉBERT:

H. R. 5765. A bill authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the city of New Orleans the silver service and silver bell presented to the United States for the cruiser *New Orleans;* to the Committee on Naval Affairs.

By Mr. JENNINGS:

H. R. 5766. A bill granting a pension to Robley D. Webb; to the Committee on Pensions.

H. R. 5767. A bill granting a pension to Ralph F. Taylor; to the Committee on Pensions.

By Mr. LANE:

H. R. 5768. A bill for the relief of Daniele or Daniel Fiore alias Donald Fiore; to the Committee on Immigration and Naturalization.

By Mr. WEAVER:

H. R. 5769. A bill for the relief of John C. Gibbs; to the Committee on War Claims.

By Mr. WICKERSHAM:

H. R. 5770. A bill for the relief of Earl J. Babcock; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1697. By Mrs. BOLTON: Petition of sundry citizens of Greater Cleveland, Ohio, protesting any action to establish a system of compulsory military training for young men and boys of the Nation; especially while beer is sold or given away in camps, which is clearly detrimental to the moral fiber of teen-age youth; to the Committee on Military Affairs.

1698. By Mr. HAVENNER: Petition of members of the Ladies of the Grand Army of the Republic of northern California, urging support of Senate Joint Resolution 50, which authorizes the acquisition of Temple Heights, Washington, D. C., for a recreation center for Government employees during the war and for erection of a Civil War memorial thereafter; to the Committee on the District of Columbia.

1699. By Mr. SMITH of Wisconsin: Petition of the Holstein-Friesian Association of Wisconsin, 361 Division Street, West Bend, Wis., to continue maximum production of food; to the Committee on Agriculture.

1700. Also, petition of F. L. Deckant, secretary, Wisconsin Broadcast Engineers, Milwaukee, Wis., resolution in favor of congressional action to abolish all laws and regulations dealing with prices, wages, and production; also, in favor of repealing 6 months' terminal leave pay for officers; to the Committee on Banking and Currency.

1701. Also, petition of Mary S. Schultz, chairman, civics department, Racine Garden Club, Racine, Wis., application for forest research center in Wisconsin; to the Committee on Agriculture.

SENATE

THURSDAY, MARCH 14, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Gerald Ray Jordan, D. D., Emory University, Atlanta, Ga., formerly minister, First Methodist Church, Charlotte, N. C., offered the following prayer:

We give Thee hearty thanks, our Father, for the privilege of living in a difficult and dangerous day. By Thy divine grace may we become increasingly worth of the trust committed to us.

For the President of the United States, the Senate, and all who are in places of authority, we earnestly pray. Give all

our leaders the capacity to see truth clearly, to reason rightly, and to plan wisely both for today and tomorrow. May we so completely give the best we have and are that those who come after us will have a decent world in which to live, because of justice and fairness for all.

For faith in the possibility of this coming to pass, in spite of the cynical doubts of so many about us; for devotion to the divine task of making it a reality; and for the daily experience of building character that can stand any kind of test, no matter how severe, we earnestly pray. Above all, may our words and deeds become a mighty force contributing to the consummation of all the dreams and hopes of the world's greatest religious genius—the One who alone could say: "I am the way, the truth, and the life." Give us the divine daring to follow Him today and always. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, March 12, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on March 13, 1946, the President had approved and signed the act (S. 1637) for the relief of Herbert C. Rockwell.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 5356. An act to provide assistance to the Republic of China in augmenting and maintaining a naval establishment, and for other purposes; and

H. R. 5604. An act reducing or further reducing certain appropriations and contractual authorizations available for the fiscal year 1946, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5458) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

The message further announced that the House had agreed to Senate Concurrent Resolution 55, as follows:

Resolved by the Senate (the House of Representatives concurring), That in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Senate Special Committee to Investigate the Production, Transportation, and Marketing of Wool be, and is hereby, authorized and empowered to have printed for its use 3,000 additional copies of part 6 of the hearings held before the said special committee during the first session, Seventy-ninth Congress, relative to the investigation of the production, transportation, and marketing of wool.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 5239) to amend Public Law 277, Seventy-ninth Congress, so as to provide the Coast Guard, at such time as it is transferred back to the Treasury Department, with a system of laws for the settlement of claims, and for other purposes, and it was signed by the President pro tempore.

LEAVE OF ABSENCE

Mr. BUTLER. Mr. President, I ask unanimous consent to absent myself from the Senate for approximately a week or 10 days.

The PRESIDENT pro tempore. Without objection, leave is granted.

NOTICE OF HEARING ON NOMINATION OF SAM M. DRIVER TO BE UNITED STATES DISTRICT JUDGE, EASTERN DISTRICT OF WASHINGTON

Mr. McCARRAN. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Thursday, March 21, 1946, at 10:30 a. m., in the Senate Judiciary Committee room, upon the nomination of Sam M. Driver, of Washington, to be United States district judge for the eastern district of Washington, vice Hon. Lewis B. Schwellenbach, resigned. At the indicated time and place, all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman; the Senator from Montana [Mr. WHEELER]; and the Senator from Nebraska [Mr. WHERRY].

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on March 12, 1946, he presented to the President of the United States the following enrolled bills:

S. 176. An act for the relief of the city of Memphis, Tenn., and Memphis Park Commission;

S. 1532. An act to authorize the appointment of certain persons as permanent brigadier generals of the line of the Regular Army;

S. 1535. An act to authorize the Secretary of War to convey certain lands situated within the Fort Douglas Military Reservation to the Shriners' Hospitals for Crippled Children; and

S. 1637. An act for the relief of Herbert C. Rockwell.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

EXTENSION OF PERIOD FOR PAYMENTS UNDER SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to extend the period within which the Secretary of Agriculture may carry out the purposes of the Soil Conservation and Domestic Allotment Act by making payments to agricultural producers (with an accompanying paper); to the Committee on Agriculture and Forestry.

ELIMINATION OF RESTRICTION ON ACQUISITION OF LOTS BY SETTLERS OF WADSWORTH, NEV.

A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to eliminate the restriction on the number of lots which may be acquired by settlers in the town site of Wadsworth, Nev. (with an accompanying paper); to the Committee on Public Lands and Surveys.

PERSONNEL REQUIREMENTS

A letter from the Secretary of the United States Employees' Compensation Commission, transmitting, pursuant to law, an estimate of personnel requirements for the Commission for the quarter ending June 30, 1946 (with accompanying papers); to the Committee on Civil Service.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of Mississippi; to the Committee on Banking and Currency:

"House Concurrent Resolution 31

"Concurrent resolution memorializing the United States Senate to confirm the appointment of James K. Vardaman as a member of the Board of Governors of the Federal Reserve System

"Whereas James K. Vardaman is a native-born Mississippian and a member of one of Mississippi's most illustrious families, his father, James K. Vardaman, Sr., having served as a member of the legislature, speaker of the house of representatives, Governor of Mississippi, and a United States Senator; and

"Whereas James K. Vardaman has an excellent educational background, having graduated from the University of Mississippi with a bachelor of arts degree and a bachelor of laws degree; and

"Whereas he has had a long and wide experience in the handling of bonds, finance, and banking; and

"Whereas James K. Vardaman has served his country bravely and courageously as a captain of Artillery in World War I and as a commander, captain, and commodore in the United States Navy in World War II, and was wounded in the invasion of southern Europe; and

"Whereas the President of the United States has appointed Commodore Vardaman as a member of the Board of Governors of the Federal Reserve System because of his qualifications as a banker and because of his wide experience in finance and bonds: Now, therefore, be it

"Resolved by the House of Representatives of the State of Mississippi (the Senate concurring therein), That the United States Senate be memorialized to confirm the appointment of James K. Vardaman as a member of the Board of Governors of the Federal Reserve System and that a copy of this resolution be sent to the clerk of the United States Senate and to the two Senators from the State of Mississippi.

"Adopted by the house of representatives, February 27, 1946.

"F. L. WRIGHT,
"Speaker of the House of Representatives.

"Adopted by the senate, March 5, 1946.

"WALTER SILLERS, Jr.,
"President of the Senate."

A concurrent resolution of the Legislature of the State of Michigan; to the Committee on Military Affairs:

"House Concurrent Resolution 13

"Concurrent resolution memorializing the members of the Michigan delegation in Congress to use every effort to provide for an equitable distribution of educational surplus property

"Whereas the Federal Government has adopted the following policy in regard to the disposal of educational surplus property: 'Section 13 (a) of the Surplus Property Act of 1944 provides generally, to the extent feasible,

for transfer of surplus property on the basis of need to nonprofit institutions and instrumentalities so that they may have the opportunity to fulfill in the public interest their legitimate needs, and that surplus property is appropriate for school, classroom, or other educational use, and surplus medical supplies, equipment, and property suitable for use in the protection of public health, including research, may be disposed of at a value which takes into account any benefit which has accrued or may accrue to the United States from the use of such property'; and

"Whereas the Federal Government has created an educational surplus-property agency within the United States Office of Education and 'to channel surplus goods on the basis of need to nonprofit school systems, libraries, universities, research institutions, hospitals, medical or sanitational institutions'"; and

"Whereas the agencies to be benefited by this program are experiencing difficulty in securing this property because of the limited period between the time of notification and the final date of sale; and

"Whereas the cost is still excessive for educational and health agencies even though 40 percent reduction is allowed; and

"Whereas lot sizes make it impossible for these agencies to avail themselves of the surplus property even when pooling their purchasing power extensively: Now, therefore, be it

"Resolved by the house of representatives (the senate concurring), That the Michigan Legislature memorializes the members of the Michigan delegation in Congress to use their good offices in an effort to (a) secure a longer period of time for notification of offers to sell, (b) provide for a near donation cost to the schools and educational and health agencies, generally being only freight and hauling charges, and (c) that materials be made available in lot sizes which may be used by educational and health agencies, in the belief that such a program was intended by Congress in passing section 13 of the Surplus Property Act of 1944; and be it further

"Resolved, That suitable copies of this resolution be transmitted to the President of the United States, to the President of the Senate and Speaker of the House of Representatives of Congress, and to the members of the Michigan delegation in Congress.

"Adopted by the house February 13, 1946.

"Adopted by the senate February 20, 1946."

A letter from Francis P. Sinn, president of the Mining and Metallurgical Society of America, School of Mines, Columbia University, New York, N. Y., with an accompanying paper, relating to Federal taxation of mineral enterprise; to the Committee on Finance.

A resolution adopted by the county commissioners of Essex County, Mass., favoring the enactment of legislation providing for matching with Federal funds of amounts expended by States, or their political subdivisions, on account of aid to dependent children; to the Committee on Education and Labor.

A resolution adopted by Lodge No. 4269, International Workers Order, of Farrell, Pa., protesting against the enactment of the so-called Case anti-strike bill; to the Committee on Education and Labor.

A resolution adopted by Lodge No. 4269, International Workers Order, of Farrell, Pa., relating to the recent steel strike; to the Committee on Education and Labor.

A resolution adopted by the Board of Aldermen of the City of Chelsea, Mass., relating to the shipment of wheat and corn to the stricken people of Europe; to the Committee on Foreign Relations.

A letter in the nature of a petition from Samuel H. Harris, of Chicago, Ill., praying for the enactment of legislation to discontinue the Railroad Retirement Board; to the Committee on Interstate Commerce.

By Mr. GREEN:

A resolution of the General Assembly of the State of Rhode Island; to the Committee on Banking and Currency:

"Resolution memorializing the Congress of the United States of America to pass the bill presented by United States Senator THEODORE FRANCIS GREEN providing for the extension of the Silver Purchase Act, so-called, which expired December 31, 1945

"Whereas the jewelry and silversmith industries have for many years made important contributions to the economic structure in the State of Rhode Island and Providence Plantations and in New England; and

"Whereas in the past many thousands of skilled workers of this State and of the other New England States have depended upon these industries for their livelihood; and

"Whereas United States Senator THEODORE FRANCIS GREEN has introduced into the United States Congress a bill to provide for the extension of the Silver Purchase Act, so-called, which expired December 31, 1945; and

"Whereas the expiration on December 31, 1945, of the Silver Purchase Act, so-called, with its resultant curtailment of silver available for said industries, has had disastrous effects, threatening certain imminent economic collapse, not only in said industries, but, in a great measure, in certain related industries engaged in the manufacture of consumer goods, which are dependent upon the silver industry; and

"Whereas disruption of production, if not a complete shut-down, in the silver industry, within the next week or two seems inevitable, unless prompt attention be given to the solution of this all-important problem; and

"Whereas the passage of Senator GREEN'S bill expanding authority for industrial use of Government-owned silver would in no way be a subsidy to the silver users, but, in effect would recompense the Treasury to some extent for the subsidy given to the silver miners when foreign silver prices were low; and

"Whereas said bill has been endorsed by the Secretary of the Treasury, by the Office of Price Administration, and by the Civilian Production Administration: Now, therefore, be it

"Resolved, That the General Assembly of the State of Rhode Island and Providence Plantations be and it hereby does approve said bill presented by United States Senator THEODORE FRANCIS GREEN, providing for the extension of the silver purchase bill, so-called, and urges the Members of the Congress of the United States of America to pass said proposed legislation; and be it further

"Resolved, That the Senators and Representatives from Rhode Island in the Congress of the United States be and they hereby are respectfully requested to work for the passage of said Senate bill and to express to the proper authorities the feeling of the General Assembly of the State of Rhode Island and Providence Plantations that this proposed measure is essential particularly in view of the present critical emergency in the silver industry; and be it further

"Resolved, That the Secretary of State be authorized to transmit duly certified copies of this resolution to the Senators and Representatives from Rhode Island in the Congress of the United States and to the chairman and other members of the Senate Committee on Banking and Currency."

PRICE CONTROL—LETTER OF AGRICULTURAL CONSERVATION ASSOCIATION, SEWARD COUNTY, KANS.

Mr. CAPPER. Mr. President, I have received a letter in the nature of an appeal from the Agricultural Conservation Association, of Seward County, Kans., requesting that price control be continued. I ask unanimous consent to present the letter for proper reference and printing in the RECORD.

There being no objection, the letter was received, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

LIBERAL, KANS., *February 19, 1946.*

Senator ARTHUR CAPPER,
Washington, D. C.

DEAR SENATOR CAPPER: At a regular meeting the Seward County USDA Council discussed price control, and are making the following recommendations:

We believe that price control should be continued for the reason that there are too many dollars competing for scarce goods.

We need to protect the common man until such time as there are plenty of goods on the market.

The agencies represented were:

Emergency Crop and Feed Loan, Russell Rickart.

Farm Security Administration, Mervin Skinner.

Production and Marketing Association, Francis Harnden, Louis Bloom, Oscar Reiss.

Extension, Mrs. Bertha Jordan.

Very truly yours.

Mrs. BERTHA E. JORDAN,
Secretary, Seward County USDA Council.

HOUSING PROGRAM IN THE DISTRICT OF COLUMBIA—LETTER FROM MRS. HELEN P. SUTTON

Mr. CAPPER. Mr. President, I have received an interesting letter from Mrs. Helen P. Sutton, a resident of Washington, D. C., in support of the housing program in the District of Columbia. I ask unanimous consent to present the letter for appropriate reference and that it be printed in the RECORD.

There being no objection, the letter was received, referred to the Committee on the District of Columbia, and ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *March 10, 1946.*

The Honorable ARTHUR CAPPER,
United States Senate, Washington, D. C.

DEAR SIR: I urge that the McCarran-Burton-Capper bill, S. 1426, be passed without delay. Full hearings on this measure were held and opposing points of view sufficiently harmonized, I believe.

Public statements have shown the housing industry is unable to build profitably under the $6,000 line, yet the number of families living on $2,400 a year is very large. The field for public housing is wide.

The safety of the entire city, as to health and morals, demands that all groups be decently housed. Rats and epidemics affect us all. Far from increasing public expenditures, passage of this bill will mean a net gain to taxpayers like myself, in reducing costs of sickness, delinquency, and crime.

Our slums are a national disgrace. We are ashamed of having to choose a route for visitors to the Capitol with great care so

as to dodge these eyesores. Let's stop wrangling and begin cleaning up at once.

Very truly yours,

HELEN P. SUTTON,
Mother, Clubwoman, Taxpayer, Graduate of University of California, and Student of City Affairs.

P. S.—Kindly forward this letter to the appropriate subcommittee.

THE WYATT PROPOSAL FOR HOUSING SUBSIDIES

Mr. BUSHFIELD. Mr. President, there has been much discussion about housing, and there is a sharp difference of opinion regarding the proper method for undertaking the construction of houses. I have received a flood of letters on that subject, as I presume all other Senators have.

I ask unanimous consent to present for proper reference and to have printed in the RECORD without the signatures attached a statement regarding the matter signed by 75 businessmen and farmers of Aberdeen, S. Dak., showing their viewpoint.

There being no objection, the statement was received, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, without the signatures attached, as follows:

To the Honorable CHAN GURNEY, HARLAN J. BUSHFIELD, KARL E. MUNDT, and FRANCIS CASE:

We, the undersigned, are unalterably opposed to, and respectfully urge you to work and vote against, the Wyatt proposals for subsidizing a new privately owned prefabricated housing industry at taxpayers' expense.

The difficulty lies not in any lack of ability or capacity to build houses. The sole obstacle is lack of materials. It takes just as many materials for the Government to build houses as for private industry to build them; and, in addition, it would take months before the Government program would get started. We urge that you use your influence to eliminate the mass of red tape and break the bottleneck in the supply of materials.

The building trades and industries are now organized, experienced, and ready to build needed houses, but they cannot do so without the materials to work with and these materials are all that are needed.

LOAN TO BRITAIN—RESOLUTION OF EMRYS WATKINS POST, NO. 45

Mr. KILGORE. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted by the Emrys Watkins Post, No. 45, Department of West Virginia, of the American Legion, at Follansbee, W. Va., relative to the pending British loan. I make this request because the substance of the resolution has been stated to me verbally at the meetings of numerous Legion posts in my State, and this resolution fairly represents the sentiment of the post whose meetings I have attended.

There being no objection, the resolution was received, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

EMRYS WATKINS POST, No. 45,
THE AMERICAN LEGION,
Follansbee, W. Va.

"Whereas the people of Great Britain through J. M. Keynes and others have recently negotiated a huge loan from the people of the United States, the said loan to be interest free for a period of 5 years, thus requiring that the people of the United States give to the people of Great Britain about $175,000,000 per year; and

"Whereas the people of Great Britain indulge in many local and national medieval customs and pageants that annually support thousands of parasites, usually at high salaries (especially the King's favorites at court) who could be employed at reasonable wages to repay such a loan at reasonable interest, instead of allowing their country to become a beggar nation: Now, therefore, be it

"*Resolved*, That Great Britain be required by the Congress of the United States to pay full interest at a reasonable rate (the rate necessary to secure it from the people of the United States by the sale of "British loan bonds") plus the total cost of selling and repaying said bonds, plus the total cost of making and collecting said loan to and from Great Britain; and be it further

"*Resolved*, That since Great Britain is in default of her previous loan that she be required to pledge the island of Bermuda, British Guiana, and all other British territory adjacent to or in the continental limits of the American continents as security for the said loan. The said pledge to be in the form of a quit-claim deed to the said territories to be exercised upon default of Great Britain.

"PRESTON E. JORDAN,
"Chairman, Resolutions Committee."

This is to certify that the above resolution was passed at a regular meeting of Emrys Watkins Post, No. 45, Department of West Virginia, held January 16, 1946.

LLOYD D. KELLER,
Post Commander.
FOREST H. BARNHART,
Post Adjutant.

VIEWS OF STUDENTS AT MONTANA STATE UNIVERSITY ON CERTAIN QUESTIONS

Mr. WHEELER. I ask unanimous consent to have printed in the RECORD a telegram received by me from a number of students at Montana State University regarding the foreign policy of the United States, the revision of the War and Navy Departments, cessation of destructive mobilization, and the deemphasizing of civilian luxuries.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

MISSOULA, MONT., *March 14, 1946.*

Senator B. K. WHEELER,
United States Senate,
Washington, D. C.:

Confirming last night's call. Request definite aggressive foreign policy, intelligent revision of War and Navy Departments, cessation of destructive demobilization, deemphasize civilian luxuries, immediate action.

Jack Mahan, Lieutenant, United States Marine Corps Reserve; Maurice Maffei, Captain, Army Air Forces; William G. Mouat, Ensign, United States Naval Reserve; Alfred Wilkinson, Ensign, United States Naval Reserve; F. Orville Gray, Captain, Infantry; Jack Sweeney, Staff Sergeant, United States Marine Corps Reserve; Patrick J. McDonough, Lieutenant, United States Marine Corps Reserve; Cy Crocker, Private, United States Marine Corps Reserve; Leonard Thomas, Lieutenant, United States Marine Corps Reserve; James Wedin, Staff Sergeant, Army of the United States; Bob Whalen, Staff Sergeant, Army of the United States; L. Zins, Lieutenant, United States Army Air Forces; Bill George, Radioman, First Class; C. Brady, Lieutenant, United States Army Air Forces; Otto Ost, Corporal, Army of the United States; Ken Ryan, Sergeant, Army of the United States; Bob Petty, Sergeant, United States Army Air Forces; Bruce Hanson, Sergeant, United States Army Air Forces; Bob Downs, Private First Class, United States Army Air Forces; and 40 others at Montana State University.

VIEWS OF NEBRASKA FARMERS ON LABOR CONDITIONS AND SUBSIDIES

Mr. WHERRY. Mr. President, I wish to read into the RECORD at this point resolutions adopted on February 23, 1946, at a meeting of the American Farmers Vigilante Committee, speaking through members and delegates for more than 22,000 American farmers. The resolutions are as follows:

Be it resolved, That labor and industry, by their present bickering and refusal to settle their differences and get back to the job of producing vitally needed goods, tools, and machinery, are doing the Nation grave damage; be it further

Resolved, That we do not believe the Nation can be restored to normalcy and prosperity by refusing to work—but if that is the way the rest of the Nation insists upon trying to do the job, we farmers will help;

Therefore, if the present intolerable situation is not soon remedied, and the goods we need provided with all possible speed, we will take the following action:

First. Appeal to all farmers to join our members and affiliates in withholding from the market all farm produce until the wheels of industry again begin to roll.

Second. If such withholding of produce does not bring the desired results, we will appeal to all farmers to seed only enough of their land to take care of themselves. This action, we realize, would not only shut off the fountain of foodstuff but so wreck the reservoir from which that fountain springs that nothing could be done about it until another seeding time. That would be a catastrophe, and we will advocate such action only as a last resort.

We hope our fellow citizens in other walks of life will not press us that far, but we have held the bag long enough—if the rest can quit producing, so can we. We ask that Congress and all American citizens give this serious thought, as planting time will soon be upon us.

Be it resolved, That the price of farm produce should be increased in the same proportion as the wages of labor and the cost of industries' finished product, and that this organization will strive in every way possible to bring about such an adjustment.

Be it resolved, That the farmers of the Nation, being vitally concerned, should have a seat at the conference table whenever labor and capital sit down with Government; be it further

Resolved, That this organization will work toward this end and insist that the farmer who occupies their seat represent all the farmers of America, not just one of the many

farm groups now apparently engaged in keeping the Nation's farmers divided.

Be it resolved, That we are opposed to payment from taxes of unemployment compensation to men who will not work or who are prevented from working by strike action.

Be it resolved, That we are opposed on principle to subsidies, which are only a method of financing a person or business by public taxation. If any business cannot endure without a hand-out from the Public Treasury, it is bankrupt, and it either should be liquidated or allowed to adjust its prices.

Be it resolved, That the farmer is facing a new crop year under enough handicaps without being further hampered by the drafting of young farmers. We demand that this evil be stopped, by declaration upon the part of President Truman that the war is officially ended.

Be it resolved, That copies of this and of all other resolutions adopted at this meeting be made and sent to Senators BUTLER and WHERRY, of Nebraska, and also to Nebraska Members of the House of Representatives, with the request that they be read upon the floors of both Houses of Congress.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HILL, from the Committee on Military Affairs:

H. R. 5529. A bill to authorize the President to appoint Lt. Gen. Walter B. Smith as Ambassador to the Union of Soviet Socialist Republics, without affecting his military status and perquisites; without amendment (Rept. No. 1040).

By Mr. TUNNELL, from the Committee on Pensions:

H. R. 1616. A bill to grant an honorable discharge from the military service of the United States to William Rosenberg; without amendment (Rept. No. 1041).

By Mr. HART, from the Committee on Military Affairs:

H. R. 3936. A bill to provide for the evacuation and repatriation of the remains of certain persons who died and are buried outside the continental limits of the United States and whose remains could not heretofore be returned to their homelands due to wartime shipping restrictions; with amendments (Rept. No. 1042).

By Mr. HUFFMAN, from the Committee on Claims:

H. R. 1264. A bill for the relief of Lt. Col. John P. Maher, Field Artillery Reserve, Army of the United States; without amendment (Rept. No. 1043);

H. R. 2091. A bill for the relief of Joseph E. Bennett; with amendments (Rept. No. 1047);

H. R. 3554. A bill for the relief of Fred C. Liter; without amendment (Rept. No. 1044);

H. R. 3590. A bill for the relief of Charles Brown, legal guardian of Lula Mae Brown; Charity Hospital of New Orleans, La.; and Dr. Edward H. Maurer; without amendment (Rept. No. 1045); and

H. R. 3698. A bill for the relief of Mrs. Lucille Scarlett and Charles Scarlett; without amendment (Rept. No. 1046).

By Mr. WHERRY, from the Committee on Claims:

H. R. 1562. A bill for the relief of the Borough of Park Ridge, Park Ridge, N. J.; without amendment (Rept. No. 1048).

By Mr. ELLENDER, from the Committee on Claims:

H. R. 1399. A bill for the relief of Mrs. Lucy Palmisano and the legal guardian of Anthony Palmisano, Jr.; without amendment (Rept. No. 1049);

H. R. 2244. A bill for the relief of Edward W. Thurber; without amendment (Rept. No. 1050);

H. R. 2528. A bill for the relief of Mr. and Mrs. James Sherry; with an amendment (Rept. No. 1052);

H. R. 3670 A bill for the relief of the estate of Vernancio Llacuna and others; without amendment (Rept. No. 1501); and

H. R. 4253. A bill for the relief of Mrs. Beatrice Brisbin, and the legal guardians of Wynona Gene Brisbin, Nelda Elaine Brisbin, Gwendoline Louise Brisbin, and Jacqueline Nadine Brisbin, minors; with amendments (Rept. No. 1053).

By Mr. O'DANIEL, from the Committee on Claims:

H. R. 2842. A bill for the relief of Montgomery County, Mississippi, districts 2 and 3; without amendment (Rept. No. 1054; and

H. R. 3195. A bill for the relief of Grenada County, Mississippi; without amendment (Rept. No. 1055).

By Mr. CAPPER, from the Committee on Claims:

H. R. 2251. A bill for the relief of Catherine V. Sweeney; without amendment (Rept. No. 1056).

By Mr. JOHNSTON of South Carolina, from the Committee on Claims:

S. 593. A bill for the relief of Warrant Officer Wayne C. Proper; without amendment (Rept. No. 1057);

H. R. 3159. A bill for the relief of Ernest Pedro Ferreira; with an amendment (Rept. No. 1059); and

H. R. 5010. A bill for the relief of Mrs. May Holland; without amendment (Rept. No. 1058).

By Mr. EASTLAND, from the Committee on Claims:

H. R. 941. A bill for the relief of Mrs. C. A. Lee, administratrix of the estate of Ross Lee, deceased; with an amendment (Rept. No. 1062);

H. R. 1674. A bill for the relief of Mrs. Ollie Patton; with an amendment (Rept. No. 1063);

H. R. 2265. A bill for the relief of owners of land and personal property of the Fort Knox area of Hardin County, Ky.; without amendment (Rept. No. 1060);

H. R. 2266. A bill for the relief of land and personal property owners of Fort Knox area of Meade County, Ky.; without amendment (Rept. No. 1061); and

H. R. 2962. A bill for the relief of Justin P. Hopkins; with amendments (Rept. No. 1064).

AMENDMENT OF FAIR LABOR STANDARDS ACT—SUPPLEMENTAL REPORT (PT. 2 OF REPT NO. 1012)

Mr. TUNNELL (for himself and Mr. PEPPER), from the Committee on Education and Labor, submitted a supplemental report on the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, which was ordered to be printed with illustrations as part 2 of Report No. 1012.

SMALL BUSINESS PRICE PROBLEMS AND GOVERNMENT STABILIZATION POLICIES—REPORT OF SPECIAL COMMITTEE TO STUDY AND SURVEY PROBLEMS OF SMALL BUSINESS ENTERPRISES (PT. 4 OF REPT. NO. 47)

Mr. MURRAY. Mr. President, as chairman of the Special Committee to Study and Survey Problems of Small Business Enterprises, I ask unanimous consent to submit for the consideration of the Senate a report, Small Business Price Problems and Government Stabilization Policies, which has been in preparation for several weeks, and to which much thought and discussion has been given. This report summarizes the findings of 3 weeks of hearings on price-control practices, held just prior to the 1st of the year.

The consensus of opinion, established in the hearings, was that only sufficient production of goods in the customary levels can remove inflationary dangers now present in the economy.

It was equally apparent that production at sufficiently high levels to make price control unnecessary is not being achieved for a number of reasons. Most of these factors, it was forcefully brought out, are widespread in industry, and are not to be solved by any single directive. It was also clear that the authority to correct many of these stiuations was beyond the jurisdiction of the Office of Price Administration.

The report reveals much valuable information on the operation of price control, and makes constructive recommendations, which it is believed will result in a more efficient operation of price control during the period of its necessity. In brief, some of the more outstanding recommendations in the report are:

First. The committee recommends to the President that he exercise his authority to effect such a reorganization of the Civilian Production Administration and the Office of Price Administration as will result in a single agency controlling production and prices of goods and services.

Second. Such a consolidation of functions we believe, will permit the emphasis of production and distribution controls in their relation to price controls so as to permit the abandonment by the Office of Price Administration of such unsatisfactory expedients as the maximum average price policy and other similar devices. The committee wishes to make it clear, however, that it does not recommend the abolition of maximum average price regulations, unless and until a more desirable procedure can be devised.

Third. The committee recommends that OPA should keep its major price policies under continuous review and that such review should be made now. It is the committee's further belief that much more can be accomplished in the way of increasing total output of strategic products in short supply through a judicious granting of price increases where they will give incentives to production.

Fourth. The committee recommends, and OPA has agreed to establish, a central control over price-adjustment applications, which will set time limits for the handling of applications and result in more prompt settlement of price-control cases.

Fifth. It is the opinion of the committee that the abandonment of cost-absorption would result in the ruination of price control. As now administered, cost-absorption is not required by OPA on any item or service where the producer or operator is suffering an out-of-pocket loss. The committee recommends that this one phase of the policy be changed to cover total costs of any producer or operator, if his return is less than his total costs.

The PRESIDENT pro tempore. Without objection, the report submitted by the Senator from Montana [Mr. MURRAY] will be received and printed.

PERSONS EMPLOYED BY COMMITTEES WHO ARE NOT FULL-TIME SENATE OR COMMITTEE EMPLOYEES

The PRESIDENT pro tempore laid before the Senate reports for the month of February 1946, from the chairman of certain committees, in response to Senate Resolution 319 (78th Cong.), relative to persons employed by committees who are not full-time employees of the Senate or any committee thereof, which were ordered to lie on the table and to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON BANKING AND CURRENCY,
March 4, 1946.

Hon. KENNETH MCKELLAR,
President pro tempore of the Senate,
Senate Office Building, Washington, D. C.

DEAR MR. PRESIDENT: Pursuant to Senate Resolution 319, I am transmitting herewith a list of employees of the Senate Banking and Currency Committee who are not full-time employees of the Senate. Included with this list is the name and address of each such employee, the name and address of the department paying the salary of such employee, and the annual rate of compensation for each such employee.

Respectfully yours,

ROBERT F. WAGNER,
Chairman, Banking and Currency Committee.

SENATE BANKING AND CURRENCY COMMITTEE

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Bertram Gross	613 South Quincy St., Arlington, Va	Reconstruction Finance Corporation	$8,750
Doris Phippen [1]	40 Plattsburg Ct. NW	Navy Department	2,650
Eve Zidel	24C Crescent Rd., Greenbelt, Md	Reconstruction Finance Corporation	2,650

[1] Temporarily borrowed from Surplus Property Subcommittee (S. Res. 129).

INTERSTATE COMMERCE COMMITTEE

MARCH 7, 1946.

To the Senate:

The above-mentioned committee hereby submits the following report showing the name of a person employed by the committee who is not a full-time employee of the Senate or of the committee for the month of February 1946, in compliance with the terms of Senate Resolution 319, agreed to August 23, 1944:

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Mrs. Alma B. Kidwell	113 Park Blvd. SE	Federal Communications Commission	$1,800

B. K. WHEELER, *Chairman.*

CONTROL OF ATOMIC ENERGY—INCREASE IN LIMIT OF EXPENDITURES

Mr. LUCAS. Mr. President, as chairman of the Committee to Audit and Control the Contingent Expenses of the Senate, I ask unanimous consent to report favorably from that committee, without amendment, Senate Resolution 237, and I request that it be immediately considered.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Illinois?

There being no objection, the resolution (S. Res. 237), submitted by Mr. MCMAHON on March 8, 1946, was considered and agreed to, as follows:

Resolved, That the limit of expenditures under Senate Resolution 179, Seventy-ninth Congress, first session, agreed to October 22, 1945, relating to the investigation of the development, use, and control of atomic energy, hereby is increased by $60,000.

HEARINGS BEFORE COMMITTEE ON NAVAL AFFAIRS—INCREASE IN LIMIT OF EXPENDITURES

Mr. LUCAS. Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate, I ask unanimous consent to report favorably, without amendment, Senate Resolution 238, and I request its present consideration. The resolution was submitted by the distinguished chairman of the Naval Affairs Committee, the Senator from Massachusetts [Mr. WALSH], and provides for an additional sum of $10,000 to carry on the work of that committee.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Illinois?

There being no objection, the resolution (S. Res. 238) submitted by Mr. WALSH on March 8, 1946, was considered and agreed to, as follows:

Resolved, That the Committee on Naval Affairs, authorized by Senate Resolution 9, agreed to January 6, 1945, to send for persons, books, and papers; to administer oaths; and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject referred to said committee, hereby is authorized to expend from the contingent fund of the Senate, for the same purposes, during the Seventy-ninth Congress, $10,000 in addition to the amount of $5,000 heretofore authorized.

HEARINGS BEFORE COMMITTEE ON EDUCATION AND LABOR—INCREASE IN LIMIT OF EXPENDITURES

Mr. LUCAS. From the Committee to Audit and Control the Contingent Expenses of the Senate I ask unanimous consent to report favorably without amendment Senate Resolution 239, and I request its immediate consideration. The resolution was submitted by the Senator from Montana [Mr. MURRAY], chairman of the Committee on Education and Labor, on March 12, 1946, and provides for an additional sum of $5,000.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Illinois?

There being no objection, the resolution (S. Res. 239), was considered and agreed to as follows:

Resolved, That the Committee on Education and Labor, authorized by Senate Resolution 9, agreed to January 6, 1945, to send for persons, books, and papers; to administer oaths; and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject referred to said committee, hereby is authorized to expend from the contingent fund of the Senate, for the same purposes, during the Seventy-ninth Congress, $5,000 in addition to the amount of $5,000 heretofore authorized.

PRESIDENTIAL SUCCESSION

Mr. LUCAS. Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate I ask unanimous consent to report favorably with an amendment Senate concurrent resolution 50, and I request its present consideration. The concurrent resolution was submitted by the Senator from Rhode Island [Mr. GREEN], and had been referred to the Committee on Privileges and Elections. The concurrent resolution asks for a complete study and investigation of all matters connected with the succession to the Presidency. The resolution seems to the Committee to Audit and Control the Contingent Expenses of the Senate to be a very important one. The committee has amended the resolution.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Illinois?

There being no objection, the Senate proceeded to consider the concurrent resolution (S. Con. Res. 50).

The PRESIDENT pro tempore. The clerk will state the amendment.

The amendment was, on page 4, line 18, to strike out "$10,000" and insert "$5,000."

The amendment was agreed to.

The resolution, as amended, was agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That there is hereby created a joint congressional committee to be composed of five Members of the Senate to be appointed by the President of the Senate and five Members of the House of Representatives to be appointed by the

Speaker of the House of Representatives. The joint committee shall select a chairman from among its members. A vacancy in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as in the case of the original appointment.

SEC. 2. It shall be the duty of the joint committee to make a full and complete study and investigation of all matters connected with the succession to the Presidency, and the election of the President and Vice President from the time of the nomination of the President and Vice President, through the time of their election and the time of their inauguration until the termination of their respective terms of office, with the purpose of making the law certain as to the Presidential election and succession. These matters shall include, but shall not be confined to, the following:

(1) Whether or not the President and Vice President should be elected by the electoral college, as at present, and if so whether or not the members should be legally bound to vote in accordance with their instructions.

(2) Whether or not provision should be made for the case where before the election of Presidential electors, or after such time but before the election of President and Vice President, a candidate for the Presidency or for the Vice Presidency dies, declines to run, or is found ineligible to take office if elected.

(3) Whether or not provision should be made for the case of the death of any of the individuals from whom the House of Representatives may choose a President whenever the right of choice shall have devolved upon them, and for the case of the death of any of the persons from whom the Senate may choose a Vice President whenever the right of choice shall have devolved upon them.

(4) Whether or not provision should be made for the case where, after election, the President-elect or Vice President-elect, or both, die, decline to serve, or fail to qualify.

(5) How it shall be determined whether the President, or individual acting as President, is unable to execute the powers and duties of the office, and how the duration of such inability shall be determined.

(6) Whether or not provision should be made for an individual to execute the office of President in case of removal, death, resignation, or inability, both of the President and Vice President, including provision for selecting an individual to execute such office in cases where by reason of removal, death, resignation or inability there is no individual upon whom the powers and duties of such office would otherwise automatically devolve.

(7) Whether there are, or should be, any differences between the status, powers, duties, and privileges of an elected President and any other individual executing the office of President.

SEC. 3. The joint committee shall report to the Senate and House of Representatives the results of its study and investigation together with its recommendations, including drafts of legislation recommended and of any proposed constitutional amendments considered necessary or desirable. The joint committee shall submit its final report to the Senate and House of Representatives not later than May 1, 1946, and thereupon the existence of the joint committee shall terminate.

SEC. 4. For the purposes of this concurrent resolution, the joint committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Congress, to employ counsel, clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the joint committee, which shall not exceed $5,000, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives, upon vouchers approved by the chairman of the joint committee.

INVESTIGATION OF WAR CONTRACTS AND DISPOSAL OF SURPLUS WAR PROPERTY—LIMITATION OF EXPENDITURES

Mr. LUCAS. Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate, I ask unanimous consent to report favorably Senate Resolution 236, which was submitted by the able Senator from Wyoming [Mr. O'MAHONEY] on March 5, 1946, and which requests an increase in the appropriation for the Committee on Military Affairs to $48,300. The Senator from Wyoming submitted a budget. The Committee to Audit and Control the Contingent Expenses of the Senate agrees with it. The resolution deals with surplus property.

While I am on my feet I should like to make a suggestion for whatever it may be worth. It is my understanding that there are other special committees of the United States Senate which are dealing with surplus property. The subcommittee of the Committee on Military Affairs, of which the Senator from Wyoming is chairman, is a subcommittee of a standing committee which is attempting to deal exclusively with this most-important problem. It seems to me that if there are any special committees of the Senate which are dealing with surplus property they ought to cease and desist, and turn the problem over to a regular standing committee such as the Committee on Military Affairs. The Senator from Wyoming is chairman of the subcommittee of the Committee on Military Affairs.

Mr. STEWART. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. STEWART. I happen to be chairman of the Surplus Property Subcommittee of the Committee on Small Business, which has before it for consideration certain surplus-property problems of small businessmen. I do not wish to yield consideration of that problem, by any means. I take it the Senator is not sponsoring a resolution which would preclude consideration by special committees.

Mr. LUCAS. I am not seeking to preclude anything. I am merely suggesting that in my opinion sooner or later the standing committees of the Senate which have authority to recommend legislation must take control of all these matters, and that the sooner we can eliminate special committees of the Senate and let subcommittees of the regular standing committees handle investigations of this kind, the better it will be. That seems to me to be much better practice. Under that system subjects are referred to committees which have authority to recommend legislation. As I understand, all special committees, with the exception of the Atomic Energy Committee, must submit their reports to standing committees before any legislation can come forth. I am merely making a general statement.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. HATCH. I wish to concur wholeheartedly in what the Senator from Illinois has said generally on the subject of special committees. However, I rise primarily to say, on the question of surplus property, that while I am no longer a member of it, I know that the Mead committee has been conducting extensive hearings and investigations on this subject over a long period of time—long before the subcommittee of the Committee on Military Affairs began its work. In fact, it has been all over the world. Although I am not a member of that committee, I would not wish to feel that that committee should comply with the request of the Senator from Illinois and desist from its work, much of which it has almost completed.

Mr. LUCAS. Does the able Senator from New Mexico suggest that two or three committees of the United States Senate should be investigating surplus property at the same time?

Mr. HATCH. I say to the Senator from Illinois that I agree generally with his remarks. What I have said about the Mead committee's work is that its work has progressed to such a point that in my judgment it ought not to desist. Perhaps various committees handling this subject could get together and coordinate their work.

Mr. LUCAS. That was the suggestion which I made on the floor of the Senate on a previous occasion, in a colloquy with the able Senator from Wyoming. I suggested that the various committees get together so that there would be no duplication of effort. As chairman of the Committee to Audit and Control the Contingent Expenses of the Senate I must sign every voucher, and in a way I am personally responsible. The question arises in my mind as to whether when two committees are doing the same type and character of work, I can continue to sign vouchers where there is duplication of effort. That is the point which I wish to urge.

Mr. HATCH. The Senator is correct. There is entirely too much duplication of effort. The affairs of the Senate should be so arranged that only one committee would be studying a subject. I prefer the standing committees of the Senate.

Mr. STEWART. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. STEWART. I respect the opinion of the Senator from Illinois. I believe that in the main we should work toward the objective of avoiding duplication of effort.

With respect to the Surplus Property Subcommittee of the Mead committee, the Subcommittee of the Small Business Committee, and the subcommittee of the standing committee, the Committee on Military Affairs, presided over by the Senator from Wyoming, let me say that the Senator from New York [Mr. MEAD], the Senator from Wyoming

[Mr. O'MAHONEY], and I have discussed this question on several occasions, and have worked under a verbal understanding, with the idea of avoiding duplication of effort in conducting such investigations as we have conducted. However, it is not always possible to avoid duplication of effort. Whenever special committees or standing committees, from the nature of the problem, have more or less concurrent jurisdiction over a subject matter, there will always be some duplication of effort. There is duplication of effort as between Senate and House committees. There is not necessarily a conflict of jurisdiction, but there is often concurrent jurisdiction, and frequently there is duplication of work.

I should like to make this observation with respect to surplus property: I do not believe it would make any difference if we had half a dozen committees studying the problem of surplus property, because the problem is so sprawling and far-reaching that even with other committees at work on it we might not be able to accomplish all the things that should be accomplished.

Most of us have striven with the idea of formulating some kind of an agency which would have complete, centralized control of surplus property. I think perhaps we are approaching that goal now, since the War Assets Corporation, under General Gregory, has taken over. On numerous occasions during the past two years I have argued on this floor that there should be central control of surplus property. Any problem involving surplus property worth more than $100,000,000,000 is certain to have many ramifications. There are certain to be many pitfalls, and many subjects to be investigated. I have always believed, and I have argued strongly, that we must have a centralized inventory, both of capital goods and of consumer goods. In the beginning that argument was met with the statement that such a thing was an absolute impossibility; that the United States Government could not have a centralized inventory of $100,000,000,000 worth of property.

That argument has been overcome, and a fairly respectable surplus property inventory of capital goods was prepared by the Reconstruction Finance Corporation. I understand that that inventory has been turned over to the War Assets Corporation. That is one of the achievements of the Surplus Property Subcommittee of the Small Business Committee. I think we have made a contribution that is worth something.

I agree in part with the Senator from Illinois; and in part I cannot agree. The surplus property problem is too large, too overawing. It may become larger as time goes on. It seems to be a good deal like a snowball rolling down hill. As it gains momentum it increases in size. In the main, I agree with the Senator that duplication of effort should be avoided; but I felt that I should make this statement in justice to the efforts of the three subcommittees which are trying to make some contribution to the solution of this problem.

Mr. LUCAS. I thank my good friend, the Senator from Tennessee, and I should like to answer him in this way: He speaks of a centralized agency for surplus property. That is exactly what we are working toward in the Government. I should like to see a centralized agency in the United States Senate. I wish to apply the argument made by the Senator from Tennessee to the United States Senate. We need a centralized agency in the Senate.

Mr. STEWART. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. STEWART. I do not believe that I am willing to agree that we ought to be declared surplus.

Mr. LUCAS. I do not think the Senator from Tennessee is ever surplus at any time—unless perhaps he carries a little surplus weight. [Laughter.] Nevertheless, Mr. President, a vital principle is involved here. I agree with the Senator from Tennessee that the question of surplus property is one of the most important ones the Congress will have to deal with in the future. I wish to have the responsibility for whatever investigation is made placed in one centralized agency, namely, one of the standing committees. I am very happy to know that the Senator from Tennessee [Mr. STEWART], the Senator from New York [Mr. MEAD], and the Senator from Wyoming [Mr. O'MAHONEY] join in the hope that there will not be any duplication of effort, but I do not think anyone can make a sound argument that three committees can go all over the country investigating the matter of the disposition of surplus property without duplicating effort and without causing the expenditure of a great deal of money which it is not necessary to spend. I am in favor of appropriating whatever amount of money it may be necessary for the standing committee to have in order to enable it to do a serious and responsible job in connection with surplus property. That is all I have to say.

The PRESIDENT pro tempore. The resolution will be read for the information of the Senate.

The resolution (S. Res. 236) was read, as follows:

Resolved, That the limit of expenditures under Senate Resolution 129, Seventy-ninth Congress, first session (providing for a study and investigation with respect to war contracts, the termination of war contracts, the disposal of surplus Government property, and related problems), agreed to June 29, 1945, is hereby increased by $48,300.

Mr. WHERRY. Mr. President, I should like to suggest to the senior Senator from Illinois that the resolution does not in any way change the status of the Special Committee to Investigate the National Defense Program or the Special Committee to Study and Survey Problems of Small Business Enterprises or the subcommittee of the Committee on Military Affairs which has been dealing with the subject of the disposition of surplus property.

Mr. LUCAS. That is correct.

Mr. WHERRY. The resolution relates to the appropriation for the subcommittee of the Committee on Military Affairs. The remarks made by the distinguished chairman are, I suppose, general remarks made from the long-range viewpoint, and I think many Senators are in agreement; but I should like to say for the RECORD to my distinguished colleague the Senator from Tennessee [Mr. STEWART] with whom I am associated on the Small Business Committee, that this resolution in no way hampers the work of that committee. I also should like to say, as a matter of information that the Members of the Senate realize that the Special Committee to Investigate the National Defense Program has handled, I think, most of the surplus property in foreign countries, whereas the surplus property located in this country has been handled by both the Small Business Committee and the subcoommittee of the Committee on Military Affairs.

I should also like to say for the RECORD that if and when the streamlining of congressional committees is done, this problem will automatically be solved. Certainly no one can disagree with the general statement made by the distinguished Senator from Illinois relative to the work of the standing committee.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 236) was considered and agreed to.

ADMINISTRATION OF MARTIAL LAW IN HAWAII

Mr. LUCAS. Mr. President, Senate Resolution 216, authorizing and directing an investigation of the administration of martial law in the Territory of Hawaii subsequent to December 7, 1941, was favorably reported by the Judiciary Committee on January 29, and was referred to the Committee to Audit and Control the Contingent Expenses of the Senate. The resolution would limit the expenses of the investigation to $25,000.

As chairman of the Committee to Audit and Control the Contingent Expenses of the Senate, I have received a letter from the distinguished chairman of the Committee on Military Affairs in which the contention is made that the Committee on Military Affairs has jurisdiction over the subject matter of the resolution. Undoubtedly if the Committee on Naval Affairs knew about the resolution it would make a similar contention. Therefore, I ask unanimous consent that a copy of the resolution be sent to the Committee on Military Affairs and a copy of the resolution be sent to the Committee on Naval Affairs, before the Committee to Audit and Control the Contingent Expenses of the Senate takes any action on the resolution.

The PRESIDENT pro tempore. Without objection, it is so ordered.

INVESTIGATION OF MEANS OF INTERSTATE AND FOREIGN TRANSPORTATION

Mr. LUCAS. Mr. President, Senate Resolution 161, authorizing an investigation of all means of interstate and foreign transportation, submitted by the junior Senator from Arizona [Mr. MCFARLAND], is on the calendar. There are two or three slight errors in the resolution which the Committee to Audit and Control the Contingent Expenses of the Senate overlooked. I ask unanimous consent that the resolution be recommitted

to the Committee to Audit and Control the Contingent Expenses of the Senate in order that we may make certain corrections which to the committee seem necessary to be made.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the resolution will be recommitted as requested.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MAYBANK:

S. 1922. A bill to revive and reenact the act granting the consent of Congress to the State Highway Department of South Carolina to construct, maintain, and operate a free highway bridge across the Santee River at or near Leneudes Ferry, S. C., approved August 18, 1941; to the Committee on Commerce.

By Mr. THOMAS of Oklahoma:

S. 1923. A bill to establish two additional offices of Assistant Secretaries of Agriculture, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. WHERRY:

S. 1924. A bill to authorize the sale of surplus property for educational uses at a price sufficient to cover the costs of the sale; to the Committee on Military Affairs.

By Mr. CHAVEZ:

S. 1925. A bill to authorize the protection of life and property, water conservation, and the comprehensive reclamation of land in the Rio Grande Valley in New Mexico, by flood control, irrigation, sediment detention, drainage, and other activities; to provide for the financial rehabilitation of the Middle Rio Grande Conservancy District; to provide for the disposition of surplus electrical energy; and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. DOWNEY:

S. 1926. A bill to grant certain additional basic authority to the Civil Service Commission;

S. 1927. A bill to amend section 6 of the Civil Service Retirement Act of May 29, 1930, as amended;

S. 1928. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide eligibility for annuity at age 70 after at least 5 years of service; and

S. 1929. A bill to amend the act entitled "An act to provide for the payment to certain Government employees for accumulated or accrued annual leave due upon their separation from Government service," approved December 21, 1944; to the Committee on Civil Service.

S. 1930. A bill to provide for the expeditious naturalization of former citizens of the United States who have lost United States citizenship through voting in a political election in a country not at war with the United States during the Second World War; to the Committee on Immigration.

S. 1931. A bill for the relief of Robert E. Lauritzen; to the Committee on Military Affairs.

By Mr. JOHNSTON of South Carolina:

S. 1932. A bill conferring jurisdiction upon the United States District Court for the Eastern District of South Carolina to hear, determine, and render judgment upon the claim of the board of trustees of the Saunders Memorial Hospital; to the Committee on Claims.

By Mr. WALSH:

S. 1933. A bill for the purpose of providing for the retention of employees with occupational diseases or disabilities who are engaged in trades and occupations at Government naval shipyards, naval stations, or other naval activities when there is a reduction in force, and for other purposes; to the Committee on Naval Affairs.

By Mr. MAGNUSON:

S. 1934. A bill for the relief of the estate of Joseph Z. Arsenault; and

S. 1935. A bill for the relief of G. R. Below; to the Committee on Claims.

By Mr. KILGORE:

S. 1936. A bill to provide for the payment of pensions to the widows and children of deceased World War II veterans whose deaths are not due to service-connected disabilities or diseases; to the Committee on Finance.

(Mr. KILGORE also introduced Senate bill 1937, to amend the act entitled "An act to provide for a permanent Census Office," approved March 6, 1902, as amended (the collection and publication of statistical information by the Bureau of the Census, which was referred to the Committee on Commerce and appears under a separate heading.)

By Mr. THOMAS of Utah:

S. 1938. A bill to limit the time within which the General Accounting Office shall make final settlement of the monthly or quarterly accounts of disbursing officers under the executive branch of the Government, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. SHIPSTEAD:

S. 1939. A bill to incorporate the Military Order of the Purple Heart; to the Committee on the Judiciary.

S. 1940. A bill for the relief of the Kildall Fish Co. (with accompanying papers); to the Committee on Claims.

By Mr. O'MAHONEY:

S. 1941. A bill to extend the benefits of the homestead, reclamation, and other land-entry laws to veterans under 21 years of age; to the Committee on Public Lands and Surveys.

By Mr. McCARRAN:

S. 1942. A bill to incorporate the Federal City Charter Commission; to the Committee on the Judiciary.

(Mr. McCARRAN also introduced Senate bill S. 1943, to remove certain limitations on the use of silver, and for other purposes, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. JOHNSON of Colorado (for himself and Mr. McFARLAND):

S. 1944. A bill to amend certain provisions of the National Service Life Insurance Act of 1940, as amended; to the Committee on Finance.

By Mr. ROBERTSON:

S. 1945. A bill to provide for the granting of public lands to certain States, for the elimination of lands from national forests, parks, monuments, reservations, and withdrawals in connection with such grants, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. STEWART:

S. 1946. A bill to prohibit heads of executive departments, independent establishments, and agencies from acting as officers of political parties; to the Committee on Privileges and Elections.

(Mr. MORSE (for himself and Mr. CORDON) introduced Senate bill 1947, authorizing the construction of flood-control works on the Amazon Creek in Oregon, which was referred to the Committee on Commerce and appears under a separate heading.)

By Mr. PEPPER:

S. 1948. A bill for the relief of Emilio Pozzo; to the Committee on Immigration.

S. 1949. A bill for the relief of Shirley D. Wells; to the Committee on Military Affairs.

COLLECTION AND PUBLICATION OF CERTAIN STATISTICAL INFORMATION

Mr. KILGORE. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill providing that religious groups whose creeds prevent them from giving the numbers of their groups to the Census Bureau be not required to give information as to the number of members they have. The bill applies to some religious organizations which do not publicize the numbers of their membership.

There being no objection, the bill (S. 1937) to amend the act entitled "An act to provide for a permanent Census Office," approved March 6, 1902, as amended (the collection and publication of statistical information by the Bureau of the Census), was received, read twice by its title, and referred to the Committee on Commerce.

REMOVAL OF CERTAIN LIMITATIONS ON THE USE OF SILVER

Mr. McCARRAN. Mr. President, there is pending in the Committee on Banking and Currency, and there is also pending in the Appropriations Committee by way of a rider on the bill carrying appropriations for the Treasury Department, legislation pertaining to the use of silver and its acquisition by industry from the Treasury of the United States. A day or so ago the Committee on Appropriations held a hearing at which industry was represented, and we listened to their particular plea for the acquisition of silver for industrial purposes. In order that what they desire may be accomplished and in order that silver may be produced, it seems to me that a compromise may be essential, so I ask unanimous consent to introduce a bill which will accomplish the very result which the industrialists of America want, and which I ask be referred to the Committee on Banking and Currency.

The purpose of the bill is to bring about production of the silver, if we can produce it out of the mines of America, place it in the Treasury of the United States, and permit the industrialists to buy it from the Treasury of the United States at the price the Treasury pays for it. That price is the legal price of silver in the money of this country.

Mr. President, it seems out of line that we should pay each day and each month enormous sums of money by way of interest on money borrowed by the Government of the United States when as a matter of fact we have in the Treasury of the United States what is known as silver uncoined, which if released would relieve the taxpayers of America of the payment of vast sums of money by way of interest on the money borrowed by the Government.

The PRESIDENT pro tempore. Without objection, the bill will be received and referred, as requested.

The bill (S. 1943) to remove certain limitations on the use of silver, and for other purposes, was read twice by its title and referred to the Committee on Banking and Currency.

FLOOD-CONTROL WORKS ON AMAZON CREEK, OREG.

Mr. MORSE. Mr. President, I ask unanimous consent to introduce, on behalf of myself and my senior colleague from Oregon [Mr. CORDON], a bill relating to flood-control works on Amazon Creek in Oregon, and I desire to make a few brief remarks in regard to it.

The bill provides:

That the project for flood control on the Amazon Creek for the protection of Eugene, Oreg., and downstream agricultural areas, recommended in the report of the Chief of Engineers, United States Army, in Senate Document No. 13, Seventy-ninth Congress, is hereby adopted and authorized, and shall be prosecuted under the direction of the Secretary of War and the supervision of the Chief of Engineers in accordance with the plan recommended in such report and subject to the conditions set forth therein.

SEC. 2. There is authorized to be appropriated such sums, not to exceed in the aggregate $226,000, as may be necessary to carry out the provisions of this act.

Mr. President, I am perfectly aware that, ordinarily, requests such as this for flood-control legislation are usually made in connection with a general so-called flood-control bill. I should prefer to have had it handled in that way if it had been possible to secure action in time to meet this particular emergency. However, I feel that when a serious emergency exists and when proof of that emergency can be established, Members of the Senate should pass legislation which provides for the needed relief.

This particular request for this particular flood-control project needed in order to alleviate a specific flood-control danger in Eugene, Oreg., has a very interesting background. For the RECORD and for future reference, I wish to comment briefly upon it.

Let me point out that this project is needed now, not only because of the flood danger involved, but because the entire employment program of the so-called Eugene plan hinges upon it. Members of this body may recall that while we were in the midst of the war, the city of Eugene, Oreg., as a result of the concerted effort of a large number of interested groups—business groups, farmer groups, city and county officials—the chamber of commerce and various other civic committees took the position that there was a very great responsibility resting upon local communities, city governments, and businessmen in our local communities throughout this Nation to do what they could on a local basis to meet the unemployment problem which was bound to arise after the war. They recognized that the employment problem is a problem which has confronted our domestic economy after each war. This war will be no exception on this score. So there was developed what became known as the Eugene plan, whereby certain very definite commitments were made by various business interests as well as city and county governmental units as to the parts they would play in providing greater employment after the war to meet any threat of an unemployment situation. Various governmental bodies and local industries made plans and entered into commitments as to what they would do in order to provide employment after the war.

It so happens that the city of Eugene, as a result of this planning for postwar employment, became a leader throughout the Nation in support of the principle that each community should assume some definite responsibility for providing its share of full employment. However, it is impossible to carry out the community development program of the Eugene plan encompassed in the employment blueprint, which is ready to be effectuated, as long as there is running through the city of Eugene what is known as Amazon Creek, which periodically floods the city as the result of floods of the Willamette River.

Of course, I am sure I need not tell the Members of this body that one of the most serious flood emergencies in the entire United States is that which exists on the Willamette. For example in December 1945, the Willamette overflowed, with resulting loss of a minimum of $6,000,000 to the Eugene area. In addition, more than 2,000,000 tons of rich river-bottom top soil were washed away. When I was out there in February and traveled with a committee of the Eugene and Springfield flood-control groups through the Willamette Valley flood area, I saw fields, for example, of 10 to 20 acres which prior to the last flood had been rich in river loam—truck garden fields—which now are nothing but a carpet of river gravel. Great erosion ditches have been cut into what formerly were rich farms. Something must be done quickly to prevent such devastation of our irreplaceable soil resources.

Mr. President, one reason why this tremendous damage is being done to this section of Oregon is that during the war thousands of acres of the great timberlands in my State were cut over and the timber was removed for war purposes. This rapid cutting of timber has helped create one of the greatest flood dangers in the entire country. As a result of the floods on the Willamette, Amazon Creek, of course, overflows with the rest of the tributaries, with the result that great damage is done each flood season to the business section of the city of Eugene and to farm lands bordering on the creek. This annual flood danger prevents community development and the going forward with the Eugene plan for maximum employment.

So not only as a special pleader—and, Mr. President, I confess to be one on this bill—but in the interest of protecting life and property, I make a plea for very early consideration of this project. It is justified, without doubt, not only so that we can remove the danger to life and property created by floods on Amazon Creek, but because the city of Eugene, under the Eugene plan, cannot go forward with its employment program and cannot proceed with the public works which it has planned to be financed by the local community, as long as this flood danger exists on Amazon Creek. The city plans to take part of the land along the Amazon Creek and develop some fine high-school grounds and build a new high school. Other types of municipal development which go along with that project is a much-needed park and recreation area. The entire program for the development of new industrial sites is dependent upon placing the Amazon Creek under control. Most important of all perhaps is that an early completion of this project is essential to private construction of a much-needed home-building program in this area.

Hence, I take these few minutes, Mr. President, to discuss the bill because it deals with a very serious emergency, and I think that in fairness to the people of my State and in keeping with the great public service which I think the citizens of Eugene have rendered by coming forward with the so-called Eugene plan, the Federal Government should carry out the report of the Army Engineers on this project at a very early date. The Government should not delay longer in proceeding with the flood-control project on the Amazon Creek, because the expenditure of $226,000, according to the report of the engineers, will succeed in preventing future floods. There is no real economy in delaying action on this bill because the losses suffered from the floods are greater than the costs of the project. Hence, Mr. President, I offer this bill with the plea that the Members of this body cooperate with the Senators from Oregon in seeing to it that it receives early and favorable consideration.

There being no objection, the bill (S. 1947) authorizing the construction of flood-control works on the Amazon Creek in Oregon, introduced by Mr. MORSE (for himself and Mr. CORDON), was received, read twice by its title, and referred to the Committee on Commerce.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred, as indicated:

H. R. 5356. An act to provide assistance to the Republic of China in augmenting and maintaining a Naval Establishment, and for other purposes; to the Committee on Naval Affairs.

H. R. 5604. An act reducing or further reducing certain appropriations and contractual authorizations available for the fiscal year 1946, and for other purposes; to the Committee on Appropriations.

AMENDMENT OF FAIR LABOR STANDARDS ACT—AMENDMENTS

Mr. THOMAS of Oklahoma. Mr. President, I ask permission to offer an amendment to the pending bill (S. 1349), and I request that the amendment be read and be printed and lie on the table.

The PRESIDENT pro tempore. Without objection, the amendment will be received, printed, and lie on the table, and it will also be read as requested by the Senator from Oklahoma.

The Chief Clerk read the amendment intended to be proposed by Mr. THOMAS of Oklahoma to the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, as follows:

SEC. —. In order to protect the income of the producers of farm commodities no official or agency of the Government shall have authority to interfere, directly or indirectly, in altering or fixing margin requirements on the purchase or sale of any farm commodity at any commodity exchange licensed to do business in the United States.

Mr. FULBRIGHT submitted amendments intended to be proposed by him to the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, which were ordered to lie on the table and to be printed.

INVESTIGATION OF ALLEGED MISTREATMENT OF PRISONERS AT THE LITCHFIELD (ENGLAND) GUARDHOUSE

Mr. DOWNEY submitted the following resolution (S. Res. 240), which was referred to the Committee on the Judiciary:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete investigation with respect to the court-martial proceedings held in connection with the alleged mistreatment of prisoners at the Litchfield guardhouse, Litchfield, Staffordshire, England, with a view to ascertaining whether all persons accused of having mistreated such prisoners, and all responsible commanding officers accused of having condoned the mistreatment of such prisoners, have been brought to trial, and whether irregularities have occurred in the proceedings or in the investigation leading to such proceedings, particularly, whether attempts have been made by members of the armed forces to obstruct, influence, or interfere with such investigation or proceedings. The committee shall report to the Senate at the earliest practicable date the results of its investigation together with such recommendations concerning necessary legislation as it may deem desirable.

For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Seventy-ninth Congress, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee under this resolution, which shall not exceed $, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

CONGRESS AND THE FARMER—ADDRESS BY SENATOR BARKLEY

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an address on the subject Congress and the Farmer, delivered by him before the annual convention of the Kentucky Farm Bureau Federation at Louisville, Ky., January 11, 1946, which appears in the Appendix.]

EDUCATION IN A RAPIDLY CHANGING AGE—ADDRESS BY HOLT McPHERSON

[Mr. HOEY asked and obtained leave to have printed in the RECORD a commencement address entitled "Education in a Rapidly Changing Age," delivered by Holt McPherson, managing editor of the Shelby Daily Star, at Brevard College, in February 1946, which appears in the Appendix.]

THE ANGLO-AMERICAN PETROLEUM AGREEMENT—ADDRESS BY ALF M. LANDON

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an address entitled "The Anglo-American Petroleum Agreement," delivered by former Gov. Alf M. Landon, of Kansas, at Wichita, Kans., on March 12, 1946, which appears in the Appendix.]

PALESTINE AND THE UNO—ADDRESS BY HON. GUY M. GILLETTE

[Mr. MYERS asked and obtained leave to have printed in the RECORD a radio address entitled "Palestine and the UNO," delivered by Hon. Guy M. Gillette at the opening of the Special Emergency Conference on Palestine, in New York City on February 23, 1946, which appears in the Appendix.]

ADDRESS BY CARL LYNCH BEFORE FURUSETH CLUB

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD an address delivered by Carl Lynch before the Furuseth Club on March 12, 1946, in New York City on the ninety-second anniversary of the birthday of Andrew Furuseth, which appears in the Appendix.]

NATIONAL AIR POLICY—STATEMENT BY GEN. CARL SPAATZ

[Mr. MITCHELL asked and obtained leave to have printed in the RECORD a statement entitled "The Future of the Army Air Forces," by Gen. Carl Spaatz, Chief of the Air Corps, which appears in the Appendix.]

ARTICLE BY JOHN O'DONNELL ON WINSTON CHURCHILL'S FULTON, MO., ADDRESS

[Mr. WHEELER asked and obtained leave to have printed in the RECORD an article commenting on the speech by Winston Churchill at Fulton, Mo., by John O'Donnell, from the Washington Times-Herald of March 14, 1946, which appears in the Appendix.]

HOUSING FOR VETERANS

[Mr. HAWKES asked and obtained leave to have printed in the RECORD an editorial entitled "Housing Subsidies," from the New York Times of March 8, 1946, and an article entitled "Stuff and Nonsense," from the Palm Beach Post, of Palm Beach, Fla., on March 2, 1946, both relating to housing for veterans, which appear in the Appendix.]

CONDITIONS IN EUROPE—LETTER FROM HENRY C. LUCKEY

[Mr. WHERRY asked and obtained leave to have printed in the RECORD an open letter to the President of the United States written by Henry C. Luckey, of Nebraska, which appears in the Appendix.]

EDITORIAL COMMENT ON THE ST. LAWRENCE SEAWAY

[Mr. AIKEN asked and obtain leave to have printed in the RECORD editorials from the Youngstown Vindicator, the Toledo Blade, the Detroit News, and the Milwaukee Journal, all relating to the St. Lawrence seaway, which appear in the Appendix.]

THE PROPOSED BRITISH LOAN—ARTICLES FROM THE WALL STREET JOURNAL AND THE NEW YORK HERALD TRIBUNE

[Mr. BUSHFIELD asked and obtained leave to have printed in the RECORD three articles bearing on the British loan, one from the Wall Street Journal and two from the New York Herald Tribune, which appear in the Appendix.]

THE POLITICAL PHILOSOPHY OF ABRAHAM LINCOLN—EDITORIAL FROM THE FAIRMONT TIMES

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an editorial entitled "The Political Philosophy of Abraham Lincoln," published in the Fairmont (W. Va.) Times of February 8, 1946, which appears in the Appendix.]

COMPARISON BETWEEN OPERATIONS OF LARGE MEAT PACKERS AND SMALL FIRMS—LETTER FROM C. B. HEINEMAN

[Mr. STEWART asked and obtained leave to have printed in the RECORD a letter from Mr. C. B. Heineman, secretary of the National Independent Meat Packers Associaton, which appears in the Appendix.]

HUMAN ASPECTS OF RECONVERSION

[Mr. MYERS (for Mr. KILGORE) asked and obtained leave to have printed in the RECORD a report of the National Committee on the Human Aspects of Reconversion and a letter to the President from Clarence King, chairman of the committee, which appear in the Appendix.]

VOLUNTARY ENLISTMENT IN THE ARMY

Mr. REVERCOMB. Mr. President, believing that it will be a subject of interest to Members of the Senate, as well as to the whole country, I wish to make a statement upon the progress of voluntary enlistments in the Army of the United States since the passage of the voluntary enlistment bill by the Congress in October 1945.

There have enlisted in the Army as of February 28, last, 599,224 men. I may say that figure far exceeds the estimate made by the Army even in January of this year.

In January, last, at a hearing before the subcommittee of the Committee on Military Affairs dealing with the subject of demobilization, the plans of the Army were based upon a planned voluntary enlistment of 650,000 by July 1, 1946. At the present rate of enlistment there will be a volunteer Army as of July 1, 1946, not of the estimated 650,000, but one in excess of 925,000 men. It is reasonable to assume that enlistments will proceed at the present rate, because in the last week of February more men volunteered than in the preceding week.

The demobilization and plans of discharge having been based upon a figure of 650,000 as of July 1 of this year, and it now being apparent that more than that number will be enlisted, more by 275,000, it is certainly reasonable to ask that men with war service and men with a child or children will be out of the Army before July 1.

Senators will recall the statement issued by the Secretary of War in a letter to the chairman of the Senate Committee on Military Affairs, in which it was stated that all fathers would be out of the Army by July 1 except 120,000. That was based upon an estimate of enlistments of 650,000 by July 1, whereas now we know that figure will apparently be exceeded by more than 275,000, and therefore the men who have families and homes to support should be out by the 1st of July. There is no excuse now to keep them in longer.

As of yesterday, there still remained in the Army of the United States 2,600,000 men. We have heard talk recently from men in high office, and in high positions in our military, about the Army disintegrating. These figures of voluntary enlistments, as well as of the number of men still retained in the Army, definitely refute any thought of disintegration, because the Army itself asks for only 1,500,000 men as of July 1, 1946.

There is certainly no disintegration when the Army still has a million more men than the Army says it needs and when the enlistments are proceeding at a rate far in excess of that contemplated by the military heads. So, there is no disintegration.

Naturally in the transition of bringing new men, new volunteers, into the services and relieving those ready for discharge, there is a need of training, a need of regrouping, and some reorganization is

necessary. But under the proven capacity and leadership of our officers a new volunteer Army is to be built. With just a little time for training and planning, a permanent volunteer Army will be ours. There is high promise now that this country will have an army of volunteers, not one of impressed men. That is the best kind of army and navy; the kind desired by the military heads—the kind that we want to maintain the defense of America.

OPA ENFORCEMENT OPERATIONS—LETTER FROM PAUL A. PORTER

Mr. LUCAS. Mr. President, on February 26 the Senator from Illinois addressed the Senate briefly upon certain phases of the enforcement policies of the Office of Price Administration. The statement I made at the time was called to the attention of Mr. Paul A. Porter, new Director of the Office of Price Administration. Mr. Porter was good enough to write me a letter on March 4 of this year, which I commend to the Senate and the country because Mr. Porter agrees with the statement I made at that time. I should like to read the last paragraph of his letter, which is as follows:

OPA's enforcement policies must be consistent with the American people's idea of fairness and justice. I propose to make sure that they are. I know that if they are not the public reaction might be such as to seriously jeopardize the continued success of price control, which can only succeed if the people and the Congress are firmly behind it in the future, as they have been in the past.

Mr. President, I ask unanimous consent to have the letter printed in full in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF PRICE ADMINISTRATION,
Washington, D. C., March 4, 1946.

The Honorable SCOTT W. LUCAS,
United States Senate.

DEAR SCOTT: When I was told that you had spoken critically on the floor of the Senate concerning OPA enforcement operations, and particularly the retail apparel enforcement program initiated by the Chicago regional office, I was very much concerned because I was thoroughly aware of your consistent and vigorous support of price control. After reading your remarks in the CONGRESSIONAL RECORD of February 26, I was satisfied that there was much justice in your criticism.

I am anxious not only to tell you exactly where I stand so far as enforcement policy is concerned, but also to see to it that our field organization throughout the country is fully informed on this policy.

Price-control legislation is nothing but words on paper unless it is firmly and energetically enforced, and so long as I am Price Administrator I propose to see that it is so enforced. This does not mean that trivial and inconsequential violations should lead to law suits. It is not fair to merchants who are trying their best to comply with our regulations to subject them to litigation under such circumstances, with its expense, annoyance, and adverse publicity. Moreover, it is far better in the interests of OPA to dispose of such trivial violations with a warning than to consume the time of our limited enforcement staff or of the courts with insignificant litigation.

I do not, of course, mean by this that it is never proper to bring suit on account of a small overcharge. We are primarily concerned with the retailer's course of conduct and the impact of his violations upon the consuming public. We want to catch up with and take adequate action against the retailer who either intentionally or because of negligence has established a pattern of violating our regulations. In a situation where, through reports of our price panels or from our own investigation, it appears that a retailer has a poor compliance record, we would bring suit even though the only violations of which we have proof were small.

This has long been our policy, but with our enforcement operation necessarily decentralized, it is always possible that some persons in the field may fail to interpret our policy instructions in the spirit in which they are issued. Decisions in enforcement matters involve questions of individual judgment, and it is not possible to couch our instructions in such terms as will eliminate the possibility of errors in judgment. I am now working out with George Moncharsh, Deputy Administrator for Enforcement, directions to the field which will reduce to a minimum the possibility of misunderstanding and we will be constantly on the watch to correct speedily any departures from our policy that may develop.

You referred specifically to the case of Freda Schlipf. We have reviewed that case and it is clear to us that on any construction of our policy, the handling of that case was inconsistent with it. We called this to the attention of our Chicago regional office yesterday and were advised that they had already removed the enforcement attorney who had been responsible for this case because of his deviations from our enforcement policy.

Referring particularly to your criticism of the retail apparel-enforcement program initiated by the Chicago Regional Office, I am sympathetic to the views you expressed. Our Chicago office was naturally and properly concerned with the widespread noncompliance of MPR 580 which a price-panel survey, made last summer, had disclosed. This is one of our major retail apparel regulations, and, incidentally, a regulation under which a seller's price is readily determinable by applying his historic mark-up over cost. While the Chicago office was right in doing its utmost to secure compliance with these important regulations, I intend to make it clear to all our field offices that the methods which you criticized in this enforcement program should not be resorted to in the future.

In particular, I am concerned over the criticism of the failure to give notice before a lawsuit is filed. A person is naturally upset to learn for the first time that he has been sued by the Government through reading it in the newspaper, and this is particularly true of a person who has not intentionally violated our regulations. It has long been our policy to avoid this result by requiring, as a general rule, that litigation not be instituted until after the defendant has received reasonable notification that suit is to be brought. I am sure you will agree that there are certain exceptional circumstances where it would be unwise to require advance notice; as for example, when we have reason to believe that notification would make the service of process more difficult or where the violations have been of such a criminal or flagrant nature as to indicate that the defendant is not entitled to notification. We are now preparing directions to the field tightening up our policy in this respect so as to reduce the situations where lack of notification is permissible to a minimum.

OPA's enforcement policies must be consistent with the American people's idea of fairness and justice. I propose to make sure that they are. I know that if they are not, the public reaction might be such as to seriously jeopardize the continued success of price control, which can only succeed if the people and the Congress are firmly behind it in the future, as they have been in the past.

Sincerely yours,
PAUL A. PORTER, *Administrator.*

AUTHORIZATION FOR APPOINTMENT OF LT. GEN. WALTER B. SMITH AS AMBASSADOR TO SOVIET UNION

Mr. HILL. The House of Representatives has passed a bill to authorize the President to appoint Lt. Gen. Walter B. Smith Ambassador to the Union of Soviet Socialist Republics, without affecting his military status and perquisites. The Senate Committee on Military Affairs, with a substantial majority present, on Tuesday unanimously voted to report the bill favorably, after it had been considered and favorably reported to the full committee by a subcommittee composed of the Senator from Vermont [Mr. AUSTIN], the Senator from South Dakota [Mr. GURNEY], the Senator from Connecticut [Mr. HART], the Senator from South Carolina [Mr. MAYBANK], and myself.

Mr. President, it is urgent that this bill be acted upon so that the nomination of General Smith may come before the Senate for consideration and action. It is urgent that an ambassador be named by the United States to the Soviet Union. Therefore, I ask unanimous consent for the present consideration of the bill.

The PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 5529) to authorize the President to appoint Lt. Gen. Walter B. Smith as Ambassador to the Union of Soviet Socialist Republics, without affecting his military status and perquisites.

Mr. WHITE. I wish to say just a brief word about the situation.

I concur completely in what the Senator from Alabama has said as to the desirability of this legislation in order that contribution may be made to the speediest possible nomination of a representative of this Government to the Soviet Republics. I think we are all somewhat apprehensive as to conditions and would feel more assured and more at ease if an American Ambassador were there at his post in charge of the diplomatic problems which arise so far as they concern the United States. I understand, too, that in this particular instance the minority members of the subcommittee constituted, in fact, a majority of the committee.

Mr. HILL. The Senator from Maine is correct about that.

Mr. WHITE. This assures me that the bill has merit and ought to be accepted by the Senate.

Mr. HILL. I thank the Senator.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 5529) was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF FAIR LABOR STANDARDS ACT

Mr. TUNNELL obtained the floor.

Mr. HILL. Mr. President, I was about to suggest the absence of a quorum, but I understand the Senator from Delaware desires to make a motion, and I withhold the suggestion for a moment of the lack of a quorum.

Mr. TUNNELL. I move that the Senate proceed to the consideration of Senate bill 1349.

The PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Delaware.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Education and Labor with an amendment to strike out all after the enacting clause, and in lieu thereof to insert:

That this act may be cited as the "Fair Labor Standards Amendments of 1946."

FINDING AND DECLARATION OF POLICY

SEC. 2. Section 2 of the Fair Labor Standards Act of 1938, as amended (hereinafter referred to as the "act"), is amended to read as follows:

"SEC. 2. (a) The Congress hereby finds that the existence, in industries engaged in commerce or in the production of goods for commerce or in activities affecting commerce, of labor conditions detrimental to the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of workers (1) causes commerce and the channels and instrumentalities of commerce to be used to spread and perpetuate such labor conditions among the workers of the several States; (2) burdens and affects commerce and the free flow of goods in commerce; (3) constitutes an unfair method of competition in commerce; (4) leads to labor disputes burdening and obstructing commerce and the free flow of goods in commerce; and (5) interferes with the orderly and fair marketing of goods in commerce.

"(b) It is hereby declared to be the policy of this act, through the exercise by Congress of its power to regulate commerce among the several States and with foreign nations, to correct and as rapidly as practicable to eliminate the conditions above referred to in such industries without substantially curtailing employment or earning power."

DEFINITIONS

SEC. 3. (a) Section 3 (b) of the act is amended to read as follows:

"(b) 'Commerce' means trade, commerce, transportation, transmission, or communication among the several States or between any State and any place outside thereof."

(b) Section 3 (e) of the act is amended to read as follows:

"(e) 'Employee' includes any individual employed by an employer in any State, and also includes any seaman employed on or in connection with an American vessel under a contract of service entered into in any State or during the performance of which the vessel touches at a port in any State; but does not include any seaman employed on or in connection with a vessel not an American vessel, if such seaman is employed on and in connection with such vessel when outside any State."

(c) Section 3 (m) of the act is amended to read as follows:

"(m) 'Wage' paid to any employee, except any seaman, includes the reasonable cost, as determined by the Administrator, to the employer of furnishing such employee with board, lodging, or other facilities, if such board, lodging, or other facilities are customarily furnished by such employer to his employees."

(d) Section 3 of the act is further amended by adding at the end thereof the following:

"(n) 'American vessel' means any vessel documented or numbered under the laws of the United States; and includes any vessel which is neither documented nor numbered under the laws of the United States nor documented under the laws of any foreign country, if its crew is employed solely by one or more citizens or residents of any State or corporations organized under the laws of the United States or of any State.

"(o) 'Activity affecting commerce' means any activity in commerce or necessary to commerce or competing with any activity in commerce or where the payment of wages at rates below those prescribed by this act or where the employment of oppressive child labor would burden or obstruct or tend to burden or obstruct commerce or the free flow of commerce."

INDUSTRY COMMITTEES

SEC. 4. (a) Section 5 (a) of the act is amended to read as follows:

"SEC. 5. (a) The Administrator shall as soon as practicable appoint an industry committee for each industry engaged in commerce or in the production of goods for commerce or in other activities affecting commerce."

(b) The second sentence of section 5 (e) of the act is amended to read as follows: "Notwithstanding any other provision of this act, the Administrator may appoint a special industry committee to recommend the minimum rate or rates of wages to be paid under section 6 to employees in Puerto Rico or the Virgin Islands, or in Puerto Rico and the Virgin Islands, or the Administrator may appoint separate industry committees to recommend the minimum rate or rates of wages to be paid under section 6 to employees therein in particular industries."

MINIMUM WAGES

SEC. 5. (a) So much of section 6 (a) of the act as precedes paragraph (5) thereof is amended to read as follows:

"SEC. 6. (a) Every employer shall pay to each of his employees who is engaged in commerce or in the production of goods for commerce, and every employer who is engaged in any activity affecting commerce shall pay to each of his employees employed in or about or in connection with any enterprise where he is so engaged, wages at the following rates—

"(1) during the first and second years from the effective date of the fair labor standards amendments of 1946, not less than 65 cents an hour;

"(2) during the third and fourth years from such date, not less than 70 cents an hour;

"(3) after the expiration of 4 years from such date, not less than 75 cents an hour;

"(4) at any time after such effective date, not less than the rate (not in excess of 75 cents an hour) prescribed in the appplicable order of the Administrator issued under section 8;".

(b) Section 6 of the act is amended by striking out subsection (b) thereof.

(c) Section 6 (c) of the act is amended to read as follows:

"(c) The provisions of paragraphs (1), (2), and (3) of subsection (a) of this section shall be superseded in the case of any employee in Puerto Rico or the Virgin Islands only for so long as and insofar as such employee is covered by a wage order issued by the Administrator pursuant to the recommendations of a special industry committee appointed pursuant to section 5 (e), and the provisions of section 8 (e) shall not apply in the case of any such order."

MAXIMUM HOURS

SEC. 6. Section 7 of the act is amended to read as follows:

"SEC. 7. (a) Except as otherwise provided in this section, no employer shall employ any of his employees who is engaged in commerce or in the production of goods for commerce, and no employer who is engaging in any activity affecting commerce shall employ any of his employees employed in or about or in connection with any enterprise where he is so engaged, for a workweek longer than 40 hours, unless such employee receives compensation for his employment in excess of the hours above specified at a rate not less than one and one-half times the regular rate at which he is employed.

"(b) No employer shall be deemed to have violated subsection (a) by employing any employee for a workweek in excess of that specified in such subsection without paying the compensation for overtime employment prescribed therein if such employee is so employed—

"(1) in pursuant of an agreement, made as a result of collective bargaining by representatives of employees certified as bona fide by the National Labor Relations Board, which provides that no employee shall be employed more than 1,000 hours during any period of 26 consecutive weeks,

"(2) on an annual basis in pursuance of an agreement with his employer, made as a result of collective bargaining by representatives of employees certified as bona fide by the National Labor Relations Board, which provides that the employee shall not be employed more than 2,080 hours during any period of 52 consecutive weeks, or

"(3) for a period or periods of not more than 14 workweeks in the aggregate in any calendar year (A) in an industry found by the Administrator to be of a seasonal nature, or (B) in any other industry which is engaged in the handling or packing or storing, in their raw or natural state, or the first processing or canning, of agricultural or horticultural commodities or fish or other aquatic forms of animal or vegetable life and which is found by the Administrator to be characterized by a marked annually recurring peak season.

and if such employee receives compensation for employment in excess of 12 hours in any workday, or for employment in excess of 56 hours in any workweek, as the case may be, at a rate not less than one and one-half times the regular rate at which he is employed."

WAGE ORDERS

SEC. 7. Section 8 of the act is amended to read as follows:

"SEC. 8 (a) With a view to carrying out the policy of this act by reaching, as rapidly as is economically feasible without substantially curtailing employment, the objective of a universal minimum wage of 75 cents an hour in each industry engaged in commerce or in the production of goods for commerce or in any other activity affecting commerce, the Administrator shall from time to time convene the industry committee for each such industry, and the industry committee shall from time to time recommend the minimum rate or rates of wages to be paid under section 6 by employers engaged in commerce or in the production of goods for commerce or in any other activity affecting commerce in such industry or classifications thereof.

"(b) Upon the convening of an industry committee, the Administrator shall refer to it the question of the minimum wage rate or rates to be fixed for such industry. The industry committee shall investigate conditions in the industry and the committee, or any authorized subcommittee thereof, may hear such witnesses and receive such evidence as may be necessary or appropriate to enable the committee to perform its duties and functions under this act. The committee shall recommend to the Administrator the highest minimum wage rates for the industry which it determines, having due regard to economic and competitive conditions, will not substantially curtail employment in the industry.

"(c) The industry committee for any industry shall recommend such reasonable classifications within any industry as it determines to be necessary for the purpose of fixing for each classification within such industry the highest minimum wage rate (not in excess of 75 cents an hour) which (1) will not substantially curtail employment in such classification and (2) will not give a competitive advantage to any group in the industry, and shall recommend for each classification in the industry the highest minimum wage rate which the committee determines will not substantially curtail employment in such classification. In determining whether such classifications should be made in any industry, in making such classifications, and in determining the minimum wage rates for such classifications, no classification shall be made, and no minimum wage rate shall be fixed, solely on a regional basis, but the industry committee and the Administrator shall consider among other relevant factors the following:

"(1) competitive conditions as affected by transportation, living, and production costs;

"(2) the wages established for work of like or comparable character by collective labor agreements negotiated between employers and employees by representatives of their own choosing; and

"(3) the wages paid for work of like or comparable character by employers who voluntarily maintain minimum-wage standards in the industry.

No classification shall be made under this section on the basis of age or sex.

"(d) The industry committee shall file with the Administrator a report containing its recommendations with respect to the matters referred to it. Upon the filing of such report, the Administrator, after due notice to interested persons, and giving them an opportunity to be heard, shall by order approve and carry into effect the recommendations contained in such report, if he finds that the recommendations are made in accordance with law, are supported by the evidence adduced at the hearing, and, taking into consideration the same factors as are required to be considered by the industry committee, will carry out the purposes of this section; otherwise he shall disapprove such recommendations. If the Administrator disapproves such recommendations, he shall again refer the matter to such committee, or to another industry committee for such industry (which he may appoint for such purpose), for further consideration and recommendations.

"(e) No minimum wage rate of less than 75 cents an hour, contained in an order issued under this section, shall remain in effect after the expiration of 4 years from the effective date of the Fair Labor Standards Amendments of 1946; and no order fixing a minimum rate of less than 75 cents an hour shall be issued under this section with respect to any industry on or after such expiration.

"(f) Orders issued under this section shall define the industries and classifications therein to which they are to apply, and shall contain such terms and conditions as the Administrator finds necessary to carry out the purposes of such orders, to prevent the circumvention or evasion thereof, and to safeguard the minimum wage rates established therein. No such order shall take effect until after due notice is given of the issuance thereof by publication in the Federal Register and by such other means as the Administrator deems reasonably calculated to give to interested persons general notice of such issuance.

"(g) Due notice of any hearing provided for in this section shall be given by publication in the Federal Register and by such other means as the Administrator deems reasonably calculated to give general notice to interested persons."

CHILD-LABOR PROVISIONS

SEC. 8. Section 12 of the act is amended to read as follows:

"SEC. 12. (a) No producer, manufacturer, or dealer shall ship or deliver for shipment in commerce any goods produced in an establishment situated in the United States in or about which within 30 days prior to the removal of such goods therefrom any oppressive child labor has been employed: *Provided*, That a prosecution and conviction of a defendant for the shipment or delivery for shipment of any goods under the conditions herein prohibited shall be a bar to any further prosecution against the same defendant for shipments or deliveries for shipment of any such goods before the beginning of said prosecution.

"(b) No employer who is engaged in commerce or in the production of goods for commerce or in any other activity affecting commerce shall employ any oppressive child labor in or about or in connection with any enterprise in which he is so engaged.

"(c) The Chief of the Children's Bureau in the Department of Labor, or any of his authorized representatives, shall make all investigations and inspections under section 11 (a) with respect to the employment of minors, and, subject to the direction and control of the Attorney General, shall bring all actions under section 17 to enjoin any act or practice which is unlawful by reason of the existence of oppressive child labor, and shall administer all other provisions of this act relating to oppressive child labor."

EXEMPTIONS

SEC. 9. Section 13 of the act is amended to read as follows:

"SEC. 13. (a) The provisions of sections 6 and 7 shall not apply with respect to (1) any employee employed in a bona fide executive, administrative, or professional capacity, or in the capacity of outside salesman (as such terms are defined and delimited by regulations of the Administrator); or (2) any employee employed in any retail or service establishment by an employer having not more than four such establishments and having a total annual volume of sales or servicing of not more than $500,000; or (3) any employee of a carrier by air subject to the provisions of title II of the Railway Labor Act; or (4) any employee employed in the catching, taking, harvesting, cultivating, or farming of any kind of fish, shellfish, crustacea, sponges, seaweeds, or other aquatic forms of animal and vegetable life, including the going to and returning from work and loading and unloading when performed by any such employee; or (5) any employee employed in agriculture; or (6) any employee to the extent that such employee is exempted by regulations or orders of the Administrator issued under section 14; or (7) any employee employed in connection with the publication of any newspaper with a circulation of less than 3,000; or (8) any employee of a street, suburban, or interurban electric railway, or local trolley or motorbus carrier, not included in other exemptions contained in this section; or (9) any switchboard operator employed in a public telephone exchange which has less than 1,000 stations.

"(b) The provisions of section 7 shall not apply with respect to (1) any employee who during the greater part of any workweek is engaged in work with respect to which the Interstate Commerce Commission has established qualifications and maximum hours of service pursuant to the provisions of section 204 of the Motor Carrier Act, 1935; or (2) any employee of an employer subject to the provisions of part I of the Interstate Commerce Act; or (3) any employee employed as a seaman.

"(c) The provisions of section 12 relating to child labor shall not apply with respect to any employee employed in agriculture while not legally required to attend school, or to any child employed as an actor in motion pictures or theatrical productions."

PENALTIES

SEC. 10. Section 16 of the act is amended to read as follows:

"SEC. 16. (a) Any person who willfully violates any of the provisions of section 15 shall upon conviction thereof be subject to a fine of not more than $10,000 or to imprisonment for not more than 6 months, or both. No person shall be imprisoned under this subsection except for an offense committed after the conviction of such person for a prior offense under this subsection.

"(b) Any employer who violates the provisions of section 6 or section 7 of this act shall be liable to the employee or employees affected in the amount of their unpaid minimum wages, or their unpaid overtime compensation, as the case may be, and in an additional equal amount as liquidated damages, except that the court may, in its discretion, upon an affirmative showing by the employer that the violation was not willful and that he acted in good faith, reduce the liquidated damages in whole or in part. Action to recover such wages, compensation, and damages may be instituted at any time within 2 years from the accrual of such liability in any court of competent jurisdiction, and may be maintained by any one or more employees for and in behalf of himself or themselves and other employees similarly situated, or such employee or employees may designate an agent or representative to maintain such action for and in behalf of all employees similarly situated. The court in such action shall, in addition to any judgment awarded to the plaintiff or plaintiffs, allow a reasonable attorney's fee to be paid by the defendant, and costs of the action."

EFFECTIVE DATE

SEC. 11. This act shall take effect upon the expiration of 120 days from the date of its enactment.

SAVING PROVISION

SEC. 12. No amendment made by this act shall affect any penalty or liability with respect to any act or omission occurring prior to the effective date of this act; but, after the expiration of 2 years from such effective date, no action shall be instituted under section 16 (b) of the Fair Labor Standards Act with respect to any liability accruing under such section prior to the effective date of this act.

The PRESIDENT pro tempore. The Chair desires to say that the committee amendment, being a substitute for the text of the bill, will be regarded for the purpose of amendment, under rule XVIII, as a question. Any amendment proposed thereto is in the first degree only, and any such amendment is itself open to amendment.

Mr. ELLENDER. Mr. President, will the Senator from Delaware yield to me for a moment?

Mr. TUNNELL. I yield.

Mr. ELLENDER. Mr. President, when the majority of the committee reported

this bill there were filed minority views. In order that the issues may be joined as between the majority and the minority Senators, I now offer for the Senator from Minnesota [Mr. BALL] and myself an amendment to the pending bill and ask that it be stated.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all of sections 2 to 9, inclusive, and in lieu thereof to insert:

SEC. 2. (a) Subsection (a) of section 6 of the act is amended by striking out all of such subsection through the figure "(5)" in the last paragraph and inserting the following:

"SEC. 6. (a) Every employer shall pay to each of his employees who is engaged in commerce or in the production of goods for commerce, wages at the following rates—

"(1) during the first 18 months from the effective date of the Fair Labor Standards Amendments of 1946, not less than 55 cents an hour;

"(2) thereafter, not less than 60 cents an hour;

"(3) at any time after such effective date, not less than the rate (not in excess of 60 cents an hour) prescribed in the applicable order of the Administrator issued under section 8.

"(4)"

(b) Subsection (b) of section 6 of the act is hereby repealed.

SEC. 3. Section 12 of the act is amended to read as follows:

"SEC. 12. (a) No producer, manufacturer, or dealer shall ship or deliver for shipment in commerce any goods produced in an establishment situated in the United States in or about which within 30 days prior to the removal of such goods therefrom any oppressive child labor has been employed: *Provided*, That a prosecution and conviction of a defendant for the shipment or delivery for shipment of any goods under the conditions herein prohibited shall be a bar to any further prosecution against the same defendant for shipments or deliveries for shipment of any such goods before the beginning of said prosecution.

"(b) No employer shall employ any oppressive child labor in commerce or in the production of goods for commerce.

"(c) The Chief of the Children's Bureau in the Department of Labor, or any of his authorized representatives, shall make all investigations and inspections under section 11 (a) with respect to the employment of minors, and, subject to the direction and control of the Attorney General, shall bring all actions under section 17 to enjoin any act or practice which is unlawful by reason of the existence of oppressive child labor, and shall administer all other provisions of this act relating to oppressive child labor."

The PRESIDING OFFICER (Mr. HOEY in the chair). The question is on the amendment offered by the Senator from Louisiana.

Mr. HILL. Mr. President, will the Senator from Delaware yield to me now to suggest the absence of a quorum?

Mr. TUNNELL. I yield.

Mr. HILL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Barkley	Bushfield
Austin	Bilbo	Butler
Bailey	Brewster	Capper
Ball	Briggs	Carville
Bankhead	Buck	Chavez
Connally	Johnson, Colo.	Pepper
Cordon	Johnston, S. C.	Reed
Donnell	Kilgore	Revercomb
Downey	Knowland	Robertson
Eastland	La Follette	Russell
Ellender	Lucas	Saltonstall
Ferguson	McCarran	Shipstead
Fulbright	McClellan	Smith
George	McKellar	Stanfill
Gerry	McMahon	Stewart
Gossett	Magnuson	Taft
Green	Maybank	Thomas, Okla.
Guffey	Millikin	Thomas, Utah
Gurney	Mitchell	Tunnell
Hart	Moore	Tydings
Hatch	Morse	Vandenberg
Hawkes	Murdock	Walsh
Hayden	Murray	Wheeler
Hickenlooper	Myers	Wherry
Hill	O'Daniel	White
Hoey	O'Mahoney	Wiley
Huffman	Overton	Willis

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from New York [Mr. WAGNER] are absent because of illness.

The Senator from Virginia [Mr. BYRD] and the Senator from Florida [Mr. ANDREWS] are necessarily absent.

The Senator from Arizona [Mr. MCFARLAND], the Senator from Maryland [Mr. RADCLIFFE], and the Senator from Idaho [Mr. TAYLOR] are detained on public business.

The Senator from New York [Mr. MEAD] is absent on official business.

Mr. WHERRY. The Senator from Illinois [Mr. BROOKS] is recovering from a recent operation.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from Iowa [Mr. WILSON] is absent because of illness.

The Senator from North Dakota [Mr. YOUNG] is necessarily absent. He has been excused.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Indiana [Mr. CAPEHART], and the Senator from North Dakota [Mr. LANGER] are necessarily absent.

The PRESIDING OFFICER. Eighty-one Senators having answered to their names, a quorum is present.

Mr. TUNNELL. Mr. President, while much has been said about Senate bill 1349, very few realize its importance, not alone to the various individuals who will be directly affected by its provisions if it shall become law, but, in one way or another, to the whole economy of the Nation. There was a time when it was believed that a minimum-wage law was entirely beyond the possibilities of the people of the United States under our Constitution. Yet for a number of years there has been a minimum-wage law. It has been effective, it has been helpful, and has been a blessing, not only to individuals but to the Nation as a whole.

After hearing the evidence with reference to the pending bill, it seems to me the principal ground of controversy is as to how high the minimum wage should be. The suggestion of 65 cents an hour is a minimum, and is in no sense intended to be a ceiling or maximum wage. I realize that that is a matter about which men can conscientiously disagree.

Three parties are interested in this great controversy. They are the employer, the employee, and the consumer or general public. Of course, the three classes overlap. They all belong to the consumer class, and a great many belong to both the employer and employee classes in one way or another. So the lines between the three classes are not distinct. Yet since we have a 40-hour week, the wage scale is such an important factor that we can scarcely avoid considering what a person who receives a minimum wage of 65 cents an hour is earning. His wage is $26 a week, and in many instances it is the wage for the head of a family.

I doubt if anyone can justify the statement that $26 a week is too high an income for an American family. The attempt, if successful, to pinch off a few cents an hour from less than a living wage will not result in improving the economy of America. The attempt to make the minimum wage 55 cents, or 60 cents, or something just a little less than 65 cents, may bring about what seems to be a victory for the man who suggests it, but it will not be a victory for America; it will not be a victory for the man who has to live on 40 times 55 cents an hour, or $22 a week, with prices as they are at present.

Raising the legal minimum wage from 40 cents to 65 cents an hour will help to correct an injustice to economically defenseless, underpaid workers, and will help to bring them closer to a decent standard of living, which was the goal set by the passage of the Fair Labor Standards Act in 1938.

There is much deceptive argument based on the contention that the pending bill raises wages from 40 cents to 65 cents an hour. It does not do that at all. Eighty percent of the factory workers of America are now being paid 65 cents an hour or more. One of the Members of the Senate said to me a few days ago that he was paying a minimum of 80 cents an hour in the factory in which he is interested. So the individual in that category will not be at all affected by this bill. His 80-cent minimum is higher than the wage minimum under the pending bill will be after 4 years. So it is deceptive to assert that a change from 40 cents to 65 cents as a legal minimum is a change of 62½ percent in the wage scale of America. It is not. The bill will not affect a very large percentage of American workingmen today; but it will reach those who are unable to defend themselves. In some sections of the country employers are abusing their privilege of paying less than a living wage to those who are unorganized and in no position to defend themselves. That is something which we may and should consider. In the first place, approximately three-fourths of American laboring men are unorganized. They constitute a body of people living as best they can on the highest wage they can get. There probably are in the United States today individuals engaged in business who are paying to American citizens who work for them as low as 40 cents an hour, or $16 per week, on which they must live and support their families.

Mr. MORSE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Oregon?

Mr. TUNNELL. I yield.

Mr. MORSE. I believe I would be justified in interpreting the Senator's re-

marks to mean that he holds to the view that it is not proper for a democratic government to permit the economic strong to exploit the economic weak.

Mr. TUNNELL. Yes; but I think I would change the words "democratic government" to "democratic people." I do not think it is proper for the American people to permit the exploiting of those who are unable to defend themselves.

Mr. MORSE. Does the Senator agree with me that the operation of the so-called American free enterprise economic system does not carry with it the license or the right of the economic strong to exploit the economic weak, by paying them wages so low that they cannot maintain a standard of living which provides for health and decency in living?

Mr. TUNNELL. I agree entirely with the Senator from Oregon in that statement.

Mr. President, the measure before the Senate provides for the amendment of what is known as the Fair Labor Standards Act or Minimum Wage Act of 1938. In considering this proposed legislation I think we should realize at the very beginning that even the 65- or 75-cent minimum is not a statutory guaranty of prosperity for the wage earner, but rather is a compromise with need. As President Truman has emphasized, the minimum proposed in this bill is clearly a modest goal. As a matter of fact, the minimum here proposed does not even provide a decent standard of living.

A recent study by the Bureau of Labor Statistics shows that in 1944 a family of three persons, in order to break even, should have had an income of $1,950 after payment of income taxes. That income was needed for the purpose of breaking even. But simply to break even is not what an American boy and an American girl who start out in life to build a home want to do. That is not what we want them to do. That is not what America expects them to do. An American boy and an American girl starting to build a home expect more than to break even. They have to have a place in which to live. They are entitled to receive a wage which will enable them to buy a home and to purchase the things enjoyed by those taking part in the ordinary life of the community in which they live. They are entitled to an automobile. They are entitled to refrigeration. They are entitled to have the things that go to protect their health, their lives. Breaking even is starvation one door away. Breaking even leaves the man and the woman in poverty throughout their lives. Breaking even means that when a person reaches the age of 65, or whatever may be the maximum working age, he must be dependent on someone else, even though he were the best manager in the world.

(At this point Mr. TUNNELL yielded to Mr. EASTLAND, who submitted and had read an amendment intended to be proposed by him to Senate bill 1349. On request of Mr. TUNNELL, the amendment was ordered to be printed in the RECORD following his remarks.)

Mr. TUNNELL. Mr. President, I repeat what I said a few moments ago. A recent study by the Bureau of Labor Statistics shows that in 1944, in order to break even a family of three persons should have had an income of $1,950 after income taxes. Senators who vote to place the working people of today under a minimum of $800, or 50 weeks at $16 a week, are voting an injustice which they may be able to settle with their consciences, but the laboring man cannot settle with his merchants by such wages.

That break-even budget allows $30 a month for rent and only 22 cents a meal per person. The study shows further that when such families purchased war bonds and kept up their insurance they went into debt to the extent of $168 a year. That is without anything for dentistry, medicine, or any of the things which people must have in order to maintain a decent home and raise healthy families.

This is not wild speculation. Each of us knows that prices are real, and that food, clothing, medicine, dentistry, and insurance are necessities. An income of $1,950 would cause a family of three to go into debt to the extent of $168 a year if they did not spend anything else, if they gave nothing to the church or to charity. They would live on the barest minimum, and yet we in the Senate are asked today not to raise that minimum amount, but to hold in front of the workingman of America a barrier which says, "Thou shalt not rise. Thou shalt never have a decent home. Thou shalt not have healthy children. Thou shalt not have the conveniences of life." We are asked to vote for a thing of that sort, and yet we say that we believe in free enterprise. Enterprise of whom, and for what?

Working at 65 cents an hour for 50 40-hour weeks a year, a worker could earn $1,300 a year. He could not afford to be sick during that period. He could not afford to take any holidays except those for which he was paid. On such a wage a worker's family of four could buy only three-fourths of the food necessary for a minimum diet, as calculated not by the worker or by me but by the United States Department of Agriculture. A family of three could have three-fourths of the food necessary. Where would the other fourth come from? Are we going to provide a three-fourths diet, with one-fourth debt? Are we going to provide three-fourths of enough meat and eggs; three-fourths of enough milk and vegetables; and three-fourths of enough citrus fruit? In other words, such a worker's family could well be considered to be lacking essential foods for at least one-fourth of the time, day in and day out.

The testimony of worker after worker who came before the Senate subcommittee conducting the hearings on this bill bore dramatic witness to the need of a higher minimum wage. Witnesses told of weak-eyed children who needed glasses and whose parents had no money with which to buy them—parents who had not the money for the necessary deposit. My recollection is that one woman told us that she was required to put up $15 before she could obtain a pair of glasses which were necessary to keep her daughter in school. She had to keep her daughter out of school for 2 years, in a little town not so far away, and in the State of one of the Senators now in the Chamber.

In my estimation the testimony of worker after worker could not be wrong. One worker might make a misstatement. Two might be mistaken; but taken all together the workers who appeared before the committee were telling us what faced them. Let me cite a few cases.

Charles C. Burke, of Lebanon, Pa., just out of the Army, told of receiving 50 cents an hour and trying to support a family on $20 a week.

Mrs. Winifred Burr, of Brooklyn, N. Y., who supports a sick mother, told of trying to make ends meet on her 58-cents-an-hour earings in a razor-blade factory.

Mrs. Lucille Durham, of Fayetteville, Tenn., supports 3 children on 40 cents an hour.

One parent who came before us said that she sent her child to the dentist to have its teeth filled, and was told by the dentist that the child had not had the necessary elements of food to produce teeth hard enough to retain the fillings.

These are problems which are facing the American people, but we as Members of this body are assuming the responsibility when we vote on this bill. We are sentencing those people to a continuation of substandard wages and substandard lives.

Arnold N. Fesser, of Baltimore, Md., a seaman, is paid for only 8 months of the year. In the line of work in which he is engaged he cannot work all 12 months. His employment covers only 8 months. His employer is exempted from the Fair Labor Standards Act, and does not have to pay minimum or overtime rates during those months, and pays nothing for time on shore between cruises.

Mrs. Gladys Bellows, of Traverse City, Mich., who supports 8 children on her earnings at a cannery, worked 91 hours one week at 50 cents an hour. There were no overtime rates, because the canning industry has been exempted from that provision of the Fair Labor Standards Act.

Witnesses told of mothers and young children forced into the labor market to help eke out an existence. There are some who say that mothers, wives, and sisters in the family should not be wage earners, that they should stay at home. But how can they do so when the wage earner cannot earn sufficient income to support the family, to obtain food and clothing for those who are not working? They are forced into the labor market to help out. The withdrawal of children from school so that they may work and help to support the family is one of the most serious effects of substandard wages. We were told of whole families relying upon hand-me-down suits and overcoats which could somehow be made over to provide a minimum of decency. I remember one woman telling us that she had to borrow the dress she wore when she appeared before the committee.

Some of the opponents of the bill argue that many of the underpaid workers are single individuals, unmarried men and girls. I suppose, like the teachers about

whom we were told a couple of years ago, they are supposed to live with their parents. But that is not what they are working for. They are working for compensation commensurate to the work that is done. For that purpose, and measured by that standard, it makes no difference whether the worker's parents are living or dead.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. TUNNELL. I yield.

Mr. AIKEN. I wish to call attention to the argument made by some of the opponents that a large percentage of the underpaid workers are single. I think it might also be pointed out that the reason why most of them are single is that they are underpaid, and thus are absolutely unable to get married and raise families. They cannot get married and raise families until they have jobs which pay them more.

Mr. TUNNELL. I think the Senator is entirely correct. Millions of our people must remain single because of that situation.

Mr. AIKEN. Let me add that probably the principal reason for the declining birth rate in this country, at a time when America needs more new population than it ever has before—I do not refer particularly to the past year, for I realize there has been an increase in the number of births, but I refer generally to the long period of years during which we have been experiencing a declining birth rate—is the inability of young people to marry because they cannot afford to get married and raise families. That is the principal reason for the general decline in our birth rate.

Mr. TUNNELL. The Senator is entirely correct. A man does not have a right to take a girl from a home where she is getting something to eat and something to wear, and take her to a place where he knows he cannot buy the necessities of life for her and the children who should be born if America is to continue in its present condition.

I am so impressed with the importance of this issue that I fear I am overstressing some of the things I say. I think much depends on the attitude of Government toward its people in connection with matters of this kind.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. TUNNELL. I yield.

Mr. MORSE. I wish to commend the Senator from Delaware for the remarks he has made on this subject thus far. I do not think he can begin to overemphasize or overstress the points he has been making. I should like to help him emphasize some of the points. When he refers to the fact that some of the opponents of the bill attempt to justify the low wages paid to unmarried persons, I think it is important that those of us who are proponents of this bill should drive home at every possible opportunity the point that what our opponents really are saying is that those who have to work for such low wages are subsidizing the rest of us. They suffer because the Government has not as yet set up a minimum wage standards sufficiently high to provide a decent standard of living for people in this country who work in the low-pay-bracket industries. They should not be asked to subsidize the rest of us—the public—by working for wages so low that we are able to profit through their subsidization. If there must be subsidies they should not take the form of substandard wages. So far as I am concerned, basic to this whole argument is the point that we in this country must stop asking certain workers to subsidize the rest of us by working for wages so low that such workers cannot lead a decent life.

I remember one case in which I was involved. In that case the attorney for the employer had the audacity to suggest that certain girl telephone operators should not object to the wage they were receiving, because most of them lived at home and received their board and room for nothing from their parents. That was a disgraceful argument and I said so at the time. It is an argument based upon a proposal of subsidization of the rest of us by labor. We members of the public ought to be willing to pay telephone rates, for example, sufficiently high so that telephone workers all over the country can receive decent wages. That goes for other industries too. In fact the same principle should be applied to every case where present wage rates are so low that some of our fellow citizens do not earn enough to support themselves in decency. Low wages and wage discriminations are a constant threat to a decent standard of living for all groups of Americans.

That is one reason why the Senator from Florida and I have introduced a bill proposing equal pay for equal work for women. The principle of discrimination against women in the wage structure is also involved in the arguments of many opponents of the type of legislation which is now before us. I think the time has come for the Senate to show that it recognizes that it is an obligation of Government to maintain decent minimum wages in this country, so that the types of evil to which the Senator from Delaware is addressing his remarks will not be perpetuated.

I should like to make one more point, and then I shall finish the interruption. When the Senator talks about the relation between minimum wages and health, he is talking about a matter of vital importance to the welfare and security of the Nation. We have just come through a terrible war, and we only have to consider what the draft boards of this country found when they came to draft the young men for war service to realize the relationship between nutrition and national security. I know of no better national defense bill we could pass than a minimum wage bill which would give reasonable assurance that future generations will raise boys and girls with bodies healthy and strong so that if it is necessary for them to fight for our national security they will have the strength and health with which to fight.

Mr. TUNNELL. Mr. President, I thank the Senator. I should like to know if anyone can recall any theory of payment for services which would distinguish between married people and single people, to the detriment of the single workers. In other words, is a man to be punished because he is not married, although his work is worth as much as that done by a married man? Is there any such theory in the industry of any nation, or has there ever been? We are told, as I recall, that at least two-thirds of the workers of the United States are married. Assuming that one-third of the workers of our Nation are single and can live on a substandard wage or can live on a wage on which a family of four could not live, how in the name of heaven can the two-thirds of our workers who are married live? How are they going to live? Are they going to be compelled to live on the wages of a single man, because industry can hire single men cheaper? I do not think anyone will put forward the theory, with reference to hiring employees, that extra wages should be paid to single workers. No evidence is offered that single workers constitute a significant portion of the underpaid. On the contrary, single workers constitute much less than one-third of the underpaid; and a study made by the Bureau of Labor Statistics, published in the February Monthly Labor Review, shows that nearly two-thirds of the single women under 30 years of age received $2,000 or more in 1944. So they are not the problem. The problem is for those who have obligations with reference to others. There is where the heaviest burden is falling, and the responsibility with respect to it will fall on the Senate when this bill is voted upon. It should also be noted that single individuals with no one to support require higher minimum wages than those set by this bill, if such individuals are to achieve a decent standard of living. So it has been determined that the minimum wage of today is not even sufficient to support those who are unmarried. But even if the proportion of underpaid single individuals were great, the argument is unsound and inimical to the national well-being. Sound national policy must aim at the continued growth and welfare of our population, and it dictates that workers should have sufficient income on which to marry and raise a family.

I have noted that the size of the average family is estimated differently. I believe that all those who have estimated the size of the average family have said that it consists of more than three persons. Some say that almost four persons constitute the average family. So the question upon which we are to vote is not a matter affecting merely the homes where substandard wages are being received but it constitutes a living problem to the people of America, regardless of what they themselves receive in the form of wages.

Mr. President, Federal policy cannot be directed toward a nation of bachelors and spinsters. We cannot built up the economy of a nation on the basis of assuming that everyone is to be either a bachelor or a spinster. This generation will not last long on such a theory as that.

With the growth of our economy, with a national income of $160,000,000,000,

the welfare of the Nation demands that our increased productivity must be used to raise the substandard living of those at the bottom of the economic ladder. Prosperity is indivisible, and if an industry is to prosper its workers must also prosper. With a national income of $160,000,000,000 the low-paid worker now receives a smaller portion of the Nation's wealth than he received when he was paid 25 cents an hour in 1938, at a time when the national income was $64,000,000,000 annually. The income of America last year was nearly $100,000,000,000 more than it was in 1938, and yet some persons say, "Oh, 40 cents an hour; do not go above that or you will destroy business. You will break down American economy if you require those who employ labor to pay sufficient wages to keep their employees honest, alive, and healthy."

Mr. PEPPER. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Delaware yield to the Senator from Florida?

Mr. TUNNELL. I yield.

Mr. PEPPER. Has not the Senator voiced the very criticism and fear which was expressed when the original minimum-wage-hour law, which was passed by Congress in 1938, was being considered? Was it not then said that if the bill were enacted into law it would ruin a large part of the business enterprise of the country?

Mr. TUNNELL. That was the argument which was used at that time. The questions which were asked in the investigations and in the taking of testimony on the pending bill were the same questions, at least so I have been told, as those which were asked with reference to the 40-cent minimum hour bill. The same arguments will be used on this floor in the discussion of Senate bill 1349 that were used on the occasion to which reference has been made. Some may say, "Oh, this bill provides for 65 cents an hour, and the other bill provided for 40 cents a hour"; but, Mr. President, in the manufacturing industries of the country today the hourly wage is nearer to 65 cents than it was to 45 cents in 1938.

As the national income per capita has risen at least 75 percent in the past 7 years, when adjusted for price changes the income of the underpaid has not risen in anything like the same proportion. The situation is becoming blacker all the time. Rising average wages have left far behind the 40-cent statutory minimum established in 1938, and if the Congress does not speed this bill along, the proposed minimum rate of 65 cents an hour may be obsolete before the bill becomes law.

The Government's new wage price policy, in effect recognizing a pattern of wage increases of 15 cents to 20 cents an hour above the cost of living by adjustments obtained through collective bargaining, would permit an increase of the statutory minimum of 40 cents to 75 cents without a major repercussion in the economy. Unless Congress passes this bill, underpaid workers many of whom are unorganized, will fall farther behind in the economic struggle. If we are to avoid depression and achieve full employment, it is vital that Congress should increase progressively the minimum wage of the underpaid worker. The term "underpaid" alone condemns the man who pays it, and condemns the Congress of the United States for permitting such a situation to exist.

Labor represents the life blood of a prosperous economy. The Committee for Economic Development, in a research pamphlet dated April 1945, states:

> Wages are more than the price of labor. They are the incentive of a producer, the income of a family, the purchasing power upon which sales are built.

So wages are something which reach out and affect all people. Wages create markets. If goods are produced and there is no purchasing power to absorb them, the employer cannot long continue to employ. Once reconversion is completed and goods begin to flow freely, the continuance of full production, high profits, and high national income will depend to a great extent upon the millions of American families who cannot now afford to purchase out of their meager pay the products of our factories and farms.

In other words, Mr. President, this is not a bill which strikes at any particular class of people. It will raise the prosperity of the whole Nation. The farmer needs this bill as badly as does the man who receives wages. While it does not directly affect the farmer and does not directly affect the wages of his employees, it does affect the wages of those who eat the farmer's crops. It supplies a minimum wage to those who must have such wage in order to pay the farmer a fair price for his products. That statement applies not alone to the farmer, but also to the manufacturer. It applies to every class of citizen.

Mr. President, the submarginal consumers and submarginal wage areas of the country are our greatest potential markets. In other words, if we are going to increase the markets of America within America, we must do it by increasing the purchasing power of the submarginal worker.

As I traveled recently around the world I saw the people of various nations who were underfed and underpaid. In one nation, India, in which we were told that the wage was $12 a week, it could be seen by the build of the people and their physical make-up that they were underfed. There can be no doubt of the fact that India represents one of our greatest markets of the future. When one goes into the territory north of India; when one goes into China and other countries where millions of people are living on practically nothing, from the standpoint of wages, great possibilities are seen for a future market for America. But right here in our own country there live those who are now receiving a minimum wage of $16 a week. That is what is guaranteed by law. They can obtain $16 a week, while the great masses in India can receive only $12 a week. We were told last night that they are receiving about that much.

Mr. President, that is a situation which should appeal, it seems to me, to all Americans. No country has risen to prominence by attempting to follow the system of the Chinese or the Indians with ference to the payment of wages. No country has become prosperous which followed such a system.

If we are to avoid depression and achieve full employment, it is vital that we shall consider these problems. If goods are produced and there is no purchasing power to absorb them, panics and depressions will ensue. When reconversion is completed and goods begin to flow freely, then we can have free American enterprise, about which we hear so much. We cannot have free American enterprise if the worker is compelled to work for less than enough to eke out an existence for his family. If his sons and his daughters must grow up puny, undeveloped physical specimens, without the necessities of life which the neighbors can and do have, a situation is created which will develop into all the "isms" which are now prevalent in some parts of the world.

Experts testified before the subcommittee that purchases of food and clothing represent a greater proportion of a small wage earner's budget than they do of the high-paid worker's budget. Hence higher wages and greater purchasing power for submarginal workers in industry will benefit every producer in America—farmer, manufacturer, and others.

Mr. Clinton P. Anderson, Secretary of Agriculture, told the subcommittee that studies by the Department of Agriculture indicate that for each increase of a billion dollars in the income of low-wage earners there will be a corresponding increase of $200,000,000 in expenditures for food. In addition, he said, there will be increased purchases of cotton in the form of clothing and tobacco.

Furthermore, according to Secretary Anderson—

> A modest increase in the earnings of low-paid workers will be a highly desirable type of insurance against a substantial decline in the demand for farm products resulting from the decreased purchases of farm products on the part of the armed forces, plus the decline in lend-lease shipments, while at the same time reconversion unemployment is a problem.

Farmers have learned—at least they should have learned—that their own prosperity depends upon the high wages of industrial workers, and unless we build up a demand on the part of the present underpaid segment of the workers, the specter of low purchasing power will again rise to slash the great gains the farmers have made in net income since 1938.

I have always been led to understand that suddenly dropping into any market, whatever it may be, a large quantity of the material in which it deals has a tendency to break the market, to lessen the price. We are today seeing dumped on the American labor market 14,000,000 men who are being released from the armed forces. Will that break the market? I am hoping not, and the pending bill would furnish a floor under the wages of those men. If we are thinking at all of the ex-servicemen who constitute this great mass of labor that is being thrown onto the market at this time, we must consider

what they will have to take. The soldier is coming back home after having been in foreign lands, where he received a letter now and then, sometimes several at once. He has dreamed of the home he is going to have. He has dreamed of the moving pictures; he has dreamed of the baseball games; he has dreamed of the job he is going to have when he gets back home. He comes back and finds that the American Government has guaranteed him $16 a week, if he works. His salary when he was in the armed services was probably a good deal more than that. If we consider his food, his clothes, his medical service, and the amount that was paid to his family, he was getting more than that while he was in the service; and he comes back to be disillusioned as to labor prospects in the United States.

Some opponents of the bill point to the regional differences in the cost of living as an argument against a universal statutory minimum. Many point to the low cost of living in certain areas. I think perhaps the reference should be, not to the low cost of living, but to the low standard of living. A high standard of living cannot be bought at a low cost in America, no matter in what section.

Mr. OVERTON. Mr. President——

The PRESIDING OFFICER (Mr. LUCAS in the chair). Does the Senator from Delaware yield to the Senator from Louisiana?

Mr. TUNNELL. I yield.

Mr. OVERTON. The Senator realizes, does he not, that in the southern section of the United States the cost of living is necessarily lower than in regions less favored from a climatic standpoint?

Mr. TUNNELL. I think perhaps people in Louisiana do not need as much coal as do those elsewhere, but they need just as much bread and butter and the other necessities of life. They need more medicine.

Mr. OVERTON. It does not take as much warm clothing there, does it?

Mr. TUNNELL. Perhaps it does not take as much, but my observation in the South has been that the people dress just as well as those anywhere else, and perhaps a little better than those in a great many other places. I do not think the Senator can tell the men and women of America that they can get along in ragged clothes merely because they live in the South.

Mr. OVERTON. Does the Senator realize that housing does not have to be as solidly and as compactly built in the South as in colder regions?

Mr. TUNNELL. I should like to discuss that at some length. I have observed some of the housing in the South, and I think the people probably have to pay as much as it is worth.

Mr. OVERTON. I have another question on another point. Is there any provision in the bill which will increase the prices of the products of any industry in which the wages are increased?

Mr. TUNNELL. I think the Senator knows that this is not an OPA bill.

Mr. OVERTON. Certainly it is not, but there is no reason why we cannot protect an industry if we are to force an industry to increase its labor cost by more than 50 percent.

Mr. TUNNELL. We are not forcing an industry to increase its labor cost by more than 50 percent, unless it is paying nothing now.

Mr. OVERTON. The wage goes from 40 to 65 cents, which is an increase of 25 cents, and 25 cents is an increase of more than 50 percent.

Mr. TUNNELL. Does the Senator wish to tell this body that employers in his State are getting their labor at 40 cents an hour?

Mr. OVERTON. Many of them are.

Mr. TUNNELL. Many of them?

Mr. OVERTON. Yes.

Mr. TUNNELL. Then the need for this bill is greater than I thought it was.

Mr. OVERTON. And many of them have to close because of price ceilings placed on their products. There is at this time a great need for lumber throughout the United States. There is a tremendous cry for lumber for veterans' homes. Does the Senator know that there are lumber mills in Louisiana which are closing? I received a letter a few days ago from one of the largest mills in operation in the State of Louisiana which had to close.

Mr. TUNNELL. Mills have closed all over the United States. What is the reason in Louisiana?

Mr. OVERTON. Because they cannot make any money and have therefore been operating in the red.

Mr. TUNNELL. I do not think they have been operating in the red.

Mr. OVERTON. For the most part they are paying 40 cents an hour.

Mr. TUNNELL. And they are still in the red?

Mr. OVERTON. Yes, and they are paying 40 cents an hour.

Mr. TUNNELL. Perhaps the workers will work for them for nothing and get them out of the red.

Mr. OVERTON. I thank the Senator for that contribution. It is very valuable.

Mr. TUNNELL. About as valuable as the suggestion of the Senator from Louisiana.

Mr. OVERTON. I hope not. They are working their labor at 40 cents an hour, and under the price ceilings fixed they are losing money. When the labor is increased to 65 cents an hour, and no provision is made for increasing the price of their product, where are they going to be? Many more will have to close down.

Mr. TUNNELL. I think they should close down if they canot pay enough to feed their employees, and what the Senator says they are paying them will not feed them. I think they should close down.

Mr. OVERTON. We are agreed, then, that probably there will be a smaller number of producers.

Mr. TUNNELL. I do not believe the situation is as the Senator thinks it is.

Mr. AIKEN. Mr. President, will the Senator from Delaware yield to me?

Mr. TUNNELL. I yield.

Mr. AIKEN. I was just wondering why it is that woodsmen in the North get a dollar an hour and the complaint is that it is not possible to get a sufficient number of such workers, while in the South employers go in the red paying 40 cents an hour.

Mr. OVERTON. I understand that lumber in the North brings twice as much, under ceiling regulations, as does lumber in the South.

Mr. AIKEN. Perhaps it is worth twice as much.

Mr. OVERTON. No; I do not know that it is worth twice as much. Lumber is lumber.

Mr. TUNNELL. No.

Mr. OVERTON. Is there anything better than southern pine lumber, when it comes to construction?

Mr. TUNNELL. I have seen rotten southern pine lumber, and I have seen good southern pine lumber.

Mr. OVERTON. The view of the Senator—and I cannot argue with him—is that lumber produced in the South is so poor that it should be a drug on the market, as it is.

Mr. TUNNELL. I do not think the lumber of the South is so poor, and I do not think the conditions are so bad as the Senator thinks they are, so far as lumber is concerned. What I have heard is that there is a market for every piece of lumber that can be obtained not only from the South but from all other sections of the country, and it is not being inspected too closely. Buyers are glad to get it.

Some opponents of the bill—and I am now coming to the suggestion made by the Senator from Louisiana—point to regional differences in the cost of living as an argument against universal statutory minimum. Many point to the low cost of living in certain areas. I think perhaps the reference should not be made to the low cost of living, but to the low standard of living. I think there is very little difference in the cost of living in the various sections of the country if people live according to the same standards. The cost of living in certain sections of the country is less, in most instances, because wages are less. The cost of living and the low standard of living in some sections of the Nation prevail because there is not sufficient money in the pay envelope to afford a better standard. I do not believe the employers of the New England States should feel that they have to move their mills, or should be induced to move their mills from the New England States to the South on the theory that they can there get underpaid laborers to work for them, laborers who are paid on a basis below standard living conditions, which has a tendency to pull down living conditions in the whole Nation.

Mr. President, the committee carefully weighed the cost to industry of paying the 65-cent minimum, and concluded, in light of all the facts presented, that industry as a whole and in its various sectors can easily adjust to such a moderate increase without undue hardship. It is not an increase from 40 to 65 cents. Earlier I referred to many instances and to many lines of employment where a minimum of 80 cents is already being paid. The purpose of the bill is to reach those who are being exploited—I care not whether they are in the North or the South. In fact

a very good witness who appeared before the committee testified that his cheapest manufacturing was in the New England States; that there he had the lowest cost per unit.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TUNNELL. I yield.

Mr. PEPPER. In view of the question propounded by the able Senator from Louisiana. I wonder if the able Senator from Delaware recalls the evidence given in the hearings that, for example, in the lumber industry only about one-half of total cost of operation is attributable to wages and salaries; and that, in the second place, only 20 percent of the workers in the lumber industry in the South receive under 50 cents an hour at the present time, 46 percent under 60 cents an hour, and 84 percent under 65 cents an hour. So if, as the record tends to disclose, only about one-half the cost of producing lumber in the South altogether is attributable to labor, including salaries, and if a very large percentage of workers already receive in excess of 40 cents, the amount of the increase in cost of production to the industry would be nothing like so much as the able Senator from Louisiana feared from his first impact with the bill.

Mr. OVERTON. Mr. President, will the Senator from Delaware yield so I may answer the Senator from Florida?

Mr. TUNNELL. I yield.

Mr. OVERTON. There are lumber companies which own all their own stumpage, and therefore do not have to buy stumpage. Their cost of production is the cost of labor. I do not know what the record shows, for I did not attend the hearings of the committee, but if the record reflects the fact, it must show that a number of those lumber companies are closing down under the present regime of OPA and because of the cost of labor. I do not know whether any lumber companies are closing down in Florida, but I do know, I will say to the Senator from Florida, that if this bill becomes law many a small industry in his own State of Florida will close down, and many a workingman will be thrown out of employment. I do not have to go to Florida to know that fact. I know the South generally, and I am speaking of the South generally. It is a lamentable situation. I want to say to the Senator from Florida, who advocates the passage of this bill, that he may be advocating it, as he conceives, in the general interest of the Nation, but he is not advocating it in the interest of the State of Florida.

Mr. PEPPER. Mr. President, will the Senator from Delaware again yield to me?

Mr. TUNNELL. I am glad to yield.

Mr. PEPPER. Reference was made a while ago to the similarity between some of the things being said at this time when the minimum-wage bill is under consideration and some of the things said in 1938 when a minimum-wage bill was under consideration. I am sure my good friend, the Senator from Louisiana offers the best evidence of that in what he just said, because in 1938 I was specifically charged, not only by the able Senator from Louisiana but by many misguided owners of lumber mills in my State, with trying to wreck the lumber industry of the State, so much so that it was the principal and primary issue in my campaign when I was opposed by Mark Wilcox, then a Representative from Florida in the House. He made as the principal issue that I was advocating a monstrous proposal called a minimum-wage law, the effect of which, if enacted, would be to ruin the State which I was duly bound to represent.

Mr. President, I tried to counsel with the members of the lumber industry because I bore them nothing but good will. I had been a lawyer for a great many of them as a practicing attorney. I knew them by their first names. We met one day in a large room. I said "Gentlemen, you are deceived about the effect of this measure. I beg of you to believe that I am trying to help the South and my State instead of hurting it. But," I said, "I want to tell you that if you are going out over this State to try to destroy me politically, at least I promise you I shall make a speech in front of your sawmill to every one of your workers." On both sides we kept our promises.

Mr. President, what I remember with pleasure is not those unhappy experiences, but the subsequent occasion when those very men, whom I am proud to call personal friends in most cases, came to me and said, "You were right and we were wrong about that wage bill. It has not driven us out of business. We are better off than we were." I replied, "You could not please me more than to tell me so, because you know that in this measure I have had no purpose to serve except the public interest."

Mr. OVERTON. They were not living under the crushing regime of the OPA at that time.

Mr. PEPPER. I am glad the Senator raised that point. We do not have to speculate beyond the testimony of Mr. Chester Bowles which is in the record. Mr. Bowles came before our committee and gave us the figures as to estimated increase in cost that might occur if the bill were passed, respecting the three major industries that would be affected by it, the tobacco industry the lumber industry, and the textile industry. We will get to the other industries at a subsequent time. I will merely say, roughly speaking—if the Senator from Delaware will indulge me a minute more——

Mr. TUNNELL. Yes, I am glad to yield.

Mr. PEPPER. That, roughly speaking, in the tobacco industry, it was a negligible part of a cent; in respect to textiles it was a figure which Mr. Bowles said he thought could easily be absorbed by the middlemen in the industry, especially including the department stores which already have a very luxurious cushion of profits, but in respect to the lumber industry, about which the able Senator from Louisiana is justly and reasonably concerned, he said that it might bring about an increase of 5 percent in the cost of production in that industry. He was asked the question whether this bill would have any inflationary influence in respect to the other two commodities. He stated that the effect would be so negligible as to be practicably inconsequential. In respect to lumber he stated that that subject gave him some concern. There would be some increase in the cost of production. He did not say so, but I suppose that he would not be surprised, should the bill be enacted into law, if an application were to be made to him for some adjustment under the act. At least he has authority to make such adjustment.

But Mr. Bowles laid down the answer which I should like to make the criterion in this matter. That is, although he does not welcome it, nevertheless, if he had to make a choice between that much of an increase and the denial of a decent increase in the standard of wages to the workers at the bottom of the ladder, he would take the former course.

So, Mr. President, there is ample machinery in the Government for the protection of the lumber industry if it should experience hardship as a result of the enactment of this bill. There can never be a time when our economy is in such perfect equilibrium that it will not impinge upon some a little more severely than upon others. But we are laying down a policy for the public interest. I think the able Senator from Louisiana need have no concern that the machinery of the Government for redress may not be open to an important industry in his State, which is likewise an important industry in my State. If it should ever become appropriate because of the enactment, for that industry to appeal to the OPA for a perceptible increase, if a fair and proper showing could be made I would have no hesitancy in asking the Nation, which lives in houses built from lumber, to pay a price for it which would make it possible for the men and women who produce the lumber to receive at least $104 a month so that they can pretend to live as though they were Americans.

Mr. OVERTON. Mr. President, will the Senator from Deleware yield for one observation?

Mr. TUNNELL. I yield.

Mr. OVERTON. The able Senator from Florida refers to Chester Bowles. I fervently pray that Chester Bowles may be right; but, considering his record of stupendous errors, I do not place too much confidence in his diagnosis of the situation.

Mr. TUNNELL. Mr. President, I am not going into the OPA situation now. The Senator from Louisiana says that producers of lumber own the timber, and that they do not have to take into consideration the price of the timber. He says that with a minimum wage of 40 cents an hour they are forced to close. I do not believe that any further comment is needed.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. TUNNELL. I yield.

Mr. ELLENDER. Mr. Bowles made the statement that the over-all increase in the cost of producing lumber would be 5 percent. That estimate is based upon a minimum wage of 65 cents. He would not venture to say what the increase would be beyond 65 cents.

I am sure the Senator will remember that it was brought out that in making the estimate of 5 percent, Mr. Bowles took into consideration the manufacture

of lumber in the far West, where the industry is largely mechanized. Wages in that region are now almost a dollar an hour. Out of one tree as many as 11 carloads of lumber can be manufactured, whereas in the South from 5 to 10 acres of land are required to produce as much as can be produced from one tree in the West. The reason for that is that in many sections we obtain all our timber from cut-over lands.

If the Senator from Delaware will permit me further, I should like to refer to the table which appears on page 226 of the hearings. It is headed "Effect of increased minimum hourly wage rates on southern pine cost computations based on conditions applicable to year 1944." If the rate is increased to 45 cents, the percentage of increase will be 5.1 percent. If the rate is increased to 50 cents, the percentage of increase will be 10.2 percent. If the rate is increased to 55 cents, the percentage of increase will be 15.3 percent. If the rate is increased to 60 cents, the percentage of increase will be 20.4 percent. At 65 cents, the percentage increase would be 25.5 percent; at 70 cents, 30.6 percent; and at 75 cents, 35.7 percent. Those would be the increased costs of production, according to the computations made by the Southern Pine Association from records of 199 mills reporting for the year 1944.

Mr. TUNNELL. Let me say to the Senator from Louisiana and to the Senate that if any Senator has bought a board in the past 2 years, whether it came from Louisiana or elsewhere, if he did not find that the price had gone up a great deal more than indicated by the figures given by the distinguished junior Senator from Louisiana, then I do not know where he bought it. But the point that strikes me is that, without considering the material itself, the timber, the senior Senator from Louisiana tells us that the mills are being compelled to close, on the basis of a wage rate of 40 cents an hour.

Mr. PEPPER. Mr. President, will the Senator further yield?

Mr. TUNNELL. I yield.

Mr. PEPPER. In view of the statement made by the able junior Senator from Louisiana, I should like to ask the indulgence of the Senator from Delaware to read into the RECORD an excerpt from an exhibit furnished to the committee by Mr. L. Metcalfe Walling, Wage and Hour Administrator, in reply to the statement made by the junior Senator from Louisiana, if the statement which he has just made is the same as the statement which he made to the committee, to which Mr. Walling was replying.

Mr. ELLENDER. I have referred to a table on page 226 of the record.

Mr. PEPPER. I am reading from page 844 of the record.

STATEMENT BY SENATOR ELLENDER ON THE EFFECTS OF INCREASING THE MINIMUM WAGE IN THE SOUTHERN LUMBER INDUSTRY, OCTOBER 2, 1945

Senator ELLENDER introduced into the record a statement purporting to show the rise in the price of lumber which would be occasioned by minimum wage rates higher than 40 cents. While it was stated that the estimates were based on cost figures of 190 sawmills in the South, an analysis of the figures given shows that the computations were made simply by applying the same percentage increase to the present ceiling price on lumber, presumably southern pine, as exists between a given minimum and 40 cents. Thus, the estimate of the total cost of lumber under a 50-cent minimum was exactly 25 percent higher than under the present 40-cent minimum, and the estimate under a 60-cent minimum was exactly 50 percent higher, et cetera.

Such a calculation fails to recognize certain basic economic facts. In the first place, labor costs are only one of a number of factors which enter into total costs of producing lumber. In 1942, for example, wages and salaries in representative groups of southern pine mills were somewhat less than half of total production costs, and many of the other cost factors such as stumpage and depreciation would not be directly affected by an increase in the minimum. Furthermore, even the labor cost of producing lumber would not rise in direct proportion to the increase in the minimum since the vast majority of workers in the industry are currently receiving considerably more than 40 cents.

Based on a survey of the industry made by the Bureau of Labor Statistics as of August 1944, a 45-cent minimum would have required a direct labor cost increase of only seven-tenths of 1 percent for the basic lumber industry as a whole and only 1½ percent for the lumber industry in the South. Thus, the rise in total costs of producing southern pine would be less than 1 percent and 12½ percent as estimated in the statement submitted by Senator ELLENDER. Producers might well be able to absorb this small increase within the present ceiling price and thus cause no rise whatever in the price to the consumer.

On the basis of the same study a 50-cent minimum wage would result in a direct labor cost increase of 4.7 percent in the southern lumber industry, 0.3 percent in the northern lumber industry, and less than one-tenth of 1 percent in the western lumber industry. The corresponding figures at a 55-cent minimum are 11.2 percent for the South, 1.1 percent for the North, and less than 0.1 percent for the West; at a 60-cent minimum, 18.9 percent, 2.4 percent, and less than 0.1 percent; at a 65-cent minimum, 27.3 percent, 4.9 percent, and less than 0.1 percent; at a 70-cent minimum, 36.1 percent, 8.4 percent, and less than 0.1 percent; and at a 75-cent minimum, 45 percent, 12.6 percent, and 0.1 percent.

From these statistics it is apparent that even a 75-cent minimum would have virtually no effect upon the cost of producing lumber in the West, while a 65-cent minimum would directly raise labor costs, which represent less than half of total costs, only 4.9 percent in the North and 27.3 percent in the South. These percentages are in sharp contrast to the estimates contained in the statement introduced by Senator ELLENDER that a 65-cent minimum would raise the final selling price of lumber by 62.5 percent.

Mr. TUNNELL. I thank the Senator from Florida.

Mr. OVERTON. Mr. President, will the Senator from Delaware yield to me so that I may ask for some information with respect to that statement?

Mr. TUNNELL. I yield.

Mr. OVERTON. Is the witness a lumber operator? Does he know anything about lumber? Had he ever seen a lumber mill?

Mr. PEPPER. I do not know whether he ever saw one or not, but he is Administrator of the Wage and Hour and Public Contracts Division of the Department of Labor, and has held that position for several years. I take it that he has had experience, or has acquired some knowledge in the course of several years of administering the act.

Mr. ELLENDER. In answer to the question of my colleague [Mr. OVERTON] I may say that the witness does not know anything about lumber, nor had he ever been in a field since he was a small boy.

Mr. OVERTON. I am sure of it.

Mr. TUNNELL. Mr. President, I wish Senators would not carry on this quarrel in my time.

Mr. ELLENDER. He is a college economist.

Mr. TUNNELL. Mr. President, I decline to yield further for this sort of discussion.

It seems to me, from the statements of the Senators from Louisiana, that the lumber manufacturers will never get their timber cut. Without considering the value of the timber itself, and taking into consideration only a minimum wage of 40 cents an hour, they are now compelled to close their mills. The minimum rate of 40 cents an hour is required by a Federal statute, and it must continue unless the Senators from Louisiana will introduce a bill to reduce the rate below 40 cents an hour. The lumber manufacturers must continue to pay at least 40 cents an hour, and they cannot afford it. They have said so. They will have to go out of business, paying 40 cents an hour, even with the timber paid for.

Mr. GEORGE. Mr. President, I should like to invite the attention of the Senator to the fact that the prices of OPA on lumber have resulted in closing some of the mills in the South. That is the reason why the House of Representatives last week considered the bill to pay a subsidy in order to increase the production of lumber and building materials, so that houses might be constructed for the returning soldiers. Under the price-control legislation there is not a free market, insofar as the products are concerned; and that fact, plus the increased cost of production, is resulting in the closing of some of the lumber mills in the South.

Mr. TUNNELL. I should like to ask the Senator what the increased cost of production is?

Mr. GEORGE. I am not familiar with the cost of production, but it is perhaps double.

Mr. TUNNELL. But the Senator from Louisiana has said that the cost is the wages, and that the wages are 40 cents an hour. So where is the increase?

Mr. GEORGE. The cost is in the wages and also in every other item which goes into the production of lumber, from the stumpage on through every bit of the material and machinery used, and all the wages paid in the mills.

Let me say to the Senator that within the present month a long-established manufacturing concern in my State which has been making implements for the farms and has been using some steel, but mainly lumber, has closed its doors, although it had on its books orders for some 30,000 much-needed machines and implements for the farms, because of the OPA's refusal to allow the price to advance sufficiently to absorb the actual

cost of production. There is no question or doubt about the increased cost of producing lumber.

Mr. TUNNELL. Well, where is it?

Mr. GEORGE. It is in labor——

Mr. TUNNELL. But 40 cents an hour is what they are paying.

Mr. GEORGE. It is in labor and in everything else, down to the stumpage.

Mr. TUNNELL. Does the Senator mean to say that 40 cents an hour in such an exorbitant rate?

Mr GEORGE. I am not saying anything about that.

Mr. TUNNELL. But the Senator from Georgia is taking the position taken by the senior Senator from Louisiana.

Mr. GEORGE. I was trying to call the attention of the Senator from Delaware to the fact that if he thinks lumber mills in the South have not been closed under existing conditions then he is entirely mistaken, because some such mills have closed and others will close unless they can get a readjustment of price ceilings which will enable them to absorb the increased costs.

The increased costs of the mills are not confined to the direct labor costs. The costs of everything in the mill and in the mill yard which goes into the operation, with the single exception of the stumpage, has gone up because of an increase in the labor cost. The cost of the labor which goes into the truck has increased. The cost of the labor which goes into the body of the truck has increased. The cost of the labor which has produced the meat and the bread and the grain which are consumed by the workers has increased. The cost of all labor has increased, including the labor in the mill itself. In my State many of the sawmills and many of the lumber manufacturers are now paying more than 60 cents an hour as a minimum wage, I should say.

Mr. TUNNELL. What are they doing with the lumber?

Mr. GEORGE. They are selling it when they can, when the OPA has lucid intervals, as it occasionally does have, and allows prices to go up sufficiently to absorb the cost of production.

Mr. President, why does the Senator from Delaware think there is before the House of Representatives a housing bill proposing $600,000,000 of subsidies to be paid to the manufacturers of building materials?

Mr. TUNNELL. For the benefit of whom?

Mr. GEORGE. For the benefit of the men who are producing the materials.

Mr. TUNNELL. No; for the benefit of the returning soldiers.

Mr. GEORGE. Oh, that is what is said.

Mr. TUNNELL. Does not the Senator from Georgia believe it?

Mr. GEORGE. No. It will not produce any more houses.

Mr. TUNNELL. Then I refuse to yield any longer, if that is the position the Senator is taking.

Mr. GEORGE. Very well. If that is the Senator's attitude, he may do so.

Mr. TUNNELL. I do.

Mr. GEORGE. But no more houses will be obtained for the returning soldiers, although the bill is predicated on the basis that subsidies of $600,000,000 must be paid to enable the producers of building materials, including the producers of lumber, to break even.

Mr. TUNNELL. Mr. President, do I have the floor, or does the Senator from Georgia have the floor?

The PRESIDING OFFICER. The Senator from Delaware has the floor, and he refuses to yield further.

Mr. TUNNELL. Mr. President, it is rather hard to discuss a subject with two Senators, when one of them leaves after he makes a statement, and when the other one says he does not know anything about the conditions which the first Senator has discussed.

Mr. OVERTON. Mr. President, if the Senator from Delaware is referring to me, I have a right to reply.

Mr. TUNNELL. No; I will not yield any further.

Mr. OVERTON. I left when the Senator from Delaware said he would not yield further.

Mr. TUNNELL. I refuse to yield further for that kind of argument.

Mr. President, here is the situation with reference to lumber: The increase in wages which has occurred in the lumber industry has been more than compensated for by the increase in wholesale prices. Anyone who has bought a stick of lumber knows that to be true. The index of wholesale prices of lumber shows an increase from 94.8 percent in July 1940 to 155.1 percent in July 1945. That is for an industry which cannot pay 40 cents an hour, according to the senior Senator from Louisiana.

Mr. OVERTON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. OVERTON. May I absent myself from the floor for a while?

The PRESIDING OFFICER. The Senator may do so, without obtaining permission.

Mr. OVERTON. Then I shall now leave. [Laughter.]

Mr. TUNNELL. Perhaps the Senator from Louisiana did not like the figures. They were not made by his kind of statisticians.

The results of the wartime situation have undoubtedly meant a very substantial increase in profits. Whereas profits before taxes averaged 1.5 percent of net worth for 25 large lumber corporations during the period 1936 to 1939, they had increased to 17.2 percent in 1944. Now where is the Senator with his figures? Profits after taxes increased from 1.1 percent of net worth to 7.9 percent. Those are the profits which have been collected by the lumber interests for which the Senator from Louisiana has been complaining. Although these figures are for large corporations, studies of the Federal Reserve Board and other agencies indicate that profits for small manufacturing concerns compared favorably with those for large firms during the war period.

I wish to say again that if the lumber mills and lumber interests cannot pay 40 cents an hour without considering the value of the timber, then they cannot pay wages of $16 a week in the lumber mills of Louisiana; and if they cannot pay wages of $16 a week, I respectfully submit that they ought to close. Neither the mills of Louisiana nor those of any other State have a right to starve their employees because they are trying to do something which is not economically profitable enough to enable them to pay more than starvation wages.

Only a small proportion of the wage earners who will be affected by the increase to 65 cents an hour were earning as little as the statutory minimum of 40 cents an hour in the summer of 1945. In a great majority of cases the actual minimum has moved up to 55 cents an hour. As of the summer of 1945, the added cost of increasing to 65 cents an hour the wages of all workers who were paid less than that amount represented only 2 percent of the wage and salary bill of industry as a whole; and to raise their wages to 75 cents an hour at that time would have added only 5 percent to the pay rolls.

Mr. Chester Bowles, OPA Administrator, presented figures concerning the effect on 17 industries of the raise to 65 cents. For all but five of those industries he said the effect would be negligible and concerning even those five he stated:

> Even if in all these cases price increases should result from the raising of the statutory minimum, the over-all result could not be large. When taken in relation to the overwhelming volume of production for which no question of price increases can arise, the effect on prices of the increase in the minimum wage would be invisible.

Then Mr. Bowles gave a detailed analysis of the effect of the 65-cent minimum on three of those industries most affected. For example, in tobacco manufacturing, where 58 percent of the workers received less than 65 cents an hour in the summer of 1945, if all of the workers were raised to the 65-cent minimum the industry's pay roll would rise by $14,000,000, or by 11 percent. The need for adjusting wages now at 65 cents, or above, in order to provide an over-all wage pattern would push the total somewhat higher.

Mr. President, where would this additional pay roll come from? Let me quote again from Mr. Bowles' testimony:

> In 1944, the profits of the tobacco industry totalled $154,000,000. The industry's wage increase to cover the 65-cent minimum, if it was entirely absorbed by profits, would reduce this total by 9 percent. The resulting level of profits would still stand 22 percent above the industry's prewar level and would provide a return of 17 percent on net worth, compared to 16 percent before the war.

On an over-all basis, wages in manufacturing industries on the average amount to but 16 percent of the value of their product. The raise to 65 cents would, then, on the average, add less than four-tenths of 1 percent to the value of industry's product, and the raise to 75 cents would mean less than eight-tenths of 1 percent in added value. Lowered units costs resulting from increased production, reduced overtime and downgrading of jobs, and the recent repeal of the excess-profits tax, would more than compensate industry for such moderate added costs.

All of the expert testimony before the committee indicated that in no industry

does the evidence show that the raise to 65 cents an hour would appreciably increase costs or lower profits.

The small additional cost accruing from the raise to 65 cents and ultimately to 75 cents, we may confidently expect to be more than offset by increased productivity which will be aimed at the larger market opened up by increased purchasing power. As a consequence there will be no need for increased prices to meet the proposed 65- and 75-cent minima. Testimony before the committee was overwhelming to the effect that output per man-hour rises steadily and labor cost per unit of output falls as wages rise. A satisfied employee does more, accomplishes more, and produces more than does a dissatisfied employee. In other words, on our American industrial scene wages, high production and good profits go hand-in-hand. In whatever country or in whatever section of this country you go, Mr. President, if you find sweatshop wages, there you will find also low productivity, low profits and low standards of living. That is the history of American industry. It is the history of industry throughout the world. In the first 3 years after World War I productivity increased 10 percent a year, and I am informed that productivity will increase at about the same rate after this war, once the wheels of industry start rolling.

An increase in wages to the underpaid, undernourished worker is bound to be transformed into a living standard which means more efficiency and greater output. That would tend to bring about a constructive circle—higher wages, a better standard of living, greater output through greater efficiency, more competition, lower costs, a better standard of living, greater production, and so on.

On the other hand, a substandard wage policy lowers productivity and encourages management to use labor inefficiently.

Even those industries which showed no increase in productivity, or showed actual declines, will lower costs and increase output with the return of experienced and able-bodied war workers and veterans, provided wages are sufficiently high to induce them to return.

With the total cost of the wage increase to 65 cents amounting to an average of only 2 percent for all industries, there is no threat of increased prices because of such a moderate wage increase. I repeat what I have already said. If it is necessary to increase the price of products in order that those who produce may live, then let us increase them by that much.

The Office of Price Administration estimates that the lumber and timber industry is the only industry that might require a temporary price increase without seriously affecting profits. And the price increase in that industry at the manufacturing level would amount to only 5 percent. At the consumer level it would not amount to that small percentage.

Because of the tremendous need for housing today, the lumber industry must, it seems to me, raise its wages considerably in order to attract workers in sufficient numbers to meet its large demand in the postwar period.

A similar necessity exists in the lumber industry within my own section of the country. Lumber operators cannot obtain help to cut the timber. I know of a large tract of timber the owner of which is unable to cut because he cannot obtain sufficient help.

By raising wages, the lumber industry could help to solve the housing shortage. The senior Senator from Louisiana has said that it is impossible to pay 40 cents an hour in that State. I assert that that situation will maintain living standards in Louisiana at a terribly low level. But certainly the timber operators in that State will never be able to get the minimum wage rates lowered in order to cut their timber. If they cannot get it cut by paying 40 cents an hour, they cannot get it cut at all.

In all industries, with the exception of lumber, there will be no necessity of a price rise in order to meet the additional cost of raising wages to the 65-cent minimum.

Again, relying upon the statement of Mr. Bowles in regard to the possible effect of the proposed legislation on prices, Mr. Bowles said:

> First, judging by our history, I should say that the long-run effects of this legislation would be to reduce prices rather than to raise them. This is because higher wages increase productivity.
>
> Second, I am satisfied that even the immediate effects in the direction of raising prices will be few in number and small in magnitude.
>
> Third, even if the price effects were of somewhat greater dimensions, I would still support the proposed revision. I say this in spite of the huge inflationary forces which confront us. Prices that depend upon sweatshop wages are sweatshop prices. No thoughtful consumer would choose to benefit through lower prices if those prices are based on substandard wages.

The experience under the National Recovery Administration and the Fair Labor Standards Act of 1938 proves conclusively that price rises which would be necessary as a result of raising the minimum wage to 65 cents an hour would be negligible. Experience under those two programs showed that in some instances prices fell even though minimum wages rose by as much as 100 percent.

There are some who say that the 65-cent minimum wage will adversely affect our ability to export, or that imports from low-wage countries will more readily compete with goods produced by higher-paid American workers. In the first place, there is no evidence to support such a view, and statistics show that the preponderance of our export trade comes from the highest-wage industries, not from the low-wage industries. In fact, less than 6 percent of our normal exports come from all those low-wage industries whose costs would rise by more than 2 percent as a result of this bill.

As Secretary of Commerce Wallace pointed out to the committee, the volume of our exports is controlled, by and large, by the volume of our own imports, service payments and capital loans which furnish the dollars enabling foreign nations to buy from us. And the volume of our imports, in turn, depends upon the level of our own domestic purchasing power. So that we can conclude that the additional purchasing power afforded American workers through the passage of this bill will tend to have a salutary effect on our export trade.

This is a strategic time for consideration of an increase in the minimum wage, in view of the servicemen who are returning to their homes, almost all of whom want jobs.

At the present time, industry as a whole needs workers, but there are a million veterans who have rejected jobs because the pay is too poor or because of poor working conditions. Our present law provides a minimum of 40 cents an hour—$16 a week. In the service a single man received an amount equal to $25 a week, and the married serviceman with a wife and two children received $47 a week. Then, when the veteran gets home and starts to look for a job, he finds that the only guaranty he has is a job of $16 a week. Will it be any wonder if thousands of our returned veterans remain for long periods on the pay roll of Uncle Sam under the servicemen's readjustment allowances program, or will it be any wonder if many of them shake their heads in disillusionment and reenlist in some branch of the armed forces?

Do the American people believe that the returned veteran is entitled to $26 a week or more?

It is the considered judgment of most competent observers that industry has never been in a more favorable position to adjust itself to a minimum wage of 65 or 75 cents an hour. With the national income last year $160,000,000,000, with 52,000,000 men and women now employed, with the banks bulging with money, there was never a better time to prevent a lowering of the minimum wage, at a time when the servicemen are being released from their war duties.

Many experts believe that productivity will increase by more than one-third by 1950, and this increased volume of production, plus the swelling peacetime demand for the products of industry, places industry in an excellent position to increase the pay of its lowest paid workers. Unprecedented profits during the war enabled industry to pay out record dividends, wipe out much indebtedness, and add billions to cash reserves.

Since the bulk of minimum wages are now not far from the 65-cent floor under wages proposed in the bill, and since the added cost will amount to no more than an increase of 2 percent in the wage bill, this amount can be paid by taking only 3½ percent of 1944 profits before taxes. Profits before taxes in 1945 were $27,000,000,000, more than five times their prewar level, and the repeal of the excess-profits tax will increase profits after taxes.

American economy can afford a prosperous employer, a well-paid employee, and a satisfied consumer. As I have before stated, these three classes overlap. Both employers and employees are consumers. Many employers labor in production. Millions of employees are stockholders in employing companies.

That is the American way of history; let us make it the American way of the future. Let us keep on building this America of ours on the principle of fairness to all, believing there is enough profit in business to feed the employees.

To make the position of the committee clear, the majority advance the following arguments for the passage of Senate bill 1349:

While it is a compromise with need, passage of this bill is necessary to meet even the inadequate goal established by Congress in 1938.

In our rich national economy, with the continually increasing productivity of the wage earner, the worker must receive an increased share of the profits of that productivity.

The minimum wage should be raised as a matter of justice and protection for our returning servicemen.

Congress should consider progressively increasing the minimum wage for the underpaid as an aid to avoiding depressions, as a means of providing for full employment by increasing the purchasing power of such workers.

Congress should raise the minimum wage for the further reason that this added purchasing power would provide a broader market for the American farmer.

Industry generally can afford the raise without being forced to ask for price relief.

Passage of the bill not adversely affect our ability to export, and there is no threat that imports from low-wage countries will more readily compete with goods produced by American workers.

Raising the minimum wage to the 65-cent minimum as proposed will not be inflationary, because the additional cost will be offset by increased productivity.

Mr. President, the time to raise the minimum wage is when employment is at a greater peak than it has ever previously been in peacetime. With a pay roll of 52,000,000 men, with men in position to continue productivity, but with a tremendous addition of potential labor, it has become the duty of America to protect the portion of the market which is likely to be sagged down, that is, the market of labor.

During the delivery of Mr. TUNNELL'S address:

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. TUNNELL. I yield.

Mr. EASTLAND. On behalf of myself and the Senator from Texas [Mr. O'DANIEL] I offer an amendment to Senate bill 1349 to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, which I ask to have printed and lie on the table.

The PRESIDING OFFICER. Without objection, the amendment will be received and printed, and will lie on the table.

Mr. EASTLAND. Mr. President, I ask that the amendment may be read.

Mr. TUNNELL. Mr. President, I do not want to have amendments printed in the RECORD in the middle of my speech.

Mr. EASTLAND. Mr. President, I ask that everything connected with the offering of the amendment and reading of it may appear at the conclusion of the Senator's remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will read.

The legislative clerk read as follows:

Amendment intended to be proposed by Mr. EASTLAND (for himself and Mr. O'DANIEL) to the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, viz: At the end of the bill insert the following new section:

"SEC. 13. The act entitled 'An act to protect trade and commerce against interference by violence, threats, coercion, or intimidation,' approved June 18, 1934 (48 Stat. 979; U. S. C., 1940 edition, title 18, secs. 420a-420e), is amended to read as follows:

"'TITLE I

"'SECTION 1. As used in this title—

"'(a) The term "commerce" means (1) commerce between any point in a State, Territory, or the District of Columbia and any point outside thereof, or between points within the same State, Territory, or the District of Columbia but through any place outside thereof, and (2) commerce within the District of Columbia or any Territory, and (3) all other commerce over which the United States has jurisdiction; and the term "Territory" means any Territory or possession of the United States.

"'(b) The term "robbery" means the unlawful taking or obtaining of personal property, from the person or in the presence of another, against his will, by means of actual or threatened force, or violence, or fear of injury, immediate or future, to his person or property, or property in his custody or possession, or the person or property of a relative or member of his family or of anyone in his company at the time of the taking or obtaining.

"'(c) The term "extortion" means the obtaining of property from another, with his consent, induced by wrongful use of actual or threatened force, violence, or fear, or under color of official right.

"'SEC. 2. Whoever in any way or degree obstructs, delays, or affects commerce, or the movement of any article or commodity in commerce, by robbery or extortion, shall be guilty of a felony.

"'SEC. 3. Whoever conspires with another or with others, or acts in concert with another or with others to do anything in violation of section 2 shall be guilty of a felony.

"'SEC. 4. Whoever attempts or participates in an attempt to do anything in violation of section 2 shall be guilty of a felony.

"'SEC. 5. Whoever commits or threatens physical violence to any person or property in furtherance of a plan or purpose to do anything in violation of section 2 shall be guilty of a felony.

"'SEC. 6. Whoever violates any section of this title shall, upon conviction thereof, be punished by imprisonment for not more than 20 years or by a fine of not more than $10,000, or both.

"'TITLE II

"'Nothing in this act shall be construed to repeal, modify, or affect either section 6 or section 20 of an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, or an act entitled "An act to amend the judicial code and to define and limit the jurisdiction of the courts in equity, and for other purposes," approved March 23, 1932, or an act entitled "An act to provide for the prompt disposition of disputes between carriers and their employees, and for other purposes," approved May 20, 1926, as amended, or an act entitled "An act to diminish the causes of labor disputes burdening or obstructing interstate or foreign commerce, to create a National Labor Relations Board, and for other purposes," approved July 5, 1935.'"

EXPEDITION OF COLLEGE EDUCATION FOR EX-SERVICEMAN

Mr. MAYBANK. Mr. President, I have listened to the discussion of the distinguished Senator from Delaware [Mr. TUNNELL] regarding veterans, and I should like to comment briefly on a few things I learned lately about the GI bill of rights and the training program for returned veterans.

During the war the Congress of the United States was reasonably generous in appropriations for the operation of schools where personnel for the Army and the Navy could be trained. The colleges of the Nation performed in a way which I might almost say was unbelievable. The efforts of the schools and colleges which devoted themselves to the training of men for the armed services aided materially in our victory.

Now, Mr. President, the members of the armed forces who fought the battles at Iwo Jima, on the Rhine, and in various parts of the world, are returning home. During the war period they had no opportunity to go to college. Many of these men are 22, 23, 24, 25 years of age. Many of them were receiving good salaries as officers of the Army or Navy, or reasonable wages as GI's, when we consider their food and upkeep. Many of them are returning to college. As we know, they are allowed $65 a month under the bill which was reported by the committee of which the present presiding officer, the Senator from Illinois [Mr. LUCAS] is a distinguished member.

Most of these men must pay $65 a month for their board and lodging, and many of them more than that. They are going to school to be educated, not in order to obtain the $65 a month. During the war the colleges and their staffs of teachers and professors gave of their time to educate the boys who had left their homes to enter the armed services.

It has been rumored that some institutions may perhaps return to their former schedules, and have 2 weeks' holiday at Christmas, several weeks' holiday at Easter, observance of every holiday on the calendar, plus some 2 or 3 months summer holiday. The veterans who attend these institutions and pay a $500 tuition fee do so for the purpose of becoming educated men. They have been through the horrors of war. They do not want to go to college to have holidays. They want to go to college to complete their education.

Mr. President, in view of that fact, and in view of the letters and telegrams I have received respecting some institutions, and in view of meetings I have attended where the subject was discussed, I have now risen on the floor of the Senate of the United States to urge upon all educators of this country to be as liberal and as generous with the returning GI's as possible, and to operate their educational institutions for the benefit of returning GI's if possible 11 or 11½ months out of the year, so that these men who have been away for 4 years and

are now going to school to receive education may perhaps save a year's time before they return to work.

Mr. President, in conclusion, I wish to say that I appreciate the fact that we cannot tell the colleges what they must do or what they must not do, but I know that every Senator who voted for the GI bill supported the college provisions contained in it with the hope that the returned veterans would receive housing at the colleges, with the hope that they might have their families there with them, with the hope that the boys who had suffered so much and offered everything could complete their education. So I hope that the colleges, during the next few years, while ex-servicemen are returning to enroll in order to complete their education, will give them an opportunity to complete it as quickly as is practically possible, and not return to the old system of many and long holidays. I am fearful that if they do, many of the individuals for whom we have appropriated money will not receive the benefits of an education. And what America needs, Mr. President, is an educated people.

THE EFFECTS OF RAPID DEMOBILIZATION OF THE ARMED FORCES

Mr. AUSTIN. Mr. President, on the very same day, that is, March 13, when there was published in the Washington Star a remarkably graphic account of conditions witnessed by Ben M. McKelway, the associate editor of the Star, in a column headed "Hysterical demobilization leaves Pacific war machine a wreck," I received from a Pacific Army air base a letter written by a young man I know very well, and who is entirely credible and very patriotic. I shall read a portion of his letter, and I intend at the conclusion of my remarks to ask unanimous consent to have printed, following what I now say, the article written by Mr. McKelway and a release by the War Department relating to the subject. I now read from the letter:

DEAR SENATOR AUSTIN: I am not writing this letter as a business proposition, nor am I asking a personal favor for myself. I am writing it for thousands of American boys who, like myself, are doing what our country asks of us, and that is, securing the peace. In return, we don't ask much. All we ask is the clearing up of a badly muddled mail situation. As you know only too well, mail from home is one of the servicemen's chief morale builders. It is pretty discouraging to come back to the barracks after a hard day's work and find that there is no mail to be found. If it was only 3 days out of a week it wouldn't be so bad, but when it stretches into months, a person starts to get a little anxious and low in spirit. When we do finally get a letter, we find that even though it was sent air mail, it still takes between 20 and 30 days to get here. Why? Because, they tell us, only one out of four air-mail letters goes by plane. Does that seem right to you, sir? It certainy doesn't to us. As you probably know, money comes pretty hard to us members of the rear ranks, but we don't mind sending all our letters air mail as long as we know they are going to go that way, and not by some tramp steamer that will probably take 20 days. All we want is some assurance that our letters will get home so that our folks won't be worrying about us unnecessarily. That doesn't seem too much to ask, does it, sir?

I feel confident, sir, that you will look into this for us, and if possible, something will soon be done about it.

That letter was dated at the Irumagawa Army Air Base February 14, which was about 30 days ago.

Mr. President, on the last day of the last session of Congress I was prompted to call attention to the utter rout that had taken place in the demobilization of our armed forces, especially of the Army, and at that time I happened to have in my desk evidence from a nonmilitary source, from a civilian source, of the actual facts of such a dissipation of our strength in Europe that other countries were apprehensive that we would not carry out our promise of occupation of Germany until the enemy should be thoroughly pacified and should not be able to rise again to strike us. Here we have from the very able and reliable associate editor of the Star a statement of the same conditions existing for the same causes in the Pacific theater. Among other things, the conditions spoken of by this young soldier are accounted for in this manner:

Five months after VJ-day more than 2,500,000 of the 3,400,000 men of all services in the Pacific had been brought back for discharge in the States by a feat in transportation unparalleled even by their assembly, with all their equipment, in what were then the theaters of war. Every day we see new statements of the number of men being sent home, the number to be sent home before April 1 or June 1. But not enough attention is being paid to the conditions created along the lines of communication and in the occupation forces by this feverish exodus.

There are complaints now over the breakdown of air-mail service between the United States and its armed forces in the Pacific, and Japan, Korea, and China. Why has it broken down? Because the air forces lack the men to maintain and service the aircraft. Why are men not being trained to replace the skilled mechanics who were brought home on points? Because there are no instructors. Why are there no instructors? Because they had the points to come home.

Mr. President, that is the only part of the article which I read now, but I recommend that the whole article be read.

My principal purpose at this time is to give this young man who has written to me, and his comrades, an answer in the RECORD, and a hopeful answer. I think the following release from the War Department is entitled to and will receive such publicity that it will surely reach these young men and their parents, and give them the hope and expectation that these troubles will be remedied to such extent as can be with the facilities at hand. This is a release dated February 20, but it had not gone into effect by the time this young man wrote his letter. It may be being felt now. I read a part of it as follows:

In order to speed the delivery of mail to and from soldiers overseas, arrangements have been made with the Post Office Department to fly air mail on commercial aircraft under contract to the Post Office Department.

The amount of such space available is expected to increase daily as additional overseas routes are instituted by commercial air carriers. This service will mitigate a troublesome situation which has resulted from the decrease in the number of military planes available to the Army. Unfavorable weather conditions also cause delays beyond the Army's control.

There is more to the release. I ask permission to have printed in the RECORD at this point as a part of my remarks the article from the Washington Star and the entire release of the War Department.

There being no objection, the article and release were ordered to be printed in the RECORD, as follows:

HYSTERICAL DEMOBILIZING LEAVES PACIFIC WAR MACHINE A WRECK—POSITIVE POLICY ON RECRUITING AND REBUILDING OF UNITED STATES FORCES NECESSARY TO MEET PLEDGES

(By B. M. McKelway)

The airplane has made the world smaller than it used to be but it is still a big world. A journey from Washington, via Hawaii and Guam, to Japan, Korea, China, the Philippines, and back home again, crowded into 5 short weeks, is necessarily so hurried that the traveler is left with more impressions than detailed knowledge of what he has seen.

But the most vivid of these impressions is of the wreckage of the mighty American military machine which 7 month ago was prepared to deliver its final blow—never delivered—to end the war. Part of the wreckage is inevitable. Peace removed the need for maintaining the machine built to fight a war. But instead of an orderly dismantlement of the machine, it was torn apart under the pressure of a demobilization policy guided more by hysterical demands to bring daddy and the boys back home than by any common-sense appraisal of responsibilities still to be met after victory.

The Army organization, and to a lesser extent the Navy, has disintegrated to a degree that, judging from much of the tall talk heard in Washington about what we are prepared to do to enforce the peace and meet our debts to mankind, is not generally realized. The result is a surprise to those who see the evidence at first hand. And unless there is a purposeful rebuilding of what has been torn down in such haste, unless the people here at home decide how we are to carry out some of the intentions so nobly expressed in and out of Congress, we are placing at a grave disadvantage the men in uniform who still are serving their country along its new frontiers. We are prejudicing, with the taint of insincerity, some of the declarations of our statesmen.

AIR MAIL HAS BROKEN DOWN

Five months after VJ-day more than 2,500,000 of the 3,400,000 men of all services in the Pacific had been brought back for discharge in the States by a feat of transportation unparalleled even by their assembly, with all their equipment, in what were then the theaters of war. Every day we see new statements of the number of men being sent home, the number to be sent home before April 1 or June 1. But not enough attention is being paid to the conditions created along the lines of communication and in the occupation forces by this feverish exodus.

There are complaints now over the breakdown of air-mail service between the United States and its armed forces in the Pacific and Japan, Korea, and China. Why has it broken down? Because the air forces lack the men to maintain and service the aircraft. Why are men not being trained to replace the skilled mechanics who were brought home on points? Because there are no instructors. Why are there no instructors? Because they had the points to come home.

There is an airfield on Guam used by the Army's Air Transport Command. In the middle of January it was staffed by some

1,800 officers and men and there were 10 flights daily leaving for the United States. Today there are on this same field 48 enlisted men and 70 officers. There are 2 flights daily to the United States when the planes can be serviced and maintained. When anything happens to an airplane that requires even nominal repairs, the flights are canceled. There are not enough people, with the knowledge, to do the work.

The seriousness of this situation is not the inconvenience to passengers, who wait until another aircraft is available. It is not merely the loss of quick mail service for soldiers who still regard mail from home as the No. 1 essential to morale. The seriousness of the situation lies in the break-down of air communications between the mainland and our outposts in the Pacific. The situation found on the airfield in Guam is duplicated on other airfields on other Pacific islands.

PILOTS EXCEED ENLISTED MEN

Nor is the break-down confined merely to the transportation service. The tactical air force assigned to the armies of occupation in Japan and Korea has suffered the same sort of disintegration. On many fields there are more officer pilots than there are enlisted men, and the pilots are driving trucks, servicing planes, performing clerical work of all sorts, and even policing the field.

The officers accept the jobs and perform them with good grace, for no good officer resents putting his hand to any job that must be done. But the pilots were trained to fly airplanes. They are not being used for the jobs they were trained to do. They are not given airplanes to fly. Confined to airfields in the United States, such conditions might be regarded as insignificant—merely the low point in the curve of change-over from war to peace. But in the armies of occupation they are disgraceful and dangerous.

I was unable to verify personally the stories of a great increase in operational accidents—accepted as true by those who repeat them—the answer being that operations had been curtailed and the ratio of accidents to operations had not materially increased. But I was also told on excellent authority that should there be an emergency requiring the use of our tactical air force in Japan or Korea, we would be more unprepared—7 months after victory—than we were at Pearl Harbor.

There are scores of airplanes on an airfield near Seoul, in Korea, which is about 25 miles south of the thirty-eighth parallel, dividing northern and southern Korea between the Russian and American occupational forces. There was one mechanic on that airfield familiar with pursuit planes. Not many of the airplanes on the field at Seoul are in flying condition.

The First Cavalry Division, now occupying Tokyo, is some 2,400 men under strength. As one of its officers remarked: "We have no razor-blade problem in this outfit." The division has had a turn-over in excess of 100 percent, in officers and men, since it landed in Japan, and the replacements are, for the most part, youngsters of 19 and 20. This division, incidentally, had been stripped of about 50 percent of its combat veterans while training for its assignment to lead one of the projected assaults on Kyushu.

LACK OF DISCIPLINE BLAMED

There are men wearing technical sergeants' chevrons, in the armies of occupation, who have been in uniform less than a year. A youngster operating an X-ray machine in an Army hospital near Tokyo had been transferred from the Infantry a few days before and given brief instruction in what to do—not why. Many of the insignificant incidents between individual soldiers and Japanese civilians are attributed to the lack of discipline among raw replacements rather than to Japanese resentment against occupation or to any innate viciousness of American troops.

Perhaps there is no need to be alarmed over this condition. But it cannot be permitted to continue through a lack of Government policy on the method of recruiting and maintaining our forces of occupation. The higher officers with whom I talked reflected, in their own sense of frustration over what their country expects them to do, the indecision which exists here at home over what sort of an Army we intend to maintain and how we intend to maintain it. Nobody seems to know. The results, along the outposts, are not to our credit as a Nation.

AIR MAIL TO OVERSEAS PERSONNEL SPEEDED BY COMMERCIAL AIRCRAFT

In order to speed the delivery of mail to and from soldiers overseas, arrangements have been made with the Post Office Department to fly air mail on commercial aircraft under contract to the Post Office Department.

The amount of such space available is expected to increase daily as additional overseas routes are instituted by commercial air carriers. This service will mitigate a troublesome situation which has resulted from the decrease in the number of military planes available to the Army. Unfavorable weather conditions also cause delays beyond the Army's control.

The drastic reduction in the amount of available air space has created a problem in the delivery of mail to and from overseas. Many planes have been withdrawn from active duty, and the rapid demobilization program has created a shortage in personnel to maintain and operate the remaining military aircraft.

When a man is started on his journey home, he is requested to advise his correspondents that no more mail should be addressed to him, and in order to save time in delivery, any such mail reaching overseas after his departure is either forwarded to an address in the United States furnished by the soldier, or returned to the sender. To do otherwise would mean that mail would be following him from Army post office to Army post office, thus causing undue delay in delivery.

Once the men have been released from overseas service and returned to this country and occupation forces have been stabilized, it may be expected that mail service to and from troops abroad will be speeded up and the increased air space now becoming available by commercial air lines will compensate for the delays due to the inadequate military aircraft.

With the moving of troops diminishing, there will not be the necessity for as much directory service or the shifting of mail from one place to another before it reaches the man abroad. The War Department has stated that the public may be assured of the best mail service possible with the stabilization of our military situation abroad and the availability of sufficient shipping space, both air and surface.

Mr. AUSTIN. Mr. President, in conclusion, let me comment that there is no use in standing here in the Senate of the United States, or going out upon the forums and rostrums of our country and giving special attention to criticism of other countries with respect to the failure to advance the cause of security and peace. I think that no other one thing could do so much for the cause of security in the world as that we, the Congress of the United States, should take such action—and take it promptly—that other countries of the world would be assured of our intention to carry out our commitments. How can a great country like Russia have faith in the United States of America, which is the leader of all the treaty powers of the earth, if Russia suspects, and has reason to suspect, that America is failing to carry out her commitments with respect to occupation of enemy territory until the enemy is entirely pacified? How can that country abandon its unilateral effort at security if it doubts the faith of this great country of the United States to maintain such a military posture and strength that it will be able to contribute to the unified effort through the UNO during this period of development in the world of new sanctions for peace? How can we afford to postpone the necessary legislation, which it is within our duty to enact, and at the same time criticize other great countries for their apparent efforts to establish security for themselves?

As I see it, the matter of extension of the Selective Service and Training Act is an absolutely necessary part of assuring the other countries of the world that we will carry out our undertakings to maintain security and peace.

It is said that we are having wonderful success with voluntary enlistments; but how long will we have such success if we permit to lapse the Selective Service and Training Act, and if we lose the sanction and the incentive that this act gives to young men to enter the service when they have an option as to where they shall go, and an option as to the time of their enlistment? That option is an advantage to them while the Selective Service and Training Act is still in effect. Without such a law, the superior opportunities which young men now enjoy would not exist, and there would not be the incentive to volunteer which they now have. So why should we not say to the rest of the world, "By the extension of the Selective Service and Training Act we intend to carry out our commitments"? We intend to carry out our promises respecting demobilization and still have an army of 1,500,000 men on July 1 next.

Let me mention one further point in passing. Why should we not hasten the day when there shall be reported to the Congress bills relating to the control of atomic energy and relating to the reorganization of the military departments, as well as to the education and training of the reserves which are necessary to be instantly summonable in any emergency? We must realize that our foreign policy, our efforts at establishing a strong and effective UNO, are fully dependent upon our proving to our vis-à-vis throughout the world that this country is not going to fail; that this country is going to carry on, and that it is going to be in a military posture which the most scientific of military men in other countries can see is one of authority, and is at the same time a posture which is not so expensive that the burden upon the taxpayer will make it fall of its great weight.

Mr. President, I think that yesterday was a very trying day for our people. I am not sure that the air is now clarified, or will be for days to come, so that we can feel at all hopeful. It is up to the American Congress to determine

that our policy, our attitude toward our neighbors, shall be such that they may be assured that we are truly going to back up security and peace, and that we are going to keep ourselves qualified and strong to do it. Although I claim no powers of prophecy, I have the very strong opinion that if we keep ourselves strong we shall much more easily deal with our vis-à-vis across the negotiating table with respect to the definitive treaties of peace and with respect to every incident and detail—and we have many of them yet to negotiate—respecting the United Nations Organization.

So I urgently suggest that the Congress unite in placing our country in a strong, firm, sure, and economical military posture by enacting the necessary laws as soon as expedient.

OIL, POLITICS, AND POWER OF PUBLIC OPINION—ADVERTISEMENT BY ST. LOUIS POST-DISPATCH

Mr. MOORE. Mr. President, in the Washington Post today there appears a full-page advertisement prepared and published by the St. Louis Post-Dispatch headed "Oil, politics, and power of public opinion." It is not disclosed whether the page advertisement was carried at the expense of the St. Louis Post-Dispatch or was a gift of the Washington Post. The advertisement is a conglomeration of headlines making reference in the main to the nomination of Ed Pauley as Under Secretary of the Navy and the tidelands question recently raised by the self-styled "Honest Harold" Ickes. The entire purpose and import of the advertisement is to smear the oil industry and oilmen in general. Why the St. Louis Post-Dispatch or the Washington Post, or any reputable newspaper, would desire to discredit one of the largest industries in America and the men who compose this industry is not clear. The low character of the attack and the nature of the insinuations carried in this advertisement are such as to create the suspicion that probably the motives behind these smear artists are:

First. A communistic desire to destroy the industrial enterprise of this country by sabotaging the character and veracity of the men who make up industry.

Second. The hope of implanting in the minds of the American voters prejudices for political purposes at the coming congressional elections.

Third. The insatiable cravings of an ambitious and unscrupulous reporter.

The intimations in the advertisement are that every oilman is a low, craven character devoid of all honor; that he is an unpatriotic creature who lives on intrigue to destroy his country and who has grown fat on the spoils of dishonesty, and that the oil industry is poised to steal from the United States Government rich oil reserves under the tidelands.

Actually the converse is true. This is not merely my opinion but it has been proved by performance, recognized by the Congress, and sustained by the highest court of the land. There is no industry in America made up of more honorable, patriotic, straightforward, honest men than the oil industry. This has been proved in many ways, but the two outstanding examples applauded by America and the world are the performance of the American oil industry in both World Wars I and II. The record of the oil industry in these two world crises is well known and needs no amplification.

That the ownership of minerals lying under the offshore lands is in the abutting States has been settled by the Supreme Court of the United States for more than a hundred years in at least a dozen cases. The Ickes suit against the States to quiet title to those minerals was in fact a bold attempt to steal those minerals from the States. This wholly meritless action has been condemned by the lower House of the Congress as spurious and illegal by an almost unanimous vote. Only 11 Members could be mustered to support his position. The smear advertisement of the St. Louis Post-Dispatch, carried by the Washington Post, is not only an unfair, vicious, and unfounded attack upon the oil men of this country but upon every Member of the House who voted for the tidelands resolution. There are grave suspicions that Mr. Ickes and other hang-over Reds now contesting the Truman politicians for supremacy in the New Deal Party are at the bottom of this national smear campaign. It is so typically Ickes that the identity of the origin is hard to miss. I cannot believe that the American people will be so gullible as to fall for this type of low gossip.

The appearance of such an advertisement here in Washington has one obvious implication—the desire to influence legislation. Legislation should be founded on something more substantial than newspaper headlines.

The headlines reproduced in the advertisement are all from the St. Louis Post-Dispatch. That newspaper has long occupied an Ickes-inspired, prejudiced position on the question of the tidelands oil ownership. It had become a member of the Ickes conspiracy long before Edwin Pauley became a figure in politics. It is also true that Ickes was attempting to find a way to bring tidelands under his ever-expanding wing long before he had ever heard of Pauley.

AMENDMENT OF FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

Mr. MURRAY obtained the floor.

Mr. PEPPER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Florida?

Mr. MURRAY. I yield.

Mr. PEPPER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Buck	Downey
Austin	Bushfield	Eastland
Bailey	Butler	Ellender
Ball	Capper	Ferguson
Bankhead	Carville	Fulbright
Barkley	Chavez	George
Bilbo	Connally	Gerry
Brewster	Cordon	Gossett
Briggs	Donnell	Green
Guffey	McKellar	Russell
Gurney	McMahon	Saltonstall
Hart	Magnuson	Shipstead
Hatch	Maybank	Smith
Hawkes	Millikin	Stanfill
Hayden	Mitchell	Stewart
Hickenlooper	Moore	Taft
Hill	Morse	Thomas, Okla.
Hoey	Murdock	Thomas, Utah
Huffman	Murray	Tunnell
Johnson, Colo.	Myers	Tydings
Johnston, S. C.	O'Daniel	Vandenberg
Kilgore	O'Mahoney	Walsh
Knowland	Overton	Wheeler
La Follette	Pepper	Wherry
Lucas	Reed	White
McCarran	Revercomb	Wiley
McClellan	Robertson	Willis

The PRESIDENT pro tempore. Eighty-one Senators having answered to their names, a quorum is present.

Mr. MURRAY. Mr. President, the senior Senator from Delaware [Mr. TUNNELL] has just concluded a very able and eloquent discussion of the main issues involved in the pending legislation.

At this time I should like to lay before the Senate some broad considerations concerning this bill which proposes to increase the basic minimum wage, to extend the coverage of the Fair Labor Standards Act, and help control child labor in industries and business. Other proponents of the bill will discuss its probable effect in dollars-and-cents terms, and take up the question of its economic feasibility. What I want to do now is to consider this bill in the context of the fundamental economic policy of this Government, and particularly to consider it in relation to the Employment Act of 1946, Public Law 304, which Congress has recently passed.

I am proud to have had a part in writing that legislation and in helping to secure its passage. That act established it as the policy and responsibility of the Federal Government to coordinate and utilize all its plans, functions, and resources for the purpose of promoting maximum employment, production, and purchasing power. It is clearly the intent of that act that all the various economic programs and activities of the Federal Government shall be carefully considered in terms of their contribution to the achievement of the highest levels of employment, production, and purchasing power. If the intent of the bill is to be honored, we must learn to look beyond the immediate considerations which have in the past determined what action was to be taken on particular bills. We must learn to see the particular piece of economic legislation as part of a broad pattern or program designed to produce a healthy and happy America with jobs for all who want them, and with a higher level of production and a larger consumption of goods and services than this world has ever seen before.

Senate bill 1349 is one of the first important pieces of domestic economic legislation, Mr. President, to come before this body since the passage of the Employment Act of 1946. I hope that the discussion of the present bill will emphasize broad considerations of economic strategy as proposed in the Employment Act. The way in which we debate this proposal for a more nearly adequate minimum wage, and the action we take as a result of this debate, will indicate how seriously we take the re-

sponsibilities assumed by our Government under the Employment Act of 1946.

Before considering the relation of a decent minimum wage to full production, full employment, and maximum purchasing power, let us stop for a moment. What is this bill trying to do for the immediate future? The purpose of the proposed minimum wage law, S. 1349, is really very simple, namely, to take a first and partial step in the direction of assuring a fair and adequate wage for all workers. How do we know what a fair and adequate annual wage should be? A fair or adequate wage should have two characteristics: First, it should correctly reflect the productive contribution made by the employee as established through fair and open collective bargaining; second, it should be sufficient to maintain the wage earner and his family on a reasonably adequate standard of living.

With respect to the first of these characteristics, no uniform monetary standard can be established. Different groups of workers have different degrees of productivity, and under a system of free and collective bargaining they will receive varying economic rewards. There is no one annual wage which is fair to all types of workers.

With respect to the second characteristic, however, we can at least establish a minimum. We know that no wage can be considered fair or adequate if it does not enable the wage earner and his family to live according to minimum standards of health and decency. Just what this level is we do not yet know. We do know, however, that it is well above $1,500 at present prices. This is indicated by the fact that a so-called maintenance budget, originally developed by the WPA in 1935, cost $1,500 in 1941 before the wartime rise in prices. The Bureau of Labor Statistics also estimates that in 1944 any large group of urban families with incomes of less than $1,950, after taxes, would in the aggregate spend for goods and services more money than they receive. Below this level some families might have found it temporarily possible to break even or to save a little, but the pressure of living costs was so great that the average family in the group was forced into debt.

It is my belief, therefore, that no wage of much less than $2,000 a year, before taxes, can be considered a satisfactory annual wage for a wage earner with a family to support.

The minimum wage of 65 cents would permit earnings for fully employed workers of only $1,300. The 75-cent rate, which would come into effect in 2 years, would allow for annual earnings of only $1,500. It is clear, then, that the step we are proposing falls considerably short of assuring even the minimum standards of living. For the most part, what the proposed increase will do is to translate into the existing price level the minimum standards of real earnings set up in the original Wage and Hour Act of 1938. In other words, the proposed bill will do little more than conserve the very inadequate minimum standards originally established, merely readjusting them to the wartime changes in prices.

The immediate benefits of the bill will consist primarily in helping a little to raise millions of Americans out of a situation of bitter and grinding poverty, and to give them something a little closer to a fair deal. We all know that when it gets to a certain point poverty becomes cumulative. People do not have enough to maintain their health and efficiency. This bill would give millions of fellow Americans a break which they sorely need and richly deserve. It is hard to imagine the difference that a few dollars a week may make in the way of improved health, vitality, freedom from fear, and general improvement in the content of living. The immediate benefits of this bill must, therefore, be visualized primarily in terms of a more equitable distribution of income, and a better break for those whose earnings, despite their hard work, remain insufficient to assure them the material essentials of a decent existence.

There are many who urge that at this time any and all wage increases are inflationary and should not be permitted. This was not the view of Chester Bowles whose opinion on a subject like this is really worth listening to. Mr. Bowles testified that the immediate effects of the bill in raising prices would be few in number and small in magnitude, and that, because of the improvement in productivity resulting from higher wages, the long-run effect would be to reduce prices rather than to raise them.

I think this last point is especially important. The great accumulation of purchasing power in the hands of consumers and businesses resulting from the necessary deficit financing during the war represents a continuing grave danger of inflation unless there is a tremendous increase in the production of actual goods and services. This great flow of goods and services would absorb the dollars that consumers and business are eager to spend and, equally important, it would reassure other consumers and businesses, who are willing to take their time about spending, that plenty of goods and services will continue to be available at moderate prices so that there is no need for panicky buying to avoid the danger of scarcities or unreasonably high prices at a later time.

Now, how are we going to get this tremendous flow of goods and services that constitutes the ultimate answer to the inflationary danger? We are going to get it, in the first place, by holding on to essential price controls as long as there is excessive demand, so that businessmen may have confidence that the supplies they need will continue to be available at moderate prices and there will be no need for hoarding.

We will get it, in the second place, by mutually satisfactory agreements concluded in good faith between management and labor which will not only get the men back to work, but make them want to stay at work, and give them the feeling that the terms under which they work are so satisfactory as to get them to put their best energies into production.

Finally, we will get our large stream of goods and services by building up the productivity of the American people, already the most productive people in the world. An expanded social security system that relieves the insecurity of large sectors of the population not covered by our present system, and that, in particular, devotes itself to preserving the health of the American people, is one of the most important factors in this connection.

It is here, too, that an adequate minimum wage can make its great contribution. If wages are inadequate to secure essential protective foods, to buy a minimum of essential medical care, if the wage is so low that workers are in a continual and bitter struggle to keep the wolf not merely from the door, but from the fireside, then productivity is bound to be hurt. People who do not have enough to eat or the right things to eat, people who are often sick and cannot afford to get medical advice, people who are worried most of their working hours as to how they can possibly pay their rent for the following month, or how they can buy the shoes their children need in order to go to school, will just naturally not have what it takes to do an outstanding job of production, however willing they may be to give it their best. Therefore, it seems to me as clear as the day that the help we are proposing to give, through the pending bill, to perhaps 3,500,000 of our lowest-paid families, will have a substantial and appreciable effect in raising the productivity of the American Nation, and stimulating the vast flow of goods and services which we need to prevent inflation and attain full production.

This brings us back to the fundamental issue which we had intended to explore today. What is the relation of this minimum-wage legislation to the broad objectives of public economic policy set forth in the Employment Act of 1946? I think the first thing we must ask ourselves on this subject is what the Employment Act really signifies for the future of America, that is to say, how has the situation changed as the result of the passage of the Employment Act, and what does it imply for legislation to be considered in the future? Clearly, what the act does, primarily, is to assure that the Federal Government is going to do everything within its power continuously to maintain maximum employment, production, and purchasing power.

It seems to me clear that if we put everything we have into getting maximum employment, or full employment, as I prefer to call it, we are going to get it. Depressions are not something like earthquakes that we cannot do anything about. In a general way, we know how to prevent severe depressions, and if we mean business we can prevent them from happening. There are probably more efficient ways and less efficient ways of doing this, and in the course of our experience we will undoubtedly learn how to do the job more efficiently and with less cost. But I submit that we already stand committed to take some effective measures to maintain conditions under which, as the Employment Act puts it, "there will be afforded useful opportunities, including self-employment for those able, willing, and seeking to work."

If we have faith in the act we have just passed we must show that faith in our actions. We must act as if we plan to live in a full-employment economy from

now on. We must remodel our thinking in accordance with the conditions which necessarily obtain in an economy of full employment and full production. It is essential that we in Congress and officials in the agencies of the Government do this, that businessmen learn to think in terms of a full-employment situation, and even that consumers do so. We must all, in short, learn to "live up to" full-employment standards. The reason why this is so necessary is that if we continue to think in terms of the depressed economy we have been used to in the past the plans which the individual consumer, business, and Government make will not automatically add up to full employment, and we will be faced with the situation where we either fall down on our employment commitment or else the Federal Government will have a far larger job to do by way of compensatory or fill-in activity than most of us would like it to have.

If our full-employment economy is to be achieved naturally and spontaneously, it can only come about by all of us individually having faith in the future of America and acting on that faith. We must overcome the fear that our economy will not be able to use its resources, or that if we do achieve expansion it will necessarily be a flash in the pan. We must learn to realize the tremendous productive capacity of this Nation when fully employed and a continuous expansion is permitted. In depriving ourselves of essential requirements for health, security, and productivity, we were penny-wise and pound-foolish, even in the depressed days of the thirties, when rigorous economies appeared necessary. If we look ahead to a situation of continuous full employment, however, such a miserly undermining of the foundations of our own health and efficiency must appear criminally shortsighted and foolish. Continuing full employment in America will produce at least the minimum essentials of a good life for all. A refusal to extend elementary protection to the most seriously underpaid and exploited workers is just not consistent with the kind of economy we have promised ourselves.

Let us take a look at one or two figures just to give us some realization of the general magnitudes involved. Salaries and wages which reached their peak in the first quarter of 1945 were then running at an annual rate of $116,400,000,000. By the last quarter of 1945 we were still running at an annual rate of $102,700,000,000. It seems most unlikely that if we maintain a full-employment economy, wages and salaries are going to go below $100,000,000,000—or at least not for long. Compare this with a wage and salary level of only $52,600,000,000 in our year of superboom, 1929. Or compare it with 1940: $48,700,000,000. It is perfectly clear that continuing full employment is going to call for a level of wage and salary payments far, far beyond anything we were accustomed to before the war. If we are living on such a level we will be well able to afford the additional protection which the present minimum-wage bill proposes to give those who now have substandard incomes. Three or four billion dollars of additional wages might constitute a fairly serious increase if we were still living on a forty-five or fifty-billion-dollar level of wage and salary payments. It is much less imposing when we are living on a $100,000,000,000 wage and salary level.

Of course, we must consider not only what full employment implies, that is to say what we could afford to have at full employment; we must consider also what full employment requires, that is to say what we must do to get full employment. I think it is clear that adequate minimum-wage legislation has a big contribution to make in achieving full employment, though the character of this contribution is not always fully understood.

In discussing what may or may not be necessary for the attainment of full employment, the first thing to bear in mind is that on the basis of past experience we can be pretty sure that full employment will not always be achieved automatically. Time after time in the past a situation has developed where the amount of spending by consumers has fallen considerably short of the market value at existing price levels of the goods and services that could be or were being produced for consumers. We then have a decline in prices, discouragement to producers, who begin to cut wages and lay off workers, thereby further curtailing consumer spending, further discouraging the business community, and setting up a vicious deflationary spiral. Just why this thing happens need not be debated here today. We know that it does happen, and on the basis of all our historical experience will happen again unless steps are taken to prevent it.

There are many different steps that can be taken to prevent it, and the choice between them is going to occupy much attention of future Congresses. One thing is certain, however. If we can achieve a better long-run balance between production and consumption, if the fundamental pattern of wages may be so changed as to produce a more adequate level of spending by consumers as a normal thing, then the task before us will be a much easier one. If full employment is to be continually maintained, it will doubtless be necessary to take many particular measures of a compensatory or fill-in character in accordance with the continually changing conditions of employment and production. If, however, we do not have a good natural balance in our economy, if monopolies are allowed to raise prices and choke off production, if regressive taxes take from low-income consumers the purchasing power which should properly constitute the mainstay of the purchasing power required to support mass markets, if agricultural prices are too low to provide an adequate income for the farm population, and if low-wage policies prevail, then the attempt to sustain full employment by compensatory fiscal measures may not succeed.

There is much that the Federal Government can do in the way of compensatory or fill-in activities, and a willingness to do whatever is necessary along these lines is an essential part of the full-employment program that really means to bring home the bacon. But there are, nevertheless, very definite limits on what can be accomplished by such measures, at least in a country like the United States where, except in time of war, we definitely do not wish to see the Government become responsible for a very large sector of economic life. If Government balancing operations are to be kept down to the size favored by most of the people in this country, we must of necessity lay a great deal of emphasis in our program for achieving full employment, on long-run basic policies calculated to put the American economy in such a state of natural balance that full employment will be naturally attained with only small and occasional interventions on the part of government.

Wage policy will play a very important part in this basic program for the achievement of a good natural balance in the economy. Where labor is organized and genuine collective bargaining takes place, we may be reasonably confident that wage levels will reflect the economic contribution of the workers and will be increased from time to time in accordance with the increases in the workers' productivity. For the considerable sector of American labor, however, that is not organized and that will probably continue to remain unorganized for some time to come, we cannot be so confident that wage levels will remain adequate to provide the sort of market for goods and services required by a full-employment economy. It is to help this group of largely unorganized workers that minimum wage legislation is essential. It is essential—and this is the point I am trying to emphasize—not merely to help these workers who as individuals deserve a better break than they are getting, but it is also essential in the interest of maximum production and employment.

Full employment will require a volume of consumer expenditure way beyond anything we have seen before. It is not only that the national income will be large, it is also true that consumer expenditures must constitute a substantially larger part of the national income than hitherto. If we are to continue to have full employment year after year, and if Government activity is to be kept within reasonable bounds, full employment within a few years is going to require greatly increased expenditures of all types—a gross national product—totaling something around $200,000,000,000 at present price levels. The highest total of business expenditures on record was $19,000,000,000 in 1941, and the total was only $17,600,000,000 in the boom year of 1929. It will naturally have to be a good deal higher than this if we are to have full employment continuously in the future, but we cannot expect too high a level to be achieved year after year. In fact, there are grave dangers in counting on sustaining too high a level of business investment because we are likely to run into a situation of the sort we have often experienced before, where a boom in construction, new equipment, and foreign investment was followed by a disastrous slump when it became apparent that the consumer markets were inadequate to sustain indefinitely such a high level of continuing investment.

The National Planning Association has estimated that at the somewhat lower 1941 price levels, full employment in 1950 or thereabouts might require an annual private investment—gross capital formation—of as much as $28,300,000,000. It estimates that private investment could be reduced to $24,000,000,000 only if consumer expenditures accounted for a markedly larger share of the gross national product than in the past. Alternatively, it estimates that private investment could be reduced to $22,000,000,000 in the event of an extremely high peacetime level—$33,900,000,000—of Government expenditures for goods and services.

It seems that we in Congress will have to make a choice between alternatives. We can pin everything on a topheavy volume of business expenditure. Assuming this exaggerated volume of business expenditure is actually forthcoming, we shall live in continual fear and trembling that we shall suddenly find our investment structure overbuilt relative to the size of our consumer markets, and run into a violent recession. Or if we wish we can count on having a tremendously high level of Government expenditure on goods and services, a level quite beyond anything ever seen in this country before in time of peace. I do not think that most of us in Congress will like that solution, and I fear that many Members would even prefer to let our full-employment commitment go by the board, if this seemed to be the only alternative.

We do, finally, have a third alternative, and I think this alternative is much more consistent with our whole American experience and outlook. This alternative requires us to strengthen our mass markets by enabling our consuming public to absorb a larger part of the total production of goods and services than they have ever been able to do in the past. If this country is dedicated to the welfare of the average man, as we generally claim, a solution of the full-employment problem which rests heavily on building up the power of all of our citizens to consume is a solution that makes sense. We need not put all the weight on this solution but unless we put a great deal of weight on it, it is more than likely that full employment will in fact not be achieved, simply because the gap in the expenditure required for full employment will be just too large to be filled by any sensible volume of business expenditure and any halfway reasonable volume of Government expenditures on goods and services.

Once we have conceded that it is going to be indispensable to step up consumer expenditure if full employment is to be maintained, we will be in a better position to realize the substantial contribution that minimum wage policies may make. It is going to be essential to increase the purchasing power of the substantial part of our working and consuming public now living at desperately low levels. Almost every dollar of additional income received by people in this group will go directly into consumer spending. To a slight extent these wage increases will come ultimately out of higher prices, but the consumers who pay the higher prices will usually be in a better economic situation than the workers who receive the extra wages, and if their consumption is curtailed at all, it will be curtailed less than the consumption of the lowest income groups will be expanded by the wage increases. It is likely, moreover, that the larger part of the wage increase will be absorbed by the corporations now earning large profits. Any diversion of income from profits—especially monopoly profits—to substandard income receivers will be a clear gain in helping our economy achieve a natural balance.

Many economists are of the opinion that, once the wartime backlog of accumulated saving and demand is used up, we will face a deflationary gap, that is to say an inadequacy of total expenditure, of perhaps more than $10,000,000,000 a year. Let us hope that this prediction is over-pessimistic and that the gap, if and when it does come, will be infrequent and considerably smaller in size. Nevertheless, an occasional gap, of a substantial size, seems to be in the cards. The bill now before the Senate might add $3,000,000,000 or $4,000,000,000 to the income of wage earners and almost the same amount to the expenditure of consumers. It is not difficult to see the good that such a supplement to consumer spending might do in overcoming such deflationary gaps and enabling us to achieve full employment year after year in a manner compatible with our best American traditions.

Our esteemed ex-colleague in the House, now Secretary of the Treasury and former Director of War Mobilization, Fred M. Vinson, has told us that we are going to have to learn to live 50 percent better than ever before if we intend to maintain full employment. We cannot do better than to begin with that unfortunate and long-suffering group of fellow citizens who are now subsisting on standards which were a disgrace to this country even in a period of depression, and which would be a hollow mockery and an insidious danger in a period of full employment and superabundant prosperity.

REPORT OF JOINT COMMITTEE ON THE ORGANIZATION OF CONGRESS—EDITORIAL COMMENT

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD some of the editorials which have appeared concerning the report of the Joint Committee on the Organization of Congress. I have secured the estimate required under the rule and I find that the matter can be printed in the Appendix at a cost of $160.

The PRESIDING OFFICER. Is there objection. The Chair hears none, and it is so ordered.

Mr. TYDINGS. Mr. President, before he takes his seat I wish to ask the Senator from Wisconsin respecting something I read in the press which leaves the idea that the salary provisions of the committee's recommendations as they apply to Congress and perhaps to some others will be presented in the form of a separate bill.

Mr. LA FOLLETTE. Mr. President, there was an erroneous interpretation placed on a meeting which was held in the Secretary's office. It was said in some of the accounts in the press that it was a strategy meeting concerning the method which would be pursued in implementing the recommendations which the Joint Committee on the Organization of Congress had made in its report. The meeting was solely for the purpose of ascertaining the opinion of some of those who had been connected with the joint committee's activities as to whether they thought it advisable or not to incorporate the committee's recommendations with regard to congressional salary increases in the executive department pay increase bill which has already passed the Senate and is now in a House committee. I expressed my personal opinion that it would be unwise to incorporate in that particular bill any separate portion of the recommendations of the Joint Committee on the Organization of Congress. I may say to the Senator from Maryland, who has expressed a sympathetic interest in the work of the committee from its inception, that it is the fervent hope of the chairman of the committee that it will be possible to consider the committee's recommendations as a whole.

Mr. TYDINGS. The reason why I ask the question is that, as the Senator well knows, there has been reported from the Committee on Appropriations and is now pending on the calendar a bill dealing with that subject, which is pretty well in line with the recommendation of the committee. The salary increases, if passed, would take effect in January of next year, when a new Congress convenes, for the obvious reason that for the most part Members do not wish to be placed in the position of increasing their own salaries, particularly on the House side. Inasmuch as that bill is already on the calendar, and is substantially in line with the committee's recommendation, having already been considered by one of the committees of Congress, it seemed to me that perhaps the committee generally would be satisfied to have it go through as a separate measure.

Mr. LA FOLLETTE. Speaking for myself, I would regret to see that action taken, because I believe it would be misinterpreted in the country. I think it would appear that we were proceeding first of all to take steps to increase salaries in the future, without even giving legislative consideration to the necessity of taking action to improve the efficiency of the Congress. As I previously stated, it is my hope that it will be possible to consider the committee's recommendations—or such of them as may meet with the approval of the Senate—as a whole, rather than piecemeal. I believe that if the recommendations were split up, the effect would be very unfortunate on our efforts to get something done.

Mr. TYDINGS. I do not share the Senator's point of view completely as to having it all in one bill, although I see how he has arrived at his point of view. It does not seem to me to be so important that the two be together as he evidently feels it is. However, I have no objection to the recommendations being considered as a whole. I simply rose to ascertain whether the newspaper account,

which he has now explained, was accurate.

While I am on my feet, I wish to say to the Senator that I think the Senate, the House, and the country owe the Senator from Wisconsin a great debt. He has undertaken a very difficult job, that of reorganizing the operations of the Congress. He has done it with great courage and imagination, and his action had for a background a rich experience in this body as a result of his many years' service. It is not necessary to agree that every part of the report meets our approval; but looking at it as a whole, it is one of the most constructive actions in the interest of the continuance of our democratic form of government that I have seen since I have been a Member of the Senate. I wish to pay my respects and extend my thanks to the Senator from Wisconsin for a very fine and statesmanlike job.

Mr. LA FOLLETTE. Mr. President, I deeply appreciate the very generous statement which the Senator from Maryland has just made. However, I wish to emphasize that every member of the committee, whether from the Senate or the House, has devoted a great deal of time and energy to the problem. The committee members have drawn upon their combined and individual experiences in assisting in the preparation of the report, and I am pleased to accept the tribute which the Senator from Maryland has paid, not on my behalf, but on behalf of the membership of the committee from both the Senate and the House.

(The editorials submitted by Mr. LA FOLLETTE appear in the Appendix.)

AMENDMENT OF FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

Mr. AIKEN. Mr. President—

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. PEPPER. The able Senator from Vermont has risen to address the Senate on the pending bill. Sensing that he proposes to discuss a very important aspect of the bill, namely, its impingement or effect upon agriculture, and realizing that the hour is late, I am constrained to hope that the able Senator may feel disposed to wait until some time tomorrow, when a larger number of Senators may have the good fortune to hear what he has to say.

Mr. AIKEN. Mr. President, I am very glad to accept the suggestion of the Senator from Florida. I asked recognition to discuss the coverage of the bill as it relates to agriculture. Since I obtained recognition several of my colleagues have suggested to me that many Senators who are very much interested in this phase of the bill are absent. I have been requested to postpone speaking on this particular phase of the bill until tomorrow. So, if it is agreeable, I shall wait until tomorrow. I realize the difficulty of getting interested Senators back into the Chamber. By the time they reached the Chamber it would be time to take a recess anyway. So I withdraw my request for the floor at this time.

THE OPA AND THE SMALL BUSINESSMAN

Mr. WILEY. Mr. President, I shall detain the Senate for only a few moments.

Letters continue to pour into my office from small manufacturers and businessmen in Wisconsin in relation to the apparent inability of the OPA to grasp the situation with which those businessmen are faced. I have before me a letter from a small manufacturer in Wisconsin Rapids. It relates to the old problem of being able to get a price for a product which will enable the manufacturer to come out whole. I wish to read several paragraphs from the letter.

> Since VJ-day in August 1945 we have been trying to get back into business. Because of scores of troubles, a great many of which I am sure you must have heard about and are familiar with, we are unable to get back into any kind of production because of the shortage of material on one hand and in some cases the impossibility of securing a necessary livable price because of OPA regulations.

This business is located in a small town with a population of 7,000 or 8,000.

I continue reading:

> At the present time we have 400 men and women laid off because of material shortages. In fact, for the past 3 months our plant has not operated over 15 percent of its capacity. As a typical example I am attaching herewith copies of letters which are self-explanatory. This is only one instance out of many scores of cases that is making it impossible for us manufacturers to get back into any kind of profitable production.

I have spoken repeatedly on the floor of the Senate in relation to the OPA situation. The other day I suggested several amendments. I trust that when the matter comes before the appropriate committee the amendments which I suggested will receive consideration and be written into law. They simply express the common-sense viewpoint which must prevail if we are to get out of the doldrums in which we find ourselves. In this little town of 8,000 or 9,000 people 400 people are out of work in one little factory, at a time when a wealth of $170,000,000,000 is piled up and the people are crying for goods. In this era, when unemployment is approaching the 5,000,000 mark, it seems that there should be a way out of the situation, so that men could find jobs, and purchasers with a potential buying power of $170,000,000,000 could procure the commodities they need.

To me the answer is very simple. We are talking today about a minimum wage. In most of the cities, especially where there is unionized labor, more than the suggested minimum wage is now being paid. But there is no need of talking about fixing a wage unless there is work. There is no possibility of getting work unless the manufacturer can get at least the cost of production from what he manufactures.

That is where OPA fits into the situation. I have repeatedly stated that the square pegs seem to be absolutely unable to appreciate the fact that a manufacturer whose material costs have appreciated 30 percent or more since the first days of the war, and whose labor costs have appreciated in like proportion, cannot return to the manufacture of what he manufactured before the war and sell at the figure at which he then sold. But the great trouble is that while OPA makes general statements to the effect that it is willing to see that the manufacturer gets the cost of production with at least a reasonable profit, there seems to be no adequate machinery to afford such relief. That is the problem which we are facing all over America. We have accumulated vast reserve sums in State unemployment funds, and in manufacturing businesses we have accumulated funds which were supposed to be available so that when hard times came the money could be paid out to labor in unemployment benefits. But, Mr. President, we are paying it out now when we should have our people at work, and we are paying it out by the millions of dollars. If we keep on doing that, we shall be exhausting that money, with the result that when hard times do come that reserve will not be on hand to take care of unemployment.

To my mind, production is the greatest domestic issue in America. We shall not be able to obtain production in the small plants and have men back at work until something is done about OPA. To my mind, that is a problem which calls for prompt solution.

OPERATIONS AND POLICIES OF THE COMMODITY CREDIT CORPORATION—PERSONAL STATEMENT

Mr. STEWART. Mr. President, I wish to make a statement concerning a report which was made recently by a subcommittee of the Committee on Agriculture and Forestry, and also concerning a statement which was made by the Senator from Oklahoma [Mr. THOMAS], chairman of the Committee on Agriculture and Forestry. The statement appears in the RECORD of February 18, 1946, at page 1417.

The subcommittee of the Senate Committee on Agriculture and Forestry, of which I was a member, held hearings several months ago and filed a report a few days prior to February 18, 1946, the day on which the Senator from Oklahoma made the statement to which I have referred. The report was critical of certain practices of the Commodity Credit Corporation, particularly with respect to the methods used by it in selecting persons from whom they purchased certain agricultural commodities which from time to time might be required. The report was signed by nearly all members of the subcommittee, including myself.

Mr. President, it was pointed out in the report that the practices of the Commodity Credit Corporation to which I have referred were subject to criticism, because under such practices opportunities were afforded for fraudulent and dishonest transactions. It was said that opportunities occurred for such trans-

actions by reason of the methods used by the Commodity Credit Corporation in connection with certain buyers.

Following the filing of the report Mr. J. B. Hutson, Under Secretary of Agriculture, directed a letter to the chairman of the Committee on Agriculture and Forestry, which was placed in the RECORD on February 18, 1946, at page 1417. In that letter exception was taken to the report which had been made by the subcommittee, and agreement was expressed with respect to certain recommendations which had been made in the committee report. It will be remembered that Mr. Hutson, although Under Secretary of Agriculture, was still at the head of the Commodity Credit Corporation. That situation was one of the things to which the report directed criticism. It was said that Mr. Hutson should not hold both positions at the same time. Mr. Hutson agreed, and stated that he believed it was best to separate the two offices. Mr. Hutson also felt that the criticism of the practices to which I have referred was directed at him or at some other individuals in the Department of Agriculture.

As a member of the Committee on Agriculture and Forestry I wish to say that it was not the intention of the committee to make any such criticism. I have great regard and respect for Mr. Hutson, as well as for other members of the Commodity Credit Corporation and of the Department of Agriculture. So far as I am concerned, and, indeed, so far as the entire committee is concerned, I am sure that by criticizing a practice which we thought should not obtain, there was no intention of making any personal criticism of any individuals.

THE BALLADE OF RODGER YOUNG

Mr. HUFFMAN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a copy of the Ballade of Rodger Young.

Accompanied by the author, Pvt. Frank Loesser, Lt. Gen. J. Lawton Collins, of the Army Ground Forces, and Gen. Jacob L. Devers, of the Army Ground Forces, and Gen. Robert Beightler, now the commander of the Fifth Service Area at Columbus, Ohio, but formerly the commander of the Thirty-seventh Division in which Pvt. Rodger Young was serving at the time he was killed in action, I shall present to President Truman at the White House tomorrow the original script of this ballade.

The gallantry of Pvt. Rodger Young, of Tiffin and Clyde, Ohio, who was killed in action on New Georgia in the Solomons on July 31, 1943, and who won posthumously the Medal of Honor, is well known. This honor which commemorates the deed of Rodger Young is, in fact, a tribute to the distinguished service which the American Infantry has rendered in all our wars. It is in honor of the patriotic toil, devotion, and sacrifice of the Infantry that we shall make the presentation at the White House tomorrow.

There being no objection, the ballade was ordered to be printed in the RECORD, as follows:

THE BALLADE OF RODGER YOUNG

(By Pvt. Frank Loesser, U. S. Army)

Oh, they've got no time for glory in the Infantry,
Oh, they've got no use for praises loudly sung,
But in ev'ry soldier's heart in all the Infantry
Shines the name, shines the name of Rodger Young,
Shines the name Rodger Young.
Fought and died for the men he marched among.
To the everlasting glory of the Infantry
Lives the story of Private Rodger Young.

Caught in ambush lay a company of riflemen,
Just grenades against machine guns in the gloom
Caught in ambush till this one of twenty riflemen
Volunteered, volunteered to meet his doom.
Volunteered Rodger Young,
Fought and died for the men he marched among.
In the everlasting annals of the Infantry
Glows the last deed of Private Rodger Young.

It was he who drew the fire of the enemy,
That a company of men might live to fight,
And before the deadly fire of the enemy
Stood the man, stood the man we hail tonight.
Stood the man Rodger Young,
Fought and died for the men he marched among.
Like the everlasting courage of the Infantry
Was the courage of Private Rodger Young.

On the island of New Georgia in the Solomons
Stands a simple wooden cross alone to tell
That beneath the silent coral of the Solomons
Sleeps a man, sleeps a man remembered well.
Sleeps a man Rodger Young,
Fought and died for the men he marched among.
In the everlasting spirit of the Infantry
Breathes the spirit of Private Rodger Young.

No, they've got no time for glory in the Infantry,
No, they've got no use for praises loudly sung,
But in ev'ry soldier's heart in all the Infantry
Shines the name, shines the name of Rodger Young.
Shines the name Rodger Young,
Fought and died for the men he marched among.
To the everlasting glory of the Infantry
Lives the story of Private Rodger Young.

EXECUTIVE SESSION

Mr. HILL. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. CARVILLE in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations and withdrawing a nomination, which nominations were referred to the appropriate committees.

(For nominations this day received and nomination withdrawn, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. GEORGE, from the Committee on Finance:

Sundry candidates and officers for appointment or promotion in the Regular Corps of the United States Public Health Service.

By Mr. CONNALLY, from the Committee on Foreign Relations:

Foy D. Kohler of Ohio, now a foreign-service officer of class 4 and a secretary in the diplomatic service, to be also a consul of the United States of America;

Reginald Bragonier, Jr., of Maryland, now a foreign-service officer of class 6 and a secretary in the diplomatic service, to be also a consul of the United States of America;

G. Frederick Reinhardt, of California, now a foreign service officer of class 5 and a secretary in the diplomatic service, to be also a consul of the United States of America;

Miss Kathleen Molesworth, of Texas, now a foreign-service officer of class 6 and a secretary in the diplomatic service, to be also a consul of the United States of America;

George Tait, of Virginia, now a foreign-service officer of class 2 and a secretary in the diplomatic service, to be also a consul general of the United States of America;

Maurice W. Altaffer, of Ohio, now a foreign-service officer of class 3 and a secretary in the diplomatic service, to be also a consul general of the United States of America;

Prescott Childs, of Massachusetts, now a foreign-service officer of class 3 and a secretary in the diplomatic service, to be also a consul general of the United States of America;

Earl L. Packer, of Utah, now a foreign-service officer of class 3 and a secretary in the diplomatic service, to be also a consul general of the United States of America; and

The following-named persons, now foreign-service officers of class 7 and secretaries in the diplomatic service, to be also consuls of the United States of America:

William Belton, of Oregon;
V. Lansing Collins, Jr., of New York;
Fulton Freeman, of California;
Martin J. Hillenbrand, of Illinois;
Frederick J. Mann, of New York; and
J. Kittredge Vinson, of Texas.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

UNITED STATES ATTORNEYS

The legislative clerk proceeded to read sundry nominations of United States attorneys.

Mr. HILL. I ask that the nominations of United States attorneys be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of United States attorneys are confirmed en bloc.

SELECTIVE SERVICE SYSTEM

The legislative clerk read the nomination of Philip H. Bartholomew to be State medical adviser for Nebraska.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTER

The legislative clerk read the nomination of Michael D. Fanning, to be postmaster at Los Angeles, Calif.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

THE NAVY

The legislative clerk read the nomination of Frank E. Beatty, to be rear admiral in the Navy for temporary service, to rank from January 31, 1943, in lieu of the date of rank as previously nominated and confirmed.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

That completes the calendar.

Mr. HILL. I ask unanimous consent that the President be notified immediately of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 55 minutes p. m.) the Senate took a recess until tomorrow, Friday, March 15, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 14 (legislative day of March 5), 1946:

REGISTER OF LAND OFFICE

Ellis Purlee, of California, to be register of the land office at Sacramento, Calif. (Reappointment.)

FIRST JUDGE, FIRST CIRCUIT COURT, TERRITORY OF HAWAII

Hon. Carrick H. Buck, of Hawaii, to be first judge of the first circuit, circuit courts, Territory of Hawaii. (Judge Buck is now serving in this post under an appointment which expires March 24, 1946.)

UNITED STATES ATTORNEY

Herbert W. Christenberry, of Louisiana, to be United States attorney for the eastern district of Louisiana. (Mr. Christenberry is now serving in this office under an appointment which expired January 23, 1946.)

IN THE MARINE CORPS

Brig. Gen. Samuel L. Howard to be a major general in the Marine Corps, for temporary service, from the 28th day of September 1942.

IN THE NAVAL RESERVE

The following-named officers of the Naval Reserve to be assistant surgeons in the Navy with the rank of lieutenant (junior grade):

John C. Ayers	Carmelo C. Celestre
Joseph S. Bower	Robert F. Erhard
Victor Y. Lindblade	Edward J. Healey
Robert L. Fleck	Paul O. Sather

The following-named officers of the line of the Navy to be assistant civil engineers in the Navy with the rank of ensign:

Robert B. Childers
Robert R. Graham

The following-named officers of the line of the Navy to be assistant paymasters in the Navy with the rank of ensign:

Josiah B. Henneberger Dan P. Appleby
Eugene T. MacDonald James A. Smith

Ensign Henry A. R. Peyton, Supply Corps, United States Navy, to be an ensign in the Navy.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

John B. Tillery, Dadeville, Ala., in place of Ruth Duffey, resigned.

Garnette L. Collins, Gallion, Ala., in place of J. W. Collins, Jr., deceased.

ARKANSAS

Bobby R. King, Mount Vernon, Ark., in place of S. E. Adkisson, resigned.

COLORADO

Beverly E. Hodson, Dove Creek, Colo., in place of W. E. Larrance, resigned.

CONNECTICUT

William F. Newton, Canterbury, Conn., in place of J. W. Gaskill, retired.

DELAWARE

John B. Counselman, Houston, Del. Office became Presidential July 1, 1945.

GEORGIA

Velvie Holcomb, Tate, Ga., in place of S. C. Tate, resigned.

ILLINOIS

Edith A. Wagoner, Cropsey, Ill. Office became Presidential July 1, 1944.

IOWA

Arlene L. Murray, Johnston, Iowa. Office became Presidential July 1, 1945.

LOUISIANA

R. Lynn Bernard, Arnaudville, La., in place of E. M. Benoit, removed.

MASSACHUSETTS

LeRoy H. Fuller, Allerton, Mass., in place of Eva Fitzpatrick, resigned.

Louis A. Monahan, Seekonk, Mass., in place of H. A. Monahan. Incumbent's commission expired May 30, 1942.

MICHIGAN

Margaret J. Hoffman, Munith, Mich., in place of W. M. Hankerd, resigned.

MISSISSIPPI

Blanche C. Wilson, Monticello, Miss., in place of W. J. Newton, transferred.

NORTH CAROLINA

James E. Paschall, Manson, N. C. Office became Presidential July 1, 1944.

TENNESSEE

Luther G. Coulter, Sale Creek, Tenn. Office became Presidential July 1, 1943.

VIRGINIA

Mabele W. Clements, Clayville, Va., in place of Bessie Forsee, resigned.

Barron P. Didlake, Glenallen, Va., in place of E. L. Allen, resigned.

WEST VIRGINIA

Theta M. Triplett, Bergoo, W. Va., in place of A. L. Cummings, retired.

Thornton T. Perry, Jr., Charles Town, W. Va., in place of T. R. Moore, Jr., killed in action.

WISCONSIN

Wesley C. Orville, Maple, Wis. Office became Presidential July 1, 1944.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 14 (legislative day of March 5), 1946:

SELECTIVE SERVICE SYSTEM

Philip H. Bartholomew to be State medical adviser for Nebraska. Compensation at the rate of $5,180 per annum.

UNITED STATES ATTORNEYS

David C. Walls to be United States attorney for the western district of Kentucky.

John H. Manning to be United States attorney for the eastern district of North Carolina.

Donald C. Miller to be United States attorney for the northern district of Ohio.

Carl L. Sackett to be United States attorney for the district of Wyoming.

IN THE NAVY

APPOINTMENT IN THE NAVY, FOR TEMPORARY SERVICE

Frank E. Beatty to be a rear admiral in the Navy for temporary service, to rank from January 31, 1943, in lieu of the date of rank as previously nominated and confirmed.

POSTMASTER

CALIFORNIA

Michael D. Fanning, Los Angeles.

WITHDRAWAL

Executive nomination withdrawn from the Senate March 14 (legislative day of March 5), 1946:

UNDER SECRETARY OF THE NAVY

Edwin Wendell Pauley, of California, to be Under Secretary of the Navy, which was sent to the Senate January 18, 1946.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 14, 1946

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Son of God, Master of men, as we look out upon this distracted world, we pray Thee to control us with the majesty of Thy calm, that faith and trust in Thee may supplant fears and disquietude. Stay Thou the storm clouds upon the horizon of our land and be with us yet, lest we forget, lest we forget. Teach us that false ambition gives no rest, for temper there is no fruition of joy, and the fruits of position often ripen into envy and jealousy. O lift men upward, not by lowering the level but by raising the standard. Heartsick with hunger and with the contagion of bitterness, the soul of the Republic is weary in waiting for the signals of peace and agreement. O God, may the race for power and gain cease, all wrongs be righted, and our industrial life move forward without blot or shame; then we shall know that the ways of sympathy are the ways of pleasantness, and that the paths of industry are the paths of peace. Through Jesus Christ our Elder Brother. Amen.

The Journal of the proceedings of yesterday was read and approved.

THE LATE JOHN M. EVANS

The SPEAKER. The Chair recognizes the gentleman from Montana [Mr. MANSFIELD].

Mr. MANSFIELD of Montana. Mr. Speaker, it is with deep regret that I announce to the House the death of the Honorable John M. Evans, former Member of Congress from my district in the State of Montana, who died at 6:35 p. m., March 12, at the Netherlands Apartment, Columbia Road, Washington, D. C.

John Evans was taken to the Territory of Montana in 1863 at the age of 3 years by his parents. The family was conveyed by a bull train over the old Oregon Trail and settled at Deer Lodge, then Cottonwood, Mont. Subsequently Judge Evans engaged in the practice of law in Butte and in 1888 transferred his legal activities to Missoula when he later became active in national politics. During his political career Congressman Evans was never beaten in a final election but suffered two reversals in the primaries. He was a member of both the Society of Montana Pioneers and the

Sons and Daughters of Montana Pioneers and served as president of the latter society. Judge Evans comes from pioneer American stock; his father was a native of Virginia of the famed Cabell family and his mother was a native of Missouri.

John Evans was born in Sedalia, Mo., on January 7, 1863, and was educated at the United States Military Academy and the University of Missouri. He practiced law in Missoula, Mont., since 1888, was police judge of the city from 1889 to 1894, and register of the United States Land Office at Missoula from 1894 to 1898. He was largely instrumental in establishing the commission form of government in his home city, and was chosen the first commission mayor in his State. He was a member of the Sigma Nu college fraternity, Masons, and the Knights of Pythias. He served as grand chancelor and supreme representative of the Knights of Pythias from Montana.

Mr. Evans was elected to the Sixty-third Congress in 1912 and was elected to each succeeding Congress, except the Sixty-seventh, up to and including the Seventieth. Since his retirement from the House on March 4, 1933, he has resided in Washington, D. C.

He is survived by a widow, the former Helena G. Hastings, of Columbia, Mo., and two children, Beverly Price Evans and Commander Philip Cabell Evans, of the Canadian Navy. To all of them I express the sympathy of the House of Representatives in their hour of sorrow.

Montana and the Nation have lost a good citizen and an able legislator in John M. Evans. May his soul rest in peace.

EXTENSION OF REMARKS

Mr. BLAND asked and was given permission to extend his remarks in the RECORD on industry's stake in our Merchant Marine and include an article that appeared in Modern Industry, and further to extend his remarks on seamen's rights legislation and include a letter dealing with that subject.

Mr. COCHRAN asked and was given permission to extend his remarks in the RECORD and include a radio address.

Mr. JARMAN asked and was given permission to extend his remarks in the RECORD in two instances and include in one an article from yesterday's Washington Post and in the other an editorial from today's Washington Post.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include an editorial on labor and business.

Mr. OUTLAND asked and was given permission to extend his remarks in the RECORD and include an address by Mr. Potter on the necessity for continuing strike control.

Mr. MILLER of California asked and was given permission to extend his remarks in the RECORD and include two editorials.

PRINTING OF ADDITIONAL COPIES OF REPORT OF COMMITTEE ON ROADS ON THE ALASKA HIGHWAY

Mr. JARMAN. Mr. Speaker, from the Committee on Printing, I report a privileged resolution (H. Res. 561) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That 1,000 additional copies of House Report No. 1705, current session, entitled "The Alaska Highway," being a report of the Committee on Roads, House of Representatives, shall be printed for the use of the committee.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. RYTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include my report on Poland entitled "The Story of Warsaw."

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

[Mr. RYTER addressed the House. His remarks appear in the Appendix.]

Mr. BRUMBAUGH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. BRUMBAUGH addressed the House. His remarks appear in the Appendix.]

PERSONAL EXPLANATION

Mr. BUCK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BUCK. Mr. Speaker, last week I was absent from the country on official business of the Congress. As to the housing bill, as perfected, had I been present I would have voted against recommittal and in favor of enactment.

EXTENSION OF REMARKS

Mr. COLE of Missouri asked and was given permission to extend his own remarks in the RECORD and to include therein an article which appeared in the Kansas City Star of Kansas City, Mo., on March 10, 1946, entitled "Shackles on Grain."

Mr. HOFFMAN asked and was given permission to revise and extend his remarks in the RECORD.

Mr. GAVIN asked and was given permission to extend his remarks in the Appendix of the RECORD and include therein an editorial on deficit spending.

Mr. TOWE asked and was given permission to extend his own remarks and include a newspaper article.

STOP WARMONGERING BY CHURCHILL

Mr. BUFFETT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. BUFFETT. Mr. Speaker, I rise to protest the use a second time of American national network facilities by Mr. Churchill for warmongering purposes.

A man who shouts "fire" in a crowded theater is a criminal. A guest in this country who spreads war alarms now seems to abuse our hospitality.

Certainly, this generation of Americans, which has listened before to Mr. Churchill's seductive oratory, has paid its share in blood, tears, and treasure for Empire purposes.

Communism is a vicious danger to America. But it is not a danger from without as much as it is from within. Has this administration finally become interested in saving America from communism? If so, then it should stop nursing the fifth column of Communists at home and suggest that bugle blowing by foreigners be done in their own lands.

If this administration is disturbed by Russian expansion, why do they go on supplying the Russian Bear? To the end of January 1946, UNRRA alone has shipped to areas either part of Russia, or under Russian domination, 2,280,000 long tons of supplies. If our Government is so concerned about Russian imperialism, why has it not stopped this quartermaster's service—for free—to the Russian forces?

What is behind the propaganda drenching America today? Is it a build-up for a British loan? Or is it a scheme of our militarists to put over peacetime conscription?

Mr. Speaker, I protest this use by a foreigner of American radio facilities for war-dance purposes.

EXTENSION OF REMARKS

Mr. McGREGOR asked and was given permission to extend his own remarks in the RECORD and include a newspaper article relative to the OPA.

Mr. GILLIE asked and was given permission to extend his remarks in the RECORD and include an editorial from the Indianapolis Star, Social Security in Reverse.

WINSTON CHURCHILL AND THE DANGERS OF COMMUNISM

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, it is surprising to hear Members of Congress refer to Winston Churchill as a warmonger. That sounds very much as if it had come out of Moscow. I read such statements from Moscow in the morning paper.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. No; I only have 1 minute.

Mr. HOFFMAN. Mr. Speaker, I make the point of order there is no quorum present.

Mr. RANKIN. I cannot yield for that purpose.

Mr. HOFFMAN. Mr. Speaker, I make the point of order that there is no quorum present. The gentleman does not have to yield.

The SPEAKER. The gentleman has raised a constitutional question.

Mr. RANKIN. All right, then call the roll, and I will speak to them.

The SPEAKER. The Chair will count.

Mr. HOFFMAN. Mr. Speaker, if the Chair is having difficulty with the count, I will withdraw the point of order.

The SPEAKER. The point of order is withdrawn. The gentleman from Mississippi may proceed.

Mr. RANKIN. Mr. Speaker, I do not agree with Winston Churchill in his proposition of a common citizenship.

I do not agree with him on his proposal for a military alliance.

I do not want war with any other nation on earth.

But I want to say here and now that Winston Churchill rendered this country as well as the Christian people of the entire world generally a great service in his speech at Fulton, Mo., when he turned the pitiless sunlight of merciless publicity onto the attempts that are now being made to undermine and destroy the free Christian nations of the world, including the United States.

Let us drive every one of these subversives not only from the Federal pay roll but from American soil.

Let us clean them out of every agency of this Government and put ex-servicemen in their places.

The SPEAKER. The time of the gentleman from Mississippi has expired.

EXTENSION OF REMARKS

Mr. MURDOCK asked and was given permission to extend his remarks in the RECORD and include a telegram and a letter.

Mr. CELLER asked and was given permission to extend his remarks in the RECORD.

Mr. KLEIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a statement on the fight for price control, and the testimony of Mr. James B. Carey, secretary-treasurer of the CIO.

I have been informed by the Government Printing Office that the estimated cost will be $195. Notwithstanding that, I ask unanimous consent to have it included in the RECORD.

The SPEAKER. Notwithstanding, and without objection, the extension may be made.

There was no objection.

SPECIAL ORDER GRANTED

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that on next Monday, at the conclusion of the legislative program of the day, and following any special orders heretofore entered, I be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

GREAT BRITAIN

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, I hold no brief for those forces which seek to undermine this country, or those people who get themselves into positions of influence for such an evil purpose, but I think it might be well for the country in these days to remember the words of Thomas Jefferson. Thomas Jefferson, writing to President Monroe, prior to the pronouncement of the Monroe Doctrine, said that Great Britain and her friendship could mean more for the United States than any other nation on earth, but that he would not pay for amity with Great Britain at the price of taking part in all of England's wars.

LEND-LEASE MATERIALS

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. Mr. Speaker, anyone who is familiar with the background and mental processes of the gentleman from Nebraska [Mr. BUFFETT] knows that his views are as far removed from Moscow as the most patriotic person in the United States.

The thing that distresses me about this strange light upon the firmament of the world for the moment now is that, if the reports in the New York Times of this morning be true, that aggressive action is being taken in Iran and in the direction of Turkey with lend-lease equipment furnished by the United States of America, it is high time we reexamined that matter. It is amazing how we can forget. In 1941 we wrote a clause into the Lend Lease Act that the property should not be used by any other except could not be alienated to anybody and the recipient country without express consent by us. But we forgot to write into the act a provision that the goods should not be used against a neutral country or to despoil the sovereignty and integrity of a small country. That is what is being done today. I believe we should press the President of the United States right now to reassert title to the goods which we supplied and that may get us into conflict.

The SPEAKER. The time of the gentleman from Illinois has expired.

EXCHANGING INFORMATION BETWEEN COUNTRIES AND HOUSE COMMITTEES

Mr. VORYS of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VORYS of Ohio. Mr. Speaker, the Rules Committee has for 3 days been considering whether to bring H. R. 4982, the State Department's cultural relations bill, to the floor, in spite of the fact that the AP and UP have refused to go along with the information program authorized by this bill on the grounds that it undermines freedom of the press. I feel the bill should go back to our committee for further hearings and study. Today the Rules Committee called as a witness Averell Harriman, our former Ambassador to Russia, in secret session on this bill. They refused to permit the Foreign Affairs Committee to be present. They did not even invite the chairman or ranking Republican. I called and tried to get in but was barred. This is certainly a dangerous practice. If there is a secret reason for bringing this bill to the floor I want to know it. If there is any reason for bringing this bill to the floor in its present form, in view of the opposition that has developed, the Associated Press and United Press ought to know it. This bill provides for the interchange of information between countries. We had better start with a little interchange of information between House committees.

Certainly, if this bill is too hot for the Foreign Affairs Committee, it is too hot for the floor.

Mr. COLMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. COLMER addressed the House. His remarks appear in the Appendix.]

Mr. SLAUGHTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SLAUGHTER. Mr. Speaker, further answering the gentleman from Ohio [Mr. VORYS], at the hearing that was held yesterday in the Rules Committee, the suggestion was made not once but several times to various members of the Foreign Affairs Committee that they should hear Mr. Harriman, for he is available as a witness and is perhaps in better position to give authentic information and testimony than anyone else available. Since that distinguished committee did not see fit to avail itself of this opportunity we, of the Rules Committee, did so.

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MICHENER. Mr. Speaker, I did not hear the remarks of the gentleman from Ohio [Mr. VORYS], I did hear the end of the remarks of the gentleman from Missouri [Mr. SLAUGHTER].

As a member of the Rules Committee I have been one of those who insisted on the Foreign Affairs Committee hearing Ambassador Harriman before any action is taken on the bill for which the committee is asking a rule. He is the one man who knows. Mr. Harriman was our ambassador in Russia during the war. He has just returned from Russia. He knows the facts, he is back in the United States, he is available, and there is no reason in the world why the Foreign Affairs Committee of the House should shun his testimony. Mr. Harriman should be heard before this matter comes up for consideration in the House, because he has pertinent information. I would like to have the country hear what he said to the Rules Committee in executive session this morning.

The SPEAKER. The time of the gentleman from Michigan has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. JENKINS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

[Mr. JENKINS addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. HARNESS of Indiana asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article from the Practical Builder.

Mr. NORBLAD asked and was given permission to extend his remarks in the RECORD and include a news item which appeared in the Portland Oregonian of March 8.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD in two instances and include articles and resolutions.

Mr. KNUTSON asked and was given permission to extend his remarks in the RECORD and include a letter.

EXPORTATION OF LUMBER

Mr. DWORSHAK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. DWORSHAK. Mr. Speaker, I have received numerous telegrams from farmers in my State who are unable to procure under the priority system essential lumber for the repair of farm equipment and buildings.

I just had a check made of the records down town and I find that in the year 1945 our lumber exports amounted to 427,000,000 feet, these shipments going to almost every country in the world.

In view of the acute housing situation which we have in this country, particularly affecting veterans, and in the face of the increased demands for greater food production, it seems to me ill-advised at this time—whether it be because of OPA regulations or other policies of the administration—to continue to make exports of lumber to other countries when we need these supplies here at home. Our Nation faces a critical lumber shortage for several years.

The SPEAKER. The time of the gentleman from Idaho has expired.

HERBERT HOOVER

Mr. GALLAGHER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. GALLAGHER. Mr. Speaker, the appointment of Herbert Hoover in connection with the food situation abroad was an attempt to unite the American people as one unit in accomplishing the desires of all of us.

We had in the San Francisco Conference two leading Republicans, Senator VANDENBERG, of Michigan, and an ex-governor of my State. We have Republicans on the UNO Conference.

Mr. Speaker, I am not worried about what a representative of England says, whether he comes from the right or the left; I am not worried about something that a representative of Russia says, what I am worried about is whether or not the people of this country are going to be united behind our delegates and let them finish their job before they are criticized. I believe all of these men are good Americans. A united America is of the utmost importance.

The SPEAKER. The time of the gentleman from Minnesota has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

[Mr. BROOKS addressed the House. His remarks appear in the Appendix.]

Mr. LARCADE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

[Mr. LARCADE addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD in three instances, and include in each a newspaper article.

AMENDING SECTION 502 OF THE ACT TO EXPEDITE HOUSING FOR VETERANS

Mr. SABATH. Mr. Speaker, I call up House Resolution 559 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5455) to amend section 502 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, so as to authorize the appropriation of funds necessary to provide an additional 100,000 temporary housing units for distressed families of servicemen and for veterans and their families. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Public Buildings and Grounds, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same back to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, this resolution—House Resolution 559—makes in order the consideration of H. R. 5455. It is an open rule providing for 1 hour of general debate. This bill authorizes the appropriation of funds necessary to provide 100,000 additional temporary housing units for distressed veterans and families of ex-servicemen. Due to 4 years of total war, Mr. Speaker, a great housing shortage has been created and exists today. Thousands of ex-servicemen who have returned, as well as many other American citizens, find it impossible to obtain living quarters. Therefore this bill appropriates funds to provide for an additional 100,000 homes for the homeless.

It is indeed to be regretted, Mr. Speaker, that before we are able to take care of the men and women returning from the last war, which cost our Nation so dearly in men, in property, and in money, some people are trying in every way possible to bring about another war. I say to them and to all that the country does not want another war. We should eliminate the fear that is being created by those who through their talk and their actions are trying to make the Nation believe we are ready for another war

We are all interested in the welfare of our country and our people. We have had enough of war. All our efforts should be directed now to bringing about a lasting, prosperous peace. That is my hope. That is what I have urged and advocated. I hope we will join hands and do our share and our part to stop all those who through reckless talk and writings would force us into another war.

RULES COMMITTEE HEARING

This morning, as has been stated, the Committee on Rules held a meeting. A gentleman who has had a great deal of experience, who has made a thorough investigation of European conditions, and who is chairman of the Special Committee on Postwar Economic Planning, and who is also a member of the Committee on Rules, the gentleman from Mississippi [Mr. COLMER], suggested and a majority of the members agreed it

would be fitting and proper that we invite to appear before us the great former Ambassador to Russia, Mr. Harriman. He did appear this morning.

The gentleman from Ohio [Mr. VORYS] requested that he and other members of the Committee on Foreign Affairs be permitted to be present. However, a majority of the members of the committee felt that it would have been proper for the legislative committee that reported the bill to invite the gentleman before that committee on the bill. We have already had three hearings on this bill, unanimously reported by the Committee on Foreign Affairs, a bill that I believe provides for a necessary program and policy that is bound to be beneficial to our country and to world peace and mutual understanding.

Mr. VORYS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. The question I wish to ask, if it is a proper question, is whether it is the practice of the Committee on Rules to hear witnesses on a bill when the members of the legislative committee which reported the bill are forbidden to hear the same testimony. It is not a matter of our getting the views of Ambassador Harriman, which would be valuable, but it is a matter of getting the same views that the Committee on Rules gets on this specific bill on which there is a controversy as to whether it should be returned to the committee or not.

Mr. SABATH. I will be delighted to answer the question of the gentleman. It is the policy of the Committee on Rules to hear witnesses and members of any committee reporting the bill or any other Member at all times on any application for a rule. We have given the membership of the Committee on Foreign Affairs ample opportunity to be present. They were present and they testified. Even the gentleman from Ohio, as he, of course, recalls, appeared before the committee and testified. He was one of the 19 members who unanimously reported the bill on the 17th of December.

Mr. VORYS of Ohio. Mr. Speaker, if the gentleman will yield, he is in error in that. I did not vote for the bill.

Mr. SABATH. It was, according to information given me, a unanimous vote of the 19 members present, and I took it for granted that the gentleman was present when the committee agreed to report the bill. I am sorry if I misunderstood. To continue in response to the gentleman's question, when members of the Committee on Rules, who always are zealous to guard the interests of the legislative committees as well as the interests of the House, suggested that perhaps Mr. Harriman might give us information no other man might have, since he served as our Ambassador to Russia for over 4 years and is an outstanding businessman and citizen, we came to the conclusion almost unanimously that we would invite him before voting on the rule for the bill. If the gentleman as a member of the Committee on Foreign Affairs desires to hear from Mr. Harriman, he can ask his committee to invite Mr. Harriman. I know that he will be only too pleased if time will permit to appear before the Committee on Foreign Affairs and give additional information. But, Mr. Speaker, from what I have learned from witnesses on both sides, Democratic and Republican, they have held long hearings, have heard many witnesses, and notwithstanding that lengthy deliberation they finally, after amending the original bill, reported the bill and asked for a rule. I might say to the gentleman from Ohio that in addition to the witnesses who have appeared, the Secretary of State sent in a strong letter urging the passage of the bill.

The Secretary of Commerce has endorsed it, the Acting Secretary of the Interior has endorsed it, and so has the Secretary of Agriculture. Notwithstanding that fact, we have not yet acted on the granting of a rule which will give the gentleman from Ohio [Mr. VORYS] an opportunity to take it up with his committee. And if they desire to have Mr. Harriman there they will have the privilege of having him, and perhaps after he hears his evidence he will vote again to report and vote for the bill.

I make that statement because it is so common for gentlemen to accuse and abuse the Rules Committee. All the members of the Rules Committee are pretty strong and capable gentlemen who can stand a great deal of abuse; but once in a while it becomes necessary to answer some of the accusations on the floor of the House. I venture to say there is no other committee that is as liberal in hearing the Members as the Rules Committee. Consequently, I hope the gentleman from Ohio will not feel offended nor that he was deliberately denied an opportunity to be present at the executive session of the Rules Committee.

I hope I have answered the gentleman and made the position of the Rules Committee clear. Feeling that there should be no opposition to the rule, and knowing that the bill that the rule makes in order will be intelligently, clearly, and ably explained by the gentleman from Texas [Mr. LANHAM], chairman of the committee. I will conclude and reserve the balance of my time.

I now yield 30 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, I yield to the gentleman from Illinois [Mr. CHURCH] for a unanimous-consent request.

Mr. CHURCH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial from the Chicago Daily News of Tuesday, March 12, entitled "Table Talk Preferred."

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HALLECK. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, as the chairman of the Rules Committee has pointed out, and as I understand it, this bill comes to us with the unanimous report of the legislative committee handling it. As far as I know, there is no opposition to the adoption of the rule. I feel sure it will be adopted.

I yield 5 minutes to the gentleman from California [Mr. ANDERSON].

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ANDERSON of California. Mr. Speaker, the salvation of California agriculture during the war years has been the importation of large numbers of Mexican nationals to assist in harvesting our highly perishable fruit and vegetable crops. This fact is emphasized by the following letter from the California Farm Bureau Federation, from which I quote:

> The Agricultural Extension Service estimates that we need a minimum of 45,000 Mexicans in 1946. There are about 10,000 of them in the State at the present time. This is equal to about one-half of the number we had at the high point in 1945. Every effort should be made to have the contracts for employment of these workers extended.

I took this matter up with the Secretary of Agriculture recently and on March 7 received the following reply from the Under Secretary, which I ask to include herewith:

Hon. JACK Z. ANDERSON,
House of Representatives.

> DEAR MR. ANDERSON: We are in receipt of your recent letter and the attached copy of a letter from Mr. R. B. Wiser, president, California Farm Bureau Federation, Berkeley, Calif., with reference to the 1946 farm labor situation.
>
> The Department is cognizant of the need for farm labor to successfully maintain record level production in 1946. We are making every effort to assist the farmer in securing adequate labor to do this job and at the present time have representatives in Mexico City negotiating terms of agreement for the importation of Mexican nationals into the States for the 1946 crop season.
>
> Reports from our representatives indicate some changes in the agreements as regards wages and working conditions; however, we are in no position to discuss these at the present time. We feel reasonably sure that the best agreement will be reached and that the American farmer will have the use of Mexican nationals for agricultural work during the crop season.
>
> Sincerely,
>
> J. B. HUTSON, *Under Secretary.*

Mr. Hutson indicates that the Department of Agriculture is well aware of the need for continuing the importation of Mexican national farm workers to maintain a high level of production in 1946.

But, Mr. Speaker, there is an Ethiopian in the woodpile—the California CIO council. Just the other day I received a letter from this organization signed by Mervyn Rathborne, secretary-treasurer. I am informed that every other member of the California congressional delegation received a similar communication.

Mr. Rathborne says, and I quote:

> DEAR CONGRESSMAN: We are informed that the Governments of the United States and Mexico are now negotiating a treaty for the importation of 65,000 Mexican nationals into the United States during 1946 for agricultural work. We are further advised that it

is planned to use between 25,000 and 30,000 of these Mexican workers in California.

The California CIO is opposed to the importation of Mexican labor into this country.

The author of the letter goes on to say that the California CIO council is opposed to bringing in Mexican national farm workers this year because there are between 200,000 and 250,000 persons unemployed in California, that the provisions of the treaty permitting the importation of nationals had been violated and that "very few small farmers are able to employ them." He tries to imply that only the large corporate farmers really benefit from the importation of Mexican farm workers.

What absolute nonsense. Thank heaven Mr. Rathborne has little to say about farm production and harvesting in our State. I happen to live in a small county, where there are few if any corporate farms, but where Mexican nationals have been used to the utmost advantage by the average farmer for the past 3 or 4 years. Why, my brother and I have used them on our own farm, and we are not corporation farmers. Our neighbors have used them—and we need them again.

Next, Mr. Rathborne says, and again I quote from his letter:

Further, it is our opinion that if decent wages were paid for the work which is normally performed by the Mexican nationals, plenty of residents of the United States could be secured to do this work.

Now, Mr. Speaker, if anything more were needed to show just how little Mr. Rathborne and the California CIO council knows about California farmers and California farm wages, that paragraph does it. For years we have paid the highest average agricultural wages in the United States. These wages are still high. Let me quote here from the same letter I referred to previously, from Ray Wiser, president of the California Farm Bureau Federation. Mr. Wiser says:

It was our sincere hope that the program would be continued on the same basis as the last 2 years, which, I am sure, was not only satisfactory to producers, but was highly remunerative to the nationals and gave them advantages that were superior to those of domestic workers, even to the degree that some of the labor unions were using the advantages to Mexican labor in an effort to negotiate higher wages and improved working conditions for domestic labor.

In other words, Mr. Speaker, the very organization that is now seeking to prevent the importation of essential farm workers from Mexico has been exploiting them to their own advantage. What sheer hypocrisy. What pure, unadulterated bunk.

This is not the first time that the CIO has attempted to pull the wool over the eyes of the farmers in my State and you can bet your last thin dime that it will not be the last. However, having worked with these same farmers for many years before coming to Congress I know that they are not stupid, I know that they see through the present double talk of Mr. Rathborne and others of his stripe, and I predict that when they find out just what the California CIO council is trying to do to this year's farm operations in our State you will hear more from them.

Mr. Speaker, I yield back the balance of my time.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts [Mr. MARTIN].

PROGRAM FOR TOMORROW

Mr. MARTIN of Massachusetts. I wish to ask the majority leader if he has finally determined what bill will be called up tomorrow.

Mr. McCORMACK. Tomorrow it is intended to take up the extension of the Second War Powers Act. The bill will be ready, and that program is definite.

Mr. MARTIN of Massachusetts. As I understand it, the committee has reported the bill unanimously.

Mr. McCORMACK. That is my understanding. I see the distinguished gentleman from Pennsylvania [Mr. GRAHAM] here, a member of the committee, and I know the House will welcome an expression from him on that.

Mr. GRAHAM. My understanding is that the committee unanimously this morning reported out a committee amendment. We are all in accord on it.

Mr. KUNKEL. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. KUNKEL. In the event there is a record vote will it be taken tomorrow afternoon or on Monday?

Mr. McCORMACK. If there is a record vote why it ought to be taken tomorrow. I am not going to ask for a record vote, but there is the situation that there is unanimity among the committee, and I assume that the committee will fight to preserve the bill as reported. I also assume that there will be no hostile amendments adopted. If the bill is adopted in the Committee of the Whole as reported out of the committee, so far as I am personally concerned and as majority leader, and insofar as I can influence those on my own side, I do not see any necessity for a roll-call vote on the extension.

Mr. SABATH. I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. LANHAM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5455) to amend section 502 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, so as to authorize the appropriation of funds necessary to provide an additional 100,000 temporary housing units for distressed families of servicemen and for veterans and their families; and pending that motion, Mr. Speaker, I ask unanimous consent, in view of the fact that the ranking minority member of the committee is absent from the city unavoidably, that the next ranking member on the minority, the gentleman from Ohio [Mr. McGREGOR], be permitted to control the time on the Republican side.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5455, with Mr. JOHN J. DELANEY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. LANHAM. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this bill is reported unanimously by the Committee on Public Buildings and Grounds. In December of last year a law was enacted amending title V of the so-called Lanham Act providing for the authorization of funds, which were later appropriated, for the moving of 100,000 units of temporary war housing for use of veterans and servicemen and their families as living quarters.

In the report that was made to the committee about a month ago the information was given that at that time there were 158,000 families of veterans, servicemen and their families living in these houses under the Lanham Act. One reason for that great number was that many of the houses were available where they could be occupied without the necessity of moving them. But by reason of the fact that much of this original housing was in rural areas, where there had been plants like powder plants necessarily established in those rural areas, that could not be occupied readily, we made provision for the moving of 100,000 such units.

I am glad to report that very satisfactory progress is being made in the moving of those houses and a great many of them are now occupied and a great many more nearing completion.

In the amendment to title V that we passed in December provision was made that as Army and Navy barracks became surplus they could be turned over to these housing authorities under this act and used for the purpose set out in title V. This bill provides for the use of such surplus Army and Navy barracks, and there have been conferences and consultations between the housing authorities and the Army and Navy authorities and the assurance has been given that more than an adequate number will be available for treatment of this character. Consequently, this bill authorizes an additional $250,000,000 for the moving and reconstruction of these Army and Navy barracks as living quarters for veterans and servicemen and their families.

The cost of moving and reerecting 100,000 units under the legislation that we passed in December was about $1,900 per unit. That included also equipping them with the necessary conveniences and utilities. The cost under the pending bill will necessarily be a little greater by reason of the fact that the barracks have no partitions in them, and part of the lumber will have to be used for partitions, and in the reerection this will

be a little more expensive, and it is estimated that the cost will be about $2,500 per unit.

It should be remembered that in the housing legislation recently brought before us $6,000 was stated as a maximum for permanent housing for veterans. This is a very much smaller sum, and I am inclined to think that the material that will be used in the construction of these houses, which are temporary but which will last for quite a long time, will not be inferior to the material that may be used in the permanent houses and probably will be better houses than those that could be immediately provided out of the lumber which will become available under the act recently passed. I should like to call attention also to the fact that in permanent construction of housing for veterans and others, the prime essential is production, and in providing the housing contemplated by this bill we do not have the question and problem of production because we already have the material. It is simply its reuse in meeting this very critical need for housing for these veterans and servicemen and their families. When this legislation has been enacted and it has been carried to completion through the moving of these houses there will then be at least 325,000 veterans and servicemen and their families living in this housing under the Lanham Act.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Ohio.

Mr. BREHM. Do the parents of veterans come within the provisions of this act as constituting veterans' families?

Mr. LANHAM. No, they do not. Title V of this act is restricted to veterans and servicemen and their immediate families.

Of course, the assumption would be in the first place that while the veterans and servicemen were in the various armed forces their parents had somewhere to live and were living there, so our concern has been for the veterans and servicemen.

Mr. BREHM. My question is prompted by a letter I received this morning and to which I referred on the floor at the opening of the session. This letter is from the mother of four GI's, one of whom is still in the service. Her letter says in part:

DEAR DR. BREHM: The home which we were renting and in which we lived has been sold from under us. We own a lot, we have the money, and are desirous of constructing a home, but due to the priorities to veterans we cannot obtain the material.

Then she goes on to say:

If it had not been for me and others like me you would not have had any GI's in the first place. What are we to do as the mothers of the GI's?

She ends by saying:

Hell's bells, what do you want us to do, live in a tent?

Mr. LANHAM. May I say to the gentleman there are many times as many applications for this particular housing for veterans and servicemen and their immediate families as can possibly be supplied. It is to be hoped, in view of the greater latitude of the housing bill recently passed in this body, that others will be able to procure housing through the legislation that was brought before us.

Mr. BREHM. The gentleman would not think it advisable to amend this bill to include parents under certain conditions?

Mr. LANHAM. I would not be authorized personally, of course, to speak for the committee in view of the fact that that matter has not been brought before the committee, but title V as it now stands would not have the broad scope to which the gentleman refers.

Mr. BREHM. I thank the gentleman, but I would still like to see this legislation amended to include the parents of veterans.

Mr. HENRY. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Wisconsin.

Mr. HENRY. Is this legislation intended to help colleges and universities which have these returning veterans and their wives?

Mr. LANHAM. Indeed it is. Approximately half of the allocations—that may be a little exorbitant as a figure, but approximately half—are made to the colleges and universities for these veterans who wish to complete their education.

Mr. McCOWEN. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Ohio.

Mr. McCOWEN. Are these buildings to be moved to new sites?

Mr. LANHAM. Yes; they are to be paneled and moved and reconstructed and used as living quarters.

I have here a table of the distribution of the 100,000 that we authorized through the legislation in December. They are scattered all over the United States. They have all been allocated and a great many of them completed, with others in the course of construction.

Mr. CARLSON. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Kansas.

Mr. CARLSON. I want to ask about the title to these properties after they are moved to an educational institution, for instance.

Mr. LANHAM. The title is going to be transferred, but under agreements with reference to their final disposition the Government is to get the rental of these buildings above what is necessary for maintenance and operation. In other words, there will be a return of a part of this money to the Government. Under this act, all this temporary construction, of course, is to be finally disposed of so as not to interfere with private enterprise, but there is a saving clause in the act which would allow construction of this character to be used as long as it meets an emergency need of this kind.

Mr. CARLSON. As far as the emergency time limit is concerned, that is not specified in any way in the legislation? Just as long as it might exist, these colleges and institutions can use it?

Mr. LANHAM. The law provides for the disposition of all of this temporary housing within 2 years after the termination of the war, but with the saving clause that that time may be extended to meet whatever conditions may obtain. The primary reason for that provision in the law was that some of these war plants, where this housing was constructed for these in-migrant workers, might continue with reduced production and some of that housing might be necessary beyond the 2 years; but that saving clause would also protect the living quarters for the veterans and servicemen and their families so that it could be continued and extended to meet the need.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Indiana.

Mr. SPRINGER. With reference to these houses, buildings, or barracks that are to be moved or transferred, are they to be taken from any particular camp or locality? Will a few be taken from some of the camps where they are already established or will all of them be taken from the camp? In other words, will all the barracks buildings be moved?

Mr. LANHAM. If I understand the gentleman's question, of course, the barracks which will be used are those which will be declared surplus by the Army and Navy. The wish and the hope of the authorities are to make an equitable distribution of them all over the United States. That has been done with reference to the first 100,000. I have here, if the gentleman would like to see it, the allocation of the first 100,000 to be provided.

Mr. SPRINGER. That is the point I was interested in, whether or not they were all to be taken from one particular camp.

Mr. LANHAM. No; there is to be a general distribution all over the United States wherever the need exists. They will not be sufficient to meet the need. As I have already stated there are many more applications than can possibly be met.

Mr. BISHOP. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield.

Mr. BISHOP. Will these funds go to take care of a situation where a college or university dormitory is near one of these large bombing plants, say, within a radius of a few miles, and they need the housing facilities to take care of these veterans so that they can attend the university? Will these funds go for that kind of program?

Mr. LANHAM. Oh, yes; a very great part of these funds will be used for the housing of veterans in colleges and universities. That is a very considerable part of this program.

Mr. BISHOP. In the particular instance I have in mind, they have everything, for instance, such as light, and so forth, but they do not have the facilities to be cut into bedrooms or make possible sleeping quarters. Will these funds make it possible to have sleeping quarters for the veterans who desire to attend the university?

Mr. LANHAM. Of course, the main feature of this is to provide living quarters for the veterans and servicemen.

both in the various cities and the colleges and universities. I cannot possibly tell you about every feature and detail of administration, but they do want to have the distribution made so that it will meet equitably, insofar as it is possible, the needs that exist.

Mr. BISHOP. How about making it possible for the veterans to bring their families and live there while they attend school? Is that possible?

Mr. LANHAM. These buildings will be for veterans, servicemen, and their families.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman.

Mr. SCRIVNER. After these buildings or barracks or whatever they may be are furnished to these various places and are used by the veterans, do they pay rent on those quarters?

Mr. LANHAM. They do, but the law provides under title V that they pay such rent as they are able to afford.

Mr. SCRIVNER. In other words, as I understand it, the rent is based upon income?

Mr. LANHAM. In the original act we provided an "economic rent" for these in-migrant war workers. With reference to returning veterans and servicemen and their families, this title having been enacted to take care especially of their distress cases and realizing that circumstances alter cases, we placed a provision in the law that in the wise discretion of the administrators they should pay a rental that they could afford to pay.

Mr. SCRIVNER. That brings me down to the real question that I want to ask. I was amazed and surprised to find the Defense Housing Administration, which I understand handles these buildings, has been computing the veterans' income by including therein his mustering-out pay which was allowed him, not as income, but as a fund with the aid of which he might readjust himself from military to civilian life. I think that is a very unjust ruling by the Administration because that mustering-out pay was not considered in that light at all by the Congress.

Mr. LANHAM. This title is administered by the FPHA. I am not familiar with that particular circumstance the gentleman mentions, but as chairman of this committee I may say that I have received a very voluminous correspondence with reference to the so-called Lanham Act, and I have not yet had one letter of complaint from any veteran or serviceman with reference to the rental that has been charged in these houses which we have provided.

Mr. SCRIVNER. The reason I asked the question is because I have received complaints from students in universities. They have made plans for the use of this mustering-out pay, and then when they start renting these quarters they find they have to figure that mustering-out pay in their income and it has disrupted their budgets considerably. I would appreciate it if the gentleman, knowing these gentlemen as well as he does, would discuss that matter with them.

Mr. LANHAM. I shall be glad to discuss it with them, but it must be borne in mind that they have certain benefits under the GI law with reference to attending these schools which veterans in general do not have. However, I have not been advised of any hardship on veterans in the matter of rental under the housing provided by this legislation.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. These buildings are not to be used alone for the colleges?

Mr. LANHAM. Oh, no; they are not.

Mrs. ROGERS of Massachusetts. And they may occupy these buildings as long as they hold together? Is that my understanding?

Mr. LANHAM. They occupy these buildings until it is determined by the Congress to have them destroyed. However, I think they will last for quite a long time. I have seen some of them that are quite substantial. I am inclined to believe they may be a great deal more substantial than some of the construction at much higher prices that we have authorized under recent legislation.

Mrs. ROGERS of Massachusetts. Will Mr. Wyatt handle this rental?

Mr. LANHAM. The rentals are handled through the FPHA. May I say with reference to the cities and with reference to the colleges and universities wishing some of this housing that they should make application to the regional office of the FPHA for the region in which they are located, because they are allocated through these various regions of the FPHA over the United States.

Mrs. ROGERS of Massachusetts. I think it will be very helpful if the gentleman would put into the RECORD the difference between the powers of the different housing authorities, such as those of Mr. Wyatt, Defense Homes, FHA, and so on. Most people do not realize the difference.

Mr. LANHAM. May I say to the gentlewoman from Massachusetts that I do not have that information, because the FHA came through the Banking and Currency Committee. Our committee had nothing to do with the Defense Homes Corporation, or anything like that. This was a temporary war measure for the housing of in-migrant war workers at the various plants where housing was not available and private capital could not run the risk of building such temporary construction. It has served its purposes as a war emergency act, but now, through the availability of this material which is already produced, we can, without interfering with the purposes of the act, make the housing available for the veterans and servicemen and their families to meet this very critical emergency which has arisen.

I can procure the information with reference to this act, but I may say to the gentlewoman, with reference to these various other housing activities, she can get that information better from the various committees from which such legislation emanated.

Mrs. ROGERS of Massachusetts. I wish it all could come under one committee. For instance, I have a bill before the Committee on Expenditures in the Executive Departments, Mr. MANASCO's committee, which would give the veterans priority in the purchasing of permanent homes at a reasonable price. I would like to have it go in as an amendment to the gentleman's bill.

Mr. LANHAM. This particular title V of the so-called Lanham Act, which we are amending here, deals only with temporary housing. It is not concerned with permanent construction at all, and, of course, I could not speak for the committee as to what action the committee might take if that proposal were recommended to the committee.

Mrs. ROGERS of Massachusetts. I thank the gentleman.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield further?

Mr. LANHAM. I yield.

Mr. SPRINGER. The gentleman just stated that these rents are going to be fixed at such an amount that the veterans can pay.

Mr. LANHAM. Yes. The law so provides.

Mr. SPRINGER. For instance, suppose some of these buildings are moved into an industrial district and a veteran and his family moves in and he becomes unable to pay any rent. Will he then be permitted to remain in the building and live there, or will he be ejected from the building?

Mr. LANHAM. The gentleman has asked me a question which perhaps he can answer as well as I. When that situation arises we shall certainly have to deal with it, but I have not had that situation brought to my attention with reference to any of these veterans or servicemen.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield.

Mr. KEEFE. In order to get certain phases of this proposal clear in my mind I wish to ask the gentleman a question or two.

Mr. LANHAM. I shall be pleased to have the gentleman do so.

Mr. KEEFE. I am familiar with the aid that was extended and the purpose for which it was extended under title V of the Lanham Act, by which all over the country this emergency housing was set up for in-migrant workers. A lot of that housing is now becoming available through migrations away from those plants where it was built, thus making it available to meet a critical need that presently exists.

The municipality that has a present existing shortage that is critical for housing, I understand, under the provisions of this bill may make application to the National Housing Administrator for participation in this program and the acquisition of such surplus houses as may exist within a reasonable radius of the location in which that municipality is found.

Mr. LANHAM. That is practically correct; and may I say to the gentleman that occupying these houses where they were originally constructed there are today 158,000 veterans and servicemen and their families.

Mr. KEEFE. Now, the point is this: If that situation is found—for instance, if my State of Wisconsin, where emergency housing has been constructed under the Lanham Act, which is available for relocation to other communities where the housing situation is more critical than the place where the housing exists, it would be within the discretion, as I take it, of the National Housing Administrator under this bill to allocate to those communities in fair proximity to the place where this housing is located some of this so-called emergency housing.

Mr. LANHAM. It would be with the understanding of trying to distribute it equitably. May I call the attention of the gentleman, for instance, to the situation with respect to Wisconsin? On the allocations of the first 100,000 there have been allocated to the State of Wisconsin 2,012 of these houses—326 of them for educational institutions and 1,686 for various local governments.

Mr. KEEFE. As I understand the terms of this bill, either the educational institution or the municipal government——

Mr. LANHAM. Or both.

Mr. KEEFE. Or both, who have made application for this housing must furnish the site upon which the housing is to be reerected.

Mr. LANHAM. That is correct.

Mr. KEEFE. And provide the facilities to the site.

Mr. LANHAM. To the site. Then the utilities on the site and the house itself will be provided by the Federal Government under this act.

Mr. KEEFE. The Federal Government will then reimburse either the college or the institution that falls within the limits of this act, or the municipality for the expenditures which they may make. Is that right?

Mr. LANHAM. The gentleman has called attention to an amendment which we have placed upon this bill and that is this: In the desire to get this housing moved and available for these veterans and servicemen as rapidly as possible, where a city, for instance, may be able to do exactly the same work through their own contracting forces and do it more speedily and at no greater cost, it will be permitted to do the moving of these houses and to reerect them and be paid for it. You can see that in the magnitude of this job that will make this housing available for these veterans in a good many places much more rapidly than otherwise.

Mr. KEEFE. The question as to whether that procedure is indulged in, as I understand, will be in the discretion of the Federal Housing Administrator.

Mr. LANHAM. It will be, naturally.

Mr. KEEFE. So that if he feels that the local municipality through the maximum utilization of its own facilities can transport these temporary homes to the municipality and reerect them for housing they may do so either with the utilization of their own funds, to be reimbursed by the National Housing Authority, or they may do it with funds which may be advanced to them by the National Housing Authority. Is that correct?

Mr. LANHAM. That is correct, and, as a matter of fact, they prefer that it be done that way, according to the statement made to the committee, insofar as possible, because it makes the housing available more quickly.

Mr. KEEFE. The gentleman has referred to a table of allocation of this surplus housing throughout the Nation. Will the gentleman put that in the RECORD in connection with his remarks?

Mr. LANHAM. I shall be very glad to do so.

Mr. KEEFE. May I ask the gentleman, has that allocation already been made so that it covers all of the available emergency housing that was erected under the Lanham Act?

Mr. LANHAM. It has been made only to cover the 100,000 units which were authorized in the legislation of last December, except for the houses which could be occupied where originally constructed, and there are 158,000 of them now occupied by veterans and servicemen and their families.

Mr. KEEFE. I understand that. So far as the municipalities that may not heretofore have made application are concerned, what is their status? That is what I am trying to get at.

Mr. LANHAM. They are free to make application under this additional 100,000 authorization.

Mr. McGREGOR. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Ohio.

Mr. McGREGOR. I do not think the gentleman from Texas wanted to say that he is going to put into the RECORD the allocation that would be carried under this fund, did he?

Mr. LANHAM. Oh, no. I meant the allocation of the 100,000 we have already authorized because, naturally, they have not yet been made under this bill.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from California.

Mr. HINSHAW. It is my understanding that pursuant to the passage of the act a short time ago the allocations were made on the basis of the 1940 census and that that was carried out in connection with the State of California. The State of California has had an influx of 1,800,000 people and a terrific influx of returning veterans, far more, I think, in proportion than any other State. Is there any way of assuring California that the actual needs of the communities and the State will be taken care of rather than on the basis of the 1940 census of population?

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. McGREGOR. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. LANHAM. Mr. Chairman, may I say to the gentleman from California, in exemplication of the equitable distribution they are endeavoring to make, that as I look over these allocations I find that California has received more of these allocations than any other State except New York. California out of the first 100,000 received allocations of 7,067. Of that number 1,964 were for educational institutions and for local governments 5,103. So, evidently, they are giving attention to the need insofar as it is possible.

Mr. HINSHAW. I appreciate that fact, but the gentleman understands that there were 700,000 veterans who went from California, plus 250,000 who were there from other States working in the war plants and that already, even though the Army and Navy have been far from demobilized, we have well over a million who are already there and another million and a half who expect to be there in a short time.

Mr. LANHAM. I realize the crowded conditions out there, and may I say with respect to the city in which I live, where we have had some war plants also, they had applications from these veterans for considerably more than 2,000 of these houses. My recollection is they got about 300. Of course, the administrative authorities have to make the distribution as equitably as possible, but it will not meet the need and this legislation will not fully meet the need. But we want to be of such assistance as we may under this particular act.

Mr. HINSHAW. It will help.

Mr. LANHAM. It will help wonderfully, because with those now living in this housing, with the houses that we provided through legislation passed in December, and with the bill now before us there will be at least 325,000 veterans, servicemen and their families domiciled in these houses. That ought to go quite a way toward relieving this emergency situation and making the burden less onerous with reference to other houses for which material has to be produced.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Ohio.

Mr. JENKINS. Will the gentleman give me the figures for the State of Ohio and also what proportion was given to municipalities and what proportion to universities?

Mr. LANHAM. The total allocated to Ohio under the first 100,000 units was 5,041. Of that number 1,782 units were allocated to educational institutions; 3,259 to local governments.

Mr. JENKINS. Does this bill provide adequately for reimbursement to an institution that has already had some of these houses moved at its own expense?

Mr. LANHAM. That was in the original legislation that we passed in December; yes. But there is no necessity for it in this bill, because they have not moved any of these.

Mr. JENKINS. Let me give the gentleman a concrete illustration. Ohio University is located in my district. That university moved a lot of houses at its own expense. I think it has spent four or five thousand dollars in moving. Do I understand that reimbursement will be made to them?

Mr. LANHAM. That reimbursement provision came about in the other legislation where they had moved this Government housing. None of this housing under this bill has been moved, and consequently it does not apply here. But

they are being reimbursed under the legislation that we passed in December.

Mr. JENKINS. If houses are moved under this legislation, before this legislation goes into effect, or from now on until it does go into effect, will they all be reimbursed as they have been?

Mr. LANHAM. Only under the provision that was made in the legislation that we passed in December. I do not remember the exact terms, but we thought it would be unfair to make fish of one and flesh of another; to make some colleges do that work at their own expense and others at the expense of the Government; and so for those units that up to that time had been moved by the various colleges we provided that they should be reimbursed.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. McGREGOR. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. Chairman, if the gentleman will yield further, in reply to my distinguished friend from Ohio, I might call our Chairman's attention to line 14 on page 2 which reads:

> Contract to reimburse the applicant (including the making of advances) for the cost, as certified by the applicant and approved by the Administrator, in the relocation or conversion—

I believe that covers what the gentleman from Ohio had in mind.

Mr. LANHAM. Yes. That is for those colleges and those towns and cities that move any part of the housing provided for under the pending bill.

Mr. BARRETT of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Wyoming.

Mr. BARRETT of Wyoming. The University of Wyoming brought in about 90 trailer houses at its own cost amounting to $32,000 before the first authorization of 100,000 units. Under the first allocation of 100,000 family units the regional director told the university officials that if they demanded reimbursement of the $32,000, they would get only a small number of housing units out of the 100,000 allocation but if they waived the $32,000 they would get a much larger allocation of housing units.

Now I note that under the provision of subtitle 2 on page 2 the university may be reimbursed for moving and reconstructing any units that may be allocated to it but I should like to inquire if there is any other housing that may be available provided the university agreed to move it at its own expense and without reimbursement.

Mr. LANHAM. They would be reimbursed for any moving that they did under this bill.

Mr. BARRETT of Wyoming. Assuming that they would be willing to put up their own money, could they get additional housing at their own expense if reimbursement were waived.

Mr. LANHAM. Of course, from the standpoint of Government housing, that would depend upon the extent to which housing was available. Of course, it is impossible to meet this full need from the housing that we provide here.

Mr. BARRETT of Wyoming. Did the committee have any information as to the number of units that the Army and the Navy would declare surplus in the near future.

Mr. LANHAM. Yes. The committee had information that in case any unforeseen circumstance should arise, they could eliminate some of the material in prospect and still have sufficient surplus barracks to build these houses.

Mr. BARRETT of Wyoming. One hundred thousand?

Mr. LANHAM. To build 100,000.

Mr. BARRETT of Wyoming. An additional 100,000.

Mr. LANHAM. Yes, but it is contemplated to build 90,000, and that the additional 10,000 will be moved from some more of this war housing that is becoming available.

Mr. BARRETT of Wyoming. I should like to make one further observation. It seems to me from the information at hand that the original allocation of 100,000 and this allocation of an additional 100,000 units will be wholly insufficient to meet the needs of the schools and the different communities all over the country.

Mr. LANHAM. It will be, there is no doubt about that, but at the same time when this has been completed there will be 325,000 at least of these veterans and servicemen and their families occupying these dwellings. We are not starting in here de novo on the home-building proposition.

Mr. BARRETT of Wyoming. No, indeed; I realize that.

Mr. LANHAM. We are simply trying to reuse to meet this emergency and need for the veterans and the servicemen and their families the material which was used in the construction of these houses for the in-migrant war workers and now the materials that were used for the construction of the Army and Navy barracks. There is no question of production here. We want to use what we have to meet this emergency. It can be done. It is being done rather expeditously now under the legislation we passed last December. What we are trying to do now is, insofar as it is possible under the limitations of this act, to meet this emergency.

Mr. BARRETT of Wyoming. I thank the gentleman. May I ask one further question. Does the gentleman have any information as to whether or not any more housing will be available for future authorization?

Mr. LANHAM. I think it is rather reasonable to assume that there will be. It will depend, of course, upon how much of this existing material in these barracks becomes available for this purpose.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Arizona.

Mr. MURDOCK. Will the gentleman include in his remarks the allocations made to the State of Arizona, including those to schools as well as to veterans?

Mr. LANHAM. I shall be glad to include the entire table in my remarks. Arizona had total units allocated of 897; 378 of them for educational institutions and 519 for local governments.

Under leave to extend my remarks by inserting the list of allocations of housing to States under the legislation of December 1945, I append the following table:

Allocations of title V housing by State, as of Feb. 22, 1946

[Does not include 846 units allocated between Feb. 22 and Mar. 1]

Region and State	Total units allocated	Educational institutions	Local government
All regions	88,763	[1] 37,092	51,671
Region I	6,214	3,532	2,682
Connecticut	1,376	828	548
Maine	1,012	1,012	
Massachusetts	2,696	742	1,954
New Hampshire	349	249	100
Rhode Island	626	626	
Vermont	155	75	80
Region II	17,179	4,849	12,330
Delaware	30	30	
Maryland	15		15
New Jersey	1,623	212	1,411
New York	9,370	2,015	7,355
Pennsylvania	6,141	2,592	3,549
Region III	19,231	7,171	12,060
Illinois	5,253	1,163	4,090
Indiana	3,650	2,371	1,279
Iowa	2,183	951	1,232
Minnesota	1,853	503	1,350
Missouri	2,162	824	1,338
Nebraska	979	340	639
North Dakota	586	327	259
South Dakota	553	366	187
Wisconsin	2,012	326	1,686
Region IV	7,955	3,655	4,300
Alabama	1,043	480	563
Florida	681	176	505
Georgia	1,005	332	673
Mississippi	915	625	290
North Carolina	1,349	520	829
South Carolina	440	180	260
Tennessee	1,676	906	770
Virginia	846	436	410
Region V	11,655	6,010	5,645
Arkansas	845	590	255
Colorado	1,386	761	625
Kansas	564	404	160
Louisiana	1,540	570	970
New Mexico	415	395	20
Oklahoma	1,655	880	775
Texas	5,250	2,410	2,840
Region VI	9,069	2,944	6,125
Arizona	897	378	519
California	7,067	1,964	5,103
Nevada	194	36	158
Utah	911	566	345
Region VII	6,075	4,530	1,545
Idaho	862	462	400
Montana	588	434	154
Oregon	1,619	1,236	383
Washington	2,519	2,138	381
Wyoming	487	260	227
Region VIII	10,935	3,951	6,984
Kentucky	1,124	724	400
Michigan	4,020	830	3,190
Ohio	5,041	1,782	3,259
West Virginia	750	615	135
General field office	450	450	
District of Columbia	450	450	

[1] Decrease in Mar. 1 total for educational institutions due to cancellations of applications by those groups.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. McGREGOR. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. McMILLEN].

Mr. McMILLEN of Illinois. Mr. Chairman, I rise in support of the bill

and desire as a member of the committee to express my complete approval of the observations made by the chairman of the Committee on Public Buildings and Grounds, the distinguished gentleman from Texas [Mr. LANHAM].

At this time I want to express my sincere regret in learning that the gentleman from Texas [Mr. LANHAM] will not seek reelection to return to the House next year. Two years ago as a new Member of the House I found myself a member of his committee, and very shortly realized that my shortcomings had found a friend in need. I sought his advice concerning the various provisions of the important and meritorious Lanham bill that this committee administers with which I was not too familiar, his knowledge concerning procedure and his judgment on pending bills seeking authorization for large expenditures. In the deliberations of this committee I always found him generous with his time and patient with my inexperience. I drank deep of the pure fountain of knowledge so generous and honestly given. I think that our country is losing a great statesman. No finer gentleman ever stood on the floor of this House than the gentleman from Texas [Mr. LANHAM]. I want to call the attention of the Members particularly to the amendment which I had the pleasure of drawing and which I offered on the floor of the House providing for the refunding to schools, municipalities, and political subdivisions, who before the enactment of the former bill passed in December had advanced out of their own treasury money for the disassembling, transporting, and reerection of these housing units. We felt that these diligent and patriotic communities and schools that have seen fit to use their own money to transport needed housing units for veterans from places where they were not needed to localities where they were needed, should in all equity and fairness be reimbursed for the expenditures made by them. These expenditures we made only a few weeks or at most a few months ago and after VJ-day. I investigated and learned that it would take between $15,000,000 and $20,000,000 in order to carry out what I thought was proper in principle in avoiding the penalizing of such cities and schools. That amount will only represent 5 percent of the total amount provided in this bill in addition to what was provided for in the former bill.

Mr. BARRETT of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. McMILLEN of Illinois. I yield.

Mr. BARRETT of Wyoming. I commend the gentleman on his fine statement. But my information is that most of the universities over the country were given the alternative of being reimbursed, as the gentleman stated, under his amendment, or receiving additional housing. But because their needs were so great and because the number of houses allocated to them was so inadequate, nearly all of them waived reimbursement of the money so they could get additional housing.

Mr. McMILLEN of Illinois. I hope the gentleman from Wyoming is mistaken about that. It seems to me that proviso is plain and if the institutions, the schools, and municipalities have made proper application for refunds, they should receive reimbursement and special attention should be given to those having any difficulty.

Mr. BARRETT of Wyoming. I may state to the gentleman that the University of Wyoming advanced $32,000 before the first authorization of $160,000,000 was made. When they went to the regional director for an allocation out of that $160,000,000, they were told unless they waived that $32,000 the number of housing units that would be allocated to the university would be materially decreased.

Mr. McMILLEN of Illinois. I call the attention of the distinguished gentleman to the provision which undoubtedly he has read carefully. I do not see how there can be any misinterpretation. That was not the intention. I drew that amendment and tried to draw it carefully, with the advice of the gentleman from Texas [Mr. LANHAM]. I feel there is a wrong being done to your institution in that case. The law provides that any educational institution, State or political subdivision thereof, local public agency, or nonprofit organization which has incurred expenses in the relocation—including the cost of disassembly, transporting, site in preparation, and reerection, but not including the costs of site acquisition or the installation of off-site utilities—of temporary housing or other facilities, but not including demountable houses, under the jurisdiction and control of the National Housing Administration, for servicemen and for veterans and their families shall upon application therefor be reimbursed for such expense by the administrator of the funds.

Now, I do not see how it could be any plainer than that.

Mr. BARRETT of Wyoming. I might say there is no doubt the university would have been reimbursed if it had insisted on it, but at the same time both the regional authorities and the NPHA officials in Washington made it quite clear that unless the reimbursement was waived that the allocation made under the $160,000,000 appropriation would be drastically cut.

Mr. McMILLEN of Illinois. I think the regional authorities exceeded their legal authority in exacting any such condition for a refund.

It should be further investigated.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. McMILLEN of Illinois. I yield to the gentleman.

Mr. McDONOUGH. Do you interpret your amendment to be broad enough to provide reimbursement by the Federal Government of a State that has appropriated money for this purpose and used the funds so appropriated by their legislature?

Mr. McMILLEN of Illinois. The provision contains the word "state". So I say it would.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. McGREGOR. Mr. Chairman, I am not going to take very much time. I just want to concur in the statement made by my distinguished chairman, that this bill was reported out of our committee by a unanimous vote. We are not contending that this legislation is going to cure all the housing needs. It is only going to be a medicine for that ailment. We all recognize that our veterans need houses and that nearly all our people need houses. I am sure every Member of Congress will do anything humanly possible to bring aid to them. This bill will do some good.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield to the distinguished gentleman from Ohio.

Mr. JENKINS. Everybody recognizes that the committee of which the gentleman is a member and of which the distinguished gentleman from Texas [Mr. LANHAM], is chairman, has done a very fine job during the years, in what we call the Lanham Housing Acts. Does the gentleman believe that this legislation represents about the ultimate of benefits that the colleges and States will receive from the Lanham Act?

Mr. McGREGOR. I do—I think my distinguished colleague is correct in his assumption.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield.

Mr. McDONOUGH. This does not contain the recommendation recently made by the President, does it?

Mr. McGREGOR. No, sir.

Mr. McDONOUGH. Then, there will be additional temporary housing in a bill that will come before us for action soon?

Possibly so—but the house construction contained therein may not be made available to veteran college students.

Mr. McGREGOR. This appropriation simply covers the cost of tearing down, transporting, and rebuilding barracks that have been declared surplus by the Army and the Navy and making them livable for veterans and their families.

Mr. McDONOUGH. Is that not the same purpose that the recommendation of the President contains?

Mr. McGREGOR. I think that possibly this program is incorporated in the previous legislation—although this bill will give immediate relief—because more of the materials are available.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield.

Mr. HOFFMAN. Does this cover the housing that is at Kingsbury, Ind., built for war workers?

Mr. McGREGOR. I am not familiar with that project. My chairman has the chart showing the various locations. He can probably answer that question.

Mr. LANHAM. I do not have the reference to specific places in the States, but only with reference to the totals in the States.

Mr. HOFFMAN. The Government built several hundred houses down there. It is less than a hundred miles from a town in Michigan where they are greatly in need of housing. I have been trying

to get a permit to move some of those houses by truck up to this city of Niles. Does the gentleman know what keeps me from getting them?

Mr. LANHAM. I do not know the details of that particular project, because it is an administrative matter. But I would suggest to the gentleman that he take it up with the administrative authorities.

Mr. HOFFMAN. I have, but I do not get anywhere.

Mr. LANHAM. Unfortunately, the administration of it is not under my jurisdiction.

Mr. HOFFMAN. If the Government was operating a merry-go-round, I am on it, but I do not end up any place.

Mr. LANHAM. I have the figures by States showing the disposition that has been made, and it is about as just and equitable as it could possibly have been.

Mr. HOFFMAN. Our folks are willing to pay for these houses the appraised value, but they have been advised that they are being sold for less than the cost of the fixtures, and they do not like that. They blame me for it. I do not have anything to do with it.

Mr. LANHAM. We are not providing for sale at all. We are providing for moving and reusing these houses by veterans in the service.

Mr. HOFFMAN. Then, if I could have some veterans moved into Niles, and have the houses brought up there, that might help.

Mr. McGREGOR. Mr. Chairman, again, I want to concur in the statement that was made by our chairman, the gentleman from Texas [Mr. LANHAM]. This legislation will give some aid, and I think nearly immediate aid, to the veterans. And I hope it will be passed unanimously.

Mr. Chairman, I now yield to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, let me join with my colleagues in praise and appreciation for the splendid work done by our colleague the gentleman from Texas [Mr. LANHAM] in the legislative program for housing during the war. I cannot speak from personal contact with the chairman, as one of his committee, but I can speak concerning the results of his legislative work. During the war through which we just passed there has been a great need for emergency housing for war workers and their families, and provision has been made for the carrying on of the war on the home front to a great extent with Lanham Act funds. No name has been more significant throughout the length and breadth of this land in our home-front efforts than the name of the distinguished gentleman from Texas [Mr. LANHAM], chairman of the Committee on Public Buildings and Grounds.

In answer to my question a few moments ago, Chairman LANHAM indicated that out of the first hundred thousand units of emergency housing for veterans, Arizona received 897, of which 378 were for colleges and 519 for other emergency housing. I assume that a somewhat similar proportion might be expected out of this additional hundred thousand which the present measure will provide. I hope that real need has a controlling influence.

I do not want to seem to complain, but I am inclined to believe that the State of Arizona will have imperative need for such emergency housing very far out of proportion to what would be allotted her under any census enumeration. The gentleman from California, several minutes ago, mentioned that there had been a great influx of war workers and veterans into his State. The same is true of Arizona, both of war workers first and now especialy of veterans. Every letter I receive from home tells me not only of the crowded conditions in Arizona but stresses the lack of housing and emphasizes the great number of veterans turning their faces toward that Sunshine State.

Just today I had a long talk with a general who had much to do with the training of pilots in Arizona during the war and who is well acquainted with the climatic advantages which that State and section of the country naturally have. It was pointed out that thousands of British fliers were trained at Falcon Field and thousands of Chinese fliers were trained at Thunderbird No. 1 and Luke Field, near Phoenix, and that other thousands of fliers of our own forces were trained at the numerous air fields in Arizona, these young men representing and coming from every State of our Union. The interesting thing is that they all want to come back to Arizona after the war to live.

When we add to this number the many who seek our genial climate for health reasons, it will be understood why Members of Congress from Arizona joined with the various veterans' organizations in appealing for more and more hospital facilities and more and more housing, both of an emergency and permanent nature. I am glad to support this bill and wish to express appreciation for what has already been done, while giving warning that much more needs to be done in emergency housing for veterans on the various campuses of that State and in several communities. Without diminishing one bit my plea and demand for permanent housing for veterans, I do join in support of this emergency measure to meet the pressing immediate need.

Mr. McGREGOR. Mr. Chairman, I yield to the gentleman from Indiana [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, I take this time to make some observations respecting the pending bill, H. R. 5455, which, if passed, will amend section 502 of the so-called Lanham Act for housing. We have recently had the housing bill, H. R. 4761, before the House, and I supported that measure, and I voted for its passage. We need housing for veterans, and our veterans want housing at a low cost; they cannot embark upon a plan of purchasing houses which are too expensive, but they need houses in which to establish themselves and their families. They want to rehabilitate themselves, and their families, after the terrifying experiences of the greatest war of all time. I am wholeheartedly in accord with their wishes, and I will do all within my power to aid them in this accomplishment.

The housing provided in the pending bill consists of no new construction, but it does consist of the moving, reassembling, or reerecting of houses already constructed by the Government for war workers, and the remodeling, moving, and reassembling of houses and buildings which are fitted for such purposes and which can readily be transformed into houses to the various places where they may be used for the housing of veterans and their families, either at educational institutions, where the veterans are attending college, or in cities, where our veterans are employed. I have secured from the chairman of the committee a break-down of these houses which are made available for the State of Indiana under the general allocation made, and I find that there will be approximately 3,650 houses made available for our State, of which 2,371 will be allocated to the sites of colleges and universities, where the GI's are proceeding with their education, and 1,279 will be allocated for the various cities and towns, where the GI's are employed. This number of houses will be helpful, indeed, but this will not entirely solve this housing question.

Mr. Chairman, recently, when I spoke on the housing bill, H. R. 4761, I referred to the great activity in my own State of Indiana with respect to the housing problem. The FHA is very active in Indiana upon this problem. By reason of the activity of the FHA Administrator, and with the cooperation of the CPA, they have already allocated more than 1,500 houses for veterans, and they are now engaged in working upon some 3,000 additional applications, which are still pending. In other words, the FHA, in Indiana, has been alert and very active upon this very problem, and that agency is doing a splendid job in handling this housing problem. May I say, that with the passage of the pending bill, which will aid in the solution of this problem, and with those houses which our veterans may procure through the FHA, with the aid of CPA, and with the houses which will be made available, under the housing bill, H. R. 4761, if the OPA will liberalize the price ceilings upon building materials and supplies, we will be able to take care of all reasonable requests for housing in our State. The problem we must solve is this: Get the needed houses for our veterans, and get these houses at the lowest possible cost consistent with good and comfortable houses.

It is my hope, and it is my desire, to see that these needed houses are made available for our veterans, and that they be made available for them at the very earliest moment. They need these houses—and they need them now. Many of our veterans have no house and no home in which to reestablish their home and their family. With the three methods which are now available in Indiana, I am confident we will solve this problem. We want help, and we need the help of the Office of Price Administration, in order to accomplish the goal which we hope to attain.

Mr. Chairman, we who are serving in this legislative body owe a debt of gratitude to the veterans of this late war. They have done their job, and they did it well. Now, let us do our job; let us provide the means whereby these stalwart veterans of World War II may have the opportunity to obtain a home in which to rear their families, at a low cost, and without too great a sacrifice, and without having the ways and means of this procurement being tied up in "red tape" of the impossible sort and character, which is too often the case in Government-controlled items. I am for the veterans, and I want to extend to them every possible aid and assistance in this highly important matter.

Mr. McGREGOR. Mr. Chairman, I yield to the gentleman from Texas [Mr. LYNDON B. JOHNSON].

PUT ROOFS OVER THE HEADS OF SERVICEMEN'S FAMILIES NOW

Mr. LYNDON B. JOHNSON. Mr. Chairman, today there is plenty for all of us to worry about. We have the problem of how we are going to get along with the rest of the world, the problem of how we can understand our ally, Russia, and how we can get her to understand us. We are fearful of inflation. We hear cries from the "boom and bust" boys on all sides.

Many of us hope the picture is not as dark as it looks. Because many of us are optimistic about the future of America, we do not believe preserving the status quo is good enough. We believe there must be a progressive march forward.

Little as it is, the bill, H. R. 5444, brought to us by the Committee on Public Buildings and Grounds, is a step in that direction. One hundred thousand temporary home units are not many when 3,000,000 are needed. But, it is something. It will provide a roof over the head of 100,000 distressed families of servicemen. This makes sense. We have barracks and other structures which are surplus and which can be moved and constructed in areas where the housing need is dire. If we are to make a dent in the President's program, we must explore every possible avenue. We must reuse all existing temporary housing and convert all available surplus structures suitable for conversion.

I am happy to see this bill receive support from both sides of the aisle. I know this body will pass it almost unanimously. I hope it will become a law and that appropriations to put it into effect will be made at a very early date. The clock is ticking. We must do all we can now.

Mr. McGREGOR. Mr. Chairman, I yield to the gentleman from California [Mr. McDONOUGH].

Mr. McDONOUGH. Mr. Chairman, I favor the passage of H. R. 5455 to provide 100,000 temporary housing units for veterans. I supported the previous bill, which provided the first 100,000 units, and I will support the bill recommended by President Truman for a third 100,000 units, when it comes to the House for action.

California has had an increase in population of 1,800,000 since the war. Many thousands of veterans are being discharged from service in California; the housing conditions have reached a serious crisis. Many people are living in remodeled chicken coops, garages, trailers, and, in fact, anything that will put a roof over their heads. These returning veterans are deserving of better housing than has been provided for them.

I supported H. R. 4791, the veterans' housing bill recently passed by the House, and I also voted for amendments to that bill which would protect veterans from speculators who would take their last dollar for a home.

Every obstacle should be removed, and quickly, so that permanent homes for veterans and their families may be built as soon as possible. All red tape and useless regulations should be removed. In my opinion, it is the least we can do to help these veterans, who have valiantly fought the enemy, obtain homes and become reestablished in their communities.

Having had five of my own sons in the armed services, I want to do everything I can to help repay the debt we owe to our veterans. I want to do for all veterans what I would do for my own sons.

Let us pass this bill and, if necessary, amend H. R. 4791, the veterans' housing bill, to speed up home construction for our veterans.

The Clerk read as follows:

Be it enacted, etc., That section 502 (a) of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, is amended by striking out "$160,000,000" and inserting in lieu thereof "$410,000,000."

Committee amendment: Page 2, line 2, add a new section as follows:

"SEC. 2. That section 502 of said act be amended by adding after subsection (c) thereof the following subsections:

"'(d) Upon approval of an application, made by any educational institution, State or political subdivision thereof, local public agency, or nonprofit organization, for temporary housing for the purposes of this title, the National Housing Administrator, if he determines that such action will aid in expediting the provision of such temporary housing, may—

"'(1) transfer hereunder to the applicant structures or facilities necessary or suitable to provide such temporary housing; and

"'(2) contract to reimburse the applicant (including the making of advances) for the cost, as certified by the applicant and approved by the Administrator, in the relocation or conversion (including the costs of disassembling, transporting, and reerecting structures and facilities, and connecting utilities from dwellings to mains, but not including the costs of site acquisition and preparation, or the installation of streets and utility mains) of such temporary housing and facilities.

"'(e) The authorization in section 3 of this act to use administrative expense funds in connection with the processing of priorities and allocations of materials for war housing shall apply to any such functions authorized by law in connection with housing for veterans and their families provided under title V of this act.'"

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise at this time to call the attention of the House to a bill which I introduced on March 7, H. R. 5702, relating to veterans' priorities and preferences in purchasing surplus Governmen-owned permanent houses suitable for residential purposes. The bill provides for continuing priorities to veterans in the sales of Government-owned houses. In January, and again in February, I introduced bills somewhat similar to this. This bill would give the veterans first priority after all Federal agencies have decided whether they want to use the surplus property. As the law is today the veterans come after numerous other groups. When they are reached there is nothing left for them.

It is my wish that I could arrange to have this bill added as a new title to the Lanham bill, but I realize that insomuch as my proposal deals with permanent housing it would be subject to a point of order on this bill and held to be not germane. I therefore bespeak the interest of the membership in the passage of the bill either as a separate bill or part of a bill which I understand the Committee on Expenditures is reporting out regarding surplus property.

There is great need here in the District for housing for veterans. Hundreds have told me they can find no comfortable place in which to live. Nor can they find a house to buy. They have had difficulty in purchasing housing from the DHC. I understand a group of veterans requested the DHC for the right to purchase the Naylor Gardens property, regardless of the number of units therein, and although they offered the same price as that offered by civilians DHC has not granted them a priority, and to date has not allowed them to buy. I took the matter up as to whether the surplus-property agency under RFC could not lend the assistance it is now called upon to give to veterans in the matter of priorities. The War Assets Corporation and the members of that Corporation have told me that under section 23 they cannot give priorities in the sale of defense housing in the District of Columbia or war housing. They tell me the act does not include permanent housing and they have advised me that it will be necessary to introduce legislation for the veterans to secure real priority.

I also took the matter up with Defense Housing and they told me the same thing. They have stated that under the law they cannot give to the veterans a priority if there be any difference in price. They did tell me, however, that they do give certain priorities to the veterans and that they will give them priority if the price is the same in the matter of sales. I want to make sure that they do so.

I hope this bill will become law because it is time lip-service priorities stop and the veterans given an effective priority. The War Assets Corporation says it gives priorities, other agencies say

they give priorities, but the veterans, as a matter of fact, receive no priorities.

This bill I have introduced provides that a veteran or veterans may have 90 days in which to declare whether or not they want to purchase the property, and in my bill I have also provided that a value shall be set as of the years 1937 to 1939. Several of the veterans' organizations, however, have stated that they will be satisfied to have a reasonable value declared such as that declared under the GI bill of rights insofar as loans to veterans are concerned.

Mr. Chairman, my bill has the endorsement of the four veterans' organizations, and it is the first time that the same bill has been endorsed by the American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, and the Amvets. All of them have endorsed the bill and I hope it will be the forerunner to the unanimous endorsement of other bills.

The following is H. R. 5702. Since the introduction of certain bills, defense housing regulations are more favorable to veterans:

H. R. 5702

A bill relating to veterans' priorities and preferences in purchasing surplus property suitable for residential purposes

Be it enacted, etc., That as used in this act—

(a) The term "Chairman" means the Chairman of the Board of Directors of the War Assets Corporation or the officer, employee, or agency of the United States to which his functions with respect to surplus residential property are transferred.

(b) The term "residential property" means any property consisting of land, together with any fixtures and improvements thereon of a permanent nature wherever located, which is suitable for residenital purposes, including war housing.

(c) The term "surplus residential property" means residential property which has been determined under section II of the Surplus Property Act of 1944, as amended, to be surplus property and is classified by the Chairman as suitable for residential purposes.

(d) The term "public notice" means notice given as required by regulations prescribed under section II (e) of the Surplus property Act of of 1944, as amended.

(e) The term "veteran" means (1) any individual in the active military or naval service of the United States during the present war; (2) any individual who served in the active military or naval service of the United States on or after September 16, 1940, and prior to the termination of the present war, and who has been discharged or released therefrom under conditions other than dishonorable; or (3) any corporation, partnership, firm, association, or other entity either wholly composed of individuals described in clauses (1) and (2) or wholly owned or controlled by such individuals.

(f) The terms "Government agency", "owning agency", "disposal agency", "property", "State", and 'war housing' have the same meaning as when used in the Surplus Property Act of 1944, as amended.

SEC. 2. Whenever any surplus residential property is to be disposed of other than to Government agencies as provided in sections 12 and 13 of the Surplus Property Act of 1944, as amended, veterans shall be granted a priority and preference in the purchase of such property over nonveterans in accordance with the provisions of this act.

SEC. 3. Surplus residential property shall be subdivided into the appropriate units in which the Chairman deems it should be disposed of, giving due consideration to the character of the property and the objectives of this act to provide preference in purchase thereof to veterans.

SEC. 4. Units of surplus residential property offered for sale shall be appraised on the basis of the reasonable value in the normal market during the period beginning January 1, 1937, and ending December 31, 1939, by the disposal agency or other prospective seller subject to the concurrence of the Veterans' Administration. The sales price shall be at the value determined by such appraisal.

SEC. 5. (A) Any unit of surplus residential property which cannot be sold to a veteran under this act within 90 days after public notice of its availability for sale may be disposed of to a nonveteran, but no such unit shall be disposed of to a nonveteran upon terms more favorable than the terms under which the unit has been offered to veterans.

(B) The terms of the sale of any unit of surplus residential property to any veteran under this act shall include provisions requiring that, in the case of any resale of such property during the 3-year period beginning on the date of the sale, the property will first be offered for resale to veterans at not more than the purchase price. Except as provided in this section, sales to veterans under this act shall be upon such terms as the Chairman may prescribe.

SEC. 6. The Chairman shall prescribe regulations to effectuate the provisions of this act.

The following is a statement of Philip M. Klutznick, FPHA Commissioner and President of the Defense Homes Corporation, before House Committee on Expenditures in the Executive Departments, which he sent to me:

We are grateful to this committee for giving us the opportunity which we requested to come before it to discuss the disposition of housing properties of the Defense Homes Corporation.

I think it will be helpful to get clearly before us the basic facts relating to these properties and the policies of this Corporation, because there has been so much confusion and misunderstanding about the proposed sale of these properties in the Washington area. As a matter of fact, we have announced that we would take no final action on the pending bids, without first laying the matter before an appropriate committee of Congress for its consideration. We did this because there has been criticism of the lack of veterans' preference in the sale of these properties and because bills have been introduced in Congress to postpone the sales or to amend present laws dealing with their sale.

WHAT IS DHC HOUSING?

First of all, it is necessary to understand what the Defense Homes Corporation properties are and the laws and policies that apply to them:

DHC properties differ in several important respects from other federally owned war housing. They were built early in the war by the Defense Homes Corporation, set up by direction of the President with a capital of $10,000,000. Over $60,000,000 were borrowed from the Reconstruction Finance Corporation. Its projects were intended as a supplement to private war-housing construction to meet a war emergency, and it was intended that the projects should be sold to private ownership and the Corporation liquidated as soon as feasible. Pursuant to this purpose, all DHC properties were announced as available for sale in January 1944. The recent advertising for bids on properties in the Washington area was merely an intensification of this marketing effort undertaken as a result of the end of the war.

The housing is owned and operated by the Defense Homes Corporation, originally under the RFC, and transferred in 1942 to the Federal Public Housing Authority by Executive order consolidating wartime housing functions. Since 1942, the Commissioner of the FPHA has served as president and chairman of the Board of Directors of the DHC, the other members including the National Housing Administrator, Commissioners of Federal Home Loan Bank Administration and Federal Housing Administration, and representatives of the Reconstruction Finance Corporation, but the DHC program has been separately administered by the staff of the Corporation under the powers of the Corporation charter, subject to the applicable provisions of law and Government policy.

The DHC properties constitute the security for the loan from the RFC. Involved in their disposal is the responsibility of the DHC and the RFC to exercise sound business judgment in order to recover as much as possible on the Government's investment in these properties and protect the Government from unnecessary and unauthorized financial loss.

HOW DOES DHC HOUSING DIFFER FROM OTHER WAR HOUSING?

The bulk of federally owned war housing was built with funds appropriated by the Congress under the Lanham Act and earlier acts which it superseded. Most of this Lanham Act housing is owned and operated by the National Housing Agency.

All of this Lanham Act housing, including the temporary housing, is in full use at the present time, and little of it is surplus to current needs. As rapidly as vacancies occur they were filled by veterans and servicemen and their families, who have top preference and, where necessary, temporary housing is moved to other localities to meet this need with funds appropriated for this purpose by the Congress.

The NHA Lanham Act housing, which means most of the publicly owned war projects, is specifically exempted from the Surplus Property Act. Disposal of this housing falls under the provisions of the Lanham Act, which permit reasonable discretion to the National Housing Administrator in its sale.

The DHC properties, however, are not so exempted, and are governed by provisions of the Surplus Property Act. This act does not authorize priorities to veterans in the case of war housing or its sites or for projects in the District of Columbia.

In the case of NHA war housing under the Lanham Act, more discretion is left with the Administrator. For these units, which are many times the number of DHC units, a priority is granted to veterans and other occupants, and to veterans who desire occupancy. Such persons may purchase the permanent homes for their own use at an appraised price. As I later point out there is no authority to do this for DHC housing.

Thus, policies and procedures followed with respect to the NHA war housing do differ under the law from those that the DHC may follow.

DOES DHC HAVE A POLICY TO PROTECT VETERANS?

Although the Defense Homes Corporation may not grant a price preference to veterans for the purchase of its properties, it has instituted policies to protect the interests of veterans to the full extent that the law permits. These policies are:

1. Under current DHC operation, veterans and servicemen and their families are given top preference to all vacancies as they occur in these projects. Already a very large proportion of the residents consists of this group.

2. It has publicly notified all bidders that any purchaser would be required to continue this top preference for at least 4 years. This will insure preferential occupancy by veterans of all vacancies, regardless of whether the project is operated by a veterans' group or someone else. It will also help relieve the heavy demand for rental housing which predominates among veterans in the Washington area.

It was in the light of this critical need for rental housing that the DHC determined that the policies which it had established giving preference to veterans in these rental projects should be continued by any purchaser. Under this policy, the identity of the purchaser will not affect the number of veterans who will be housed. Any purchaser will be bound by contract to make all vacancies available to veterans. The number of veterans to be housed in the projects, therefore, is not an issue in considering a project's sale to a veteran group.

The veteran preference policy required of purchasers is in line with and a continuance of the occupancy policy already applied by the DHC in its own management of the properties. As of January 31, veterans and servicemen constituted 87.5 percent of the occupants of Fairlington, 62.5 percent at McLean Gardens, 40 percent at Naylor Gardens, and 48 percent at George Washington Carver Hall and Lucy Diggs Slowe Hall combined. The percentage of units occupied by veterans and future veterans is continually rising as vacancies are filled from these groups.

3. The DHC will also require that for at least 3 years no purchaser of family dwellings may increase rents without permission of the DHC. This is to protect veterans not only in occupancy, but also in the cost of their housing during the emergency period.

4. While it cannot grant a price discount to a veterans' group in the purchase of a project, the DHC has stated that it will give preference to an offer from veterans over any other offer in substantially the same amount.

WHAT ARE THE SURPLUS PROPERTY ACT PROVISIONS CONTROLLING DHC?

The policies of the DHC in the disposition of its properties must be derived from the Surplus Property Act and the regulations issued thereunder. That act does not provide for any veterans' preference or priority in the disposition of these housing projects. Let me quote the priority provisions of that act which may be pertinent on this question of veterans' preference, so that we may see that they do not apply to this class of property. First, there are the provisions of section 2 (f) and section 16:

Section 2 (f) of the objectives provides "to afford returning veterans an opportunity to establish themselves as proprietors of agricultural, business, and professional enterprises;"

Section 16 provides that SPA shall prescribe regulations "to aid veterans to establish and maintain their own small business, professional, or agricultural enterprises, by affording veterans suitable preferences to the extent feasible and consistent with the policies of this Act in the acquisition of the types of surplus property useful in such enterprises."

It is clear from this language that war housing and residential property are not included in these two provisions which relate only to agricultural, business, or professional enterprises.

Now let's look at the provisions of section 23 (f) which are concerned with certain types of real property. This provision states that:

"Whenever any surplus real property classified as suitable for agricultural, residential, or small business purposes is to be disposed of * * * veterans shall be granted a preference in the purchase of such property over nonveterans."

However, the term "real property" as used in this section is defined as "property consisting of land, together with fixtures and improvements thereon, located outside of the District of Columbia, but does not include war housing * * * or the site thereof." (Section 23 (a).)

Therefore, while Congress provided that where surplus "real property" is suitable for residential purposes veterans should be granted a preference, it specifically excluded from the definition of "real property" any property in the District of Columbia and war housing or the sites thereof; therefore, these were excluded from the classification of property subject to such preferences. It is thus clear that Congress provided no preference whatsoever for veterans in the purchase of the war housing projects of DHC.

The regulations issued by the Surplus Property Administration (or its successor) must accord with the Surplus Property Act. Accordingly, we find that the general SPA Regulation 5 issued October 5, 1945 (which covers the disposition of surplus nonindustrial real property) does not afford any priority to veterans with respect to "other than section 23, real property." Moreover, under that general regulation we find the following provision which establishes the same principle of obtaining the best price obtainable that was later incorporated in order 5 dealing with DHC properties. Section 8305.12 (1) of this regulation provides:

"If offers have been received from persons having no priority and there is no acceptable offer from a person holding a priority, only the highest of such offers may be accepted by the disposal agency."

Order 5, which was issued on November 16, 1945, to provide a procedure for the disposition of DHC properties in the Washington area, did not establish any new policy when it did not prescribe any priority for veterans and when it prescribed the method of determining the best bidder. It was in full accord with the SPA regulations that had been issued previously on comparable property.

Thus, with respect to this type of property, since veterans are granted no priority, they cannot buy it on a noncompetitive basis or at price concessions below other bidders.

THE SALES PROCEDURE OF THE DHC

The DHC properties were first announced for sale in January of 1944. Offers received from time to time provided an opportunity to test the market. One project was sold and individual units on several other projects were sold. In November of 1945 the Corporation considered that the time was favorable for disposition in accordance with the policies prescribed by the Surplus Property Act. It was determined that the six projects in the Washington area should be actively advertised for sale to insure that everyone interested would have an opportunity to bid and that best possible offers could be obtained. These properties represented the bulk of the DHC expenditure, having an original cost of $56,000,000 out of a total cost for all DHC projects of $72,500,000.

The DHC therefore entered into consultation with the Surplus Property Administration to obtain appropriate procedures under the law for this action, with the result that the SPA issued order 5, under regulation 5, establishing a procedure for advertisement of the properties and negotiation with prospective purchasers. That order, based on the act, expressly provides that "the price at which any of such projects shall be transferred to a Government agency shall be the fair value thereof as determined by the National Housing Agency; and the price at which any such projects shall be sold to a person other than a Government agency shall be the best price obtainable, which price shall be not less than the current market value of any such project."

Public notice of sale was given during the month of December 1945, with advertisements appearing in newspapers of general circulation in Chicago, New York, and Washington, D. C., as well as in the financial press.

NEGOTIATIONS WITH THE VETERANS COOPERATIVE HOUSING ASSOCIATION

The controversy over DHC policies has centered on the rejection by the DHC of bid submitted by the Veterans' Cooperative Housing Association for the purchase of McLean Gardens in Washington. This bid has been rejected because it was substantially less than other offers as well as being less than the Government's investment in the property. The rejection was not an arbitrary action, but was made in conformance with the law. As I have explained, the DHC had no authority either to grant the veterans' cooperative a price discount or to sell the project to them on a noncompetitive basis.

The higher bids received on McLean Gardens, it should be noted, are not speculative bids. They are consistent with the cost of the project to the Government when it was built in 1942. The best bids are now being held for discussion with the RFC and the bidders.

The Veterans' Cooperative Housing Association, organized under the Cooperative Act of the District of Columbia, has questioned whether the DHC should sell its properties at the highest price obtainable without first offering it to veteran prospective purchasers at its appraised value. The association initially made an offer to purchase the McLean Gardens project at such an appraised value, and subsequently revised its bid to include a specific dollar amount, for both McLean Gardens and Naylor Gardens, without relinquishing its claim, as a veteran organization, to acquire these properties without competition, at an appraised value.

The first inquiry from this group came in mid-December of 1945 while the DHC properties were being advertised for sale. This was followed by a conference with me during which the veteran representatives indicated that they would like to obtain McLean Gardens through a cooperative organization on terms similar to those offered occupants of Greenmont Village, at Dayton, Ohio, and Walnut Grove, at South Bend, Ind. These were federally owned war housing projects built under the Lanham Act by the Mutual Ownership Division of the Federal Works Agency, with commitments to the residents that they could have the option to purchase the projects cooperatively after the war at their fair market value. It was explained to the veteran group that DHC does not have authority to dispose of its projects in the manner suggested.

Greenmont Village and Walnut Grove are among eight such projects built with Lanham Act funds by the Mutual Ownership Defense Housing Division of the Federal Works Agency for operation under a mutual ownership plan for war workers likely to retain employment in the localities after the war. These projects were transferred to the FPHA for administration by Executive Order 9070 in February 1942, and the FPHA has continued to administer them in a manner consistent with their original purpose and the commitments made to the occupants. What is legally possible in the case of the mutual ownership projects under the Lanham Act is not legally possible in the case of the DHC projects under the Surplus Property Act. There is nothing in the Surplus Property Act to sanction sale of the DHC projects to nonpriority holders except on the basis of the best competitive bid.

On January 5, 1946, the DHC received from the Veterans' Cooperative Housing Association, an organization formed by members of American Veterans of World War II and incorporated under the Cooperative Act of the District of Columbia, an offer to purchase McLean Gardens at an appraised value. The association offered to enter into a negotiated

agreement to purchase on this basis and to make a down payment of 10 percent of the appraised valuation as soon as its members were in occupancy of 50 percent of the dwelling units of the project. During the interim, all vacancies would be filled by members of the association. Principal was to be amortized over a 40-year period, interest to be the average cost to the United States.

In subsequent discussions it was pointed out to the VCHA that such an offer could not be found acceptable under the law and regulations governing the sale, and the veterans were given an opportunity to revise their bid to include a dollar amount so that it could be given consideration. On January 15 the VCHA submitted a revised bid, offering to purchase McLean Gardens at the highest price which could be supported by the present income of the project with present expenses and reserves, with interest of 3 percent on principal, to be amortized over 40 years. The bid stated a similar offer for the Naylor Gardens project, but with interest at 2¾ percent.

The VCHA was advised that since the revised bid still did not contain a dollar offer, it could not be compared with other offers received, and, therefore, was unlikely to receive favorable consideration by the board of the DHC. On January 28 the VCHA further revised its bid to include offers of $9,000,000 for McLean Gardens and $5,100,000 for Naylor Gardens. Throughout these negotiations, the VCHA did not relinquish its position that it, as a veterans' group, was entitled under the law to acquire these projects at appraised values before they were offered for public sale at the best price obtainable.

The board of directors of the DHC met on February 12 to consider the bids received. The board voted to reject the VCHA bid on McLean Gardens as not being among the top bids which the board could properly consider under the law and regulations. The VCHA bid on Naylor Gardens, as well as one submitted by the Cooperative Association of the Naylor Gardens Tenants Association, was reserved for further negotiation looking toward submission of a bid on behalf of both tenants and veterans which could be considered by the board. On this project, other bids submitted were not acceptable and were accordingly rejected.

The action of the board was explained to representatives of the VCHA in conference on February 16. They were told that since any bid for Naylor Gardens, to be acceptable, must protect rights of present occupants as well as give preference to veterans in filling vacancies, the board wished to give both the tenants and the veterans a chance to join together in bidding for the mutual purchase of the project. Representatives of the VCHA stated that their organization still wished to obtain Naylor Gardens for exclusive veteran ownership, but that if this were not possible, they would be willing to enter into discussion with the Tenants Association in an effort to agree on a bid which could be considered by the board. The meeting closed on the understanding that the VCHA and the Tenants Association would confer and then meet jointly with the DHC for further discussion.

A joint meeting on Naylor Gardens was held with the two groups on March 3. At that time there was discussion of procedures which might be followed in the organization of a cooperative association composed of both present occupants and veteran prospective occupants. There was also review of operating and other costs incident to purchase of the project by a cooperative. It was agreed that each organization would consult further with its members to ascertain how many wished to participate in purchase of the project and to agree on next steps to be taken.

Meanwhile, on February 25, representatives of the Veterans' Cooperative Housing Association, accompanied by a representative of the national office of Veterans of Foreign Wars, met with the DHC and expressed interest in acquiring a section of the Fairlington project. The veterans proposed that the DHC sell to the VCHA a 100-dwelling unit section which would have its own utility services and would otherwise lend itself to separate management. At that time, and in a subsequent letter, the VCHA requested that the DHC name a price and terms at which the veterans' group could purchase such a section. On March 4 the DHC wrote the VCHA in part as follows:

"In accordance with our discussions, we have carefully considered this proposal and have determined that it would be feasible and suitable to sell separate sections or blocks of dwellings included in the project. We also believe that at the present rate of turn-over it would be possible to make a 100-unit section of that project available for sale and occupancy by veterans without disturbing present tenants beyond the shifting of some from one dwelling to another. Accordingly, we are entirely sympathetic to entering into negotiations for the sale to veterans of an appropriate section of approximately 100 dwellings or sections of Fairlington.

"We have discussed this matter with officials of the War Assets Corporation to ascertain the steps that would have to be taken with respect to the negotiation and consummation of any such sale. We find that it would be necessary (i) that public notice of the availability for purchase of any such section of dwellings in Fairlington be given; (ii) that any interested party be given an opportunity to submit offers; (iii) that among nonpriority holders we would be obliged to accept the best price offered; if such offer were considered reasonable and within the appraised value; and (iv) that veterans are not entitled to a priority nor a priority price, since war housing is excluded from the definition of 'real property' as set forth in section 23 of the Surplus Property Act.

"It appears that advertisement will be required because in the previous offering which was advertised bids were solicited only with respect to any one or combination of six listed projects (of which Fairlington was one) in its or their entirety. Public notice for the sale of a project in its entirety consisting of approximately 3,500 dwelling units does not suffice if the property is to be offered in blocks or sections of 100 units.

"It thus appears, in the absence of amendatory legislation, that negotiations as to price and terms for the sale of sections of Fairlington could not be undertaken until after advertisement and consideration of competitive bids. It is entirely possible that advertising and taking competitive bids would result, insofar as the Veterans' Cooperative Housing Association is concerned, in a situation analogous to that which obtained with respect to McLean Gardens. Accordingly, and in view of our sympathetic attitude toward your proposal, Commissioner Klutznick intends to present this entire matter before the appropriate committee or committees of Congress for consideration."

CURRENT STATUS OF BID OFFERS

The Defense Homes Corporation has accepted no bid on any of the six Washington area properties. It has rejected all bids received on Fairlington and all but the tenants and veterans bids on Naylor Gardens. It has reserved some bids on McLean Gardens, Meridian Hill Hotel, George Washington Carver Hall, and Lucy Diggs Slowe Hall for further negotiation with the bidders and discussion with the Reconstruction Finance Corporation, whose approval is necessary before a bid can be accepted. It has under consideration the proposal of the VCHA to purchase a section of Fairlington.

The Veterans' Cooperative Housing Association still questions whether the DHC should sell these properties without first offering them to veterans for sale at an appraised price. Moreover, resolutions have been introduced in the Senate and the House of Representatives which would postpone conclusion of any sale pending clarification by Congress of its policy on veterans' preferences and priorities in the disposition of war housing properties.

COURSES OF ACTION OPEN TO DHC

Under the present law and regulations, the DHC has had three possible courses of action it could take:

1. It could reject all bids and continue Federal ownership and management of the projects. Since it has been the clear intention that the Government should dispose of these properties to private operation when it could feasibly do so, as indicated by the fact that they have been on the market for more than 2 years, the Board felt it could not justifiably retain them in Federal ownership any longer than necessary.

2. It could have disposed of the properties on the open market with no restraints and restrictions. This course it rejected, in large part because of its recognition of the need for insuring homes for veterans.

3. It could dispose of the properties at the best price obtainable, as the law required, but subject to conditions that would assure continued availability of the housing for veterans at reasonable rents.

If the present law is not to be changed, the DHC would elect to follow the third course as the one which seems to meet the veterans' need for housing and, at the same time, carry out the requirements of the law and the intention to put the projects under private operation and ownership.

It is for Congress to determine whether it desires to change the present law because of the questions which have been raised with respect to the lack of a purchase priority to veterans on this housing. It is agreed by us and the War Assets Corporation that the granting of such a priority would require additional legislation.

The CHAIRMAN. The time of the gentlewoman from Massachusetts has expired.

Mr. HOFFMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there were three bills introduced, all practically the same. The one to which the gentlewoman from Massachusetts has just referred is dated March 7, 1946. Certain representatives of the veterans did appear before the House Committee on Expenditures in the Executive Departments, but I want to tell you what is in this bill.

First, let me say that I do not know of any Member of this House, I do not know of any one who wants to be a Member of this House, who does not want and who is not willing to get on the veterans' band wagon because there are several million veterans who are going to vote at the next election. No one has a monopoly on a desire to aid veterans. I am going to get on that band wagon myself just the same as all the rest of the candidates even if I have to crawl in over the tail gate. That does not mean that we do not sincerely do all we can in an effort to repay the veterans in part for the service they rendered. But there is a limit to what we can do. There is a limit to what the veteran wants us to do.

The bill introduced by the gentlewoman from Massachusetts provides that the Government shall appraise these houses the same as if they were constructed some time between the 1st of January 1937 and the last day of December 1939. Is that correct?

Mrs. ROGERS of Massachusetts. That is correct; but the veterans organizations and the veterans who want the bill say they will be perfectly satisfied to have a reasonable value declared as of today.

Mr. HOFFMAN. Pardon me for interrupting. This is the bill that was introduced and this is the bill that the gentlewomen says has the support of the four veterans' organizations. It is quite true they came along, when we pointed out what this bill would do, and some of them said they would be willing to accept changes. Of course, they would when they have the fraudulent nature of the thing exposed. The trouble is not because of the requests of veterans—when there is trouble it grows out of the acts of some who would exploit them. The Government fixes that price which means that the price fixed is somewhere between one-third and one-fourth less than the real value, the present value of those houses; then the bill provides that for 90 days the veterans shall have a preference to purchase those houses.

Let us take this McLean Gardens proposition. Let us assume that an organization, some four or five fellows get together and form a corporation, they come in and buy one or more of these projects for one-third less than it is worth on the market. Then at the end, or in a short period, they can sell it to a speculator who will be able to make millions out of it without the veteran receiving any real benefit.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. What is wrong?

Mrs. ROGERS of Massachusetts. There is a continuing priority.

Mr. HOFFMAN. For the veteran?

Mrs. ROGERS of Massachusetts. They are supposed to set a value as of those 3 years.

Mr. HOFFMAN. They are supposed to. But if the veterans do not purchase it within 90 days, if I have the money I can buy it, can I not? Can I not buy it?

Mrs. ROGERS of Massachusetts. Yes. But not at a price higher than the price the veterans paid for it.

Mr. HOFFMAN. There you are. If the veterans do not buy it, then I can form a little corporation with gentlemen who have money, and I can buy the whole project; and then after that I can make a profit of millions. The bill as written affords an opportunity for someone, not a veteran, somebody on the outside who is smart, somebody outside who has business sense, do you not see, to come in, someone who does not care so much about the veteran, and buy the whole thing, and then peddle it off, a house at a time. We are all in favor of aiding the veteran, no one has a monopoly of that feeling, but no such scheme as that is of any benefit to him. The veteran organizations will not be for it either—they are not for it now, when attention is called to the provisions in it which enables a speculator to come in under the veterans' banner and make a million or two dollars while the veteran gets nothing.

Mrs. ROGERS of Massachusetts. Mr. Chairman, if the gentleman will yield further, the way the DHC organization is operating today the veterans cannot buy even the Naylor Gardens at the same price offered by civilians.

Mr. HOFFMAN. The veterans should have priority. Will the gentlewoman tell me what veterans are behind this thing? Name the men that organized that little group that came to the gentlewoman and wanted that bill brought in? Who are they? Name them.

Mrs. ROGERS of Massachusetts. Colonel Sawyer, of the Amvets. Hundreds of veterans have asked for a priority in the purchase of Government-owned permanent houses. I met with a large group of veterans one evening who asked for it. There are many veterans here at the Capitol who have asked for it.

Mr. HOFFMAN. Name those gentlemen who appeared over there before the Committee on Expenditures in the Executive Departments. Who are they?

Mrs. ROGERS of Massachusetts. Mr. Williamson, of the VFW, was one. Mr. Hayden, of the American Legion, was another. Others were the national commander of the Disabled American Veterans, and Mr. Millard Rice of that organization. And I learn that Colonel Roberts, legal counsel of the Amvets, has asked for time.

Mr. HOFFMAN. Well, one gentleman, not one of those named, was around this Capitol all during the war with the exception of a very short time, and he is one of those who is back of it—who wants to organize the purchasing agency. If I am in error, please correct me.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. BARRETT of Wyoming. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I would like to direct a question to the chairman of this Committee. The last Committee amendment revises the title of the bill by striking out the figures 100,000 in referring to the number of temporary housing units to be made available. I would like to inquire why the figure "100,000" was stricken from the title?

Mr. LANHAM. I will be very glad to inform the gentleman. The reason for the amendment to the title was because it was thought it would be quite possible to provide more than 100,000, and we do not want to limit it to 100,000 if the amount authorized will be sufficient for more than 100,000.

Mr. BARRETT of Wyoming. I am glad to learn that. If I understand it correctly then, the additional appropriation to be authorized is $250,000,000, as against the previous allocation of $191,000,000, so we may reasonably expect that at least an additional 100,000 units will be made available under this legislation.

Mr. LANHAM. That is the additional authorization; that is correct. But in my remarks I made the explanation that necessarily it would cost a little more to move and reerect barracks by reason of the fact that they have no partitions; that is, it would cost more to make dwelling houses out of them than it would out of houses that were prepared originally for living quarters.

Mr. BARRETT of Wyoming. But the gentleman feels quite certain that there will be at least 100,000 additional units available under this authorization.

Mr. LANHAM. We are so assured by those who appeared before us, and we hope that it will be more than that.

Mr. BROOKS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BROOKS. Mr. Chairman, this bill is most important and is certainly timely. It will cost us $410,000,000; but it will give us 200,000 dwelling units with which to house our returning veterans. I realize the seriousness of the situation existing, not in one part of the country, but in every section of the Nation. It is a situation which is causing much hardship in thousands of families, causing both servicemen and veterans to be forced to live apart from their families in many instances.

While we have been in consideration of this bill, Mr. Chairman, I was called from this room at the request of a young soldier in the Army Air Forces. He is a man with a family just returned from overseas, and happens to be stationed in Louisiana at the present time. When I greeted him on the outside of this Chamber, his plea was immediately that I help him in locating a home that he may bring his family with him to Louisiana.

Likewise when I was last at home, at veteran meetings and on the streets, I was importuned many times about the housing situation. Men who have been overseas away from their families for years are now denied the privilege of having the wife and children with them upon their return. Men who are entitled to homes on the American standard are forced to live in places they are ashamed of and rear their children in environments not conducive to rearing young men and women to be healthy, intelligent, and patriotic.

This bill will make available temporary housing quickly. I am told that 90 percent will come from the Army and the Navy. This housing can be refashioned and changed so as to form temporary, but suitable places of abode for those who during long racking years of warfare often knew no shelter but the sky.

Mrs. BOLTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to have the privilege of asking the gentleman from Texas several questions, if I may. As I understand this legislation it has to do with temporary houses for the emergency, immediately.

Mr. LANHAM. It is for temporary housing. It applies only to temporary housing, and provides for no construction of new temporary housing, but merely the use of that which has already been built under this act.

Mrs. BOLTON. No new construction?

Mr. LANHAM. Title V in terms as amended provides that there shall be no construction of new temporary housing.

Mrs. BOLTON. Where do they get this temporary housing?

Mr. LANHAM. Under the bill we passed in December they get this temporary housing from vacant war housing that was occupied by the in-migrant workers at the plants. Ninety percent of the housing under this bill we get from Army and Navy barracks declared surplus, and about 10 percent from the war housing.

Mrs. BOLTON. How are they going to be chosen? What districts are going to be chosen? What places are going to have the benefit of this housing?

Mr. LANHAM. How is the allocation of the housing to be made?

Mrs. BOLTON. Yes.

Mr. LANHAM. All over the United States. I have here the allocations that were made under the original provision that was passed in December for 100,000 houses, and I think a glance at that will convince anyone that the distribution has been quite equitable.

Mrs. BOLTON. Does it include all facilities for the houses? It does not provide simply for the erection of houses with nothing in them?

Mr. LANHAM. It provides for the usual facilities. The colleges or the towns have to provide the land and bring the utilities up to the sites. From there on the Government carries on.

Mrs. BOLTON. What is the time that will elapse in carrying this out?

Mr. LANHAM. It will be carried out just as speedily as possible. That is the reason we are putting in an amendment that where on account of its magnitude colleges or towns can do the work more quickly in their individual cases; they may do it themselves, provided they do it as cheaply, and they will be paid for it.

Mrs. BOLTON. I thank the gentleman.

Mr. CASE of South Dakota. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. May I ask the chairman of the committee if I correctly understood him to say that he is going to place in the RECORD this list giving the allocation of previous funds?

Mr. LANHAM. When we are back in the House I intend to ask unanimous consent to place that in the RECORD.

Mr. CASE of South Dakota. I think that is a good idea.

Mr. MUNDT. Mr. Chairman, I move to strike out the last word, primarily simply for the purpose of asking the chairman to say for the RECORD what I am sure the bill implies, that in the allocation of these houses the little towns and hamlets of America will be included on the same basis and pro rata aspect as the large cities.

Mr. LANHAM. We made that statement with reference to the legislation in December, and certainly from the standpoint of the committee the same statement would hold good now.

Mr. MUNDT. I was sure that was true. I just wanted to have it in the RECORD for the guidance of whoever administers this act for the executive department.

While I am on my feet, also, I should like to extend my felicitations to the gentleman from Texas, who is about to leave this honored body after a long and distinguished career. Both the Congress and the country will miss his energetic, constructive, and patriotic devotion to his public duties.

As gentlemen of the House know, the gentleman from Texas before entering Congress was something of a magician. It may be that after he retires from Congress he will go back to the practice of that elusive art. The speaker now addressing you was at one time something of an amateur magician himself, so he knows something about the many ramifications of the hidden art.

May I commend to the serious consideration of the gentleman from Texas, therefore, that after leaving Congress he consider assuming a high administrative post in our Government, because we have need of a magician to bring order out of the chaos we are in. For example, as Secretary of the Treasury, he might be able to pull a radium rabbit out of the hat to balance the budget. Perhaps in the post of Secretary of State the use of legardemain might enable us to work out arrangements with other countries which would proceed more smoothly than those we have had in the past.

I can think of nothing that we need in the public service today more than magic of the kind which the able and amiable gentleman from Texas might be able to provide.

Mr. LANHAM. I thank the gentleman. From the bottom of my heart I want to say that whatever happens I shall never forget the magic of the genial charm of association with this wonderful group.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JOHN J. DELANEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5455) to amend section 502 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, so as to authorize the appropriation of funds necessary to provide an additional 100,000 temporary housing units for distressed families of servicemen and for veterans and their families, pursuant to House Resolution 559, had directed him to report the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered on the bill and amendment to final passage.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. MCGREGOR) there were—ayes 110, noes 1.

Mr. McGREGOR. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 347, nays 1, not voting 83, as follows:

[Roll No. 55]

YEAS—347

Abernethy	Delaney, James J.	Heselton
Allen, La.	Delaney, John J.	Hill
Almond	D'Ewart	Hinshaw
Andersen, H. Carl	Dingell	Hobbs
Anderson, Calif.	Dirksen	Hoeven
Andresen, August H.	Dolliver	Hoffman
Andrews, Ala.	Domengeaux	Holifield
Andrews, N. Y.	Dondero	Holmes, Wash.
Angell	Doughton, N. C.	Hook
Arends	Douglas, Calif.	Horan
Arnold	Douglas, Ill.	Howell
Auchincloss	Doyle	Huber
Bailey	Drewry	Hull
Barden	Durham	Izac
Barrett, Pa.	Dworshak	Jackson
Barrett, Wyo.	Earthman	Jarman
Barry	Eaton	Jenkins
Bates, Ky.	Eberharter	Jennings
Bates, Mass.	Elliott	Johnson, Calif.
Beall	Ellsworth	Johnson, Ill.
Beckworth	Elston	Johnson, Ind.
Bell	Engel, Mich.	Johnson, Luther A.
Bender	Engle, Calif.	Johnson, Lyndon B.
Bennet, N. Y.	Ervin	Jones
Bennett, Mo.	Fallon	Jonkman
Biemiller	Feighan	Judd
Bishop	Fellows	Kean
Blackney	Fenton	Kearney
Bland	Fernandez	Kee
Bolton	Flood	Keefe
Bonner	Folger	Kelly, Ill.
Boren	Forand	Kerr
Boykin	Fulton	Kilburn
Bradley, Mich.	Gallagher	Kilday
Brehm	Gamble	King
Brooks	Gary	Kinzer
Brown, Ga.	Gavin	Klein
Brown, Ohio	Gearhart	Knutson
Brumbaugh	Geelan	Kopplemann
Bryson	Gerlach	Kunkel
Buck	Gifford	Landis
Buffett	Gillespie	Lane
Bunker	Gillette	Lanham
Burch	Gillie	Larcade
Butler	Goodwin	Lea
Byrnes, Wis.	Gordon	LeCompte
Campbell	Gore	LeFevre
Canfield	Gossett	Lemke
Cannon, Fla.	Graham	Lewis
Cannon, Mo.	Granahan	Link
Carlson	Granger	Luce
Carnahan	Grant, Ala.	Ludlow
Case, N. J.	Grant, Ind.	Lyle
Case, S. Dak.	Gregory	McConnell
Celler	Griffiths	McCormack
Chenoweth	Gross	McCowen
Chiperfield	Gwinn, N. Y.	McDonough
Church	Gwynne, Iowa	McGehee
Clark	Hagen	McGlinchey
Clason	Hale	McGregor
Clements	Hall, Edwin Arthur	McMillan, S. C.
Clevenger	Hall, Leonard W.	McMillen, Ill.
Clippinger	Halleck	Madden
Cochran	Hancock	Mahon
Coffee	Hare	Maloney
Cole, Mo.	Harless, Ariz.	Manasco
Colmer	Harness, Ind.	Mansfield, Mont.
Combs	Harris	Mansfield, Tex.
Cooper	Hart	Marcantonio
Corbett	Hartley	Martin, Iowa
Courtney	Havenner	Martin, Mass.
Cox	Hays	Mason
Cravens	Healy	Mathews
Crosser	Hébert	May
Cunningham	Hedrick	Merrow
Curtis	Hendricks	Michener
D'Alesandro	Henry	Miller, Calif.
Daughton, Va.	Herter	Miller, Nebr.
Davis		Mills
De Lacy		

Monroney	Richards	Stewart
Morgan	Riley	Stigler
Morrison	Rivers	Stockman
Mundt	Robertson, Va.	Sullivan
Murdock	Robsion, Ky.	Sundstrom
Murphy	Rockwell	Taber
Murray, Tenn.	Rodgers, Pa.	Talle
Murray, Wis.	Roe, Md.	Tarver
Norblad	Rogers, Fla.	Thom
Norrell	Rogers, Mass.	Thomas, N. J.
O'Brien, Ill.	Rogers, N. Y.	Thomas, Tex.
O'Brien, Mich.	Rooney	Thomason
O'Hara	Rowan	Tibbott
O'Konski	Russell	Towe
O'Neal	Ryter	Trimble
Outland	Sabath	Vinson
Pace	Sasscer	Vursell
Patman	Savage	Wadsworth
Patrick	Schwabe, Okla.	Walter
Patterson	Scrivner	Wasielewski
Peterson, Fla.	Shafer	Weaver
Philbin	Sharp	Weichel
Phillips	Sheppard	Welch
Pickett	Short	West
Pittenger	Sikes	White
Ploeser	Simpson, Ill.	Whitten
Plumley	Simpson, Pa.	Whittington
Powell	Slaughter	Wickersham
Price, Ill.	Smith, Maine	Wigglesworth
Priest	Smith, Ohio	Winstead
Rabaut	Smith, Va.	Winter
Ramey	Smith, Wis.	Wolcott
Rankin	Somers, N. Y.	Wolverton, N. J.
Reece, Tenn.	Spence	Woodruff
Reed, Ill.	Springer	Worley
Reed, N. Y.	Stefan	Zimmerman
Resa	Stevenson	

NAYS—1

Sumner, Ill.

NOT VOTING—83

Adams	Gorski	Rabin
Allen, Ill.	Green	Rains
Baldwin, Md.	Hand	Randolph
Baldwin, N. Y.	Heffernan	Rayfiel
Bloom	Hess	Rees, Kans.
Bradley, Pa.	Hoch	Rich
Buckley	Holmes, Mass.	Rizley
Bulwinkle	Hope	Robertson, N. Dak.
Burgin	Jensen	
Byrne, N. Y.	Johnson, Okla.	Robinson, Utah
Camp	Kefauver	Roe, N. Y.
Chapman	Kelley, Pa.	Sadowski
Chelf	Keogh	Schwabe, Mo.
Cole, Kans.	Kirwan	Sheridan
Cole, N. Y.	LaFollette	Sparkman
Cooley	Latham	Starkey
Crawford	Lesinski	Sumners, Tex.
Curley	Lynch	Talbot
Dawson	McKenzie	Taylor
Ellis	Mankin	Tolan
Elsaesser	Neely	Torrens
Fisher	Norton	Traynor
Flannagan	O'Toole	Voorhis, Calif.
Fogarty	Peterson, Ga.	Vorys, Ohio
Fuller	Pfeifer	Wilson
Gardner	Poage	Wolfenden, Pa.
Gathings	Price, Fla.	Wood
Gibson	Quinn, N. Y.	Woodhouse

So the bill was passed.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. O'Toole with Mr. Hess.

Mr. Randolph with Mr. Baldwin of New York.

Mr. Pfeifer with Mr. Allen of Illinois.

Mr. Camp with Mr. Jensen.

Mr. Byrne of New York with Mr. Adams.

Mr. Peterson of Georgia with Mr. Holmes of Massachusetts.

Mr. Hoch with Mr. Fuller.

Mr. Sparkman with Mr. Elsaesser.

Mr. Bradley of Pennsylvania with Mr. Hope.

Mr. Sheridan with Mr. Crawford.

Mr. Neely with Mr. Ellis.

Mr. Keogh with Mr. Cole of New York.

Mr. Robertson of Virginia with Mr. Latham.

Mr. Roe of New York with Mr. Cole of Kansas.

Mr. Flannagan with Mr. Schwabe of Missouri.

Mr. Heffernan with Mr. Rees of Kansas.

Mrs. Norton with Mr. Taylor.

Mr. Torrens with Mr. Rich.

Mr. Lynch with Mr. Wilson.

Mr. Gardner with Mr. Rizley.

Mr. Quinn of New York with Mr. Vorys of Ohio.

Mr. Kelley of Pennsylvania with Mr. Wolfenden of Pennsylvania.

Mr. Rayfiel with Mr. Talbot.

Mr. Voorhis of California with Mr. Robertson of North Dakota.

Mr. Bloom with Mr. Hand.

The result of the vote was announced as above recorded.

The doors weer opened.

Mr. LANHAM. Mr. Speaker, I ask unanimous consent to take from the Speaker's table for immediate consideration the bill (S. 1821) to amend section 502 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, so as to authorize the appropriation of funds necessary to provide additional temporary housing units for distressed families of servicemen and for veterans and their families, strike out all after the enacting clause, and insert in lieu thereof the bill just passed.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That section 502 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended (42 U. S. C. 1521), is hereby amended as follows:

(1) By striking out the figure "$160,000,000" in subsection (a) thereof and inserting in lieu thereof the figure "$410,000,000"; and

(2) By adding after subsection (c) thereof the following new subsections:

"(d) Upon approval of an application, made by any educational institution, State or political subdivision thereof, local public agency, or nonprofit organization, for temporary housing for the purposes of this title, the National Housing Administrator, if he determines that such action will aid in expediting the provision of such temporary housing, may—

"(1) transfer hereunder to the applicant structures or facilities necessary or suitable to provide such temporary housing; and

"(2) contract to reimburse the applicant (including the making of advances) for the cost, as certified by the applicant and approved by the Administrator, in the relocation or conversion (including the costs of disassembling, transporting, and reerecting structures and facilities, and connecting utilities from dwellings to mains, but not including the costs of site acquisition and preparation, or the installation of streets and utility mains) of such temporary housing and facilities.

"(e) The term 'administrative expenses,' as used in this title V, shall be deemed to include administrative expenses of the National Housing Agency in performing any functions with respect to priorities or allocations of materials or equipment for public or private housing, and of the Housing Expediter (including those of any Government agencies in carrying out parts of the authorized veterans' emergency housing program of the Housing Expediter, to the extent that additional administrative expenses of such agencies are thereby involved) in performing any functions with respect to facilitating the provision of veterans' housing."

Mr. LANHAM. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LANHAM: Strike out all after the enacting clause and insert the provisions of the bill H. R. 5455 as passed, as follows:

"That section 502 (a) of the act entitled 'An act to expedite the provision of housing in connection with national defense, and for other purposes,' approved October 14, 1940, as amended, is amended by striking out '$160,000,000' and inserting in lieu thereof '$410,000,000.'

"SEC. 2. That section 502 of said act be amended by adding after subsection (c) thereof the following subsections:

"'(d) Upon approval of an application, made by any educational institution, State or political subdivision thereof, local public agency, or nonprofit organization, for temporary housing for the purposes of this title, the National Housing Administrator, if he determines that such action will aid in expediting the provision of such temporary housing, may—

"'(1) transfer hereunder to the applicant structures or facilities necessary or suitable to provide such temporary housing; and

"'(2) contract to reimburse the applicant (including the making of advances) for the cost, as certified by the applicant and approved by the Administrator, in the relocation or conversion (including the costs of disassembling, transporting, and reerecting structures and facilities, and connecting utilities from dwellings to mains, but not including the costs of site acquisition and preparation, or the installation of streets and utility mains) of such temporary housing and facilities.

"'(e) The authorization in section 3 of this act to use administrative expense funds in connection with the processing of priorities and allocations of materials for war housing shall apply to any such functions authorized by law in connection with housing for veterans and their families provided under title V of this act.'"

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 5455) was laid on the table.

EXTENSION OF REMARKS

Mr. LANHAM. Mr. Speaker, I ask unanimous consent to include in my remarks on the bill just passed, a table showing the allocation of the housing made to the various States under similar legislation passed last December.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD and include some tables of securities.

Mr. MURRAY of Wisconsin (at the request of Mr. MICHENER) was given permission to extend his remarks in the RECORD in two instances and include in each an editorial.

Mr. ANGELL asked and was given permission to extend his remarks and to include an article.

Mr. CLASON asked and was given permission to extend his remarks and include two newspaper articles.

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to insert in the RECORD an eloquent and timely speech made by Hon. Paul V. McNutt, United States

High Commissioner to the Philippine Islands, before the National Press Club which I commend to the membership of the House. I make this request, Mr. Speaker, notwithstanding the fact that I estimate the speech may exceed the amount allowed under the rules of the House.

The SPEAKER. Notwithstanding and without objection, the extension may be made.

There was no objection.

Mr. PATMAN asked and was given permission to extend his remarks in four instances and include therein certain statements, extracts, and articles.

PERSONAL EXPLANATION

Mrs. MANKIN. Mr. Speaker, the Woman's Press Club of Washington had a luncheon today at which the only two people who were invited who were not members of the club were Mrs. Franklin D. Roosevelt and myself. I therefore felt that I had to attend the luncheon. As a result, I missed the roll call on the Lanham bill. I want the RECORD to show that I am very much in favor of the bill and I am very glad it passed practically unanimously.

PUBLIC HEALTH SERVICE ACT

Mr. SABATH. Mr. Speaker, I call up House Resolution 554 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 4512) to amend the Public Health Service Act to provide for research relating to psychiatric disorders and to aid in the development of more effective methods of prevention, diagnosis, and treatment of such disorders, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same back to the House with such amendments as shall have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, this rule makes in order very important legislation amending the Public Health Service Act. It is an open rule providing for 1 hour of general debate. I know that after you have been made familiar with the provisions of the bill, it will receive the same overwhelming support as the bill we just passed. I hope that not even the single vote cast against that other bill will be cast against this one.

The bill comes to us from the Committee on Interstate and Foreign Commerce after full consideration and many days' hearing by that committee. It was unanimously reported out of the Committee on Interstate and Foreign Commerce and the rule on the bill was unanimously reported by the Committee on Rules. The purpose of this legislation is to improve the mental health of the people of the United States through the conducting of research, investigations, experiments, and demonstrations relating to the cause, diagnosis, and treatment of psychiatric disorders; assisting and fostering such research activities by public and private agencies, and promoting the coordination of all such researches and activities and the useful application of their results; training personnel in matters relating to mental health; and developing, and assisting States in the use of, the most effective methods of prevention, diagnosis, and treatment of psychiatric disorders.

The bill authorizes the appropriation of $30,000,000 for each fiscal year, in addition to present authorized appropriations for the Public Health Service, most of which will be for the benefit of the State and local programs, and an additional appropriation of $4,500,000 for the National Institute of Mental Health, which is to be located in or near Washington.

Already the Government, through the Public Health Service, has given splendid service which has been of incalculable benefit to needy and suffering citizens, and certainly has tended to mitigate the serious conditions found in recruiting men for the armed services. This bill will enlarge the activities of the Public Health Service, and extend its beneficent activities into the field of mental hygiene.

This act will stand as a monument to the gentleman from Tennessee [Mr. PRIEST], who introduced the bill and who has devoted a great deal of time to it. It will, I feel certain, accomplish the good that the author envisaged, and if, though God forbid this should come to pass, we should again be faced with a national emergency, I am sure this bill will have helped to reduce the number of Americans who fall in that twilight zone of mental unhealth we call psychoneurosis, and it will contribute greatly to our knowledge of the origin and cure of more serious mental disorders. The gentleman deserves the appreciation of the House and of the country. I congratulate him upon his splendid work, his energy, and his devotion, and to his perseverance which brought forth from that hardboiled committee a unanimous report. It is legislation in the right direction.

I cannot fail to give proper credit to another untiring member of the subcommittee which considered this bill, the gentleman from New York [Mr. MARCANTONIO], who contributed greatly to the favorable consideration given.

This bill should have the unanimous support of the House, Mr. Speaker. I am sure that not even those gentlemen who customarily rise to object to all measures which seem to put the Federal Government into a position of helping the States and local units can find grounds for opposing this humanitarian measures which will enrich medical and psychological knowledge. The bill is skillfully designed to give the utmost responsibility to the local governments. The bureaucrats cannot be charged with wanting to extend their power here. It provides help and guidance for all the States, even for those States that contribute the least, and on a basis of equity and fairness. The gentlemen who love to criticize will find little in this bill to object to.

Mr. Speaker, I reserve the balance of my time and now yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I appear today in a dual capacity, as a member of the Rules Committee in support of this rule, and as ranking minority member on the Subcommittee on Public Health of the Committee on Interstate and Foreign Commerce.

House Resolution 554 makes in order H. R. 4512, as the chairman of the Rules Committtee has already explained. H. R. 4512, which will be before you, if this rule is adopted, for 1 hour of general debate, and then for amendment under an open rule, provides for amendments to the Public Health Service Act to establish a research center at the Public Health Center at Bethesda, Md., for aid in the development of more effective methods for the prevention, diagnosis, and treatment of such disorders, and for other purposes.

The bill, as it amends the present Public Health Service Act, increases the amount of money that can be appropriated each year for the Public Health Service by $10,000,000, a sum believed to be necessary to carry out this research to aid mental health.

This measure also carries authorization for an appropriation of $4,500,000 for the construction of needed buildings and for the equipment of the facilities at the health center in Bethesda through which this research will be conducted.

As many of you know, I have been and I am opposed to the Federal Government entering into any field of endeavor which rightfully belongs to a State or a local community, or to the Federal Government assuming any obligation that rests primarily upon a private citizen, or upon a local community, or upon a State. I believe there is a line of demarcation between the duties and responsibilities of the Federal Government on the one hand and the States, local communities, and individual citizens on the other hand. I have zealously tried, as a member of the Committee on Public Health, in drafting legislation to be certain the Federal Government does not step across that line and invade the field of State and local responsibility. It seems to me that the Federal Government does have a responsibility to all the people, as far as research is concerned; as far as certain features of health instruction may be concerned; as far as recommending equipment to be used, or preparing plans for furnishing a center where medical men and others from various State and local institutions may come to receive and obtain the latest information and to learn something of the latest methods used in combating various mental diseases which develop throughout the Nation and among the people thereof.

This bill does hold the activities of the Federal Government to that one single field I have mentioned. It does not, however, in any way compel the Federal Government to assume responsibility for the care of any individuals except those

who may be used purely for instruction or for experimental purposes, if I may use the word "experimental" in the proper way. This bill does not take away from the States any of the rights or privileges they now have in this field. It simply establishes on about the same basis as the great National Institute of Cancer a new research center to deal primarily and specifically with mental diseases and mental disorders, and, of course, the war that has just closed has proven to us that there is a growing need for some central research institution as to mental diseases. This bill establishes that research center.

Mrs. BOLTON. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mrs. BOLTON. I wonder if the committee went into the possibility that Federal support of research might be an unstable base for research? I am asking for information because we allocate funds only from year to year, whereas research is a matter that covers a long period of time.

Mr. BROWN of Ohio. I am not certain that I understand the import of the gentlewoman's question, but if I understand correctly, this research would be a continuing thing over a long period of time in a program under which the Federal Government could obtain specialists and give instruction here in this research center that would be simply unavailable and beyond the means of any single State or community to otherwise obtain.

Mrs. BOLTON. But are we certain that the Congress would continue to appropriate funds?

Mr. BROWN of Ohio. We can never be certain as to what any future Congress may do.

Mrs. BOLTON. That is what I mean.

Mr. BROWN of Ohio. But we can be rather certain of what the future Congresses will do. The Congress could, of course, refuse to vote appropriations any year for any governmental purpose, including our own salaries or the salary of the President of the United States, or for the maintenance of the Army and Navy; but it is not likely it would. Certainly the Congress could refuse appropriations for any purpose.

Mrs. BOLTON. Does the gentleman think it would be a safe enough proposition to start a research project in this field under these conditions?

Mr. BROWN of Ohio. I certainly do, because this establishes a national policy and program which, like the establishment of the National Cancer Institute, will be a continuing thing. I believe it will grow in importance and value as time goes on and will prove its worth to the people of America as something that is greatly needed. Certainly if there is any field in which the Federal Government belongs, it is in the field of research.

Mrs. BOLTON. I am not absolutely sure that I agree wholly with the gentleman on this point. Inasmuch as the need for broader understanding of psychiatry is one of the dramatic situations in the health field today and is one which the Federal Government through the drafting of an army and the consequent emotional and mental breakdowns of so many of these soldiers had something to do with in creating, perhaps it has responsibility for doing something to bring about a wider knowledge of causes and cures.

Mr. BROWN of Ohio. Undoubtedly, the Federal Government in some of its actions and activities may have increased the number of possible patients for any mental institution we might name, but they would not be cared for under this bill unless they were brought in simply for study and instruction purposes. Otherwise we might establish a special ward out there for the use of some of our friends.

Mr. WADSWORTH. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from New York.

Mr. WADSWORTH. Will the gentleman explain, if he is permitted in the time allotted him, the necessity for grants to the States?

Mr. BROWN of Ohio. Will the gentleman give me the section to which he refers?

Mr. WADSWORTH. One reference to it is found on page 9 of the bill in section 8. There are other grants also to universities, hospitals, and other public and private institutions.

Mr. BROWN of Ohio. If my memory serves me correctly, and I have not had an opportunity to refresh my memory completely on this legislation, the only grants extended to the States are where they maintain public-health services and request these special representatives or doctors from the mental health center, to come to the States to give instruction instead of bringing State employees into Washington. These experts would go from Washington out to one of the State institutions and give instructions and demonstrations as to the latest methods and means of handling these mental cases.

Mr. WADSWORTH. Does the gentleman believe that the language covers merely the thing he speaks of?

Mr. BROWN of Ohio. It permits the training of these local officials. If in this research center they would develop a method to handle certain types of mental cases, and then instead of bringing in all the nurses and the personnel from each State hospital to learn down here, they may send experts from Washington to the State hospitals to explain the methods and means of handling those particular cases. That is the purpose of this particular section.

Mr. WADSWORTH. There is no doubt but that the section does provide for the activities to which the gentleman refers, but it goes further than that. It is to enable the Surgeon General to assist in establishing and maintaining public-health services in the States.

Mr. BROWN of Ohio. For this particular purpose.

Mr. WADSWORTH. Including grants for demonstration.

Mr. BROWN of Ohio. That is entirely correct.

Mr. WADSWORTH. It is not merely grants for demonstrations.

Mr. BROWN of Ohio. No; but it is in connection with these particular types of cases where instruction is given.

Mr. PRIEST. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Tennessee.

Mr. PRIEST. In reply to the gentleman from New York, may I say that the language he is referring to on page 9 is the language now in effect with reference to cancer and tuberculosis and is simply used in this case to apply to the question of public health.

Mr. WADSWORTH. With an increase in appropriation?

Mr. BROWN of Ohio. Yes; so that these mental-health cases can be integrated into the Public Health Service as a new activity.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Illinois.

Mr. SABATH. In my desire to be brief and not detain the House more than necessary, I omitted to make the statement that the gentleman from Ohio, who happens to be a member of the Rules Committee, together with the gentleman from Indiana [Mr. HALLECK], are both members of the Interstate and Foreign Commerce Committee, and when I referred to that committee as hard-boiled, of course, I did not have these gentlemen in mind. I do want to say that from what we have observed now how intelligently the gentleman from Ohio has answered all questions propounded, it shows that he in conjunction with the gentleman from Tennessee has devoted a great deal of time and attention to this matter, as well as the gentleman from Indiana [Mr. HALLECK]. I do not desire to deprive them of the credit that is due both of these splendid members of the committee.

Mr. BROWN of Ohio. I appreciate the compliment of the gentleman.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. This does not border on or take on anything of the features of socialized medicine, does it?

Mr. BROWN of Ohio. Absolutely not. I checked very carefully, and other members of the committee also checked just as carefully, to be certain we did not step across the line I mentioned a moment ago and go into the field of socialized medicine or into endeavors which properly belong to the States or the local communities. This is purely for research, it is purely for instruction, to render a service that the States and local communities cannot render for themselves except at an expense which would be unbearable.

Mr. ROBSION of Kentucky. It brings together and makes available to the States and the hospitals of the States the latest information of the whole Nation?

Mr. BROWN of Ohio. That is correct.

Mr. EATON. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from New Jersey.

Mr. EATON. I feel, of course, as the gentleman does, that the need for this service in this country is tremendous at the present time. I am only anxious to be assured that these grants by the Federal Government will not further intrude upon the sovereignty of the States.

Mr. BROWN of Ohio. We took out of this bill every line and every word that we believed would in any way intrude upon the sovereignty of the States, would lead toward socialized medicine, or would in any way interfere with the normal functioning of local hospitals, and understood that the work of the Federal Government in this respect will be confined purely to research, to instruction, to training, to tests, to examinations, to experiments, and so forth.

Mr. EATON. Has the gentleman any hope that this research in the mental condition of America will discover why a majority of our people have kept the New Deal in power for 14 years?

Mr. BROWN of Ohio. I do not believe I want to discuss that at this time. I am hoping that this bill will be passed.

Mrs. BOLTON. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentlewoman from Ohio.

Mrs. BOLTON. As I understand, this research at Bethesda will in no way interfere with any research that is now going on in the States in private or in public institutions?

Mr. BROWN of Ohio. Oh, no. I would like to say to the gentlewoman, and I believe I should have explained it to the House, that all of the research which will be done will be in conjunction with research in other institutions, and will bring to this Federal research institution here the latest discoveries, and methods worked out in other research institutions. There will actually be much more money spent in these private research institutions than will be spent here in the Federal Government institution. Not only that, but representatives of every State public health administration, every State welfare department, and every hospital which has anything to do with mental diseases, are behind this bill. They have all approved it. They have all requested it. There was no opposition to this bill. Instead, there was general approval of the measure, and I hope that this rule will be adopted so that we may consider this bill.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. BRUMBAUGH].

CANCER IS THE SCOURGE OF MANKIND

Mr. BRUMBAUGH. Mr. Speaker, this rule making in order H. R. 4512 now under consideration, and which I sincerely hope will receive unanimous approval, provides funds for research relating to psychiatric disorders and to aid in the development of more effective methods of prevention, diagnosis, and treatment of such disorders and for other purposes. It is noteworthy that this legislation, which amends the Public Health Service Act, includes cancer among the diseases that will be the subject of study and research under the provisions of this important bill.

Mental diseases, we are told, have increased at an alarming rate in the United States the past few years, and a surprising number are afflicted with shadowed minds. The great strides made by the medical profession in treating mental disorders have resulted in establishing a ray of hope for those unfortunately suffering from diseases of the mind.

Yet cancer appears to be as baffling to the medical world as it was a score of years ago and ranks high on the list of diseases responsible for the American death rate. The anguish and tortured life that follows the inception of cancer is too well known to need any detailed explanation. It is sufficient to say that to the victim of cancer the angel of death is a welcome visitor, since she releases the patient from the agonizing pain that wracks the impoverished body ravaged by one of the most devastating diseases known to mankind.

I feel highly privileged to be in position as a Member of this House to support the rule on H. R. 4512. There is little doubt in my mind that all of you have at some time had the opportunity from personal observation to witness the agonizing torture of some loved one or acquaintance who has suffered with cancer. Truly, it is the scourge of mankind.

This week I received a letter from a prominent and highly respected citizen of my congressional district which I wish to read to you as an eloquent appeal for the enactment of legislation as embodied in the bill now under consideration. My constituent is a loving husband and devoted father and his pathetic appeal is filled with added pathos as I was informed this morning that his beloved wife passed away shortly after he had written this sad, yet inspiring message. If any Member of this House is undecided in regard to his views concerning this legislation I beg of him to listen attentively to the eloquent plea of a heartbroken husband and father written at the deathbed of a loving wife who less than a year ago was in seemingly good health. In the short space of 7 months cancer, in its deadly mission, succeeded in ravaging the body of this fine young wife and mother, bringing blindness in its wake until in the closing days of her illness a state of delirium enveloped her and muffled to a degree the excruciating pain that permeated her whole being.

Two days ago the summons of death ended the deathbed vigil and released this attractive wife and mother from months of pain and suffering that the tender care of loved ones and the best medical treatment and surgical skill in the United States found it impossible to relieve.

This heart-rending letter with timely admonitions and a pathetic appeal is not only a grim warning but likewise presents a stirring challenge to all of us to wage a relentless war against cancer—the foe of mankind. You or I may be the next victim or someone dear to us may be stricken by this insidious disease as it continues on its infernal flight, for like death itself, it is no respecter of age, sex, or social position in life. The thought-provoking letter is as follows:

———, PA., *March 11, 1946.*

Hon. EMMERT BRUMBAUGH,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN: I am 41 years of age, and have two daughters, aged 12 and 16. My wife is also 41 years of age, and I am now watching her die of cancer.

Six months ago my wife was apparently one of the healthiest and happiest women of our community. I took her to one of the largest hospitals in our country, where they cut part of her body away. She has suffered every conceivable agony and torture, and I have watched her go blind. The dozens of doctors that examined and tried to help her have always given me the same answer, "I am very sorry, just try to make her comfortable."

She now has a few hours, or perhaps days, to live, and I am deeply grateful that she is no longer suffering, for now she is irrational, and can no longer tell me of her pains and tortures, and there is nothing more left for me to do but to wait her death and to make plans for her burial.

But for the 17,000,000 Americans alive today that are destined to die of cancer there must be an answer.

Less than 10 years ago there were other dreaded diseases that were spoken of with fear and superstition, but today cures have been found, and no longer are they spoken of in hushed tones.

The cure for cancer is no more inconceivable than the discovery of the cure for these other dreaded diseases. Our Nation has spent over $2,000,000,000 to discover the atomic bomb, and still twice as many Americans have died of cancer than were killed between Pearl Harbor and VJ-day.

I have but a small voice in a small community, and I am appealing to you with everything at my command to take this letter most seriously. You are the Congressman of a great State. You have at your disposal the means and power to let thousands of people learn of this high purpose.

We can conquer cancer, but the public must be aroused. My wife is no longer a part of this world, but there are thousands and thousands of wives, husbands, fathers, mothers, sons, and daughters who may be the next victims of this now dreaded scourge. I, also, was most complacent until cancer hit my happy home, but no man, rich or poor, white or black, knows when cancer may strike next.

My wife is dying alone. My life and the lives of my daughters will go on, but we must do something to save other happy families from the same heartbreak and mental torture that we have gone through.

There will be a cure for cancer. Give our great doctors and scientists the means to study. Help raise enough dollars. They will find the cure.

You have the power to bring this cause into the open. True, it may not be pleasant news to your constituents, but it may help save your life and thousands of their lives.

I do not desire publicity, nor do I want my name to be mentioned, but I beg of you not to permit this letter to go unheeded. It is people like you that must help. Public opinion must be aroused and money must be raised either privately or through the Government. There is no more important mission than to find a cure for a disease that is killing about 13 percent of our population. We must have a greater research effort, so that the people now doomed may live.

We must conquer cancer, and all of the anguish and suffering and heartbreak that accompanies it—and you are the one to help, now.

Most sincerely.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Speaker, I can very easily go along with the committee so far as setting up this National Institute of Mental Health is concerned and having the Public Health Service make a study of mental disorders. But why the committee provides again for grants to the States, and nonprofit institutions I do not understand. We have just had a lecture, you might say another lecture, for we have had many of them from the gentleman from Texas [Mr. SUMNERS] who tells us about the centralization of power and the bureaucracy in the Federal Government. He is going to retire from service in this House. I have known the gentleman ever since he has been here, as it happens that the gentleman from Texas [Mr. SUMNERS] is one of five Members of the House today who were Members when I came here to work as a secretary to a Congressman 34 years ago. If he wants to stop the centralization of power and reduce bureaucracy that you hear him talk so much about, the way for him to do it is to stop these grants to States and to stop Federal aid to the States. You can make up your mind that every time you provide for a grant to the States or Federal aid to the States, the Federal Government is going to police the money. They are going to go out to the States and see that the money is spent for the purposes for which it was appropriated and allocated; and in so doing, they will police the activities of the States. If you think they are not going to do it in connection with this legislation, let me invite your attention to paragraph (h) of section 8, where it is provided that they shall go into the States to see that this money which is going to be allocated is being used properly. They will go not only to States but to hospitals, universities, and so forth. Section 8, paragraph (h), provides that they will not spend any money until they see that the regulations are followed. Read it, do not take my word.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. BROWN of Ohio. I would like to impress upon the gentleman that this section to which the gentleman refers is in substance in the present law and it has been for a long, long time. The only thing that is done here is to make it applicable also to mental health.

Mr. COCHRAN. I understand, but the gentleman from Ohio cannot deny that you are spending $10,000,000 additional.

Mr. BROWN of Ohio. No.

Mr. COCHRAN. Oh, yes.

Mr. BROWN of Ohio. That $10,000,000 is not an aid to the States at all.

Mr. COCHRAN. You are raising the $20,000,000 to $30,000,000. Look at your report.

Mr. PRIEST. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. PRIEST. As a matter of fact, and I am sure the gentleman from Ohio will agree with me, that the amounts that go to the States are rather negligible and the bulk of the $10,000,000 will be spent in a training and research experimental program by the Institute. There will be here and there some minor grants-in-aid. For instance, if a hospital connected with a university in the State of the gentleman from Missouri has some special study under way and they need some help, there will be a small grant made but the amount going to the State is negligible.

Mr. COCHRAN. Where are you going to get the money that is going to be distributed? Nowhere but from the taxpayers of the States.

Mr. BROWN of Ohio. The money can be gotten from the same place that we got the billions of dollars that the gentleman from Missouri has voted away in the past 20 years.

Mr. COCHRAN. The State of Ohio from which the gentleman comes is known as one of the taxpaying States of the Union, just as my State of Missouri is. But there are many States in the Union who get out of the Federal Treasury more money than they put in. This matter of making Federal grants and providing Federal aid, if it is continued, is going to make it absolutely impossible to balance your normal budget.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. SABATH. Mr. Speaker, I yield two additional minutes to the gentleman from Missouri.

Mr. COCHRAN. Every time we make one of these Federal grants or provide Federal aid, you know it will stay on the statute books. On Monday we passed a bill absolutely full of Federal aid and Federal grants to the States, the Agricultural Department appropriation bill.

Try to repeal one of them. You do not find any one of these gentlemen who have been talking about centralization of power offering amendments to strike from that Agricultural Department appropriation bill any of these items that are hand-outs to the States. The thought comes to me we had better be a little careful and stop this distribution of Federal money if you want to balance the budget.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. Yes; I yield.

Mr. BROWN of Ohio. If the gentleman will just take time, when he retires from the well of the House, to read section 8, which he has been discussing, he will see that a limitation is placed in this section of $3,000,000, to be used not only as an aid but for the training of personnel.

Mr. COCHRAN. True, but the bill also provides for an increase from $20,000,000 to $30,000,000. It also, aside from that, provides for money to set up this institute. The gentleman cannot deny that. Set up the institute and stop there and I will go along with you.

Mr. BROWN of Ohio. No one denies anything, but I am attempting to explain to the gentleman, and it seems impossible for him to understand what is in this bill.

Mr. COCHRAN. I know what is in the bill.

Mr. BROWN of Ohio. I hope the gentleman will read it again, and if he will read it carefully, he will ascertain that the limit that can possibly be spent, including the training of personnel, is $3,000,000 a year.

Mr. COCHRAN. If the gentleman will look at the report under the Ramseyer rule, and read it, he will see that it shows the existing law is changed from $20,000,000 to $30,000,000. Here is what the report says:

(c) To enable the Surgeon General to assist, through grants and as otherwise provided in this section, States, counties, health districts, and other political subdivisions of the States in establishing and maintaining adequate public health services, including grants for demonstrations and for the training of personnel for State and local health work, there is hereby authorized to be appropriated for each fiscal year a sum not to exceed [$20,000,000] *$30,000,000*. Of the sum appropriated for each fiscal year pursuant to this subsection there shall be available an amount, not to exceed [$2,000,000] *$3,000,000*, to enable the Surgeon General to provide demonstrations and to train personnel for State and local health work and to meet the cost of pay, allowances, and traveling expenses of commissioned officers and other personnel of the Service detailed to assist States in carrying out the purposes of this subsection.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. HOFFMAN. As I understand, the gentleman is against this bill because it carries an appropriation of millions of dollars?

Mr. COCHRAN. I said I could go along with them with reference to the institute you want to set up, but I am warning you that you are handing out additional grants to the States, so don't be complaining about centralization of power and bureaucracy in Washington when you make the grants.

Look at section 303, page 8, and see what you are going to do with the money. I quote: "to provide such training and instruction, and demonstrations, through grants, upon recommendation of the National Advisory Mental Health Council, to public and other nonprofit institutions, including grants to such institutions for the construction, acquisition, or leasing of hospital, clinic, and related facilities necessary for the purposes of such training and instruction."

Here you are not only going to spend the money for research, but you are also going to use it for construction, acquisition, or leasing of hospitals, and so forth.

Mr. HOFFMAN. The gentleman is trying to convert the Republicans to an economy program; is that it?

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield to the gentlewoman from Ohio [Mrs. BOLTON] for a unanimous-consent request.

(Mrs. BOLTON asked and was given permission to extend her remarks in the RECORD and include a letter.)

Mr. BROWN of Ohio. Mr. Speaker, I yield to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Speaker, I am very sorry that I missed the roll-call vote on the Lanham veterans' housing bill. At that time I was in a very important meeting of a subcommittee on appropriations for Government corporations. I

failed to hear the bells. Of course, I would like to have the RECORD show that I am very much in favor of the bill.

Mr. BROWN of Ohio. Mr. Speaker, I yield 7 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Speaker, I ask unanimous consent to speak out of order part of my time.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. ROBSION of Kentucky. Mr. Speaker, I am in favor of the rule making the bill, H. R. 4512, before us in order, and as I understand the bill I am in favor of it. It had the unanimous endorsement of the able Interstate and Foreign Commerce Committee of the House and I understand the rule was granted by the Rules Committee without a dissenting vote and that there is little opposition to the bill.

I thank the Speaker and the House for granting its unanimous consent for me to talk on another subject not related to the bill.

I am very much disturbed over the threat to world peace. Our Nation took the lead in helping to set up the world organization. Its purpose was to encourage and preserve world peace. We certainly should do nothing to weaken or destroy that leadership.

Ever since the very able and distinguished former Prime Minister of Great Britain, Mr. Churchill, made his speech at Fulton, Mo., in which he suggested that we enter into an alliance with Great Britain, I have been very greatly disturbed and so have many editors, commentators, and other leaders in our country over the threat to world peace. This speech of the former Prime Minister is most significant in view of his power and influence throughout the world, and the fact that the President of the United States in a special car was accompanied by him to Fulton, Mo., and introduced Mr. Churchill.

The President says that he did not read Mr. Churchill's speech or know what he intended to say. And for the sake of argument we may assume that this statement of the President is true. But it would not likely be accepted in the countries of Europe, Asia, and Africa. The leaders of most of those countries would at once assume that this very important world declaration by Mr. Churchill had the knowledge and approval of the President of this, our Nation, before it was made.

Before World War II started and before Italy became involved in the war, when Hitler visited Rome and was presented by Mussolini, the people of this country and other nations at once accepted as a fact that Mussolini and the Italian people were in accord with Hitler; and when Mussolini visited Berlin and was presented by Hitler, the same construction was placed upon such action; and whether it is true or not, many countries of the world might very well believe we were lined up on the side of the British Empire in this controversy between Mr. Churchill and Premier Stalin; and we do know if his suggestions should be carried out it would destroy the United Nations Organization and would greatly lessen our influence for world peace. I do not blame Mr. Churchill to look out for the British Empire. He always shows his devotion to and partiality for it.

No one could be more opposed to aggression than I am. Neither do I believe in communism or a communistic form of government. If there is a single Communist living in my district I have never heard of him. There is not a place in my district large enough to plant the staff of the red flag of communism. There is no congressional district in the United States where the people are more genuinely American and believe in American ideals and the American Constitution and the real American way of life than do the people whom I have the honor to represent. We do not, however, have any desire to regulate the domestic or internal affairs or the form of government of the Russian people. That is their business. I have always opposed and shall continue to oppose the imposition of their form of government, communism, and their ideals of government, upon the American people.

I am one who has been very critical of the conduct of the Russian Government in many acts of that Government at the San Francisco Conference and since the United Nations Organization was established.

I think I understand the very important issue that confronts the British and Russian Governments.

The Russians desire to come down into the Mediterranean through Yugoslavia and the Adriatic Sea, and through the Dardanelles, and they too, according to all reports, look with selfish designs on the rich oil fields of Iran, and they desire to come down into the Indian Ocean through the Persian Gulf.

It is understandable why the British Empire does not desire Russia to accomplish any one of these purposes. The British feel that it is a threat to their life line and to the British Empire.

I condemn aggression among nations, more than I would for one man to move onto his neighbor's land, imperil his family, and take possession of his goods and property. Such acts violate the laws of God and of nations. My great concern is that if these two great leaders, Churchill and Stalin, continue to use such vituperative language as well as the short and ugly word, the first thing we know we shall be plunged into another terrible war—more terrible than the one through which we have recently passed.

We Americans believe in free speech. But why should Mr. Churchill leave his native Britain and come to this country and in company with the President of the United States, and use our country as a sounding board to make these attacks and urge upon our country to do an act that would destroy the leadership of this Nation for world peace, and destroy the effectiveness of the UNO to influence the world for peace and to keep the peace?

I know it has been said this is a time for plain speaking. It certainly is a time for sound, sober thinking. If something must be said let the head of this Government declare the policy of this Nation. Let it not be done through the introduction of Mr. Churchill by the President of the United States and under circumstances that might very well convince other nations that some sort of understanding has already been reached.

The Security Council meets here in a few days. We want all the members of that Council to be present, and to feel that it is our high purpose to carry out the San Francisco Charter through negotiation and to resolve the differences between nations. But if the Council should come to the conclusion that we are already committed to a certain course it can have no effect except to destroy our leadership and our usefulness. If Britain and Russia should become involved in war, more than likely we would be drawn into that war and, of course, this must be the desire of Mr. Churchill.

AVOID WAR—PRESERVE WORLD PEACE

The world has just come through the most cruel and destructive war recorded in history. It is intimated that approximately 50,000,000 men, women, and children were killed. Our casualties—killed, wounded, and broken in body—were more than a million. Perhaps a trillion dollars were expended and property values destroyed.

We expended more than four hundred billions. Our people face a staggering debt of more than three hundred billions with hundreds of billions more of contingent liabilities. Millions of our young men only recently have returned to their homes and their families and laid aside their uniforms. Other millions, like the sons of some of us, still have on their uniforms after many years of service.

All these burdens and losses cannot be liquidated in a hundred years. We still have hundreds of millions of starving, helpless, homeless people, men, women, and children. The tears of the fathers and mothers of our sons and daughters have scarcely dried. Must this country and the world now be plunged into another struggle, which we know would be more destructive of human life and property and would completely bankrupt the world and no doubt be followed by chaos?

I wish to repeat that every word and every action of our leaders should be weighed with the utmost care and good judgment and sound reasoning should prevail.

I am urging that this great Nation not align itself with any other nation in any way that may weaken our leadership for peace, justice, and right. Let us use this powerful leadership to our utmost to reconcile the differences between the other nations. Let our leadership be directed to aid other nations to compose their differences within the framework of the organization that has been set up. Let us still hold that position of leadership that we have assumed and have carried forward so successfully.

As a sworn Member of the United States Congress, without partisanship and without political considerations, I feel deeply that it is my sworn duty to do whatever I may be able to do to keep our country and the world from being involved in another global struggle, and I am sure this must be the sincere prayer

and the earnest hope of every loyal American citizen.

Will it help our cause to have Mr. Churchill and other great world leaders use our country as a forum under circumstances such as prevailed at Fulton, Mo.?

I am, and more than 99 percent of the people of my district are, native-born of Anglo-Saxon stock. While I have always been a great admirer of Mr. Churchill, I feel that my first duty, my first concern, is to the United States of America.

Mr. SABATH. Mr. Speaker, I cannot move the previous question without first complimenting the gentleman from Kentucky [Mr. ROBSION] for making that patriotic and sensible speech. I hope he will not be assailed and attacked now for having the best interests of our country at heart, and for feeling that nothing should be done by anyone in this country that might bring us into war. I hope sincerely he will not, for his statement, be branded a Communist.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A CLEAN SLATE

Mr. HOFFMAN. Mr. Speaker, for 113 days the people have been waiting for the settlement of the General Motors strike.

It was with a sigh of relief and a hope that for a time major strikes were over that we learned yesterday that the strikes against General Motors and General Electric had been settled.

Unfortunately, the policy of the administration is such that many still fear that smaller plants throughout the country, unable to meet the wage scale of these great corporations with their millions of dollars of resources, will be forced either into inactivity through strikes for comparable wages or be put out of business by inability to meet those wage rates.

Let us, however, hope that the slate, insofar as Steel, General Electric and General Motors are concerned, has been wiped clean and that the administration will, for the moment and at least until reconversion has been attained, forget its political alliance with the PAC and the CIO and cease its attempts to give special privileges to organizations from which it might expect in return support in the coming November elections.

From the press of a few days ago, we get a miniature picture of what strikes generally have cost us. That article is as follows:

JANUARY STRIKES COST NATION 10,000,000 MAN-DAYS OF WORK—PRODUCTION INDEX DROPS THOUGH TOTAL OF EMPLOYED RISES 1,600,000 OVER 1945

Strikes cost the Nation around 10,000,000 man-days of work in January, the largest such loss on record, according to Government estimates yesterday.

The loss of work reflected the impact of the steel, General Motors, electrical, and other strikes.

It dimmed an otherwise generally bright economic picture. A United Press survey showed that employment and unemployment (disregarding strikers) both gained somewhat. The fact that both increased at the same time was due to the expanding size of the labor force as more servicemen sought civilian jobs.

PRODUCTION INDEX DROPS

The industrial-production index in January was off five points as strikes in the steel and auto industry forced shut-downs in other lines. The retail-price index made a fractional gain. The farm-price index took a small seasonal set-back after several months of upturn.

Treasury spending continued to fall. Receipts almost equaled those of the previous month, and exceeded those of January last year. The deficit was lowered.

The weekly average wage in the latest month for which figures were available was off slightly but average hours of work likewise showed a decline.

The January labor force—those willing and able to work—was 53,990,000, an increase of 3,000,000 over January of 1945 and a jump of about 680,000 from last December.

The total employed was 51,720,000 at the end of January, an increase of 1,600,000 from last January and a rise of 360,000 from December.

The month-end unemployment figure was 2,270,000, compared with 1,950,000 at the end of December and 840,000 at the end of January 1945. Strikers are not counted as unemployed since they are not looking for jobs.

Man-days lost through strikes in January, estimated at 10,000,000 were up 2,500,000 net from the previous month. This compared with 840,000 days lost through strikes in January 1945.

Average weekly-wage figures for November 1945—the latest available—showed at $40.89. This compared with $41.04 a month previous and $46.85 in November 1944.

AVERAGE WEEKLY HOURS DROP

In November of 1945, the average wage earner worked 41.3 hours, against 41.7 hours the month before and 45.3 hours in November 1944. Hourly earnings averaged 99 cents last November. In November of 1944, when more wartime overtime was being paid, the average was $1.03.

The December retail price index was 129.9, against 129.3 in November and 127.0 in December of 1944. This climb has been almost constant throughout the year. It reflects increasing costs of living.

The Associated Press has just made a survey of the cost of the General Motors strike from its beginning up to Sunday, March 10, 1946. It totals $1,000,000,000—one thousand millions or one million thousands, whichever you prefer. The Associated Press reports the losses in detail:

"To the industry in unfilled orders, $300,000,000.

"To labor in unearned wages, $150,000,000.

"To car merchandisers in new car sales commissions, $150,000,000.

"Cost of idle plant maintenance, salaries to engineers whose work has been limited by the strike, lost commissions on used car sales, etc., $100,000,000.

"The production level of car manufacturers other than General Motors has been affected by the General Motors strike. So, too, have the earnings of their workers and the sales commissions of their retailers.

"The resultant losses are included in the over-all estimate of the cost of the longest and costliest work stoppage in automotive industry history.

"Most of the car makers long have obtained parts and equipment, such as fuel pumps, bearings, ignition wiring, and similar units from General Motors. The General Motors strike forced them to seek alternate supply sources.

"The estimate of the car manufacturers' loss probably is a conservative one. Instead of a total of more than 1,250,000 vehicles they expected to have passed on to buyers by this time they have had only about 200,000 units and the larger part of these have had to be kept as salesroom display models, both at home and abroad.

"Many of the dealers invested heavily in new salesrooms and other facilities, some were newcomers anticipating the heaviest retail demand in the industry's history. Most of them have large accumulations of unfilled orders on their books but are unable to make any specific promises as to when deliveries may be expected."

Now, who do you think is winning this strike?

Nor are strikes the only monkey wrench which has been thrown into the reconversion machinery. Note the following editorial:

COSTLY SLOW-DOWNS

Figures have been released by Henry Ford II which indicate that industrial workers must produce at prewar rates for their higher wages or the price line will be completely untenable. Any slow-downs in production now or any inclination to do less work for more pay will affect costs, costs will affect prices, and prices will wipe out any benefits from wage increases.

Mr. Ford said that one car in his company's line in 1941 cost $512 to produce, requiring 87 man-hours of labor. Manufacturing cost of the same model now is $962, requiring 128 man-hours of labor. Mr. Ford cited these figures in substantiation of his assertion that the company is losing money on every car it makes. OPA ceiling price on that type of car is $728.

No automobile manufacturer will continue to make cars indefinitely at a loss. The ceiling will go up to some extent, and it is up to both management and labor to bring the cost down. Labor can aid by reducing the man-hours necessary to build it.

A car that was made with 87 man-hours of labor in 1941 can certainly be made in as short a period of time today. The time required should even be shortened, because new methods and machinery are being introduced constantly. If America retreats now in speed of production, it is not going to hold any price line.

Now that the strike in General Motors is apparently behind us, it will be well if the administration cease its efforts to promote a competitive company, end its persecution of General Motors, let industry operate on its own, and give the people an opportunity to buy the best possible motor vehicle at the lowest possible price.

The General Motors strike being over, the administration with good grace can call off the National Labor Relations Board, dismiss the charges of unfair labor practices filed against General Motors and currently being heard by the Board.

It can reexamine the complaints which it claims it has received against General Motors, charging a violation of the antitrust laws. It might with good grace publicly announce that it has no intention of trying to do what it cannot do, that is, seize the raw products which General Motors needs to make its vehicles.

It might go one step further and order OPA to give General Motors, Chrysler,

and Ford a price comparable to that which it intends to give or has secretly given Kaiser-Frazer on its cars and trucks.

In short and to express it briefly, the administration might forget for the moment at least its political ambition and just treat General Motors as it does other business concerns.

During the war, as will subsequently be shown the administration enabled Henry Kaiser to profit enormously through the contracts which it awarded to him.

As will be subsequently pointed out, the State Department is now engaged as an advertising agent in booming Henry Kaiser and the Kaiser products. It is something new, it is something novel, to find the State Department, which most of us had assumed had its hands full formulating and carrying out the foreign policy of our Nation, ballyhooing Henry Kaiser; plugging for Kaiser-Frazer stock; using Government dollars to sell automobiles.

Permit me to give you a brief outline of some of the Kaiser activities:

THE KAISER-FRAZER CORP.

STOCK SALES PROSPECTUS

The prospectus issued by the principal underwriters in the offering of 1,700,000 shares of the corporation's common stock, par value $1 a share, recites, among other things, that—

"These securities have not been approved or disapproved by the Securities and Exchange Commission," but that the corporation "has registered the securities by filing certain information with the Commission," and that "The Commission has not passed on the merits of any securities registered with it."

Following an admonition that it is a criminal offense to represent that the Commission has approved these securities, the prospectus then gives the following information as to commissions, returns, etc., to derive from sales of the initial offering:

	Price to public	Underwriting discounts and commissions [1]	Net cash proceeds to corporation [2]
Total	$17,000,000.00	$1,870,000.00	$15,130,000.00
Per share	10.00	1.10	8.90

[1] Attention is directed to the provision for indemnification of the underwriter by the corporation set forth under "Underwriting" herein.

[2] Before deducting expenses of the corporation estimated at $101,200.

Organization

The corporation was organized under the laws of Nevada on August 9, 1945, by Henry J. Kaiser, acting on behalf of the Henry J. Kaiser Co., the Kaiser Co. (referred to as the Kaiser interests), and Joseph W. Frazer, acting on behalf of the Graham-Paige Motors Corp., "qualified to do business in California and Michigan."

When the prospectus was issued there were 500,000 shares of common stock outstanding which the Kaiser interests and Graham-Paige purchased directly from the corporation at $10 a share in cash.

The 1,700,000-share issue offered, with the 500,000 then outstanding and held by the Kaiser interests and Graham-Paige, made a total of 2,200,000 shares, with estimated receipts from the sale of the 1,700,000-share offer given at $15,028,800.

The prospectus listed the names and backgrounds of the corporate officers and directors, with officers' salaries, and recites that the corporation had agreed to lease "a portion" of the Willow Run plant for a term ending December 31, 1950, at an annual rental of $500,000 for the year 1946; $850,000 for the year 1947; and $1,200,000 for each of the remaining 3 years, the Kaiser-Frazer Corp. to pay all taxes, insurance, and ordinary maintenance expenses.

Moody's Industrials—References to and excerpts from

Page 1920:

"Common stock offered. 1,800,000 shares of $1 par common offered at $20.25 per share (proceeds to company $19.15 per share) on January 24, 1946, by a syndicate headed by Otis & Co., Cleveland; First California Co., San Francisco; and Allen & Co., New York.

"Net proceeds of about $15,500,000 in cash and securities derived from initial financing (p. 2410) has provided company with nearly $54,000,000 in liquid funds. Giving effect to sale of above shares, company will have 4,000,000 shares outstanding (see pp. 1943 and 2000).

"Orders. Comment. During company's display of new Kaiser and Frazer cars, held in New York, a total of 8,700 orders were received, equivalent to approximately $11,000,000.

"J. W. Frazer, president, said that the company had close to $54,000,000 in cash and Government securities and was amply financed for the west coast expansion program."

"Stock registration amendment. The company, in amendment to its registration statement filed with the SEC covering proposed public sale of 1,800,000 shares, disclosed that H. J. Kaiser interests plan purchase of 45,000 shares of stock and J. W. Frazer 5,000 shares at public offering price. Kaiser interests already own 325,000 shares."

Page 2410:

This page discloses the rental of at least 265,000 square feet of manufacturing space in the Willow Run plant, beginning at $500,000 for 1946, $850,000 for 1947, and $1,200,000 a year for each of the remaining 3 years.

This page also discloses that there is to be joint operation of the Willow Run plant with Graham-Paige.

NOTE.—Senate Document No. 987, Seventy-ninth Congress, second session, filed February 21, 1946, under Senate Resolution 129, by the Committee on Military Affairs, at page 11, shows that RFC project 151, Ford Motor Co., Ypsilanti, Mich., north section, hangar No. 1, had been rented to Kaiser-Frazer Corp. for 5 years. The document gives the cost of facilities leased as having been $25,000,000, but the rental is not stated.

Page 2000:

"The company has filed a registration statement with SEC covering 1,800,000 additional $1 par common shares for public offering through Otis & Co., Cleveland; First California Co., San Francisco; and Allen & Co., New York, at a price to be filed with the Commission. The financing which is undertaken to provide funds additional to approximately $19,500,000 on hand is for use in starting automobile production, would result in 4,000,000 common shares being outstanding out of an estimated 5,000,000 shares.

"Based on current quotations for the stock, it is estimated that the net proceeds of the new offering would be approximately $25,000,000. Of this total it is estimated that company would spend approximately $18,000,000 as follows: Machinery and equipment for automobile manufacture at Willow Run plant, $7,500,000; equipment for the proposed Pacific coast automobile plant, and charges, etc., prior to production of $6,000,000."

NOTE.—Discussion with a reputable brokerage house and with the investment department of a reputable Washington bank brought the voluntary observations that the Kaiser-Frazer stock is speculative. All purchases and sales of the Kaiser-Frazer stock are across-the-counter transactions, and the stock is not listed either on the "big board" or on the Curb Exchange. It is suggested by a person in a position to know that the Willow Run plant, and the part thereof leased to Kaiser-Frazer Corp. is much greater in area than the area said to have been leased to the corporation in the Senate document and as mentioned in the prospectus, supra.

State Department's short-wave broadcast boosts Kaiser stock

On January 30, 1946, the State Department's overseas short-wave informational broadcast dealt at considerable length (six pages of script) with the virtues and abilities of Henry J. Kaiser, and his financial and production abilities. The particular broadcast was the Voice of America, one of the United Nations, broadcasting in the 25-, 23-, 20-, 19-, and 16-meter bands direct from New York, over the Voice of America in North Africa in the 25-meter band, and over the BBC in London in the 26-, 49-, 41-, and 31-meter bands. Excerpts from the broadcast script follow:

"This morning I want to discuss a man who Americans like to think is typical of their best traditions of business enterprise and skill in large-scale production, and who also appeals to Americans as a zestful personality. He is Henry J. Kaiser, who is now engaged in doing the impossible in the automobile industry, as he once did the impossible in construction work, and in shipbuilding for the war effort.

"Mr. Kaiser is the kind of businessman who is growing increasingly rare in the United States, a large-scale entrepreneur who habitually risks a great deal of money in order to make a great deal more. He made his name as a miracle worker when he secured contracts for the construction of some of the huge dams which have been built by the Government in the western United States. During the war, his reputation became Nation-wide, even world-wide, when he captured people's imagination by his shipbuilding methods. His system was essentially simple; it was to apply to ships the same mass-production methods which had been so successful in the building of automobiles and radios and refrigerators and washing machines. The idea that ships could be built in sections and then assembled seemed impossible to many people, but Mr. Kaiser proved it could be done, and went on to establish new and incredible records for speed of construction and volume of output. More recently, he headed the clothing drive for the collection of winter clothing to be shipped to the liberated countries of Europe. Now he has seized the public imagination once more by his activities in the automobile industry.

"Near the city of Detroit stands the immense Willow Run airplane factory, erected during the war by Henry Ford for the manufacture of heavy bombers This plant is the property of the United States Government, and stood idle following the end of the war with Japan. Some people claim that it is the longest building in the world, and if it isn't, it comes very close. This is the building which Henry Kaiser has leased—together with the Graham-Paige Motor Co., for the production of automobiles. He had declared that his company would make a cheap passenger car and a medium-priced car, which would be ready for sale to the public some time in 1946.

"From the very beginning, experts and onlookers have predicted failure for this latest Kaiser enterprise. They have announced that the risks are too great, the economic situation too complex, the labor difficulties too involved for a new company to be launched on such an immense scale in such

a problematical age. Let us see how Mr. Kaiser has already negotiated some of these difficulties.

"First, the labor problem—which has proved one of the most difficult issues facing the automobile industry as it attempts to get peacetime production under way. Since VJ-day, the automobile companies have been involved in labor disputes which led to at least one major strike, and held up production in other firms. Mr. Kaiser entered immediately into negotiations with the United Automobile Workers Union, and succeeded in concluding a wage agreement satisfactory to both sides. It embodies a substantial wage increase, whose final figure is contingent upon the settlement in the General Motors wage dispute. The wage agreement also embodies a novel feature: A wage bonus which amounts to about $5 for each car produced after a certain level of production has been reached. At the same time—while a steel strike has closed down all the steel mills in the country—Mr. Kaiser kept open his own steel mill in Fontana, Calif., by granting the compromise wage suggested by President Truman. He has also announced plans for building a new steel plant to manufacture the steel sheets used in automobile production.

"Another problem facing the new automobile firm was the question of distribution for the new Kaiser-Frazer motorcars—a difficult question indeed, since it often takes years to build up a complicated chain of local automobile dealers who market the motorcars produced in Detroit. The problem was partly solved by the magic of the Kaiser name, which induced many dealers to give up their rights to the sale of established motorcars in order to handle the new Kaiser product. Mr. Kaiser's success in building a chain of distributors was demonstrated at a recent meeting of his dealers in New York—a meeting which resembled a religious revival in the enthusiasm which the gathered merchants showed for their product, and the obvious inspiration they derived from Mr. Kaiser.

"The public's response has been equally great. A few days ago, the Kaiser Co. leased showrooms in the New York's largest hotel—the Waldorf Astoria—and there displayed samples of its forthcoming models. The rooms were flooded with customers—with long lines of purchasers slowly filing through the exhibition and placing orders for future delivery. On the first day alone salesmen took a thousand orders, and finally ran out of order blanks.

"As for the Nation's investors—Mr. Kaiser had no difficulty at all in raising capital. The stock he issued was sold out rapidly, and its price on the market continued to rise—despite a general fall in prices brought about by the recent wave of strikes. In other words, most of the difficulties which face a new automobile concern have been negotiated successfully by Mr. Kaiser. And Americans look on this phenomenon as another proof that risk-taking capital will always succeed in overcoming all economic problems—in increasing production, wages, and the Nation's prosperity in general—if it is guided by men who do not mind risks—who are bold and broadminded. This is still regarded as the American way in business affairs."

So much for the State Department's having told the rest of the world about Mr. Kaiser, at the American taxpayers' expense via short-wave radio.

NOTE.—It is shown, supra, that the 8,700 orders said to have been taken would produce about $11,000,000—or about $1,265 per car.

Moody's Industrials also pointed out that Kaiser was negotiating with OPA concerning the price to be fixed on the Kaiser-Frazer autos. The price he gets may be higher than that of his near competitors. Could it be that he had an OPA price when he took orders in New York for future delivery?

Recent and current quotations, Kaiser-Frazer stock

On January 30, 1946, when the State Department broadcast to the world about Kaiser: Bid $21.50; asked $22.50.

On March 12, 1946 (New York Times): Bid $16.75; asked $17.75.

On March 13, 1946 (New York Times): Bid $16.50; asked $17.50.

The March 1946 issue of Reader's Digest contains a condensation of an article from Life, by William Chapman White, exploiting the Kaiser-Frazer Corp., which may be found of interest. The article closes on a comment about Frazer, as follows:

"Every morning he walks around Willow Run. And he says, 'I feel like the midget who married the fat lady in the circus.' After the ceremony he just stared at his bride and repeated, 'Acres and acres of it and it's all mine.'"

According to committee document 57 of the House Committee on the Merchant Marine and Fisheries, investments of the United States and of the Kaiser interests in shipyards, and fees earned therefrom to November 20, 1943, were as follows:

California Shipbuilding Corp.:	
Cost of shipyard to United States	$26,168,791
Capital investment of operator	600,000
Fees earned by operator to Nov. 30, 1943	31,089,244
Fees earned to Nov. 30, 1943, plus remaining fees	35,207,244
Kaiser Co., Inc.:	
Portland yard:	
Cost of shipyard to United States	22,756,570
Fees earned by operator to Nov. 30, 1943	2,925,000
Fees earned to Nov. 30, 1943, plus remaining fees	6,080,000
Richmond yard No. 3:	
Cost of shipyard to United States	23,271,819
Fees earned by operator to Nov. 30, 1943	550,000
Fees earned to Nov. 30, 1943, plus remaining fees	3,000,000
Vancouver yard:	
Cost of shipyard to United States	23,667,802
Fees earned by operator to Nov. 30, 1943	3,175,000
Fees earned to Nov. 30, 1943, plus remaining fees	7,300,000
Kaiser interests' investment in Portland yard, Richmond yard No. 3, and Vancouver yard	100,000
Kaiser Cargo, Inc.:	
Cost of shipyard to United States	1,276,923
Capital investment of operator	500,000
Fees earned by operator to Nov. 30, 1943	[1] 1,225,000
Fees earned to Nov. 30, 1943, plus remaining fees	[1] 3,885,000
Marinship Corp.:	
Cost of shipyard to United States	16,215,000
Capital investment of operator	500,000
Fees earned by operator to Nov. 30, 1943	720,000
Fees earned to Nov. 30, 1943, plus remaining fees	3,000,000
Oregon Shipbuilding Corp.:	
Cost of shipyard to United States	16,824,484
Capital investment of operator	550,000
Fees earned by operator to Nov. 30, 1943	32,550,607
Fees earned to Nov. 30, 1943, plus remaining fees	36,905,607
Permanente Metals Corp.:	
Cost of shipyard to United States	$35,445,420
Capital investment of operator	460,000
Fees earned by operator to Nov. 30, 1943	37,671,100
Fees earned to Nov. 30, 1943, plus remaining fees	42,825,100
Walsh-Kaiser Co., Inc.:	
Cost of shipyard to United States	25,784,472
Capital investment of operator	300,000
Fees earned by operator to Nov. 30, 1943	550,795
Fees earned to Nov. 30, 1943, plus remaining fees	2,900,795

[1] Includes $525,000 paid to Kaiser Co., Inc., Richmond 3A, a predecessor in interest.

PUBLIC HEALTH SERVICE ACT

Mr. PRIEST. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4512) to amend the Public Health Service Act to provide for research relating to psychiatric disorders and to aid in the development of more effective methods of prevention, diagnosis, and treatment of such disorders, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Tennessee.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 4512 with Mr. HÉBERT in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. PRIEST. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the bill that is brought before the Committee at this time represents an effort on the part of the Public Health Subcommittee to deal with one of the country's most serious problems, in my opinion, today. I shall not take time to discuss in any detail the background of this problem that has been brought into sharp focus because of war conditions. We found that during the war 1,600,000 men between the ages of 18 and 37 were rejected by the military services largely because of some neurotic condition or mental disturbance. We find also that many thousands were later discharged from both the Army and Navy and the other branches of the armed services because of mental disturbances.

The problem has been brought more to our attention perhaps in the last few months because of conditions existing in some of our veterans' hospitals. It certainly is a national problem, one that requires a coordinated effort not only on the part of the Federal and State Governments but also on the part of communities, of professions, of institutions, and all other agencies interested in the health of the American people.

Mr. Chairman, it is rather alarming to learn from statistics—it was to me—that more than half of the hospital beds in the country today are occupied by mental patients. We spend each year in this country, or we have been spending, only $2,500,000 all over the United States for research in this field of the treat-

ment and diagnosis of mental cases, of neurotic disturbances, of psychiatric diseases, as we sometimes call them. At the same time, Mr. Chairman, we spend annually $250,000,000 for the care of patients who have been confied to mental hospitals, and confined in a spirit and with an attitude of futility, that here you must spend the rest of your days, nothing can be done to help you.

Mr. HOFFMAN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN. Mr. Chairman, I understand this bill calls for an expenditure of something like $30,000,000. I make the point of order a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 56]

Adams	Fisher	Price, Fla.
Allen, Ill.	Flannagan	Quinn, N. Y.
Anderson, Calif	Fogarty	Rabin
Andresen, August H.	Fuller	Rains
	Gardner	Randolph
Angell	Gary	Rayfiel
Baldwin, Md.	Gathings	Rees, Kans.
Baldwin, N. Y.	Gorski	Rich
Barrett, Pa.	Granahan	Rizley
Barry	Grant, Ind.	Robertson, N. Dak.
Bates, Mass.	Green	
Bland	Gregory	Robinson, Utah
Bloom	Hand	Roe, N. Y.
Buckley	Hartley	Rogers Fla.
Bulwinkle	Heffernan	Russell
Bunker	Herter	Ryter
Burch	Hess	Sadowski
Byrne, N. Y.	Hill	Schwabe, Mo.
Byrnes, Wis.	Hinshaw	Sheridan
Camp	Hoch	Short
Cannon, Fla.	Holmes, Mass.	Sparkman
Carlson	Hook	Starkey
Celler	Kefauver	Sumners, Tex.
Chapman	Kelley, Pa.	Taber
Chelf	Keogh	Talbot
Clark	Kirwan	Tarver
Clements	Klein	Taylor
Cole, Kans.	LaFollette	Thomas, N. J.
Cole, N. Y.	Latham	Thomas, Tex.
Cooley	Lea	Tolan
Crawford	Lesinski	Torrens
Curley	McGlinchey	Traynor
Dawson	McKenzie	Vinson
DeLacy	Murphy	Voorhis, Calif.
Dingell	Neely	White
Durham	Norton	Wilson
Eaton	O'Toole	Winter
Eberharter	Pace	Wolfenden, Pa.
Ellis	Peterson, Ga.	Wood
Elsaesser	Pfeifer	Woodhouse
Fellows	Philbin	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HÉBERT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 4512) to amend the Public Health Service Act to provide for research relating to psychiatric disorders and to aid in the development of more effective methods of prevention, diagnosis, and treatment of such disorders, and for other purposes, and finding itself without a quorum, he had directed the roll to be called, when 311 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The SPEAKER. The Committee will resume its sitting.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Tennessee [Mr. PRIEST] is recognized.

Mr. BUCK. Mr. Chairman, will the gentleman yield for a question?

Mr. PRIEST. I am glad to yield to the gentleman from New York.

Mr. BUCK. It appears to me from reading certain provisions of the bill that $27,000,000 a year may be available for the construction of hospitals. I would appreciate it if the gentleman would explain that provision.

Mr. PRIEST. Since the statement was made by the gentleman from Michigan at the time he made the point of order that a quorum was not present that this particular bill authorize the appropriation of $30,000,000 a year, I would like to explain that point again. The gentleman from Ohio [Mr. BROWN] has explained it once.

There is now authority in existing law for the appropriation of $20,000,000 a year to the Public Health Service to be spent for the purposes contained in the National Institute of Health Act, the Tuberculosis Act, the Cancer Institute and venereal disease control programs. In order to make this bill a part of the public health code, we simply amended the code and raised the ceiling to $30,000,000. This bill, H. R. 4512, now before us, provides for an additional expenditure of only $10,000,000 a year. Of that amount the greater portion of it will be spent largely in the matter of research and investigation by the National Mental Health Institute. There will be available some funds that may be spent for grants-in-aid to States or private institutions, or to political subdivisions, if certain requirements are met and if the application for such grant-in-aid is approved. It might develop, as I mentioned a short time ago, that some hospital in the gentleman's district, some hospital connected perhaps with a university, will be carrying on a special research experiment in this field of mental health, and it might become necessary or advisable to lease some particular building or clinic to further develop that project. It would be possible under such a condition, and provided the request for such a grant were recommended by the National Advisory Mental Health Council and approved by the Surgeon General as well as by the Federal Security Administrator, for a grant-in-aid to be made in cooperation with the National Mental Health Institute to carry out such a program.

Mr. BRADLEY of Michigan. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Michigan.

Mr. BRADLEY of Michigan. May I ask the gentleman whether there is any provision in this bill that would provide grants-in-aid to municipalities that might want to build a general-purpose hospital?

Mr. PRIEST. No; there are no such provisions in this bill. I may say to the gentleman that this same Public Health Subcommittee just concluded hearings on the bill S. 191, which is the so-called Hill-Burton hospital bill. That bill has already passed the Senate. We have concluded hearings on it. That bill would provide funds for what the gentleman has in mind; but there is nothing in this bill making such provision.

Mr. BRADLEY of Michigan. Can the gentleman advise me if he has any idea as to when S. 191 might be before us for consideration?

Mr. PRIEST. All I can say to the gentleman is that it is the intention of the subcommittee to complete executive committee consideration on that bill just as soon as possible, and we hope to report it at a reasonably early date. As to what the definite date may be I cannot say.

Mr. BRADLEY of Michigan. I compliment the gentleman and his committee on the careful study they are giving to the needs of public health.

Mr. PRIEST. I appreciate the comment of the gentleman from Michigan.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. In our State we have a number of hospitals that deal with mental cases. They are carrying on research work in these hospitals. Would any of this money be available to help those institutions carry on that program?

Mr. PRIEST. There would be; yes. Assuming that one or a group of these institutions carrying on special research programs in this field of mental illness have a particular research project there in training, or in study or in investigation, diagnosis, or treatment, they may apply to the Surgeon General for aid to further that project, and it would be made available.

Mr. ZIMMERMAN. These institutions to my personal knowledge for a number of years have been carrying on a program with a view toward restoring people to normal life again. In other words, they are not institutions to house people who have mental trouble; they are institutions that have been giving much of their time, thought, and money to the restoration of people to a normal life.

Does the gentleman believe that these institutions will qualify for a part of this money?

Mr. PRIEST. I certainly do. However, I want to emphasize to the committee again that the amount of money available in this bill for grants-in-aid is comparatively negligible. There is no big hand-out of money for grants-in-aid, but small amounts here and there to help carry on research. I want to emphasize as the gentleman from Ohio emphasized that the big purpose of this bill is research; a matter in which we have lagged so far behind that it is pitiful when we compare how little we have done in research in the field of mental illness with what has been done in other research fields. We make a very poor showing. As I was saying to the Committee when interrupted a short time ago, in the whole United States of America we spend annually—and by "we" I mean the States, the municipalities, the Federal Government and everybody concerned—about $2,500,000

for research in this field, and we have been spending $250,000,000 annually to keep patients housed in mental hospitals.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. PRIEST. Mr. Chairman, I yield myself five additional minutes.

Let me add this one further word on the question of research before yielding. I hope the committee will get this one point. I said earlier that half of the hospital beds in this country today are occupied by mental patients. Now get this. If through research we can find a treatment and cure for one phase of mental illness, dementia praecox, alone, we can cure half of the mental patients today.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Minnesota.

Mr. KNUTSON. I have not had an opportunity to go through the bill. I would like to ask the gentleman if the bill makes any provisions for State participation.

Mr. PRIEST. Yes; this bill is adequate.

Mr. KNUTSON. I mean, in paying part of the cost.

Mr. PRIEST. In paying part of the cost; no. This is not a matching fund proposition. May I say to the gentleman that it follows almost word for word, insofar as its provisions are concerned, the Cancer Institute Act, the tuberculosis, and other programs of that nature. It is not a matching fund proposition. There is only $10,000,000 additional money made available. That is a rather small beginning, in a way, in this great fertile field for investigation and research. There is no provision for State participation on a matching-fund basis. The big thought, the big purpose, the great objective of the bill is to begin to train personnel, to begin to conduct more adequate research and coordinate all of the activities in this field, and to furnish an impetus for State and other subdivisions to do what the gentleman from Missouri has just said was being done in his State; to devote more attention to getting mental patients out of hospitals rather than locking the doors on them and keeping them there the rest of their lives.

Mr. KNUTSON. The national debt is now approaching the saturation point. There is not a State treasury but what is infinitely better situated than the Federal Government. It seems to me that the time has come when we should begin drawing on the States.

Mr. PRIEST. I hope that every State in the Union, when its legislature next meets will make appropriations far larger than the appropriations authorized in this bill to do this work. The situation we face in many of our veterans hospitals is one that borders on the tragic in the matter of a shortage of trained psychiatrists to do the job. I first became personally very vitally interested in this subject last October when I visited a mental hospital operated by the Veterans' Administration. At the outbreak of the war there were only 3,500 experienced psychiatrists in the country. There are today less than 4,000 members of the American Psychiatric Association. The War and Navy Departments found it ne essary because of the extreme shortage of psychiatrists to set up special schools of their own, pick out men that had had some special study beyond internship in this field of mental illness, and train them to work with the armed forces.

Mr. Chairman, I do not wish to prolong this discussion. This bill has had very careful consideration by a subcommittee, which studied it most carefully, and which attempted, as the gentleman from Ohio [Mr. BROWN] said in discussing the rule, to safeguard the bill in every feasible and logical way.

I shall not now go into a further discussion of the background of the legislation. The different sections of the bill are pretty clear, I believe. I hope we can proceed with what I consider to be one of the most important pieces of legislation before the Congress today. It is a piece of legislation that has been a little difficult to get people interested in because we know so little about the thing we are talking about, and that thing is psychiatric disorders.

Mrs. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield to the gentlewoman from Ohio.

Mrs. BOLTON. Is the National Advisory Health Council set up as is the advisory council on cancer?

Mr. PRIEST. Exactly. The National Advisory Mental Health Council as provided in this bill follows the same pattern.

Mr. BROWN of Ohio. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Chairman, in the 2 minutes at my disposal, I cannot say what I would like to on this bill. I have hastily read it and have hardly more than glanced at the hearings but one does not need to devote much time to the study of this measure to see what it is. It is one more of the many bills that have been coming before this Congress to socialize medicine in the United States. It proposes to establish research facilities for the study of mental diseases. I am not a psychiatrist, though anyone who practices medicine must know something about mental diseases. I venture to assert that there is not a Member of this House who understands this measure and the implications that are involved in it. It should be defeated and I hope the day will come when measures of this kind, which cannot be understood except by long study and first-hand experience, will no longer be brought to this floor for consideration. I know with the attitude that prevails in Congress that this is wishing for a great deal.

Mr. BROWN of Ohio. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska [Mr. MILLER].

Mr. MILLER of Nebraska. Mr. Chairman, I do not share the apprehension of the gentleman from Ohio who just preceded me about this being State medicine. We are doing some things now along this line in connection with cancer, tuberculosis, syphilis, and venereal diseases. This is simply an enlargement of the present law. Medical science has made some great advances in the last decade in chemical therapy and surgical techniques. But we have not made much advance in psychiatric medicine. I think we must recognize the most important problem in national health today is the lack of knowledge of psychiatric conditions. The war has shown the necessity for better methods for the prevention and treatment of neuro-psychiatric disorders, from the fact that 43 percent of all the casualties of this war were neuropsychiatric cases. We also know that society's commonest ailments are emotional disorders and such cases amount to at least one-half of a doctor's patients.

We have about a million beds in the United States for the care of people who are ill. About half of those beds are filled by people who are mentally ill. Of these 500,000 beds, there are about 85 percent in State hospitals and 15 percent in county, city, and private hospitals. Of these 500,000 patients, about 45 percent are dementia praecox cases.

I think it is not impossible in the future for science to carry on and find some cure or some prevention for dementia praecox and thus save millions in dollars and lives. About 35 percent of those cases are due to syphilis and people who drink too much. Let that be a warning to some people who have friends who drink too much. It is costing the States about a quarter of a billion dollars a year for the care of these people who are mentally ill. I do not think there is any normal man from the standpoint of absolute nervous stability. You and I have seen on the floor of this House on both sides of the aisle at times when a Member under emotional strain, speak words and even make motions with his hands, which do not reflect to the credit of the individual or to the membership of this House. These people perhaps are emotionally unstable for the moment. But do not get alarmed. I think the average Member of Congress has a higher I. Q. than most folks on the outside, although there are people on the outside, as I find from my mail who feel that Members of Congress do not have a high I. Q.

I think we need more veterans' hospitals for the care of the mentally ill. I talked with General Hawley and General Bradley about the need for more veterans' hospitals for the mentally ill. I do not think we are going to have enough. We are paying out now about $700,000 each month in pensions to veterans. Every veteran who loses his mental balance costs the United States about $35,000. These are figures that I have obtained from what I think is a very reliable source. It costs the State, however, only about $7,000 because they do it on a little different basis. We are going to have to get ready for some pretty large bills in this country in order to care for the mentally ill veteran who has

cracked up. I saw some in Europe. I was very well pleased with the way they were treating some of those men in the psychiatric hospitals. They were fellows who had cracked up because they had gone too long on rations or had been too long on duty in a bomber, or too long in a trench. They were taken back and given a prolonged rest cure. Many of them were returned to some form of duty, which I think was a splendid thing so far as the veterans are concerened. In the last war we put a label on them that they were shell-shocked and sent them home. Then they wandered around on our streets and lined up in front of our hospitals when the going got tough. They cracked up under conditions at home when there was no job and financial problems and domestic problems confronted them. Many people do that. It is amazing the number of people who were rejected by the Army. I think the chairman of the committee gave you some figures on that.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. BROWN of Ohio. Mr. Chairman, I yield one additional minute to the gentleman.

Mr. MILLER of Nebraska. Out of the 10,000,000 men who finally got into the Army, we rejected 1,760,000 because they were mentally ill. They were screened out. That did not mean that those people who were mentally ill could not work at home. They did stay home and plowed corn or repaired shoes or did something which required less readjustment. They were able to do that. But if they were faced with the rigors and hardships of service in the war, those people would crack up. We ought to do something about research work in ferreting out the cause of mental illness. It is only the common sense understanding of the mentally ill and by the inauguration of such a broad comprehensive program as may be outlined under this bill that we could hope to challenge and help the thousands of veterans and others now suffering from mental illness.

The CHAIRMAN. The time of the gentleman from Nebraska has again expired.

Mr. BROWN of Ohio. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. ELSTON. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield.

Mr. ELSTON. The gentleman being a physician will probably know whether or not there is any opposition on the part of the American Medical Association or other medical associations to this bill, on the ground that it is creating socialization of medicine.

Mr. MILLER of Nebraska. I have heard of no objection from the American Medical Association on it. I am sure if there was some they would get word to their friends in the House and others about it. I am concerned somewhat about the allocation of moneys under this bill. At one time I was State health director in Nebraska, and the thing that irked me was that when we got money they wrote the bill and told us how to spend the money. The program we had in Nebraska might have been all right for New York or New Jersey but it was not good for Nebraska. The program needs proper safeguards——

Mr. FENTON. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield.

Mr. FENTON. I wonder if the gentelman has read section 303 of section 6.

Mr. MILLER of Nebraska. Yes; I have read the entire bill.

Mr. FENTON. It provides, among other things, that the Surgeon General is authorized to provide training and instruction in matters relating to the diagnosis, prevention, and treatment of psychiatric disorders to persons found by him to have proper qualifications, and so forth. Does that mean anybody—the laity, or the medical profession?

Mr. MILLER of Nebraska. No. In another section of the bill the gentleman will find it requires that these men who are set up under this board should have proper qualification, wide experience and knowledge of psychiatric problems. I think you will find that in another section of the bill. Personally, I would rather see it safeguarded so that we would be sure of getting men who had broad knowledge of psychiatric conditions and would not be picking out social workers and other types that might not fill the bill.

The CHAIRMAN. The time of the gentleman from Nebraska has again expired.

Mr. BROWN of Ohio. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GWYNNE].

Mr. GWYNNE of Iowa. Mr. Chairman, I doubt the advisability of this legislation at this time. It seems to me the conduct of this Congress in constantly adding to the national debt and in constantly building up bureaucracy is driving more people crazy than this bill will ever cure.

This is another grant-in-aid bill. In other words, this Congress could not legislate in this field if it did not buy the right from the States and pay the States for giving that right, with their own money. This is a grant-in-aid bill, although matching is not required. I will say that.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE of Iowa. No. I will yield later if I have time.

Under the Constitution we have a dual system of government. We have first the Federal Government with almost unlimited powers in the national field. Then, we have under that the State governments, having pretty much unlimited power within certain fields. I know there is a lot of cynicism about States' rights, and yet States' rights, as we understand it in this country, is simply the practical application of the principle of local government, upon which the Anglo-Saxon type of government has always rested.

Years ago, when we had the first grant-in-aid program, some citizen challenged it in the courts. He claimed that no State had the right to give up powers vested in the State by the Constitution, simply because it got some money from the Federal Government.

That case went to the Supreme Court of the United States, and the Court said that was a political matter, that was a matter between two sovereigns and the Court would not interfere. So now, Mr. Chairman, where does that leave us? That leaves us right in this Congress the power to destroy this Government because there is no limit upon this grant-in-aid program except the limit we put on it here.

How much further are we going in this thing? This is not the only bill; there are other bills pending. There is for example a bill to grant a certain amount of money for the building of local hospitals. We can keep on, we can keep on until the control of education, until the control of relief, until the control of local government, the control of everything and everybody is vested in this Congress. I say the time has come to call a halt. Let us bear in mind that this work is being done now. Is it not a good thing to have 48 States, 48 laboratories to experiment with this sort of thing? I recall the headway being made in the control of the liquor traffic by the 48 States, and then some person got the idea that because there was still some great evil in the country we could do much better if we had that power lodged in the Federal Government. We did, and we learned. Eventually we shall learn that there are some things that can be better done by the States or by individuals and not by the Federal Government.

I appreciate the fact that no large sum of money is involved in this bill, but there will be more, do not worry. I recall we passed a bill some time ago for aid in the school-lunch program, something like $50,000,000, but now the bill stands at $110,000,000. If there is $10,000,000 in this bill you can bank on it that a year from now or 2 years from now, anyway, in some short time, it will be substantially greater. I trust the Congress will decide to call a halt to this kind of legislation.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. PRIEST. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. Mr. Chairman, I regret that I did not hear the attack that the gentleman from Kentucky [Mr. ROBSION] made upon Mr. Churchill. If I had been here and had heard him, I would have sought opportunity to make reply at that time.

I think the speech of Mr. Churchill is the finest thing that has happened since VJ-day. He made the speech that somebody high up in this Government should have made long ago.

If Russia is not stopped now in the depredations that she is committing upon small neighboring countries to herself and in many other parts of the world, and if appeasement continues, we will not, after the expiration of 5 years, have either the will or the power to stop her.

Mr. BROWN of Ohio. Mr. Chairman, I yield such time as he may desire to

the gentleman from Pennsylvania [Mr. GILLETTE].

Mr. GILLETTE. Mr. Chairman, I am very much in favor of medical research. For this reason I favor this bill.

Mr. BROWN of Ohio. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has 14 minutes remaining.

Mr. BROWN of Ohio. Mr. Chairman, I yield myself the balance of the time on this side.

Mr. Chairman, it is rather depressing to sit here today and realize how much misinformation or lack of information obtains on this particular piece of legislation. I have great fondness and respect for my colleague from Ohio, Dr. SMITH, who is a very able medical man—one who has devoted a portion of his life in visiting the great research medical centers of America and across the seas to study and to learn the latest in the field of medical science. Evidently Dr. SMITH appreciated the value of those great research centers or he would not have attended them. I know, too, that the doctor is a great defender of State rights and that he is a great believer in economy. Yet at times I am fearful my old friend and colleague, in looking at the forest, cannot see it for the few trees that are directly in front of him. I am fearful that at times, in his desire to economize, he actually brings about greater expenditure of public moneys because of his failure or refusal to spend a little at the proper time.

The doctor is opposed to socialized medicine. Certainly, too, I am opposed to socialized medicine; and I say to you that this bill is designed and is brought here for the purpose of preventing the enactment of legislation which would actually socialize medicine. Unless we have the good judgment and the common sense to enact legislation that will permit private medicine and private and local institutions to render the service the people demand in the medical field, then we may find ourselves drifting into socialized medicine. I do not want that to occur.

The gentleman from Iowa [Mr. GWYNNE] is another fine Member. I have high respect for his judgment, and certainly there is no man in this body who is a more profound, capable, or able student of the law and of the Constitution than is he. However, he made the statement that the various States are already rendering this mental-research service through their public-welfare departments and their State hospitals. I am not certain where the gentleman obtained his information. Certainly not from the record, because the record before us proves exactly the contrary—directly opposite, if you please. Every State welfare department in the Nation—every State department of health—came in asking for this bill, either directly or through their chosen representatives, saying to this committee, which spent days and days on hearings, that this legislation is necessary and that this legislation, if enacted into law, and if this Mental Health Center is established and the research work provided therein is carried on as intended and expected, many millions of dollars will be annually saved by the States in the future.

Let us look at the record and see who has come before this committee in support of this bill; who is asking for it; for it is not just the Public Health Service. Here is a list of some of the witnesses who actually appeared and testified in favor of this legislation. May I remind you again that not one single individual appeared before the committee to oppose this bill. Neither did one single organization oppose this measure. I will call the roll for you who may doubt the wisdom of this legislation:

Stevenson, Dr. George S., medical director, National Committee for Mental Hygiene.

Marquis, Dr. Donald, secretary, American Psychological Association.

Hartshorne, Miss Frances, executive secretary, Connecticut Society for Mental Hygiene.

Braceland, Capt. Francis, Chief, Neuropsychiatric Branch, Bureau of Medicine and Surgery, United States Navy.

Hershey, Maj. Gen. Lewis B., Director, Selective Service System.

Challmer, Col. Allen A., Deputy Director, Division of Neuropsychiatry, Office of Surgeon General, United States Army.

Meyer, Eugene, president, National Committee for Mental Hygiene, Washington, D. C.

Baird, Col. John H., Chief, Neuropsychiatry, United States Veterans' Administration.

Bond, Maj. D. D., Chief, Psychiatric Branch, Office of Air Surgeon, United States Army.

Curran, Dr. Frank J., representing the Emergency Committee of Neuropsychiatric Societies of New York City.

Baggs, Dr. A. N., medical consultant of the American Legion.

Wiley, Mrs. Harvey W., chairman, department of legislation, General Federation of Women's Clubs, Washington, D. C.

Lowe, Mrs. C. B., member of legislation committee, National Congress of Parents and Teachers.

Miller, Watson B., Acting Administrator, Federal Security Agency.

Strecker, Dr. Edward A., vice president, American Psychiatric Society.

Shortley, Michael J., Director, United States Office of Vocational Rehabilitation.

Felix, Dr. Robert H., Chief, Division of Mental Hygiene, United States Public Health Service.

Levine, Miss Rae A., representing New York City Committee on Mental Hygiene.

Vogel, Victor H., Office of Educational Rehabilitation.

Winslow, C. E. A., member, Public Health Council of the State of Connecticut.

In addition to the testimony given by those just mentioned, communications and statements were received and filed from Donald G. Marquis, recording secretary of the American Psychological Association; Vice Adm. Ross T. McIntire, Surgeon General, United States Navy; H. A. Carlson, scientific director of research of the Council on Problems of Alcohol; Sanford Bates, Commissioner, Department of Institutions and Agencies, State of New Jersey; Illinois Society of Mental Hygiene; Dr. Karl M. Bowman, president, American Psychiatric Association; Margaret Clark Lefevre, executive secretary, Minnesota Mental Hygiene Society; Dr. I. E. Riggin, president, Association of State and Territorial Health Officers; Donna Diamond, president, Association for the Improvement of Conditions in Mental Hospitals, Inc., New York City; Mildred W. Saupe, professor of psychology, Missouri Valley College, Marshall, Mo.; H. B. Anderson, secretary, Citizens' Medical Reference Bureau, Inc., New York City; Mental Hygiene Committee, health division of the Brooklyn (N. Y.) Council for Social Planning; and others.

Every organization, medical and otherwise, interested in the problems of mental health in the United States, has come here and told us that the only way we can have the mental-disease research that is so badly needed in this country, the only way we can obtain and disseminate to the various State and local hospitals, information and knowledge, on the new methods, and the new means to combat and solve the present mental health problems that confront this Nation, is through the enactment of legislation such as this.

As I said in the beginning, when I discussed the rule, I do not want the Federal Government in the field of private medicine, but I do believe the Federal Government belongs in the field of medical research. There are certain things which Government can do that belong primarily to the Federal Government. There is another field into which the Federal Government should never enter. This bill provides for one of the things that can and should be done by the Federal Government.

Oh, I know, some say we cannot spare the money to take care of the mentally sick in this country, or to attempt to find some way to prevent or relieve their conditions. Some say we cannot spare the money for research to take care of the veterans who have suffered mental diseases as a result of their service to the country. They argue we cannot spare the money to give to the great institutions which have been established by the States and the local political subdivisions to take care of the ill the knowledge and information they need to do a better job. Yet we can spare billions and billions for every other purpose in the world.

Some of those who are opposed to this measure, or who are critical of it have appeared in the well of this House and urged the expenditure of millions and billions of dollars for the benefit of the peoples of other lands, but yet they object to the expenditure of a few dollars to take care of the millions in America who need this legislation.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. In the agricultural appropriation bill we passed the

other day we appropriated millions of dollars for cattle and swine, and for the protection of the sugar beet, and I believe we also appropriated some money to protect the Iowa farmers against the corn borer.

Mr. BROWN of Ohio. We spend as much money every year to guard against cattle going wild, as a result of eating loco weed, as this bill would cost, but we cannot take care of the unfortunate human beings who belong to our society and suffer mental illness.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. It is only fair for the gentleman to point out that the only two who criticize this bill are the two who have consistently and invariably opposed every extravagance that has been voted by this Congress, the gentleman from Ohio [Mr. SMITH] and the gentleman from Iowa [Mr. GWYNNE].

Mr. BROWN of Ohio. I would not say that. There have been others who have been critical of this measure. I have just as great respect and admiration for the two Members of the House who have just been mentioned as does the gentlewoman. I think their services since they have been here in Congress have been remarkably good for this Nation. I have joined them time after time in their efforts to bring about economy in the operation of our Government. But I want to have the right kind of economy. I do not want to save a penny here and spend hundreds needlessly elsewhere.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Pennsylvania.

Mr. GROSS. Is this considered veterans' legislation?

Mr. BROWN of Ohio. No, it is not veterans' legislation particularly, but the Veterans' Administration and the Army and Navy and others interested in the problems of the veterans, who certainly find mental diseases to be one of their large problems, are particularly interested in this legislation.

Mr. GROSS. I have been interested in this matter for a long time and have visited many of our larger institutions in the State of Pennsylvania. I have a deep conviction that the best way to handle this matter, excluding our veterans, of course, is to have a national sterilization law for certain feeble-minded persons. I think that is the only way to do anything constructive in this country. Think of the great many feeble-minded people we would get rid of and who are such a terrible burden. You back up a national sterilization law and you will do the job and do it in the right way.

Mr. BROWN of Ohio. Let me say to the gentleman that perhaps it might be best to try out any such sterilization program on a small scale first, before attempting it on a national scale.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mrs. ROGERS of Massachusetts. Is it not true that there is a tragic shortage of doctors in psychiatry and something must be done to create an interest in that branch of illness?

Mr. BROWN of Ohio. There is not only a tragic shortage of doctors who understand mental problems and mental diseases, but there is also a tragic shortage of trained personnel to care for those who are mentally ill.

Mrs. ROGERS of Massachusetts. And that is one reason we have had so many suicides and murders recently, is it not?

Mr. BROWN of Ohio. According to the best information given our committee, crime, as a result of mental disease, is on the increase and has been for some time, as usually happens after every war.

Mrs. ROGERS of Massachusetts. Patients have been allowed to go out of the hospitals because they were not adjudged insane but still they were suffering from a disability.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. PRIEST. Mr. Chairman, I have no further requests for time and I ask that the Clerk read.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "National Mental Health Act."

PURPOSE

SEC. 2. The purpose of this act is the improvement of the mental health of the people of the United States through the conducting of researches, investigations, experiments, and demonstrations relating to the cause, diagnosis, and treatment of psychiatric disorders; assisting and fostering such research activities by public and private agencies, and promoting the coordination of all such researches and activities and the useful application of their results; training personnel in matters relating to mental health; and developing, and assisting States in the use of, the most effective methods of prevention, diagnosis, and treatment of psychiatric disorders.

Mr. KEEFE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as a member of the Subcommittee on Appropriations that will ultimately be called upon to pass upon appropriations which will be necessary to implement this legislation, may I say I think my position has been made very clear upon numerous occasions.

I am unquestionably on record in support of every public-health program that this Congress has seen fit to authorize. I was not here when the Social Security Act was passed, but had I been here I would unquestionably have vigorously supported the Federal aids to the States that are set forth for public-health purposes under the Federal security program. I have very vigorously supported authorizations and appropriations for the benefit of State and Federal relationship in fighting venereal diseases. I know that program and what it has done. This Congress, with almost no opposition vote, has seen fit to extend to the Public Health Service the maximum amount of funds necessary and as authorized by the Congress, in the field of control of venereal diseases. I have vigorously supported appropriations necessary to implement the legislation setting up cancer research and cancer control, which, ultimately, I pray God, through the utilization of those Federal agencies, in collaboration with the State and private agencies, may be able at some time to find a cure for that dread scourge.

I have very vigorously supported the last codification of the public-health laws, that provided for the State-Federal relationship in the matter of tuberculosis control. As a member of that subcommittee, I stand ready to vote the funds necessary to implement that legislation and that authorization.

While I may be in disagreement with some of my good friends in this great field, I do not, as a Member of Congress, intend to stand here and belittle and criticize my colleagues on this floor with whom I may be in disagreement. They are entitled to their opinions. But I say to you, if there is any field in Federal-State relationship, where the Federal Government owes a responsibility to the citizenry of this land, it is in the field of public health.

One of the fields that has been most sadly neglected, regardless of the fingers that may be pointed to the psychiatric institutions that have been set up under State control, one of the most sadly neglected fields is in this field of public health.

I am pleased that the committee has seen fit to bring before this Congress this authorizing legislation that will permit the Government, acting through this Congress, to authorize appropriations up to $30,000,000, to be allocated to the States, in accordance with the formula herein set forth.

In the case of every one of these programs you have heard the argument made that this means socialization of medicine. I am unable to see any such threat, and so far as the medical men that I know in my State are concerned, in the field of psychiatry they are all very much in favor of this proposal that is now before the Congress. I see no good reason why we should not assume a responsibility, which I conceive to be a fundamental responsibility of the Federal Government, to bring all this matter of research under one head, to provide the money to build this national health institute here.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. KEEFE. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KEEFE. And in that institution to conduct the research that may be spread out and disseminated to the State institutions, to enable them to more vigorously and more effectively deal with this evergrowing menace of mental illness.

If that is not a proper function of the Federal Government, then I do not know what we set up the Federal Government for. I believe it is a proper function. I see nothing in this bill, which I have very carefully examined for a long time before it was reported to this House,

that would in any way be a threat, constituting socialized medicine. This is nothing more nor less than a continuation of the accepted program that has been initiated in this Congress for years and is extending the Federal benefits out to the States under State control, under State operation, in the field of psychiatry and mental hygiene, into which the Federal Government has not extended its beneficence heretofore as it has in the subject of venereal disease control, and cancer and tuberculosis control.

I trust this bill will be passed, and I know that under the leadership and guidance of the man at the top of the corps, Dr. Parran, and the brilliant array of men who at great self-sacrifice are serving the people of this country in the Public Health Service, this bill will be in the interest of the great mass of the people of this country.

By unanimous consent the pro forma amendments were withdrawn.

The Clerk read as follows:

DEFINITIONS

SEC. 3. (a) Section 2 of the Public Health Service Act (42 U. S. C., ch. 6A) is amended by striking out the word "and" at the end of paragraph (j), by striking out the period at the end of paragraph (k) and inserting in lieu thereof a semicolon, and by inserting after paragraph (k) the following new paragraphs:

"(l) The term 'psychiatric disorders' includes diseases of the nervous system which affect mental health; and

"(m) The term 'State mental health authority' means the State health authority, except that, in the case of any State in which there is a single State agency, other than the State health authority, charged with responsibility for administering the mental-health program of the State, it means such other State agency."

Mr. PRIEST. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PRIEST: On page 2, after line 24, insert the following new section:

"SEC. 4. Section 208 (b) of the Public Health Service Act is amended to read as follows:

"'(b) (1) Whenever commissioned officers of the service are not available for the performance of permanent duties requiring highly specialized training and experience in special fields related to public health, the Administrator on recommendation of the Surgeon General shall report that fact to the President and the President is authorized to appoint, by and with the advice and consent of the Senate, not to exceed three persons in any 1 fiscal year to grades in the Regular Corps of the Service above that of senior assistant, but not to a grade above that of director.

"'(2) Officers may be appointed to grades in the Regular Corps of the Service above that of senior assistant, but not to a grade above that of director, to assist in carrying out the purposes of this act with respect to mental health, but not more than twenty such officers appointed pursuant to this paragraph shall hold office at the same time.

"'(3) For purposes of pay and pay period any persons appointed under the provisions of this subsection shall be considered as having had on the date of appointment service equal to that of the junior officer of the grade to which appointed.'"

Mr. PRIEST. Mr. Chairman, the purpose of this amendment—it sounds like a rather long amendment—the purpose simply is to amend the Public Health Act to permit the appointment of regular officers in the corps above the grade of senior assistant but not above the grade of director, and to limit to 20 the number of such officers that may be appointed.

It would seem necessary, perhaps, or certainly advisable, for the Public Health Service to have the authority to appoint these officers, because when this program is begun the Service will need some officers who have had training in psychiatry and mental health problems. This amendment will simply limit to 20 the number that may be appointed. This seems like a rather small number.

I have no further remarks to make on the amendment.

I hope the amendment will be adopted.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. FENTON. Mr. Chairman, I ask unanimous consent to return to section 3 that I may be heard on that section and secure some information for the purpose of clarification.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FENTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to make it clear, first, that I am not opposed to the objectives of this bill. I believe thoroughly in research, of course, because it is a step in the right direction. May I take this time to ask the chairman of the subcommittee for clarification of the language on page 7, line 18.

Mr. PRIEST. What is the gentleman's question?

Mr. FENTON. I refer to page 7, line 18, subsection (b), reading as follows:

To provide training and instruction, in matters relating to the diagnosis, prevention, and treatment of psychiatric disorders, to persons found by him to have proper qualifications.

I want to ask whether or not such persons of the laity being trained might be permitted to diagnose, prevent, and treat?

Mr. PRIEST. May I say to the gentleman that there certainly is no intention to have such situation develop. The one reason, I believe, that the subcommittee agreed on this particular language, or perhaps I should say the impelling motive in adopting this particular language was to make it possible, we will say, for a person who might come in from a State institution who would have charge of training attendants for these hospitals out in the State. There might be a certain type of training that a person would be eligible to take in the treatment which he could take back to the State institution and in turn give the benefit of his training to the attendants and nurses. But there certainly would be no intention of having any person of the laity who might be selected by the Surgeon General engage in the matter of diagnosis and treatment.

Mr. FENTON. As I stated, I have no objection to the objectives of the bill, but I think there should be some clarification in that section so that it may not be construed as meaning that a person without medical knowledge could go there and treat someone.

Mr. PRIEST. No. If the gentleman will notice, the section says "to provide training and instruction in matters relating to." He would not be permitted to treat the patient, even though he might be selected. He might take some instruction in matters relating to, but certainly not to treat a patient. I am glad the gentleman brings that up. The legislative intent will show there is no intention to have that done.

Mr. FENTON. I wanted that in the RECORD to show it is not the intention of the committee to have people other than doctors treat patients.

Mr. PRIEST. The gentleman is correct.

The pro forma amendment was withdrawn.

Mr. PRIEST. Mr. Chairman, I ask unanimous consent that the balance of the bill be considered as read and printed in the RECORD, and that amendments may be offered to any section of the bill.

Mr. WADSWORTH. Mr. Chairman, reserving the right to object, would it not be well, may I suggest to the gentleman from Tennessee, to dispose of the committee amendments first?

Mr. PRIEST. Yes; I appreciate the suggestion. Can we not consider the bill as having been read and dispose of the committee amendments, and then the bill would be open to any other amendments that might be offered?

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The remainder of the bill is as follows:

NATIONAL ADVISORY MENTAL HEALTH COUNCIL

SEC. 4. (a) Subsection (e) of section 209 of the Public Health Service Act is amended to read as follows:

"(e) Members of the National Advisory Health Council, members of the National Advisory Mental Health Council, and members of the National Advisory Cancer Council, other than ex officio members, while attending conferences or meetings of their respective Councils or while otherwise serving at the request of the Surgeon General, shall be entitled to receive compensation at a rate to be fixed by the Administrator, but not exceeding $25 per diem, and shall also be entitled to receive an allowance for actual and necessary traveling and subsistence expenses while so serving away from their places of residence."

(b) The title of section 217 of such act is amended to read "National Advisory Health, Cancer, and Mental Health Councils."

(c) Subsection (b) of section 217 of such act is amended to read as follows:

"(b) The National Advisory Health Council shall advise, consult with, and make recommendations to, the Surgeon General on matters relating to health activities and functions of the Service. The Surgeon General is authorized to utilize the services of any member or members of the Council, and where appropriate, any member or members of the National Advisory Cancer Council or of the National Advisory Mental Health Council, in connection with matters related to the work of the Service, for such periods, in addition to conference periods, as he may determine."

(d) Section 217 of such act is further amended by adding at the end thereof the following new subsections:

(d) Section 217 of such act is further amended by shall consist of the Surgeon General, ex officio, who shall be chairman, and six members to be appointed without regard to the civil-service laws by the Surgeon General with the approval of the Administrator. The six appointed members shall be selected from leading medical or scientific authorities who are outstanding in the study, diagnosis, or treatment of psychiatric disorders. Each appointed member shall hold office for a term of 3 years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and except that the first terms of the original appointed members shall expire, as designated by the Surgeon General at the time of appointment, two at the end of 1 year, two at the end of 2 years, and two at the end of 3 years. An appointed member shall not be eligible to serve continuously for more than 3 years but shall be eligible for reappointment if he has not served immediately preceding his reappointment.

"(e) The National Advisory Mental Health Council shall advise, consult with, and make recommendations to, the Surgeon General on matters relating to the activities and functions of the Service in the field of mental health. The Council is authorized (1) to review research projects or programs submitted to or initiated by it in the field of mental health and recommended to the Surgeon General, for prosecution under this act, any such projects which it believes show promise of making valuable contributions to human knowledge with respect to the cause, prevention, or methods of diagnosis and treatment of psychiatric disorders; and (2) to collect information as to studies being carried on in the field of mental health and, with the approval of the Surgeon General, make available such information through the appropriate publications for the benefit of health and welfare agencies or organizations (public or private), physicians, or any other scientists, and for the information of the general public. The Council is also authorized to recommend to the Surgeon General, for acceptance pursuant to section 501 of this act, conditional gifts for work in the field of mental health; and the Surgeon General shall recommend acceptance of any such gifts only after consultation with the Council."

DETAIL OF PERSONNEL

SEC. 5. Subsection (b) of section 214 of the Public Health Service Act is amended to read as follows:

"(b) Upon the request of any State health authority or, in the case of work relating to mental health, any State mental health authority, personnel of the Service may be detailed by the Surgeon General for the purpose of assisting such State or a political subdivision thereof in work related to the functions of the Service."

RESEARCH, INVESTIGATION, AND TRAINING

SEC. 6. (a) Paragraph (d) of section 301 of the Public Health Service Act is amended to read as follows:

"(d) Make grants-in-aid to universities, hospitals, laboratories, and other public or private institutions, and to individuals for such research projects as are recommended by the National Advisory Health Council, or, with respect to cancer, recommended by the National Advisory Cancer Council, or, with respect to mental health, recommended by the National Advisory Mental Health Council."

(b) Paragraph (g) of such section is amended to read as follows:

"(g) Adopt, upon recommendation of the National Advisory Health Council, or, with respect to cancer, upon recommendation of the National Advisory Cancer Council, or, with respect to mental health, upon recommendation of the National Advisory Mental Health Council, such additional means as he deems necessary or appropriate to carry out the purposes of this section."

(c) Part A of title III of the Public Health Service Act is further amended by adding at the end thereof the following new section:

"MENTAL HEALTH

"SEC. 303. In carrying out the purposes of section 301 with respect to mental health, the Surgeon General is authorized—

"(a) For purposes of study, to admit and treat at the National Institute of Mental Health, voluntary patients, whether or not otherwise eligible for such treatment by the Service, and patients of St. Elizabeths Hospital transferred from the hospital pursuant to arrangements made between the Surgeon General and the Superintendent of the hospital with the approval of the Administrator;

"(b) (1) To provide training and instruction, in matters relating to the diagnosis, prevention, and treatment of psychiatric disorders, to persons found by him to have proper qualifications, and to fix and pay to any of such persons as he may designate a per diem allowance during such training and instruction of not to exceed $10, the number of such persons to be fixed by the National Advisory Mental Health Council; and (2) to provide such training and instruction, and demonstrations, through grants, upon recommendation of the National Advisory Mental Health Council, to public and other nonprofit institutions, including grants to such institutions for the construction, acquisition, or leasing of hospital, clinic, and related facilities necessary for the purposes of such training and instruction."

HEALTH CONFERENCES

SEC. 7. Section 312 of the Public Health Service Act is amended to read as follows:

"HEALTH CONFERENCES

"SEC. 312. A conference of the health authorities of the several States shall be called annually by the Surgeon General. Whenever in his opinion the interests of the public health would be promoted by a conference, the Surgeon General may invite as many of such health authorities to confer as he deems necessary or proper. Upon the application of health authorities of five or more States it shall be the duty of the Surgeon General to call a conference of all State and Territorial health authorities joining in the request. Each State represented at any conference shall be entitled to a single vote. Whenever at any such conference matters relating to mental health are to be discussed, the mental-health authorities of the respective States shall be invited to attend."

GRANTS TO STATES

SEC. 8. (a) Subsection (c) of section 314 of the Public Health Service Act is amended to read as follows:

"(c) To enable the Surgeon General to assist, through grants and as otherwise provided in this section, States, counties, health districts, and other political subdivisions of the States in establishing and maintaining adequate public health services, including grants for demonstrations and for the training of personnel for State and local health work, there is hereby authorized to be appropriated for each fiscal year a sum not to exceed $30,000,000. Of the sum appropriated for each fiscal year pursuant to this subsection there shall be available an amount, not to exceed $3,000,000, to enable the Surgeon General to provide demonstrations and to train personnel for State and local health work and to meet the cost of pay, allowances, and traveling expenses of commissioned officers and other personnel of the Service detailed to assist States in carrying out the purposes of this subsection."

(b) Subsection (d) of such section is amended to read as follows:

"(d) For each fiscal year, the Surgeon General, with the approval of the Administrator, shall determine the total sum from the appropriation under subsection (a), the total sum from the appropriation under subsection (b), and, within the limits specified in subsection (c), the total sum from the appropriation under that subsection which shall be available for allotment among the several States. He shall, in accordance with regulations, from time to time make allotments from such sums to the several States on the basis of (1) the population, (2) the extent of the venereal-disease problem, the extent of the tuberculosis problem, the extent of the mental health problem and the extent of other special health problems, respectively, and (3) the financial need of the respective States. Upon making such allotments the Surgeon General shall notify the Secretary of the Treasury of the amounts thereof."

(c) Subsection (f) of such section is amended to read as follows:

"(f) The moneys so paid to any State shall be expended solely in carrying out the purposes specified in subsection (a), or subsection (b,) or subsection (c) of this section, as the case may be, and in accordance with plans, approved by the Surgeon General, which have been presented by the health authority of such State and, to the extent any such plan contains provisions relating to mental health by the mental health authority of such State.

(d) Subsection (h) of such section is amended to read as follows:

"(h) Whenever the Surgeon General, after reasonable notice and opportunity for hearing to the health authority or, where appropriate, the mental health authority of the State, finds that, with respect to money paid to the State out of appropriations under subsection (a), or subsection (b), or subsection (c), as the case may be, there is a failure to comply substantially with either—

"(1) the provisions of this section;

"(2) the plan submitted under subsection (f); or

"(3) the regulations;

the Surgeon General shall notify such State health authority or mental health authority either that further payments will not be made to the State from appropriations under such subsection (or in his discretion that further payments will not be made to the State from such appropriations for activities in which there is such failure), until he is satisfied that there will no longer be any such failure. Until he is so satisfied the Surgeon General shall make no further certification for payment to such State from appropriations under such subsection, or shall limit payment to activities in which there is no such failure."

(e) Subsection (i) of such section is amended to read as follows:

"(i) All regulations and amendments thereto with respect to grants to States under this section shall be made after consultation with a conference of the State health authorities and, in the case of regulations or amendments which relate to or in any way affect grants under subsection (c) for work in the field of mental health, the State mental health authorities. Insofar as practicable, the Surgeon General shall obtain the agreement, prior to the issuance of any such regulations or amendments, of the State health authorities and, in the case of regulations or amendments which relate to or in any way affect grants under subsection (c) for work in the field of mental health, the State mental health authorities."

GIFTS

SEC. 9. Section 501 (e) of the Public Health Service Act is amended to read as follows:

"(e) Donations of $50,000 or over in aid of research may be acknowledged by the establishment of suitable memorials to the donors, within the National Institute of Health or,

where appropriate, within the National Institute of Mental Health."

NATIONAL INSTITUTE OF MENTAL HEALTH

SEC. 10. There is hereby authorized to be appropriated a sum not to exceed $4,500,000 for the erection and equipment, for the use of the Public Health Service in carrying out the provisions of this act, of suitable and adequate hospital buildings and facilities, including necessary living quarters for personnel, and of suitable and adequate laboratory buildings and facilities, and such buildings and facilities shall be known as the National Institute of Mental Health. The Federal Works Administrator is authorized to acquire, by purchase, condemnation, donation, or otherwise, a suitable and adequate site or sites, selected on the advice of the Surgeon General of the Public Health Service, in or near the District of Columbia for such buildings and facilities, and to erect thereon, furnish, and equip such buildings and facilities. The amount authorized to be appropriated in this subsection shall include the cost of preparation of drawings and specifications, supervision of construction, and other administrative expenses incident to the work: *Provided*, That the Federal Works Agency shall prepare the plans and specifications, make all necessary contracts, and supervise construction.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 4, line 8, strike out all of line 8 and insert "The National Advisory Mental Health Council."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 7, line 24, after the word "persons" insert "receiving such training and instruction."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 8, line 6, strike out the word "clinc" and insert "clinic."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 8, line 23, strike out the word "mental-" and insert "mental."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 10, line 7, after the second comma insert "and."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 10, line 8, after the word "health" strike out "problem, and the extent of" and insert "problem and."

The committee amendment was agreed to.

Mr. SMITH of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I stated when this bill was being debated that it proposes to take another step in the direction of state medicine. The very first person to testify in favor of this measure was none other than Dr. Thomas Parran, Surgeon General of the United States Public Health Service. Every Member knows, or ought to know, that Dr. Parran is one of the strongest advocates, and perhaps the most influential for socializing medicine, in the United States. I am confident if he was not the author of the Wagner bill to socialize medicine that the measure had his wholehearted approval. That measure, as some of you must know, would make Dr. Parran a dictator over all medicine in the United States.

The time at my disposal permits me to barely touch upon Dr. Parran's testimony. Among other things he says:

I want to point out also the disease of general paresis, or general paralysis of the insane, which is caused by the inroads of the spirochete of syphilis in the brain and nervous system.

Dr. Parran well knows that general paresis, as well as tabes, or what is commonly known as locomotor ataxia, was successfully attacked and is rapidly disappearing by the work of private physicians and State institutions for the mentally afflicted. There is absolutely no need for the United States Government to concern itself with this disease.

Dr. Parran also says, "Senile dementia results from physical changes, especially in the blood supply to the brain." That is true, of course, but what promise does this measure hold out for preventing senile dementia? None whatever. Furthermore, the medical institutions of the Nation and the world are, in my judgment, doing all that possibly can be done in this field. But no, the Federal Government must enter it. Why? Because, in my judgment, the Congress of the United States is neglecting its real responsibility and is diverting its attention to things which should not concern it at all.

The people of this Nation are crying to high heaven that Congress attend to the affairs of state, get its financial house in order, relieve them of the unbearable burden of taxation, and restore our liberty.

But no, Congress will not do that. We must continue to exert our efforts in the very opposite direction, add more bureaucracy to that which already exists, extend the meddling of the Government in the affairs of our people, and add to the burden of taxation.

I repeat, this is piecemeal legislation to socialize medicine. Dr. Parran and those who want to see the same system of medicine established in this country as in Russia need not worry about attaining their end so long as they can get Congress to continue passing legislation such as this.

Mr. GWYNNE of Iowa. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentleman from Iowa.

Mr. GWYNNE of Iowa. Is it not true that research in every field has been better under private enterprise than it has been under the Government? For example, under Hitler research and progress in medicine was dead.

Mr. SMITH of Ohio. The work of Hitler did not give medical research any added life.

Mr. KEEFE. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I came to Congress the same year as my good friend, the gentleman from Ohio [Dr. SMITH], and there is no man in this Congress for whom I have greater admiration and respect than I have for him. He is one of the valuable Members of this House. It is well that the Congress has a voice of that character to place it in restraint at times. But I cannot allow the statement he has just made to go unchallenged. He did not state the sources of his comment in which he placed Dr. Parran, the head of the United States Public Health Service, as unqualifiedly spearheading the fight for socialized medicine in America.

I happen to know Dr. Parran through a number of years of close association in connection with my work on the subcommittee on appropriations that handles the appropriations for the United States Public Health Service. I have never seen at any time or place any statement or attitude on the part of Dr. Parran that would give credence to the charge that has here been made. In my humble opinion, he is one of the most farsighted men in the field of public health service that this country has produced.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. Is it not a fact that Dr. Parran is an avowed supporter of the Wagner bill to socialize medicine?

Mr. KEEFE. I do not know whether or not Dr. Parran is an avowed supporter of the Wagner bill, which the gentleman avers to be socialized medicine. It is a very debatable question to start with whether the Wagner-Dingell bill is socialized medicine. One field claims it is and another very great field claims it is not. I would want to pass upon that question when the arguments and the presentation are made on that bill here on the floor of the House.

I do know that in every single public health service measure we have had before us and in every appropriation that has been asked for, Dr. Parran has been meticulous in preserving the rights of the States and the rights of practitioners of medicine in those States. Without some further proof that Dr. Parran is engaged in some activity by which he seeks to subjugate the profession of the gentleman from Ohio to that which the gentleman claims exists in Russia, I must take very violent issue with the gentleman's statement. I do not have the proofs at hand.

Mr. PRIEST. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PRIEST: Page 4, line 9, insert quotation marks at the beginning of the line.

Mr. PRIEST. Mr. Chairman, this is only a technical amendment.

The amendment was agreed to.

Mr. PRIEST. Mr. Chairman, I offer an amendment.

Amendment offered by Mr. PRIEST: Page 7, line 17, strike out the semicolon, add a colon, and the following words: "provided that consent of a legal guardian shall be obtained before the transfer of any patient from St. Elizabeths Hospital for such treatment."

Mr. PRIEST. Mr. Chairman, this amendment is for the purpose of assuring that we provide proper safeguards for any patient who may be in St. Elizabeths and who by agreement might be transferred. The amendment simply provides that the permission of the legal guardian must be obtained before such transfer can be made.

The amendment was agreed to.

Mr. PRIEST. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PRIEST: Page 13, line 10, strike out "subsection" and insert in lieu thereof "section."

The amendment was agreed to.

Mr. WADSWORTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WADSWORTH: Page 8, line 4, after "institutions", strike out the comma, insert a period, and strike out the remainder of the paragraph ending on line 7.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. BROWN of Ohio. So far as I am concerned, I accept that amendment.

Mr. PRIEST. Mr. Chairman, the amendment as I understand it would strike out grants for acquisition and construction on page 8. Would it also include striking out grants for leasing?

Mr. WADSWORTH. It would.

If I may explain the amendment, may I first call the attention of the committee to the provision of this bill which is found at the bottom of page 12 known as section 10. There is authorized therein to be appropriated $4,500,000 for erection and equipment of a research laboratory for this mental-health program. I wish the bill had stopped right there instead of branching out into a series of grants for various purposes to the States. I think the establishment and maintenance of a research laboratory by the Federal Government is within the proper functions of the Government, as suggested by the gentleman from Ohio [Mr. BROWN]. But when we come to this business of extending grants to the States, I doubt very much that we are traveling on a healthy road. In that respect, I find myself in complete agreement with the gentleman from Iowa [Mr. GWYNNE] who addressed us on that subject. The provisions of this bill, so far as the extensions of grants to the States are concerned, are scattered all through it. It is quite impossible for me in the time allowed to prepare an amendment or a series of amendments to eliminate them.

Grants are made for the giving of instruction and for training and for various activities. But there is one grant which I think we can single out and dispose of. That is the one found on page 8. That paragraph is part of section 303 headed "Mental health" and applies solely to this mental-health work. In its first paragraph the Surgeon General is authorized to admit and treat at the National Institute of Public Health voluntary patients, and so forth. That is all right. That is the $4,500,000 mental-health institute which is to be built just outside of Washington. Next, in paragraph (b), we find that he is authorized to provide training and instruction in matters relating to the diagnosis and prevention of these disorders, and to fix and pay certain per diem allowances to these young people who will take the training. That training may be given in public and in private institutions scattered over the country. So long as we confine our Federal efforts to instruction and training, perhaps this bill is defensible, but that section goes on to say in effect that the Surgeon General is authorized to make grants to such institutions for construction, acquisition, or leasing of a hospital, clinic, and related facilities. There we find the Federal Government going out and building buildings, leasing buildings, which the States themselves could build or lease.

My amendment is to at least put some kind of restraint on this business of grants to the States.

The CHAIRMAN. The time of the gentleman from New York [Mr. WADSWORTH] has expired.

Mr. PRIEST. Mr. Chairman, as I stated earlier in the day, grants made available under this bill are negligible. I think if this amendment were accepted it might work some hardship on some little county health unit somewhere, or some private institution that might be in need of a grant. On the whole, I do not believe the amendment would seriously hamper the operations of the bill. I am not inclined to oppose the amendment and am willing to accept it.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JUDD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JUDD: Page 4, line 16, after the period, insert: "Four of the six appointed members shall be selected from a panel of eight such authorities consisting of two proposed by the American Board of Neurology and Psychiatry, two by the American Neurological Association, two by the American Psychiatric Association, and two by the Association of American Medical Colleges."

Mr. JUDD. Mr. Chairman, surely it is one of the greatest tragedies of all times that among most peoples on this earth to have a mental disease has generally been considered a disgrace and a reproach, something evil and reprehensible, both to the individual himself and to his family. This attitude, of course, is a relic of the days when men did not understand mental diseases, or rather understood them even less than they do now. It was commonly believed in most countries that anybody afflicted with a mental disease was possessed of a demon. That attitude has been changed through the centuries only to the extent that through study, research, and education it has been possible to get a better understanding by physicians and by the general public of the nature of mental disease. Surely there is no more cruel hang-over from medieval days—no greater cause of undeserved suffering to wholly innocent persons—than this notion that a person with mental disease or a family which has such a person among its members is to be shunned as the devil himself.

Therefore, I am heartily in favor of this bill and its provisions encouraging more extensive and thorough research and study, and wider dissemination of the results, if for no other reason than that it will help the nonafflicted to realize that an abnormality of the mind or emotions is not a stigma but is just as much a disease as is an infection of a finger or a broken leg. There should be no more disgrace or reproach attached to the individual who has the one affliction than to the individual who has the other.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Michigan.

Mr. DINGELL. But there are some people today who would still throw rocks at these unfortunates, rather than extend a helping hand to them.

Mr. JUDD. I am sorry to admit that is true. Part of our purpose in this bill is to correct that attitude which is based on ignorance. The most terribly tragic figures coming back from this war are not the boys with their legs off or their eyes out, or their backs broken. Rather they are the men with their spirits broken. If they can have the right kind of psychiatric study and assistance and guidance and training during these first critical months of readjustment, most of them can become again self-supporting and self-respecting useful citizens. If they do not have such help right now, if they are not handled wisely and expertly, many of them will wind up permanently in institutions for the insane, terrible personal tragedies and a great loss and burden to the Nation.

Because our knowledge in the field of mental disease is still so limited, there is more confusion in it than in any other field of medicine. That means there are more faddists and quacks, more people who get a particular idea or theory which may be sound with respect to some types of psychiatric conditions but who frequently go off the deep end and conclude they have a cure-all formula for all types of mental illness. Some of the loudest voices are not the soundest. Therefore, we ought to make certain that at least a majority of the members appointed to the National Advisory Mental Health Council are the soundest and ablest students of the subject in our country. To accomplish that they should be selected from experts chosen by those doctors who are themselves the leading specialists in neuropsychiatric diseases. My amendment provides a panel of eight from whom the Surgeon

General shall select four of the six members of the council. Two of the panel will be persons proposed by the American Board of Neurology and Psychiatry. What is that board? Well, if a doctor wants to become a recognized and approved specialist in neurology or psychiatry, he has to be qualified by this board. He has to take very comprehensive examinations prepared and conducted by this board composed of doctors who are already specialists, the most expert in the whole field. This board will propose two names for the panel. Two will be nominated by the American Neurological Association. The reason I add the neurologists in addition to psychiatrists is because every decade additional mental diseases which we thought were wholly functional in nature are found to have an organic basis. We are able to demonstrate cells or blood vessels—we can see them under the microscope—that are out of order. The patient's disease is not due to a demon or a curse, but to some abnormal tissues in his brain. In general, neurologists are the specialists who deal with diseases of the nervous system due to disease in actual cells, organic tissue; whereas psychiatrists deal primarily with those nervous and mental conditions where no organic basis can be demonstrated, or at least has not yet been demonstrated. There should be on this mental health council not just those who believe in functional explanation and treatment of many mental diseases, but also neurologists who are always striving to find and treat abnormalities in organic tissue, if such exist.

And then two names will be proposed by the American Psychiatric Association. That is obviously proper. And two more by the Association of American Medical Colleges. That association is composed of the deans of all the recognized medical schools and colleges in the Nation. They meet regularly once a year, but they are in constant touch with each other and they are in a position to know and suggest the most outstanding students and teachers in the whole medical profession.

Such an amendment would not be needed as long as Dr. Parran is the Surgeon General. But we must legislate in terms of some future Surgeon General who might be a devotee of some particular cult of mental healing and not give the well-balanced consideration of all possible schools of thought which is necessary to get real progress and maximum benefit from this bill. The amendment does not tie the Surgeon General's hands unduly. It merely requires that four out of the six members of the advisory council must be chosen from this panel of eight authorities to be submitted by those who are the leading experts in the field of mental disease and health.

Mr. PRIEST. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. HÉBERT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 4512) to amend the Public Health Service Act to provide for research relating to psychiatric disorders and to aid in the development of more effective methods of prevention, diagnosis, and treatment of such disorders, and for other purposes, had come to no resolution thereon.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Gatling, its enrolling clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 5529. An act to authorize the President to appoint Lt. Gen. Walter B. Smith as Ambassador to the Union of Soviet Socialist Republics, without affecting his military status and perquisites.

SUBSTITUTION OF CONFEREE ON HOUSE JOINT RESOLUTION 301

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. CRAWFORD] be excused from serving as a conferee on House Joint Resolution 301, to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The Chair appoints the following substitute conferee: Mr. GAMBLE.

The Clerk will notify the Senate thereof.

PERMISSION TO COMMITTEE ON THE JUDICIARY TO FILE REPORT ON H. R. 5716, EXTENDING THE SECOND WAR POWERS ACT

Mr. HOBBS. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight tonight to file a report on the bill (H. R. 5716) extending the Second War Powers Act.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

APPOINTMENT TO COMMITTEE

Mr. DOUGHTON of North Carolina. Mr. Speaker, I offer the following resolution (H. Res. 562) and move its adoption.

The Clerk read as follows:

Resolved, That, A. S. J. CARNAHAN, of the State of Missouri, be, and he is hereby, elected a member of the standing committee of the House of Representatives on Foreign Affairs.

The resolution was agreed to.

EXTENSION OF REMARKS

Mr. POAGE (at the request of Mr. COMBS) was given permission to extend his remarks in the Appendix of the RECORD.

Mr. GAMBLE asked and was given permission to extend his remarks in the RECORD in five instances and to include news items.

Mr. JONKMAN asked and was given permission to extend his remarks in the RECORD and include an editorial.

INFORMATION FOR THE FOREIGN AFFAIRS COMMITTEE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, it is very shocking to me that apparently the Committee on Foreign Affairs must go to the Rules Committee in order to get information as to the testimony of Mr. Averill Harriman, our Ambassador to Russia. I have been endeavoring to reach the chairman of our committee to request that Mr. Harriman appear before our committee.

I have protested time and time again that the Foreign Affairs Committee is not given and has not been given for years complete information as to what is going on in other countries, information that the State Department has from every representative that returns to this country. They should come before the Committee on Foreign Affairs to tell us the story of conditions abroad and the administration's policy regarding those conditions.

If this situation continues we will be going down the long, hard road of war as fast as we can.

VETERANS' TEMPORARY HOUSING BILL

Mr. VORYS of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute on the veterans' housing bill passed earlier today and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VORYS of Ohio. Mr. Speaker, when the veterans' housing bill, H. R. 5455, came to the floor earlier this afternoon I was informed that there was no opposition expected, and that no roll call would be needed. I, therefore, left the Capitol for an hour on urgent business. When I returned to the floor I found a roll call had been forced on this bill.

I regret this exceedingly, as I am for this legislation and if present would have voted for it. The overwhelming vote in favor of it shows that there was no substantial opposition to this measure.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following communication, which was read:

Hon. SAM RAYBURN,
The Speaker of the House of Representatives, Washington, D. C.

MY DEAR SIR: I herewith submit my resignation to membership on the following committees: Flood Control, Mines and Mining, Territories, World War Veterans' Legislation.

Very truly yours,
A. S. J. CARNAHAN.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from Washington [Mr. SAVAGE] is recognized for 15 minutes.

THE POLL TAX

Mr. SAVAGE. Mr. Speaker, we, as a Nation, have just come through a terrible war. In this war the lives of millions of persons throughout the world and hundreds of thousands of American lives were given in the cause of liberty and freedom. Yet, today, in this great country of ours, we find in one section, the South, a pattern of voting restrictions which is wholly incompatible with our democratic principles. The poll tax, which may be said to symbolize these undemocratic voting restrictions, is the best known but by no means the only method used to deny people the right to exercise the basic guarantee of democracy, that is the right to vote.

The poll tax exists today as a prerequisite to voting in 7 States—Alabama, Arkansas, Mississippi, South Carolina, Tennessee, Texas, and Virginia. In these States, and in other Southern States which have since removed this requirement, the poll-tax requirements were introduced in the years from 1889 to 1908. In most of the States in which the poll tax was adopted at that time, it was for the avowed purpose of disfranchising the Negro. The effect, however, has been to disfranchise virtually all persons of poor economic status whether Negro or white and whether male or female.

In order to make certain that the poll tax will be completely effective in accomplishing its objective of restricting the vote, many provisions are in force complicating its payment. It is usually required to be paid at least 6 months before election and there is no enforcement of its payment. Some States accumulate the charges for a period of years thus increasing the financial burden. In addition, most of these States impose registration requirements and procedures which make it possible to preclude many persons from voting even though they have paid their poll taxes. The white primary is another method used to keep Negroes from having a voice in elections, although recent Supreme Court decisions on this question have brought about some improvement.

It is my belief that the States have a responsibility to encourage voting on the part of their respective citizens. Instead of imposing restrictions, voting should be facilitated; registration should be permitted up to the shortest possible time before elections; primaries should be open to all qualified citizens; literacy tests, when required, should be a means of qualifying rather than disqualifying voters; and, finally, there should be no financial requirement for voting.

I should like to cite some figures on the vote cast in the 1940 Presidential elections to show the effect of these voting restrictions. In the then 8 poll-tax States 12 percent of the population voted in the Presidential election as contrasted to 73 percent in the 40 other States. An average of 38,395 votes were cast for President in each of 78 congressional districts in these 8 States whereas in the other 40 States the average vote per congressional district was 131,150. In the congressional elections of 1940 the average vote cast per congressional district in the poll-tax States was 22,175 as contrasted to an average of 128,162, or almost 6 times as great in the other 40 States.

I should like to point out that I am familiar with the effects of the poll tax, since my own State had such a requirement until about 15 years ago. Since the abolition of the poll tax the percentage of qualified citizens voting in Washington has steadily increased, and the voters have themselves become increasingly concerned with their Government and as a result have become increasingly progressive.

Today there are 7 poll-tax States which elect 69 Members of this House. An examination of the voting records of these Representatives discloses that most of them oppose every piece of progressive domestic legislation which comes before this body. In the light of the voting figures I have cited above one must conclude that these Members, with, I am happy to say, a few noteworthy exceptions, vote as they do because they do not represent the people of their respective States but instead are responsible to and represent only the small political machines of which they are a part. These same gentlemen, who, by virtue of the machine domination of the electoral machinery of their respective States, are continually reelected to office, hold positions of leadership in every important committee in this great body. Yet the legislation on which they frequently cast deciding votes is important to every citizen of the United States. The voting restrictions of which the poll tax is a part cannot therefore be considered as a problem of only the people of these seven States. It is a problem which must concern every citizen of this Nation, to the end that truly democratic representative government prevails in every corner of our Nation.

Thomas Jefferson, one of the founders of our Nation and a citizen of Virginia, said in his Virginia Papers:

> The influence over Government must be shared among all the people. If every individual participates of the ultimate authority, the Government will be safe. * * * Corruption is not restrained by confining the right of suffrage to a few of the wealthier class.

Today, this once great proud State of Virginia is one of the seven poll-tax States.

The poll tax in Virginia amounts to $1.50 and is cumulative with interest and penalties for 3 years up to a maximum assessable charge of about $5. The tax must be paid not later than 6 months before election. No attempt is made to enforce the collection of the tax.

It is interesting to see by what means Virginia got its present constitution which imposes these voting restrictions. On March 26, 1941, Senator Leonard G. Muse, a member of the Virginia Advisory Legislative Council, appointed the Subcommittee for a Study of Constitutional Provisions Concerning Voting in Virginia. This appointment was approved by the full council on April 18, 1941. This subcommittee, in its final report which was never officially published, is quoted in part, as follows:

> The present restricted suffrage in Virginia was established at the opening of the present century by a constitution convention which was itself chosen in conditions where widely extended manhood suffrage prevailed. The convention, having decided upon a restricted suffrage, was faced with the question whether it should refer its decision to the electorate based on unrestricted suffrage that had elected it, in which case the convention with some reason suspected that its action would not be ratified, or whether it should refer the matter to an electorate based on a restricted suffrage, in which case it would be putting its own decision into effect and then seeking ratification on it.
>
> As is well known, the convention decided not to submit its decisions to the voters at all.

The purpose of the poll tax in Virginia can best be demonstrated by the following, quoted from that same report:

> The most cursory study of the proceedings of the constitutional convention of 1901 will easily establish the frank intention of those who introduced the poll-tax stipulations into the constitution; the supreme court of appeals has expressly declared that the primary purpose of the poll tax is to serve as a restriction on voting (*Campbell* v. *Goode*, 172 Va. 463, 2 S. E. (2d) 456)) and abundant statistics, to reproduce which would be a work of supererogation, prove in fact what everyone knows—that the legal restrictions on the suffrage operate effectively in practice.

It is of interest to note that in 1900 264,240 votes were cast in Virginia in the Presidential election whereas in 1904 after the promulgation of the new constitution only 135,867 votes were cast.

To illustrate the results of these voting restrictions I quote from a statement made in 1941 by LeRoy Hodges, State Comptroller of Virginia:

> A study of poll-tax collections in Virginia during the 10 years, 1931–40, reveals as might be expected, that the bulk of collections is made in the month of November—ahead of the December 5 delinquency dead line. In election years, however, especially in those years in which local officers are chosen in the counties, collections jump way up in the months of April and May just prior to the 6-months-before-election qualification dead line, when heavy payments are made on what are termed "omitted" taxes.
>
> These omitted items are poll taxes paid by or for people not assessed on the regular tax rolls. There is ample evidence that these capitation taxes are frequently paid en bloc, and not personally, as required by the State constitution.
>
> The flagrant and continued violation of the State suffrage laws of Virginia by the last-minute payment of poll taxes en bloc and the heavy collection at the 6-month dead line of omitted capitation taxes are clearly indicative of the weakness of our existing election laws. In truth, the suffrage system that is now embedded in the Virginia Constitution is the greatest guaranty that we could possibly contrive that government in the Old Dominion shall be run by an oligarchy rather than by the majority of our thinking people in accordance with the true principles of democracy.
>
> It is certainly and easily apparent from these facts, for all who wish to see the truth, no matter how shocking that might be, that the existing Virginia poll-tax system is not a very dependable safeguard of an intelligent electorate, and that it can be easily manipulated to entrench and perpetuate a political oligarchy of selfish minority interests in control of our Government in defiance

of the will and desires of the majority of our thinking citizens.

Also, there is pressing need for a general overhauling of our election system and the codification of our confused and inadequate Virginia election laws. Our so-called absent voter's law, for instance, which is being openly and grossly abused in nearly every locality in the State, should either be made corruption proof or be repealed and the elector required to cast his or her vote in person.

As an example of the kind which results when the people are denied their basic democratic right to vote, I should like to call attention to a recent event just across the river in Alexandria. About 2 weeks ago a group of citizens of northern Virginia formed themselves into the Hardman-Turner Defense Committee and announced the following as their statement of purpose:

Justice and equality under the law are fundamental guarantees of our democratic system. This committee has been formed to assure that George D. Hardman and J. C. Turner are not deprived of these guarantees. The courts of Alexandria have recently found these men guilty of disorderly conduct and assault; the sentences imposed were of unusual severity. On the basis of the facts it is our belief that these men are innocent of the charges and that there has been a gross miscarriage of justice. We believe that every American's rights are endangered when any single American's rights are denied and that infringement of individual rights by the courts is no less than tyranny.

I should like to summarize briefly the facts in the case, as reported by eyewitnesses, which made necessary the establishment of a citizens' committee to insure that justice is done. George Hardman, president of the Alexandria Central Labor Union of the AFL since January 1945, has been a tireless opponent of the Virginia political machine. His predecessor in that office, J. Fred Kirchner, State labor inspector for northern Virginia, has been a strong supporter of that machine. On January 7, 1946, at a meeting of the CLU at which Kirchner was present as a visitor, J. C. Turner served as secretary in the absence of the elected secretary. On a point of disagreement with Hardman's instructions to the acting secretary, Kirchner and several of his cohorts rushed forward and struck Turner who defended himself. Hardman took no part in the fight. Immediately afterwards Kirchner and his associates left the meeting and swore out warrants against Hardman and Turner who were subsequently arrested. Hardman, Turner, and their attorney were denied even the privilege of a hearing in their efforts to secure a warrant against Kirchner and others. After being found guilty of assault and disorderly conduct, Hardman and Turner had "the book thrown at them" in the form of 90-day jail sentences and $550 fines. On the same day that they were sentenced, two other men, found guilty of assault with an ax and beer bottle, were sentenced in the same court to fines of $50 and suspended 30-day sentences. The case is now on appeal.

When it becomes necessary for citizens to band together to obtain the elementary justice which the courts are supposed to insure, it is time that the political control which makes this necessary be ended. The fight being made by this group of citizens goes far beyond the Hardman-Turner case. It is one more battle in the Nation-wide struggle against the poll-tax machines of the South, in the struggle for the extension of democracy. The Hardman-Turner Defense Committee has my support and deserves the full support of every freedom loving American.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. GREGORY (at the request of Mr. BATES of Kentucky), for 1 day, on account of important business.

To Mr. HARE, for Friday, March 15, and Monday, March 18, on account of official business.

To Mr. HESS (at the request of Mr. MCGREGOR), for Thursday and Friday, on account of official business.

ENROLLED BILLS SIGNED

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 5239. An act to amend Public Law 277, Seventy-ninth Congress, so as to provide the Coast Guard, at such time as it is transferred back to the Treasury Department, with a system of laws for the settlement of claims, and for other purposes; and

H. R. 5529. An act to authorize the President to appoint Lt. Gen. Walter B. Smith as Ambassador to the Union of Soviet Socialist Republics, without affecting his military status and perquisites.

BILL PRESENTED TO THE PRESIDENT

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 5239. An act to amend Public Law 277, Seventy-ninth Congress, so as to provide the Coast Guard, at such time as it is transferred back to the Treasury Department, with a system of laws for the settlement of claims, and for other purposes.

ADJOURNMENT

Mr. CARNAHAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 36 minutes p. m.) the House adjourned until tomorrow, Friday, March 15, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON IMMIGRATION AND NATURALIZATION

On Tuesday, March 19, 1946, the Committee on Immigration and Naturalization will consider private bills H. R. 4725, H. R. 5634, H. R. 5598, H. R. 5200, H. R. 4958, H. R. 4254, H. R. 5278, and H. R. 4672.

On Wednesday, March 20, 1946, the committee will proceed with hearings on H. R. 3663.

The hearings will begin at 10:30 a. m. in room 445, old House Office Building.

COMMITTEE ON THE JUDICIARY

On Monday, March 18, 1946, Subcommittee No. 3 of the Committee on the Judiciary has scheduled a hearing on the bill (H. R. 5234) to authorize the Federal Security Administrator to assist the States in matters relating to social protection, and for other purposes.

The hearing will begin at 10 a. m. and will be held in room 346, House Office Building.

COMMITTEE ON FLOOD CONTROL

The Committee on Flood Control will begin hearings on an omnibus flood control authorization bill on Monday, April 8, 1946, at 10 a. m. The hearings will continue daily except Saturday up to and including Friday, April 19.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Tuesday, April 9, 1946, at 10:30 a. m., to begin hearings on projects to be reported out in an omnibus river and harbor authorization bill.

EXECUTIVE COMMUNICATIONS, ETC.

1134. Under clause 2 of rule XXIV, a letter from the Secretary of Agriculture, transmitting a draft of a proposed bill to extend the period within which the Secretary of Agriculture may carry out the purposes of the Soil Conservation and Domestic Allotment Act by making payments to agricultural producers, was taken from the Speaker's table, referred to the Committee on Agriculture, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WEAVER: Committee on the Judiciary. House Joint Resolution 273. Joint resolution authorizing and requesting the President to issue annually a proclamation designating December 15 as Bill of Rights Day; with amendment (Rept. No. 1712). Referred to the House Calendar.

Mr. BLAND: Committee on the Merchant Marine and Fisheries. H. R. 5316. A bill to repeal the law permitting vessels of Canadian registry to transport iron ore between United States ports on the Great Lakes; without amendment (Rept. No. 1713). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOBBS: Committee on the Judiciary. H. R. 5716. A bill to amend the Second War Powers Act, 1942, as amended; without amendment (Rept. No. 1714). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. ELLSWORTH:

H. R. 5771. A bill authorizing the construction of flood-control works on the Amazon Creek in Oregon; to the Committee on Flood Control.

By Mr. RANKIN:

H. R. 5772. A bill to amend certain provisions of the National Service Life Insur-

ance Act of 1940, as amended; to the Committee on World War Veterans' Legislation.

H. R. 5773. A bill to amend certain provisions of the National Service Life Insurance Act of 1940, as amended; to the Committee on World War Veterans' Legislation.

By Mr. BARTLETT:

H. R. 5774. A bill to authorize the Legislature of Alaska to enact divorce laws; to the Committee on the Territories.

By Mr. JENKINS:

H. R. 5775. A bill to provide for central responsibility for the production and distribution of the Nation's food by establishing a War Food Administration in the Department of Agriculture, and for other purposes; to the Committee on Agriculture.

By Mr. COFFEE:

H. R. 5776. A bill to provide discharge papers for men who were called for induction into the Army during World War I, but who were not sworn in due to the end of the war; to the Committee on Military Affairs.

H. R. 5777. A bill to amend the National Service Life Insurance Act of 1940, as amended; to the Committee on World War Veterans' Legislation.

By Mr. DOMENGEAUX:

H. R. 5778. A bill to provide for limitation of agricultural exportations under Government control; to the Committee on Ways and Means.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Michigan, memorializing the President and the Congress of the United States to enact House bill 5172, introduced by Congressman KELLEY of Pennsylvania, extending to veterans unemployment allowances under the GI bill of rights, where stoppage of work exists because of labor disputes; to the Committee on World War Veterans' Legislation.

Also, memorial of the Legislature of the State of Michigan, memorializing the President and the Congress of the United States to use every effort to provide for an equitable distribution of educational surplus property; to the Committee on Expenditures in the Executive Departments.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DOYLE:

H. R. 5779. A bill for the relief of Mrs. Inez B. Copp and George T. Copp; to the Committee on Claims.

By Mr. GORDON:

H. R. 5780. A bill for the relief of Jan Pawluk; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1702. By Mr. GRAHAM: Petition of 101 residents of Pennsylvania, offering an amendment to the railroad pension plan; to the Committee on Interstate and Foreign Commerce.

1703. By the SPEAKER: Petition of the Ex-Servicemen's Association of the University of Texas, petitioning consideration of their resolution with reference to the disposal of surplus war property and the making available of low-cost homes and housing materials to ex-servicemen; to the Committee on Banking and Currency.

1704. Also, petition of the county commissioners of Essex County, Mass., petitioning consideration of their resolution with reference to their request for legislation to so amend the Federal aid to dependent children law as to permit the matching with Federal funds of all amounts expended by States, or their political subdivisions, on account of aid to dependent children; to the Committee on Ways and Means.

1705. Also, petition of the Texas Wildlife Federation, petitioning consideration of their resolution with reference to the work of the Fish and Wildlife Service, United States Department of the Interior; to the Committee on Appropriations.

SENATE

FRIDAY, MARCH 15, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Ralph C. John, S. T. M., assistant minister, Foundry Methodist Church, Washington, D. C., offered the following prayer:

Eternal God, our Heavenly Father, Thou before whom a thousand years are but as yesterday when it is past, midst the high challenges and the abysmal threats which are consequent to every great moment of history, we turn unto Thee in whom is our strength and our salvation. Visit our minds with Thy wisdom, our wills with Thy unfailing goodness, and make us to see such a vision of Thy abiding purposes that in its radiance our way may be lighted and our aspirations made pure.

Apart from Thee and Thy providence, O God, there is no humanitarianism through which the needs of Thy children may be met; neither is there an idealism in which a saving sense of destiny can be claimed. Yet in fellowship with Thee and by the benefits of Thy guidance a glorious future of peace and plenty beckons. Come Thou and reign in our hearts.

Hear us, we beseech Thee, as humbly and reverently we pray in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, March 14, 1946, was dispensed with, and the Journal was approved.

NOTICE OF HEARING ON NOMINATION OF CARRICK H. BUCK TO BE FIRST JUDGE OF THE FIRST CIRCUIT, CIRCUIT COURTS, TERRITORY OF HAWAII

Mr. McCARRAN. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Friday, March 22, 1946, at 10:30 a. m., in the Senate Judiciary Committee room, upon the nomination of Carrick H. Buck, of Hawaii, to be first judge of the first circuit, circuit courts, Territory of Hawaii. Judge Buck is now serving in this post under an appointment which expires March 24, 1946. At the indicated time and place, all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman, the Senator from Mississippi [Mr. EASTLAND], and the Senator from Oklahoma [Mr. MOORE].

LEAVE OF ABSENCE

Mr. SHIPSTEAD. Mr. President, I find it necessary to be absent from the Senate possibly the most of the next week, beginning today, and I ask unanimous consent that I may have permission to be absent for that time.

The PRESIDENT pro tempore. Without objection, leave is granted.

MESSAGE FROM THE PRESIDENT—APPROVAL OF BILLS

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on March 14, 1946, that the President had approved and signed the following acts:

S. 176. An act for the relief of the city of Memphis, Tenn., and Memphis Park Commission;

S. 1532. An act to authorize the appointment of certain persons as permanent brigadier generals of the line of the Regular Army; and

S. 1535. An act to authorize the Secretary of War to convey certain lands situated within the Fort Douglas Military Reservation to the Shriners' Hospitals for Crippled Children.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 1821) to amend section 502 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, so as to authorize the appropriation of funds necessary to provide additional temporary housing units for distressed families of servicemen and for veterans and their families, with an amendment in which it requested the concurrence of the Senate.

The message notified the Senate that Mr. GAMBLE had been appointed a manager on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 301) to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes, vice Mr. CRAWFORD.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 5529) to authorize the President to appoint Lt. Gen. Walter B. Smith as Ambassador to the Union of Soviet Socialist Republics, without affecting his military status and perquisites, and it was signed by the President pro tempore.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

SALE OF LIQUOR TO INDIANS OUTSIDE INDIAN RESERVATIONS

A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to permit the sale of liquor to Indians outside Indian reservations (with an accompanying paper); to the Committee on Indian Affairs.

PERSONNEL REQUIREMENTS

A letter from the Chairman of the President's Committee on Fair Employment Practice, transmitting, pursuant to law, an estimate of personnel requirements for that Committee for the quarter ending June 30, 1946 (with an accompanying paper); to the Committee on Civil Service.

PETITIONS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution adopted by the Geological Society of Washington, D. C., comprising professional geologists in the Washington area, relating to atomic energy; to the Special Committee on Atomic Energy.

By Mr. VANDENBERG:

A concurrent resolution of the Legislature of the State of Michigan; to the Committee on Finance:

"House Concurrent Resolution 10

"Concurrent resolution memorializing the Congress of the United States to enact H. R. 5172, introduced by Congressman KELLEY, extending to veterans unemployment allowances under the GI bill of rights, where stoppage of work exists because of labor disputes

"Whereas some 300,000 veterans of World War II from the State of Michigan have been discharged from the military forces of the United States of America; and

"Whereas thousands of these veterans secured employment in the industrial plants of our State upon discharge from the military forces; and

"Whereas many of these veterans were employed for only a short time before work stoppage due to labor disputes, and the Michigan courts have held that the benefits provided under the Michigan unemployment-compensation law do not apply to veterans where said unemployment arises from labor disputes; and

"Whereas untold hardships are being suffered by the men and women of Michigan who served their country so nobly during the late war, and a critical condition now exists among the unemployed veterans due to the present State and Federal laws where said unemployment arises from labor disputes; and

"Whereas there is now pending before the Congress of the United States H. R. 5172, introduced by Congressman KELLEY, extending to veterans unemployment allowances under the GI bill of rights where stoppage of work exists because of labor disputes: Now, therefore, be it

"*Resolved by the house of representatives (the senate concurring)*, That the Michigan Legislature urgently requests the Congress of the United States to enact H. R. 5172, introduced by Congressman A. B. KELLEY, extending to veterans unemployment allowances under the GI bill of rights, where stoppage of work exists because of labor disputes; and be it further

"*Resolved*, That suitable copies of this resolution be transmitted to the President of the United States, to the President of the Senate, and Speaker of the House of Representatives of Congress, to Congressman KELLEY, and to the Michigan Members of the Senate and House of Representatives of Congress.

"Adopted by the house February 12, 1946.

"Adopted by the senate February 20, 1946."

A concurrent resolution of the Legislature of the State of Michigan; to the Committee on Military Affairs:

"House Concurrent Resolution 13

"Concurrent resolution memorializing the members of the Michigan delegation in Congress to use every effort to provide for an equitable distribution of educational surplus property

"Whereas the Federal Government has adopted the following policy in regard to the disposal of educational surplus property: 'Section 13 (a) of the Surplus Property Act of 1944 provides generally, to the extent feasible, for transfer of surplus property on the basis of need to nonprofit institutions and instrumentalities so that they may have the opportunity to fulfill in the public interest their legitimate needs, and that surplus property that is appropriate for school, classroom, or other educational use, and surplus medical supplies, equipment, and property suitable for use in the protection of public health, including research, may be disposed of at a value which takes into account any benefit which has accrued or may accrue to the United States from the use of such property'; and

"Whereas the Federal Government has created an educational surplus property agency within the United States Office of Education and 'to channel surplus goods on the basis of need to nonprofit school systems, libraries, universities, research institutions, hospitals, medical or sanitational institutions'; and

"Whereas the agencies to be benefited by this program are experiencing difficulty in securing this property because of the limited period between the time of notification and the final date of sale; and

"Whereas the cost is still excessive for educational and health agencies even though 40 percent reduction is allowed; and

"Whereas lot sizes make it impossible for these agencies to avail themselves of the surplus property even when pooling their purchasing power extensively: Now, therefore, be it

"*Resolved, by the house of representatives (the senate concurring)*, That the Michigan Legislature memorializes the Members of the Michigan delegation in Congress to use their good offices in an effort to (a) secure a longer period of time for notification of offers to sell, (b) provide for a near donation cost to the schools and educational and health agencies, generally being only freight and hauling charges, and (c) that materials be made available in lot sizes which may be used by educational and health agencies, in the belief that such a program was intended by Congress in passing section 13 of the Surplus Property Act of 1944, and be it further

"*Resolved*, That suitable copies of this resolution be transmitted to the President of the United States, to the President of the Senate, and Speaker of the House of Representatives of Congress, and to the Members of the Michigan delegation in Congress.

"Adopted by the house February 13, 1946.

"Adopted by the senate February 20, 1946."

CONFERENCE OF GOVERNMENTS ON DISARMAMENT—LETTER FROM MRS. OMAR JOYCE, MINNEAPOLIS, KANS.

Mr. CAPPER. Mr. President, I have received a fine letter from Mrs. Omar Joyce, of Minneapolis, Kans., urging me to support the resolution submitted by the Senator from Maryland [Mr. TYDINGS], which requests the President to call a conference of the Governments of all the Nations, whose business would be to try to achieve world-wide disarmament not later than January 1, 1950. I think the resolution submitted by the Senator from Maryland should have the serious consideration of the Senate. I ask unanimous consent to present the letter for appropriate reference and printing in the RECORD.

There being no objection, the letter was received, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

MINNEAPOLIS, KANS., *March 4, 1946.*

Hon. ARTHUR CAPPER,
Washington, D. C.

DEAR MR. CAPPER: We want to thank you for your support of the Martin resolution to abolish peacetime conscription on a world-wide scale. We appreciate that so much.

And also we want to ask you to use your support in favor of Senate Resolution 219, introduced by Senator MILLARD TYDINGS, on January 28, that authorized and requests the President to call a conference of the governments of all the nations whose sole business would be to try to achieve world-wide disarmament by January 1, 1950.

If this bill is not given support the military and the administration will likely assume that we are not interested in world disarmament. Well, people really are, for when you ask them about it they say we must disarm or destroy civilization. But most folks are so busy that they seldom take time to write letters to Congress about anything and there really are so many things to write about these days that it would keep any of us busy if we wrote about them all.

We need a secretary of peace in our Government too, and I am greatly interested in the movement to achieve a world government of some kind. The time is ripe for that. As someone has said, "It is now one world, or no world."

And I think we do not need to have trouble with Russia. I think they are trying to create an emergency at this time to try to put over peacetime conscription on us. The editors of the Topeka Daily Capital are giving us some good editorials against conscription these days and we appreciate it.

World disarmament by 1950!

Sincerely and respectfully,

Mrs. OMAR JOYCE.

LEADERSHIP IN WINNING THE PEACE—RESOLUTION OF COMMON COUNCIL OF CUDAHY, WIS.

Mr. WILEY. Mr. President, I ask unanimous consent to present for proper reference and printing in the RECORD, a resolution adopted by the Common Council of the City of Cudahy, Wis., on March 5, 1946, petitioning the Congress to take immediate and firm leadership in winning the peace at home and abroad.

There being no objection, the resolution was received, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Resolution 701

Whereas many living people in the city of Cudahy have witnessed three generations of American manhood and womanhood answer the call of their Government to defend ourselves, and all free people of the world, against aggressor nations, and over 11 percent of our local population served in World War II; and

Whereas our victories in war, at unmeasurable cost of human life, were motivated and accomplished by our strong belief in the rights of free people to be permitted to live in peace with one another; and

Whereas there are some elements in the country who, through their ruthless under-

takings, are stimulating the pulse of another war; and

Whereas humanity is now face to face with a choice between life and death—between total atomic extinction and total peace; and

Whereas no greater monument could be created by those living, in memory of those who served and died in the belief that "Peace on earth, good will toward men" would prevail, than the establishment and adherence to a doctrine of world peace; and

Whereas those who served and died for the cause of peace shall not have done so in vain and that while the world may not have had a common past, it does have a common future—peace: Be it

Resolved, That the Common Council of the City of Cudahy, in behalf of all its citizens, hereby petitions the Congress of the United States to take immediate and firm leadership in winning the peace at home and abroad in the same firm and complete manner as we did in winning the war; and be it further

Resolved, That copies of this resolution be forwarded our representatives in Congress, the Governor of the State, the county board, and to all city councils, town and village boards in Milwaukee County.

GOVERNMENT EXPENDITURES AND A BALANCED BUDGET—RESOLUTION OF TAXPAYERS' ASSOCIATIONS OF NORTHWEST WISCONSIN

Mr. WILEY. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a short resolution of the representatives of the local taxpayers' associations in 11 counties of the northwest section of the State of Wisconsin. This conference was held in La Crosse on March 6. It indicates how concerned the people are in relation to the important subject of the Federal Government doing everything within its power to bring about a balanced budget.

The strike situation which we have been facing of late does not make for economic or moral solvency of this great Nation.

There being no objection, the resolution was received, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Whereas the proposed budget for the Federal Government for the fiscal year ending June 30, 1947, totals more than $35,000,000,000; and

Whereas this total is nearly $4,000,000,000 in excess of anticipated revenues for the fiscal year; and

Whereas this budget presents the first opportunity in 16 years for balancing revenues and expenditures; and

Whereas the taxpayers of the Nation cannot afford to have the Government spend more money than it takes in and are not in a position to continue paying for war agencies which should be discontinued or to support war agencies of no use to civil functions, while expenses for civil functions would be increased; and

Whereas this is not the time for launching the most gigantic Government public works program in history, in competition with urgent private projects, or for maintaining expenses for general government at a level 100 percent higher than that of 1939: Now, therefore, be it

Resolved, That Congress be urged to scrutinize all spending proposals to which the Government is not already committed and to cut proposed expenditures by an amount at lease sufficient to permit balancing the budget; be it also

Resolved, That copies of this resolution be sent to Wisconsin Congressmen.

A. G. Benjamin, Nelson, Wis.; T. E. Lewis, Mauston, Wis.; C. A. Jones, Mauston, Wis.; A. E. Wackney, Tomah, Wis.; John G. Beck, Benton, Wis.; George L. Cook, Linden, Wis.; John Honel, Tomah, Wis.; Robert J. Edge, Platteville, Wis.; Silas F. Wallen, Taylor, Wis.; E. J. Norman, Richland Center, Wis.; Earl Prane, Arkansaw, Wis.; C. B. Allerby, Whitehall, Wis.; John A. Thompson, Hixton, Wis.; A. O. Torson, Independence, Wis.; C. L. Behnken, Mauston, Wis.; W. J. Hood, La Crosse, Wis.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. McKELLAR, from the Committee on Appropriations:

H. R. 5671. A bill making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes with amendments (Rept. No. 1066).

ABSENTEE VOTING BY MEMBERS OF THE ARMED FORCES—REPORT OF COMMITTEE ON PRIVILEGES AND ELECTIONS

Mr. GREEN. Mr. President, from the Committee on Privileges and Elections, I ask unanimous consent to report favorably the bill (S. 1876) to facilitate voting by members of the armed forces and certain others absent from the place of their residence, and to amend Public Law 712, Seventy-seventh Congress, as amended, and I submit a report (No. 1065) thereon. I am glad to state that the bill is reported unanimously, with certain amendments.

The PRESIDENT pro tempore. Without objection, the report will be received, and the bill will be placed on the calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. VANDENBERG:

S. 1950. A bill to repeal the law permitting vessels of Canadian registry to transport iron ore between United States ports on the Great Lakes; to the Committee on Commerce.

By Mr. WHEELER:

S. 1951. A bill authorizing the Secretary of the Interior to convey certain lands in the State of Montana to Norman Nedrud; and

S. 1952. A bill authorizing the issuance of a patent in fee to Sampson Birdinground; to the Committee on Indian Affairs.

By Mr. EASTLAND (for himself and Mr. WHERRY):

S. 1953. A bill to amend the Espionage Act of June 15, 1917, as amended; to the Committee on the Judiciary.

By Mr. MITCHELL:

S. 1954. A bill to authorize the construction of an electrochemical laboratory in the Pacific Northwest; to the Committee on Mines and Mining.

By Mr. BILBO:

S. 1955. A bill to authorize the Commissioners of the District of Columbia to provide necessary utilities for veterans' housing furnished and erected by the National Housing Administrator; to the Committee on the District of Columbia.

MODIFICATION IN THE AUTHORIZATION FOR CERTAIN SUBSIDIES—CONFERENCE REPORT

Mr. BARKLEY. Mr. President, I present a conference report on House Joint Resolution 301 and ask for its present consideration.

The PRESIDENT pro tempore. The report will be read.

The Chief Clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 301) to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses, as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1 and 2; and agree to the same.

ALBEN W. BARKLEY,
SHERIDAN DOWNEY,
ABE MURDOCK,
ROBERT A. TAFT,
Managers on the Part of the Senate.
BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
JESSE P. WOLCOTT,
RALPH A. GAMBLE,
Managers on the Part of the House.

The PRESIDENT pro tempore. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. BARKLEY. Mr. President, the conference report is on the House joint resolution which we had before the Senate a week or 10 days ago to which the Senate added an additional allocation to the previous authorizations for meat subsidies of $125,000,000, and for flour of $25,000,000, and so on. The House agreed to the Senate amendments in toto.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

IMPORTANCE OF CONTINUOUS SESSIONS OF THE SECURITY COUNCIL

Mr. VANDENBERG. Mr. President, supplementing my previous discussion of the United Nations I want to add one brief postscript as a result of current events.

I think it is unfortunate that the Security Council of the United Nations is not in continuous session during such times as these. That is my conception of its function under the Charter which requires in article 28 that it "shall be so organized as to be able to function continuously." It is true that this language does not literally require continuity of meetings at all times—particularly since the same article in the Charter says that these meetings shall be "periodic". But in the larger sense of the word, and in the full meaning of article 24 which charges the Security Council with responsibility for "prompt and effective action," I think the Security Council most certainly should be sitting every day of every week when the world is as restless as it is at the present moment.

I hasten to say I am not speaking critically. I am not complaining. I am not attempting to inject any viewpoint into the current problems of our own State Department. The Security Council is not yet 2 months old. It could scarcely have

been expected to settle into a regular schedule so soon. I am simply posing an academic observation, on the basis of current events, for future consideration.

I feel very deeply that the Security Council's greatest advantage and its greatest potential for peace is in constant continuity of contacts—day by day, and even hour by hour—when trouble is afoot. I think it is infinitely less probable that little frictions will grow into big ones if the members of the Security Council, particularly including the five great powers, are facing each other eye to eye each morning. Thus the Security Council would consider the world's problems as a matter of routine and it would not emphasize the psychology of crisis by assembling after the elements of crisis had crystallized. It would be a "fire department" instead of a "salvage squad."

In the absence of such intimate contacts, we are thrown back into the old and tedious mode of "writing notes" from capital to capital during these current hair-trigger days. There is a better and a more hopeful way. It is the way envisioned by my conception of the Security Council of the United Nations as an institution which is open for business every day in every year. I dare to hope that the time will come when the Security Council operates upon such a schedule. It will be encouraging to the hopes of men for peace.

Mr. THOMAS of Utah. Mr. President, before I begin my remarks on the pending bill I should like to associate myself with the views expressed by the Senator from Michigan [Mr. VANDENBERG]. The United Nations Organization is established, and, as I understand has, or will soon have, a permanent Secretariat. The Security Council is an extremely essential instrumentality of the United Nations, and I agree with the Senator from Michigan that it should be constantly in session.

I should like to add to what the Senator from Michigan has said, that world government under the United Nations as a road to peace can be effective only if the institutions which function under it remain active and alert and constantly strive for the goal of peace.

Mr. President, at this time probably more than at any other time in our history, when new instrumentalities for peace are being set in motion we should reflect on the past and think of the changes which have occurred. If there was ever a time when American citizens should be historically minded and not hysterically minded this is the time. A reading of the headlines in the newspapers from day to day discloses a striking similarity with conditions prevailing in wartimes. All the hate, all the envy that once were turned against one nation or its representatives are turned at another time against other nations or their representatives. The lack of appreciation of things as they are is so evident that one should be forgiven for calling attention to that fact.

Lately, for one reason or another, attack upon attack has been made against the former Prime Minister of Great Britain. Constantly there is a running attack upon one of our greatest allies, Russia. Mr. President, I suggest that we study the history of the past hundred years and review what have been the aims and aspirations of the great Russian Nation, or the Nation of the Russias, as it used to be called, and note that that nation, like our Nation, has lived within a cycle of destiny, has lived in accordance with a plan, which has back of it as an ultimate end the desire for existence.

Some of the things which that great nation is fighting for today are exactly the same things it fought for in the fifties of the last century. It was frustrated, it was stopped, it did not attain its objectives. That nation has constantly attempted to achieve other things by what it called peaceful penetration, by assuming spheres of interest, by making peaceful conquests, and by means of treaties.

Then came two mighty wars. Each of those wars set Russia back in the attainment of what it thought was its proper aims. These aims are simple ones, Mr. President. A great inland nation, bordering on no waters, will constantly have one aim, if I have any knowledge of the philosophy of history. It wants an all-year-round outlet to the Atlantic, to the Mediterranean, to the Indian Ocean, and to the Pacific Ocean. That is a national striving consistent with that of all other nations. In these things it has been stopped, because Russia, whether czarist or Bolshevik, whether Communist or revolutionary, has maintained the same foreign policy and has held to the same aims, and in addition to that, under each of those types of government the Russian people have been kept from attaining their objective by defeats in various wars, and by various types of action against them.

Now, Mr. President, for the first time in over a hundred years a nation stands victorious with a chance to attain some of its at least hundred-year-old objectives. Should we not take that into consideration when we pass judgment? Should we not understand these things when we speak on such subjects? When we speak let us do so in accordance with that background and with that understanding. If we do, then I am sure that great difficulties will not be created, and there will not be rumors of wars in the newspapers, and people will not be constantly discussing such rumors.

RELATIONS WITH RUSSIA

Mr. CAPPER. Mr. President, I received a very interesting letter from Rev. and Mrs. W. S. Baker, well-known citizens of Wichita, Kans., who call my attention to an editorial printed by the Wichita Beacon suggesting that Joseph E. Davies, former Ambassador to Russia, would be the right man to bring about a friendly understanding between Russia and the United States. I think the suggestion is well worth serious consideration.

I ask unanimous consent that the editorial from the Wichita Beacon and the letter from Rev. and Mrs. W. S. Baker be printed in the RECORD.

There being no objection, the letter and editorial were ordered to be printed in the RECORD, as follows:

WICHITA, KANS., *March 9, 1946.*

Senator ARTHUR CAPPER,
Washington, D. C.

DEAR SIR: I am enclosing an editorial taken from the Wichita Beacon of March 8, which contains a very fine suggestion for dealing with the trouble between Russia and the United States. It would be deplorable if serious trouble should arise at this time between the United States and Russia.

Cannot someone be sent to Russia to bring about a solution of the difficulties?

I am writing for both Mr. Baker and myself. Mr. Baker is a brother of the late H. L. Baker of La Crosse, Kans., who was for many years chairman of the Republican Committee of Rush County, Kans., and a stanch friend of yours.

I trust I am not bothering you too much. Thank you.

Very sincerely,
Rev. and Mrs. W. S. BAKER.

SHOULD SEND PEACEMAKER TO RUSSIA

The situation in Iran, where the Russians refuse to withdraw their troops, threatens to afford the first case for consideration by the World Security Council of the United Nations Organization. Again the peace of the world is facing a serious threat. The Iranians are seeking peaceful relations with their powerful Soviet neighbor. But no progress is being made toward solutions of this dangerous matter.

This is not the first time the Russians have balked and failed to unite wholeheartedly in the establishment of world peace. As in previous instances, there probably is a way to cure this new trouble and menace to peace efforts and unity among the United Nations.

Once before, when it seemed that a break with Russia could not be avoided and the matter had the appearance of hopelessness, a solution was found without difficulty. The late President Roosevelt sent Harry Hopkins to Moscow as a pacifier. His efforts were attended by complete success. The Russian leaders had confidence in Hopkins. They believed in him and trusted him.

The result of the Hopkins visit was that a break with the Soviets was avoided. A similar move by President Truman, at this time, probably would have just as valuable results as did the Hopkins visit.

The right person, if sent to Russia by President Truman, might be able to bring the Russians to an understanding and agreement with the other world powers. If so it would clear up a situation that threatens to nullify everything that has been accomplished by the United Nations up to this time.

Probably there is in the United States no one more able to accomplish such a mission of peace to Russia than our former Ambassador to Moscow, Joseph Davies. He understands the Russians. They have the utmost confidence in him. He was a most successful representative of this country in Russia during the period of his ambassadorship.

While in Russia Ambassador Davies was greatly helpful to the Soviets in many ways. He made friends there and still has friends there. He assisted the Russians at a time when they were in dire need of help. There is no reason to believe that they have forgotten this assistance or have become ungrateful.

Davies probably could sell the Russians on the idea that they should remain loyal members of the United Nations Organization. If so, the irritating situation could be cleared quickly and finally.

If Davies is not the person to clarify the Russian-Iranian trouble, then certainly there is someone in the United States who could do the job. It is important and urgent.

We have failed to view the Russian threat in this light. It is time we were doing so. There is great danger in any situation that might plunge the world into another war.

AWARD OF LEGION OF MERIT TO CAPT. JOHN S. DELANO, UNITED STATES COAST GUARD RESERVE

Mr. RADCLIFFE. Mr. President, one of the most interesting and highly significant developments of our war program was the remarkable manner in which many organizations and persons trained to do highly specialized work were able successfully to place their services at the disposal of the United States Government. Often these became incorporated bodily into some branch of the armed forces where their technical knowledge and efficiency were invaluable factors in the success of our war effort.

I have in mind one such organization and its leader in illustration of the point which I have just made. I have reference to the American Pilot's Association and its very able president, Capt. John S. Delano.

The association, in war as in peace, demonstrated its high efficiency under its president, Captain Delano. The splendid record which he made as a part of our armed forces is brought out in the letter to Captain Delano from Rear Adm. L. T. Chalker, Acting Commandant of the United States Coast Guard, on November 30, 1945, which reads as follows in reference to an entirely merited award of the Legion of Merit:

UNITED STATES COAST GUARD,
Washington, D. C., November 30, 1945.

To: Capt. John S. Delano, USCGR, Coast Guard Headquarters.

Subject: Letter of appreciation.

1. Upon your separation from the service I wish to express to you on behalf of the United States Coast Guard my deep appreciation for your loyal and assiduous devotion to duty.

2. You served as special assistant on pilot control in which capacity you were directly responsible for the successful administration of the pilot control program of the United States Coast Guard. The responsibility for the safe pilotage of ships and convoys in and out of the ports of the country was delegated to the United States Coast Guard. This service, after studying the problem, concluded that the most expeditious manner in which this assignment could be carried out was to invite the members of the American Pilots Association to become an integral part of the Military Establishment for the duration of the war.

3. You graciously accepted the call of the United States Coast Guard on behalf of the American Pilots Association, of which you were president, and from December 1942 until December 1945 the pilots, their boats and equipment were at the disposal of our country. You were placed in over-all command of pilotage operations in the ports of the country. Without your profound knowledge, outstanding leadership, ability, and tactfulness the remarkable record of moving thousands of ships and convoys without delay or accident could not have been achieved. You contributed immeasurably to the final victorious consummation of World War II, and you are accorded the highest praise for the honor which you have brought to the United States Coast Guard and to your country.

4. In view of your outstanding record and achievement it was with great pleasure that I have forwarded to the Secretary of the Navy a recommendation that you be awarded the Legion of Merit.

5. On your departure I hope that you will express to each and every pilot my sincere thanks for the excellent manner in which all pilots throughout the country executed their appointed assignments.

L. T. CHALKER,
Acting Commandant.

THE OUTLOOK FOR PEACE—ADDRESS BY SENATOR FULBRIGHT

[Mr. FULBRIGHT asked and obtained leave to have printed in the RECORD an address on the subject The Outlook for Peace, delivered by him on March 5, 1946, to the Canadian Club, Ottawa, Canada, which appears in the Appendix.]

PROMOTION OF INTERNATIONAL GOOD WILL

[Mr. FULBRIGHT asked and obtained leave to have printed in the RECORD an editorial entitled "Better Currency than Gold" from the New York Herald Tribune of March 14, 1946, and an editorial entitled "Changing Cannons to Cultural Currency," from the Christian Science Monitor of March 2, 1946, which appear in the Appendix.]

FEDERAL WORLD GOVERNMENT—RESOLUTION OF OGDEN (UTAH) ROTARY CLUB

[Mr. MURDOCK asked and obtained leave to have printed in the RECORD a resolution favoring the creation of a Federal World Republic, adopted by the Ogden (Utah) Rotary Club, a news article on the subject matter, and a telegram concerning it, which appear in the Appendix.]

HON. ROBERT E. HANNEGAN—ARTICLE BY RUFUS JARMAN

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an article entitled "Truman's Political Quarterback," written by Rufus Jarman and published in the Saturday Evening Post of March 2, 1946, which appears in the Appendix.]

AMENDMENT OF FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Louisiana [Mr. ELLENDER] for himself and the Senator from Minnesota [Mr. BALL].

The THOMAS of Utah obtained the floor.

Mr. HILL. Mr. President, will the Senator yield to me to suggest the absence of a quorum?

Mr. THOMAS of Utah. I yield.

Mr. HILL. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Downey	Huffman
Austin	Eastland	Johnson, Colo.
Bailey	Ellender	Johnston, S. C.
Ball	Ferguson	Kilgore
Bankhead	Fulbright	Knowland
Barkley	George	La Follette
Bilbo	Gerry	Lucas
Brewster	Gossett	McCarran
Briggs	Green	McClellan
Buck	Guffey	McKellar
Bushfield	Gurney	McMahon
Byrd	Hart	Magnuson
Capper	Hatch	Maybank
Carville	Hawkes	Millikin
Chavez	Hayden	Mitchell
Connally	Hickenlooper	Moore
Cordon	Hill	Morse
Donnell	Hoey	Murdock
Murray	Russell	Tunnell
Myers	Saltonstall	Tydings
O'Daniel	Shipstead	Vandenberg
O'Mahoney	Smith	Walsh
Overton	Stanfill	Wheeler
Pepper	Stewart	Wherry
Radcliffe	Taft	White
Reed	Taylor	Wiley
Revercomb	Thomas, Okla.	Willis
Robertson	Thomas, Utah	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from New York [Mr. WAGNER] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from Arizona [Mr. MCFARLAND] is detained on public business.

The Senator from New York [Mr. MEAD] is absent on official business.

Mr. WHERRY. The Senator from Illinois [Mr. BROOKS] is recovering from a recent operation.

The Senator from Iowa [Mr. WILSON] is absent because of illness.

The Senator from North Dakota [Mr. YOUNG] is necessarily absent. He is absent by leave of the Senate.

The Senator from Nebraska [Mr. BUTLER] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Indiana [Mr. CAPEHART], and the Senator from North Dakota [Mr. LANGER] are necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is attending the Conference of the International Bank and Monetary Fund as an adviser.

The PRESIDENT pro tempore. Eighty-three Senators having answered to their names, a quorum is present.

Mr. THOMAS of Utah. Mr. President, yesterday when the Acting Chaplain offered his prayer he uttered one sentence which seemed to fit the occasion and the subject which is before us for discussion. He said this:

> May we so completely give the best we have and are that those who come after us will have a decent world in which to live because of justice and fairness for all.

Mr. President, it is not only with a degree of pride, which I am sure my colleagues who are associated with me will forgive me for saying I have, but also with a sense of the emotional that I point out that in coming before the Senate in behalf of the pending bill which proposes to amend the Fair Labor Standards Act I come full of the spirit which I had when that act became a law. I come, furthermore, with an understanding and thankfulness for the good that has come to the thousands and thousands of our people by reason of that act.

Mr. President, the pressures, the lobbies, the influences brought to bear upon us, the struggles we had to go through, the promises which had to be made in order to bring the Fair Labor Standards Act into being, remind us of the tense differences in regard to fundamental theories that exist in our land. The interesting thing to note is that that act itself is not challenged today. Because of these circumstances, in my few remarks I wish to give a slight historical review of what has taken place since that act became law. Remember that every argument which I have heard made against the amendment proposing

a 65-cent minimum was made with equal force and vehemence against the 25-cent standard which was provided when the act became law.

For more than a century our Nation has vibrated from repeated attempts to improve standards of labor. The movement has been a steady, continuous one, and has included attempts toward restrictions on the employment of women and minors in certain industries and occupations, measures for safety from industrial accidents, workmen's compensation, reductions in the basic hours of work, and minimum wage regulations.

If Senators who are interested in the history of this evolutionary movement will go back and read what the opposition to every one of those changes in our social and economic life was, they will be surprised beyond words to find that the opposition always ended with a sentence somewhat to this effect: "The aim of this legislation is proper; no one can talk against bettering conditions; but the legislation is absolutely impracticable. It will destroy business. It will cause business to go out of existence and bring about conditions which will be destructive to the welfare of our people." That argument was made every time, without exception.

I am proud to say that in my own State of Utah there was enacted the first limitation on hours of labor in mines. A case involving that act reached the Supreme Court of the United States. I remember that as a youngster I heard the arguments in regard to that act. I recall the case which went to the Supreme Court. It hinged upon the question of personal liberty. It was argued that the act deprived men of a constitutional right and privilege. The logic was thoroughgoing. One reads with interest the arguments of the attorneys in that case. The case involved a man who wished to work for 12 or 13 hours. The State stepped in and said, "You may not do it. You may work for only 8 hours." That seems such a patent infringement upon personal liberty that one is not surprised that the case reached the Supreme Court. But the Supreme Court—thank goodness for those men—realized that other factors were involved, and handed down its decision in accordance with the other factors.

The question of this type of legislation depriving individuals of their liberty is a moot question today, thank goodness, and a question which is no longer argued. That is a gain for the constitutional growth and development of our land.

In the particular field of minimum wage legislation there has been a long and interesting series of events. Sweatshop conditions in the last two decades of the nineteenth century called attention in dramatic fashion to the need for legislation protecting workers from exploitation. Various groups, including factory inspectors, State and Federal legislative groups, and the Consumer's League, pointed warningly toward the conditions, and in 1892 Congress ordered an investigation of sweatshops in several large cities. The committee reported:

> Wages (in sweatshops) average from 25 to 33⅓ percent less than in the larger shops, and as to hours there is practically no limit, except the endurance of the employee * * * the hours of labor under this system rarely being less than 12, generally 13 or 14, and frequently 15 to 18 hours in 24. * * * A large proportion nearly if not quite one-half of all clothing worn by the majority of our people is made under conditions * * * revolting to humanity and decency.

Those are the words of a congressional committee. In recommending a Federal law to regulate sweatshops, the committee pointed out that—

> So long as interstate commerce in this regard is left free, the stamping out of the sweating system in any particular State is of practically no effect, except to impose peculiar hardship upon the manufacturers of that State.

In 1909 the National Consumers League, struck by the discrepancy between the minimum wage that retail merchants in New York had voluntarily agreed to pay clerks with 1 year's experience—$6 a week—and the minimum amount needed for a woman to live "in health and efficiency"—$8 a week—stated:

> So grave a discrepancy between the need of the workers and the minimum wage attained in 20 years by the method of organized persuasion calls for new and more effective ways of compelling payment of a living wage.

Between 1912 and 1923 the legislatures of 17 States, including the District of Columbia and Puerto Rico, enacted minimum wage laws to provide women with necessary costs of living, and to protect their health and welfare. Four of the acts—those in Utah, Arizona, South Dakota, and Puerto Rico—were framed to set the legal minimum in all industries under them; the others provided for wage boards to set the minimum, industry by industry.

In 1919, several Pacific Coast States with high labor standards recognized the inadequacy of State legislation to provide any kind of a solution, and recommended Federal regulation of hours of work and minimum wages of women as a more logical and practicable way to solve the pressing problem. However, in 1923, the State laws were held unconstitutional by the Supreme Court in Adkins against Children's Hospital, and they became inoperative or enforceable only on a voluntary basis. Reversing a decision of 1917 by a divided court, it was held that the passage of the women's suffrage amendment to the Constitution made the setting of wages on the basis of livings costs without due regard to the value of the services a violation of the due-process clause of the fifth amendment, although both Chief Justice Taft and Justice Holmes pointed out that the passage of the amendment did not change the physical limitations of women. This position of the Court was not reversed until 1937, and in the intervening period the chief advance in wage-and-hour regulation was made in the field of Federal control, rather than by the States.

The Washington minimum wage law was held constitutional in West Coast Hotel Co. against Parrish in 1937. The Court stated that "regulation which is reasonable in relation to its subject and is adopted in the interests of the community is due process."

Two significant events occurred in 1931 in the movement for Federal action. The Bacon-Davis Act was passed by Congress, requiring payment of prevailing wages to laborers and mechanics on Government contracts in excess of $5,000, and the then Governor of New York, Franklin Delano Roosevelt, instituted a movement for cooperative action among the States in the field of wages and hours, to eliminate unfair competition because of different labor standards. The National Consumers League, the next year, issued another warning:

> We have realized that wage levels were sinking, but we had not realized how rapidly wages were being cut—slashed in industry after industry beyond a subsistence level in many cases. We have realized that enforcement of the hours laws was not as good as it had been * * * but we had not realized that industrial standards, built up little by little after years of struggle, are collapsing like card houses under the grim determination of the unemployed to get work at any price.

The National Industrial Recovery Act, passed by Congress in 1933, established codes of fair competition, and set up under the codes definite minimum wage standards which covered perhaps 20,000,000 workers in nearly 600 industries, although the chief coverage was chiefly of plant workers, not office workers. The minimum wage rates varied for different industries, and were as high as 70 cents an hour in construction trades. The NRA, as everyone knows, was held unconstitutional in the famous Schechter decision, on the theory that the delegation of such power by the Congress to the President was in itself unauthorized by the Constitution, and also that the regulation of wages in the particular industry involved—the slaughtering of poultry—was beyond congressional control, since it was primarily intrastate in nature.

Following that decision, wage cutting and a general lowering of wages and lengthening of hours resulted in renewed demands to establish fair labor standards. The Chief Economist of the Bureau of Labor Statistics, after studying wages in six industries, concluded that:

> The most important relationship that held in each of the six industries studied is the competitive advantage that accrued to those who cut wages more than the average or advanced them less than the average. In each of these industries the employer who cut wages gained, as he had hoped, relative to the man who did not.

The Walsh-Healey Public Contracts Act, passed in 1936, regulated hours of work and required payment of prevailing wages for workers employed on government contracts in excess of $10,000; but aside from abortive attempts at State action, little progress had been made. By 1939 there were still 22 States

without any minimum wage legislation, and most of the laws passed applied only to women and minors. In two States, Oklahoma and Connecticut, the acts applied to men, as well. Under the laws providing for action by wage boards, industry by industry, the occupations and industries for which boards had not been appointed remained free from any minimum-wage requirements, and the standards set in the local laws varied widely from one State to another. The inadequacy of State action was apparent to all students of the problem. The general secretary of the National Consumers League, which had been advocating State labor laws for 50 years, stated that State legislation was not sufficient. He said:

> Only an authority with power to reach beyond State lines can deal with this situation. Industry and commerce are conducted without reference to State boundaries. Every map showing production areas carves States into pieces and combines sections of adjacent States. There is also competition between areas for markets for the products of their industries. Substandard labor conditions prevailing to any great extent in one area tend to drag down standards in other sections.

Indications from all sides pointed to the necessity for action on a scale large enough to cope with the increasingly acute situation.

On the 24th of May 1937, President Roosevelt sent a stirring message to the Congress. "The time has arrived," he began, "for us to take further action to extend the frontiers of social progress." In his characteristically direct way, he proceeded to recommend that the economy of the Nation be strengthened by increasing the purchasing power of laborers and by providing for maximum hours of work. He discussed the constitutional questions involved, and concluded that Congress unquestionably had the power and the obligation to establish and direct what should be the minimum-wage standards for employees engaged in the production of goods for interstate commerce. He proposed Federal action for the good it would achieve in itself and as a stimulus to further action by the States, to raise the American standard of living, and to help alleviate the conditions responsible for the suffering of "one-third of our population, the overwhelming majority of which is in agriculture or industry (and) is ill-nourished, ill-clad, and ill-housed." In response to this forthright suggestion, bills were immediately introduced in both Houses, by Senator Black and Representative Connery, and exhaustive hearings were conducted, establishing beyond any reasonable doubt the need for legislation along the lines indicated by the President. Varying versions were adopted by the two Houses of Congress, and a conference committee of which I am proud and happy to have been chairman was appointed to work out an acceptable solution to the complex problems involved.

The cumulative result of our effort, Mr. President, became law on June 25, 1938, and is officially known as the Fair Labor Standards Act of 1938. Undoubtedly, in its theory and purpose, it is one of the most remarkable and most progressive pieces of legislation to have been enacted since the days of Woodrow Wilson. The Congress found that—

> The existence in industries engaged in commerce or in the production of goods for commerce, of labor conditions detrimental to the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of workers (1) causes commerce and the channels and instrumentalities of commerce to be used to spread and perpetuate such labor conditions among the workers of the several States; (2) burdens commerce and the free flow of goods in commerce; (3) constitutes an unfair method of competition in commerce; (4) leads to labor disputes burdening and obstructing commerce and the free flow of goods in commerce; and (5) interferes with the orderly and fair marketing of goods in commerce.

It was declared to be the policy of the act to remedy those evils without substantially curtailing employment or earning power. The methods employed to attain the objectives are now well known, and perhaps need no review. A Wage and Hour Division was established in the Department of Labor to carry out the provisions of the act. The organization of industry committees was directed. Shipment of goods in interstate commerce, where oppressive child labor practices existed, was prohibited.

Mr. President, I must digress here for a moment. We all know of the years of struggle through which our country has passed in attempting to abolish child labor. We know of the failure of the constitutional amendment which was designed to do away with child labor. It is because of the Fair Labor Standards Act of 1938 and the administration of that act that we are able to say, with thanks, that child labor in its old, wicked, and oppressive aspects has disappeared from our fair land. No one regrets its going—not even those who once were opposed to the legislation.

Minimum wages were established at 25 cents an hour for the first year, 30 cents an hour for the next 6 years, and 40 cents an hour thereafter, with the provision that the Administrator of the Wage and Hour Division, through consultation with the industry committees, could increase the amount to 40 cents before the 7 years had elapsed. The workweek was set at 44 hours, to be reduced 2 hours a year until 40 hours was reached. Large segments of employees were exempted from the provisions of the act, some because of the obvious impossibility of its application and some, notably agriculture and related industries, because of the request of their leaders. President Roosevelt's ideas were approved by the Supreme Court, and the constitutionality of the act is now unquestioned. Indeed, its theory has been considerably extended, and the Court has implied that Congress has not broadened the application of the act to the extent of its constitutional authority. In other words, the Supreme Court of the United States itself invites the very legislation which is now being proposed.

Our experience with this law has demonstrated its inadequacy in two respects. First, less than half of the workers of the country are covered under its provisions. Its extension to the fields in which the Congress has authority to act, not covered by the present law, is necessary for continuous economic and industrial growth. Second, the minimum-wage standards are grossly inadequate. Changes in our economic picture since 1938 demand that the statutory minimum be raised to 65 cents per hour. Senate bill 1349, the bill under consideration, proposes to remedy these deficiencies.

If it is admitted that the Fair Labor Standards Act is a good law, that it is needed to prevent the sweatshop and the many evils therewith connected, it is difficult to understand upon what rational basis its application should be denied to all the workers over which Congress has constitutional power. Are we willing to admit that it is wise to set a minimum standard for half of the Nation's employees, but that we need have no concern over the economic plight of the other half? The basis for democracy ceases to exist if we follow such a course. Approximately 20,000,000 of more than 40,000,000 workers are, at the present time, entitled to the protection of this law. The Supreme Court has recognized that the present coverage does not exhaust the power of the Congress under the Constitution to arrange wages and hours of employees engaged in the production and distribution of goods in interstate commerce. It is precisely in the areas to which the law has hitherto been applicable that the greatest need lies for protection. Congress should no longer permit a perpetuation of the evils which the statute condemns for failing to assume its responsibility in the field where it has unquestioned jurisdiction.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. WILEY. I understood the Senator to state that the present law would operate with respect to 40,000,000 workers. I wonder how many of that number are at the present time receiving less than 65 cents an hour?

Mr. THOMAS of Utah. When we held hearings on the subject of the white-collar workers it was estimated that there were between 20,000,000 and 25,000,000 "forgotten persons," as they were termed at that time, who were not covered by fair labor standards. That is the only statistic to which I can now turn. In that number were included many who, at the time, were receiving more than 40 cents an hour. I do not know exactly how many persons would be affected. I have statistics which I expect to present later which have been based upon estimates.

Mr. WILEY. It is my understanding generally that union labor throughout the country is now receiving more than 65 cents an hour. Am I correct?

Mr. THOMAS of Utah. I believe that organized labor generally will not be affected by the proposed changes in the present law, either with respect to hours or with respect to wages. The need of the act was apparent to everyone who

realized that organized labor itself was in a position to take care of itself. Organized labor was being better paid and was less exploited than were the great mass of workers who had no representation, and were not organized at the time the fair labor standards act was enacted.

Mr. WILEY. The Senator has stated that the law would apply to 40,000,000 persons. That means that there is a class of people outside the 40,000,000 to whom the law would not apply. Has the Senator any figures as to how many are included in that class?

Mr. THOMAS of Utah. I believe that it was assumed during wartime that the peak of employment reached in the neighborhood of 51,000,000 or 52,000,000 persons. I do not know exactly what the number was. It is assumed that 40,000,000 of those persons are taken care of by some kind of law, collective bargaining, or organizational representation. I do not know how many are dependent absolutely on the Fair Labor Standards Act, but I do know that there are in the neighborhood of between twenty and twenty-five million persons who need some kind of help and aid from the Government in order to adjust their unfavorable wage condition which existed at the time we conducted hearings in respect to white-collar workers.

Mr. WILEY. By that statement the Senator means that there are between twenty and twenty-five million persons who would come within the purview of the commerce clause, and that the law would operate with respect to them.

Mr. THOMAS of Utah. Yes; I assume that the persons engaged in commerce or engaged in producing commodities which enter into commerce may perhaps be as many as two-thirds or four-fifths of all persons employed.

Mr. WILEY. I thank the Senator.

Mr. THOMAS of Utah. Mr. President, I have been handed by one of the committee aides a part of the committee report which will, I believe, answer quite accurately the Senator's question. There is no way of answering definitely any question of this nature because it is impossible to obtain reliable statistics. Based on the present coverage of the act, approximately 4,200,000 employees would receive increases as a result of the adoption of a 65-cent-an-hour minimum wage rate, and approximately 6,400,000 as the result of a 75-cent-an-hour minimum wage rate, as shown in table 1:

I may say that the difficulty arises from the fact that because of the demand for employment in war industries and in all other industries as the result of the war activity, many persons who are now receiving more than 40 cents an hour would not otherwise receive it. The threat of having their wages reduced is one thing which keeps these persons anxious. Other statistics which bear upon this subject show that 4,180,000, or 21 percent, would be benefited by the 65-cent minimum; 5,135,000, or 26 percent, would be benefited by the 70-cent minimum; and 6,390,000, or 32 percent of this type of labor, would be benefited by the 75-cent minimum.

Mr. WILEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). Does the Senator from Utah yield further to the Senator from Wisconsin?

Mr. THOMAS of Utah. I yield.

Mr. WILEY. I thank the distinguished Senator for that information. As I recall, the bill would mean that about 4,300,000 would have their wages raised.

I have received as, of course, every other Senator has, a number of telegrams, and not being on the committee to consider this matter, and having plenty to do with matters before my own committees, I am merely seeking light on the subject to guide me in determining how I should vote. I should like to ask the Senator one or two more questions relating to this subject.

I have a telegram in front of me that seems to state some of the objections.

First. It says that the passage of this bill would mean more pressure toward inflation.

Is there any information as to how much in the aggregate in the case of the 4,300,000 workers the increase would amount to?

Mr. THOMAS of Utah. Does the Senator mean money inflation?

Mr. WILEY. Yes.

Mr. THOMAS of Utah. I do not know; but it can be readily calculated. If 4,000,000 people have their wages increased by the difference between 40 cents and 65 cents, the increase can be easily determined.

I shall talk about inflation later on, not as I view it but as scores of witnesses who appeared before the committee viewed it, and not in accordance with statistics, but in accordance with my own observations concerning the subject.

Mr. WILEY. I should like to have the Senator's reaction to another objection. It is stated that it would deprive low-productivity workers of employment.

Mr. THOMAS of Utah. That is an argument which has always been used but is an argument which, in the light of experience, is fallacious. That is the only way I can answer that question.

Mr. WILEY. Then, there is another objection stated, namely, that it would prevent the manufacture of many products and result in lower employment.

Mr. THOMAS of Utah. The two arguments or objections are identical. They were used against the original act. The argument has always been used against an increase in wages that it is impossible to do business if too much has to be paid for labor. That has been said since the beginning of what we call our modern industrial life.

Mr. HAWKES. Mr. President, will the Senator from Utah yield to me for a moment?

Mr. THOMAS of Utah. I yield.

Mr. HAWKES. I should like to suggest—and I am sure the Senator from Utah will agree with me—that there is a point where, if wages were raised to that point, certain businesses of value to the country would be definitely stymied and stifled or closed up. The opinion of the Senator is that 65 cents is not that point, but he certainly will admit that there is a point where certain small businesses could no longer continue to exist if there was fixed a wage rate that would not permit them to operate in making their particular product without loss.

Mr. THOMAS of Utah. Mathematically, of course, that is so. For instance, if I have a business and make a profit of $100 a week and wages are raised to $125 a week, I would not only make no profit but, merely considering the one factor, I would lose $25 a week. That is arithmetic and I shall not argue against it.

Mr. HAWKES. I think the Senator from Utah will admit that he does not know where that point is, and neither do I.

Mr. THOMAS of Utah. I thoroughly agree with the Senator.

Mr. HAWKES. If that be so, since we are all deeply interested in this subject, which is very important to our country, I should like to leave this thought with the Senator from Utah: How can a legislative body fix a rigid rule that deals with the economy and the economics of business for a period of years when we do not know what is in front of us?

Mr. THOMAS of Utah. There is no way of fixing such a rule. The logic of the Senator from New Jersey is perfectly proper and sound. The only thing, I may say in reply to the Senator, is that we have fixed such a rule in the past and it has not destroyed industry. Adjustments have been made to conform to it. I would go further and say—and I am sure that the Senator from New Jersey will agree with me because our social outlooks naturally are the same—if there is a business, large or small, in the United States of America which is dependent upon the exploitation of labor for its existence, I say it should go out of existence.

Mr. HAWKES. I agree 100 percent with the Senator on that point. The only suggestion I wish to make for the Senator's consideration is that the bill proposes a terrific jump. It does not bother me, because I have always paid 20, 30, or 40 cents an hour above the prevailing wage standards fixed by law and am 45 cents above it today. I believe in wages adequate to afford decent living standards to workers. I do not believe an employer can get much out of a worker who is undernourished or whose mind is continually disappointed with his outlook; but I feel very strongly that the jump from 40 to 65 cents, and the jump in the future to 75 cents is rather extreme when we consider the fact that the world is in a state of flux, and none of us knows what is going to happen in this country, nor do we know very much yet about what our relationships and competition with other countries of the world will be.

I think that is something to which the Senator from Utah must have given much thought, and it is a consideration that is in my mind all the time. I have found in my business that if I have an objective ahead of me it is better not to move too rapidly toward the objective but approach it step by step, note the results, test it out, and take soundings to see whether there are rocks in the water

against which one may split his head. I believe in moving steadily forward step by step. I have found that is the most satisfactory way and it is more apt to bring success in reaching the desired destination. I do not think there is much difference of opinion as to the objectives between any of the Senators on this matter—the difference is related to how free men can reach or attain their objective.

Mr. THOMAS of Utah. The Senator from New Jersey in his argument has completely justified the minority views, and is thoroughly consistent with what the minority views set forth. In the first part of his argument——

Mr. HAWKES. I have not even read the minority views, and if I have justified them I have done so from my own personal experience in life.

Mr. THOMAS of Utah. I agree with what the Senator has said about going forward surely instead of by doubtful and uncertain methods. Everyone is in favor of that. I should like to say though in the light of the Senator's statement, that the argument made is identical with that made in 1937 and 1938 when the Minimum Wage Act of that period was considered.

From the standpoint of arithmetic, on a percentage basis, the jump is not greater than that in the earlier act, even if we were raising wages from 40 cents to 65 cents which we are not doing, of course, any more than in the previous act we were raising wages from 10 cents to 25 cents, if all the workers in America received 10 cents an hour in wages, which some actually did receive in 1937.

Mr. HAWKES. Much to the disgrace of anyone in business who claims to believe in fair treatment.

Mr. THOMAS of Utah. And much to the surprise of nearly every member of the committee. We were shocked to hear it. But the type of work exacted, small contract work, where one would take work home and labor on it, resulted in a wage of between 10 to 15 cents. The percentage jump from 10 to 25 is actually greater than the jump from 40 to 65. But I presume that argument means nothing.

Mr. HAWKES. It does mean something. But I know the Senator will agree with me that we can make a larger percentage jump when we are down to almost nothing, than can safely be made after we have gotten considerably higher, and the jump may take us into the wrong hurdle—too high a guaranteed wage.

Mr. THOMAS of Utah. That is true.

Mr. HAWKES. I wish to thank the Senator from Utah very much for permitting me to interrupt him.

Mr. THOMAS of Utah. Under the laws of physics when one starts falling he goes a little faster just before he reaches the ground than when he starts. The thing works both ways, and such illustrations can be given as have been suggested. If the bill were a measure dealing with pure arithmetic and pure economics, on the dollar-and-cent basis, such arguments could be made and justified. Basically, the bill is a social bill. It is a bill which comes into being because some elements in our society believe that certain conditions are bad and they are trying to rectify them.

Mr. WILEY. Mr. President, will the Senator from Utah yield?

Mr. THOMAS of Utah. I yield.

Mr. WILEY. I agree fully with the last statement, that the bill has back of it a tremendous social implication.

I wish to ask the Senator a question which was provoked by the statement of the Senator from New Jersey. Is there any provision in the bill whereby the Government, or the people of the country, would be protected in case of a great emergency of some kind, when it might be to advantage to reduce the minimum wage? Could that be done? We know that the mere payment of money is no criterion of a wage. The criterion of a wage is what money will buy.

I can well remember when as a young man I worked in the sawmills of my State for 15 cents an hour, and at that time butter was selling for 10 cents a pound and potatoes for 11 or 12 cents a bushel. The $1.65 I made would buy possibly a great deal more than the wages paid today would buy of equivalent merchandise.

What I have in mind is that, as the Senator from New Jersey has said, we are living in a period of flux, and we do not know what conditions will arise tomorrow. We do not know what is ahead of us on the domestic scene or on the foreign scene. Are we now establishing a definite, fixed basis so that manufacturers on a Nation-wide scale might be interfered with in a great national emergency? In other words, the time might come when employers could not pay the minimum wage, and therefore, rather than violate the law, they would shut down, which would mean widespread unemployment.

What I am getting at is this: Is there a possibility of putting some flexibility in the law, so that in case of a national emergency the President, or other appropriate agency, could set the law aside temporarily, or something of that kind?

I do not know whether I have made myself clear, but I think we must be careful, because the Lord only knows what is ahead of us, and we are asked to freeze all our great business in this country to the level proposed. In my humble opinion, 65 cents an hour is not an excessive wage. But that is not the point with me. The point is that we are saying that employers cannot pay 64 or 64½ cents an hour without being criminal.

Mr. THOMAS of Utah. There is no provision in the amendment and no provision in the law for changing the standards. The Senator will remember that during the wartime many amendments were offered in an attempt to do away with the provisions of the Fair Standards Act regarding wages and regarding hours, on the theory that that act came into existence for the purpose of spreading employment, and that when there was little unemployment the act should be done away with.

As a Nation, we turned our backs upon that suggestion, and I am very happy that we did. We kept the standards, because, I repeat, the basis of the proposal here is not 40 cents an hour or 65 cents an hour, but it is the human equation. Although an attempt was made during the war to change the law, even the Executive orders issued with regard to labor were made consistent with the national law and the Fair Labor Standards Act. So the answer to the question is that there has not been an opportunity to do what the Senator suggests, and there will not be an oportunity to do what the Senator suggests under the proposed amendment to the act.

Mr. WILEY. Mr. President, will the Senator yield further?

Mr. THOMAS of Utah. I am glad to yield.

Mr. WILEY. I have no doubt in my own mind that for 2 or 3 years, if the world remains at peace, the tremendous demand on the domestic front will be such that the high wages we pay compared with the wages other nations pay will make no difference, because the demand will be here. But we have seen in America, when there was no market, what might be called overproduction. We will be searching the world for markets 3 or 4 or 5 years from now; in fact, we are going after them now. I can foresee a time when perhaps it will be advantageous to the citizen himself, if he can buy his goods at lower prices, to take a 50 cents an hour wage instead of 75 cents, and it might be of advantage to the general welfare to have that condition. Yet there is no flexibility in the proposal we are considering.

I trust I have made myself clear. Every time one attempts to rationalize he is called a Tory, or some similar name. My purpose is to try to find a mechanism which might meet an emergency, and that is what my question was about.

Mr. THOMAS of Utah. The Senator from Utah would never call the Senator from Wisconsin a Tory. The Senator from Utah is extremely happy, as a Democrat and as a student of Democratic arguments over the years, to realize that the Senator from Wisconsin, a great Republican, is at last getting around to seeing things as the Republican Party should have seen them in the nineties and the eighties of the last century. I congratulate the Senator from Wisconsin, instead of calling him names.

Mr. WILEY. If the Senator will yield, I wish to say that, while I appreciate his kind words, I realize that in the last 12 or 15 years there has been a great deal of blindness throughout the world, and that the members of the Republican Party were not the only ones who should have had the blinders taken from their eyes. The condition of the world at present indicates that we got into the present mess because we did not have the mechanism to take care of the situation as it arose.

I come back to the original proposition. We are about to pass a law which provides for a wage of 65 cents for the present, to be 75 cents in a year or two, and we say, "Mr. Manufacturer, if you pay less you are a criminal," no matter what world conditions may be, no matter what domestic conditions may be. I think now is the time to look ahead and to realize that there may be a little change in conditions. I say that without any thought of injuring labor. That is not my objective. My objective is to try to keep the wheels of our economy going, no matter what conditions may

arise. Again I thank the Senator for his kind words.

Mr. CARVILLE. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. CARVILLE. I have been intensely interested in the statement just made with respect to the establishment of a 40-cent minimum wage. In that connection I should like to make the observation that when the emergency is over, and we return to what may be called normal conditions, we shall be found to be living on a higher plane than was considered to be normal prior to the war. I think wages are going to be higher and living standards are going to be higher. So after the emergency is over, we shall have to adjust ourselves to that normal stage which will be, in my opinion, on a higher plane than before, and I think the 65-cent minimum will fit into the picture as we shall see it at that time.

I should like to make the further observation in connection with the remarks just made by the Senator from Wisconsin [Mr. WILEY], that if, as he suggested, the bottom were to drop out, Congress would always be in a position to change the law and adjust its terms to the conditions which might prevail at that time.

Mr. THOMAS of Utah. I thank the Senator from Nevada for his contribution.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. HAWKES. I shall not detain the Senator much longer, but I should like to say, in view of the statement just made, that I hope we will never get into such a position that plants will have to shut down for 6 months while Congress is making up its mind.

I should like to give to the Senate an illustration of what I have in mind. I have had some very remarkable experiences with and have the deepest faith and confidence in workingmen and workingwomen. I think they are one of the finest and greatest assets we have in America. I want to state an experience I had in order to illustrate what the Senator from Wisconsin was speaking of in following up the point I made in respect to fixing an inflexible minimum wage at a high level, not knowing what stones there may be in the path ahead of us.

I once raised the wages of the employees in our company, without any request on their part to do so. At one plant—I think this is well worth noting—a meeting was held and the collective bargaining committee asked me to confer with them. They knew I was coming down into Maryland to their plant. They said to me, "Mr. HAWKES, we appreciate this raise. We want it. It is a fine thing. But can the company afford to pay it?"

I said, "What do you mean, can the company afford to pay it?"

They said, "Can the company afford to pay it under all the conditions confronting us and keep our cost of production down, so we will get our share of the business in competition with other manufacturing plants?"

I said, "Why do you ask that?"

They said, "Because if we cannot get our share of the business under such conditions, we would rather keep the old rate of pay, and know we shall continue to have our jobs, than to receive this increased rate of pay which might put us out of our jobs."

That incident illustrates the point I had in mind, and I believe it illustrates the point the Senator from Wisconsin had in mind.

I told those men that the company could afford to do it, that we wanted to do it, and we did it, and we have never since then gone down in our wage rates. We have continually gone up from that point.

Further to illustrate the type of cooperation I have always received from working people in the plants I will say that out of 3,800 employees in those different plants at that time I received letters from more than 1,000 of them in which they said, in effect, "We are glad we are working for a company that thinks of the welfare and interest of its employees, and we want to assure you, Mr. President, that the raise which has been granted us will not cost the company a cent."

I shall now tell the Senate of one of the most remarkable experiences I have had in my life. That 10-cent-an-hour increase did not cost the company a nickel. The workingmen reduced the cost of production of the product so that that increased pay was absorbed by reason of increased efficiency and cooperative work on the part of the workmen.

I tell that story, Mr. President, to illustrate that I believe in doing the right thing, and when I am arguing about whether we should fix this inflexible wage rate far ahead into the future, without giving any consideration to all the unknown equations throughout the world, I am thinking of the welfare of our American workers and our people generally. The only difference between the Senator from Utah and me on this subject is that I want to be a little bit more careful, and the Senator from Utah feels in his own mind and heart undoubtedly that what he is recommending is safe.

Mr. THOMAS of Utah. Mr. President, I want to thank the Senator from New Jersey for his splendid remarks on applied Christianity.

Mr. HAWKES. I believe in applied Christianity.

Mr. THOMAS of Utah. It is extremely gratifying to have testimony offered that applied Christianity works even in an economic way. If all employers had treated their employees and if all employees had treated their employers in the same way there, of course, would be no need of this legislation. But this legislation and the act of 1938 have come about as the result of absolute need. State laws had failed. Twenty-two States had refused to do anything at all. It was necessary that there be a change in our interpretation of the commerce clause of the Constitution in order to bring those who turned their backs on what we call applied Christianity around to the point where they were willing to practice a little bit of it. That is the sad side of the story of industrial labor relations in the United States. There are many institutions which have never had a strike, which have never had any trouble. My own father's business continued through more than two generations. He never discharged a soul. I do not know why. He did not even dismiss his own son, which is quite remarkable in the light of all that has taken place. But the trouble with our growth in this industrial age has simply been that labor has been removed farther and farther from the employers. In America employer-labor relation problems cannot be adjusted simply by marrying the boss' daughter. It is impossible to adjust such problems in that way. Much as we would like to retain the fine old Jeffersonian scheme of government, government must step in.

Mr. HAWKES. Mr. President, will the Senator again yield?

Mr. THOMAS of Utah. I yield.

Mr. HAWKES. I want to thank the Senator from Utah for his remarks. I shall not take much more time. I wish to say that in my 52 years in business I have never had a strike against any company with which I have been connected. The only strike that ever was called occurred in 1938 because two unions began fighting amongst themselves, and they shut the plant down while they were settling their own problems. So I am a believer in the idea that if the employer can keep his hand on the pulse of his workers he can stop a good many of the difficulties which ordinarily arise.

I think the Senator from Utah has raised a very interesting point. In companies employing 200,000 or 300,000 or 400,000 employees the employers cannot be close to their workmen. But the employers can establish a policy of teaching the foremen and superintendents in each of the plants to do in the respective plants what I have done in my business throughout the United States. I think that is more important than fixing a minimum wage.

Mr. THOMAS of Utah. Mr. President, I grant 100 percent that that is more important.

Mr. HAWKES. I hope the day will come when almost all employees will have their wages related to cost of living on a fair basis, so there will not be more than 25 persons in the United States who will be affected by the Fair Labor Standards Act establishing minimum wages.

Mr. TUNNELL. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. TUNNELL. In what I am about to say I am not referring to the Senator from New Jersey, and I do not want him to think so, although yesterday on the floor of the Senate I referred to a Senator whose standard of wages was much higher than the minimum. I was then referring to the Senator from New Jersey, though, as I recall, I did not name him. What bothers me is not only the fact that there might by 6 months when a factory might be closed down. I am thinking of the 6 years when the employee might be almost in a starving condition, as we found so many of them to be. I wish to place near that comment the thought that there is another side to the question. The thing which the people must recognize is that, as consumers, they must pay enough to permit

the producer to pay a living wage to the employees upon whom he depends.

Mr. THOMAS of Utah. I thank the Senator from Delaware.

Mr. WILEY. Mr. President, will the Senator from Utah yield?

Mr. THOMAS of Utah. I yield.

Mr. WILEY. Let me illustrate the feature of flexibility by an incident from my own experience. When I was a young man some Chicago capitalists built a great river development in the north country. They constructed a large pulp mill. It was my good fortune as a young practicing lawyer to be attorney for the company. The First World War came, and following that, hard times. The company had built a beautiful village. For 2 years it continued to go into the red. One of the fine experiences of my life occurred there as attorney for that company. The company union, hearing of the financial condition of the company, which had been losing money, sent its representatives to me. They said, "We have talked this thing over, and an idea has occurred to us. We want to know if you think it would be feasible. We understand that the company cannot take the gaff much longer. Everything we have is in our homes in this little village. We want to suggest that we take a cut of 10 cents an hour." I do not know exactly what their wage rate was, though, as I recall, it was 30 or 35 cents an hour.

The employees accepted a reduction; and their action was of such a stimulating character that the stockholders took action and raised additional money. Today that community is one of the fine little towns in Wisconsin. In the course of 2 years the reduction of 10 cents an hour which the employees accepted over a period of several months was paid back to them.

Mr. President, if the minimum wage were 65 cents an hour, under the provisions of this bill, if a company permitted its employees to accept a lower wage, the company would be violating the law. If that had been the situation at that time, there would have been no Cornell, Wis. There would have been no employment. There would have been no wealth continuously flowing from that village.

The only thing for which I am pleading is flexibility in order to enable us to meet the imponderables of the future and the emergencies which may arise. We must not become so mortised in that our economy will not work. That is why I am suggesting to the Senator that he think this question through and consider an appropriate amendment which would permit the President of the United States, in an emergency, temporarily to suspend the minimum wage requirement. We do not know what conditions we shall have to face 2 or 3 or 4 years from now.

Mr. THOMAS of Utah. I thank the Senator from Wisconsin.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. AIKEN. I should like to suggest that in the case which the Senator from Wisconsin mentioned, in which the employees of the company voluntarily accepted a reduction to keep the company in business, they undoubtedly recognized the need of accepting a lower wage for the purpose of keeping their employer in the competitive field with other employers whose competition he had to meet. If we had a minimum wage of 65 cents an hour, every employer would be assured that his competitors would have to meet that rate. I believe that most employers are now paying more than 65 cents an hour. If the minimum wage were 65 cents an hour, one employer would be on just as good a competitive basis as another, and relatively they would be on the same competitive basis as though the rate were 10 or 15 cents an hour. So I do not believe that the argument of the Senator from Wisconsin is at all applicable in this case. One purpose of the bill is to protect the employer who is trying to pay his employees a living wage against the unfair competition of the employer who is paying his employees as low wages as possible. In a great many cases it is possible for the employer to keep wages at a low level, because an industry may be so located that the employees must accept what is offered them. So the bill would furnish a protection to the employer which would be just as great a benefit to him as the voluntary reduction in wages in the case to which the Senator from Wisconsin referred.

Mr. THOMAS of Utah. I thank the Senator from Vermont for answering the Senator from Wisconsin.

Mr. President, the bill reported by the majority of the committee would be helpful toward the desired goal in two ways: First, it would provide for the direct coverage of approximately an additional 3,500,000 workers, including those in a wide variety of agricultural, fish processing, and canning enterprises, large retail and chain stores, seamen, and others who work long hours and are among the lowest paid in our economy. Second, it would be a stimulus for further State action in the fields where the Federal power does not apply. The Congress is under obligation, Mr. President, to enact legislation having these effects.

Mr. President, the second major change in the existing law is that the minimum hourly wage rate would be raised to 65 cents an hour for the first 2 years, 70 cents during the following 2 years, and after that 75 cents per hour. It is this provision that has received the most attention by the press. There is no doubt, evidently, that some upward revision was contemplated by the original bill, or that an upward revision is now necessary in view of increased living expenses. The views of the minority, as stated in the minority report, are not that some increase in the minimum wage is not imperative, but that we should raise the minimum to 55 cents, then to 60 cents. No provision is made for raising the minimum beyond 60 cents an hour. And what are the grounds of opposition toward the higher wage as proposed by the majority? Strangely enough, it is that a wage of 65 cents an hour would be productive of inflation. No one quarrels with the idea that the capacity of business to pay higher wages has increased, or that the increased cost of living provides justification in itself for an increased minimum.

No argument is presented to justify the inference that a worker can live decently on a wage of 55 cents an hour. The figures are all the other way. Fifty-five cents an hour means a salary of $22 a week, or $1,100 a year. A single person is required to pay approximately $120 of this amount in Federal income taxes alone, leaving $980 upon which he would be expected to live if the minority recommendation were adopted. Does anyone presume to suggest that a single worker—let alone a family—can live on an annual salary of $980? Certainly no such figures came to the attention of the committee. Varying estimates of living costs indicate that the very minimum upon which a family of four can live is from $1,673 to $2,964 a year. Of course, what we are trying to do is establish a minimum wage standard, but is there any reason to establish a standard so low that we would permit and encourage the very sweatshop conditions we are trying to prevent by enacting the legislation? Sixty-five cents as a minimum figure is low enough; the assertion that 55 cents would do is as ridiculous as it is fallacious.

So much has been said about the inflationary tendencies of this provision that I feel justified in making some comments along that line. I benefited greatly by having the experience of being in Germany during the time of her great inflationary period and of being in China in the time of her great inflationary period. I was also in France during two inflationary periods; and I was there in 1926, at the time when the French stabilized the franc. Those experiences mean very much to me because I know the purposes of and the consequences behind those three great inflationary movements. For us to assume, as has sometimes been assumed by some of the thinkers of our country, that France, just before the French Revolution, started out on her period of inflation without knowing what she was doing, is utterly ridiculous. The best economic and the best financial minds of the French Government at that time were in charge of France's finances. She started on an inflationary period because there was nothing else to do; the many existing factors, when put together, brought about that action and made it necessary. Inflation was not the cause of the ills of France; what preceded inflation was the cause of those ills. And in this country the cause of the misery following the Civil War was not the paper money, but the things which made necessary the issuance of paper money.

If we were to ask for a definition of the word "inflation," probably no two Senators would define it in the same way. The word is as loose in its scientific and scholarly application as it is in its colloquial application. "Inflation" and "deflation" have been used in the last generation to refer to conditions which have developed in the nations of the world as a result of World War I. Russia's inflation at that time was deliberate. Her purpose was to overcome private property and to destroy it in the way in which the concept of private property was held

under the Czarist regime. That was done both by destruction of the credit of the debt structure and by making valueless, in terms of money, all privately controlled property. There was, of course, leveling as far as debts were concerned. Germany's inflation in the early 1920's was deliberate, also. Her purpose was to overcome debt, and especially the obligations owed by the Government to the people. The easiest way, of course, was to increase the currency to such an extent that the measuring of debt became impossible. It is too soon to analyze the present after-war conditions in Europe, or to do anything but theorize about the question in America.

However, the recollections of those two outstanding examples of a deliberate government process to accomplish given purposes strike terror, and rightly so, into our hearts. But it is manifestly improper to use them as a reason for denying the kind of a pay boost now advocated. To call a socially desirable thing a bad name does not solve anything. The kind of reckless, wild inflation endured by those countries is not accepted as a possibility, under our present controls, by anyone.

There is only one possible definition of inflation which can be used to describe the contemplated action under the bill as recommended by the majority of the committee. That is the very loose and improper use of the word when it is employed to describe a time when there is much money in circulation, in contrast to a time when there is little money in circulation. In that sense, inflation can come only when there is so much money in circulation, in relation to the need for it, that it loses value, or when money itself has no valuable base. No one contends, I take it, that this measure interferes with the present base, so no discussion on that point is fruitful. However, I should like to say a word about the objection which is based on the argument that higher wages mean higher prices, and that, therefore, they are inflationary.

Mr. President, before I begin this part of my presentation, let me say that I trust that no one will assume that I do not understand that when 10 cents is added to 55 cents, it is necessary to pay more than it was before, and to that extent more is paid out. But no one in America has ever been frightened by a little extra spending or a little extra giving. If we had been frightened by that, of course, we should be frightened over the type of prosperity we have in the United States today as we have never before been frightened in our entire history.

It is well known, Mr. President, that I have supported, from the beginning, the price-control program. If I believed that this proposed minimum-wage program would upset that program I would hesitate to lend my support to it. But I do not think it will; and Mr. Bowles, who has fought for price control as few men have fought for anything in this country in the past few years, does not believe it will. Some of the figures which were presented to the committee are extremely interesting as they bear on this conclusion. Nineteen percent of the workers in industry have salaries below the minimum rate and would be directly affected by the change. The salary increase would be 2 percent of the straight-time pay roll. It would amount to 3.5 percent of the corporation profits before taxes. Although under the Little Steel formula, wages were not raised more than 15 percent, in 1944 the profits of industry climbed to 323 percent—before taxes—of the 1936–39 average. With the wage increase here proposed, the profits in 1944 would have been 312 percent of the 1936–39 average, or a return of 25.4 percent on net worth in 1944, as compared with a net return of 9.7 percent in the years 1936 to 1939. With the wage adjustment now proposed, there would have been a net return, in 1944, of 24.5 percent. These figures relate to straight time only, and do not consider the premium overtime wages which have been lost and are being lost by workers in almost all industries. The wage bill is being reduced by $1,877,000,000 by the loss of overtime. The total increase in wages if all workers covered are increased to 65 cents is $504,000,000. The loss of overtime less the additional cost as proposed by the bill amounts to $890,000,000.

The five industries affected most by the increase would be tobacco, lumber, textiles, apparel, and furniture. In these industries, a larger percentage of the workers would be affected than in any others, and a somewhat closer examination is worth while. In tobacco, considering 65 cents as standard, 58 percent of the workers received substandard wages. The total wage bill would be increased in this industry by $14,000,000, which is 11 percent of the 1945 total. Profits in 1944 were $154,000,000. If the industry absorbed the wage increase, profits would be decreased by 9 percent, but they would still be 22 percent above prewar level, and would provide a return of 17 percent on net worth. If the total increase were put into the price of cigarettes—and in fact only slightly more than half of the tobacco wage bill is chargeable against cigarettes—there would be an increase of about one-tenth of a cent a pack. In the event that this amount could not be absorbed by dealers and wholesalers and had to be passed along to the consumer, that increase would amount to only less than one-seventh of the amount of the Federal excise tax alone.

Mr. HOEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CARVILLE in the chair). Does the Senator from Utah yield to the Senator from North Carolina?

Mr. THOMAS of Utah. I yield.

Mr. HOEY. I know that the Senator is familiar with the fact that the tobacco industry is about the only industry which has not been permitted an increase in the price of its product during the whole period of the war. OPA has constantly refused to allow an increase in the price of cigarettes. The Senator referred to the profits which the tobacco industry had made. Of course, that was on the basis of a large production. The taxes on tobacco have been so greatly increased that the stockholders of all tobacco companies have had their dividends considerably reduced. Take, for example, the Reynolds Tobacco Co. For a long time prior to the war that company paid a dividend of $3 a share. In my State more widows receive incomes from insurance which has for its source the investment of funds in tobacco stocks than from any other industry. Those widows received $3 a share prior to the war. Now the dividend has been reduced to $1.45 because the OPA has not permitted any increase whatever in the price of tobacco. Tobacco has gone from 42 cents to 47 cents a pound. The cost of labor has increased. Notwithstanding these facts, the OPA has constantly refused to allow any increase in the price of cigarettes. If 1 cent a pack or even one-half cent a pack had been allowed, dividends could have been maintained. The situation about which I complain has been maintained at the expense of the small stockholders in the tobacco companies scattered throughout the Nation.

Contrary to what many persons believe, tobacco stocks are not held merely by a few. There are a few who own considerable stock, but, in justice to a great industry, it must be stated that the tobacco industry has borne a greater burden of increase in taxes than has any other industry. Moreover, it has been denied any increase in the price of its product. Why the tobacco industry should be discriminated against, I cannot understand. I believe that the manufacturers of tobacco should be permitted an increase which will enable them to pay dividends to the stockholders in proportion to what they paid for a long period of years prior to the war. Why it has been impossible for them to obtain such a small measure of justice, I have not been able to understand. The tobacco industry is one of the great industries of my State.

I thank the Senator for allowing me to inject this statement during his remarks, because I have noticed that the OPA has boasted about how much it has saved the country by not allowing an increase in the price of cigarettes. Why should other industries, such as textiles, for example, be permitted to have an increase while one is denied the tobacco industry?

Mr. THOMAS of Utah. Mr. President, I thank the Senator from North Carolina for his statement. The argument which I used in connection with tobacco was made because the tobacco industry is one of the industries which can be used in illustrating the point which I was endeavoring to make in connection with the contention that of the 65-cent an hour rate would have an inflationary effect. The tobacco industry is an extremely good one for me to select in presenting the argument which I am making, because 58 percent of the labor in the tobacco industry will be affected by the proposed change. Therefore, if there is any industry in which the 65-cent minimum wage would tend to promote inflation, the tobacco industry is it. I was endeavoring to show exactly how much inflation would result to the ultimate consumer from an increase in wages.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. AIKEN. I have some very interesting figures which show that the decrease in the net profit of the tobacco companies has been due apparently to increased taxes instead of to increases in the cost of labor. The statistics which were furnished to the committee show that for the period 1936–39 the cigarette manufacturers made $100,000,000 a year profit before income taxes, and in 1944 that profit jumped to one-hundred-and-thirty-million-dollars-plus. However, the net profits after taxes were $82,000,000 in the 5 years preceding the war, but dropped to $63,000,000 in 1944, which is a pretty clear indication that taxes instead of labor costs caused a net reduction in the profits of the cigarette manufacturers.

The percentages are not the same, but the cigar manufacturers, and manufacturers of other tobacco products, had similar experiences. While they received more money, they were permitted to retain a great deal less of it.

Mr. HOEY. Mr. President, the Senator from Vermont is correct, although the difference between the price of tobacco and the increase in labor cost has had a large effect on the situation. The increased volume of production would probably have taken care of the difficulty had it not been for the fact that taxes have been superimposed and have almost trebled. As a result, the stockholders have had to bear the brunt of the burden.

Mr. AIKEN. The reason for that is that the tobacco tax is the easiest tax in the world to collect. Theoretically, the consumer pays it, but, according to the figures which I have, he has not been paying all of it.

Mr. HOEY. No; the consumer has not paid it. The tax represents a very large amount. For the past 12 years my State has paid to the Federal Government as much as any other State in the Union with the exception of five. For several years only two States, namely New York and Illinois, paid as much money into the Federal Treasury as did the State of North Carolina. I believe an exception to that is Pennsylvania which possibly paid more money into the Treasury during the war than did North Carolina.

Mr. President, the point I am making is that the Government is dealing unfairly with a great industry such as the tobacco industry, whether it imposes its discrimination through taxes or by a refusal to allow an increase in the price of its product. The stockholders share less now in the profits of the tobacco companies than they did before OPA was established.

Mr. THOMAS of Utah. Mr. President, I will repeat the last statement which I made when I was interrupted. In the event the increased wage cost could not be absorbed by dealers and wholesalers, and had to be passed along to the consumer, the increase in price as the result of this proposal would amount to less than one-seventh of the Federal excise tax alone.

Stated in another way, the whole increase in the wage bill of the tobacco industry would be less than 1 cent a pack of cigarettes, and there is an excise tax of 7 cents at the present time. So I cannot help but point out that the tax on a single package of cigarettes amounts to seven times as much inflation as would result from the increase in wages under this proposed amendment. Yet no one in the whole United States has suggested that that tax should be removed because of its dangerous inflationary effect. But now, when we are proposing to benefit men and women engaged in the tobacco industry by raising their wages from 55 cents to 65 cents, or from 40 cents to 55 or 65 cents, and when such a raise will increase the price of one package of cigarettes 1 cent, or one-seventh the amount which the excise tax increased it, we are charged with presenting an inflationary bill.

Mr. President, if the argument about inflation does not drop to the ground as the result of this single illustration, I do not know how to argue it from a statistical standpoint.

Mr. President, in the timber and lumber industries the profits before the war were admittedly low, but even if the wage increase were allowed, the increase in profits in 1944 over 1936–39 would be 691 percent, or 9.8 percent return on net worth. Mr. Bowles estimated that without price control the price increase would probably be about 5 percent because of the low profits before the war, but part of this would be absorbed before the lumber reached the consumer.

In the textile industry there are 1,040,000 workers, and 47 percent of these work for substandard wages. The proposed wage increase would bring the 1944 percentage of profits over the 1936–39 profits down to 524 percent. Even if wages were not absorbed, there would be an increase of 1½ percent at the manufacturing level.

Similarly in the apparel and furniture industries, although they would be affected by the increase, the great amount of increase in profits would more than compensate, and even if the price was increased in each case, the percentage would be virtually negligible. These figures, Mr. President, are based on wartime wage scales, when a good part of the wage bill went toward the premium overtime hours. It is estimated that somewhere around 50 percent of the increases contemplated by the bill would be absorbed by the fact that there would be a very substantial decrease in the number of overtime hours.

A factor often overlooked in the problem is that a well-paid worker tends to do better work. I do not have to emphasize that point in the light of the convincing testimony given by the Senator from New Jersey [Mr. HAWKES]. A man who eats three square meals a day, who is in good health, who knows that his needs can be met by his check, and that his family is not faced with the never-ending cycle of robbing Peter to pay Paul every month, does better, more effective, and more productive work. The increase per worker of actual work done on the job could very well in itself help compensate for and absorb the increase in wages. This is not, as production experts—so-called efficiency experts—have discovered, mere theory. It is fact, proved over and over again in our progressive industrial enterprises, and testified to this afternoon so ably by the Senator from New Jersey.

Many of us, during the war, were misled by this mistaken notion that everyone was making good money. No doubt, the help-wanted signs and advertisements, and such lavish examples of expenditures as overcrowded hotels, restaurants, theaters, expensive resorts, and Pullman cars had something to do with this erroneous notion. What we must realize is that beneath this layer of war rich there was a mass of war poor, larger than most people thought, caught between the Little Steel formula, on the one hand, and higher taxes and increased costs of living, on the other. Incontrovertible testimony before the Subcommittee on Wartime Health and Education in 1944 established that 20,000,000 Americans and their dependents lived on incomes that had not risen appreciably since Pearl Harbor. The plight of these underpaid Americans was a sorry one indeed. They were like a man caught in quicksand. The more they struggled, the deeper they sank. Expenditures for food, clothing, and housing were cut; such things as movies, books, magazines, vacation trips—everything but the bare necessities—were given up. With costs going up, and value, in most cases, going down, this 20,000,000 took more than their share of punishment. Instead of saving, they were forced to sell their war bonds, spend the fund accumulated for the education of the children, give up their insurance, and mortgage their homes.

About 15,000,000 of this number are salaried workers, and we could not have fought a war without them. They kept going our schools, churches, hospitals, Federal, State, and municipal governments. They operated our stores, offices, restaurant, and hotels. They published our newspapers and magazines. Harass this group of hard-working men and women and we weaken the Nation. They are vitally necessary to our social welfare. How many hospitals could have been maintained if the nurses had left to take higher-paying jobs in a war plant? How could judges, business executives, insurance companies, and Government officials manage to do their work without the clerks, stenographers, and assistants upon whom they rely? How can we expect to train and care for our children properly, to supply them with properly and adequately prepared teachers, when we offer a college man a salary of less than $1,550 a year? Nine hundred thousand teachers in this country make an average of less than that amount.

The kind of Americans we are pushing around in this category do not belong to any labor union. They have no experienced negotiators to plead their cases. They look to the Congress of the United States for relief, not asking for charity, but for a day's pay for a day's work. As far as we have constitutional power to do so, we are obligated to reply in the same spirit with which they have served during the war years.

"That will bring more inflation," some statesmen cry in horror-stricken tones. "You'll raise the price of bread to $100." That is nonsense. Inflation, even of the kind referred to, doesn't come from the

bottom. The $25-a-week clerk doesn't overspend. It is the uncontrolled waster who brings inflation. In Washington, in New York, in every city, we see men and women spending $100 in one evening in a night club, we see them buying mink coats, jewels, and liquor. They toss away millions of dollars to get what they want at any price. Thousands of businessmen, evidently with unlimited expense accounts, are coming to Washington in drawing rooms, living in expensive suites, spending enormous sums for food and drink. The money they spend and the money the Government has paid them for contracts, much of which is spent lavishly all over the United States, is more of a threat to inflation than the bill we have under consideration. I have not any figures, but it would be interesting to have on record the amount of money spent in this manner for the very purpose of defeating this bill.

But we will not get inflation by giving a shabbily-dressed typist a raise of $2.50 a week, or increasing the wages of a bank clerk so that he and his family can keep up the payments on their home, or by giving college-trained school teachers enough money to buy a new dress. The money paid to workers in the classes covered by this bill will be spent for necessities, not squandered on luxuries. Some of it will go to meet accrued obligations such as doctor bills, clothing bills, and grocery bills. It cannot be otherwise, because so many low-paid persons are in debt. Some of it will go into essential purchases which have been postponed. Some will, we hope, be put aside into insurance, bonds, or bank deposits. There will be some meeting of obligations and some increase in business activities. But these are ordinary health transactions not feared in any way in the business world. They cannot possibly bring any ill. An increase in business certainly does not mean inflation. Some of the increases may be foolishly spent, but some will be wisely used, and will double and treble in the course of a few years. That, Mr. President, is called thrift, and since the days of Benjamin Franklin no one has suggested that thrift caused inflation.

Good wages are necessary not merely because industry can afford to pay them, or that they pay for themselves in increased production, but they are indispensable if our economy is to be strong, productive, and progressive. No employer of men has a right to a profit because he is unwilling to pay his employees as much as his competitor. Certain industries, in equity and justice as well as in sound economics, must not be allowed to exploit their employees by paying wages substantially lower than are paid in other industries. High wages mean better markets for goods that stimulate economic activity. Economic activity means job opportunities and business opportunities, more profits, and a higher standard of living for all. An expanding market is the key to a healthy economy.

The real threat to our economy today is that ordinary workers are not able, and may not tomorrow be able, to meet the ordinary expenses with which they are confronted. Their suffering is the suffering of the Nation, for we cannot achieve full production and full employment with dragging anchors. The obligation of the Congress to pass legislation to provide for a minimum wage high enough to insure decent living standards for all is not only to those directly affected by the bill, but the obligation is no less to everyone in the Nation.

Mr. AIKEN obtained the floor.

Mr. HILL. Mr. President, will the Senator yield to me?

Mr. AIKEN. I yield.

Mr. HILL. I know there are some Senators not now present who would like to hear the Senator from Vermont. If the Senator will yield for that purpose I should like to suggest the absence of a quorum.

Mr. AIKEN. I yield for that purpose.

Mr. HILL. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GOSSETT in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names.

Aiken	Hart	O'Mahoney
Austin	Hatch	Overton
Bailey	Hawkes	Pepper
Ball	Hayden	Radcliffe
Bankhead	Hickenlooper	Reed
Barkley	Hill	Revercomb
Bilbo	Hoey	Robertson
Brewster	Huffman	Russell
Briggs	Johnson, Colo.	Saltonstall
Buck	Johnston, S. C.	Shipstead
Bushfield	Kilgore	Smith
Byrd	Knowland	Stanfill
Capper	La Follette	Stewart
Carville	Lucas	Taft
Chavez	McCarran	Taylor
Connally	McClellan	Thomas, Okla.
Cordon	McKellar	Thomas, Utah
Downey	McMahon	Tunnell
Eastland	Magnuson	Tydings
Ellender	Maybank	Vandenberg
Ferguson	Millikin	Walsh
Fulbright	Mitchell	Wheeler
George	Moore	Wherry
Gerry	Morse	White
Gossett	Murdock	Wiley
Green	Murray	Willis
Guffey	Myers	
Gurney	O'Daniel	

The PRESIDING OFFICER. Eighty-two Senators having answered to their names, a quorum is present.

Mr. AIKEN. Mr. President, I wish to speak briefly on the coverage of the bill as it relates to agriculture and other industries.

Under the proposed amendment of the Fair Labor Standards Act of 1938 no change is proposed to extend either the minimum wage or overtime pay requirements to farmers or their employees. All the traditional and genuine operations of both farmers and their employees are and will remain totally exempt. However, for various, and often conflicting reasons, certain exemptions were provided in the original act for some employers who process agricultural products.

Mr. PEPPER. Mr. President, I hope the Senator will not think me officious if I call attention to the fact that the able Senator from Vermont is now discussing certain important features of the bill pertaining to its effect upon agriculture. I feel that the Senate would like to hear what the Senator has to say, and I respectfully call the attention of the Chair to the desirability of order in the Chamber.

The PRESIDING OFFICER. The Senate will be in order.

Mr. AIKEN. I thank the Senator from Florida. I agree with him as to the importance of the portion of the bill which I shall discuss. However, I am not sure how much influence I shall have with my colleagues.

As I have said, for various, and often conflicting, reasons, certain exemptions were provided in the original act for some employers who process agricultural products. In a large presentage of cases these employers are not farmers and do not operate on farms, nor are they engaged in the growing or harvesting of crops. They are processors engaged in industrial work the same as a processor of wood or iron. As shown by the hearings, for the most part their plants are located in industrial centers and involve huge capital investments. They employ 200 or 300 employees drawn from the urban population. Their employees are as highly skilled as any other employees engaged in industrial processing. Yet, because they are engaged in the processing of agricultural commodities they claim that they should not be subject to the act as other processors are, but should have exemptions the same as farmers.

In an attempt to achieve this end and at the same time retain enough of the act to make it effective, in the original bill Congress enacted 19 special exemptions in section 7 (c) and 12 special exemptions in section 13 (a) (10). In the more than 7 years these special exemptions have been in effect they have proved a continuous source of conflict, discrimination, and utter confusion to both employees and employers. Naturally to grant a special exemption from a statute of general application, the language of the exemption has to be highly technical. As a result the decisions of the courts are conflicting as to the meaning and scope of the exemptions. Some decisions have limited the scope of the exemptions to the strict letter of the statute, while others have expanded the scope beyond all reason.

Under the present exemptions two employers may be engaged in producing the same product, but because they operate differently the exemptions will have a discriminatory application. Thus, if one canner operates his warehouse as part of the place of employment where he performs his canning, both his canning and warehouse employees are exempt. But if he maintains his warehouse at a different place of employment from where he performs his canning, his canning employees are exempt but his warehouse employees are not.

Similarly, the exemptions discriminate between employees performing the same work for the same employer. Thus, if an employer is engaged in canning green beans and baked beans, the employees canning the green beans are exempt while those canning the baked beans are not exempt.

Furthermore, the exemptions discriminate between employers and employees because they overlap each other. Thus, competing employers may be engaged in ginning or compressing cotton, packing,

drying, or canning fresh fruits or vegetables, pasteurizing milk, or making cheese, butter, or certain other dairy products, but some employers may be entitled to only a total or partial overtime exemption under section 7 (c) while others will be entitled to a total minimum wage and overtime exemption under section 13 (a) (10). In addition, some employers may be able to qualify for only a 14 workweek exemption from overtime under section 7 (c), but other employers may also qualify for an additional 14 workweek exemption from overtime under section 7 (b) (3) and thus get a total of 28 exempt weeks during the year.

The most confusing and difficult exemptions are those contained in sections 7 (c) and 13 (a) (10) for certain work performed "within the area of production (as defined by the Administrator)." Since 1938 the Administrator has been engaged in an expensive and fruitless attempt to define this term. Several definitions have been issued but were abandoned as unworkable. Finally the Administrator was able to work out a definition which was both workable and practical. However, the United States Supreme Court declared this definition totally invalid and held that when a valid definition is issued it will operate retroactively. I believe this decision was rendered in June 1944. In this utter state of confusion neither employers nor employees know whether they are within or outside of the Act and the Administrator is confronted with a seemingly impossible task.

It is well known, as is shown by the hearings, that the workers employed by processors of agricultural products are largely low paid and have less collective bargaining powers than do the members of most of the other groups in the United States. The families usually have more than one breadwinner; often all members of the family must work in order to obtain the barest necessities of life. Most of the employees of the processors of agricultural products are women and young girls who are required to work long hours.

Realizing these facts, most States have passed special laws governing the wages and hours of employment of women and girls in canning and other food processing plants. However, when the Federal Government says that women and girls may work unlimited hours in canneries, some employers feel that they no longer have to comply with the State laws imposing limitations. This disregard for State laws because of the exemptions contained in the Federal law has been brought to the attention of the Administrator by State officials, with the request that the exemptions of the Federal law be eliminated, so as to bring the Federal law in line with the State laws. Not only are most of the employees in canning and food processing plants women and young girls, but, as shown by the hearings, it is the practice of their employers to pay them lower wages than the wages which are paid to men for performing the same work. Not only is that undemocratic, but it is also un-American and unfair. However, only by requiring a minimum wage for all persons, whether male or female, can that totally unjustified practice be eliminated.

In many cases processors are willing to pay higher prices to their employees, but they cannot do so as long as their competitors take advantage of the opportunity to pay very low wages.

The processing of agricultural products is big business. Some concerns do several hundred millions dollars' worth of business a year; and it is big business, just the same as any other industry. It is not farming. The workers in those plants are largely industrial workers, highly skilled; and they live in industrial cities. They are not farm workers, nor do they compete with farm labor. During the recent times of rising prices and rising wages, their incomes have not been supplemented by the huge overtime payments which have been received by employees covered by the overtime provisions of the act and by persons employed in other industries that are covered.

The proposed amendments have taken into account the fact that during peak periods, food processors must operate long and continued hours. Thus the amendments provide for an overtime exemption for an aggregate of 14 weeks in each year. The 14 weeks' exemption which is allowed to the food processors in each year need not be consecutive weeks. Two weeks may be taken at one time, or 6 or 8 weeks may be taken at one time, or even the entire 14 weeks may be taken at one time, depending upon the needs of the particular industry concerned. The exemption, which permits an employer to use his help up to 12 hours a day or 56 hours a week, is intended to cover the needs of the country's dairy plants during the flush season of milk production, the cotton ginners, the grain elevators where employees have to work long hours during the harvesting season and short hours during a good deal of the rest of the year, and also seasonal canning. Throughout many sections of the country there are seasonal canning plants where perhaps a single product is canned, and the 14 weeks' exemption will help them. The exemption is uniform, is simple, and is easy to apply; and it does away with the present complex and discriminatory system of overlapping exemptions.

I have been asked several times whether the farmer is exempt from the provisions of the proposed amendments, in respect to trucking his products to market. The answer is, "Yes."

The definition of agriculture which holds good in respect to the existing law also holds good with respect to the proposed amendments. That definition provides that included in agriculture shall be preparation for market and delivery to storage or to market or to carriers for transportation to market.

Mr. President, I have spoken briefly on the coverage of the bill as it relates to agriculture. Now I should like to speak for a few minutes on the general effect of the bill, as I see it upon agriculture.

The claim that an increase in a legal minimum wage rate will be injurious to agriculture cannot be sustained. Indeed, the raising of the rate and the consequent raising of the living standards of millions of wage earners will, in my opinion, have a beneficial effect upon the Nation's agriculture.

As I have pointed out, agriculture itself and the farmer and his employees are exempt from the provisions of this measure, although it is true that over a large part of the country farmers are now paying as much or more for labor as the bill under consideration proposes. When we count such additional benefits as house rent, milk, vegetables, and fuel, we find that in many sections of the United States the take-home pay of the farmworker is as good as or better than that of industrial workers in the same area. It is claimed by the opponents of the bill that even though farm labor is exempt from its provisions, neverthless the farmers will have to meet industrial wages in order to get help, and that consequently an increase in the minimum industrial wage will mean an increase in the wages paid to farm labor.

Mr. REVERCOMB. Mr. President, will the Senator yield at this point?

Mr. AIKEN. I yield.

Mr. REVERCOMB. The discussion here is very interesting to me. As the Senator may know, I favor the highest wage which can be paid in any industry or in any endeavor.

Mr. AIKEN. I realize that.

Mr. REVERCOMB. But addressing myself to the subject of the pay of farm workers, let me ask how the bill will affect a contract worker who is paid, for instance, by the month or who undertakes to operate a farm as a tenant or even as an employee upon the basis of a yearly lump-sum payment or a monthly salary, so to speak, where a house is furnished and cows are furnished and a garden is furnished. How will the hourly wage provision affect any agreement or contract of that kind?

Mr. AIKEN. I think that would depend upon the work in which he is employed when he goes on the farm. If he is cutting wood for the fireplace, if he is cutting brush to clear the land for pasturage, if he is building fences, I should say he undoubtedly would be an agricultural employee and would be completely exempt. Furthermore, it is not likely that the work he would be doing would enter into commerce in any way. If it did, he might be covered. If lumber were being cut for sale, I presume he would be covered, although I do not want the Senator from West Virginia, who is a very able lawyer, to take my word as final on that point. But I am sure that if the worker were employed in domestic work around the place or, as I have said, were engaged in cutting brush or building fences or doing anything in regard to improving the land, he would not be covered by the bill, but would be exempt as an agricultural employee. A farm, I believe, is defined as an area of three acres or more.

Mr. REVERCOMB. Mr. President, will the Senator yield at this point for one other question?

Mr. AIKEN. I yield.

Mr. REVERCOMB. I wish to have the benefit of the Senator's view, because he

has been very much interested in this bill and in its presentation. What would be the situation in the case of stock farms where cattle or sheep are raised and are shipped in interstate commerce and where some of the workers engaged in the farm work are tenants who are furnished a house in which to live and are furnished a garden and are paid a monthly salary? How would the pay of such employees, if we may call them that, be affected by this bill?

Mr. AIKEN. Let me read the legal definition of agriculture as it appears in the present law and as it remains unchanged in the pending bill:

"Agriculture" includes farming in all its branches and among other things includes the cultivation and tillage of the soil, dairying, the production, cultivation, growing, and harvesting of any agricutural or horticultural commodities (including commodities defined as agricultural commodities in section 15 (g) of the Agricultural Marketing Act, as amended), the raising of livestock, bees, fur-bearing animals, or poultry, and any practices (including any forestry or lumbering operations) performed by a farmer or on a farm as an incident to or in conjunction with such farming operations, including preparation for market, delivery to storage or to market or to carriers for transportation to market.

It is my own personal opinion that anyone engaged in raising livestock or delivering livestock to market would be exempt from the provisions of the pending bill, under the definition of "agriculture" as given in the present law. A few moments ago I remarked that if a farmer had wood or lumber to sell, which he did not need for his own use, he would probably be covered by the act. However, as the Senator will see, the definition provides that the cutting of wood or lumber, as an incident to or in conjunction with such farming operations, is exempt. But, as I say, I do not want the Senator to accept me as an authority on a legal definition.

Mr. McCARRAN. Mr. President, will the Senator yield for a question?

Mr. AIKEN. I yield.

Mr. McCARRAN. Let us assume, for example, an irrigated ranch. Farm labor is employed in irrigation. Let us assume the ranch is a grain ranch, and that all the land on the ranch must be irrigated. A number of irrigators must be employed during the irrigating season. Would they be covered by this bill or would they be exempt?

Mr. AIKEN. I would say that their status under the bill would be the same as it is now under the present law.

Mr. McCARRAN. I do not understand that they are now covered by any law.

Mr. AIKEN. I do not either. The Senator from Florida [Mr. PEPPER] is on his feet. He is a very able lawyer. I yield to the Senator from Florida if he desires to reply to the question of the Senator from Nevada.

Mr. PEPPER. Mr. President, I may say that my impression would confirm what has been said by the able Senator from Vermont. It is not the purpose of the bill, in respect to agricultural and horticultural operations, to establish a coverage until the point of processing has been reached.

Mr. McCARRAN. What would be done about threshers engaged in the threshing of grain? That is, in a way, processing.

Mr. PEPPER. It is, however, a process which takes place on the farm, I may say to the Senator.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. TAFT. The only exemption is with regard to a worker who is employed in agriculture. I would not think that the operators of an irrigation project would be employed in agriculture, so I would not think they would be exempt.

Mr. McCARRAN. Certainly they are employed in agriculture, because all our western farms are irrigated.

Mr. TAFT. Why is the employee of an irrigation company employed in agriculture any more than are employees of an electric company which supplies electricity to a farm? It is a service industry to the farm. The man involved is not engaged in agriculture. Of course, he would not ordinarily be covered under the old act, because he is not engaged in interstate business. He is an intrastate operator, and I would say that he is not covered. The definition of interstate commerce is made so broad in the new act that I am not sure whether the man would be exempted or not.

Mr. McCARRAN. That is what I have in mind. On our western farms there are thousands of acres in grain. They have to be irrigated, and it is necessary to employ irrigators for that purpose. That grain goes from one State to another. It goes into interstate commerce. The question in my mind is, Are the farmers who are engaged in irrigating grain land and harvesting grain exempt from the provisions of this bill?

Mr. PEPPER. That specific situation has not been called to our attention, but we shall be glad to obtain an authentic interpretation from the Wages and Hours Administration. There is nothing which I can see in the pending bill which would alter the present situation. I think that the men to whom the Senator has referred are engaged in agriculture when they work in the fields. Their situation is not like that of an electric light company in a nearby village which furnishes electric current to a farm. The men who are employed in an electric light company are not engaged in agriculture. But as to a man who is required to work in the field in cultivating agricultural crops, I do not believe there can be any question.

Mr. TAFT. I agree with the Senator from Florida.

Mr. AIKEN. It is my information that an irrigation company is already covered under the present law. But, of course, the ditching of the fields by the farmer himself—I assume that he ditches his own fields after he gets the water—would be agriculture. At the present time an irrigation company is covered under the law just as is an electric-light company.

Mr. McCARRAN. What I am talking about is the man who works in the field applying water to the land. That land produces grain, and the grain is carried from one State to another for various processes until it becomes flour. My question is, Is the man who plants and irrigates grain engaged in a vocation which will be covered by this bill?

Mr. AIKEN. While I can speak only for myself, I would say that anyone engaged in watering crops is engaged in an agricultural pursuit.

Mr. McCARRAN. No; I am not talking about the farmer. I am talking about his employees. Are they exempt, in view of the interpretations which have been handed down that everything which ultimately goes into interstate commerce——

Mr. PEPPER. Mr. President, if the Senator will yield to me——

Mr. AIKEN. I yield to the Senator from Florida.

Mr. PEPPER. First, I wish to emphasize that the Senator from Ohio has agreed with the statement which I made that coverage would not extend to those men. Next, two things would have to occur before the law would apply. Coverage must extend to the type of activity in which the given person is engaged. The activity must be the production of goods for commerce, in commerce, or affecting commerce. But once an employee is included, in other cases he may not be covered because of an express and affirmative exemption, so that even if agriculture is covered under this act there is still an affirmative exemption as to agricultural labor.

Mr. REVERCOMB. Mr. President, referring to another specific instance in connection with the subject being discussed, what of the orchardist who operates land devoted principally to the production of apples or peaches which, in most cases, enter into interstate commerce? In those cases there are many regular employees on the land, on the farm, or in the orchard. Some of them are employed under monthly contracts. They are furnished houses and homes in which to live. But the farmer's product goes into interstate commerce. There are also others who are employed during the picking and packing season, and work under seasonal contracts. What about those employees? How will the pay of those who work in the orchards be affected by this bill?

Mr. AIKEN. I am sure they are exempt from the coverage of this bill. I am equally sure that no orchardist today can obtain that kind of help for anything like the minimum wage provided for in the bill.

Mr. REVERCOMB. I agree with the Senator, but we are talking here about a policy of pegging the price. I wish to know what effect the bill would have as applied to the examples to which I have referred.

Mr. AIKEN. Harvesting, packing, and delivery to market, or to carriers for transportation to market, are included in the definition of agriculture, which is exempt under both the present law and the proposed amendments.

Mr. McCARRAN. Mr. President, will the Senator yield? I hope I do not interrupt the Senator too often.

Mr. AIKEN. I gladly yield. I think it is well to have any doubts cleared up now instead of waiting for the courts to do so at a later time.

Mr. McCARRAN. In the West we are interested in the type of agriculture which is carried on in our own localities. Let me speak of some phases of agriculture in the West. We are engaged in the livestock business. We have a base ranch, for example, and our livestock is allowed to run on the open public domain. We have employees who go out on that domain and take care of our livestock. We have sheep herders and cowhands. All the products, such as wool from the sheep, the lambs, and the beef go into interstate commerce. Would the cowhands, the sheep herders, and the sheep shearers come under this bill? We are interested in that subject.

Mr. AIKEN. No; I am sure that it is not the intention of anyone to have the workers to whom the Senator has referred included under this bill. Under the proposed amendments they are engaged just as much in agriculture as they are under the existing law.

Mr. McCARRAN. I would agree with the Senator, and he is undoubtedly correct, but the construction which has been placed upon these commodities by the Supreme Court, such as putting everything in interstate commerce from the time it grows until the time it is consumed, causes me to raise the question.

Mr. LUCAS. Mr. President, the question raised by the able Senator from Nevada brings up a situation which exists in my section of the country, which is quite similar to his, although it is not on such a large scale. I live in a section where there are a great number of drainage districts, and there are drainage commissioners. The drainage commissioners are farmers living in the drainage districts. They have hired help, and they go out frequently to clean out ditches and take care of the debris which comes and goes. Obviously they are all exempt from the provisions of the pending bill, if the irrigators are exempt. I take it there can be no question about that.

Mr. AIKEN. I would think so.

Mr. LUCAS. So far as interstate commerce is concerned, the wheat farmer and the corn farmer, in fact, everyone I know of who raises any sort of an agricultural or horticultural product, is really engaged in industry commerce.

Mr. McCARRAN. Under the interpretation.

Mr. LUCAS. Yes; under the interpretation of the Supreme Court. So they are all affected by interstate commerce, regardless of the type or character of agriculture they may follow.

Mr. AIKEN. I thank the Senator from Illinois for his observation.

I now continue with my thought, Mr. President, and I wish to say that I agree the time has passed when we can hire farm labor at a lower rate than the industries in our communities pay. With the great corporations establishing plants in the farming areas, as they are doing today, it is inevitable that farmers must compete with them for the available labor supply in those communities. A minimum wage law will not affect this condition; the competition will be there anyway. It is already there. It is already a serious problem in many communities, including some in my own State.

The decentralization of industry will mean, however, that farmers will sell a larger percentage of their production at an increased retail price.

We are undergoing a great economic revolution in both industry and agriculture. The day of hand labor for farmers, except in certain specialty crops, is over. We must produce at the lowest possible cost in order to stay in a highly competitive market.

The farmer of the future will produce bigger crops of better quality, with higher priced labor, with little, if any, increase in cost of production.

He will do this by mechanizing his farm, improving varieties, using more fertilizer, and practicing new and improved methods. Soil conservation districts, with the use of bulldozers, ditchers, and other heavy equipment, will put thousands of farms, which can now be worked only by old-fashioned methods, in such condition that mechanized equipment can be used. That is already being done, and is being done a great deal in New England, where the farms are small, and often steep and rocky.

Cooperatives will enable hundreds of farmers in a single community to pool their products for grading and marketing, thus enabling them to receive better prices on the market.

Rural electrification will lighten the work of both the farmer and his wife as well as enabling the same production to be made with less labor.

On thousands of farms, the owners of which have had their sons or their workers drafted for the war, milking machines and other equipment operated by electricity have enabled the farmers to get along with less labor than they employed before.

We are witnessing new methods of food processing and refrigeration will reduce the loss in perishable crops.

The improvement of transportation systems will reduce costs of marketing and improved methods of farm financing will lighten the old back-breaking load of interest charges.

The farm worker of the future, whether he is employed or is the owner of the farm, will be better educated and highly skilled.

It is useless to expect such men to work for less than the industrial wages which prevail in their communities.

Farmers are also interested in a high level of industrial wages because only by maintaining the purchasing power of the consumers of this Nation can a ready market be provided for the products of the farm.

It is equally true that only through a high level of farm income can the products of industry and labor be assured a ready market.

Our national economy does not run on a one-way street. Whenever the income of either industry, agriculture, or labor falls below a safe level, the earning capacity of the other two factors is inevitably impaired.

As farmers, we have a definite stake in the welfare of the Nation and we cannot fail to observe that in any area where low wages exist or have existed, that the standards of health and education are also low.

Regardless of where such conditions may exist, the effect is felt throughout the entire Nation.

It is equally true that no one State or community can keep its prosperity to itself, for the effect of its purchasing power will be felt to some degree in every State or community.

All too frequently we hear the claim made that low wages are better for the workingman because he can buy so much more for a dollar. If that were true, the short-cut to prosperity for all would be to restore conditions prevailing in 1933 and 1934, when millions of people were working for $12 a week or less.

Such a claim, however, is not true. Only when earning power is high can a family save enough money to educate their children, to purchase dental and medical care, and to save up money for a rainy day.

Only by maintaining a high level of earning power can we be assured a stable economy that will enable us to meet the obligations of government and to maintain the value of securities which have been sold to millions of our citizens.

It is foolish to talk about going back to prewar earnings. With a national debt of $280,000,000,000, one would be blind, indeed, not to see the absolute necessity of maintaining a higher level of wages, salaries, incomes, taxes and, in some cases, prices.

I am concerned lest after provision has been made for the needs of industry and commerce and labor, that the needs of agriculture may be neglected.

I have always maintained that the farmer is fully entitled to have the cost of labor given its proper weighting in the computation of prices under any parity formula.

I believe the present parity formula is outmoded. It is not applicable to many farm crops today, such as citrus growing, or dairying, and many other types of agriculture. We should have been at work on this problem months ago.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. LUCAS. Is the Senator willing to apply the cost-of-production formula under present conditions?

Mr. AIKEN. Not in connection with the pending bill. The Senator may recall that the Senator from Vermont had an unfortunate experience once in getting a committee to accept such an amendment on a price-control bill.

Mr. LUCAS. I do not contend that there is not some merit, perhaps, in what the Senator says, but the question of the formula will be raised, I presume, through the Russell amendment before the debate is concluded, and it is a very important question.

Mr. AIKEN. I am not sure that the parity formula is the proper method to use today to insure parity income for farmers.

Mr. LUCAS. I shall not debate that with the Senator at the present time.

Mr. AIKEN. Nor shall I debate it. I merely say that if it ever was the proper formula to use, it is entirely outmoded

now, and I bring that question up because of an amendment which will be proposed to the minimum wage bill.

I repeat, we should have been taking up the matter of insuring adequate agricultural income a long time ago.

Unless the needs of agriculture are met to a degree comparable to that given to industry and labor, both industry and labor will find that the considerations which they have received will be of little value.

The American farm is still the world's greatest market, but this bill, Mr. President, is not the vehicle which should be used as a means for providing justice and equality for the millions of our farm families.

In reference to other proposed amendments, I may say that the pending bill is not the vehicle which should be used for punitive or corrective labor legislation. This is a minimum wage bill. It is not a union bill. It is to protect workers who do not belong to unions. Today not many union members are earning below the minimum prescribed in the bill.

Mr. JOHNSON of Colorado. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. JOHNSON of Colorado. The Senator says this is not a bill in connection with which that adjustment should be made. Yet, does not this bill raise the low level of wages of farm labor, and does not that affect the farmers?

Mr. AIKEN. The bill does not apply to farmers or farm labor.

Mr. JOHNSON of Colorado. I know that, but it raises the low level of wages of farm labor, because it raises other wages, and farm labor has to compete with those wages.

Mr. AIKEN. Competition already exists. The farmer is already competing with industry for labor over a large part of the country, and is having to pay today more than the minimum fixed in the proposed amendment.

Mr. JOHNSON of Colorado. Of course; but the Senator would not be working for the enactment of the bill if it were not the purpose to establish wages on levels which have been set forth in the bill. So it does affect the farmer.

Mr. AIKEN. Whether it affects the farmer more than he is affected by the competition that exists anyway is a question. As I said I concede without question that the farmer has got to meet industrial wages for his community. He is doing it today. He has to do it today. Some of the plants within 25 miles of my home I think pay most of their workers from $26 to $35 a week, and the farm workers actually get as much and in some cases more take-home pay than industrial workers do. Of course there are high-wage industrial workers who receive a dollar or a dollar and twenty-five cents an hour. There are also wood choppers who, as the Senator from Maine knows, are receiving from $1 to $1.25 an hour.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. LUCAS. Of course what the Senator is talking about is something that affects the laboring man directly. That is the primary purpose of the bill. When the wage rate is increased the laboring man himself is going to get the increase. Prices paid on the basis of the cost of production to the farmer go direct to the landlord or to the farmer himself and not to the hired man on the farm.

Mr. AIKEN. That is true.

Mr. LUCAS. Under the cost-of-production formula the money goes directly to the landlord. It goes to the farmer himself. If he sees fit to pay the laboring man on the farm an additional amount, very well, but if he can hire him for the same wage as before, he may do so.

The point I make is that there is a tremendous difference between the two proposals. In the one case we know that if the wage rate is increased the worker will receive the benefit of it. In the other case we must trust to the farmer himself who hires the laboring man to see to it that the money will be spread out among the workers.

Mr. AIKEN. I am glad to have the observations of the Senator from Illinois. But when he speaks of landlord and tenants he is talking a different language than we use in New England, because we do not have landlords in the usual sense of the word.

Mr. LUCAS. What do they have in New England?

Mr. AIKEN. About 90 percent of the New England farmers own their own farms.

Mr. LUCAS. They own their own farms, that is true, but they have to employ workers, do they not?

Mr. AIKEN. Yes.

Mr. LUCAS. Under the cost-of-production formula, which is bound to come up for discussion in this debate, the 90 percent who own their farms would get the increase themselves, and it would be up to them whether they would pass it on to the employees they hire. If they could hire them for the same wage as they pay now I take it they would do so. If they could hire them for a 10-percent increase in wage while they were receiving under the cost-of-production formula an increase of 20 percent, they would do so, I presume. Under the cost of-production formula the individual who is hired to do the work is not reached. The increase goes direct into the pocket of the farmer who owns the land, and whether he passes it on to the individuals whom he is hiring is within his discretion, depending upon what kind of contract he can make with the hired laborer. But this bill, as I understand, contains an entirely different principle. Under its terms the rate of increased pay will be definite and certain. The laborer will know exactly what his increase in wages will be.

The two theories are wholly incompatible.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. PEPPER. As a matter of fact, has it not been made clear by many of those who are advocating the cost-of-production formula or change in the parity principle that they do not wish this minimum wage law made applicable to farm labor?

Mr. AIKEN. Personally, I think that this is no place to attempt to make a change in the parity formula, nor is any type of legislation other than that which pertains to wages and hours. Any successful attempt to confuse the matter under discussion or to combine farm legislation with minimum wage legislation in a single bill would lead only to the defeat of both objectives.

Referring to what the Senator from Illinois said, this sudden solicitude for the farmer's welfare, after we have been inactive for months, does not impress me very favorably. The bill of course is not perfect. Some things have been brought out here this afternoon that ought to have been brought out as to who was exempted under the bill. The Congress should make it clear whom it intends to cover and whom it intends to exempt before any legislation is enacted. But I think we should enact this legislation now with a full realization that a heavy moral responsibility rests upon the Congress to give to those engaged in agriculture the just consideration which they fully deserve and which we very properly should also give to industry and labor.

Mr. President, I want to repeat that this is not the place to attempt to attach such important bills as the cost of production bill, the Hobbs bill, and possibly the Case bill, before we get through with it. This is not the place to attempt that kind of legislation, and I cannot help but feel that much of that legislation is offered not for the benefit of those whom it is claimed to benefit but for the purpose of killing this minimum-wage bill. And while I might look on some of the proposed legislation favorably, if it came up by itself, I cannot look upon it favorably when it is brought up in this manner in an attempt to defeat the matter which we are now discussing.

Mr. KILGORE. Mr. President, when the workers of America increase the productivity of the Nation to such an extent that the national income reaches the unprecedented total of $160,000,000,000, it is an act of justice and fairness to pay those producers a fair share of their increased productivity.

In view of the huge national income achieved last year, the Congress is obligated simply out of the sense of the rightness of things to raise the minimum wage from 40 to 65 cents an hour to provide the low income workers with a fair and equitable share of their labor and an opportunity to buy some of the things they produce. I believe that this recognition comes somewhat belatedly. We should probably have taken it into consideration before; but in all fairness we must seriously consider it now.

In 1938, when the Fair Labor Standards Act was enacted, the national income was $64,200,000,000. This past year our national income was $160,000,000,000—an increase of approximately 150 percent. No one will say that that was due to an increased number of laborers alone. We have not had such an increase in our working population, so there must have been an increase in the productivity of American workers.

The most pertinent question to ask in evaluating the fairness of a 65-cent mini-

mum wage is: Have the low-paid workers received a proportionate share of this increased national income? The answer is: "No; they have not." If we take into account the increase in population and the changes in prices, the national per capita income has risen at least 75 percent in 7 years. However, the low-paid workers, many of whom achieved the 40-cent minimum by 1941, have not received a proportionate increase in wages. The proposal to increase the minimum wage is simply an effort to assure our low-paid workers a fairer share of this increased national income.

It is not enough to raise the minimum wage simply to take care of the rise in the cost of living. To do this would leave the low-paid worker back where he was in 1941. He would gain nothing from the vast increase in income and productivity which the Nation has experienced in the past few years. This is unfair, and it could only be done by blinding ourselves to economic realities. A cost-of-living raise in the minimum wage would place the minimum figure at something more than 55 cents. A raise based on a proportionate share of the rise in per capita national income of 75 percent would set the minimum at 70 cents as of this time. The bill before us would set 70 cents for the second 2-year period, increasing to 75 cents at the beginning of the fifth year, by which time the increase in national productivity in terms of output per man-hour should much more than offset the added 5 cents an hour.

Nearly everyone recognizes the equity of an increase to take into account the rise in the cost of living. The basis for such an increase is the belief that the worker should be no worse off than he was before the war. But the truth of the matter is that he would be worse off as compared with higher-income groups than he was in 1941, if all he should receive was a cost-of-living increase. True, the cost-of-living increase equalizes his purchasing power. It does not, however, put him on an equal basis with 1941 so far as his share of the national income is concerned. A disparity still exists, and it is to give the low-paid workers a fairer share of the Nation's increase in productivity and income that an immediate 65-cent minimum wage is essential and is indicated by all the figures.

When there is a saving in the cost of an article as a result, for example, of increased efficiency or the institution of a new invention, this saving can be reflected in three ways. First, the prices of the article can be reduced by the amount of the saving. In this case, you and I and the other consumers benefit immediately; and the employer and employees may benefit if the price decrease results in a greater demand for the product. Second, the wages of the employees can be raised by the amount of the saving. In this case the employees benefit immediately; but eventually many people will benefit because the employees will be able to buy more things with their increased wages. Finally, the employer may take the total saving in profits, in which case he or the stockholders alone benefit immediately, and how many others will eventually benefit will depend on how they spend or invest this money. There was just as much purchasing power in the United States when the crash occurred in 1929 as there was during the days of inflation. But that purchasing power was frozen. The dollars representing such power were not in circulation and in the hands of consumers.

In actual practice the saving is reflected in various combinations of these three ways. The employer may, for example, take a portion of the saving in profits and give the remainder to the employees through a wage increase. If competition in his field is strong, the employer may use all the saving to lower the price of the article and keep his plant operating and his employees employed. On the other hand, he may have equally strong pressure from a well-organized union and may be forced to split the saving by lowering the price and raising wages.

The low-income group with which we are concerned in enacting a minimum-wage law consists by and large of low-paid and generally unorganized workers. I wish to emphasize that fact. I have heard many statements on the floor of Congress and on public platforms to this effect, "I am for the workers." This is a bill for the workers, and, by and large, the unorganized workers. Their wages are low because many of them are unorganized and are, thus, in a weak bargaining position when it comes to the question of obtaining a share of such productive efficiency savings as may have occurred. If they had been organized and were members of a strong union, many of them would probably have been able to demand and obtain a higher wage—a larger share, in other words, of the saving which I have been discussing. Because they have not been in a strong bargaining position with their employers, they have not obtained as large a share as have the organized workers of the savings resulting from increased efficiency and technical improvements. The savings have gone rather into price decreases or profits. It is true that others in society have benefited by these savings; but it is also true that the workers in such low-paid industries have lost ground proportionately because, in the fight for a cut in the income melon created by increased productivity and efficiency, people in a stronger position have been able to get larger slices or shares. Thus, since VJ-day more than 6,000,000 organized workers have obtained substantial increases in wages, many of which were 15 to 20 cents an hour over and above previous cost-of-living adjustments. The unorganized worker has not been in a position to obtain such increases, but has had to depend upon the generosity of the employer or the good fortune of a tight labor market to get any increase whatsoever.

While the income melon has been growing larger in this period, the low-paid unorganized worker has been falling further behind. And the probabilities are, if we can judge by the experience of what happened after the First World War, that this group of workers is going to fall even further behind because this income melon is going to increase by leaps and bounds. Productivity and manufacturing which will begin to go up rapidly now that reconversion is well under way, increased about 10 percent a year for the first 3 years after the last World War. It is expected that a similar yearly increase will take place after this war and that by 1950 the index will stand at 40 to 50 percent higher than in 1938. When manufacturers begin to purchase the new machines and equipment which they were unable to buy during the war because of the rigid controls over such items, the same process of introducing new labor-saving devices at a high rate and on a broad scale will undoubtedly begin again, resulting in greatly increased output per man-hour. That is all to the good, but we must assure the low-paid worker a fair share of the benefits resulting from this increased productivity. A minimum wage of at least 65 cents, rising to 75 cents, will do much toward achieving this end.

Let us look for a moment at what has happened to various economic groups as the national income has risen since 1938. Unfortunately, so far as the wage and salary earner is concerned, the figures on the annual earnings by industrial groups do not go beyond 1943. However, there is enough material available to indicate very specifically what the trend has been and how irregular have been the increases in income among wage earners and salaried employees by industrial groups. The per capita income of the country increased 92 percent in the years between 1939 and 1943. However, the average annual earnings per full-time employee in all private industries increased only 61.4 percent during this period. This is an average for all industries and there are striking differences between industries as to the amount of increase in average annual earnings. The average annual earnings for employees in agriculture, forestry, and fisheries, for example, increased 107.4 percent between 1939 and 1943. This compares with an increase of only 22.6 percent for employees in the communications and public-utilities industries and 17.3 for employees in finance, insurance, and real estate—in other words, the white-collar workers. The average annual earnings of employees in contract construction went up 97.6 percent in this period, largely, I think, because of the cost-plus-fixed-fee contracts. In some cases the country was paying the increase in the end. This increase was far above the average, while the earnings of employees of the manufacturing industries went up 72.3 percent or somewhat above the average increase. Employees in all the other industrial divisions such as mining, wholesale and retail trade, transportation, and services all had increases which were in varying degrees less than the average increase in annual earnings of 61.4 percent. This gives a startling picture as to how haphazard has been the increase in annual earnings among workers as the national income has risen.

Mr. President, this is something of interest when we are discussing the question of strikes. There is a lack of a leveling-off and a decent equalization in the

wage structures of this country. Employees in some industrial groups have received a far larger share of this increase in national income than have employees in other industries. The lumber industry, for example, has ridiculously low wage scales. The wages in that industry are far below the minimum of 65 cents an hour. We are now crying for lumber with which to build houses and wonder why it is not being produced.

As the national income has gone up the employees in such industries as communications and public utilities, wholesale and retail trade, and transportation and services have fallen particularly far behind. Furthermore, within the manufacturing group itself it is very clear that there were vast discrepancies between types of manufacturing—the earnings of certain groups of workers rising above the average of 72.3 percent and the earnings of other groups falling far below this figure. One of the principal reasons for this variation, of course, has been the longer hours worked in the war industries. A boost in the minimum wage, as is contemplated under the bill which we are discussing, will help to rectify some of the inequities as to the distribution of our vastly increased national income.

When the distribution of our national income gets out of balance, there is trouble. I remember that, during the depression, the farmers in the Middle West were burning wheat and corn, and coal miners in my State could not eat the coal which they mined but they could not sell it to the wheat farmers, who would much rather have burned the coal and sold their wheat. That situation resulted from a failure to distribute national income more properly.

It is also interesting to note how the little businessman and the independent farmers have fared during the years from 1938 through 1945. The net income of proprietors, that is to say, proprietors of small businesses, small mercantile establishments, filling stations, and so forth—which roughly covers this group, increased from $10,100,000,000 in 1938 to $25,600,000,000 in 1945. The income of agricultural proprietors went up from $4,000,000,000 in 1938 to $12,500,000,000 in 1945. That group compares with nonagricultural proprietors whose net income went from $6,100,000,000 in 1938 to $13,100,000,000 in 1945. As to big business, corporate profits before Federal income taxes increased from $5,500,000,000 in 1939, which was incidentally a very much more profitable year than 1938, to $24,900,000,000 in 1944, or an increase of 350 percent. While these profits constituted only 6.2 percent of the gross national product in 1939, in 1944 they represented 12.5 percent of the gross national product, or twice as great a percentage as in 1939.

In a country which has such a large national income and productive capacity as ours, there should be no question that the lowest paid wage earner should get at least 65 cents an hour—which, on the basis of a 40-hour week, would yield him $26, and in the years when he works a full 52 weeks, taking no vacation, would yield him annual earnings of $1,352. That is why we are trying to pass this bill. Even that income will not allow him to break even if he is the wage earner for an average urban family with two or more members. He will have to earn over $2,000 a year in order to reach such a happy state of affairs that he will not find himself going steadily into debt each year.

There is no question that there are employees who are so incompetent that even in a high-wage-paying industry they might not be worth 65 cents an hour to an employer. I believe, however, that this type of employee constitutes a very small percentage of the workers with whom I am—and with whom all of us are—concerned in enacting a minimum wage law. I wish to call attention to the very large group of low-wage earners who are perfectly competent, but who through the chance of economic and social forces beyond their own individual control find themselves in a low-wage-paying industry. You might ask, "Why do not they get out and get themselves a job in a high-wage-paying industry?" The answer is that many of them do exactly that. Millions of workers pulled up stakes during the war and flocked to the industrial centers where ships and airplanes and tanks and guns were being built; and, as many of us know, they are still stranded there because they cannot get jobs back home that will yield them a living. But everyone cannot and could not work in Detroit or Los Angeles or Wichita or Seattle or Baltimore or Norfolk or any of a number of industrial centers of that type.

Now that the war is over, many of those workers must go to other places to seek work at lower hourly rates, to say nothing of lower weekly take-home pay. They must go into industries where the forces that make for high wages are not present, and they must accept the going rate if they are to be employed at all.

Mr. President, on that one point let me say that we talk about rates, but rates do not feed families. It is the take-home dollars on the pay table, based upon the total number of hours of work in the week, that feed the family and pay the doctor and the dentist and keep a roof over the heads of the members of the family. The only thing we can do with rates is to try to increase the take-home pay so that the workers will have enough to live on. Employees should not be penalized because of the happenstance that they are working in industries where the wages are low. For instance, during the war we never were able to correct that condition in respect to the foundry industry, which was almost stalled in 1944 and 1945, for the foundry industry was paying such a low wage rate that it was impossible to hire the employees who were needed in the foundries. Yet we were unable to get the wages raised sufficiently to take care of that situation, and the low wage rate in the foundries is a factor which is still holding back the production of foundries. Frankly, Mr. President, during the reconversion period we must build up the foundry business if we expect to get our machines and production going.

In the interest of our economy as a whole, I believe we should take steps to protect the workers in such industries so that they will not keep falling behind in the sharing of our increasing national income and over-all productivity. There is no question that at the present time the average income of the organized workers in the mass-production industries—or at least those who are employed for longer than 40 weeks a year—is higher than the income of the average American worker.

As the prosperity of this great country of ours steadily rises, it will be felt by all groups. This prosperity will, in fact, grow even greater if the workers at the bottom of the income group have sufficient income to maintain themselves and their families at as high a standard of living as possible, thereby making it possible for those people to buy the products of the other workers as well as the products of their own work, and thereby keeping the national income at a high level. When the income of an urban worker at the minimum wage rises from the present level of 40 cents or $800 a year—and imagine living on that amount of money, with OPA ceilings what they are today—to 65 cents, or $1,300 a year, he spends about 40 percent more money on food, for example, which would naturally have a tremendous effect on the income of the farmer.

Mr. President, let me point out here that with increased incomes paid to workers in the big industrial centers, the pounds of food—not the cost of food—but the pounds of food consumed by the American public rises accordingly, showing that in spite of the pride we take in our American prosperity and our standards of living, there were definite numbers of people in the United States of America who did not have enough to eat. For instance, such a worker spends about twice as much money on clothing, which will affect greatly the incomes of workers in the textile and apparel fields, as well as the cotton farmers and processors, to the extent that cotton is the base for the clothing. He spends about 60 percent more for tobacco, which will benefit that industry and the tobacco farmer. He spends three times as much on automobiles, which will affect the employment of workers in that vast industry.

Mr. PEPPER. Mr. President, will the Senator yield at this point?

Mr. KILGORE. I yield.

Mr. PEPPER. I understand that the Senator has suggested that one of the beneficial features of the pending bill is that it will distribute the national income and what might be called the national prosperity a little more generously, at least, to the people at the bottom of the economic structure.

Mr. KILGORE. That is part of what the bill will do, I say to the Senator from Florida. But there is an additional incentive, and it is a selfish one—namely, that by so doing we increase the market for the products of the members of all strata. We increase the amount of work done because we enable that worker to buy enough to enable him to live, not just to exist. In other words, his increased pay will be felt by others—particularly it will help farmers—and that in turn will increase the earnings of his employer and will give that employee more work. Of course, we say that "roll-

ing stones gather no moss," but we realize that moving dollars produce income, whereas stagnant dollars produce depressions.

Mr. PEPPER. Mr. President, I heartily concur in the Senator's opinion. In view of what he has just said, does it not follow that Senators representing big industrial States, for example, which already have a high wage level will, nevertheless, be interested in this bill because it will create new markets and larger markets for the products that are turned out by the industrial machines in those States?

Mr. KILGORE. Let me reply to the distinguished Senator from Florida by saying that an industrialist—I shall not mention his name—said to me that in a certain State where the wage level was low, his plant paid wages on a level with those paid in a State where the wage level was high. I asked him why that was done. I said to him, "Is it not true that you are able to obtain employees who will work at lower wages?" He said, in reply, "Yes; but employees who work on that wage level are not able to buy the things we make. We are selling those things, and we want our employees to receive wages which will enable them to purchase our products."

That illustration gives a picture of the need of industrialists for a more equitable balance of wages in the entire economy.

Mr. PEPPER. Mr. President, will the Senator yield for a further question?

Mr. KILGORE. I yield.

Mr. PEPPER. When we talk about the low-income groups, are we not sometimes in danger of overlooking the fact that they constitute roughly half of the population of the United States, instead of being just an insignificant minority?

Mr. KILGORE. That is correct. I believe they constitute approximately 60 percent or 70 percent of our working force, and, of course, when we also count their dependents they constitute many more than half the population of the United States.

It is thus very much in the interest of organized workers in the heavy goods industries, as well as workers in agriculture and agricultural processing, that the low-income group get a fair proportion of the increasing national income and productivity.

Let me cite one personal experience. The town in which I live is largely dependent upon the coal mines. Wages are fixed, but the number of days of work a week are not fixed. When the coal business slacks off and the workers are reduced from 5 days of work a week to 4 days a week, we find that every business in the town is affected and every farmer in the county is affected and farmers in surrounding counties are affected. When the workweek is reduced to 3 days, the effect is more pronounced than ever; and when the workweek gets down to 2 days, it is almost necessary for the stores to shut for all the days of the week except Saturday.

Mr. President, the enactment of the legislation here proposed is the only way of assuring a steadily expanding national income. The old saying that "a chain is as strong as its weakest link" has much pertinence in the era in which this country is about to enter. A large group of workers working at very low wages can only mean a constant drag and drain on our whole economy, because it is impossible for those workers to buy many of the products of American industry. On the other hand, if no group of workers is allowed to go below a certain basic minimum, a strong and prosperous era is more nearly assured, because then the workers are able to buy what they should have if they are to live in the way in which we want decent Americans to live—in the American way.

On the other hand, it is not only to the financial interest of us all that our weakest economic link—the below-standard wage earner—be strengthened, but it is also fair and just to that group that the means be found whereby they will be assured to the greatest extent of a share of our expanding national income which will enable them to achieve as high a standard of living as possible.

Mr. President, allow me to say one thing further. Efforts have been made to eliminate from the picture certain types of store employees. As a judge on the bench for 8 years, I found that one of the greatest causes of crime and, may I say, of prostitution, was the substandard wage being paid by the operators of certain types of stores to their employees, thereby preventing those employees from receiving sufficient income to pay for clothing and other necessities. We must raise our standard of civilization and be willing to pay enough so that such persons as those to whom I have referred do not have to stoop to unsocial practices which they find necessary in order to live.

It is not enough to use 1938 as a base and provide for an increase in the minimum wage which will meet the increased cost of living that has taken place since 1938. Bear in mind, Mr. President, that when I previously used the term "cost of living" I was talking about the cost of existence, because I challenge any Member of the Senate to go out with me for any period of time and live on 40 cents an hour, or even 65 cents per hour, and at the same time try to raise a family.

We must start with a new base; 1946 is not 1938. In 1946 we face economic conditions which are far more favorable than they were in 1938. We must give full recognition to that fact. To do otherwise would be to blind ourselves to basic economic realities and take a step backward in our goal to eliminate wage levels which are detrimental to the maintenance of a minimum standard of living.

Mr. President, this bill must be passed without crippling amendments, and without amendments which would eliminate certain strata of society. We must restore a large portion of the lower-wage bracket to where those within it may live. What sense is there in the world in classifying a truck driver who happens to haul farm produce as a farm laborer when he is driving alongside of a truck driver who is hauling gasoline and who is not classified as a farm laborer? If we do that then let us say that the man who eats the product of the farm is a farm laborer. I think that to adopt that attitude would be no more extravagant than to adopt some of the definitions which some are proposing to inject into the bill.

Mr. President, this bill must be passed as it was reported out by the Committee on Education and Labor, with provisions for a minimum wage which will be in line with the social and economic aspirations of our country. That is the key to prosperity. It is the key which we may well follow. It is the key which will keep us out of real inflation and out of depression. It is the key which will keep the economy of the country moving along, so that 3 years from now, 5 years from now, or 10 years from now, wheat farmers in the Middle West will not be burning wheat in their stoves, and coal miners in West Virginia will not be begging from door to door, and other workers in the industrial sections will not be confronted with economic conditions which threaten to destroy them. Those conditions are what we must avoid in the future. Let us look at the future, always to the future, but let us not forget the past.

THE INTERNATIONAL SITUATION AND AMERICA'S FOREIGN POLICY

Mr. MOORE. Mr. President, the President of the United States is quoted as saying that all he knows about Russian troop movements into the Near East is what he reads in the newspapers. For some time the American people have had the uncomfortable feeling that the international situation was drifting from bad to worse. This feeling is emphasized by public statements of the Secretary of State and others which are being interpreted as a warning that this Government must be prepared to take a firmer position with respect to the policy of imperialism being evidenced by Russia. Underneath our nervousness, however, has been the abiding confidence that our Government was in touch with developments, and that the statements of the Secretary of State and the complacency of the President were based on a sound knowledge of current international developments. Now to be told by the President that all he knows about the situation is what he reads in the newspapers is, to say the least, disturbing in the extreme.

Mr. President, it appears from the press that a fully equipped Russian Army is on the march. Undoubtedly American lend-lease guns, planes, tanks, and trucks are being used by the Russian Army. In view of this situation, I do not think it amiss to call public attention to the contract under which these implements of war were furnished to the Russian Government. Article 5 of the Soviet master lend-lease agreement provides:

> The Government of the Union of Soviet Socialist Republics will return to the United States of America at the end of the present emergency, as determined by the President of the United States of America, such defense articles transferred under this agreement as shall not have been destroyed, lost or consumed, and as shall be determined by the President to be useful in the defense of the United States of America or of the Western Hemisphere, or to be otherwise of use to the United States of America.

I should like to call attention also to the fact that the acceptance by Russia of the principles of the so-called Atlantic Charter was a condition upon which the lend-lease agreement was entered into by this Government.

Let it be remembered that in subscribing to principles of the Atlantic Charter, Russia agreed:

First. That she sought no aggrandizement, territorial or other;

Second. She desired to see no territorial changes that did not accord with the freely expressed wishes of the peoples concerned; and

Third. She respected the right of all peoples to choose the form of government under which they will live; and she wished to see sovereign rights and self-government restored to those who had been forcibly deprived of them.

Mr. President, so long as the President fails officially to terminate the war, the Russian Government is technically entitled to retain and use the implements of war that are supporting her armed invasion of the Middle East. The retention of this equipment makes it even possible for Russia to enforce her violation of the lend-lease agreement. The administration failed, immediately upon the close of the war to insist upon Russia's compliance with the agreement by returning all lend-lease equipment capable of being used to make war. Instead, it now appears that we are continuing the delivery to Russia of lend-lease supplies of more than a quarter of a billion dollars on credit maturing over a period of 30 years.

The admission of the President that he is wholly uninformed of the situation except what he sees in the press, the failure of the administration to insist that the Russian Government respects its agreement, the continuation of almost $300,000,000 of lend-lease to Russia after the war against a credit maturing over a period of more than 30 years, although the President had previously indicated by public statements that lend-lease aid had been terminated, are disclosures which operate to shake the confidence of the people in the wisdom and integrity of the administration.

The American people are hungry for a leadership that will be frank, open, honest, and forthright in its dealings at home and abroad. They are tired of secret agreements and secret commitments. They are appalled and confused at the conflicting statements from the White House and the Secretary of State. It is beginning to appear that our confusion and inadequacy in international relations is as great as it is on the domestic front.

ADDRESS OF A. F. OF L. PRESIDENT GREEN

Mr. WILLIS. Mr. President, every once in a while, amid a multitude of printed matter which reaches my desk and the desk of every other Senator, I come across a speech, or a brochure, that stands out from the mass of other material.

Such is the brief speech of William Green, president of the American Federation of Labor, recently delivered by him before the Carbondale (Pa.) Central Labor Union. I personally believe that Mr. Green has made a most meritorious and apropos statement for these times.

I invite the attention of my colleagues to some basic principles of government on which Mr. Green touched. After painting the picture of shortages which we all know exists today, Mr. Green made references to the "growth of Government encroachment upon the economic freedom of our people."

"That was inevitable," he pointed out, in view of the war. "But it did not end with the war. That could have been avoided—and it must be stopped!"

Later, Mr. Green made the following statement for labor—and I know that every American laboring man who is not a Communist or a Fascist will agree with him—

> We cannot accept a regimented economic philosophy formulated and imposed upon the workers by the Government. Freedom and liberty are just as essential to the welfare of the workers as the "four freedoms" are to all the people of our own country and all others throughout the world.

Later in this speech Mr. Green pointed out that "at the moment, neither labor nor industry know where they stand nor where they are heading in the future."

Employers are afraid to make commitments for fear of disaster," he says. "Production is stalled."

I submit to Senators who believe in real freedom, and who are fighting with millions of Republicans against the ever-increasing encroachments of the Federal patronage machine, that William Green has made a statement that deserves consideration of every true American. I therefore ask unanimous consent that his statement be printed in the RECORD at the conclusion of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

More than 6 months have passed since VJ-day. By this time we should have been well along on the road to postwar recovery. Such is not the case.

Instead of peace bringing order out of chaos, it has added even worse confusion to our economy. Rapid expansion of industrial production has failed to materialize. Shortages of the necessities of life and housing are daily becoming more acute. Prices are still going up. The forces of inflation are on the march. The Government with one hand solemnly pledges to "hold the line" and with the other deliberately creates a serious bulge. Federal agencies, instead of eliminating wartime controls, are imposing new and even more baffling regulations. Increases in wage rates obtained by organized labor through collective bargaining are rapidly being wiped out by higher living costs. Congress is in revolt against anything the President recommends.

This is not an exaggerated picture I have drawn. It squares with the harsh facts in every particular. And these facts, added together, represent a threat to the future of the American way of life which the workers of our country dare not ignore.

It is not my purpose here to place the blame for the present unsatisfactory situation on any individual or group. I prefer to point out where our national policies have deviated from the true path and to indicate how we can regain the road to postwar recovery with the least possible delay.

The big danger we face is the establishment of a permanent economy in our country regulated and regimented from beginning to end by the Federal Government. That is a step toward totalitarianism. When freedom of enterprise for labor and for business is wiped out by government, every other freedom enjoyed by the people stands in jeopardy.

Let us concede that the growth of government encroachment upon the economic freedom of our people began with the war. That was inevitable. But it did not end with the war. That could have been avoided—and it must be stopped.

I am convinced that President Truman approached the Nation's postwar problems in the right spirit and with every determination to restore a normal economy as promptly as the necessary changes could be safely effected. He told me so. I believed him and I still believe in his sincerity. But the tragic truth is that he received and listened to the wrong advice.

Consider what happened in the field of labor-management relations. When the trade-union movement sought to cushion the shock of reconversion after VJ-day by negotiating increases in wage rates for the Nation's workers to make up for the loss in take-home pay due to reduction of working hours and elimination of overtime, the President summoned a labor-management conference in Washington to recommend methods by which such programs could be settled peacefully and without undue delay.

The conference deliberated several weeks and arrived at certain constructive conclusions. Its two major recommendations were:

1. That collective bargaining should be universally adopted as the only practical method of settling labor-management disputes in a satisfactory way.

2. That when collective bargaining failed to bring about agreement, labor and management should be willing to submit issues left in dispute to voluntary arbitration.

This expression of the management-labor conference reflects the economic philosophy originated, advocated, and practiced by the American Federation of Labor. It emphasizes freedom of action on the part of free working men and women who have organized themselves into free, democratic unions. Its chief objective is the elimination of compulsory arbitration and of Government intervention or domination in collective bargaining and wage standards. These findings fail to satisfy certain elements who not only favor, but rely upon, Government intervention in the fixing of wage standards. They seem to fail to grasp the fact that if Government can give, it can also take away.

Labor has fought from the beginning for the enjoyment of the right to organize into free, democratic unions and to bargain collectively on equal terms with employers. It cannot afford to compromise upon these fundamental principles. Through its steadfast devotion to this line of procedure, organized labor has established itself as a vital force in the economic and industrial life of the Nation. It has mobilized its economic strength and through the exercise of its power, strength, and influence has served to promote the economic and social welfare of the working men and women of our country.

We cannot accept a regimented economic philosophy formulated and imposed upon the workers by the Government. Instead, we insist and demand that labor shall be accorded the right to form its own unions, to consolidate and utilize its resources and its economic strength in conformity with democratic principles and procedure. Freedom and liberty are just as essential to the welfare of the workers as the four freedoms are to all the people of our own country and all others throughout the world.

It is universally recognized that President Truman has been under severe pressure. However, he could have insisted that all labor disputes be settled by collective bargaining and voluntary arbitration without Government intervention. Instead, he listened to

incompetent advisers who concocted a magic formula for him—another easy way out. This formula called for the settlement of labor-management disputes by Government fact-finding boards and for the imposition of compulsory cooling-off periods. The American Federation of Labor promptly announced its opposition to any such invasion of labor's fundamental right to strike and the inauguration of compulsory arbitration by Government—which is what the fact-finding procedure amounted to. Industry rebelled against inspection of its books and investigation of its profits by fact-finding boards. Without waiting for specific congressional authorization, the President appointed a few experimental fact-finding boards and their utter failure in practice persuaded Congress to reject the President's recommendation for the enactment of fact-finding board legislation.

Because of these upsetting developments, the President and his advisers erroneously decided to reestablish war emergency control over wages and collective bargaining. This, in my opinion, was a grave mistake. Following the lifting of war emergency restrictions upon collective bargaining after VJ-day, the representatives of millions of workers made definite progress in the settlement of wage scales and wage standards through genuine unrestricted collective bargaining. This progress was abruptly terminated as a result of the announcement of a new stabilization policy on the part of the Government.

Under the new stabilization policy, a formula for wages has been set up similar in principle to the Little Steel formula and Government agencies must pass upon wage agreements before they can be applied and accepted. Workers still remember how they resented the restrictions placed upon collective bargaining and those who participated in collective bargaining through the establishment, maintenance and application of the Little Steel formula. They protest against the application of the principle of a wage formula particularly now when the war emergency period has passed. The new stabilization policy places labor in an inescapable Government strait-jacket by requiring prior approval from the Wage Stabilization Board of any wage increase which will be used by an employer as a basis for application for higher price ceilings.

It was indeed unfortunate that certain influences caused the administration to barter and bargain at the expense of the consuming public, including the wage earners, at a critical period in the economic life of the Nation. The net result of it all is to subject millions of wage earners to the danger of inflation. Increases in wages mean nothing to wage earners if prices are to soar and the cost of living constantly mount. History records that prices increase more rapidly than wages. Such a policy is economically unsound. It is inflationary in principle and wage earners pay more heavily than any other class of people when uncontrolled inflation prevails.

I am confident that time and experience will prove the soundness and validity of a free economy as compared with a controlled, regimented economy. The stabilization policy originated by the administration and inaugurated by Government decree does not square with the American way of life. It is in contradiction to the basic principles upon which our democratic form of government rests. We must unite in defense of the principles of freedom, liberty, and democracy and in the preservation of a free economy, free democratic unions, freedom to bargain collectively without Government interference or domination, and freedom to exercise those inherent rights conferred upon us by the Constitution of the United States. We realize that all these rights will be impaired if not destroyed if the Nation becomes permanently subjected to a regimented economy.

At the moment neither labor nor industry know where they stand nor where they are heading in the future. Employers are afraid to make commitments for fear of disaster. Production is stalled. Reactionary elements in Congress are taking advantage of the opportunity to attempt to wreck the entire system of price control. Powerful inflation lobbies are aiding and abetting this move. In addition they are backing congressional attempts to enact the worst anti-labor legislation ever proposed in Washington.

How can these dangerous trends be halted? How can we restore sane and sensible conditions which will be clear to all and encouraging to all?

I propose, first, that the present crazy-quilt stabilization program be scrapped and that the President invite representatives of labor, industry, and agriculture to confer with him on the drafting of an entirely new one which will be fair and just to the entire Nation.

Secondly, I recommend that this new policy be adopted for the duration of not more than 1 year, with the unequivocal commitment that at the expiration of that time all Government controls on wages and prices be dropped.

Finally I urge with all the emphasis at my command that the Government eliminate itself from the sphere of labor-management relations except for offering a strengthened Conciliation Service to both parties and allow labor and industry to work out their problems through the proper methods of collective bargaining and voluntary arbitration.

In my opinion, even our great country cannot indefinitely sustain the strain of living from one emergency to the next without relief. We must set ourselves a reasonable dead line to get back to a normal basis and meet that deadline. The American Federation of Labor will do its utmost to help achieve that goal in the interests of preserving the American way of life for the American people.

AUTHORIZATION FOR COMMITTEE ON APPROPRIATIONS TO REPORT A BILL

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent that during the recess of the Senate, which I understand will be until Tuesday, the Committee on Appropriations may be authorized to file a report on the bill (H. R. 5400) making appropriations for the fiscal year ending June 30, 1947, for civil functions administered by the War Department, and for other purposes.

The PRESIDING OFFICER (Mr. GOSSETT in the chair). Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. PEPPER. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. GOSSETT in the chair) laid before the Senate a message from the President of the United States submitting the nomination of Lt. Gen. Walter Bedell Smith, United States Army, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Union of Soviet Socialist Republics, which was referred to the Committee on Foreign Relations.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. WALSH, from the Committee on Naval Affairs:

Vice Adm. Arthur S. Carpenter, United States Navy, to be a vice admiral in the Navy, for temporary service, to rank from the 3d day of April 1945.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

FOREIGN SERVICE

The legislative clerk proceeded to read sundry nominations in the foreign service.

Mr. PEPPER. I ask unanimous consent that the foreign-service nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the foreign-service nominations are confirmed en bloc.

UNITED STATES PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the United States Public Health Service.

Mr. PEPPER. I ask unanimous consent that the Public Health Service nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. PEPPER. I ask unanimous consent that the postmaster nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

That concludes the Executive Calendar.

RECESS TO TUESDAY

Mr. PEPPER. As in legislative session, I move that the Senate take a recess until 12 o'clock noon on Tuesday next.

The motion was agreed to; and (at 4 o'clock and 2 minutes p. m.) the Senate took a recess until Tuesday, March 19, 1946, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate March 15 (legislative day of March 5), 1946:

DIPLOMATIC AND FOREIGN SERVICE

Lt. Gen. Walter Bedell Smith, United States Army, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Union of Soviet Socialist Republics.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 15 (legislative day of March 5), 1946:

FOREIGN SERVICE

TO BE CONSULS GENERAL OF THE UNITED STATES OF AMERICA

George Tait	Prescott Childs
Maurice W. Altaffer	Earl L. Packer

TO BE CONSULS OF THE UNITED STATES OF AMERICA

Foy D. Kohler	Martin J. Hillenbrand
Reginald Bragonier, Jr.	Frederick J. Mann
William Belton	J. Kittredge Vinson
V. Lansing Collins, Jr.	G. Frederick Reinhardt
Fulton Freeman	Miss Kathleen Molesworth

UNITED STATES PUBLIC HEALTH SERVICE

APPOINTMENTS AND PROMOTIONS

To be assistant surgeons

Leonard T. Kurland	Thomas A. Burch
Howard N. Frederickson	James R. Mason
	John J. Antel
Robert B. Shelby	Gove Hambidge, Jr.
Carl A. Boswell	John F. Bell
William A. Himmelsbach	John G. Robinson
	Andrew L. Hoekstra
Lewis Francis	Gordon B. Wheeler

To be senior assistant surgeons

Milton I. Roemer	Charles R. Hayman
Earl H. Webster	Ira Lewis
Harry E. Malley	Wolcott L. Etienne

To be temporary senior assistant surgeons

Robert J. Burleson	Martin J. Ittner
Thomas O. Dorr	Marvin W. Evans
Harold B. Alexander	

To be temporary surgeons

Robert J. Anderson	Robert N. Lord
Kenneth W. Chapman	Carl L. Larson
Henry D. Ecker	Jack A. End
Gabriel P. Ferrazzano	James F. Maddux
Emerson Y. Gledhill	Mark E. Myers
Robert Mc. Mitchell	Lloyd F. Summers
Robert M. Thomas	Randolph P. Grimm

To be temporary medical director

Egbert M. Townsend.

To be temporary senior pharmacists

Raymond D. Kinsey.
Thomas C. Armstrong.

POSTMASTERS

ARKANSAS

Lamar W. Grisham, Pickens.

LOUISIANA

Oscar B. Buck, Mansfield.

NORTH CAROLINA

Bonnie M. Godley, Grimesland.

OKLAHOMA

Robert G. Blackwell, Calvin.
Alice O. Beckham, Foss.

OREGON

Ada M. McFall, Camas Valley.
Oliver C. Gardner, Nelscott.

SOUTH DAKOTA

Floyd O. Clark, Bison.

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 15, 1946

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Father of mercies, we bless Thee that Thou hast given Thine only begotten Son in the frailty of human flesh to walk our ways, endure our sorrows, and taste the bitterness of death; girded with this eternal truth, help us to stand immovable. Out of the realm of human tendencies, O lift us into the plentitude of Thy grace and into the mystery and secret of the Most High. In these momentous days, O God, open our eyes that we may see to follow Thee. We praise Thee that not until the human soul is quenched can religion die; not until the last tear is shed, the last pulse of love has throbbed will the life of our Saviour lose its power among men. The world has its nights and its days, but Thy holy word standeth sure and immutable. Glory be to Thy holy name, O Lord God of the ages. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 50. Concurrent resolution relating to the succession to the Presidency of the United States.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 301) entitled "An act to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes."

EXTENSION OF REMARKS

Mr. ROE of Maryland asked and was given permission to extend his remarks in the RECORD and include an article by Frank R. Kent appearing in the Baltimore Sun.

PERSONAL EXPLANATION

Mr. RANDOLPH. Mr. Speaker, yesterday afternoon during roll call No. 55 I was necessarily absent from the floor of the House. Had I been present, I would have voted "yea." It is my purpose to support in every possible manner the program of housing facilities for veterans.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include an editorial which appeared in this morning's paper.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[Mr. HOLIFIELD addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. LARCADE asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article from the Washington Evening Star on the OPA.

Mr. SULLIVAN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an address by Postmaster General Hannegan on the homecoming of Francis Cardinal Spellman.

Mr. BAILEY asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement issued by the League for Political Education of the State of West Virginia.

Mr. LYLE, Mr. DOMENGEAUX, and Mr. VURSELL asked and were given permission to extend their own remarks in the Appendix of the RECORD.

Mr. MASON asked and was given permission to extend his remarks in the Appendix of the RECORD on the subject OPA—A Blessing or a Curse and to include therein an editorial from the Saturday Evening Post on the same subject.

Mr. PLUMLEY asked and was given permission to extend his remarks in the RECORD and include some newspaper clippings.

Mr. MANASCO asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article appearing in the Washington Evening Star on March 14, 1946, relating to the care and disposal of Pacific war-surplus property.

PERMISSION TO ADDRESS THE HOUSE

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. FLOOD addressed the House. His remarks appear in the Appendix.]

COOPERATION OF HOUSE RESTAURANT ASKED IN WAR-FOOD PROGRAM

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON. Mr. Speaker, we have been made very aware of the fact that famine stalks the world, and that we here in this country should pull in our belts and eat less, particularly bread. I am wondering if the Members of this House will join me in requesting the House restaurant to be an example of the frugal use of bread, to ask the management to have smaller rolls, to serve only one roll to a person, and to be very careful that no one really misuses the privilege of having a little bread. Too many people are starving to death abroad to make it tolerable for us to be careless, thoughtless, and selfish here at home. Is it not our place as the representatives of the people to show in action that we represent a people that is ready to curtail its use of essential foods that the starving may be fed.

NEED FOR DIPLOMATIC REPRESENTATION IN MOSCOW

Mr. McMILLEN of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. McMILLEN of Illinois. Mr. Speaker, there has been no time in the history of our country in its relationship with Russia when it was more important to have an Ambassador from this country in Moscow. Diplomatic relationship and the ascertainment of facts from this level have not been available to our country for want of an Ambassador since the resignation of ex-Ambassador

Harriman several weeks ago. The delicate situation, it seems to me, demands immediate ambassadorial representation.

It furthermore is true that Ambassador Gromyko, Russia's Ambassador to the United States, has not been in this country for some time which furthermore is regrettable.

No man in this country enjoys the respect and admiration of Russia as Gen. Dwight W. Eisenhower as demonstrated on several occasions particularly during his visit to Moscow last summer at which time he was awarded the Order of Victory and the Order of Suzorov, First Degree, by Russia. In my humble opinion General Eisenhower should be sitting near the front of the table in all negotiations with Russia.

EXTENSION OF REMARKS

Mr. BENNET of New York asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. PLOESER asked and was given permission to extend his remarks in the RECORD and include an address he made in Missouri recently and also to include a letter addressed by a St. Louis law firm to Hon. Chester Bowles.

Mr. CORBETT asked and was given permission to extend his remarks in the RECORD.

Mr. WIGGLESWORTH asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. ELSTON asked and was given permission to extend his remarks in the RECORD and include an article by Mr. Frank C. Waldrop appearing in the Washington Times-Herald today.

Mr. GORDON asked and was given permission to extend his remarks in the RECORD and include a letter from the Illinois League of Women Voters and also an article appearing in the Chicago Sun of March 12.

Mr. KING asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Washington Post on strategic minerals.

Mr. LYNDON B. JOHNSON asked and was given permission to extend his remarks in the RECORD and include a radio address.

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD on three subjects and include certain statements and excerpts.

THE UNRRA CONFERENCE

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. MILLER of Nebraska. Mr. Speaker, I agree with the gentlewoman from Ohio [Mrs. BOLTON] that we ought to save food to help the starving all over the world. The Members of the House will be interested in a news item appearing in the New York Sun of March 7 in which it is reported that the delegates to the UNRRA convention now in session at the fashionable Traymore Hotel, Atlantic City, are paying $16.50 a day for board and room. I have a dozen places out in my district in Nebraska where these 500 delegates to the UNRRA convention could be taken care of for three or four dollars a day. The United States puts up 72 percent of the funds for this Organization. Is it not time that these delegates set a good example and save money in order to buy more food for the needy?

The SPEAKER. The time of the gentleman from Nebraska has expired.

THE VETERANS AND THE FEDERAL INCOME TAX

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, since today is the deadline for the payment of Federal income taxes, I want to read a letter which I have received from a veteran friend of mine, as follows:

DEAR ED: Isn't the time proper to consider forgiving Federal income tax levied on military income while in service? Is the monetary return worth the administrative expense, ill will for the Government (who we are told is a grateful one) and the Military Establishment?

Many have not kept current on payments, being relieved under the Soldiers' and Sailors' Civil Relief Act; many have just let them go until later, probably have spent as they went, and will have to go in hock to settle.

The average veteran comes home to house and home worries, if he has one. If he had to sell it, he's in worse luck. If he rented, he waits. His clothes, if the moths have left any, don't fit. The job-priority thing is beautiful in theory, but in practice it is far from a working plan—it's a hopeful gesture. He did the work while you were in the Army; we can't fire him as his reward for keeping the business going when we were shorthanded, is not a line from a stage play. So the tax thing just rubs more salt in a slow-healing wound.

It seems as if the better way to avoid March 15 being a day of ignominy for veterans would be to forgive tax on all military income not already paid, and let that already paid be carried as a tax credit against which future tax obligations could be charged.

Let me hear from you. I admire your guts on the grain situation.

As ever.

WHAT IS DRIVING THE AMERICAN PEOPLE CRAZY?

Miss SUMNER of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

Miss SUMNER of Illinois. Mr. Speaker, the House will further consider today a bill the purpose of which is to engage in research in order to find out what is driving the American people crazy.

If you really want to find out what is driving the American people crazy, I suggest that you come over to where we are having hearings on OPA, where citizens from all over the United States are testifying how OPA has driven all the necessities off the counters, driving the factories out of production, and the men out of employment.

I suggest also you go over to your newspapers and observe the effect of the schizophrenic New Deal foreign policy, for which this Congress habitually votes.

The SPEAKER. The time of the gentlewoman from Illinois has expired.

THE SIZE OF THE UNITED STATES NAVY

Mr. HÉBERT. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. HÉBERT. Mr. Speaker, several months ago this House with almost an unanimous vote passed a bill setting the size of the postwar American Navy. I am sure each one of you were shocked to read in the morning paper that a bureau, without even giving the courtesy to the Secretary of the Navy to be heard, automatically and arbitrarily decided how large our Navy is going to be. The Bureau of the Budget, contrary to the expressed wish of this House, must know that our Navy will be destroyed by a stroke of the pen.

Are we so lacking in courage or so supine that we are going to allow the red blood of our heroes who died on foreign shores to be washed out by the black ink of bureaucrats who stayed at home? I think it is about time that instead of giving lip service to the veterans of this country in the well of the House we dedicate ourselves to doing something for them and to assuring them that they will have the same kind of country when they return as when they left.

There is no better place to start guaranteeing them the kind of country when they return as when they left than by guaranteeing them an adequate navy, an adequate army, an adequate air force to protect for Americans everything that is American. And there is no better time than right now to let the Bureau of the Budget or any other bureau that when this House speaks it speaks for the American people, and means what it says.

The SPEAKER. The time of the gentleman from Louisiana has expired.

BRITISH LOAN VERSUS VETERANS

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I would like to call the attention of the gentleman from Louisiana, who spoke a minute ago, to the fact that if he wants to do something for the veterans, he should consider giving them the $4,400,000,000 that you are talking about loaning or giving to Great Britain. If you turn it over to the veterans of this country, you will be doing something for them. But when you turn this money over to Great Britain, taking it away from this country to aid and assist the people of some foreign

country to the detriment of the taxpayers of this Nation and of the veterans of this Nation, then I think you ought to consider that very carefully. Great Britain will not pay it back, according to their past record. Our national debt should not be increased. Our taxpayers cannot pay any more taxes. It does not make sense in any way to grant the loan. It would be some sense to it if given to World War veterans if they demand it and if it can be paid. If Britain wants money, let them sell Bermuda and their islands in the West Indies close to our shores, that we can use to protect our shores.

THE VETERANS' HOUSING MARCH

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GROSS. Mr. Speaker, according to the newspapers last night and this morning, young Frankie Roosevelt wants to lead the veterans on to Washington in order to get houses. That is his privilege. But that will not make houses. It takes material and until the Government releases it and encourages builders we will have no houses for soldiers or anyone else. But I will bet a dollar against a doughnut that when they get here, Frankie will live in the Mayflower while the veterans will sleep in the parks.

CALL OF THE HOUSE

Mr. KILBURN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 57]

Adams	Gathings	Peterson, Ga.
Baldwin, Md.	Gerlach	Pfeifer
Baldwin, N. Y.	Gibson	Philbin
Barrett, Pa.	Goodwin	Price, Fla.
Bates, Mass.	Granahan	Quinn, N. Y.
Bender	Gregory	Rabin
Bloom	Hall,	Rains
Brumbaugh	Leonard W.	Rayfiel
Buckley	Hand	Rees, Kans.
Bulwinkle	Hare	Rizley
Byrne, N. Y.	Heffernan	Robertson,
Camp	Hess	N. Dak.
Celler	Hoch	Roe, N. Y.
Chapman	Holmes, Mass.	Rowan
Chelf	Judd	Ryter
Clippinger	Kefauver	Schwabe, Mo.
Cole, N. Y.	Kelley, Pa.	Sheridan
Combs	Keogh	Short
Cooley	Kinzer	Slaughter
Crawford	Kirwan	Sparkman
Curley	Klein	Taber
Daughton, Va.	LaFollette	Talbot
Dawson	Lane	Taylor
De Lacy	Latham	Thomas, N. J.
Durham	Lesinski	Torrens
Ellis	Luce	Traynor
Elsaesser	McGlinchey	Wadsworth
Fisher	McKenzie	White
Flannagan	Murray, Wis.	Wilson
Fogarty	Neely	Wolfenden, Pa.
Folger	Norton	Wood
Fuller	O'Toole	Woodhouse
Gardner	Patrick	

The SPEAKER. On this roll call 333 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AMENDING PUBLIC LAW 30 OF THE SEVENTY-NINTH CONGRESS

Mr. SPENCE submitted a conference report and statement on the joint resolution (H. J. Res. 301) to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes.

EXTENSION OF REMARKS

Mr. DINGELL. Mr. Speaker, on yesterday I secured permission to insert in the RECORD a speech of the Honorable Paul McNutt, an eloquent plea which he delivered before the National Press Club, on behalf of the Philippine Islands and its people, an address which I commend to the attention of every Member of the House. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $160, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. WEICHEL asked and was given permission to extend his remarks in the RECORD and include a letter.

PERSONAL PRIVILEGE, ANSWER, ATTACK, ON COMMITTEE ON UN-AMERICAN ACTIVITIES

Mr. RANKIN. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state the grounds.

Mr. RANKIN. Mr. Speaker, on day before yesterday, March 13, there appeared in the New York Times, a paper I think all will agree is one of general circulation, a Communist advertisement, a whole page advertisement, making a vicious, personal attack on me as well as on the distinguished gentleman from Georgia [Mr. WOOD] and the entire House Committee on Un-American Activities.

I have submitted this article to the Speaker, but if it is desired I will read some of the charges.

The SPEAKER. The Chair would prefer that the gentleman do that.

Mr. RANKIN. Mr. Speaker, this article is headed "You cannot talk. It is un-American."

Let me say at the outset, Mr. Speaker, I regret very much to have to raise this issue at the present time for I realize that the world is rather tense as a result of some of the very things I propose to discuss. America is tense, also, as a result of the spy-ring publicity.

The SPEAKER. The Chair would like to have the gentleman state the grounds upon which he claims a question of personal privilege.

Mr. RANKIN. Mr. Speaker, under the circumstances I regret to have to bring this proposition to the attention of the House at this time, but these attacks are serious and continuous, and it seems that the time has come when somebody is going to have to answer them in no uncertain terms. I propose to perform that duty today, and in the future, as occasions arise.

This page advertisement, which probably cost thousands of dollars, has half a page of cartoons or pictures. I believe there are seven pictures or cartoons on it. The first one is of people with bandages around their mouths and it says under it, "Radio commentators can't talk," and then goes on to give the reasons, and winds up by saying "it's called un-American." I will show as I go along, that is a jibe at the Committee on Un-American Activities.

The next picture shows some people sitting around what appears to be a motion-picture machine, and it says under it that "this machine talks American. It may have to stop. You know why? It's called un-American."

That is also directed at the Committee on Un-American Activities, because some of our investigators have been on the trail of certain subversive elements that are using the motion-picture business, not for what it is supposed to be used for, but to undermine and destroy confidence in this country.

The next picture has this under it, "the Joint Anti-Fascist Refugee Committee." That is the one that has been wanting us to break with Spain; the administration answered them in no uncertain terms 3 days ago. It is pretended that this is merely a philanthropic organization. But it says "Now this help may be stopped. You know why? It's called un-American," intimating that a committee of Congress calls it un-American to do "charitable work." We will show why the Committee on Un-American Activities has been called upon to investigate some of these un-American activities and un-American conspiracies. If they are merely charitable organizations why do they object to our investigators or the agents of the FBI seeing their books?

Then it goes on to another one headed "The National Council on American-Soviet Friendship Promotes Understanding," and so forth. It goes on to say that that is called un-American, another jibe at the Committee on Un-American Activities.

"National Committee to Combat Anti-Fascism," is next. It says, "It opposes and takes action when any minority group is affected by acts of discrimination." It says, "Is this un-American?" It did not charge us with saying it was. It threw that in as a question, "Is this un-American?" If that is all they are doing why so much secrecy?

Another one says, "How about you?" showing several people with bandages tied around their mouths. It says, "You won't talk long. You'll have to stop talking. You know why? It's called un-American"—trying to mislead the American people to believe that a committee of Congress is trying to suppress free speech.

"Who says it's un-American?" this advertisement screams in headlines clear across the paper, and then answers its own question in these words in capital letters: "JOHN RANKIN says so." Then it adds, "He is the Mississippi Congressman elected by less than 8 percent of the people in his district." Then it goes on to quote a vicious attack on me from

Collier's magazine and many Communist writers throughout the country.

The SPEAKER. Will the gentleman state the language to which he objects as reflecting upon the gentleman?

Mr. RANKIN. Yes.

The SPEAKER. Then the gentleman can discuss the article.

Mr. RANKIN. Very well, Mr. Speaker.

The SPEAKER. The Chair wants to know the grounds upon which the gentleman claims the floor on a question of personal privilege.

Mr. RANKIN. All right. I will read the whole article.

The SPEAKER. That is not necessary at this time, if the gentleman will pick out the language of which he complains. The Chair thinks there is sufficient there if the gentleman will state it, and not somebody's opinion of the Committee on Un-American Activities.

Mr. RANKIN. "Who says it's un-American?" Then the advertisement answers its own question. It says:

JOHN RANKIN says so! He is the Mississippi Congressman elected by less than 8 percent of the people in his district. Collier's magazine said of him: "The overwhelming majority of the country's conventional newspapers condemn his screaming antisemitism, his roaring against Negroes, his fire alarms against liberals of all degrees * * * the facts are what he says they are, anybody disagreeing with JOHN RANKIN'S version is a 'Communist,' 'Jew,' or 'nigger lover,' or maybe all three."

Mr. Speaker, is that sufficient?

The SPEAKER. There is another part there that is stronger even than that.

Mr. RANKIN. All right. It goes on to say:

In the confusion of the first day of the 1945 Congress, RANKIN sneaked over a permanent House Committee on Un-American Activities.

The SPEAKER. The Chair thinks that the gentleman states a question of personal privilege in that the paper charges that he sneaked something over on the House.

The gentleman is recognized.

Mr. RANKIN. What I did, Mr. Speaker, was to propose and to secure the passage of an amendment to the rules creating the Committee on Un-American Activities, in order to try to protect this country at home while our young men were fighting to defend it abroad.

I have no apology for that action. I regard it as one of my greatest contributions to the welfare of my country.

That committee is doing more now to restrain the disloyal elements within our gates than any other one organization in this Government, with the probable exception of the FBI.

Mr. Speaker, this article winds up by saying:

We don't agree with Mr. RANKIN, and we're talking. Either he's un-American or we are.

I am inclined to agree with that, because I think this article is put out by a group of subversives. They seem to be scared to death for fear we will investigate them.

It goes on to say:

If you agree with us, then it's time for you to talk. Write your Congressman now. Tell him to sign discharge petition 12. The passing of this petition will make possible a congressional vote to abolish the Wood-Rankin committee. Your Congressman is your representative. If you don't want Mr. RANKIN, and you tell your Congressman, he won't want Mr. RANKIN, and he will tell Congress. You can help if you act.

May I ask the Clerk to hand me petition No. 12?

Mr. COCHRAN. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. COCHRAN. As I understand the rules of the House, it is not permissible to give out anything contained in a petition on the Clerk's desk until the petition has the required number of signers. Then it automatically is printed in the RECORD with the signatures thereon.

The SPEAKER. It is certainly a violation of the rules to do that.

Mr. RANKIN. I have not given out anything. Do not get excited. I merely asked for the petition. I have a right to look at it, as a Member of the House.

The SPEAKER. The gentleman has the right to look at it but he does not have the right to read any of the names on the petition.

Mr. COCHRAN. That would not be a violation of the rules of the House but to disclose names would be.

Mr. RANKIN. Do not worry. I know the rules. I merely want to look at this petition.

At the bottom of the page they have this:

Citizens United to Abolish the Wood-Rankin Committee. Suite 170, Hotel Astor, B'way and Forty-fifth Street, New York 19, N. Y.

They want you to send this to them there.

I agree with you and want to support your effort. Enclosed find contribution for $——.

In other words, they are using the mails to defraud, spreading this propaganda against a committee of Congress, and raising money to be used for an illegal purpose.

Mr. Speaker, I am going to answer this over the radio next Wednesday night, the 20th, from 9 to 9:15, but I wanted to bring this matter to the attention of the House to let you and the country know that these charges against the Committee on Un-American Activities are false and that they are published for sinister purposes.

We have not interfered with the freedom of speech of anybody who is not attempting to undermine and destroy this Government. We have been very careful. The Committee on Un-American Activities is being criticized by some people because we have not moved fast enough.

I have a letter from an employee of the New York Times, the paper in which this advertisement appeared, which I am going to read to you. It is dated March 14, is addressed to me, and reads as follows:

DEAR SIR: The Times carries a full-page advertisement this morning of a Citizens United to Abolish the Wood-Rankin Committee organization, which has arisen out of nowhere to attack the work of your committee. I note at least 25 names of known Communists and fellow travelers and think it may be safely assumed that anyone else willing to sign such a statement with Stalin on his present rampage must be a person of doubtful loyalty. There is considerable agreement with this opinion among Times staff members.

There is a man who works for the New York Times, the paper that published this scurrilous advertisement. He continues:

May I suggest that it might help the committee if someone in a position to command adequate space through his news value would point out to the public that your committee is able to do no more than throw the light of publicity on the activities it investigates and therefore such wild opposition is in itself prima facie evidence of fear of revelations?

This was made clear in the early days of the Dies committee, but has not been stressed recently, and, unfortunately, Mr. Dies and some of his associates were so amateurish in their dealings with the world's trickiest propagandists they sometimes played into their hands. Present world events are too crucial for the work of your committee to be impaired.

That comes from a patriotic American who has no interest in my political life or my political future, but who is interested in the welfare of his country. Another man sent me a copy of this article from New York and wrote as follows:

DEAR MR. RANKIN: Of all the cockeyed pinko movements, the enclosed seems to me the most ridiculous.

What a ragtag and bobtail procession of crackpots! Professional troublemakers who can't seem to find enough to occupy themselves legitimately, they bring forth these mushroom organizations with multiple-worded titles, all to promote class consciousness and its concomitant class hatred.

I've seen most of these names—Fairchild, Rabbi Wise, Dorothy Fisher, Jo Davidson, with his Santa Claus whiskers, Prof. Kirtly Mather—that I think of them as a lot of unconscious comedians. And there's an old saying, "When clowns grow serious, wise men weep."

Talk about bigotry and intolerance. Everyone who doesn't agree with them is immediately called a Fascist. Surely they must be riding to a fall, or the American people will deserve all they will get from them.

Many people were induced to sign articles who did not know what they were signing. Some people are taking their names off the list. These propagandists go around pretending that this is an eleemosynary organization and get people to sign it, and when they find out what it is, decent people take their names off the list. Some people have taken their names off that list that was published in the RECORD a few days ago.

No, Mr. Speaker, this is not a charitable organization, it is more of a Communist front outfit.

Now, what is Communism? Everyone knows that the Communist Party is dedicated to the overthrow of this Government, as will appear from the following statement by its present leader, William Z. Foster. I am going to repeat what I read on the floor the other day.

Communism, as you know, has two things in view. One of them is to destroy Christianity throughout the world, and the other one is to destroy free enterprise.

William Z. Foster, in accepting the nomination of the Communist Party for President, said:

> No Communist, no matter how many votes he could secure in a national election, could, even if he would, become President of the present Government. When a Communist heads a Government of the United States (and that day will come just as surely as the sun rises), that Government will not be a capitalistic government, but a Soviet government, and behind this government will stand the Red Army to enforce the dictatorship of the proletariat.

That is what he says the Communist Party is driving at—the overthrow of this Government.

Let us see what the Attorney General of the United States said about it. Nobody ever accused Mr. Francis Biddle of being a conservative. The fact is, they accused him of being too far to the left. Here is what Mr. Biddle says about it:

> The Communist Party in the United States, a section of the so-called Third International, was founded in 1919; and after its name was changed several times, finally became the Communist Party of the United States of America in 1929. The Third International advocated the class struggle, which was described as entering the phase of civil war in America. Illegal methods were also advocated, where necessary, to carry on its work: Systematic agitation in the Army; the renouncing of patriotism, and revolutionary overthrow of captalism. The Communist Party teaches the violent overthrow of existing governments, including the United States.

That is what Mr. Francis Biddle, Attorney General of the United States said.

Mr. Biddle continued:

> The party writes, circulates, distributes, prints, publishes, and displays printed matter advising such overthrow of the United States. Penetration into unions was strongly emphasized in Communist literature, and conversion of their members by constant agitation and propaganda. Reforms in the labor movement should be expected as a screen behind which revolutionary activities could be carried on. Testimony of front organizations showed that they were represented to the public for some legitimate reform objective, but actually used by the Communist Party to carry on activities pending the time when the Communists believe they can seize power through revolution.

Can you make it any plainer? Mr. Biddle says they use these harmless-appearing organizations, from behind which they carry on such propaganda as this, in order to undermine and destroy confidence in the Congress of the United States, for the purpose of overthrowing this Government.

There is no freedom of religion in a Communist country. The saturnalia of murder, rape, plunder, and robbery that has taken place at the hands of the Communists of Europe in the last few years will shock our Christian civilization for a thousand years.

Communism and Christianity cannot live together in the same atmosphere.

Communism and free enterprise cannot exist together on the same soil.

That is one thing that is today arousing the English-speaking world. While I am speaking to you now 5,000 Communists and their sympathizers are picketing Winston Churchill's hotel in New York.

They are attempting to undermine, and they openly proclaim that they propose to destroy, free enterprise in America, and pretend to tell you that it would make America stronger to drag us down into that depth.

If it had not been for free enterprise in America Hitler would have gone to Moscow and to London. It was free enterprise in America, American freedom, American liberty, American patriotism that furnished the strength that won this war.

Every once in a while some Communist comes and lies about me, about the Negro question. I live in a State that has almost as many Negroes as whites. Did you ever hear of a race riot in Mississippi? You heard of that one in Detroit last year, did you not? There they killed more Negroes in one Communist-inspired race riot in Detroit, Mich., than have been killed in Mississippi since the War Between the States?

There is a good old Negro farmer living in my county, I suppose some of these parlor pinks would call him a tenant farmer, which he is, and he is a good one, and he is respected by Negroes and whites alike. This man had a son, who was a musician. He went up to Michigan and organized a band. At the time the riot occurred in Detroit he was playing on Belle Isle, an island in the river just outside the city. He saw the trouble brewing and thought that he had better get out, so he gathered his band together and the 17 of them took a bus. They pulled up in front of a hotel in Detroit, when the mob raided the bus and killed every single one of them.

That would not have happened in Mississippi; it does not happen in any of the Southern States.

Right today I am trying to get the Veterans' Administration to build a hospital for the Negro veterans in my State; but the Communist Negroes from other States and a few other long-nosed Communists who are from other countries, are protesting; yet the Negro doctors down there say they want this hospital so they can have their own doctors and their own nurses to treat their own people. But these Communists want to force the whites and blacks into the same hospital, in order to create as much trouble as possible.

I never had one of these Communists come before the Committee on World War Veterans' Legislation and ask us to do a single thing for the Negro veterans of this country. No; they are out to destroy.

Not only that, they have been flooding into this country by the hundreds of thousands in violation of our immigration laws. I am in favor of shipping them back where they came from, and the sooner the better.

They have wormed their way into every department of this Government. If you do not believe it go down to some of these bureaus and take a look.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. In just a minute.

Right there, I am in favor of cleaning house in every bureau of this Government. Let us put American veterans in those places. Let us put these American veterans, Waves, and Wacs in there to work instead of these long-nosed agitators who are in there now trying to undermine and destroy our country.

Did you know that they have destroyed our counterintelligence service?

My God! U. S. Grant and Robert E. Lee would turn over in their graves if they knew that we had permitted a group of Communists to undermine and destroy the greatest counterintelligence system on earth. But they have done that very thing. But they did it over my protest and over the protest of other members of the Committee on Un-American Activities.

That is the crowd we want to get rid of. I am telling you now the time has come when the American people are going to demand that Congress stand up and protect their interest, protect their Government, protect their institutions, and protect their way of life.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Georgia.

Mr. COX. The gentleman, of course, knows that I feel he and his committee have rendered a very valuable service to our country. His persistent pursuit of the group that is undermining or undertaking to undermine this Government is, of course, commendable.

I hold here in my hand a certificate of incorporation of an organization posing as a foundation, incorporated under the laws of Delaware, "to receive and maintain a fund or funds and to apply the income and principal thereof to promote the well-being of mankind and to use as means to that end the aid of any publication or research," and so forth.

I also hold in my hand photostats of just 1 day's transactions, in the form of checks paid out by this foundation to agencies which the members of the board of the foundation evidently classify as "ones promoting the so-called well-being of mankind." These checks, 14 in number, issued by the foundation are only 1 day of its 3 years' activities, and total several thousand dollars. What a check of the so-called foundation for a month or a year or several years in which it has operated would show would no doubt be astounding.

These checks are payable to such agencies "promoting the well-being of mankind" as the Daily Worker, the official organ of the Communist Party, $1,000; to the International Labor Defense, set up as a branch of the Moscow Internationale, headed by a certain Member of this House, $1,100.

Other beneficiaries are the Communist Daily in the Yiddish language, the National Foundation for Constitutional Liberties, the National Negro Congress, the American Committee for Protection of the Foreign-born, the German-American Emergency Conference, National Committee to Abolish the Poll Tax, the New Masses, another Communist organ, the Veterans of Abraham Lincoln Brigade, and other such organs and Communist fronts.

Mr. Speaker, who are the incorporators of this so-called foundation? No other than Robert W. Dunn, one Brodsky, and Alfred H. Hirsch, the former a widely

known Communist official in New York City and the latter said to be a midwestern manufacturer.

Where has this money come from? I cannot say as to all of it, but parts of it are shown to be transfers in the form of U. S. S. R. coupons, of ruble values, transferred from the Chase National Bank, New York City, the bank in which all Soviet government and Soviet agency funds are carried in the United States, to the credit of the Sound View Foundation, in the Amalgamated Bank of New York City. So far as the transfer in Russian rubles is concerned, I hold in my hand photostatic copies of the transactions.

Mr. RANKIN. The gentleman has touched on only one of these subversive organizations that we are called upon to investigate. When we ask that our investigators, sworn to uphold the law, see their books, they set up a howl and publish an attack on the Committee on Un-American Activities. Now, if they are not doing anything wrong, why do they object to showing their books?

Mr. COX. In the midst of one of the worst wars in history, we find Russia financing Communist organizations in this country in their campaign to wreck and ruin our country.

Mr. RANKIN. Yes. They are trying not only to abolish the Committee on Un-American Activities, they are trying to abolish the FBI. They have succeeded in destroying our counterintelligence system; they have succeeded in packing every bureau and agency of this Government with subversive elements; now they want to destroy the Committee on Un-American Activities, and they want to destroy the Federal Bureau of Investigation; they want to get rid of J. Edgar Hoover and the entire FBI in order that they may carry on their subversive activities and undermine and destroy that government for which our boys have been fighting and dying all over the world.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Kentucky.

Mr. MAY. I do not want to say much about it at this time, but they have been after me and I am not afraid of them.

Mr. RANKIN. I want to compliment the gentleman from Kentucky. He is a real American.

I can trace the record of everyone that has attacked me and show their Communist connection. And I am attacked by them more often than any other Member of this House. Why? Simply because I have fought to establish and maintain the Committee on Un-American Activities. In other words, in my humble way I have kept the lamp trimmed and burning, and I expect to continue to do so as long as I am here and our country is threatened.

I call on every man from President Truman, my very good friend in the White House, down, I call upon the head of every department, I call upon the head of every bureau to start house cleaning now, and let us put our returning veterans into the jobs, so as to protect their Government, which this element wants to destroy.

Let me say just one word more, and I am going to close, unless there are other interruptions.

I may not agree with Winston Churchill on everything. I have never said that I was going to vote any loan to a foreign country after the war closed. I have said on this floor, and I repeat, that I do not agree with Winston Churchill or any one else that we should have a common citizenship with the people of any other country. The fact is, he did not call for it at the present time. He said it might be in the future. I doubt that. I am not in favor of a military alliance with any other country in the world in time of peace. I believe with Thomas Jefferson, the greatest Democrat the world has ever seen, when he said out there on the east front of the Capitol in his first inaugural address that his policy was "Peace, commerce, and honest friendship with all nations, entangling alliances with none."

I still believe in that attitude, but I am utterly disgusted with some of the scurrilous attacks that are being made on Winston Churchill, one of the greatest leaders of our race and age, who is today sounding a warning to the civilized people of the earth, the Christian people of the earth, the people who believe in free government, the people who believe in free enterprise, to be on guard from now on and to protect our countries, our freedom, and our Christian civilizations from being undermined and destroyed by a ruthless element that entertains exactly the opposite philosophy of life.

God save America from destruction at their hands.

AMENDING THE SECOND WAR POWERS ACT, 1942, AS AMENDED

Mr. SABATH. Mr. Speaker, I call up House Resolution 558 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5716) to amend the Second War Powers Act, 1942, as amended. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same back to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, the gentleman from Mississippi [Mr. RANKIN] obtained the floor on a question of personal privilege. However, as has been stated by the Speaker, the only matter which appeared in the advertisement in the New York Times, from which the gentleman read, are words to the effect that he had "sneaked through" the resolution providing for the creation of the Committee on Un-American Activities. There are some Members who feel that a point of order should have been made against the gentleman that he was not talking to the issue of personal privilege, but was, rather, talking solely about Communists, communism, White Christians, and about himself.

I felt we should allow him to proceed, and let him talk.

To repeat his charges, the gentleman contends that the executive departments are filled with Communists who are endangering the country, and who should be separated from the pay rolls; and, he says, he will not rest until he gets every one of them out of the departments.

Well, Mr. Dies and his committee, instead of investigating the genuinely subversive, seditious activities of the Fascists, Nazis, bundists, and similar un-American groups, devoted themselves for several years to intensive newspaper reading in the credulous belief they were investigating Communists and communism. They amassed many a file drawerful of clippings and notes. On that basis Mr. Dies claimed that there were thousands of Communists in the Government departments, although the statutory investigative agencies were screening all applicants most carefully.

You will recall that a special subcommittee of the Appropriations Committee was appointed particularly to study the situation, and after weeks of investigation and hearings the subcommittee reported it had located, out of all the hundreds of thousands of Government employees, three who had Communist leanings.

And who were these gentlemen, Mr. Speaker?

They were three outstanding liberal scholars, drawn into public service, at a sacrifice to themselves, from private life, to do a war job for which each was well qualified in the Federal Broadcast Intelligence Service. There was Dr. Robert Morss Lovett, a former Governor of the Virgin Islands; Dr. William E. Dodd, son of the former ambassador; and Dr. Goodwin Watson, of Columbia University. Although the House voted to withhold salary payments from these three, I will say now that in my opinion there were no more competent, able, honest, and patriotic gentlemen in the service of our Government than they; and I feel some confidence in my judgment, Mr. Speaker, because the Supreme Court of the United States sustained their appeal, and ordered their unpaid salaries paid to them.

The charges made by the gentleman from Mississippi and by the gentleman from Georgia do not seem to me to be very substantial. They seem rather to be timed with the publication by a subcommittee of the Senate Committee on Military Affairs of the first installment of the names of Americans who were listed as members of the Nazi Party or of the German-American Bund, and to create a counterdiversion, or perhaps to forestall a revelation of the activities of some of our native fascists and violent reactionaries.

However, Mr. Speaker, I am not going to detain the House longer; we already have been delayed by the speech of the gentleman from Mississippi.

Mr. Speaker, this rule makes in order the consideration of H. R. 5716, a bill

to extend the Second War Powers Act. I am informed that was unanimously reported by the Committee of the Judiciary, after careful deliberation and consideration. The report which has been filed in connection with this bill sets forth clearly the need for the legislation. It extends the power to March 31, and in some sections to June 30, 1947. It is an open rule. It provides for 1 hour of general debate and will then be taken up under the 5-minute rule, giving the Members an opportunity to offer any amendments that are germane to the bill.

Mr. Speaker, I yield 30 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, this bill has had the most careful consideration. I happen to be a member of the Committee on Rules and also the Committee on the Judiciary. I would like to see the War Powers Act done away with just as soon as that can be done and the safety of the country and the personal needs of our people protected. Personally, I do not think that time has arrived. I would like to eliminate as much of the rules, regulations, and regimentation coming about through the War Powers Act as possible. I think that was the general attitude of the Committee on the Judiciary. However, after careful, painstaking, nonpartisan, and unprejudiced consideration by the committee—having but one purpose in mind—the best interests of all the people at the moment, that committee reached the unanimous conclusion that this bill should be enacted in the form in which it is presented, with certain amendments that will be offered by the committee.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Has the gentleman any information as to whether or not when the date fixed by this bill has been reached there will be another request for an extension?

Mr. MICHENER. Of course not That will be controlled entirely by the conditions as they are at that time. That is true of any law on the statute books. It would seem rather unusual if the House could take a crystal ball and look into the future and say, "Will that law be necessary 10 years from now?" Of course, no one knows. Personally, I feel a part of the powers is necessary now. I may be wrong. Others may disagree with me. But that is my view, and feeling as I do about the matter, I shall support the legislation, which I believe to be in the best interests of the country at the moment. I am not on the subcommittee which has given special consideration to the bill. The men who have studied every detail and who presented their views to the full committee are in a position to answer all the questions, I think, that anyone may want to ask.

Mr. HOFFMAN. Of course, we all realize that it is impossible to predict with any great degree of certainty what the situation may be at the date fixed by this bill for the expiration of these powers, but it is equally true that some people must have had some information before them or they could not have fixed on these particular dates.

Mr. MICHENER. To me, the answer is very simple. The extensive hearings convinced the committee that it is necessary in the interest of the public good to extend these powers to the date given in the bill, with the amendments that will be offered, but the committee could not look into the future further than that date and say that the powers might be necessary after that date. It does say that the powers are necessary up to that date. I hope no longer.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield once more?

Mr. MICHENER. Yes. I do not want to take any more time than I have to.

Mr. HOFFMAN. The gentleman has plenty of time. I understand there are no requests for time.

Mr. MICHENER. I will yield for a question.

Mr. HOFFMAN. Suppose the gentleman yield me 5 minutes, then.

Mr. MICHENER. Yes.

Mr. HOFFMAN. All right.

Mr. MICHENER. Because the gentleman never has any time, and I want him to have time, I will cut somebody else out.

Mr. HOFFMAN. The gentleman's sarcasm does not cut any figure here.

Mr. MICHENER. Mr. Speaker, I entered upon the consideration of this proposal hostile to a continuation of war powers, but after extensive hearings and mature deliberation, I was persuaded that my first impulse was not sound logic. It is no easy matter to vote for the continuation of wartime authority after the shooting has ceased. Yet our military forces are all over the world; there is not enough food and clothing and housing to properly care for our own people, especially the returning soldiers and sailors. I do believe, therefore, that there should be equitable distribution of what there is. Every effort should be made to do away with the black market. The poor, the needy, the humble, and those without means to pay exorbitant prices, and without influence to command preferment, are entitled to our consideration and help. I want to render this service because it is best all the way around. Naturally, the human instinct plays its part, and then the economy and future of the country demands such action.

Adequate production of these commodities is the real answer but we have a responsibility here until that production is secured. No one from my district or throughout the country has asked me to repeal the War Powers Act immediately. Many have written asking me to eliminate certain practices on the part of OPA and other administrators. Most people state squarely that all war powers should not be hastily repealed. I want it understood that I am not approving these war powers as a policy. The country accepted this practice as a necessity and the minute that necessity ceases to exist I will be in the lead in returning to a genuine free enterprise and the American way.

Mr. MICHENER. Mr. Speaker, I yield 5 minutes to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Speaker, as a member of the Committee on the Judiciary, I shall support this rule and this bill, with the understanding reached unanimously by the committee that the period for the extension of title 3 of the Second War Powers Act, as amended, shall be limited to a period of 9 months, that is, to March 31, 1947, with the exception of the power to make allocations of building materials which will be extended to June 30, 1947.

We take that position in order that, as soon as possible, the country, its industries, and all the people engaged in all lines of business in this country may be relieved of governmental restrictions and regulations. It is our belief that free enterprise has built this country, and that as soon as possible we ought to get out from under the intolerable restrictions which have caused so much trouble in this country.

I hold in my hand a copy of a telegram which I received on March 8 from W. A. Brownlee, president of the Appalachian Mills, of Knoxville, Tenn., my home city. That is a mill in my city that makes heavy cotton underwear and employs 1,200 men and women, boys and girls. This is what he says:

Hon. JOHN J. JENNINGS,
House Office Building:

Due to general wage increase throughout the textile industry which we must meet and due to higher cotton cost over which we have no control we cannot continue operation of our underwear mill and will be forced to lay off 1,200 people unless we get immediate relief from present OPA ceilings as our financial condition is such that we cannot continue our operation on the present basis as we are one of the largest producers of heavyweight underwear anything you can do to keep us in business and help us maintain our present employment level will be appreciated.

W. A. BROWNLEE,
President, Appalachian Mills Co.

That statement on the part of the president of that company is verified by Local 377 of the International Ladies Garment Workers Union, through its president and business agent.

The telegram follows:

KNOXVILLE, TENN., *March 11, 1946.*

Hon. JOHN J. JENNINGS,
House Office Building,
Washington, D. C.:

Due to the general wage increases being granted in the textile and other industries, which our members must receive in order to meet the continued rise in the cost of living, the 1,200 members of the International Ladies Garment Workers Union employees of the Appalachian Mills feel like there should be some immediate price relief granted this company from their present OPA ceiling prices on underwear, so that this company may continue to operate and furnish work to our members. Anything that you can do to help us safeguard our jobs and living will be greatly appreciated.

INTERNATIONAL LADIES GARMENT WORKERS UNION,
RALPH HICKS, *President,*
CLYDE LEE, *Business Agent.*

There are 1,200 fine American citizens in that organization. Their relationship with their employer has been so amicable

and they have gotten along in such a splendid way that during the Christmas holidays these 1,200 men and women gave a great dinner, attended by 500 of their members, to the management of that concern. Here they are now, all in the same boat, seeking to attain the same objective. They desire to continue in business, to live, earn money, to produce the clothing our people must have. It is on account of the facts set out in these telegrams that we want to end these controls as soon as possible.

Now, we have entered upon a program, world-wide, to undertake to feed and save the lives of the people of Europe, under the leadership of that great humanitarian, former President Herbert Hoover. I have this telegram from the head of a milling company in Knoxville that is about the only mill in Knoxville, a city of 150,000 people, that produces cornmeal. We know how to make and enjoy eating corn bread in Tennessee. Here is what Bill Peters says:

KNOXVILLE, TENN., *March 14, 1946.*

Hon. JOHN JENNINGS, Jr.,
House of Representatives:

OPA has advanced corn 3 cents, but has not raised meal ceiling which should be up about 10 cents per hundredweight. We are being squeezed out of business. If we shut down there will be scarcely any cornmeal made in Knoxville as our competitor has ground no corn for months. Best way to save wheat here is to provide cornbread, which is staple food in east Tennessee. We are entitled to relief and trust you can help us.

BILL PETERS.

Now, that is the reason why we provide in this measure that we are going to extend these wartime powers of title 3 for a period of 9 months. We further provide if, as suggested by the gentleman from Michigan [Mr. HOFFMAN], there can be a sooner termination of the exercise of these powers, then the act may be ended by concurrent resolution of the two Houses of Congress. In other words, we are trying to keep the controls that we are delegating by extending this act, in the hands of Congress. We can exercise it at any time we see fit, but at this time I feel it is in the public interest that this rule be adopted and this measure enacted.

The SPEAKER pro tempore (Mr. MURPHY). The time of the gentleman from Tennessee has expired.

Mr. MICHENER. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. RICH. Why do we not terminate it now?

Mr. JENNINGS. Well, there are many very good reasons. We are now trying to allocate materials that will expedite the construction of houses for veterans and other people who are desperately in need of housing materials. We do not wish to furnish anyone with an alibi for failure to furnish veterans homes in which to live. This committee is composed of both Democrats and Republicans. We did not consider this matter in any partisan light. We are simply undertaking to do the best we can for the people in the present emergency.

Mr. RICH. Under OPA regulations, as soon as we have a supply equal to the demand, it ought to be cut off at once, but they do not do it. As long as you have the OPA they will not do it.

Mr. JENNINGS. I know the OPA has done a lot of foolish things. It has sinned grievously. The last question I asked Mr. Bowles when he last appeared before the Committee To Investigate Executive Agencies was, "Is not this your trouble? Have not you inherited a great big sprawling octopus that has its tentacles around the throats of the people of this country, and did not you, along with that agency, inherit hundreds of bright young men who think they know it all, who promulgated a lot of unbending and many times meaningless rules and regulations and interpretations and explanations that do not explain, and you will not make them change them? And will not change them yourself?" He said: "We have made a lot of mistakes." When we get around to it I am in favor of cutting that agency down to buttonhole size.

Mr. GRANT of Indiana. Mr. Speaker, will the gentleman yield?

The SPEAKER. The time of the gentleman from Tennessee has again expired.

Mr. MICHENER. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. JENNINGS. I yield to the gentleman from Indiana.

Mr. GRANT of Indiana. It was my understanding that the housing bill we passed a few days ago effectively continued the authority to allocate building materials.

Mr. JENNINGS. That is true, but this measure, of course, applies to other things.

Mr. GRANT of Indiana. So the housing program cannot be the justification for this extension.

Mr. JENNINGS. No, perhaps not; that has already been taken care of, as I understand it. But we feel that the President's powers should be as great as those of an executive agency and, in this instance, should be extended to June 30, 1947.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. MILLER of Nebraska. As I understand, the Office of Price Administration is not affected by the further continuance of the War Powers Act.

Mr. JENNINGS. No; that will have to be done separately. That agency will be dealt with under the Price Control Act.

Mr. MILLER of Nebraska. All the restrictive rules and regulations they have issued with reference to priorities and allocations have not been effective to get reconversion going, to stop hoarding. Does not the gentleman think we had better get back to a sound basis?

Mr. JENNINGS. This law is like laws written by men; it is interpreted and enforced by human beings, and men are not perfect.

Mr. MILLER of Nebraska. Does not the gentleman think that under this priority system we have seen the cotton mills close, the lumber mills close, and butter disappear from the market, all under the War Powers Act?

Mr. JENNINGS. I think the OPA is the rat in the meal tub. We can curb that agency when we take up the question of whether the price-control law is extended, and, if so, what further protection of the rights of the people shall be written into it. I am for making the measure crystal clear. Congress should say with respect to all the powers conferred by that law, "Thus far shalt thou go but no further." We should make it so clear and so imperative that not even a bureaucrat can err or transgress in carrying out the will of Congress.

Mr. SABATH. Mr. Speaker, I yield 10 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent to proceed out of order.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. SMITH of Virginia. Mr. Speaker, I wish to talk about a subject that you have heard a good deal about in recent days, and that is this so-called lobbying around here. It is said that this place is infested with lobbyists. I do not know anything about it, I have not seen them; but if that be the fact, and I have no disposition to say it is not, if it be the fact I think we ought to know something about it.

The gentleman from Illinois [Mr. SABATH], the distinguished chairman of my committee, has introduced a resolution to investigate that subject. I think well of it. But it brings to my mind what happened about 10 years ago when we had the securities and exchange bill up. There was a great deal of talk about lobbying and it got so bad around here that the House directed the Committee on Rules to make an investigation of that subject, which we did. As a result of that investigation the committee directed me on its behalf to introduce a bill to require the registration of lobbyists and to require an accounting of funds that were collected for the purpose of influencing legislation; in other words, to pour the light of day on this subject of lobbying; to take it up, look at it, and see if it is here and what it is doing.

I thought that was an excellent proposal, and the House thought so. We passed that bill. It was considered very carefully by the Judiciary Committee of the House. At about the same time the then Senator Black, now Justice Black, had a similar bill in the Senate. He thought it was a good idea and the Senate thought it was a good idea, and they passed that bill. The two bills went to conference. I was invited to sit in on that conference that ironed out the differences, and we did, and the greatest care was given to the language contained in the bill that finally resulted in a conference report. That conference report, as I recall it, passed the Senate and came over here to the House. About that time Father Coughlin was riding high, and the bill was going to require Father Coughlin to say where the money he got came from.

Unfortunately the conference report came up on a Monday, but Father Coughlin had the microphone on Sunday and he blasted that bill and its author at great length. When the bill came to the House, after all the consideration it had had, following Father Coughlin's exposition, it was defeated on a roll call vote overwhelmingly.

I believe the time has come again when we should consider that subject and when we should hear this discussion about the bad effects of lobbying around here. Let us do something about it. Why should not people who come here for the purpose of influencing legislation who are hired for that purpose, lay their cards on the table and say, "I am employed by such-and-such a company. I am paid so much per annum. I am here for this specific purpose." It may be a laudable purpose. I like to get all the information I can. There is nothing disgraceful about it. It is an honest occupation. Many States have similar laws. Why do we not just do that?

The reason I am taking the floor this morning is to say that I have dug out that old conference report that was carefully considered, every word, paragraph, comma, and period. I dug up that old conference report and I brought it back here to you. I am going to introduce it today. It will go to the Judiciary Committee.

Now, if we mean business about this lobbying stuff, let us pass that bill; then let us bring this subject out in the open and see whether this lobbying is here and if it is let the public know about it. I do not believe Members of Congress are being very much influenced by lobbyists, but when we see the papers rave about the great lobbyist ring that is up here, it creates an impression that I think we should disabuse the public mind of by having this lobbyist stuff set right out on the table where we can look at it.

Mr. JENNINGS. Mr. Speaker, will the gentleman yield

Mr. SMITH of Virginia. I yield to the gentleman from Tennessee.

Mr. JENNINGS. I am glad to hear the distinguished gentleman say that he is going to introduce a measure of this kind. As a member of the Committee on the Judiciary may I say to him now that I favor that kind of a law. The only lobbyists I know anything about are the fellows at the head of the creek, down on the farm, in business and in trouble in my district. I would like to get some real lobbyists and put them on exhibition, to see if they have horns or a tail, or just who they are and what they are. I also would like to get some of these bureaucrats in the Government up here too.

Mr. SMITH of Virginia. I can tell you something about that subject too if I have the time.

Mr. KOPPLEMANN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Connecticut.

Mr. KOPPLEMANN. I am very much interested because those of us who have busy offices are importuned through the mails and by the telegraph. I received telegrams to which my office took the trouble of answering. The 12 letters went to one small town and 11 of them were returned as unknown and not in the directory.

Mr. SMITH of Virginia. I hope the gentleman will help me get the bill through.

Mr. BRADLEY of Michigan. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Michigan.

Mr. BRADLEY of Michigan. I am very glad to support the gentleman's proposal so that we may know where these lobbyists are, but I want to repeat what my good friend from Tennessee said a few minutes ago. The most pernicious lobbying that I know of on Capitol Hill comes from bureaucrats uptown. It is about time that the public knows how much pressure is put on Congress by these Government bureaus.

Mr. SMITH of Virginia. I can tell the Members something about that, and this is not a bad time to do it. We already have plenty of law on that subject. We have a law which makes it a criminal offense and removes from office any Federal employee who spends any Government funds directly or indirectly to influence legislation.

I had an experience with that situation a few years ago. We were investigating the National Labor Relations Board and in the course of that investigation of their own documents we found that a separate bureau or section had been set up for the purpose of lobbying with Congress to prevent the passage of any amendments to that act. By direction of the committee I submitted all of that evidence to the Attorney General and asked that the law be carried out. I had some correspondence with the Attorney General but it resulted in nothing. No prosecution was ever carried on. That was some years ago. I do not know why it was not pushed, but the rumor around town was that the matter had been submitted to higher authorities and in a discussion among the higher authorities it was said that if the prosecution was had in that case it was probable that too many of our bureaucrats would land in jail instead of behind their desks attending to the duties involved in their jobs. At any rate, nothing was ever done about it.

Mr. BRADLEY of Michigan. It seems passingly strange that frequently when we are considering legislation to extend the life of certain of these bureaucracies, they find it necessary to come down and make contact with the Congressman from their district and solicit his vote.

Mr. SMITH of Virginia. That is wrong. I want to say, however, that advice and assistance from these bureaus is very necessary to us in the drafting of legislation. We ought to have that assistance and it is proper that we should have it.

Mr. BRADLEY of Michigan. That is true, when we ask for it.

Mr. HENRY. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Wisconsin.

Mr. HENRY. I would like to congratulate the gentleman from Virginia for having introduced the legislation to which he has referred. I want to assure him that I shall be very glad to support him in that effort. Also I would like to say that since these charges have been made, I, too, believe that a thorough investigation should be conducted; however, I warn the gentleman that even though the legislation that he has introduced becomes law, we will continue to have these charges made relative to illegal lobbying.

Mr. SMITH of Virginia. It will be in the open anyway.

Mr. BRADLEY of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Pennsylvania.

Mr. BRADLEY of Pennsylvania. I am interested in what the gentleman is saying.

Mr. SMITH of Virginia. I hope the gentleman will vote for the bill then.

Mr. BRADLEY of Pennsylvania. I wonder if the gentleman can clarify what is lobbying and what might constitute legitimate representation?

Mr. SMITH of Virginia. I do not know. Somebody else will have to answer that question. I want to say this: One gentleman spoke of his constituents up at the fork of the creek. Of course, that is not lobbying. We all hear from our constituents and get information from them that is useful.

Mr. ERVIN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from North Carolina.

Mr. ERVIN. I would like to ask the gentleman if the fundamental difference between a lobbyist and a patriot does not lie in the fact that a patriot favors some bills that the gentleman is supporting, and that a lobbyist is opposing that bill. Is that not the fundamental difference between the two?

Mr. SMITH of Virginia. I suppose there is a good deal in that definition.

Mr. MICHENER. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Speaker, we all have confidence in the House Committee on the Judiciary, but some think it long past time to end the arbitrary powers granted to the Executive during the war and by him parceled out to various agencies and individuals.

Day after day since the end of the fighting there comes to the desk of each of us many complaints from individuals in our districts calling attention to regulations and to administrative policies which in the opinion of the writers and of those who personally call upon us, hinder and in some cases prevent production. Many of us know the writers of these letters. We know many who come to our offices with their protests. We know them to be patriotic individuals, men who have been successful in business, in production; men who have been successful farmers, who have been successful as growers of berries and fruits. The stories unfolded by them are in their essentials similar. They all follow one pattern. They all present concrete examples, illustrations, showing that some order of OPA, or some other bureaucratic agency is making it impossible to produce merchandise, to grow food

products, to package them, to put them on the market.

For days it was my privilege to sit on a committee—the Smith committee—hearing complaints of those who were engaged in business and who found it either difficult or impossible to continue production under the OPA. During those hearings Chester Bowles and his chief assistants and his lawyers sat with the committee, heard much of the testimony and attempted to make answer.

Mr. Bowles and his associates admitted the making of many mistakes. It should be said at this point that that was not surprising because the agency dealt with thousands of regulations, attempted to fix prices, as I recall the testimony of Mr. Bowles. on a million items.

OPA promised to correct the mistakes, but it never went to the root of the trouble, to the cause of its mistakes, nor modified the unsound theory on which it was operated.

Notwithstanding the fact that the Congress directed Mr. Bowles to disregard the question of profits in making his regulations, his subordinates did take profits into consideration, and without authority attempted to impose a limitation upon the profits which a producer, a middleman, or a retailer might make.

The gentleman from Tennessee [Mr. JENNINGS] just cited his own district an example which shows the destructive affect of an OPA regulation. He could have talked from now until the end of next week and given other examples of the hampering effects of OPA regulations. Nevertheless the gentleman announces his support of this proposed legislation. He admits that it is legislation of an unwise type when used to govern us in peacetime, but he believes that it is advisable to continue it for an additional period. We all respect his opinion. Some of us do not agree with it. He will, of course, accord to those of us who disagree the same sincerity which we give to him.

Perhaps the difference of opinion as to the advisability of this legislation grows out of the fact that some of us, now that the fighting is over, believe that the sooner we return to peacetime practices, the sooner we submit to and overcome the inevitable grief and loss which comes with every transition from war to peace, the less will be our suffering, the quicker our relief.

Ever since I came here in 1935, our country, we have been told, has been suffering from an impending crisis, from an ever-present emergency. By the creation of emergencies the New Dealers have continued themselves in power. There is no real opposition party. There is a party which is in partial opposition to the New Deal fallacies. It contents itself with proposing amendments, with motions to recommit, and then on final passage voting for New Deal legislation.

Those who follow that course are doing so of their own volition. That is their privilege. There is no reason to criticize them nor is there reason to criticize those of us who think that emergencies will never be ended by the enactment of so-called emergency legislation. That type of legislation creates another emergency, it consists of two always-present elements: The creation of a new agency, of a new commission, the appointment of additional Federal employees and the appropriation of millions or billions of dollars—all of which must be borrowed. That type of legislation is the antithesis of the principles of the platform promising a reduction in Federal employees, in Federal bureaus, an end to deficit spending, a reduction in Federal expenditures, upon which Mr. Roosevelt won his first election.

The rank and file of the Republican Party has convictions. It has principles. It has courage, but some of us believe that too long we have followed along in the footsteps of the New Deal leaders; that a "me too" party, a "me too" candidate, "me too" legislation, will never win a national election. True, a sudden and complete repeal of the New Deal legislation would subject the country to a violent shock but it would be temporary, it would not be fatal and a recovery would be comparatively quick and, more important, complete.

A Republican administration based upon sound principles and applying drastic, economic remedies, which would effect a cure of our economic ills, might be a one-term administration, but it would at least give us a breathing spell and perhaps there are in this country enough voters willing to endure the discomfort, make the necessary personal sacrifices, in order to bring us back to the way, the methods, which operated so successfully in the past.

Time does not permit further remarks along this line.

Permit me to give you an illustration of a complaint made to me yesterday. A manufacturer of berry containers, called me at 10:20 asking me to appear in the OPA office at 10:30 to assist him in getting a price adjustment. Arriving, the gentleman in charge, a Mr. Smith, advised that he was not familiar with the method of fixing prices on fruit packages, in this instance, crates, and that a Mr. Rogers who had the matter in charge had been called away. Present were: Max E. Miller, Paducah Box and Basket Co., Paducah, Ky.; Merrill Calloway, Marvil Package Co., Laurel, Del.; S. C. Lampert, 500 Board of Trade Building, Norfolk, Va.; Roy Kull, Two-States Package Co., Texarkana, Tex.; and Horace Brown of South Haven, Mich., appearing for the Pierce-Williams Co. All of these companies manufacture either crates or cups for crates. OPA gave them a ceiling price of 77.5 cents per crate. The actual cost of the crate is 83.476 cents. This is the point—we may at the moment ignore the fact that these manufacturers cannot and will not make crates, though one of them stated that while his surplus lasted he would make crates for his regular customers, though none for others, the others would go out of business. The major hardship, however, falls upon the growers of berries and the public, for without the containers the growers just will not be able to market their fruit.

With the President calling upon us to aid in feeding the world it seems almost criminal for an Executive agency to make it impossible for berries to be placed upon the market. To create a situation where they may rot upon the ground.

The foregoing is just one of many, many instances—all having a similar result—the limiting of production, a stoppage of reconversion, a scarcity of production, which gives additional inflation.

I have little or no faith in the theory that by extending these various Government agencies for successive periods of time, we will ever see the day when they will do anything to assist in their own liquidation.

To the same point is an editorial from the Wall Street Journal of today, which I read:

FOREVER AND A DAY

It has been asserted repeatedly that when the supply of any commodity catches up with demand, the Office of Price Administration intends to lift its controls.

Crude-oil supply has caught up with demand; in fact that has been the situation for some time.

When questioned as to this situation, Mr. Chester Bowles writes that he has been informed that "OPA believes that a successful suspension program can be worked out for the oil industry within 6 months and possibly prior to June 30 this year."

Note carefully that in relation to a commodity where supply has caught up with demand, it will take perhaps 6 months and apparently not less than 3 months to suspend controls. That statement is important in light of other things that OPA is telling Congress in an effort to have its powers continued.

The story to Congress is that OPA should be extended to June 30, 1947, at which time it is hoped that the situation will be such that controls can for the most part be dropped. But now see the actual operations when it comes time to eliminate one. That operation will involve a period of months.

Does it seem to anyone that, if it takes such a considerable period to drop controls on one item, controls on many items will be dropped by June 30, 1947? No doubt Mr. Bowles and his merrymen will have some explanation for this discrepancy. We also have one. It is not the same one that could be anticipated from Mr. Bowles.

There is nothing in any action of the OPA, past or present, which should persuade a reasonably skeptical person that it means to drop any controls unless it is forced to. If it cannot find one excuse for keeping them, it can find another. If its life is extended to June 30, 1947, it will be back at Congress 1 year from now with a story of why its controls must be further extended and 2 years from now it will have persuaded itself that the country will evaporate into nothingness if it is not made a permanent institution.

The whole record of this agency is to extend its power. When it is put under pressure it makes a show of dropping controls on such things as Navajo blankets and basketball suits. When the pressure is lifted it is back at the old stand where it does business in the same old way.

Mr. Bowles even indicates that the agency will keep a string on things from which controls are lifted for he writes concerning oil: "I sincerely hope that the conditions for successful decontrol, including a supply adequate to meet demand, will continue to exist after the suspension, so that it will not be necessary to reinstitute control."

Perhaps it is the intention to take this agency out of business in 15 months, as has been represented to Congress. But if that is the intention, we could find words to make it much more clear than does the language of Mr. Bowles about resuming controls.

The way to stop price control is to stop.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Speaker, I have studied this particular bill quite a bit because I have been deeply interested in certain phases of it which have to do with the control and allocation of material. I think the gentleman from Michigan makes the mistake that so many make in thinking that the OPA is included in the War Powers Act. As a matter of fact, we all know that it is the result of basic legislation which established it, the extension of which we shall shortly vote upon. The point of control which does pertain to the OPA in this bill is the function of the CPA, the Civilian Production Administration, which is the successor to the War Production Board. That does, of course, stem from the Second War Powers Act authority.

I wish to compliment the committee in almost unanimously, I understand, advocating the extension of certain of these powers. As we know, originally there were 15, and 7 are extended in this bill.

Particularly I want to speak of title III, which is the priorities provision. Referring to the gentleman's problem with respect to berry crates, the scarcity of certain materials is a problem that affects many different industries. Unless the right to allocate by priorities, certain bottleneck commodities and bottleneck machinery, we are going to have a terrible time in reconversion. The CPA has solved many of these problems. I have in mind a small manufacturer who was making farm wagons. He could not get the particular steel to make the rims that went on the wheels. Through priority allocations the CPA was enabled to direct to that particular small manufacturer these steel rims, and the wagons were completed and released to the farmers who needed them.

Another very important function along this line is that through the right to allocate certain machinery, machines such as shoe-repair machinery and printing presses and other types of machinery have been directed to the returning veteran in order that he might be able to reestablish himself in business. Without this right of priority allocation he would find himself competing in a short market where it would be impossible for him to get that particular machine; so that is one of the great good things that is contained within the temporary extension of certain of these priority allocation powers.

Another thing that I think is very important is the right to suspend certain navigation laws which enable ships to sail without complying with previous naval regulations which, if they were to be enforced, would hinder bringing our veterans home. A very simple illustration of this is the right to sail with life rafts in place of lifeboats. This enables the use of many ships which would otherwise not be used.

Another important thing involved in this bill is the right of the Treasury Department to purchase war bonds up to the extent of $5,000,000,000. This enables them to have the power to stabilize the bond market. The direct purchase of these bonds also saves the commission which is ordinarily paid to some in-between commission house in the sale of these bonds, thereby saving to the Nation a large amount of money and making available at all times the money necessary to conduct the fiscal affairs of the Government between the peak times of collecting the income tax and the peak expenditures.

May I say also that I should like to see these various controls removed as soon as possible.

One point which is creating a good deal of confusion throughout the land in connection with the manufacture of many articles is the maximum average price regulation the OPA is enforcing. I appeared last spring before the committee ably headed by the gentleman from Virginia [Mr. SMITH], and protested against the imposition of the maximum average price regulations on manufacturers. I protested at that time because the imposition of these regulations did not go back to the mill base. I realized that it was impossible for the manufacturers to comply with the maximum average price regulation if the mill base was not also controlled. My prediction that MAP was unsound has been justified. Manufacturers find themselves unable to comply with this regulation because they can not obtain the low priced cloth necessary to make low and medium price clothing.

Mr. MICHENER. Mr. Speaker, I yield 5 minutes to the gentleman from Nebraska [Mr. MILLER].

Mr. MILLER of Nebraska. Mr. Speaker, this rule deals with the extension of the Second War Powers Act of 1942. The act was conceived, born, and dedicated to an emergency brought on by the war. The committee is suggesting that this act be extended for 9 months from June 30, 1946.

It is quite possible, Mr. Speaker, that there are certain sections under this act which deal with the bringing home of the war veterans that need to be extended. That could be done by a simple resolution by the Congress. The section to which I object the most is the section which deals with priorities, allocations, from which springs all manner of interpretations. It proposes to deal with scarce items. In my opinion, the reason we have scarce items has been due directly to the priority and allocation orders. They are so interlocked with the OPA and other directives that business and industry have been thoroughly confused and discouraged. Under the War Powers Act, Government has been dealing with priorities and allocations since 1942. I submit, Mr. Speaker, that when they issued the allocations relative to meat, including priorities to slaughtering houses, subsidies, roll-backs, and quotas, meat practically disappeared from the legitimate market. It is the opinion of many thinking businessmen that the priority and allocations orders now in effect have closed not only the cotton mills but their looms as well, and this has caused the disappearance from the market of shirts, shorts, working clothes, and many, many other items needed by the hungry public. In their place we find a cheap, shoddy material, for which the public must pay a big price. The priority orders on lumber has caused many sawmills to close down. It has forced lumber into the black market. It is not helping the construction of houses. The orders issued to the dairy industry for the allocation of milk, cream, and butter has just about caused the disappearance of butter from the legitimate market. I submit, Mr. Speaker, that the references just referred to ought to be sufficient evidence that the powers granted under this act have been misused.

Those powers, only, that need to be extended, should be examined on their own merits and those who want them continued should justify their continuance. In my humble opinion, we will never be able to dismantle this sprawling bureaucracy, if we continue the War Powers Act. Under it, bureaucracy runs wild, and tramples on the freedom of the people. It is a mockery to our constitution.

We have nearly 3,000,000 on the Federal pay roll today. Before the war, there was less than 1,000,000. To continue the emergency forever, means that we accept bureaucracy, yes, militarism, the very thing which our boys fought, bled, and died to stamp out all over the world.

After the last World War, it took nearly 3 years, yes, and a Republican administration to declare that the war was at an end. There are, today, some 229 laws and directives tied to the ending of the war. The most important, is the one under which we took our boys into the Army. These boys went to fight for their country with the understanding that they would be in for the duration, plus 6 months. Now, this administration, proposes, by a legal trick, to continue these men in the Army.

It is so easy to continue controls indefinitely—when one shortage is whipped, one bottleneck broken, another crops up some place. This administration, from the beginning, has created one emergency after another, and under this act, will continue to ask for authority, which Congress, under the Constitution, should not grant to the Chief Executive. Under this act, Government coddles the people. Business must look to Government for priorities. These rigid wartime controls, kill free enterprise and free competition. I believe the restraints, allocations, and priorities, which were needed in wartime, will serve as a shackle when their removal is neglected in peacetime.

Mr. Speaker, the chairman of this Judiciary Committee, that fine southern Democrat, the gentleman from Texas [Mr. SUMNERS], who I understand is about to leave this august body, said, just the other day:

> Federal Government has served as an instrumentality of favoritism, tyranny, oppression, and corruption. They have ignored sound principles and accepted theories of men and political expedients for our guidance, which has made vassals of our State and our people.

I wonder, Mr. Speaker, if these conditions to which he refers are not caused by unneeded wartime controls.

Mr. Speaker, there is a growing philosophy in this land, that the Chief Executive should set the policies of government. That philosophy is absolutely contrary to the basic principles of our Constitution. Our Government is based

on the philosophy that Congress, the elected representatives of the people, shall determine the policies and the Chief Executive shall carry them out. In my humble opinion, there are people in Washington, who would like to make America over with these economic panaceas under the guise of war.

Mr. Speaker, it is my opinion, that if we long continue unneeded war powers, we will hinder reconversion. I want to see the shackles taken off of business so that we can produce and get back to our American way of life.

The SPEAKER. The time of the gentleman from Nebraska [Mr. MILLER], has expired.

Mr. MICHENER. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. PITTENGER].

Mr. PITTENGER. Mr. Speaker, I expect to vote against the extension of these war powers. The war has been over for several months. The administration has not yet issued a proclamation that the war is ended. Technically, we are still at war. Technically, before this Congress at this moment is a bill that says we are still at war. The sooner we get rid of these war-power controls and give the American people a chance to live under conditions that existed before the war came, just that much sooner will we get back to the normal conditions of our industrial, economic, and every other phase of American life.

I expect to vote against this bill.

The other day we passed a bill that had some feature of wartime controls in it. It was a bad feature of that bill. This country has been going from bad to worse ever since VJ-day. You will never find a department, you will never find an administrative official, you will never find a bureaucrat down town, you will never find an agency of this Government that will ever be willing to surrender or give up any of the wartime emergency powers until this Congress takes them away from them.

Mr. Speaker, the history of wartime and emergency powers shows that no branch of the Government and no Government agency ever wants to surrender those powers. They like to hold on to them. If the powers are abolished, the agency folds up and disappears. That sort of a procedure is not conducive to first-class bureaucracy. Bureaucracy believes in running everything and in increasing rather than decreasing its activities, its expenditures, its regulations, its controls, and naturally the number of employees, and so forth.

I wish someone would tell us why, after VJ-day last August, over 6 months ago, there has been absolutely nothing done by this administration to get the country back on a peacetime basis. We go from one emergency and one crisis right into another. There is always a shortage and a scarcity of something, and instead of the American people getting back to conditions where they can lead a normal life, the complexities and restrictions multiply so as to make everything abnormal. We are told that people must be watched and governed to death because there is a scarcity of goods and materials. Naturally the question comes up, Why this scarcity? The answer is that OPA over a long period of time has maintained price ceilings which would prevent the producer from raising the products of the farm or from making manufactured articles because they would have to operate at a loss. So there has been a constant shortage of almost everything. This gives the bureaucrats an excuse for saying that they must be kept in office.

Of course, if the law of supply and demand were permitted to operate, people would produce goods and that would mean that they would compete with each other to see how cheaply they could produce their goods. In no time at all there would be an abundance of food and an abundance of manufactured articles and the prices would be regulated and go down accordingly. As long as these New Dealers and brain trusters interfere with the economic process, just so long will this artificiality create scarcity, and the American people are going to suffer from it. All of this is bad enough, but when people quit raising products of the farm and quit manufacturing articles they quit employing labor, and all of these artificial Government controls work to that end—namely, halt and stop the productive processes.

So when we have these long lines of unemployed people, and they are surely coming under the present Government program, do not forget that OPA and these other wartime agencies are the ones that are responsible for the situation. The quicker we get rid of these restrictions and agencies, just that much quicker will the country start to get on a sane and sound basis.

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. MICHENER. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, certainly it seems to me that since VJ-day the war has been at an end and that there is no reason under the sun why these war powers should be continued. Just as was said by the last two speakers, the only effect is to continue the bureaucrats, continue the extraordinary powers under the War Powers Act to various agents of the Government.

The President has asked for $35,000,000,000 to run this country during the next year. This shows he certainly must have wanted to continue a lot of these things whose only contribution to government is to increase its cost to the American taxpayers. We are going to be unable to balance the budget, making outgo fit income, under such procedures. We are going to find out that a continuation of the War Powers Act will be detrimental to reconversion. It seems to me Congress should refuse to continue these powers.

They say the act is continued for only 9 months, but 9 months from now you are going to be worse off than you are at present.

If you want to get reconversion started in this country, if you want to get us back to anything approaching normal conditions, the quicker you eliminate this law the quicker you will return to those desired conditions.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. MICHENER. Mr. Speaker, I yield myself 2 minutes.

The SPEAKER. The gentleman from Michigan is recognized.

Mr. MICHENER. Mr. Speaker, as indicated by the arguments of the last three speakers, there are two distinct schools of thought in the House at the present time as to the repealing of all war powers. The first is composed of those who believe it would be detrimental to wipe out all controls and go back to peacetime economy forthwith, without adequate adjustment; the second is composed of Members like the last three speakers, who would at one stroke of the pen wipe out price control, rationing, priorities, and all regulation, and let the country shift for itself and the devil take the hindmost. There is a difference between what we would like and the conditions confronting us.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I am sorry I cannot yield now.

Mr. RICH. The OPA is not included in this bill.

Mr. MICHENER. The gentleman does not appreciate that there is something in this bill that does affect OPA, the allocation of housing material for returning veterans.

My thought is that we should approach these matters sanely, realistically, and quietly. If we are opposed to all regulation, if we believe the Congress should pass a law, if possible instanter, to remove all of these controls, then that is our privilege, and that is the way we should vote. I do not however happen to belong to that school of thought and I am sincere. I believe we must get rid of these things just as soon as we can, in keeping with the safety and the economy of the country. That is the way I am going to vote, because I believe the passage of this bill leads in that direction. Nonessential powers are not continued in this proposal. Understand that. I do not criticize any other Member for his views. No one can speak with finality.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. MILLER of Nebraska. The only argument I have heard in favor of continuation of the War Powers Act was made by the gentleman from Tennessee, who said it was needed primarily to further allocate and distribute already scarce materials. That is the only argument I have heard made for it here on the floor.

Mr. MICHENER. The gentleman has heard only a part of the argument on the rule. I wonder if he has read the testimony? When the bill is debated, full explanation will be made. The gentleman can inquire and offer any desired amendments.

Mr. MILLER of Nebraska. I am quoting the gentleman from Tennessee.

Mr. MICHENER. There are more reasons than those advanced by that one speaker in a speech limited to 5 minutes.

Mr. MILLER of Nebraska. Point out the other arguments in favor of it.

Mr. MICHENER. Plenty of reasons will be given, and after that I have faith

that the bill will pass by a large majority. If my friend is not convinced, he should vote against the bill. I am sure I agree with him as to what should be done in the end; it is just a question of when.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. SABATH. Mr. Speaker, I yield myself 2 minutes, and wish first to congratulate the gentleman from Michigan [Mr. MICHENER], who always gives the House sane and fatherly advice, and the gentleman from Tennessee [Mr. JENNINGS], both of whom, as members of the Committee on the Judiciary, devoted much time and work to this bill to extend and amend the Second War Powers Act, and contributed to the unanimous agreement of the committee to report it.

Mr. Speaker, in the light of present world conditions, this legislation is absolutely necessary. I believe that even the three Republican gentlemen who last spoke in criticism of the bill would agree that its passage is essential to orderly reconversion to peacetime pursuits. It is easy to criticize a bill; anyone can find fault with anything, for few, if any things are perfect. I would not maintain even that OPA is perfect; but I do know that 95 percent of the American people want us to continue the existence of that great arm of Government in the fight against disastrous inflation.

I know there are some manufacturers, some middlemen, some retailers, who are not content with the profits they have made during the war years. They want higher prices; they would like to see the price ceilings torn away; or, failing that, they would like the act weakened so they can pierce the ceilings or raise them. They are raising Halifax, and crying out against continuation of any controls.

An overwhelming majority of the American people, however, know that its passage is essential to establish the rules under which we are going to change over to a world of peace. It is absolutely necessary, of course, that the priorities powers be extended to enable the Government to save millions of starving people and to make sure of fair and equitable distribution of building materials so that American citizens can have homes to live in. Castles in Spain may seem very romantic in day dreams, but cottages in a village lane or city street are more essential.

Mr. BREHM. Mr. Speaker, will the gentleman yield? My question or argument is, will the gentleman state other reasons for the extension than the one given by the gentleman from Tennessee?

Mr. SABATH. If Members will read the report of the Judiciary Committee, which embodies the findings of the subcommittee which considered the bill for many weeks, they will find it contains cogent reasons, simply stated, for the passage of the bill. Every homeless couple in America, seeking a place to call home, however humble, and every hungry child in desolated Europe, are compelling and irresistible reasons, infinitely more compelling than tomes of law or the self-serving importunities of the lobbies for special service. The 5,000,000 families of America without adequate shelter should be all the reasons we need to pass this bill.

INVESTIGATION OF LOBBIES

Mr. Speaker, I desire in that connection to speak briefly again of the resolution I have introduced providing for an investigation of the lobbies which infest the Nation's Capital City, seeking to influence the consideration of legislation, pro or con, or to exact special favors from Government departments. You have heard my colleague the gentleman from Virginia, Judge SMITH, call attention to the need of effective legislation to curb the evils of lobbying. I will not take up my time and the time of the House to explain in detail the resolution or the reasons for its introduction; but the gentleman from Virginia has told you of what happened 10 years ago. Never before was there a situation as bad. There were at least a hundred lobbies actively working here in Washington then, all representing powerful interests with unlimited finances.

In the fight against the Holding Company Act one private power lobby spent $2,000,000.

I want Members to realize one thing, if they do not already know it, that places Congress itself, and the Members of Congress, in a wholly unwarranted and unjustified bad light. Do you realize that these high-powered, high-pressure lobbyists, regardless of the facts in the case, claim to be able to control the votes of Members, or of whole committees? They persuade the corporations who are their credulous clients that they "have you in their pockets"; that they can "deliver" from one to a hundred members. They draw good money from their gullible clients; one of the histories of lobbying tells of a young lawyer who made $60,000 a year for exertions no greater than writing letters to his clients claiming credit for passage of every act they favored.

I hope and I believe that these boastful lobbyists cannot "deliver" a single vote of a Member of Congress; but they do, by sheer weight of numbers and words, wield some influence and cause some trouble. They certainly cause a great deal of annoyance with their calls; and unfortunately the country at large gets the impression that these lobbyists can get anything they want in Washington.

Mr. Speaker, we ought to know who these men are, whom they represent, who pays the bills for their expensive hotel suites and their parties and their gifts. We ought to know why they are here, what they do. It may well be that we can not only show that some are definitely dangerous but we can also show, perhaps, that they do not earn what it costs to keep them, and so the companies that hire them can put them to useful work and stop asking for higher prices. We need to know all about the lobbies. Such an investigation would be a wholesome thing; and I believe my resolution will serve the purpose. For the information of the House, I insert the text of my resolution—House Resolution 557—at this point:

Resolved, That there is hereby created a special committee of five Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives, one of whom shall be designated by the Speaker as chairman.

It shall be the duty of the committee to make a full, complete, and impartial investigation of all groups, associations, committees, organizations, or combinations thereof, who have sought or are seeking, by use of any means, and directly or indirectly, to influence the consideration of legislation in the Congress of the United States; or any matter deemed by the committee to be of public interest and relevant to the main purpose of the investigation.

Subjects of the investigation shall include, but shall not be limited to, any or all groups which have or are engaged in the present propaganda campaign or lobby to defeat legislative measures for the relief of the acute housing shortage; any or all groups which have or are engaged in the disruptive propaganda campaign or lobby to abolish or weaken price control; all groups which have or are engaged in the power lobby; any or all groups which have or are engaged in similar propaganda campaigns or lobbies intended to influence legislative consideration by the Congress.

It shall be the duty and within the powers of the committee to examine the nature, financial resources, receipts and expenditures, names of contributors and amounts contributed, publications, activities, motives, nature of expenditures, membership lists, techniques, methods, means used, and objectives sought of all organizations under investigation; and to make any examination or determination found by a majority of the committee to be relevant to the inquiry.

The committee may make such interim reports as it deems advisable, and shall make its final report to the House of Representatives on January 3, 1947, and shall make such remedial recommendations as a majority approves. In the course of the investigation the committee shall bear in mind the constitutional and statutory guaranties of the privileges, rights, and immunities of citizens of the United States to hold and express opinions and to petition the Government. The committee shall adopt rules of conduct governing the actions of its members and employees, and no investigation shall be made nor hearing held without due notice having been given all members and without approval of a majority of members of the committee.

The committee, or any authorized subcommittee thereof, may sit and act at such times and places, whether or not the House is sitting, has recessed, or has adjourned; require the presence of such witnesses and the production of such books, records, papers, accounts, and documents; and take such testimony, by subpena or otherwise, as it deems necessary.

For the purposes of this resolution the committee is authorized to employ such clerical, expert, or legal assistants and to make such expenditures as it deems advisable, and to fix the compensation for its employees on a basis in conformity with the Classification Act of 1924. The cost of stenographic services for reporting hearings shall not exceed 25 cents per hundred words. Expenses of the committee shall be paid from the contingent fund of the House of Representatives upon vouchers approved by the chairman of the committee and by the Committee on Accounts. The committee may authorize any one or more persons to conduct any part of the investigation or hold public hearings or to issue subpenas. All hearings shall be public, and all reports, documents, and records shall be public records. The committee is further authorized to utilize the services, information facilities, and personnel of the departments and agencies of the Government. Every person who, having been summoned as a witness by the committee, or an

authorized subcommittee or agent thereof, willfully makes default, or who having appeared refuse to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties prescribed by law.

In conclusion, Mr. Speaker, I wish to thank the gentleman from Virginia [Mr. SMITH] with whom I do not always agree, for calling attention to the urgent need for this resolution, and to express my appreciation to those Members who have indicated to me they favor such action.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

(Mr. HOFFMAN asked and was given permission to include a newspaper article in the remarks he expects to make in the Committee of the Whole today.)

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. HOBBS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5716) to amend the Second War Powers Act, 1942, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5716, with Mr. ROBINSON of Utah in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. HOBBS. Mr. Chairman, I yield myself 13 minutes.

Mr. Chairman, we bring before you at this time H. R. 5716, the report of which is unanimous, which would extend for a period of 9 months, from June 30, 1946, 7 titles of the original 15 titles of the Second War Powers Act. The seventh is split as to the length of extension. It is the allocations and priorities power under title III. That part which gives the President the power to allocate materials for housing and necessary building construction which are in such short supply, is extended for 12 months. All the rest of title III and the other six titles are extended for 9 months. They are as follows:

TITLE I—EMERGENCY POWERS OF THE INTERSTATE COMMERCE COMMISSION OVER MOTOR AND WATER CARRIERS

Under this title the War Shipping Administration operates certain coastwise lines which should be maintained until the return of vessels to their former owners can be accomplished so as to restore normal peacetime traffic. In addition the Army and Navy are authorized under this title to operate certain bus lines serving camps and emergency facilities where otherwise no such transportation would be available. Pending further demobilization of the armed services and return of vessels to their owners the authority of this title appears necessary.

Title II is the extension of the Army and Navy power to dispose of surplus war-bought real-estate holdings. Their powers of acquisition of real estate were allowed to lapse in accordance with the provision of Public Law 270, Seventy-ninth Congress.

Title III is the priorities and allocations power which has been discussed.

Title IV confers upon the Federal Reserve bank the right to save one-sixteenth of 1 percent commission on the purchase in the open market of bonds which, without this power we would, as a government, have to buy in the open market. This power is very wisely used, and we have asked the Committee on Banking and Currency to consider making this power permanent, because we believe it has been very helpful.

TITLE V—WAIVER OF NAVIGATION AND INSPECTION LAWS

Under this title certain of the manning and equipment restrictions placed on the operation of American vessels are waived. This is absolutely essential if transportation is to be made available to bring back our troops from overseas. As an example, over 200 Liberty ships are now carrying from 784 to 1,943 persons per trip, but without the authority of title V the maximum of 68 persons, including the crew of 56, could be transported. Should this title lapse, return of overseas personnel would be most seriously delayed.

TITLE VII—POLITICAL ACTIVITY

This title exempts from the provisions of the Hatch Act part-time employees who serve without compensation or with only nominal compensation. It affects primarily members of local price and rationing boards and selective service boards. The OPA and the Selective Service System make every effort to assure themselves that members of these boards do not presume upon this exemption, but so long as personnel of these boards continue to donate their services to the United States it appears appropriate to continue it in force.

Title XI was an Army power. It has served its purpose and is no longer necessary, so we are eliminating that title at its expiration date, June 30 of this year.

TITLE XIV—UTILIZATION OF VITAL WAR INFORMATION

This title makes possible the collection and dissemination of various statistical data within the Government. On the basis of this information the conversion from peace to war was accomplished and the availability of this information appears equally necessary for planning reconversion from war to peace. The title should, therefore, be extended to aid in the administration of the powers conferred by title III. The committee respectfully recommends that the appropriate legislative committees should give study to permanent legislation of this character.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I am glad to yield to the gentleman from Ohio.

Mr. VORYS of Ohio. I note that in title XIV section 1401 is retained, which gives the Secretary of Commerce power to get any statistical information from anyone under pain of a 60-day imprisonment and a $500 fine. Section 1402 permits the interchange of information to which the gentleman has referred. I wonder if there is any place in the hearings where any necessity for the retention of section 1401 until next spring is described.

Mr. HOBBS. While I was present at every session of the committee and heard all the testimony, I am not prepared to answer that categorically. I will get the answer for the gentleman and will be glad to give it to him.

Mr. HANCOCK. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I am always delighted to yield to the gentleman from New York.

Mr. HANCOCK. It was either in this year's hearings or last year's, but the Administrator of CPA as well as the head of the Office of War Mobilization and Reconversion stated that it was absolutely necessary to have the statistical information in the hands of the Bureau of the Census before they could make allocations.

Mr. HOBBS. Thank you, sir. The question of the gentleman from Ohio was a little different from that. I will get the information for him.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I gladly yield to the gentleman from Texas.

Mr. POAGE. Will the gentleman explain, simply that we may have it absolutely clear, about sections 1 and 2? It seems to me that we can follow the others from reading the report, but from a reading of section 1 it is impossible to tell just what it relates. It simply refers to certain sections of other laws. As I understand, the gentleman tells us that it relates only to those bus lines and truck lines that are transporting troops or property to and from military reservations, and does not apply to the general common carrier truck lines of the United States.

Mr. HOBBS. That is exactly right, sir.

Mr. POAGE. I just wanted to get that absolutely clear in the RECORD.

As to section 2, which relates to the acquisition and disposition of property, I informally understood from one of the members of the committee that we no longer are continuing the provision that related to the acquisition of property, and I hope we are not.

Mr. HOBBS. That is right, sir.

Mr. POAGE. Just how, physically, do you take that out of section 2? Section 2 relates to the method of acquiring property and occupying property without any payment, as we did during the war. Section 2 was not repealed, as I understand. How do you take it out of the acquisition provision?

Mr. HOBBS. We did it in the last extension of this act. We said that the acquisition power was dead but that the disposition power would still continue.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I am happy to yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. May I ask the gentleman whether the committee gave any consideration to a

shorter extension? For example, it seems to me a natural extension might have been to the end of the calendar year, December 31.

Mr. HOBBS. I may say to the gentleman that we did so at length, and probably for at least 24 hours.

We all agree with the statement that has been made by the gentleman from Michigan [Mr. MICHENER] and other members of the committee, and with the testimony of Commodore Small, of the CPA, that powers of this kind breed powers; that allocations breed allocations; that priorities breed priorities, and we wished to cut down as many as possible and grant the extension of those which seemed necessary to extend for as short a period as possible. The subcommittee and the full committee went over that whole situation, and it was the unanimous agreement that this bill called for as short a period of extension as was feasible under the circumstances. We gave careful study to December as a time to end the proposed extension.

Mr. CASE of South Dakota. It occurs to me that the committee thought that the priority section needed 3 months longer than the other powers. Of course, that could have been accomplished if you had made a general extension to December 31 and the priorities extension to March 31.

Mr. HOBBS. The reason for that is made perfectly clear by a committee amendment, which will be offered by the gentleman from New York [Mr. HANCOCK], which limits that extension of 12 months simply to the housing and building program. But may I say that an extension to December 31 would put any further extension of any power so extended, beyond the power of Congress to again renew its lease on life, no matter how desperately need might demand, since no Congress would be in session on December 31.

Now, I must conclude.

To many of us the overwhelming reason that the passage of this bill is so tremendously urgent is the threat of starvation overseas. It was apparent and was mentioned in our report of a similar bill last November, but it has now become almost a reality. Dare we deny our President the power of allocating food for a starving world? Unless we do everything within our united power 130,000,000 people will die from starvation.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. HANCOCK. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, a number of questions have been asked as to why it is necessary to extend these war powers. The simplest way to answer those questions is to read briefly from the testimony of Hon. John W. Snyder, Director of War Mobilization and Reconversion, and Commodore John D. Small, Director of Civilian Production Administration.

Mr. Snyder said:

> If there is not an early extension of the Second War Powers Act, we can soon expect a disorderly scramble for materials on the part of producers, and for finished goods on the part of dealers. Hoarding would be inevitable. But an even worse situation would doubtless develop. In the scramble for goods, many would be left behind in the rush. A tendency to delay production and distribution would follow. Price pressures would increase. And let me repeat the warning of our President, any such tendency would seriously hamper reconversion, and would add a new and dangerous inflationary factor to the many already existing.

Then, again, he calls attention to the specific need for the exercise of allocation and priority powers. He says:

> There are the needs for controls in the use of building materials, and controls to assure an adequate supply of low-cost clothing. In addition, the need for controlling and allocating such scarce materials as rubber, lead, zinc, and leather are well known to all of us.

Then he calls attention to the fact that without priorities it is impossible to break bottlenecks in the reconversion process. He quotes an old maxim that "For want of a nail the battle was lost." Let me give you a few other examples. For want of linings, tire production is reduced. Priority powers are necessary if we are to be able to meet our foreign commitments, including food and other relief needed throughout the world.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield.

Mr. HARNESS of Indiana. I wonder if he was referring to commitments on lend-lease when he referred to our foreign commitments?

Mr. HANCOCK. I understand we have no lend-lease commitments. At any rate, none since the shooting stopped.

Mr. HARNESS of Indiana. We have not? Just the other day we had a bill before us which showed we still had commitments to send Russia some $480,000,000 worth of materials such as ordnance and airplanes.

Mr. HANCOCK. We are getting no new ones. If we made commitments we ought to make good.

Mr. HARNESS of Indiana. The gentleman means we should continue to manufacture them under these allocations and continue this power in CPA in order to allocate materials to build airplanes, ordnance, and tanks to send to Russia because we committed ourselves during wartime? The war is over.

Mr. HANCOCK. I do not understand that we are sending those things to Russia. I will not dispute the gentleman's word if he knows to the contrary.

And Mr. Small said:

> We are channeling enough materials into overalls, work clothing, and work shirts, I believe to adequately take care of the needs of the country, and we are doing it at the expense of many other things. We are giving it to only a few things. We are giving help only to work clothing and work shirts, under $2.50 and shorts under a price break cut-off, and women's dresses under $5.98. In other words, those are the things that our people of low income must have, and we are not giving that kind of help to anything else.

Those are just a few excerpts from the record.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield.

Mr. JENSEN. The gentleman mentioned the fact that they were supplying overalls. I just want the gentleman to know that I have many letters from people out in my district to the effect that they are not getting overalls and that they have patched the old ones so much that they are not fit to use any more. I just cannot go along with the statement that they are making overalls available, because they are not making overalls available in anywhere near sufficient quantity to take care of the needs.

Mr. HANCOCK. There is a shortage of overalls, cheap shirts, and cheap clothing. It is part of the program of CPA to channel enough cotton into the manufacture of those goods so the shortage will be taken care of. That is the program and it is under way. Without allocations it will be impossible to carry it out.

Mr. GRANT of Indiana. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield.

Mr. GRANT of Indiana. I am not at all convinced as to the necessity for the continuance of the Second War Powers Act, but I am anxious to hear the argument of the gentleman from New York, because I have great respect for his legal ability and his judgment.

We are still living under a limited national emergency proclaimed, I believe, in May of 1940, and under an unlimited national emergency which was proclaimed in September of 1941. We are still living under an official continuance of war.

Last October I introduced a resolution to terminate those two emergencies and the war; and I should like to have the gentleman, a member of the Committee of the Judiciary, tell the House what we are to expect by way of terminating these emergencies and this war.

Last October I placed in the RECORD a compilation of some 230 different Federal statutes that were then on the books that depended for their continued existence on those two emergencies or on the war, or the duration plus 6 months, or some combination of the two, and I am wondering when we are going to be freed from this multitude of directives that depend for their existence on these emergencies and on the war.

Mr. HANCOCK. I cannot give the date when the war will officially end, but I may say to the gentleman that a study is being made of the various bills and directives that depend upon the emergencies and the continuance of the war for their validity. There are over 400 of them. Should the war be declared to be ended suddenly or immediately, there would be a great deal of confusion, a great deal of dislocation, and a great deal of hardship. I believe there are 12 different attorneys who are studying the legislation that is involved. We expect to have a digest of their work soon so we can analyze the facts and decide on the date to declare the war terminated.

Let me say further it is our intention to eliminate war controls gradually, sensibly, safely, and cautiously.

Mr. GRANT of Indiana. And I hope as rapidly as possible. If the gentleman will yield further, I am glad to hear that the Committee on the Judiciary is making this study. I hope they will report

a bill to end these controls as speedily as may safely be done for the benefit it will bring to the reconversion effort.

What I object to is continuance of the emergencies and of the war as an overall blanket catch-all to continue all of the controls, those unneeded as well as those that might be justified.

Mr. HANCOCK. The members of the Judiciary Committee share the gentleman's sentiments, I may say to him, but we wish to avoid disaster. When the Second War Powers Act was passed early in 1942 it was made effective until December 31, 1944. We were too optimistic. We found it necessary to extend it until December 31, 1945, and again until June 3, 1946. The question now is, Shall we extend it further and for how long?

Originally there were 15 titles in the act. These have been whittled down to seven. The only title that is really controversial before us today is title III, under which the President issues priority and allocation orders. All people, especially Americans, are impatient of restraints and restrictions on their individual freedom of action and we do not tolerate them unless we are persuaded that they are necessary.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HANCOCK. Mr. Chairman, I yield myself five additional minutes.

Mr. Chairman, many people, including a number of the Members present, would like to abolish all controls, both priority controls and price controls, immediately, but in the considered judgment of our committee and many others who share the responsibility of deciding the issue, it was thought that the sudden cessation of controls would bring disaster. It would throw business into a tailspin. We have been leading an abnormal economic life for 5 years and we must readjust our dislocated economy gradually and with caution. We all wish to accomplish that purpose at the earliest possible date and I can assure you that your Committee on the Judiciary realizes the magnitude of that problem and is giving it close and thorough study.

Mr. Chairman, unlike some of the other committees of the House, the Judiciary Committee as a rule composes its differences before the legislation it handles reaches the floor. This bill is no exception. The 27 members of that committee are solidly behind this bill. We feel it is essential. We do not like it any better than you do, but we feel it is our duty to report this bill and to urge its passage.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. Can the gentleman explain the necessity for continuing naval procurement without advertising or competitive bidding, and also the necessity for continuing section 1401 of title XIV, which gives the Secretary of Commerce power to secure information from anyone on any statistical matter under pain of fine and imprisonment?

Mr. HANCOCK. The first part of the gentleman's question is addressed to the opening paragraph of title III. Personally, I do not see any reason why the particular provision he mentioned should be continued. But title XIV is highly desirable and should be continued because if we are going to have allocations and priorities, the responsible authorities must know the figures on which to base those orders. It would be stupid to say that they will have to do it blindly or by guesswork.

Mr. Chairman, some of the members of the committee felt as I do, when the bill was under consideration, that we should extend these powers for short periods only, that we should keep a tight rein on the control agencies, and before extending the powers we should require them to come to us at short intervals and demonstrate clearly the necessity for further extensions. Many of us felt that extensions should not be granted for a period in excess of 6 months; but, as the gentleman from Alabama pointed out, we are assured by our leaders that Congress will adjourn sine die sometime in July and it is quite possible that some of these powers of priority and allocation will have to be extended beyond December 31. The need will become apparent, if at all, in the fall. If we extend them until December 31 only, and it becomes imperative to further extend the powers, it would be necessary to call a special session to consider the legislation.

Others on the committee would like to extend these powers from year to year. We reached a compromise and decided on March 31, 1947, an extension of 9 months. There is one exception, and that is the part of title III that deals with priorities and allocations.

A committee amendment will be offered to continue the authority of the President only with reference to the allocation of building materials until June 30, 1947. We do that because the House has already given the Expediter of Housing that same authority until June 30, 1947.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HANCOCK. Mr. Chairman, I yield myself two additional minutes.

We think it is rather incongruous to give the Expediter greater power than the President of the United States. As I said, a committee amendment will be offered to correct a mistake which was made by the draftsman of the bill. The bill as introduced does not represent the full views of the committee. The sentiment of the committee is unanimous that we should extend the powers of allocation and priority and other powers in title III until March 31, 1947, only, but that the President's authority as to building materials should be extended to June 30, 1947.

I do not like control of business and markets any more than you do, but I believe that during our convalescence from our 5 years sickness we must continue to take some rather bitter medicine. With considerable reluctance and with strong conviction I urge the passage of this bill.

Mr. ROBSION of Kentucky. Mr. Chairman, I hoped when we passed the War Powers Extension Act in December 1945 that there would be no requests for further extension of that act. But we find ourselves in a situation today where it appears to be almost mandatory. This situation is very distasteful, indeed, to me. I feel sure that, if we had had a more efficient administration of the various agencies of the Government in the administration of the laws, this would not have been necessary.

Our Judiciary Committee was most favorably impressed with the testimony of Commodore Small, who is in charge of the Civilian Production Administration, and he appears to be a very intelligent, sincere, and able Administrator. He is in thorough sympathy with private enterprise. He believes that private enterprise should not be hindered or obstructed but rather encouraged. He deplored the fact that it is necessary to extend the Second War Powers Act in some respects. He emphasized that power feeds on power, and demands more power; and one emergency develops not one but two or more emergencies.

This always happens where government undertakes to carry on the activities and business of the people through centralized power. Such action hinders the productive capacity and the efficiency of the people to carry on their own affairs.

For the last 13 years we have had nothing but emergencies created by the administration through its bureaus, commissions, and other agencies. One emergency has created two or more emergencies and then the two or more emergencies have created additional emergencies. So it has gone on from time to time and there have been created and built up powerful commissions, bureaus, and other Federal agencies.

Today we are told that we are in several emergencies. I am not so much worried about this limited extension of the War Powers Act for the time set forth in this bill. What I am worried about is that, under the bungling of the New Deal policies, we will carry over some of the present emergencies and create new ones before the expiration of the extension provided in this bill, and that the administration and these agencies will insist upon a further extension. I am thoroughly convinced that as long as this New Deal administration remains in power there will continue to be one or more emergencies, and they will continue to impose the blighting hand of an all-powerful central bureaucratic government upon the American people and their activities. That is the thing that gives me concern.

I have told my constituents and others that the only possible way to bring relief from these intolerable conditions is to elect Members of the House and Senate in 1946 and a President in 1948 who sincerely believe in constitutional government, who sincerely believe in private enterprise, and in restoring the government of the American people to them, and sincerely believe in the American way of life and who are opposed to bureaucratic control and to regimentation.

Useless officeholders must be dispensed with and unnecessary expenses must be avoided. The credit of the Government must be restored. These powers must be returned to the people.

Mr. MASON. Will the gentleman yield?

Mr. ROBSION of Kentucky. I yield to my distinguished friend from Illinois.

Mr. MASON. Only that will stop these powers because this Congress is not going to do it.

Mr. ROBSION of Kentucky. I agree with the gentleman. The American people must elect Members of the House and Senate who are opposed to operating this Government through the creation of emergencies and the grabbing of authority under the guise of emergencies.

THE SECOND WAR POWERS ACT

This act was passed by the Congress as a necessary war measure. Hostilities ceased more than 7 months ago. Our Judiciary Committee began a careful study of the continued need of these war powers. Originally there were 15 titles to this important measure. Our committee, after most careful investigation, recommended to the House of Representatives that titles V, VI, VIII, IX, X, XII, and XIII be repealed and they were repealed.

The question now arises what shall be done with titles I, II, III, IV, VII, XI, and XIV. Our committee in this bill has urged the repeal of title XI as of June 30, 1946, and has fixed the date for the termination of the powers set forth in titles I, II, III, IV, VII, and XIV on March 31, 1947. It appears from the testimony that it is necessary to retain the powers in title I, section 101 in order to expedite the return of our soldiers, sailors, and marines from overseas. But for the powers of section 101, title I, the demobilization of our forces would have been delayed. It was essential that they get home as quickly as they had sufficient points and length of service. We still have perhaps two million men overseas and this provision is extended to hasten their return home, but, of course, the powers terminate under title I on March 31, 1947. Title II, section 201, gave the Army and the Navy the right to procure the necessary lands and the personal property to promote our national defense during the war. They have ceased to acquire lands and personal property under this title, but it is now necessary to dispose of this property, and, therefore, the power in this title is extended to dispose of the property. Title III is the important section of the Second War Powers Act. It deals with priorities and allocations of property and materials. The act, as amended by this bill, extends the powers in title III in order to facilitate the production, priorities, and allotments of necessary materials and equipment in our housing program adopted by the House recently. The House adopted the housing program by a vote of 357 to 24, which undertook to give to the Expediter of the housing program authority to expedite the procurement of necessary materials and equipment, and the power to fix priorities and make allotments. Title IV, section 401, relates to the purchase by the Federal Reserve bank of Government obligations. This has proved to be very helpful and has saved the Government a handsome sum of money. There is no good reason why this authority should not be continued until March 31, 1947. Title VII relieves members of draft boards and others serving the Government without pay from the provisions of the Hatch Act. There appears to be no good reason why this should not be continued until March 31, 1947. By that time it is believed that these persons will be relieved from their free official duties. Title XI expires on June 30, 1946. Title XIV merely requires the Department of Commerce to furnish through its Census Bureau to other departments of the Government in confidence such information as may be necessary in carrying out some of the necessary governmental activities. Of course, this information must be held in confidence by the agencies of the Government receiving same. This follows the law that has been in effect for more than 80 years. We can see no harm that will come to the country by the continuance of this part of the War Powers Act until March 31, 1947.

If this bill is passed, the War Powers Act is greatly limited and cannot affect the people adversely, in my opinion, unless it is under title III, in granting priorities and allocations for materials and equipment in carrying out the very necessary housing program. It is agreed by all that there is a very great shortage in housing and that great numbers of our veterans, returning from the war, are unable to find shelter for themselves and their families. The housing program is principally put on for the benefit of the veterans, and we all agree they are now entitled to homes after having spent months and years, many of them in fox holes.

Our Nation is technically at war. My chief complaint against the administration is the failure to take some action to terminate the war. About 250 acts of Congress provide that those acts shall become ineffective 6 months after the termination of the war. The terms of service of millions of our enlisted men and women will cease within 6 months after the termination of the war. The war can be legally terminated by a proclamation of the President that the war is over or by a concurrent resolution passed by the House and Senate. The President has been urged to issue this proclamation, but he has declined to do so. Many bills have been introduced in the House and Senate providing for the termination of the war but these bills are opposed, as we are informed, by the President. Since hostilities ceased about 7 months ago, it seems to me that it would only be right and proper for the President to issue a proclamation, either declaring that the war is at an end or fixing a date when it shall end, and failing in that he should withdraw his objections to the resolutions introduced in the House and Senate.

Our Judiciary Committee is making a careful survey of the war measures with a view to the repeal of these war measures. The executive branch and the legislative branch of the Government should repeal each and every one of these war measures just as soon as it is practicable to do so. There is little doubt but what many of these measures are holding up production and thereby denying to the American people the thousand-and-one articles that they need and must have and increasing the threat of inflation.

I wish to say in conclusion that the emergency will have to be very great for me to vote for any further extension of these war powers or war measures, and I shall be very happy to give my support to efforts to bring these war powers and war measures to an end.

Mr. HOBBS. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, when I discussed this matter a few minutes ago, I did not have quite sufficient time to conclude my thought. I wanted to say at that time that the OPA will shortly be before us for extension. One of the important factors of that extension is the curing of some of the things which have been wrong with the OPA. Although I have supported the Price Control Act since its inception, I have fought very earnestly against certain inequities. One of those inequities is the MAP regulation, which places on the manufacturers a regulation that they shall make low- and average-priced garments; that they shall maintain a certain average price level in their production. Now, that has to do with this War Powers Act in this way, that the Civilian Production Administration is one of the agencies of Government which stems from the War Powers Act, which gives to CPA the right of allocation of materials and machinery. That is why I am interested in seeing that the War Powers Act is extended, in order that the Civilian Production Administration may have those controls extended for a certain length of time. Why do I say that? Because, under the maximum average price regulation of the OPA, they did not allocate materials at the mill base. The OPA has realized its mistake.

Low-priced cloth, which has flown from the market and is unavailable, whether in women's dresses, men's shirts, shorts, underwear, pajamas, or whatever it may be, can only be brought back, in my opinion, in this emergency scarcity time, by freezing at the mills those looms and insuring the production of that particular low-priced cloth, and the allocation of that cloth to manufacturers who will pledge themselves to make the articles which are now missing from the market. This the OPA is trying to effect. They depend upon the Civilian Production Administration for that allocation of materials, that power to channel those materials to manufacturers who will make low-priced clothing.

It is my hope that the maximum average price regulation will be removed. Personally, I intend to vote against it when the OPA comes up for extension. I think it has been a miserable failure, and I think the only way we can approach the goal of low-priced clothing is through control of materials at the mills, until a normal supply of that material is available once more and the normal flow of garment production can be resumed.

The gentleman from Kentucky [Mr. ROBSION] made one of the most important points in this priority field. The housing bill, which we passed to get veterans' housing, depends upon the allocat-

ing of material, the channeling of material away from nonessential types of buildings, into essential homes. In order to channel that material through allocation, priorities must be established. The Housing Administration is depending upon the Civilian Production Administration to do that part of the act. If we do not extend the War Powers Act, the Civilian Production Administration automatically folds up on the expiration of the present War Powers Act date. It will then be necessary to reconstruct a complete new bureau and accumulate new information and all the different data that is necessary in order to do an intelligent job of priority allocations. That is why I say it is so important at this time that this act be extended. There are other points which have been ably covered by the gentleman from Alabama [Mr. HOBBS] and the gentleman from New York [Mr. HANCOCK]. But at this time we are particularly interested in housing for veterans, in restoring to the common people of America who have low earnings, or who have fixed incomes through pensions or annuities, the privilege of going into the market and buying reasonably priced clothing. It seems to me that as MAP has not succeeded, the allocation of materials is our next attack upon the clothing scarcity problem. The OPA is now trying that out.

By the time OPA comes up for extension we will know whether the allocation of materials through CPA priority channels has succeeded in bringing to the market low- and medium-priced clothing. If it has not succeeded at that time it will undoubtedly have a great effect upon whether OPA should be extended, because that is one of their important functions.

Price control is an illusion if it curtails production. Prices must be adjusted so that production can be increased, but they must not be increased to the point of inflationary profits. When fair profits, determined by reference to a historical normal span of years, is allowed, the manufacturer will produce more goods. If the greedy refuse to produce a fair percentage of low- or medium-priced ranges, I am in favor of achieving this national aim through priority allocation of materials to manufacturers who will produce in the national interest. The CPA controls can then be used, but first let us give industry a chance to produce voluntarily.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. HANCOCK. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin [Mr. HENRY].

Mr. HOBBS. Mr. Chairman, I yield an additional minute to the gentleman from Wisconsin.

The CHAIRMAN. The gentleman from Wisconsin is recognized for 2 minutes.

Mr. HENRY. Mr. Chairman, I shall vote for this legislation not because I enjoy delegating unusual powers to the Federal Government or because I enjoy submitting to regimentation, but because I feel it is necessary under the circumstances.

One of the important features of the bill before us deals with the question of priorities and priority powers. This is under the supervision of the Civilian Production Administrator, Commodore Small.

Commodore Jack Small is a personal and intimate friend of mine and has been for many, many years. I consider him absolutely honest, sincere, conscientious, and a high type of American citizen. He has ability and courage, and I feel very certain that if he is permitted to use his own judgment and decide things for himself he will come up with the right answers at all times; and I can assure you that I have confidence in his ability to proceed as you would like him to proceed.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. HENRY. I yield.

Mr. ROBSION of Kentucky. If all of these bureaus could be administered by men like Commodore Small we would have a different situation in this Government.

Mr. HENRY. I agree with the gentleman.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. HENRY. I yield.

Mr. MASON. Has the gentleman basis to believe that Commodore Small will be permitted to use his own judgment?

Mr. HENRY. I have sufficient confidence in Commodore Jack Small to believe that if he is browbeaten he will resign his post rather than submit.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. HANCOCK. Mr. Chairman, I yield the balance of my time to the gentleman from Indiana [Mr. SPRINGER].

The CHAIRMAN. The gentleman from Indiana is recognized for 7 minutes.

Mr. SPRINGER. Mr. Chairman, a committee amendment will be offered to the pending bill. This amendment has already been explained by the gentleman from New York [Mr. HANCOCK]. It relates to the date in line 2 on page 2. The date "June 30, 1947," will be changed to "March 31, 1947," and this additional language will follow immediately after the date proposed by the amendment:

> Except that for purposes of allocations of building materials and facilities relating to the utilization of building materials, such title 3 and the amendments to existing law made by such title shall remain in force until June 30, 1947.

That means just this: Title III with regard to allocations and priorities will terminate on March 31, 1947. The matter of allocating building materials, however, will be continued under that title until the 30th of June 1947, in order to correspond with the housing bill just passed by the House. This, however, gives that power to the President. The housing bill gives that power to the Director or to the Expediter. What we want under this building-materials plan is to secure the needed material so we can build houses and so the veterans will have an opportunity to rehabilitate themselves and their families.

I think perhaps it might be worth the time of the committee to discuss some of these different titles under the Second War Powers Act involved in this particular legislation.

Title I, as you know, relates to the Interstate Commerce Commission authority over motor and water carriers. That embraces the Office of Defense Transportation and involves the question of getting our boys who are serving in the Army and in far-flung lands back home again. That is continued for the purpose of getting these boys back home along with the supplies and materials to take care of them. I am confident no one will offer any objection to that title; it is the general wish to get our boys back home at the earliest moment.

Title II deals with the acquisition and disposition of property by both the War and Navy Departments. The question of the acquisition of property has been entirely eliminated by the committee. The only portion of that particular title which now remains is the question of disposing of property, and we certainly do not desire to take away the existing power for them to dispose or sell the property which they have on hand. That is absolutely necessary.

Title III I have touched on in mentioning allocations and priorities and also the question of lumber. I may say, in addition, if you will pardon me for a moment, we have under that title sugar, which is very scarce and critical. The evidence came before us that the sugar question will not improve greatly until the end of this year and there is a great need for some regulation. Take next textiles. You can hardly get a suit of clothes anywhere and there must be some regulation respecting textiles. Take building materials and supplies. There is a scarcity in that field. A vast amount of shortages exist in that needed commodity. The same rule applies to tin, zinc, and rubber. There is a long list of those that have been gone over in the hearings. White shirts, shorts, and work shirts and overalls are very scarce.

I was not entirely sold on this continuation until I heard the uncontradicted and undisputed testimony which came before the subcommittee, then I became convinced, and I know every member of the subcommittee became convinced, that it was absolutely necessary that some of these titles be extended. I would like to go on just a little further.

Title IV is continued for 9 months. That relates to the power of the Federal Reserve bank to take up Government obligations. That happens along about income-tax time, and they have been able to save millions of dollars in interest by the power under that provision and under that title.

Title V has to do with the waiver of navigation and inspection laws. We have very rigid inspection laws in connection with taking our boys across the oceans and bringing them back home again from service in foreign countries. If those rigid inspection laws were adhered to we could not load these ships to the capacity they have been loaded with our soldiers and equipment, and it would require much longer to get them back home. This is a waiver of those rigid inspection laws, which are in force at this particular time.

Title VI is entirely out. It is eliminated.

Title VII refers to political activities and that relates to ration boards, draft boards, and all those different agencies that were set up during this war. That is continued for 9 months or until March 31, 1947.

Titles VIII, IX, X, XI, XII, and XIII are entirely eliminated.

The only remaining title is title XIV which is necessary in order to give information between the different departments of Government. It is my hope that in the interest of completing these highly important items this measure will be passed and the Second War Powers Act extended for months, as set forth in the pending measure.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. HOBBS. Mr. Chairman, I yield the remainder of the time on this side to the distinguished gentleman from Pennsylvania [Mr. WALTER].

Mr. WALTER. Mr. Chairman, I do not think anyone abhors Government controls any more than I do. When the question of the continuance of these necessary wartime controls was taken up by the Postwar Economic Policy and Planning Committee, of which I happen to be a member, the question that arose in the minds of every one of the 15 members of that committee was whether or not the controls could be discontinued immediately. I think I am safe in saying that every member of that committee was desirous of eliminating all Government controls immediately; however, after one witness testified, we became just the least bit doubtful of the advisability of eliminating the controls, and at the end of the very lengthy hearings that committee conducted, we were thoroughly convinced that it was impractical and, as a matter of fact, our economy could not withstand the impact that it would suffer if the controls were lifted immediately.

I think that the attitude of the committee can be best summed up by quoting from part of the testimony of a very successful American businessman who, when asked the question as to whether or not the controls should be eliminated, said:

> If I were in your position, I should hate to recommend that that be done.

It is important to bear in mind the fact that the purchasing power of the people of this country today amounts to about $246,000,000,000. During the war when attention was first directed to what the postwar era would present, every one believed that immediately after the cessation of hostilities unemployment would increase to about five million. Instead of that, according to the best figures available, unemployment is about 1,500,000, and instead of employment decreasing there are today about 51,000,000 people employed with the result that the purchasing power has increased. Now, with that terrific pressure of purchasing power, of course, there comes a terrific demand for those articles which are scarce, and unless some controls are kept on these scarce articles then the prices will go skyrocketing.

I have heard on the floor this afternoon this question of shirts discussed. The answer to the shortage of low-cost shirts is a very simple one. The manufacturers of shirts manufactured many thousands of the higher-priced shirts with the hope that governmental controls would be discontinued, and thousands of dozens of shirts in the higher priced lines instead of the articles that they should have been manufacturing, are now in the possession of these manufacturers.

In the allocations of these materials of which there are shortages it has been suggested that certain types of goods be manufactured, and the manufacturers have agreed to manufacture that type of article, but they have not acted in good faith in many cases. The same thing is largely true with respect to building materials. There are critical shortages in burlap, hard-cordage fibers, lead, rubber, tin, lumber, coal, hides, antimony, quinine, and some other materials. The shortage in tin in the public interest is so direct as to take on some of the attributes of a public emergency because of the importance in its use for the maintenance of our food supply. Most of these materials are in a satisfactory position to withstand any but an uncontrolled inflationary pressure.

In the interest of all the people the appropriate agency can control the use of these scarce articles under the authority of the act under consideration. If, with these short materials control is no longer continued, then there will be no limit to the price, with the result which, of course, is perfectly obvious to every one. There is an abundance of testimony to prove that the removal of controls will not increase the supply of short articles sufficiently to meet the demand therefor. It is very encouraging to know that those people charged with the administration affected by these laws are all determined to get rid of them as quickly as possible. I am certain that the representatives of those several Government agencies were sincere when they testified not only before the Committee on the Judiciary but before the Postwar Economic Policy and Planning Committee that they intend to eliminate controls as rapidly as they possibly can. No one can doubt the sincerity and integrity of Mr. Small the distinguished head of CPA. If you read his testimony you will be assured that there will be no controls for a minute longer than is necessary.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Indiana.

Mr. SPRINGER. This morning I received a barrage of postal cards from ladies in my district deploring the fact that they could not purchase nylon hose. I have received probably 100 cards in the last day. That is one of the critical shortages.

Mr. WALTER. Of course, that is one of the critical shortages, but may I point out this fact to the gentleman that the manufacturers of nylon hosiery that already have thousands of dozens of pairs of hose on hand are hoping for the elimination of these controls, so that instead of the ladies who have been corresponding with the gentleman paying a decent price for their hosiery they will pay a price many times what it is worth.

Mr. SPRINGER. That matter is controlled by OPA.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That title XV, section 1501, of the Second War Powers Act, 1942, approved March 27, 1942, as amended, is amended to read as follows:

"SEC. 1501. Titles I, II, IV, V, VII, and XIV of this act, and the amendments to existing law made by any such title, shall remain in force only until March 31, 1947, or until such earlier time as the two Houses of Congress by concurrent resolution, or the President may designate, and title III of this act, and the amendments to existing law made by such title, shall remain in force only until June 30, 1947, or until such earlier time as the two Houses of Congress by concurrent resolution, or the President, may designate, and after such amendments cease to be in force any provision of law amended thereby shall be in full force and effect as though this act had not been enacted; but no court proceedings brought under any such title shall abate by reason of the termination hereunder of such title."

Title XI of the Second War Powers Act, 1942, as amended, is hereby repealed as of June 30, 1946.

Mr. HANCOCK. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. HANCOCK: On page 2, line 2, strike out "June 30, 1947", and insert in lieu thereof, "March 31, 1947 (except that for purposes of allocations of building materials, and facilities related to the utilization of building materials, such title III, and the amendments to existing law made by such title, shall remain in force until June 30, 1947)."

Mr. HANCOCK. Mr. Chairman, the purport and the reason for this amendment have been explained several times. Let me just say that it has the unanimous support of the committee and was adopted by the committee yesterday morning.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. VORYS of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VORYS of Ohio: On page 1, line 6, after "and" insert "sections 1402 and 1403 of."

Mr. VORYS of Ohio. Mr. Chairman, it is with considerable hesitation that I make this attempt to improve on the results of the deliberations of the great Committee on the Judiciary, but if you will look at page 9 of the report, at the bottom of the page you will find in the text of the War Powers Act, under title XIV, Utilization of Vital War Information, three sections. Sections 1402 and 1403 have to do with permitting the Secretary of Commerce to furnish statistical information which he already has for the purpose of carrying on the war. By the extension of this War Powers Act

Congress, of course, is officially saying that the war is still going on.

Section 1401, which my amendment would omit from the extension, simply provides as follows—I cannot read it all, but I will paraphrase what it states:

Henry Wallace, Secretary of Commerce, shall, at the direction of the President, make such special investigations and reports of statistical matters as he is ordered to. I cannot imagine any investigation that could not be considered a statistical matter. Any person who shall refuse or willfully neglect to answer any questions in connection with any special investigations made under this section shall be fined $500 and put in jail for 60 days.

That means that if any businessman, bedeviled by Department of Commerce questionnaires for statistical purposes, chucks one in the wastebasket he is liable to go to jail.

The OPA Director, Mr. Bowles, has under the OPA law, power to find out any information he needs that he does not already have. Sections 1402 and 1403 of title XIV leave in the law the power for Mr. Wallace, the Secretary of Commerce, to furnish to other departments any information which Secretary Wallace already has. It seems to me it is utterly unnecessary to extend for 9 months after June 30 this power which, as far as I can find, is not essential for reconversion but which may be used, a snooping power which I cannot see is needed in any way to carry out any of the controls which are described as still necessary under this law.

I have asked questions repeatedly of the members of the Committee on the Judiciary and I have not been referred to any place in the hearings that refers to section 1401. There are references to requests for information, which can still be furnished under section 1402. Since this unexplained and apparently unnecessary power is in the extension, let us take it out.

I hear so many Members say, "We are opposed to controls, but; we think controls should end, but." One Member said the people will rise and insist the controls end some day. The only way people can act in a republic is through their representatives.

I know of no Member of this House that wants to end all controls on June 30. I thought the policy of this House was being established when we set up the Housing Act, that we were going to realize that there were certain conditions caused by the ending of the war that might require special legislation, and were going to face these with our eyes open and attend to them. I deplore the action of Congress in extending an act entitled "To expedite the prosecution of the war" merely because they have not thought through the problems that come with the coming of this kind of peace. The least we can do right now is to cut out this power, which has no justification at all in the hearings, and for which none can be conceived, but which is an inquisitorial, snooping power in the hands of the Secretary of Commerce that might be abused.

As John D. Small, head of CPA has said, "Priorities breed priorities, and controls breed controls." Congress should use a little birth control on this breeding of controls and priorities instead of extending these powers on the promise that they will not be used very much.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Does the gentleman know of any cases where the power given under that section has been abused?

Mr. VORYS of Ohio. No; I do not, but the fact that it has not been abused is no reason for continuing an unjustified power in the law in the hands of a public official. The question is, is such power needed, and that question has not been answered.

Mr. ROBSION of Kentucky. Does not the law prohibit making it public, anyhow?

Mr. HOBBS. Mr. Chairman, I rise in opposition to the amendment. I do hope that the House will not adopt this amendment, for the simple reason that it does nothing but grant the same power that is carried in the census law and has been since 1852. All it does is to authorize the duly appointed agent of the Federal Government to obtain information which is necessary to national defense, to making war, or in the aftermath, the rehabilitation and reconversion to peacetime economy. There is no reason why it should not be done. There has never been a prosecution that has been conducted under it, because the people have been giving honest answers when requested. There is no reason why it should not be here and there is an abundance of good reasons why it should be. Should there be any recalcitrant citizen who would fail to give the information that is reasonably requested by the Secretary of Commerce under this power, then there might be need for this way to acquire that information.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I am always happy to yield to the gentleman.

Mr. SPRINGER. Is it not a fact that under section 1401 a penalty is provided if a man refuses to give information when requested?

Mr. HOBBS. Yes, sir.

Mr. SPRINGER. And under section 1402 it provides a penalty for a man who discloses the information after it has been obtained?

Mr. HOBBS. Yes, sir. Certainly.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I will be glad to yield to the gentleman.

Mr. ROBSION of Kentucky. It is following a law that has been on the books for nearly 90 years?

Mr. HOBBS. Yes, sir.

Mr. ROBSION of Kentucky. Both as to giving the information and providing punishment for those who give it out in violation of the law?

Mr. HOBBS. That is right, sir.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. Gladly, sir.

Mr. VORYS of Ohio. Is it not true that section 1401 permits the Secretary to dispense with or curtail any regular census or statistical work of the Department of Commerce, and then it proceeds to give this additional power?

Mr. HOBBS. That is right, sir.

Mr. VORYS of Ohio. Is it not true that section 1402, which is preserved in the law by the amendment offered, is the section which provides still for holding confidential the information which the Secretary of Commerce furnishes? This amendment does not disturb the confidential character of information given as to present census information, but it merely strikes the extraordinary war power to dispense with the census and do individual snooping, which, as has been shown, has not been used so far. There is no reason shown for its retention.

Mr. HOBBS. There has been no complaint whatsoever from any one of 135,000,000 people in this country about any "snooping." There has been no complaint whatever about abuse of this power. There has been no need whatever for a single prosecution. Yet it would be a grave mistake on the part of Congress, I think, to adopt this amendment to strike out a power which is needed in aid of the war powers that we are extending, to ask questions that are legitimate and that no patriotic American would mind answering. But the specific point is that he can dispense with the regular census should he need to, and make special investigations that are requested by other agencies of the Government. True. But in both actions he must be backed by a national defense or war necessity.

Mr. HANCOCK. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. It is always a real pleasure to yield to the gentleman.

Mr. HANCOCK. The gentleman from Ohio [Mr. VORYS] calls attention to a very unusual if not unprecedented section in any law that I have ever seen since I have been here. It authorizes one of our department heads to curtail the work of his department and dismiss a few unnecessary job holders. How can anybody object to that?

Mr. HOBBS. I thank the gentleman for his contribution.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. SCRIVNER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, having a high regard, as I have for the members of this committee, upon which there are many able attorneys, much more able than I, I hesitate to speak on this bill but I am somewhat puzzled. I have inquired of various members of the committee to find out where all this power of allocation arises in this particular act. The nearest I can find is the language which is found in section 301. That language reads:

> Whenever the President is satisfied that the fulfillment of requirements for the defense of the Nation will result in a shortage in the supply of any material or any facilities for defense or for private account or for export, the President may allocate such material or facilities as he shall deem necessary in the public interest and to promote the national defense.

If there is any other place I would like to find it, because that langauge worries me tremendously. As I read it, that language sets out two things, first, that the only condition under which the President would have the power of allocation under CPA, the former WPB, is when the use of materials in national defense has created a shortage, and then the only purpose for which he can allocate it is to allocate those particular short materials as he may deem necessary to promote the national defense.

The allocation of cloth to the manufacturer of shirts certainly is not an allocation of materials for war uses or for national defense.

We have admitted here that we want these powers for the allocation of material for the building of homes, especially for veterans. Why not use language that says it shall be allocated for that particular purpose? Why not spell it out in clear A-B-C language instead of doing it under the subterfuge of extending the War Powers Act under the guise of doing it for war purposes or the national defense? I am tired of governmental agencies taking power by subterfuge and indirection. While the war was on we overlooked some usurpation of power. That time has passed.

I address these remarks in all seriousness, because I told my folks at home that when the war was over war controls would be ended as rapidly as possible. The shooting war is over, yet frankly there is a situation in the world that disturbs me no end, but that does not relate to our allocation of materials which we are trying to say the President has the power to do under this language.

If any member of the committee or the subcommittee can answer that or give me an explanation of this section and remove the uncertainty I would like to hear it.

Mr. Chairman, my inquiry is unanswered.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. HANCOCK. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, if I understood the gentleman from Ohio correctly a moment ago he stated there was no testimony in the hearings in support of title XIV.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield.

Mr. VORYS of Ohio. The gentleman from New York misunderstood the gentleman from Ohio. The gentleman from Ohio said there was no testimony to support section 1401 of title XIV. There is testimony supporting sections 1402 and 1403 which the gentleman, however, through his amendment, would leave in title XIV.

Mr. HANCOCK. There is testimony in support of the entire title including the two the gentleman objects to. It will take but a minute to read the testimony. This is a quotation from the testimony of Mr. Ketcham, assistant general counsel of OPA:

Mr. KETCHAM. Title XIV is the provision under which we obtain information from the Department of Commerce which that Department has collected and which it deems confidential. It has been very helpful to us in that they have the names and addresses of most of the business organizations of the country, and when we set up an industry advisory committee we go to them and get a list of all the people in that industry, and then we can select from that list representative people. If we did not use their information, we would have to go out and conduct innumerable surveys and more or less duplicate what that Department is already doing.

Mr. HOBBS. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield to the gentleman from Alabama.

Mr. HOBBS. May I add just this word in regard to the question that has been raised with reference to the phrase "national defense," in order to call attention to the fact that there can be no controversy or misunderstanding with regard to the status of the war. It is not over, no matter how much all of us wish that that were true, as long as we have hundreds of thousands of our boys over there in the armies of occupation, in navies on the seven seas, nor is it over until the flares that have arisen in five different places of additional shooting have been, in some degree, at least, extinguished. There can be no controversy but that the need of the United States for adequate national defense still obtains. We have won a large part of our war effort, but little of our peace effort. Until our boys and girls are home, rehabilitated happily and integrated into our peacetime economy, not even the war has been won! So I beg of you that we look this issue squarely in the face. No matter how we may regard what has been done or the status at present, these powers are now still needed. Twenty-seven members of our committee, which is your committee, working for you, have unanimously said that in spite of their strong predilection for the cancellation of these powers, it cannot be done now. We beg of you not to be hypercritical.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. ROBSION of Kentucky. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. I would like to propound a question of the gentleman from Alabama [Mr. HOBBS]. The Congress has passed many acts and in nearly all of these acts, in the War Powers Act itself, it is provided that the way to terminate war is by proclamation of the President himself or by concurrent resolution adopted by both Houses of Congress. The war will not be over until one or the other of those contingencies takes place, will it?

Mr. HOBBS. That is right, and the gentleman knows as well as every other member of our committee that right of concurrent resolution may be exercised at any time the Congress sees fit.

Mr. ROBSION of Kentucky. In this very bill that we are acting on, it is provided that it may be terminated sooner than this extension contemplates, either by the President or by concurrent resolution.

Mr. HOBBS. The gentleman is absolutely right, and I suggest that the passage of this bill will but further assure the rights reiterated in the provision to which the gentleman refers.

The CHAIRMAN. The time of the gentleman from New York has again expired.

The question is on the amendment offered by the gentleman from Ohio [Mr. VORYS].

The question was taken; and on a division (demanded by Mr. VORYS of Ohio) there were—ayes 16, noes 43.

So the amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ROBINSON of Utah, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5716) to amend the Second War Powers Act, 1942, as amended, pursuant to House Resolution 558, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. HOBBS. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

EXTENSION OF REMARKS

Mr. DAVIS asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. PATTERSON asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. JOHNSON of California asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the RECORD and include a letter by Commander Omar Ketchum of the VFW.

Mr. HESELTON asked and was given permission to extend his remarks in the RECORD in two instances; to include in one a radio address delivered by Hon. Robert F. Bradford, lieutenant governor of Massachusetts, and in the other a radio address delivered by himself.

Mr. D'EWART asked and was given permission to extend his remarks in the RECORD and include an article from the Miles City Star under date of March 12.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore entered, I may be permitted to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

PUBLIC HEALTH SERVICE ACT

Mr. PRIEST. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4512) to amend the Public Health Service Act to provide for research relating to psychiatric disorders and to aid in the development of more effective methods of prevention, diagnosis, and treatment of such disorders, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 4512, with Mr. HÉBERT in the chair.

The Clerk read the title of the bill.

Mr. MARTIN of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Speaker, may I inquire of the majority leader what the program for next week will be?

Mr. McCORMACK. On Monday there will be the call of the Consent Calendar. Following that it is proposed to take up H. R. 5407, a bill to grant the Federal Works Administrator certain powers, reported out of the Committee on Public Buildings and Grounds. It is then hoped to take up H. R. 5413, a bill accepting renunciation by former Judge Albert W. Johnson of a pension under section 260 of the Judicial Code.

Mr. MARTIN of Massachusetts. Does the gentleman know of any suspensions for Monday?

Mr. RAYBURN. Yes; there is going to be a suspension. I am going to recognize the gentleman from Texas [Mr. POAGE] to move to suspend the rules and pass the so-called surplus property bill, which bill has to do with dirt-moving machinery for farmers.

Mr. MARTIN of Massachusetts. From what committee did that bill come?

Mr. RAYBURN. The Committee on Agriculture.

Mr. MICHENER. Mr. Chairman will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Michigan.

Mr. MICHENER. That is the bill which provides that the Secretary of Agriculture shall be given permission to appraise all surplus property which, in his judgment, might be used by soil conservation districts?

Mr. RAYBURN. No. An amendment has been agreed upon with reference to it. It is going to take in other subdivisions, such as counties and towns. The motion will be made to suspend the rules and pass the bill with this amendment.

Mr. MICHENER. May we have the amendment inserted in the RECORD so that we will know what we are going to vote on?

Mr. RAYBURN. I will try to have that done.

Mr. MICHENER. The trouble is they cannot draw it. They have been working on it for 6 or 8 months, and if it can be done it will help the proponents of the bill considerably.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. May I ask the gentleman from Texas whether or not the amendments referred to are those drawn by the chairman of the Committee on Rules in connection with this legislation?

Mr. RAYBURN. No; they have not been drawn. The chairman of the Committee on Rules has made some suggestions as to the basis for drawing, I think, two amendments.

Mr. BROWN of Ohio. I ask that question for the reason that I have been very much interested in this particular bill and have endeavored to work somewhat with the chairman of the Committee on Rules, and understood that we would have an opportunity in the Committee on Rules to see it.

Mr. RAYBURN. I think that from the standpoint of the chairman of the Committee on Rules and the gentleman from Ohio, when the amendment is drawn it will satisfy both of them.

Mr. McCORMACK. If either of these bills is not disposed of on Monday, it will go over until Wednesday, because Tuesday is being set aside for the consideration of the bill (H. R. 4873) creating an Agricultural Credit Agency. After the disposition of that bill, on Wednesday the consideration of the bills I have mentioned as being taken up on Monday will be completed. Then there will be the bill (H. R. 2115) relating to domestic raising of fur-bearing animals.

On Thursday and Friday bills will be taken up in the following order: H. R. 2501, relating to Federal rural rehabilitation projects, with 1 hour of general debate, and H. R. 2239, with reference to the consolidation of farm-lending agencies, with 2 hours of general debate.

I know of no conference reports likely to be submitted, but if any should come in they will be brought up at the convenience of the Members as soon as possible after being reported.

Mr. MARTIN of Massachusetts. I thank the gentleman.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. With respect to the bill (H. R. 4873) creating an Agricultural Credit Agency, is that the Flannagan bill?

Mr. McCORMACK. Yes; that is the Flannagan bill.

Mr. BROWN of Ohio. Mr. Chairman, I understand that at the time the Committee rose last night an amendment offered by the gentleman from Minnesota [Mr. JUDD] was pending and had not been acted upon.

The CHAIRMAN. The gentleman is correct.

Mr. BROWN of Ohio. Mr. Chairman, I offer a substitute amendment to the amendment offered by the gentleman from Minnesota.

The Clerk read as follows:

Substitute amendment offered by Mr. BROWN of Ohio to the amendment offered by Mr. JUDD: On page 4, line 16, after the period insert a new sentence as follows: "Three of the appointed members shall be selected from a panel of six such authorities to be submitted to the Surgeon General by the deans of the approved medical colleges and schools in the United States."

Mr. BROWN of Ohio. Mr. Chairman, this substitute to the original amendment offered by the gentleman from Minnesota [Mr. JUDD] is offered at his request. After the session adjourned yesterday evening the gentleman from Minnesota, Dr. JUDD, discussed his original amendment with a number of members of the Public Health subcommittee, and the language contained in this substitute was agreed upon so it would not be necessary to spell out the names of the medical associations to be recognized in this legislation. Therefore, I offer this substitute to the amendment and ask for its adoption.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Tennessee.

Mr. PRIEST. I discussed this matter with the gentleman from Minnesota [Mr. JUDD] yesterday afternoon. It was my position that his original amendment was rather unworkable because it attempted to spell out the names of certain associations. After discussing this amendment with him, I am willing to accept the substitute offered by the gentleman from Ohio, and ask that it be adopted.

Mr. BROWN of Ohio. Mr. Chairman, the minority also accepts the substitute amendment.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Ohio [Mr. BROWN] to the amendment offered by the gentleman from Minnesota [Mr. JUDD].

The substitute amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota, as amended.

The amendment was agreed to.

Mr. FENTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FENTON: On page 7, line 19, after "to" strike out the remainder of the line.

Mr. PRIEST. Mr. Chairman, will the gentleman from Pennsylvania yield?

Mr. FENTON. I yield to the gentleman from Tennessee.

Mr. PRIEST. We discussed this matter at some length yesterday, and I have also discussed the matter with the gentleman offering the amendment. I am willing to accept the amendment.

Mr. BROWN of Ohio. Mr. Chairman, if the gentleman will yield, this amendment strikes out a few words and in effect clarifies the meaning of the section. The minority accepts the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was agreed to.

Mr. BUCK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, if this bill were confined to the establishment of Federal research and training on mental diseases, I am sure there would not be a vote in this House against it, but the bill goes beyond that. It grants more Federal hand-outs to States which do not need those hand-outs. The bill is also another step in the concentration of power in the Central Government. The bill should be recommitted for rewriting to limit its program to Federal research and training.

Mr. PRIEST. Mr. Chairman, in view of the adoption yesterday of a new section 4, I ask unanimous consent that subsequent sections of the bill be renumbered accordingly.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and Mr. MCCORMACK, having assumed the chair as Speaker pro tempore, Mr. HÉBERT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 4512) to amend the Public Health Service Act to provide for research relating to psychiatric disorders and to aid in the development of more effective methods of prevention, diagnosis, and treatment of such disorders, and for other purposes, pursuant to House Resolution 554, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore (Mr. MCCORMACK). Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. SMITH of Ohio) there were—ayes 74, noes 10.

So the bill was passed.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. GWINN of New York asked and was given permission to extend his remarks in the RECORD on Russia.

Mr. GWINN of New York asked and was given permission to extend his remarks in the RECORD on Andrew Jackson's birthday.

Mr. WHITE asked and was given permission to extend his remarks in the RECORD in two instances and include certain excerpts.

Mr. JENKINS (at the request of Mr. MICHENER) was granted permission to extend his remarks in the RECORD and include certain excerpts.

ADJOURNMENT OVER

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The SPEAKER pro tempore. Under special order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 2 minutes.

SECRETARIAT FOR THE UNITED STATES

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am preparing for introduction in the House a bill that would set up a secretariat for the United States, very much like the secretariat which the British Government at the present time enjoys.

When I think of the fact that there is no record of the Yalta agreement, except that which possibly is in President Roosevelt's papers, and when there is no record for history of many important meetings, it seems to me something like this should be done. In Lincoln's time, the only way any information was secured as to what went on in the Cabinet meetings was taken from notes made by one of the members there.

The United States ought to have a record of its Cabinet meetings. We ought to have a record of our foreign agreements. If our President makes commitments for us with foreign nations, we should know and history should know what those commitments are.

In 1916 the British instituted a secretariat, and that secretariat has functioned with great success. At international conferences such as that at Yalta and elsewhere, one or more or all of the British Government's secretariat were present, while apparently our only record is in the late President Roosevelt's papers. The secretariat sits in and takes minutes of all cabinet meetings so there is a permanent and vital record kept of all of Britain's procedure and progress during the most critical days in her history. The record is kept for the present and for all time.

The British secretariat consists of a permanent secretary and secretary of war cabinet and his private secretaries, a military secretary of the war cabinet and his private secretaries; thus under secretaries—senior, assistant and military—are responsible for the taking of minutes and their preservation. There is a historical section, and in that is the military historian of the war.

The British secretariat can well be copied in this country. It is time the United States woke up to the fact that this vital information is not available to us, and that important records have never been kept for the present and future use of America. It is time the Congress acted.

It is vital for the protection of the country that some such thing be done. If we do not have such a record, in my opinion, Mr. Speaker, there is great danger of our being in another war whether we want it or not. It is along the line of being able to give to the United States information as to our foreign commitments, as to what is going on in foreign countries today. I remember very well when the so-called neutrality legislation was before our Foreign Affairs Committee, if information was given to the Foreign Affairs Committee and public at that time as to conditions in Germany, as to conditions in Japan, the Congress would not have passed so-called neutrality legislation. I voted against that legislation because I was convinced from my observations and information I had received from people I knew in the State Department and elsewhere that a very unwholesome condition existed in Germany, that Germany was arming as fast as she could, and that Japan was preparing as fast as she could to attack us. Had that information been made public officially, in my opinion, we would not have become involved in war because this country, too, would have prepared—there would have been no World War. With a strong and informed United States, Genmany would not have dared to start another World War. Wake up America and ask for the record and the facts. Demand a secretariat.

The SPEAKER pro tempore. The time of the gentlewoman from Massachusetts has expired.

SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 50. Concurrent resolution relating to the succession to the Presidency of the United States; to the Committee on Rules.

BILL PRESENTED TO THE PRESIDENT

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 5529. An act to authorize the President to appoint Lt. Gen. Walter B. Smith as Ambassador to the Union of Soviet Socialist Republics, without affecting his military status and perquisites.

ADJOURNMENT

Mr. COLMER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 8 minutes p. m.), pursuant to its previous order, the House adjourned until Monday, March 18, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON IMMIGRATION AND NATURALIZATION

On Tuesday, March 19, 1946, the Committee on Immigration and Naturalization will consider private bills H. R. 4725, H. R. 5634, H. R. 5598, H. R. 5200, H. R. 4958, H. R. 4254, H. R. 5278, and H. R. 4672.

On Wednesday, March 20, 1946, the committee will proceed with hearings on H. R. 3663.

The hearings will begin at 10:30 a. m. in room 445, Old House Office Building.

COMMITTEE ON THE JUDICIARY

On Monday, March 18, 1946, Subcommittee No. 3 of the Committee on the Judiciary has scheduled a hearing on the bill (H. R. 5234) to authorize the Federal Security Administrator to assist the States in matters relating to social protection, and for other purposes.

The hearing will begin at 10 a. m. and will be held in room 346, House Office Building.

COMMITTEE ON FLOOD CONTROL

The Committee on Flood Control will begin hearings on an omnibus flood control authorization bill on Monday, April 8, 1946, at 10 a. m. The hearings will continue daily except Saturday up to and including Friday, April 19.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Tuesday, April 9, 1946, at 10:30 a. m., to begin hearings on projects to be reported out in an omnibus river and harbor authorization bill.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1135. A letter from the Acting Secretary of the Interior, transmitting a draft of a proposed bill to eliminate the restriction on the number of lots which may be acquired by settlers in the town site of Wadsworth, Nev.; to the Committee on the Public Lands.

1136. A letter from the Director, Office of War Mobilization and Reconversion, transmitting the first report of the Interagency Policy Committee on Rubber; to the Committee on Agriculture.

1137. A letter from the Acting Secretary of the Interior, transmitting a draft of a proposed bill to permit the sale of liquor to Indians outside Indian reservations; to the Committee on Indian Affairs.

1138. A letter from the Chairman, President's Committee on Fair Employment Practice, transmitting its quarterly estimate of personnel requirements covering the quarter ending June 30, 1946; to the Committee on the Civil Service.

1139. A letter from the President, Board of Commissioners of the District of Columbia, transmitting a report of the official operations of the Government of the District of Columbia for the fiscal year ended June 30, 1945; to the Committee on the District of Columbia.

1140. A letter from the Acting Secretary of the Interior, transmitting a statement of fiscal affairs of Indian tribes for the fiscal year ending June 30, 1945; to the Committee on Indian Affairs.

1141. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated November 26, 1945, submitting a report, together with accompanying papers and an illustration on a review of reports on Absecon Inlet, N. J., requested by resolutions of the Committee on Rivers and Harbors, House of Representatives, adopted on April 16, 1935, February 27, 1936, February 28, 1941, and a resolution of the Committee on Commerce, United States Senate, adopted on May 12, 1941 (H. Doc. No. 504); to the Committee on Rivers and Harbors and ordered to be printed, with an illustration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. RANKIN: Committee on World War Veterans' Legislation. H. R. 5574. A bill to amend paragraph 8 of part VII, Veterans Regulation No. 1 (a), as amended, to authorize an appropriation of $1,500,000 as a revolving fund in lieu of $500,000 now authorized; without amendment (Rept. No. 1716). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CANNON of Florida:

H. R. 5781. A bill to give enlisted personnel the same benefits as officers as to accumulated leave; to the Committee on Military Affairs.

By Mr. DOMENGEAUX:

H. R. 5782. A bill to authorize the elimination of the so-called pauper clause from Veterans' Administration application forms for hospitalization; to the Committee on World War Veterans' Legislation.

By Mr. JACKSON (by request):

H. R. 5783. A bill authorizing the restoration to tribal ownership of certain lands upon the Fort Peck Indian Reservation, Mont., and for other purposes; to the Committee on Indian Affairs.

H. R. 5784. A bill relating to eligibility for examination for foreign-service officers of persons who have served in the armed forces of the United States during World War II; to the Committee on Foreign Affairs.

By Mr. STIGLER:

H. R. 5785. A bill to provide Government protection to widows and children of deceased World War I and World War II veterans, and for other purposes; to the Committee on World War Veterans' Legislation.

H. R. 5786. A bill to provide increases of pension or compensation for veterans with service-connected disabilities who have dependents; to the Committee on World War Veterans' Legislation.

By Mr. SMITH of Virginia:

H. R. 5787. A bill to require the registration of persons engaged in lobbying and to require an accounting of contributions received for the purpose of influencing legislation, and for other purposes; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of New York:

H. R. 5788. A bill to authorize the naturalization of M. R. Bhagwat; to the Committee on Immigration and Naturalization.

By Mr. D'EWART:

H. R. 5789. A bill to authorize the Secretary of the Interior to sell certain lands in the State of Montana to Lyle M. Lockman; to the Committee on Indian Affairs.

H. R. 5790. A bill to authorize the Secretary of the Interior to sell certain lands in the State of Montana to Harry Paulson; to the Committee on Indian Affairs.

By Mr. LYNCH:

H. R. 5791. A bill to refund certain moneys paid into the civil-service retirement and disability fund by the late John H. McGrath; to the Committee on the Civil Service.

By Mr. McGEHEE:

H. R. 5792. A bill for the relief of certain postmasters; to the Committee on Claims.

By Mr. PATTERSON:

H. R. 5793. A bill for the relief of Mr. and Mrs. John A. Hogg; to the Committee on Claims.

By Mr. ROE of New York:

H. R. 5794. A bill for the relief of Mrs. Susan W. Roe; to the Committee on Claims.

By Mr. SMITH of Wisconsin:

H. R. 5795. A bill for the relief of William A. Cornell; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1706. By Mr. LUTHER A. JOHNSON: Petition of Lt. Col. Darwin S. Holton, Thornton, Tex., favoring House bill 5204; to the Committee on Military Affairs.

1707. By the SPEAKER: Petition of the Geological Society of Washington, Washington, D. C., petitioning consideration of their resolution with reference to their endorsement of Senate bill 1717; to the Committee on Military Affairs.

1708. Also, petition of the Independence Teachers Association, of Independence, Kans., petitioning consideration of their resolution with reference to requested legislation which would include members of the teachers' profession under social security; to the Committee on Ways and Means.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 18, 1946

The House met at 12 o'clock noon.

Rev. Father John J. Molloy, Order of Preachers, Dominican House of Studies, Washington, D. C., offered the following prayer:

In the name of the Father and of the Son and of the Holy Ghost. Amen.

Almighty and benignly provident God the Father, graciously bless the Representatives of the United States to whom Thou hast granted the privilege of a share in Thy legislative power. From their sincere hearts Thou has accepted a solemn promise to serve with unselfish effort Thy American children and to develop and preserve those children as virtuous citizens.

Almighty and omniscient God, we perceive that Thou has permitted our beloved Nation to be the solid buttress in a bomb-gutted world whose rubble is reddened with the blood of American youth. Thou hast chosen us to be the stabilizing leader in a society of nations stumbling after permanent peace. This country most humbly beseeches Thee for light and strength to meet its tremendous responsibility.

All-loving God, tenderly grant our Representatives the grace to perceive Thy designs for the United States and the world. These they will know if they assiduously and unswervingly follow Thy Divine Son, Jesus Christ, who said, "I am the way, the truth, and the life," and if they heed the inspirations of the Triune God—the spirit of truth and love.

Teach them the prudent way and grant that, after discovering it, they will

follow it. Teach them the prudent way, so that they will be protected from rashness and from disloyalty to Thy interests and those of Thy people. Teach them the truth of justice, so that they will fulfill their sacred obligations to recognize, protect, and further the rights of American citizens and of all other human beings. Teach them the life of courage, so that they will virtuously safeguard what has been gained by prudence and justice.

Guided by these virtues, Thy Representatives will serve Thee, serve Thy American children, and lead them as virtuous citizens to Thee, the final end and eternal beginning of all mankind.

Almightly and benignly provident God the Father, through the infinitely powerful advocacy of God the Son and God the Holy Ghost, graciously grant these blessings to the Representatives of the United States. Amen.

The Journal of the proceedings of Friday, March 15, 1946, was read and approved.

RESIGNATION FROM BOARD OF VISITORS TO THE UNITED STATES NAVAL ACADEMY

The SPEAKER laid before the House the following resignation from the Board of Visitors to the United States Naval Academy:

MARCH 11, 1946.

Hon. SAM RAYBURN,
Speaker of the House,
The Capitol.

DEAR MR. SPEAKER: Confirming my verbal conversation with you the other day, I would appreciate it if you would withdraw my name from the list of members of the Board of Visitors to the United States Naval Academy for this year, and appoint someone else, as it will be impossible for me to serve this year.

I have enjoyed it in the past and would like to serve occasionally again in the future.

With kindest regards, I am

Sincerely,

LANSDALE G. SASSCER.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

APPOINTMENT TO BOARD OF VISITORS TO THE UNITED STATES NAVAL ACADEMY

THE SPEAKER. Pursuant to the provisions of title 34, section 1081, United States Code, the Chair appoints as a member of the Board of Visitors to the United States Naval Academy to fill the existing vacancy thereon the gentleman from Illinois, Mr. ROWAN.

THE LATE JOHN BUELL SNYDER

Mr. KERR. Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point a eulogy to our deceased colleague, JOHN BUELL SNYDER.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. KERR. Mr. Speaker, when our beloved and distinguished colleague, JOHN BUELL SNYDER, died, I was not in Washington but sick at my home in North Carolina, and I am taking this opportunity to join with other colleagues in the expression of deep and abiding sorrow in the untimely death of an outstanding citizen of the great State of Pennsylvania and a brave and fearless Member of this distinguished body. By profession Dr. SNYDER was a school teacher; he had mingled with youth and observed the freaks and foibles of guileless childhood until his life had become a reflection of the simple and noble traits of mankind brought to him by his contact with childhood and a deep sense of understanding of human nature.

I have been intimately associated with Dr. SNYDER officially and personally for 5 years, and I never heard him criticize or speak unkindly of a human being; he was often perplexed in dealing with official matters and sometimes himself criticized in the heat of controversy, but those who were impatient and rude to him were never wounded by a dart of resentment or received a reproach they often merited. BUELL SNYDER was a good man, he loved his fellow man and was ever ready to accord to those he contacted consideration, courtesy, and favor; he was not a coward in any respect and his sensibility had never been deadened or blunted by the violation of Nature's laws. I never heard him say a word or tell a story that could not have been spoken with propriety in a group of most refined ladies. He lived to the border of old age full of enthusiasm concerning whatever he undertook and was an inspiration to those whom he contacted in the duties assigned to him.

Dr. SNYDER was proud of the position occupied by him in this House; he filled every duty with promptness, and his plans of procedure and investigation were a counterpart of those he adopted in his schoolroom; he was never arbitrary and had profound respect for those with whom he disagreed in the performance of his duty. In fact, he was a true gentleman in every respect. He was gentle, modest, courteous, slow to take offense and never giving it; he harbored no qualities which excited the antagonism of his fellow Members of Congress. The tribute paid Congressman SNYDER here in this Hall, will gladden the hearts of those whom he loved, and confirm the wisdom of a fine constituency who chose him as their Representative here, and will always be a part of the great history of this Nation.

I assert, without fear of contradiction, that no official of this government cooperated more fully with the program which brought renowned success to our Army in the recent war than our deceased colleague, Dr. SNYDER. He labored unceasingly to fully acquaint himself with the needs and the equipment of our fighting forces and traveled throughout this country and in foreign areas seeking information with which to equip himself to perform the duties assigned to him. The acquisition of this knowledge made good his leadership and inspired the confidence of his fellow colleagues who served with him on the War Appropriations Committee.

I cannot refrain from speaking of one of the many characteristics which adorned the life of our departed friend. He loved the beautiful things of life, and I am told that his schoolroom, his home, and his office were filled with rare collections of pictures, bric-a-brac, and instruments of ingenious workmanship; these things he enjoyed and his friends enjoyed and they brought rainbow hues and enduring joys to his whole life.

It has been well said that "beauty is a quality of divinity, and to live much with the beautiful is to live close to the divine. The more we see of beauty, in nature, in life, in man and child, in work and rest, in the outward and inward world, the more we see of God."

In my opinion, a great character has slipped away from us and received his reward. I once asked Dr. SNYDER how he came to be elected to Congress in a politically hostile district. His reply was, "I went to see the boys and girls whom I taught and requested their support, they elected me and have kept me here." What a tribute. It cannot be excelled. I count the friendship of BUELL SNYDER one of the rare jewels of my life. May God's benedictions ever guide and keep his family and his loved ones.

PERMISSION TO ADDRESS THE HOUSE

Mr. STEWART. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include an editorial appearing in the Daily Oklahoman.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

[Mr. STEWART addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. COURTNEY asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. LYLE asked and was given permission to extend his remarks in the RECORD.

Mr. PACE asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Journal of the American Medical Association.

Mr. BLAND asked and was given permission to extend his remarks in the RECORD and include a letter from the president of the American Merchant Marine Institute to Senator HATCH on the St. Lawrence waterway.

SPECIAL ORDER GRANTED

Mr. SIKES. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore entered, I may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

COMMITTEE ON THE JUDICIARY

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 430, Rept. No. 1748), which was referred to the House Calendar and ordered to be printed:

Resolved, That the Committee on the Judiciary, acting as a whole or by subcommittee, is authorized and directed to make a thorough investigation of all the circumstances with respect to the disposition of the charges of espionage and the possession of documents stolen from secret Government files which were made by the Federal Bureau of Investigation against the following individuals: Philip J. Jaffe, Kate L. Mitchell,

John Stewart Service, Emmanuel Sigurd Larson, Andrew Roth, and Mark Gayn.

The Committee shall report to the House (or to the Clerk of the House, if the House is not in session) as soon as practicable during the present Congress the results of its investigation, together with such recommendations as it deems necessary.

For the purpose of carrying out the provisions of this resolution the committee, or any subcommittee thereof, is authorized to sit and act at such times and places within the United States, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, records, and documents, and to take such testimony as it deems necessary. Subpenas may be issued over the signature of the chairman of the committee or any member designated by him, and may be served by any person designated by such chairman or member.

EXTENSION OF REMARKS

Mr. MANASCO asked and was given permission to extend his remarks in the RECORD and include a radio address.

Mr. VOORHIS of California asked and was given permission to extend his remarks in the RECORD and include a portion of a news release.

Mr. SIKES asked and was given permission to extend his remarks in the RECORD.

Mr. IZAC asked and was given permission to extend his remarks in the RECORD and include an article appearing in the March issue of Naval Affairs.

Mr. SPRINGER asked and was given permission to extend his remarks in the RECORD and include an article on the food situation.

Mr. RICH asked and was given permission to extend his remarks in the RECORD and include an editorial from the Bristol Courier, More UNO "Bunk."

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances and include in each articles and editorials. I am informed by the Public Printer that one extension will exceed two pages of the RECORD but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extensions may be made.

There was no objection.

SURVEY OF MILITARY REQUIREMENTS

Mr. HAYS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HAYS. Mr. Speaker, I call to the attention of the House a resolution the gentleman from New Jersey [Mr. CASE] and I have introduced, reaffirming this country's determination to meet its full responsibility in world affairs and creating a joint committee of five Members of the Senate and five of the House to investigate the number and character of the forces which we must raise and maintain for that and other necessary purposes and the measures which should be taken to insure that such forces are provided.

Among other things, the committee would be charged with recommending any changes in existing laws and the practices of the armed services which may be needed to spur recruitments through voluntary enlistments and with advising whether the Selective Service System should be extended pending placing the recruitment program on a completely voluntary basis.

Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include the text of the resolution and a statement prepared by the gentleman from New Jersey [Mr. CASE] and myself, including the names of 24 of our colleagues who join us in the sponsorship of this resolution. I earnestly ask that the attention of the House be given to this matter.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The text of the statement and resolution follow:

JOINT STATEMENT BY REPRESENTATIVE BROOKS HAYS, DEMOCRAT, ARKANSAS, AND REPRESENTATIVE CLIFFORD P. CASE, REPUBLICAN, NEW JERSEY, ON THE INTRODUCTION OF THE ATTACHED RESOLUTION

If the efforts to establish and maintain a peaceful world are to succeed, the United States, together with all other peace-loving nations, must meet its full share of responsibility to that end. We are confident that the people of the United States recognize and accept such responsibility, and, fully informed as to the relevant facts, will give determined and continuous support to all measures necessary to be taken by our Government in relation thereto.

That responsibility requires, among other things, that the United States shall furnish its quota of the forces necessary to make effective the power of the United Nations Organization and shall maintain sufficient forces for the occupation of enemy territory for such time as may be necessary.

We recognize that conscripted service in peacetime is contrary to our traditions and repugnant to the great majority of the people, but it is unthinkable that the United States should be compelled to dishonor any of its obligations or commitments or to withdraw from full participation in world affairs, or that it should endanger its own security.

It is the duty of Congress to determine what action is necessary and to see that it is taken. We must proceed with the greatest possible dispatch, yet we must also act wisely and on the basis of full knowledge and the best advice which can be had on the difficult and technical questions involved. For that reason, we are joining today in the introduction of the attached concurrent resolution.

The resolution would create a joint committee of the Senate and of the House to investigate fully the number and character of the forces which are necessary for the purposes above-mentioned and such other forces as are required for our own security and for the fulfillment of our obligations and commitments abroad. The committee would further investigate whether under existing laws and regulations and the present practices of the armed services such forces can be recruited through voluntary enlistments, and, if not, what changes in such laws, regulations and practices are necessary to insure that they can be so recruited and maintained. The committee would also investigate whether it is necessary that the Selective Service System be temporarily extended, pending placing of the recruiting program on a completely voluntary basis, and, if so, for how long and upon what terms and conditions it should be extended; we cannot risk the disintegration of our forces while the voluntary program is getting under way.

The committee would be directed to report to the Congress the results of its investigations and its recommendations thereon from time to time, to make at least a tentative report by April 15, 1946, and to make its complete and final report by October 15, 1946.

The problems involved cover a number of fields and embrace matters within the jurisdiction of not one but several of the standing committees of each House. For that reason, and because of the necessity for the most expeditious action,[1] it is appropriate, and indeed necessary, that the matter be handled by a special joint committee of both Houses rather than their regular standing committees.

We emphasize that the resolution deals with the question of the recruiting and maintenance of forces in active service. It has no relation to the question of compulsory military training. As General Eisenhower emphasized in his statement to the Members of Congress on January 15, 1946, "the President's program on universal military training stipulates training only, it does not provide for any service."

The following Members of the House have authorized us to state that the resolution has their wholehearted support and we are introducing it on their behalf as well as our own: SHERMAN ADAMS, New Hampshire; AUGUSTUS W. BENNET, New York; JOHN W. BYRNES, Wisconsin; ALBERT M. COLE, Kansas; J. M. COMBS, Texas; EMILY TAFT DOUGLAS, Illinois; CLAIR ENGLE, California; HARRIS ELLSWORTH, Oregon; MICHAEL A. FEIGHAN, Ohio; ROBERT HALE, Maine; T. MILLET HAND, New Jersey, OREN HARRIS, Arkansas; EDWARD J. HART, New Jersey; CHRISTIAN A. HERTER, Massachusetts; JOHN W. HESELTON, Massachusetts; WALT HORAN, Washington; WALTER H. JUDD, Minnesota; JOHN E. LYLE, Texas; MIKE MANSFIELD, Montana; JOHN W. MURPHY, Pennsylvania; J. PERCY PRIEST, Tennessee; HARRY L. TOWE, New Jersey; JAMES W. TRIMBLE, Arkansas; VICTOR WICKERSHAM, Oklahoma.

We regret that time did not permit us to consult with a greater number of our colleagues before the introduction of the resolution as we are certain that the great majority of the Members of Congress will favor its adoption and would gladly have joined in sponsoring its introduction if it had been possible for us to bring it to their attention.

BROOKS HAYS,
Fifth District, Arkansas.
CLIFFORD P. CASE,
Sixth District, New Jersey.

Resolved by the House of Representatives (the Senate concurring), That the Congress declares that it recognizes and accepts the full share of responsibility resting upon the United States for the establishment and maintenance of a peaceful world and that this responsibility will require the furnishing of our share of the forces necessary to make effective the power of the United Nations Organization, and also the maintenance, so long as may be necessary, of adequate forces for the occupation of enemy territory;

SEC. 2. That the Congress is confident that the people of the United States likewise recognize and accept such responsibility and, when fully informed as to the relevant facts, will give determined and continuous support to all measures necessary to be taken by this Government in relation thereto;

SEC. 3. That in the light of our democratic traditions it appears desirable that the forces necessary for the foregoing purposes, as well

[1] The Selective Training and Service Act, as amended, expires on May 15, 1946.

as all other active forces which the United States may require in time of peace for its own security and for the fulfillment of its obligations and policies abroad, should consist of personnel recruited through voluntary enlistments; and the demobilization of the wartime forces should be completed and the operations of the Selective Service System terminated at the earliest possible date consistent with the security of the United States and its ability to fulfill its obligations and commitments aforesaid;

SEC. 4. That a joint committee is hereby established, to be composed of five Members of the Senate, to be appointed by the President pro tempore, and five Members of the House of Representatives, to be appointed by the Speaker of the House, which committee shall proceed to investigate fully—

(a) The number and character of the forces which must be raised and maintained for each of the purposes hereinabove mentioned;

(b) Whether, under existing laws and regulations and the present practices of the armed services, such forces can be recruited solely through voluntary enlistments and, if not, what changes should be made in such laws, regulations, and practices to insure that such forces can be so recruited and maintained;

(c) Whether it is necessary that the Selective Service System be temporarily extended, pending the placing of the recruiting program on a completely voluntary basis; and if so, for how long and upon what terms and conditions it should be extended; and

(d) Such other matters as it may deem relevant to the purposes of this resolution, and to report from time to time to the Senate and to the House of Representatives the results of such investigation, together with such recommendations as it may deem advisable, the committee's first report to be made not later than April 15, 1946, and its complete and final report not later than October 15, 1946;

SEC. 5. Vacancies in the membership of the committee shall not affect the power of the remaining members to exercise the functions of the committee, and shall be filled in the same manner as in the case of the original selection; the committee shall select a chairman and a vice chairman from among its members;

SEC. 6. (a) The committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times during the sessions, recesses, and adjourned periods of the Seventy-ninth Congress, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable; the cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words;

(b) The committee is empowered to appoint and fix the compensation of such experts, consultants, and clerical and stenographic assistants as it deems necessary, but the compensation so fixed shall not exceed the compensation prescribed under the Classification Act of 1923, as amended, for comparable duties; and

(c) The expenses of the committee, which shall not exceed $25,000, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives, upon vouchers signed by the chairman.

FEDERAL EMPLOYMENT

Mr. VURSELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. VURSELL. Mr. Speaker, President Truman and his administration are not reducing the number of Federal payrollers now that the war is over but have inflated the number by adding, during the month of January, an increase of 34,569 employees to the old line bureaucratic departments.

The citizens and taxpayers will be amazed to learn that since the cessation of hostilities in August 1945, the old line departments and agencies have actually increased their number of employees by 140,000 people. These figures are official.

The only reduction in Federal employment which has taken place during the past 6 months in continental United States has been the 745,000 employees who worked for the Federal Government in the shipyards, arsenals, and ammunition plants. Naturally, these laborers have quit and gone into other employment with the curtailment of military construction.

Mr. Speaker, it is now apparent that the President and those in the executive department do not intend to reduce and demobilize bureaucracy here in Washington. It seems apparent that they intend to keep this political machine built up to its millions in strength as a permanent bureaucracy of the administration in power. The purpose can be none other than to attempt to reelect a New Deal Congress in November. It has another purpose, however, of adding billions to the national debt and adding to the danger of inflation.

The taxpayers of the country who must bear the financial load should be kept informed that the present administration has not and apparently does not intend to give the taxpayers relief by separating from the pay roll a million five hundred thousand people who are not needed in the Government today.

If the administration would give its support to Congress, the Congress can and will do the job.

LOAN TO GREAT BRITAIN

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, you have noticed in the morning Post the opposition to the loan to Britain. I, too, am opposed to that loan to Britain. With a national debt of $279,000,000,000 I just want to know where you are going to get the money. With the taxpayers having their noses to the grindstone now they have about all they can handle, with reconversion held up by strikes, the regulation of our people to the point of strangulation, and the New Deal still suggesting illogical legislation. With Mr. Hannegan now inviting all the members of the Democratic Party for dinner to try to get them to put that New Deal legislation through the mill, I do not know why we could not be invited to that dinner, too, because I should like to have my say there and see if we are going to agree to Mr. Hannegan's request. Oh, Congress wake up—save your freedom, save your liberty, save America, preserve our Constitution. Preserve our way of life. Oh, wake up, wake up, or it will be too late to save our country from the New Deal.

EXTENSION OF REMARKS

Mrs. LUCE asked and was given permission to extend her remarks in three instances and include several editorials.

Mrs. ROGERS of Massachusetts (at the request of Mr. MARTIN of Massachusetts) was given permission to extend her own remarks and include a radio address she delivered on Saturday night.

Mr. PLUMLEY (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks and include a newspaper article.

Mr. WIGGLESWORTH (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks in two instances; in one, to include a newspaper article; and in the other to include two letters.

HENRY A. WALLACE AND SIDNEY HILLMAN

Mr. JONKMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. JONKMAN. Mr. Speaker, according to the newspapers of the last 5 days, Henry A. Wallace, Secretary of the Department of Commerce, would have us believe that he was only drooling and driveling from the mouth, and not giving a factual, official report, when last November he said that the automobile industry could stand a 25 percent increase in wages without increasing prices. It is a poor alibi for a prophet proven false.

Nevertheless, President Truman and millions of Americans believed and acted on that palaver, plunging us in the longest and most costly strike epidemic in our national history, setting back our reconversion at least 6 months, and adding dangerous fuel to the inflation threat.

In the same category of inanity are the statements of Henry A. Wallace and Sidney Hillman that we would have eight to ten million unemployed in the first quarter of 1946, and the claim of Chester A. Bowles and Paul A. Porter that production, the first cure and preventative of inflation, can be accomplished by keeping prices down to 1941 levels.

Members of Congress and the American people cannot stop this drool and drivel, but as these false doctrines are being exploded more of the people can and will begin to do their own thinking instead of letting these false leaders do their thinking for them.

EXTENSION OF REMARKS

Mr. HENRY asked and was given permission to extend his remarks and include a letter which he received from James C. Green, secretary-treasurer of the Wisconsin Farm Bureau Federation of Madison, Wis.

PERMISSION TO ADDRESS THE HOUSE

Mr. AUCHINCLOSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a letter.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

[Mr. AUCHINCLOSS addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. WOODRUFF asked and was given permission to extend his remarks and include three radio addresses delivered by him over radio station WBCM of Bay City, Mich., on the subject of the British loan.

Mr. SMITH of Wisconsin asked and was given permission to extend his own remarks in the RECORD and to include an editorial.

SPECIAL ORDER GRANTED

Mr. HALE. Mr. Speaker, I asked unanimous consent that tomorrow after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered, I may address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

EXTENSION OF REMARKS

Mr. MILLER of California asked and was given permission to extend his remarks in the RECORD and to include therein a resolution passed by the State of California.

PEACE ON EARTH

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, India, a country of unrest, peopled by a vast population, is very much in the news these days. I received a letter from my nephew who has served in our armed forces during World War II. He pens these challenging thoughts:

> Whenever writing to anyone for the first time from India I'm always troubled by the thought that perhaps they expect from me more than I can offer, the open sesame to India—a mirror that will capture her in reflection and a solution to her problems. I hope you will let me pass with this one simple observation: that the inhabitants of this heathen land are good people like those I found in America, in Mexico, in north Africa, good as I suspect people all over the world are good.

I personally hope the good sense of some British leaders will prevail as per reports, and that India may be granted a freedom she does not now possess. I think those words, from a 21-year-old youth, could well be taken to heart by all of us during these troubled times.

EXTENSION OF REMARKS

Mr. PRICE of Illinois asked and was given permission to extend his own remarks and include an editorial from the Belleville News-Democrat in support of pay increases for postal employees.

JOINT COMMITTEE TO INVESTIGATE UNIVERSAL MILITARY TRAINING, ETC.

Mr. MAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. MAY. Mr. Speaker, last Friday, one of my colleagues the gentleman from Arkansas [Mr. HAYS] presented me with a resolution which he proposes to introduce, apparently sponsored by some 25 or 26 Members of this House. This resolution, if introduced, in my judgment, under the parliamentary procedure will go to the Rules Committee of the House. It seeks to take over, by appointment of a joint Senate and House committee, the complete functions of the Military Affairs Committee of this House on the subject of universal training legislation, selective service law, and the size of the United States Army, and would probably include other matters exclusively within the jurisdiction of the Military Affairs Committee.

My purpose at this time is to suggest to the chairman of the Rules Committee if and when they reach the point where they may consider holding hearings on it, which I do not think they ever will, the Military Affairs Committee of this House will want to be heard in opposition to it.

Furthermore, Mr. Speaker, the Committee on Miltary Affairs drafted and reported to this House the original selective service law and all amendments thereto, and surely it must be capable of dealing with the problems involved. No longer than last week the committee had General Eisenhower, Chief of Staff, and the Secretary of War and other high-ranking officers of the armed forces to determine the size of the Army of the future and other related questions incidental to the whole broad problem of our future defense establishment. I am sure this body knows what the burdens of your Military Affairs Committee have been and that they constantly are accumulating.

The SPEAKER. The time of the gentleman from Kentucky has expired.

JOINT COMMITTEE TO INVESTIGATE UNIVERSAL MILITARY TRAINING, ETC.

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, I rise in support of what the gentleman from Kentucky [Mr. MAY], chairman of the Military Affairs Committee, has just said.

I want to say this to the 26 Members of the House, 13 Republicans and 13 Democrats, who today filed a resolution suggesting a committee from the Senate and House be appointed to study the problem of, first, how many men we are going to need in our postwar Army, and second, what we are going to do about the extension of the selective-service law, which expires May 15, 1946. If this committee will but wait, I am sure the Military Affairs Committee of this House will come here to the floor with ample evidence and information to satisfy every Member of the House. It is our purpose to get all data available and present them factually so that you may know exactly what road Congress may be called upon to follow. I think the Military Affairs Committee of this House can be relied upon to furnish the House with such information.

The Army and Navy Journal of this week gives a rather detailed explanation of what information was brought to our committee only last week by Secretary Byrnes, Secretary Patterson, General Eisenhower, and General Spaatz. If the members of this newly proposed committee will read this article, they will find some information they are looking for. In the meantime, our committee will continue in its efforts to obtain all available information on the vital question of future military policies and practices. We have been, are now, and will be busy in committee to gather facts. Our committee is on the job and I trust the Rules Committee of the House will not see fit to favorably consider the resolution introduced today by the gentleman from Arkansas [Mr. HAYS].

The SPEAKER. The time of the gentleman from Illinois has expired.

PROGRESSIVE PARTY IN WISCONSIN GOES REPUBLICAN

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. MUNDT. Mr. Speaker, coming events cast their shadows before them. Yesterday in Wisconsin the great Progressive Party, realizing the importance of maintaining the two-party structure in the United States, and the part that two-partyism has played in preserving freedom in this country, decided to join one of the two major parties. So we now have the first definite indication of how the people of America are going to vote in the next election. Two hundred and eighty-four voted to join the Republican Party, 51 voted to join the Democratic Party, 67 voted to remain Progressives, and 3 voted to be Socialists.

While the percentage in favor of Republicanism in Wisconsin may be higher than it will be over the remainder of America in the next elections, I am sure the results are just the same. Americans generally, like Progressives in Wisconsin, are turning to the Republican

Party as their one hope for progressive government based on American principles.

I congratulate the Progressives on the good judgment they displayed in Wisconsin, and welcome to our fold Brothers MERLIN HULL of this House and ROBERT LA FOLLETTE of the other body. May their tribe increase.

The SPEAKER. The time of the gentleman from South Dakota has expired.

THE LATE MISS MABEL BOARDMAN

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a newspaper article.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON. Mr. Speaker, the papers today carry the announcement of the death of Miss Mabel Boardman, whose name has been synonymous with the American Red Cross, lo, these many years.

I shall include as an extension of my remarks the article appearing in the Washington Post of this date which gives a sympathetic and objective history of her service to the Nation.

But it is my desire to pay my respects and give honor to this great woman who has done such honor to Cleveland, the city of her birth.

Long since a national and international power, Miss Boardman never lost contact with this city of the Connecticut Western Reserve. Her warm welcome to those who, like myself, have come to Washington in Government and for other reasons will be a precious memory always. Her vibrant personality, whose charm was like a benediction, has radiated into every dark corner of this anguished world into which the American Red Cross goes, for whatever she touched she infused with the energy and beauty of her own rare spirit.

In the death of Miss Mabel Boardman, the visible contact with a woman of unusual vision, never-failing courage, and consecrated living is broken, but the example of her radiant faith, her tireless service will continue to live and move within the life of our Nation and of the world.

The SPEAKER. The time of the gentlewoman from Ohio has expired.

EXTENSION OF REMARKS

Mr. JENSEN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial by Arnold Spencer of the Audubon (Iowa) Advocate.

Mr. SCHWABE of Oklahoma asked and was given permission to extend his remarks in the Appendix of the RECORD on three different subjects and in each to include extraneous matter, including correspondence and a resolution.

Mr. FARRINGTON asked and was given permission to extend his remarks in the Appendix of the RECORD and include therein the result of a Gallup poll on the question of statehood for Hawaii.

Mr. WORLEY asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

SPECIAL ORDER GRANTED

Mr. HORAN. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes this afternoon following the legislative business of the day and other special orders heretofore granted.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

THE LATE HONORABLE HUBERT D. STEPHENS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, it becomes my sad duty to announce to the House the death of the Honorable Hubert D. Stephens, a former Member of this body and a former Senator from the State of Mississippi, who passed away at his home in New Albany, Miss., on last Thursday, March 14.

Mr. Stephens was born in Union County, Miss., on July 2, 1875. He was educated in the common schools and University of Mississippi, and practiced law in New Albany practically all his life, except the time he served in the Congress of the United States. He was married in 1899 to Miss Delia Glenn, of Courtland, Miss., and has two sons, Hubert D., Jr., and Marion Glenn Stephens.

He was elected to the Sixty-second Congress in 1910 and served as a Member of this body for 10 years. In 1922 he was elected to the United States Senate where he served until 1935.

Senator Stephens was a worthy representative of the great State of Mississippi. He was a real American. He believed in the fundamental principles upon which our Nation was founded. His father and my father were country school teachers in neighboring communities during the days of reconstruction, and ever since I was a boy I have been associated with him. I speak with experience when I say that he was one of the finest, most upstanding, patriotic Americans I have ever known. His passage is a personal loss to me as well as to the State and to the Nation.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the distinguished gentleman from Texas, the Speaker of the House.

Mr. RAYBURN. I knew Hubert Stephens well when he was a Member of the House, also as a Senator and as a private citizen after he retired from public life. He was a man of outstanding ability and of character unimpeachable; he was a great and a good man. We need more Hubert Stephens in the United States.

Mr. RANKIN. I thank the distinguished gentleman from Texas.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Illinois.

Mr. SABATH. Mr. Speaker, it was my pleasure and honor to serve with that distinguished American citizen in the House. I recollect his activities and his cooperation under President Wilson while in the House. He has always been with the people, for the people, and one of the grandest representatives of that great State, Mississippi. I regret exceedingly his death.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Mr. Speaker, I am sure that I express the united sentiment of the entire congressional delegation of the State of Mississippi when I say that we gladly join in the very deserved tributes to the high character and faithful public services of the late and former Senator Hubert D. Stephens, of Mississippi, who served as a Member of the House for 10 years, and subsequently as a Member of the Senate for 12 years.

I now yield to my colleague from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, we were all very much saddened to hear of the death of a distinguished former colleague of this Congress, Hubert Stephens. I knew him quite well and had the privilege of serving here at the same time he was serving in the other body. He was truly a great Mississippian and a great American. He was a man of outstanding character and it can be truthfully said of Hubert Stephens that he never did a little thing in his life. He was always a great man and a big man.

Mr. RANKIN. Mr. Speaker, I am sure every Member of the House and everyone else who knew Senator Stephens joins me in extending our profound and heartfelt sympathy to his bereaved family.

A great American has passed away. Peace to his ashes, and honor to his memory.

EXPENSES FOR CONDUCTING INVESTIGATION BY COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. COCHRAN. Mr. Speaker, by direction of the Committee on Accounts, I submit a privileged resolution (H. Res. 563) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That effective from March 1, 1946, the expenses of conducting the study and investigation authorized by House Resolution 318 of the Seventy-ninth Congress incurred by the Committee on Interstate and Foreign Commerce, acting as a whole or by subcommittee, not to exceed $35,000 including expenditures for the employment of clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee or subcommittee thereof conducting such study and investigation or any part thereof, signed by the chairman of the committee or subcommittee, and approved by the Committee on Accounts.

SEC. 2. The official stenographers to committees may be used at all hearings held in the District of Columbia unless otherwise officially engaged.

Mr. COCHRAN. Mr. Speaker, the House on March 7 passed a resolution authorizing the Committee on Interstate and Foreign Commerce to investigate all

phases of transportation. Following the passage of that resolution the majority and minority members of the Interstate and Foreign Commerce Committee came before the Committee on Accounts and asked for $50,000 to make the investigation. As the resolution provided that this committee could ask for assistance from Government agencies the Committee on Accounts recommended $35,000 to complete the investigation. I feel that the committee could get along with less as they must make their report during the present Congress, but, as I said at the outset, I was directed to report the resolution which carries $35,000.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SALARIES FOR EMPLOYEES OF CIVIL SERVICE COMMITTEE

Mr. COCHRAN. Mr. Speaker, by direction of the Committee on Accounts, I submit another privileged resolution (H. Res. 564) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That in lieu of the provisions of the Legislative Appropriation Act for 1946 providing salaries for employees of the Civil Service Committee, until otherwise provided by law, there shall be paid out of the contingent fund of the House, effective March 1, 1946, compensation at the rate of $3,300 per annum for the employment of a clerk (which shall be considered the prevailing rate in accordance with the terms of Public Law 512, approved December 20, 1944, as amended), $2,460 for the employment of an assistant clerk, and $1,560 for the employment of a janitor to the Committee on Civil Service.

Mr. COCHRAN. Mr. Speaker, the Committee on the Civil Service is one of the committees of the House that is not properly staffed. With the resignation of former Chairman Ramspeck, the gentleman from West Virginia [Mr. RANDOLPH] was named chairman of the committee to succeed him. The gentleman from West Virginia [Mr. RANDOLPH] was formerly chairman of the Committee on the District of Columbia and had three outstanding clerks which he took with him to the Committee on the Civil Service. He has asked that his committee be advanced to the class where the salaries are $3,300 for clerk, $2,460 for assistant clerk, and $1,560 for messenger.

This committee was directed by resolution of the House to make certain investigations which were carried on for a number of years under that resolution. There is to the credit of the committee, $15,000. The gentleman from West Virginia [Mr. RANDOLPH] informed the Committee on Accounts that it was not his purpose to make any additional investigations unless something unforeseen was presented. In view of that, the Committee on Accounts recommends this legislation.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AMENDMENT OF PUBLIC LAW 30 OF THE SEVENTY-NINTH CONGRESS

Mr. SPENCE. Mr. Speaker, I call up the conference report on the joint resolution (H. J. Res. 301) to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 301) to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1 and 2, and agree to the same.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
JESSE P. WOLCOTT,
RALPH A. GAMBLE,
Managers on the Part of the House.

ALBEN W. BARKLEY,
SHERIDAN DOWNEY,
ABE MURDOCK,
ROBERT A. TAFT,
Managers of the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 301) to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: The effect of clause (a) of the joint resolution as it passed the House was to permit the funds authorized for the 1945 crop program operations of the Commodity Credit Corporation to be used with respect to any of the 1946 crop program operations of such Corporation. The Senate amendment limits the provision relating to 1946 crop program operations so that such provision will apply only with respect to operations relating to sugar, vegetables processed prior to July 1, 1946, and flaxseed harvested prior to July 1, 1946. Under this amendment no payments or purchases with respect to vegetables or flaxseed can be made after June 30, 1946, unless such vegetables are processed or such flaxseed harvested prior to July 1, 1946. The House recedes on this amendment.

Amendment No. 2: This amendment increases the amount of Reconstruction Finance Corporation funds which may be used for continuing the meat-subsidy program and the flour-subsidy program through June 30, 1946. Public Law 88, Seventy-ninth Congress, approved June 23, 1945 (59 Stat. 260), imposed certain limitations with respect to the amount of funds of the Reconstruction Finance Corporation that might be used for subsidy payments and anticipated losses for the fiscal year ending June 30, 1946. The over-all limitation imposed was $1,500,000,000, of which $595,000,000 was allocated for meat and $190,000,000 for flour; $36,000,000 of the original limitation for meat was transferred to Commodity Credit Corporation by the Secretary of Agriculture pursuant to Public Law 164, Seventy-ninth Congress, approved July 31, 1945, thus reducing the amount available to the Reconstruction Finance Corporation for meat-subsidy payments to $559,000,000. Under this Senate amendment to this joint resolution, the allocation for meat will be increased by $125,000,000 and the allocation for flour will be increased by $25,000,000.

The additional allocation of $125,000,000 for meat will be required to continue the present meat-subsidy program through June 30, 1946. These payments have been running at the rate of approximately $60,000,000 per month. Moreover, while the Office of Price Administration, with the approval of the Director of Economic Stabilization, has increased the ceiling price for meat, effective March 11, 1946, to cover the increase in wages recently authorized in the meat-packing industry, a temporary increase in the meat-subsidy payments will be made to "bridge the gap" between the effective date of the wage increase (which in some cases will be retroactive to January 26) and March 11, 1946, a period of less than 60 days. The increase of $25,000,000 recommended in the original allocation of $190,000,000 for subsidy payments on flour will be required to continue the flour-subsidy program through June 30, 1946. These payments have been running at the rate of about $18,000,000 per month.

Because of the discontinuance or curtailment of certain subsidy programs authorized by the act of June 23, 1945, the increased amounts approved for meat and flour will not result in any increase in the over-all limitation of $1,500,000,000 provided by that act for subsidy payments and anticipated losses by the Reconstruction Finance Corporation for the fiscal year ending June 30, 1946.

The House recedes.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
JESSE P. WOLCOTT,
RALPH A. GAMBLE,
Managers on the Part of the House.

Mr. RICH. Mr. Speaker, will the gentleman yield for a question?

Mr. SPENCE. I yield to the gentleman from Pennsylvania.

Mr. RICH. Why is it that you are increasing the subsidies to be paid for wheat farming and sugar farming? Is it not about time that you paid the farmer the price that he ought to get for the wheat, sugar, and stop these subsidies and not let your children and your children's children in years to come pay the bill that you ought to be paying today? It is a crime to the oncoming generations to permit such a thing as that. It does not even show sound business on the part of the Democratic Party. Certainly we can pay our own way, and pay it now. If you cannot, then it is your duty to economize in Government spending. Oh, what this administration has done to our country in spending, spending, spending, electing, electing, electing. Yes; a $279,000,000,000 deficit is the result—a monument to the Democrats and the New Deal. A headache to the taxpayers and future generations.

Mr. SPENCE. The gentleman has asked more than a question. This is the bill which passed the House and provided for the purchase of the Hawaiian and Cuban sugar crops, and provided that it might be sold by the Commodity Credit Corporation at a loss. That was done in order to obtain the sugar that was necessary, and which would not otherwise have been obtained. When it went to the Senate the Senate amended it to include an increase in the subsidies on flour of $25,000,000 and on meat of $125,000,000.

It is in the nature of a deficiency appropriation. It does not change the policy in any way. It merely provides for carrying out the policy that was formulated by the Congress, and it is within the limitations of the money authorized for that purpose, $1,500,000,000. It is merely to carry out the existing program.

If this includes these other allocations, the whole amount of money now expended will be well within the $1,500,000,000. If this is not done, there will be an abrupt stoppage of the appropriations for meat and flour at this time. The appropriation for meat amounts to $60,000,000 a month. This is merely to carry over this program until June 30 of this year. It will not commit anybody as to any future subsidies. This was a unanimous report by the conferees on the part of the House and the Senate. I certainly hope the House will agree to the conference report.

Mr. RICH. Mr. Speaker, will the gentleman yield for a question?

Mr. SPENCE. I yield to the gentleman from Pennsylvania.

Mr. RICH. Notwithstanding the fact that this was a policy adopted a few years ago, the policy is all cockeyed. The policy you have adopted of trying to subsidize the people of this Nation, where you can have the bureaucrats controlling them in every way possible, is about as cockeyed a proposition as was ever made to the American people. That is the kind of proposition Hitler made to the people in Germany. That is the kind of thing they are doing over in Russia. It is about time we stopped it in this country. If we are going to have a free America, we want to get the people of this country paid for what they are doing instead of subsidizing them for our children to pay the bill. It seems to me this is about the poorest policy this administration has ever adopted. If Mr. Hannegan is going to give you fellows a dinner so that he can ask you to continue this policy, it is about time you quit. Quit following the New Deal. It is time to be American in every sense of the word.

Mr. SPENCE. I do not yield further, Mr. Speaker. The gentleman said he was going to ask a question. I do not yield for a speech.

Mr. McGREGOR. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Ohio.

Mr. McGREGOR. Will the gentleman tell us whether or not, in his opinion, this amount of subsidy will give us the amount of sugar that will be needed for the coming season?

Mr. SPENCE. I cannot tell that. It means the purchase of the entire crop of Cuba and Hawaii, as I understand. Otherwise we probably would not obtain it at all. I certainly hope the House will agree to the conference report.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

AGRICULTURAL CREDIT AGENCY

Mr. COLMER, from the Committee on Rules, reported the following privileged resolution (H. Res. 565, Rept. No. 1751), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4873) to create an Agricultural Credit Agency, to consolidate therein all Federal agricultural lending agencies, to create a public farm-appraisal system, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same back to the House with such amendments as shall have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

CIRCUIT COURTS OF APPEALS AND DISTRICT COURTS

The Clerk called the bill (H. R. 4230) to provide necessary officers and employees for circuit courts of appeals and district courts.

Mr. KEAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The SPEAKER. The Chair expects to recognize a Member later to move to suspend the rules and pass this bill.

RECORDING OF AGREEMENTS RELATING TO PATENTS

The Clerk called the bill (H. R. 3756) to require the recording of agreements relating to patents.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CORRECTING NAVAL RECORD OF FORMER MEMBERS OF CREWS OF REVENUE CUTTERS *ALGONQUIN* AND *ONONDAGA*

The Clerk called the bill (H. R. 1498) to correct the naval record of former members of the crews of the revenue cutters *Algonquin* and *Onondaga*.

Mr. KEAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

TRANSFER OF FISH HATCHERY TO THE CITY OF LAWTON, OKLA.

The Clerk called the bill (H. R. 1389) providing for the transfer of a certain fish hatchery in Comanche County, Okla., to the city of Lawton, Okla.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. RICH. Reserving the right to object, may I say to the gentleman from Oklahoma [Mr. JOHNSON] that I received his letter with reference to the transfer of this property. The thought I have in mind is this. I can remember a few years ago when the gentleman was talking about establishing these fish hatcheries. At that time he was very energetic in trying to see to it that the Government took over this property and handled it. This, then I opposed. It was not successful; a poor adventure for the Department of Fisheries. Now they want to give it up. They want to give it to one of the cities of your own State. It seemed to me that it was a poor business proposition at the time. We tried at that time to prevent the Government from taking the property over. Now, it proves that it is a poor proposition so far as the Government is concerned. Yet the Government is going to give to the city property that is valued at $33,400. I do not think we ought to give our property away like that because the taxpayers in my State are being worked with their noses to the grindstone trying to pay the taxes that this administration has placed upon them. Now you not only want to tax them for everything but you want to give everything away. It does not make sense to me.

Mr. BLAND. Would you not rather do that than to spend any more money on it?

Mr. RICH. Well, yes; but let us sell it to somebody. If it is worth anything, let us sell it to someone in Oklahoma and let them pay for it, even if it is only $100 or $500. Let us get something for it. You have had the habit of giving Government property and money away for no good reason. Time to stop it.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RICH. Mr. Speaker, I object.

Mr. JOHNSON of Oklahoma. Mr. Speaker, will the gentleman withhold his objection?

Mr. RICH. I withhold it.

Mr. JOHNSON of Oklahoma. May I say to the gentleman that this hatchery was successfully operated by an individual for a number of years. It is true that I cooperated in helping the Fish and Wildlife Service secure this fish hatchery because I believed it could be had at a bargain and I felt it a practical and economical way of solving the hatchery problem then in the area than to build a new hatchery. I regret to say that Bureau never made a success of this hatchery. It would serve no purpose to give all of the reasons for its failure. But the fact remains that the Fish and Wildlife Service never has hatched half as many fish as had been regularly hatched each season by a private individual. Perhaps the Fish and Wildlife Service was unfortunate in the man who was placed in charge of this hatchery. I do not know him. Maybe he was short of help. Anyway, the main excuse given was that they did not have sufficient help. Now they say they have more hatcheries than they have help to maintain those hatcheries. The city of Lawton is willing to take over this hatchery and furnish the help without any expense to the Government to maintain it.

Furthermore we are assured that the city of Lawton can and will do a much better job than has the Federal Government. Here is a chance to get a hatchery off the pay roll of the Federal Government and let the city maintain it. The Fish and Wildlife Service states, as I recall, that it will require $45,000 to adequately build and equip this hatchery like they want it if they are to keep and maintain it. Our committee is not willing to put up $45,000. Then it will be a rather expensive hatchery to maintain if the committee and the Congress permits them to operate it as they desire it to be operated.

Mr. RICH. If that is the case, I congratulate the gentleman on not spending $45,000 more for a dead horse. But I think you ought to try to sell that to somebody out in Oklahoma. Why should we give it away? There is no reason for giving it away. If the property is worth anything at all, let us find somebody in Oklahoma who is willing to pay something for it. If they are going to build a private hatchery, there certainly ought to be people out there who will give something for that property. Let us try to relieve the Treasury of some of the debt that we have of $279,000,000,000. We cannot stand such a debt. Let us help pay it off.

The SPEAKER. The Chair demands the regular order. Is there objection to the present consideration of the bill?

Mr. RICH. Mr. Speaker, I object.

TOLL BRIDGE AT OLD SAYBROOK, CONN.

The Clerk called the bill (H. R. 4940) granting the consent of Congress to the State of Connecticut, acting by and through any agency or commission thereof, to construct, maintain, and operate a toll bridge across the Connecticut River at or near Old Saybrook, Conn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the consent is hereby granted to the State of Connecticut, acting by and through any agency or commission thereof, to construct, maintain, and operate a bridge and approaches thereto across the Connecticut River, at a point suitable to the interests of navigation, at or near Old Saybrook, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contions contained in this act.

SEC. 2. If tolls are charged for the use of such bridge, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 31 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls. An accurate record of the costs of the bridge and its approaches, the expenditure for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. COLE of New York. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: On page 2, line 19, insert:

"SEC. 3. No toll or other charge shall be levied against any employee, civil or military, or any vehicle, or conveyance, of the United States Government for the use of such bridge in the performance of official duties."

Renumber section 3 to read "SEC. 4."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE AT CLINTON, IOWA

The Clerk called the bill (H. R. 4914) to revive and reenact the act entitled "An act creating the City of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill.," approved December 21, 1944.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act approved December 21, 1944, authorizing the City of Clinton Bridge Commission to construct, maintain and operate a bridge and approaches thereto across the Mississippi River, at or near the cities of Clinton, Iowa, and Fulton, Ill., be, and is hereby, revived and reenacted: *Provided*, That this act shall be null and void unless the actual construction of the bridge herein referred to be commenced within 2 years and completed within 4 years from the date of approval hereof.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TOLL BRIDGE ACROSS MISSOURI RIVER AT OR NEAR DECATUR, NEBR.

The Clerk called the bill (S. 1425) to revive and reenact the act entitled "An act to authorize the county of Burt, State of Nebraska, to construct, maintain, and operate a toll bridge across the Missouri River at or near Decatur, Nebr.," approved June 8, 1940.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, reserving the right to object, when this bill was called up the last time the calendar was called, I raised the point that the bill did not provide exemption for Government vehicles in the use of the toll bridge. It is my understanding that it has been the general practice, at least in the past, that these toll bridge bills do contain such a provision so that public vehicles do not have to pay a toll when the bridge is used in the performance of public duties.

Unless such amendment is offered to this bill, I will oppose its consideration at this time.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. JENSEN. I propose to offer such an amendment.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act approved June 8, 1940, authorizing the county of Burt, State of Nebraska, to construct, maintain, and operate a bridge and approaches thereto across the Missouri River, at or near Decatur, Nebr., is hereby revived and reenacted: *Provided*, That this act shall be null and void unless the actual construction of the bridge herein referred to is commenced within 1 year and completed within 3 years from the date of approval hereof.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. JENSEN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENSEN: On page 2, after line 2, insert a new section:

"SEC. 2. No toll or other charge shall be levied against any employee, civil or military, or any vehicle or conveyance of the United States Government for the use of such bridge in the performance of official duties."

And renumber section 2 to read "SEC. 3."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS RAINY RIVER NEAR BAUDETTE, MINN.

The Clerk called the bill (H. R. 5544) authorizing the village of Baudette, State of Minnesota, its public successors or public assigns, to construct, maintain, and operate a toll bridge across the Rainy River at or near Baudette, Minn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in order to facilitate international commerce, improve the postal service, and provide for military and other purposes the village of Baudette, Minn., its public successors and public assigns, be, and it is hereby, authorized to construct, maintain, and operate a toll bridge and approaches thereto across the Rainy River, so far as the United States has jurisdiction over the waters of said river, at a point suitable to the interests of navigation at or near Baudette, Minn., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, subject to the conditions and limitations contained in this act, and subject to the approval of the proper authorities in Canada.

SEC. 2. There is hereby conferred upon the village of Baudette, Minn., its public successors and public assigns, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property in the State of Minnesota, needed for the location, construction, operation, and maintenance of such bridge and its approaches as are now possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State of Minnesota upon making just compensation therefor to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The said village of Baudette, Minn., its public successors and public assigns, are authorized to fix and charge tolls for transit over such bridge in accordance with any laws

of Canada applicable thereto, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under authority contained in the act of March 23, 1906.

SEC. 4. In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintenance, repairing, and operating the bridge and its approaches under efficient and economical management, and to provide funds sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After funds sufficient for such amortization of said bridge and its approaches shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls. An accurate record of the cost of the bridge and its approaches, the expenditure for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 5. The right to sell, assign, transfer, and mortgage to any public agency or to an international bridge authority is hereby granted to the village of Baudette, Minn., its public successors and public assigns; and any such agency or authority to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such agency or authority.

SEC. 6. The right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. COLE of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: On page 4, after line 5, insert a new section:

"SEC. 6. No toll or other charge shall be levied against any employee, civil or military, or any vehicle or conveyance of the United States Government for the use of such bridge in the performance of official duties."

Renumber section 6 to read "SEC. 7."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOPEWELL VILLAGE NATIONAL HISTORIC SITE, PA.

The Clerk called the bill (H. R. 3533) to authorize revisions in the boundary of the Hopewell Village National Historic Site, Pa., and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

THE ALASKA RAILROAD

The Clerk called the bill (H. R. 4731) to authorize the Alaska Railroad to engage in the business of operating ocean-going vessels.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BLAND. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

SAN FRANCISCO-OAKLAND BAY BRIDGE

The Clerk called the bill (H. R. 3565) to authorize the charging of tolls for the passage or transit of Government traffic over the San Francisco-Oakland Bay Bridge.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

SISSETON INDIAN RESERVATION, S. DAK.

The Clerk called the bill (H. R. 2947) to authorize the consolidation of lands on the Sisseton Indian Reservation, S. Dak., and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby authorized in his discretion, to acquire by gift, purchase, relinquishment, or exchange any lands, surface rights, water rights, or any interest in lands, including any improvements thereon, located within the exterior boundaries of the Sisseton Indian Reservation, S. Dak. Title to all property rights thus acquired shall be taken in the name of the United States of America in trust for the Indians of the Sisseton Reservation and shall be nontaxable as long as the title remains in the United States. For carrying out the purposes of this act, the Secretary of the Interior is hereby authorized to use any funds appropriated pursuant to the authority contained in section 5 of the act of June 18, 1934 (48 Stat. 984).

SEC. 2. The lands acquired under authority contained in section 1 of this act shall be made available for the use and occupancy of Indians of the Sisseton Reservation through assignment, lease, agreement, or permit, pursuant to regulations approved by the Secretary of the Interior, but no part of such lands shall be allotted in severalty, except through specific authorization by Congress.

SEC. 3. With the consent of the Indians of the Sisseton Reservation, the Secretary of the Interior is hereby authorized to sell any tribal lands on the reservation situated outside of areas selected for consolidation for Indian use, title to be conveyed by patent in fee, and to use the proceeds derived from such sales in acquiring other lands which shall be subject to the terms and conditions prescribed by section 1 of this act.

With the following committee amendments:

Page 1, line 8, after the word "Reservation", strike out the comma and the word "South Dakota."

Page 2, line 22, after the figure "1", insert "and section 2."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to authorize the consolidation of lands on the Sisseton Indian Reservation, and for other purposes."

A motion to reconsider was laid on the table.

HOMESTEAD ENTRY CREDIT FOR MILITARY OR NAVAL SERVICE IN WORLD WAR II

The Clerk called the bill (H. R. 5271) to amend an act entitled "An act to allow credit in connection with certain homestead entries for military or naval service rendered during World War II."

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 1 of the act approved September 27, 1944, entitled "An act to allow credit in connection with certain homestead entries for military or naval service rendered during World War II" (Public, No. 434, 78th Cong., 2d sess.), is hereby amended by deleting the period at the end thereof, by substituting a colon, and by inserting the following proviso: "*Provided*, That no person who has served or may serve in the military or naval forces of the United States for a period of at least 90 days during World War II and is honorably discharged shall be disqualified from making homestead entry or from any other benefits of this act merely by reason of not having reached the age of 21 years."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BASIC AUTHORITY FOR CERTAIN FUNCTIONS AND ACTIVITIES OF BUREAU OF RECLAMATION

The Clerk called the bill (H. R. 5654) to provide basic authority for the performance of certain functions and activities of the Bureau of Reclamation.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, reserving the right to object, I suggest that the gentleman from Arizona [Mr. MURDOCK] explain the bill.

Mr. MURDOCK. Mr. Speaker, this bill comes at the request of the Department of the Interior and, in a way, at the suggestion of the chairman of the Committee on Appropriations. About a year ago the gentleman from Missouri [Mr. CANNON] pointed out that certain items of appropriation bills were objected to and often thrown out on a point of order because of doubtful authorization.

Previously there were many things the Bureau of Reclamation needed to do in the routine of its work; to illustrate, the making of purchases of rubber boots, the buying of ice for construction workers, and many such small items of needed purchases. We cannot afford not to have such items carried in general in the appropriation bill and this bill is basic authority to permit their inclusion under authority of law so that points of order cannot lie against them and thus permit the Department to continue doing what it ordinarily does in order that its needs may be met.

Mr. BARRETT of Wyoming. Mr. Speaker, will the gentleman yield?

Mr. MURDOCK. I yield.

Mr. BARRETT of Wyoming. The bill was reported out unanimously by the committee, was it not?

Mr. MURDOCK. It is a unanimous report from the committee; that is true.

Mr. CASE of South Dakota. Further reserving the right to object, Mr. Speaker, I note that in subparagraph (h) on page 3 authorization is given for "other necessary expenses in the preparation of raw public lands for irrigation farming on the Boulder Canyon project and Gila project, Arizona."

It occurs to me that the form in which the bill is written would limit that authority to these two irrigation projects, whereas others will be arising from time to time.

Mr. MURDOCK. The language is so drawn in the bill that it relates specifically to these two projects, as they are in condition for that work to be done now, and the work needs to be done.

Mr. CASE of South Dakota. It occurs to me the same situation would exist with other projects, and I wonder if the gentleman would object to an amendment inserting the words "and other irrigation projects duly authorized by Federal law"?

Mr. MURDOCK. While I personally have no objection to the amendment, the bill was unanimously reported by the committee, and I hope there will be no objection to its passage.

Mr. CASE of South Dakota. Then, Mr. Speaker, I withdraw my reservation of objection with the statement that I shall offer such an amendment.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in addition to other purposes for which appropriations for the Bureau of Reclamation are authorized by law, appropriations for the Bureau of Reclamation are hereby authorized for—

(a) disseminating facts, including recordings, solely in connection with the administration of the reclamation laws: *Provided*, That, to the end of avoiding wasteful duplication, this provision shall not be construed as authorizing the dissemination of information which other Federal agencies are specifically authorized to distribute and are regularly engaged in distributing.

(b) refunds of overcollections and deposits for other purposes under the reclamation laws;

(c) payment of damages caused to the owners of lands or other private property of any kind by reason of the operations of the United States, its officers, or employees, in the survey, construction, operation, or maintenance of irrigation works;

(d) payment of rewards, when specifically authorized by the Secretary of the Interior, for information leading to the apprehension and conviction of persons found guilty of the theft, damage, or destruction of public property;

(e) payment to the school district or districts serving the areas in and about Mason City and Coulee Dam, Wash.; Boulder City, Nev.; Davis Dam, Ariz. and Nev.; and Seminoe Dam, Wyo., and to school districts serving similar areas in and about other Federal reclamation projects, and projects operated in part by the Bureau of Reclamation as reimbursement for the cost of instruction, in elementary and secondary schools, of dependents of employees of the United States living on federally owned property in or in the immediate vicinity of such projects, and of their transportation to and from school: *Provided*, That only the costs so incurred with respect to dependents of employees of the United States performing services deemed essential to the construction, operation, or maintenance of any such projects shall be reimbursable under the Federal reclamation laws.

(f) payment on behalf of the Northport irrigation district to the Farmers' irrigation district for carriage of water;

(g) official telephone service in the field in the case of official telephones installed in private houses when authorized under regulations established by the Secretary of the Interior;

(h) land leveling, construction of farm ditches on units of public lands, production of soil-building crops, and other necessary expenses in the preparation of raw public lands for irrigation farming on the Boulder Canyon project (All-American Canal) and Gila project, Arizona;

(i) operation and maintenance of camps and other facilities turned over by construction contractors and similar facilities and the furnishing of services related thereto on the Columbia Basin project, Washington.

SEC. 2. Revenues received from the lease of marginal lands, Tule Lake division (Klamath project, Oregon-California), shall be available for refunds to the lessees in such cases where it becomes necessary to make refunds because of flooding, or other reasons within the terms of such leases.

Mr. CASE of South Dakota. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota: Page 3, line 20, after the word "Arizona;", insert "and other irrigation projects duly authorized by Federal law."

The amendment was agreed to.

Mr. MURDOCK. Mr. Speaker, I am glad there was no objection to this bill, H. R. 5654. It is wholly noncontroversial and it should be enacted promptly. Let me explain the need for it as shown in committee hearings.

You will recall that last March, during the course of consideration of the Department of Agriculture's appropriation bill for the fiscal year 1946, our distinguished colleague the gentleman from Missouri [Mr. CANNON], chairman of the Committee on Appropriations, called attention to the fact that points of order were being raised against items in appropriation bills and that these points of order were based, in the main, on the proposition that the items against which they were directed were not specifically authorized by law. The gentleman from Missouri, Chairman CANNON, said in part:

I should like to give notice to the departments, to the legislative committees of the House and to all concerned that in the next session nothing will be included in any appropriation bill, however customary or however urgent, that is not specifically authorized by law. I trust this notice is in ample time to permit any department to make application to legislative committees having jurisdiction, and in time for such committees to report such authorization, if they so desire.

Section 10 of the Reclamation Act of June 17, 1902, Thirty-second Statutes, page 388, provides—

That the Secretary of the Interior is hereby authorized to perform any and all acts and to make such rules and regulations as may be necessary and proper for the purpose of carrying the provisions of this act into full force and effect.

Substantially similar provisions are contained in the act of August 13, 1914, and in the act of August 4, 1939. Now, I was not a member of the House Committee on Irrigation and Reclamation when the 1902 or 1914 acts were passed, nor was I a Member of the Congress. However, I was a member of the House Committee on Irrigation and Reclamation when the act of August 4, 1939, was passed. I remember very well the provision authorizing the Secretary of the Interior to perform any and all acts necessary and proper in carrying out the provisions of the act. Gentlemen, we meant that provision to mean exactly what it says. Notwithstanding these broad provisions, rulings of the Comptroller General have tended to cast doubt upon the authority of the Secretary to make recordings, to purchase ice, to purchase rubber boots; upon the authority to offer and to pay rewards for information leading to the apprehension and conviction of persons found guilty of the theft, damage, or destruction of public property; upon the availability of revenues received from the lease of marginal land for refunds under appropriate contract; and upon the availability of appropriations for payment to school districts as reimbursement for the cost of instruction of dependents of employees of the United States.

There are other items which have appeared in the annual acts making appropriations to the Bureau of Reclamation, Department of the Interior. Some of these items have been inserted in the appropriation acts as insurance against an adverse ruling by the Comptroller General, other items have been added at the request of the Bureau of the Budget, and some items have been added at the instance of Members of the Congress.

The Committee on Irrigation and Reclamation has conducted extensive hearings on these matters. It has given much time and study to the bill H. R. 5654 and it has, by unanimous action, reported favorably thereon with the recommendation that the bill do pass. This bill specifically authorizes appropriations for a series of purposes therein enumerated. These purposes include: Disseminating facts, including recordings, in connection with the administration of the reclamation laws; refunds of overcollections and deposits for other purposes under the reclamation laws; payment of damages caused to the owners of lands or other private property of any kind by reason of the operations of the United States, its officers or employees, in the survey, construction, operation, or maintenance of irrigation works; payment of rewards when specifically authorized by the Secretary of the Interior, for information leading to the apprehension and conviction of persons found guilty of theft, damage, or destruction of public property; payment on behalf of the Northport irrigation district to the Farmers' irrigation district for carriage of water; official telephone service in the field in the case of official telephones installed in private

houses, when authorized under regulations established by the Secretary of the Interior; land leveling, construction of farm ditches on units of public lands, including the production of soil building crops and other necessary expenses in the preparation of raw public lands for irrigation on the Boulder Canyon project—All-American Canal—and the Gila project, Arizona; operation and maintenance of camps and other facilities turned over by construction contractors and similar facilities, and the furnishing of services related thereto on the Columbia Basin project, Washington.

Section 2 of H. R. 5654 would make available for refunds to lessees revenues received from the lease of marginal lands in the Tule Lake division of the Klamath project, Oregon-California.

Finally, H. R. 5654 would authorize payments to the school district or districts serving the areas in and about Mason City and Coulee Dam, Wash.; Boulder City, Nev.; Davis Dam, Ariz. and Nev.; Seminoe Dam, Wyo.; and to school districts serving similar areas in and about other Federal reclamation projects and projects operated in part by the Bureau of Reclamation, as reimbursement for the cost of instruction in elementary and secondary schools of dependents of employees of the United States, living on federally owned property in or in the immediate vicinity of such projects and of their transportation to and from school. However, only costs so incurred with respect to dependents of employees performing services deemed essential to the construction, operation, or maintenance of Federal reclamation projects, would be reimbursable under the Federal reclamation laws.

This bill will comply with the wishes of our colleague, Chairman CANNON of the Committee on Appropriations. It has been prepared in response to his warning that "nothing will be included in any appropriation bill, however customary or however urgent, that is not specifically authorized by law." Its enactment will specifically authorize the Bureau of Reclamation to do what the Congress has, as a general proposition, authorized it to do each year in the annual appropriation acts for the Department of the Interior.

I would now like to give a short statement on each item as it appears in H. R. 5654:

(a) Disseminating facts, including recordings, solely in connection with the administration of reclamation laws: *Provided*, That, to the end of avoiding wasteful duplication, this provision shall not be construed as authorizing the dissemination of information which other Federal agencies are specifically authorized to distribute and are regularly engaged in distributing.

Language similar to the above, in regard to recordings, except for the proviso, was inserted in the Interior Department's Appropriation Act for the fiscal year 1942, because the Comptroller General had ruled that the Bureau of Reclamation was not authorized to expend funds for the purpose of making recordings. The use of recordings is particularly helpful in protecting prospective settlers against being victimized by land speculators.

(b) Refunds of overcollections and deposits for other purposes under the reclamation laws.

Similar language has appeared in the appropriation act since 1920. This is another example of an authorization inserted in an appropriation act to overcome the objections of the Comptroller of the Treasury, who, about 1919, had ruled that the Bureau of Reclamation could not refund money to farmers who had paid water-right charges on land that had been cut out by a flood of the river.

(c) Payment of damages caused to the owners of lands or other private property of any kind by reason of the operations of the United States, its officers, or employees, in the survey, construction, operation, or maintenance of irrigation works.

For the past 30 years similar language has appeared in the appropriation acts making appropriations for the Bureau of Reclamation. This provision, too, became advisable because the Comptroller General had cast doubt upon the authority of the Secretary to make such settlements. This provision does not authorize the payment of claims based on the negligence of employees of the Government but authorizes the payment of damages to claimants whose claims are based on acts of omission or commission on the part of employees of the United States.

(d) Payment of rewards, when specifically authorized by the Secretary of the Interior, for information leading to the apprehension and conviction of persons found guilty of the theft, damage, or destruction of public property.

The House hearings on the Interior Department Appropriation Act for the fiscal year 1931, at page 774, contain the following explanation:

Language is proposed to authorize the payment of rewards. This has heretofore been done under the operations of the reclamation fund. However, the Comptroller General holds in decision of May 20, 1929, A-26810, that there being grave doubt as to the propriety of regarding an appropriation in general terms available for the payment of such rewards and the Congress having on many occasions accepted the matter as one for its consideration and expression, it appears the duty of this officer to require those in administrative places who desire to offer rewards for information or other assistance to aid in the accomplishment of authorized work to submit their requirements to the Congress for specific legislative authority with respect to all appropriations hereafter to be made.

(e) payment to the school district or districts serving the areas in and about Mason City and Coulee Dam, Wash.; Boulder City, Nev.; Davis Dam, Ariz. and Nev.; and Seminoe Dam, Wyo., and to school districts serving similar areas in and about other Federal reclamation projects, and projects operated in part by the Bureau of Reclamation as reimbursement for the cost of instruction, in elementary and secondary schools, of dependents of employees of the United States living on Federally owned property in or in the immediate vicinity of such projects, and of their transportation to and from school: *Provided*, That only the costs so incurred with respect to dependents of employees of the United States performing services deemed essential to the construction, operation, or maintenance of any such projects shall be reimbursable under the Federal reclamation laws.

This provision is an enlargement on the authorization in regard to the payment to school districts, heretofore included in the appropriation acts relating to the Bureau of Reclamation. Authorization to make payment to school districts in addition to those at Mason City, Coulee Dam and Boulder City has been included. The Committees on Appropriations should be enabled to afford similar relief to other school districts in the same or similar circumstances.

(f) payment on behalf of the Northport irrigation district to the Farmers' irrigation district for carriage of water.

This language has appeared in the appropriation act for a number of years. It merely authorizes the Bureau of Reclamation to apply part of the net power revenues due the Northport irrigation district to its indebtedness to the Farmers' irrigation district.

(g) official telephone service in the field in the case of official telephones installed in private houses when authorized under regulations established by the Secretary of the Interior.

Specific authorization for the payment of official telephone service in the field, in the case of special telephones installed in the private residence of employees of the Bureau, has been included in the annual appropriation acts of the Department of the Interior for the Bureau of Reclamation because section 7 of the act of August 23, 1912 (37 Stat. 360) requires such special authorization. For over 25 years the Congress has recognized that the Bureau of Reclamation should be authorized to make these installations in proper cases. For instance, it is necessary to install a telephone in the house of a ditch rider so that he may be called in the middle of the night in case of a break in the canal. Such rapid communication has undoubtedly saved the United States many times its cost.

(h) Land leveling, construction of farm ditches on units of public lands, production of soil-building crops, and other necessary expenses in the preparation of raw public lands for irrigation farming on the Boulder Canyon project (All-American Canal) and Gila project, Arizona.

Such predevelopment is necessary on these projects for the purpose of conditioning the soil and determining what crops can be grown most economically when desert land of this type is brought under irrigation. Predevelopment will expedite successful settlement of public land, enabling settlers to produce crops much earlier, and insure quicker return of the Government's investment in irrigation facilities. Alfalfa, the major crop produced on land of this type, generally commands a price, which would in a few years return the cost of predevelopment.

The Congress first authorized work of this kind on the All-American Canal project in the appropriation act for the fiscal year 1942.

(i) Operation and maintenance of camps and other facilities turned over by construction contractors and similar facilities and the furnishing of services related thereto on the Columbia Basin project, Washington.

The contractors under their contract with the United States were required to

turn over to the United States all buildings and facilities. These buildings are now used by the Bureau of Reclamation for housing employees engaged in the operation and maintenance of the project.

The Congress first authorized the Bureau to maintain and operate these camps by inserting similar language in the appropriation act for the fiscal year 1943. It has been included in all annual subsequent appropriation acts for the Department of the Interior, Bureau of Reclamation.

SEC. 2. Revenues received from the lease of marginal lands, Tule Lake division (Klamath project, Oregon-California) shall be available for refunds to the lessees in such cases where it becomes necessary to make refunds because of flooding or other reasons within the terms of such leases.

Authority similar to the language in section 2 of H. R. 5654 has appeared in the annual appropriation acts since 1929.

It merely authorizes the Bureau to refund the money paid by farmers to the United States for leases of land if such land is flooded and cannot be used for farming.

The Comptroller General has ruled that money may not be refunded after it is deposited in the Treasury unless it is specifically authorized.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RESTORATION OF CERTAIN CURRENCIES DESTROYED IN THE PHILIPPINE ISLANDS

The Clerk called House Joint Resolution 321, to authorize the making of settlement on account of certain currency destroyed at Fort Mills, P. I., and for other purposes.

There being no objection the Clerk read the resolution, as follows:

Whereas during the emergency in the Philippine Islands at the time of the Japanese invasion, agents of the United States High Commissioner, acting under a delegation of authority from the President of the United States and the specific instructions of the Secretary of the Treasury, accepted sums of United States paper currency from banks, individuals, and the Government of the Commonwealth of the Philippine Islands, and destroyed this currency by incineration to preclude its seizure by the enemy; and

Whereas the face value of the currency so destroyed was reported to be $2,563,981 and due to the difficult circumstances under which the program was undertaken, including lack of facilities, exposure to incessant enemy attack, and lack of personnel familiar with the technical details imposed by law with respect to the separate accounting for various kinds of currency, it was not possible to record in full detail the description of the currency which was burned; and

Whereas the United States Treasury is assured that the aggregate amount of currency destroyed is correct as reported by the High Commissioner and his staff with respect to the procedures followed in accepting deposits and in certifying the count in each such deposit and that the distribution by denomination and depositor is accurate; and

Whereas $603,158 of the total currency destroyed cannot be identified from the information available to the Treasury Department as to kind of currency and, in the case of Federal Reserve notes, as to bank of issue; and

Whereas the currency has been destroyed and it appears that no further information will become available; Therefore be it

Resolved, etc., That notwithstanding any provisions of law to the contrary, the Treasurer of the United States or the Comptroller of the Currency, as the case may be, is authorized and directed, on the basis of the receipt of evidence of destruction acceptable to the Secretary of the Treasury, to record the destruction of the United States currency and Federal Reserve notes delivered to the High Commissioner to the Philippine Islands at the time of the Japanese invasion to preclude its seizure by the enemy, in the aggregate amount of $603,158, as follows: Silver certificates, $202,502 of $1 denomination, $51,200 of $5 denomination, and $300 of $10 denomination, aggregating $254,002; United States notes, $8,796 of $2 denomination and $25,590 of $5 denomination, aggregating $34,386; and Federal Reserve notes, $1,170 of $5 denomination, $126,360 of $10 denomination, $185,840 of $20 denomination, $400 of $50 denomination, and $1,000 of $100 denomination, aggregating $314,770, which shall be apportioned as to denominations among the several Federal Reserve banks as determined by the Secretary of the Treasury within the limitations as provided in section 2 hereof, as to the aggregate amount to be apportioned to each Federal Reserve bank.

SEC. 2. The Treasurer of the United States is authorized to pay to the Secretary of the Treasury for account of the owners of the United States currency referred to in this joint resolution as silver certificates and United States notes the value thereof from the appropriate Treasury funds and to pay to the Secretary of the Treasury for account of the owners of the currency described as Federal Reserve notes the amount thereof from the Federal Reserve note redemption fund. The several Federal Reserve banks shall respectively reimburse the Federal Reserve redemption fund for the amounts paid by the Treasurer of the United States from said fund pursuant to this section, in the following amounts: Federal Reserve Bank of Boston, $205; Federal Reserve Bank of New York, $4,555; Federal Reserve Bank of Philadelphia, $150; Federal Reserve Bank of Cleveland, $195; Federal Reserve Bank of Richmond, $480; Federal Reserve Bank of Atlanta, $250; Federal Reserve Bank of Chicago, $290; Federal Reserve Bank of St. Louis, $55; Federal Reserve Bank of Minneapolis, $120; Federal Reserve Bank of Kansas City, $270; Federal Reserve Bank of Dallas, $300; and Federal Reserve Bank of San Francisco, $307,900.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROMOTING SAFETY AT SEA AND AIDING NAVIGATION

The Clerk called the bill (H. R. 3139) to authorize the Coast Guard to investigate and employ new methods of promoting safety at sea and aiding navigation.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That it is hereby declared to be in the public interest that the technical and scientific advances in fields of science, and improvements in materials, equipment, facilities, and techniques which have been developed or utilized in the prosecution of the war or otherwise should at the earliest time practicable and to the fullest extent feasible be adapted to and employed in the administration of a comprehensive program of promoting safety of life and property and aiding navigation on and over the high seas and on navigable waters of the United States.

SEC. 2. In furtherance of the program referred to in the preceding section the Coast Guard is authorized and directed (a) to investigate, study, and keep abreast of the advances and improvements referred to in such section, including those developed or employed by the civilian and military agencies of this Government and foreign countries and private organizations in this country and abroad; and (b) within the limits of available appropriations, to undertake designs, developments, and tests appropriate to adapt such advances and improvements and to put them into use to the extent feasible and as soon as practicable, in its activities in the fields of air-sea rescue operations and promoting safety of life and property and aiding navigation on and over the high seas and on navigable waters of the United States.

SEC. 3. All agencies of the Federal Government are hereby directed to cooperate with the Coast Guard in carrying out the purpose of this act: *Provided*, That nothing in this act shall be construed as requiring any agency of the Federal Government to release to the Coast Guard information concerning any development, improvement, equipment, or facility classified for reasons of security: *Provided further*, That any such agency may release such information to the Coast Guard on condition that the restrictions governing the classification be observed as long as the security classification is considered necessary by such Federal agency.

With the following committee amendments:

On page 2, line 5, after the word "directed", insert the words "within the limits of available appropriations."

On page 2, line 10, strike out "within the limits of available appropriations."

Page 3, after line 4, add a new section to read as follows:

"SEC. V. This act shall not be construed to vest in the Coast Guard any authority, in addition to that provided by law prior to the approval of this act, to require apparatus, equipment, or facilities to be installed, carried, or used on vessels subject to inspection or regulation under the navigation and vessel inspection laws.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CUSTER BATTLEFIELD NATIONAL MONUMENT

The Clerk called the bill (S. 1185) to change the designation of Custer Battlefield National Cemetery, in the State of Montana, to "Custer Battlefield National Monument," and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the area now within the Custer Battlefield National Cemetery, in the State of Montana, shall hereafter be known as the "Custer Battlefield National Monument," under which name this national monument shall be entitled to receive and to use all moneys heretofore or hereafter appropriated for the Custer Battlefield National Cemetery.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEYING CERTAIN LANDS TO THE STATE OF WYOMING

The Clerk called the bill (S. 1162) to convey certain lands to the State of Wyoming.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and is hereby, authorized and directed, upon the payment by the State of $12 to convey to the State of Wyoming all right, title, and interest of the United States to a portion of the National Elk Refuge, Wyoming, a parcel of land in the northwest quarter of the southwest quarter of section 27, township 41 north, range 116 west, of the sixth principal meridian, Wyoming, the said parcel being described by metes and bounds as follows: From the southwest corner of the aforesaid section 27 run north no degrees two minutes west one thousand seven hundred and two feet and then north eighty-nine degrees fifty-eight minutes east forty feet to the place of beginning at the southwest corner of the parcel hereby conveyed; thence from said place of beginning north no degrees two minutes west one hundred feet; then north eighty-nine degrees fifty-eight minutes east two hundred and nine feet; thence south no degrees two minutes east one hundred feet; thence south eighty-nine degrees fifty-eight minutes west two hundred and nine feet to the place of beginning, containing forty-eight one hundredths of an acre, more or less.

The bill was ordered to be read a third time; was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL PULASKI'S MEMORIAL DAY

The Clerk called the joint resolution (H. J. Res. 304) authorizing the President of the United States of America to proclaim October 11, 1946, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That the President of the United States is authorized and directed to issue a proclamation calling upon officials of the Government to display the flag of the United States on all governmental buildings on October 11, 1946, and inviting the people of the United States to observe the day in schools and churches or other suitable places, with appropriate ceremonies in commemoration of the death of Gen. Casimir Pulaski.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE ACT ESTABLISHING THE HOT SPRINGS NATIONAL PARK

The Clerk called the bill (H. R. 5317) to amend the act establishing the Hot Springs National Park.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 2 of the act of April 20, 1904 (33 Stat. 187), as amended (16 U. S. C. 372), is further amended by striking out the words "Eastern United States Judicial District of Arkansas" and inserting in lieu thereof "Western United States Judicial District of Arkansas."

SEC. 2. Section 6 of the act of April 20, 1904 (33 Stat. 188), as amended (16 U. S. C. 376), is further amended by striking out the words "United States District Court for the Eastern District of Arkansas" wherever they appear in said section and inserting in lieu thereof the words "United States District Court for the Western District of Arkansas."

SEC. 3. Section 7 of the act of April 20, 1904 (33 Stat. 188), as amended (16 U. S. C. 377), is further amended by striking out the words "United States District Court for the Eastern District of Arkansas" and inserting in lieu thereof the words "United States District Court for the Western District of Arkansas."

SEC. 4. Section 8 of the act of April 20, 1904 (33 Stat. 189), as amended (16 U. S. C. 378), is further amended by striking out the words "Eastern District of Arkansas" and inserting in lieu thereof the words "Western District of Arkansas."

SEC. 5. Section 9 of the act of April 20, 1904 (33 Stat. 189), as amended (16 U. S. C. 379), is further amended by striking out the words "Eastern District of Arkansas" and inserting in lieu thereof the words "Western District of Arkansas."

SEC. 6. Section 12 of the act of April 20, 1904 (33 Stat. 189, 16 U. S. C. 382), is amended to read as follows:

"SEC. 12. All persons who may be imprisoned for nonpayment of any fine or costs provided for by this act or awaiting trial without bail, shall be confined in any approved jail situated in the western district of Arkansas or at such place as may be otherwise designated."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRANSFER OF FISH HATCHERY TO THE CITY OF LAWTON, OKLA.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to return to Calendar 347 and the consideration of the bill (H. R. 1389) providing for the transfer of a certain fish hatchery in Comanche County, Okla., to the city of Lawton, Okla.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to convey to the city of Lawton, Okla., all of the right, title, and interest of the United States in and to the fish-hatchery property which is located south of such city in Comanche County, Okla., and which is now under the control of the Department of the Interior.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. COCHRAN asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

OFFICERS AND EMPLOYEES FOR CIRCUIT COURTS OF APPEALS AND DISTRICT COURTS

Mr. CRAVENS. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 4230) to provide necessary officers and employees for circuit courts of appeals and district courts:

Be it enacted, etc., That every circuit judge and every district judge may employ a law clerk and a secretary and such other assistants and employees as may be necessary and as may be appropriated for by Congress from year to year, except that for the appointment of a law clerk by a district judge a certificate to the necessity of the appointment by the senior circuit judge of the circuit, having jurisdiction over the district in which the clerk is needed, shall be requisite. Also every circuit court of appeals and every district court may appoint such librarians and other officers and employees not otherwise provided for as may be necessary and may be appropriated for by Congress from year to year.

SEC. 2. The officers and employees provided for in this act shall, subject to appropriations to be made by the Congress, receive compensation to be fixed from time to time by the Director of the Administrative Office of the United States Courts and shall be reimbursed for their actual traveling expenses and expenses incurred for subsistence, within the limitations prescribed by law, when necessarily absent from their designated posts of duty on official business.

SEC. 3. Within the meaning of this act the District of Columbia shall be deemed to be both a circuit and a district, the United States Court of Appeals for the District of Columbia a circuit court of appeals, and the chief justice and associate justices of that court the senior circuit judge and circuit judges thereof, and the District Court of the United States for the District of Columbia a district court, and the chief justice and associate justices of that court the senior district judge and district judges thereof.

The SPEAKER. Is a second demanded? [After a pause.] If not, the question is on the motion offered by the gentleman from Arkansas [Mr. CRAVENS] to suspend the rules and pass the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

GRANTING FEDERAL WORKS ADMINISTRATOR CERTAIN POWERS

Mr. SABATH. Mr. Speaker, I call up House Resolution 553 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5407) to grant to the Federal Works Administrator certain powers with respect to site acquisition, building construction, purchase of buildings, and other matters. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Public Buildings and Grounds, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same back to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, later I shall yield 30 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. Speaker, House Resolution 553 provides for the consideration of H. R. 5407, which was unanimously reported by the Committee on Public Buildings and Grounds.

The bill has a number of provisions, Mr. Speaker, which will, of course, be explained in detail by the chairman of the committee, the gentleman from Texas [Mr. LANHAM], who has done his usual outstanding work on this bill.

Briefly, the bill permits the Public Buildings Administration to use $13,-

000,000 of unobligated balances for various projects, including needed extensions to marine hospitals in Seattle, Wash., and San Francisco, Calif., and $2,000,000 for purchase of land here in the District of Columbia. Authorization to permit a higher limit on the District of Columbia central heating plant is in section 2, and section 3 enables the city of New York to proceed with the tunnel from Manhattan to Brooklyn.

One of the most important provisions, in my judgment, is section 5, authorizing the Commissioner of Public Buildings to maintain a survey of Government-owned and leased office space with the purpose of making more economical use of available space. I am satisfied that if this investigation is thorough and efficient, both space and money can be saved. In conjunction with section 4, which makes it possible for more than one agency to be housed in the same building, this should result in greater economy and efficiency.

Other sections of the bill provide permanent legislative authority for some services by the Public Buildings Administration that have been authorized in appropriation bills heretofore, such as furnishing ordinary communications service to several executive agencies; one clarifies the authority of the Administration over food services and another authorizes transfer of an ordnance plant near Denver to Public Buildings Administration for use of several agencies; and one section permits the sale of escheated property in the District of Columbia. Section 9 affects the design of Federal buildings, and, the committee believes, makes the principles of design more flexible.

I do not see how there can be any opposition to the bill. It has received careful consideration from the legislative committee, and is intended to make the operations of the Public Buildings Administration more efficient and economical.

The Committee on Rules has given this bill an open rule for 1 hour of general debate; and I know Members will have an opportunity when the bill is read, if they are so inclined, to offer germane amendments.

WISCONSIN POLITICS

I want to conserve the time of the House, Mr. Speaker; but I do want to say—and this, of course, is not politics—the gentleman from South Dakota [Mr. MUNDT] a little while ago called attention to the fact that the Progressive Party of Wisconsin has rejoined the Republicans. I know the Republicans are desperate and will gladly welcome any one into their party; but I am afraid that this accession is not going to help them much. On the other hand, I must offer my condolences to those so-called Progressives who have forgotten their former beliefs, and what they once stood for. Had they really desired to act in accordance with their once proud platform of reform and progress, and in the best interests of the country, they would have joined and endorsed the Democratic organization. This is not the first time that Wisconsin politicians have made a mistake. I feel this will not aid them, because it is not the people themselves, but the politicans, willing to forego the brave principles they once advocated for the sake of continuance in office, who feel they have a better chance if they join the Republican Party.

Mr. HENRY. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I do not know whether the gentleman knows what actually transpired in that prearranged conference, so I do not know what additional light he can shed on the question.

All I know is what I read in the papers; but I do know the people of the State of Wisconsin, and that those who believe in progressive government and policies will resent the action taken. They will join with the Democrats to bring about the election of progressive and aggressive Democratic candidates.

Mr. HENRY. Mr. Speaker, will the gentleman yield?

Mr. SABATH. For a question, yes.

Mr. HENRY. May I ask the gentleman from Illinois if he feels he is competent to judge the political situation in Wisconsin?

Mr. SABATH. I think I am, and I will tell the gentleman why. Wisconsin adjoins the State of Illinois. I am familiar with the people of Wisconsin and know how they feel. I know that if it were left to the votes of the people and not to the gentlemen seeking office as so-called Progressives and Republicans, and who join any party just for the benefit of the votes, the people and the taxpayers of Wisconsin would show their resentment of this action; and they will show it in the next election.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. SABATH. The gentleman is too far distant from Wisconsin—he could not know much about it anyway.

Mr. KNUTSON. I live closer to Wisconsin than the gentleman does. My district runs up to Wisconsin.

Mr. SABATH. I am sorry, I cannot yield to the gentleman.

Mr. CHURCH. Mr. Speaker, will the gentleman yield to me?

Mr. SABATH. I am sorry; I cannot yield to either of you, because I have promised time to several of the Members, and I already have consumed more time than I intended. I want to be able to keep my promise.

Mr. Speaker, I reserve the balance of my time and now yield 30 minutes to the gentleman from Michigan [Mr. MICHENER].

CALL OF THE HOUSE

Mr. CHURCH. Mr. Speaker, I make the point of order that a quorum is not present.

Mr. KNUTSON. If the gentleman is going to talk politics we are going to have a quorum here to hear it.

Mr. SABATH. No; I am through.

Mr. CHURCH. Mr. Speaker, I insist on my point of order.

Mr. SABATH. Will the gentleman withdraw it if I yield to him?

Mr. CHURCH. No; I will not.

The SPEAKER pro tempore (Mr. WHITTINGTON). The gentleman from Illinois makes the point of order that a quorum is not present. The Chair will count. [After counting.] One hundred and sixteen Members are present, not a quorum.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 58]

Adams	Fulton	Murray, Wis.
Baldwin, Md.	Gamble	Norton
Baldwin, N. Y.	Gardner	O'Toole
Barrett, Pa.	Gathings	Outland
Beall	Geelan	Patterson
Bender	Gerlach	Peterson, Fla.
Biemiller	Gibson	Peterson, Ga.
Bloom	Graham	Pfeifer
Bradley, Pa.	Granahan	Philbin
Brumbaugh	Green	Ploeser
Buck	Gregory	Poage
Buckley	Hall,	Powell
Buffett	Leonard W.	Price, Fla.
Bulwinkle	Halleck	Quinn, N. Y.
Burgin	Hand	Rabin
Campbell	Hare	Rains
Canfield	Hart	Ramey
Cannon, Fla.	Hays	Rayfiel
Case, N. J.	Heffernan	Rees, Kans.
Celler	Hoffman	Rizley
Chapman	Holifield	Robertson,
Chelf	Holmes, Mass.	N. Dak.
Clark	Hook	Robertson, Va.
Clippinger	Howell	Roe, N. Y.
Cole, Kans.	Jarman	Rogers, Mass.
Combs	Johnson,	Rowan
Corbett	Luther A.	Schwabe, Mo.
Courtney	Kelley, Pa.	Sheridan
Curley	Kelly, Ill.	Short
Daughton, Va.	Keogh	Simpson, Ill.
Dawson	Kirwan	Simpson, Pa.
De Lacy	Klein	Slaughter
Delaney,	Kopplemann	Smith, Ohio
James J.	Kunkel	Somers, N. Y.
Dingell	LaFollette	Stefan
Dirksen	Lane	Sumner, Ill.
Douglas, Calif.	Lea	Sumners, Tex.
Douglas, Ill.	Luce	Talbot
Drewry	Lyle	Thom
Eaton	Lynch	Thomas, Tex.
Elston	McGlinchey	Torrens
Feighan	McKenzie	Towe
Fellows	Maloney	Vorys, Ohio
Fernandez	Marcantonio	Weichel
Fisher	Mason	Whitten
Flood	Miller, Calif.	Wilson
Fogarty	Miller, Nebr.	Wolfenden, Pa.
Forand	Morgan	Zimmerman
Fuller	Murphy	

The SPEAKER pro tempore. On this roll call 290 Members have answered to their names, a quorum.

By unanimous consent, further proceeds under the call were dispensed with.

GRANTING FEDERAL WORKS ADMINISTRATOR CERTAIN POWERS

Mr. SABATH. Mr. Speaker, I did not wish to yield before because several Members had asked me for time, and if I had yielded it would have delayed matters. I used more time than I intended as it was. Unfortunately, a point of order of no quorum was raised and we did not save much time, which I regret. But the only reason why I could not yield was because I had promised time, and I did not wart to be charged with using it up.

I yield to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, so far as I know, there is no opposition to this rule. It seems that there is opposition to an amendment which is floating about and which, it is understood, will be offered to the bill, adding authorization for the further expenditure of $50,000,000. There is nothing in the bill relating to that particular amendment. There was nothing before the Committee on

Rules, so far as that amendment is concerned, and if there is that type of amendment coming in, I, of course, know nothing about it. The amendment is an afterthought. It originated after the rule was granted.

I do not care to discuss the merits of the bill because the legislative committee are experts in the field and we will have its advice. I have no requests for time.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. LINK].

Mr. LINK. Mr. Speaker, I am not going to take up much time, as I feel that there are many matters more important before this House that need attention. I want to state briefly my reactions to an article that appeared in the Herald-American, Washington Bureau, March 6, and which was carried by the Chicago Tribune and some other local papers.

The aforementioned article inferred that I am a Communist because I signed a petition on winning the peace. I do not really know what a Communist is, and there are many others also who do not know. However, being in Congress for over a year, I have learned what one must do to be sure to keep the communistic brand from one's self. So here are my observations:

Today, we have several schools of thought in Congress on a just and lasting peace. One group is trying to formulate a United Nations Organization where all matters will be threshed out, adjusted, and agreed upon by all nations—and guaranteed by the United Nations. Another group—which shouts the loudest—is clamoring that a lasting peace can only be achieved by power politics in which a group of nations, including our own United States, will form a strong, military bloc to take over the world's trade—which, of course, would result in another world war. There is a small, but very powerful percentage of people within the United States who are blinded by the power of gold. They cannot see beyond this gold and, of course, to them everyone is a Communist who disagrees with them.

Now, in order not to be branded a Communist by the two latter groups, a Congressman must, first, be definitely against any nation whose form of government is not a constitutional government like our own; he must condemn every strike throughout the United States and set the blame on the unions; he must vote for antistrike bills regardless of how much they hurt—not only the union man, but all laborers; he must vote against all subsidies on the housing bill that is now before the Congress; he must vote against ceiling prices on everything; he must be against OPA and keep calling Chester Bowles a crackpot; he must vote no additional taxes on excess profits for industry; and must vote against all loans, credits, or even trade with other nations. In other words, he must definitely be for setting up an isolationist wall around the United States and for letting "the rest of the world go by." If a Congressman does not do these things, he starts off with the Communist brand.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. LINK. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Everyone knows that any such reference to the gentleman from Illinois is ridiculous. I think we all appreciate the very dignified and firm statement he has made. Because of the dignity and firmness of his statement, his statement is all the stronger.

I have noticed a growing tendency not only here but elsewhere on the part of some persons to accuse everyone who does not agree with them of being either this, that, or the other thing. I have never referred to a colleague or anyone else as a reactionary. I think that is a sinister term. To refer to people as being conservative or ultraconservative or to refer to them as being progressive is perfectly all right. I have never referred to any man as a liberal because the term "liberal" in America is different than the same word in Europe. A liberal in Europe is usually one who tries to repress human dignity and the rights of mankind. That has been my experience and my observation. As a matter of fact, the most illiberal form of government in the world is the totalitarian form of government because it tends to submerge and destroy the dignity and personality of the individual in that thing called the state, whether it is dominated by the proletarian class or group or based on the theories of raceism of Hitler with the state set up as the omnipotent authority. We have too much of a tendency on the part of some people to call someone a Communist because he may have a progressive outlook or to call someone a Fascist because he is a conservative. It seems rather hard for some of us who are Americans and are just trying to be Americans to be characterized as such. So far as the gentleman from Illinois is concerned, the House knows what a fine Member he is, and his firm and dignified statement strengthens our knowledge of the fact that the gentleman is one of the outstanding Members as well as one of the most courteous Members of the House.

Mr. SABATH. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

FISH HATCHERY, COMANCHE COUNTY, OKLA.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 396) an act providing for the transfer of a certain fish hatchery in Comanche County, Okla., to the city of Lawton, Okla.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to convey to the city of Lawton, Okla., all of the right, title, and interest of the United States in and to the fish hatchery property which is located south of such city in Comanche County, Okla., and which is now under the control of the Department of the Interior.

Mr. JOHNSON of Oklahoma. Mr. Speaker, this bill is identical to the House bill which was just passed and the purpose of calling up the Senate bill is to substitute the Senate bill for the House bill which was passed unanimously a few minutes ago.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

The proceedings whereby the bill (H. R. 1389) was passed were vacated and that bill laid on the table.

EXTENSION OF REMARKS

Mr. BOREN asked and was given permission to extend his own remarks in two instances; in one instance to include a speech by Mr. Forbes.

Mr. KNUTSON asked and was given permission to extend his remarks in the RECORD and include two letters.

TRANSPORTATION OF IRON ORE BETWEEN UNITED STATES PORTS BY CANADIAN VESSELS

Mr. BLAND. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5316) to repeal the law permitting vessels of Canadian registry to transport iron ore between United States ports on the Great Lakes, and ask for its immediate consideration.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. MICHENER. Mr. Speaker, reserving the right to object, the minority leader the gentleman from Massachusetts [Mr. MARTIN] advises me that he has conferred with the chairman of the Committee on Merchant Marine and Fisheries, and that there was no objection to the consideration of this bill.

Mr. BLAND. That is true. There is no objection to this bill, which was introduced by the gentleman from Michigan [Mr. BRADLEY]. It simply restores conditions which existed on the Great Lakes with reference to shipping as they were before the war.

Mr. MICHENER. There are some Members who would like to know the attitude of the minority of the committee and just what the bill contemplates.

Mr. BLAND. The bill contemplates restoration of the conditions as they existed before the war. In order to carry iron ore we gave permission to vessels of Canadian registry to carry iron ore on the Lakes between American ports. It was distinctly stated at that time that it was done only to meet the conditions that existed on account of the war. The new season will open in about 30 days. The bill was introduced by the gentleman from Michigan [Mr. BRADLEY] and I promised to try to have it passed. They felt it was necessary to have it passed.

Mr. MICHENER. Mr. Speaker, I withdraw my reservation of objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act authorizing vessels of Canadian registry to transport iron ore on the Great Lakes during 1942," approved January 27, 1942, as amended, is hereby repealed.

The bill was ordered to be engrossed and read a third time, was read the third

time, and passed, and a motion to reconsider was laid on the table.

GRANTING CERTAIN POWERS WITH RESPECT TO SITE ACQUISITION, BUILDING CONSTRUCTION, ETC., TO FEDERAL WORKS ADMINISTRATION

Mr. LANHAM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5407) to grant to the Federal Works Administrator certain powers with respect to site acquisition, building construction, purchase of buildings, and other matters.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5407, with Mr. CRAVENS in the chair.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. CASE of South Dakota. Mr. Chairman, I desire to make a point of order against portions of the bill in paragraphs (a), (b), and what was originally (c), proposed now to be made (b) by a committee amendment, on the ground that they constitute appropriations. Under the rule forbidding the reporting of appropriations by a committee without jurisdiction, I make a point of order against the consideration of the language on page 2, beginning in line 4, reading:

> And the unobligated balances of appropriations heretofore made for the construction of projects outside the District of Columbia.

Also on page 2, beginning in line 23, the last sentence of that paragraph which reads:

> Funds for this purpose are hereby made available from the unobligated balances of appropriations heretofore made for the construction of buildings outside the District of Columbia.

Under the rule, a point of order would lie against consideration of those portions of the bill, and I make such a point of order at this time.

Mr. LANHAM. Mr. Chairman, the appropriations referred to by the gentleman from South Dakota [Mr. CASE] have already been made, and this money has been appropriated.

The CHAIRMAN. The Chair believes that the proper time to raise such points of order is not at the present time, but when the bill is read under the 5-minute rule for amendment.

Mr. CASE of South Dakota. Of course, I know that is frequently done, but I think the rule authorizes the point of order to be made at any time during consideration of the bill.

Mr. LANHAM. May I say to the gentleman that I think when he hears the explanation of the purpose of those two provisions he will be quite in sympathy with them, by reason of the fact that they are decidedly in the interest of economy in Federal expenditures.

The CHAIRMAN. The Chair is informed that under the previous practice of the House, such points of order should be raised when the bill is read for amendment.

Mr. CASE of South Dakota. I have no objection to presenting them later, but I do not want to lose my right to present them by failure to raise them at this time.

The CHAIRMAN. The gentleman will not lose any of his rights.

Mr. LANHAM. Mr. Chairman, I yield myself such time as I may use.

Mr. Chairman, I am sure the Members of the House are aware of the fact that the Committee on Public Buildings and Grounds has been considering a general public buildings bill; that the committee held hearings for 3 weeks on the measure, H. R. 4276; and that it will be necessary to have executive meetings of the committee in order to determine what the committee will report with reference to certain features and phases of that particular bill.

In the meantime there are certain emergency matters which deserve our very prompt attention in the interest of economy and in the interest of orderly procedure.

This bill which is presented today has the unanimous endorsement of the Committee on Public Buildings and Grounds, with the exception of an amendment which will later be offered and which was before the committee this morning and which the committee by a divided vote decided to submit for the consideration of the House.

The particular sections to which the gentleman from South Dakota has expressed his intention to raise a point of order are sections to which I should like to call your attention from their practical and economic aspects. And may I say that there is no appropriation involved in this bill as originally reported from the committee except the sum of $750,000 for the completion of the central heating plant for which an appropriation has heretofore been made. This is in the nature of a further authorization which has resulted because of the higher cost of material and labor and certain alterations in the plans. The work is already in course of construction and it is quite evident that this should be authorized and this work completed. At the present time, for instance, we have six boilers used to furnish heat for the buildings that are heated from the central heating plant. All six of them are in operation on every cold day, and should one of them break down some of our central service buildings would be without heat.

Mr. CASE of South Dakota. Mr. Speaker, before the gentleman proceeds to the balance of the bill will he also discuss the proposal at the bottom of page 2 to make sums heretofore authorized for construction outside of the District of Columbia available?

Mr. LANHAM. I do intend to discuss it from the standpoint of its practical and economic aspects.

The $15,000,000 involved in subsections (a) and (c) of the bill from the committee are concerned with appropriations which have already been made. I wish to call attention to what these projects are.

Mr. McGREGOR. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield.

Mr. McGREGOR. Is it not true that this $15,000,000 is not new appropriations but unexpended balances in the Federal Works Agency?

Mr. LANHAM. That is correct. The purpose of subsection (a) is both practical and economical from the standpoint of Federal expenditures and this money is to be used for the following purposes: A part of it is to be used for the extension of two marine hospitals, one at San Francisco and one at Seattle.

It has been brought to the attention of the committee that those hospital facilities are vitally needed. It is also intended to purchase three pieces of property with funds referred to in subsection (a). One of those is the parcel-post building at Indianapolis, Ind., which was constructed by private enterprise for the Government, according to Government plans and specifications, and which now under a temporary option can be purchased for what we pay in rent in just a few years for that very building.

Exactly the same situation exists in Boston, Mass., where there is another parcel-post station built for the Government by private capital in accordance with Government plans and specifications and which can be acquired in a similar way and at similar expense.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. That does not quite go to the question involved and that is why I raised the point of order. The reason for making the point of order would be twofold. First of all, because all authorized projects call for consideration by the Appropriations Committee of funds to be made available. The second thing is that the unobligated balances of appropriations must originally have been made for a specific purpose.

The question that is involved here is whether these unobligated balances which had been appropriated for an intended purpose should now be diverted from that original purpose and made applicable to the new projects herein proposed.

Mr. LANHAM. If the point of order should be sustained, and if the gentleman is willing for the Government to go to greater expense in providing those facilities than under the provisions of this bill and using money already appropriated, of course, that will be his responsibility. But let me go on.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman permit a further interruption?

Mr. LANHAM. I do not want all of my time used on a point of order. I want to explain what this bill does.

Mr. CASE of South Dakota. If the gentleman will indulge me, I do not want to be put in the position of objecting to marine hospitals because I am not objecting to them; but I am questioning whether or not money that was appropriated for some other purpose should be used for marine hospitals without justification before the Appropriations Committee.

Mr. LANHAM. As a matter of fact, the Appropriations Committee but for the action taken a few days ago was going to rescind this $15,000,000. I appeared through the courtesy of that committee before the Appropriations Committee and that committee itself brought in a committee amendment to strike that item of rescission from the bill in order that this very procedure indicated here might be carried out by reason of the economy that it involved in Federal expenditures.

The third one of those buildings is in a midwestern city. I will not call it by name, because I do not in any way wish to complicate the action that the Government wishes to take. There is a building out there exactly adapted to governmental needs. A member of our committee lives in that particular city. We can acquire that building for 60 percent of what it would cost us to reproduce it, and we could immediately obviate the rent that we are paying in large sums in that city by acquiring this particular building. The time is short within which that trade can be made. I understand that private interests are offering more for that building today than the sum for which the Government can acquire it. These things are certainly in the interest of economy. We are going to acquire these particular structures, for which the rent in a few years will meet the cost, or we are going to have to appropriate greater sums of money to furnish the very same facilities. So I say that it is certainly in the interest of economy on the part of the Federal Government and for the orderly procedure of our Federal agencies to take the action that is contemplated in this bill. The committee heard this matter very much in detail, and there was not a dissenting vote with reference to these features.

The gentleman from South Dakota also calls attention to the item of $2,000,000 which, it is true, is not to be expended outside of the District of Columbia, as recited on page 2, lines 20 to 23. That has reference to some land in the northwest triangle which the Government has long contemplated acquiring. As a matter of fact, 8 or more years ago a bill was reported from the Committee on Public Buildings and Grounds to acquire that very tract, and it is intended that eventually the Navy Department will construct a building on that particular site. It is necessary for the Federal Government in its plans to have this particular land, and the reason that we wish to acquire it now—and we should have acquired it sooner—is that the owners of that land are contemplating the erection of a very large structure, and I understand have their plans already drawn, and if they are carried through to fulfillment, then we are going to have to buy the land and the building, also. So, in the interest of economy, with this money which has already been appropriated, we wish to use a part of it for this governmental purpose.

Practically all of the other provisions of this bill are procedural. They were fully explained to the committee, and were acquiesced in unanimously by the committee.

Perhaps attention should be called to the exchange of land in New York, recited in section 3, where the Government is getting very much more land in the exchange, very much more advantageous to the Government, in order that the city of New York may carry on some of the projects that are being developed there. There is no controversy, I think, upon an investigation of the matter; that it is distinctly to the advantage of the Government for that trade to be made, and it is very seldom, I think, that the Government has any such opportunity in a transaction of this character in any city.

Then there is one small provision with reference to a piece of land that has escheated to the Government by reason of the fact that when an owner dies without heirs that property does escheat to the Government. It is a small piece of land with a house in bad repair, for which the Government has no use whatever, and the only sensible thing to do is to permit the sale of the land and the money to be covered into the Treasury.

Then we have a provision in the last section, section 12 of the bill, which is not entirely procedural, with reference to the transfer of certain land in Denver, Colo., where the Denver ordnance plant is being discontinued. I should like to read into the RECORD this statement of the situation. This information was given us by Mr. W. E. Reynolds, Commissioner of the Public Buildings Administration. I think there is no finer, more conscientious, or more practical public servant in the Federal Government than W. E. Reynolds. Those of you who have had occasion to have contact with him will, I think, confirm that opinion. He says:

> The space situation in Denver, Colo., is critical. Office space is needed immediately for the Veterans' Administration, Bureau of Reclamation, Treasury Department, and other Federal activities. Approximately 1,980,000 gross square feet of usable office space is available in an ordnance plant located about 9 miles from the center of Denver, which has been declared surplus by the War Department. This property has been assigned to the Public Buildings Administration as disposal agency. The premises can be pressed into immediate use for the activities indicated and will eliminate from present consideration the construction of additional office space.
>
> The Surplus Property Act of 1944, approved October 3, 1944, provides for utilization of surplus property by Federal agencies, under section 12 (c), as follows: "The disposal agency responsible for any such property shall transfer it to the Government agency acquiring it at the fair value of the property as fixed by the disposal agency, under regulations prescribed by the Board, unless transfer without reimbursement or transfer of funds is otherwise authorized by law."
>
> The proposed legislation would permit the Public Buildings Administration to assume permanent custody and control of the property without reimbursement.

In other words, without the expense and detail of a great deal of unnecessary bookkeeping this vacated property would be immediately occupied by the governmental agencies enumerated in this statement by Mr. Reynolds. It is in the interest of time and economy that such a provision be inserted in this bill.

There are one or two of the procedural provisions which simply place into law provisions which are carried annually in appropriation bills.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Kansas.

Mr. SCRIVNER. I call the gentleman's attention to the language at the top of page 2. As I understand, there are several places throughout the country where conditions exist similar to those in the city of Kansas City, Kans., where the Government owns tracts of land upon which it had contemplated building structures. For instance, there was a post office. Then with the coming of war, of course, those plans had to be abandoned. As I understand, the language at the top of page 2 authorizes the Government now to go ahead and, where it already owns the land, draft plans for the contemplated building.

Mr. LANHAM. That is correct, and that is in the interest of time when we consider a Federal public building bill. That is a procedural matter.

There is another thing that must be borne in mind, that the Public Buildings Administration, which is a very efficient agency of our Government, must in the meantime carry on with the work such as that contemplated in this bill or lose many of the very fine men connected with it, whose services are practically indispensable because of their long experience and familiarity with the work.

Mr. SCRIVNER. This planning is necessary because of change of conditions in many of these communities. Plans have already been drafted for this particular site, but it is found now that they are no longer adequate, yet without this they would have no means of preparing new plans.

Mr. LANHAM. That is absolutely true. That is the reason we put such authority in this measure.

Mr. SCRIVNER. I thank the gentleman.

Mr. LANHAM. I call attention to the fact, because it is not in the bill as originally reported, that this morning, at an executive meeting of the Committee on Public Buildings and Grounds, by a divided vote the committee authorized the submission of an amendment as a new section, section 13. The committee decided that the matter would be submitted to the House and let the House pass its independent judgment on the question of whether or not it wishes to engage in construction activities of the sort indicated in the amendment. For your information, I will read the amendment which, in accordance with the instructions of the committee, will be offered for the consideration of the Committee of the Whole House, and if adopted will be before the House for its consideration:

> SEC. 13. In order to alleviate the acute shortage of hospital facilities outside the District of Columbia, the Federal Works Administrator is hereby authorized to make grants to public and private agencies for hospital facilities; *Provided*, That in no event shall the grant exceed 50 percent of the cost of a hospital facility to a public or private agency. As used in this section, the term "hospital facility" shall include without lim-

iting the generality thereof the construction, design, improvement, extension, equipment, alteration, acquisition, or reconstruction of hospital facilities. The term "public agency" shall mean any State, Territory, or possession of the United States, or any political subdivision, municipality, district, authority, or other public body; and the term "private agency" shall mean any nonprofit private organization. For carrying out the purposes of this section there is hereby authorized to be appropriated the sum of $50,000,000.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Michigan.

Mr. DONDERO. I have discussed this matter somewhat with the gentleman from California [Mr. ELLIOTT]. This morning I conferred with the gentleman from Tennessee [Mr. PRIEST], who is chairman of the subcommittee of the Committee on Interstate and Foreign Commerce. They had just concluded hearings on the bill (S. 191) to provide funds for hospital facilities. I wonder whether this bill does not conflict with that program in its entirety? Here are two bills, or at least two proposals, which are almost identically alike, with one exception. I notice this goes into private agencies and goes beyond public agencies.

Mr. LANHAM. May I recall to my friend, the gentleman from Michigan, that I am simply reading the amendment now for the information of the Committee of the Whole House because of the fact that under the instructions of the Committee on a divided vote the amendment will be offered for the consideration of the House. I thought I was in duty bound to give this advance information as to what the amendment provides. It will, of course, be discussed in the Committee of the Whole House when it is offered.

Mr. DONDERO. But it comes to the House simply on a divided vote of your committee and is not included in the report of the committee?

Mr. LANHAM. That is correct. It is not included in the report because of the fact that the action was taken only this morning.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Is it not true that the States generally have surpluses and that they are in better position financially to construct the hospitals than the Federal Government with its huge public debt outstanding?

Mr. LANHAM. That may be quite true. I am not arguing the merits or demerits of this amendment now because it will be offered later and evidently will be discussed. I simply thought I should advise the Committee that the Committee on Public Buildings and Grounds by a divided vote this morning authorized the submission of the amendment. It is not included in the bill as originally introduced. It is not included in the report of the bill. Consequently, I thought I should give the information that it will be offered.

Mr. WHITTINGTON. Is it the proper or usual thing for the House now to undertake to include by way of an amendment an authorization more than three times the amount of the authorization in the bill as reported? As a general proposition, I ask the gentleman: Is that altogether wise?

Mr. LANHAM. The bill as originally reported does not involve an appropriation of funds not already appropriated except the amount indicated for the completion of the central heating system.

Mr. WHITTINGTON. Yes, I understand that, but what is the total amount carried in the original bill as reported?

Mr. LANHAM. The amendment provides for $50,000,000.

Mr. WHITTINGTON. That is more than three times the amount carried in the bill as reported, is it not?

Mr. LANHAM. Oh, yes; the committee's report has to do with $15,000,000 already appropriated. It is merely a use of money already appropriated. The only new appropriation in the original bill and report is $750,000 for the completion of the heating plant.

Mr. WHITTINGTON. Is it not generally true, and has it not been generally true that the justification for grants, whether 45 or 50 percent of the cost of construction, has heretofore been the inability of the States or the local subdivisions or private agencies to construct the projects to be erected?

Mr. LANHAM. I read the amendment as it will be submitted, which, as I recall, was upon a 50–50 basis.

Mr. WHITTINGTON. Yes. I very thoroughly recall the language of the amendment, but I speak now of the justification which the committee offers for reporting, even by a divided vote, this amendment to the House.

Mr. LANHAM. As I stated, it is to be offered by a divided vote of the committee. The committee is unanimous with reference to the provisions of H. R. 5407, but the committee was not unanimous with reference to the submission of this amendment.

Mr. WHITTINGTON. I believe the gentleman's answers are persuasive evidence as to why the amendment should not be adopted.

Mr. ELLIOTT. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield.

Mr. ELLIOTT. I would like to tell the House my reason for offering this amendment, later. I will take full responsibility, 100 percent, for offering the amendment, and leave it to the membership of the House.

Mr. LANHAM. May I say to the gentleman that it is my purpose, when the amendment is offered, that the gentleman shall have time to make an explanation of it.

Mr. DONDERO. Mr. Chairman, will the gentleman yield further?

Mr. LANHAM. I yield.

Mr. DONDERO. In answer to the gentleman from Mississippi [Mr. WHITTINGTON] as to the surpluses of the States, it is my understanding that every State in the Union, with the exception of two, now has a surplus in its treasury.

Mr. LANHAM. I do not know just what the exact figures are in that regard, but I know that is true of a great many States.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield.

Mr. KEEFE. I listened with great interest to the presentation of the distinguished chairman of the committee, and I have listened with great interest to his presentation in advance of the offering of the amendment, which will be offered by the distinguished gentleman from California, or offered by the committee as a committee amendment. Am I safe in assuming from the character of the statements just made by the chairman of the committee that he himself is in opposition to that amendment?

Mr. LANHAM. May I say to the gentleman from Wisconsin that the vote in the committee this morning was in executive session, and I do not think I am at liberty to disclose how members voted. Of course, when the amendment is offered, that will be time for discussing it with reference to its merits or demerits. There were several members of the committee who were not sympathetic and there were several members who were. So the committee decided by majority vote to submit it to the House.

Mr. KEEFE. I think the gentleman has fairly well answered my question. He is not too enthusiastic, but he is performing what he conceives to be his duty, without regard to his enthusiasm for the amendment.

Mr. LANHAM. I certainly think at this time that in reporting just what this bill includes, it was incumbent upon me to give the information that this amendment would be offered, because the amendment itself is not now under discussion but will be under discussion when it is presented as a committee amendment.

Mr. KEEFE. I thank the gentleman.

Mr. LANHAM. Mr. Chairman, I reserve the remainder of my time.

Mr. McGREGOR. Mr. Chairman, I yield myself such time as may be necessary.

I simply want to concur in the statements made by our distinguished chairman, the gentleman from Texas, [Mr. LANHAM]. I want to stress the fact and call to the attention of the House that the Committee on Public Buildings and Grounds is attempting to save our Government some money. We are given an opportunity to purchase three buildings for which we are now paying a rental sufficient to pay for them in a period of not in excess of 7 years and most of them in 6 years. Also in this bill we are taking care of the purchase of some land which I believe we all admit is going to be necessary and to purchase it before new construction is made on that land so that we will not have to pay for the land plus the new construction. In this bill we are also managing to take care of an absolute need in Seattle and San Francisco for the extension of hospitals.

I believe there are no objections to the bill as it has been reported out of the committee. As my chairman has said, there possibly will be some objection to the amendment to be introduced by the distinguished gentleman from California authorizing $50,000,000 for hospitals. This would be matched on a 50-50 basis;

in other words, a community would put up a million dollars and the Federal Government would put up a like sum. I wish to say to the Chairman that the gentleman from California [Mr. ELLIOTT] presented it to the committee and is sincere in his effort. He has splendid arguments. He has worked hard for his community and he fully recognizes the needs not only of that community but the welfare of the entire Nation. The committee felt that his amendment was entitled to be given consideration on the floor.

I hope this Committee will give consideration to the amendment and especially do I hope that the bill will be passed as recommended by the committee.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield to the gentleman from New York.

Mr. COLE of New York. In regard to the provision that makes available $2,000,000 for the acquisition of property outside of the District of Columbia, I notice the report set forth that this land would be obtained in the northwest rectangle in the District of Columbia. My first question is: Does the gentleman's committee undertake to identify the locality where the land will be acquired? And if so why does the committee select the most congested rectangle of the four in the District of Columbia?

My other question is: If the money is used to acquire land outside of the District why does the committee require that the acquisition be obtained from territory within the District?

Mr. McGREGOR. It is my understanding, to answer the gentleman's question, that the land in question is within the District of Columbia. Is not that correct, Mr. Chairman?

Mr. LANHAM. The gentleman is correct.

Mr. McGREGOR. And it is land on which it is contemplated private construction will begin at an early date. I do not believe I am disclosing the proceedings of the executive session in saying this. A brewery occupies the site at the present time and new construction will be started very soon. The $2,000,000 is for the purpose of acquiring the land itself, and the land is within the District of Columbia. Is that correct?

Mr. LANHAM. That is correct. I may say further that as long ago as 8 years or more the Committee on Public Buildings and Grounds issued a report recommending the acquisition of this land.

Mr. COLE of New York. Can the gentleman reply further as to the purpose for which this land is to be used after it is acquired?

Mr. McGREGOR. I do not believe it has been definitely determined what type of building will be constructed nor what department or Federal agency will occupy the building after construction.

Mr. LANHAM. I may say to the gentleman that the matter, of course, is before the Committee in a general public buildings bill upon which we have held hearings, but as yet no affirmative action has been taken.

It has been contemplated through the years as a site for a Navy Department Building. The Navy Department has no building in the city of Washington except temporary ones.

Mr. COLE of New York. Then it is the recommendation of the committee that this land should be acquired with the idea that some day the Federal Government may build on it for some public purpose?

Mr. LANHAM. If the gentleman would look at the general scheme and plan of Federal construction in Washington he would see that it fits in necessarily with the general purposes. The desire to acquire it at this time is because of the fact that it can be acquired now more economically than it can be acquired later when we might have to purchase a very large establishment along with the land.

Mr. COLE of New York. Is this acquisition to be exercised under condemnation proceedings or by negotiation?

Mr. McGREGOR. It is my understanding by negotiation. I may say also that this bill is the result of a bill that was introduced some months ago which carried several hundred million dollars for a Federal works program, but your committee took the position this certainly was not the proper time, on account of the need for critical building materials, to start a Federal works program. So we took that bill and went through it carefully and after long and extensive hearings we have submitted to you today H. R. 5407. We firmly believe this is the minimum bill that we can present to you and in turn save several million dollars to the taxpayers.

Mr. Chairman, at this time I yield 5 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, in view of the fact a great deal of this debate has centered about the question that I raised on the transfer of other appropriations to purposes herein proposed to be authorized, I should like to enter into that discussion a little at this time.

First of all, let me say that as far as the purposes for which it is proposed to use this $13,000,000 proposed to be made available under subparagraph (a) of section 1, I think that the purposes sound laudable and the gentlemen who have explained them make a good case for those particular projects.

I am reminded, however, that in December when the Commissioner of Public Buildings, Mr. Reynods, appeared before the appropriations subcommittee for independent offices, there was a great deal of testimony offered to the effect that public buildings outside the District of Columbia were in a sad state of repair, that during the war painting had been neglected, a great many heating plants were sadly deteriorated and needed replacement, that other repair and rehabilitation work was required in order that these public buildings may be put in economical condition for maintenance. The Bureau of the Budget reduced the request of the Public Buildings Administration for that purpose and before consenting to the transfer of $13,000,000 from balances that would be available for the rehabilitation of public buildings, it seemed to me some justification should be made for the purposes to which it is proposed to transfer the money. I think the gentlemen who have spoken made a good statement so far as statements go without any examination of figures as to the need for the marine hospitals at Seattle and San Francisco and possibly for this additional office building in a midwestern city to which the gentleman from Texas referred; however, I think it is not good appropriation practice to transfer money appropriated for a specific purpose to a new purpose without the record showing why that is being done.

With respect to the second item to which I directed attention, the $2,000,000 fund in paragraph (c), to be renumbered paragraph (d) of section 1, I am still of the opinion that a point of order should be made against making $2,000,000 available for that purpose. Whether or not this land should be bought is a question that ought to be answered fully and specifically. In discussion with the Park and Planning Commission in the District of Columbia and with the Public Buildings Administration of related questions, the appropriations subcommittee handling appropriations for this purpose has become aware of the importance of buying land when it is available; at the same time evidence before the subcommittee at various times has brought out the fact that there are a great many tracts of land in the District of Columbia that are now being used for purposes that are not necessarily to be served within the District of Columbia.

For instance, such institutions as the Boys Training School, the Columbia Institution for the Deaf, and St. Elizabeths Hospital occupy large acreages. The suggestion has been made that some of those activities might well be transferred outside of the District of Columbia, and that the land they occupy be made available for other purposes. So I think that no great harm will ensue if the $2,000,000 proposed to be transferred by the language at the bottom of page 2 be objected to on the ground of a point of order in order that the actual appropriation of funds for those grounds be further considered.

We are told that it was intended to get this $2,000,000 land for the erection of a Navy building. That, it strikes me, is a question that ought to be seriously considered by the Committee on Naval Affairs as well as by the appropriate committee dealing with appropriations. A good many people have raised the question as to what will be done with the Pentagon Building. Someone suggested to me the other day that he thought the Pentagon Building would serve both the War and the Navy Departments. I do not know that that is true, but at least, those are questions that should be determined.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. McGREGOR. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. CASE of South Dakota. As I said, that is a question that at least ought to be explored and we ought not to permit it to be handled here by what seems to me to be inadequate consideration.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from New York.

Mr. TABER. Has anybody investigated whether or not this $13,000,000 referred to on page 2 would be available for the purposes of going ahead with the items that they refer to without any language of appropriation?

Mr. CASE of South Dakota. I do not know.

Mr. TABER. I wonder if the chairman of the committee would answer that question.

Mr. LANHAM. Mr. Chairman, if the gentleman will yield, it was thought so by the Public Buildings Administrator, who appeared before the committee.

Mr. TABER. Why do we have that language in here if they think the money would be available anyway? It would be surplusage under those circumstances.

Mr. LANHAM. Of course, the money has already been appropriated, although this specific purpose was not stated. This is the designation of the purpose for which the appropriation would be made.

Mr. TABER. If the appropriation originally were made on such a broad scale that it could be used for this purpose, this language would be pure surplusage. That is what I would like to have settled, if we could, to find out where we are at and what it means.

Mr. LANHAM. I tried to make the best explanation I could in my original remarks with reference to the purpose of this subsection (a), which is certainly a very economical purpose.

The CHAIRMAN. The time of the gentleman from South Dakota has again expired.

Mr. McGREGOR. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I do not understand the question raised by the gentleman from New York, but I believe I understood him to inquire whether or not this money was surplus. It is my understanding that it is unobligated balances. The point of order that has been raised is that it should be referred back and reappropriated; is that the question?

Mr. TABER. No. My question was this, Whether the original appropriation of this money was on such a broad basis that it could be used for the purposes that are referred to in this subsection (a), or whether this language of appropriation was required in order to make the funds available. I understood the gentleman from Texas to say that he understood the Public Buildings Administrator said that it was not necessary to have appropriating language. If this is pure surplusage, it certainly ought to go out.

Mr. LANHAM. Of course, the money involved in this subsection (a) could not now be used for the purpose for which it was originally appropriated because it would be inadequate and insufficient. It was an appropriation made before the war for certain construction which within the limit of costs that were then obtaining could not be built today. While we are considering general legislation with reference to a public buildings bill, we are trying, while holding that in abeyance temporarily, to look after some emergency features here in the interest of economy for the Government. Unless these things, some of which I have enumerated, are carried out very speedily, it will be of no avail to have any provision at all with reference to them.

Mr. McGREGOR. Does that answer the question of the gentleman from New York? We want him to be satisfied, recognizing that he is the ranking member of the Committee on Appropriations.

Mr. TABER. I should like to know just what the funds, of which this $13,000,000 is a part, were originally appropriated for?

Mr. LANHAM. The purpose for which money appropriated is to be used is a legislative matter rather than an appropriation matter. These appropriations have been made. The amount of money involved in subsection (a) would not be sufficient to carry on the construction for which it may originally have been appropriated, by reason of the additional cost of material and labor. Now we can use this money for a distinct and needed Federal purpose. This provides legislative authority upon which it can be used, the appropriation having already been made and the Committee on Appropriations itself having stricken this sum from the recent rescission bill.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield to the gentleman from Wisconsin.

Mr. KEEFE. The question which has been raised is an interesting one. I am wondering if the answer is not to be found in the report of the committee itself, wherein it states:

> The Commissioner of Public Buildings reports to the committee that the Public Buildings Administration has about $15,000,000 of unobligated balances of appropriations heretofore made for the construction of projects outside the District of Columbia.

That simply means that the Congress has heretofore appropriated money for specific construction purposes, to build buildings and structures outside the District of Columbia, and we have unobligated balances of about $15,000,000. What they are now asking is that without having particular justification before an Appropriations Subcommittee they be permitted to take this $15,000,000 of unobligated balances resulting from inability to expend or obligate appropriations made for specific purposes, and use those unobligated balances for certain other purposes, namely, to build extensions for two marine hospitals and to acquire certain other properties that have been listed by the gentleman from Texas in his original remarks.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. McGREGOR. Mr. Chairman, I yield myself five additional minutes.

Mr. KEEFE. As I understand, they propose to use $13,000,000 of the $15,000,000 for certain specific purposes, and propose to use $2,000,000 of the $15,000,000 to acquire certain land here in the District of Columbia. Obviously that $2,000,000 is being put to a use that could not possibly have been encompassed within the original appropriation, because the $15,000,000 balance was for structures outside the District of Columbia. The whole situation, it seems to me, is very simple. These unexpended balances under the law should be returned to the Treasury of the United States.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield.

Mr. CASE of South Dakota. I assume that these $15,000,000 were originally appropriated for the construction of buildings outside the District of Columbia and for their rehabilitation.

Mr. KEEFE. For a specific purpose.

Mr. McGREGOR. They were appropriated to the Federal Works Agency, the same agency that is now requesting the further right to use this money that had once been appropriated.

Mr. CASE of South Dakota. The money was for the construction of postoffice buildings or for the rehabilitation of post offices and other public buildings. The money was either carried in the Independent Offices Appropriation bill or in a deficiency bill. But in any event the $15,000,000 originally was for the construction of public buildings outside the District of Columbia or for their rehabilitation.

Mr. KEEFE. I think that is clear.

Mr. CASE of South Dakota. If the Congress wants to take $13,000,000 of that and instead of using it for post offices and general repair of buildings that we already own and use it to make these extensions to these two marine hospitals and for this Federal office building, it should understand clearly what it is doing. Personally, I think a pretty good statement has been made for these marine hospitals and for this office building. But to my mind, there has been no justification established for taking $2,000,000 of the $15,000,000 and using it to buy land ostensibly to build a Navy building.

Mr. KEEFE. What we are doing in effect, and I think everyone will concede it, is appropriating on this legislative bill. That is what we are doing. It is simply a question to me as a member of the Committee on Appropriations as to whether or not we should permit that type of practice regardless of how worthy the situation may be. How much effort will there be on the part of the Public Buildings Administration to get a budget estimate for the amount of money necessary for the acquisition of these buildings and the repair of these hospitals and have it come up in the regular way to the Committee on Appropriations and let an appropriation be made for these items instead of doing it in this way, which will establish a very undesirable precedent? I read in the paper in the last 2 or 3 days that a dispute has arisen between the Bureau of the Budget and the Committee on Naval Affairs. The Committee on Naval Affairs, which is a legislative committee, as stated in the newspapers, is about to conduct hearings on a budget estimate submitted by the Bureau of the Budget to the House Committee on Appropriations, while at the same time the Subcommittee on Appropriations is conducting hearings on the question as to the adequacy or inadequacy of a Bureau of the Budget estimate. Now it all reverts back to

the question of committee jurisdiction as to whether or not we are going to have the Committee on Appropriations accused time and again on the floor of this House of legislating on an appropriation bill. Here we have the reverse. A legislative committee is coming in and making specific appropriations on a legislative bill.

Mr. McGREGOR. If we follow the gentleman's suggestion, the Committee on Appropriations could not now make appropriations because at the moment there would be no authorization for the appropriation. If this were done we would accuse the Appropriations Committee of legislating on an appropriation bill.

Mr. KEEFE. Then why do you not offer an amendment to this bill to authorize these items of appropriation and get a budget estimate in the normal way?

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield.

Mr. LANHAM. May I say to the gentleman that in a sense at least the Committee on Appropriations has acted on this matter because I appeared before the Committee on Appropriations and explained what was in this bill. On the basis of that explanation, the Committee on Appropriations acted by striking this money out of the rescission bill.

Mr. McGREGOR. Mr. Chairman, I yield 10 minutes to the gentleman from South Carolina [Mr. RIVERS].

Mr. RIVERS. Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. RIVERS. Mr. Chairman, it was with shock, amazement, and horror that I read in the paper of the drastic cut in our Navy, still our first line of defense, by the Bureau of the Budget. That cut was from $6,325,000,000 to a final figure of $4,224,000,000. This amounts to a cut of exactly one-third—a cut of one-third at the very time when world conditions are hanging on a delicate balance.

But my shock and amazement turned to white fury when I read of the unfortunate manner in which this cut had been made. Not only was it in complete disregard of the unanimous vote of the House on the composition of our Navy but it was made without even consulting the Navy itself.

I speak with conviction because I have just returned from a 28,000-mile inspection tour of our naval facilities in the Pacific. On this tour I saw the many vital naval establishments that we have in the vast expanses of the Pacific. I saw facilities and equipment in which we had spent millions—yes; billions—of dollars. I also saw the vital necessity of retaining these naval establishments. Until I made this inspection tour I had no idea of the terrific problems of the defense in the Pacific.

Now, I have returned to find that all of this for which we have not only spent billions of dollars but have sacrificed thousands of lives is to be literally junked from lack of funds resulting from the Bureau of the Budget's cut. Are we to have a navy dictated by a bookkeeper—a bookkeeper's navy—or are we to have a navy that will be adequate to defend this country and its possessions?

Has the Bureau of the Budget made an inspection of our establishments in the Pacific? Did the Bureau of the Budget carefully weigh the requirements of these bases and their place in our national defense?

It is obvious that they did not, or how could they cut our Navy by one-third? Why did they stop at one-third? Why did they not make it one-half? If they are so interested in economy, why did they not eliminate the Navy? We might as well close up the establishments on the west coast and close up the establishments on the east coast, because it is folly to have establishments which cannot be adequately supplied.

We want no repetitions of Guam and Wake. We want no bases that cannot be defended because they are undermanned and without necessary equipment. Yet, the Bureau of the Budget cut would do that very thing.

A cheap Navy is the most expensive thing in the world. It is better not to have a Navy than a cheap one; a cheap Navy would be a liability.

May I remind the Bureau of the Budget that there are no bargains in national security?

But I am also incensed by the contemptible bureaucratic action in that it smacks of government by Executive order rather than orderly legislation. If this country is to be ruled by Executive order, or, more pointedly, by the Bureau of the Budget, we might as well close up Congress. The hearings, the deliberations, and actions of congressional committees, which have for years specialized in the study of certain vital problems of this country, are thus completely rescinded merely by a sharpened pencil of an anonymous bureaucrat.

Yes; the Budget has dropped its own atomic bomb on our Navy. Frugal men who pinch pennies—who do not even consult with the Navy, which has had the experience of fighting and winning the war in the Pacific—now have the temerity to attempt to dictate to the Navy, to the Congress, and to the people of this country without even asking their advice.

It is unfortunate that the President is receiving such disastrous advice—yes, disastrous because of its error in viewing national economy in pennies instead of human lives. There can be only one conclusion—"the brass hats have been supplanted by brass heads." It is tragic because it promises to be another case of too late and too little.

But I am happy to say that the House Naval Affairs Committee is not going to abdicate its duty to the people of this country and to take the action of the Bureau of the Budget laying down, but that it will continue its role of the "watch-dog on the hill" and will review the entire situation.

The action of the Budget Bureau represents bureaucracy at its worst. It will not be tolerated by the Congress, by thousands who fought this war, and by fathers, mothers, and families of those who fought.

Under leave to extend my remarks, I include the following editorial from Sunday's Washington Post and a news item:

[From the Washington Post of March 17, 1946]

NAVY BUDGET

As a rule, the pruning activities of the Budget Bureau serve a salutary purpose of enforcing economy in outlays, since Government spending agencies are inclined to overestimate their need for funds. But the $2,000,000,000 gap between the 1947 Navy budget now being considered by the House subcommittee and the sum the Navy asks for is much too large to be regarded as a legitimate pruning operation. Indeed, it is difficult to find any excuse for a discrepancy of this size, especially as the Budget Bureau recommendations were submitted to the President without prior consultation with the Navy Department.

To be sure, nobody, not even the best-informed expert, is in a position to determine at this time what our naval expenditures are likely to be during the next fiscal year. If the plan for unification of the services had been approved, total expenditures for national defense, and for the Navy in particular, would have been affected. With that proposal hanging fire and with our naval-defense program still in a nebulous state, naval expenditure estimates are necessarily a matter of guesswork. However, since guessing has to serve for the time being in the absence of reliable estimates based on well-defined naval plans, final decisions as to appropriations certainly should not be made by the Budget Bureau. If that were done, the Bureau would be elevated to the role of policy maker in a field where it is not competent to act.

Although Secretary Forrestal is justified in protesting against reliance on a bookkeeper's Navy, Congress has a responsibility to limit over-all naval outlays after consultation with naval officials. We are glad to learn that the House Naval Committee intends to explore the whole problem. The confusion that has arisen grows out of the topsy-turvy procedural methods that are being followed. Congress is being asked to vote funds to keep an establishment operating without knowing what the scope of its activities is likely to be.

In view of existing uncertainties, we think appropriations should be voted to cover the Navy's essential requirements and supplemented as naval plans assume more definite shape. Since long-range planning is difficult, often impossible, unless funds for execution are assured in advance, this is a far from satisfactory answer to a major dilemma, but it is preferable to acceptance of arbitrary Budget Bureau cuts.

[From the Washington Post of March 18, 1946]

NAVY FUND CUT FOR HOUSING, PLOESER SAYS—ASSERTS PROPOSED SLASH WOULD FORCE SCRAPPING 100 SHIPS

The Budget Bureau was charged last night with seeking to scuttle the fleet by attempting to provide $800,000,000 for housing subsidies at the expense of the Navy.

The charge was made by Representative WALTER C. PLOESER, (Republican, of Missouri) member of the House Appropriations Committee, who said that $260,000,000 of the proposed cut in Navy outlays for 1947 fiscal year since had been restored by the President.

"But the Navy's needs will still be short $600,000,000 if the Appropriations Committee upholds the Budget Bureau, and I don't think it will," he said. He added that responsibility for the initial cut belonged to the White House, of which the Budget Bureau is a part.

FIRST ESTIMATE WAS SIX BILLIONS

According to PLOESER, who held a number of week-end conferences with naval officials,

the Navy originally figured on a $6,300,000,000 budget. It finally decided it could get along with $5,000,000,000 and presented these estimates to the Budget Bureau.

"The Budget Bureau tentatively approved the estimate," he said, "and then the administration came along with its housing program and decided it needed $800,000,000 for subsidies. So the Budget Bureau told the Navy it would have to take that amount from its hide. That left the Navy with $4,200,000,000. Subsequently, the White House decided it could get along with $600,000,000 in housing subsidies and gave the difference back to the Navy."

PLOESER said that as the Navy's budget now stands, it will have to cut its plan for a 500,000-man Navy to 432,000. The size of the active postwar fleet, planned for 319 combat ships, will have to be cut by 20 percent if the Budget Bureau cut prevails.

Representative CHARLES A. PLUMLEY (Republican, of Vermont), ranking Republican on the Appropriations Subcommittee for Navy, claimed that the Budget Bureau originally cut the Navy's estimate from $6,800,000,000 to $3,960,000,000.

"The President restored $264,000,000. That is the way the bill stands before my committee today," he said. "The Budget proposal would make necessary a very decided cut in the size of our fleet; compel the scrapping or demolition of around a hundred vessels; reduce naval personnel at least 10 percent; and put a stop to experimentation, research, and development of new aircraft and other weapons.

"The great majority of Americans will not stand for, nor tolerate, such a proposed scrapping of the Navy as the Budget Bureau would try to accomplish. We must be economical, but should not go crazy."

Chairman CARL VINSON (Democrat, of Georgia), of the House Naval Affairs Committee, said he was going to look into the Budget Bureau's action, and Admiral Chester F. Nimitz, Chief of Naval Operations, will testify tomorrow. He will be followed by Budget Bureau officials.

Meanwhile, a House appropriations subcommittee will be reviewing the Navy's budget in executive session.

Mr. TABER. Mr. Chairman, I make a point of order that a quorum is not present.

The CHAIRMAN. Evidently no quorum is present. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 59]

Adams	Dirksen	Hébert
Almond	Douglas, Calif.	Heffernan
Anderson, Calif.	Douglas, Ill.	Hoch
Andrews, N. Y.	Drewry	Hoffman
Auchincloss	Ellsworth	Holifield
Baldwin, Md.	Elsaesser	Holmes, Mass.
Baldwin, N. Y.	Ervin	Howell
Barrett, Pa.	Feighan	Jarman
Beall	Fellows	Kelley, Pa.
Biemiller	Fisher	Kelly, Ill.
Bloom	Flannagan	Keogh
Bradley, Pa.	Flood	Kirwan
Brumbaugh	Fogarty	Klein
Buck	Forand	Kopplemann
Buckley	Fuller	Kunkel
Buffett	Fulton	LaFollette
Bulwinkle	Gamble	Lea
Burgin	Gardner	Lynch
Byrne, N. Y.	Gathings	McGlinchey
Campbell	Geelan	McKenzie
Canfield	Gerlach	Maloney
Cannon, Fla.	Gibson	Mankin
Celler	Graham	Marcantonio
Chapman	Granahan	Martin, Mass.
Chelf	Green	Mason
Chenoweth	Gregory	Miller, Nebr.
Clippinger	Hall,	Morgan
Crawford	Leonard W.	Murphy
Curley	Halleck	Murray, Wis.
Daughton, Va.	Hand	Norton
Dawson	Hare	O'Neal
DeLacy	Hart	O'Toole
Delaney	Hartley	Patterson
James J.	Hays	Peterson, Fla.
Peterson, Ga.	Rowan	Taylor
Pfeifer	Sabath	Thom
Philbin	Savage	Thomas, Tex.
Ploeser	Schwabe, Mo.	Torrens
Powell	Sheppard	Towe
Price, Fla.	Sheridan	Vorys, Ohio
Quinn, N. Y.	Short	Vursell
Rabin	Simpson, Ill.	Weichel
Rains	Slaughter	White
Rayfiel	Smith, Ohio	Whitten
Rees, Kans.	Somers, N. Y.	Wilson
Rizley	Spence	Winter
Robertson, N. Dak.	Stefan	Wolfenden, Pa.
	Stewart	Wolverton, N. J.
Roe, N. Y.	Sumners, Tex.	Zimmerman
Rogers, Mass.	Sundstrom	
Rogers, N. Y.	Talbot	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CRAVENS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill, H. R. 5407, and finding itself without a quorum, he had directed the roll to be called, when 281 Members responded to their names, a quorum; and he submitted herewith the names of the absentees to be spread upon the Journal.

The SPEAKER. The Committee will resume its sitting.

The CHAIRMAN. The Clerk will read the bill.

The Clerk read as follows:

Be it enacted, etc., That the Federal Works Administrator is hereby authorized under the provisions of the Public Buildings Act of May 25, 1926, as amended (40 U. S. C. 341-347), and as hereby further amended—

(a) For projects outside of the District of Columbia: To construct extensions to the marine hospitals at Seattle, Wash., and San Francisco, Calif.; to purchase and remodel buildings; and to establish the limits of cost and design new building projects where the sites are in Government ownership, notwithstanding the fact that appropriations for construction work shall not have been made. The total limit of cost for the foregoing shall be $13,000,000 and the unobligated balances of appropriations heretofore made for the construction of projects outside the District of Columbia are hereby made available for this purpose.

(b) To construct an additional building for the General Accounting Office, in square 529 in the District of Columbia, including a tunnel to connect the additional building with the building authorized by the First Supplemental Civil Functions Appropriations Act, 1941 (54 Stat. 1036), and without reference to section 3700 of the Revised Statutes, under a revised total limit of cost of $19,600,000 for the two buildings. The unobligated balances of appropriations heretofore made for the building are hereby made available for the enlarged project, including the acquisition of addition land, and contracts may be entered into for construction work within the full limit of cost pending additional appropriations.

(c) To acquire additional land in and contiguous to the area in the District of Columbia defined in the act of March 31, 1938 (52 Stat. 149), under a limit of cost of $2,000,000. Funds for this purpose are hereby made available from the unobligated balances of appropriations heretofore made for the construction of buildings outside the District of Columbia.

Mr. TABER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. I make a point of order against the words beginning on page 2, line 4: "and the unobligated balances of appropriations heretofore made for the construction of projects outside the District of Columbia are hereby made available for this purpose"; on the ground that it is an appropriation and coming from a committee not authorized to report appropriation bills to the House.

Mr. McGREGOR. Mr. Chairman, will the gentleman yield for a question?

Mr. TABER. I yield.

Mr. McGREGOR. Has that money been expended?

Mr. TABER. I do not think so.

Mr. McGREGOR. Has that money been appropriated, I mean.

Mr. TABER. Yes, I presume so, but I do not know; but not for this purpose.

The results of this point of order and two more which are to follow, would be that the Committee on Public Buildings and Grounds, or someone else, would have to see that this was covered in a deficiency bill which comes up next week. That is about the result of it.

The CHAIRMAN. Does the gentleman care to be heard on the point of order?

Mr. TABER. No more than I have stated, Mr. Chairman.

The CHAIRMAN. Does the gentleman from Texas desire to be heard on the point of order?

Mr. LANHAM. Mr. Chairman, I understand a similar point of order is to be made by the gentleman from South Dakota [Mr. CASE] with reference to the provision in section (c) as the bill was originally presented. In view of the fact that I should like to offer a perfecting amendment, I would appreciate it if the two points of order could be made at the same time, in view of the fact that they are based on the same exception.

Mr. CASE of South Dakota. Mr. Chairman, I desire to make a point of order against the language in paragraph (b) and paragraph (c), and in paragraph (b) I make the point of order against the language beginning in line 15 which reads:

The unobligated balances of appropriations heretofore made for the building are hereby made available for the enlarged project, including the acquisition of additional land, and contracts may be entered into for construction work within the full limit of cost pending additional appropriations.

Mr. LANHAM. May I inquire of the gentleman if he is referring to subsection (b) as printed in the bill?

Mr. CASE of South Dakota. I am referring to subsection (b) as printed in the original bill.

Mr. LANHAM. I call the gentleman's attention to the fact that there is a committee amendment striking out section (b).

Mr. CASE of South Dakota. But the committee amendment has not been made. Consequently, I am making a point of order lest, by some slip, the amendment might not be accepted. I make the point of order that that would make appropriations for an unauthorized project by means of an appropriation reported by a committee without jurisdiction.

The limit of cost was placed as appears in the previous subparagraph; and there is an enlarged project for which an appropriation is made.

I also make a point of order against the language beginning in line 23 of

subparagraph (c) which reads as follows:

Funds for this purpose are hereby made available from the unobligated balances of appropriations heretofore made for the construction of buildings outside the District of Columbia.

I make the point of order that that is in violation of clause 4 of rule XXI which states:

No bill or joint resolution carrying appropriations shall be reported by any committee not having jurisdiction to report appropriations.

Obivously that applies to the instant case.

Mr. LANHAM. Mr. Chairman, I ask the gentleman from New York and the gentleman from South Dakota kindly to reserve their points of order until we have a vote on the committee amendment striking out subsection (b).

Mr. TABER. I am afraid we cannot do that. Under the rules we must make the points of order now and have them disposed of. That is the only way we can protect our rights.

Mr. LANHAM. Mr. Chairman, I must reluctantly concede the points of order. I do it reluctantly because I had hoped they would not be made.

The CHAIRMAN. Does the Chair understand that the gentleman from Texas concedes each point of order?

Mr. LANHAM. The gentleman from Texas does reluctantly concede the points of order.

The CHAIRMAN. The Chair is ready to rule.

The point of order made by the gentleman from New York [Mr. TABER] and the two points of order made by the gentleman from South Dakota [Mr. CASE] are sustained by reason of the fact the language against which they are made is tantamount to new appropriations; and the language is stricken from the bill in each instance.

Mr. LANHAM. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 5, strike out subsection (b).

The amendment was agreed to.

Mr. LANHAM. Mr. Chairman, I offer a further committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 20, strike out (c) and insert (b).

The committee amendment was agreed to.

Mr. LANHAM. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. LANHAM:

On page 2, line 4, after the figures "$13,000,000" insert a comma and the following: "And said sum is hereby authorized to be appropriated for such purposes."

On page 2, line 23, strike out the period, insert a comma, and the following: "And said sum is hereby authorized to be appropriated for such purpose."

Mr. LANHAM. Mr. Chairman, in accordance with the points of order made by the gentleman from New York and the gentleman from South Dakota, and the statement on the part of members of the Appropriations Committee that this should be an authorization rather than an appropriation, this is a perfecting amendment to meet the objection.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

The Clerk read as follows:

SEC. 2. The limit of cost for the site and building for the West Central Heating Plant, Washington, D. C., authorized in the First Supplemental Civil Functions Appropriation Act, 1941, as amended by Public Law 371, Seventy-seventh Congress, approved December 23, 1941, is hereby increased to $7,750,000.

SEC. 3. For the extension of the site of the Barge Office, New York, N. Y., and to permit the city of New York to proceed with the development of its highway system, the Federal Works Administrator is hereby authorized to exchange a portion of the site of the Barge Office for land owned by the city upon such terms and conditions as are mutually satisfactory to the Administrator and the city government of New York.

SEC. 4. The last two provisos of section 2 of the act of August 27, 1935, as amended (40 U. S. C. 304b), beginning with the words: "*Provided further*, That the amount so charged against any Federal agency * * *" to the end of the setion are hereby repealed.

Section 3 of the act of August 27, 1935, as amended (40 U. S. C. 304c), is hereby amended to read as follows:

"The Commissioner of Public Buildings is authorized to procure space by lease, on such terms and for such period not in excess of 5 years as he may deem in the public interest, for the housing of any Federal agency or agencies outside of the District of Columbia, except the Post Office Department, and to assign and reassign such space. To the extent that the appropriations of the Public Buildings Administration not otherwise required are inadequate therefor, the Commissioner of Public Buildings may require each Federal agency to which leased space has been assigned to pay promptly by check to the Public Buildings Administration out of its available appropriations, either in advance or during occupancy of such space, all or part of the estimated cost of rent, repairs, alterations, maintenance, operation, and moving: *Provided*, That when space in a building is occupied by two or more agencies, the Commissioner of Public Buildings shall determine and equitably apportion rental, operation, and other charges on the basis of the total amount of space so leased."

SEC. 5. The Commissioner of Public Buildings is authorized to maintain a survey of the use of Government-owned and leased office space in the larger metropolitan centers and the District of Columbia, including adjacent areas, and to study and determine the extent to which consolidation, reassignment, and reallocation of office space, including the cancellation of uneconomical leases, would be advantageous to the Government. Where he finds uneconomical use of space in buildings operated or leased by the Public Buildings Administration, he shall direct and prescribe its economical use or its surrender. Where such conditions are found to exist in space operated or leased by others than the Public Buildings Administration, he shall report his findings to those responsible therefor to the end that economical use of office space and cooperation between all agencies of the Government on space problems may be achieved. This section shall not apply to the Executive Mansion and Office of the President, buildings under the jurisdiction of the Regents of the Smithsonian Institution, buildings in or under the legislative branch of the Government, buildings structurally or domestically maintained by the Architect of the Capitol, or to buildings operated by the Post Office Department.

SEC. 6. That portion of the act of March 2, 1913 (40 U. S. C. 36), pertaining to the leasing of storage space in the District of Columbia, is hereby amended to read as follows:

"The Commissioner of Public Buildings is authorized to enter into contracts for the leasing, for periods of not exceeding 5 years, of storage accommodations within the District of Columbia for the use of the several activities of the Government, subject to the provisions of section 322 of the act of June 30, 1932, as amended (40 U. S. C. 278a), payable from appropriations that Congress may from time to time make for rent of buildings in the District of Columbia: *Provided*, That the authority granted herein shall also extend to the head of any department or establishment of the Government to which an appropriation is made specifically for the rental of storage accommodations within the District of Columbia."

SEC. 7. The Commissioner of Public Buildings is authorized to provide and operate public utility communications services serving one or more governmental activities, in and outside the District of Columbia, where it is found that such services are economical and in the interest of the Government. This section does not apply to the operation of cryptographic equipment or transmission of secret, security, or coded messages, or to buildings operated by the Post Office Department, except upon request of the department or agency concerned.

SEC. 8. The Commissioner of Public Buildings shall have exclusive authority in all buildings operated by the Public Buildings Administration to enter into contracts, upon such terms and conditions as he may find to be in the public interest and without securing competitive bids, for food services in buildings designed to include such facilities or where such services are subsequently found to be necessary; to establish rules and regulations for the operation thereof; and to make all sanitary inspections in connection therewith.

SEC. 9. Hereafter, subject to applicable provisions of existing law relating to the functions in the District of Columbia of the National Capital Park and Planning Commission and the Commission of Fine Arts, only the Commissioner of Public Buildings shall be required to approve sketches, plans, and estimates for buildings to be constructed by the Public Buildings Administration, except in the case of buildings designed for post-office purposes which shall be approved by the Commissioner of Public Buildings and the Postmaster General.

SEC. 10. In the prosecution of construction projects or planning programs assigned to the Public Buildings Administration for which funds are provided by direct appropriation or transferred under authority contained in the act of June 15, 1938 (40 U. S. C. 265), an amount administratively determined as necessary for the payment of salaries and expenses of personnel engaged upon the preparation of plans and specifications, field supervision, and general office expense, may be transferred and consolidated on the books of the Treasury Department into a special account for direct expenditure in the prosecution of said work, such expenditures to be subsequently allocated and reported upon by projects in accordance with procedures prescribed by the General Accounting Office.

SEC. 11. The Federal Works Administrator is hereby authorized to dispose of that parcel of land situated in the city of Washington, District of Columbia, described as lot numbered 71 in square 234, improved by premises 2218 Thirteenth Street NW., together with the improvements thereon, in such manner and upon such terms as he may deem to be for the best interest of the United States, to convey the said land, together with improvements thereon, to the purchaser thereof by quitclaim deed, and to deposit the proceeds of said sale in the Treasury of the United States as miscellaneous receipts.

SEC. 12. The Federal Works Administrator is hereby authorized to assume permanent

custody and control for the use of the Public Buildings Administration, without reimbursement, of that portion of the Denver Ordnance Plant, Denver, Colo. (which has been declared surplus and assigned to the Public Buildings Administration as disposal agency by the Surplus Property Administration), comprised of section 9, and the west half of the west half of section 10, township 4 south, range 69 west, the tract numbered 1, township 4 south, range 69 west (railroad right-of-way), located in section 4, and tract numbered 1) (pump-house property), comprising an area one hundred and five feet by four hundred feet located in section 34, township 3 south, range 69 west, together with all buildings, appurtenances, equipment, and supplies necessary for the maintenance, operation, and protection of the area described, and the Public Buildings Administration may operate the plant and assign and reassign space to such Federal agencies as may be accommodated therein.

Mr. LANHAM. Mr. Chairman, on behalf of the Committee on Public Buildings and Grounds, I offer an amendment.

The Clerk read, as follows:

Committee amendment offered by Mr. LANHAM: At the end of the bill add the following new section:

"SEC. 13. In order to alleviate the acute shortage of hospital facilities outside the District of Columbia, the Federal Works Administrator is hereby authorized to make grants to public and private agencies for hospital facilities: *Provided*, That in no event shall the grant exceed 50 percent of the cost of a hospital facility to the public or private agency. As used in this section, the term "hospital facility" shall include, without limiting the generality thereof, the construction, design, improvement, extension, equipment, alteration, acquisition, or reconstruction of hospital facilities; the term "public agency" shall mean any State, Territory, or possession of the United States, any political subdivision, municipality, district, authority, or other public body; and the term "private agency" shall mean any nonprofit private organization. For carrying out the purposes of this section there is hereby authorized to be appropriated the sum of $50,000,000."

Mr. WADSWORTH. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. WADSWORTH. Mr. Chairman, I make the point of order against the amendment on the ground that it is not germane to the bill.

The CHAIRMAN. Would the gentleman like to be heard on the point of order?

Mr. WADSWORTH. Very briefly, Mr. Chairman.

It is apparent that this bill as reported by the Committee on Public Buildings and Grounds relates solely to the acquisition of buildings or facilities needed by the Federal Government, and for the use of the Federal Government alone. There is no item in this bill that pretends to go beyond that field. This amendment, however, goes far beyond the field occupied by the bill and proposes that the Federal Government embark upon the building of hospitals by grants to the States; hospitals not to be used by the Federal Government, but to be used by the States, the municipalities, or indeed, municipal subdivisions and private nonprofit institutions.

Mr. ELLIOTT. Mr. Chairman, will the gentleman withhold his point of order?

Mr. WADSWORTH. Yes.

The CHAIRMAN. Does the gentleman from California desire to be heard on the point of order?

Mr. ELLIOTT. Yes, Mr. Chairman.

Mr. Chairman, I will gladly take the full responsibility for this amendment. Shortly prior to the close of the war a subcommittee, which I headed, conducted hearings in various places in the United States. It was found, after investigation in every community where hearings were held, that there was a great necessity and need for additional hospitalization. I felt that the time had come when we should make some effort to care for the needy in the various communities of the several States. We are today providing through Federal funds grants for highway construction in various States. We are providing Federal funds for many other items, such as agriculture, in making grants to the people. That money is not returned. We have now finished a great war, and the congressional district that I represent as well as the entire State of California is now faced with a serious shortage of beds for veterans. If this amendment is adopted, construction could be made to already existing hospital facilities and additional rooms could be provided to take care of the veterans now in California who are vitally concerned. It will take from 2 to 3 years until a sufficient number of veterans' hospitals can be constructed. In the State of California we have a million native-born veterans returning, plus another 1,400,000 who did not live there at the beginning of the war. Those veterans have married and their families are now increasing. The great need is to take care of the veterans at this time. This amendment would provide moneys, to be matched by the States and counties, to construct the needed facilities long before 1948, 1949, or 1950.

Under legislation recently passed we provided for new construction to make available 13,422 beds for veterans. How many were given to the State of California? Not one. It was the gentleman from New York who raised the point of order against this amendment, yet his State received 2,000 beds and not one went to the State of California, where there is a greater influx of veterans at the present time than in any other State. Here is a list of the beds that were provided for veterans in other States:

	Beds
Birmingham, Ala	500
Little Rock, Ark	500
Tallahassee, Fla	200
Fort Wayne, Ind	200
Grand Rapids, Mich	200
Ann Arbor, Mich	500
Saginaw, Mich	200
Tupelo, Miss	200
St. Louis, Mo	500
Southern Missouri	1,000
Poplar Bluff, Mo	200
Grand Island, Nebr	200
Metropolitan New York	1,000
Syracuse, N. Y	1,000
Durham, N. C	500
Charlotte, N. C	500
Toledo, Ohio	1,000
Klamath Falls, Oreg	200
Philadelphia, Pa	1,000
Altoona, Pa	200
Erie, Pa	200
Harrisburgh Pa	200
Greenville, S. C	200
Chattanooga, Tenn	500
Bonham, Tex	50
Houston, Tex	1,000
Salt Lake City, Utah	500
Spokane, Wash	200
Madison, Wis	500
Beckley, W. Va	200
Peeksville, N. Y	492
Columbia, S. C	200
Fort Howard, Md	79
Dearborn, Mich	300

Today we have a need for 7,000 beds for the veterans now in the State of California. A majority of these boys are from your States. They are the sons of the people you represent. Our tubercular units in California are overcrowded. One hundred and twenty-five thousand veterans of this war are on waiting list trying to get some medical attention, yet today a point of order is raised against this amendment.

The CHAIRMAN. The time of the gentleman from Californa has expired.

Mr. ELLIOTT. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ELLIOTT. Mr. Chairman, this is not the first time this matter has been discussed in the Committee on Public Buildings and Grounds. I have brought the subject up time and time again for the past 2 or 3 years. If this amendment were adopted, there could be immediate construction of facilities in hospitals already constructed, and this amount of money could be matched by the State. It is not a case of one State absorbing all these funds. I do not want to see any veteran, regardless of what State he might be from, turned away because there are not proper facilities to care for him. He is home, he is wounded, he is sick, he needs medical attention. That is why I have offered this amendment, and I am very sorry the gentleman from New York has raised a point of order against it because I think this is worthy of consideration and demands the immediate attention of every Member of Congress.

I have seen millions of dollars voted by this body time and time again, for what? Nothing nearly as important as is this. Some of those boys are coming back with two legs gone, or with an arm gone, with tuberculosis—injuries they received fighting our battles; yet a point of order is raised against an amendment that would permit assistance for communities that want to help, that want to provide 50 percent of the funds to help take care of veterans, veterans who are not their sons and daughters.

Mr. COLE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. ELLIOTT. I yield to the gentleman from Missouri.

Mr. COLE of Missouri. I understand that a bill containing provisions similar to those contained in your amendment passed the Senate last December 11, I believe it was, and that that bill is now before a subcommittee of the House Committee on Interstate and Foreign Commerce and that hearings have already been concluded thereon and that the subcommittee is soon to consider that legislation in executive session. I do not know how soon, but I do know that the provisions of the bill are similar to the provisions contained in the amendment offered by the gentleman from California.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. ELLIOTT. I yield.

Mr. PRIEST. May I say in response to the question asked by the gentleman from Missouri that public hearings have been held on what is known as the Hill-Burton bill which has already passed the Senate, a bill that provides a 5-year program of hospital construction with Federal funds aggregating $375,000,000 for a 5-year program or $75,000,000 a year on a matching-fund basis. It is the intention of the subcommittee to complete hearings on that bill as quickly as possible in order that we may report it to the House. I appreciate the gentleman's interest in this. I believe it is a tremendously important problem that faces us regarding hospital construction.

Mr. CANNON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. ELLIOTT. I yield.

Mr. CANNON of Missouri. May I ask the distinguished gentleman, a member of the subcommittee, if it has been determined to report the bill favorably?

Mr. PRIEST. I will say to the gentleman it has not been determined, but public hearings have been closed and no executive sessions have been held. It is the opinion of the chairman of the subcommittee that the subcommittee and the full committee will report a bill to accomplish this purpose.

Mr. CANNON of Missouri. I am certain that the gentleman is in position to indicate the probable action of the committee. A favorable report would be regrettable. It involves potential expenditures which the country cannot possibly afford. We cannot go through another WPA.

Mr. ELLIOTT. You would rather have my amendment, would you not?

Mr. CANNON of Missouri. I would rather have neither, and I believe the country would rather avoid the policy which it would initiate and all the deficit spending and inflation which would inevitably accompany either proposal.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. ELLIOTT. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. ELLIOTT. I yield.

Mr. VOORHIS of California. I wonder if I did not correctly interpret the purpose of the gentleman as an attempt to get at what we find in our State delegation to be an emergency situation as far as the hospitalization of veterans in our State is concerned.

Mr. ELLIOTT. Plus civilians.

Mr. VOORHIS of California. That is right. If the crowding of civilian hospitals could be relieved, it would, of course, make it possible for veterans to be taken care of much more easily in those hospitals until such time as we can get the facilities for veterans which are so needed in our State.

Mr. ELLIOTT. That is true.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. ELLIOTT. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. As I understand, there is also a shortage of civilian hospital facilities in the State of California?

Mr. ELLIOTT. That is correct.

Mr. BATES of Massachusetts. It seems that only a short while ago while I was with the subcommittee investigating the congested conditions in California that there was quite a rumpus taking place in the legislature of California as to what the State was going to do with $300,000,000 surplus. Now if there are inadequate hospital facilities for civilians, why do not the State and the communities of the State of California, with this $300,000,000 surplus, take care of these needs? If it is a question of hospitalization for the veterans, then the Federal Government should step in, but certainly the State ought to be willing to take care of its own civilians.

Mr. IZAC. Mr. Chairman. will the gentleman yield?

Mr. ELLIOTT. I yield to my colleague from California.

Mr. IZAC. Is it not true that if the Veterans' Administration would build their own hospitals and take the veterans out of State institutions that we then would have some room perhaps in these State institutions?

Mr. ELLIOTT. That is correct.

Mr. IZAC. At the present time we are taking care of a good many of Uncle Sam's veterans in these State institutions. The California delegation is agreed to a man that the Veterans' Administration should build hospital facilities for the veterans and all the veterans should receive the same treatment.

Mr. ELLIOTT. I thank the gentleman very much for his contribution.

Mr. WADSWORTH. Mr. Chairman, I renew the point of order.

The CHAIRMAN (Mr. CRAVENS). The Chair is prepared to rule. This bill deals with authorizations for acquisition and construction purely of governmental property and for the Federal Government alone. The amendment offered by the committee to the bill deals with authorizations for appropriations for construction of hospitals by private institutions and by public institutions other than Federal. The original bill deals solely with Federal Government construction for exclusive Government uses. The amendment is a departure and would bring in new matter not covered by the original bill.

Therefore, in the opinion of the Chair, it is not germane. The point of order is sustained.

Under the rule, the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CRAVENS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 5407) to grant to the Federal Works Administrator certain powers with respect to site acquisition, building construction, purchase of buildings, and other matters, pursuant to House Resolution 553, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. RIVERS asked and was given permission to extend the remarks he made in Committee of the Whole and to include certain newspaper items.

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD on three subjects and to insert certain statements and excerpts.

ALBERT W. JOHNSON

Mr. SMITH of Virginia. Mr. Speaker, I call up House Resolution 560, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5413) to accept the renunciation by Albert W. Johnson of pension under section 260 of the Judicial Code. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and the ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conslusion of the reading of the bill for amendment, the Committee shall rise and report the same back to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, this rule makes in order the bill H. R. 5413, which has for its purpose to accept the renunciation made by Judge Albert W. Johnson of his right to receive retirement, by the fact of his resignation.

Briefly, this is a case where a judge from Pennsylvania is actually under investigation by the Committee on the Ju-

diciary with a view to filing impeachment charges. Pending that investigation, this judge resigned. Following his resignation he wrote a letter to the Committee on the Judiciary in which he renounced all right to receive any retirement pay in the future. I have understood, although it does not appear in the report, that subsequent to that time the judge has indicated that he wanted to recede from that position.

The purpose of this bill is to accept that renunciation of retirement pay and have the Congress to provide that he shall not receive any retirement pay.

I yield 30 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, I think the gentleman from Virginia, [Mr. SMITH], has stated clearly what this is all about. I only want to supplement what he has said by saying that this is a bill to which no one objects. There is not a single man or woman in the House who would think of voting against it. Judge Johnson was investigated by order of the House. Extensive hearings were held by a subcommittee of the Judiciary Committee. Voluminous printed hearings were filed with the committee. The full committee has reported to the House. The report has been printed and it does not recommend that the House take any action, because Judge Johnson has resigned; he is out. There is not anything the House can do with Judge Johnson, except to send the case to the Senate for trial. This trial would take possibly 3 weeks in the Senate and cost from $40,000 to $50,000; and all that the Congress would be doing, would be kicking at the place where Judge Johnson used to be. Impeachment is an ouster proceeding; a judge who has resigned cannot be ousted. The time of the House should not be consumed in discussing the moot question as to why he left the bench, for he is gone. In my opinion he would have been impeached if he had not removed himself. He has been indicted. I think two of his sons have been indicted with him and a dozen or two other people up in that part of Pennsylvania have been indicted with him. They are now awaiting trial in the courts and certainly American jurisprudence and good judgment and ethics do not warrant trying a case of conspiracy against all of these defendants some of whom may be innocent, on the floor of the House where none of them have an opportunity to be heard. That is not American justice. I cannot for the life of me see why anyone wants to debate this matter when we are all agreed, and I hope that the distinguished gentleman, the author of the bill will ask unanimous consent that the bill be accepted. This bill can pass by unanimous consent.

Judge Johnson waived his retirement pay in writing; he is not getting any retirement pay now. He has served notice, however, that he was incapacitated, I think mentally or physically, or under duress, or something, at the time he waived the right to receive retirement pay after resigning. The committee has been advised that the Treasury Department and the administration of justice have notified Judge Johnson that his name will not go back on the pay roll unless the court so orders. This proceeding cannot have any effect on what the court will hold; so it is a moot question. To me it seems strange that we should be asked to take the time of the House to listen to irrelevant debate. If there is anybody against this bill I hope the author of the bill will ask him to state his opposition. It there is opposition to the bill then I am for discussing it. I am not opposed to the rule, but I think it is a needless exercise of the legislative power. The report of the Judiciary Committee is not up for action. Just one question is involved and in the final analysis the courts must settle the question.

Mr. SMITH of Virginia. Does the gentleman from Michigan desire further time?

Mr. MICHENER. No.

Mr. SMITH of Virginia. Then, Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. KEFAUVER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5413) to accept the renunciation by Albert W. Johnson of pension under section 260 of the Judicial Code.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5413, with Mr. SULLIVAN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. KEFAUVER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, there should be no opposition to the adoption of this bill, but I think it would be of interest to the Members of the House, the public, and those connected with the judiciary of the Nation if a brief statement were made about the investigation that has been conducted by the Judiciary Committee of the official conduct of the judges in the middle district of Pennsylvania.

During the latter part of the Seventy-eighth Congress a resolution was adopted authorizing the Judiciary Committee to make this investigation. It was not completed by the end of the last Congress, so another resolution was adopted at the beginning of this Congress. The inquiry was made, and without intending to flatter anyone, it was a very thorough and painstaking investigation. It was conducted by a subcommittee composed of the gentleman from Arkansas [Mr. CRAVENS], the gentleman from Texas [Mr. RUSSELL], the gentleman from Illinois [Mr. REED], the gentleman from Iowa [Mr. GWYNNE], the gentleman from Connecticut [Mr. TALBOT], and myself, as chairman.

When we first commenced our investigation we were confronted with the fact that for the past 13 or 14 years there had been some five or six investigations made of the conduct of Judge Albert W. Johnson of the middle district of Pennsylvania. An investigation was made in 1932 by the FBI; another one in 1934, another in 1936, another in 1938, and also one in 1942. All of these various investigations developed many irregularities, a whole lot of smoke, but nothing tangible enough to result in indictment or impeachment was ever uncovered. Mr. Sauthoff, a former capable Member of this body from Wisconsin, first called the attention of Congress to what was going on in this district. Mr. Sauthoff was most helpful to the committee.

Shortly after this resolution was passed, the committee went into the middle district of Pennsylvania and visited Scranton and Wilkes-Barre. We reached the agreement that nowhere had we witnessed less respect for the Federal judiciary than we found there. Lawyers, if possible for them to avoid it, disliked to get their cases in the Federal courts. They tried to keep their clients from bankruptcy court, because the general feeling was that there was a lot of crookedness going on in the Federal courts in that district. Justice was for sale and the one who paid the highest price received the decision. With all that, we were unable to get our finger on anything definite in the beginning.

I may say in this connection that we did not have the cooperation of any bar association in the middle district of Pennsylvania. Perhaps one reason for that was that various lawyers had assisted in some of these previous investigations which had not resulted in anything concrete. Thereafter damaging retaliation was resorted to by Judge Johnson against those who had participated in those investigations.

I am satisfied that if they had had a strong bar association, which was active and vigilant, to see that the judiciary was kept clean and pure in that section, this terrible situation could never have existed. The committee asked the Department of Justice to let Mr. M. H. Goldschein take a leave of absence in order to be employed by the committee, and to assist the committee in making its investigation and conducting the hearings. Mr. Goldschein did a most remarkable job. He worked diligently day and night and in the face of the most adverse circumstances. He showed great tenacity in staying with the assignment in face of obstacles which would have discouraged anyone else. Finally, largely through the hard and capable work, the perseverance, the untiring effort, and determination of Mr. Goldschein as counsel for the committee, the committee began to unearth sordid situations in which one development led to another, until finally the whole story picture of what had been taking place in that district since 1926, the time when Judge Johnson was appointed, was unfolded and developed. I am sure the Committee joins me in expressing thanks to Mr. Goldschein; the Judiciary Committee has done that, and commend him for the very excellent job he did for the committee and for the judiciary of the country in this investigation. Mr. Goldschein is a capable and studious lawyer. In addition he has the very fine qualities of courage, tenacity, and energy to a remarkable degree.

We also secured the services of E. W. Burke and E. W. Pressley, who took

leaves of absence from the Federal Bureau of Investigation, and they worked very diligently and intensely in tracing down the many ramifications in connection with the activities of this judge and the crooks who joined him in this judicial racket.

Mr. Chairman, I should also say that the press deserves recognition in connection with the result of this investigation and its successful conclusion.

The committee would go from one lawyer to another in the middle district of Pennsylvania in the search of definite facts which we know must exist in view of the general unhealthy condition. No bar association was willing to help us. Many times we would meet lawyers who would say, "We know it is a rotten, crooked set-up from beginning to end, but do not quote us, because we have to practice law here." We were unable to find any attorney in the whole district who was willing to come out in the open and help the committee to clean up the most corrupt situation that has existed, or that could possibly exist, in any judicial district. But we had the assistance of the press, and the press deserves a great deal of commendation in connection with this matter; especially the Scranton Times, and a reporter with the Scranton Times by the name of George Martin. This man, back in 1928 or 1929, became convinced that Judge Johnson was a crooked judge; that justice was for sale; that it was a disgraceful situation; and he stayed with it from that time until the final clean-up came about. All kinds of influence was used on this reporter to make him desist in his efforts but he was determined and he stayed with the job. Here, indeed, is a gentleman of the press at his best. It was largely through information that he gave the committee that we got the clues which enabled us to get to the heart of the case. I think that those who have charge of awarding the Pulitzer prize, or whatever great recognition may come to a newspaperman for doing a great public service, should not overlook the tenacious and effective reporting that this reporter, George Martin, did in helping uncover the dastardly conduct of this judge and of those who surrounded him.

The Scranton Times, in the face of obstacles and, of course, pressure, to get it to relent in its exposé of this judge, kept up its fight to see that the whole matter was brought out into the open and that justice was dealt to those guilty of misconduct. Freedom of the press and integrity of reporting have, by this example, shown their great virtues as American institutions. George Martin and the Scranton Times have earned a high place in our country's journalism.

They were relentless and fearless in exposing him, even though he occupied a position of great importance and, of course, could exert a great deal of influence which might have weakened the will of a less determined and patriotic people. Also, the Scranton Tribune, while not as active as the Scranton Times, should be given a word of praise in this connection. It printed the news fearlessly.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield to the gentleman from Wisconsin.

Mr. KEEFE. I may say to the distinguished gentleman that I have followed this case with considerable interest not only as a Member of Congress but as a lawyer. I compliment the committee and its counsel on the splendid work they were able to do in uncovering this scandalous situation in the Federal judiciary. However, I confess that I find it somewhat difficult to understand the necessity for this legislation.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. KEFAUVER. Mr. Chairman, I yield myself five additional minutes.

Mr. KEEFE. It seems rather strange that in view of the record that has been created in this matter, involving a man who, the evidence discloses, has been guilty of the derelictions this man Johnson has been guilty of as a United States district judge, the Congress of the United States, after he has officially resigned and officially, in writing witnessed by his counsel and submitted to a committee of the Congress, renounced all of his rights to pensions under section 260 of the code, should now have to pass legislation, which in effect is perhaps ex post facto in character, providing that after July 14, 1945, no payment shall be made to this man. It is now March 1946. I should like to have the gentleman explain that to me, despite the admonition of the distinguished member of the Committee on Rules, because there are Members of Congress here, and I know I have talked with a number of them, who are not disturbed over the action that should be taken, for they are all in agreement that this fellow ought to be kicked out and be kept out and should not receive a dollar from the Treasury of the United States, but are wondering if there is some sort of judicial precedent for the sort of action we are taking here today.

Mr. KEFAUVER. I appreciate the question of the distinguished gentleman from Wisconsin who is an exceedingly able lawyer, and will try to answer it as best I can. The chronological order of what took place is this. Judge Johnson was at first defiant of the committee, but after the investigation got under way he submitted his resignation to the President under the Retirement Act, and it was accepted on July 3, 1945. Under the Retirement Act he would continue to get his salary but he thought that having resigned we would desist from our investigation. However, we went on with it. On July 14, 1945, when he was on the witness stand and trying to undergo cross-examination, very unsatisfactorily to him, he and his counsel decided that he should submit a letter to the committee relinquishing his retirement salary under the Retirement Act and withdraw as a witness. No influence whatsoever was exerted by the committee to secure the letter. After that was done and the committee had the matter under consideration, as the report shows we found him guilty of many impeachable offenses, and would have impeached him except for the fact that he had resigned and relinquished his retirement salary. We concluded that although impeachment would do three things: First, remove him from office; second, take away any emoluments either of salary or retirement; and third, make it impossible for him to hold an offices of honor under the United States, the judge had impeached himself as far as the first two of those points were concerned, and that his age and the committee report would probably prevent him from ever holding any other office.

Following that time, however, when the committee had made its report and condemned the conduct of the judge—and I am sure the gentleman has read the report—he sent the Secretary of the Treasury and the Administrative Officer of the Supreme Court and the committee a letter saying that he was not himself, that he was not of good mind at the time he did it, and he now needed the money, so he attempted to withdraw his relinquishment.

Our theory about the matter is that there is some question, since the judge would be entitled to his retirement pay under the law, whether, if he later withdrew his renunciation, we could prevent him from getting that pay unless we passed legislation such as is offered here. That is the reason this legislation is here. We anticipated he might do just what he did; that is, relinquish his pension and later on after the matter had died down say that he was mistaken about it and that he wanted his pension and that we would be faced with some question as to whether there was an estoppel, which would prevent him from later receiving his pay. As you know, there are cases where people have taken voluntary salary cuts and later have asked for the full amount and have been given relief by the courts. We thought that in order to be safe and in order to make sure that neither he nor his estate would ever receive any compensation that this bill should be passed. It makes it stronger than it otherwise would be. It may not be necessary, but it certainly does not do any harm.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield.

Mr. SPRINGER. Is it not a fact that at the time he sought to withdraw his waiver of retirement he raised a question of duress at the time he originally made the waiver?

Mr. KEFAUVER. I will include later his letter to the committee and to the Secretary of the Treasury. He claimed that he was not himself and was under duress and what not. So I think it is safer to do this. Gentlemen, this is a flagrant case where a Federal judge sold justice. I think this Congress, this House, ought to do everything possible to keep him or his estate from ever receiving one dime from the Treasury of the United States.

The letter of Judge Johnson, referred to above, in which he attempts to renounce his renunciation, is as follows:

LEWISBURG, PA., *February 8, 1946.*

The Honorable HENRY P. CHANDLER,
Director, Administrative Office of the United States Courts.

The Honorable PRESTON DELANO,
Comptroller of the Currency of the United States.

The Honorable FRED N. VINSON,
Secretary of the Treasury of the United States, Washington, D. C.

HONORABLE SIRS: On the twenty-ninth day of June, 1945, I submitted my resignation as United States District Judge for the Middle District of Pennsylvania to the President of the United States of America. The resignation was accepted on July 5, 1945, subject to the provisions of section 260, amended, United States Judicial Code, title 28, section 375, United States Code annotated, providing for the payment of salary in full for the remainder of my natural life, by reason of the fact that I had served more than 10 years and had reached the age of 70 years.

On July 14, 1945, I executed a certain written instrument purporting to be a waiver of the salary to which I was entitled under the retirement provisions of the act of Congress cited above.

At the time I executed the aforesaid instrument purporting to be a waiver of a right established by act of Congress I was ill and incapacitated physically and mentally, and therefore unable to realize the import of my action.

Being in need of the money and now being competent to realize the ineffectiveness of my act, I hereby revoke the aforesaid written instrument above mentioned, and hereby make demand upon you for my vested statutory rights established by the act of Congress above cited and due me from the date of my resignation. A copy of my resignation and a copy of the acceptance thereof by the President of the United States are hereto attached.

Respectfully,

ALBERT W. JOHNSON.

Copy to: The Honorable Thomas C. Clark, Attorney General of the United States, Washington, D. C.

If Judge Johnson had merely retired and had not resigned he probably could not legally waive his salary or pension, but he resigned and did not retire. The rule against a diminution of salary under article 3, section 1, of the Constitution was to attract fit men to the bench and insure their independence of action. The pension provision after resignation was not on the statute books when Judge Johnson took office in 1926, so it did not attract him to the office. Having resigned, he cannot hold court, and therefore the independent judgment argument does not prevail.

It should be pointed out that no member of the Judiciary Committee investigating this matter had any conference with Judge Johnson; no agreement was reached with him, no suggestion was made to him that he relinquish his rights under the Retirement Act. The facts of the situation are set forth on pages 917–921 of the hearings.

Judge Johnson was represented by three able attorneys. Mr. Bigelow asked that Judge Johnson be withdrawn as a witness. I, as chairman of the subcommittee, stated that Judge Johnson was before the committee on purely a voluntary basis; that we wanted to give him a full opportunity of being heard and of presenting witnesses on his behalf, but if Judge Johnson did not want to be heard, that was a decision for him to make. It was made clear to Judge Johnson and his attorneys that the committee would accept and file any letter Judge Johnson wanted to submit, but that there would be no understanding or agreement as to any course the committee might thereafter take. The truth is that Judge Johnson and his attorneys saw that the evidence of judicial misconduct and of wrongdoing was so overwhelming that any statement Judge Johnson might make would only further convict him. At the time Judge Johnson withdrew as a witness he was being interrogated about a little tin box, which he kept in a bureau drawer in his home, and in which he claimed he had placed $20,000 in bills. The testimony of FBI agents had shown that Judge Johnson had received more than $24,000 in excess of any known sources of revenue. This tin-box story was manufactured to try to account for this excess money.

It appears, however, that during the time Judge Johnson claimed he had this large sum in the tin box he was borrowing money from banks at 6-percent interest; he was making an emergency loan on an insurance policy and he was generally hard-pressed for funds. Judge Johnson's counsel knew that no reasonable person would believe this fantastic story about the tin box. Furthermore, Judge Johnson had claimed that he made about $2,000 per year as honoraria for speeches he delivered and yet on cross-examination he was unable to give but one instance of having received any money for making speeches, and furthermore an examination of his books showed that, over a period of 11 years he had received only $211 for speeches.

Judge Johnson simply could not stand up against the indisputable records, reports, and overwhelming evidence, which showed him to have been guilty of selling justice, of conspiring with others for his own financial benefit. It was under these circumstances that he submitted his letter to the committee and withdrawing himself as a witness.

That was in July of last year. The report of the committee was recently released. Judge Johnson, on February 19, 1946, prepared what he called an answer of Albert W. Johnson to report of subcommittee of the Committee on the Judiciary. It is amusing to contemplate that a Federal judge would withdraw as a witness because the going was tough, and would refuse to try to explain charges that had been brought out in the testimony when he had an opportunity of doing so, and then later undertake to file an answer.

I think I should also call the attention of the committee to the fact that Judge Johnson was guilty of petty crimes and offenses. They were petty in view of the financial amount involved, but they were important in showing the general attitude of this judge toward his office and toward the administration of justice in general. Judge Johnson had some apartment houses at Lewisburg. He practically forced his employees to rent apartments in his buildings. He charged them excessive rentals. Whenever they got salary raises the rent went up. Judge Johnson had painting and repairs done, for which he paid no wages to those who made the repairs. The workers were paid by being appointed appraisers or given some position in bankruptcy or receivership cases. He required his secretary and other court employees to act as his chauffeur, to drive his family places where they wished to go, and do menial work around his home. A blacker picture of utter disrespect for his office and of unconscionable misconduct in office has never before been related to this Congress.

In summing up the conduct of this man I can do no better than quote part of a paragraph from the report of the hearings. It is as follows:

Here, then, is a part of the record of the maladministration of justice by Judge Albert W. Johnson as it appears from the evidence submitted herewith. From this record as well as from other evidence developed during the investigation, your committee finds that for more than 15 years Judge Johnson used, and permitted his court to be used, as a medium in the formation and operation of an unconscionable, a despicable, and a degrading conspiracy against the administration of justice; that he did so knowingly, wickedly, and maliciously; that he notoriously engaged in the barter and sale of court offices, notably in the appointments of attorneys, trustees, receivers, and similar offices and appointments, usually in consideration of a share in the salaries, fees, or other compensation paid such appointees; and that such compensation and fees generally were fixed in proportion to the amount of the take; that his decisions, decrees, orders, and rulings commonly were sold for all the traffic would bear; that his judicial conduct generally was tainted with fraud and tended to lower regard for the judiciary and the courts in the public opinion and esteem.

Mr. REED of Illinois. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I concur in everything that has been said by the previous speakers. I wish however to call to the attention of the Members of the House that there was a technique which existed in the middle district of Pennsylvania, something the like of which I have never seen in my experience as a member of the bar. There we had a situation wherein three persons, a beer salesman, a lawyer and a son of the judge, through machinations that were quite unique, were enabled with impunity to sell justice in the United States district court, and to barter for and obtain appointments to positions of trust, of persons whose only qualification need be that they would split their compensation with their sponsors.

In the committee report—House Report No. 639—it is significant that in all of the cases commented on, invariably the names of Jacob Greenes, John Memolo and Donald Johnson are ever in the background, pulling the strings, manipulating the affairs of litigants, even dictating the decisions of the court. Sporting people of this country will always recall that great triumvirate of the baseball diamond that made the "double

play" immortal. When the ball passed "from Tinker to Evers to Chance" and the unfortunate baserunner and the equally unfortunate batsman were inevitably called "out." In contrast thereto, we found another triumvirate, a sordid one, that polluted the courts of the middle district of Pennsylvania, making the "double cross" its precept. When the loot passed from Greenes to Memolo to Donald Johnson, the unfortunate plaintiff and the equally unfortunate defendant were inevitably declared "out" by an unscrupulous umpire whose decisions were arranged for in advance.

The resolution now under consideration is in the nature of a validating act. Never before has the Congress faced a similar situation, because resignations before probable impeachments have not taken place since the passage of the laws providing for retirement and pensions. It emphasizes the necessity of amending the pension and retirement acts, to make the benefits therefrom not applicable to an official who resigns "under fire."

If, as in my judgment is the case, the resignation and renunciation of a pension by this judge is irrevocable, then the passage of this bill is but an empty gesture. If, however, the assent of Congress to the conditions and considerations by which the investigation was terminated is necessary, then it seems it is the only method short of impeachment whereby an unworthy judge may be denied annual remuneration for his career of judicial misdeeds.

I therefore hope that this bill will pass by a unanimous vote.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. REED of Illinois. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GWYNNE].

Mr. GWYNNE of Iowa. Mr. Chairman, I shall not take the 5 minutes, but I do want to call the attention of the House to quite a peculiar situation in which we find ourselves.

No one who reads the record will doubt that Judge Johnson is guilty of conduct that could not be called good conduct in the meaning of constitutional provisions. The only question is, now that he has resigned, how can we assure ourselves and the country that at some later time he or his estate shall not be able to collect the pension provided for a judge who resigns? I think this bill should be passed. I am not certain, however, that it will be a defense if this matter gets into the courts. I am afraid the court might consider this something in the nature of a bill of attainder; as an attempt by a legislative body to decide a case of a private individual without resorting to the method of trial provided by law.

I think, however, if the judge should bring an action, either a suit for damages or an action for mandamus to compel payment, there would be a defense which the Government could set up. I believe these pensions are gratuities. Of course, the Government cannot be sued without its consent. The Government has given consent to be sued in certain contract cases. If any individual furnishes services or material to the Government he is entitled to sue in the courts for payment. However, I believe a pension given to a judge is a gratuity, and I doubt if the courts would entertain any suit brought by Judge Johnson for the money provided under the statute, providing pensions in certain cases.

To my mind, this situation suggests the necessity for amending the general law covering pensions in cases of judges who have resigned or retired. Nevertheless, I believe the bill should be adopted for whatever good it may do in this particular case.

Mr. O'BRIEN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE of Iowa. I yield.

Mr. O'BRIEN of Michigan. This legislation would not be a bar to his impeachment, if that should become necessary?

Mr. GWYNNE of Iowa. Oh, no, indeed.

Mr. REED of Illinois. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Chairman, I ask unanimous consent to speak out of order and to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

THE NATIONAL DEFENSE—POSTWAR REQUIREMENTS

Mr. SIKES. Mr. Chairman, I want to talk on the subject of postwar requirements for national defense.

It is possible to approach the subject from different directions and to arrive at varying conclusions. But reduced to its simplest elements, the immediate problem of the United States is this:

First. We have emerged victorious from World War II only to find ourselves still living in an insecure and warlike world.

Second. If we are ever to have a chance for peace, and for the continued pursuit of our peaceful ways of life, we must recognize the possibility of swift and devastating attack by those who envy us and seek their ends through war.

Third. It follows necessarily that as a requirement of our national defense, to which we are all committed, we must have both men and weapons at least equal in effectiveness to those of any nation whose purposes we cannot trust.

Although we may differ as to the formula, we can agree as to the basic requirement.

We need an army, a navy, and an air force strong enough to meet a sudden threat from any quarter.

What do we have?

It is believed that the Navy as it stands substantially meets this requirement. Like the Army, it is passing through a period of readjustment and reshuffling. These readjustments follow inevitably in the wake of any war. But in an emergency, the Navy could shake down quickly. For all practical purposes, it appears ready to fight.

We have the word of General Eisenhower that the Army is not—through no fault of its own. Less than a year ago it was recognized by all nations as the most formidable and effective military machine the world had ever known. Today it is largely demobilized. It is an army in flux, facing an uncertain present and a more uncertain future, in distressing contrast to its recently glorious past.

This discussion, therefore, is confined chiefly to the Army and its needs, and to the broader aspects of our national defense problem.

This is not an academic subject, nor is it something that can wait. Other things can wait, but the national defense cannot. It should be approached with a sense of urgency. Whether we attack the problem as a whole or take it step by step, we must act definitely and act soon.

THE PROBLEM AND THE SOLUTION

As far as the Army is concerned, the problem is divided into two parts:

First. The occupational job and the requirements of the interim Army.

Second. Our over-all national defense requirements, looking beyond the next few months.

The first half of the problem is simple. At most, the manpower requirements as we have it from General Eisenhower may entail extension of the Selective Service Act beyond May 15.

The second half of the problem entails broader decisions. There are two major questions which confront Congress in this connection:

First. Unification of the armed forces as recommended by the President.

Second. Peacetime military training for all able-bodied civilians as they reach military age.

Without delay we must also go into the question of rebuilding our organized reserves, including a strong and well-trained National Guard, to provide an immediate striking force to back up the Regular Army in any sudden emergency.

The National Defense Act makes adequate provision now for the National Guard and Organized Reserves. They will be rebuilt and reorganized gradually or rapidly as men are recruited or channeled into these organizations through the operation of a civilian training program, and as Congress provides the necessary appropriations for these purposes.

Legislative steps are necessary, however, in the over-all picture, before we are ready to meet the defense problem confronting this country.

Congress should accept the responsibility of meeting now the questions involved in the national security.

THE INTERIM ARMY

What of the interim Army?

The interim Army is an army in transition. It is passing from a war basis to a peacetime basis. As planned now, it will shake down into an army which can perform the several functions required of it in the immediate postwar period.

These functions include occupation of formerly hostile areas in Europe and the Far East; the manning of overseas bases; development and maintenance for our own defense of a small but powerful striking force able to meet a sudden attack or threat of attack; the provision of additional forces required by our obligation under the UNO Charter, ready to act in concert with others at the call of the Security Council; the performance of

necessary housekeeping or administrative duties; the maintenance of communications and the training of new recruits and reserves.

For these purposes it has been estimated that we shall need—and, of course, shall have—an Army of approximately 1,500,000 men as of July 1, 1946.

This figure bears no relationship either to a permanent peacetime Military Establishment or to the force which might be required in the tragic event of another war. It is not to be thought of in terms of a postwar Army. It is simply the Army we shall have on hand to do the immediate job required of it now—this year—and as things stand, with hostilities in abeyance in most of the world.

Our Army at present represents what has been described as the remnant of the combat Army which won the war, reorganized and reduced to an interim Army with a totally different mission. Its chief job is to help preserve the peace won in combat until such time as this responsibility can be shared with others under the UNO formula.

Beyond this lies the Army's long-term, peacetime problem of preserving the peace so won and so secured during this interim postwar period.

For this ultimate peacetime mission Secretary Patterson and General Eisenhower said on March 13 that we shall require an Army of 1,070,000 officers and men as of July 1, 1947, to be maintained at this figure until withdrawal of occupation forces. This can only be considered as a conditional or tentative estimate, based on the known factors of the moment and the best forecasts of future requirements. We cannot know definitely what size Army we shall need in the future until we know what its job is to be.

This subject is being studied constantly. These studies will continue.

But we shall be wise if we remember constantly that any estimate of military requirements in the present troubled state of the world may have to be revised on short notice, in response to changing conditions. The figure may be higher or lower, depending on whether the world turns toward war or peace.

Our conclusions can only be based on what we see in the developing pattern of world events.

Tragically, at the moment, we can see neither clearly nor far, and what we do see is not reassuring.

DEMOBILIZATION

Now what of the present?

What of demobilization?

Where does the current demobilization rate leave us?

How are enlistments running?

What is the present state of Army morale?

Let us look first at demobilization, and since we must be realistic, compare the rate of our own demobilization with that of the Soviet Armies which so recently fought beside us. Russia is the only major power whose present military resources are comparable with our own.

On VE-day there were approximately 8,300,000 men in the uniform of the American Army. Since that date more than 6,500,000 of these men, or close to 80 percent of the total, have been separated from the service. By July 1, 1946, another 1,000,000 will have been discharged or be on their way home for release.

Thus without the continued operation of Selective Service and a high rate of voluntary enlistments—perhaps the best answers as to how the men in the Army really feel about it—we would shortly have no Army at all. Certainly most of the men who did the fighting will be out of uniform except as they have reenlisted or as they may reenlist between now and July 1.

As of today, we have an Army of approximately 2,750,000 men, made up of these three groups: The men not yet discharged, those who have enlisted or reenlisted since VE-day, and those drawn into the Army in recent months through the continued operation of Selective Service. Since 1940 we have introduced, roughly, 10,000,000 men into the Army, yet by July 1 only about one and a half million of these will remain in the service. And of those who do remain, 150,000 will be officers, many of whom will become officers of the Regular Army and make it a life career.

Soviet Russia ended the war with an estimated 12,000,000 men in its army. Where are they now?

As always where Russia's military measures are concerned, the figures are guarded with close and deliberate secrecy. But we know that no demobilization plan has been announced for these vast military forces—the largest ever assembled by one nation. We know further that no great proportion of these armies have been demobilized. It is thought that Russia still has 8,000,000 or more in uniform.

By simple computation of the visible Soviet forces in Rumania, Hungary, Poland, Germany, the Near East, and in Manchuria and the Far East, the conclusion is inescapable that a majority of the men in Russia's wartime armies not only are still in uniform but that more than half of them are serving beyond the borders of Russia in adjacent territory.

We know further that Russia intends not only to continue military conscription as a national policy, but to increase and strengthen the Red army in every way.

In Russia every able-bodied man from 19 to 50 years of age is trained and liable for military service. Women also may be—and are—called to the colors for auxiliary and special services with troops in the field. Soviet draftees served from 2 to 5 years in the active military or naval establishments. Thereafter they go into first- or second-line reserves, depending on age, from which they may be called to active service at any time.

These reservists are required in addition to spend from 1 to 3 months training in refresher courses from time to time, depending on their age classification.

Nor is this all, for training for war under the Soviet system begins in childhood. It starts in the fifth year of secondary school, from 13 to 15 years of age, and consists of 2 hours a week in school. Thus a Russian draftee normally will have had from 4 to 6 years of preservice military training before he attains manhood or puts on a uniform. And this at an age when he is most impressionable.

For the long view, we have merely a brief announcement that the Soviet peacetime force will be 4,500,000, as against hardly more than 1,000,000 for the United States at a comparable time. And perhaps it is well to remind ourselves that Russia's scientific and industrial development will be much more rapid in the future than in the past.

Putting it all together, it is clear that Russia now has three times as many men under arms as we have, that in peacetime they plan an army four times as large as ours, and that they have a permanent conscription system which will feed men into the Soviet armies of the future in numbers more than sufficient to meet any goal which may be set for them, regardless of the rate of demobilization of the combat forces in World War II.

This is perhaps to be expected. We shall not attempt to compete with them in the size of our Army, nor need we do so.

Now what kind of an army do we have, made up as explained of the three groups which at present comprise it?

First of all, we know that at the present rate of voluntary enlistments, which have totaled more than 600,000 since the recruiting drive started last fall, well over half of the interim American Army on July 1 next will be made up of volunteers. We know, too, that most of the gripes and healthy emotional explosions which have been voiced since the end of hostilities have come from men who are either out of the Army now or will be out very shortly.

The low point in Army morale was probably reached in December and January, at the time of the mass meetings in all theaters, attended by men anxious to get home.

Americans are a free and independent and peaceful people. They will always fight when war comes, and will always win. But when it is over they want nothing so much as to get out of uniform and back to their families and civil pursuits, and enjoy the peace for which they fought. And they are restless until they do.

ARMY EFFICIENCY AT LOW EBB

Army efficiency is at a low ebb, but the cause bears only an indirect relationship to morale. It is found chiefly in the results of a demobilization policy which gives first consideration to the individual, and puts the Army's needs and the country's safety last.

As General Eisenhower bluntly expressed it after inspecting many of our Army bases and Army units, we have dropped so low in military efficiency that it will take a year to bring many units back to the 1940 level, when we first began to train men in large numbers for possible war.

We have demobilized too fast for our national security. In helping men to get home to their families, we were willing to disrupt completely the finest military machine ever constructed. We are losing our trained men before we have had

time to train others to take their places. This is a democracy and we wanted our men at home with their families as quickly as possible after the shooting ended.

This is the real explanation of the situation in which we find ourselves 7 months after the end of hostilities.

THE REMEDY

The remedy is to build and train a new army on the foundation of experience in World War II, and in the light of the facts as we find them in a disturbed world which is already talking of World War III.

And do it as fast and as effectively as we know how.

We should for this purpose help the Army to secure whatever its spokesmen need in manpower to meet its immediate or interim responsibilities.

We must either make sure that voluntary enlistments will supply this manpower, or continue the selective-service system for whatever period is necessary to meet the minimum requirements of our national defense.

There is no other alternative if we are to provide for our own security and make our necessary contribution to a peaceful world.

We must put speed back of the reorganization of the National Guard, to bring it to the strength estimated by our best military minds to be necessary for our defense requirements—now given as 572,000 men.

In order of importance, we must reach our decision with respect to Selective Service first.

We can talk of atom bombs and pilotless aircraft and jet propulsion and rocket projectiles and all of the other paraphernalia of modern warfare, but in the end must come back to the simple fact that wars are fought by men. It is men who use these weapons, and men who direct their use.

We must give the Army, Navy, and Air Corps the men they need to give us the protection we know we need.

And back of that we must be prepared in our homes and hearts and on the production line to back them up.

This much we know. No man can say on what day we shall again be required to defend ourselves. History shows that even crushed and beaten nations sometime recover rapidly. History shows that new world powers arise. And history shows that our friends in one war may become our enemies in the next. War now moves too swiftly to take chances. We shall not again in our time have the opportunity to prepare for war after the first blow has been struck.

We can be strong or we can be weak.

By being strong we can best avoid war.

The choice must be made soon.

Mr. REED of Illinois. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, I take this time in order that I may enlarge somewhat upon the position taken by the distinguished gentleman from Iowa [Mr. GWYNNE]. I share his views as a result of having had some experience in the matter of the removal of public officers. I think it would be quite academic for me to say to the distinguished members of this Judiciary Committee that a person who acquires a public office either by election or by appointment has a property right which cannot be taken away from him except in the manner prescribed by law. In other words, the law prescribes the manner in which that property right may be terminated. It may occur as the result of resignation, it may occur as the result of removal by conforming to the provisions of a removal statute; it may occur as a result of death, or in the case of Federal judges as I understand the law it may occur as a result of impeachment proceedings. I happen to know of no other procedure for the removal of a Federal judge and the termination of any property rights which he may have in the office which he holds other than by indulging in a process of removal through the medium of impeachment. This judge has seen fit to resign. This in itself would terminate his right to the office. Due to his tenure of office and his age he acquired a right to compensation under the so-called retirement law.

It was then sought to terminate his rights under the retirement law by having him file a renunciation of his rights. This is set forth on page 921 of the hearings. What I am fearful of, and I think the RECORD should show it, is that the legislation which we are now attempting to pass on or about to pass may not legally affect the purposes its sponsors hope to achieve. I have no objection to the passage of this bill. I sincerely do not know whether it will do any good or not. It certainly cannot do any harm. It will show the intent of the Congress.

The judge, being a smart old individual, has seen fit to disavow on his renunciation. He says that it was procured through coercion and by the exercise of duress upon him. He says, "I now renounce my renunciation." He serves notice upon the committee and upon the Congress that at some future time he intends to try to retrieve the property right which he may have in this so-called retirement fund.

What are we doing by the passage of this legislation? That is what is bothering me. I would like to see the Congress affirmatively end it so that never again will there be a chance of this gentleman, if he may be called such on this record, ever receiving a dollar from the Federal Public Treasury. Perhaps on the passage of this bill and the status of his renunciation those in authority issuing checks will not pay any money to him, but he can go into the Court of Claims, I suppose, and do what Watson, Lovett, and Dodd did—sue the United States Government for the amount of his recovery and thus raise the issue. Then would be raised the clear-cut issue that the gentleman from Iowa has so clearly brought before the committee.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. REED of Illinois. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. KEEFE. Mr. Chairman, even though it may take some time, it does seem to me that the gentleman from Iowa has raised a question which I intended to raise before he took the floor, namely, that here is a bill which a court some time later might hold to be a bill of attainder in which we as a Congress, or in which a committee of Congress, are in effect convicting this man of an offence, thus separating him from his property right in office. We are convicting him of an offence without a trial. I do not profess to be an expert in this field, but I would like to make sure that this man is removed from the Federal pay roll and I want to make certain that the course which the Constitution sets up is adopted. If it means impeaching this "old buzzard" then we ought to take the time and make the effort to impeach him in order to make sure he nor any of his relatives ever receive a dollar, if the facts as disclosed by the record are true as I have been privileged to read them.

Mr. GWYNNE of Iowa. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Iowa.

Mr. GWYNNE of Iowa. Following this so-called renunciation, the executive branch of the Government that had charge of making the payment said that they would not pay and they are not now paying. I would like to know what the gentleman thinks of this question: Are these payments on pension gratuities? If they are, then he would have no standing in court to claim them.

Mr. KEEFE. Well, that is a very close question. A Federal judge makes no contribution, as I understand it, to the fund out of which these pensions are paid.

They are in effect, perhaps, gratuities, in view of the fact that he makes no contribution. But the Congress has set them up and they attach to and become part of the emoluments of office to which he was appointed. I do not think that we would want to rest the case upon the shallow and thin ice of contention that he is not entitled to all of the perquisites of office merely because the payment of the pension might be a mere gratuity. I think the bill ought to pass, but I think the record should be clear that someone has questioned the possibility that in the future this bill may cause us considerable trouble and alarm. I personally would be pleased if impeachment proceedings were instituted. It would serve a good end and justify any expense involved.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. KEFAUVER. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. RUSSELL].

Mr. RUSSELL. Mr. Chairman, I take it that most of the Members have read the report and are familiar with the case. I listened attentively to what the gentleman said who just preceded me, and I realize that there are some questions that perhaps might come up later. But, at least, it will put the laboring oar upon the judge himself. I think the facts would substantiate the charges of impeachment; there is no question about that. As I understand the law to be, in an impeachment case conviction is only in the nature of a removal from office, and a prevention of the one convicted from ever again holding office of

honor or trust or emoluments. The judge, being some 72 or 73 years old, of course, and having resigned, in my opinion will never again be elected to office; he will never again seek office, especially in light of the record made up there in his own home community where the grand jury has indicted him. And, it would cost the taxpayers of the country a large amount of money—some estimate not less than $40,000—to carry out the wishes of the gentleman who preceded me and which he says should be done, and then you would not accomplish any more than except what is trying to be accomplished, even if the impeachment court was to render a verdict of conviction, or what we are trying to accomplish by the passage of this legislation; that is, to prohibit him from receiving retirement funds; in other words, it is the taxpayers' money, which he contributed nothing in the world to, and with a record like he has made no one could truthfully say that he earned it by his past services. Far be it from that; we know he did not earn it. The record clearly explains that. So it occurs to me that the best thing that this Congress could do would be to pass this resolution, and then the laboring oar is upon Judge Johnson himself. It will at least be an expression of the Congress that where a man appointed to high honor and trust so conducts himself in a manner as explained in the report in this case, he is not entitled to receive gratuitously the funds which the Congress some time in the past made available, as well as others serving in the capacity in which he was appointed and supposed to have rendered faithful service.

To me, the greatest injustice that can be perpetrated upon a public is the injustice perpetrated by a public official occupying a position of public trust given him by the authorities of his country, yet who fails to live up to that trust, but on the contrary conducts himself in a manner showing himself not to be worthy of such trust.

There are some deep questions of law that might be raised here. The Congress passed the act granting retirement pay without any contribution upon his part, and I believe the Congress can take it away. I know it should be done and I know of no way to do it except by the passage of this act.

Mr. KEFAUVER. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. CRAVENS].

Mr. CRAVENS. Mr. Chairman, I am sure the merits of this case with respect to the conduct of Judge Johnson have been thoroughly developed before the Committee of the Whole today; consequently, I have no disposition to go back and refer to those matters. However, I should like to call attention to a situation which has developed with reference to Judge Johnson's voluntary renunciation of his right, if any he had, to a pension from the United States Government.

Judge Johnson now takes the position, after having renounced his right to a pension, that at the time he did so he was sick both mentally and physically, to the extent that he did not realize or appreciate the nature or quality of his act. The facts of the case, I think, will refute that contention on the part of Judge Johnson thoroughly and completely.

After the case was developed against him, after he knew what the facts were, after he had attended the hearings—and he was given an opportunity to attend all of them—Judge Johnson submitted himself to a hearing here in Washington for cross-examination. After a comparatively brief cross-examination, and when the cross-examination began to get a little close to home and bear down on him pretty hard, he asked permission of the subcommittee hearing the charges to withdraw himself as a witness in these proceedings and not be required to submit to any further examination as to his conduct.

In my judgment, that establishes the fact that Judge Johnson knew that what he had done was wrong, that he had no defense to the charges that had been developed by the committee against him, and that he was taking the best way out he could to avoid further embarrassment to himself, his family, and his colleagues in the middle district of Pennsylvania who had been associated with him in his improper conduct. However, Judge Johnson says when he did that, and when he later filed this letter, a copy of which I have here now, renouncing any claim to a pension from the United States as long as he might live, he did not know what he was doing on account of his physical and mental condition.

The committee made no suggestion whatever to Judge Johnson that he should file this letter of renunciation. The sole motivating thing behind this letter came from the suggestion of Judge Johnson himself and his counsel, by whom he was represented at all of these hearings.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. CRAVENS. I yield to the gentleman from Indiana.

Mr. SPRINGER. May I ask the gentleman if it is not correct that Judge Johnson was represented by three eminent counsel at that particular time?

Mr. CRAVENS. That is what I was just coming to. At that time his counsel said they might want to make some representations with reference to Judge Johnson's evidence. We suspended the hearings, they went out, and they came back with the suggestion that Judge Johnson would like to submit a letter renouncing all claim to future compensation from the United States by way of pension or otherwise.

At the time that was done Judge Johnson, as I recall, was represented by three lawyers, who were with him at the hearing and had been through all these hearings with him. They were able lawyers. They were experienced lawyers. They showed by the conduct of Judge Johnson's defense that they were no amateurs at this business. According to the information that the committee had concerning the professional standing of those gentlemen, they were some of the ablest lawyers in the middle district of Pennsylvania. There were three of them. My recollection is that throughout these hearings Judge Johnson was represented at all times by not less than three able, capable attorneys, and sometimes he had as many as five representing him. They apparently advised Judge Johnson to take this course. This letter of renunciation was submitted at the suggestion and at the request of his own counsel. Now Judge Johnson has the temerity to come in and say, after requesting that this be done and after getting the heat of this investigation off of himself by making this proposition and after being advised by three to five able lawyers who knew Judge Johnson and knew the facts that had been developed against him and after he voluntarily requested the right to take such course, that he did not understand. He now wants to back out of it. It is, under the circumstances, so ridiculous for Judge Johnson to now come in and say that he did not know what he was doing as to warrant little consideration of his plea. The information of the committee is that Judge Johnson's son consulted with him. He is also a lawyer. There was no request by the committee for the letter, no suggestion that the committee would consider it at all. He asked permission to file the letter of renunciation. When we granted his request and took him up on his own proposition, he contends he did not know what he was doing. Gentlemen, it is so preposterous I do not think the slightest bit of attention should be paid to it.

Mr. MANASCO. Mr. Chairman, will the gentleman yield?

Mr. CRAVENS. I yield.

Mr. MANASCO. Is it not true that inasmuch as the Retirement Act for Federal judges was not passed when Judge Johnson took office as judge, he could not consider the gratuity as part of his compensation?

Mr. CRAVENS. That is true. But the fact is that this is not retirement pay. There are two kinds of compensation that a judge may receive after becoming inactive—one is retirement pay and the other is a gratuity after he has resigned. Judge Johnson did not retire. He resigned. He is no longer a judge, either active or retired, and is not entitled to compensation as such.

Mr. KEFAUVER. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I take this additional time to further call the attention of the committee to a fact brought out by the gentleman from Alabama [Mr. MANASCO]. The cases which hold that under article III, section 1, you cannot reduce a judge's salary during his term of office makes such a finding on the basis that such compensation must have been an inducement for the acceptance of the office. In this case, since the retirement act had not been passed at the time, it was not an inducement for the acceptance of the office. This case probably falls within the Supreme Court case of *O'Malley* v. *Woodrough* (307 U. S. 277), in which the Court held that a Federal judge was subject to income tax and thereby overruled two previous cases that had held that he was not so subject. But if this judge had merely retired, you would have a different situation. It would have beer part of his salary. But, having resigned and also in view of the fact that the retirement act was not in

effect at that time, I think this bill when enacted will effectively prevent him from receiving any emoluments of the Retirement Act.

I want to call the attention of the Committee to the other recommendations of the committee. The committee recommends that the Retirement Act be amended so as to prevent possible repetition of the situation we have here.

Also, it recommends that this practice of selling assets of bankrupt estates, where the purchaser is to pay the cost of administration, be discontinued by enactment of Congress. That was one of the things that made it possible for a great many of the frauds that were perpetrated to be carried out.

Also, Mr. Chairman, the committee investigated the conduct of Judge Albert L. Watson, who was the other judge in that district. As is shown in the report of the committee, which has been filed with the House, we found that Judge Watson had been negligent in certain matters, but that there was nothing in his conduct to question his integrity or his honesty or his fitness to carry on as a judge.

The committee has filed its report, consisting of some 1,000 pages, and also about twice that many pages of exhibits. We also have filed a report, and I think many Members of the House will enjoy reading the hearings and the committee's report.

The CHAIRMAN. The time of the gentleman from Tennessee has again expired.

The Clerk read as follows:

Be it enacted, etc., That after July 14, 1945, no payment shall be made under section 260 of the Judicial Code to Albert W. Johnson (or to his estate), formerly district judge of the District Court of the United States for the Middle District of Pennsylvania, who resigned as such judge on July 3, 1945, and who, on July 14, 1945, renounced and relinquished his rights under section 260 of the Judcial Code to receive the salary therein provided for judges who resign after having served at least 10 years and having attained the age of 70 years.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, my purpose in doing this is to suggest to the chairman of the subcommittee that the record show completely the circumstances under which the renunciation of relinquishment of pension or retirement rights of Albert W. Johnson were made. I think that should be stated in detail. We know, of course, that there was no coercion used, but I think it might be well for the record, because one can never tell when in the future the considerations of this debate might be referred to by some other agency, or the courts, to have that aspect of the proceedings completely set forth in the debate that took place this afternoon.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. MICHENER. The Committee on the Judiciary has reported fully to the House on the impeachment proceedings against Judge Johnson. It is House Report No. 1639, Seventy-ninth Congress, second session. Everything that might be said about this judge is found in that report. That report, of course, could be brought before the House if there was anything to discuss.

Mr. McCORMACK. Does that report go into detail in connection with the circumstances about the renunciation of relinquishment of his rights?

Mr. MICHENER. It does. That is why I said this whole thing is moot.

Mr. McCORMACK. The gentleman has answered my question by referring to the report and including it in this debate.

Mr. KEFAUVER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. KEFAUVER. I am glad the gentleman from Massachusetts took this time, because I think it is important that that matter be made clear. On pages 920 and 921 of the hearings of the investigation is set forth what took place. Briefly, it is this, that the attorneys for Judge Johnson asked for a recess. Then they asked for a meeting with the committee in executive session, and they told us what they had decided to do, and, of course, their reasons for it, that many things had come out that they did not know about. We made it very clear that under no circumstances would we enter into any agreement or understanding about what we would do; that all we were doing was making an inquiry and if they wanted to file any letter with the committee, it would be put in the record and would be given whatever consideration it might justify. That was made amply clear to them.

Then, I also want to call attention to the fact that after the letter was filed with the committee, I made this statement:

Very well. If I have not made it clear on behalf of the committee, I do want to say that the committee, of course, receives any communications affecting the case.

I also wish to make it clear that there are no conditions pertaining to its acceptance. Of course, the committee will give all matters in the record due consideration. If there is nothing else, the committee will stand adjourned.

That statement was made in the presence of Judge Johnson and of his counsel.

Mr. RUSSELL. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. RUSSELL. I should like to ask the chairman of the subcommittee if it is not a fact that not a member of the subcommittee that held the hearings talked to Judge Johnson either collectively or singly about this matter; that the only conversation that the committee had with him with reference to it was through three excellent gentlemen, and lawyers, too, who were representing him, and at no time did Judge Johnson discuss it with the committee or any member of the committee?

Mr. KEFAUVER. The gentleman is correct.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I shall be glad to.

Mr. MICHENER. To make a long story short, the judge is out, the judge is not receiving his retirement pay, the judge will not receive his retirement pay, and the committee was advised by the Treasury Department and the Bureau of Administration of Justice presided over by Mr. Chandler that the only way the judge could ever get the money here in question would be for the courts of the land to so decree; and any action which we may take here today in my opinion can as matter of law in no way affect the conditions as they were so far as the judge is concerned in this matter on July 14, or whatever the date was that he resigned.

Mr. McCORMACK. My purpose in rising, of course, was to have incorporated in the debates the evidence in relation to the renunciation or relinquishment of his rights, because on some future occasion that might be the important point.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SULLIVAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 5413) to accept the renunciation by Albert W. Johnson of pension under section 260 of the Judicial Code, pursuant to House Resolution 560, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. KEFAUVER asked and was given permission to revise and extend the remarks he made in the Committee of the Whole this afternoon and to include a letter dated February 8, 1946, to which he referred; and also to extend his remarks in the Appendix of the RECORD and include three editorials.

SPECIAL ORDER GRANTED

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that the special order I had for this afternoon be transferred to next Wednesday afternoon following the special orders heretofore entered for that day.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

MAKING PERMANENT THE APPOINTMENT OF CERTAIN INDIVIDUALS OF CERTAIN GRADES IN THE ARMY, NAVY, AND MARINE CORPS

Mr. MAY submitted the following conference report and statement on the bill (S. 1354) to authorize the permanent appointment in the grades of General of the Army, Fleet Admiral of the United States Navy, and General in the Marine Corps, respectively, of certain individuals who have served in such grades during the Second World War:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1354) to authorize the permanent appointment in

the grades of General of the Army, Fleet Admiral of the United States Navy, and general in the Marine Corps, respectively, of certain individuals who have served in such grades during the Second World War, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment numbered 3.

That the Senate recede from its disagreement to the amendments of the House numbered 1, 2, and 4, and the amendment of the House to the title of the bill, and agree to the same.

Amendment numbered 5: That the Senate recede from its disagreement to the amendment of the House numbered 5, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "shall be entitled to receive the same pay and allowances while on the retired list as officers appointed under this section are entitled to receive while on active duty.

"SEC. 3. The President is hereby authorized, by and with the advice and consent of the Senate, to appoint to the permanent grade of admiral in the Coast Guard any individual who shall have served as Commandant of the Coast Guard, with the grade and rank of admiral, after March 21, 1945, and before August 14, 1945. Any officer appointed under the provisions of this section shall receive the pay and allowances prescribed by section 3 of the Act of March 21, 1945 (Public Law 20, Seventy-ninth Congress); and any such officer who has been or may hereafter be retired or relieved from active duty shall be entitled to have his name placed on the retired list with the highest grade or rank held by him on the active list or while on active duty, and shall be entitled to receive the same pay and allowances while on the retired list as officers appointed under this section are entitled to receive while on active duty."

And the House agree to the same.

ANDREW J. MAY,
EWING THOMASON,
OVERTON BROOKS,
WALTER G. ANDREWS,
DEWEY SHORT,
Managers on the Part of the House.

ELBERT D. THOMAS,
EDWIN C. JOHNSON,
LISTER HILL,
WARREN R. AUSTIN,
STYLES BRIDGES,
By W. R. A.
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1354) to authorize the permanent appointment in the grades of General of the Army, Fleet Admiral of the United States Navy, and general in the Marine Corps, respectively, of certain individuals who have served in such grades during the Second World War, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: The Senate bill authorized the appointment to the permanent grade of Fleet Admiral of the United States Navy of any individual who had served in that grade after December 14, 1944, and before August 14, 1945. The House amendment authorized the appointment to that permanent grade of any individual who had served in the grade after December 14, 1944, and prior to December 14, 1945; and had the effect of making one additional individual eligible for appointment to such permanent grade. The Senate recedes.

Amendments Nos. 2 and 4: The Senate bill provided that any of the officers appointed thereunder who are retired or relieved from active duty after the bill becomes law would be entitled to certain benefits while on the retired list. The House amendment provided for granting those same benefits to officers appointed thereunder who may have been retired before the bill becomes law. The Senate recedes.

Amendment No. 3: The Senate bill provided that officers appointed thereunder to the grades of General of the Army and Fleet Admiral of the United States Navy should, when retired, receive the full pay and allowances which they received while on active duty. The House amendment provided for paying them, when retired, 75 percent of base pay and 75 percent of the personal money allowance to which they are entitled while on active duty. The House recedes.

Amendment No. 5: The Senate bill provided that any officer appointed thereunder to the permanent grade of general in the Marine Corps should, when retired, receive the full pay and allowances which he received while on active duty. The House amendment reduced the retired pay of such an officer to 75 percent of his base pay and of his personal money allowance. The House amendment also (1) authorized the appointment to the permanent grade of admiral in the Coast Guard of any individual who had served as Commandant of the Coast Guard, with the grade and rank of admiral, after March 21, 1945, and before August 14, 1945; and (2) provided for paying him, when retired, 75 percent of his active duty base pay and personal money allowance. The conference agreement accepts the action of the House in authorizing appointment to the permanent grade of admiral in the Coast Guard but provides that officers appointed to the permanent grades of general in the Marine Corps and admiral in the Coast Guard shall, when retired, receive the full pay and allowances to which they are entitled while on active duty.

ANDREW J. MAY,
EWING THOMASON,
OVERTON BROOKS,
WALTER G. ANDREWS,
DEWEY SHORT,
Managers on the Part of the House.

Mr. MAY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (S. 1354) to authorize the permanent appointment in the grades of General of the Army, Fleet Admiral of the United States Navy, and general in the Marine Corps, respectively, of certain individuals who have served in such grades during the Second World War, and that the statement of the managers on the part of the House be read in lieu of the report.

Mr. MICHENER. Mr. Speaker, reserving the right to object, I see the ranking member of the Military Affairs Committee present. Is this satisfactory to the gentleman from New York [Mr. ANDREWS].

Mr. ANDREWS of New York. It is a matter, I may say, on which all the conferees agreed; it is a unanimous report.

Mr. COLE of New York. Mr. Speaker, reserving the right to object, I wonder if the gentleman will tell us briefly what the conferees agreed to before we consent to this unusual procedure? The gentleman is going to explain the conference report, anyway. Why not explain it now?

Mr. MAY. The principal thing in issue in the conference between the Senate and the House was the question whether or not the pay of these high-ranking officers of the Army should be three-quarters or full pay. The Senate was absolutely adamant on it, there was no chance to get an agreement without going along with them on that. They yielded to us on three different propositions, and we had to yield to them on that?

Mr. COLE of New York. The House position was to grant 100-percent retired pay?

Mr. MAY. Seventy-five percent.

Mr. COLE of New York. And the Senate insisted on 100-percent retirement pay?

Mr. MAY. Yes.

Mr. COLE of New York. The House conferees yielded to the Senate on that point. The Senate yielded to the House on what points?

Mr. MAY. The Senate yielded on three different propositions. The House had included Admiral Waesche and another officer, and then, in addition to that, the House adopted a little amendment here which changed the date fixed in the bill from July to August.

Mr. ANDREWS of New York. Mr. Speaker, the House changed the provision and included the months from August to September in order to include one of the great admirals of this war, Admiral Halsey, who became a five-star admiral in that period.

Mr. COLE of New York. The bill as it passed the House included the Commandant of the Coast Guard, but now the Commandant of the Coast Guard has been excluded?

Mr. MAY. No, he has not been excluded. The Commandant of the Marine Corps has not been excluded either.

Mr. COLE of New York. In looking over the title of the bill, I noted it only covered the General of the Army and Fleet Admiral of the Navy and the Commandant of the Marine Corps.

Mr. MAY. It covers all of them.

Mr. COLE of New York. Does it include the Commandant of the Coast Guard?

Mr. MAY. It does.

Mr. McCORMACK. Mr. Speaker, the conferees have exercised very wise and sound judgment. These men have rendered an outstanding service during the recent war and, in addition to that, there is the consideration that they will be available by our Government for important assignments. With the economic security that is given them, the remainder of their life will be such that they will be subject to call for these important missions. As an illustration of that, we can take the case of General Marshall who was recently sent on a very important assignment. We can never tell when there will be future assignments for him elsewhere or for some of these other men. It is a very fine investment for our country and it gives a very deserved recognition to these men.

Mr. COLE of New York. I have no disagreement whatever with the action taken by the conferees.

Mr. McCORMACK. I know that.

Mr. COLE of New York. In fact, what has been recommended by the conferees, in my opinion, is little enough compensation for the great services these men

have rendered. They are deserving of far greater than the reward provided by this bill. I just wanted to make sure that I had some slight understanding of what the conferees had done.

Mr. McCORMACK. I wanted to show that there are many important assignments to be made and almost any time something may arise in which one of these men could be utilized.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the statement of the managers on the part of the House.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. SHAFER (at the request of Mr. MICHENER) was given permission to extend his remarks in the RECORD and include excerpts.

Mr. CURTIS (at the request of Mr. MICHENER) was given permission to extend his remarks in the RECORD and include an editorial.

SPECIAL ORDER GRANTED

Mr. REED of Illinois. Mr. Speaker, I ask unanimous consent that on tomorrow, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 25 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. VOORHIS] is recognized for 40 minutes.

OUR ECONOMIC PROBLEM

Mr. VOORHIS of California. Mr. Speaker, there is at present taking place a great world contest between democracy and dictatorship—between freedom and totalitarianism—between the self-government of, by and for an enlightened people and the autocratic rule of a few over a people kept in ignorance. The prize in this contest is the adherence to one system or another of the peoples of the world.

All men desire freedom.

Therefore the world's allegiance will go to the system of free government if a reasonable degree of security for the people is achieved and if the dynamic expansion and growth which have always been the boasted economic counterparts of political liberty are not lost.

The whole future depends then upon whether or not we can, in the United States, get on top of our economic problems well enough and pursue a policy of sufficient vision so that our citizens—all of them—can be reasonably certain of a good living and work to do, and so that our industry and agriculture can cast off their present fear of abundant production, fear of so-called surpluses, fear of their own full efficiency.

Long ago, as we Americans reckon time, John Adams, the second President of this Republic, said:

> All the perplexities, confusion and distress in America arise, not from defects in its constitution or confederation, not from want of honor and virtue, so much as from downright ignorance of the nature of coin, credit, and circulation.

The words are even more true today than they were when Adams uttered them.

Our problems today center around our fears—fear of inflation, fear of debt, fear of failure of the market to absorb the goods we want to produce.

It is with these three fears that I shall deal in this speech.

OVERCOMING THE FEAR OF INFLATION

There was a time when inflation could have been prevented. That time is past. It was at the beginning of the war. Had we determined then to tax heavily enough to pay for the war currently, we should have had no inflation problem. But we did not.

We failed to pay for even half the cost of the war out of taxes. The other half we paid for in two ways. One way was by honest, true borrowing—the borrowing of the savings of the people, the sale to the people for money they possessed because they had earned and saved it, of Government bonds. This accounted for about 58 percent of our present national debt. As such it represents potential buying power in the hands of the people over and above their current earnings, which is and will remain inflationary buying power probably for a long time. But at least this portion of the national debt increase had the virtue of not increasing the amount of money in existence in the Nation. The other 42 percent of our national debt hangs about the necks of the American people for a very different reason. That amount—about $105,000,000,000 in all—is held by the banks, including $22,000,000,000 held by the Federal Reserve banks. These Government interest-bearing obligations were bought by the banks with money they created on their books for the express purpose of using it to buy the bonds. It cost the banks nothing to create this money except a little fountain-pen ink. But because the banks have been and are allowed to usurp the essentially governmental power to create money—albeit in the form of demand deposits—they now have the American people $105,000,000,000 in debt to them. This part of the debt never should have been debt at all.

If any money was to be created to help fight a war for national survival, it should have been done by the Congress or an agency thereof, and without a cent of capital debt or interest connected with it. But this was not done. Instead we inflated our currency—inflated it to the amount of over $85,000,000,000. We permitted the banks to create that much new money and put the Nation that much in debt to them for no service rendered in return. We permitted this because we failed to tax enough to pay for the war. No wonder then that average bank earnings for all national banks in the year 1945 were almost 10 percent of all their capital funds—10 percent, not of capital stock alone, but of capital stock plus surplus, plus undivided profits. For example, one of the very largest of the Nation's banks made earnings of $59,000,000 on a total of $300,000,000 of capital funds.

No wonder either that inflation is not a danger but a present fact with which, for a time at least, we have got to learn to live as best we can. We more than doubled the amount of money in existence in the United States of America from 1941 when we had $78,000,000,000 of cash and bank deposits to 1945 when we had $163,000,000,000. Either this backlog of demand will never be spent or else it will bring inflation when it is spent.

There are only two possible cures for inflation—taxes and production. A vast increase in production can enable us to catch up with the inflation of our money supply over a period of time. And courageous taxation now could partly make up for our failure to prevent the inflation when we should have prevented it—namely during the war. It could also help reduce the national debt.

There are three courses we can take. The first is to keep OPA and other agencies of control forever in order to prevent price inflation from resulting from the money inflation which has already taken place. Or we could tax all or most of the deferred savings out of the hands of the banks and the people and devote it to paying off a part of the debt which was caused by our failure to tax before.

The first of these alternatives is so alien to American tradition that it must be rejected, although I do not believe we can or should abolish OPA until supplies of goods have been increased to a level well above anything we had prewar. The second, or taxation alternative, while economically unassailable is politically quite impossible, though I hope for enough courage in Congress so that we will at least not reduce further the net Government revenue.

The third alternative, therefore, is the one that we must take. It is a mixed proposition. It requires the maintenance of high tax rates, but recognition that that will not be enough. And then it requires a willingness to face courageously the necessity of gradually absorbing the inflationary pressure of $163,000,000,000 of money seeking to be spent. It must be borne in mind that this can never be done by means of current production at any prewar price level. For current production will, itself, generate about 90 to 95 percent enough buying power to purchase what is being currently produced. Theoretically current production generates enough buying power to afford a full demand. In practice it always falls short. For prices include not only those costs which are distributed in wages, salaries, dividends, and profits, but also reserves and depreciation accounts, business taxes, and other items that do not get into the buying-power stream. But current production will generate almost enough new

buying power to buy all that is produced. So where are the billions of deferred buying power or savings to find goods to buy—this year, next year, or any other time? Only if there is full production over a long period of time and only if we deliberately seek to bring production and money supply gradually into line with one another can the inflationary pressure of these large savings be controlled. So if we are not going to pass a law saying no one can spend his savings at all, as I assume we are not going to do, we have to adjust the incomes of the people of the Nation upward in line with the facts of the present situation. And some prices, including a good many farm prices, will have to be allowed to rise somewhat, also. In this process we must keep sufficient controls to prevent the movement from getting out of hand, but accept it meanwhile not only as inevitable but as a certain means of bringing about the constantly expanding rate of production upon which our salvation mainly depends. Incidentally, we shall by this process be reducing the real burden of our huge debt by the amount of the reduction in the buying power of the dollar which takes place. If I correctly understand it, the recent price-wage announcement of the President is basically along these lines. The only question is whether it contemplates as much flexibility as the situation really demands, either as to wages or as to prices.

Most of our present difficulties are arising not alone because we are in a period of adjustment and reconversion but also because of a lack of understanding of certain of the fundamental, and I am afraid, irresistible economic forces which are now at work. We cannot solve this problem by looking back at the years after the First World War or even to the ones just before World War II. Since a continuance of well-distributed high mass buying power must in this age of superabundant production possibilities be the key to our economic policy, the first task is to make certain that the income levels of the people are sufficiently high. From this point of view, wage increases become not a danger but rather an economic necessity and the only question is whether increases of 15 to 18 percent are going to be enough. As a matter of fact those increases should for the time being be primarily calculated to prevent any decline in the standard of living of the people and even to make an allowance for a reasonable increase in that standard. I think, however, that few people will question the fact that wage and salary workers in America would be altogether willing to compromise the issue on the basis of an approximate 20-percent increase in unit rates of pay. Now, having once arrived at a fair basis of what wages and salaries should be, it becomes necessary to view the matter of prices from a realistic rather than a theoretical point of view. And it is self-evident that a fair price for any product is that price which covers the cost of production and leaves a fair profit for the producer whether he be a manufacturer, a farmer, or who he may be. I believe that the workers of the country as well as all other elements in the population believe that American business is entitled to a fair margin of profit. There will be many cases where wage increases can be granted without any increase in prices; but where this is not the case it is necessary that everyone know that necessary price adjustments can and will be made.

Now there are a few facts regarding the relationships of production, prices, and money supply which must be borne in mind. Let us take money first. In 1834 we had one-sixth of a billion dollars of cash money or its equivalent in bank deposits in the United States. Today we have approximately 1,000 times that much money plus bank deposits, or $163,000,000,000. On a per capita basis we have about 120 times as much. We have five times as much money—including bank deposits—as we had at the end of World War I and almost three times as much as we had at the top of the boom in 1929. It took our Nation 158 years to build up a money supply of $78,000,000,000 which we had at the end of 1941. In the 3½ years which followed, that is up until July 1945, we added $85,000,000,000 more by the process of permitting the banks to create money which means that we more than doubled the money supply of America between 1941 and 1945. Under these circumstances it is idle to talk about wage and price levels in terms of prewar figures.

The figures I have just given should prove conclusively that prices do not necessarily tend to increase anywhere nearly as fast as the supply of money increases. In the 100 years from June of 1845 to June of 1945, the money supply of America increased over 100 times per capita while wholesale commodity prices only doubled. This, of course, was due to vast increases in production. However, it is inconvertibly true that the volume of production moves up and down in the same direction as the volume of money. Indeed, the graph line of production follows the money line either up or down as slavishly as a shadow follows a man. Carefully prepared records show that changes in the money line occur from 2 to 6 months before changes take place in the level of production. The fact of the matter is that today we have a sufficient money supply in America to buy even at the price levels that would probably pertain on the basis of the policy I am advocating, approximately twice the volume of goods that we bought in 1929. We ought not to be preventing farmers from staying in business of producing essential food supplies for America because of too inflexible a price policy. Neither ought we to prevent by the same means a full production of manufactured commodities. Let me say once again that I am far from advocating the abolition of the OPA. I shall vote for its continuance beyond June 30 of this year, but I believe a more realistic policy is absolutely essential and I think the keynote of that policy must be that expanding production is the all-important need of the Nation. All the factors are present today which can make possible a tremendous production increase provided only we overcome our fear of higher incomes for the people on the one hand and our fear of reasonable and necessary price increases in cases where they are essential to bring about production. Everyone knows that we cannot expect to support and pay interest upon, let alone reduce, our present staggering debt unless we have high production and high national income.

It is my firm belief and vigorous contention that many of the problems connected with labor disputes which we have faced could be readily solved if only we would approach them from the standpoint of the policies which I am attempting to set forth in this speech.

PROSPERITY AT PRESENT DEPENDS ON INCREASING DEBT—THIS SHOULD NOT BE

Now it has been, as I see it, a crime against the American people that we have saddled them with $105,000,000,000 of utterly unnecessary debt to the banking system by allowing the present unsound monetary system to continue. But since our money supply is, in fact, tied under that system inextricably to the volume of our debt, the increase in the debt has at least had the virtue of giving us so great increase in money supply as to make it almost inevitable unless we are to be incredibly stupid that we shall, for a period of years, be able to have an unprecedently high rate of national production and income. This huge money supply sparked us to a gross national production of $200,000,000,000 in 1944. It can remain at that rate or only slightly less if we but want it to.

At this point I want to prove by the use of a simple chart that American production, employment and prosperity depend directly under our present monetary system upon the volume of our debt.

The fact is that under the present monetary system of the United States it is impossible for us to sustain prosperity without an increase in debt, public or private, or both. If we examine the figures on total production on the one hand and total debt on the other during the years we will find that total debt of the United States increased from $86,100,000,000 in 1917 to $124,300,000,000 in 1920. Production during those years remained relatively constant. They were prosperous years from an economic point of view. Beginning in May 1920, however, there took place a new course of deflationary action on the part of the Federal Reserve Board consisting in part, as will be remembered, an increase in the discount rate to 7 percent. Consequently the debt increased only very slightly during the balance of 1920 and during the year 1921. The economic results of that were to cause the index of industrial production to fall from 75 to 58, 100 points being the average production for the years 1935 to 1939. Thereafter the debt commenced to increase again and increased steadily until the end of 1929 when it reached a point of $173,400,000,000. In the year 1929 our production had increased to 110 points on the index of industrial production,

which is used here. In the next year the debt did not decline but held its own only. Nonetheless, production dropped a total of 19 points and continued to drop precipitously as will be remembered until the trough of the depression in 1932.

Thereafter, as the result of Government borrowing the total debt, public and private, began gradually to increase, not very rapidly, but gradually, and since it was Government debt that was increasing, and hence the expenditure of the money was usually siphoned into the hands of the rank and file of the people of the country for immediate expenditure, the effect of that debt increase was more dynamic on the economic system than is the case with an increase in private debt. In any event, production climbed under these influences to 113 points in 1937. In that year, however, another decline in the increase in debt took place. The debt did not decline very much, being a decline from $159,500,000,000 to $158,000,000,000 in that 12-month period. Production, meanwhile, fell off from 113 points to only 89 points due to that slight reduction in the debt. The war began, as will be remembered, in 1939, and from that time on our debt, public and private, skyrocketed; so did our production, until we reached the fantastic total of $200,000,000,000 of gross national production in the year 1944 and approximately that same amount in 1945.

I submit these figures only to show that our money supply is the thing that makes possible increases in production, that induces increase in production; that it was the fact that there were almost unlimited amounts of money available to pay for the goods that was the means of getting the tremendous war production which we obtained, and to point out, in the second place, that there is great necessity for a change in a monetary system which makes it necessary for debt to increase in order for sustained production, employment, and prosperity to be possible. We have to cut the Gordian knot that ties our supply of money to our debt in order to be able to assure ourselves of continuous prosperity without increasing our debt at the same time.

This condition cannot be permitted to continue much longer. Our supply of money must be divorced completely from its present bondage to debt. For otherwise we can neither have full production nor even ward off a devastating depression without still further increasing our already staggering mountain of debt.

Hence there remains two problems about which I must speak. They are the fear of debt and the fear of failure of the market. I shall take the second of these first.

OVERCOMING OUR FEAR OF FAILURE OF THE MARKET

It would appear at first glance that there should be no need to fear failure of the market, considering the colossal supply of money that is available. But that money is far from equitably distributed through the population, and as we have seen, a tremendous percentage of it belongs outright to financial institutions. Furthermore, if we are to pursue the policy of upward adjustment of both wages and prices, which is the only way out for us, we have to make a great effort to do justice by the elements of the population who will be economically harmed by such a trend. These are the people living on fixed incomes. They are also the people whose buying power is most likely to fail and who, therefore, are most likely to cease to be an effective part of the market for expanding production. In general there must be an attempt to bring about increases in white collar workers' income. The Government can set an example by promptly passing legislation giving a reasonable increase in pay to Government workers. From every viewpoint the pay of men in the armed forces, the allowances for their dependents, and the compensation rates of disabled veterans should be increased. The largest group of people attempting to live on fixed incomes are those either now covered or who ought to be covered by the Social Security Act. If their incomes could be adjusted to the new levels a major step would have been taken toward general equity.

The Social Security Act is at present only a partial and inadequate measure. It covers only a portion of the population and provides only meagerly for some of them. The first step should be to greatly broaden the Social Security System so that it will include old-age-retirement pensions for all older people in the Nation who have reached the age where their employment in industry becomes generally difficult and at times virtually impossible. Just what this age should be ought to be determined by general economic conditions, but it is probable that it should not be older than 60 years. Coverage should be universal as to all persons in receipt of incomes less than a certain amount who have attained the retirement age. The amount of the old-age pension should be enough for a life of decency and self-respect, substantially above the present level.

In addition, the act should be broadened to include reasonable provision for all disabled persons and should not be limited as at present to the blind.

In the third place, the aid to dependent children ought to be broadened and increased so that it would be true that a mother deprived of a breadwinner in her family could devote herself to the care of the children without being compelled to support them economically at the same time.

The volume of production of food by American farmers is abundant, both in good times and bad. In the name of justice, therefore, action must be taken to maintain a market for agricultural commodities which will be somewhere near commensurate with the supply of food. We must never again permit hunger and farm "surpluses" to exist side by side. The House has just passed a bill making provision for financing the purchase of what otherwise would become surplus food commodities and making them available to local school districts for school lunches for undernourished children. This could be made part of the social-security program.

Under these circumstances, the Social Security Act would really constitute what the name implies—a thing it does not do at present. It would provide protection against dependence in old age; it would provide aid to the disabled among the population; it would protect the American home; it would protect the health of children. From an economic point of view, however, a broadened national insurance program of this sort would constitute a means of maintaining the general buying power of the Nation through the years and would become not only a social-security system but an economic-security system for the entire country. Furthermore, this plan would not interfere in the slightest degree with the self-dependence of any able-bodied American citizen in the productive years of life. It would not increase the power of the Government by one iota but would be a means of passing economic power on to millions of citizens in the purchasing power that they would consistently receive.

The crucial point in this proposal, however, is found in a method of financing the system which will make it possible to use it as a means of regulating and evening out the flow of demand in the country. And here I am talking not only about overcoming the fear of failure of the market, but also about overcoming the fear and menace of debt. Since this program would be of benefit to the entire population, it should be basically financed by a broad general tax similar to the so-called Victory tax levied during the war. There should be reasonable exemptions high enough to cover the minimum amount necessary for a basic standard of living, but no other deductions from gross income should be allowed, excepting this basic exemption. The rate of tax should be fixed so to finance the entire system in times of prosperity and reasonably full employment and to provide some surplus in addition at such times. The present is such a time and the operation of the system I am here proposing would therefore have a counter-inflationary effect as well as bringing about a fairer distribution of income. But then it should be provided in the act that the tax would be lowered or eliminated entirely, if necessary, in times of threatening deflation, falling prices, and unemployment. Thus with the out-payments continuing at a time like that we would be equipped with an automatic device for increasing the purchasing power of the country in an orderly fashion at the time when such action was needed to assure continuing employment.

The question arises as to how the necessary funds would be provided for out-payments under these circumstances. The first part of that answer is that any surplus accumulated in the fund would be used first. But the second part of the answer is that since the economic problem of the Nation would be one of matching potential production with equivalent buying power in the hands of the people, the Congress itself would be entirely justified and correct in authorizing the creation of a sufficient volume of new money or national credit to maintain the out-payments of the national insurance or social-security system in lieu of tax revenues. Instead of permitting the private banks to create

the new money needed to expand purchasing power at a time of threatening deflation and then compelling the Government of the Nation to borrow that new money back from the private banks at interest, it is here proposed that the Government create the new money itself in the first place. This would not be inflation because the money would be used by the recipients of social-security benefits for the purchase of goods in process of production, which goods would otherwise go without a market. The new money would only be the means of warding off deflation and depression and of maintaining the price level at a reasonably stable average. Thus, the national debt need not be increased by a single dollar under this proposal.

If we are sincere in wanting to maintain freedom in our economic system, we have to have the means of preventing a failure of the market or mass unemployment in the future. The program here proposed would go a major distance in accomplishing that purpose by itself. It does not rest upon any further increase in the national debt, nor upon any unwarranted invasion of the realm of private enterprise by Government. Neither does it involve discretionary decisions by Government agencies, nor an increase in Government power. The only place where governmental decisions would be made would be in the reduction of the tax rate, and certainly this is a measure to which no one will object.

Action to curb monopoly power, to develop the natural resources of the Nation for the common welfare, to maintain a decent basic level of minimum wages in the country, to prevent precipitous declines in farm prices—all these would be required in addition. But the basic problem of maintaining an adequate flow of buying power in the markets of the country at all times would have been largely answered. And that is the one basic necessity if there are to be good jobs and steady ones for the veterans of America's wars, and if we are to meet successfully the tremendous problem of economic adjustment which our country now faces.

Perfect justice cannot possibly be done in the present circumstances. The all-important consideration is a dynamic expansion of production. Upon that our whole future depends. It must come first.

OVERCOMING THE FEAR OF DEBT

The third fear from which we suffer is the fear of debt. I have already indicated certain specific measures that should be taken to divorce our flow of money or buying power from the increase in debt. But I am not through. As a means of controlling inflation it is, above all things, necessary to check the further creation of new money by the banking system. This can be accomplished effectively by a measure long overdue in the interest of sound banking itself. It also happens to be a measure which could, in effect reduce by approximately one-third to 40 percent the present national debt of the United States. If we really want to control this inflation, we will proceed to institute the 100-percent reserve system for demand deposits in the banks. We will require the banks to go back into the banking business of accepting deposits of pre-existing money and making loans and investments with it. As the banks do this, we will attempt to get the Government out of this business. But we must likewise, in the interest of our country, in the interest of controlling inflation, in the interest of solving the problem of debt, get the banks out of the Government's business of creating money. At the present time the holdings of all the banks of cash and Government securities is substantially in excess of the total amount of their demand deposits. If we permit the Government bonds to be counted as part of the required 100-percent reserves, we would freeze these bonds in the bank vaults and prevent their becoming a base for a further multiple expansion of bank credit money. For the time being, the banks could receive the interest, but since the bonds would, in effect, have been monetized as part of reserves, therefore, when they came due, they could and should be replaced with cash money created by the Government without capital debt, interest charge or taxes. This money would take the place of the bonds as part of the 100-percent reserves in the banks behind all their demand deposits. Then we would be safe from uncontrolled inflation. Then every bank in the Nation would be forever safe from runs or failure. Then we would have reduced our national debt to manageable proportions and have lifted a tremendous and, as I have explained, completely unjust burden from the backs of the American people.

Let us take back the Nation's birthright and solve the debt problem as we do so. It used to be contended that the Nation had to pay the banks for their costless manufacture of money in order to keep the banks going. With bank earnings at 10 percent of all capital funds, such an argument becomes ridiculous. If there ever was an appropriate time to correct the gross inequity of our monetary system, that time is now.

There is one group of people who, I confess, would be hurt by my proposal. They are the people depending wholly, or almost wholly, upon the income from Government bonds. The real value of their interest receipts would be cut down. But there is no way of avoiding this. The reason so many bonds were sold—namely, our failure to tax to pay for the war—is the reason the bondholders now have the bonds they do. It is also the cause of the fact that we cannot protect the real buying power of interest without wrecking the country in the process. Furthermore, if we follow the course I have charted, we shall be able to have and to indefinitely sustain a high level of production and national income. And that will mean that the bonds will be good, that they will be paid—even though in dollars of somewhat lessened purchasing power. And as a means of easing the blow upon these people, I would favor permitting a reasonable amount of Government bonds to be used by any individual to purchase a schedule of annuity payments for his protection in the future.

In any case, there are times when the truest conservatism may sound radical. For they are times when nothing will suffice except going to the roots of our problems. I have not dealt with all of these in this speech. I could not. The great problem of monopoly I have not directly discussed. But I have tried to give a rational answer to what I believe are the great fears from which our Nation now suffers so far as our domestic problems are concerned. I hope I have offered substantial hope that these fears can with understanding and courageous action be overcome.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Washington [Mr. HORAN] is recognized for 10 minutes.

UNITED CHURCH SERVICE CENTER, NEW WINDSOR, MD.

Mr. HORAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include an article from yesterday's Washington Sunday Star.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. HORAN. Mr. Speaker, I have taken this time to bring to the attention of the House of Representatives of this great Nation of ours a work that I think is deserving. I feel that a brief accounting of it should well be spread upon the pages of our CONGRESSIONAL RECORD. In the Washington Sunday Star of yesterday there was a story about the relief center at New Windsor, Md. This began as the headquarters of the Brethren Service Committee. Last October it was taken over by the interdenominational church committee on overseas relief and reconstruction, sponsored by the Federal Council of Churches of Christ in America. The Brethren leadership, however, remains. This relief center was begun by one of those denominations that are known as the peace churches. They comprise the Quakers, Mennonites, and the Church of the Brethren. It is part of the doctrine of these churches that they refuse, under all circumstances the taking of life. Many members of this group were conscientious objectors during the war and World War I.

I rise now to point out the work they have been doing during the war and particularly since the war ended. It is in line with, and justifies their reasons for, resisting the taking of life. They have lost no opportunities to help. The work they are now doing as churches and as individuals is the restoring of life to the suffering of the entire world. I think it is commendable. They are not alone, of course. Practically every one of our American churches—Protestant, Catholic, and Jewish—are taking an active part in the relief of the suffering around the globe, but these folks are very active and have led the field.

I shall include with my remarks an article by Carter Brooke Jones which appeared in yesterday's Sunday Star. I think he has written it very well, and I think it delineates very well the nature and scope of their service.

Last fall it was my pleasure to show seven boys from my own district around

the Capitol here. They had lunch with me. They had the pleasure of meeting the Speaker of the House down in the hallway. It was a very pleasant experience for them. They were on their way to Poland with a shipload of heifers and horses, a practical expression from the people of America. They were volunteers—as is most of this service. They were taking livestock over there that had been donated. It is refreshing to observe that we can assist others and do so without forever charging it to the taxpayer through appropriations. They went to Poland, and I am glad they did because those boys saw suffering and understood it in the only way it can be understood. It has to be seen. It was a valuable experience for them.

The churches in my district thought that livestock did not fit in too well; that they were a fruit-producing country; so in my district the Brethren Church has bought an old abandoned brick school house near Wenatchee, Wash., and set a canning center up there. It is their intention to can surplus fruits and vegetables for overseas relief that otherwise would be wasted. Our markets are long distances away and there are surpluses at harvest time. It is their intention to make their contribution to the relief of Europe and elsewhere in that way—a very practical approach. As is the case out here at New Windsor, as is revealed by the story in the Star, the cannery in my district will also be operated by volunteer labor, and its over-all operation will be sponsored by the Wenatchee Valley Church of the Brethren and the other participating churches of that area.

The Federal Council of Churches of Christ in America have three centers of operations. The first one is at New Windsor. There is another center in this relief work of the Churches of Christ in America at Nappanee, Ind., and another at Modesto, Calif. It is a very practical thing when you get down to it—the serving of mankind by each of us. We try to do it through our political channels here in the House of Representatives. But it becomes impersonal, and therefore not as effective as it should. It is just an appropriation. It is much better when relief and succor is given to suffering people through the medium of a nonpolitical agency. I hope that the people of this Nation will encourage, support, and commend always such works as these.

[From the Washington Star of March 17, 1946]

NEW WINDSOR—WHERE 150 MEN AND WOMEN TOIL FOR THE SUFFERING MILLIONS

(By Carter Brooke Jones)

NEW WINDSOR, MD., March 16.—On a hilltop that towers above this western Maryland village muffled voices and a sound of hammers break the quiet of a hazy spring day.

Within a labyrinth of old buildings, a cobbler repairs shoes. Women cut cloth into patterns. Men and women pack boxes. A truck pulls tortuously up a steep road.

Seven miles away a young man pulls a reluctant heifer out of a barn for inspection.

Down in the valley the town postmaster tugs wearily at so many parcels that it might have been Christmas.

On a railroad siding a freight car is being loaded with strange haste, while the dispatcher looks at his watch and remarks that they'd better hurry—the fast freight'll be along in 20 minutes.

It's all part of a pattern.

SCHOOL CLOSED AFTER 104 YEARS

The buildings on the hill housed generations of students at Blue Ridge College, which finally closed its doors in 1943 after 104 years. It's doubtful whether many people outside of this section of the country ever heard of the college or of its little town of New Windsor. Even today there are Marylanders who don't know where New Windsor is.

But homeless Poles, destitute Czechs, hungry French, Germans, and Dutch are staring every week at boxes that bear in bold stencils: "From the United Church Service Center, New Windsor, Md., U. S. A."

There will be many thousands who will never forget New Windsor.

For here on this old campus, the Protestant churches, some 30 denominations, have united in a relief project which is sending a steady stream of desperately needed things to Europe and Asia—clothing, food, seed, dairy cattle.

At this headquarters, where you can look across a vast stretch of valley to the jagged haze of the Blue Ridge on the horizon, Christianity has become more than principle and precept. It has been translated into action.

These workers, young and old, men and women, boys and girls, are obeying the kindly mandate: "Bear ye one another's burdens." Nearly all of them are volunteers.

ONE OF THREE UNITED STATES CENTERS

When the little college gave up a long financial struggle in 1943, the campus was bought at auction by the Church of the Brethren. Later the Brethren service committee set up a relief center. Members of this faith ran it so efficiently that last October it was taken over by the interdenominational church committee on overseas relief and reconstruction, sponsored by the Federal Council of Churches of Christ in America. New Windsor became one of three centers in the United States for the collection and distribution of supplies. The others are at Nappanee, Ind., and Modesto, Calif. New Windsor probably is best known among the churches, and bundles have come here from every State.

"New Mexico was missing," said C. L. Angell, the harassed but willing freight agent for the Western Maryland Railroad, "but sure enough, a car came in from there the other day."

The campus houses about 150 volunteer workers. They have come from more than 20 States, offering their services for a few days, for weeks, or even months. Every week end, boys from Western Maryland College at Westminster, only 7 miles away, come to put in a day or two helping out. Church workers have come from Washington, Baltimore, and many other places. But there's more than enough work for all, and more volunteers are needed, especially those who can stay a while.

Members of the Brethren Church, having started the project, still are prime movers in carrying it forward. But many faiths are represented.

NO QUESTIONS ASKED

No one asks those who drop in the help exactly how they interpret the Book of Genesis or whether they believe in infant baptism or favor total immersion at a later age. They're asked only, "Can you help? How long can you stay?"

Selective Service has assigned about 75 conscientious objectors to the center, and these youths are eager to serve here. Officials say they are invaluable.

The volunteers have included college professors, laborers, farmers, artisans of every type, ministers, lawyers, engineers.

There is, as just one example, Miss Elouine Arnold, of Washington, who got a leave of absence from her job with a typewriter company to come here and work in the office for 5 months—for no compensation except the satisfaction of helping the helpless.

Sometimes a whole group will come from some community to stay a week or a month, sewing, sorting, baling up clothing, and otherwise lending their hands to whatever is needed.

Amish women in organdy caps give a colorful touch to the work rooms and the cafeteria.

There is Anna Karicofe, a missionary, who is working here while she awaits her return to north Africa. Rudy Sailor, a farmer from Illinois, looks, with his long chin whiskers, like a portrait of an old-time Dunkard, as the Brethren once were called. And Mr. Sailor, sorting shoes for victims of the war, has given much else to the cause of his country. His son was killed in the Pacific.

WORK MARKED BY EFFICIENCY

One who had not inspected the center might think that a group of workers haphazardly would turn out that sort of work. The contrary is true. The project moves with quiet efficiency from start to finish. No wasted motion is apparent. The workers have been provided with the latest equipment, and they operate it so effectively that three to four carloads of clothing and a car of food move out every week. During one recent week, seven carloads left for the docks in Baltimore or New York, but that was a record week.

The clothing is sorted and baled in the school gymnasium. Under a torn basketball basket, a baling machine of the newest design pressed the garments into compact bundles, which are wrapped in paper and burlap automatically and sent down a chute to waiting trucks.

Efforts are made to obtain gifts of clothing in good repair. Repair work except on shoes, no longer is done at the center. If torn clothing does arrive, however, it is not discarded, but sewing kits are enclosed when it is shipped, so that the recipients can mend it.

Shoes are in a different category. If they are salvagable, they are welcome. The center has as complete a repair shop as you'd find in any city. Shoes are soled, heeled, and mended until they come out looking new. Hundreds of pairs are renovated and boxed every week.

Many of these shoes will be taken eagerly by the homeless, the displaced persons, as they are called, who have dragged themselves through northern winters with sacks wrapped about their feet or only papers, perhaps.

CANNED FOOD IS BOXED

Canned food of all sorts is donated and this is boxed and consigned to places abroad where it is needed most.

On the day this reporter visited the center, 120 cases of seeds were ready to go out. These seeds are for vegetable gardens, to help those with a little land to grow their own food.

There were 32 varieties of seeds in the shipment. There are about 60 potential gardens in each case and each garden is designed for six persons.

The seeds are divided among the various countries needing relief, with due care taken to send to each only those varieties suited to its soil and preferred by the people.

Many churches and charitable organizations buy cloth and send it to New Windsor. Here it is cut into patterns, most for children's clothing. These are returned to the organizations that bought them. Women of church circles and other groups make the completed garments and return them to the center for final shipment.

More than 200 bales of clothing move out of the gymnasium every day. There are 400 to the carload. Each bale weighs 100 pounds and costs $5.90 to make up. This expense includes labor, materials, transportation, office overhead, telephone, telegraph, and warehouse rental.

Hundreds of fine dairy cattle are being donated to the farm for shipment overseas. The center already has shipped 1,200 heifers to Poland, France, Greece, Belgium, and Czechoslovakia. A new shipment of 350 head is about to go to France.

HERDS GO TO NEEDIEST

B. G. Bushong, livestock representative of the project, explained that the dairy herds are going to places where the need is most urgent. Thus some have gone to orphanages in France and to tuberculosis sanitariums in Belgium. Others have gone to Polish families without any farm animals at all. Some blue-ribbon bulls have gone to Greece to help replace destroyed herds.

Workers for the United Church Service Center go along with the cattle to feed them aboard ship and see that they reach their destinations.

This little capital of mercy even has a mimeographed newspaper, the Weekly Processor. It is edited by Charles (Chuck) Webb, director of education and publicity. Mr. Webb's wife works in the pattern room. Mr. and Mrs. Webb are awaiting assignment to the European end of the project, which is the World Service Committee, an organization of the World Council of Churches.

The center has its own carpentry and repair shops where crates are made for shipping food and other materials and machinery is repaired. An electric cutting machine is the feature of the cloth pattern room.

The town of New Windsor, which was a tranquil foothill community of 500, has almost doubled its population since the enterprise was expanded to Nation-wide proportion, and the village stirs with activity unknown through its century-plus history.

The freight agent has become one of the busiest on his whole line. Postmaster William D. Lovell handles 250 incoming sacks of parcel post every week. He used to take in around 40. There's talk of raising the rank of his postoffice from third to second class.

VISITED BY MANY CHURCHMEN

Noted churchmen drop in from all over the country—clergy and laymen—to see how the relief work is going. They leave with pleased comments.

The Federal Council of Churches hesitated at first when it was suggested that it sponsor a national relief program. Officials wondered whether they would be duplicating or overlapping the work of the United Nations Relief and Rehabilitation Administration. Then they did some checking and decided all it could do and all their organization might do would only begin to meet the need. So they went ahead.

The relief shipments of the Protestant churches are made in close cooperation with UNRRA. Routes and destinations are worked out through UNRRA.

John D. Metzler, director of the United Church Service Center, formerly was a school teacher.

He has seen some moving letters from organizations and individuals in Europe, telling what relief shipments have meant.

Mr. Metzler calls New Windsor the center of the Ecumenical Movement in America at the moment—meaning the movement toward the unity of Christian churches.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. GREGORY (at the request of Mr. BATES of Kentucky), for today, on account of official business.

To Mr. BLOOM (at the request of Mr. MCCORMACK), for 10 days, on account of official business.

ADJOURNMENT

Mr. MCCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 17 minutes p. m.) the House adjourned until tomorrow, Tuesday, March 19, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m., Tuesday, March 19, 1946.

Business to be considered: Public hearing on H. R. 5555, a bill to amend the Rural Electrification Act of 1936, as amended, and for other purposes. To hear REA Administrator Claude R. Wickard.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

On Tuesday, March 19, 1946, the Committee on Immigration and Naturalization will consider private bills H. R. 4725, H. R. 5634, H. R. 5598, H. R. 5200, H. R. 4958, H. R. 4254, H. R. 5278, and H. R. 4672.

On Wednesday, March 20, 1946, the committee will proceed with hearings on H. R. 3663.

The hearings will begin at 10: 30 a. m. in room 445, old House Office Building.

COMMITTEE ON FLOOD CONTROL

The Committee on Flood Control will begin hearings on an omnibus flood-control authorization bill on Monday, April 8, 1946, at 10 a. m. The hearings will continue daily except Saturday up to and including Friday, April 19.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Tuesday, April 9, 1946, at 10:30 a. m., to begin hearings on projects to be reported out in an omnibus river and harbor authorization bill.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1142. A letter from the Secretary of War, transmitting a draft of a proposed bill to authorize additional permanent professors of the United States Military Academy; to the Committee on Military Affairs.

1143. A letter from the Secretary of the Navy, transmitting a draft of a proposed bill to authorize the payment of additional uniform gratuity to reserve officers commissioned from the status of aviation cadets; to the Committee on Naval Affairs.

1144. A letter from the Secretary of Commerce, transmitting a draft of a proposed bill to authorize and direct the Commissioners of the District of Columbia to close Van Ness Street between Connecticut Avenue and Reno Road NW.; to the Committee on the District of Columbia.

1145. A letter from the Archivist of the United States, transmitting report on records proposed for disposal by various Government agencies; to the Committee on the Disposition of Executive Papers.

1146. A letter from the Acting Secretary of the Interior, transmitting, according to law, the information that the lease which expired November 26, 1945, which lease is held by Stanolind Oil & Gas Co., was renewed beyond its initial time; to the Committee on the Public Lands.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. MCGEHEE: Committee on Claims. S. 1739. An act to reimburse certain Navy personnel and former Navy personnel for personal property lost or damaged as the result of fires which occurred at various Navy shore activities; without amendment (Rept. No. 1747). Referred to the Committee of the Whole House on the State of the Union.

Mr. SABATH: Committee on Rules. House Resolution 430. Resolution to authorize the Committee on the Judiciary to conduct an investigation of the disposition of the case against certain individuals charged by the Federal Bureau of Investigation with espionage and possession of confidential Government documents; without amendment (Rept No. 1748). Referred to the House Calendar.

Mr. COCHRAN: Committee on Accounts. House Resolution 563. Resolution authorizing the expense of conducting the study and investigation authorized by House Resolution 318 of the Seventy-ninth Congress; without amendment (Rept. No. 1749). Referred to the House Calendar.

Mr. COCHRAN: Committee on Accounts. House Resolution 564. Resolution providing compensation for employees of the Committee on the Civil Service; without amendment (Rept. No. 1750). Referred to the House Calendar.

Mr. COLMER: Committee on Rules. House Resolution 565. Resolution providing for the consideration of H. R. 4873, a bill to create an Agricultural Credit Agency, to consolidate therein all Federal agricultural lending agencies, to create a public farm-appraisal system, and for other purposes; without amendment (Rept. No. 1751). Referred to the House Calendar.

Mr. COOLEY: Committee on Agriculture. H. R. 2239. A bill to simplify and improve credit services to farmers and promote farm ownership by abolishing certain agricultural lending agencies and functions, by transferring assets to the Farmers' Home Corporation, by enlarging the powers of the Farmers' Home Corporation, by authorizing Government insurance of loans to farmers, by creating preferences for loans and insured mortgages to enable veterans to acquire farms, by providing additional specific authority and directions with respect to the liquidation of resettlement projects and rural-rehabilitation projects for resettlement purposes, and for other purposes; without amendment (Rept. No. 1752). Referred to the Committee of the Whole House on the Union.

Mr. MAY: Committee on Military Affairs. H. R. 5433. A bill to amend section 540 of title 10 and section 441 (a) of title 34 of the United States Code providing for the detail of United States military and naval missions to foreign governments; without amendment (Rept. No. 1753). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. MCGEHEE: Committee on Claims. S. 286. An act for the relief of James F. Desmond; without amendment (Rept. No. 1717). Referred to the Committee of the Whole House.

Mr. HOOK: Committee on Claims. S. 401. An act for the relief of sundry fruit growers of the State of Delaware who sustained losses as the result of the fumigation of apples with methyl bromide in order to comply with the requirements of the United States Department of Agriculture relating to the Japanese beetle quarantine; without amendment (Rept. No. 1718). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 983. An act for the relief of A. F. Crawford; without amendment (Rept. No. 1719). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 1184. An act for the relief of A. L. Clem and Ida M. Bryant; without amendment (Rept. No. 1720). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 1319. An act for the relief of Mrs. Alice Condon; without amendment (Rept. No. 1721). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 1411. An act for the relief of Alfred Osterhoff, doing business as Illini Reefer Transit, Champaign, Ill.; without amendment (Rept. No. 1722). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 1622. An act for the relief of Gordon Cole Hart; without amendment (Rept. No. 1723). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. S. 1840. An act for the relief of the Danvers Shoe Co., Inc.; without amendment (Rept. No. 1724). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 1072. A bill for the relief of Henry R. Butler; with amendment (Rept. No. 1725). Referred to the Committee of the Whole House.

Mr. BARRETT of Pennsylvania: Committee on Claims. H. R. 1642. A bill for the relief of Edith Popwell; with amendment (Rept. No. 1726). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on Claims. H. R. 1852. A bill for the relief of R. H. White Transfer & Storage Co., of Nashville, Tenn.; with amendment (Rept. No. 1727). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on Claims. H. R. 1919. A bill for the relief of Mrs. Maud M. Wright and Mrs. Maxine Mills; with amendment (Rept. No. 1728). Referred to the Committee of the Whole House.

Mr. HEDRICK: Committee on Claims. H. R. 2188. A bill for the relief of George W. Bailey; with amendment (Rept. No. 1729). Referred to the Committee of the Whole House.

Mr. HEDRICK: Committee on Claims. H. R. 2569. A bill for the relief of Daphne Webb; with amendment (Rept. No. 1730). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 2576. A bill for the relief of William F. Schmeltz; with amendment (Rept. No. 1731). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 2665. A bill for the relief of Acchille Guillory and Olivia Guillory; with amendment (Rept. No. 1732). Referred to the Committee of the Whole House.

Mr. RAMEY: Committee on Claims. H. R. 2747. A bill for the relief of George A. West; without amendment (Rept. No. 1733). Referred to the Committee of the Whole House.

Mr. BARRETT of Pennsylvania: Committee on Claims. H. R. 2926. A bill for the relief of Mrs. Alice Breon; without amendment (Rept. No. 1734). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 2973. A bill for the relief of Ben Thomas Haynes, a minor; with amendment (Rept. No. 1735). Referred to the Committee of the Whole House.

Mr. HEDRICK: Committee on Claims. H. R. 3007. A bill for the relief of Russell F. Taylor; with amendment (Rept. No. 1736). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 3125. A bill for the relief of Lovie M. Trotter; with amendment (Rept. No. 1737). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 3160. A bill for the relief of George Corenevsky; with amendment (Rept. No. 1738). Referred to the Committee of the Whole House.

Mr. BARRETT of Pennsylvania: Committee on Claims. H. R. 3329. A bill for the relief of Ralph H. Lemon; with amendment (Rept. No. 1739). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on Claims. H. R. 3341. A bill for the relief of J. E. and Minerva Mitchell, and Rosie Monroe; with amendment (Rept. No. 1740). Referred to the Committee of the Whole House.

Mr. CHENOWETH: Committee on Claims. H. R. 3432. A bill for the relief of J. W. Edgerly & Co.; without amendment (Rept. No. 1741). Referred to the Committee of the Whole House.

Mr. HEDRICK: Committee on Claims. H. R. 3434. A bill for the relief of Belmont Properties Corp.; with amendment (Rept. No. 1742). Referred to the Committee of the Whole House.

Mr. CASE of New Jersey: Committee on Claims. H. R. 3470. A bill for the relief of the legal guardian of Hunter A. Hoagland, a minor; with amendment (Rept. No. 1743). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 3512. A bill for the relief of Willie Lamb and Edgar Lamb; with amendment (Rept. No. 1744). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 3676. A bill for the relief of Pershing W. Ridgeway; with amendment (Rept. No. 1745). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 3770. A bill for the relief of Lyndon T. Montgomery; with amendment (Rept. No. 1746). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LANHAM:

H. R. 5796. A bill to amend title II of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, to permit the making of contributions, during the fiscal year ending June 30, 1947, for the maintenance and operation of certain school facilities, and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. PACE:

H. R. 5797. A bill to amend title II of the Social Security Act, as amended, by giving insurance credits under the Federal old-age and survivors insurance provisions of that act for military service, and for other purposes; to the Committee on Ways and Means.

By Mr. NORRELL:

H. R. 5798. A bill to recognize and reward distinguished war service; to the Committee on Military Affairs.

By Mr. BARTLETT:

H. R. 5799. A bill transferring the jurisdiction, supervision, administration, and control over the salmon and other fisheries of Alaska, except the fur-seal and sea-otter fisheries, from the Department of the Interior to the Territory of Alaska, and for other purposes; to the Committee on the Merchant Marine and Fisheries.

H. R. 5800. A bill to authorize school districts in Alaska to issue bonds for school construction, and for other purposes; to the Committee on the Territories.

By Mr. BECKWORTH:

H. R. 5801. A bill to provide that time spent as prisoners of war in World War II by Army, Navy, Marine Corps, and Coast Guard officers and enlisted personnel shall be computed as double time for all purposes under any provision of law; to the Committee on Military Affairs.

By Mr. STIGLER:

H. R. 5802. A bill relative to restrictions applicable to Indians of the Five Civilized Tribes of Oklahoma; to the Committee on Indian Affairs.

By Mr. HENDRICKS:

H. R. 5803. A bill to amend the Naval Aviation Cadet Act of 1942 so as to authorize appointment of navigators and observers as commissioned officers; to the Committee on Naval Affairs.

By Mr. WICKERSHAM:

H. R. 5804. A bill to set aside certain lands in Oklahoma for the Indians of the Cheyenne and Arapaho Indian Reservation; to the Committee on Indian Affairs.

By Mr. HAVENNER:

H. J. Res. 326. Joint resolution directing the Federal Power Commission to inquire into and report to the Congress on various matters with respect to atomic energy for nonmilitary use and purposes of peace; to the Committee on Interstate and Foreign Commerce.

By Mr. HAYS:

H. Con. Res. 134. Concurrent resolution providing for a declaration of policy with reference to occupation of enemy territory and the appointment of a joint committee to determine personnel requirements in relation thereto, and for other purposes; to the Committee on Rules.

By Mr. CASE of New Jersey:

H. Con. Res. 135. Concurrent resolution providing for a declaration of policy with reference to occupation of enemy territory and the appointment of a joint committee to determine personnel requirements in relation thereto, and for other purposes; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DONDERO:

H. R. 5805. A bill for the relief of James Harry Martin; to the Committee on Military Affairs.

By Mr. DOYLE:

H. R. 5806. A bill for the relief of Etta Yoakam; to the Committee on Claims.

H. R. 5807. A bill for the relief of Arthur H. Cooper and Charles E. Cooper; to the Committee on Claims.

H. R. 5808. A bill for the relief of Vertie Bea Loggins; to the Committee on Claims.

By Mr. GILLETTE:

H. R. 5809. A bill granting a pension to Jennie Christiana Rohrbacker; to the Committee on Invalid Pensions.

By Mr. LUDLOW:

H. R. 5810. A bill granting a pension to Rolin R. James; to the Committee on Invalid Pensions.

By Mr. McGEHEE:

H. R. 5811. A bill for the relief of the legal guardian of David Owens, Jr.; to the Committee on Claims.

By Mr. O'NEAL:

H. R. 5812. A bill for the relief of the Silver Fleet Motor Express, Inc.; to the Committee on Claims.

H. R. 5813. A bill for the relief of Mrs. Iola Veach; to the Committee on Claims.

H. R. 5814. A bill for the relief of Mrs. Mary Torr Allyn; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1709. By Mr. LUTHER A. JOHNSON: Petition of Dr. J. T. L. McNew, vice president for engineering, Agricultural and Mechanical College of Texas, College Station, Tex., favoring House bill 5517; to the Committee on Expenditudes in the Executive Departments.

1710. By Mr. SMITH of Wisconsin: Petition of 60 citizens, protesting against House bill 1362; to the Committee on Interstate and Foreign Commerce.

1711. Also, petition of the Lions Club of Edgerton, Wis., Robert H. Stricker, president, petitioning Congress to include the sum of $50,000 in the Agriculture appropriation bill for 1947 to establish a forest research center in Wisconsin; to the Committee on Appropriations.

1712. Also, petition of W. W. Beeman for the Wisconsin Association of Scientists, urging adoption of the McMahon bill, Senate bill 1717, and rejection of the May-Johnson bill, Senate bill 1463; to the Committee on Military Affairs.

SENATE

TUESDAY, MARCH 19, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God our Father, light of all that is true, strength of all that is good, glory of all that is lovely, we lift our anxious eyes from the swiftly changing scenes of earth, which so perplex us and dismay us, that we may see again in Thee the wisdom, the serenity, the power, and the love sufficient for our needs.

As toils and turmoils testing our jaded spirits wait with each day's duty, so, blessed be Thy name, at noontide stand these gates of peace that open to a holy shrine of prayer. Here we bow utterly alone, bringing each a life stained by sin yet strengthened by trial, sobered by failure yet rejoicing in hope, and enriched by friendships. Possess us with Thy passion for purity and peace, purge us by Thy cleansing fire, that for this troubled day we may be the faithful servants of Thy redeeming will. In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, March 15, 1946, was dispensed with, and the Journal was approved.

NOTICE OF SPEECH BY SENATOR PEPPER ON PEACE AND AMERICA'S FOREIGN POLICY

Mr. PEPPER. Mr. President, to those who may be interested I should like to announce that immediately after the Senate convenes tomorrow I shall seek recognition by the Chair to speak, with the candor which I believe the gravity of the situation requires, about peace and America's foreign policy.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 396. An act providing for the transfer of a certain fish hatchery in Comanche County, Okla., to the city of Lawton, Okla.;

S. 1162. An act to convey certain lands to the State of Wyoming; and

S. 1185. An act to change the designation of Custer Battlefield National Cemetery, in the State of Montana, to Custer Battlefield National Monument, and for other purposes.

The message also announced that the House had passed the bill (S. 1425) to revive and reenact the act entitled "An act to authorize the county of Burt, State of Nebraska, to construct, maintain, and operate a toll bridge across the Missouri River at or near Decatur, Nebr.," approved June 8, 1940, with amendments in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1354) to authorize the permanent appointment in the grades of General of the Army, Fleet Admiral of the United States Navy, and General in the Marine Corps, respectively, of certain individuals who have served in such grades during the Second World War.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 301) to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes.

The message further announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 2947. An act to authorize the consolidation of lands on the Sisseton Indian Reservation, and for other purposes;

H. R. 3139. An act to authorize the Coast Guard to investigate and employ new methods of promoting safety at sea and aiding navigation;

H. R. 4230. An act to provide necessary officers and employees for circuit courts of appeals and district courts;

H. R. 4512. An act to amend the Public Health Service Act to provide for research relating to psychiatric disorders and to aid in the development of more effective methods of prevention, diagnosis, and treatment of such disorders, and for other purposes;

H. R. 4914. An act to revive and reenact the act entitled "An act creating the City of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation, and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill.," approved December 21, 1944;

H. R. 4940. An act granting the consent of Congress to the State of Connecticut, acting by and through any agency or commission thereof, to construct, maintain, and operate a toll bridge across the Connecticut River at or near Old Saybrook, Conn.;

H. R. 5271. An act to amend an act entitled "An act to allow credit in connection with certain homestead entries for military or naval service rendered during World War II;

H. R. 5316. An act to repeal the law permitting vessels of Canadian registry to transport iron ore between United States ports on the Great Lakes;

H. R. 5317. An act to amend the act establishing the Hot Springs National Park;

H. R. 5407. An act to grant to the Federal Works Administrator certain powers with respect to site acquisition, building construction, purchase of buildings, and other matters;

H. R. 5413. An act to accept the renunciation by Albert W. Johnson of pension under section 260 of the Judicial Code;

H. R. 5544. An act authorizing the village of Baudette, State of Minnesota, its public successors or public assigns, to construct, maintain, and operate a toll bridge across the Rainy River at or near Baudette, Minn.;

H. R. 5654. An act to provide basic authority for the performance of certain functions and activities of the Bureau of Reclamation;

H. R. 5716. An act to amend the Second War Powers Act, 1942, as amended;

H. J. Res. 304. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1946, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; and

H. J. Res. 321. Joint resolution to authorize the making of settlement on account of certain currency destroyed at Fort Mills, P. I., and for other purposes.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 301) to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes, and it was signed by the President pro tempore.

REPORT OF COMMITTEE ON APPROPRIATIONS FILED DURING RECESS

Under the order of the Senate of the 15th instant,

Mr. THOMAS of Oklahoma, from the Committee on Appropriations, to which was referred the bill (H. R. 5400) making appropriations for the fiscal year ending June 30, 1947, for civil functions administered by the War Department, and for other purposes, reported it on March 18, 1946, with amendments, and submitted a report (No. 1067) thereon.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters which were referred as indicated:

PRODUCTION AND MARKETING ADMINISTRATION

A letter from the Under Secretary of Agriculture, transmitting a draft of proposed legislation to improve the administration of the Production and Marketing Administration, United States Department of Agriculture (with an accompanying paper); to the Committee on Agriculture and Forestry.

EXTENSION OF A CERTAIN OIL AND GAS LEASE

A letter from the Acting Secretary of the Interior, reporting, pursuant to law, on a certain oil and gas lease, the terms of which had been extended under the provisions of

law, during the calendar year 1945; to the Committee on Public Lands and Surveys.

CLOSING OF VAN NESS STREET IN THE DISTRICT OF COLUMBIA

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation, to authorize and direct the Commissioners of the District of Columbia to close Van Ness Street between Connecticut Avenue and Reno Road northwest (with an accompanying paper); to the Committee on the District of Columbia.

REPORT OF GOVERNMENT OF THE DISTRICT OF COLUMBIA

A letter from the President of the Board of Commissioners of the District of Columbia, transmitting, pursuant to law, a report of the government of the District of Columbia for the fiscal year ended June 30, 1945 (with an accompanying report); to the Committee on the District of Columbia.

REPORT OF EXPORT-IMPORT BANK OF WASHINGTON

A letter from the Chairman of the Export-Import Bank of Washington, transmitting, pursuant to law, the first semiannual report of the operations of the Export-Import Bank of Washington as of the close of business December 31, 1945 (with an accompanying report); to the Committee on Banking and Currency.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A letter in the nature of a petition from George P. Hines, of Louisville, Ky., relating to the price ceilings on corn products; to the Committee on Banking and Currency.

The petition of B. M. Gancy, of Sandstone, Minn., for a redress of grievances (with an accompanying paper); to the Committee on the Judiciary.

A resolution adopted by the Franciscan Fathers, St. Michaels, Ariz., favoring the enactment of legislation appropriating sufficient funds to meet the educational problems of the Navajo Indians; to the Committee on Indian Affairs.

By Mr. GOSSETT:

A joint memorial of the Legislature of the State of Idaho; to the Committee on Commerce:

"Senate Joint Memorial 1

"Joint memorial memorializing the Congress of the United States to express through appropriate legislation an approved plan of expansion of our air transportation facilities so as to include through feeder line service

"We, your memorialists, the Twenty-eighth Legislature of the State of Idaho, in extraordinary session assembled, hereby represent that:

"Whereas the conference committee in Congress is now considering the National Airport Act, being House bill No. 3615, passed by the House of Representatives, and Senate bill No. 2, passed by the Senate September 13, 1945; and

"Whereas the said conference committee is at this time attempting to agree upon a bill suitable to the aviation industry and air transportation systems: Now, therefore, be it

"Resolved by the senate of the extraordinary session of the twenty-eighth legislature (the house of representatives concurring), That we respectfully urge the joint committee to agree upon a bill giving preference to the provisions of Senate bill No. 2, thus expediting the enactment of a Federal Airport Act which will make provision to compensate municipalities and States for their necessary or urgent aviation expenditures, and thus not constricting and hindering the normal and natural development of airport facilities and penalizing those municipalities and States which have been alert and aggressive in aiding themselves, and to approve such an act that will include expansion of our air transportation system not only in larger cities but also through feeder-line service; be it further

"Resolved, That we respectfully urge the Civil Aeronautics Board, under existing legislation, to accelerate action on the program designed to effect disposition of pending feeder air line applications; and be it further

"Resolved, That the secretary of state of the State of Idaho be and he is hereby instructed to forward copies of this memorial to the Secretary of State and the President of the United States and the President pro tempore of the Senate, the Speaker of the House of Representatives and Members of the Idaho congressional delegation."

(The PRESIDENT pro tempore laid before the Senate a joint memorial of the Legislature of the State of Idaho identical with the foregoing, which was referred to the Committee on Commerce.)

THE PROPOSED LOAN TO GREAT BRITAIN—MEMORIALS

Mr. GEORGE. Mr. President, I have received memorials signed by some twenty-five or thirty thousand people of California and vicinity. These memorials were no doubt sent to me on the assumption that the British loan proposal was before the Senate Committee on Finance. I ask unanimous consent to present the memorials and that they be referred to the Committee on Banking and Currency.

There being no objection, the memorials were received and referred to the Committee on Banking and Currency.

GRAIN FOR HUMAN CONSUMPTION IN WAR-TORN EUROPE

Mr. WILEY. Mr. President, I ask unanimous consent to present for proper reference and to have printed in the RECORD a letter from James C. Green, executive secretary-treasurer of the Wisconsin Farm Bureau Federation, Madison, Wis., approving the policy of the administration in diverting more grain for human consumption in the war-torn and occupied countries of Europe.

There being no objection, the letter was received, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

WISCONSIN FARM BUREAU FEDERATION,
Madison, Wis., March 14, 1946.

Hon. ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR WILEY: The Wisconsin Farm Bureau Federation wishes to call to your attention its approval of the administration policy of diverting more grain to human consumption in war-torn and occupied countries of Europe.

This policy, as sound as we know it to be, creates a definite problem among livestock producers since feed supplies are ever growing more scarce. In view of this, the board of directors of the Wisconsin Farm Bureau Federation earnestly recommends that consideration be given to a Nation-wide program to alleviate the problem which exists. The program is as follows:

Encourage farmers to cull dairy herds, beef herds, poultry flocks, and to market hogs at a lighter weight.

There are 3,000,000 dairy herds in the United States averaging 10 cows per herd. If an average of one marginal producer could be culled from each herd on a test production basis a great deal of additional feed would be available, efficiency of production would be promoted, and a very small, if any, decrease in production would be shown as a result. This same procedure could be used effectively in beef herds and poultry flocks.

Such a program at the present time would not only alleviate the present shortage of feed, but would make available additional meat supplies for consumption at home and abroad.

The program if carried through at the present time would be favorable to farm people in general because:

1. It is now an economical time to cull.
2. The salvage price is high.
3. Feed costs on marginal animals are excessive.

We strongly recommend that Congress and the administration take the initiative in promoting this program immediately.

Yours truly,

JAMES C. GREEN,
Executive Secretary-Treasurer.

FEEDER AIR LINES TO MILWAUKEE—RESOLUTION OF MILWAUKEE (WIS.) COMMON COUNCIL

Mr. WILEY. Mr. President, I ask unanimous consent to present for appropriate reference and printing in the RECORD a resolution adopted by the Common Council of the City of Milwaukee, Wis., relating to the disapproval by the Civil Aeronautics Board examiner of feeder air lines to Milwaukee.

There being no objection, the resolution was received, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

Whereas the applications of the United Air Lines, American, Chicago and Southern, and Eastern Air Lines, also the Midwest Airways, Inc., of Milwaukee, as well as other feeder lines, for routes to Milwaukee have been rejected by the Civil Aeronautics Board examiner, much to our regret and surprise; and

Whereas the examiner's recommendations would deny Milwaukee what it is rightfully entitled to, that is, the right to give and have air service throughout the Nation, as well as transcontinental service; and

Whereas the Civil Aeronautics Board will rule upon the findings of the examiner, we believe every effort should be made to give Milwaukee (which is the thirteenth largest city in the Nation) such service as it deserves and that we should petition this board to give as favorable consideration: Now, therefore, be it

Resolved, That the Common Council of the City of Milwaukee does hereby petition the Civil Aeronautics Board to set aside the recommendations of the examiner, Mr. F. Merritt Ruhlen, and urges the Board to give its approval of the applications of the United Air Lines, Chicago and Southern, American, and Eastern Air Lines, also the Midwest Airways, Inc., of Milwaukee, to serve Milwaukee

as well as other Wisconsin feeder routes; and be it further

Resolved, That the common council offers its wholehearted support to the County of Milwaukee and the Milwaukee Association of Commerce in making this appeal to the Civil Aeronautics Board for favorable action and that copies of this resolution be forwarded to the Civil Aeronautics Board, the Milwaukee Association of Commerce, the county board, and to our United States Senators and Representatives in Congress.

HOUSING FOR VETERANS

Mr. PEPPER. Mr. President, I wish to read to the Senate, as I assured them I would, a telegram which I have just received from a group of veterans in my State pertaining to the housing situation. It reads:

MIAMI, FLA., *March 18, 1946.*

Hon. CLAUDE R. PEPPER,
Senator, State of Florida,
Washington, D. C.:

The urgency of the situation facing the veterans throughout our Nation in regard to the housing problem has forced the veterans as an individual to become very critical of the action taken by the legislative body of our Nation on this matter. Since the termination of the Emergency Housing Act our plight in this vein has grown to the point where today we stand with our backs to the wall. Ever since VJ-day the newspapers and the radio have told of numerous cases where veterans and their families have been subjected to mass eviction, unreasonable rents, and in general to a great deal of underhanded dealings. Red tape and pressure groups have made the veterans GI bill of rights in reference to loans for purchasing for building a home a farce. The veterans have listened patiently to the older, more experienced Members of Congress and waited while they surveyed the problem. The veterans waited and are still waiting while the surveys continue. For a while it looked as if a solution had been reached for President Truman presented Patman's veterans' housing bill for legislative action to our Congress, but the House of Representatives sat supine in a fillibuster, it fiddled while Rome and the veterans burned. Meanwhile the House rushed the bills the lobbies seeked, the railroad lobby bill, the oil lobby bill, the insurance bill. Mutilated Patman bill which the House passed may, in the view of the House majorities who cut the heart out of it before the final passage, build political fences back in the districts which are patrolled by well organized building industry and real estate pressure groups. But surely not many of the Members could be under the illusion that it will build houses where they are needed. When the House cut out of the bill the program for $600,000,000 in Government subsidies to producers of scarce building materials, it made certain that material cost, and therefore ultimate building cost, will continue to skyrocket, although the English Parliament has just passed a bill granting subsidies of up to six hundred pounds ($2,421) at present rate of exchange on complete houses and although subsidies of about half that amount have been in effect in England for more than 20 years, under labor, conservative, and coalition government, some Members of the American House chose to say that the small, selective subsidies for key building materials proposed by Representative PATMAN would have "communized the building industry." Without subsidies there will be no way in the world of bringing the cost of new housing within the price range of the average man or woman who needs a home, particularly the war veteran, and because the House also struck out Mr. PATMAN'S provision for a ceiling on old houses, to take effect after the first sale, speculation in this field will be uninhibited and veterans of Okinawa and the Hurtgen Forest can sleep on park benches and back yards if any are unoccupied. The few positive provisions which are left in the bill are acceptable but, under the circumstances, innocuous. For instance, the proposed increase of $1,000,000,000 in Government authority to insure home mortgage loans will be largely meaningless, because after inflation gets to a certain point neither Government or private lenders can afford to underwrite a mortgage that comes even close to covering the purchase price of the House. This program has been reduced to a bundle of pious platitudes. The veteran asks, Is Congress willing to let it remain as such? Is the Congress willing to sell the veteran down the river in behalf of the building and real estate lobby? Or will the Congress act to rescue the essential provisions of the housing bill which is so desperately needed by 13,000,000 veterans throughout the Nation. In previous administrations Congress has proved to the Nation and the world that good government can't be obtained and practiced if unity is the keynote of the citizens of the Nation. At present, although the majority of the veterans have not united in one single body, they do feel individually that what is needed most at this time is the good policy of good government, economic advancement, and progressive legislation for the benefit of our entire Nation. This committee, in conjunction and cooperation with all 80,000 veterans of Dade County, and veterans all over the Nation, is attempting to start "ball rolling" for concerted legislative action to the resurrection of a veterans' housing bill and proposed progressive legislation. The current Patman bill and its mutilation by certain factions and House of Representatives was brought on by the real estate and construction lobbies, and it is to this bloc who have been squelching pro-veteran legislation that we shall by our united action take steps to insure that their self-imposed selfish rule shall be brought to defeat. With the all-out backing of the local newspapers, the active cooperation of all veterans groups throughout Dade County, the assistance of our friends here and throughout the Nation, and the endorsement and support of leading national champions of democracy, our just and honest cause can do no other than succeed. The die is cast and we shall not falter from our path regardless of the opposition of factions that shall attempt to stop or hinder this cause. A mammoth mass rally of the veteran organizations, the individual veterans of Dade County, with the support of various veterans and civic groups throughout the State and Nation, will be held in the city of Miami on March 22, 1946, at 8 p. m. This committee, on behalf of the 80,000 veterans of Dade County, and the veterans throughout the Nation, their families and friends, urge all veterans and citizens of this Nation to lend their support to this worthy and righteous cause. We know our task before us. We shall not, we dare not, fail ourselves or our Nation.

Veterans Housing Committee, University of Miami Veterans Association, Coral Gables, Fla.: E. D. Worton, Chairman; Gen. J. Kligmann, 3d, Bob Walbert, Charles Whitlcre, John Cullen, Con Williams, Richard Harris, and Gordon Pred.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HUFFMAN, from the Committee on Claims:

S. 1563. A bill for the relief of Ferris Ruggles; with amendments (Rept. No. 1068).

By Mr. MCCARRAN, from the Committee on the Judiciary:

S. J. Res. 86. Joint resolution to provide for the proper observance of the one hundred and fifty-fourth anniversary of the adoption of the first 10 amendments to the Constitution, known as the Bill of Rights; with amendments (Rept. No. 1069).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PEPPER:

S. 1956. A bill for the relief of Guilda Pucillo; to the Committee on Immigration.

By Mr. THOMAS of Oklahoma:

S. 1957. A bill to extend the period within which the Secretary of Agriculture may carry out the purposes of the Soil Conservation and Domestic Allotment Act by making payments to agricultural producers; to the Committee on Agriculture and Forestry.

By Mr. CHAVEZ:

S. 1958. A bill relating to the application of section 251 of the Internal Revenue Code to prisoners of war and others in the Philippines during the Japanese occupation; to the Committee on Finance.

By Mr. WALSH:

S. 1959. A bill to authorize the payment of additional uniform gratuity to reserve officers commisioned from the status of aviation cadets; to the Committee on Naval Affairs.

By Mr. MCCARRAN:

S. 1960. A bill authorizing the Secretary to the Senate to cash checks for Senators and secretaries to Senators; to the Committee on Appropriations.

(Mr. JOHNSTON of South Carolina introduced Senate bill 1961, to exempt from taxation certain property of the Disabled American Veterans in the District of Columbia, which was referred to the Committee on the District of Columbia, and appears under a separate heading.)

(Mr. MURRAY introduced Senate bill 1962, to provide public facilities essential for housing, which was referred to the Committee on Education and Labor, and appears under a separate heading.)

By Mr. THOMAS of Utah:

S. 1963. A bill to authorize additional permanent professors of the United States Military Academy; to the Committee on Military Affairs.

By Mr. HATCH:

S. 1964. A bill authorizing the construction of a Federal reclamation project for the irrigation of lands in the Fort Sumner Irrigation District in New Mexico and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. FERGUSON:

S. 1965. A bill for the relief of the estate of C. Benjamin Stapleton; to the Committee on Claims.

By Mr. TUNNELL:

S. 1966. A bill to provide coverage under the National Service Life Insurance Act of 1940, as amended, in the case of persons whose applications for insurance under such act were denied for physical reasons and who thereafter died or became permanently or totally disabled in line of duty; to the Committee on Finance.

EXEMPTION FROM TAXATION OF CERTAIN PROPERTY OF DISABLED AMERICAN VETERANS IN THE DISTRICT OF COLUMBIA

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent to introduce for proper reference a bill to exempt from taxation certain property of disabled American veterans in the District of Columbia.

This property, namely, the National Service Headquarters of the Disabled American Veterans, located at 1701 Eighteenth Street NW., houses the Claims, Employment, Legislative, and

Public Relations Departments and is operated exclusively for the benefit of disabled veterans, their dependents, and the dependents of our war dead.

No business of any kind is conducted for profit and no charges are made for any of the services rendered by the Washington headquarters. On the other hand, the very highest type of service is rendered gratis.

This organization's occupancy permit designates the building as a combination club and philanthropic institution. The Disabled American Veterans is a congressionally chartered organization and the term "philanthropic organization" means exactly what is implied.

Public Law 335, Seventy-third Congress, exempts from taxation the property of the American Legion at 1608 K Street NW, and the activities of the National Disabled American Veterans headquarters are essentially the same as those carried on by the American Legion, therefore, I urge the Senate to give immediate consideration to this bill.

There being no objection, the bill (S. 1961) to exempt from taxation certain property of the Disabled American Veterans in the District of Columbia, was received, read twice by its title, and referred to the Committee on the District of Columbia.

PUBLIC FACILITIES ESSENTIAL FOR HOUSING

Mr. MURRAY. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill to provide public facilities essential for housing. I request that the bill together with an explanatory statement be printed in the RECORD.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

The bill (S. 1962) to provide public facilities essential for housing, was received, read twice by its title, referred to the Committee on Education and Labor, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That to provide the essential public facilities for building sites necessary to produce sufficient homes within the financial means of veterans, the Federal Works Administrator is hereby authorized to make grants to States, political subdivisions thereof, and other public bodies for the construction or rehabilitation of water facilities, sewer facilities, streets, curbs, and sidewalks (herein called public facilities) wherever the National Housing Administrator shall find that such public facilities are required for sites for new housing: *Provided*, That no grant shall exceed 50 percent of the construction cost of the public facility undertaken therewith: *And provided further*, That no grant shall be made except upon assurances from the public body concerned that assessments or other charges which would otherwise be imposed, for the provision of such public facilities shall be reduced by an amount equal to the grant.

SEC. 2. There is hereby authorized to be appropriated to carry out the provisions of this act, and for administrative expenses in connection therewith, the sum of $350,000,000, or so much thereof as may be necessary, to remain available until expended.

The statement presented by Mr. MURRAY was ordered to be printed in the RECORD, as follows:

The President has called upon the Nation to produce, in 2 years' time, at least 2,700,000 new homes. Private enterprise will build the homes and veterans will occupy them. They must rent or sell for prices which veterans can afford. Proposals now before the Congress will supply the legislative foundation for the program—with one notable exception.

The modern American home runs upon its utilities—water, sewer, gas, and electricity; and through paved streets is tied to other homes and to churches, hospitals, schools, stores, shops, factories, and other community facilities and enterprises.

In providing all these things, so vital to American community life, we must be both realistic and patient. Materials and labor are presently insufficient to produce everything as once. To get houses now we may have to defer some things we need. But we cannot defer paving the streets in front of the houses, and water and sewers to serve them.

In his report to the President, the National Housing Administrator, Mr. Wyatt, recognized these facts. He said, "As manpower and materials become available a sufficient number of lots must be ready so that veterans' housing may go forward without delay. The number of lots improved with sewer, water, and other facilities is far short of the requirements of the housing program. Vigorous action of all concerned will be required to overcome this shortage.

"While it is clear that the central responsibility in this problem rests with the community, it may prove necessary for the Government to assist in providing facilities and in the development of sites."

The extent of the burden upon the communities may be partially determined by reference to last report made by the Federal Works Administrator to the Special Committee on Postwar Economic Policy and Planning of the House of Representatives. Without reference to an accelerated housing program, this shows that for street improvements and for water and sewer facilities, local governmental units plan the construction of 26,000 projects at an aggregate cost of more than 5½ billion dollars. Of this amount, local governments indicated that only one-half billion, or 9 percent, was on hand, arranged for, or under negotiation. As to the source of funds for the balance, about 25 percent of the reports indicated that Federal assistance was required and another 20 percent, that the source was unknown.

Improvements directly affecting the site will, for the most part, be financed by assessments or other charges against the homes or their occupants. The net result will be a substantial increase in the purchase price or the rental of the house, as the case may be.

On the basis of a 50-foot lot, and at actual 1944 costs, these extra charges against the home owner range from nearly $300 in Detroit to over $500 in the District of Columbia. These data were compiled by the Federal Housing Administration and relate only to the paving of the abutting streets and the immediate water and sewer lines. They do not reflect special assessments or charges for main thoroughfares, trunk sewers, sewage disposal plants, and waterworks. The substantial reduction of these assessments not only will stimulate the production of new homes, but will aid materially in placing the veteran home buyer on a parity with the nonveteran who, during the war, was able to maintain or acquire his own home.

Obviously, the provision of facilities and the improvement of sites must commence at least as soon as the construction of the dwelling. Now is the time for decision. If we do authorize Government assistance and it develops later that the local communities require little or none, prudent administration will prevent unnecessary expenditures from the Federal Treasury; no harm will be done. If Federal aid is not now authorized and later turns out to be badly needed we won't get the homes.

Under the bill now proposed Federal aid will be granted for water, sewer, and paving, for new homes as certified by the National Housing Administrator. And the grant, which in any event shall not exceed 50 percent of the cost of the work, will be made only upon condition that the assessments against the home shall be correspondingly reduced.

The authority to make the grants is lodged in the Federal Works Agency; first because of that Agency's long experience in constructing and financing the construction of public facilities; and second because of th highly efficient working relationship between that Agency and the National Housing Agency developed in providing community facilities in connection with wartime housing.

REMOVAL OF CERTAIN LIMITATIONS ON THE USE OF SILVER—AMENDMENT

Mr. McCARRAN submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (S. 1943) to remove certain limitations on the use of silver, and for other purposes, which was referred to the Committee on Banking and Currency and ordered to be printed.

AMENDMENT OF FAIR LABOR STANDARDS ACT—AMENDMENTS

Mr. WILEY. Mr. President, I ask unanimous consent to submit an amendment intended to be proposed by me to the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, as follows:

On page 27, strike out the quotation marks at the end of line 14, and between lines 14 and 15 insert the following:

"(d) The President is authorized, whenever he shall determine that an economic emergency exists within the United States, to suspend the provisions of section 6 or section 7, or both, and of any orders issued by the Administrator under section 8, for such period or periods as he may deem necessary or desirable in the public interest."

The purpose of this amendment is to provide the crucial element of flexibility which has been missing from so much of our legislation in the past. To pass the minimum wage bill, S. 1349, either revised or unrevised, but without such an amendment to the parent act as I propose, would I believe be mortising in our economy. It would be freezing us into a mold in which we could not adequately cope with either the emergencies of the present or the imponderables of the future.

Flexibility is, I believe, essential to this type of legislation. As a matter of fact, it is essential to many other statutes and decisions which may be made from time to time. Let me cite an example in a related field.

FLEXIBILITY IN POW PROBLEM

A decision has been made to return all prisoners of war to their own countries immediately. Yet American agriculture right now is desperate for hands and

machinery in order to meet the huge production goals necessary to meet the world food crisis. Our farmers are today experiencing a worse farm labor crisis than they experienced during the war when the draft took tens of thousands of essential and unreplaceable hands.

With the war over and with hundreds of thousands of farm hands being released from the services, we find that these men are not returning to agriculture but are, instead, going into higher-paid industry. Moreover, farm hands over 26 are no longer eligible for the draft and therefore are free to go into industry. So, too, fathers or expectant fathers between 18 and 26 are also, or will be, ineligible for the draft and hence are going into industry. Finally, the draft continues to take unmarried farm hands between 18 and 26.

This all adds up to a crisis which must be met with flexibility and adequacy. The President and the Provost Marshal General must review their previous decision and should, I believe, order that all prisoners of war, who voluntarily want to remain in this country, should have the opportunity to do so in order to help overcome the farm-labor crisis.

I ask that there be inserted at this point in the RECORD a letter which I have received from the executive secretary of the Wisconsin Council of Agriculture Cooperatives on this very subject.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WISCONSIN COUNCIL OF AGRICULTURE,
Madison, Wis., March 11, 1946.

Hon. ALEXANDER WILEY,
United States Senator,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR WILEY: The directors of the Wisconsin Council of Agriculture Cooperative, representing approximately 120,000 Wisconsin farmers affiliated through 50 Statewide or district-wide agricultural cooperatives, met in Madison, March 7. A major issue discussed that day had to do with the present crisis in agricultural labor.

I need not remind you that notwithstanding all previous farm labor crises with which you have been familiar during this war, we now are facing the most serious farm labor shortage of all time. Farm boys discharged from service are not returning to agriculture. Men between 21 and 26 years of age who are either fathers or expectant fathers are not now being taken into military service and such individuals are not concerned about deferment for farm work. Men over 26, previously deferred for farm work under war manpower regulations are now free to go where they please and are leaving agricultural work right and left.

In addition to this, because of the economic disparity existing now more than ever before in agriculture and industry, our farm people are not in a position to compete with industry either as to wages or working conditions in the hiring of farm labor. All of these situations contribute to bringing a bad situation to its worst crisis.

At this meeting of the directors of the Wisconsin Council of Agriculture Cooperative March 7, the following motion was passed:

"That the council appeal to the Provost Marshal and the President of the United States requesting that all available prisoners of war be retained on a voluntary basis in the United States to help with the harvesting of food crops and the processing of food."

You will notice we refer to "on a voluntary basis." Our group does not want forced or slave labor. Our group is not interested in keeping the prisoners of war indefinitely. Our farm leaders, however, do feel that every conceivable effort must be made to guarantee help on farms and in the processing of foods, which guaranty should be met just as soon as possible before it is too late and before potential food production of critically needed foods in the world today is lost. Your help in this situation will be greatly appreciated.

Sincerely yours,

MILO K. SWANTON,
Executive Secretary.

FLEXIBILITY IN MINIMUM WAGES

Mr. WILEY. Mr. President, concerning the minimum wage amendment which I propose, some may say: "Have not you in the past condemned the delegation of powers of Congress to the President?" The answer to that is, "Yes." I have called attention again and again to the unnecessary, capricious, and excessive delegation of powers by the legislative branch to the executive branch. But the terms of my amendment apply only to a national economic emergency which may arise in the future. I am speaking of a condition in which countless thousands of employers might be forced to close their factories because they would be unable to meet the minimum wage we are now considering. I am speaking of a condition in which the prices of goods may decline so much that no such minimum wage as we may now enact will be necessary to sustain purchasing power. Under these conditions, it would seem to me common sense that we give the President authority to meet the emergency of which I am speaking.

But, as a last question, some may ask: "Why could not Congress itself be authorized to suspend the application of the wage and overtime provisions of the Fair Labor Standards Act?" The answer is obvious. Congress, with the heavy pressures upon it, with its heavy burden of legislation, with its lengthy committee and floor process, could not meet the emergency with the necessary speed. The President, however, in his office, could function much as he does in his position as Commander in Chief of the Army and Navy in time of war—with directness and speed in the national interest.

It is for the above reasons that I submit the amendment now and ask that it receive favorable consideration, and that it lie on the table and be printed.

There being no objection, the amendment submitted by Mr. WILEY was received, ordered to lie on the table, and to be printed.

Mr. RADCLIFFE submitted an amendment intended to be proposed by him to the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, which was ordered to lie on the table and to be printed.

INVESTIGATION OF USE AND ADMINISTRATION OF PUBLIC LANDS—FURTHER EXPENDITURE

Mr. McCARRAN submitted the following resolution (S. Res. 241), which was referred to the Committee on Public Lands and Surveys:

Whereas there is a widespread and insistent demand by the livestock grazing users of the public lands, expressed in numerous resolutions by national, State and local livestock associations, State legislatures, and livestock producers generally in the Western States, that the Congress make a thorough investigation of the grazing policies of the Forest Service especially, but including the Grazing Service, this demand arising from the present policy of making drastic reductions in the grazing permits on the public lands, particularly in connection with the renewals of 10-year grazing permits, and these reductions are now seriously threatening the continued existence of a large number of the long established ranch operations dependent upon the use of the public lands; and

Whereas the city of Los Angeles, Calif., has made application, under the color of law, for the purchase of some 24,000 acres of public land in Mono County, Calif., which purchase, if approved, would in no way afford any protection to the legitimate and proper interests of the city of Los Angeles not now rendered by the Federal Government, while, on the other hand, the alienation of these public lands would very seriously and needlessly threaten the existence of communities in the States of California and Nevada by reducing the source and use of waters upon which extensive reclamation, irrigation, livestock and mining interests are dependent, and there are now before the Senate two bills to repeal the legislative authority for the purchase of these public lands; and

Whereas a large proportion of the livestock associations of the Western States, as well as other groups and individuals interested in the public lands, are on record through resolutions, statements in Senate committee hearings and otherwise, requesting that the investigations of the administration and use of the public lands by the Committee on Public Lands and Surveys be continued: Now, therefore, be it

Resolved, That the Committee on Public Lands and Surveys, or any duly authorized subcommittee thereof, authorized by Senate Resolution 241, Seventy-sixth Congress, agreed to May 24, 1940, and Senate Resolution 147, Seventy-seventh Congress, agreed to September 8, 1941, and Senate Resolution 89, Seventy-eighth Congress, agreed to May 24, 1944, and Senate Resolution 18, Seventy-ninth Congress, agreed to January 29, 1945, and Senate Resolution 139, Seventy-ninth Congress, agreed to June 19, 1945 (relating to the investigation of the use and administration of public lands), hereby is authorized to expend from the contingent fund of the Senate, for the same purposes, during the Seventy-ninth Congress, the amount of $15,000.

PRINTING OF REVIEW OF REPORT ON WICKFORD HARBOR, R. I. (S. DOC. NO. 141)

Mr. BAILEY. Mr. President, I present a letter from the Secretary of War, transmitting a report dated August 22, 1945, from the Chief of Engineers, United States Army, together with accompanying papers and an illustration, on a review of the report on Wickford Harbor, R. I., and I ask unanimous consent that it may be printed as a Senate document, with an illustration.

The PRESIDENT pro tempore. Without objection, it is so ordered.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles, and referred, as indicated:

H. R. 2947. An act to authorize the consolidation of lands on the Sisseton Indian Reservation, and for other purposes; to the Committee on Indian Affairs.

H. R. 3139. An act to authorize the Coast Guard to investigate and employ new methods of promoting safety at sea and aiding navigation;

H. R. 4914. An act to revive and reenact the act entitled "An act creating the City of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill.," approved December 21, 1944;

H. R. 4940. An act granting the consent of Congress to the State of Connecticut, acting by and through any agency or commission thereof, to construct, maintain, and operate a toll bridge across the Connecticut River at or near Old Saybrook, Conn.;

H. R. 5316. An act to repeal the law permitting vessels of Canadian registry to transport iron ore between United States ports on the Great Lakes; and

H. R. 5544. An act authorizing the village of Baudette, State of Minnesota, its public successors or public assigns, to construct, maintain, and operate a toll bridge across the Rainy River at or near Baudette, Minn.; to the Committee on Commerce

H. R. 4230. An act to provide necessary officers and employees for circuit courts of appeals and district courts;

H. R. 5317. An act to amend the act establishing the Hot Springs National Park;

H. R. 5413. An act to accept the renunciation by Albert W. Johnson of pension under section 260 of the Judicial Code;

H. R. 5716. An act to amend the Second War Powers Act, 1942, as amended; and

H. J. Res. 304. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1946, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

H. R. 4512. An act to amend the Public Health Service Act to provide for research relating to psychiatric disorders and to aid in the development of more effective methods of prevention, diagnosis, and treatment of such disorders, and for other purposes; to the Committee on Education and Labor.

H. R. 5271. An act to amend an act entitled "An act to allow credit in connection with certain homestead entries for military or naval service rendered during World War II"; to the Committee on Public Lands and Surveys.

H. R. 5407. An act to grant to the Federal Works Administrator certain powers with respect to site acquisition, building construction, purchase of buildings, and other matters; to the Committee on Public Buildings and Grounds.

H. R. 5654. An act to provide basic authority for the performance of certain functions and activities of the Bureau of Reclamation; to the Committee on Irrigation and Reclamation.

H. J. Res. 321. Joint resolution to authorize the making of settlement on account of certain currency destroyed at Fort Mills, P. I., and for other purposes; to the Committee on Banking and Currency.

RETAIL MERCHANTS AND THE OPA—ARTICLES FROM LEXINGTON (KY.) NEWSPAPERS

Mr. STANFILL. Mr. President, in Kentucky our retail merchants are having their troubles with OPA. Investigators for the OPA are under fire in Lexington. The retail grocers have had to band themselves together to combat the unfair methods of this arm of a Government agency. These men voiced approval of the theory of OPA in regulation of prices, but deplored its methods and expressed a desire to make it workable. One merchant, who is well known to me, and who is a man of high standing in that city, said that when the checkers came to his place of business about August 1, 1945, they congratulated him upon the many items he had on his shelves below the ceiling price, but pointed to some cans of corn just placed on the shelves, where the price for another article which had just been removed from the shelves had not been changed. Then 7 months later, in March of 1946, charges were filed against him for this alleged violation.

The retail grocers of the city voted to defend all such charges which may be brought against them, instead of signing consent judgments in the future without going into the whole sordid story. I ask unanimous consent that an article setting out the details, appearing in the Lexington Herald on March 17, be inserted in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LOCAL GROCERS COLLECT FUND TO FIGHT OPA SUITS

A concerted move to combat what was termed "unfair methods of the Office of Price Administration" was launched Tuesday by the Central Kentucky Independent Food Dealers Association, members of which voted unanimously to fight all suits brought against them by the OPA.

After deciding to pool finances, the organization voted to assess each member $25 to defray expenses of any court actions. All legal matters arising from OPA charges of violation of ceiling prices are to be handled by the law firm of Stoll, Muir, Townsend, Park & Mohney, which yesterday filed pleadings in United States District Court here in behalf of nine members of the association against whom OPA suits are pending.

A majority of the association's 105 members, in addition to associated members and persons in related businesses, attended last night's meeting held at the Honey Krust Auditorium and presided over by Lonnie Kemper, president.

NAMES "IN WHEEL"

Members who spoke at the meeting expressed the belief that the names of all the retail grocers were "in the wheel" and that it was just a matter of time until they would be cited for alleged ceiling-price violation.

W. L. Murray, president of the State retail grocers' organization and former president of the central Kentucky group, declared it is time the "public sees how we are not prosecuted but persecuted."

"Tactics employed during the past few days by the OPA are shocking," he said, continuing that the OPA checkers do not take into consideration that for every item listed at 1 or 2 cents above ceiling price, many are listed below ceiling price.

"It is impossible to handle 3,000 or 4,000 items in a store without making an error," he said, declaring that 50 to 75 percent of the merchandise on the shelves in Lexington is below ceiling price.

"There is a large difference between an error and a violation. They haven't gotten around to me, but my name may be ready to come up. I check the items and prices in my store frequently, and I usually find an error which I correct immediately. But if I had been checked by an OPA checker, I would have been a crook.

"I don't believe the Congress of the United States knows what is going on. It is my job and your job to acquaint it with the facts."

Mr. Murray said he understood that some of the OPA checkers were "about to be taken off the pay roll because of curtailed appropriations, and they are the ones who are kicking."

Declaring that the "political pie eaters are the fellows who compose the OPA," Mr. Murray urged his fellow members to pool their cash for legal battle and to notify their Senators and Representatives.

Letters to Harris Parks, secretary of the association, were read and will be forwarded to Paul Porter, Senator Alben W. Barkley, and Congressman Virgil Chapman, as well as to other Members of Congress and various committees in Washington.

OPA METHODS DEPLORED

All members of the Central Kentucky Independent Food Dealers Association voiced strong approval of the Office of Price Administration in theory, but deplored its methods and expressed a desire to "make it workable."

L. F. Rue, against whom an OPA case is pending, said he is not worried in being "accused by the OPA, but I am worried about the future business of the grocer in Lexington. Don't kid yourself if you haven't been summoned. You may be the next." He cited the members of the association who had served on OPA price panels and on the War Food Advisory Committee.

"My conscience is clear and I am going to fight," Mr. Rue said. He explained to the group the reason for the suit filed against him. When the OPA checker checked his store, he said, the checkers 'congratulated me and commented on the many items I had under ceiling price, but pointed to some cans of corn." This corn, Mr. Rue said, had been placed on the shelf 2 hours and the price had not been changed from that posted for an article that had occupied the shelf previously. The violation, the OPA charged, occurred August 1, 1945. "If I was guilty August 1, 1945, why did they wait until March to file charges?"

Stressing that they believed all so-called violations to be errors several of the members pointed out that the only reason to mark up items intentionally would be for profit. "With every store checked having from 10 to 20 items below ceiling price, would a man list one article at above-ceiling price to make money?" Mr. Rue asked.

All the members stated they had corrected errors found in their stores and all agreed that the constant change in OPA regulations, coupled with wartime and postwar employees, created a difficulty which nade it impossible to be free of error at all times.

Charles Gaines, another member whose case is pending, charged that the OPA regulations are not mailed to retailers and that he had been cited for violation of two regulations, No. 355 and No. 336, which he had not received. After he was sued, he said, he finally procured copies of the regulations from the Louisville District Office. "How can we observe regulations when we are not informed of their existence?" he asked.

Jerry Moore said that he had visited the OPA district office here before Christmas to check up on the price of turkeys. He stated he did not get a satisfactory answer, but that on January 15 or 16, he received a copy of a regulation that became effective December 20.

A. L. Larimore suggested that members of the association close their places of business the day the nine cases go to trial and "take our employees with us."

SIX HUNDRED AND FIVE REGULATIONS

Mr. Larimore stated that there are 605 OPA regulations in the grocery line and that some of them have as many as 150 amendments.

One of the members said he understood that the OPA field men were required to collect enough fines to take care of their salaries. Another said he was given to understand that the investigators were "divided into twos and that each Monday they mark up on a blackboard to see who has the most violators."

The group agreed that their mistake had been in not giving this information to Washington.

Mr. Murray said the case would be presented in Washington by representatives from the central Kentucky association.

"The unworkable conditions of the OPA are responsible for the black market, and we will prove it by taking our problem to the lawmakers and the consuming public," Mr. Murray said, declaring that "the same Congress that made the OPA laws can repeal the OPA laws and make them workable. We must unite with aid, counsel, and cash out of our pockets to fight it through every court in the land to see that justice prevails," he asserted.

The nine members of the Central Kentucky Independent Food Dealers Association for whom the law firm of Stoll, Muir, Townsend, Park & Mohney tendered pleadings yesterday in United States district court follow: Roy Bentley, doing business as Bentley's Grocery-Triangle Foods, 151 Carlisle Avenue; C. H. Gaines, doing business as Blue & White Market; L. F. Rue; Leslie W. Rue and James Hill; L. V. Thurston, doing business as Thurston's Market; Arthur M. Owens, doing business as Arthur's Market; Lillard Mefford and W. F. Brown, doing business as the Woodford Market; L. O. Foster, and R. E. Day, doing business as the R. E. Day Grocery.

The pleadings asked motions to dismiss, motions to make more specific, motions for right to propound interrogations to adverse party for purposes of discovery and extension of time to answer, and memorandum on behalf of the defendants.

They also requested hearings be set at 10 a. m., Friday, March 22, in the Federal courtroom here.

Motions for dismissal were requested because Chester Bowles, in whose name the suits were filed, is no longer Price Administrator; because the alleged sales were made to investigators of the OPA and were entrapments of the defendants to cause the alleged violations of the law; that the terms of the Emergency Price Control Act of 1942, as amended and under Revised General Order 51, "sale at retail" was defined to mean a sale to an ultimate consumer other than a commercial, industrial, or institutional user, and that alleged sales complained of were not made to consumers but to investigators of the OPA and not for the purpose of consumption but for the purpose of using the food items as evidence against the defendants.

Mr. STANFILL. Mr. President, another article appeared in the Lexington Leader of March 16 on this same subject, entitled "Lexington Grocers Singing These Blues: It's Heads OPA Wins and Tails We Lose." This article goes into some detail regarding the regulations with which the retail grocer must contend. I ask unanimous consent that this article also be inserted in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LEXINGTON GROCERS SINGING THESE BLUES: IT'S HEADS OPA WINS AND TAILS WE LOSE

(By Joe Jordan)

If I were a retail grocer, I think I'd consider shooting myself. Just consider it, you understand; on second thought, I'd sell out—if I could find someone venturesome enough to take over such a business—and go back to the comparatively carefree life of a newsman, whose only danger of stopping a bullet is that someone who doesn't like the stuff he writes may shoot him.

Until all this commotion arose over a decision of members of the Central Kentucky Independent Food Dealers Asscciation to quit signing consent decrees in OPA suits and instead to employ lawyers and submit their cases to courts and juries for decision, this carefree (huh!) newsman hadn't had any occasion to consider or investigate grocers' OPA problems. On the presumption that you readers may not have considered that matter, either, and that some of you might like to know that other people have troubles too, just as you do, there follows a report on an investigation of a painful situation:

"Now, here," said a grocer who was interviewed, but who shall not be named because of his suspicion that publicity along this line might not promote his popularity with OPA investigators, "here is a list that just came in, a list of ceiling prices which must be posted on the wall, and must be checked against all the products mentioned which I carry. That is very important, because if I don't have everything labeled to correspond to the prices on this new list, it will be too bad for me if an OPA man comes in and checks my store."

HOW'S THAT AGAIN?

The list, with typical Government simplicity, was described on its face as "Appendix B to Order No. 33, Under Revised General Order No. 51—Amendment No. 1." See how easy it is to keep track of things?

The list carried a large number of items, a list printed in small type, setting forth the ceiling prices of various brands and sizes of products. There are different ceiling prices for various brands and sizes of the same kind of packaged food—a circumstance to be expected, since Super-Super-Duper breakfast cereal presumably is of higher quality than fair-to-middling cereal and should be worth more, and there can be no argument about the necessity of charging different prices for different size cans of skwushy-wushy ree1-ripe tomatoes. But there also are different prices for, say, a 1-pound tin of Never-Sleep coffee, and 1 pound of the identical brand in a paper bag—reasonable enough, of course, but just one more thing a grocer has to watch.

Furthermore, there are two columns of prices for all the items, one that may be charged by stores in group 1 and the other for group 2 stores. The distinction is in the volume of business done by various establishments. For example, a 10½-ounce can of a certain brand of vegetable soup may be sold for 15 cents by a store in group 1, but its ceiling price is only 14 cents for a store in group 2. If a clerk, in following the line over, lets his eyes fix upon the wrong column and therefore marks and sells a can of that soup at 15 cents when actually his boss is a member of group 2, then it is not the clerk's fault, but the proprietor's. Months later the store owner may be served with a notice that he has been made a defendant in an OPA suit.

WHO—ME? HOW MUCH TOO MUCH?

Months later? Sure. Three of the suits now pending accuse Lexington grocers of charging above-ceiling prices between August 1, 1945, and respectively, January 16, 17, and 19, 1946. So, if you're really serious about taking that store off my hands, it's only fair to warn you that someday you may be faced with the necessity of trying to think back over a period of 5½ months, wondering on what day which one of your clerks sold something to an investigator at the wrong price—and for how much too much. For the motions "to make more definite and specific" which attorneys have filed in some of the pending cases point out that the complaints do not state the exact dates, or the prices the investigators say they paid, or how much it is claimed those prices exceeded the legal maximums.

To get back to that list which had just come in the day a certain grocer was interviewed: I said above that the poster listed "a large number of items," but someone may file a motion to make that statement "more definite and specific." Well, the grocer counted some of the columns and I counted some, and according to our calculation there were 612 different items listed, with two prices for each, of course, one for group 1 and another for group 2, sometimes the same, sometimes different.

A notice near the top of the poster warned: "This list does not contain all items under price control. For further information consult your local price-control board."

This, the grocer explained, pointing to another line, was just a list of "dry groceries." For some reason which my informant was unable to explain, fruit juices are "dry groceries," but unpackaged dried beans are not "dry groceries." Not according to Appendix B to Order No. 33, under Revised General Order No. 51, Amendment No. 1.

Among the things not listed among the more than 600 items of "dry groceries," in addition to the dried beans, are soap, fresh vegetables, fresh meats, flour (except packaged mixes), dairy products (except evaporated milk), bakery goods, mops, brooms, floor and furniture polishes and waxes, eggs, extracts and pickles. To determine what he may charge for these things, the grocer consults a book published by the Office of Price Administration, determines the percentage of markup permitted, and then makes his own calculation, based on what the various commodities cost him.

BAD LUCK VERSUS CHEATING

He'd better not make a mistake in a single one of those calculations—that is, on the wrong side. For example, if he should figure 8 plus 6 is 15, or carry a three instead of a two, his price would come out too high and he would be liable to be accused of a violation. However, it's perfectly all right for him to figure that 8 plus 6 is 13, or to carry a 2 instead of a 3 for that would make his price below ceiling. In that case, he'd merely lose money, but he wouldn't get into trouble with the law. A merchant can be selling 25 to 50 items priced below ceilings but woe betide him if he sells one article at more than the ceiling. It is not considered any evidence that he is capable of making honest mistakes if he makes wrong calculations and sells many things too cheaply. That's just his bad luck.

Whether Lexington retailers are correct in a widespread belief, the fact remains that many of them do believe that the OPA theory is that an above-ceiling price can't possibly be an honest mistake—such as you or I might assume it to be, particularly if we noted at the same time that many other items were priced below ceilings—but is bound to be evidence that the grocer is a chiseler (or a "crook," as one of them bitterly expressed it at a public meeting).

"If an investigator finds something wrong, if he notes something on a shelf that bears an incorrect price, proceeds to buy it at that price and thus obtains evidence of what he considers an illegal sale," one grocer argued, "what would be wrong about mentioning it at the time? He could wait until he had the evidence in his pocket; then he would still have his case, it seems to me. But, no; he waits several months and pops a suit against me. What chance have I then to prepare a defense, to find out the nature of the mistake and who made it and why?"

This man explained that he knew little about the law—especially Federal laws and their application—but through having served on juries he knew, for example, that murder carried a more severe penalty than manslaughter because murder was premeditated. He said if he were informed of an OPA price-regulation violation immediately or shortly after it occurred, then he might be able to collect all the facts and perhaps be able to convince a jury that it was an unintentional mistake. "But if I don't hear about it for months," he continued, "then I have no way of knowing what the circumstances were. Everybody in the store, including the clerk

who waited on the man, will have forgotten all about the transaction by that time."

JUST AS SIMPLE AS RELATIVITY

Want to hear about some further complications? Well, if something is listed in the book with a figure showing you the percentage mark-up allowed, but if it also appears on Appendix B to Order No. 33 under Revised General Order No. 51, Amendment No. 1, then the list on the wall governs, and not the book. So in addition to checking every item in the store—3,500 to 4,000 items in the average well-stocked grocery store—against both the wall poster and your calculations made from the book, you also have to check the book against the poster to see whether there are duplications.

You can't settle that little matter simply by finding out whether a certain kind of thing is among dry groceries—whatever they may be. Take coffee, for instance. If you assume that coffee brands, with their various subdivisions as to size of containers and whether packed in metal or paper, will be all on the wall list or all in the book, then you don't know how Washington minds work. On the day that particular angle of this question was investigated—that was several days ago, and there may have been changes since then—34 coffee items were carried in the Appendix B., etc., etc., list, but there were 48 other coffee items that had to be figured from the book.

You don't want to buy a good grocery store, do you?

CONTROL OF ATOMIC ENERGY—ADDRESS BY SENATOR McMAHON

[Mr. McMAHON asked and obtained leave to have printed in the RECORD a radio address on the subject Who Should Control Atomic Energy in This Country? delivered by him March 18, 1946, which appears in the appendix.]

JACKSON DAY ADDRESS BY SENATOR JOHNSON OF COLORADO

[Mr. MEAD asked and obtained leave to have printed in the RECORD a Jackson Day address delivered by Senator JOHNSON, of Colorado, in Syracuse, N. Y., March 18, 1946, which appears in the Appendix.]

TRIBUTE TO THE LATE PRESIDENT ROOSEVELT BY SENATOR MEAD

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD an address in tribute to the late President Roosevelt, delivered by Senator MEAD at a Jackson Day dinner in Syracuse, N. Y., March 18, 1946, which appears in the Appendix.]

ST. PATRICK'S DAY ADDRESS BY THE SECRETARY OF STATE

[Mr. HATCH asked and obtained leave to have printed in the RECORD an address by the Secretary of State before the Society of the Friendly Sons of St. Patrick, at the Hotel Astor, New York City, March 16, 1946, which appears in the Appendix.]

JACKSON DAY DINNER ADDRESS BY HON. ROBERT E. HANNEGAN

[Mr. TUNNELL asked and obtained leave to have printed in the RECORD an address delivered by Hon. Robert E. Hannegan, chairman of the Democratic National Committee, at a Jackson Day dinner at Wilmington, Del., March 14, 1946, which appears in the Appendix.]

ADDRESS BY HON. JOHN L. SULLIVAN BEFORE THE SOCIETY OF THE FRIENDLY SONS OF ST. PATRICK

[Mr. WALSH asked and obtained leave to have printed in the RECORD an address delivered by Hon. John L. Sullivan, Assistant Secretary of the Navy for Air, at the annual meeting of the Society of the Friendly Sons of St. Patrick, at Washington, D. C., on March 16, 1946, which appears in the Appendix.]

TRIBUTES TO THE LATE DR. CHARLES M. SHELDON

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an editorial tribute to the late Dr. Charles M. Sheldon, of Kansas, author of In His Steps, written by Dr. Clinton N. Howard, editor of Progress magazine and published in the March 1946 issue of that magazine, together with Dr. Sheldon's memorial hymn and a tribute by Senator CAPPER, which appear in the Appendix.]

RUSSIA'S REACTION TO WINSTON CHURCHILL'S FULTON, MO., SPEECH—ARTICLE BY CONSTANTINE BROWN

[Mr. WHEELER asked and obtained leave to have printed in the RECORD an article entitled "Worried Kremlin Weighs Effect of Churchill Talk," written by Constantine Brown and published in the Washington Sunday Star of March 17, 1946, which appears in the Appendix.]

CALL OF THE ROLL

Mr. VANDENBERG. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Moore
Austin	Guffey	Murdock
Bailey	Gurney	Murray
Ball	Hart	Myers
Bankhead	Hatch	O'Daniel
Barkley	Hawkes	O'Mahoney
Bilbo	Hayden	Overton
Brewster	Hickenlooper	Pepper
Bridges	Hill	Radcliffe
Buck	Hoey	Reed
Bushfield	Huffman	Revercomb
Byrd	Johnson, Colo.	Russell
Capehart	Johnston, S. C.	Saltonstall
Capper	Kilgore	Smith
Carville	Knowland	Stanfill
Chavez	La Follette	Taft
Connally	Lucas	Thomas, Okla.
Cordon	McCarran	Thomas, Utah
Donnell	McClellan	Tunnell
Downey	McFarland	Vandenberg
Eastland	McKellar	Walsh
Ellender	McMahon	Wheeler
Ferguson	Magnuson	White
Fulbright	Maybank	Wiley
George	Mead	Willis
Gerry	Millikin	
Gossett	Mitchell	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from New York [Mr. WAGNER] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] and the Senator from Maryland [Mr. TYDINGS] are necessarily absent.

The Senator from Missouri [Mr. BRIGGS], the Senator from Tennessee [Mr. STEWART], and the Senator from Idaho [Mr. TAYLOR] are absent on public business.

Mr. WHITE. The Senator from Illinois [Mr. BROOKS] is recovering from a recent operation.

The Senator from Nebraska [Mr. BUTLER], the Senator from Minnesota [Mr. SHIPSTEAD], and the Senator from North Dakota [Mr. YOUNG] are necessarily absent by leave of the Senate.

The Senator from North Dakota [Mr. LANGER], the Senator from Oregon [Mr. MORSE], the Senator from Wyoming [Mr. ROBERTSON], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is attending the Conference of the International Bank and Monetary Fund as an adviser.

The Senator from Iowa [Mr. WILSON] is absent because of illness in his family.

The PRESIDING OFFICER (Mr. HOEY in the chair). Seventy-nine Senators having answered to their names, a quorum is present.

HOUSING CONSTRUCTION

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1821) to amend section 502 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, so as to authorize the appropriation of funds necessary to provide additional temporary housing units for distressed families of servicemen and for veterans and their families," which was to strike out all after the enacting clause and insert:

That section 502 (a) of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, is amended by striking out "$160,000,000" and inserting in lieu thereof "$410,000,000."

SEC. 2. That section 502 of said act be amended by adding after subsection (c) thereof the following subsections:

"(d) Upon approval of an application, made by any educational institution, State or political subdivision thereof, local public agency, or nonprofit organization, for temporary housing for the purposes of this title, the National Housing Administrator, if he determines that such action will aid in expediting the provision of such temporary housing, may—

"(1) transfer hereunder to the applicant structures or facilities necessary or suitable to provide such temporary housing; and

"(2) contract to reimburse the applicant (including the making of advances) for the cost, as certified by the applicant and approved by the Administrator, in the relocation or conversion (including the costs of disassembling, transporting, and reerecting structures and facilities, and connecting utilities from dwellings to mains, but not including the costs of site acquisition and preparation, or the installation of streets and utility mains) of such temporary housing and facilities.

"(e) The authorization in section 8 of this act to use administrative expense funds in connection with the processing of priorities and allocations of materials for war housing shall apply to any such functions authorized by law in connection with housing for veterans and their families provided under title V of this act."

Mr. ELLENDER. Mr. President, I move that the Senate disagree to the amendment of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MURRAY, Mr. ELLENDER, Mr. HILL, Mr. TAFT, and Mr. SMITH conferees on the part of the Senate.

REPORT OF AMERICAN DELEGATION TO UNITED NATIONS—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which

was read, and with the accompanying report, referred to the Committee on Foreign Relations:

(For message this day received, see proceedings of the House of Representatives, p. 2424.)

AMENDMENT TO FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

The PRESIDING OFFICER. The question is on the amendment to Senate bill 1349 offered by the Senator from Louisiana [Mr. ELLENDER] for himself and the Senator from Minnesota [Mr. BALL].

COMMENT BY SENATOR BALL ON SPEECH OF WINSTON CHURCHILL

Mr. BALL. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a press statement which I released on Saturday, dealing with the speech by Winston Churchill on Friday, March 15.

There being no objection, the statement was ordered to be printed in the RECORD, as follows.

Mr. Churchill's speech in New York was an extension and amplification of his Fulton speech. He made it clear that what he proposes is a nonexclusive fraternal association of the English-speaking peoples to support the democratic principles of the United Nations Organization and to oppose the ominous spread of tyranny in the world. I do not believe anyone can challenge the premises from which he argued, however much we may differ as to his conclusions and remedies, or the timing of their presentation. I, for one, believe his conclusions inescapable, and as for their timing, I believe open and frank discusison offers greater hope for a peaceful solution of our international problems than do the secret deals of power politics. Too much of the latter during the war contributed to our present difficulties.

Mr. Churchill is a great leader, whose devotion to human freedom is above question. Freedom of speech and determination of major issues after free and full discussion are fundamental democratic rights which we of America share with the English people. It is deeply disturbing that the CIO leadership in New York City should so far forget this fundamental of American democracy as to seek by picketing and pressure to deny this great English leader the opportunity to speak his mind, simply because they disagree with his views. Their attempt to silence opposition, to deny the American people the right to hear any views other than their own, is part and parcel of that ominous shadow of tyranny which Mr. Churchill described as falling upon the Allied victory in World War II.

POLICIES GOVERNING RELIEF AND OTHER CONDITIONS IN UNITED STATES ZONES OF GERMANY AND AUSTRIA

Mr. WILEY. Mr. President, on January 10 I wrote a letter to Lt. Gen. Joseph T. McNarney, commanding general of the United States forces in the European theater. The letter was transmitted by him to Lt. Gen. Mark Clark, who was in Austria. General Clark replied to my letter, which related to the question of food and the feeding of Germans and Austrians.

I ask unanimous consent that there be printed in the RECORD as a part of my remarks my letter to General McNarney and the reply which I received from General Clark, commanding general in the Austrian area. This letter is very heartening. It says in substance that we are doing a good job there. It denies emphatically that the children of Austria are dying in the streets.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON THE JUDICIARY,
January 10, 1946.

Lt. Gen. JOSEPH T. MCNARNEY,
Commanding General, United States Forces, European Theater, APO 757, Care of Postmaster, New York, N. Y.

DEAR GENERAL MCNARNEY: I have received a large number of anxious letters from my constituents having relatives in Germany and Austria.

I would appreciate it if you would present and clarify the answers to some of the questions which they have raised on our German relief policy.

Those questions are:

(1) Why are not American citizens who have relatives in Germany allowed to contribute money and supplies to them? The prohibition of such action, as you undoubtedly know, proves very demoralizing to some of our finest citizens of German descent. They have a basic right to aid their kin.

(2) Why are not the Lutheran, Catholic, and Quaker Church groups permitted to operate their relief missions in Germany?

(3) Why is not the Red Cross permitted to operate there?

Rev. Dr. Edward E. Swanstrom, assistant executive director of war relief services of the National Catholic Welfare Conference, has stated after his return from a 5-month tour of Europe.

"I have heard it said that American public opinion would not stand for a program of private relief to German civilians. I do not believe it.

"If Americans could see, as I have, innocent children and the aged literally dying from starvation in the streets of the large German cities, I am sure they would feel as I do, that they, too, come under the mantle of our Christian charity."

Your early comments on this matter would indeed be appreciated. Some time back I wrote to General Eisenhower along this line and he assured me that mass starvation and pestilence would be prevented in our area of Germany. All America demands that this assurance be kept. This should apply to all zones of occupation there. Christian charity, common sense, and justice demand that we prevent inhuman suffering among our former foes as among our former allies. Love, not hate, is still the greatest power in this world.

Sincerely yours,

ALEXANDER WILEY.

HEADQUARTERS, UNITED STATES FORCES IN AUSTRIA, OFFICE OF THE COMMANDING GENERAL,
APO No. 777, UNITED STATES ARMY
March 2, 1946.

The Honorable ALEXANDER WILEY,
United States Senate,
Washington, D. C.

DEAR SENATOR WILEY: A copy of your letter of inquiry of January 10 to General McNarney concerning the policies governing relief and other conditions in the United States zones of Germany and Austria has been forwarded to me for direct reply concerning Austria. Your letter has received my careful consideration, and I am happy to explain relief policies and conditions here.

It is now possible to make financial remittances to Austria. The remittor (in the United States) pays a dollar amount into any bank, preferably in New York, which then advises an Austrian bank to pay a schilling amount to the beneficiary of the remittance. Since no rate of exchange has been set, the exact amount of schillings which the beneficiary receives cannot be established, but the Austrian bank will make a substantial advance on the remittance and settle the balance at a later date.

International postal service to Austria has been reestablished, but is restricted at present to letters weighing not more than 20 grams, and post cards. United States citizens, therefore, are not permitted to send packages to citizens of Austria. It is expected that reestablishment of parcel-post service will take place as soon as transportation difficulties are resolved.

The operation of relief mission by religious, racial, or national groups is welcomed in Austria. Many such groups are now operating in Austria and work in close conjunction with the public welfare branch of Military Government, which coordinates all relief work. This branch in turn works with the Ministry of Social Administration of Austria and with the various local government departments.

The fine relief program put forward by the Quaker Church has received approval. Supplies have already reached Switzerland and are ready for shipment into Austria. Members of the mission have already arrived and the details of distribution are being worked out. The American War Relief Services branch of the National Catholic Welfare Conference has a fine program. The arrival of the members of this mission in the near future is awaited. A Lutheran representative from the World Council of Churches has conferred with the head of the public works branch concerning the program of the Lutheran Church. It is expected that their mission will soon be in operation. A number of national agencies are either engaged in relief activities in Austria at the present time or have proposed programs which have been accepted and which, it is expected, will be in full operation within a very short time. Among these are the Swedish National Committee of Foreign Relief, the Irish Government and the Irish Red Cross, the Quaker Church of Switzerland, and the Danish Red Cross. All of these missions have brought in food or clothing, or both, for the needy, particularly for children and the aged. The International Red Cross has been engaged here for some time, as has our own American Red Cross. This latter organization has done magnificent work. It has distributed more than 5,000 tons of Red Cross food parcels, 300 tons of clothing, and 100 tons of medicines to the people in the United States zone of Austria. Within the past 2 weeks it has passed the million mark in meals served in a supplemental feeding program established in Vienna for children, nursing mothers, pregnant women and tubercular patients. Approximately 10,000 meals daily are served without charge.

You may be assured that private relief is being extended to all who need it in the American zone of Austria, and to the maximum extent possible to those in the zones occupied by the other powers. I can also assure you that Dr. Swanstrom's statement that innocent children and the aged are dying from starvation in the streets of large German cities does not apply in Austria. In my trips through the United States zone I have neither seen nor heard of any such conditions as have been mentioned. The average ration for Austrian civilians is 1,550 calories, which is supplemented to the maximum extent possible by indigeneous supplies. A sliding ration scale and supplemental items are provided which care for the needs of young children, nursing mothers, heavy workers, and the sick. To assure that citizens do have

enough food, to date more than 165,000 tons have been brought in from the United States, with other shipments scheduled for the future.

This letter outlines only in a general way the many things that are being done for the relief of Austrian citizens. I shall be happy at any time in the future to furnish you more full and complete details of the relief work that is being done in this stricken country.

Sincerely yours,

MARK W. CLARK,
General, United States Army,
Commanding.

PARTY DISCIPLINE—STATEMENT BY SECRETARY OF COMMERCE WALLACE

Mr. JOHNSTON of South Carolina. Mr. President, in the Washington Post of March 19, on the front page, I notice the following headline: "Oust bolters, Wallace tells both parties—Congressmen who split vote on major issues should be expelled, he says."

The article reads in part as follows:

Secretary of Commerce Wallace yesterday urged that Senators and Representatives who split party votes on fundamental issues be expelled from their parties.

He suggested that both Republican and Democratic organizations impose party discipline on such major questions as the British loan, foreign relations, full employment, and atomic energy.

"However," he said, "I hope this suggested discipline will not be used on small issues." Wallace spoke before members of the Women's Democratic Club at a luncheon meeting at the clubhouse.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. WILEY. Did Secretary Wallace use the word "liquidate" or "expel"?

Mr. JOHNSTON of South Carolina. He proposes to oust from the party Senators and Representatives who split party votes on fundamental issues. I do not know what the terminology is.

Mr. WILEY. Does the Senator believe that Henry has gone Fascist?

Mr. JOHNSTON of South Carolina. I shall read on and tell the Senator what he has to say, and let the Senator interpret it for himself.

Wallace advanced several ideas for determining what are the "big" and what the "little" issues before Congress.

The Secretary thinks the decision should be left to the President, the Vice President, the Speakers of the House and Senate, plus the majority and minority leaders of the two Houses, perhaps with the help of party caucuses.

For example, he pointed out that the Democratic Party favors and the Republican Party opposes the British loan. "Members of the Democratic Party should vote for the British loan or be put out of the party by not being allowed to run again on the Democratic Party ticket," he said.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. CHAVEZ. In reference to the suggestions purported to have been made by the Secretary of Commerce yesterday, let me say that the last time I took my oath of office I was asked this question:

Do you solemnly swear that you will support and defend the Constitution of the United States against all enemies, foreign and domestic; that you will bear true faith and allegiance to the same; that you take this obligation freely, without any mental reservation or purpose of evasion; and that you will well and faithfully discharge the duties of the office on which you are about to enter; so help you God?

I answered "Yes," and irrespective of any suggestions by the Secretary of Commerce, that is what I intend to follow on this subject.

Mr. JOHNSTON of South Carolina. I thank the Senator.

Secretary Wallace further said:

Either the dissenting Members should join the other party or organize an independent one. The same should apply to the Republicans.

Secretary Wallace further stated:

The besetting weakness of the Democratic Party is idealism and it is inclined to try to be practical. On the other hand, the Republican Party puts on a humanitarian face but is fundamentally practical.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. That is Wallace speaking, not I; but I yield.

Mr. BREWSTER. I wonder whether the Senator can interpret the views of that gentleman. As I recall, there was a recent election in New York City in which the distinguished Secretary of Commerce, a member of the present alleged Democratic administration, endorsed Johannes Steele, who was a candidate of some party other than the Democratic Party. I do not remember its name.

Mr. JOHNSTON of South Carolina. I shall mention something along that line before I conclude.

Mr. BREWSTER. Would that come within the category of disqualifying himself for membership in the administration?

Mr. JOHNSTON of South Carolina. The Senator will have to ask Mr. Wallace. He is going to be the one to tell everyone else when to get out and when to get in.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. WILEY. Did I correctly understand the Senator to say that Mr. Henry Wallace said he was inclined to be practical?

Mr. JOHNSTON of South Carolina. He was talking about the two political parties; I do not think he was talking about Mr. Wallace.

Mr. WILEY. He was not talking about any change in front on his own part, was he?

Mr. JOHNSTON of South Carolina. I have not heard of any.

I now read further from the article:

He asked for party discipline because he thinks democracy now faces clear-cut challenges.

Mr. CHAVEZ. Mr. President, will the Senator yield to me?

Mr. JOHNSTON of South Carolina. I yield.

Mr. CHAVEZ. Along the line of the suggestion just read, was not that the very philosophy of Mr. Hitler and Mr. Himmler, namely, that they did not want members of the parliamentary body of Germany to do their own thinking, but insisted that they follow blindly anything the heads might say?

Mr. JOHNSTON of South Carolina. The Senator from New Mexico is entirely correct, and that is one reason why I did not like what Mr. Wallace said, as I understand the article which quotes his statement.

Speaking of Joe Stalin, let us see what he said:

Generalissimo Stalin issued a challenge to democracy in his speech of March 6 when he said democracy has "booms, busts, and wars." It is interesting to note that during the thirties Russia had neither.

I can tell Mr. Wallace one thing here and now: He cannot read me out of my Democratic Party and let Mr. Joe Stalin take my place. As we notice from a reading of the article, Mr. Wallace commended Stalin very highly in his speech. He said:

"I suggest that we accept that challenge in the most peaceful way possible and see if we can't have full employment to prevent 'booms, busts, and wars.'"

He said that he thought it of fundamental importance to keep the two-party system and added, "I think a third party now might be disastrous."

Mr. CHAVEZ. Mr. President, will the Senator yield to me at this point?

Mr. JOHNSTON of South Carolina. I yield to the Senator from New Mexico.

Mr. CHAVEZ. Along the line suggested by the Secretary of Commerce, namely, that we support the full employment bill, I can tell the Secretary of Commerce that I am for the full employment bill, but that is notwithstanding Mr. Wallace. I am for the minimum wage bill which now is being considered by this body; but I wish to be for it, not because I am told to do so by someone who happens to be in some Government department. I wish to take that responsibility; and if it is a mistake, I wish to take the responsibility of making the mistake. I do not wish to have someone else in the Government make that mistake for me.

Mr. JOHNSTON of South Carolina. I agree with what the Senator from New Mexico has said. I am here to represent my people of South Carolina, and I am going to cast my vote on every issue which comes up in accordance with what I think is for the best interests of the people of the United States. I am not going to follow blindly any one man, be he Henry Wallace or any other, in regard to all the legislation that is introduced in the Senate and in the Congress of the United States. I believe that what I intend to do is what the people want us to do in a democratic form of government. I do not believe it becomes any Cabinet official to criticize the Congress of the United States because the Members of Congress do not always draw party lines on every measure and vote exactly like probably a member of the administration or some other person might think they should vote.

Mr. WILEY. Mr. President, will the Senator yield to me?

Mr. JOHNSTON of South Carolina. I yield.

Mr. WILEY. Is it the Senator's conclusion that the recent outbursts of the gentleman constitute symptoms of liberalism?

Mr. JOHNSTON of South Carolina. Over-liberalism, I should say. He speaks of reading people out of the party. If my memory serves me correctly, when he was nominated at the Democratic Party's convention, the howl and cry of the entire convention was then that the convention wanted a Democrat. I have never heard anyone in South Carolina in speaking of me refer to whether I was a Democrat. So far as South Carolina is concerned, neither I nor any other man who represents the Democratic Party will ever be read out of the Democratic Party because we have exercised freedom of speech and have voted in the Senate of the United States in accordance with what we think is for the best interests of the country.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. HICKENLOOPER. The Senator's remarks are appropriate in view of the very startling statement made by Mr. Wallace and reported in the newspapers of this morning. Because I come from the State of Iowa and Mr. Wallace also comes from the State of Iowa, I feel that I should say that I do not believe the strange and unusual political pronouncement he made yesterday in any way reflects the independence of thought either in the Democratic Party or the Republican Party in the State of Iowa, and certainly it is not reflective of our general political attitude or our determination to maintain freedom of thought and freedom of action in both political parties in our State.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. WILEY. I should like to ask the distinguished Senator from Iowa whether the gentleman referred to has changed his residence and is now a resident of the State of New York, so that that might have something to do with his change of political liberalism.

Mr. JOHNSTON of South Carolina. That I do not know.

Mr. BRIDGES subsequently said: Mr. President, yesterday Mr. Henry Wallace, the Secretary of Commerce in the President's Cabinet, and therefore supposedly in the "inner circle," made a very amazing speech and statement. I quote from this morning's Washington Post concerning it:

> For example, he pointed out that the Democratic Party favors and the Republican Party opposes the British loan. "Members of the Democratic Party should vote for the British loan or be put out of the party by not being allowed to run again on the Democratic Party ticket," he said. "Either the dissenting members should join the other party or organize an independent one. The same should apply to the Republicans."

Mr. President, I wish to propound a query. Here is a major issue before the country, and it is my judgment that we should approach all matters of an international character on the nonpartisan basis of what is best for America and best for the world. The question, therefore, is this: Is there a direct invitation or request of the Secretary of Commerce, Mr. Wallace, for every Republican Member of the Senate to vote against the British loan? Apparently that is what it is. I should like to have the question answered.

STATE DEPARTMENT MEDDLING

Mr. BUSHFIELD. Mr. President, the present troubled and disturbed condition of the world would seem to be an adequate reason for America to tread softly in interfering in the internal affairs of other nations. Despite this need for caution, we find our State Department meddling in the affairs of Argentina, one of the largest and most important countries in the Western Hemisphere. The State Department has, with what it deems sufficient reason, purposely interfered in the internal affairs of Argentina. It has notified Peron, one of the candidates in that country's national election for the Presidency, that he is not acceptable to our all-wise State Department.

Argentina has just held a national election for the purpose of selecting a president. The State Department has published a note to that country that Peron is not acceptable to us. The Argentineans resented that interference, and rightly so. They proceeded to cast their ballots for President in the proverbial American way. Peron has just been elected by an overwhelming vote in his favor, and the United States State Department has received a swift kick in the pants. Coincident with that emphatic repudiation of our attempt to meddle, the neighborly feeling between Argentineans and the United States has been seriously jeopardized. Were Argentina a large and more powerful neighbor, there might be serious repercussions to this incident.

Not satisfied with its meddling in Argentina, our all-wise State Department has permitted itself to interfere again in another friendly country.

We have been rightfully concerned with communism, and the threats of infiltration of the Communists in the affairs with which we were personally concerned. Only the other day a Catholic priest in the city of Washington made the statement that 2,000 Communists were already in the Government machinery of this country.

Spain is a friendly country. It is now, and has been for some time past, at peace with the world. It has largely rebuilt and reestablished itself as a nation. France, on the other hand, with a socialistic government largely permeated by the Communists, has seen fit to needle the Government of the United States, represented in the personnel of our State Department, to the effect that we, the United States of America, should interfere and meddle in the internal affairs of our friendly neighbor states.

Russia, a completely communistic nation, which represents an ideology wholly opposed to that of the United States, has likewise been engaged in needling the State Department in this country against Spain, and today we are in the unenviable position of being sucked in by that needling, and have just issued a note to Franco, the head of the Spanish Government, that he is unwelcome and should get out.

Of course, the Spanish people did not request our State Department to meddle in the internal affairs of their country, but our great-hearted State Department took it upon itself to throw its weight around in European affairs and demand that the head of the Spanish Government be liquidated.

I wonder if our State Department realizes, as many Americans fully realize, that if the State Department is successful in liquidating Franco, the result will be civil war, a bloody, devastating, terrible civil war, started for no reason whatever except that the American State Department does not like Franco and thinks he should be forced out of office.

What will be the result of such action by our State Department? If Franco is liquidated, the Communists will move in. There will be a communistic government in Spain, amenable to and linked with other communistic nations in eastern Europe. If we follow the asinine policy of our all-wise State Department, we are planting communism at the extreme western end of the continent of Europe, and bringing it that much nearer to the borders of the United States. With Spain gone over to communism, with France—to say the least—leaning that way, with the Russian sphere of influence in conquered Germany entirely communistic, with all of the little border states turning communistic, I wonder if our State Department has ever contemplated the result in Europe.

Is it not time for our State Department to become realistic for once? Is it not time for America to quit sticking her nose into the internal affairs of other countries? Is it not time for us to realize that other countries, whether large or small, have rights which must be observed and respected? Is the present condition due, as a House committee charged to day or two ago, to the fact that our own State Department is so full of Communists or fellow travelers? Is it not time for us to make sure of a thorough house cleaning in our own State Department?

AMENDMENT TO FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

Mr. GUFFEY. Mr. President, during the war, when our fighting men were deployed throughout the world, battling for our concept of a bright new world, it is doubtful whether many of us considered that GI Joe had a job in the usual sense of the word.

He was thought of by most people as a man fighting for God and country, fighting ruthless enemies, fighting death and disease, fighting in defense of the principles and ideals which he had been taught to cherish.

Rarely, however, was GI Joe thought of as a man with a job.

But he did have a job, a tremendously important job. His boss was Uncle Sam.

Perhaps the average fighting man would have wished for a different kind of job—at home—but, be it said to his glory, he undertook the job laid out for him and he undertook it courageously, and willingly. He undertook the job of preserving those things we hold dear, of securing for you and for me and for himself the kind of life we Americans believe is the just reward of every freeman.

Uncle Sam paid these employees of his.

He paid the married GI with two children about $47 a week.

Most of these men could have done much better at home.

In any event, our young men took the job and proved to the world that when men believe in good things they can achieve results which men of lesser faith and courage have not the inner stamina to accomplish.

Our millions of GI Joes showed the world what men can accomplish when they fight for a better world for all.

When he was fighting in the European theater or on some rugged battlefield in the South Pacific, GI Joe heard a great many stories about high wages and huge profits back home, but he stuck to his job and worked grimly at the task until it was finished.

Then he began to think of home, and of all the things he would do. He began to plan for the day when he would get a job, a new job, a different kind of job.

He thought of what he would do with all the money he would receive. The married GI conjured up new dresses for his wife, knickknacks and toys for his kids; and the single GI looked forward to a job, a bank account and a family of his own.

After accomplishing their mission, millions of GI Joes have returned and are now looking for those new jobs, the jobs which would be so different from the Navy job, the Army job, or the work which they performed with the Marine Corps or Coast Guard.

For months, and even years for some of them, they were set on killing and destroying—destruction that was necessary to win the kind of life in which they believed. Now the fighting is over and they want to leave that kind of work; they want a new job; they want to take their places in a productive society.

It may be hard for some of us to realize it, but those veterans are no longer soldiers, or sailors, or marines; they have returned, or are returning, to their status as individual men and women, as civilians.

They are not unusual in their wants and needs. They want security; they want opportunity; they want equality; they want to live the kind of life for which they have sacrificed so much. They want jobs which will insure healthful living and a chance to forge ahead and to plan for a better life.

Writing in the February issue of the American magazine, Gen. Omar N. Bradley, Administrator of Veterans' Affairs, had this to say:

> I say the war is not over. It will not be over until the men who fought it, now coming home at the rate of a million a month, are given the opportunity to find employment, rebuild their lives, and resume their responsibilities as citizens.
>
> Not long ago we pinned our faith on these men in battle. They now pin their faith on us for a chance to make good in this world to which they have returned.
>
> Until the people at home fulfill this task, our victory will be clouded and incomplete.

These veterans have great plans for the future, the kind of plans which have in the past made this Nation great. But their plans and their dreams will be of no avail unless a sympathetic Nation encourages them and points the way.

There is little chance to plan for economic advancement if a job does not pay enough for a decent standard of living. When all the money a man earns goes for current rent, food, clothes, and fuel, and there is not money to buy enough of those necessities, of what value are plans? If he works for substandard wages and worries about the necessities of life for his wife, his kids, and himself, how can he ever hope to become more efficient in his job so that he may produce more, and earn more for his employer and for himself?

Are we to sit idly by as the veteran asks himself these tragic questions? Are we to contribute to his sad disillusionment concerning the things for which he thought he was fighting, and concerning the good things we promised him as he went off to war? Is this our gratitude to the men who have not hesitated to offer their lives in the mud and the jungle, on the seas, and in the air?

Let us look at the facts.

Millions of veterans, who received from $25 to $46 a week while in the service, are now facing offers of less pay than they received when they were serving the country in jobs which were not of their choosing.

In hard, cold cash, many GI Joes were actually better off in the services than they would be in employment now as civilians.

While the married soldier was fighting in Europe, his wife and two children received $1,200 annually in monthly allotments; the serviceman earned in addition an average of $769, and his food, clothing, and medical supplies which were provided by the War Department were estimated at more than $512 annually. Thus his final average pay check was equal to $47.71 a week.

So as to the married GI particularly, he will not only face the prospect of losing a job in the armed forces, but he will face offers of jobs which will pay less than his Army or Navy job.

Now the 65-cent minimum will not provide any such salary or wage as $47 a week, but a 65-cent minimum, or $26 a week, will establish a floor under wages which will help to maintain wage rates in the skilled labor classification, so that servicemen who are better qualified and who have had experience in skilled jobs will not suffer because of lack of a floor under wages.

From another angle let me quote a recent statement by Col. Arthur V. McDermott, director of the selective service in New York City. Colonel McDermott charged, and I quote from the New York Times:

> Some employers, apparently imbued with the idea of a surplus supply of labor, were trying to put ex-servicemen to work at $24 to $26 a week.
>
> It is a terrible reward to give a man who has served from 2 to 5 years, a job at $25 a week.
>
> How can he possibly support himself and his family in New York on that kind of money?

Shortly after VJ-day, 45 percent of the jobs available at the United States Employment Service offices paid only 75 cents an hour or less, and the picture has been getting blacker every day. It will tend to get blacker and blacker unless Congress establishes this floor under which wages may not fall.

It is true that Public Law No. 16 provides great benefits to the disabled veteran and that Public Law No. 346, commonly known as the GI bill of rights, provides benefits for veterans who want to start their own business or who want to return to school.

But all veterans cannot go into business or return to school.

The majority of veterans will work for someone else, and many of them will benefit if Congress passes this bill to provide a minimum wage floor of 65 cents an hour.

During the week of October 8, 1945, the United States Employment Service made a study of Atlanta, Ga., Columbus, Ohio, and Trenton, N. J., to determine what kind of jobs were open for both men and women and what wages were being offered.

In Trenton, 5 percent of the jobs open for men paid less than $24 a week and 35 percent of the jobs open to women paid less than that amount.

In Columbus, 7 percent of the job openings for men paid less than $24 a week and 47 percent of the job openings for women paid less than $24 a week.

And in Atlanta, 30 percent of the jobs open to men paid less than $24 a week and 69 percent of the jobs open to women paid less than $24 a week.

If we find such low wage rates prevailing today in various sections of the country, what will happen when several more million servicemen enter the labor market? The natural effect of adding such a great number of men and women to a labor market which is gradually becoming known as a loose market, will be to lower wages still further.

In High Point, N. C., three-fourths of the jobs paid less than $20 a week.

In Winston-Salem, N. C., a veteran was offered a job paying $25 for a 72-hour week, to which he replied, according to the press, "I'll be damned if I am going to take it."

In Milwaukee County, Wis., in October 1945, one-third of the jobs available paid less than 65 cents an hour.

At hearings in Durham, N. C., Mr. William George Atkins, a textile worker and a veteran, when asked to give his views on the 65-cent minimum wage, replied:

Well, I think we should have it. It is like this:

I've worked in a textile plant for 15 years. I've been down here at this one for 5 years. I've worked as much as my health would let me work, which is every day that I can possibly get in.

I never have been able to save anything out of my wages. I have a wife, a mother, and four children to support. If I was working by myself I couldn't support them.

My wife has to work in order to help me support the family. If it wasn't for my mother to stay with the kids, my wife would have to stay home. If I was to hire a maid to stay there with the children, it would take practically all my wife's wages to pay the maid and that would not help any.

I've been down here several times to get a company house. I have been here 5 years and I pay $5 a month for rent. But if I could get a company house, it would have helped some, probably $3 a week.

Question. Mr. Atkins, are you a veteran?

Answer. That's right.

Question. How long have you been discharged?

Answer. Since the twelfth of October 1945.

Question. How does the wage you get as a textile worker compare with a private's pay in the Army?

Answer. It doesn't come up to it.

Question. How much would you earn as a private in the Army?

Answer. $144, allowances and all.

Question. How much would that be an hour?

Answer. 80 cents an hour.

Question. Is your family getting along as well on what you make now as they did when you were in the Army?

Answer. Well, they got along some better when I was in the Army.

Robert Wood Johnson, chairman of the board of Johnson & Johnson, told a Senate subcommittee to take the position that—

the average American workman cannot keep body and soul together on less than $30 a week anywhere in the United States.

On the basis of a 40-hour week, I therefore, recommend a 75-cents-per-hour minimum wage throughout the Nation. * * * It can be said that a large portion of our underpaid are unmarried and that single individuals can exist on less than $30 a week.

It is well to add, however, that the great majority of single men and women have responsibilities to parents, brothers, sisters, and relatives that are frequently comparable to those of the head of a family.

Testifying further, General Johnson, discussing wages in relation to costs, said:

I suppose it is impossible to discuss any question of wages, even the establishment of fair minimums, without some consideration of the broader aspects of the relation of wages to costs.

It is a great surprise to me that this outstanding feature of American economy is so little understood.

Some will say that industry moves to low-wage areas. This is a fallacy. Factories move to markets, not to low-wage areas.

We are surrounded every day from morning to night with thousands of examples that go to prove beyond discussion that the most outstanding characteristic of our country, in terms of economics, has been its accomplishment in the field of production and distribution.

On every side we see proof of the ability of this country to pay higher wages and sell at lower costs.

Now, let us suppose for a moment that Congress does not establish this 65-cent minimum wage and provides for a 75-cent minimum within a period of 4 years. What is going to happen to the veteran who has an unskilled labor classification?

Many of them will stay out of the labor market as long as they can receive the $20 a week provided by the servicemen's readjustment allowances. The present average length of time a veteran receives this $20 a week is about 6 weeks.

But if America cannot provide more than $20 a week in a productive job, if we cannot set the minimum at the 65-cent level at least, or at $26 a week, will not these veterans stay on the SRA pay roll for longer periods of time and let the Government, you and I, pay the bill?

Which is better, to let Uncle Sam pay the veteran $20 a week for long periods of time or provide a decent minimum wage, for which the veteran can work in a job in which he can feel that he is a vital part of a dynamic productive economy?

These GI Joes did a glorious job for their country and as a group they are not complaining about the situation at home—not yet.

Their first reaction is joy at being home again; they are civilians again; they relax for a few weeks, then start seeking their places in the American scene.

Then comes the first shock of small-pay jobs; the stark reality of lack of experience; a mounting sense of pressure; a fear that there may not be any good-paying jobs, an undercurrent of disillusionment about lower-paid jobs, and then, almost in despair, a willingness to take anything that is offered.

Remember when they marched off to war? The kid down the street, and the druggist's son, your sons and your nephews? Remember how fervently we promised them in friendly salute and by legislative enactment that we would provide for them when they came home? Remember the promises we made? We made those promises resolutely in good faith and we must keep them as resolutely as we made them.

When we told our fighting men that they were fighting enemies who would banish freedom from the earth; when we told them that we were fighting, all of us, for a world in which all men would have the right to a job and a decent standard of living, and the opportunity to advance, those were not empty words. They were the words of men and women who believed that these things were worth fighting for.

Now that the great crisis is over, are those principles and ideals any less important?

Are we going to say to those 11,000,000 men and women who fought for these cherished ideals that now the fat is out of the fire we do not want to remember the promises we made; we do not want to remember the sacrifices they made; that we have forgotten and that they are the forgotten men?

Mr. CARVILLE. Mr. President, there are few Americans today who will disagree with the principle of the minimum wage as established in the Fair Labor Standards Act of 1938. Oh, there are some, of course, but it has been my observation that a great majority of those who fight the minimum-wage principle are those who have special interests of their own or who are attacking this bill in the interest of a favored few.

I hold no brief for the kind of theories which have been humorously referred to as "a chicken in every pot," or a $30 pension every Thursday, or any other such impractical scheme, but I do know that America can afford and should provide wages which will guarantee a minimum standard of decency for all its citizens.

Even if we look at this problem from a purely cold-blooded financial standpoint, I believe we must admit that an increase in minimum wages is imperative.

All financial experts have agreed that if this Nation expects to pay off the staggering national debt necessarily accumulated in our victorious war effort, a high national income must be maintained.

We cannot guarantee increased national income if we do not guarantee increased minimum wages. We cannot maintain a high level in national income on a starvation wage basis.

Senate bill 1349 does not even provide for that minimum for a family of four. An emergency level budget for a family of four, used by the Works Progress Administration in 1935 as a guide in handling unemployment relief, was priced in 1944 in five textile communities in the South and in New England. That budget cost the manual worker's family a little over $1,400. Slight increases in the cost of living since January and February 1944, when that study was made, would bring the total cost of that emergency level budget to about $1,450 at the present time. This is an emergency level I am talking about—an emergency level to keep people from absolute starvation. It does not include any of the things we usually mean when we talk about the American way of life.

As Senators know, the pending bill provides for a minimum wage of 65 cents an hour, or $1,300 a year. Where will the other $150 for a family of four come from? Shall the members of such a family, where there is only one breadwinner, cut down on their expenditures for food and clothing? Let us see if they can. That emergency-level budget included 15 cents a meal per person and $16.73 a month for rent, and other items in proportion. Is there a chance to cut down on such a budget?

How is it possible to cut down on a family budget when it does not, in the first place, provide enough meat and potatoes, milk and eggs, enough fruits and vegetables, enough clothing, or enough of anything to maintain that level of decency we have in mind when we think of America.

Mr. President, some of the opponents of the bill will say that there is such a large proportion of American workers who are single that these figures on an emergency-level budget for a family of four do not apply. Let us take a look at the facts. In 1941 only 25 percent of the workers in America who were below

the minimum-wage level proposed in this bill were single men and women, and I am informed that the percentage is about the same at present.

Three-fourths of the wage earners of America getting less than the minimum wage are married. That is sufficient, so far as I am concerned, to justify raising the minimum for all. But, of course, that does not mean that the raise is not justified also for those workers who are single. Is it necessary to place a stigma upon a person simply because he or she is not married? Is their labor not worth as much as that of a married man or woman? Furthermore, all evidence points to the fact that the minimum wage of 65 cents proposed by the bill does not even provide a decent standard of living for a single person in these modern times.

The Heller committee for research in social economics of the University of California compiles the budget and other studies used by the minimum-wage board of the State of California. Statistics prepared by this group are generally regarded as the most carefully drawn of any budget ever developed by a private agency. For that reason I feel studies made by the Heller group concerning the standard of living in San Francisco are particularly impressive. The study to which I refer showed that for a single woman, living alone in San Francisco, an income of $1,439 annually was necessary to enable her to maintain herself adequately.

In New York State—not New York City—the cost for an adequate budget for a single woman, living alone, was calculated by the New York State Department of Labor to be more than $1,300 annually. And $1,300 is the amount provided in this bill for full employment through 50 weeks of the year.

In the face of such studies, the arguments of those who oppose the bill fade into contentious opinion or into wishful thinking in a vain hope to defeat the bill.

Practically all of the expert testimony before the subcommittee was to the effect that the 65-cent minimum—or a wage of only $1,300 a year—was not even sufficient to maintain either the single worker or the wage earner with a family at a standard of decency or adequacy. Offering such statements were such men as Clinton P. Anderson, Secretary of Agriculture; Mr. A. F. Hinrichs, Acting Commissioner of the Bureau of Labor Statistics; and Mr. Chester Bowles, OPA Administrator. And may I point out that studies conducted under the direction of agencies these gentlemen represent are conducted from an objective point of view. Theirs is no special interest, save the special interest of the welfare of the people as a whole.

Mr. Bowles pointed out in his testimony in regard to submarginal workers:

> Before the war they eked out a living at the bargain counter. They bought clothing that had been passed over by other customers of unattractiveness or unserviceability. They bought the foods which were a glut on the market or which were marked down just before the close of business to avoid spoilage. They lived in dilapidated dwellings without even a decent minimum of medical care.

I would challenge only one part of Mr. Bowles' statement, and that is his reference to eking out a living. In my view, the statement should have referred to eking out a bare existence.

Pointing out the need for raising the minimum wage, President Truman requested Congress last September to review and amend the Fair Labor Standards Act of 1938 in order to increase substantially the present statutory minimum wage rate of 40 cents an hour. At that time, President Truman said, in part:

> The foundations of a healthy economy cannot be secure so long as any large section of our working people receive substandard wages. The existence of substandard wage levels sharply curtails the national purchasing power and narrows the market for the products of our farms and factories. * * * I believe that the goal of a 40-cent minimum was inadequate when established. It has now become obsolete.

Later in his message on the state of the Union, on January 21 of this year, the President said further:

> The proposed minimum wage of 65 cents an hour would assure the worker an annual income of about $1,300 a year in steady employment. This amount is clearly a modest goal.

Supporting these statements of the President are the testimony of expert after expert and the statements of worker after worker to the effect that the minimum is barely above the existence level, and that it is clearly not adequate for either married workers or for those who are single. In view of the facts, America can ill afford to sit idly by while the wage earners of the Nation continue to subsidize industry and special interests so that business may continue as usual and so that profits may be heaped upon profits.

The tempo of living is increasing in our Nation. The distinguished Senator from Utah [Mr. THOMAS] ably pointed out last Friday that over a long period of time the minimum-wage level has advanced from 10 cents until now it stands at 40 cents. The level has remained static at 40 cents for too long a period of time when one considers the rapid advances made in all other fields. We cannot have continued progress for the entire Nation unless each and every segment of national life progresses. During the war the speed of a convoy was determined by the speed of the slowest ship in the group. So will the level of our national existence be determined by the minimum wage we establish here. Let us not put the drag of a bare-existence wage on the American standard of living.

Most of the opponents of the bill, in attempting a refutation of expert testimony as to the proper wage necessary to maintain the health, efficiency and general well-being of workers, offer opinion and conjecture, but present few facts in support of the view of a minority of the Nation who would block passage of Senate bill 1349. Senators have heard on this floor ample argument and factual concrete reasons for passing the bill, presented by those who have the welfare of the Nation as a whole at heart.

The wage earners of America need support. Particularly is this true of those workers who are getting less than the 65 cents provided in the bill, because a majority of such workers are not represented by unions and thus have no bargaining power. Such workers must be protected, and I suggest that the Congress of the United States in its function of legislating in the interests of the Nation as a whole, protect such workers by passing Senate bill 1349.

There is ample evidence to show that industry can afford it; that price rises will be necessary in but few isolated instances and in very small amounts in order to provide the 65-cent minimum. The increased purchasing power of the workers brought up to the 65-cent level will provide greater markets for American farmers. The minimum wage law should be passed as a service and protection to our veterans. Furthermore, it should be pointed out that in our economy of from one hundred and fifty to one hundred and sixty billion dollars a year and increased production per worker, the wage earner must receive an increased share of the profits of his productivity.

URGENT DEFICIENCY APPROPRIATION ACT, 1946—CONFERENCE REPORT

Mr. THOMAS of Oklahoma obtained the floor.

Mr. McKELLAR. Mr. President, will the Senator yield to me so I may present a conference report?

Mr. THOMAS of Oklahoma. I yield.

Mr. McKELLAR. I submit a conference report on the urgent deficiency appropriation bill.

The PRESIDING OFFICER. The report will be read.

The Chief Clerk read the report, as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5458) making appropriations to supply urgent deficiencies in certain appropriations, for the fiscal year ending June 30, 1946, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:
>
> That the Senate recede from its amendment numbered 5.
>
> That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, and 4, and agree to the same.
>
> Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:
>
> "For an additional amount for clerical assistance to Senators (including chairmen of standing committees) at the rate of $2,400 per annum, effective March 16, 1946, fiscal year 1946, $67,200."
>
> And the Senate agree to the same.
>
> Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment insert the following: "and the amount available for printing and binding fixed at $346,000 by the First Supplemental Surplus Appropriation Rescission Act, 1946, is hereby increased to $398,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,600,000"; and the Senate agree to the same.

KENNETH MCKELLAR,
CARL HAYDEN,
MILLARD E. TYDINGS,
RICHARD B. RUSSELL,
CHAN GURNEY (except on item No. 7),
Managers on the Part of the Senate.

CLARENCE CANNON,
LOUIS LUDLOW,
EMMET O'NEAL,
LOUIS C. RABAUT,
JED JOHNSON,
JOHN TABER,
R. B. WIGGLESWORTH,
EVERETT M. DIRKSEN,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

Mr. WHITE. Mr. President, will the Senator from Tennessee indicate what agreements were reached in conference? What are the substantial matters dealt with?

Mr. McKELLAR. There are only two. One concerns the OPA and the other the CPA.

Mr. WHITE. Was there complete agreement among the Senate conferees?

Mr. McKELLAR. No, there was not. The Senator from South Dakota [Mr. GURNEY] agreed to the report with the exception of the provision with respect to OPA, as I recall. I hope the Senator from South Dakota will not object to the report. All the other members of the conference committee signed the report without having any objection to it.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. GURNEY. In the conference meeting it was stated that the Office of Price Administration had, without the appropriation contained in the bill, approximately $29,000,000 with which to operate from now until June 30. The extra amount carried in the appropriation bill for OPA was $1,854,000, I believe, to be added to the $29,000,000.

Mr. McKELLAR. That is correct. It was testified that the additional amount was necessary.

Mr. GURNEY. The Senate cut the $1,850,000 in two, which would have given the Office of Price Administration approximately $30,000,000 instead of $29,000,000 with which to operate for the remainder of this fiscal year.

Mr. McKELLAR. As I recall, the conferees agreed on an additional $1,600,000.

Mr. WHITE. Is that the agreement?

Mr. GURNEY. I did not agree to that amount for OPA. I agreed to the remaining items in the bill.

Mr. WHITE. Did the other conferees agree to this figure?

Mr. GURNEY. I was outvoted.

Mr. WHITE. That is what I wanted to get at. Did the other minority conferees agree and sign?

Mr. GURNEY. I was the only minority conferee present, and I voted the absent conferees on the minority side as I voted. So the minority conferees did not agree to the amount of $1,600,000 finally agreed on by the majority.

Mr. BRIDGES. Mr. President, in answer to the distinguished Senator from Maine, let me say that I concur in the views expressed by the Senator from South Dakota [Mr. GURNEY]. I was not present at the conference, and did not sign the report, but the Senator from South Dakota represented my views there, and he has expressed them on the floor. I am still of the same opinion, although I am not going to raise an objection at this time to action on the conference report.

Mr. McKELLAR. I thank the Senator.

Mr. GURNEY. Mr. President, I should like to make one statement, if the Senator from Tennessee will further yield.

Mr. McKELLAR. I yield.

Mr. GURNEY. With the adoption of this conference report the Office of Price Administration certainly will have plenty of money to function for the remainder of the present fiscal year. The conferees agreed on an additional $1,600,000.

Mr. McKELLAR. That is correct.

Mr. GURNEY. That will give the OPA a total of approximately $30,600,000 to spend between now and June 30, which certainly should be sufficient.

Mr. McKELLAR. It seems so to me. I agree with the Senator.

Mr. OVERTON. Mr. President, there were only two items in controversy. One was the appropriation for the Civilian Production Administration. That was debated for some time on the floor of the Senate, and was very thoroughly considered by the Committee on Appropriations. We came to the conclusion that that appropriation should be cut in half.

With respect to the OPA, in view of the tremendous sums which OPA already has on hand to continue for the remainder of the fiscal year, I believe that the reduction was very modest.

It seems to me that the Senate conferees abandoned the position of the Senate on the two items in controversy, and it is with rather keen disappointment that I note that that has occurred.

Mr. McKELLAR. Mr. President, it was a matter of compromise. It has been the rule in conferences on appropriations ever since I have been a Member of the Senate to compromise with the other side when an agreement cannot be reached, unless the difference is one which cannot be compromised.

Mr. OVERTON. There was no compromise with respect to the Civilian Production Administration. There was a complete abandonment by the Senate conferees of the position taken by the Senate.

Mr. McKELLAR. The Senator is correct.

Mr. OVERTON. And there was an almost complete abandonment by the Senate conferees of the amendment adopted by the Senate with respect to the OPA. I do not intend to fight the conference report.

Mr. McKELLAR. I can understand that the Senator is not satisfied with it.

Mr. WHITE. Mr. President, I have some doubt as to the justification for the increase in this appropriation, but conference reports always speak in terms of compromises which have been reached, and which are necessary if the minds of the two Houses are to come together and if legislation is to be ultimately passed and have the approval of the President. Under the circumstances, unless some of the minority members of the conference desire otherwise, I have no disposition to object to the consideration of the report.

Mr. McKELLAR. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. TAFT. Mr. President, I think we should read into the RECORD what Mr. Bowles said about us after we reduced the appropriation by about $900,000. Mr. Bowles said:

> The Nation's whole effort to settle labor-management disputes quickly, to speed up production, to wipe out black markets, to keep rents and prices in line and to get houses built for our veterans is threatened with a severe setback unless the Congress acts to restore funds and essential housing legislation which were washed out last week.
>
> * * * * *
>
> Mr. Bowles contended that "the move to cut these vital appropriations was inspired by a few old enemies of price and rent control whose primary interest was not money-saving at all but a cellar-door attack on the Nation's whole stabilization program."
>
> The actions taken last week, he said, "were bad news" for the following:
>
> "All decent American families and businessmen who depend on OPA enforcement to protect them from overcharges and unfair competition."

I wonder whether the Senator from Tennessee feels that the move to cut these appropriations was inspired by "a few old enemies of price and rent control whose primary interest was not money saving at all but a cellar-door attack on the Nation's whole stabilization program."

Mr. McKELLAR. If Mr. Bowles' name crossed my mind in the remotest way in the consideration of this matter, I do not recall it. He had nothing whatever to do with the matter. So far as his opinions are concerned, I would not be guided very far by them. I would be just as likely to be guided by the opinion of Life of a week or 10 days ago. I do not believe that I would be influenced in the slightest either by Mr. Bowles' opinion of Mr. Luce's opinion.

Mr. TAFT. I conclude briefly. Mr. Bowles further stated:

> The actions were "good news," he concluded, "only for the black marketeers, gougers, and speculators; for all the selfish pressure groups who think that somehow, in an inflationary rough-and-tumble, they can get theirs and get out."

Does the Senator feel that our action had any tendency whatever toward that result?

Mr. McKELLAR. No. I have heard that Mr. Bowles is probably a candidate for the Presidency. Perhaps that had some influence. I do not know. I am simply repeating what some newspapers have said.

Mr. TAFT. Was not the net effect of our action to leave Mr. Bowles with $27,000,000 instead of $28,000,000, or approximately that? Is not that about the relative importance of the action which we took in saving money?

Mr. McKELLAR. In my judgment, and in the judgment of the committee, the action which the Senate took would leave him ample funds to carry out all proper functions of the OPA.

Mr. TAFT. I understand why the conference committee felt that it was necessary to restore most of the money. I think it is unfortunate. I understand the necessity of agreeing with the House; but it ought not to be taken in any way as an admission of any of Mr. Bowles' charges against the Senate, or against those who in the first instance inspired the cut in the appropriation.

Mr. McKELLAR. I hope no one will take it as an admission of any such charges.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

WAR DEPARTMENT CIVIL FUNCTIONS APPROPRIATIONS

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of the War Department civil functions appropriation bill, House bill 5400.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 5400) making appropriations for the fiscal year ending June 30, 1947, for civil functions administered by the War Department, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma?

There being no objection, the Senate proceeded to consider the bill (H. R. 5400) making appropriations for the fiscal year ending June 30, 1947, for civil functions administered by the War Department, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. THOMAS of Oklahoma. Mr. President, the bill now before the Senate is H. R. 5400, making appropriations for civilian functions or nonmilitary activities of the War Department. The bill covers river and harbor improvements, flood-control items, items for the Panama Canal, items for the maintenance of soldiers' homes, and items for the maintenance of soldiers' cemeteries. The Corps of Engineers of the United States Army, being a branch of the War Department, requested that the Bureau of the Budget recommend and approve total appropriations for these purposes of $335,923,240. That was divided between flood-control projects and river and harbor projects, as follows: For flood control, $215,054,400; for rivers and harbors, $120,868,840. In response to those requests, the Bureau of the Budget approved a total sum of only $177,165,000. That sum is broken down as follows: For flood-control purposes, approved by the Bureau of the Budget, $124,350,000; for river and harbor projects, $52,815,000.

Of the total amount approved by the Bureau of the Budget, the other body of the Congress in considering the request reduced the amount considerably. The other House approved a total sum for the two functions of only $126,161,750, which is broken down as follows: For flood control, $96,150,000; for rivers and harbors, $30,011,750.

The bill came to the Senate in that shape. The Senate has a leeway in regard to the bill, over and above what the House of Representatives approved, and yet still within the total estimates of the Bureau of the Budget, as follows: For flood control, a total of $28,200,000; for rivers and harbors, a total of $22,803,250; making a total sum which it is within the purview of the Senate to approve—and still be within the recommendations of the Bureau of the Budget—of $51,003,250.

The Senate committee held extensive hearings on the various items. Due to the fact that, in the main, the war stopped the construction of river and harbor projects and flood-control projects for a long period of time, we find a great accumulation of both river and harbor projects and flood-control projects awaiting consideration and appropriation and construction. So the Senate committee voted to increase substantially the amounts carried in the bill as passed by the House of Representatives.

In order that the RECORD may show exactly what the Senate committee did, I ask unanimous consent that at this point in the RECORD the Senate committee's report may be printed in full.

There being no objection, the report (No. 1067) was ordered to be printed in the RECORD, as follows:

The Committee on Appropriations, to whom was referred the bill (H. R. 5400) making appropriations for the fiscal year ending June 30, 1947, for civil functions administered by the War Department, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made:

Amount of bill as passed House	$285,987,498
Amount of increase by Senate (net)	73,615,000
Amount of bill as reported to Senate	359,602,498
Amount of regular and supplemental estimates for 1947	337,028,509
Amount of appropriations 1946	261,091,540
The bill as reported to the Senate—	
Exceeds the estimates for 1947	22,573,989
Exceeds the appropriations for 1946	98,510,958

The break-down of the direct appropriation of $359,602,498 in the bill recommended by the committee is as follows:

Quartermaster Corps:	
Cemeterial expenses	$2,433,000
Signal Corps:	
Alaska Communication System	543,000
Corps of Engineers:	
Rivers and harbors	$118,534,750
Alteration of bridges	2,900,000
Flood control, general	161,777,500
Flood control, Kern River, Kings River, and Tulare Lake, Calif. ($1,000,000 each for Kern River (Isabella Reservoir), Calif., and Kings River and Tulare Lake project, California.)	2,000,000
Flood control, Mississippi River and tributaries	46,000,000
Emergency fund for flood control on tributaries of Mississippi River	500,000
Flood control, Sacramento River, Calif.	2,000,000
Power plant, Fort Peck Dam, Mont.	1,505,000
Miscellaneous civil works	12,000
Total, Corps of Engineers	335,229,250
U. S. Soldiers' Home	1,596,248
The Panama Canal:	
Maintenance and operation	12,749,000
Sanitation, quarantine, etc	2,010,000
Civil government	2,424,000
Construction of additional facilities	2,618,000
Total, the Panama Canal	19,801,000
Total, direct appropriations in bill as recommended to the Senate	359,602,498

RIVERS AND HARBORS CONSTRUCTION

The Budget estimate for rivers and harbors improvement work (including construction and advance planning) totals $52,815,000. The bill as passed by the House contains $30,011,750 for rivers and harbors improvement work, of which $27,776,250 was allowed by the House for construction (including $2,579,500 for advance planning on such projects). The rivers and harbors construction funds allowed by the House ($27,776,250) were earmarked by the House action for the following projects:

New York Harbor, N. Y.	$1,510,000
New York and New Jersey Channels	3,634,000
Waterway on the coast of Virginia	65,000
Canaveral Harbor, Fla.	830,500
Mobile Harbor, Ala.	475,000
Apalachicola, Chattahoochee, and Flint Rivers, Ga. and Ala.	1,010,000
Pearl River, Miss. and La.	1,010,500
Gulf Intracoastal Waterway between Apalachee Bay, Fla., and the Mexican border (Galveston district)	2,030,000
Trinity River, Tex.	[1] 1,490,000
Neches and Angeline Rivers, Tex.	1,500,000
Mississippi River between the Ohio and Missouri Rivers	3,500,000
Missouri River, mouth to Kansas City	1,500,000
Missouri River, Kansas City, Mo., to Sioux City, Iowa	2,500,000
Ohio River open-channel work	526,000
Kanawha River, W. Va.	554,200
Illinois waterway, Illinois	160,000
St. Marys River, Mich.	4,611,250
Old River, Calif.	25,000

[1] This item contains $1,040,000 for advance planning and $450,000 for commencement of construction.

Columbia River between Vancouver, Wash., and Bonneville, Oreg	$39,000
(An additional $400,000 recommended by Senate committee.)	
Columbia River at Bonneville, Oreg	805,800
Total	27,776,250

ADVANCE PLANNING ON RIVER-AND-HARBOR PROJECTS

For advance planning on river-and-harbor projects (exclusive of $2,579,500 for advance planning estimated for in connection with projects for which construction funds were allowed in the estimates), the Budget estimate totals $2,235,500, all of which was allowed by the House. The $2,235,500 allowed by the House was earmarked for the following projects:

St. Johns River, Fla., Jacksonville to the ocean	$83,000
(An additional $2,689,000 for improvement work recommended by Senate committee.)	
Intracoastal Waterway from Jacksonville to Miami, Fla	40,000
Miami Harbor (Biscayne Bay), Fla	5,000
Intracoastal Waterway from Caloosahatchee River to Anclote River, Fla	115,000
Tampa Harbor, Fla	19,400
(An additional $400,000 for improvement work recommended by Senate committee.)	
Alabama and Coosa Rivers, Ga. and Ala	316,000
Chocolate Bayou, Tex	5,000
Guadalupe River, Tex	157,000
Lavaca and Navidad Rivers, Tex	3,500
Mississippi River between the Missouri River and Minneapolis, Minn	289,000
Missouri River at Fort Peck, Mont	20,000
Ohio River lock and dam construction	28,000
Harbors of refuge for light-draft vessels	29,100
Ashtabula Harbor, Ohio	5,000
Buffalo Harbor, N. Y	12,500
Black Rock Channel and Tonawanda Harbor, N. Y	5,000
Chetco River, Oreg	2,000
Depoe Bay, Oreg	1,000
Snake River, Oreg., Wash., and Idaho	500,000
Columbia River, Oreg., and Wash., Umatilla (McNary) Dam	600,000
(An additional $4,400,000 for improvement work recommended by Senate committee.)	
Total	2,235,500

COMMITTEE RECOMMENDATIONS ON CONSTRUCTION AND ADVANCE PLANNING ON RIVER AND HARBOR PROJECTS

The committee has approved the foregoing river-and-harbor items allowed by the House, totaling for construction and advance planning $30,011,750. In addition, the committee recommends that in some instances the amounts allowed by the House be increased and that additional projects be added to the bill. The increased amounts and the additional projects recommended by the committee appear on page 8 of this report and total $20,651,500; thus making a total in the bill as reported to the Senate for construction and advance planning on river-and-harbor projects of $50,663,250.

FLOOD CONTROL, GENERAL

CONSTRUCTION

The Budget estimate for construction items under the appropriation "Flood control, general" totals $124,350,000. The bill as passed by the House contains $96,150,000 for flood control, general, construction items to provide funds for continuing construction on 62 projects. The construction funds allowed by the House ($96,150,000) were earmarked by the House action for the following projects:

Mansfield Hollow Reservoir, Conn	$1,445,000
Union Village Reservoir, Vt	1,309,000
Holyoke, Mass	763,000
(An additional $344,000 recommended by the Senate committee to provide for the Springdale section of this project.)	
Syracuse, N. Y	900,000
Almond Reservoir, N. Y	1,100,000
East Sidney Reservoir, N. Y	1,200,000
Elmira, N. Y	540,000
Sunbury, Pa	900,000
Williamsport, Pa	1,300,000
Buggs Island Reservoir, Va. and N. C	3,000,000
Clark Hill Reservoir, Ga. and S. C	4,000,000
(An additional $1,000,000 recommended by Senate committee to allow full amount of Budget estimate.)	
Allatoona Reservoir, Ga	4,000,000
(An additional $1,000,000 recommended by Senate committee to allow full amount requested by Corps of Engineers.)	
Homochitto River, Miss	14,000
Narrows Reservoir, Ark	1,500,000
Bayou Bodcau, Red Chute, and Loggy Bayou, La	123,500
Bayou Bodcau Reservoir, La	1,300,000
Shreveport, La	900,000
Blakely Mountain Reservoir, Ark	1,000,000
Memphis, Tenn	1,000,000
Buffalo Bayou, Tex	2,200,000
Hords Creek Reservoir, Pecan Bayou, Tex	500,000
John Martin Reservoir, Colo	1,122,400
Blue Mountain Reservoir, Ark	1,132,600
Clearwater Reservoir, Mo	2,000,000
Norfolk Reservoir, Ark	1,000,000
Bull Shoals Reservoir, Ark	3,585,200
(An additional $2,000,000 recommended by Senate committee to allow full amount of Budget estimate.)	
Denison Reservoir, Tex. and Okla	3,000,000
Canton Reservoir, Okla	2,500,000
Fort Gibson Reservoir, Okla	3,500,000
Fall River Reservoir, Kans	2,000,000
Wister Reservoir, Okla	1,750,000
Hutchinson, Kans	800,000
Kansas Citys, Mo. and Kans	2,000,000
(An additional $500,000 recommended by Senate committee to allow full amount of Budget estimate.)	
Kanopolis Reservoir, Kans	1,972,000
Harlan County Reservoir, Nebr	1,500,000
(An additional $500,000 recommended by Senate committee to allow full amount of Budget estimate.)	
Garrison Reservoir, N. Dak	3,000,000
(An additional $1,000,000 recommended by Senate committee to allow full amount of Budget estimate.)	
Council Bluffs, Iowa	500,000
Omaha, Nebr	800,000
Missouri River between Kenslers Bend, Nebr., and the combination bridge at Sioux City, Iowa	360,000
Wolf Creek Reservoir, Ky	3,500,000
(An additional $1,300,000 recommended by Senate committee to allow full amount of Budget estimate.)	
Dale Hollow Reservoir, Tenn. and Ky	1,455,000
Center Hill Reservoir, Tenn	$3,500,000
(An additional $1,300,000 recommended by Senate committee to allow full amount of Budget estimate.)	
Mounds and Mound City, Ill	700,000
Newport, Ky	800,000
Delaware Reservoir, Ohio	1,500,000
Muskingum River Reservoirs, Ohio	1,548,000
Portsmouth—New Boston, Ohio	1,000,000
Bluestone Reservoir, W. Va	3,500,000
(An additional $500,000 recommended by Senate committee to allow full amount of Budget estimate.)	
Massillon, Ohio	1,001,000
Parkersburg, W. Va	500,000
Dewey Reservoir, Ky	510,000
Dillon Reservoir, Ohio	2,000,000
Youghiogheny River Reservoir, Pa	619,200
Conemaugh River Reservoir, Pa	2,500,000
Punxsutawney, Pa	556,000
Elkins, W. Va	552,900
Coal Creek drainage and levee district, Illinois	565,400
Mount Morris Reservoir, N. Y	1,000,000
Los Angeles River, Calif	3,000,000
(An additional $1,000,000 recommended by Senate committee to allow full amount of Budget estimate.)	
Detroit Reservoir, Oreg	1,500,000
(An additional $500,000 recommended by Senate committee to allow full amount of Budget estimate.)	
Dorena Reservoir, Oreg	2,018,200
Tacoma, Wash	807,600
Total	96,150,000

ADVANCE PLANNING ON FLOOD-CONTROL PROJECTS

The Budget estimate for advance planning on flood-control, general, projects totals $8,000,000. Of this amount, the House allowed $7,900,000 earmarked for the following projects:

Blackstone River Basin: West Hill Reservoir, Mass	$40,000
Thames River Basin:	
East Brimfield Reservoir, Mass	20,000
South Coventry Reservoir, Conn	35,000
Connecticut River Basin:	
West River Reservoirs, Vt	230,000
North Hartland Reservoir, Vt	70,000
North Springfield Reservoir, Vt	70,000
Housatonic River Basin: Thomaston Reservoir, Conn	130,000
Lake Champlain Basin:	
East Barre Reservoir, Vt	34,000
Wrightsville Reservoir, Vt	20,000
Waterbury Reservoir, Vt	8,000
Hoosic River Basin: North Adams, Mass	10,000
Susquehanna River Basin:	
Copes Corner Reservoir, N. Y	180,000
Swoyerville and Forty Fort, Pa	50,000
Genegantslet Reservoir, N. Y	60,000
South Plymouth Reservoir, N. Y	190,000
Roanoke River Basin: Philpott Reservoir, Va	300,000
Colorado River Basin:	
Lake Brownwood Reservoir, Tex	42,000
San Angelo Reservoir and Floodway, Tex	40,000
(An additional $2,000,000 recommended by the Senate committee for construction phases of this project.)	
Eagle Lake to Matagorda, Tex	75,000

White River Basin:	
Greers Ferry Reservoir, Ark.	$30,000
Lone Rock Reservoir, Ark.	23,000
Table Rock Reservoir, Mo.	100,000
Arkansas River Basin:	
Optima Reservoir, Okla.	60,000
Mannford Reservoir, Okla.	80,000
Oologah, Reservoir, Okla.	100,000
(Recommended by Senate committee to be deleted from the bill.)	
Neodesha Reservoir, Kans.	75,000
Elk City Reservoir, Kans.	75,000
Upper Mississippi River Basin:	
Red Rock Reservoir, Iowa.	200,000
Sabula, Iowa	3,500
Coralville Reservoir, Iowa.	62,000
Joanna Reservoir, Mo.	60,000
Galena, Ill.	6,000
Turkey River at Elkport, Iowa	2,000
Red River of the North Basin:	
Pembina River Reservoir, N. Dak.	35,000
Tongue River Reservoir, N. Dak.	35,000
Park River Reservoir, N. Dak.	30,000
Missouri River Basin:	
Sioux City, Iowa	20,000
Oahe Reservoir, S. Dak.	100,000
(An additional $600,000 recommended by Senate committee for advance planning.)	
Fort Randall Reservoir, S. Dak.	1,000,000
(An additional $4,000,000 recommended by the Senate committee, making a total of $5,000,000 proposed in the bill for advance planning and initiation of construction of this project.)	
Arlington Reservoir, Mo.	50,000
Richland Reservoir, Mo.	50,000
Tuttle Creek Reservoir, Kans.	400,000
(Recommended by Senate committee to be deleted from the bill.)	
Missouri River Levees, Sioux City, Iowa, to the mouth	1,000,000
Ohio River Basin:	
Shenango Reservoir, Pa. and Ohio	100,000
Eagle Creek Reservoir, Ohio	90,000
Allegheny River Reservoir, Pa.	155,000
Turtle Creek Reservoir, Pa.	41,000
Ridgway, Johnsonburg, Brockway and vicinity, Pennsylvania	120,000
Latrobe, Pa.	20,000
Dillonvale and Adena, Ohio	31,000
Burr Oak Reservoir, Ohio	31,000
Roseville, Ohio	5,000
Jackson Cut-off, Ky.	5,000
Carrollton, Ky.	15,000
Greenup, Ky.	15,000
Cleves, Ohio	10,000
Ashland, Ky.	8,000
Maysville, Ky.	7,000
Levee Unit No. 5, Wabash River, Ind.	40,000
Indianapolis (Warfleigh section), Ind.	30,000
Mining City Reservoir, Ky.	40,000
Illinois River Basin: Farm Creek Reservoirs, Ill.	100,000
(An additional $996,000 recommended by the Senate committee to carry forward construction phases of these reservoirs.)	
Colorado River Basin (Ariz.): Alamo Reservoir, Ariz.	90,000
Santa Ana River Basin:	
San Juan Reservoir, Calif.	60,000
San Antonio Reservoir, Calif.	80,000
Carbon Canyon Dam and Channel, Calif.	50,000
Los Angeles County drainage area:	
Compton Creek, Calif.	$35,000
Pacoima Wash, Calif.	51,000
Rio Hondo Channel, Calif.	40,000
Rubio Canyon and Eaton Wash, Calif.	40,000
Ventura River Basin: Ventura River levees, California	50,000
Sacramento-San Joaquin River Basin:	
Hogan Reservoir, Calif.	27,000
Farmington Reservoir, Calif.	80,000
Success Reservoir, Calif.	120,000
Tuolumne River Reservoir, Calif.	5,000
New Melones Reservoir, Calif.	285,000
Folsom Reservoir, Calif.	150,000
Kings River and Tulare Lake Basin, including Pine Flat Reservoir, Calif.	200,000
(An additional $1,000,000 recommended by Senate committee for construction of works for flood control on Kings River and Tulare Lake project, California, with provision that none of the amount shall be used for construction of the dam until the Secretary of War has received the reports as to the division of costs between flood control, navigation, and other water uses from the Bureau of Reclamation and local organizations and a determination has been made as to what the allocation shall be. Provision is further made that the reports from these continuing studies shall be made not later than 9 months from the date of the enactment of H. R. 5400.)	
Merced County stream group, California	50,000
Pacific coastal area: Pajaro River, Calif.	25,000
Willamette River Basin:	
Quartz Creek Reservoir, Oreg.	130,000
Sweet Home Reservoir, Oreg.	100,000
North Pacific coastal area:	
Coquille River Basin, Oreg.	12,000
Nehalem River Basin, Oreg.	2,500
Arlington, Oreg. (Alkali Canyon)	4,000
Recreational developments—investigations and plans	150,000
Total	7,900,000

COMMITTEE RECOMMENDATIONS ON CONSTRUCTION AND ADVANCE PLANNING ON FLOOD CONTROL, GENERAL PROJECTS

With the exception of $400,000 for the Tuttle Creek Reservoir, Kans., and $100,000 for the Oologah Reservoir, Okla., the committee has approved the foregoing flood control, general, items for construction and advance planning allowed by the House, totaling $104,050,000. In addition, the committee recommends that in some instances the amounts allowed by the House be increased and that additional projects be added to the bill. The increased amounts and the additional projects recommended by the committee appear on pages 9–11 of this report and total $51,463,500. Taking into account the $400,000 decrease recommended for the Tuttle Creek Reservoir, Kans., and the $100,000 decrease recommended for the Oologah Reservoir, Okla., the net increase recommended for flood control, general, projects is $50,963,500. Therefore, as recommended by the committee, the bill contains a total of $155,013,500 for construction and advance planning on flood control, general, projects.

In addition, the committee recommend to be included as separate appropriations in the bill $1,000,000 for construction of works for flood control on the Kern River (Isabella Reservoir), Calif., and $1,000,000 for construction of works for flood control in connection with the Kings River and Tulare Lake project, California.

The changes in the amounts of the House bill recommended by the committee are as follows:

INCREASES AND LIMITATIONS

Corps of Engineers: Office of the Chief of Engineers: The committee recommend that the following provision be added to the bill: "*Provided further*, That the expenditures on this account for the fiscal year 1947 shall not exceed $1,000,000, and the Secretary of War shall each year, in the Budget, report to Congress the number of persons so employed, their duties, and the amount paid to each." A limitation similar to the foregoing provision is carried in the law for the current fiscal year, and the committee feel that such a limitation should be continued in the law for the fiscal year 1947. The effect of the above provision is to establish a sum which cannot be exceeded in the payment of salaries of persons employed in the Office of the Chief of Engineers on civil works.

Rivers and harbors	$20,651,500

The increase of $20,651,500 recommended by the committee is for the following projects:

Crescent City Harbor, Calif.	1,610,000
New Haven Harbor, Conn.	700,000
Bridgeport Harbor, Conn.	300,000
St. Johns River, Fla., Jacksonville to Lake Harney	300,000
St. Johns River, Fla., Jacksonville to the ocean	2,689,000
(In addition to $83,000 allowed by the House.)	
Lake Worth Inlet, Fla.	711,000
Tampa Harbor, Fla.	400,000
(In addition to $19,400 allowed by the House.)	
St. Marks River, Fla.	71,000
Savannah Harbor, Ga.	1,651,000
Gulf Intracoastal Waterway (New Orleans district)	3,800,000
Bayous Petit Anse, Tigre, and Carlin, La.	160,000
Cape Vincent Harbor, N. Y.	59,000
Cape Fear River, N. C., at and below Wilmington, and Northeast (Cape Fear) River, as authorized in H. Doc. No. 131, 76th Cong., S. Doc. No. 83, 76th Cong., and S. Doc. No. 170, 76th Cong.	1,465,000
Columbia River, Oreg. and Wash., Umatilla (McNary) Dam	4,400,000
(In addition to $600,000 allowed by the House for advance planning.)	
Columbia River between Vancouver, Wash., and Bonneville, Oreg.	400,000
(In addition to $39,000 allowed by the House.)	
Columbia River and tributaries above Celilo Falls to mouth of Snake River, Oreg., and Wash.	30,000
Winyah Bay, S. C.	630,000
Wolf River (Memphis Harbor), Tenn.	100,000
Brazos Island Harbor, Port Isabel, Tex.	127,500
Sabine-Neches waterway, Texas	37,000
Sturgeon Bay and Lake Michigan ship canal, Wisconsin	11,000
Wrangell Narrows, Alaska	1,000,000
Total increase, Rivers and Harbors	20,651,500

Flood control, general	$51,463,500
The increase of $51,463,500 recommended by the committee is for the following projects:	
Bull Shoals Reservoir, Ark. (In addition to $3,585,200 allowed by the House, to provide full amount of Budget estimate.)	2,000,000
North Little Rock to Gillett, Ark	150,000
Augusta to Clarendon, Ark	500,000
De Valls Bluff, Ark	48,300
Van Buren, Ark	301,000
Crawford County levee district, Arkansas	800,000
McLean Bottom levee district No. 3, Arkansas	504,200
Near Dardanelle, Ark	203,300
Conway County levee district No. 6, Arkansas	360,700
Conway County levee districts Nos. 1, 2, and 8, Arkansas	400,000
Roland drainage district, Arkansas	331,500
Little Rock to Pine Bluff, Ark	500,000
Holbrook, Ariz	243,000
Los Angeles River, Calif. (In addition to $3,000,000 allowed by the House, to provide full amount of Budget estimate.)	1,000,000
San Gabriel River, Calif	1,300,000
Colorado Springs, Colo	475,000
Cherry Creek Reservoir, Colo	3,968,500
Allatoona Reservoir, Ga. (In addition to $4,000,000 allowed by the House, to provide full amount requested by Corps of Engineers.)	1,000,000
Clark Hill Reservoir, Ga. and S. C. (In addition to $4,000,000 allowed by the House, to provide full amount of Budget estimate.)	1,000,000
Heise-Roberts area, Snake River, Idaho	350,000
Stringtown, Fort Chartres, and Ivy Landing, Ill	392,200
Wood River levee, Illinois	400,000
Fort Chartres and Ivy Landing drainage district No. 5, Illinois	705,000
Preston drainage and levee district, Illinois	100,000
Degognia and Fountain Bluff drainage and levee district, Illinois	734,000
Harrisonville and Ivy Landing drainage levee district, Illinois	426,000
Farm Creek Reservoirs, Ill. (In addition to $100,000 allowed by the House for advance planning.)	996,000
Cannelton, Ind	1,000,000
Kansas City, Kans. and Mo. (In addition to $2,000,000 allowed by the House.)	500,000
Wichita and Valley Center, Kans	1,500,000
Wolf Creek Reservoir, Ky. (In addition to $3,500,000 allowed by the House.)	1,300,000
Boeuf, Tensas Rivers, and Bayou Macon, La	1,500,000
Pineville, La	128,300
Aloha Rigolette area, Louisiana	874,000
Tully Reservoir, Mass	659,000
Holyoke, Mass. (The increase recommended by the Senate Committee is to provide for the Springdale section of this project, and is in addition to $763,000 allowed by the House for other phases of the Holyoke project.)	344,000
Harlan County Reservoir, Nebr. (In addition to $1,500,000 allowed by the House, to provide full amount of Budget estimate.)	$500,000
Garrison Reservoir, N. Dak. (In addition to $3,000,000 allowed by the House, to provide full amount of Budget estimate.)	1,000,000
Baldhill Reservoir, N. Dak	770,000
Hulah Reservoir, Okla	3,000,000
Tenkiller Ferry Reservoir, Okla	1,500,000
Jenks, Okla	249,500
Detroit Reservoir, Oreg. (In addition to $1,500,000 allowed by the House, to provide full amount of Budget estimate.)	500,000
Lookout Point Reservoir, Oreg	4,000,000
Willamette River, Oreg. (bank protection)	550,000
East Branch, Clarion River Reservoir, Pa	500,000
Oahe Reservoir, S. Dak. (The amount recommended is for advance planning, in addition to $100,000 allowed by the House for advance planning.)	600,000
Fort Randall Reservoir, S. Dak. (In addition to $1,000,000 allowed by the House.)	4,000,000
Center Hill Reservoir, Tenn. (In addition to $3,500,000 allowed by the House.)	1,300,000
Chattanooga, Tenn., and Rossville, Ga. In connection with this project the committee recommend that the following language be added to the bill: *"Provided further,* That in connection with the Chattanooga, Tenn., and Rossville, Ga., flood-control project, the State of Tennessee or local subdivisions thereof shall furnish the rights-of-way for the entire project."	500,000
San Angelo Reservoir and floodway, Texas. (In addition to $40,000 allowed by the House for advance planning.)	2,000,000
Whitney Reservoir, Tex	3,000,000
Bluestone Reservoir, W. Va. (In addition to $3,500,000 allowed by the House.)	500,000
Total increase, flood control, general	51,463,500

Fort Gibson, Reservoir, Okla.: The committee recommend that the following provision be added to the bill: *"Provided further,* That in the construction of the Fort Gibson flood control project in Oklahoma, the chief of engineers is authorized and directed to cooperate with the officials of the city of Muskogee in protecting the domestic water supply of such city."

Flood control, Kern River, Kings River and Tulare Lake, Calif.:	
Kern River (Isabella Reservoir), Calif	$1,000,000
Kings River and Tulare Lake, Calif. The committee recommend that the following new paragraph be added to the bill: "Flood control, Kern River, Kings River and Tulare Lake, Calif.: For construction of works for flood control and other purposes on the Kern River (Isabella Reservoir, Calif., $1,000,000, and on Kings River and Tulare Lake, Calif., $1,000,000, both as authorized in Public, No. 534, 78th Cong., 2d sess., approved Dec. 22 1944: *Provided,* That none of the appropriation for the Kings River and Tulare Lake project, California, shall be used for the construction of the dam until the Secretary of War has received the reports as to the division of costs between flood control, navigation, and other water uses from the Bureau of Reclamation and local organizations and shall have made a determination as to what the allocation shall be: *Provided further,* That the reports from these continuing studies shall be made not later than 9 months from the date of the enactment of this act."	1,000,000
Total increase, Corps of Engineers	74,115,000

Section 2: The Panama Canal: The committee recommend that the following language in this section be deleted: "despite the fact that the war emergency has ended," so that the last proviso of the section will read as follows: *"Provided further,* That [despite the fact that the war emergency has ended,] the President may, if he finds it necessary because of a shortage of housing, suspend, for the fiscal year 1947, the application of those portions of this section which require the employment of citizens of the Republic of Panama or of the United States in skilled, technical, clerical, administrative, executive, or supervisory positions with the proviso that any positions now filled by persons not citizens of the Republic of Panama or the United States which are vacated for any cause shall be filled in compliance with the terms of this section as adopted for the fiscal year 1946."

Section 6: Indian lands involved in the construction of Garrison Reservoir Dam (N. Dak.) and the Oahe Reservoir Dam (S. Dak.): the committee recommend that the following section be deleted from the bill:

Section 6—Continued

"SEC. 6. The limitation on the use of funds appropriated in the First Deficiency Appropriation Act, 1946 (Public, No. 269, 79th Cong.), with respect to Indian lands involved in the construction of Garrison Reservoir Dam (N. Dak.), is hereby amended to read as follows:

"'Such funds as are or may be appropriated for the construction of Garrison Reservoir Dam (N. Dak.) and the Oahe Reservoir Dam (S. Dak.) may be expended, but no water may be stored in these reservoirs until suitable land found by the Secretary of the Interior to be comparable in quality and sufficient in area to compensate the Indians of the Three Tribes in North Dakota and the Cheyenne River Sioux Tribe in South Dakota and the Standing Rock Sioux Tribe in North Dakota and South Dakota shall be offered to the said tribes and the individual members thereof affecting in exchange for their lands on the Fort Berthold, Standing Rock, and Cheyenne River Reservations which would be inundated by the storage of water in the reservoirs named.'"

And that the following be inserted in lieu thereof:

"SEC. 6. No part of the appropriation for the Garrison Reservoir herein contained may be expended for actual construction of the dam itself until the Secretary of War shall have selected and offered, through the Secretary of the Interior, to the Three Affiliated Tribes, land which the Secretary of the Interior approves as equal in quality and sufficient in area to compensate the said tribes for the land on the Fort Berthold Reservation which shall be inundated by the construction of the Garrison Dam: *Provided further*, That said selection and offer by the Secretary of War and approval by the Secretary of the Interior, shall be consummated before January 1, 1947, after which consummation actual construction of the dam itself may proceed: *And provided further*, That funds appropriated for the construction of said dam may be transferred to the Secretary of the Interior for use by him in acquiring title to the lands thus selected.

DECREASES

Corps of Engineers:	
Flood Control, General:	
Tuttle Creek Reservoir, Kans	$400,000
(The House allowed $400,000 for advance planning in connection with this project, which the committee recommend be deleted from the bill.)	
Oologah Reservoir, Okla	100,000
(The House allowed $100,000 for advance planning in connection with this project, which the committee recommend be deleted from the bill.)	
Total decrease, Corps of Engineers	500,000
Total increase	$74,115,000
Total decrease	500,000
Net increase	73,615,000
Amount of bill as reported to Senate	359,602,498

Mr. THOMAS of Oklahoma. Mr. President, there is no controversy in the Senate committee with respect to the various items. As the amendments are read, I think we can explain them, if there is any question to be submitted.

I now ask that the formal reading of the bill be dispensed with, that the bill be read for amendment, and that the amendments of the committee be considered first.

ATOMIC ENERGY CONTROLS

Mr. VANDENBERG. Mr. President, I have no wish to precipitate a premature discussion of atomic energy controls on the floor of the Senate. But it is always important that the country should have accurate information regarding pending legislation, lest the people jump to snap judgments based upon misunderstandings. Therefore, I present briefly a factual statement which, I believe, represents the viewpoint of 10 out of 11 members of the Senate's Special Atomic Energy Committee who have voted for the so-called Vandenberg amendment creating what is called a military liaison board to advise in respect to national security when the new civilian atomic energy commission is created by the Congress. We wholly disagree with the viewpoint of others who see in this amendment some sort of military fascism—as one voluble critic has put it. Inasmuch as I have read some statements about this matter which I am unable to relate to the facts or to the realities by any stretch of the imagination, since this critical viewpoint is being constantly stressed to the country, it seems necessary to state just what 10 Senators out of 11 on the Senate's Special Atomic Energy Committee believe they are doing. Arguments can come later. I am doing no more today than stating the other side of the case so that total information may be available to our citizens.

In the first place, Mr. President, this proposal of a military liaison board is called the Vandenberg amendment only for purposes of easy identification. I am entitled to no such credit. I was merely the draftsman who put on paper the consensus of the views of 10 out of 11 members of the Senate committee in respect to national security. If accurately identified, this is not the Vandenberg amendment; this is the Byrd-Connally-Tydings-Russell-Johnson - Austin - Millikin - Hickenlooper - Hart - Vandenberg amendment.

In the second place, as a result of this amendment it is going to be possible to have a completely civilian Atomic Energy Commission in the national management of this new implement. It has resulted in the elimination even of the Secretary of War and the Secretary of the Navy from the Atomic Energy Commission. While they are in fact civilians, they would be serving, if members of the Commission, in their representative War Department and Navy Department capacities. Speaking for 10 out of 11 Senators—and if I err at any point in this statement, I shall be particularly happy to be checked by my able friend, the Senator from Georgia, who is a member of the committee—under our proposal every member of the ultimate Atomic Energy Commission will be a civilian in every aspect. Under our proposal the civilians have the last word in everything. And I mean everything. They even control the amount of fissionable material which the Army may have for experimental purposes. They control all the rules and all the regulations. They control the dissemination of information. In a word, they run the show. I am speaking of a totally civilian commission.

Mr. President, the military liaison board, around which all this controversy roars, has but one function. It makes recommendations to the civilian commission when it believes the national security is involved in the development and control of atomic energy. It has solely the power of recommendation when the national security is involved. If it believes that the civilian commission contemplates some action inimical to national security, it reports that fact to the President. The President, a civilian, has the sole power of decision, and his decision is final. The liaison committee has no vote, it has no veto, it has no affirmative power whatever. Its sole function is to require a second look by the President, if it thinks the civilian commission contemplates any error in respect to national security. That is the sum total of the story.

Mr. President, I would be unable to believe that any American citizen wants national security ignored, particularly at the present time, in respect to atomic energy. I respectfully submit that if the national security is to be consulted at all, it cannot be done at any lower minimum than we are proposing. I repeat that I find myself totally at a loss to understand the amazing adverse interpretations which have been given in respect to the recommendation of 10 out of 11 members of the Senate Special Committee on Atomic Energy.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. RUSSELL. I merely wish to say that the Senator from Michigan has stated the essential facts with respect to the action of the committee in this matter. I certainly share his views with respect to the tremendous storm of protest which has been blowing across the Nation at this very simple proposal which represents the very minimum the committee could have added to the bill in order to assure that the President of the United States will be advised at every stage of the proceeding with respect to matters which might vitally affect the national welfare and the national security. There is nothing in the bill at the present time which in any wise constitutes any form of military control of atomic energy. As the able Senator from Michigan has said, the proposition originates with a civilian board and can end only with a civilian president. At no place does the military have the right of veto or the right of control.

Mr. VANDENBERG. I thank the Senator for his statement.

Mr. HICKENLOOPER. Mr. President, will the Senator yield? I wish to make a presentation in connection with this subject.

Mr. VANDENBERG. If the Senator from Iowa will permit me to finish, I wish to do so, and then I shall be happy to have him testify with regard to any phase of this subject, because he is one of the 10 of the 11 members of the committee who are supposed to be out of step with something or other.

Mr. President, I wish to make my own position clear. I believe in civilian control to the last possible degree. I fought the May-Johnson bill, and I think I was substantially responsible for having it sidetracked. I want the use of atomic bombs to be totally outlawed by the United Nations, and I want international inspection and control which will accomplish that result. But in the meantime I submit that we are required to exercise vigilance and precaution in respect to our own national security. This and nothing more is involved in the present controversy. But no stretch of a rational imagination does it even approach military control.

Mr. President, in my opinion, if 10 out of 11 members of the special Senate committee have made any error at all in their amendment the error is purely one of nomenclature. Probably our amendment should define a military liaison committee rather than a military liaison board. The word "board" may connote to some much more formality, and therefore much more power than is contained in the amendment. Probably the word "committee" would be preferable. This would not change the facts in any degree whatsoever unless it might disabuse the minds of the members of the liaison committee itself of any thought that it possessed any such authority as is being ascribed to it by the critics of this amendment. These liaison officers will have no tenure. They will serve at the will of the President. They will be nothing but the President's chosen military experts whose duty it will be to keep him in touch with the proceedings of the totally civilian body only to make sure that no secrets will unwittingly be made which will jeopardize the national security. These liaison officers will have no such functions as may ordinarily be associated with the existence of a board. If it would assist in making plainer what it is that we contemplate, I am sure that we would be glad to substitute the word "committee" for the word "board." As a matter of fact, I was under the impression that "committee" was the word which we had originally agreed upon.

Mr. President, I present no argument at the moment with regard to this phase of the matter. I wish only to present the facts as 10 of the 11 members of the Senate special committee interpret them, but I do ask unanimous consent to have placed in the RECORD at this point a discussion of the subject under the name of Arthur Krock in the New York Times of this morning.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A MEETING OF MINDS ON THE BOMB

(By Arthur Krock)

WASHINGTON, March 18.—The fact is interesting, and should be reassuring to those who are disturbed over future control of atomic energy, that when the special Senate committee on this subject met here privately last week with General Eisenhower his views and those of the overwhelming committee majority were alike on the most controversial point. This concerns the part the military shall play in the use and distribution of fissionable materials.

Secretary of Commerce Wallace and persons of like mind on the general subject have strongly opposed any revision of the McMahon bill that would admit the military authorities of the United States even to advisory status on the top official tier in the development of atomic energy. Mr. Wallace expressed the belief that the Vandenberg amendment carries a potential of "military fascism." This is his fear even though the amendment—sustained by a 10-to-1 vote in the McMahon committee, with Senator McMahon the only dissenter—merely provides that the military shall know in detail all that the civilian commission of control is doing with atomic fission, have the right to make recommendations and, if these are disregarded, appeal to the President for their consideration by him.

But it is difficult to think of General Eisenhower as a military or any other kind of Fascist, and the President and Congress, who will decide the dispute in general and in detail, surely think nothing of the kind. Therefore the fact that the Chief of Staff is on the side, as is the McMahon committee majority, which favors the purpose of this amendment and even stronger provisions to the same end, should dispel whatever alarm Mr. Wallace's statement may have created among those who want the widest possible use of atomic fission in the interests of humanity and world peace but would postpone this use to a later day because of the present disturbed relations of the great powers.

THE TWO AMENDMENTS

When the Senate committee met with the general it discovered that he and Admiral Nimitz, the Navy's chief of staff, who was also present, fully sympathize with the desire to turn atomic energy as quickly and fully as possible toward peaceful uses and the general welfare. But it also discovered that a plan under committee discussion—to give the armed forces, directly charged with national defense, an advisory part in this enterprise on a not inferior level—was also in General Eisenhower's mind, working independently. Moreover, the machinery favored by the committee majority to achieve this was disclosed to be almost exactly that devised by the general.

This machinery is set up in the Vandenberg amendment, which authorizes the President to appoint a military advisory board of a size to be determined by him, and which would keep in constant touch with what was being done by the civil commission of five, also chosen by the President. Whenever it concluded that any act or policy of the commission affected national security, the board would be empowered to appeal to the President for whatever check or change it might think necessary in the commission's act or policy. In effect, this military committee also would have an authoritative word in the matter of weapons employing atomic fission.

The second major amendment provides what might be considered a counterpoise to the military advisory board. Proposed oddly enough by a military man—Senator HART, the retired admiral who was formerly in command of the Asiatic Fleet—this amendment would establish a civilian advisory board of experts to assist the Commission in formulating policies on materials, production, development, and research.

An important provision in the McMahon bill adopted by the committee provides that the President shall determine the quota of atomic materials to be made into weapons, which takes that vital decision in its final form from the civil Commission—something the military opposed—and from the Military Establishment—something the McMahon bill was drafted to prevent. The President is a civilian, but he is also the Commander in Chief of the armed forces, and the Constitution makes him responsible for the national security. Thus he meets the specifications of those who were concerned lest the military would lose all voice in atomic defense and of those who feared that its ideas would be made to prevail in this field. The McMahon bill was charged with accomplishing the former and the House bill (the May-Johnson draft) the latter.

A COMMON-SENSE SOLUTION

Now that these revisions have been tentatively made by the Senate committee it seems in retrospect that the dispute was certain to be settled in a reasonable and sensible way, despite the wild and whirling words that have been uttered, especially by Mr. Wallace and a group of scientists of whom most were minor workers on the bomb, and many had no part at all in its manufacture. Clearly no sensible bill could have excluded military counsel, as the McMahon draft sought to do, and no legal measure could have prevented the President from exercising the authority specifically conferred on him in the third committee amendment.

When the legislation is completed, it will be evident that Congress has never supported the extremists on either side, and the likelihood is also that the law will make generous provision for the peaceful use of atomic fission up to the narrow fence that divides it from detonation as a weapon.

Mr. SALTONSTALL. Mr. President, will the Senator from Michigan yield in order that I may ask him a question?

Mr. VANDENBERG. I yield.

Mr. SALTONSTALL. Perhaps the Senator has already stated the answer to the question which I wish to ask. My question is this: Am I to understand from what the Senator has said that this liaison committee fits in at all times with the civilian commission? Does it merely receive the recommendations of the commission, and then, if it disapproves of them, give its ideas to the President; or does it sit in and discuss the matter with the civilian committee, and if the civilian committee disagrees, does it then make its recommendations to the President?

Mr. VANDENBERG. I do not know what the Senator means by "sitting in." It has no internal relationship whatever to the Atomic Energy Commission itself, and is not a part of it. It is entitled to be consulted by the civilian commission whenever it deems the national security involved. It is entitled to present its recommendations, and that is all. Even the presentation of the recommendations cannot hamper or retard the action of the civilian commission itself. If, in net result, the military liaison committee conclude that the civilian commission are contemplating an action which, in their more expert and experienced judgment, threatens the national security, they notify the President, the Commander in Chief, the man who, under our Constitution and theory of Government, is primarily responsible for the national security. Then the President makes a final decision for himself. The military

advisers have had absolutely no opportunity to exercise any authority, either to retard or to change the atittude of the civilian commission. The civilian commission's opinion continues to be dominant unless one single thing happens. It is dominant unless the President of the United States finds that some action is contemplated which threatens the national security.

I wish to say that if I were a civilian member of the Atomic Energy Commission I should be most happy to know that some military experts, assigned by the President for that purpose, were looking over my shoulder to make sure that I did not unwittingly do something harmful to the national security. Does that answer the Senator's question?

Mr. SALTONSTALL. Yes, and I thank the Senator.

Mr. McMAHON. Mr. President——

The PRESIDING OFFICER (Mr. MAYBANK in the chair). Does the Senator from Michigan yield to the Senator from Connecticut?

Mr. VANDENBERG. I yield.

Mr. McMAHON. I will say to the Senator from Massachusetts that under the terms of the proposed amendment the so-called military liaison board can look into every single telephone call, every single file, every single action the Commission will take, so as to determine whether or not in their opinion it affects the common defense of the United States. I say to the Senator from Massachusetts that this is the first time in the history of the Republic that we have ever set up a civilian commission to handle civilian affairs, and have decided to give the Military Establishment a right of censorship, a right of suspension of action, a right of review, if you please, so that they, subordinate military officers of the Military Establishment, can take a direct appeal to the President of the United States, not even through the Secretary of War or the Secretary of the Navy.

As I said last night, if we adopt this principle, why do we not put a military board in the Attorney General's office? Why do we not put a military board in the Interstate Commerce Commission, since we cannot conduct a war without railroads? Why do we not put a military board in the office of the Secretary of State, who has at the end of his tongue a dozen atomic bombs, so far as the effect on the peace of the world is concerned, and make him consult with the Military Establishment for the purpose of ascertaining whether what the State Department proposes to do would affect the common defense of the United States?

Mr. President, I say that the creation of such a board would destroy the basic concepts on which our Government was founded. I say to the Senator from Michigan that it would be the adoption of a very dangerous policy. No military board should be allowed to appeal to the President of the United States, except through the Secretary of War or the Navy Department, as I suggested to the committee.

Mr. VANDENBERG. Mr. President, before the able Senator from Connecticut entered the Chamber I stated that I did not care to argue this issue this morning, because I thought it was premature; that I was merely making a factual statement as to how 10 out of 11 members of his committee view the fact, and I am sure the Senator from Connecticut will not object to the presentation of what we conceived to be the meaning of the action to which we have given our endorsement.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. McMAHON. Was there any suggestion in anything the Senator from Connecticut said which reflected upon the right of the Senator from Michigan, or of any member of the committee, to voice any opinion they saw fit to express?

Mr. VANDENBERG. No.

Mr. McMAHON. I am sure the Senator does not imply that he would deny me that right.

Mr. VANDENBERG. The Senator is quite correct, and all he is doing is vindicating what I said. I said I was sure the Senator would not object, and he does not.

Mr. McMAHON. I do not.

Mr. VANDENBERG. The Senator presented for the RECORD this morning a copy of his broadcast of last evening. I had not intended to refer to it, but I am very sorry to say that in that broadcast he said—using a general term to cover the entire prospectus which he described—that the militarization of the control of America was not only possible, but that probably it was the purpose of this amendment. I respectfully suggest to him that that implies a reflection upon the purposes of 10 out of 11 members of his committee, to which he should not subscribe.

I still do not care to precipitate an argument on the issue ahead of time, but I am forced to comment upon what the Senator has submitted. The Senator says:

> Why, think of it. Just think what you are doing. You are giving this military liaison committee an opportunity to inquire into the very details of what goes on up and down this country in the various institutions which are related to the development of atomic energy.

He did not use his favorite expression today. He had something to say today about "snooping in desks," or something of the kind, but his usual definition of his point of view is that this military staff would even have a chance to inquire into the status of a janitor in some nuclear fission laboratory. The Senator is entirely and exactly accurate. If there is a janitor in any laboratory in the United States dealing with this dreadfully and desperately important thing in the life of the Nation, if there is any janitor who the War Department or the Navy Department knows from its records is perhaps an alien, perhaps has a bad war record, perhaps is suspect of subversive motives and subversive action—if there is such a janitor, we should know it, and he should not have any relationship, even that of a janitor, to the control of atomic energy.

Mr. McMAHON. Will the Senator yield?

Mr. VANDENBERG. I shall be glad to yield in a moment. On the other hand, the military staff which is being proposed by 10 out of 11 of the Senator's committee holds its tenure exclusively at the pleasure of the President. It can be discharged or changed by the President any moment he wishes, and I respectfully submit, out of a degree of confidence in the President of the United States which is apparently lacking in some other attitudes, that if the President's military advisers began bothering him with the minutiae of janitor and minor affairs which are of no moment to the national security, the President of the United States would change his advisers in 20 minutes.

I now yield to the Senator from Connecticut.

Mr. McMAHON. I think the Senator is correct in suggesting that it is probably premature to debate this question until the Senate has had time to review the report of the committee and study it, but I should like to say to the Senator that his belief that it is necessary to have the Military Establishment check over the janitors who might be retained by the Commission, to see whether or not some of them were perhaps subversive, or perhaps engaged in activities in which they should not engage, seems a little far-fetched. During the recent hostilities the country was magnificently protected, so far as espionage was concerned, by a civilian establishment of the Government, the Federal Bureau of Investigation.

It seems to me that the basic trouble here is that there seems to be no faith in our civilian form of government, at least so far as concerns the selection of five men—at least the number is five as tentatively approved—to administer this great adventure. It appears to me that we are demonstrating little faith indeed in the very men who will be selected by the President of the United States and confirmed by the Senate to undertake this great work.

Mr. VANDENBERG. Mr. President, let me comment on that suggestion. The Senator says that this attitude indicates little faith in the civilians who will be upon this Commission. I do not know who those civilians will be. I anticipate that they will be men of large standing and experience, who will be entitled to all the credit and confidence which the able Senator from Connecticut seeks for them. I withhold my judgment until I know who they are.

Certainly I am exhibiting no lack of faith in civilians as a class when I propose a formula which permits civilians to make every single decision arrived at in in connection with the control and development of atomic energy, and which even has so much more confidence in civilians than the able Senator from Connecticut does that our formula does not even admit the Secretary of War and the Secretary of the Navy, even though they be civilians, to membership upon this Commission, because they would be acting, at least partially, in their representative capacity.

The Senator from Connecticut speaks about lack of faith—lack of faith in the membership of a civilian commission whom we do not know, a commission whose personnel is still unknown. I should like to suggest to the Senator that

he is demonstrating a lack of faith in some people whom we do know, and who are identified in connection with this equation. I am suggesting that the attitude taken by my able friend indicates lack of faith in General Eisenhower, lack of faith in Admiral Nimitz, lack of faith in the fundamental military institution of this country which has just won the greatest war in history.

Mr. President, I am not prepared to subscribe to lack of faith in those who have just offered their lives upon the altars of the Republic to defend those of us who are here at home.

If there is going to be any argument about lack of faith, let us have just a bit of faith in the military and naval institutions of this country, even though we do not propose to allow them to have any control whatsoever over the development of atomic energy. I submit, however, that the national security is a thing which can not be ignored at the moment. I submit that the national security is a prime consideration in connection with this problem.

The able Senator from Connecticut asks, "Well, if you are going to do this, why do you have a military staff following the Interstate Commerce Commission around?"

Mr. President, if that is the best my able friend can do by way of argument in this situation I am sorry for him.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. VANDENBERG. I will yield to the Senator in a moment. The Interstate Commerce Commission has had no relationship to anything except the railroads and the traffic of the country which, in their major aspects, are always of a peacetime nature. Of course the railroads are important to war, dreadfully important to war, but, Mr. President, so far as atomic energy is concerned, the only development of any major importance we have with respect to it at the moment is in connection with the awful thing known as the atomic bomb, and to indicate that the Atomic Energy Commission in relation to its powers is in the same category with the Interstate Commerce Commission to me is as fantastic as all the other conclusions about which I complain.

Mr. President, before I yield to my friend, the Senator from Connecticut, I want to say to him that I would not on my part have any controversy with him, indicate any lack of very high respect for the perfectly splendid work he has done in faithfully proceeding with the terrific responsibility which the Senate assigned to him. I am very happy to compliment him upon the way he has proceeded. In this one instance, when 10 of the 11 members of his committee are wrong, I deeply regret that I find it necessary to challenge his viewpoint just as sharply as he has challenged mine.

I now yield to the Senator from Connecticut.

Mr. McMAHON. Mr. President, the Senator from Michigan disarms me of any personal feeling on the question. If I ever had any, I do not see how I could have any now. I appreciate more than I can say the spirit of cooperation which has prevailed in our committee in the consideration of the most serious and important work in which it has engaged, and I regret very much that on what I consider to be a vital issue I find myself outvoted 10 to 1. As I said last night, when a Senator of the United States finds himself outvoted on any question by a vote of 10 to 1, I think he owes it to himself and to the country humbly and carefully to reexamine his position to see whether or not such reexamination can produce a result harmonious with the position of the majority of his colleagues. I desire to assure the Senator that I did so sincerely, and that I have reached what to me is the honest belief that our committee is about to make a mistake if it persists in its advocacy and support of the kind of amendment which the Senator suggests.

I think it is typical of the Senator from Michigan that he should with such magnanimity accord to me the same credit for sincerity of view as I accord to him. I take it we shall resume the argument again in good spirit on the floor of the Senate when the question becomes the pending business.

Mr. VANDENBERG. The Senator is quite correct. I shall meet him at Philippi.

Mr. HICKENLOOPER. Mr. President, will the Senator yield to me?

Mr. VANDENBERG. I yield to the Senator from Iowa.

Mr. HICKENLOOPER. As a member of the Atomic Energy Committee of the Senate I wish to say that the Senator from Michigan has completely, accurately, and fully stated my understanding and attitude toward the so-called Vandenberg amendment which has created so much furor throughout the country in such a remarkably short time. He stated it better than I could. I do not care to argue the merits of the amendment at this time. I do, however, want to call to the attention of the Senator from Michigan a matter of which he is not aware, and so far as I know, of which no other member of the Atomic Energy Committee is aware, but it goes to the heart of one of the important phases of our whole consideration of this tremendous problem.

We have heard much criticism of the suggestion that the military should at least be consulted if the question should arise as to whether our country is in danger. We have heard eulogistic remarks concerning the sanctity of civilian control and the need for such control.

I merely desire to call the attention of the Senate to the fact that one of the scientists who had access to top secrets in the Manhattan project, today stands charged with, I believe, treason in the British Isles for his activities in connection with the alleged Russian spy exposé in Canada. He is a civilian and a scientist.

May I put in the RECORD the facts as I understand them. In order to shorten this phase of the discussion I should like to read two letters. On March 7 I heard a rumor that this man, Dr. Alan Nunn May, who had been announced by the British as having been implicated in the spy activities in Canada in connection with the atomic bomb, had had access to and had in fact worked on some aspects of our atomic bomb development in this country. Those were just rumors. I immediately wrote to General Groves, who had charge of the Manhattan district. With the permission of the Senate, Mr. President, I shall read the letter I addressed to General Groves. It is dated March 7, 1946, and is as follows:

Maj. Gen. L. R. GROVES,
New War Department Building,
Washington, D. C.

MY DEAR GENERAL GROVES: In connection with the consideration of public-safety provisions in the atomic-energy legislation now being considered by the Special Atomic Energy Committee of the Senate, I am concerned with the recent disclosures by the Canadian Government.

I have heard a rumor that at least one of the individuals whose names have been announced as implicated in the spy activities in Canada may have been employed in some phases of the Manhattan project in this country. This man is one Alan Nunn May, alleged to have been arrested recently in England. I would like to know what, if any, connection this man had with any scientific research and development of atomic energy and the atomic bomb, where he worked, in what association, and any other observations as to the seriousness of his possible disclosures that you might care to make. I also request such information on every other individual whose name has been announced by the Canadian, British, or American Governments as being implicated in these spy activities who have had any direct connection with the work on atomic energy in any important capacity under the Manhattan project.

I shall appreciate it if I can also receive such information with regard to any person or persons who may hereafter be publicly announced by any of the three governments as being implicated in these spy activities.

Because you are answerable to the Secretary of War and in turn to the President in this matter, it may be that I should have addressed this letter to the Secretary of War directly. If your situation does not permit you to make a full statement on these matters to me, then I ask that you forward this letter to the Secretary of War and I shall, of course, appreciate as prompt attention as possible.

Let me again emphasize that I am not asking for information on any persons who have not already been publicly announced as being implicated. I am limiting this particular request to those who have been so publicly announced or to those who will be so publicly announced in the future.

Thanking you, I am,
Sincerely yours.

About the 14th of March I received from General Groves a letter in reply. I say about the 14th of March. The letter is dated the 12th of March, but, if my memory serves me, I received it 2 or 3 days after the date on the letter. I do not recall at the moment just the day I received it. The letter is as follows:

WAR DEPARTMENT,
Washington, D. C., March 12, 1946.

Hon. B. B. HICKENLOOPER,
United States Senate,
Washington, D. C.

DEAR SENATOR HICKENLOOPER: In reply to your letter of March 7, 1946, in which you requested certain information particularly as to any connection which Alan Nunn May, the British physicist whose arrest was recently announced in London, had with scientific research and development of atomic energy and the atomic bomb, and the seriousness of any possible disclosures by him, I submit the following information which I believe to be correct.

Dr. Alan Nunn May is a native-born English physicist of about 40 years of age. He holds a doctor of philosophy degree from Trinity College, Cambridge. He came to Canada some time in 1943 and was employed in the British group in the Montreal laboratory of the National Research Council of Canada which was then embarking on research in the atomic energy field. He had been investigated, for security purposes, by the British Intelligence. That organization cleared him for access to any atomic energy work. It was not practicable nor was it our custom to look behind the approval of the British organization as to the trustworthiness of any individual whom they had investigated. I am sure that they found no indication that he was not completely loyal and of unquestioned integrity.

On 8 January 1944, in the company of 12 other scientists from the National Research Council, Dr. May first visited the metallurgical laboratory of the University of Chicago, which was, as you know, engaged in work for the Manhattan District exclusively. May's visit had been approved by me in accordance with our previously established and approved arrangements for the interchange of information. My records indicate that I met May at that 8 January meeting, which was the first meeting between representatives of the metallurgical laboratory and of the National Research Council since I had been placed in charge of the project. At that meeting some phases of the work then in progress at the Chicago laboratory were discussed, particularly with reference to phases of importance to the Montreal work.

On 13 April 1944 May returned to the Chicago laboratory and stayed until 27 April. He worked on a minor experiment at the Argonne laboratory, where the original graphite pile was, and is, located, and where a small-scale heavy water pile had also been constructed. He came to Chicago again on 28 August and stayed through 1 September, conferring with officials of the Chicago laboratory on the construction and operation of the Argonne pile and the proposed Montreal pile.

His third and last visit occurred between 25 September and 30 October 1944. At that time he carried on extensive work in collaboration with our scientists in a highly secret and important new field. His work resulted in a research report in which he collaborated with an American scientist. May necessarily must have become familiar with the work then going on in the Argonne laboratory. He also, at this time, probably acquired knowledge of some technical problems which we encountered in the operation of the first Hanford pile.

During his first two visits Dr. May stayed at a Chicago hotel. On his last visit he stayed at an Argonne dormitory, except for week ends which he spent, with an American physicist, in the Chicago apartment of another American physicist who was temporarily out of town. He had few social contacts with the other scientists although he was generally well liked by them. They have described him as a charming, shy, little man with a dry sense of humor. The American scientists with whom he was in most intimate contact are in my opinion men of unquestioned loyalty and integrity. The revelation of his activities came as a complete shock to them.

By this time (October 1944) May had spent more time and acquired more knowledge at the Argonne than any other British physicist. Although I had absolutely no reason to suspect him, I did not like to have him acquire such a wide knowledge of later developments. It is for that reason that in the spring of 1945 I declined to approve a proposed fourth visit of 1 month's duration. May never returned to the Chicago Laboratory and never visited any other Manhattan District installation.

It is very doubtful if May has anything but a general knowledge of the construction of the atomic bomb. He would not have been able to secure any such knowledge through legitimate channels. It would have required a breaking down of the compartmentalization rules in each instance where he secured such knowledge.

I interpolate here that I believe a general knowledge of the construction of the atomic bomb would be a dangerous piece of knowledge for anyone to possess and to scatter either at will or in a subversive way.

Continuing the letter:

Dr. May has a rather wide knowledge of the Canadian effort. He understands the principles of design and construction of piles. He knows some important facts about the design, construction, and operation of the Hanford pile.

We do not know whether May was in the pay of any outside agency at the time of his visits to the United States. Summarizing, he could have furnished to an unauthorized person small samples of plutonium and U–235 of unknown purity and degree of enrichment since it would be a virtual impossibility to trace the theft of such a small amount; and he could have given information of varying degrees of accuracy with respect to:

(a) The bulk of the research and development carried on at the Argonne Laboratory of the Metallurgical Laboratory at the University of Chicago during 1944 and early 1945.

(b) Some of the technical problems involved in the design, construction, and operation of the Hanford Engineer Works.

(c) A very limited amount of information with respect to the materials used in the actual bombs.

(d) A very limited amount of information on which to base guesses as to our production rates of fissionable materials, both U 235 and plutonium.

I do not include in the above summary any knowledge secured from his work under British auspices.

Although one of the other individuals whom the Canadians have arrested has been announced as an employee of the National Research Council, I understand that he was not connected with the atomic energy project there and he did not visit the United States Manhattan District installations.

I do not know what other persons, Canadian or otherwise, may hereafter be publicly announced by Canada, the United States, or Great Britain as having been implicated in these spy activities.

I shall be pleased to furnish such additional information as you may desire from time to time, subject of course to the maintenance of adequate security.

I have discussed your letter with the Secretary of War, who has authorized me to answer it directly. I am sending a copy of the correspondence to him.

Sincerely,

L. R. GROVES,
Major General, United States Army.

At the conclusion of this letter I hasten to say that under no circumstances, nor by the broadest stretch of the imagination, am I attempting to indict any class or group of men in this country—scientists, technicians, or others. I would not for a moment have it thought that because I had read this letter about a scientist, I was attempting to indict scientists. That is not true. But I made the inquiry, and I produce this letter at this time, to illustrate the fact that this Nation, and its vital secret in the field of atomic energy, are and have been constantly in danger, perhaps not from a flood of spies, but at least from this man, who had access to some very secret and advanced ideas and methods in the production of atomic energy.

I say that for the reason that there has been a flood of criticism because of the compartmentalization of the Nation in wartime, and while the Army is still holding this secret in trust for whatever group we as a Congress establish to take it. I say it because caustic—and I believe completely undeserved—criticism has been heaped upon those who have been trying to preserve, so long as their responsibility exists, the sanctity of American defense, and to preserve us, while they have charge of it, at least from being exploited and having the secret of this greatest of all explosive power given away freely and willy-nilly to those who might not be so altruistic in its use as we intend to be.

To the extent that this letter reveals at least a part of the activity of this man May, it presents an ominous situation. Because he is the only one who has been publicly mentioned, I do not assume that he is the only one who might have been connected with this subversive activity. I do not necessarily assume that others were. But that does not foreclose the possibility that there may be other leaks against which we must guard in the broad interest of the common defense and the preservation of our ability to control this great weapon until peaceful means of a satisfactory nature have been developed in a world that will, I hope, be willing to accept them and to abide by them.

This is not all one-sided, Mr. President. This is not a question of scientific or technical development, or a question of civilians as against the Army. This is a question of American development. The integrity, and perhaps the future of this country, may well hang in the balance, depending upon the judgment, vigor, and determination which we bring to bear in the preservation of our national sanctity and security.

The Committee on Atomic Energy has not finished its deliberations. I think it is safe to say that with the exception of the disagreement which has occurred with respect to the so-called Vandenberg amendment—a disagreement of 10 to 1—the remaining major provisions of the bill represent substantial agreement on the part of committee members. I know of no vital or tremendously controversial issue which remains in the bill. I do not mean to be announcing what the committee is doing, but I believe the chairman of the committee will forgive me if I say that, aside from the one probable or potential controversy, the question is largely one of verbiage, to express adequately and properly the philosophies and ideas with respect to the various fields of activity embraced within the proposed legislation, and to express those ideas in language which will do the job which we all want done. But I do say that in our deliberations we cannot disregard the question of the integrity and safety of our Nation. We cannot merely rely on altruistic wishful thinking, and

say that because we will for peace, because we proffer peace to every other nation, because we are willing to make sacrifices for peace, the rest of the world will necessarily, and by that token, abandon all thought of war or violence in the settlement of national and international affairs. I hope that time will come; I hope that we can see those arrangements made in the very near future; but I still recall that the Pilgrim Fathers, imbued with religious fervor and seeking greater light, went to church with their muskets loaded. Until peaceful settlements are reasonably assured, I think we may well consider at least a small portion of this field to be directly involved with the national safety. When the bill comes before the Senate for final action, I hope much more extensive argument can be had on this phase of the subject, for I think it is vital.

I should like to add merely another word in response to what the Senator from Connecticut [Mr. McMAHON] the chairman of the special committee, said a moment ago about trust, and in response also to what the Senator from Michigan [Mr. VANDENBERG] said about trust. I believe the Senator from Michigan said that the attitude taken by some might imply a lack of trust in General Eisenhower. Those may not be his exact words, or I may not have exactly expressed the connotation of the words he used. But I say to you, Mr. President, that a criticism of the Vandenberg amendment in my opinion can be charged directly as a lack of faith and confidence in the ability, integrity, and intent of the President of the United States, whoever he may be, to safeguard the national interests of this country and to act for the common defense, a duty with which he is charged by the Constitution.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 396. An act providing for the transfer of a certain fish hatchery in Comanche County, Okla., to the city of Lawton, Okla.;

S. 1162. An act to convey certain lands to the State of Wyoming; and

S. 1185. An act to change the designation of Custer Battlefield National Cemetery, in the State of Montana, to "Custer Battlefield National Monument," and for other purposes.

WAR DEPARTMENT CIVIL FUNCTIONS APPROPRIATIONS

The Senate resumed consideration of the bill (H. R. 5400) making appropriations for the fiscal year ending June 30, 1947, for civil functions administered by the War Department, and for other purposes.

Mr. THOMAS of Oklahoma. Mr. President, I renew my request that the formal reading of the bill be dispensed with, that it be read for amendment, and that the amendments of the committee be first considered.

The PRESIDING OFFICER (Mr. GOSSETT in the chair). Without objection, it is so ordered; and the clerk will proceed to state the amendments reported by the committee.

The first amendment of the Committee on Appropriations was, under the heading "Corps of Engineers—Rivers and Harbors and Flood Control," on page 4, line 18, after the word "appropriations" to insert a colon and the following additional proviso:

Provided further, That the expenditures on this account for the fiscal year 1947 shall not exceed $1,000,000, and the Secretary of War shall each year, in the Budget, report to Congress the number of persons so employed, their duties, and the amount paid to each.

The amendment was agreed to.

The next amendment was, under the subhead "Rivers and Harbors," on page 6, line 22, after the word "law", to strike out "$97,383,250" and insert "$118,534,750."

Mr. HOEY. Mr. President, I wish to offer an amendment to the committee amendment, so as to change the figures from $118,534,750 to $118,551,250. That means the addition of $16,500. I offer the amendment to cover an authorization which was approved in 1945, but provision for it was inadvertently omitted by the House of Representatives. The amendment is to take care of the channel from Pamlico Sound to Avon, N. C. It is a small item. I have discussed it with the chairman of the committee. It is a worth-while project. The amendment is offered at this time for the reason that a serious emergency exists at that place because of the floods which entirely isolate the town, so that it has no railroad facilities and no other transportation connections except the channel. So it is absolutely necessary that the channel be placed in such condition that it can be used immediately.

The PRESIDING OFFICER. The amendment offered by the Senator from North Carolina to the committee amendment will be stated.

The CHIEF CLERK. In the committee amendment on page 6, in line 22, it is proposed to strike out "$118,534,750", and insert "$118,551,250."

Mr. THOMAS of Oklahoma. Mr. President, that project is authorized, and the committee has no objection to the amendment to the committee amendment, as stated.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Carolina [Mr. HOEY] to the committee amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment as amended on page 6, in line 22.

The committee amendment as amended was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The next amendment was, under the subhead "Flood Control," on page 8, in line 11, after the words "flood control", to strike out $110,814,000," and insert "$161,177,500."

Mr. BILBO. Mr. President, to the committee amendment on page 8, in line 11, I offer an amendment to add $1,000,000 to that item. In order that the proposal may be understood, I wish to call attention to an act of Congress approved in December 1944 wherein authorization is given for a project for flood control on the Big Sunflower, Little Sunflower, Hushpuckena, and Quiver Rivers and their tributaries and on Hull-Brakemill Creek Canal, Bogue Phalia, Ditchlow Bayou, Deer Creek, and Steele Bayou, Miss. This item has been authorized, and I understand that the Senator in charge of the bill and other members of the committee do not object to it, because it is on all fours with an amendment offered by the committee, doing the same thing for an item in the State of Louisiana. We are asking for only $1,000,000 for this item, whereas the item for the Louisiana project calls for $1,500,000.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Mississippi.

The CHIEF CLERK. In the committee amendment on page 8, in line 11, it is proposed to strike out "$161,177,500", and insert "$162,177,500."

Mr. THOMAS of Oklahoma. Mr. President, as the Senator from Mississippi has stated, the project is authorized by law; and the committee has no objection to accepting the amendment.

Mr. KILGORE. Mr. President, to the committee amendment on page 8, in line 11, I wish to offer another amendment, namely, to strike out the figures "$162,177,500," and insert "$163,177,500." The amendment is offered by reason of the fact that a flood control dam at Sutton, on Elk River, in West Virginia, has long been authorized; dam surveys have previously been made; the project has been approved by the Army engineers, and it is urged at this time by the Engineers. It is necessary to acquire the land for the dam. The land will cost approximately only $500 an acre if purchased at this time. I have taken up the matter, and it is in line with a few other items. I have discussed it with the Senator from Oklahoma and other Senators, and I ask that the amendment be included.

The PRESIDING OFFICER. The amendment is not in order, being an amendment in the third degree.

The question before the Senate is on agreeing to the amendment proposed by the Senator from Mississippi [Mr. BILBO] to the committee amendment on page 8, in line 11.

Mr. KILGORE. Mr. President, if objection is made to my amendment because it is an amendment in the third degree, I shall object to the amendment offered by the Senator from Mississippi.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Mississippi to the committee amendment on page 8, in line 11, which has been stated.

The amendment to the amendment was agreed to.

Mr. VANDENBERG. I wish to ask a question of the able Senator in charge of the bill, if I may do so. I find in the House report an item of $15,000,000 for

the Cross-Florida barge canal, but I do not find that item in the report of the Senate committee. What is the status of that item?

Mr. THOMAS of Oklahoma. That amendment was presented to the House of Representatives, and the House of Representatives by a vote rejected it. In the Senate committee no consideration was given to the matter, and this bill carries nothing for the cross-country barge canal in northern Florida.

Mr. VANDENBERG. "Cross-country" is the proper term. [Laughter.]

Mr. AIKEN. Mr. President, I should like to ask a question for information, if the Senator from Oklahoma will yield to me.

Mr. THOMAS of Oklahoma. I yield.

Mr. AIKEN. I notice that the appropriation items for flood-control projects come under two headings, one being for construction and the other being for advance planning. I should like to ask whether certain dams which are either now in existence or which have been decided upon are included under the amounts for advance planning for flood-control projects.

Mr. THOMAS of Oklahoma. Mr. President, in order to have a project constructed a number of legal steps must be taken. First, Congress must pass a law authorizing the Army engineers to make a survey. When such a law is passed, the Engineers proceed to make a survey or rather, a reconnaissance. If the Engineers believe the project is feasible, then they come to the Congress and ask for money with which to make a survey to establish definite limitations, make borings and soundings for the construction, and so forth. That work involves considerable expense.

Mr. AIKEN. Yes. The fact that authorization has been made means that construction at the site is possible.

Mr. THOMAS of Oklahoma. Yes; it is possible. It seems that the Congress has heretofore considered the matter and has authorized the project. Now it is up to the Congress to make an appropriation with which construction can be undertaken; but before construction can be begun, plans and specifications must be made and must be available, and must be detailed.

This appropriation is for the purpose of preparing plans and specifications for construction in the future, in the event the Congress makes an appropriation for that item.

Mr. AIKEN. I was prompted to make the inquiry because of certain items which pertain to my own State. Three of them are for dams which already are constructed, and the other three relate to the West River Reservoirs, with an item of $230,000; the North Hartland Reservoir, with an item of $70,000; and the North Springfield Reservoir, with an item of $70,000. I understand that the State and the Federal Governments have agreed on sites for the West River reservoirs, and I wonder whether the appropriation of $70,000 for the North Hartland Reservoir and the appropriation of $70,000 for the North Springfield Reservoir may be taken as an indication that agreement has already been had as to those sites.

Mr. THOMAS of Oklahoma. The eminent Senator from Louisiana has charge of the legislative features as to flood control and likewise those pertaining to rivers and harbors, and I should be glad to have him make an explanation in answer to the query submitted by the Senator from Vermont.

Mr. OVERTON. Mr. President, this item is not an amendment which is proposed by the Senate Appropriations Committee. It is a provision contained in the House bill.

Mr. AIKEN. I understand that.

Mr. OVERTON. The House of Representatives has allocated certain amounts of money for advance planning with respect to various flood-control projects. The purpose of advance planning has already been stated by the able Senator from Oklahoma who has charge of the bill. What the engineers propose to do is to continue their planning and make advance planning with respect to the West River reservoirs in Vermont and the North Hartland Reservoir and the North Springfield Reservoir, both of which are in Vermont.

Mr. AIKEN. I was interested because the engineers were holding hearings on these items only about 4 or 5 days ago. But in view of the size of the appropriation of $70,000, it might be assumed, might it not, that the site has been tentatively agreed upon?

Mr. OVERTON. I do not know what has taken place within the last few days with reference to the matter. I do not know whether an agreement has been reached.

Mr. AIKEN. Evidently the appropriation was incorporated in the House version of the bill before the hearings were started to determine the sentiments of the communities involved. I am interested in this matter because I have recently received letters inquiring as to the status of these proposed dams. One farmer wanted to know whether he should go ahead and construct a wagon shed or a barn which he needed very badly.

Mr. OVERTON. It is not necessarily meant that the plans have been definitely determined. A conclusion might be reached that some modification should be made. A new location might be required for some of these dams.

Mr. AIKEN. With regard to the North Springfield Reservoir site for which $70,000 is requested, I am advised by persons residing in the town of Springfield, which lies below the reservoir site, that that site has been under contemplation many times in the past and abandoned because of a sand foundation, and inability to locate a proper foundation upon which to rest the dam. I assume that the proposed $70,000 is to be used for the purpose of ascertaining if it is possible to erect safely a dam at that location.

Mr. OVERTON. Or at some other place up or down the river.

Mr. AIKEN. Would this appropriation enable the engineers to make surveys at other points on the same river?

Mr. OVERTON. It would authorize them to do that. The money could be used for that purpose.

Mr. AIKEN. But this appropriation does not necessarily mean, does it, that it has been definitely determined to construct the dam at the particular site? It does mean, does it not, that the site is a likely one for the construction of a dam?

Mr. OVERTON. At the time we had the dams under consideration they were authorized in accordance with recommendations then being made by the Chief of Engineers. It might now be thought that upon further investigation the engineers will come to the conclusion that this particular place should not be selected for the construction of a dam, because of a faulty foundation or some other reason, and the money might be used to make further investigation if such investigation should become necessary. The money is for planning and not the construction of any one of these dams. Therefore it may not be said that the question is definitely settled until there have been further investigation and planning.

Mr. AIKEN. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended on page 8 in line 11.

The amendment as amended was agreed to.

Mr. KILGORE. Mr. President, on page 10, after line 7, I wish to amend the bill by adding the following paragraph:

Flood control, Sutton Reservoir, West Virginia: For flood control works in connection with Sutton Reservoir, West Virginia, as authorized in the 1938 Flood Control Act, $1,000,000.

The PRESIDING OFFICER. Will the Senator from West Virginia wait until we reach the proper point in the bill before offering his amendment?

Mr. KILGORE. Very well.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The next amendment was on page 9, line 6, after the word "dam", to insert a colon and the following additional proviso: "*Provided further*, That in the construction of the Fort Gibson flood-control project in Oklahoma, the Chief of Engineers is authorized and directed to cooperate with the officials of the city of Muskogee in protecting the domestic water supply of such city: *Provided further*, That in connection with the Chattanooga, Tenn., and Rossville, Ga., flood-control project, the State of Tennessee or local subdivisions thereof shall furnish the rights-of-way for the entire project."

The amendment was agreed to.

The next amendment was, on page 9, after line 14, to insert:

Flood control, Kern River, Kings River, and Tulare Lake, California: For construction of works for flood control and other purposes on the Kern River (Isabella Reservoir), Calif., $1,000,000, and on Kings River and Tulare Lake, Calif., $1,000,000, both as authorized in Public Law No. 534, Seventy-eighth Congress, second session, approved December 22, 1944: *Provided*, That none of the appropriation for the Kings River and Tulare Lake project, California, shall be used for the construction of the dam until the Secretary of War has received the reports as to the division of costs between flood con-

trol, navigation, and other water uses from the Bureau of Reclamation and local organizations and shall have made a determination as to what the allocation shall be: *Provided further*, That the reports from these continuing studies shall be made not later than nine months from the date of the enactment of this act.

The amendment was agreed to.

Mr. OVERTON. The able Senator from West Virginia does not wish to amend the committee amendment which has just been agreed to, does he?

Mr. KILGORE. I wish to amend by adding a provision for another reservoir.

The PRESIDING OFFICER. Without objection, the vote by which the committee amendment was agreed to is reconsidered, and the Senator from West Virginia may now offer his amendment.

Mr. KILGORE. I offer the amendment.

The PRESIDING OFFICER. The amendment offered by the Senator from West Virginia to the committee amendment will be stated.

The CHIEF CLERK. On page 10, after line 7, it is proposed to insert the following paragraph:

Flood control, Sutton Reservoir, W. Va.: For flood control works in connection with the Sutton Reservoir, W. Va., as authorized in the 1938 Flood Control Act, $1,000,000.

Mr. THOMAS of Oklahoma. Mr. President, the project has been authorized, and the committee has no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The next amendment was, under the heading "The Panama Canal", on page 19, line 10, after the word "That", to strike out "despite the fact that the war emergency has ended."

The amendment was agreed to.

The next amendment was, on page 21, after line 4, to strike out section 6, as follows:

SEC. 6. The limitation on the use of funds appropriated in the First Deficiency Appropriation Act, 1946, (Public, 269, Seventy-ninth Congress), with respect to Indian lands involved in the construction of Garrison Reservoir Dam (North Dakota), is hereby amended to read as follows:

"Such funds as are or may be appropriated for the construction of Garrison Reservoir Dam (North Dakota) and the Oahe Reservoir Dam (South Dakota) may be expended, but no water may be stored in these reservoirs until suitable land found by the Secretary of the Interior to be comparable in quality and sufficient in area to compensate the Indians of the Three Tribes in North Dakota and the Cheyenne River Sioux Tribe in South Dakota and the Standing Rock Sioux Tribe in North Dakota and South Dakota shall be offered to the said tribes and the individual members thereof affected in exchange for their lands on the Fort Berthold, Standing Rock, and Cheyenne River Reservations which would be inundated by the storage of water in the reservoirs named."

And in lieu thereof to insert the following:

SEC. 6. No part of the appropriation for the Garrison Reservoir herein contained may be expended for actual construction of the dam itself until the Secretary of War shall have selected and offered, through the Secretary of the Interior, to the Three Affiliated Tribes, land which the Secretary of the Interior approves as equal in quality and sufficient in area to compensate the said tribes for the land on the Fort Berthold Reservation which shall be inundated by the construction of the Garrison Dam: *Provided further*, That said selection and offer by the Secretary of War and approval by the Secretary of the Interior shall be consummated before January 1, 1947, after which consummation actual construction of the dam itself may proceed: *And provided further*, That funds appropriated for the construction of said dam may be transferred to the Secretary of the Interior for use by him in acquiring title to the lands thus selected.

The amendment was agreed to.

The PRESIDING OFFICER. That concludes the amendments of the committee. The bill is before the Senate and open to further amendment.

Mr. GURNEY. Mr. President, I wish to make a short statement with reference to the amendment known as section 6, on page 21 of the bill. The language as it came over from the other House had reference to Indian lands in North Dakota and in South Dakota. Inasmuch as there are no appropriations in the bill for the construction of any dam which would affect Indian lands in South Dakota, it is entirely agreeable to me that the language in the amendment affecting Indian lands in North Dakota only be agreed to at this time. I am sure that we cannot completely take care of the Indian lands in South Dakota until the plan is completed with reference to a dam which would make a reservoir and inundate Indian lands in South Dakota.

The PRESIDING OFFICER. If there be no further amendment to be offered, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 5400) was read the third time and passed.

Mr. THOMAS of Oklahoma. I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. THOMAS of Oklahoma, Mr. HAYDEN, Mr. OVERTON, Mr. RUSSELL, Mr. THOMAS of Utah, Mr. BAILEY, Mr. GURNEY, Mr. BROOKS, and Mr. REED conferees on the part of the Senate.

MISLEADING OFFICIAL REPORTS AFFECTING THE AUTOMOBILE INDUSTRY

Mr. FERGUSON. Mr. President, on October 1945 the Secretary of Commerce allowed a leak from his Department entitled "A Report of a Study by the Department of Commerce." This leak received some publicity. On November 1, 1945, the Secretary of Commerce made this study by the Department of Commerce public. It received great publicity, and created a sensation. It was released at a time when we were getting started in our reconversion from war to peace.

The automobile industry had been a leader in war production, and it was expected that this industry would lead in reconversion to peacetime civilian production. It was the automobile industry that was likely to become the major testing ground for the country's wage-price policy in the future. The unions had made their demands and management had replied; strike votes had been taken by the National Labor Relations Board. At that time the issue was a demand for a 30-percent increase in basic wages.

In the midst of this situation the Secretary of Commerce came forth with this study, giving it prestige as an official study containing the conclusions that the automobile industry was well able to grant a 15-percent basic wage increase in 1946, and to boost this to 25 percent in 1947, when production was expected to return to its peak. This, of course, was to be done without any increase in price.

This alleged official analysis was claimed to have an important bearing on the wage negotiations that were about to open. The analysis of the Department of Commerce concluded that the automobile industry as a whole would be able to make wage increases; pay substantially more for raw material; sell cars at 1942 prices, and still make a profit that would dwarf prewar earnings. It was prophesied that the Government was prepared to furnish similar studies for other industries.

When the wage disputes drew to a head, there was no doubt that this claimed government study was a highlight to the basic issues involved in the negotiations between the workers and the employers. It was later considered by the President's fact-finding body in the General Motors-CIO labor dispute.

On page 3 of that fact-finding report, filed on January 10, 1946, this language is used:

They obtained from the Secretary of Commerce and inserted in the record the statistical data used in the preparation of release by the Department of Commerce, October 25, 1945, regarding the capacity of the automobile industry to absorb substantial wage increases in 1946 and 1947.

Other information was also referred to in the report.

The Department of Commerce of the United States has the official duty of "promoting the commerce of the United States and its manufacturing, shipping, and transportation interests."

Small business must rely upon figures and reports for basic business information given to it by the Department of Commerce. It is, therefore, very important that such official reports—or reports claimed to be official—should be accurate and truthful, and should under no circumstances be issued for political purposes.

The average large business concerns are able to obtain these basic business facts, because they have the means with which to obtain such information and

check up on any information so issued. This is not true of small businesses and the public.

The automobile industry has not been deceived by this report, for it was known that it was not accurate and was not valid. It protested to the Department. The Automobile Manufacturers Association realized that the public would be misinformed by the conclusions of the report. In reply to this protest the Secretary of Commerce explained that the report had been in preparation for several months by able statisticians who analyzed all available facts.

The release given to the public was on the stationery of the Department of Commerce, Office of the Secretary, Washington. It was headed "Domestic Economic Developments." The opening paragraphs were as follows:

Under the high level operations which the automobile industry will experience over the next few years, it can grant a substantial wage increase and make high profits. The automobile industry is not an average case, but it is illustrative of industries with high earning power under conditions of volume operations.

Using projections of the probable sales for the next 3 years, profits were calculated after an analysis of cost-price relationships. The resulting estimates are shown on the chart below. Using 1942 prices for the products of the industry, this chart is drawn or the following assumptions with respect to passenger-car productions and the changes from current wage rates and material costs.

This report or release in no way purported to come from anyone else but the Department of Commerce. The facts now prove to be that sometime in September of 1945 Harold Wein, an employee of the Department of Justice, had prepared an article and submitted it to A Survey of Current Business, a magazine or publication issued by the Department of Commerce. This article was intended to be published by him in this publication under his own name and not to be given an official status as a Department of Commerce publication. He received later a request from the Department for permission to use a part of the material. The entire article has never been published nor was the authorship of this publication made public until the 14th day of March 1946.

In other words, Mr. President, the Secretary of Commerce took this privately prepared report, made it an official document of the Department of Commerce, and issued a statement about it. By doing that he misled the general public and the working people in Michigan. He did not, however, mislead the automobile industry, because those engaged in it knew it was not an accurate report.

Mr. President, the automobile industry is trying to correct the situation. They called it to Mr. Wallace's attention, but he did not do anything about it except affirm it on the 8th of November.

I am sure if this report had been printed in full as a report prepared by Harold Wein, a Government employee of the Department of Justice, it would have received no attention upon the part of the public. The workmen of my State would have considered the source and could not and would not have been misled, but when the Department of Commerce issued this report as an official report the workmen and the public in general had a right to rely upon it. It is not a case where the Department of Commerce was not informed. It knew that this was not an official publication; it knew that the automobile industry had protested and had in fact called the attention of the Secretary of Commerce to it, and that on November 8 the Secretary of Commerce personally wrote a letter, which was printed, and which further misled the public. He said in the letter:

This report has been in preparation since early in the year.

I wish to say that today I contacted Mr. Harold Wein, who told me he was unable to give me any information because the Secretary of Commerce was about to issue a release, and therefore he did not want to say anything about the report. But he did tell me that, outside his Government work, he had prepared an article and presented it for publication in the magazine which I have mentioned.

Mr. President, it was not intended that this was ever to be used as an official publication. But I shall proceed now to read what the Secretary of Commerce said about it after he gave it out on the 8th of November. He said:

This report has been in preparation since early in the year.

Mr. Wein told me this report never went to the Department of Commerce until September 1945, to be published in the October Journal of the Department of Commerce. The board and the Department of Commerce did not even see it, but put it in the Department's journal.

The Secretary further says in this letter:

The Department of Commerce continually carries out analyses of the economic situation and prepares reports on current developments. The report in question summairzes a detailed and comprehensive study of sales, costs, productivity, and profits. This study was prepared by able statisticians who analyzed all available data, such data coming in large part from the published reports of the automobile companies. There is no basis for your conclusion that the public was grossly misled by this report.

I appreciate that a close analysis of this letter does not show that the able statisticians were employees of the Department of Commerce; neither does it tell the truth that the report was prepared by one Harold Wein, of the Department of Justice. Therefore the public could have relied upon the statement that the able statisticians were employees of the Government in the Department of Commerce familiar with the facts in this case. This letter was in fact published, which would further mislead the public as to the authenticity of this report.

From time to time, between November 1 and March 14, statements respecting the inaccuracies of this report were made to the Department of Commerce; in fact as late as March 1, 1946, the Automobile Manufacturers Association sent a letter to the Secretary of Commerce. I desire to read the letter, which again called the attention of the Secretary of Commerce to some statements which were erroneous, and in connection with which they wanted correction to be made. This occurred while negotiations were proceeding in respect to labor disputes all over the country. On March 1, 1946, this letter was addressed to Hon. Henry A. Wallace, Secretary of Commerce, Washington, D. C.:

DEAR SECRETARY WALLACE: We have reviewed your Department's completed report dated February 4, said to contain the data underlying the conclusions released on November 1, 1945—

Senators will see from the letter that the automobile industry believed it was an official document of the Department because they say in their letter "We have reviewed your Department's completed report." I continue to read—

concerning automobile industry wage-price-profit relationships. Our preliminary study discloses many errors in this report, but, more importantly, this report does not support the conclusions published last fall. Yet the conclusions were given out to the press and public without any indications that they were actually based on experimental application of statistical techniques.

These conclusions, based on an incomplete, experimental report as released to the press on November 1, were based on an assertion concerning the nature of future relations between wages, prices and profits which was not in conformity with the common-sense appraisal of the situation by those familiar with the industry.

Starting on November 1, we made a number of requests for the completed report supporting your conclusions, but only received it on February 4—a few days after the wage pattern had been established in the automobile industry.

The conclusions issued last fall were used as official guideposts in formulating the present national wage-price policy, and their release influenced collective bargaining negotiations and, later, the recommendations of the Garrison fact-finding board then considering the wage issue of a large manufacturer in this industry.

In view of your own wide experience with sound statistical analysis, Mr. Secretary, and the jealous regard in which you must hold your Department's reputation for objectivity, it would seem that this incident must inevitably call for your correction of the public record concerning the nature of this study, and of the conclusions. Faith in the accuracy of the Department of Commerce statistics will be seriously impaired if the record is not publicly corrected.

Little reliance can be placed, for example, on formulas used by the Department's statisticians which produce hindsight errors as high as $221,000,000 in dealing with a single year's figures. Test of the Department of Commerce formula for calculating past profits in the automobile industry—using data for years 1929 to 1941—shows an average error per year of $80,800,000. In 8 out of 13 years, the Department's figures for calculated profits varied 31 percent, or more, from the actual figures.

When a formula breaks down so completely in dealing with past figures where the variables are all well known, what possible reliance can safely be placed on deductions drawn from it when dealing with the future? In making forecasts even proven methods must rely on many arbitrary assumptions.

Turning to the Commerce Department assumptions on changes in costs of materials during the war, you will find them so far off the beam that any motor company attempting to operate with similar unawareness of the economic facts of life would quickly go bankrupt. The report assumes increases that are less than half those that had already oc-

curred before December 1945 in the case of all passenger-car manufacturers.

The Department's study assumes an increase in output per man-hour by 1948 that would equal the increase that might have been expected between 1941 and 1948 if there had been no interruption of automotive production and if the average increase in output per man-hour between 1919 and 1941 could validly be assumed to be applicable. Even Department of Commerce and the United States Bureau of Labor Statistics figures show no increase in output per man-hour for the 5 years immediately preceding the war, after correction for errors in the Department's calculation for 1941.

The complete report states that the conclusions cannot be applied to individual companies in the industry. Yet conclusions released to the press early in November lacked any such qualification and stated flatly that the industry could pay 25 percent higher wages without an increase in the prices of its finished products.

The misleading impression created in the public mind becomes apparent when it is pointed out that the Bureau of Internal Revenue received returns from 700 to 1,150 automotive concerns each year between 1929 and 1941, and, in all except the last 3 years, half or more of the firms reported losses. Even in 1941, 26 percent made no profits.

We are sure that if you will personally review the circumstances under which the original conclusions were reached; the long delay in supplying the completed report until its accuracy became a moot question; the gross lack of agreement between the original conclusions and the details submitted long thereafter; and the many errors in the completed report, you will realize the necessity for correcting the public record.

So that your department may merit a record of reliability and impartiality, we urge you to take adequate and appropriate steps to correct the public misunderstanding caused by the November release, and cancel publication of the highly conjectural, inaccurate, and misleading complete report. If issued, it can only contribute to further widespread misrepresentation and misunderstanding of the facts pertaining to one of the country's most important industries, and to the detriment of the best interests of all concerned, of which the general public interest is far and away the most important during these troubled times.

Sincerely yours,

GEORGE W. MASON, *President.*

Nothing was done by the Department of Commerce to correct the misleading statements from November 1 until March 14, 1946, when the Secretary issued the following statement:

The following statement was issued today by Secretary of Commerce Henry A. Wallace, after studies and discussions with the Business Advisory Council at its regular meeting in the Department March 13 and 14.

The report on the automobile industry dealing with cost, price, and profit relationships, released to the press on November 1, 1945, has been the subject of much controversy. That report, based on a study by Harold Wein, an economist, who submitted it to the Department of Commerce for consideration for publication, reflected an initial effort in the development of statistical methods and techniques to determine and project cost, price, and profit relationships under varying assumptions as to volume of production and sales. There are, of course, inherent uncertainties in projecting cost, price, and profit relationships for any specific industry and even for industry as a whole. Such projections are obviously dependent on assumptions as to future costs, selling prices, and specific methods of projection.

The projections in the release of November 1 were not intended, nor should they have been regarded, as official forecasts of costs, prices, or profits for the automobile industry or for industry as a whole. The study was intended as a projection based on specific and varying assumptions to point to the kinds of problems involved in the analysis of cost, price, and profit relationships. Such projections, although based on what seemed to be a reasonable range of assumptions, were not intended nor should they have been interpreted as forecasts of what would actually happen. The development of analytical techniques and methods should be perfected and it would be highly desirable for economists and statisticians in business, in universities, and in Government to cooperate toward the improvement of these techniques.

The fact-gathering aspects of the Department of Commerce program have reached wide business support and, in fact, have been designed largely at the request, and with the assistance, of the business community. In working out the details of its program the Department is currently developing its policy relating to statistical subject matter and techniques. In developing policy and program the various bureaus and offices of the Department are working closely with interested business groups to the end that our statistical and economic reports will have maximum usefulness to industry, business, and Government.

Even as late as the 14th of March, Mr. President, all the facts are not told as to this report. They do not say who Mr. Wein is. They merely say:

That report, based on a study by Harold Wein, an economist, who submitted it to the Department of Commerce for consideration for publication.

I tried to obtain from Mr. Wein some of the facts as to how this information was obtained, and its relationship to the Department of Commerce, but he declined to discuss the matter because he must first wait on the Secretary of Commerce to give him the green light so he may tell to a Senator or to the Senate the actual facts respecting how the matter contained in this publication was obtained.

He says he was not paid for it. He admits that much. He admits that he wrote it on off time while an employee of the Department of Justice, and he took his employment with the Department of Justice on the 24th day of May 1945. Oh, yes; he has had previous places of employment. He had been previously with the War Production Board. He had been with OPA. He had started in 1939 at a salary of $2,000 a year, and his salary is now $6,650 a year.

But I say, Mr. President, if this report which was issued at this critical time in the economic history of the country, had been signed or purported to have been signed by Harold Wein, an employee of the Department of Justice, no attention would have been paid to it. But it came out as an official publication of the Department of Commerce. We know that daily we are called upon to rely upon facts obtained from various departments. If publications such as this are going to be issued, how can the Senate, how can the House, how can the American people rely upon such statements? I say it was four months and a half before the Department of Commerce saw fit to tell a part of the truth respecting this report.

Mr. President, this is a serious matter. We appropriate millions of dollars yearly for the Department of Commerce. The Congress and the American people want to know what they are getting for that money.

The Department of Commerce is a tax-supported institution, receiving from the United States taxpayers all the money necessary to pay its employees. It has an official duty to carry out, which is to promote the commerce of the United States and its manufacturing, shipping, and transportation interests. For the fiscal year 1946 the Department of Commerce received from the taxpayers of America an appropriation of $2,003,212, simply for purposes of public relations. The Secretary said that this report—

Reflected an initial effort in the development of statistical methods and techniques to determine and project cost, price, and profit relationships under varying assumptions as to volume of production and sales.

If we spend money for the publicity activities of an agency which is to issue reports which are not truthful in fact, we are doing more than wasting money, because we are making possible the issuance of statements and reports which are misleading the American public. The taxpayers should not be required to spend their money for reports and alleged facts that are not accurate and beneficial to the people generally. Misstatements and inaccuracies are of no value.

Mr. President, I have no objection to the Secretary of Commerce making any political statement he wishes to make. Today we have had almost a Henry Wallace Day in the Senate. A number of speeches have been made about him. As I have said, I am not concerned with his political utterances, but I am greatly concerned when he undertakes to place in official reports statements which are not accurate. When Harold Wein sends in an article for publication in a magazine under his own name, and the article is used as an official publication of the Department of Commerce, and is represented as official data of the Department of Commerce, then I say—and these are harsh words, but they are true—it is a fraud upon the American people, and it remained a fraud upon the American people for 4½ months.

Mr. President, it is time for us to get true statements from our various departments. The small businessman, in particular, needs true statements, and not political utterances, upon which to base his business.

Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks an editorial entitled "New Suggestions From Mr. Wallace on the 'Full-Employment' Notion," from the Baltimore Sun of March 17, 1946, and an editorial entitled "That Auto Forecast," from the Washington Post of March 17, 1946.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun of March 17, 1946]

NEW SUGGESTIONS FROM MR. WALLACE ON THE FULL-EMPLOYMENT NOTION

Always a leader in the full-employment movement, Mr. Henry A. Wallace has now given us new and suggestive intimations of

the way an extended Government may actually operate in the field of business economics. The full-employment idea in its original form, it will be remembered, would have saddled Government with the ultimate obligation to provide up to 60,000,000 jobs.

But Mr. Wallace, in his eloquent tracts on this theme, always suggested that the Government would be aloof and disinterested in the discharge of this obligation. It would keep hands wholly off so long as private enterprise did the employing job. And when it did intervene it would do so in a spirit of scientific objectivity and priestlike dedication to the national, as against any special, interest.

It was a pretty picture, but there were gross and sensual men here and there who always doubted that Government control of the economy would be this aseptic. Now Mr. Wallace gives them good reason to be more than ever suspicious. For Mr. Wallace now minimizes the importance of a report which leaked from his Department in October. This report purported to show, among other things, that the automobile industry could afford substantial wage increases immediately without rising prices. On Friday, Mr. Wallace announced that this report should never have been taken seriously. But he did not say why he had waited so long to say so.

But even an unsophisticated observer is aware of one or two factors in the situation. Since the report was "released" there have been great strikes in the automobile industry. Those strikes rested on the wage-boost-without-price-boost theory of the Commerce report. The strike leaders naturally made use of this report. The strikes have now been settled to the considerable advantage of that branch of the labor movement always specially enamored of Mr. Wallace as a public leader. The battle safely over, Mr. Wallace now explains that the report, used by the unions so skillfully, really wasn't official, wasn't authoritative, and wasn't to be taken seriously at all.

This is not quite the way Mr. Wallace has been assuring as the full-employment hierophants would behave if he could have his full-employment plan intact. It is precisely the way the critics of that plan have expected it to work, however.

[From the Washington Post of March 17, 1946]

THAT AUTO FORECAST

In our opinion, Secretary Wallace should have written off the Department of Commerce report on wages and profits in the automobile industry as one of those mistakes best forgotten. Instead, he has chosen to bring this unfortunate document to public attention once more by denying that it was in the nature of an official forecast. And to clinch his denial he has released to the press the name of a former OPA statistician whose study provided the basis for the report's conclusion that the automobile industry could increase basic wage rates 25 percent by 1947 without raising prices and continue to make high profits.

To "put the finger" on a hitherto anonymous statistician whose material has been incorporated in a study bearing the imprint of the Department of Commerce and issued from the office of the Secretary seems to us an unworthy method of attempting to shift official responsibility to the shoulders of a hapless individual who would have received no credit if his prophecies had been acclaimed. In any case, the Department of Commerce and its head cannot disavow responsibility for the error of judgment that was committed by releasing a report of such a nature when the automobile industry was involved in wage disputes that led to the GM strike. Despite the hypothetical nature of the report, it was obvious that its conclusions would be seized upon avidly by the UAW to support the contention of union leaders that heavy wage increases could be granted without increasing car prices. At the time we stated that, except for purposes of political propaganda, there was no excuse for publishing a document of this kind bristling with unverifiable assumptions.

Secretary Wallace's belated disavowal of the official status of the report at any rate leads us to hope that rash forecasts relating to business will in future be avoided. For the value of the services rendered by the Department of Commerce lies in objective presentation of pertinent business facts, free from even a suspicion of bias or a hint of special pleading. We do not wish to imply that the Department's statisticians should never indulge in forecasts. However, every experienced statistician realizes the dangers of official business forecasting—dangers growing out of opportunities for misusing such forecasts to further ulterior private ends. Forecasting should, therefore, be the rare exception rather than the rule, and care should always be taken to impress the public with the limitations of the data and the tentative nature of the conclusions.

SECOND URGENT DEFICIENCY APPROPRIATIONS

Mr. McKELLAR. Mr. President, I move that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of House bill 5671 making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

Mr. AIKEN. Mr. President, is the bill on the calendar?

Mr. McKELLAR. The bill is on the calendar.

Mr. AIKEN. What is the calendar number?

Mr. McKELLAR. Calendar No. 1072.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 5671) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee [Mr. McKELLAR.]

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

Mr. McKELLAR. Mr. President, I should like to make an explanation of the bill.

Mr. WHITE. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum?

Mr. McKELLAR. I yield.

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Byrd	Fulbright
Austin	Capehart	George
Bailey	Capper	Gerry
Ball	Carville	Gossett
Bankhead	Chavez	Green
Barkley	Connally	Guffey
Bilbo	Cordon	Gurney
Brewster	Donnell	Hart
Bridges	Downey	Hatch
Briggs	Eastland	Hawkes
Buck	Ellender	Hayden
Bushfield	Ferguson	Hickenlooper
Hill	Maybank	Russell
Hoey	Mead	Saltonstall
Huffman	Millikin	Smith
Johnson, Colo.	Mitchell	Stanfill
Johnston, S. C.	Moore	Taft
Kilgore	Murdock	Thomas, Okla.
Knowland	Murray	Thomas, Utah
La Follette	Myers	Tunnell
Lucas	O'Daniel	Tydings
McCarran	O'Mahoney	Vandenberg
McClellan	Overton	Walsh
McFarland	Pepper	Wheeler
McKellar	Radcliffe	White
McMahon	Reed	Wiley
Magnuson	Revercomb	Willis

The PRESIDING OFFICER. Eighty-one Senators having answered to their names, a quorum is present.

Mr. McKELLAR. This bill is an urgency deficiency measure, designed principally for the purpose of paying increases in salaries which were authorized by a recent act of Congress. The Senate committee has added certain items, and I am quite sure the Senate will be agreeable to the additions, when they are stated.

First, there is a small item for the Court of Claims. Of course it must be paid, and it is included in the bill as reported by the committee. It amounts to only $12,000.

The next item is for the Federal Security Agency, Social Security Board, Office of Vocational Rehabilitation, $3,435,000. Of course, the States have already put up their shares of the funds for that agency, and it is necessary for Congress to appropriate the share of the Federal Government in respect to the costs and expenses of the agency. There is no way to avoid it, and the money must be appropriated. So I am sure the Senate will agree to that item.

The next item, which relates to the Veterans' Administration, involves an appropriation of $1,000,000 for the vocational rehabilitation revolving fund, which is authorized by law, and the money should be appropriated. I am quite sure there will be no disagreement as to it.

The next item is one for the Department of Agriculture. It makes certain appropriations available without requiring a new item. I am sure there will be no objection to that.

The next item is for the Navy Department, and is an addition to the naval appropriations already made. The amendment provides that—

> The appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1946, shall be available for expenses in connection with the transfer to the United States Navy of foreign vessels, including pay, subsistence, clothing, transportation, and repatriation of alien crews.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. SALTONSTALL. I should like to ask the distinguished Senator about a very simple amendment, although it may be somewhat technical. We have recently passed a ship sales bill. We have a great many surplus merchant ships. Would it not be well to include the words "of war," so as to make the amendment read "foreign vessels of war"?

Mr. McKELLAR. That will be entirely satisfactory, and will carry out the purposes of the Department, as I understand them. Therefore, I ask unanimous con-

sent to have the amendment modified by inserting the words "of war," so that the amendment will read "foreign vessels of war." If consent is given, I ask that the clerk make the necessary changes in the amendment.

The PRESIDING OFFICER. Without objection, the amendment will be modified as requested.

Mr. McKELLAR. The next item pertains to the War Department. Of course, every Senator will approve of this item, for it is for cemeterial expenses for deceased soldiers, $3,000,000.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. WHITE. I should like to ask about the cemeterial expenses. Can the Senator give us information as to the present authority and present purpose of the War Department with respect to returning to this country the bodies of soldiers who have died overseas?

Mr. McKELLAR. A bill for that purpose has passed the House of Representatives and has been reported favorably to the Senate, but has not actually been passed by the Senate.

Mr. WHITE. This amendment is to carry out the purpose of that measure; is it?

Mr. McKELLAR. It is.

Mr. KNOWLAND. Mr. President, I wonder whether the Senator can give the Senate information as to the total amount which it is anticipated will be required in order to carry out the full program?

Mr. McKELLAR. The total cost has not been accurately determined as yet, but it will be a very large sum. This item is merely the beginning. It is the purpose to bring back to the United States the bodies of all soldiers who lost their lives, in all cases in which it is possible to bring them back to this country. That program will cost the Government approximately $170,000,000.

Mr. KNOWLAND. I can appreciate the delicacy of a matter of this kind. However, I cannot help but observe that I think if the men themselves, whose bodies now lie in cemeteries in foreign countries, had an opportunity to express themselves, they might feel that this very large sum of money, amounting to approximately $150,000,000 or more, might be better expended in giving an education to the sons of those who have given their lives to their country, rather than in expending it to return to the United States the bodies of those who died overseas.

Mr. McKELLAR. I do not know as to that, and, of course, no one could ascertain how they might feel. But the relatives and friends of the men who lost their lives in the war and are buried in foreign soil are very much in favor of having their bodies returned home.

Mr. AIKEN. Mr. President, do I correctly understand that this item of appropriation is to cover legislation which is now on its way to the Senate from the House of Representatives?

Mr. McKELLAR. Yes; it has passed the House of Representatives and has been favorably reported by the Senate committee.

Mr. AIKEN. This morning I received a letter from a mother who says that she just cannot sleep at night, thinking of her boy whose body is buried in the Philippine Islands.

Mr. McKELLAR. I have received hundreds of such letters, and my sympathy goes out to the mothers and fathers of those soldiers.

Mr. AIKEN. I think the appropriation should be made.

Mr. McKELLAR. The next item is for increased pay costs. I wish to call the attention of Senators to the fact that the House of Representatives referred to some other instrument for the exact amount of money. We are required to state the exact amount of money, and we have inserted the actual amounts, as will be seen, by striking out the language on pages 5, 6, and 7, under the heading "Increased pay costs" and inserting the various items, with the amount of the cost of each.

Mr. President, that concludes my explanation of the bill. I now ask unanimous consent that the formal reading of the bill be dispensed with, that it be read for amendment, and that the committee amendments be first considered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The Clerk will proceed to state the amendments of the committee.

The first amendment of the Committee on Appropriations was, at the top of page 2, to insert:

THE JUDICIARY

COURT OF CLAIMS

Printing and binding: For an additional amount for printing and binding, Court of Claims, fiscal year 1946, $12,000.

The amendment was agreed to.

The next amendment was, under the heading "Independent Executive Agencies," on page 2, after line 12, to insert:

OFFICE OF VOCATIONAL REHABILITATION

Payments to States: For an additional amount, fiscal year 1946, for "payments to States," including the objects specified for this purpose in the Federal Security Agency Appropriation Act, 1946, $3,435,000, of which not to exceed $5,000 shall be available for providing rehabilitation services to disabled residents of the District of Columbia under section 6 of the Vocational Rehabilitation Act.

The amendment was agreed to.

The next amendment was, under the subhead "Veterans' Administration," on page 3, after line 2, to insert:

Vocational rehabilitation revolving fund: To increase the "vocational rehabilitation revolving fund (act of March 24, 1943)", created by the Urgent Deficiency Appropriation Act, 1943, $1,000,000.

The amendment was agreed to.

The next amendment was, under the heading "Department of Agriculture", on page 3, after line 10, to insert:

LOANS, GRANTS, AND RURAL REHABILITATION

For funds in addition to funds authorized under this head in the Department of Agriculture Appropriation Act, 1946, and for the same objects and subject to the same conditions, the limitation of $67,500,000 in the authorization and direction to the Reconstruction Finance Corporation to make advances, contained under this head in said act, is hereby increased to $92,500,000: *Provided*, That $15,000,000 of the $25,000,000 increase herein provided shall be used for making loans to eligible veterans of World War II.

The amendment was agreed to.

The next amendment was, on page 3, after line 20, to insert:

NAVY DEPARTMENT

The appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1946, shall be available for expenses in connection with the transfer to the United States of foreign vessels, including pay, subsistence, clothing, transportation, and repatriation of alien crews.

The amendment was agreed to.

The next amendment was, under the heading "War Department—Civil functions", on page 4, after line 15, to insert:

QUARTERMASTER CORPS

Cemeterial expenses: For an additional amount for "Cemeterial expenses", fiscal year 1946, including the objects specified under this head in the War Department Civil Appropriation Act, 1946, and necessary expenditures in connection with the procurement of caskets, $3,000,000.

The amendment was agreed to.

The next amendment was, under the heading "Increased pay costs", on page 5, after line 7, to strike out:

For such sums as may be necessary, not to exceed the respective amounts named in House Document No. 437, Seventy-ninth Congress, for making payments during the fiscal year 1946 in consequence of the Federal Employees Pay Act of 1945 (Public Law 106), and of the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the postal service; to establish uniform procedures for computing compensation; and for other purposes", approved July 6, 1945 (Public Law 134), from appropriations as follows:

National Archives: Salaries and expenses;

Railroad Retirement Board:

Salaries;

Miscellaneous expenses, other than salaries;

Smithsonian Institution:

Salaries and expenses;

Salaries and expenses, National Gallery of Art;

Department of Agriculture:

Bureau of Entomology and Plant Quarantine:

Insect investigations;

Insect and plant-disease control;

Foreign plant quarantines;

Department of Commerce:

Office of Administrator of Civil Aeronautics: Maintenance and operation of air-navigation facilities;

Weather Bureau: Salaries and expenses;

Post Office Department (out of the postal revenues):

Office of the First Assistant Postmaster General:

Compensation to postmasters;

Compensation to assistant postmasters;

Clerks, first- and second-class post offices;

Clerks, third-class post offices;

City delivery carriers;

Office of the Second Assistant Postmaster General:

Railway mail service;

Railway postal clerks, travel allowance;

Office of the Fourth Assistant Postmaster General:

Vehicle service;

Public buildings, maintenance and operation:

Operating force;

Treasury Department:

Custody of Treasury buildings: Salaries of operating force;

Bureau of Internal Revenue: Salaries and expenses;

Secret Service Division:
Salaries;
Suppressing counterfeiting and other crimes;
Salaries and expenses, guard force, Treasury buildings;
War Department—Civil functions:
Quartermaster Corps: Cemeterial expenses:
Provided, That the obligations incurred and expenditures made for such purposes under the authority of this act shall be charged to any appropriations therefor in the Second Deficiency Appropriation Act, 1946, when enacted: *Provided further*, That any restrictions heretofore made applicable to any of the foregoing appropriations, which limit the amounts which may be expended for personal services or for other purposes, or amounts which may be transferred between appropriations or authorizations, are hereby waived to the extent necessary to meet increased pay costs as provided for herein.

And in lieu thereof, to insert the following:

For additional amounts for appropriations for the fiscal year 1946, to meet increased pay costs authorized by the acts of June 30, 1945 (Public Law 106), and July 6, 1945 (Public Law 134), as follows:
For—
Architect of the Capitol:
"Legislative garage," $7,200;
Library buildings and grounds: "Salaries", $51,000;
Botanic Garden: "Salaries", $34,500;
Library of Congress:
"Salaries, Library, proper", $405,407;
Distribution of printed cards:
"Salaries and expenses", $54,200;
National Archives: "Salaries and expenses", $157,000;
Railroad Retirement Board:
"Salaries", $350,000;
"Miscellaneous expenses, other than salaries", $40,000;
Smithsonian Institution:
"Salaries and expenses", $238,500;
"Salaries and expenses, National Gallery of Art", $184,500;
Department of Agriculture:
Bureau of Entomology and Plant Quarantine:
"Insect investigations", $270,000;
"Insect and plant disease control", $317,000;
"Foreign plant quarantines", $240,000;
Department of Commerce:
Office of Administrator of Civil Aeronautics: "Maintenance and operation of air-navigation facilities", $4,165,000;
Weather Bureau: "Salaries and expenses", $2,590,000;
Post Office Department (out of the postal revenues):
Office of the First Assistant Postmaster General:
"Compensation to postmasters", $19,090,000;
"Compensation to assistant postmasters", $2,308,000;
"Clerks, first- and second-class post offices", $85,500,000;
"Clerks, third-class post offices", $5,595,000;
"City delivery carriers", $46,700,000;
Office of the Second Assistant Postmaster General:
"Railway mail service", $16,681,000;
"Railway postal clerks, travel allowance", $1,253,000;
Office of the Fourth Assistant Postmaster General:
"Vehicle service", $9,650,000;
Public buildings, maintenance and operation:
"Operating force", $7,500,000;
Treasury Department:
Custody of Treasury Buildings: "Salaries of operating force", $137,600;
Bureau of Internal Revenue: "Salaries and expenses", $24,000,000;
Secret Service Division:
"Salaries", $15,100;
"Suppressing counterfeiting and other crimes", $282,900;
"Salaries and expenses, guard force, Treasury buildings", $211,900;
War Department—Civil functions:
Quartermaster Corps: "Cemeterial expenses", $89,000;
In all, $228,117,807: *Provided*, That any restrictions heretofore made applicable to any of the foregoing appropriations, which limit the amounts which may be expended for personal services or for other purposes, or amounts which may be transferred between appropriations or authorizations, are hereby waived only to the extent necessary to meet increased pay costs as provided for herein.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments. The bill is open to further amendment. If there be no further amendment to be offered, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 5671) was read the third time, and passed.

Mr. McKELLAR. I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McKELLAR, Mr. GLASS, Mr. HAYDEN, Mr. TYDINGS, Mr. RUSSELL, Mr. BROOKS, Mr. BRIDGES, and Mr. GURNEY conferees on the part of the Senate.

EXECUTIVE SESSION

Mr. BARKLEY. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. McCARRAN, from the Committee on the Judiciary:
Hon. Brice Clagett, of Maryland, to be associate judge of the Municipal Court of Appeals for the District of Columbia, vice Nathan Cayton, elevated; and
Herbert W. Christenberry, of Louisiana, to be United States attorney for the eastern district of Louisiana.

By Mr. WALSH, from the Committee on Naval Affairs:
Brig. Gen. Samuel L. Howard to be a major general in the Marine Corps for temporary service from the 28th day of September 1942;
Sundry officers of the Naval Reserve to be assistant surgeons in the Navy with the rank of lieutenant (junior grade);
Sundry officers of the line of the Navy to be assistant civil engineers in the Navy with the rank of ensign; and
Sundry officers of the line of the Navy to be assistant paymasters in the Navy with the rank of ensign.

By Mr. THOMAS of Utah, from the Committee on Military Affairs:
Raymond V. Bowers, for appointment as Assistant Chief, Research and Statistics Division, national headquarters, Selective Service System, under the provisions of section 10 (a) (3) of the Selective Training and Service Act of 1940, as amended;
Sundry officers for appointment, by transfer, in the Regular Army of the United States; and
Sundry officers for promotion in the Regular Army of the United States.

By Mr. O'MAHONEY, from the Committee on Military Affairs:
Lt. Gen. Edmund B. Gregory to be War Assets Administrator.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:
Sundry postmasters.

The PRESIDENT pro tempore. If there be no further reports of committees, the clerk will state the nominations on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask unanimous consent that the nominations of postmasters be confirmed en bloc, and that the President be notified.

The PRESIDENT pro tempore. Without objection, the nominations of postmasters are confirmed en bloc, and, without objection, the President will be notified forthwith.

THE NAVY

The legislative clerk read the nomination of Arthur S. Carpender to be vice admiral, for temporary service, to rank from April 3, 1945.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

That completes the calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 3 o'clock and 55 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, March 20, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received March 19 (legislative day of March 5), 1946:

UNITED NATIONS COMMISSION ON ATOMIC ENERGY

Bernard M. Baruch, of New York, to be the representative of the United States of America on the United Nations Commission on Atomic Energy.

FOREIGN SERVICE

Cecil Wayne Gray, of Tennessee, for promotion in the foreign service of the United States of America, from foreign-service officer of class 2 to foreign-service officer of class 1.

DEPARTMENT OF THE INTERIOR

Oscar L. Chapman, of Colorado, to be Under Secretary of the Interior.

CALIFORNIA DEBRIS COMMISSION

Col. Edwin H. Marks, Corps of Engineers, for appointment as president, California Debris Commission, provided for by the act of Congress approved March 1, 1893, entitled

"An act to create the California Debris Commission and regulate hydraulic mining in the State of California," vice Brig. Gen. Philip G. Bruton, Corps of Engineers, to be relieved.

COLLECTOR OF CUSTOMS

Henry V. Schwalbach to be collector of customs for customs collection district No. 37, with headquarters at Milwaukee, Wis. (Reappointment.)

SELECTIVE SERVICE SYSTEM

Raymond M. Lancaster for appointment as fiscal accountant, national headquarters, Selective Service System, under the provisions of section 10 (a) (3) of the Selective Training and Service Act of 1940, as amended.

Compensation for the position of fiscal accountant, national headquarters, Selective Service System, will be at the rate of $5,180 per annum.

IN THE MARINE CORPS

The below-named meritorious noncommissioned officers to be second lieutenants in the Marine Corps from the 2d day of April 1946:

Gunnery Sgt. Guenther W. Lenffer
Gunnery Sgt. Charles A. Ray
Tech. Sgt. Alvin W. Burri
Tech. Sgt. Jack A. Cohoon
Tech. Sgt. Charles W. Cox
Tech. Sgt. Kenneth B. Fish
Platoon Sgt. Earl R. DeLong
Staff Sgt. William A. McClelland
Platoon Sgt. Charles A. Merrill
Platoon Sgt. Clair "F" Runyan
Sgt. Albert C. McLean
Sgt. Robert G. Work
Corp. Robert V. Anderson
Corp. Nicholas A. Canzona
Corp. John E. Dolan
Corp. James H. A. Flood
Corp. William L. Hewetson
Corp. Weldon L. Keating
Corp. Bruce Magruder, Jr.
Corp. Lee D. Martin
Corp. Gene M. McCain
Corp. Carl Pedersen, Jr.
Corp. Michael J. Vrabel
Corp. Lewis R. Webb

The below-named citizens to be second lieutenants in the Marine Corps from the 2d day of April 1946:

Robert E. Barde, a citizen of Virginia.
Gordon S. Baxter, a citizen of Texas.
Charles W. Blyth, a citizen of California.
Samuel L. Grier, a citizen of Virginia.
William T. Hickman, a citizen of New Jersey.
James A. Horn, a citizen of New Jersey.
Paul Kessler, a citizen of New Jersey.
Chew Een Lee, a citizen of California.
Alfred L. Leidy, a citizen of California.
Donald L. Mann, a citizen of Georgia.
John F. Minicller, a citizen of Minnesota.
Willard G. Orth, a citizen of New Jersey.
Alfred L. Perry, Jr., a citizen of Massachusetts.
Kenneth E. Rice, a citizen of Michigan.
Thomas J. Sager, a citizen of Pennsylvania.
Joris J. Snyder, a citizen of Massachusetts.
Richard M. Ulf, a citizen of Massachusetts.
Henry J. Witkowski, a citizen of Wisconsin.
Joseph A. Zybrands, a citizen of Michigan.

IN THE COAST GUARD

Rear Adm. Merlin O'Neill, United States Coast Guard, to be appointed a rear admiral, for temporary service, in the United States Coast Guard with date of rank as such from the 15th day of February 1946, pursuant to the provisions of an act of Congress approved July 24, 1941 (Public, No. 188, 77th Cong.).

Capt. Thomas A. Shanley, United States Coast Guard, to be appointed a rear admiral, for temporary service, in the United States Coast Guard, to rank from the 25th day of February 1946, while serving as district Coast Guard officer, Fifth Naval District, or in any other assignment for which the rank of rear admiral is authorized, pursuant to an act of Congress approved July 24, 1941 (Public, No. 188, 77th Cong.).

CONFIRMATIONS

Executive nominations confirmed by the Senate March 19 (legislative day of March 5), 1946:

IN THE NAVY

APPOINTMENT IN THE NAVY FOR TEMPORARY SERVICE

Arthur S. Carpender, to be vice admiral in the Navy, for temporary service, to rank from April 3, 1945.

POSTMASTERS

KANSAS

Raymond J. Renner, Andale.

MISSOURI

Orvil T. Hughs, Lucerne.

OKLAHOMA

Clifford L. Hanan, Arnett.
Homer B. Cluck, Guymon.

OREGON

Herbert G. Suttle, Noti.

TEXAS

Jennie H. Whitney, Brookston.
Antonio G. Pena, Delmita.
Waldemar T. Best, Maxwell.
Herbert R. Burton, Price.

UTAH

Iona S. Draper, Fountain Green.

WISCONSIN

Melvin B. Arnes, Barronett.
Hollis E. Hoskins, Grandmarsh.
Earl Roberts, Ogema.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 19, 1946

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Holy Spirit, faithful guide, we need Thee to inspire us in our thoughts and feelings. Make us aware of the contentious forces within our breasts, whose power often touches the heart of every brave and lonely soul. O Thou Christ who said, "I will go with thee all the way," do Thou become the companion of strength to every torn and vacillating spirit.

O Lord God of Elijah, give us the will and the wisdom to preserve our national identity and to remain free from the entanglements of other lands. Grant that our flag may ever be a symbol of our devotion to those virtues which have made us a free and happy people. As temptations beset us in victory and defeat, O direct us in our counsels and let our harvests of peace and joy be a powerful testimony of free government, made so by the fruits of duty well done. In Jesus' name we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On March 8, 1946:

H. R. 3603. An act to provide for the sale of surplus war-built vessels, and for other purposes.

On March 13, 1946:

H. R. 2748. An act for the relief of the Dubuque and Wisconsin Bridge Co.;

H. R. 4027. An act authorizing sale of the allotment of LeRoy Milliken on the Crow Indian Reservation, Mont.;

H. R. 4034. An act authorizing the issuance of a patent in fee to Alice Yarlott Othermedicine; and

H. R. 4035. An act authorizing the issuance of a patent in fee to Wilbert Keiser.

On March 14, 1946:

H. R. 1090. An act for the relief of Mrs. Margaret McWilliams.

On March 15, 1946:

H. R. 1615. An act for the relief of the legal guardians of John Buchan and Lawrence Gillingham, minors; and

H. R. 5529. An act to authorize the President to appoint Lt. Gen. Walter B. Smith as Ambassador to the Union of Soviet Socialist Republics, without affecting his military status and perquisites.

On March 16, 1946:

H. R. 1613. An act for the relief of Christopher Dance;

H. R. 1854. An act for the relief of Thomas Sumner;

H. R. 1890. An act for the relief of the estate of Peter G. Fabian, deceased;

H. R. 2335. An act for the relief of Albert E. Severns;

H. R. 2487. An act for the relief of Mrs. S. P. Burton;

H. R. 3791. An act for the relief of Mrs. Florence Mersman; and

H. R. 4884. An act to relieve certain employees of the Veterans' Administration from financial liability for certain overpayments and allow such credit therefor as is necessary in the accounts of Guy F. Allen, chief disbursing officer.

On March 18, 1946:

H. P. 3224. An act for the relief of Mrs. Lionel Comeaux and New Orleans Public Service, Inc.

EXTENSION OF REMARKS

Mr. LARCADE asked and was given permission to extend his remarks in the RECORD in three instances and in each to include a newspaper article.

Mr. COCHRAN asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. BRYSON asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. TRAYNOR asked and was given permission to extend his remarks in the RECORD in two instances; in one to include an article, American Veterans Urge Adoption of the Emergency Housing Program; and in the other to include an editorial appearing in the Philadelphia Record.

Mr. BRADLEY of Michigan asked and was given permission to extend his remarks in the Appendix of the RECORD and include an address which he recently delivered.

AMERICAN DEMOCRACY

Mr. PIÑERO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Puerto Rico?

There was no objection.

Mr. PIÑERO. Mr. Speaker, in the past few days two great powers have moved to solve the problems of dependent peoples. One-half of the world's population is made up of dependent peoples under some form of colonial rule. These peoples long have been denied a voice in the determination of their destinies.

Last week the Republic of France granted to its colonial islands of Martinique and Guadaloupe in the Atlantic, and to the island of Reunion in the Pacific, equal status with the departments of France.

About the same time Prime Minister Clement Attlee of Great Britain announced that the people of India would be given the opportunity to decide by majority vote whether they wished their full independence or some form of status that would permit them to remain within the British Commonwealth.

This great democratic Republic of ours was founded by our forefathers when they decided to end an intolerant rule and become free and independent peoples. Formation of the Thirteen Original States marked the birth of this great sovereign Republic, the United States of America.

Ironically, in view of our own origin as a free nation, we today hold sovereignty over dependent peoples, all of them American citizens, but denied the rights that American citizenship symbolizes to the rest of the world. We have under our flag second- and third-class citizens. This is not the American way; this continued refusal to grant full equality in sharing the benefits of our traditional American principles of freedom and equality for all is inimical to our way of life as we profess to defend it in our policy toward peoples similarly situated in other parts of the world.

The fact that ours is a benign rule does not excuse our failure to live up to our American principles of granting the fullest enjoyment of American democracy to all citizens under the Stars and Stripes. These politically dependent areas under our flag deserve and must have a square deal as we Americans understand that term.

EXTENSION OF REMARKS

Mr. PIÑERO asked and was given permission to revise and extend his remarks.

Mr. LANE asked and was given permission to extend his remarks in the Appendix of the RECORD and include two articles, one a resolution adopted by the Board of Aldermen of the City of Chelsea, Mass., and the other an editorial that appeared in the Boston Post.

Mr. D'ALESANDRO asked and was given permission to extend his remarks in the Appendix of the RECORD and include an address made on St. Patrick's Day by William Curran, attorney general of Maryland, and also to include a newspaper article on the same subject.

Mr. GROSS asked and was given permission to extend his remarks in the Appendix of the RECORD and include a radio speech.

Mr. HILL asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter written by Mr. Singer, a livestock man in Colorado, to the Record Stockman.

Mr. LEMKE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a short editorial from the Pittsburgh Sun-Telegram.

Mr. BYRNES of Wisconsin asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. ANGELL asked and was given permission to extend his remarks in the Appendix of the RECORD on two subjects, in one to include an article on Secretary Krug, and in the other two short editorials on the milk situation in his district.

Mr. LYLE asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. WASIELEWSKI asked and was given permission to extend his remarks in the Appendix of the RECORD on five different subjects, in four to include newspaper articles and in the fifth a resolution.

Mr. BLAND asked and was given permission to extend his remarks in the Appendix of the RECORD on the subject Merchant Marine Cadet School and to include therein a letter from a mother of one of the boys.

SPECIAL ORDER GRANTED

Mr. HORAN. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes today following the special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday of this week may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. ELLIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to extend my remarks in the Appendix of the RECORD and include an editorial and a letter.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

[Mr. ELLIS addressed the House. His remarks appear in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include a letter therein.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[Mr. MICHENER addressed the House. His remarks appear in the Appendix.]

WALLACE AND THE SOUTHERN DEMOCRATS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, one of the craziest propositions I have heard since Henry A. Wallace advised farmers to improve their prosperity by killing their livestock and plowing up their crops was his advice yesterday that southern Democrats be turned out of the Democratic Party because they do not vote the way he imagines he thinks they ought to vote.

Just when did he get any authority to advise the Democrats as to what they should do? I suppose he would like for us to follow him. It has not been a month since he was openly supporting a Communist against our Democratic nominee for Congress in New York.

In that connection, I am reminded of an old fellow who had written on his tombstone this epitaph:

> Hark, ye strangers passing by,
> As you are now so once was I;
> As I am now, so you must be,
> Prepare for death and follow me.

One of his neighbors wrote under it:

> To follow you I would not consent,
> Unless I knew which way you went.

The SPEAKER. The time of the gentleman from Mississippi has expired.

ESTABLISHMENT OF UNDER SECRETARY OF LABOR AND THREE OFFICES OF ASSISTANT SECRETARY OF LABOR

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 566, Rept. No. 1786), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3864) to establish the office of Under Secretary of Labor, and three offices of Assistant Secretary of Labor, and to abolish the existing office of Assistant Secretary of Labor and the existing office of Second Assistant Secretary of Labor. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Labor, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same back to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

ACTIVITIES OF AMERICAN DELEGATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on

Foreign Affairs and ordered to be printed:

To the Congress of the United States:

I transmit herewith for the information of the Congress a copy of the report on the activities of the American delegation to the first part of the first session of the General Assembly of the United Nations in London, England, January 10 to February 14, 1946, submitted by the Secretary of State to the President of the United States under date of March 1, 1946.

The participation of the American representatives in the actual establishment of the institutions provided in the Charter of the United Nations, and in the initial work of the General Assembly regarding the urgent problems confronting the 51 members of the United Nations today is vital to all Americans.

The United States supports the Charter. The United States supports the fullest implementation of the principles of the Charter. The United States seeks to achieve the purposes of the Charter. And the United States seeks to perfect the Charter as experience lights the way. To do less than our utmost in this essential effort of peace-loving nations, whatever may be the obstacles and difficulties, would be a betrayal of the trust of those who fought to win the opportunity to have a world at last with peace and security, and well-being, for all. To do our utmost will be to give new and full expression to the meaning of "America" to the world.

I commend to the attention of the Congress the enclosed report as constituting the record, briefly told, of the part taken by our representatives in the progress so far made by the United Nations, now established and at work.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 19, 1946.*

[Enclosure: Report from the Secretary of State.]

MARCH 1, 1946.

The PRESIDENT,
The White House:

I have the honor to transmit my report on the activities of the delegation representing the United States at the first part of the first session of the General Assembly of the United Nations held in London from January 10 to February 14. I also enclose a copy of this report with the suggestion that you may wish to forward it to the Congress for its information and for the information of the American people.

The first formal session of the 51 nations united under the Charter adopted at the San Francisco Conference last June ends a long chapter of preparation for peace carried out even in the midst of war. It opens a new chapter of active collaboration of the United Nations for the maintenance of the peace finally won after that Conference and for the encouragement of relations and the promotion of conditions conducive to peace throughout the world.

The first step along this road took place only 3 weeks after Pearl Harbor when, on January 1, 1942, the United Nations Declaration was signed at the White House pledging the 26 governments then signatory to the declaration to cooperate to win the war.

Next began a series of special United Nations conferences called on specific matters which seemed ripe for discussion such as food and agriculture, relief and rehabilitation, monetary and financial cooperation, civil aviation, and educational, scientific, and cultural cooperation, which by the present date has resulted in the establishment of a group of specialized international organizations.

In October of 1943 the necessity of establishing a general organization for the maintenance of international peace and security was recognized at the Moscow Conference of the Foreign Ministers of the United States, the United Kingdom, and the Soviet Union, and their wide and decisive measure of agreement in principle, in which China joined, was announced in the declaration of Moscow.

In the autumn of 1944, representatives of these powers met at Dumbarton Oaks and agreed upon definite proposals for a general international organization to maintain international peace and security and to promote the general welfare.

Then followed the Yalta Conference in February 1945. There the Dumbarton Oaks proposals were completed by agreement on voting procedure in the Security Council by the United States, the United Kingdom, and the Soviet Union, and subsequently China.

Shortly thereafter the meeting of the United Nations was called, and in a 9-weeks' conference at San Francisco beginning April 25, 1945, unanimous agreement was reached upon the Charter of the United Nations, which was signed on June 26 and immediately submitted for ratification. During the succeeding summer and autumn, a preparatory commission and its executive committee translated the terms of the Charter into detailed recommendations for the establishment of the various organs of the Organization. With the Charter in effect October 24, and ratified by all 51 members by December 27, the General Assembly was called for January 10 to take final action to bring the Organization into being.

The United States representation at this first part of the first session of the General Assembly in London continued, as at San Francisco, to be broadly representative and nonpartisan. It contained Members both of the Senate and House of Representatives and officials of the various executive departments concerned, as well as important persons in the two principal political parties. The delegation, appointed by you with the consent of the Senate, was headed by me as senior representative until my departure on January 25, and thereafter by the Honorable Edward R. Stettinius, Jr., the representative of the United States at the seat of the United Nations, who also represented the United States on the Security Council. Senator Tom Connally, Senator Arthur H. Vandenberg, and Mrs. Franklin D. Roosevelt also served as representatives. The five alternate representatives were Representative Sol Bloom, who served as a representative on the delegation after January 25, Representative Charles A. Eaton, Mr. Frank Walker, former Senator John G. Townsend, Jr., and Mr. John Foster Dulles. The United States was represented on the Economic and Social Council by the Honorable John G. Winant, Ambassador to the United Kingdom who was appointed to serve during the organizing meetings of the Council in London.

The representatives were assisted by five senior advisers, Mr. Benjamin V. Cohen, Mr. James Clement Dunn, Mr. Green H. Hackworth, Mr. Leo Pasvolsky, and Mr. Adlai E. Stevenson; by a principal adviser, Mr. Alger Hiss, and by a number of highly qualified general and special advisers and assistants from the Departments of State, War, and the Navy, and other parts of the Government.

It was the constant effort of each of the members of the delegation to carry out your general instruction to demonstrate the wholehearted support which the United States Government is pledged to give the United Nations Organization. The devotion of all to the full discharge of the responsibilities of the delegation is commended more adequately by the record of accomplishment than it could be by words here.

I particularly wish, also, to voice the deep appreciation of the entire delegation for the exceptional efforts made by the British Government and people, despite the shortage of supplies and housing created by the war, to provide every possible comfort and convenience for the great assemblage of delegates from many lands and to extend to us the hospitality and welcome for which the British Isles are famous.

The first part of the first session in London was intended to be primarily organizational. Its main purpose was to set up the various organs of continuing collaboration provided for in the Charter; it was not anticipated that many matters of substance would be considered at the same time as the work of establishment was being undertaken. It was felt that substantive problems could be handled in a more orderly and effective way, after careful preparation, in the second part of the first session.

However, the profound dislocations which the war has caused throughout human society permitted no such systematic development. The organization was confronted even before it was organized by problems of two types: First, broad problems of concern to many states or to the whole world, such as the food crisis, the control of atomic energy, trade and employment, health, and refugees; and, second, specific problems such as Spain and the problems dealt with by the Security Council concerning Iran, Greece, Indonesia, and Syria, and Lebanon. Constructive practical actions had to be considered and agreed upon. These circumstances demonstrated in fact how thoroughly justified had been the long-held feeling that it was imperatively urgent to establish the United Nations Organization at the earliest possible moment.

It is difficult and even hazardous to attempt an immediate assessment of such a large undertaking which inevitably covered many subjects and touched upon wide and complicated considerations. I believe, however, and I think my views are widely shared, that these unexpectedly hard tests encountered even before organizing problems could be solved were met with courage, with success, and with hope for the future. The Organization was effectively established and substantive problems were faced with frankness and resolution. The participating nations demonstrated by their firmness of expression in the discussion, the weight they attach to the Organization, and to the decisions reached.

We have taken a constructive step on the long road to peace and all that peace can bring to man. That step, though a modest one, has been strong and sure. The next ones can take us further. How well we can advance on the way will depend, as I said to the Assembly on January 14, upon the support given the United Nations by the governments and peoples which compose it. Their support should be forthcoming because their common interests far outweigh any conflict in interest that might divide them.

The United Nations is now a going concern. Its principal organs and their working bodies have begun to function. The general area of its home site in the United States has been fixed, and its permanent staff is even now arriving on our shores to establish the temporary headquarters in New York City and to plan for permanent headquarters in the area of Westchester and Fairfield Counties. The rhythm of regular activities and meetings is beginning.

During the meetings in London, the following organs and suborgans provided for in the Charter were duly established:

The General Assembly, the meeting at least annually of all member states, elected its officers, approved its Provisional Rules of Procedure, and in 33 public plenary sessions served both as a constituent body to call into being the other organs and as a deliberative

body to discuss matters of general policy and interest.

The Security Council, the organ composed of 11 members, with primary responsibility for the maintenance of international peace and security, and so organized as to function continuously, was confronted almost immediately with problems concerning Iran, Greece, Indonesia, Syria, and Lebanon, and dealt with them as well as with certain organizational matters in 23 meetings.

The Military Staff Committee, the military body consisting of the Chiefs of Staff of the five permanent members of the Security Council or their representatives which is to advise the Security Council on all military matters, took the necessary steps to organize itself and is ready to proceed to substantive work as directed by the Council.

The Economic and Social Council, a principal organ composed of 18 members offering great possibilities for the advancement of human well-being, established in 13 meetings a number of important commissions and committees and began its first substantive work with decisions to call two world conferences to establish permanent international organizations in the vital fields of health and trade.

The International Court of Justice, the principal judicial organ of the United Nations, composed of 15 judges duly elected by the General Assembly and the Security Council, with its permanent seat at the Hague, is scheduled to convene on April 3 next.

The Secretariat, the permanent internation staff of the Organization, with its provisional structure, regulations, and budget approved by the General Assembly, is already in process of building its organization under the first Secretary-General.

The only major organ provided for in the Charter which it was not possible to set up at this first part of the first session was the Trusteeship Council. This was due not to lack of desire but to the fact that, although necessary negotiating steps by the states directly concerned are under way relative to certain mandated territories, these negotiations have not yet reached the point where the terms of the Charter for the establishment of the Council can be fulfilled. There is reason to expect, however, that this can soon be done. Furthermore, the General Assembly has shown active interest in information to be received in the meantime from all states administering non-self-governing territories relating to the economic, social, and educational conditions in such of these territories as are not trust territories.

Although not named in the Charter as a principal organ—the atomic age had not been entered when the Charter was prepared—the Commission on Atomic Energy calls for special mention. It is with a feeling of gratification, indeed with a feeling that a great step forward has been achieved, that I can say that the proposal agreed upon in the meeting of the Foreign Ministers of United States, the United Kingdom, and the Soviet Union at Moscow in December 1945, for a special commission to deal with this awesome problem, was accepted unanimously by the United Nations Assembly, and that the carrying out of the great responsibilities of the Commission will now begin as soon as the Commission can meet in the United States.

Many other decisions essential to the orderly working of the new organization or important in specific fields of interest were taken during the 5-week session. The views expressed by the United States delegation as well as the positions to which the United States was elected in the organization will be found with a minimum of detail in the following pages of this report relating to the General Assembly, in the separate reports to be transmitted later by the United States representatives on the Security Council and on the Economic and Social Council, and, with full details, in the publications of the United Nations.

We are entitled to feel encouraged by this constituent meeting of the General Assembly of the United Nations. Though inevitably no nation was fully content with everything done, all seemed to feel that substantial progress had been made toward orderly human relations and peace amongst nations. Despite all the difficulties, differences, and sometimes irritations in so large a gathering where representatives of most of the world's nations met in almost constant session all day and many evenings throughout 5 weeks, the net result of this initial session has been to provide for the peace-loving nations a working center of cooperation.

The program of international activity immediately in prospect is heavy, and will demand a wide range of participation by the United States. The Security Council is expected to resume its meetings about March 21 at the temporary site in New York City; the Military Staff Committee will meet at the same time and place; the Economic and Social Council will meet May 25; the International Court of Justice will convene April 3; the Commission on Atomic Energy will meet at an early date; the International Health Conference will convene not later than June 20; the International Trade and Employment Conference will be called during the year; and the second part of the first session of the General Assembly will be open September 3, while a number of the commissions and committees of the Assembly and of the Economic and Social Council, on which the United States is represented, will be at work throughout the coming months.

Not only will many of the above-mentioned meetings and activities take place in the United States but, in particular, there will be established here the permanent home of the United Nations. This represents an unprecedented honor for a country which only yesterday, as history is written, was virgin territory unknown to the rest of the world. It also throws upon the American people a great responsibility which will require us to live up to the best and finest in the American tradition. It will be a new experience for us not only to be a part of, but still more to be the host to, a permanent organization of world-wide cooperation. We will especially want to be generous in our hospitality and understanding in our relations.

May the thought and action of each and all of us match this responsibility in order that we may make our fullest contribution toward assuring that the peoples of the world may have the peace and well-being which they so desperately crave after history's most terrible war.

Respectfully submitted.

JAMES F. BYRNES.

[Enclosure: Report.]

INDEPENDENT OFFICES APPROPRIATION BILL, 1947—CONFERENCE REPORT

Mr. HENDRICKS. Mr. Speaker, I ask unanimous consent to have until midnight to file a conference report and statement on the bill H. R. 5201, the independent offices appropriation bill for the fiscal year 1947.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

CREATION OF AGRICULTURAL CREDIT AGENCY

Mr. SABATH. Mr. Speaker, I call up House Resolution 565 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4873) to create an Agricultural Credit Agency, to consolidate therein all Federal agricultural lending agencies, to create a public farm-appraisal system, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same back to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, later on I shall yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], a member of the Rules Committee.

Mr. Speaker, this rule makes in order a bill that has received a great deal of thought and careful consideration on the part of the Committee on Agriculture. It is an open rule providing for 2 hours' general debate on H. R. 4873, to create an Agricultural Credit Agency and consolidate therein all Federal agricultural lending agencies, and to create a public farm-appraisal system.

The bill for which this resolution makes consideration in order aims to consolidate all the different farm lending agencies. As you know, we have a great many of them. I have frequently tried to ascertain how much these various agencies have advanced and spent in the interest of agriculture, but whenever I received a report I always found there were some few million dollars that had not been included in the report; so even though I am extremely anxious to bring home to you a picture of the millions that have been loaned and advanced to farmers to aid and assist and help them, I am not in a position to do so.

Today I am in a very unpleasant position. The matter of presentation of this rule had been given to the gentleman from Mississippi [Mr. COLMER], but unfortunately, due to his illness, he cannot be with us today. I know we all regret his illness and hope for his early recovery. Due to that unfortunate circumstance I have had only a few minutes in which to familiarize myself with the bill, having given the rule to the gentleman from Mississippi [Mr. COLMER].

This bill, as I have said, proposes to consolidate all of the many agricultural lending agencies into one, which I think is desirable; but it creates a new and separate agency, with powers lodged in a board of seven members, one of whom shall be the Secretary of Agriculture. The Secretary will be entitled to no extra compensation for his added duties; but the other six members, who are required to be experienced in agricultural problems, and to be appointed by the President by and with the consent of the

Senate, will be entitled to annual salaries of $10,000 each. Provision is made for appointment of administrative officials. All in all, the bill contemplates a sizable expenditure for administration. I think the aim of the committee was well intended; but it does create a separate bureau. I was under the impression this could all be done under the Secretary of Agriculture. We now have as Secretary of Agriculture a splendid gentleman whom we all know, though I observe that he has mostly the interest of agriculture at heart. Having served with him in the House, I was under the impression that in his administration he would have in mind the interests of the whole Nation, and of the consumers of the Nation. Of course, I do not oppose his interest in agriculture, provided it does not result in increased cost of living to consumers. I am only fearful that in his desire to serve agriculture and the farmers of this country he may forget the consumers, which I would exceedingly regret. I do not know whether or not he is familiar with the condition of our farmers, but I think he is; and he ought to know that the farmers have never been as prosperous as they are today. They are receiving a higher price for everything they grow and raise; in many instances it is three times as much as in years gone by. I feel we should not continue to legislate in a manner that will increase the cost of living to the wage earners and to the consumers of this country.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I know what the gentleman wants to say. He wants to say that wages have been increased.

Mr. GROSS. Will the gentleman let me say it instead of saying it for me?

Mr. SABATH. I cannot yield now. I will yield later.

I presume the gentleman wants to say that, as a result of the unfortunate fact that organized labor was forced to call strikes in some big industries because the workers could not live on their pay, which had been reduced in size because of reduction in hours and loss of overtime, some wages have been increased by about 18 percent, which will enable the workers partly to meet the increased cost of living. Unfortunately, that increase applies only to about 20 percent of all organized wage earners of America—just to those in the automobile, steel, and electrical industries, and not to all of those.

Mr. GROSS. Mr. Speaker, will the gentleman yield now?

Mr. SABATH. As soon as I complete my thought. I am at a disadvantage today, because I did not have time properly to prepare myself.

In organized labor there are perhaps 16,000,000 to 18,000,000 people. I feel that although these 16,000,000 to 18,000,000 people, after weeks and months of struggle, have attained this increase, the benefit will not inure to the 35,000,000 people who unfortunately are not members of organized labor and have not benefited by these increases.

Notwithstanding the great prosperity of this country, there are nearly 20,000,000 people whose income is less than $1,300 a year, and they ought to be considered. In that group are most of the white-collar workers. Many people are living on pensions and annuities, and they cannot stand the ever-increasing cost of living.

Consequently, if this agency is created and easy-term, low-interest loans again are available, I hope, in view of their many benefits and the high prices they now obtain for their products, farmers and their spokesmen and the agricultural industry generally will not insist on still higher prices, because the American people, and especially the 35,000,000 people with low incomes to whom I referred, cannot afford to pay more in order to stay alive.

Mr. Speaker, having concluded the statement I had in mind to make, I yield to the gentleman from Pennsylvania who I actually believe knows something about the farmers, for a question, please, and not for a speech.

Mr. GROSS. Does the gentleman from Illinois know that the farmers' income is due to the fact that he works from 16 to 18 hours a day and not because of high prices? Does the gentleman know that through the years in peacetime he often received more for his products than he receives today and that he earns his money and it comes out of his hide and out of the soil for which the country will pay in years to come? Does the gentleman know that at 4 o'clock in the morning out here on these dairy farms the farmers are milking the cows and at 9 o'clock in the evening they are feeding the cows? His sons are not home; his hired men are not there; but they do not go on strike.

Mr. SABATH. Instead of asking a question the gentleman has made a speech and has made statements not borne out by the facts. A farmer today does not need to work any 16 or 18 hours, and for the time he does work, because of better methods developed with the help of the United States Department of Agriculture he gets an increased crop, for which he receives prices 200 percent or even 300 percent higher than under the last Republican administration.

The modern farmer, equipped with continuously improved inventions, does not need to slave and toil as he did 20 or 30 years ago. The combine will harvest a wheat crop in an hour that once would have required 10 men for 10 hours. The farmers have tractors that can do as much work in 1 or 2 hours as required 10 or 12 hours once. New implements of every kind, now available to farmers through extension of Federal credit at low rates, tremendously reduce both the hours and the hardships of farm labor. They do not have to milk the cows by hand as in days gone by—a machine does it. A machine picks the corn. Another marvelous machine picks cotton. I will not take the time to catalog all the wonderful inventions that help the farmer now; but they are many and varied. The fact that farmers were able patriotically to increase the total yields at least 30 percent above average the last 2 years, notwithstanding many of their boys were in the service, disproves the statements of the gentleman from Pennsylvania.

Mr. BARRY. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. BARRY. The record will show that in 1940 the farmers were receiving an average of 85 percent of parity. The record today will show that the average farm price is 17 percent above parity, an increase of about 52 percent. It also shows that since 1940 the farmers have increased their production by 35 percent. I believe that statement is a complete answer to the gentleman who just asked a question about the farmers. Those facts were brought out before the Committee on Banking and Currency by Judge Marvin Jones who was formerly chairman of the Committee on Agriculture of the House. He is a well-recognized friend of the farmer. He further stated that the farmers are in a better position today than they ever have been in the history of the Nation.

Mr. SABATH. The gentleman from New York is right. Judge Jones is one of the best-informed gentlemen in that respect, because of his service as chairman of the Committee on Agriculture of the House of Representatives for many years. I thank the gentleman for bringing out the true facts.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Wisconsin.

Mr. KEEFE. May I say to my distinguished friend I do not care to engage in any discussion on the subject of agriculture which the gentleman knows so little about. But I ask the gentleman, as chairman of the Committee on Rules, are you for or against the bill which the House is presently going to consider under the rule on which the gentleman is now addressing the House? I would like to have some information from the chairman of the Committee on Rules which reported this resolution with reference to the pending bill, a very important bill. I would like to see if we cannot get out of the realm of politics long enough in discussing this matter to give the Members of Congress some information on the legislation which is presently going to be before the House.

Mr. SABATH. I will say to the gentleman that I am calling up the rule making this bill in order. I am for the rule. As I stated, the rule was given to the gentleman from Mississippi [Mr. COLMER], and I had only a few minutes to familiarize myself with the bill. But I resent the gentleman's statement that I do not know anything about agriculture.

This is not the first time the gentleman from Wisconsin has been wrong. I do not wish to set myself up as an expert, nor am I a professional agriculturist. But I was born on a farm, and notwithstanding the gentleman's statement, I maintain that I know quite a bit about agriculture. For his benefit I will say that in 1917 I was obliged to take over a 1,200-acre ranch in California. When the State legislature passed the act in 1919 prohibiting leasing to aliens, I was forced to take active

management. Every year, after Congress adjourned, I went to California and spent 3 to 4 months on the ranch. I made heavy investments for horses, tractors, machinery, and other equipment and supplies. For some years I produced splendid crops, and received blue ribbons for my potatoes, onions, and carrots. Besides garden truck I grew barley and beans. Though the crop was bountiful when Hoover became President, the prices for farm products went so low in the ensuing years, 1930, 1931, and 1932, I could not continue to operate the farm. It cost more to raise the crops than they could be sold for. I tried leasing the land on a share-crop basis; but the tenant could not make ends meet. Finally I was forced to dispose of the property for about a fourth of what it cost me, not realizing that under President Roosevelt's wise administration so much assistance would be given farmers that the land would become four or five times as valuable as when I disposed of it, as it has since; nor did I realize that our economy could be stabilized so rapidly that profits on the crops now could be so great on a greatly increased valuation. I say this only to demonstrate to the gentleman that I have some knowledge of agriculture, gained in the hard and costly school of experience.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. SABATH. No; I cannot yield any more. As I have stated, I am in favor of the rule which makes consideration of the bill an order of business. The chairman and the members of the Committee on Agriculture will explain the bill thoroughly, and the Members will have an opportunity to vote for it or against it. I reserve to myself the right to say whether I am for or against the bill after I have heard the arguments.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. COCHRAN. The gentleman from Illinois knows that under the provisions of the Reorganization Act, if the President desires to group these agencies, he has the power to do so without any additional legislation.

Mr. SABATH. I think the gentleman's statement is correct.

Now, Mr. Speaker, having explained my position, I say again I regret the gentleman from Mississippi [Mr. COLMER] is not here to present the rule. In his absence I have done as well as I could on short notice to explain the main provisions of the bill, namely, to create a separate organization or bureau so as to merge all the farm-loan agencies. The rule should be adopted so that Members may have an opportunity to pass their own judgment.

Later, under the 5-minute rule, after Members have received information on which they can make an intelligent judgment, they are privileged to offer any germane amendment to improve or strengthen the bill, and to cast their own votes as they see fit.

Mr. Speaker, I reserve the balance of my time and yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, I believe the chairman of the Committee on Rules has fully explained the provisions of H. R. 4873. There is no opposition to the rule on this side. In fact, I do not believe there is any opposition to the bill itself.

This bill has the endorsement and support of the American Farm Bureau, the Grange, and all other farm organizations.

Mr. Speaker, I reserve the balance of my time.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Speaker, I have no complaint with the rule and I am sure the rule will be adopted. I asked for this time in order to discuss some of the provisions of this bill.

It is with great reluctance that I oppose the enactment of H. R. 4873, because the author of the bill is my very distinguished chairman and beloved friend the gentleman from Virginia [Mr. FLANNAGAN]. I think, however, it might be well for the House to know just what is proposed by the pending bill. In the first place, all of us, Democrats and Republicans alike, have been crying out year after year against bureaucracy. We have all been impressed with the necessity, the urgent necessity, of returning governmental activities to the people. This bill is the reverse of that, for it seeks to establish what might in everyday language be called a "superduper" bureau. It provides for the creation of another Federal agency. It provides for a board which is designated as a nonpartisan board consisting of seven members, each one of whom is to receive a salary of $10,000 a year with an unlimited travel and expense account. They can ride throughout the length and breadth of this land at will and at Government expense. In addition to the seven men constituting the board we will under this bill have seven administrators who likewise will receive a salary of $10,000 a year each with unlimited travel expense in addition.

Mr. TARVER. Mr. Speaker, will the gentleman yield for a moment?

Mr. COOLEY. I yield, of course.

Mr. TARVER. Is there anything more essential to agriculture than farm credit?

Mr. COOLEY. No; I think the gentleman is correct.

Mr. TARVER. Then why should the credit facilities of the farmer be taken out of the Department of Agriculture?

Mr. COOLEY. I do not know of any good reason why it should be, but that is what the bill has as its purpose.

Mr. Speaker, in addition to the seven-man board and seven administrators, we will have a general counsel, two assistant general counsels, and any number of other attorneys who might be employed. In addition to that, to be sure that this is going to be a really "superduper" bureau, they give this board the right to employ 10 other experts. It does not attempt to define the qualifications of the other experts. Those other experts will receive an annual salary of $9,000. If you can imagine a more colossal bureau than the one sought to be created by this bill you will do better than I have been able to do.

The main purpose of the bill, and we might as well look at it frankly, is to divest the Department of Agriculture of all functions and duties pertaining to farm credit. I do not care whether it happens to be a Republican administration or a Democratic administration, I am one who believes that all agencies of the Government should be placed under a Cabinet officer, responsible to the President and to the Congress that in turn is responsible to the people.

This board would be created and the members appointed for 12 long years. You Members of Congress are elected by a vote of the people for a period of only 2 years. These members will serve for 12 long years, completely removed from a Cabinet officer, from the President of the United States, and from the Congress itself.

The SPEAKER. The time of the gentleman from North Carolina has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the gentleman three additional minutes.

Miss SUMNER of Illinois. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. This bill puts the Government in the business of appraisals too, does it not?

Mr. COOLEY. Absolutely.

Miss SUMNER of Illinois. There are people all over the United States, in every county in the United States, who make money from appraising farm land. In this bill you would just run them out of business. The people will use the Government appraisals instead.

Mr. COOLEY. It creates Government appraisals and it sets up a separate department, also providing for the appointment of a $10,000 a year administrator to administer the appraisal section.

Miss SUMNER of Illinois. If you have a unified agency like this, you would have a difficult time getting rid of these credit agencies that are not now necessary and that the Congress would like to get rid of when they come through in connection with an appropriation bill.

Mr. COOLEY. I agree with the gentlewoman from Illinois.

In addition to creating this board with this tremendous power, the greatest objection to the bill is that it gives the board a blank check to write the policies which should be written by the Congress. It gives that board a blank check to write the policies, and then charges the board with the responsibility of seeing that those policies are carried out.

Miss SUMNER of Illinois. Furthermore, the farmers would not know where to pin the responsibility because it makes the board bipartisan.

Mr. COOLEY. And the Congress would not know how to fix the responsibility. If you were to receive a letter from a constituent with a complaint and you sought to get information for him, you would take it up at the county level. They would send you to the State level, then to the regional level and when you got to Washington, to one of the chiefs

of the bureau, he would be an administrator and he would tell you he was carrying out the orders of the administrator. When you got to the administrator he would say he is carrying out the orders of the board. When you asked about the next board meeting he would say the board is going to meet in September. So you would not be able to call upon the mat the responsible persons.

The trouble with the Farm Security Administrator was, and we all know this, that he got away from the Congress. For seven long years the Administrator did not darken the door of our committee room. During that 7 years that agency was engaged in practices that the Congress was unwilling to countenance.

Mr. Speaker, here is another objection, and I resent this as a member of the Democratic Party. That is the idea that farm credit in recent years has been polluted and prostituted by politics.

I challenge anyone to say that any citizen in this country has been denied farm credit because he happened to be a Republican, or a Democrat, or a Progressive, or a mugwump, or black, or white. I think that the Farm Credit Administration by and large has done a magnificent job. They have administered the functions turned over to them with fairness and with efficiency. Of course, it could be improved, but it is the responsibility of Congress to write the policies and not delegate that authority to some other board or bureau.

Mr. SABATH. Mr. Speaker, I yield 4 minutes to the gentleman from Michigan [Mr. RABAUT].

Mr. RABAUT. Mr. Speaker, this morning every Member of Congress received in the mail a post card addressed to the American Red Cross of Fort Worth, Tex., with two new dimes attached, one with the face of Liberty exposed and the other with an image of the late President Roosevelt. The caption of the card was, "What the United States needs most." Over Liberty were the words, "More of this." And over the President's likeness were the words, "Less of this." Under the former were listed: "Liberty, freedom, initiative, supply and demand, free enterprise." And under the image of the President were the words, "New Deal, regimentation, bureaus, controls, and OPA."

This card, employing the Red Cross as a shield for its purposes, I have answered as follows:

Mr. W. W. STEVENS,
Fort Worth, Tex.

DEAR MR. STEVENS: I am returning your card as I refuse to be a lackey for one who couches a gift of 20 cents, even to the Red Cross, in a hate psychology.

Now for some interpretations:

Liberty: For all the people.

Freedom: From want.

Initiative: By equal opportunities in education for all.

Supply and demand: But not for a cherished few.

Free enterprise: Accompanied by the respect for the rights of others.

New Deal: Born with a hope to millions correcting the abuses of the Old Deal.

Regimentation: Essential to arrest the exploitation of an unscrupulous gang.

Bureaus: Made necessary by ravages of intrenched greed.

Controls: Yes, if they apply to all the people until the country is on an even keel.

OPA: A necessity against inflation.

This is my detail for your two dimes; and may I now remind you that during the depression the popular song of the day was, "Brother, can you spare a dime". That was the result of a philosophy to which you are sincerely wedded.

As for Liberty, "Long may it reign;" and as for Roosevelt, "requiescat in pace".

Sincerely,

LOUIS C. RABAUT,
Member of Congress.

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. FLANNAGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4873) to create an Agricultural Credit Agency, to consolidate therein all Federal agricultural lending agencies, to create a public farm-appraisal system, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 4873, with Mr. CLARK in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. HILL. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and four Members are present, a quorum.

Under the rule, 2 hours of general debate are provided for, 1 hour to be under the control of the chairman of the committee and 1 hour to be under the control of the ranking minority member of the committee.

Mr. HOPE. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this legislation has been brought here by the Committee on Agriculture in response to what I think is a real demand from the farmers of this country and from the farm organizations of the country representing these farmers. We have in the country today a farm credit system which I think on the whole is fairly adequate, but it has been built up piece-meal, one step at a time. Up until this very moment there has been no effort made, so far as I know, to consolidate into one organization all of the various governmental agencies which are lending money to individual farmers. Farm credit is different from any other type of credit. That has always been the case, and it has continually become more so for the reason that farming operations have constantly become more commercial in their nature. You can go back, 40, 50, or 60 years ago and a farmer could operate without very much capital. Today that is impossible. Yet our banking system as a whole does not operate to furnish the kind of capital and the kind of financial service that agriculture needs. This is because it has been set up primarily to handle industrial and commercial credit. I am not critical of commercial banks on that account. I think they would be the first to admit that their type of organization as well as the laws under which they operate handicap them in serving agriculture.

As a consequence, beginning in 1916 with the passage of the Federal Land Bank Act, we have had a series of legislative acts which have resulted in our present farm credit system. The act of 1916 was, I think, very well thought out. It was enacted as the result of a considerable amount of study and investigation of farm credit needs in this country and of what other countries had done in the way of setting up farm credit systems. The Federal Land Bank system which was set up then has served agriculture well, on the whole, although some changes have been necessary. In 1923 there was set up the Intermediate Credit Banks to do, in a way, for production loans and chattel loans, what the Federal Land Bank system did for real estate loans.

Later on, in 1932, when we were in a real emergency, there was set up the Regional Agricultural Credit Corporation, and in 1933 the Farm Credit Administration was established. That organization took over the Federal land banks, the intermediate credit banks, and other newly created agencies, including the bank for cooperatives, and the production credit corporations. Prior to that time there had been set up an emergency agency to make crop and feed loans in distressed areas, and that agency has continued up until the present time and is now part of the Farm Credit Administration. Subsequent to 1933 there was set up the Farm Security Administration. It was established originally by Executive order and has operated since that time very largely by Executive order plus authority given it from year to year in the Agricultural Appropriation Act.

This legislation is an effort to bring together all these vast scattered agencies having different functions, and different origins, and by reason of that fact to a certain extent overlapping in their functions. It is the first time that an effort has been made to do this.

The legislation has not been hastily drawn. It is the result of many conferences among leaders of various farm organizations. It is the result of conferences between those leaders and Members of Congress. It is the result of extensive hearings in the Committee on Agriculture. I believe that we have brought to the House today a bill which is well thought out, which meets the situation, and which sets up a permanent system of agricultural credit which will serve the farmers of this Nation in an adequate way.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Kentucky.

Mr. MAY. I think the committee is entitled to great credit for the effort they have made, but somehow or other I have reached the conclusion of late that the mere consolidation of bureaus or agencies in any department does not

accomplish a great deal unless there is some elimination of some of them. The question I want to propound is this: The gentleman knows, of course, being quite familiar with the Federal land-bank system, that due to the prosperity of this war era the farmers of this country have paid up practically all of their Federal land-bank loans, as a result of which each of the Federal land banks has merely a skeleton force. They are practically out of business and have no loans. Did the committee give any thought to the idea of setting up some kind of credit agency in each of these 12 banks in lieu of the proposition you bring in here?

Mr. HOPE. I am not sure I understand the gentleman's question. Does the gentleman's question imply that the Federal land banks are about out of business, that they are going out of business and will not be needed in the future?

Mr. MAY. No.

Mr. HOPE. I am sorry. I did not quite understand what the gentleman has in mind.

Mr. MAY. They have collected the loans they had out until they have a very small amount of business. They have discharged a great deal of their personnel, necessarily.

Mr. HOPE. Yes; they should.

Mr. MAY. Did the committee give any thought to the idea of setting up this credit agency in each of those 12 banks, where they could represent 3 or 4 States each, and in which they could handle this work without another Federal system being set up here in Washington?

Mr. HOPE. This legislation effects a consolidation at the top. It consolidates all of these agencies in Washington. This will have to be followed by legislation which will effect consolidations and changes in the field. We do not attempt in this legislation to do that. When we get to that legislation, then the gentleman's suggestion will certainly be considered by the committee. However, this legislation covers only the top organization.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. HOPE. Mr. Chairman, I yield myself three additional minutes.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from North Carolina.

Mr. COOLEY. May I ask the gentleman if all of the agencies dealt with in this bill are not now directly under the Secretary of Agriculture and within the Department of Agriculture?

Mr. HOPE. They are all within the Department of Agriculture.

Mr. COOLEY. The purpose of this bill is to take each and every one of the agencies and transfer them lock, stock, and barrel, to a nonpartisan board which this bill creates.

Mr. HOPE. That is correct. I am very glad that the gentleman from North Carolina brought that question up because, of course, that is one of the very important features of this legislation. It takes these organizations out of a political agency and sets them up under a nonpartisan board. We have recognized that principle heretofore almost universally in connection with Government financial organizations. We set up the Federal Reserve Board as an independent, nonpartisan agency. We set up the Reconstruction Finance Corporation in the same way, and while it was later consolidated with one of the Government departments, it will be recalled by everyone here in the House that not so long ago it was recognized a mistake had been made in consolidating the Reconstruction Finance Corporation with the Department of Commerce, and this Congress passed legislation divorcing those two agencies. The purpose of this legislation is similar. It is to set up the Farm Credit Organization under a nonpartisan board which is the way that credit should be administered.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. ROBSION of Kentucky. Does the President now have authority under the laws passed by Congress to do this very thing if he wants to do it?

Mr. HOPE. I am not sure whether the Reorganization Act which we passed some time ago would permit the President to effect this reorganization. I have not gone into the matter particularly along that line. It might be possible.

Mr. ROBSION of Kentucky. Can the gentleman say why that has not been done?

Mr. HOPE. I cannot say why it has not been done.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. FLANNAGAN. I do not think that under the Reorganization Act the President has authority to create an independent establishment. He can consolidate already existing agencies.

Mr. HOPE. I believe the gentleman is correct. I am glad that the gentleman has called that to the attention of the committee.

Mr. FLANNAGAN. Mr. Chairman, I yield 6 minutes to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, this bill is referred to by its proponents as a consolidation bill. The fact of the business is that it does not consolidate anything. Every agency with which this bill deals is now in the Department of Agriculture and under a responsible Cabinet officer who is in turn responsible to the Members of Congress and to the people of this country. We have always recognized the principle of party responsibility in government in America. The party in power is responsible for the manner in which the Government agencies function and perform their duties. This is an effort to divide party responsibility and to have part Republicans and part Democrats dealing with this agency which is so close to the farmers of the Nation. Instead of consolidating, I direct your attention to the graph contained in the report which establishes by permanent legislation six permanent and distinct divisions and provides an administrator for each one of those separate and distinct divisions. Furthermore, I call your attention to the fact that here you are placing a permanently appointed administrator in a permanently created division over the Farm Security Administration which for 10 long years has been without legislative authority from the legislative committtee and from the Congress.

Here is an agency created by Executive order, by an order issued by President Roosevelt, which for 10 years has operated without basic legislation. The country and the Congress have called for basic legislation on the Farm Security Administration for the past several years, and yet that legislation has not been brought to the floor of the House.

Now, let us see what they do in this consolidation bill. They abolish the office of Cooperative Bank Commissioner, but in lieu thereof the bill provides for the appointment of an Administrator.

The office of Governor of the Farm Credit Administration is abolished, but in lieu thereof an Administrator is appointed.

The office of Land Bank Commissioner is abolished, but in lieu thereof an Administrator is appointed.

The office of Director of FSA is abolished, but in lieu thereof an Administrator is appointed.

The office of Production Credit Association Commissioner is abolished, but in lieu thereof an Administrator is appointed.

The office of Intermediate Credit Commissioner is abolished, but in lieu thereof an Administrator is appointed.

Is that your idea of a consolidation bill? I make this statement, without fear of contradiction, that by this bill you do not abolish a single solitary Government agency—not one. I pause to let the chairman answer that question. If you abolish one agency, I would like to know the name of the agency abolished.

Mr. FLANNAGAN. We did not attempt to abolish a single agency.

Mr. COOLEY. That is right.

Mr. FLANNAGAN. Let me answer the gentleman. The only thing we did was to bring about a consolidation, lay the foundation to place these agencies under one head. We will bring in legislation to make the consolidation, but you cannot bring that until you lay this foundation.

Mr. COOLEY. Oh, yes; if you ever do bring in any more legislation.

Mr. FLANNAGAN. We will bring it in all right.

Mr. COOLEY. Now they say: "Who is against this bill?" I will tell you who is against it. Clinton Anderson, the newly appointed Secretary of Agriculture is against this bill and the newly appointed Administrator of Farm Security Administration, whose appointment was approved by the Senate of the United States just recently.

I argue and make the observation that President Truman is against it. I am not in a position to quote him, but I make this observation, that if the President of the United States ever puts his stamp of approval upon this type of legislation, then he repudiates his own Secretary of Agriculture, who is his adviser on agricultural matters. I think that by approving this legislation he would place

Clinton Anderson in the position of having to resign to save his own face.

Mr. FLANNAGAN. But if the President does not put his stamp of approval upon this legislation, he will repudiate the acts of Senator Truman in the United States Senate.

Mr. COOLEY. I agree with the gentleman. I do not think he would hesitate to repudiate the acts of Senator Truman. But, if we have a Secretary of Agriculture whom the President is unwilling to follow, pray tell me in God's name who will follow him?

Along with him, the Director of the Budget has placed his stamp of disapproval upon this bill.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. HOPE. Some time ago the Secretary of Agriculture said he was opposed to agricultural subsidies. Now he says he is in favor of agricultural subsidies. He evidently changes his mind. Does not the gentleman think he might change his mind on this?

Mr. COOLEY. No; I do not think so.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. HOPE. I yield the gentleman one additional minute.

Mr. COOLEY. I regret very much that time will not permit me to read to the House at this time a letter which I received from the Secretary of Agriculture on December 10, 1945. In the letter the Secretary summarizes the basic objections of the Department of Agriculture to the pending bill. His objections are very persuasive and convincing and I hope that I will have an opportunity to read the letter before the debate on the bill is closed. Whether you want to be influenced by the views of the Secretary of Agriculture or not, the fact remains that we must face our own responsibility and either approve or disapprove the pending measure. Do we want to remove Government and agencies of the Government further and further away from the people of this democracy? That is what we will have to determine in making up our minds and reaching a decision on the merits of the bill now before us.

Mr. HOPE. The Secretary of Agriculture does change his mind, however.

Mr. COOLEY. Yes; but he has not changed it since December 10. If he has, he has not let me know anything about it yet and I do not suppose he has advised the chairman of the committee.

Do not be mistaken. This is an important bill, but the only basic thing in it is the transfer of everything pertaining to agricultural credit from the Department of Agriculture—divorcing it completely, and putting it into the hands of another set of bureaucrats.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I was rather pleased to hear the gentleman from North Carolina talk about party responsibility and that he believes that the present farm-credit system should now function because of party responsibility in the same manner it has functioned during the past 12 or 14 years. I am willing to let his party have the responsibility for the dilemma in which the country finds itself today.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I am sorry; I cannot yield.

Mr. COOLEY. Will not the gentleman let me accept my part of the responsibility?

Mr. AUGUST H. ANDRESEN. I am willing to let the gentleman accept all of the responsibility for the condition that our country finds itself in today, as well as for some of the statements made by his party spokesmen who have repudiated many of the farm policies enunciated by certain distinguished men in Congress, including the gentleman seated to the gentleman's left.

What we want to do is to secure a sound farm-credit system in the United States, one that is free from political domination, one wherein some Cabinet member or some other—shall we call him national committeeman of a party?—cannot go out and put the bee on a man and deny him credit because he refuses to vote in favor of the candidates or promises enunciated by that particular party. We want to take farm credits out of politics and that is why we have presented this legislation to the House for serious consideration.

The gentleman from North Carolina has very carefully referred to some of the agencies which this bill does not abolish. That is correct; but I want to call the gentleman's attention to Section 7 of the bill, on page 10, which does abolish the office of the Governor of the Farm Credit Administration, the Land Bank Commissioner, the Production Credit Commissioner, the Cooperative Bank Commissioner, and the Intermediate Credit Bank Commissioner. All of those are abolished.

Mr. COOLEY. Mr. Chairman, will the gentleman yield there?

Mr. AUGUST H. ANDRESEN. In lieu of those we are setting up six divisions in the Agricultural Credit Agency. No. 1 is a division for supervising loans to farmers and cooperative organizations. No. 2 is a division to supervise short-term loans made by cooperative lending agencies. No. 3 is a division to supervise long-term farm-mortgage loans. No. 4 is a division for supervising and administering direct lending agencies. That is the Farm Security. If we are to have direct lending by the Federal Government it will be through an agency set up here in No. 4. No. 5 is a division to supervise finance and discount activities; and No. 6 is a division to carry out the functions of appraisal and examination, and other service functions. These are the different divisions of the agency created to perform an efficient service for the agriculture of this country.

The way it is scattered out now, we find numerous agencies all over the country, each one having its staff, with a lot of duplication and unnecesary expenditures, all of which is coming out of the hands of agriculture.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. With pleasure.

Mr. COOLEY. Does this bill prevent duplication? Does it prevent overlapping? Or does it give to this board that we are going to create the right to write the ticket?

Mr. AUGUST H. ANDRESEN. In order to answer the gentleman, and I think our chairman answered him, so did my distinguished colleague from Kansas, may I say that this board is the structure to gather in all these loose ends. We are going to deal with the Cooley bill, in which the gentleman is so vitally interested, and which probably is the main reason why he is opposed to this legislation. I assume I can speak for the majority members of the committee when I say that we are going to deal with every division created by this particular legislation in order to eliminate and weed out all inefficiency and all of the duplication that exists at present. Possibly it would have been better if we could have had lengthy hearings and prepared a bill to streamline all of the different credit agencies. But the gentleman knows, and he was chairman of a committee that functioned for 2 years investigating direct credit, the difficulty of going into the many ramifications of every credit agency that we have in the system, straighten things out and bring it in here in one piece of legislation. I feel that we must have a framework and a foundation on which to build, then take each individual agency and determine what is necessary to be done in order to wring or squeeze out the water and the waste in it. We can then propose to the House something by way of amendment to the law so that we can at last get a complete, sound, efficient credit structure.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Virginia.

Mr. FLANNAGAN. In the present legislation is this not true: Until we bring in the other legislation consolidating and coordinating these different agencies down to the grass roots, do we not provide for the situation specifically in this language: "The board shall direct to the fullest extent practicable first, the elimination in the agency of duplication and overlapping services, personnel and functions?"

Mr. AUGUST H. ANDRESEN. That is correct.

Mr. FLANNAGAN. We write it in the bill.

Mr. AUGUST H. ANDRESEN. The board is required to investigate and make recommendations or changes in legislation to improve the credit system.

Mr. Chairman, I have the highest regard for the distinguished gentleman from North Carolina who is making the main attack on this bill. Ordinarily, I suppose, I would be fighting the bill on account of politics, but I want to get farm credit out of politics. I want to establish a credit agency where if the Republicans are in power a good Democrat from North Carolina can come in and get a loan on merit, without having

to go to a democratic county chairman or to some other politician to get an O. K.

Mr. COOLEY. Mr. Chairman, will the gentleman yield? Is the gentleman making that as a charge?

Mr. AUGUST H. ANDRESEN. I am not making any charges.

Mr. COOLEY. I do not want to have to go to a ward heeler in order to get a loan either.

Mr. AUGUST H. ANDRESEN. I know that out in my country they have had to go to a ward heeler to get loans.

Mr. COOLEY. That is the reason I asked the gentleman if he was making that as a charge.

Mr. AUGUST H. ANDRESEN. That is exactly what we want to stop. If you want efficiency, if you want to make a start toward getting a credit system that is owned and controlled by the farmers of the country, now is a chance for you to make that start. If you want to make a start toward consolidation of these endless activities that are now going on, here is a bill that will be the start and in the end we are hopeful that we can establish an institution that will compare with the Federal Reserve system, one that will be an instrumentality which will serve American agriculture.

The gentleman from Kentucky a few moments ago referred to the fact that there was so much money in the banks, including the Farm Credit Administration, that they did not have any place to put the money. Well, is that not true with every institution in the United States? You go to the private banks in this country and you will find that from 60 to 80 percent of their funds are invested in Government bonds. You go to the insurance companies and you will find the same thing. I am not advocating passage of legislation that is going to take away business from local banks and other private agencies.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Kentucky.

Mr. MAY. I was not raising that question with respect to the amount of money. I was just suggesting that they use a chain system already set up in which this lending could be done, because they are already experienced at it.

Mr. AUGUST H. ANDRESEN. I believe that every opportunity should be given banks, insurance companies, and private individuals to make loans to agriculture.

Mr. FLANNAGAN. Mr. Chairman, I yield 8 minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Chairman, I regretfully oppose any bill which emanates from the committee headed by my distinguished colleague, the gentleman from Virginia [Mr. FLANNAGAN], in whose sincerity of purpose I have the utmost confidence. Yet, in my judgment, this is a bad bill. It is a bill which would be injurious to American agriculture and a bill which ought to be defeated. I have no objection to any organization or reorganization of the Farm Credit Administration facilities within the Department of Agriculture. If you can save any money by that type of procedure, it certainly would meet with my approval. But you are not saving any money here. If anytihng, you are adding something to the administrative expenses of farm credit facilities. The only other thing that you are accomplishing here, as has been pointed out by the genetleman from North Carolina [Mr. COOLEY], is taking the Farm Credit Administration facilities out of the Department of Agriculture. Now, who wants that done? It may be that some gentlemen who are deeply and sincerely interested in agriculture have allowed themselves to be persuaded that that should be done. But I look with a great deal of interest upon the table of the contents of this first volume of the hearings on this bill. The first witness was Frank G. Addison, Jr. That is, he was the first witness whose name is listed in the contents. He is the chairman of the committee on Federal legislation, American Bankers Association.

The last witness mentioned in this table of contents is A. L. M. Wiggins, representing the American Bankers Association.

Now, I have no complaint against the American Bankers Association. A great many of the members of that association live in my district. They are my friends. But the American Bankers Association, 2 years ago, approved this plan of making the farm-credit facilities an independent agency. Why did they do it? They did it because they wanted to discourage the making of loans by the Production Credit Associations and other credit facilities of the Farm Credit Administration. Their insistence was that those loans ought to be procured from the bankers. They feel that an independent agency controlled by men who may themselves be bankers appointed for 12 years will be less responsive to agricultural needs than one in the Department of Agriculture controlled as to policy by Congress.

I am one of those who believe that credit should be obtained from the bankers when it is obtainable on terms comparable with those that could be procured through governmental agencies, but I know and you know that back in 1929 to 1933 and 1934, and subsequent to those dates, too, the American Bankers Association was not in a position to fill the needs of the American farmer for credit.

He had to get credit through these Governmental agencies. While it may be possible that the activities of those agencies should be decreased under present conditions, when ample funds for loans are available through private lending facilities throughout the country, they ought not to be destroyed and they ought not be taken without the control of the Department of Agriculture. They ought to be a part of the farmers' organization. They ought to be in the Department where Congress can readily control their policies. This bill places them in a situation where Congressional policy control will be difficult if not impossible.

All this talk about politics is not worth the time it takes to hear it. I do not know anything about any politics in the administration of the Farm Credit Administration's affairs in my district. I have not had any complaint from anybody in my district with reference to any political consideration having obtained in the administration of the affairs of the Farm Credit Administration or any of its entities. As far as I am concerned, no job in the Farm Credit Administration or any one of its component organizations has ever been filled on my recommendation. So politics, in my judgment, is merely mentioned here as a subterfuge for bringing about something which is earnestly desired by some people who do not desire cheap and complete credit facilities for the American farmer.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. TARVER. Not at this time.

If you do not believe that, look at page 108 of the hearings and read the statement of Mr. John N. Thomson, another Bankers Association witness, who was chairman of the subcommittee on agricultural credit of the American Bankers Association. I quote from him. He says:

> In support of our position I want to commend to your consideration one point in a five-point statement of policy of the American Bankers Association made more than 1½ years ago—

That would be 2 years ago now—

> by the then president, Mr. A. L. M. Wiggins, when the Production Credit System was the subject of much controversy:
>
> "In order to preserve the cooperative features of the Production Credit System, the Farm Credit Administration should be returned to its independent status and its efforts directed by a nonpartisan board."

So this is the baby of the American Bankers Association.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield very briefly and for a question only.

Mr. HILL. This is a question. The gentleman was in error a while ago when he quoted the American Bankers Association as having the first witness in these hearings. That is absolutely beyond a fact.

Mr. TARVER. The gentleman was not listening to what I said. I do not yield further. I said that the first witness whose name appears in the list of witnesses was an American Bankers Association witness.

Mr. HILL. That is because his name begins with A. It is the first letter in the alphabet.

Mr. TARVER. I am not going into the question of why it is listed there.

Mr. HILL. The first witness before our committee was Mr. Goss.

Mr. TARVER. I said a while ago that this gentleman's name was the first one listed in the contents of this volume, and said that the last witness whose name is listed in the table of contents of the volume is also a witness representing the American Bankers Association. I did not say that the gentleman who was first listed was the first witness who appeared before the committee, and I am sure that other Members of the Committee who heard my remarks were not misled thereby.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Virginia.

Mr. FLANNAGAN. I am sure the gentleman does not want to mislead the House by stating that this is the baby of the American Bankers Association, who endorsed this principle a year and a half ago.

Mr. TARVER. Two years ago now.

Mr. FLANNAGAN. Two years ago; all right. I call the attention of the gentleman to the fact that the record shows that the American Farm Bureau, the National Grange, and the Cooperative Council appointed a joint committee 9 years ago to work on this same problem. I just want to get the record straight.

Mr. TARVER. If the gentleman will yield me more time I will be glad to answer him.

Mr. FLANNAGAN. I yield the gentleman one additional minute in order that he may answer. The record also shows that the Senate took it up 4 years ago, and that Senator Truman, now President Truman, was the leader in the Senate bloc to try to get this legislation enacted.

Mr. TARVER. I happen to know that witnesses from the American Bankers Association, some of whom came from my own State, were in Washington a couple of years ago, and some appeared before the Subcommittee on Agricultural Appropriations and had conferences with Representatives seeking to restrict the operation of production credit associations, just as this witness whose evidence I quote from your own hearings indicates the American Bankers Association wants to do. I think that no matter who originated the idea it is still the baby, adopted or not, of the American Bankers Association. There is nothing in this bill that is going to accomplish any good for the American farmer. The only thing the American Bankers Association had in mind in advocating the bill was to restrict this source of credit to the American farmer and compel him to rely upon private lenders, which is something I hope this House will not facilitate their doing. I want us to at least have in the Department of Agriculture a means of affording reasonable credit upon reasonable terms to our farmers if private lending facilities fail again as they have done in the past. Further, I want us to keep these facilities under our control if any American banks try to go back to the high interest rates they charged farmers only a few years ago.

You will doubtless pass this bill. It has the apparently unanimous support of members of the Committee on Agriculture on both sides of the aisle, but it ought not to pass, and the fact that it has such overwhelming support shall not prevent my raising my voice against it.

Mr. PHILLIPS. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. GILLIE].

Mr. GILLIE. Mr. Chairman, I rise in support of this legislation. There is not a great deal that I can add to what the chairman and other members of our committee already have said, except that I would like to emphasize one or two points.

The need for this legislation has been apparent for many years. Our present farm lending set-up is a hodgepodge of conflicting agencies. It was never carefully planned and considered in advance. It was put together piecemeal—a new agency here, a duplicating function there. No thought was given to working out for the farmers of America an overall lending agency along sound business lines. As a result, we have today a wasteful, extravagant, overlapping farm-credit system.

This bill is an important first step toward bringing some order out of this chaos. It provides for the consolidation of all farm-lending activities into a single Agricultural Credit Agency, under an independent bipartisan board.

But do not be deceived. It is only a first step. It consolidates these agencies at the Federal level only. It lays the foundation for a sound, coordinated farm-lending establishment. But it is only the beginning. Additional legislation will be needed to eliminate inefficiency, overlapping, and duplication at the lower levels.

After we lay this foundation, we must take up the respective agencies—one by one—and bring about a further coordination, improvement, and strengthening of our farm-credit system.

Another point I would like to mention briefly is the question of mixing politics with farm credit. There are some things that politics simply will not mix with. Our friend in the White House discovered this to his sorrow recently when he attempted to mix politics with oil. Well, I think politics and farm credit is as bad a mixture as politics and oil—if not worse.

What I like about this bill would take farm credit out of politics. It would remove it from the supervision of the Department of Agriculture and place it under an independent bipartisan board.

Secretary Anderson appeared before our committee to argue this point with us. He objected to giving up the farm-credit agencies because, he said, they should be considered a part of the overall program of the Department and coordinated with other farm programs.

The danger of this, as was pointed out in the committee report, is that this coordination may be carried too far and farm credit used either as a big stick to enforce cooperation with other programs or as an instrument to bring about the socialization of agriculture.

I personally think that Clint Anderson is deeply interested in farm credit, but Clint Anderson will not always be Secretary of Agriculture. As long as farm credit is controlled by a politically appointed Cabinet member, regardless of what party is in power, it will be under suspicion.

Farm credit should be above politics. It should serve the welfare of farm people on a strictly nonpartisan basis. This bill will make that possible.

In conclusion permit me to restate the objectives of this legislation as outlined in the committee report. These objectives are: To keep farm credit out of politics; to eliminate duplication and overlapping of services, personnel, and functions; to bring about proper coordination of farm-credit policies and programs; to achieve and maintain maximum economy and efficiency of administration; to promote a system of cooperative credit, farmer-owned and farmer-controlled; and to assist qualified veterans, farm tenants, farm laborers, and others to become farm owners.

I believe these objectives can be attained by the enactment of H. R. 4873 now, and by the passage of supplementary legislation in the near future.

Mr. FLANNAGAN. Mr. Chairman, I yield 8 minutes to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, there should be some good reason for passing any legislation that is brought before this House, if it is to be passed. The burden should fall upon those who propose a change in existing conditions.

We are called upon by the terms of this bill to establish a new governmental agency. I think there are very few Members of this House who have not committed themselves to oppose the extension of governmental agencies and bureaus. I know there are very few citizens of the United States who have not expressed their opposition to the creation of additional boards and bureaus and commissions. This bill definitely creates a new governmental agency. That is the whole thing that it does. As the chairman has told you, that is all that it does. He does not get around to abolishing anything, and leaving it abolished. He is just taking a step that creates a new agency of government to which he transfers all the personnel and functions of existing agencies.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. Surely.

Mr. FLANNAGAN. I did not say it did not abolish anything. It abolishes the Farm Credit and the Farm Security, and brings them together—brings all farm-lending agencies down to the Federal level, under one administrator and one agency.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. Well, yes; I yield.

Mr. COOLEY. I challenged the gentleman to point out the section in the bill that abolishes anything.

Mr. FLANNAGAN. The first section in the bill, if the gentleman will read it.

Mr. POAGE. I will be happy to read it. The first section of the bill reads:

> There is hereby created an independent establishment of the Federal Government to be known as the Agricultural Credit Agency (hereinafter referred to as the Agency) with principal offices at Washington, D. C.

Then it sets out what this Agency shall do, describes its seal, names its officers, and provides the salaries they shall receive. There are 13 pages of the bill, and about 10 of them are devoted to the salaries of officers that are created to operate this Agency, which is created by the very first sentence of this bill.

The very first thing in this bill says:

> There is hereby created an independent agency of the Federal Government.

All of you who are in favor of abolishing agencies, all of you who are in favor of getting rid of useless boards and bureaus, you go home and read that first sentence to your people, that—

There is hereby created an independent agency of the Federal Government at Washington, D. C.

Then, if you can get time, you take time to read the salaries of all of the officers of this independent agency.

You will find, as was pointed out, that there is a provision in this bill that certain administrators are to be abolished, but for each and every office that is to be abolished there is created a deputy administrator.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. In just a minute. And that deputy administrator serves under an administrator at $10,000 a year each; and that administrator serves under a board of 7 members at $12,000 a year each; and that board has the assistance of 10 specialists, and the Lord only knows what they are going to do, at $9,000 a year each. And yet we are told by the proponents of the bill that they are here to reduce the employment on the Federal payroll, to reduce what the Federal Government is going to expend. I challenge the chairman now to indicate—I am going to yield to him to point out—any single office that he abolishes without creating another one to take its place.

Mr. FLANNAGAN. All right; I will not only do that but I will also show the membership that the gentleman evidently has not read the bill.

Mr. POAGE. If the gentleman will simply answer my question in my time I will be obliged. If the gentleman is going to make a speech he has time at his disposal. Those of us who are opposed to the bill have not had a great deal of time.

Mr. FLANNAGAN. I will answer that question. It creates the Agricultural Credit Agency.

Mr. POAGE. Yes; I know it creates the Agricultural Credit Agency.

Mr. FLANNAGAN. Let me answer.

Mr. POAGE. But what does it abolish?

Mr. FLANNAGAN. It abolishes the Farm Credit Administration.

Mr. POAGE. And establishes——

Mr. FLANNAGAN. Wait one minute; let me answer.

Mr. POAGE. I asked the gentleman to name one that was abolished without another that was established to take its place.

Mr. FLANNAGAN. I said it set up this Agricultural Credit Agency.

Mr. POAGE. Yes; it sets it up.

Mr. FLANNAGAN. Now, wait a minute; and this abolishes and transfers over to it——

Mr. POAGE. Transfers, "transfers" is the right word, because it provides a deputy administrator in place of every office the name of which it changes.

Mr. FLANNAGAN. I cannot of course answer the gentleman's inquiry if he is going to continue. Does the gentleman seek information or does he want to continue talking?

Mr. POAGE. I want the gentleman from Virginia to name one single agency that is abolished without something being substituted for it, in lieu of it.

Mr. FLANNAGAN. All right. It creates the Agricultural Credit Agency and abolishes all the others and transfers every one of them to this agency to be administered by a single administration. That is what it does.

Mr. POAGE. Now, the author has correctly told you that when he speaks of abolishing agencies he means that the bill transfers agencies. It simply takes these existing agencies now coordinated in the Department of Agriculture and transfers them into a new independent agency. Now, bear that in mind. For every agency, for every agency—and I am making a statement that cannot be contradicted; the chairman cannot contradict it, neither can anybody else—for every agency that is abolished a deputy administrator is established under this new agency. They do not abolish anything without something new being established, and for every office that is abolished a deputy administrator at a higher salary is created, and for every deputy administrator there is a board of seven members at a still higher salary that did not previously exist. And I will challenge any man on the floor of this House to name one single office that is abolished by this bill without the creation of another officer to take its place, without the creation of two offices to take its place, without the creation of a board to take its place.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. COOLEY. Maybe the chairman of the committee could tell the House something about the duties and responsibilities of the 10 experts who are going to receive $9,000 each.

Mr. POAGE. I would rather the chairman told the House on his own time, because mine is going to soon be passed.

I call attention to the fact that all of these are new agencies, new officers are created under this bill. Nothing is abolished by this bill. And what good does it do? Who is going to be helped? Wherein is he going to help any farmer. Is it going to help get credit for a farmer? Or are you perchance trying to keep people from getting credit? What is the purpose of the bill? Is it to aid the farmer? Is it to aid the banker? Whom does it help? It does not help the Treasury of the United States. How does it help the farmer? I would like for some of the proponents of this bill to give us some explanation of how it is going to be of any substantial help to anybody in the United States.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS. Mr. Chairman, we seem to be getting somewhat excited—at least on one side of the House—over a bill which is a very practical bill and a very necessary bill. I do not know how many Members on this floor speak from personal experience in this matter, but I do.

Mr. Chairman, this is the bill of the chairman of the Committee on Agriculture of the House of Representatives; this is a bill which had long, extended and thorough hearings; this is a bill which came out of the Committee on Agriculture by an almost unanimous vote; this is a bill that for the first time in farm credit history would set up a means of coordinating the Federal lending agencies, which is a very necessary thing.

For 3½ years I served as a member of a commission working with farm credit agencies, and our greatest difficulty was the fact that there was no coordination, no means of relating the activities of one agency with another. Most of the opposition I have heard to this bill, both in committee and outside of the committee, has come from those people who are the supporters without reservation of any kind, without desire for control of any kind or reasonable control of any kind, over the Farm Security Administration. They are the believers in an expression which I have heard, that soft credit and hard credit should not be mixed. I do not think the House of Representatives subscribes to that theory. I believe there must be both kinds of credit but I believe very definitely that those credits must at some level, which obviously is the the Federal level, be controlled by a board which has a thorough knowledge of the whole field.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Is it not a fact that under the present set up a borrower may make a loan from one agency or possibly from two or three within the present farm credit structure without any of the others knowing what he has done with either of the other agencies?

Mr. PHILLIPS. That is definitely the fact and one of the reasons for the present bill. This is a bill also of President Truman, when he represented the State of Missouri at the other end of the Capitol.

Mr. Chairman, this is a bill which the Secretary of Agriculture is presumed to have opposed; yet I point out to you that at the time the Secretary of Agriculture did send a report to the Hill saying he was opposed to the bill, it had not been amended to make the Secretary of Agriculture one of the members of the board itself. I have never been too sure that that was the continued and present opinion of the Secretary of Agriculture.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Kansas.

Mr. HOPE. Has it not been the gentleman's experience also that no Government department, agency, or bureau is ordinarily enthusiastic about losing any of its functions?

Mr. PHILLIPS. I think that is historic. The gentleman makes a good point.

Farming, as the gentleman from Kansas [Mr. HOPE] has already pointed out, is a very different proposition from industry, or other groups, which go to a lending agency or to the Government for aid. Agriculture is a way of living, and it is absolutely necessary that there be a coordination of the lending agencies serving agriculture. For this reason I stand here very earnestly in support of this bill, feeling it is the necessary foundation upon which the lending agencies may build themselves.

I point out to the gentleman from Texas, in spite of his earnestness and elcquence, when he said that no agencies are being eliminated from this bill, that he himself does not want any of them eliminated. We want them coordinated.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Chairman, the basic purposes of this legislation are to eliminate duplication and overlapping of services—both personnel and functions—to keep Farm Credit out of politics—to bring about coordination of Farm Credit policies and programs—to achieve a maximum economy and efficiency of administration—and to promote a system of cooperative credit—farmer-owned and farmer-controlled.

There is a clause in the measure which would assist qualified veterans, farm tenants, farm laborers, sharecroppers, and others to graduate into farm owners. All of this undoubtedly would assist in the promotion of small-farm ownership.

I was interested a while ago when the gentleman from Georgia [Mr. TARVER] was talking and attacking our hearings. It is interesting to note that no man is to blame because his name begins with "A," and if he had taken the time to look at the contents of this booklet he would find out that "A" was the first man listed in the index, but the first man that appeared before our committee was none other than the gentleman who represents the National Grange, Mr. Goss, and the second man who appeared before our committee was Mr. Ogg, who represents the American Farm Bureau Federation, and the third man who testified before our committee was none other than John H. Davis, executive secretary, National Council of Farmer Cooperatives. I think it would be worth while for the committee to forget the dragging of red herring across the trail and really find out what the farmers want. If this House wants to take action on this bill they should know that the great farm organizations of this Nation support it. It is not for me, as a Representative of the great State of Colorado, to say what the farm organization stands for. It is for the men who represent the farmers themselves.

Let me read a little of this testimony. Let us just take them in their order. Let us take Mr. Goss. I find on page 28 this statement. He made a very interesting statement to the committee:

> Mr. Goss. That is right. Mr. Chairman, I shou'd have stated when I first started to testify that the farm organizations, that is, the American Farm Bureau Federation, the National Council of Farmer Cooperatives, and the National Grange have had a joint farm credit committee working on this for 2 or 3 years, and this bill represents the consensus of thinking of that committee. I have been chairman of the committee this past year and I am in a position to make such a statement.

I ask the gentlemen who are opposing this measure what farmers they represent, and I stand here this afternoon and say, "mighty few."

Let me read what Mr. Ogg said on page 31. Does he represent any farmers? Every man knows he does, and knows of the fine work that Mr. Ogg is doing. This is what he says:

> This bill introduced by your distinguished chairman carries out a recommendation which our organization, as well as the Grange and the cooperative council and other farm groups, have advocated for many years. I might add that our board of directors, which met in Chicago the latter part of May and the early part of June, went over this bill and gave it their very enthusiastic support and adopted a resolution authorizing us to support it.

And, I might add, unanimously. Now, who are the great farm supporters coming in here opposing this bill that both the agricultural leaders and farm bureaus say, "We are for the bill absolutely without any equivocation"?

Let me read further. Let us see what Mr. Davis of the National Council of Farmer Cooperatives says on page 56. Does this sound like it comes from the American Bankers Association? Might I add this, What if they did? What is the American Bankers Association? I might say here that the very men who oppose this bill because the American Bankers Association is for it, carry their money in those banks. So if the bankers are so evil, I think they better take their money out.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. HOPE. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. HILL. I think some of the Members had better read the bill and study it before they come in here and say, "This is a bad, bad measure." Listen to what this gentleman says:

> One of the objectives of H. R. 3422 is to bring direct Government borrowers, as rapidly as emergency conditions subside, into the cooperative-loan system. The Board is also charged with (1) elimination within the agency of duplication of services, personnel, and functions; (2) coordinating of the activities of the several divisions of the agency; and (3) the achievement and maintenance of economy and efficiency of administration. There is much to be done in this field aside from administrative routine.
>
> Coordination of lending and security at the local association and the farmer level is one of the major objectives of an orderly, beneficial agricultural credit system. This can be obtained only with a coordinated, understanding policy at the top. We believe this bill will put the agricultural credit agency in a position to promote at the national level properly coordinated financing activities.

I am asking just one thing. I have read to you the best testimony of the agricultural experts of the United States of America, regardless of all the red herrings you have drawn across the path this afternoon.

One other thing: I could not help but notice that the opposition has made considerable of the idea that we do not abolish anything. I ask the gentleman from Texas, whom I love, how in the world will you ever consolidate these agencies if you do not set up a new agency to bring other agencies into it?

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. HILL. Certainly.

Mr. POAGE. I want to answer the gentleman's question as to how you would eliminate some of these boards.

Mr. HILL. I want to hear it.

Mr. POAGE. By writing in here an elimination of some of them, and not putting something back in their place. That is the way to abolish, to strike out, and not put something back in its place.

Mr. HILL. May I answer the gentleman by saying that for the last 10 or 12 years Congress has been in constant session. If you want to make any change in a law, all you have to do is bring in an amendment, so we can consolidate these actions at the farm level and the community level very easily in legislation that is to follow.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from North Carolina.

Mr. COOLEY. Will the gentleman enlighten the House with regard to the duties of the 10 experts who are going to be employed?

Mr. HILL. I have heard a lot of argument about the experts.

Mr. COOLEY. I want to know what they are going to do.

Mr. HILL. I do not have sufficient time to analyze the uses and functions of an expert. I will say to the gentleman that in time to come he can outline very easily by legislation the duties and functions of the various officers set out in this legislation.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. EDWIN ARTHUR HALL].

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield to the gentleman from South Dakota.

Mr. MUNDT. I am in favor of this bill because I think one of the reasons why our taxes are so high and our deficits are so large is that we have too many people in too many bureaus whose sole job it is today to loan the taxpayers money. The other day I came across a report from Comptroller General Lindsay Warren in which he points out that there are 29 Government agencies lending United States funds. There is duplication of effort in other types of service agencies. For instance, there are 3 agencies insuring deposits, 34 buying land, 10 in the Federal construction business, 12 in home and community planning, 28 in welfare work, 14 in forestry affairs, 9 in credit and finance, 4 in bank examination, and 65 gathering statistics. I think this is a good place to start consolidating some of the functions of Government and save the taxpayers

money and increase the service to the farmers.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, this is the culmination of a 5-year fight to bring legislation on the floor to attempt to make it easier for the individual farmer to obtain agricultural credit when and where and in what amount he needs it.

I am amazed that vociferous opposition has been raised this afternoon in challenge to some of the very premises the committee has been arguing for during the past 5 years, since I have been a member, at least. The Cooley committee was appointed by the chairman of the Committee on Agriculture for the specific purpose of going into all these ramifications of agricultural credit and making a study of how to bring those agencies together. I voted to report out the Cooley bill. As I understand, the Cooley bill was never given a rule by the Rules Committee. Therefore, I did the next best thing; I voted for the Flannagan bill and I voted to report that out. I am happy that after all these years of trying to bring out legislation to reorganize agricultural credit at last this bill is out, and I can assure you that I am going to vote for it.

There has been much lip service here this afternoon by penthouse farmers and so on, expressing concern for the individual farmer down in the mud who is trying to get a loan so that he can carry on decent farm operations in the postwar era. There has been very little said, on the other hand, about what consideration the veteran is going to get at the hands of these lending agencies. I tell you now that I want to see the veteran get a square deal. I want to see him have an opportunity to make an agricultural loan, without red tape, which he is not able to get under the present set-up. I expect to offer an amendment before the committee concludes its consideration of the bill in order to give the veteran some kind of a break and some kind of an understanding as far as these agencies are concerned. I took a little trip down to Springfield last fall for the specific purpose of studying agricultural credit. I was amazed at the confusion which exists in the present agencies and banks, not through any fault of theirs, but because no one has ever tried to help them with classifying legislation. I found dovetailing functions and a lack of understanding on the part of the public generally as to where the farmer should go to get a short-term loan or a long-term loan, feed loans, and seed loans, and any other kind of credit that he wanted. This bill, whether or not it is a complete answer for everything that we need, nevertheless is a start in the right direction. I think it ought to be passed. The House of Representatives owes it to the farmers of the country. We owe it to the veterans whom we certainly ought to be helping to establish themselves in civilian life, and helping those who want to work in agriculture to establish themselves as farmers. We owe it to the entire country to see that the agricultural credit system of the country is reorganized and rejuvenated.

Mr. HOPE. Mr. Chairman, I yield 8 minutes to the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Chairman, this committee might get the idea that members of the Committee on Agriculture do not get along. I might say that they are a very congenial group and very cooperative. However, I do not think it is letting out any secret to say that the gentleman from North Carolina [Mr. COOLEY] is interested in a bill which is on the House Calendar and which is scheduled to come to our attention within the next day or two. There has been some jockeying for position as to whether or not the Flannagan bill or the Cooley bill should have preference on the Calendar. In my humble judgment, perhaps that is partly the reason for some of the heat engendered here this afternoon on the majority side of the aisle.

Present agricultural lending arrangements were never carefully planned and considered in advance. We simply added to from time to time until today we have an inefficient business structure.

Consolidation of any agencies of government always brings opposition because jobs, prestige and position are at stake. Thus the proposed plan for reorganization of the Congress will run into difficulty. It no doubt will be opposed by those on committees which are to be abolished.

The Secretary of Agriculture and one of the farm organizations opposed the bill. On the other hand the American Farm Bureau Federation, the National Grange, and the National Council of Farmer Cooperatives strongly urge its passage. In order that their views may become a part of the record, I wish to read their joint telegram which no doubt was received by every Member of the House this morning:

WASHINGTON, D. C., *March 18, 1946.*

Hon. CHARLES B. HOEVEN,
House Office Building,
Washington, D. C.:

Major farm organizations, representing several million farmers in 48 States, strongly urge enactment of Flannagan bill, H. R. 4873, as reported by committee. Bill places all farm-lending facilities under one agency comparable to Federal Reserve Board, to prevent duplication, assure adequate coverage of credit needs, and put farm-credit structure on business basis.

THE NATIONAL GRANGE,
A. S. GOSS, *Master.*
AMERICAN FARM BUREAU FEDERATION,
EDW. A. O'NEAL, *President.*
NATIONAL COUNCIL OF FARMER COOPERATIVES,
JOHN DAVIS, *Executive Secretary.*

The Iowa Farm Bureau Federation, the largest farm organization in my State, also strongly endorses the bill.

This bill embodies the best thinking on the desirable removal of all farm credit from the danger of political use. Good business dictates that no lending agency of Government should be under a Cabinet head for the reason that Cabinet heads are invariably political appointees. The Secretary of Agriculture today holds in his hands one of the greatest powers imaginable, the power of credit. He is placed in a position to hold that credit over the heads of farmers in order to get them to comply with some agricultural program that has been set up. It would be most convenient if farmers were not doing so well and an election were to come along for the Secretary of Agriculture, whoever he might be, to manipulate the farm values and the appraisals which are put on agricultural lands in order to furnish the farmer with more money to relieve his distressed condition. That would be one of the worst things that could happen to the farmer because easy credit often leads to his downfall. Farm credit must not be subject to political pressure of any kind and this inevitably follows when agencies are placed in Government departments headed by Cabinet officers.

That is why we have an independent bipartisan Federal Reserve Board to supervise the Federal Reserve System; an independent bipartisan Tariff Commission to deal with tariff problems, and just recently the Congress recognized this principle in reestablishing the Reconstruction Finance Corporation.

Some objection is also made to a full-time board. We have every reason to believe that the board as proposed will be made up of outstanding men. If they only served part time they would come to Washington only when necessary to attend board meetings and would be anxious to return home as soon as possible. This would result, as past experience shows, in the member relying almost entirely upon the subordinates in the Washington office. In my judgment there is no valid argument in favor of a part-time board.

Objection is also made to bringing the Farm Security Administration under the new agency on the grounds that the agency will be administered by hard-shelled businessmen. If any agency of Government needs the supervision and guidance of hard-shelled businessmen it is the Farm Security Administration. Business principles have never been employed in the operation of its program. If it had been under the administration of a full-time nonpartisan board as now proposed in this bill we might not have had some of the crackpot schemes which have cost the taxpayer millions of dollars and brought the Farm Security Administration into such ill repute.

In my judgment there are no valid arguments against the enactment of this legislation. It is one of the most constructive pieces of farm legislation ever to come before the Congress. It is strictly a farmers' bill. The American Farm Bureau Federation, the National Grange, and the National Council of Farmer Cooperatives have long been concerned over the way farm credit was being amended in a piecemeal fashion, They therefore set up a joint farm credit committee to conduct studies to provide a basis for sound legislation. These studies have been conducted from national to grass-root levels and in cooperation with Members of Congress and the Committee on Agriculture. H. R. 3422 is the result of their efforts.

This is a bill which is needed to protect farm credit, and the arguments in its favor far outweigh any objection which may be raised.

Mr. FLANNAGAN. Mr. Chairman, I yield the balance of the time on this side

to the gentleman from Ohio [Mr. CROSSER].

Mr. CROSSER Mr. Chairman, the sesquicentennial anniversary of the founding of the city of Cleveland, Ohio, is being celebrated during the present year 1946. One feature of the celebration will consist of a series of broadcasts in the nature of brief biographical statements concerning those Clevelanders who have rendered outstanding service to the people since the establishment of Cleveland as a municipality.

The committee, charged with the duty of arranging for such broadcasts, has honored me by requesting that I prepare a brief biographical statement in regard to the greatest executive in all of Cleveland's history, namely, Tom L. Johnson. The time limitation imposed makes it impossible to state fully the true worth and the achievements of Tom Johnson. Although the limit prevents even the mention of all of his merits, I have nevertheless tried to do some measure of justice to that great man.

His service, not only to Cleveland, but to the Nation and to all mankind, was so unselfish and so valuable that, even although inadequate, I feel that the tribute which I have humbly endeavored to pay him should be made a part of the permanent record of the United States Congress in which he served with such distinction.

In order that the people of this generation and of generations to come may be inspired to unselfish service to the common welfare and be induced to emulate the example of that outstanding champion of justice and apostle of universal brotherhood, there is here presented a copy of the biographical sketch which was prepared by me in regard to Cleveland's renowned spokesman for the rights of man.

This is the statement, to wit:

TOM L. JOHNSON

Countless persons have been paid tributes on account of achievements in trades, professions, art, music, or because of development and demonstration of other special skills. No praise, however, based on ordinary standards, can do justice to the man about whom this brief statement is made. That man, Tom L. Johnson, was born at Blue Springs, near Georgetown, Ky., on July 18, 1854.

When Tom was about 11 years of age his father was penniless, due to the ravages of the Civil War, and Tom began to look for something to do. A friendly conductor offered to bring on his train newspapers from Richmond and Petersburg for Tom to sell—pointing out that he would have no competition because he would not bring papers for anyone else. Tom, of course, seized the opportunity, and the venture netted him $83 in 5 weeks. A change in management of the railroad, resulting in a change of conductors, then ended the arrangement. The money was sufficient, however, to take the family to Louisville, Ky., where the father hoped to make a new start in life.

In Louisville Tom went to work on the street railway, gained promotions rapidly, and became superintendent when he was 22 years of age. He then almost immediately succeeded in arranging for the purchase of the majority of the stock of the Indianapolis Street Railway. From then on Johnson's business success was never in doubt. His Indianapolis Street Railway thrived and he engaged successfully in the street railway business in Cleveland. He had also other business interests which flourished.

During one of his frequent railroad journeys between Cleveland and Indianapolis, in connection with his street railway interests, Johnson was persuaded by a conductor, acquainted with him, to buy from a train newsboy the book, Social Problems, by Henry George. Johnson later said that he read the book "almost without stopping." He was so impressed by the unanswerable logic of this book that he immediately bought all of George's other works, and read them. Thereafter, until his death on April 10, 1911, he was a zealous advocate of Henry George's great cause.

He went to see George, who urged him to enter politics. Johnson said that he was not fitted for that kind of work. Not long afterward, however, while absent from Cleveland on an extended vacation, Johnson was, without his knowledge, nominated by the Democrats for Congress for the Twenty-first District.

Johnson served two terms in Congress, and after his service there he disposed of all of his business properties in order to devote himself wholly to the effort to make effective the transcendent principle stated by George.

More than 15,000 citizens of Cleveland then petitioned him to be a candidate for the office of mayor and he felt that he could not refuse their request. He was four times elected mayor of Cleveland and eloquently explained how the George program would assure liberty. He speeded the progress of economic justice more than any other person I have known.

Tom Johnson's true worth cannot be measured by ordinary standards. Others have won renown for their achievements as instruments performing certain functions of the general social order. They have demonstrated their development of special talents. Tom Johnson's talents were indeed superb, but he had no vain desire to be admired as merely an intellectual acrobat, as being clever. He threw his whole life into the struggle for liberty and justice because of his great love for his fellow man. Tom Johnson's heart and soul were intensely and unceasingly devoted to the demonstration and effectuation of the fundamental principle announced by Henry George, which would absolutely assure liberty and the reign of justice, thereby making possible the realization of true harmony and joyful existence.

Tom Johnson's life and labors surely confirmed the prophecy made by Henry George in these words:

"The truth that I have tried to make clear will not find easy acceptance. If that could be it would have been accepted long ago. If that could be it would never have been obscured. But it will find friends—those who will toil for it; suffer for it; if need be, die for it. This is the power of truth."

ROBERT CROSSER.

As already stated, the foregoing biographical sketch gives only a very incomplete account of the true worth and great work of Tom L. Johnson.

Before he was 30 years of age he had become a successful operator of street railway systems and was a dominant factor in a company which manufactured steel. He was the inventor of an improved type of rail for use by street railways and the controlling factor in the concern which manufactured the improved rails. As a businessman he was marvelously successful in the best sense of the word, and was regarded as a very rich man before he was 30 years of age.

When he was 29 years of age, however, he had already read the remarkable books written by Henry George and from then on his whole outlook on life was changed. His principal interest was no longer in the making of money, not in success in mere business.

In 1901, after he had disposed of practically all of his business interests, he attended a Jackson day banquet at the Kennard House in Cleveland and announced that he was practically free from business. He said that he would not be a candidate for any office but would fight in the ranks for the principles in which he believed. As already stated, however, the public demand was so great that for the remainder of his life he was the political storm center of Cleveland and Ohio.

Never in private business did he exert himself so strenuously as he did in his intense effort to promote the cause of justice for his fellow man. Throughout his remaining years he allowed himself much less time daily for rest than is generally required by ordinary men for sleep. He was afire with the desire to secure the adoption of the principle advocated by Henry George and which he knew would establish economic justice for all men, assure every one of opportunity and compensation to the full value of the service rendered by them.

This great effort by him, which he believed to be in accordance with the harmonious law of the universe, was what he felt his duty required, and this creative effort brought him happiness. His maxim, often repeated, was: "True happiness consists in making others happy."

In his tremendous struggle to enable his fellow man to enjoy happiness, he almost literally poured out his life blood. The bitterness of the opposition by special privilege and its minions, resulted in the loss of most of the means which would have assured him perfect ease and peace of mind, and finally undermined his health. Almost within his reach was the success of the principle which was so dear to his heart, which he knew would bring justice, and banish from the minds of men the fear of want with all of its horrors. Instead, however, of success in his long and heroic struggle for the people's cause, a success which would have renewed his strength and sustained his effort for the establishment of justice, he was defeated because of the lack of patience by those whom he tried so hard to help. In the hour when victory was almost within his grasp, many of those whom he struggled so hard to serve deserted to the enemy.

Almost immediately after the defeat, his health declined rapidly and in a very little while he passed from this earthly scene. The streets, over which, for a distance of more than 5 miles, moved the vehicle bearing Mr. Johnson's remains, were crowded by people whom he had served. The awakened conscience of those who had deserted the great leader caused them to grieve, and strong men wept unashamed as all that was mortal of the people's hero moved toward the train which was to carry him for interment in Greenwood Cemetery, Brooklyn, next to his great prophet, Henry George.

Although no one would have criticized him, if he had become impatient with

those who had failed him, Tom Johnson uttered no word of complaint or resentment. On the contrary the great man expressed himself as follows:

The man who is worthy of being a leader of men will never complain of the * * * ingratitude of mankind, nor of the inappreciation of the public.

These things are all a part of the great game of life, and to meet them and not go down under them in discouragement and defeat is the final proof of power.

Hail Tom L. Johnson, lover of his fellow men and champion of justice.

Mr. SPRINGER.. Mr. Chairman, will the gentleman yield?

Mr. CROSSER. I yield to the gentleman from Indiana [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, the pending bill, H. R. 4873, comes from the Committee on Agriculture, and I assume that great committee has given much study to this proposal. Knowing the members of that committee, and knowing the splendid job that committee has done throughout the years, I am willing to accept to a large extent their judgment upon this measure. My State is well represented upon that committee in the person of Hon. GEORGE W. GILLIE, of Indiana, who has devoted much time and study to agricultural problems, and I am confident he has given careful study to this very problem. His judgment is excellent upon matters of this character, and his position will wield much influence with the Members upon this question which pertains to agriculture.

Heretofore, Mr. Chairman, we have had a number of so-called lending agencies, all of which are mentioned in the pending measure. I am in complete accord that all of these various, and rather numerous, lending agencies should be transferred and their functions conducted under the one head. That will result, I am confident, in a far better administration of this agency which deals with the so-called agricultural loans, and I am also convinced it will result in diminishing the duplication of effort and that it should result in reducing the personnel required to administer the functions of this agency. At least, that is one of the items that all have in mind, because the terrific cost of these many and various agencies of our Government are imposing a very heavy tax burden upon all of our people, and it is the ardent hope of all that this policy may be changed and this very heavy burden removed in large part from the taxpayers of our Nation.

Mr. Chairman, while there is the hope that this measure, if passed and enacted into law, will operate to reduce the personnel required to administer these several lending agencies, yet this measure provided for the appointment of a seven-man Board, one of which shall be the Secretary of Agriculture. However, further provision is made for the appointment of a special Assistant Secretary of Agriculture, who will serve as a full-time appointee. Each one of this seven-man Board, including the special Assistant Secretary of Agriculture, will receive as compensation for their services the sum of $10,000 annually. Therefore, this Board, sought to be created by this measure, will cost the taxpayers the sum of $70,000 per annum in salaries; provision is also made for the necessary expenses for travel on the part of each of such members. While there may be a saving—and there should be a great saving in the reduction of the personnel required to handle these agencies, under the one head—yet, at the very outset the sum of $70,000, plus the necessary traveling expenses of the seven members of the Board, is authorized, and that will result in reducing any saving caused by the reduced personnel, before mentioned.

During my service as a Member of Congress, under the administration which has been in power during that entire period, I have discovered that if a proposal is made to save the taxpayers some money on the one hand, at the same time some other proposal is made for spending all of that saving, and in the end the taxpayer has not been given any relief whatsoever. The truth is, our taxpayers have reached the point of "inability to respond," and some consideration must be extended to the "forgotten people," our taxpayers. I, as one Member, and speaking for myself only, have reached the point at which I must cast my vote for the overburdened taxpayers of our country. They need our help, and they need some help from the heads of this administration; otherwise we may find our farmers, our laboring men and women, our businessmen, and people of all walks in life, unable to respond to the demands made for tax money, but with bankruptcy, desolation, and despair facing them, they will be compelled to yield to the inevitable—close their doors and quit.

Mr. Chairman, while the purpose of this measure is a laudable one—yet the creation of another board, with added expense, causes many of us to approach the time of voting upon it with trepedition and fear. That fear is not merely a suspicion, but it is real—because our people are becoming aroused over the ruthless spending of the taxpayers' money by those in power. The people are aroused because of the peril they face; they know what their ability is to pay, and they know when they have reached the end of the road; they know their own purse, and this has caused great distress to the men and women throughout the length and breadth of our land. This measure is the creation of another board, which costs more money, and I am convinced this agency, which is intended to reduce the personnel, and the overlapping effort of several agencies, with the personnel to administer the same, will, in the end, be as expensive, and, perhaps, more expensive than the agencies now handling this particular function.

If this measure is passed, it is my hope that some effort will be made to reduce the Federal spending of the taxpayers' money, by cutting down the personnel use to administer this function, and by using some good businesslike judgment in the operation of the agency and its business—all to the end that our taxpayers may have some relief from their very great burdens of the moment.

Mr. FLANNAGAN. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc.—

TITLE

SECTION 1. This act may be cited as the "Agricultural Credit Act."

AGRICULTURAL CREDIT AGENCY

SEC. 2. There is hereby created an independent establishment of the Federal Government to be known as the Agricultural Credit Agency (hereinafter referred to as the "Agency") with principal offices at Washington, D. C. The Agency shall adopt a seal which shall be judicially noticed. There are hereby transferred to the Agency all functions, powers, and duties of (1) the Farm Credit Administration, including the Governor and all other officers therein, and of the Secretary of Agriculture with reference to the Farm Credit Administration and (2) the Farm Security Administration, including those conferred upon the Secretary of Agriculture by the Bankhead-Jones Farm Tenant Act and under the items "Loans, grants, and rural rehabilitation," and "Farm tenancy," in the Department of Agriculture Appropriation Act, 1946, including any such functions, powers, and duties which have been transferred to any official by Executive order.

Mr. LAFOLLETTE. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. LAFOLLETTE. Mr. Chairman, I rise for the purpose of making an observation with reference to the statement attributed to the Secretary of Commerce, Mr. Wallace, this morning. For my part, I try to meet all challenges head on and squarely. I am submitting my idea of what the Republican Party should stand for to the voters of the State of Indiana. In doing that I have also definitely said that I was not a candidate for a seat in this House. I want to play fair and openly. I do not think much of a man who walks around with a loaf of bread under one arm and tries to pull a cake out from under the counter with the other.

But I was a little bit amused by the Secretary's statement with reference to his own actions. The Secretary said that he did not think there should be a third party and that he thought some people should be purged. As I understood him he wanted to purge those who did not agree with his ideas of what his party stood for. Within the last month Mr. Wallace has intruded himself into a special election in New York City in which he supported Johannes Steele, candidate of a third party, the American Labor Party, and a Communist scab. A Communist scab is a person who wants to follow the party line and get full advantage of the party's activities without having the guts to take out a card and pay his dues. Just like a worker in an open shop who takes advantage of the wages and working conditions the union wins for him without joining the union or paying dues. The Secretary supported Steele against the Republican candidate and against the candidate of

his own party, Mr. ARTHUR KLEIN. I have served on committees in the Seventy-eighth Congress with Mr. KLEIN, and I consider him to be an honest, high-grade gentleman. So far as supporting the things which Mr. Wallace believes in and his party is supporting, Mr. KLEIN's voting record was perfect.

I am not a slave to nor a devotee of consistency. Those who support consistency do so sometimes because they cannot grow and expand and change their points of view. We rather expect that points of view change over relatively long periods of time. But instead of inconsistency we sometimes have confusion. Confusion would seem to arise when people change their points of view over very short periods of time. Whether the Secretary has been guilty of valid inconsistency or great confusion in his recent statement in regard to his conduct within the last month I leave to the American people to decide, but I think it served no purpose for him to make that speech, nor can I reconcile his speech with his acts.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. LAFOLLETTE. I yield to the gentleman from California.

Mr. JOHNSON of California. As the gentleman well knows, some of the most constructive innovations in governmental procedure and policy have been made by men in the Republican Party, who have gone contrary to the orthodox views of the Republican leaders. Many of these have proved to be blessings to the party and to the country. Among such are conservation, fathered by Theodore Roosevelt, the regulation of public utilities; the initiative and referendum; workmen's compensation, and many others. The very fact that certain courageous men in the party get out of line with party policy is what paves the way for party progress and for social and governmental reform that is usually badly needed and long overdue.

If Secretary Wallace's ideas were carried out, is it not a fact that Albert Beveridge, Hiram Johnson, Robert La Follette, and Senator Norris would all have been purged out of the Republican Party?

Mr. LAFOLLETTE. I think probably they would have been. Of course, maybe the Secretary has become imbued with the ideas and ideals of his candidate, Mr. Johannes Steele. This is as logical an explanation of his confusion as any other. There is no other way I can explain it.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. LAFOLLETTE. I yield to the gentleman from New Mexico.

Mr. FERNANDEZ. Perhaps the Secretary was speaking from his own experience and just being practical. As I recall, our party disciplined him in the same manner he recommends that others discipline us.

Mr. LAFOLLETTE. I cannot get into your quarrel. I am only reading the record, and you can make your own conclusions about it.

Mr. PACE rose.

Mr. LAFOLLETTE. For that reason, I hope the gentleman from Georgia does not ask me to yield on this point, because I am just doing a little analyzing. Anyone who wants to support Mr. Wallace's position of course is justified in doing so, but I cannot understand it.

Mr. POAGE. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the time for discussion in general debate was so short that I felt I should call the attention of the Committee a little further to just what this bill does and just what it does not do.

In the first place, this bill does not carry credit to anybody, this bill does not bring any benefits to any farmers, this bill does not save the Federal Treasury anything, and this bill does not reduce the number of Federal employees or the number of Federal agencies.

On the contrary, this bill does increase the number of Federal agencies, does increase the number of Federal employees, does increase the drain on the Federal Treasury, and does increase the red tape and the number of agencies with which individuals must deal.

I think there is much to be said for the idea of trying to bring about a closer relationship between all of the lending agencies of the Department of Agriculture, but I do not know why they should not remain agencies of the Department of Agriculture. I do not know why each time any of us think we could improve upon the way in which some bureau is operated we feel we should make that bureau into an independent agency coordinate in power with the Departments in the President's Cabinet. It seems to me that sound government requires that we decrease rather than increase the number of agencies with which the individual must deal.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Colorado.

Mr. HILL. I wish the gentleman would make it plain to the Members why the Farm Bureau and the cooperative organizations and the National Grange support this measure. Will the gentleman give us an explanation of that?

Mr. POAGE. Let the spokesmen for special organizations speak for themselves. I speak only for the people of the Eleventh District of Texas and of the United States and not for the Farm Bureau, the National Grange, or any other particular organization no matter how fine. I speak for the great masses of the people. I do not claim to be able to tell you why some particular agency, organization or group, favors this thing. I ask the gentleman and I ask every proponent of this legislation to stand here and tell this body how this bill will be of help to the people of America, not why somebody supports it.

I assume that the membership of this House is possessed of such intelligence that they will be able to take the facts and form their own judgment as to what is good and what is not good and that it will not be necessary for the gentleman from Colorado or anyone else to rely upon some group of private citizens. I assume the gentleman will be able to discern for himself what is good and what is not good and that he will be able to tell the House why it is good or why it is not good. I am not here to tell you why somebody else said this was good. I am here to ask in all seriousness and to ask every man on the floor of the House: What good will this bill do one single citizen of America? What farmer will benefit by this bill? What banker will benefit by this bill? What agency will benefit by this bill? What organization will benefit by this bill? Who will benefit by this bill? Unless somebody can show us where somebody gets some definite benefits from this bill, I submit it is your duty to vote against the bill. It is your duty to be able to answer how this bill will do good, and not to ask the question: Why is some organization or some private agency supporting the bill? I do not believe this House has reached the stage where we are going to let some private agency vote us. God forbid we should come to such a pass. I hope the House will exercise its own judgment. I hope each Member of the House will question himself in his own soul as to what good this bill will do.

Mr. MAHON. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I may not speak with the vigor of the gentleman from Texas [Mr. POAGE], with respect to this bill, but I do have some questions in my own mind about it. I am searching for an answer to those questions. I would like to see the time come when the farmers of a county can go into the county seat or to the appropriate town and go to one agency and there get an answer to all of their agricultural problems. I am told by the chairman of the committee that this bill does not accomplish such a purpose.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield briefly.

Mr. FLANNAGAN. May I say this bill lays the foundation to accomplish that very purpose, and that will be the next thing to be done.

Mr. MAHON. I am not so sure that this lays a sound and proper foundation. I think those of us from the agricultural districts have perhaps been loudest in our condemnation of what is sometimes referred to as bureaucracy. We have complained at red tape and inefficiency, we have objected to the overstaffing of agencies, we have condemned waste. We have said that many of the employees of the Government do not seem to be alive and alert to the problems which confront the individual farmer, the individual citizen.

I call your attention to the section in the bill which proposes that we set up a board of 7 members, seven new jobs at $10,000 per year. How long is the tenure of office for the members of the board? The terms is for 12 years. You are going to take a man out of some section of the country, bring him here, and put him on an agricultural board and to keep him here for 12 long years. He might be a bad appointee but he would be saddled upon the backs of the farmers for 12 long years. Would we think of electing Members to Congress for a term of 12 long years? We would say no, a thousand times no, because we want the representatives in Congress to come fresh from the people. We want

the people, at frequent intervals, to have a chance to throw them out or keep them. That is democracy. Yet we are going to set up a board here which will control the agricultural credit machinery of our farmers for a term of 12 years. I am unalterably opposed to any such proposal as that. If we are going to have such a board, I am in favor of having a board that will come from within the 12 credit districts of the Nation, but letting the members of the board serve a much briefer term, such as 2 or 4 or 6 years, perhaps. Good board members could be reappointed from term to term as desired. A board member who did not do a good job would not serve for long.

Furthermore, the board members should serve on a per diem basis and not on full time. They would deal with broad agricultural policy, and they would spend much of their time away from Washington. This, to my mind, would be the better procedure, and it is the suggestion which was made by a number of Texans to the House Committee on Agriculture last year.

Let the board members serve on a per diem basis. Let them come here from time to time and help work out the agricultural problems of the country, based upon the facts as they know them in their individual States and communities. I do not want someone sitting here at a desk in Washington for 12 long years telling the farmers of this country how to run their farms. If such a board would be of service it would have to be responsive to the will of the people.

For one thing, I certainly shall not support any provision that will salt away from the people those who are to preside over the destiny of the people. The destiny of the farmer in this country must not be entrusted to an agricultural board appointed for a 12-year term. It is not the thing to do.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. BREHM. I would like to remind the gentleman that the leader of his own party started this precedent of 12 long years.

Mr. MAHON. He started it, but, remember, he went back to the people every 4 years and they put their O. K. on him. How can those who complain about 12 long years now come here and sponsor legislation providing for 12 long years and no chance for the Congress or the people or the President to do anything about the situation in the meantime. If members of the Board should become autocratic and want to tell the farmer to jump in the lake, they will tell them so. What can the Congress do about it? Nothing. All we can do is say, "Well, we are sorry. That is what we did. We provided for the 12-year term." The gentleman representing the people of the Nineteenth Congressional District of Texas is not going to do that sort of thing to the farmers of this country. If we can bring in a bill that will provide some way to consolidate these agencies in the places where they serve the people, that is one thing. What we need is consolidation in the field and not so much consolidation in Washington. All this talk about reorganization is mostly talk.

The CHAIRMAN. The time of the gentleman from Texas [Mr. MAHON] has expired.

Mr. MAHON. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. You are setting up a new agency. I happen to be a member of the Subcommittee on Independent Offices Appropriations. There are twenty or thirty independent agencies of the Government. Here we are setting up another one. What do those independent agencies do? They come in year after year asking for more and more money. Every one of the independent agencies of the Government that came before the Congress this year requested more money in fiscal 1947 than they had in fiscal 1946. We cut them in this body and they go to the other body, and in almost every instance the increases are added. This will be no exception.

The members of the Board will be so far removed from the farmers of the country that sympathetic interest and understanding of the farmers' problems will be lacking. I cannot support such a board, and I trust the committee will offer some amendments to meet the objections which I have raised. I think there is no doubt about the legitimacy of my objections. I do not want the destiny of my people to be decided in any such manner.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman.

Mr. DONDERO. Will this make Government more or less expensive?

Mr. MAHON. It looks to me like it would make it more expensive. There are numerous $10,000 and $9,000 jobs.

Just think of this: We have this board. What are they going to do? They have an administrator. What is the administrator going to do? Well, if you want to have this country run by a board rather than by a head who is accountable to the people, then you probably would be for this kind of a set-up. But this thing is unworkable.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Texas.

Mr. POAGE. If we want an administrator to run it and simply want a board to fix policies, then we should have the board come in here two or three times a year and serve on a per diem basis.

Mr. MAHON. Certainly. That is what we need.

Mr. POAGE. But if we have a board here full time, drawing $10,000 a year for 12 years, with no chance of their ever being ousted, if they find anything to do they will attempt to run the administration of the agency, will they not?

Mr. MAHON. Undoubtedly.

Mr. POAGE. And if you have eight men administering instead of one you are bound to have trouble, are you not?

Mr. MAHON. We had a lot of trouble with the Surplus Property Board and we abandoned the board.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. COCHRAN. The gentleman is a member of the Appropriations Committee; does he approve of section 10 on page 12 which does not place any limit whatsoever on the appropriations for administering the act? Does not the gentleman believe there should be some kind of limitation?

Mr. MAHON. I may say to the gentleman that I think there ought to be some kind of limitation, but regardless of limitations our universal experience has been that once an authorization is made the appropriations usually increase from year to year for these agencies.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. RIZLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I dislike very much to get into a heated controversy—and I am not going to—with my good friends from the Lone Star State, but some of the statements that have been made here should not, in my opinion, go entirely unchallenged. The gentleman from Texas [Mr. MCMAHON] who just preceded me, compares the running of a great financial institution like Farm Credit—and I want you to know that Farm Credit lending agencies are now among the large financial institutions in the world—he wants to compare selecting a board of directors to supervise and operate the lending of millions and millions of dollars, some of it Government funds, some of it funds that belong to the citizens in cooperative concerns, with selection of Members of Congress. He says they ought to be changed just as often as elective officials, where the people have a chance to pass on the election of Members of Congress every 2 years. That is the very thing we are trying to correct. We are trying to take this credit out of politics and place it in the hands of men who will not be interested in politics every 2 years, and for that reason will not attempt to use public credit for the purpose of playing a little politics and electing favorite Members of Congress.

We are all trying to reach the same objective. Before I became a Member of Congress and since I have been a Member of Congress, I have heard it said at various times that what we need in this country is to do exactly what the gentleman is talking about so that when a farmer wants some credit, comes into town, he can go to one place and find out what agency he needs to deal with, and instead of having to deal with a dozen political agencies which have been set up harum-scarum, helter-skelter throughout this period of years that these various credit agencies have been created, he can deal with one agency which will have some authority to tell him the kind of loan that he needs under his set-up, and the kind of loan he can expect to get.

Perhaps this thing is not perfect, but you have got to start some place. We have had a couple of reorganization bills. Does anyone here claim that anything

has been done to eliminate or consolidate any of the various and sundry credit agencies that we now have? The President of the United States, when he was Senator, representing the people, who had to deal with these agencies thought this was a good proposition, and he introduced a bill, was the joint author of a bill—the present President of the United States—setting up the very thing that we are talking about here in language almost identical with the language of the pending bill. He and other Senators who were serving with him at that time proposed the bill. The President was interested in coordinating these many lending agencies, attempting to get not only the Government funds, both direct as well as indirect lending, into the hands of some agency that at least he hoped would not be political.

I think this bill is a step in the right direction. It is not perfect, but it is a step in that direction; and if we pass this bill, it is hoped we shall be able to do what my friend from Texas says he wants to do. Our committee held weeks and weeks of hearings. I am not here, as the gentleman from Texas said, to say that we ought to be for this bill or for any other bill simply because some of the agricultural bureaus or because some of the financial agencies say it is a good bill; but it should be recognized that they have had much experience in farm credit. The banking institutions have had experience with farm credit. We sat and listened to all of these different groups day after day for the purpose of getting the best bill possible.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. RIZLEY. I yield to the gentleman from Texas.

Mr. POAGE. Will the gentleman explain to the Committee just what benefits this bill will confer upon one farmer in the United States?

Mr. RIZLEY. That is what I was trying to do. I am sorry if I have failed to convince my good friend the gentleman from Texas, however. What I am trying to say is that ultimately, with this bill as a starter, we will be able to give to every farmer of the United States a sound credit program so that he will not have to rely on politicians to get money when he needs it.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. VOORHIS of California. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I want to talk about agriculture, the agriculture of some people who live in my district, who have tried to produce poultry and egg products during the war, who at this very moment, due to the feed shortage, and the inequities as between the cost of their feed and the ceiling prices of their products, are going out of business, liquidating their crops all over that section of the country.

I introduced a bill the other day providing that during the period of this food and feed shortage no grain shall be used for the production of liquor or any other nonessential purpose. I find that in my State right now there are 296,000 tons of barley in warehouses and in mill inventories. Thirty-five thousand tons of it have been bought for malt purposes, partly because they can pay more for the barley for malting purposes than can be paid for feed purposes. I find also that the stock of liquor in this country was increased in the month of January by 10,000,000 gallons, to a grand total of 366,000,000 gallons. It is true also that since January the number of days that liquor-manufacturing establishments can operate per week has been reduced. They are still using about 4,000,000 bushels of grain a month. I want that grain for my poultry. First of all I want it for hungry people, but before it goes to these other purposes I want it for my poultry people so that they can stay in business, because we are going to need their high-quality food products one of these days, even though at the moment we have to lay emphasis on grain.

Mr. Chairman, let me say another thing. I think the price of corn should be raised, and the reason I make that statement is because it is necessary in order to distribute that type of grain more evenly among the people who produce animal products.

Mr. Chairman, as is known, I have supported the CPA, I have supported the necessity of governmental control, but I tell you, this is an emergency situation and I am not going to see my people who have worked hard to build up a business forced out of business this way if I can possibly help it. I take these few minutes to go so far as to say that since there is a need for food for human beings, and since the production of livestock which is the very foundation for prosperous agriculture in the country hangs in balance, we can well say, "No grain shall be used for any nonessential purposes until that crisis has passed."

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I take this time to read to the House a letter dated December 10, 1945, addressed to me by the Secretary of Agriculture in reference to H. R. 4873:

DECEMBER 10, 1945.

Hon. HAROLD D. COOLEY,
House of Representatives.

DEAR MR. COOLEY: I am summarizing herein the basic objections of the Department of Agriculture to pending bills H. R. 4873 and 3422 which would remove the Farm Credit Administration and the Farm Security Administration from the Department of Agriculture and set them up as an independent agency.

I think it would be detrimental to the interests of the farmers and agriculture generally to separate the lending services of this Department from the other services it provides for farmers. The over-all agricultural program of the Government should be designed to contribute the maximum to the farmer's welfare and all the services and functions, including credit, should from formulation to execution be properly related to attain that objective. Moreover, it seems to me that in the interest of orderly and sound government the responsibility for all agricultural program should remain, as they now are, in one department of the Government. To divide responsibility by setting up another and independent agricultural agency would lead to confusion in the minds of farmers and in the operation of the various programs.

The bill provides for a long-term credit board which would function only concerning policy matters. I do not see how it could reasonably be expected that full-time members with long terms would remain aloof from administrative matters. In fact, there would seem to be little need for such a full-time board, because the Congress itself should determine the basic policies of the lending institutions. Such a board, once established, might become insulated and not-responsive to the credit needs of farmers.

The provisions of H. R. 4873 which provide that the Secretary of Agriculture shall be a member of the board of directors does not meet the objections I have raised in my report on H. R. 3422. With the credit functions in an independent agency, there would not be that continuous collaboration that is required in the interest of the farmers. The Secretary of Agriculture would be only one member of a seven-man board and thus, undoubtedly, there would be many times when he would be unable to bring about the necessary coordination in the formulation and execution of the farmers' programs. Since he would be excluded from any matter relating to administration of the credit programs, his suggestions or recommendations might have little or no effect upon the way in which the agency was operated. I believe that an advisory board constituted as suggested in my report on H. R. 3422 would be a sound and effective contribution to the credit programs.

Sincerely yours,

CLINTON P. ANDERSON,
Secretary.

I also have a letter dated today, March 19, 1946, from Mr. Dillard B. Lasseter, Administrator, Farm Security Administration:

Hon. HAROLD D. COOLEY,
House of Representatives.

DEAR MR. COOLEY: Complying with your request for my opinion in regard to H. R. 4873, I refer you to the Secretary of Agriculture's letter of December 10 to yourself, and say that I am in full accord with the opinion of the Secretary as expressed therein regarding the provisions of the bill.

With best personal regards, I am

Sincerely yours,

DILLARD B. LASSETER,
Administrator.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. I also have here a resolution which I found in my files, which reads as follows:

JULY 26, 1945.

"We, the directors of the Glendive Production Credit Association, both as individual stockholders and representing the 317 farmers and stockmen who are stockholders in this association and residents of Dawson, Richland, McCone, Prairie, Wibaux, and Fallon Counties, express our disapproval of the Flannagan bill, H. R. 3221. In our opinion, the Farm Credit Administration and particularly the Production Credit Division, as now constituted, have been rendering a very valuable service to the farmers and stockmen of this country. Some of the provisions of the Flannagan bill we feel are detrimental and we are unalterably opposed to them. We oppose changing the name from the Farm Credit Administration. We oppose including the Farm Security Administration as we do not believe sound credit and soft credit can be successfully administered from the same office, or under the same organization. We oppose a full-time board on large salaries and for long terms of office. We are not opposed

to the idea of a board as a policymaking body, but we believe it should be a per diem board, meeting not more frequently than four or six times per year. The members of the board, or at least a part of the members of the board, should be selected by the stockholding members of the affiliated farmers' organizations. The terms should not exceed 7 years and the members be chosen from active representative farmers and stockmen who are in contact with and have practical knowledge of the condition and needs of agriculture and the livestock industries."

The above resolution was adopted at a meeting of the board of directors of the Glendive Production Credit Association July 26, 1945.

ALBERT GROSKINSKY, *Sidney, Mont.*
VIRGIL C. GREGG, *Bloomfield, Mont.*
A. L. HENDRICKSON, *Terry, Mont.*
J. D. WOOD, *Wibaux, Mont.*
D. C. STONE, *Circle, Mont.*

I submit those communications to the end that the House may know that there is some opposition to this bill. I think the opposition comes from high places when it comes from the Secretary of Agriculture and the others to whom I have referred.

The bill would be in conflict with the program of the President, as outlined in his message of May 24, 1945—Document No. 199, House of Representatives, Seventy-ninth Congress, first session. The import of the President's message is, although it does not say so directly, that, as nearly as practicable, each major agency of the Government should be under a Cabinet officer.

The Secretary of Agriculture, with the concurrence of the Bureau of the Budget, has concluded that the bill is not in the best interests of the farmers, and has recommended against its enactment.

It is essential, in the best interests of agriculture, that the Farm Credit Administration remain in the Department of Agriculture. Credit must be properly related to the other service programs of agriculture, such as those rendered by the Soil Conservation Service, the Agricultural Adjustment Agency, and the Extension Service, if each program is to make its maximum contribution.

The coordination of agricultural programs will be difficult unless the agricultural service bureaus are all in one agency. Placing the Secretary of Agriculture on the Agricultural Credit Board in an independent agency will not meet this point, since he would be hopelessly outnumbered in all voting on important issues.

The farmers should be able to obtain their services from one agency and to hold one department, namely, the Department of Agriculture, accountable for all agricultural activities of the Federal Government.

The administration of agricultural credit by a full-time board with long tenures of office would not be as responsive to public needs as if the credit were administered under a Cabinet officer.

Agriculture is a particularly hazardous industry. It is frequently necessary for swift action to be taken to minimize the shock following catastrophes such as floods, droughts, and dust storms, and economic factors such as price declines, overproduction, and marketing and shipping problems. A full-time board composed of members with long tenures in office is likely to tend to become insulated against pressures of public opinion.

A full-time long-term credit board would not be able to function without becoming, in fact, an administrative board. This would lead to confusion and misunderstanding between the board and the persons responsible for administration of the programs. The Federal Farm Board is an outstanding example of the attempt to administer credit through a full-time board with definite spheres of interest assigned to each member.

The costs of the board provided for in H. R. 4873 are excessive since, if the board should be able to restrict its operations only to policies, there would be little for it to do.

A board is not needed to determine basic policies. The basic policies should in every case be laid down by the Congress.

The Secretary of Agriculture has proposed a plan in his statement before the House Agriculture Committee to use a part-time advisory board in the administration of the programs of Farm Credit Administration, Farm Security Administration, and Rural Electrification Administration. He has proposed also to combine the activities of the emergency crop and feed-loan provisions of Farm Credit with Farm Security Administration. He has asked for an Assistant Secretary of Agriculture to help in administration of the credit activities of the Department. These changes are what are needed, instead of enactment of H. R. 4873 in its present form.

If there is any one improvement that is badly needed in Government today it is to make the Government and all agencies thereof more responsible to the pressure of public opinion and to the will of the people. Neither Government nor agencies of the Government should be insulated from the people. Red tape should be eliminated, procedure should be simplified and every servant of the people should be, at all times, accessible to the people. If an agency of the Government is placed under a responsible administrator and anything goes wrong the administrator in charge can be called before a congressional committee to the end that the people of the country might know his views concerning the alleged wrong committed by his agency or officials thereof. While I have great respect for our national farm organizations and am always anxious to know their views and to have the benefit of their counsel, the mere fact that legislation is supported and approved by farm organizations is not, in itself and alone, justification for my supporting any proposed measure. Every Congressman must some times do a little thinking for themselves. After all, we are the elected representatives of the people and we are charged with grave responsibilities. We should weigh all of the facts and circumstances and then act as our best judgment dictates. The fact that a majority of a committee has favorably reported a measure is in itself, a poor justification for the casting of a vote.

I do not think that this bill is either in the interest of agriculture or in the interest of good government and I shall, therefore, vote against it.

Mr. HOPE. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I think that what the distinguished gentleman from North Carolina has just been saying as to the views of the Secretary of Agriculture really goes to the crux of this entire matter. The Secretary of Agriculture does not want these agencies moved out of the Department of Agriculture. That is a very natural thing. I cannot recall any instance when the head of any Government department or bureau wanted to lose any of the offices in that organization. But what the gentleman has just said indicates that there is an even deeper reason why the Secretary of Agriculture does not want the credit agencies moved out of the Department of Agriculture, and that is that he believes—and there are many others in Government who believe it—that the credit agencies should be used as a means of influencing agricultural programs. Frankly, that is the reason that Farm Credit Administration was consolidated with the Department of Agriculture a few years ago. It was because they wanted to use the coercive influence of agricultural credit to line farmers up on farm programs. I do not believe there is anyone who is familiar with the situation who would deny that statement.

Now I want to reply, if I may, to the challenge which the gentleman from Texas [Mr. POAGE], my good friend, issued a while ago to anyone to prove what good this legislation would do any farmer. I think I only need to call attention to the language of the bill itself. I refer to subsection (b) on page 8 which outlines the policy of Congress in setting up this new organization. The language reads as follows:

> It is hereby declared the policy of Congress, which shall be followed in all cases by the Board, (1) to promote a system of agricultural cooperative credit banks and associations and cause them as soon as practicable to become producer-owned and producer-controlled.

Is that or is that not something which will benefit the American farmer? The language reads further as follows:

> (2) to assist qualified veterans, and farm tenants, farm laborers, sharecroppers, and other individuals who obtain, or who recently obtained, the major portions of their incomes from farming operations, to become farm owners.

Is that or is it not an objective which will help the American farmer? The section reads further as follows:

> (3) to assist farmers eligible for direct Government loans or extended pursuant to acts of Congress and to enable them to qualify as soon as practicable for membership in the cooperative agricultural credit system or for other private credit.

Those are the objectives of this legislation. I think we are setting up by this legislation a system by which these objectives can be attained. I submit the objectives are in the interest of the American farmers.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Texas.

Mr. POAGE. Will the gentleman point out where there is anything new

in that? Every one of those objectives are in the law at the present time. I submit that that is the policy of Congress right now and it has been so expressed by previous acts of this Congress on numerous occasions in the past. There is not a thing in the world in this proposed legislation which gives one single new right to one single farmer.

Mr. HOPE. Let us say they are in the law right now. But have we achieved any one of these objectives? Not a single one of these objectives has been achieved, and it is the purpose of this legislation to make it possible to achieve them.

Mr. POAGE. Does the gentleman believe we will achieve them by putting in these administrators at $12,000 a year?

Mr. HOPE. Yes; I believe we will.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOPE. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. FLANNAGAN. Is it not a fact that we are declaring the policy of Congress to be that when a loan is made by the Farm Security Administration to someone who cannot obtain credit through the banks or from one of the cooperative lending agencies, that as soon as he graduates into the other class he shall be forced to take the cooperative loan and get out of the direct loan class?

Mr. HOPE. Yes, that is one of the objectives of this bill.

Mr. FLANNAGAN. That has never been written into the law. Today when a farmer gets on the Farm Security, he stays there, and if he is not taken off he will stay there until "Kingdom come."

Mr. HOPE. I thank the gentleman for that statement. The other point I want to mention briefly is one that has been raised by several speakers. It is a point which is certainly of the greatest importance in connection with this question. It is: Where are we going to economize and is it going to be possible under this legislation to get down in the counties and in the communities and consolidate these agencies which are lending to the farmers? In that connection, I want to read from subsection (c) section 5 on page 9, which further outlines the objectives:

(c) The Board shall direct, to the fullest extent practicable, (1) the elimination in the Agency of duplication and overlapping of services, personnel, and functions; (2) the coordination of the activities of the several divisions of the Agency; and (3) the achievement and maintenance of economy and efficiency of administration.

I want to see these objectives carried out. This legislation offers the opportunity.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wish all the farmers in the United States could listen to the lawyers talking agriculture today. I never knew that some of the New York and Chicago attorneys knew as much about farming and the farmers' problems.

I call to the attention of the gentleman from California, who is weeping about the waste of grain that goes into breweries and distilleries, distillers' grain makes up the best portion of our dairy feeds. These are high-protein feeds. The grain going into the breweries and distilleries comes out as important feed easily digestible and of high-protein content. The grain that goes into the breweries and distilleries is not wasted. I mean to say, it is not wasted so far as feed is concerned.

Some of the gentlemen who are so much excited about these 12 long years that the officers set up in this bill are going to serve, if they were just sure, if you fellows were just sure who was going to fill those positions during those 12 years, they would not seem nearly so long.

Then, the concern that is expressed about having a place where the farmer can go to tell his troubles. My experience is that the farmer who runs to the Government with all his problems to have them solved never gets them solved. When he does get one solved he finds the Government has created a half a dozen others before he gets back home. So the time will never come when the farmer is going to get along by telling his troubles to the Government. If the Department of Agriculture were cut in half, and that half that remained locked up, the American farmer would be just as well off.

I would like to see this bill passed for no other reason than this, to cut out a lot of no-accounts who are driving around the country trying to get farmers to take Government loans. I know a dozen of them driving around the country, advertising in the newspapers, selling Government loans. Then, they will make speeches when they get a few farmers together, and say, "This is your bank. This is an agricultural bank." They are different from other banks in this respect, that when you deal with them you are always a debtor. In any other bank you are sometimes a creditor. I would like to see a credit agency set up in the county seat for the farmers and kept there. To serve farmers who come for credit. I do not like this thing of credit going out after the farmer. It has been used as a political football. It has been used as an avenue through which the New Deal has been selling all kinds of communistic ideas. The present lending agencies are regular pipe lines through which propaganda flows to the country. They have put their clutches on the throats of more farmers through the lending agencies than in any other way in the whole set-up. I would like to see the time come when these leeches, these political leeches, would be at least confined to an office somewhere, to do the job as intended, and earn the money they get. The sooner you get them off the highways and byways, the better off the farmer is going to be. You are never going to solve the problems of the farmer here. You will never get increased food production here. You see more and more of it every day—commitments that the Government has made to supply food, while at the same time preaching a philosophy of scarcity, paying the farmers to produce less. This whole thing is ridiculous.

I am for this bill if it will keep these agents from peddling credit and stop the avenues through which the New Deal is sucking the whole country dry.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. GALLAGHER. I would like to know if in the last couple of years the farmers have not paid off more mortgages than they ever did in the history of this country before.

Mr. GROSS. The gentleman is exactly right. But we are in a rising market. There was a war on. I farmed for 20 years in down market, when nobody paid off any mortgage. When these farmers that they load up with all this credit come into a period of a down market again, which they surely will, the Federal Treasury will be drained drier than it ever has been drained up to this time. And Uncle Sam will be in the real-estate business.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. ROGERS of Florida. Mr. Chairman, I move to strike out the last 5 words, and I ask unanimous consent to speak out of order for about 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Chairman, I am opposed to the pending bill for two reasons, one of which is that it creates a new bureau, and the other that the Secretary of Agriculture is against it.

It seems that the only thing we have done since I have been in Congress is to spend money and create new bureaus and agencies. I voted for one the other day, setting up a Housing Expediter, because I thought that one was necessary; but here is one I do not think is necessary. The people of this country are getting tired of being governed by bureaus and bureaucrats.

As I said, my second objection is because the Department of Agriculture is against it. I believe we have a splendid Secretary of Agriculture. I think he is doing a good job. Why should Congress create a new agency to take this away from the Secretary of Agriculture when he is doing a good job and when the principal purpose of his office and department is to look after the farmers?

My principal purpose in taking the floor this afternoon was to make a further appeal for the veterans, the GI Joe's; to impress upon the Congress the fact that before we spend all our money and before we give it all away we have the duty and obligations to take care of the GI bill on terminal leave pay. That is my bill. A petition is now lying on the Speaker's desk, petition No. 23. I am trying to get that bill up for consideration so that the GI's, the boys who did the fighting and took the knocks will get the same kind of treatment on terminal leave that the officers are getting.

Why can we not do something for the GI's? It is our obligation, it is our duty. An item came out in the paper the other day to the effect that the terminal leave pay bill for GI's was opposed by the Bureau of the Budget. I tell you, however, that the War Department favors it. Now, what are you going to do? Are you going to let these boys come back here, the boys who have done a real job, are you going to let them come back to be discriminated against as far as terminal leave pay is concerned?

Do you realize that it is the policy of the Government to take care of every employee? We give the Civil Service employees 26 days a year for doing nothing more dangerous than staying here in the Federal Departments in Washington, and in addition to that we give them sick leave; yet the GI Joes over there who worked and fought and existed under the most difficult and dangerous conditions are not given similar treatment. Are the Members content to sit here in their seats without courage to come up to the desk and sign that petition? Let us get it out and vote upon it. I call upon you as real Congressmen to do something to remove this discrimination against the boys. When the officers are discharged they are given terminal leave and some three, four, or five hundred dollars. Why should we not do the same for these boys who lived and fought in the mud of the battlefields and who did not have an opportunity to take a little leave? What do they get? Nothing. Is it fair to them?

I appeal to the honesty, I appeal to the fairness of every man who is interested in the returning veteran to come up and sign that petition. Let us bring it to the floor and let Congress express itself.

Mr. TRAYNOR. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield.

Mr. TRAYNOR. I wish to congratulate the gentleman on his fight for the GI's. I have signed his petition and I will vote for the bill when it comes to the floor.

Mr. ROGERS of Florida. I thank the gentleman very much.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 2, line 13, after the period, insert:

"3. All agencies transferred to the Agricultural Credit Agency shall be operated in each county or combination of counties under one representative."

Mr. TABER. Mr. Chairman, I have offered this amendment for the purpose of making this a real progressive piece of legislation and letting it accomplish something for the good of the farmer and the good of agriculture and to save a little money for the public treasury. We have had several statements here from representatives of the committee and from others who are interested in the agricultural problem indicating that they would like to see these activities consolidated in each county under one head, so that if a farmer has a problem of this kind, instead of going to five or six different offices and five or six different agencies, he may go to just one and have all of the problems that come under this head handled right there. This amendment would also facilitate the situation with reference to loans. It would give the lending agency a complete picture of what each farmer is carrying and what he needed and there would not be that duplicating activity that we have now and the tremendous number of people on the Federal pay roll.

I hope that my amendment will be adopted. I hope that the committee will accept it so that we might be able to make some real progress, and make this a bill which everyone can wholeheartedly and completely support.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I am in thorough accord with the gentleman's amendment. It may not be the proper time to put such an amendment into the bill because we are planning on revamping the entire structure, but I can see no objection to it being included in the bill at this time because it will give an indication as to what the Congress has in mind so far as consolidating these activities is concerned.

Mr. TABER. It will force these people to consolidate the activities in each locality where they can be managed efficiently and effectively and in the interest of the farmers.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from California.

Mr. PHILLIPS. The gentleman is trying, as I understand his amendment, to establish one authoritative head, one responsible head in the county?

Mr. TABER. That is right.

Mr. PHILLIPS. And under him such personnel as may be necessary.

Mr. TABER. Such servants as may be necessary. That is what I want to do.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Virginia.

Mr. FLANNAGAN. I am in thorough accord with what the gentleman has stated, but I do not know that this is the way to accomplish it. We intend to bring in a bill consolidating the agencies wherever possible, coordinating them and putting them all under one head down at the farm level. That is the next bill we had in mind reporting, the companion bill to the present legislation. I have not any serious objection to the gentleman's amendment. Probably we can work it out in conference in such a way as to accomplish the objects sought to be accomplished in this bill. We cannot do the job by this amendment, however.

Mr. TABER. I appreciate that perhaps there might be some things that have to be done beyond that, but I do feel that in this bill we should declare right here and now that we want these activities consolidated in such a way that they will serve the country. I was advised when the agricultural appropriation bill came on the floor that there are 25,000 surplus employees in the Agricultural Department. Let us get rid of that surplus, let us make the credit agencies subservient not to job holders but to the interest of the American farmer. That is why I want to see my amendment adopted right now.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. RANDOLPH. Mr. Chairman, I move to strike out the last word.

The amendment to which the gentleman from New York has just given support is one that I shall join in voting for at the proper time. It may not go as far as he or I would like, or this House would desire, in connection with the necessity for the elimination of duplication and overlapping. Its adoption is an expression by the Congress of our definite attempt, and we trust it will be a successful one, to further do the job which Congress evidently intended to be done. You will recall that this House on October 4, 1945, and the Senate on November 19, and then the President through his signature on November 20, brought to passage the reorganization bill of that year.

I would ask my colleagues to think back with me and check the efforts for reorganization legislation in this House and in the Congress. In 1932, at the request of the then President of the United States, Mr. Hoover, an attempt was made to bring about a reorganization of the sprawling and unsegregated departments and bureaus of Government. I believe that Mr. Hoover was sincere in his request that that be done. Congress passed legislation, not as inclusive as it should have been, but a step in the right direction was undertaken. We then—and I will not refer too fully to the situation—found ourselves in a period of economic unrest and, at least, a measure of chaos in this country. We were unable to do what the President and the Congress felt was necessary in connection with reorganization.

Came another President of the United States, Mr. Roosevelt, who in 1937 did what Mr. Hoover had done. He requested of the Congress the right to foster or to propose to the Congress the reorganization of Government agencies; the consolidation of overlapping efforts. In 1939, 2 years later, the Congress passed that measure. I voted for it. I opposed many of the exemptions which were requested on the floor of this House because I believed that we would weaken the structure of that proposal by allowing many agencies to stand without the purview of the reorganization plan, It became law. You know what happened. Just as we had the economic troubles after 1932, when the original bill was passed, we were again at a crisis in this country of international scope after 1939. We began a wide-scale preparation for what was to be World War II and our active participation in that catastrophe. I believe that President Hoover was sincere in his request. I believe also that President Roosevelt was sincere in his action.

Now, in 1945, we faced within 13 years, the third request by a President of the United States to place within the executive hands the instrumentality for the reorganization of this Government by consolidating and eliminating Federal agencies and bringing about greater efficiency with a less expenditure of funds.

I vigorously approved the legislation. We voted as a Congress for the measure, and that plan is now in effect. We are told on good authority that the President will, by May 1, bring at least a partial reorganization proposal, at least one or two of them, before us for consideration. We cannot turn our backs on the need for action, affirmative in nature, and I hope the Congress will do what it declared it meant last December, and that is to begin now the reorganization and lopping off of needless agencies of Government. The opportunity is here today to take a first step, a definite step, and a courageous step in putting into reality a program which you endorsed last December.

Some Members say we are not making a very good beginning here in the consolidation of agencies; that we are not bringing a sprawling, hodgepodge, unsegregated number of agencies into a common focus. The chairman of the Committee on Agriculture, the gentleman from Virginia [Mr. FLANNAGAN] declares that this is a first step. I trust him, and the committee that he represents, and the next bill should come from his group to further supplement this initial aid to better government in farm credit operations. When he brings in another bill to supplement the amendment by the gentleman from New York [Mr. TABER] it will be the second step in this level of undertaking. I will support it then as I will support the gentleman from New York now, although the effort made now may not be all inclusive.

Let us be determined that the long overdue reorganization of the Federal Government will start, not 10 years from now, but now, while we have the responsibility in our individual and our collective effort to do this job. This bill should pass overwhelmingly. It will better serve the farmer, the rank and file citizen everywhere—and in its best analysis it will be a move in the direction of better government.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The amendment was agreed to.

Mr. FLANNAGAN. Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with, that the remainder of the bill be printed at this point, and that amendments be in order to any part of the remainder of the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The remainder of the bill is as follows:

AGRICULTURAL CREDIT BOARD

SEC. 3. (a) There shall be established in the Agency an Agricultural Credit Board (hereinafter referred to as the "Board"). The Board shall consist of seven members, one of whom shall be the Secretary of Agriculture. The other six members to be appointed by the President of the United States, by and with the advice and consent of the Senate. In making appointments to the Board the President shall have due regard to a fair representation of the public interest, the welfare of all farmers, the various types of cooperative agricultural credit interests, and the geographic divisions of the country; and shall give special consideration to persons who are experienced in agriculture, agricultural credit, and farmers' cooperatives. At least one member of the Board shall be appointed from each of the following groupings of farm-credit districts: 1 and 2; 3 and 5; 4 and 6; 7 and 8; 9 and 10; and 11 and 12. Three of the members of the Board shall be appointed from each of the two political parties receiving the highest number of votes in the last national Presidential election preceding the making of each respective appointment. All members shall be citizens of the United States and appointed members shall devote their entire time to the business of the Board. Each appointed member shall receive an annual salary of $10,000, together with actual necessary traveling expenses. The Secretary of Agriculture may act through a special Assistant Secretary of Agriculture, whom he is hereby authorized to appoint, and who shall devote his entire time to this assignment, and shall receive a salary of $10,000 per annum.

(b) The President shall designate the terms of office of the six original appointed members of the Board, whose terms, respectively, shall expire on June 30, in each of the following years: 1947, 1949, 1951, 1953, 1955, and 1957; and thereafter the term of each such member shall be 12 years from the date of the expiration of the term for which his predecessor was appointed. Whenever a vacancy shall occur among the appointed members, the person appointed to fill such vacancy shall be from the same political party and shall hold office for the unexpired portion of the term of the member whose place he is selected to fill. The President shall have power to fill vacancies that may happen on the Board during the recess of the Senate by granting commissions which shall expire at the end of the next session of the Senate or sooner upon the appointment and qualification of another person to hold the office. Appointed members of the Board may be removed from office by the President for inefficiency, neglect of duty, or malfeasance in office. No person shall be eligible to serve on the Board for more than an aggregate of 16 years.

(c) No appointed member of the Board shall, during his continuance in office, be an officer or director of any other institution, association, or partnership engaged in banking, or in the business of making land mortgage or agricultural production or commodity loans or selling land mortgages; and no member shall, during his term of office, engage in the business (except such business as is necessary to the operation of his own farm or farms) of buying and selling, or otherwise be financially interested in, any agricultural commodity or product thereof.

(d) The President shall designate one of the appointed members of the Board as its Chairman and may change such designation from time to time. In the absence or disability of the Chairman, the duties of his office shall be performed by some one of the other members to be designated as Vice Chairman by order of the Chairman.

(e) Four members shall constitute a quorum of the Board. At meetings of the Board the Chairman shall preside, and in his absence the Vice Chairman shall preside. In the absence of the Chairman and Vice Chairman, the Board shall elect a member to act as Chairman pro tempore. Meetings of the Board may be called by the Chairman or by notice signed by a majority of the members of the Board.

AGRICULTURAL CREDIT ADMINISTRATOR

SEC. 4. (a) The Board shall appoint an Agricultural Credit Administrator (hereinafter referred to as the "Administrator"), who shall, subject to the general supervision and direction of the Board as to matters of a broad and general supervisory, advisory, or policy nature, and except as otherwise herein specifically provided, be responsible for the execution of this act, all acts amendatory thereof and supplemental thereto, and all acts creating the powers, functions, and duties herein transferred to the Agency. He shall receive an annual salary of $10,000 and shall hold office at the pleasure of the Board. It shall be the duty of the Administrator to comply with all orders and directions which he receives from the Board; as to all third persons, all acts of the Administrator shall be conclusively presumed to be in compliance with the orders and directions of the Board.

(b) With the approval of the Board, the Administrator shall appoint a Deputy Administrator to be in charge, subject to the direction of the Administrator, of each principal division of the Agency and to hold office at the pleasure of the Administrator. The Administrator shall appoint such other personnel as may be necessary to carry out the functions, powers, and duties vested in the Agency. The Agency shall consists of the Board, the Administrator, the Deputy Administrators, and such other personnel as are employed in carrying out the functions, powers, and duties vested in the Agency. All officers and employees of the Agency not hereinbefore provided for; with the exception of the Deputy Administrators, a general counsel, not in excess of two assistant general counsels, and not in excess of 10 other experts, whose salaries in no case shall exceed $9,000 per annum, shall be appointed in accordance with the provisions of the civil-service laws and the Classification Act of 1923, as amended. The Agency shall be organized into such offices, divisions, and other units as may be provided herein or by order of the Administrator, approved by the Board, not inconsistent with the provisions of this act. All functions, powers, and duties of the Agency, except those herein conferred upon the Board, shall be exercised and performed by the Administrator and may be exercised and performed by him through the appropriate Deputy Administrators and such other officers and employees of the Agency as he shall by order designate.

(c) In exercising the functions, powers, and duties of the Agency the Administrator shall establish six principal divisions with a Deputy Administrator in charge of each and with principal functions as follows:

1. A division for supervising loans to farmers' cooperative organizations.

2. A division to supervise short-term loans made by cooperative lending institutions.

3. A division to supervise long-term farm mortgage loans.

4. A division for supervising and administering direct lending to farmers.

5. A division to supervise financing and discounting activities.

6. A division to carry out the functions of appraisal and examination and other service functions.

(d) The compensation of individual officers and employees of corporations under the supervision of the Agency shall not be subject to approval by the Agency but the Agency shall have the power to establish schedules of compensation for such officers and employees.

RESPONSIBILITIES OF THE BOARD

SEC. 5. (a) It shall be the duty of the Board (1) to see that the policies fixed by the Board hereunder are carried out; (2) to exercise adequate budgetary control over the Agricultural Credit Agency; (3) to require such reports as it deems necessary from the Administrator and from any of the officials or agencies under the control or supervision of the Agency; (4) to make an annual report to Congress, including therein any recommendations of amendments to the laws relative to Federal agricultural credit; and (5) to exercise general direction and supervision over the performance of all functions, powers, and duties vested in the Administrator when relating in the judgment of the Board to matters of a broad and general supervisory, advisory, or policy nature. It shall function as a unit without delegating authority to individual members and shall not operate in

an administrative capacity; and all administrative powers, functions, and duties of the Agency shall be exercised and performed by the Administrator.

(b) It is hereby declared the policy of Congress, which shall be followed in all cases by the Board, (1) to promote a system of agricultural cooperative credit banks and associations and cause them as soon as practicable to become producer-owned and producer-controlled; (2) to assist qualified veterans, and farm tenants, farm laborers, share croppers, and other individuals who obtain, or who recently obtained, the major portion of their incomes from farming operations, to become farm owners; and (3) to assist farmers eligible for direct Government loans are extended pursuant to acts of Congress and to enable them to qualify as soon as practicable for membership in the cooperative agricultural credit system or for other private credit.

(c) The Board shall direct, to the fullest extent practicable, (1) the elimination in the Agency of duplication and overlapping of services, personnel, and functions; (2) the coordination of the activities of the several divisions of the Agency; and (3) the achievement and maintenance of economy and efficiency of administration.

APPRAISAL SYSTEM

SEC. 6. Land bank appraisers appointed pursuant to the provisions of section 3 of the Federal Farm Loan Act, as amended, shall hereafter be known as Federal farm appraisers and, in addition to their duties under laws heretofore enacted, they may, under rules prescribed by the Board, make appraisals for the public as provided in this section. Reports of Federal farm appraisers for the public shall be confined to the appraisal of property and shall not extend to the character or solvency of present or prospective owners of the property or any other persons but this limitation shall not apply to reports for the Agency or any institution under its supervision or direction. The Agency shall charge reasonable fees for appraisals by Federal farm appraisers for the public and the amounts so collected shall be deposited into a trust account so as to be available for the expenses involved in carrying out this section.

OFFICES ABOLISHED

SEC. 7. The offices of the Governor of the Farm Credit Administration, the Land Bank Commissioner, the Production Credit Commissioner, the Cooperative Bank Commissioner, and the Intermediate Credit Commissioner are hereby abolished. The Deputy Administrator in charge of the division for supervising loans to farmers' cooperative organizations shall serve, without additional compensation, as a director and chairman of the board of directors of the Central Bank for Cooperatives in lieu of the Cooperative Bank Commissioner. The Administrator shall serve, without additional compensation, as a director and chairman of the board of directors of the Federal Farm Mortgage Corporation in lieu of the Governor of the Farm Credit Administration. The Deputy Administrator in charge of the division to supervise long-term farm mortgage loans shall serve, without additional compensation, as a director of the Federal Farm Mortgage Corporation in lieu of the Land Bank Commissioner. The Federal Farm Mortgage Corporation and its functions and activities are hereby transferred to the Agency and shall be administered in such Agency under the general direction and supervision of the Agency.

TRANSFER OF PERSONNEL, PROPERTY, AND FUNDS

SEC. 8. Employees in the Department of Agriculture who are being utilized on the effective date of this act primarily for the performance of functions, powers, and duties transferred to the Agency by this act, shall be transferred to the jurisdiction and control of the Agency in those instances in which the Agency determines that they are qualified and necessary to carry out its functions, powers, and duties.

(b) All assets, funds, contracts, property, and records used and employed in the execution of the functions, powers, and duties transferred to the Agency by this act are hereby transferred to the jurisdiction and control of the Agency.

(c) So much of the unexpended balances of appropriations, allocations, and other funds available or to be made available for salaries, expenses, and all other administrative expenditures as the Director of the Bureau of the Budget shall determine for use in the execution of the functions herein vested in the Agency, shall be transferred to and vested in the Agency as a single fund for salaries, expenses, and all other administrative expenditures, including those authorized by this act, for the execution of any or all of such functions without restriction as to the particular functions for the execution of which the same were originally appropriated.

(d) There are hereby transferred to the Agency all functions, powers, and duties of the Secretary of Agriculture, as trustee under transfer agreements with the various State rural rehabilitation corporations. The Agency, as successor trustee to the Secretary of Agriculture, shall have all the powers of the Secretary.

POSTPONEMENT OF TRANSFER

SEC. 9. With the approval of the Agency, the consummation of the transfer of any personnel or any function, power, duty, asset, or liability transferred to the Agency by this act, may be delayed not in excess of 90 days after the effective date of this act.

APPROPRIATIONS AND EXPENDITURES

SEC. 10. (a) There are authorized to be appropriated such sums as may be necessary or appropriate for administering the provisions of this act.

(b) The Agency may, within the limits of funds available therefor, make necessary expenditures for personnel services and rent at the seat of government and elsewhere; contract stenographic reporting services; purchase and exchange of lawbooks, books of reference, periodicals, newspapers, expenses of attendance at meetings and conferences; purchase, operation, and maintenance, at the seat of government and elsewhere, of motor-propelled passenger-carrying vehicles and other vehicles; printing and binding; and for such other facilities and services as it may from time to time find necessary for the proper administration of this act.

EFFECTIVE DATE OF THES ACT

SEC. 11. This act shall take effect 90 days after the date of its enactment: *Provided, however*, That the members of the Board shall be appointed sufficiently in advance of the effective date of this act to enable the Board to appoint an administrator as provided in section 4 of this act to take office on the effective date of this act, and after the effective date of this act the salaries and expenses of the Board members shall be paid, as provided herein, from the date on which their appointments became effective out of the funds created by section 10 (b) of this act.

REPEALING CLAUSE

SEC. 12. All acts or parts of acts inconsistent with this act are hereby repealed.

Mr. POAGE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POAGE: On page 9, line 18, strike out all of line 18 and the remainder of page 9 and on page 10 down to and including line 9, and insert the following: "Secretary-treasurers of national farm loan associations, if otherwise qualified, shall be eligible for appointment as Federal farm appraisers; but when any mortgage loan is made by a Federal land bank upon the basis of an appraisal by a Federal farm appraiser who is the secretary-treasurer of a national farm loan association, the mortgage may not be pledged with a farm loan registrar as collateral for Federal farm loan bonds unless and until another appraisal of the property has been made by a Federal farm appraiser who is not secretary-treasurer of any national farm loan association and he approves the report of the first appraisal or submits a report of his own which is favorable."

Mr. FLANNAGAN. Mr. Chairman, I make the point of order that the amendment is not germane to the bill.

The CHAIRMAN. The Chair will be glad to hear the gentleman from Texas on the point of order.

Mr. POAGE. Mr. Chairman, section 6 sets up a new system of farm appraisal. Section 6 relates to additional duties of the appraisers of land banks, and places on them the duty of appraising anyone's property, whether for the land bank or otherwise. In lieu of the wording that is now in the bill, which is quite inclusive, I restrict that so that these appraisers appraise only for the land bank, but the land bank may accept the appraisal without the confirmation that is now required by appraisers who come from the head offices of the bank. In other words, section 6 extends very materially the powers of appraisers under existing law. The substitute I offer would extend the powers of appraisers by allowing certain local officials of the bank to be appraisers who cannot now legally perform those duties, but it does not go as far as section 6 as now written in the bill. In other words, section 6 is much more inclusive than my substitute, which simply restricts the powers to a greater degree than section 6.

Mr. HOPE. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman from Kansas.

Mr. HOPE. Mr. Chairman, I call the Chair's attention to the fact that the amendment offered by the gentleman from Texas goes in an entirely different direction than the change which is made in the appraisal system under section 6. The purport of section 6 is to set up a system of public appraisal. Heretofore the land bank appraisers have had authority to make appraisals in cases where applications are made by prospective borrowers for loans from the land bank. Section 6 provides that land-bank appraisers shall have the further authority to make public appraisals. That is the purpose of section 6. The gentleman from Texas offers an amendment which would strike out section 6 and would simply provide for a new method of selecting appraisers, or rather, for using a certain other official as an appraiser, making him eligible to be an appraiser. But it does not in any sense go to the question involved in section 6. For that reason, I think it is very clear that the amendment is not germane to section 6.

The CHAIRMAN. Does the gentleman from California [Mr. PHILLIPS] desire to be heard on the point of order?

Mr. PHILLIPS. Mr. Chairman, I concur in the statement made by the gentleman from Kansas. It seems to me that

the amendment of the gentleman from Texas does not run along the lines of section 6 and therefore, is not germane.

The CHAIRMAN (Mr. CLARK). The Chair is of the opinion that the amendment offered by the gentleman from Texas sets up an entirely different method and runs in a different direction. The Chair holds that the amendment is not germane and, therefore, sustains the point of order.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDWIN ARTHUR HALL: On page 7, line 18, after the word "farmers", insert "and to veterans who desire to become farmers."

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I have searched in vain through these various divisions that are listed in this section for one direct reference at least to the word "veteran." I should like to see incorporated in the functions of division 4 an agency which is deliberately and directly responsible for the welfare of veterans and for the consideration of loans to veterans so that they can become farm owners and farmers.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. PHILLIPS. At just what point does the gentleman propose this amendment to the bill?

Mr. EDWIN ARTHUR HALL. In division 4, page 7, line 18.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. FLANNAGAN. That division covers direct loans made under the Farm Security Administration. The laws governing the Farm Security Administration cover farmers and veterans as well. I see no need for including the word "veterans," inasmuch as they are covered.

Mr. EDWIN ARTHUR HALL. Then the gentleman has no objection to the word being included, does he?

Mr. FLANNAGAN. I do not see any objection, but I think it is just superfluous and does not mean anything, because the bill clearly says that division covers the supervision of direct loans; in other words, Farm Security loans; and Farm Security loans are applicable to veterans and farmers alike.

Mr. EDWIN ARTHUR HALL. As I pointed out, I have not seen any of these divisions that could really have the finger of responsibility placed on it. For that reason, I am anxious to have this language included in the bill.

Mr. FLANNAGAN. So far as I am concerned, I accept the amendment, I do not see that it does any harm or any good.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. PHILLIPS. The gentleman does not suggest that the Farm Security Administration shall be permitted to lend to veterans who are not farmers, but merely to veterans who are farmers? Is that made clear by the gentleman's amendment?

Mr. EDWIN ARTHUR HALL. Yes, I am sure it is.

Mr. PHILLIPS. I see no objection to it.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. HOPE. If I understood the gentleman's amendment correctly when it was read by the Clerk, I understand that it provides for loans to veterans who wish to become farmers.

Mr. EDWIN ARTHUR HALL. That is correct.

Mr. HOPE. Then they are not farmers now, are they?

Mr. EDWIN ARTHUR HALL. I assume they will become farmers if money is loaned to them by the Farm Security Administration. They will become farmers after they receive the loans.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. PHILLIPS. Is it the intent of the gentleman to expand the present objects of the Farm Security Administration?

Mr. EDWIN ARTHUR HALL. No. The intent of the amendment is to see that the veteran is considered in division 4, so that there can be no mistake as far as responsibilities go to the veteran, and so that we can assist the veteran in getting loans.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. HOEVEN. Is it not true, if the veteran is a farmer, section 4 will apply to him?

Mr. EDWIN ARTHUR HALL. I assume it will. But certainly there will not be any objection to the veteran who is not a farmer receiving a loan and thereby becoming a farmer.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. GROSS. Does not the gentleman think it is about time we quit dragging the veteran into everything here?

Mr. EDWIN ARTHUR HALL. I am not going to get into an argument with the gentleman about whether or not the veteran is worthy of consideration. I assume anybody on this floor would be for the veteran. I cannot conceive of anybody deliberately attempting to be in opposition to the veteran. That is the reason I am offering the amendment. I know the gentleman will go along with the purpose expressed in that amendment, because it is something the veterans need.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. GRANGER. I agree with the gentleman from Pennsylvania [Mr. GROSS]. Being a veteran myself, I am getting tired of the veteran being dragged into everything.

Mr. EDWIN ARTHUR HALL. If the gentleman wants to oppose my amendment on that basis, that is up to him, but I would not want to do it, and I can see nothing wrong with the wording of the amendment, as the distinguished chairman of the committee pointed out, and other Members, too. I am not going to quibble with anybody. If they are not friendly to the idea of putting the word "veteran" in there, if they object to giving the veteran consideration, that is their responsibility, not mine. They can vote it up or down.

I have just one more thing to say regarding the attitude expressed here against the veteran. I think such an attitude is a sorry spectacle, but it is in line with the reaction I am afraid is already setting in whenever we start to consider veterans' problems. I say this is a sorry day for the veteran.

The CHAIRMAN. The time of the gentleman from New York has expired.

The question is on agreeing to the amendment offered by the gentleman from New York [Mr. EDWIN ARTHUR HALL].

The question was taken; and on a division (demanded by Mr. EDWIN ARTHUR HALL) there were—ayes 22, noes 42.

So the amendment was rejected.

Mr. MAHON. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. MAHON:

On page 3, line 21, strike out "1947, 1949, 1951, 1953, 1955, 1957" and insert "1948, 1949, 1950, 1951, 1952."

On page 3, line 23, strike out the word "twelve" and insert the word "six."

Mr. MAHON. Mr. Chairman, as I stated earlier in the debate, I think it is a great mistake to have this agricultural board set up to preside over the agricultural credit of the Nation, this board of six or seven members to be made up of men who will serve for 12 long years. I think the committee should have drafted an amendment which would have met this objection. But it is obviously impossible to undertake to write a suitable amendment at this stage. The amendment which I have offered does not sufficiently perfect the bill. I just make the term a 6-year term instead of a 12-year term.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield for a brief observation?

Mr. MAHON. I yield to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. I may say to the gentleman from Texas that his amendment would help the pending bill if it were possible to help it. Now, considering the fact that Washington is so short of high-powered, high-priced bureaucrats, and the fact that a deflated Federal Treasury is only about $279,000,000,000 in the red, does not the gentleman feel that Congress ought to do something now to create fourteen $10,000 jobs and ten $9,000 additional jobs, start on a program to build up a real bureaucracy, and then come in a little later for several more millions to construct a special building to house the new set-up so we can have a first-class bureaucracy in the place of the present small, but efficient, Farm Credit Administration in the Department of Agriculture?

Mr. MAHON. I thank the gentleman for his contribution. I do feel that the members of the committee believe that 12 years is entirely too long a term for members of this board. A good board member can be reappointed from term

to term. A member who does not serve well should not be retained for a 12-year term. If the President wants to appoint a good man from year to year, that is a different proposition.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. COOLEY. Does not the gentleman believe that if we are going to create ten $9,000 jobs for experts we at least should define the duties of the experts we are going to pay?

Mr. MAHON. I agree with the gentleman wholly, and I think we are going far afield in setting up further high-paid jobs and more experts. I think what we need is fewer experts. We need down-to-earth people working out the policies of agricultural credit.

I hope the amendment will be agreed to.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. GALLAGHER. Should this plan prove to be unworkable and Congress should decide it was unworkable, how long would it be before we could get rid of the last appointee?

Mr. MAHON. Under this bill, I am afraid it would not be before 1959. I believe that would be the year in which the last term would expire.

Mr. COOLEY. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, I think it would be very unfortunate for Congress to create a board such as is contemplated by this bill, and to confer upon that board the broad powers and authority which this bill seeks to confer. The board which this bill seeks to create would be too far removed from the people and the duly elected representatives of the people. It could, and no doubt would, become arrogant and indifferent to the wishes of the people and to the farmers it is supposed to serve. I have a great fear that if this board is created the membership of the board would be composed of bankers or businessmen with a banker's point of view and that the board would not be in sympathy with soft credit which is now being administered by the Farm Security Administration, by the Emergency Crop and Feed Loan Offices, and by the Regional Agricultural Credit Corporations, all three of which agencies are authorized to make loans only to applicants who cannot obtain adequate credit elsewhere. If the members of the board became arrogant or indifferent to the needs of agriculture and adopted policies which were not in accord with the wishes of the Congress or the country, we would be helpless, since the President could only remove the members of the board for malfeasance or inefficiency, and not merely because of arrogance, indifference, or the exercise of bad judgment.

Mr. Chairman, there are two schools of thought with reference to soft and sound credit. The sponsors of this bill believe that the two can be mixed and mingled together and administered by one board of businessmen. There are others who believe that when soft credit and sound credit are brought together in the same agency, the one will drive out the other.

The gentleman from West Virginia said in substance that "now is the time to start reorganizing our Government." I am sure that he earnestly and sincerely believes that this bill is a step in the direction of reorganization, consolidation, and the elimination of duplication and overlapping services. I want to say to him that this is not a consolidation bill, nor an elimination bill, but it merely transfers all of the farm-credit lending agencies from the Department of Agriculture to a bureau, to be created by this act, and to superimpose upon existing agencies an expensive and complicated superstructure. This bill is an unwarranted indictment of the party in power. Our party has been in power for more than 12 years. The Farm Credit Administration has been functioning during that entire period of time. The Farm Security Administration has been functioning for most of that time. I believe that some of the sponsors of this legislation actually regard the bill as an indictment of the present administration, and by its passage hope to convict the present administration of misfeasance and incompetency. Upon the passage of this bill we are in effect admitting that the party in power has permitted the Farm Credit Administration to be polluted and prostituted by politics. We are in effect admitting that the Secretary of Agriculture and his associates are not competent to administer farm credit in America.

Our administration has been accused of playing politics with Farm Credit, but I do not believe that the charge can be substantiated. The record of the Farm Credit Administration is one of efficiency and competency. We all know that the trouble with the Farm Security Administration was that Congress permitted its officials to write and to administer their own policies. This bill is likewise an indictment of the Secretary of Agriculture in that, by implication, at least, sponsors of the bill take the position that he is not a competent administrator and has been unable to coordinate properly the activities of the several agencies involved. I, for one, am not willing to take that position. I am unwilling to take that position either in the name of organization, reorganization, or consolidation, when I know that the present Secretary of Agriculture, as well as his predecessors, have endeavored to carry out the wishes of Congress. The truth is, this bill does not abolish anything. It does not even abolish agencies now in liquidation. It does not abolish either one of the three agencies of the Government now engaged in making direct loans to low-income farmers. It merely transfers all agencies in their present status away from a responsible Cabinet officer to a newly created and expensive board, and confers upon that board broad policy-making powers. The board will not be responsible to, and I am afraid not responsive to the wishes of, either the Congress or the country. The bill is a repudiation of the agricultural leadership of the Democratic Party. I certainly do not mean to suggest that we should be willing to follow our party's leadership if that leadership is blind, incompetent, or irresponsible. I am speaking not only in defense of the leadership which has been furnished the Department of Agriculture by the present Secretary of Agriculture, but I make no apology for defending the record of his distinguished predecessors in that office. At no time in all history has agriculture had a better leadership than during the time that the present administration has been in power. When the present Secretary of Agriculture and the Director of the Budget oppose legislation, that is at least a pretty good sign that the President also opposes the legislation. I am convinced that the Secretary of Agriculture, in his letter to me of December 10, 1945, reflects the views of the President of the United States, the leader of our party and a person in whom the people of this Nation have great confidence. I repeat, that the bill is a bad bill and should be defeated.

Mr. PHILLIPS. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I want to call attention to a few points. The first point raised by the gentleman from Texas [Mr. MAHON] is covered very adequately in lines 9 and 10 and part of 11 on page 4, in which, should the condition arise that a member of this board was not performing satisfactory service, he could be removed by the President for inefficiency, neglect of duty, or malfeasance in office. Then I wish to ask the gentleman from Texas, who just introduced the amendment, if he has forgotten that the terms of office for members of the Federal Reserve Board are 14 years, and that I have not heard him nor anybody else saying openly on this floor that that was too long a term. Since the underlying objective of this bill today is to set up for the United States the same sort of supervision for farm loans as is set up for currency and money through the Federal Reserve Board, it seems to me that we should consider that fact and realize that the 12 years suggested in this bill is not too long a term, and that we should therefore defeat the amendment.

Then I will say to my good friend, the gentleman from North Carolina, who just spoke so eloquently on the amendment a moment ago, that his very strong argument in favor of supporting his party in this vote seemed to me to have at least some mild touch of politics, and if he had known of a representative of the Farm Security Administration, in the appointment of the local committees, saying that all these committees were to be politically "horse high, bull strong, and hog tight," why that would have seemed to him to have some elements of politics in it. It is for the removal of these things that I most earnestly plead for an aye vote on the bill and a no vote on the amendment offered by the gentleman from Texas.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from North Carolina.

Mr. COOLEY. So there may not be any misunderstanding about the use of the word "politics" I want it clearly understood that in using the word "politics" I have in mind only the responsibility of the political party in power. I am sure

that we can agree upon the responsibility of political parties.

Mr. PHILLIPS. And that is not politics?

Mr. COOLEY. It is the responsibility of the Democratic administration. I am willing to defend the Democratic administration in the field of farm credit, but when you talk about politics, if you are talking about petty politics which would influence an agency of the Government in refusing to grant loans, I have never heard of it in my State.

Mr. PHILLIPS. Then, in view of the fact that this matter came out of the committee by practically unanimous vote, I take it that the gentleman, and the gentleman from Texas [Mr. POAGE] are the only ones who are in step with the Democratic Party.

Mr. COOLEY. Perhaps that is true.

Mr. HOPE. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I rise to point out just briefly why I think the term should be at least 12 years. In the first place, we want to get the very best possible men for these jobs. These are among the most important positions in the Federal Government. They deal with figures that run into the billions, and I do not believe that there can be any question but what you are going to get better men if you offer the security of long tenure.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Texas.

Mr. MAHON. Would not the gentleman's argument inevitably lead to the conclusion that terms of office for all responsible positions should be at least 12 years?

Mr. HOPE. I am very glad the gentleman asked that question, because that refers to the next point that I intended to bring out, and that is that I think we ought to make some distinction between administrative jobs and a policy-making job of this type. This position is a policy-making position. The policies involved are financial. They deal with money and credits. The farm-credit system we are setting up in this bill is one which is, as far as possible, going to be a self-sustaining system. As far as we can we want to get away from Government loans, Government credit. We want to set up a credit system that farmers will carry on themselves, but they will have to get the money somewhere to do it. It will have to be financed by the sale of bonds to the public.

If we can get good men—and I think we can get good men if you make these terms long enough—and if we can assure the public that we are going to have a continuity of policy instead of having it change with every political wind that comes along, then I think we will be able to have that degree of public confidence which will enable farmers to get money on reasonable terms. We will not have to resort to direct Government loans for farmers except in those cases where the credit is not sound enough to justify that type of loans. Of course, one of the objectives of this bill is to make it possible eventually for any farmer to become a participant in cooperative credit.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Texas.

Mr. MAHON. Does not the gentleman have the feeling that the length of the term of a man holding an administrative job like a clerk in a post office is immaterial, for he fixes no policy. But should not the Congress of the United States itself fix agricultural policy, and is it not for the reason that this board will be a policy-making board that it should be more responsive to the people than to be removed 12 years from the people and the needs of the people as they exist and as they vary from year to year?

Mr. HOPE. I think I have already answered the gentleman's question as to why a board of this type is different from some other boards and commissions we set up. It is because in a case of this kind there is an advantage in having continuity of policy.

Mr. SMITH of Virginia. Mr. Chairman, I move to strike out the last 3 words.

Mr. Chairman, I wish we could get debate on some of these measures on a little broader and a little more intelligent plane than that of accusing the other fellow of indicting somebody or of running out on the administration merely because we happen to disagree and merely because some of us prefer to walk on our own two feet rather than ride on the coattails of somebody else.

To come to this specific debate we are having here today, I rather resent the charge that this bill is a repudiation or an indictment of the Democratic administration. Let us see what is the history of it. In the first place, it is a bill like that introduced by the President himself when he was a Member of the United States Senate. It is a bill that has been considered by the Committee on Agriculture for I know a year. It is a bill which came out of that committee of 29 with only 2 dissenting votes. It is a bill which came to the Committee on Rules of the House, where both sides of the question were fully heard.

In all the discussions by members before the Committee on Rules, I never heard it charged that anybody was trying to indict anybody else. Both sides there seemed to agree that all opinions, however divergent, were working toward the goal of doing what was best to straighten out these agencies which had become so widespread and so incoordinated. Then it comes to the floor of the House with the support apparently of the Democratic leadership because it is called up today under the rule. I think it is going far afield in the debate here to say that a vote for this bill is a vote against the Democratic administration. Many of us do not know a great many of the intricacies and details of farming and farm credit. I did not know that there were so many good farmers in the Congress until today. I happen to be a farmer in a small way myself. I do not know what the problems of the farmers of Chicago are as my friend, the distinguished chairman of my committee, discussed this morning. I do not undertake to speak for all the farmers of the United States. I only know of the local problems of my own little farmers and the folks in my own district. But I do know that these farmers throughout the Nation have set up their own organizations to try to explain to Congress what they believe to be the problems of the farmers of the various sections of the country. We have the American Farm Bureau, which is a farmers' organization financed by the farmer and sent here openly in behalf of the farmers. We have the Farmers' Grange, a national farmers' organization sent here to speak openly and frankly in behalf of what they believe to be the problems of the farmers. They say we ought to support this bill. There is nothing political about either one of those organizations so far as I know.

We have a National Milk Producers' Association, a dairy farmers' cooperative, a farmers' organization, to tell the Congress what they believe are the problems of the dairy farmers. They endorse this bill. We must depend on information from somebody. If we cannot depend upon the Committee on Agriculture which we set up in the House of Representatives and on these great national farm organizations which are sent here to represent the interests of the farmers, then I do not know upon whom we can depend.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

What I was complaining about was when you say you are removing farm credit from politics, there is certainly the implication that it has been in politics, and I was just denying any knowledge of the fact that it had been engaged in politics.

Mr. SMITH of Virginia. I am delighted to have the gentleman make that explanation because I felt sure that he could not have meant to make any such intimation as his remarks seem to indicate.

Mr. ROBERTSON of Virginia. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. ROBERTSON of Virginia. The gentleman has referred to the endorsement of the farm organizations. I wish to confirm that statement so far as the organizations in the Seventh Virginia Congressional District are concerned. They have all notified me that this bill has their unqualified support.

Mr. SMITH of Virginia. I thank the gentleman.

Mr. MICHENER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, on yesterday the Secretary of Commerce, Mr. Wallace, declared for the totalitarian philosophy that members of Congress should vote on all major issues as directed by political party leaders. That is, a Member of Congress, regardless of his own views and convictions on legislation coming before the Congress, should do what he is told by the Speaker and the majority leader—or else. It naturally follows that the Members of the minority party should vote as directed by the minority leader—or else. Mr. Wallace would unceremoniously kick out of his poltical party

any member who was bold enough to follow his conscience, rather than his political boss, in voting. Mr. Wallace is to many followers throughout the country a symbol of "liberalism" in Government. Well, this Wallaceonian practice was followed under Hitler. Again, there is but one party under Stalin. The German people were, and the Russian people are, permitted to vote in this manner—or else.

The able gentleman from North Carolina [Mr. COOLEY] has just admonished the Democrats in Congress that it is their duty and responsibility to vote in accordance with the desires of the Secretary of Agriculture because he is a Democrat and, therefore, the Democrats in the Congress should be bound by Mr. Wallace's reasoning and proclamation, and vote against this bill. I feel sure that our good friend from North Carolina does not want to go to the full length advocated by the Democratic Secretary of Commerce. Such a course would destroy representative government. However, he is insisting upon the principle in this case.

Now, just what is the position of the administration on this legislation? Not so many months ago when President Truman was Senator Truman, he introduced this very bill in the Senate and advocated its adoption. As President Truman—so far as the evidence here produced is concerned—he has taken no new position. If he has changed his mind, then there are plenty of ways to inform the Congress, and the President knows how. But my friend, the gentleman from North Carolina, insists that the President appointed the Secretary of Agriculture and that the Secretary of Agriculture is opposed to the bill and that the presumption is that he speaks for the President. I do not like presumptions when the facts are easily obtainable. If it is a mile from the Capitol to the Department of Agriculture, it is also a mile to the White House, and there are telephones in each instance.

Yes; the Department of Agriculture does make mistakes—plenty of them. The gentleman from North Carolina has been acting as chairman of a subcommittee investigating the Farm Security Administration in the Department of Agriculture, and has made a splendid, a courageous, and a devastating report. That report clearly indicates that there is much room for improvement in administration in the Department.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. COOLEY. I just want to observe that, in the report to which the gentleman referred, our committee did complain about the fact that the Farm Security Administration had been making and administering its own policies for 7 years, and that, in the opinion of the committee, was responsible for the chaotic condition in which we found the agency. Now, I am insisting that this agency should be kept close to the Congress and close to the people and not removed for 7 years, with full power to make and administer their own laws.

Mr. MICHENER. I do not want to criticize the gentleman for upholding the views of Secretary Anderson, because I feel sure that he would not do so unless his views coincided with those of the Secretary. I do doubt that he is on solid ground if he asks the Democratic Members of the House to vote against this important legislation solely because the Secretary of Agriculture is opposed to it, and because his party's prestige is at stake.

Mr. Chairman, throughout the debate much has been said about who favors and who opposes the Flannagan bill. It is conceded by all that the National Grange, the Farm Bureau Federation, the Council of Farm Cooperatives, and other farm organizations, are possibly more responsible for this bill than anyone else. That is, these great farm groups and organizations are beseeching Congress to pass this bill. On the other hand, the Farmers Union and the Secretary of Agriculture are, apparently, the principal opponents of the bill.

The operator of a modern family-size farm must be provided with credit to carry on his project. This credit comes from one of two sources. Either he must borrow his money from a local bank or he must borrow his money from a Federal loaning agency. There is no dispute about this statement.

As far back as 1916 it was realized that local banking conditions could not, in all cases, furnish the credit the farmer required and as a result the Federal Land Bank Act was placed upon the statute. The original law has been changed down through the years, but has served the farmer well.

In 1923 the intermediate credit banks were set up for production loans and chattel loans; that is, the 1916 law had to do with real-estate security, and the 1923 law had to do with chattel security.

In 1932 the Regional Agricultural Credit Corporation and in 1933 the Farm Credit Administration were established. This last institution took over the Federal land banks, the intermediate credit banks, as well as other newly created agencies. Prior to that time there had been established an emergency agency to make crop and feed loans in distressed areas and that agency is now a part of the Farm Credit Administration. The Farm Credit Administration is a creature of Executive order, and has operated since 1932 solely because of the appropriations made for the purpose.

Mr. Chairman, the real purpose of the Flannagan bill is to integrate all of these agencies scattered throughout the country, having different functions and different origins, under one head which is efficient, nonpartisan, and which will operate on business principles, rather than political instincts or partisan dictation.

I like the way the gentleman from Minnesota [Mr. ANDRESEN], who is always looking after the interests of agriculture, put it when he said, "What we want to do is to secure a sound farm-credit system in the United States, one that is free from political domination, one where some Cabinet member, or some other—shall we call him national committeeman of a party—cannot go out and put the 'bee' on a man and deny him credit because he refuses to vote in favor of the candidates or promises enunciated by that particular party. We want to take farm credits out of politics and that is why we have presented this legislation to the House for serious consideration."

In short, the farmer should be able to borrow money and receive credit to be used in running his own farm without being compelled to subscribe to, and carry out a policy or program of production as indicated by bureaucratic planners. Some farmers might believe in the philosophy of scarcity, others might believe in the ever-normal granary, some might feel that Rex Tugwell's planned settlements are all right, while others appreciate at once the impracticability of any such plan. The farmer should not be compelled to subscribe to any of this type of thing as a condition precedent to borrowing a few dollars to buy feed for his cattle. He should not be compelled to surrender his independence to get credit.

The gentleman from North Carolina does not want any of these loaning agencies removed from the direct control of the Secretary of Agriculture, a political appointee. Apparently, the fact that these agencies are scattered all over the country, each having its own staff, with a lot of duplication and unnecessary expenditures, gives him no concern. He protests against this new agency, which he calls just another Federal bureau.

Well, Mr. Chairman, this is a new agency, in the technical sense. It is not an additional bureau in reality. Our friend has pointed out some of the agencies now in the Department of Agriculture that will be transferred to the consolidating agency, and draws the conclusion that personnel will not be decreased, and that power will be expanded rather than limited. I think he forgets that the bill specifically abolishes the Office of the Governor of the Farm Credit Administration, the Land Bank Commissioner, the Production Credit Commissioner, the Cooperative Bank Commissioner, and the Intermediate credit Commissioner.

Can anyone justify the condition which exists today, where a farmer-borrower may make a loan from one agency, or possibly from two or three, within the present farm-credit structure, without any of the others knowing what he has done with any of the other agencies? It is difficult for me to follow the argument that this bill will create more jobs and another bureau. It will do just the opposite. It will bring together under a business set-up much like the Federal Reserve System, in one agency, all the many agencies dealing with agricultural credit.

The country is getting tired of these overlapping, added to, and multiplied bureaus and commissions. It wants the Congress to get rid of as many as possible, and to reorganize and consolidate such agencies as are necessary and are advisable in the interest of all of the people. In this connection it is well to remember an authentic statement issued the other day by the Comptroller General of the United States, wherein he points out that there are 29 Government agencies lending United States funds.

There is duplication of effort in other types of service agencies. For instance, there are 3 agencies insuring deposits, 34 buying land, 10 in the Federal construction business, 12 in home and community planning, 28 in welfare work, 14 in forestry affairs, 9 in credit and finance, 4 in bank examination, and 65 gathering statistics. I think this is a good place to start consolidating some of the functions of Government and save the taxpayers money and increase the service to the farmers.

Some of the opponents apparently based their opposition on the ground that the American Bankers Association, as well as the leading farm organizations, support this bill.

Believing in free enterprise, I am opposed to the Federal Government entering into competition with private industry, except in those fields where private industry is unable to meet the requirements of our people. We who represent agricultural districts are familiar with the local bank and the part it plays in the economic life of the country down at the grass roots. Government should not enter into a competitive business with these banks. It should help and supplement them. In certain instances there has been a tendency on the part of Government loaning agencies to enter into fields where their services are not necessary, and when the local banks—supplying local money—are able to meet the requirements. Of course, some banks have been selfish and arbitrary about farm credit. Others, where there was no competition, exacted exorbitant interest rates. These conditions are, today, few and far between, and it is a good omen when these banks and these honest-to-God farm groups can come before a congressional committee and unitedly support this legislation. Yes; unitedly ask for it.

In the section of the country from which I come, these Federal loaning agencies have served a good purpose and on the whole have done a good job, and, where local conditions warrant, should be continued, but under the direction of a nonpartisan, sound, business-like administration as provided in this bill, rather than as adjuncts to any political administration or machine, be it Democratic or Republican.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. MICHENER] has expired.

Mr. HOOK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I was rather interested in the comments of the gentleman from Virginia [Mr. SMITH] when he said that this bill came out of the Committee on Agriculture with only two dissenting votes, and that the Committee on Agriculture represented the farmers, and for that reason a rule was granted, and if a rule is granted, evidently it has the support of the administration.

Well, the Labor Committee also represents the laboring people of this Nation. When bills come out of the Labor Committee I wish the Rules Committee would accord them the same courtesy and the same treatment. Some say the administration is for the bill and others say it is against the bill. I am in a quandary over that. I understand that the Secretary of Agriculture, being a member of the President's Cabinet, speaks for the President.

I think we can be guided accordingly.

In closing let me say that I hope the Rules Committee, led by the gentleman from Virginia, has now taken a different attitude than they have in the past, based on the statement made this afternoon that when bills come from legislative committees to the Rules Committee the legislative committee will be accorded the courtesy of a rule after full consideration has been given to the bill by the legislative committee. I am happy to know that the attitude of the Rules Committee has changed so that we may now expect to have a rule on bills we bring out of the Labor Committee without having the bill completely changed.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was rejected.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. GORE] having assumed the chair, Mr. CLARK, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 4873) to create an Agricultural Credit Agency, to consolidate therein all Federal agricultural lending agencies, to create a public farm-appraisal system, and for other purposes, pursuant to House Resolution 565, he reported the bill back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. TARVER) there were—ayes 93, noes 25.

Mr. TARVER. Mr. Speaker, I object to the vote on the ground that there is not a quorum present, and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently no quorum is present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 239, nays 80, not voting 112, as follows:

[Roll No. 60]

YEAS—239

Abernethy	Bates, Ky.	Bunker
Allen, Ill.	Bates, Mass.	Burch
Allen, La.	Beall	Butler
Almond	Bennet, N. Y.	Bryne, N. Y.
Andersen, H. Carl	Bennett, Mo.	Byrnes, Wis.
Anderson, Calif.	Bishop	Campbell
Andresen, August H.	Blackney	Cannon, Mo.
Angell	Bland	Carlson
Arends	Bolton	Carnahan
Arnold	Bonner	Case, N. J.
Auchincloss	Bradley, Mich.	Case, S. Dak.
Bailey	Brehm	Chenoweth
Baldwin, N. Y.	Brooks	Chiperfield
Barden	Brown, Ga.	Church
Barrett, Wyo.	Brown, Ohio	Clark
	Bryson	Clason
	Buck	Clements
Clevenger	Hess	O'Brien, Ill.
Cole, Kans.	Hill	O'Brien, Mich.
Cole, Mo.	Hinshaw	O'Hara
Cole, N. Y.	Hoch	O'Konski
Cooper	Hoeven	Phillips
Corbett	Holmes, Wash.	Pittenger
Courtney	Hope	Ploeser
Cravens	Horan	Plumley
Crawford	Jackson	Priest
Cunningham	Jenkins	Ramey
D'Alesandro	Jennings	Randolph
D'Ewart	Jensen	Rankin
Dolliver	Johnson, Calif.	Reece, Tenn.
Domengeaux	Johnson, Ill.	Reed, Ill.
Dondero	Johnson, Ind.	Reed, N. Y.
Doughton, N. C.	Jones	Rees, Kans.
Doyle	Jonkman	Richards
Durham	Judd	Riley
Dworshak	Kean	Rivers
Earthman	Kearney	Rizley
Eaton	Kee	Robertson, Va.
Eberharter	Keefe	Robsion, Ky.
Elliott	Kefauver	Rockwell
Ellis	Kerr	Rodgers, Pa.
Ellsworth	Kilburn	Roe, Md.
Elsaesser	King	Rogers, Mass.
Elston	Kinzer	Ryter
Engel, Mich.	Kopplemann	Sasscer
Engle, Calif.	Kunkel	Schwabe, Okla.
Fallon	LaFollette	Scrivner
Fenton	Landis	Shafer
Flannagan	Lane	Sheppard
Gallagher	Larcade	Simpson, Pa.
Gary	Latham	Smith, Va.
Gavin	Lea	Smith, Wis.
Gearhart	LeCompte	Springer
Gifford	LeFevre	Stevenson
Gillespie	Lemke	Stewart
Gillie	Lewis	Stigler
Goodwin	Link	Stockman
Gore	Luce	Taber
Gorski	McConnell	Talbot
Graham	McCowen	Talle
Granger	McDonough	Taylor
Grant, Ala.	McGehee	Thomas, N. J.
Grant, Ind.	McGregor	Tibbott
Griffiths	McMillan, S. C.	Traynor
Gross	McMillen, Ill.	Vinson
Gwinn, N. Y.	Madden	Vorys, Ohio
Gwynne, Iowa	Manasco	Vursell
Hagen	Martin, Iowa	Wadsworth
Hale	Martin, Mass.	Weaver
Hall, Edwin Arthur	Mathews	Welch
Hancock	May	Whittington
Hand	Merrow	Wickersham
Harless, Ariz.	Michener	Wigglesworth
Harness, Ind.	Mills	Wilson
Harris	Morrison	Winstead
Hedrick	Mundt	Wolcott
Hendricks	Murdock	Wolfenden, Pa.
Henry	Murray, Tenn.	Wolverton, N. J.
Herter	Neely	Woodhouse
Heselton	Norblad	Woodruff
	Norrell	

NAYS—80

Andrews, Ala.	Hobbs	Patman
Barry	Hook	Patrick
Beckworth	Huber	Pickett
Bell	Hull	Poage
Burgin	Izac	Price, Ill.
Camp	Johnson, Luther A.	Resa
Canfield	Johnson, Lyndon B.	Robinson, Utah
Cochran	Johnson, Okla.	Rogers, Fla.
Coffee	Kilday	Rooney
Combs	Kirwan	Russell
Cooley	Klein	Sadowski
Cox	Lanham	Savage
Crosser	Lesinski	Somers, N. Y.
Delaney, John J.	Ludlow	Sparkman
Feighan	Lyle	Spence
Fernandez	Mahon	Starkey
Fogarty	Mankin	Sullivan
Folger	Mansfield, Mont.	Tarver
Gardner	Miller, Calif.	Thom
Geelan	Monroney	Thomas, Tex.
Gordon	Morgan	Thomason
Gossett	O'Neal	Tolan
Hart	O'Toole	Trimble
Havenner	Outland	Wasielewski
Hays	Pace	West
Healy		White
Heffernan		Wood
		Worley

NOT VOTING—112

Adams	Brumbaugh	Curley
Andrews, N. Y.	Buckley	Curtis
Baldwin, Md.	Buffett	Daughton, Va.
Barrett, Pa.	Bulwinkle	Davis
Bender	Cannon, Fla.	Dawson
Biemiller	Celler	De Lacy
Bloom	Chapman	Delaney, James J.
Boren	Chelf	Dingell
Boykin	Clippinger	Dirksen
Bradley, Pa.	Colmer	

Douglas, Calif.	Kelley, Pa.	Robertson, N. Dak.
Douglas, Ill.	Kelly, Ill.	Roe, N. Y.
Drewry	Keogh	Rogers, N. Y.
Ervin	Knutson	Rowan
Fellows	Lynch	Sabath
Fisher	McCormack	Schwabe, Mo.
Flood	McGlinchey	Sharp
Forand	McKenzie	Sheridan
Fuller	Maloney	Short
Fulton	Mansfield, Tex.	Sikes
Gamble	Marcantonio	Simpson, Ill.
Gathings	Mason	Slaughter
Gerlach	Miller, Nebr.	Smith, Maine
Gibson	Murphy	Smith, Ohio
Gillette	Murray, Wis.	Stefan
Granahan	Norton	Sumner, Ill.
Green	Patterson	Sumners, Tex.
Gregory	Peterson, Fla.	Sundstrom
Hall, Leonard W.	Peterson, Ga.	Torrens
Halleck	Pfeifer	Towe
Hare	Philbin	Voorhis, Calif.
Hartley	Powell	Walter
Hébert	Price, Fla.	Weichel
Hoffman	Quinn, N. Y.	Whitten
Holifield	Rabaut	Winter
Holmes, Mass.	Rabin	Zimmerman
Howell	Rains	
Jarman	Rayfiel	
	Rich	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Adams for, with Mrs. Douglas of California against.

Mr. Brumbaugh for, with Mr. McCormack against.

Mr. Bender for, with Mr. Curtis against.

General pairs until further notice:

Mr. Slaughter with Mr. Short.

Mr. Jarman with Mr. Hoffman.

Mr. Price of Florida with Mr. Weichel.

Mr. Keogh with Mr. Stefan.

Mr. Sheridan with Mr. Schwabe of Missouri.

Mr. Eulwinkle with Mr. Miller of Nebraska.

Mr. Colmer with Mr. Knutson.

Mr. Kelley of Pennsylvania with Mr. Buffett.

Mr. Davis with Mr. Dirksen.

Mr. Whitten with Mr. Fellows.

Mrs. Douglas of Illinois with Mr. Halleck.

Mr. Roe of New York with Mr. Fuller.

Mr. Dingell with Mr. Hartley.

Mr. McGlinchey with Mr. Simpson of Pennsylvania.

Mr. Pfeifer with Mr. Holmes of Massachusetts.

Mr. Mansfield of Texas with Mr. Simpson of Illinois.

Mrs. Norton with Mr. Gillette.

Mr. James J. Delaney with Mrs. Smith of Maine.

Mr. Drewry with Mr. Fulton.

Mr. Lynch with Mr. Howell.

Mr. PRICE of Illinois changed his vote from "yea" to "nay."

Mr. O'TOOLE changed his vote from "yea" to "nay."

Mr. RANKIN changed his vote from "nay" to "yea."

Mr. STARKEY changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The doors were opened.

EXTENSION OF REMARKS

Mr. JOHNSON of California asked and was given permission to extend his remarks in the RECORD on the subject of terminal leave for enlisted men.

Mr. RABAUT asked and was given permission to revise and extend his remarks and also to extend his remarks in the RECORD on the subject of the OPA and include a telegram and an extract.

Mr. GORDON asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article that appeared in the March issue of the Cantian Magazine published in St. Louis, Mo.

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include excerpts from newspaper items and articles. The extension may exceed the limit established by the Joint Committee on Printing. In spite of this I ask unanimous consent that the extention may be made.

The SPEAKER pro tempore. Notwithstanding the excess, without objection the extension may be made.

There was no objection.

Mrs. LUCE (at the request of Mr. MARTIN of Massachusetts) was given permission to extend her remarks in the Appendix of the RECORD and include addresses made by herself and Mr. Hoover over the radio.

Mr. DOYLE asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances, in one to include a communication from the Library of Congress and in the other to include a short editorial.

Mr. LANE asked and was given permission to extend his remarks in the Appendix of the RECORD and include two newspaper articles.

Mr. PRICE of Illinois asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Illinois State Register entitled "Lucas' Jackson Day Speech."

Mr. LUDLOW asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Indianapolis Times.

Mr. MUNDT asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from a California newspaper.

Mr. HAGEN asked and was given permission to extend his remarks in the Appendix of the RECORD on two subjects and include a letter from a constituent and an article from a publication entitled "Consumer Credit."

Mr. JONES asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter addressed by the gentleman from Ohio [Mr. CLEVENGER] to the members of the Lincoln Club of Defiance, Ohio.

Mr. RAMEY asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances, in one to include a statement which he submitted to the Committee on Ways and Means and in the other to include an article on man's true security, by Arthur J. Todd, of the Christian Science Monitor.

Mr. HAYS asked and was given permission to extend his remarks in the Appendix of the RECORD in two separate instances.

Mr. WHITE asked and was given permission to extend his remarks in the Appendix of the RECORD in two separate instances and include excerpts.

SPECIAL ORDER GRANTED

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes today following the special orders heretofore entered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

TO IMPROVE CREDIT SERVICES TO FARMERS

Mr. BATES of Kentucky, from the Committee on Rules, submitted the following privileged resolution (H. Res. 567, Rept. No. 1792) which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2239) to simplify and improve credit services to farmers and promote farm ownership by abolishing certain agricultural lending agencies and functions, by enlarging the powers of the Farmers' Home Corporation, by authorizing Government insurance of loans to farmers, by creating preferences for loans and insured mortgages to enable veterans to acquire farms, by providing additional specific authority and directions with respect to the liquidation of resettlement projects and rural rehabilitation projects for resettlement purposes, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same back to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Maine [Mr. HALE] is recognized for 10 minutes.

COFFEE

Mr. HALE. Mr. Speaker, last fall the Republican Congressional Food Study Committee called attention to the fact that OPA's price policies on coffee were preventing adequate supplies of coffee from coming into this country and were seriously endangering our friendly relationships with South American countries to which coffee is a major export commodity.

OPA's response to this was to institute a subsidy of 3 cents a pound on coffee paid to American importers. In the past 4 months this subsidy has cost the American taxpayers approximately $24,000,000, plus administration charges, plus interest. It was announced as a temporary expedient which would be terminated on March 31, 1946, at which time a more realistic coffee policy would be adopted.

On January 22 representatives of the Food Study Committee, myself included, brought officials of the OPA and the State

Department together in an effort to work out a solution to the coffee problem.

On February 23, no results of that conference having been apparent, I addressed to the President of the United States a letter which I will insert in the RECORD, making what seemed to me to be a very reasonable suggestion for handling this problem, which is relatively unimportant economically to the people of the United States, but vitally important to the economy of several Latin-American countries and to our own foreign relations.

I have not had a response from the President. Instead, there has been announced unofficially in the newspapers, and I understand there will be announced formally this afternoon, not the permanent and reasonable solution of the coffee problem which was promised last November, but another subsidy on coffee to be paid to American importers.

Mr. Speaker, I want to protest as forcibly as possible against such a course of action. This subsidy will solve nothing. It is merely an expedient by which OPA hopes to maintain appearances by holding the retail ceiling price of coffee exactly where it now is, while consumers pay hidden costs in the form of subsidies on every pound they buy. Such a subsidy is obviously inflationary in its consequences.

If Chester Bowles means what he says when he announces that products in adequate supply will be decontrolled by OPA, that agency would have been out of the coffee business long ago. The best available records indicate that the supply, and the anticipated crop this year, will be more than adequate to meet world requirements.

This being the case, it is quite probable that OPA's new subsidy will be an added cost to the American people of exactly the amount of the subsidy plus administration costs, plus interest. Many of those best informed on coffee believe that there would be no appreciable increase in prices if all price controls were removed. The amount of the subsidy will, therefore, be a hidden and entirely unnecessary and unjustified increase in the price American consumers have to pay for coffee.

I want to read at this point a letter I addressed to President Truman and also a letter I have received from Angus Mackey & Co., dated March 6, 1946. They are as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., February 23, 1946.

Hon. HARRY S. TRUMAN,
The President of the United States,
Washington, D. C.

DEAR MR. PRESIDENT: With the realinement of policies now taking place within the OPA, permit me to express the hope that you will put an end to its serious interference in the foreign policy of the United States and return the authority in that field to the State Department. I refer specifically to the OPA's arbitrary and unrealistic handling of coffee prices.

No coffee is grown in the United States. We depend for almost our entire supply on 12 countries in Central and South America. They, in turn, look to us as the major customer. Coffee is relatively insignificant in the economy of the United States, but is tremendously important to the daily welfare of many of our neighbors to the south.

In the past few years the Congress has appropriated approximately $113,000,000 to the Office of Inter-American Affairs and its predecessor to carry out a "good neighbor" policy. Broad expansion of such activities through the State Department is now contemplated. If the OPA is to continue its interference in our relationships with Latin America, however, this money for good-will propaganda may prove to have been wasted.

OPA ceiling prices on coffee were established in 1941. They have not been modified since, although a revision was implicitly promised when the ceilings were established, has been repeatedly requested by Latin-American countries, and has been recommended by our own State Department and Department of Agriculture.

OPA's response to a showing of greatly increased cost in the production and marketing of coffee in Central and South American countries was to demand from coffee growers and shippers an accounting of their business over the past several years so that it could determine whether or not they can operate at a profit, and if so, what profit they are entitled to. There is grave doubt in the minds of many American businessmen as to OPA's authority to regulate profits in this country. Certainly the Congress never gave the OPA the right to regulate profits or private business in other countries.

Coffee growers and dealers bitterly resent this assumption of authority on OPA's part. They regard as unjust discrimination the fact that prices of virtually all food products grown in the United States have been permitted to increase materially since 1941 while the price of coffee—the sole product on which many of them depend for their livelihood—has been held at the 1941 level, in spite of undisputed evidence of greatly increased production costs.

Before March 31, 1946, a new decision will have to be made on coffee. On that date a subsidy will expire which was instituted November 19, 1945, at the demand of the OPA. The subsidy was announced by Judge Collet as a temporary expedient. It solves nothing. It merely passes on to future taxpayers part of the bill for the groceries we use today.

Despite conferences between representatives of the State Department and the OPA there appears no inclination on the part of the latter to modify its position and no prospect of establishment by that agency of a policy after March 31, 1946, that will demonstrate, in acts as well as in words, our friendship for the other nations in this hemisphere.

Ever since 1940 our relationships involving coffee have been regulated by the Inter-American Coffee Agreement and handled in a manner mutually satisfactory to the United States and the producing countries by the Inter-American Coffee Board, on which our State Department is ably represented. Any effective action on coffee must under the agreement have the assistance of this Board and of the Department of State. Yet the recommendations of the Board have been continually overriden by the OPA—as has the advice of the Department of State and the Department of Agriculture.

Those best informed on coffee, both inside and outside the Government, believe that the supply is more than equal to the demand and that there will be little or no increase in price to the consumer if price controls are removed entirely.

It seems short-sighted economy to quibble over a few cents a pound in the price of coffee when, by so doing, we are undermining the best efforts of our diplomats, nullifying the hundreds of millions of dollars spent to promote hemisphere friendship, and creating enmities where we need good will.

I therefore respectfully suggest that you remove from the OPA authority over coffee price policies, and return that authority to the Inter-American Coffee Board and the Department of State.

Sincerely yours,

ROBERT HALE,
Member of Congress.

ANGUS MACKEY & CO.,
New York, N. Y., March 6, 1946.

The Honorable ROBERT HALE,
House of Representatives,
Washington, D. C.

DEAR SIR: This is a report to the people of the United States that I would rather not have to write. When an American has to bow his head in shame there's something radically wrong.

I have just returned from a 4-month visit to Brazil and what I heard and saw and read convinces me that the policies of the United States in that country are creating a mounting bitterness among all the people toward this country which will take decades to erase unless soon arrested. Unless the United States acts promptly, a serious setback to the possibilities of sales of American products to Brazil is certain to take place.

An increase in the price of coffee of less than $1 per year to the American consumers will forestall the chaos which is mounting daily. Most of this money, anyhow, would find its way back into the American businessman's pockets. Our Government must take steps without delay to stem the wave of antagonism now being engendered against all Americans (and the American way).

The price of coffee has been frozen by the United States since December 1941. In the meantime, the cost of living in Brazil has soared in spectacular fashion. Wages have risen and will rise further (just as in this country). More and more workers are joining unions. The size of the Communist vote in Brazil surprises many.

Meanwhile, the United States is the laughing stock of Brazil through its cultural program. Young men teach singing to Brazilian ladies. Hundreds of others wine and dine, waste the taxpayer's money; many can't even speak Portuguese. It is nauseating. Business relations are deteriorating at a fast pace. The nations of Europe are spending both time and money to develop markets in Brazil and, in turn, take from Brazil part of her virtually untapped wealth of raw materials. Sweden and Britain (yes, even Russia), among others, recognize the importance of trade with Brazil. Only this country—after the remarkable improvement of relations during the war years—appears to be doing everything possible to antagonize the Brazilian people. Why? We don't know.

The solution is simple. Take all restrictions off of coffee—price ceilings, import authorizations, etc. World coffee production, coupled with carry-over stocks, is more than sufficient to take care of world demand. This means that increased costs of production may force a slightly higher price but the consumer is safeguarded against any excessive rise. Competition between and among producing countries and between and among coffee roasters here will insure a full cup of good coffee to the consumer at the lowest possible price. It's as simple as that, yet Washington keeps its head in the sand and continues the morass of wartime controls which can literally blow the lid off in Brazil and other producers in this hemisphere. If nothing is done to help the coffee situation, all farmers in Brazil intend to replant their land with cotton.

Faith in the good will and promises of the United States is being replaced by outright hatred. There's no time to lose.

Yours faithfully,

ANGUS MACKEY & CO.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. REED] is recognized for 25 minutes.

SHALL OUR DEFENSE BE IMPERILED FOR THE ECONOMIC ADVANCEMENT OF A FOREIGN POWER?

Mr. REED of Illinois. Mr. Speaker, when on one of the most fateful days in our history we were suddenly and almost unexpectedly assailed by the Axis Powers, and it became necessary for us to prepare for the defense of our lives, our homes, and our liberties, we turned expectantly and reliantly to our free American industry for the materials of war. That industry did not fail us. In peace, the spirit of free American inventiveness has made it great. In war, American enterprise and genius made it even greater. With American labor, patriotically maintaining a no-strike program throughout the crisis, our vast industrial machine was converted almost miraculously from production for peace to production for war. It provided the material of war for our allies all over the earth, from far northern Scandinavia to the burning sands of Africa. It enabled us to send aid to Russia, to Australia, and to all the islands of the sea. Wherever stricken humanity needed weapons to oppose aggressors, we supplied them. We supplied them abundantly. Nowhere in all the annals of industrial history is there a parallel. It will remain forever in world history as a tribute to America, its free industry and its free labor.

But while these forces were supplying the needs of global war, the wants of our normal, civilian, peacetime economy were necessarily curtailed. Shortages in the products so abundantly and so cheaply produced by American labor and industry during peace soon began to develop, and today, 7 months after hostilities have ceased, we still find ourselves minus many of the things we had heretofore regarded as peacetime necessaries. We need automobiles and tires. Commerce and industry are calling for trucks and machinery. Our farmers are sadly in want of tractors and farm implements. Throughout the war they struggled along with implements that were inadequate even for peacetime production. In spite of that handicap they produced the most abundant crops in the history of agriculture. The tools which enabled them to do that job are now worn out, dilapidated, and in many cases practically useless. We need an abundance of things for our homes—refrigerators, radios, stoves, and utensils of every sort. We require tools and scientific and precision instruments. We want clothing and shoes and a thousand and one other things ordinarily produced by American labor and American industry, the abundance and the economy of which gave us the highest living standards among the nations.

We had a right to believe that with the end of war we soon again would be able to procure these things. That was a natural belief, based partly on the very proper assumption of an early reconversion. Even before the end of war both Houses of Congress had appointed select committees to consider reconversion legislation, and the Congress had promptly enacted into law the recommendations of those committees. That belief was based also upon another very proper assumption that there would be a prompt discharge of our veterans and their speedy return to normal peacetime activities.

It likewise was based on the belief that an administration that had allied itself so closely with the left-wing labor groups would be able to prevail upon them to cooperate with the recognized and outstanding leaders of organized labor who were wholeheartedly supporting a sensible long-range reconversion program initiated by Congress which would assure a maximum production of civilian goods in a minimum of time. But we had a right to that belief for still another reason. In 1944, the Democratic campaign for the Presidency was conducted largely on the issue of peace and postwar reconversion. The American people were admonished that the end of the war, being "just around the corner," it was imperative to reelect a President who, because of his extensive experience in foreign affairs, alone was competent to negotiate the terms of peace; that they, the American people, had the greatest backlog of savings in history, and that their pent-up demands for civilian goods were great enough to provide 60,000,000 jobs. Since the end of hostilities that has been emphasized in a volume but recently off the press by the Secretary of Commerce, who was Vice President during the 1944 campaign.

What, however, are the facts? Certainly no one will deny that we need all the things American labor and industry can produce. Yet they are not being produced. No one will contend that there should not be 60,000,000 jobs. There should be jobs in America for all Americans who want them, producing the things America needs and desires for itself as well as the things needed and desired by the rest of the world from American industry and American labor. But there are not 60,000,000 jobs available, despite all the theory and all the campaign oratory. Even now, 7 months after VJ-day there are hundreds of thousands of Americans directly unemployed because of strikes in certain branches of industry. Several million more have been made idle indirectly. Administration statisticians have even begun to estimate the number of unemployed that we shall have a year from now. Thus far labor and industry generally have not been able to effectuate the working cooperation necessary to assure the speedy production of the things the public needs in abundance; nor has the present administration been able to contribute any material aid. Despite all our requirements—part of our vast industrial enterprise is shut down; much American labor is unemployed; and the administration appears impotent.

Even admitting that our citizens had a vast backlog of savings at the cessation of hostilities, we can have no assurance that those savings will remain long unimpaired. Indeed, already they are being drawn upon heavily for sustenance during unemployment. Inflation, well on its way, despite all pretext to the contrary, is taking its toll and a heavy and continuing Federal tax burden is siphoning away still more. Our people had the right to believe that with hostilities at an end, there would be a surcease from excessive Federal taxation. There should be. And Congress so intended when it enacted a measure exempting millions of little taxpayers from further Federal taxation. But that relief will become effective only during 1946. Although it will aid many, millions of our citizens, especially those in the white-collar class, will find it necessary to invade their savings to meet this increasingly heavy tax burden. If we continue our present course, the savings so glibly referred to during the 1944 campaign soon will have been exhausted, and our people will again face privation, poverty, and destitution.

But while we neglect our own citizens and our own industry we have returned to our erstwhile global philanthropy to dissipate all over the world the savings and the taxes of our people. We have a national debt of $250,000,000,000. We tax our citizens to pay the interest on that debt. We shall continue so to tax them for at least another 50 years. Over the home of every American citizen lies the equivalent of a Federal mortgage of $2,500. For some years in the future the cost of returning our veterans to civilian life will continue to increase. No one would deny an American veteran any of the benefits to which he is entitled by law or justice. But the cost must be borne by American taxpayers, including him, himself. No foreign government, no foreign industry, will contribute a penny toward it. We were lavish in our extension of lend-lease. Now our erstwhile lend-lease debtors almost demand that we forgive them their debts; and in the negotiations that our administration leaders already have consummated, much has been forgiven. Lend-lease money and supplies came from the pockets of American taxpayers. Only they should have the right to forgive their debtors.

While we implore our people to buy bonds under the pretext that the money is to be used for the hospitalization, the rehabilitation, and the education of our returned veterans, we give away with lavish prodigality almost $4,500,000,000 from their savings and their taxes to Great Britain. Then we pretend to them that it is merely a matter of bookkeeping credits. Euphemistically, we even call it a loan. But is there anyone in his right mind who believes that we ever shall collect it? By its terms it is to extend over a period of 56 years, provided Britain may not require longer time. The only requirement for that is her declaration of inability to pay. Well, she declared that once. Yet, despite that default, the taxes and the savings of the American people are being poured lavishly into her outstretched palms. We have extended a proportionately large grant to France.

Under our existing Federal income tax the head of a family earning but a little more than $2,000 and having one dependent must pay more than $300 in taxes. If he has five or more dependents, he still must pay the Federal Government more than $40. How much of that hard-earned income will be taken from needy American children by the negotiators who have forgiven our debtors and who so lavishly give away our wealth?

Some of our leaders appear to ignore a principle long since established, that in their conduct with their citizens, governments should be just before being generous. Congress may yet find it necessary to create a spendthrift trust in order to prevent the dissipation of the people's rightful estate.

Our people need homes. Thousands of veterans who fought to protect and preserve American homes return to find there is no place for them to lay their heads or to house their families. Legislation recently passed in the House will continue wartime controls in order that materials may not be diverted from the construction of low-cost housing. Even now we need more and better and larger schools for our increasing school population. It is shocking to realize that even in the Nation's Capital parents felt it necessary to picket for adequate school buildings and facilities.

The President has recommended and urged a national health program. We need new and better roads. During the war we expended millions for improved highway facilities all over the world. American taxpayers will pay for that in the years to come. Yet here at home our traffic fatalities caused by inadequate highways constitute a national disgrace. We need new and better highways for the nation's commerce in order that when production resumes the products of factory, mine, and mill may move quickly and cheaply to areas of consumption. We must lift our farmers out of the mud and put them on roads that do not bog down in winter or blow away in summer. All these things—the products of American labor and American industry—are needed for American citizens and for the development of our own American economy. We could have them. We can have them. We shall have them when we cease to be global entrepreneurs and global philanthropists and consider the requirements of our own people.

Typical of the problems that confront American industry today is that of the Elgin National Watch Co., an American industry located in the district that I represent. For four generations this company has been engaged in making fine American watches and other precision instruments. It has attained a position of leadership in that enterprise. Mr. Speaker, four generations of skilled American craftsmen have found employment in that typical American industry. Their wages and salaries have gone toward the building of an American community. They have built schools for the education of American boys and girls. They have built American homes, in which American mothers have taught and fostered American ideals. They have built churches, in which to worship according to the dictates of their consciences. They have paid taxes that have gone toward the building of America. They and their sons and daughters have taken up arms against our enemies. In every crisis they have given loyally, patriotically, and unstintedly.

When war came, the Elgin National Watch Co., like all other American industries, was engaged in the production of peacetime products. But even before we were assailed, our Army and our Navy had been forced to turn to American industry for the precision instruments absolutely essential to the prosecution of war. Exportation of foreign products, particularly those having military significance, was prohibited by the Nazi government as early as 1940. As early as 1939 several of our congressional committees had investigated our shortage of critical war materials and made recommendations with respect to them. But believing then that war would not come to our shores, we ignored those recommendations much as we now are inclined to abandon the progress we made during the war and forsake the new American industry we have developed.

In 1940 the American watchmaking industry anticipated the challenge that was soon to confront this country. The Elgin Co., which had maintained pilot-plant facilities for the making of jewel bearings since 1935 as a result of its experiences during World War I, began to stock-pile jewel bearings imported from Switzerland. It intensified its research work on the making of jewels, began to obtain additional jewel-making machinery, and started to train additional personnel in jewel-bearing manufacture.

In 1942 the Elgin Co. was able to equip a jewel-bearing manufacturing plant at Aurora, Ill., now known as its sapphire products division, and many of the jewels it had stock-piled were converted into instrument jewels for its own use and supplied to other manufacturers of precision instruments essential to war. This bridged the gap until a jewel-bearing industry was established in this country and attained full production.

History has demonstrated how fortunate for us it was that those needs were anticipated, for no plane can fly, no battleship navigate, without these tiny jewel bearings.

The production of jewel bearings demands an infinite capacity for painstaking work, and great skill. Because they excel in these achievements, American women especially were employed in this vital wartime activity. The extent to which jewel bearings were used in our wartime economy may be estimated from the fact that at least 5,000 are required for the precision instruments on one American battleship; and 100 for the instrument panel of a bomber. Millions are required in the electrical instruments, control devices, range finders, and all the other innumerable forms of military and naval precision equipment. Even before the almost endless drilling, grinding, and polishing, more than 60 operations are involved in the production of a finished jewel. It is a long series of operations increasing in delicacy and fineness before the finished jewel is ready to take its place in an accurate precision instrument.

That was a problem confronting the genius and the inventiveness of American craftsmen employed in American industry. They overcame that problem. In doing so, they contributed materially to the advancement of American industry and ultimately to the prosperity and wealth of all the American people. They should not now be compelled to forfeit the advantage gained at so great a cost to foreign competitors who do not employ American labor nor pay American taxes, and who made no contribution toward America's successful conduct of the war. The Elgin Co. was repeatedly rewarded by both branches of the armed forces with appropriate citations for the contribution it made. But it was not in the production of jewel bearings alone that this great American industry contributed to America's successful conduct of the war. The Elgin Co.'s conversion to production for war was complete. Many of the precision timing instruments vital to the conduct of the most mechanized war in history were made by American craftsmen in the employ of the Elgin Co. Millions of man-hours were spent by these skilled American craftsmen in designing, engineering, and tooling these precision instruments under most exacting specifications. Millions of the intricate fuzes that gave our own and our allied gunners superiority in bringing down enemy aircraft were produced by Elgin's skilled American workers.

What was true during World War II was equally true during World War I. Permit me to quote a few excerpts from a letter written June 20, 1935, by the late Honorable George H. Dern, then Secretary of War, and addressed to the Honorable Cordell Hull, then Secretary of State.

> The War Department is vitally concerned in keeping the watch and clock industry alive for the Department is depending on it in an emergency to assemble and regulate the large quantities of antiaircraft and bomb mechanical time fuzes which will be required in an emergency. * * * The facilities of the Ordnance Department are ample to meet the peacetime requirements of the War and Navy Departments for this mechanical fuze but in time of war dependence must necessarily be placed on the fine clock or jeweled watch industry to assemble and regulate the millions of these movements which will be required for use in the fuzes needed by the War and Navy Departments. The fuzes have been designed so that they can be made by the best production methods, but the parts must be assembled and regulated by an industry accustomed to working to very close mechanical limits and to making adjustments to one-hundredth of a second in time. No other industry has the necessary experience and skill with mechanisms of this type to be depended on in a major emergency. * * * It is hoped that no tariff agreement will be entered into which will seriously affect the watch industry on which this Department is depending for the production of mechanical time fuzes in an emergency.

Ever engaged in tireless pursuit for precision, the Elgin Co. has at all times been ready for the research called for in the solution of many of the problems that confronted our armed forces. It became an arsenal of democracy in which infinite knowledge and painstaking care were necessary every step of the way, and in which that knowledge and that care were closely linked with the loyalty of American men and women. These loyal, patriotic, and skilled American men and women proved that under proper encouragement American industry could go far toward making America self-sufficient, both in peace and war. The war from which we have but emerged proved conclusively that we must be self-sufficient. There was no one else to

whom we could turn. All the world turned to us.

In addition to the production of precision instruments for our armed forces, the Elgin company also assumed the task of training American GI's in the art and science of watch repairing and precision-instrument construction for emergency repairs in the field. Those GI's can qualify as skilled craftsmen after their discharge from the Army. In the history of the Elgin company more than 2,500 skilled watchmakers have been graduated from Elgin's watchmaker's college. Many of them now own their own watch and jewelry shops. Here is a great American industry seeking constantly through tireless research to find better ways to enable American craftsmen to produce better products for American consumers. For four generations it has given employment to American labor.

Now, Mr. Speaker, while Elgin and other American watchmakers were patriotically producing materials for the conduct of war, they were unable to make watches or other precision instruments for civilian use. When the war ended they were able to reconvert quickly to civilian production because, unlike the automotive and other branches of heavy industry where assembly-line methods prevail and where almost entirely different forms had to be installed, they had not been compelled to make such thoroughgoing changes. Moreover, they have had no labor stoppages. They were ready to produce for the American people. They had a right to expect an American market waiting for all they could produce. Having patriotically suspended the production of watches for civilian use, they were entitled to a pent-up demand for such watches when they returned to civilian production.

But what are the facts? When the war ended they found that the American watch market had been invaded by their foreign competitors, the Swiss governmental watch monopoly.

During the period 1926 to 1941 the average annual sales of jeweled watches in the United States totaled 3,475,000. Of that number the average annual importation from Switzerland totaled 2,100,000. That means that during that entire period the average annual sale of Swiss watches exceeded those produced by American labor and sold by American watchmakers by 725,000. During the years 1942 through 1945, while American watchmakers were producing for national defense, the sale of Swiss watches in the United States rose to 5,293,000 in 1942; 7,986,000 in 1943; 6,912,000 in 1944; and 9,398,716 in 1945. That is a total of 29,599,716 Swiss watches sold in the United States between 1942 and the end of last year. That is, the Swiss watch monopoly has had complete control of the entire American watch market ever since Pearl Harbor. The total value of those sales will approximate $140,000,000; to be exact, $138,802,930.

When the war ended, American watchmakers petitioned the Government to equalize the imports of watches as the American industry returned to civilian production. After hearings, at one of which the importers of Swiss watches were accorded the opportunity of presenting their position, our State Department commenced conversations with the Swiss Government with the purpose of asking the Swiss to limit their exports to the United States voluntarily to 3,000,000 watches per year. That still would give them an American market of 900,000 watches in excess of the average for the 15-year period, 1926–41.

While these conversations were in progress and before any decision had been reached, the importers of Swiss watches, the American Watch Assemblers Association, S. Ralph Lazarus, president, 200 Hudson Street, New York, initiated a propaganda campaign in opposition to the action of the State Department. As part of the strategy of that campaign a telegram was sent to every jeweler in the United States, stating that our Government had threatened to end the existing trade agreement with Switzerland unless the Swiss Government replied by December 15, 1945, to our suggestion for a watch exportation quota. The telegram urged jewelers to protest the proposal to their Representatives in Congress, to their Senators, and to the Secretary of State. On December 4 last, protest against the proposed export quota was made in this Chamber by the gentleman from New York [Mr. CELLER], who inserted in the RECORD a letter he had addressed to Mr. Arthur Paul, at that time Director of the Office of International Trade Operations in the Department of Commerce. It has been said upon the floor of the House that the gentleman from New York [Mr. CELLER], or the law firm of which he is a member, represents the Benrus Watch Co., one of the largest Swiss watch importers in the United States, in a legal capacity, and that he is or they are also attorneys for Mr. Lazarus. I do not know whether or not it is true. So far as I know it is only hearsay. Perhaps only the gentleman from New York is qualified to admit or deny this; and I have not heard him do either.

Obviously the purpose of the propaganda campaign initiated by the importers of Swiss watches is to induce the jewelers of the United States to besiege their Representatives in Congress and the State Department with a demand for more foreign watches, the result of which would be to develop the foreign industry at the expense of American labor and the American industry. And, since the importers thus have anticipated the action of the State Department, and any voluntary action by the Swiss Government, it is only fair that American labor and the American industry should be given an opportunity to present the American point of view. It cannot be doubted that one purpose of the telegram sent by the importers was to stampede the jewelers of America into hasty, untimely, and ill-considered protest. So far as is known no conclusions have been reached between the State Department and the Swiss Government—at least none have been announced. At the very least this protest is premature.

There will be an abundance of watches available for all who want them. There is now. Import statistics show conclusively that the importers took advantage of the American watchmakers while they were producing precision instruments for defense, and increased their imports very materially. This is especially true since the end of the war. Importations in the months of October, November, and December 1945 alone totaled 4,025,117. As a result, there now are millions of Swiss watches in reserve here. Moreover, new techniques acquired by our American industry during the war will enable it to increase materially its former output. Jewelers will have an abundance of American as well as imported watches, to sell at a decent profit. If, however, the importations of Swiss watches continue at the same rate as at present, the market will be glutted, and no one will make a profit.

Aside from all other considerations, the matter is one of serious concern for all our people. Over a period covering four generations we have been able to develop a great American industry devoted to the production of precision instruments. That industry has given employment to thousands of skilled American craftsmen at wages that have enabled them to maintain our American standard of living. Moreover, the relations between this industry and its employees, although united in their own organization, have been such as to constitute an outstanding record of labor-management cooperation. At a time when the relations between labor and management generally are notoriously strained, the American watch industry is free from labor difficulties.

The American watch industry never has controlled the American market. It is a matter of almost universal knowledge that Swiss watches always have had a large part of the American market. The Swiss are notoriously adept in the art of watchmaking and they always have been able to undersell American craftsmen. Eighty-five percent of the unit cost of a watch movement is labor cost. American watchmakers are paid from three to four times as much as Swiss makers. The profit made in the sale of Swiss watches, which are imported at from one-half to one-third of the cost of manufacture here, does not benefit the Swiss worker, the American retailer, or the American consumer. It goes into the pocket of the importer, who can operate on a shoestring. He has no factory; he employs no skilled craftsmen. He merely straddles the stream and takes toll.

Under the most favorable tariff treatment American manufacturers never have supplied more than 50 percent of the American jeweled-watch market. Under the 1936 trade agreement with Switzerland this was reduced further to 40 percent. During the war years, as already indicated, the Swiss had full control of our American market and, under OPA rulings, at increased prices.

Congress certainly never intended that our present trade policy was designed to destroy our American industry, an industry that gives employment to American men and women who not only have been compelled to bear a large part of the cost of war, but who even now are being taxed to aid in world recovery. The Swiss watch industry is a government-controlled and government-domi-

nated trust. That trust fixes prices and determines the conditions under which watches and watch-making machinery may be sold.

Mr. Speaker, our recent experience has demonstrated conclusively that the American jeweled-watch industry is essential to our national economy, not merely during years of peace, but especially in years of war. Without it we would have been at the mercy of the Swiss, the only other source of timing mechanisms in the world. If by any policy we should destroy this important American industry, we shall destroy our national defense. A strong American watch industry is our only safeguard for precision instruments in time of war. Our American watch industry contributed substantially to our war effort and was considered an essential, critical industry by our armed forces. Once destroyed it could not be replaced in sufficient time to aid us if war again should come upon us. It would be but another case of "too late." We should not permit it to be destroyed by a foreign cartel.

Mr. Speaker, I am informed that Members of the House and the Senate already have been besieged by correspondence emanating from the importers.

Seven companies compose the total array of American watchmakers, namely, the Elgin National Watch Co., of Illinois; the Hamilton Watch Co., of Pennsylvania; the Waltham Watch Co., of Massachusetts; the E. Ingraham Co., of Connecticut; the New Haven Clock Co., of Connecticut; the United States Time Corp., of Connecticut; and the General Time Instruments Corp., of Illinois.

If legislation is enacted that adversely affects the natural growth and development of this, our own watchmaking industry, we, to the same degree, weaken our own national defense.

If, for its wholehearted wartime service, we permit it to be penalized by inviting, encouraging, or even tacitly consenting to a disproportionate peacetime competition, we are guilty of a grievous wrong, an unfair practice, and an unsound governmental policy.

Here is an American industry, employing American labor, paying American wages, aiming to sell an American product to the American people. It desires no special favors; it requests no stifling of competition; it seeks no monopoly in business.

It aspires to grow with America; it deserves to.

America needs it.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Washington [Mr. HORAN] is recognized for 10 minutes.

FULL PRODUCTION OF LUMBER

Mr. HORAN. Mr. Speaker, I have asked for this time in order to review some of the work that Members of this House and Members of the other body have been doing in attempting to get full production in our forests, logging camps, and mills so that we can actually have material on hand and available for the housing boom that we all feel is needed and should be under way at this time. During the war we practically riddled our forests. We greatly overcut the available and handy standing timber adjacent to the mills. It is necessary now to go farther into the forests to get the logs from which to cut that lumber. That is one of the problems. Fortunately, this House in passing the agricultural appropriation supply bill last week made provision for access roads and forest roads and trails that will enable the logging trucks to go farther into the forests and bring out this lumber. To the credit of Congress they are meeting that problem.

But one of the most important things that has already been done by this House was in connection with the housing bill which we had up about 2 weeks ago. It was the Keefe amendment, which directed the Housing Administrator, without regard to any other legislation, to direct the OPA to adjust the ceiling prices on lumber so as to get the maximum production. That is one of the problems that is presently before us who represent the areas in this Nation from which our western pine comes.

Last week the leaders of that industry were here in Washington. They are still here. Yesterday, over in the Senate Office Building, we had a meeting which was attended by Mr. Small, head of the Civilian Production Adminstration; Mr. Paul Porter, head of OPA; and the Office of Reconversion and Stabilization was also represented. At that meeting it was made plain that the Civilian Production Administration is on the beam; that they realize the things that will have to be done if we are to stimulate the production of lumber and building materials in this country. It was revealed at those hearings that they had made many recommendations to the Office of Price Administration and that many of these recommendations had been either refused or ignored. Some of their recommendations had been accepted. Mr. Small, when he appeared before this informal committee, stated that late in February he had advised the OPA to make an interim advance in the ceiling price of lumber in order to stimulate production. Apparently he fully recognizes their obsession for procrastination. The OPA has not yet acted. Practically all of the lumber yards in this Nation are as empty as Mother Hubbard's cupboard. There is practically no lumber in any of them. We can legislate, of course, but if we want housing, if we want containers for the crops that are coming on, crops that are perishable and have to have packages to ship them in, we have got to have action. We must have action, in order to get the adjustment in price ceilings that will bring lumber into our lumber yards and eventually into the houses that we hope can be built.

It was brought out, I thought, quite clearly, that the cost of getting logs out of the forest, through the mills, and as boards, into our lumber yards has risen tremendously. It is true that our price ceilings have been increased during the war. They have been increased partially because of wage scale increases and partially for other reasons, but in no case has the raise in the price ceiling been equal to the rise in the cost of producing lumber. Right now the cost of production practically eats up the price that the lumber industry is permitted to sell the average of their production.

Mr. ELLSWORTH. Mr. Speaker, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Oregon, who is an authority on the lumber industry.

Mr. ELLSWORTH. I thank the gentleman for his observation. May I say that the gentleman from Washington is making a very fine statement regarding the lumber situation. The lack of lumber in this housing crisis is to some extent being overemphasized as compared with the problems existing in other materials for building, but that does not minimize at all the fact that the lack of lumber is very critical and is holding back our housing program.

May I make this observation in connection with the hearing to which the gentleman referred, that the lumber production in the western part of the United States is somewhat more than 40 percent of the Nation's total lumber production. It was brought out in that hearing that this segment of the national volume of lumber production has had no attention at all from OPA since VJ-day, with no price increases, of course; and in fact no decision, even, on the reclassification of items for pricing from a war to a peacetime basis was made from VJ-day until the 6th day of March.

Mr. HORAN. Did not the industry come back here just before VJ-day last spring and outline the problems of the industry and their own plans for meeting what they thought would be the needs that we find on our doorstep right now?

Mr. ELLSWORTH. That is very correct. I know of my own knowledge that the industry called upon Judge Vinson, at that time Director of Reconversion, back in June of last year and warned that there was a housing shortage threatened and that something should immediately be planned in the way of adjusting the price ceilings on housing lumber so that when the time came housing lumber could be produced. Unfortunately, nothing was done then. The industry later requested that something be done about that situation, not once but several times. Meanwhile the mills were cutting the type of items that had been on order by the Army and the Navy and other war procurement agencies. The ceiling prices for housing material were intentionally low during the war period to discourage the manufacture of these items. Those price ceilings that were too low, admittedly too low, have been kept in force until just a very few days ago. Now the lumber industry is being blamed for falling down in its production of housing lumber. As a matter of fact, I do not think any person should be expected to manufacture something at a loss when it was mere negligence on the part of a Government agency that prevented him from manufacturing the proper items at a reasonable margin of profit.

Mr. HORAN. It is true, of course, that the Civilian Production Administration, which this body has repeatedly charged with explicit instructions to speed up and stimulate production, has been doing a good job.

Mr. ELLSWORTH. May I say that their recommendations have not only not been followed, they have not been acted upon at all.

Mr. HORAN. That is right. I hope the House will recognize the need for supporting any agency of Government with power to act that is out now with the idea in mind of stimulating the production of building materials, because you cannot in the final analysis build a house out of red tape or even legislation; you have to have boards and bath tubs.

The SPEAKER pro tempore (Mr. GORE). Under previous order of the House, the gentleman from Alabama [Mr. HOBBS] is recognized for 15 minutes.

MEMBERS OF CONGRESS MUST VOTE STRAIGHT PARTY LINE OR ELSE

Mr. HOBBS. Mr. Speaker, in this morning's Washington Post there is an article headed "Oust bolters, Wallace tells both parties. Congressmen who split votes on major issues should be expelled."

Then, following those headlines is the report of the speech which was made by the distinguished Secretary of Commerce which reads in part as follows:

Secretary of Commerce Wallace yesterday urged that Senators and Representatives who split party votes on fundamental issues should be expelled from their parties. He suggested that both Republican and Democratic organizations impose party discipline on such major questions as the British loan, foreign relations, full employment, and atomic energy.

However—

He said—

I hope this suggested discipline will not be used on small issues.

That reminds me of an old story about a man who said that he and his wife had gotten along beautifully through 30 years of married life and that they had never had a single quarrel or dispute of any kind. When asked how that perfect accord had been achieved, he said:

"Before we married, we agreed that she was to decide all major issues and that I would decide all small issues. So far nothing but major issues have arisen."

The Secretary thinks the decision should be left to the President, the Vice President, the Speakers of the House and Senate, plus the majority and minority leaders of the two Houses, perhaps with the help of party caucuses.

The article quotes the Secretary further:

Members of the Democratic Party should vote for the British loan or be put out of the party by not being allowed to run again on the Democratic Party ticket.

Quoting further:

Either the dissenting Members should join the other party or organize an independent one. The same should apply to the Republicans.

While we all have a high regard for the mentality and leadership which the distinguished Secretary has evinced at times, it seems that in this instance many will find it hard, if not impossible, to agree with his thesis. If all of the Members of the Congress agreed and if his precept were put into practice, the form of government we have here known and loved would have vanished!

The world has seen the rise and fall of dictators, emperors, kings. There have been oligarchies. But we pride ourselves that our Government is far from being like, or kin to any such. Ours is a representative democracy, elected by the free choice of sovereign people who are qualified electors in their respective States.

We Members of Congress, in both bodies alike, are the elected Representatives of the people and since the amendment which provided for popular election of Senators, the distinction between Senators as ambassadors of the several States, while Members of the lower House were specifically and solely representatives of the people, has lost much, if not all of its meaning. The Members of the House of Representatives primarily represent the people of their own districts; next, the people of their respective States; and then the people of the Nation.

Under the oath that each Member takes, to support and defend the Constitution of the United States, we are kept keenly conscious of its provisions and our duty thereunder. There is no reference whatsoever in the Constitution of the United States, nor in any amendment nor in the preamble, to any duty that either a Senator or a Representative has to vote as his party leadership dictates.

Of course, we announce when we run for office that we are candidates, subject to the action of the Democratic or the Republican or some other party primary. But when we are elected as the candidate of that party in the general election, we come here to exercise what we believe to be sound judgment, after due consideration and study of the issues. So that to represent first the people of our constituencies, then of our States, and then of our Nation, we are bound, under the Constitution, as we interpret it in our own enlightened judgment, to vote every time for the best interest of the people, and should we fail, we face the people again every 2 years as Members of this body, or every 6 years if Members of the Senate. They will take care of the situation if we fail to represent them and interpret their wishes and their necessities aright.

Edmund Burke, the great English commoner, in his Bristol speech, laid down what he believed to be the duty of a representative of the people.

To exercise the privilege of representing them intelligently he would come to Parliament, would study every issue, and exercise all of the good judgment he could muster after consultation and study to vote what was to their supreme and best interest on every issue.

That may not be the judgment of some people who still believe in spite of that elucidation that the duty of a representative is to vote as his constituents may desire at the moment, without having had his opportunity to study, and without his information. But whether belief be entertained in the Burke doctrine, or not, the point here raised is valid. The question is not whether we should vote according to the dictates of our constituents or according to the dictates of our own consciences, under our oaths, in the light of all the information given us in the hearings, in discussion, and debate. The point at issue here, if the Secretary is correctly quoted, is that he asserts that every Member of Congress should vote neither according to the dictates of his constituents, nor of his conscience, but solely according to the dictates of the oligarchs of his political party. The distinguished Secretary is here advocating, according to that portion of the article which is in direct quotation marks, an oligarchy, pure and simple. Apparently, he would lead from the heights of our time-honored and proven concept of representative democracy to an oligarchy, which form of government failed so long ago as to have been almost forgotten.

So the issue is stark clear, and we must, if we are to do our duty here, advise the people of our constituencies and of the Nation whether or not we believe in any such theories.

Mr. PATRICK. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I shall be so glad to yield to the gentleman from Alabama.

Mr. PATRICK. I do not believe my colleague from Alabama has said a word that every true Democrat cannot agree with. I am one of the fellows of our party who really admires Secretary Wallace. I continue to agree with him on many things that some of my colleagues do not agree with him on. I think one of the outstanding qualities of the Democratic Party, however, through the years has been its liberality; and liberality means breadth that lets the members of its party committed to a principle extend to the right or to the left, without which there cannot be that Democratic swing throughout the Nation; and I do hope that we do not get so convinced of the rightness and solidarity of our views that we pull in our confines so that we cannot contain the measure of both Houses and take care of the economy of this Nation and security of the people that live in it.

Mr. HOBBS. I am glad to have those observations from the gentleman.

Mr. PATRICK. I wish to compliment the gentleman on the excellent dissertation he is making of sound democratic principles.

Mr. HOBBS. I thank the gentleman.

This advocacy of oligarchy as a form of government for the United States is an anachronism of which a brilliant and able Cabinet officer of our Government is not to be complimented for making.

Mr. Speaker, what use would there be of a Congress if we were to follow the advice of the distinguished Secretary of Commerce? There would be the President, the Vice President, the leadership of either party that you happen to belong to and you might need sometime the aid of a party caucus. But what need would there be for either branch of Congress? The answer is, of course, none, because no matter how honestly you might perform your duty, no matter how intelligent you might become, no matter how hard you might work or how much enlightened help you might get from your fellow Members or from the testimony in

committee, you could not exercise your own judgment. That would be done for you by the oligarchs. So it is, if we are to follow the leadership which is here announced, democracy is dead.

Sargeant Smith Prentiss, of Mississippi, speaking in the Senate of the United States in defense of his seat in that body, said, and I quote from memory:

That may be your answer. You may decree that Mississippi has not the right to representation in this great body; but when you so rule, my fellow Members, then blot cut that star that shines for Mississippi in the flag, but leave the stripe, fit emblem of the shame.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mrs. SMITH of Maine (at the request of Mr. HALE), indefinitely, on account of critical illness in her family.

To Mr. GREGORY (at the request of Mr. BATES of Kentucky), for 1 day, on account of official business.

To Mr. JARMAN (at the request of Mr. SPARKMAN), for 2 days, on account of important business.

EXTENSION OF REMARKS

Mr. KING (at the request of Mr. SPARKMAN) was given permission to extend his remarks in the RECORD and include an article from a magazine.

ENROLLED JOINT RESOLUTION AND BILLS SIGNED

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 301. Joint resolution to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes.

The Speaker announced his signature to enrolled bills of the Senate of the following titles:

S. 396. An act providing for the transfer of a certain fish hatchery in Comanche County, Okla., to the city of Lawton, Okla.;

S. 1162. An act to convey certain lands to the State of Wyoming; and

S. 1185. An act to change the designation of Custer Battlefield National Cemetery, in the State of Montana, to "Custer Battlefield National Monument," and for other purposes.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 301. Joint resolution to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes.

ADJOURNMENT

Mr. SPARKMAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 44 minutes p. m.), the House adjourned until tomorrow, Wednesday, March 20, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON IMMIGRATION AND NATURALIZATION

On Wednesday, March 20, 1946, the Committee on Immigration and Naturalization will proceed with hearings on H. R. 3663.

The hearings will begin at 10:30 a. m. in room 445, Old House Office Building.

COMMITTEE ON FLOOD CONTROL

The Committee on Flood Control will begin hearings on an omnibus flood-control authorization bill on Monday, April 8, 1946, at 10 a. m. The hearings will continue daily except Saturday up to and including Friday, April 19.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Tuesday, April 9, 1946, at 10:30 a. m., to begin hearings on projects to be reported out in an omnibus river and harbor authorization bill.

COMMITTEE ON THE CENSUS

The Committee on the Census will hold an executive session on H. R. 4781 on Friday morning, March 22, 1946, at 10 a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1147. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated November 9, 1945, submitting a report, together with accompanying papers and an illustration, on a review of reports on Portland Harbor, Maine, requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on June 6, 1939 (H. Doc. No. 510); to the Committee on Rivers and Harbors and ordered to be printed, with an illustration.

1148. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated November 23, 1945, submitting a report, with illustrations, on a preliminary examination and review of reports on the Mississippi River between the Missouri River and Minneapolis, for harbor improvements in Lake Pepin, Minn. and Wis., including Lake City Harbor, Minn., requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on December 19, 1938, and July 18, 1939 (H. Doc. No. 511); to the Committee on Rivers and Harbors and ordered to be printed, with two illustrations.

1149. A letter from the Chairman, Export-Import Bank of Washington, transmitting a report of the operations of Export-Import Bank of Washington as of the close of business December 31, 1945; to the Committee on Banking and Currency.

1150. A letter from the Under Secretary of Agriculture, transmitting a draft of a proposed bill to improve the administration of the Production and Marketing Administration, United States Department of Agriculture; to the Committee on Agriculture.

1151. A letter from the Secretary of the Navy, transmitting a draft of a proposed bill to amend the Naval Reserve Act of 1938, as amended, so as to establish the Women's Reserve on a permanent basis, and for other purposes; to the Committee on Naval Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SABATH: Committee on Rules. House Resolution 566. Resolution providing for the consideration of H. R. 3864, a bill to establish the office of Under Secretary of Labor, and three offices of Assistant Secretary of Labor, and to abolish the existing office of Assistant Secretary of Labor and the existing office of Second Assistant Secretary of Labor; without amendment (Rept. No. 1786). Referred to the House Calendar.

Mr. LEMKE: Committee on the Public Lands. H. R. 4435. A bill to establish the Theodore Roosevelt National Park; to erect a monument in memory of Theodore Roosevelt in the village of Medora, N. Dak.; and for other purposes; without amendment (Rept. No. 1787). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON of Florida: Committee on the Public Lands. H. R. 5591. A bill to reserve for the use of the United States all deposits of fissionable materials contained in the public lands; without amendment (Rept. No. 1788). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAY: Committee on Military Affairs. H. R. 5626. A bill to authorize the Veterans' Administration to appoint and employ retired officers without affecting their retired status, and for other purposes; with amendment (Rept. No. 1789). Referred to the Committee of the Whole House on the State of the Union.

Mr. KEOGH: Committee on the Merchant Marine and Fisheries. H. R. 5380. A bill to provide for the conferring of the degree of bachelor of science upon graduates of the United States Merchant Marine Academy; with amendment (Rept. No. 1790). Referred to the Committee of the Whole House on the State of the Union.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 1791. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. BATES of Kentucky: Committee on Rules. House Resolution 567. Resolution providing for the consideration of H. R. 2239, a bill to simplify and improve credit services to farmers and promote farm ownership by abolishing certain agricultural lending agencies and functions, by transferring assets to the Farmers' Home Corporation, by authorizing Government insurance of loans to farmers, by creating preferences for loans and insured mortgages to enable veterans to acquire farms, by providing additional specific authority and directions with respect to the liquidation of resettlement projects and rural rehabilitation projects for resettlement purposes, and for other purposes; without amendment (Rept. No. 1792). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. McGEHEE: Committee on Claims. H. R. 3781. A bill for the relief of Mabel M. Fischer; with amendment (Rept. No. 1755). Referred to the Committee of the Whole House.

Mr. CASE of New Jersey: Committee on Claims. H. R. 3971. A bill for the relief of Charles A. Clark; with amendment (Rept. No. 1756). Referred to the Committee of the Whole House.

Mr. CASE of New Jersey: Committee on Claims. H. R. 4090. A bill for the relief of Roy Hesselmeyer; with amendment (Rept.

No. 1757). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 4141. A bill for the relief of Piombo Bros. and Co.; with amendment (Rept. No. 1758). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 4244. A bill for the relief of Fundador Nieves del Valle; with amendment (Rept. No. 1759). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 4352. A bill for the relief of Ola L., Margaret, and Betty Bea Wright; with amendment (Rept. No. 1760). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 4405. A bill for the relief of John Bakelaar; without amendment (Rept. No. 1761). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 4491. A bill for the relief of Miss Vertie Bea Loggins; with amendment (Rept. No. 1762). Referred to the Committee of the Whole House.

Mr. CASE of New Jersey: Committee on Claims. H. R. 4600. A bill for the relief of the estate of Patsy Ann Maheux, deceased; with amendment (Rept. No. 1763). Referred to the Committee of the Whole House.

Mr. CHENOWETH: Committee on Claims. H. R. 4633. A bill for the relief of John B. Clausen; without amendment (Rept. No. 1764). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 4640. A bill for the relief of Gladys Hastings; with amendment (Rept. No. 1765). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 4716. A bill for the relief of Charles B. Borell; with amendment (Rept. No. 1766). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 4777. A bill for the relief of the Sawtooth Co.; without amendment (Rept. No. 1767). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on Claims. H. R. 4800. A bill for the relief of Harry Fleishman; with amendment (Rept. No. 1768). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 4832. A bill for the relief of Stanley B. Reeves and Mrs. Stanley B. Reeves; without amendment (Rept. No. 1769). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 4836. A bill for the relief of Louis M. Drolet; without amendment (Rept. No. 1770). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 4854. A bill for the relief of Mrs. Pearl Smith; with amendment (Rept. No. 1771). Referred to the Committee of the Whole House.

Mr. HEDRICK: Committee on Claims. H. R. 4885. A bill for the relief of Ernst V. Brender; without amendment (Rept. No. 1772). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 4904. A bill for the relief of Cleo D. Johnson and Jack B. Cherry; with amendment (Rept. No. 1773). Referred to the Committee of the Whole House.

Mr. HEDRICK: Committee on Claims. H. R. 4920. A bill for the relief of the estate of Curtis Wilson, deceased; with amendment (Rept. No. 1774). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 4977. A bill for the relief of Mrs. Theresa Ebrecht; without amendment (Rept. No. 1775). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 4997. A bill for the relief of the estate of Novella Wade; with amendment (Rept. No. 1776). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 5203. A bill for the relief of Michael J. Keaveney and Mary C. Keaveney; with amendment (Rept. No. 1777). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 5307. A bill for the relief of Ben V. King; without amendment (Rept. No. 1778). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on Claims. H. R. 5664. A bill for the relief of Oscar R. Steinert; with amendment (Rept. No. 1779). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 1229. A bill for the relief of Mrs. Mary M. Wolf; without amendment (Rept. No. 1780). Referred to the Committee of the Whole House.

Mr. COMBS: Committee on Claims. H. R. 1394. A bill for the relief of William H. W. Komp; without amendment (Rept. No. 1781). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 1840. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of Herbert R. W. Lauterbach and others for compensation for overtime labor performed at the Norfolk Navy Yard, Portsmouth, Va., in excess of the legal day of 8 hours; without amendment (Rept. No. 1782). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on Claims. H. R. 3378. A bill for the relief of Dr. John A. Logan; without amendment (Rept. No. 1783). Referred to the Committee of the Whole House.

Mr. HEDRICK: Committee on Claims. H. R. 3506. A bill for the relief of Mary A. Wallis; with amendment (Rept. No. 1784). Referred to the Committee of the Whole House.

Mr. SCRIVNER: Committee on Claims: H. R. 3822. A bill for the relief of Mrs. Nora E. Overcash; with amendment (Rept. No. 1785). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 1345. A bill for the relief of David M. Matteson; with amendment (Rept. No. 1793). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HOEVEN:

H. R. 5815. A bill to amend the act of May 13, 1938, as amended, so as to allow remarried widows of World War veterans to receive compensation in certain cases; to the Committee on World War Veterans' Legislation.

By Mr. CUNNINGHAM:

H. R. 5816. A bill to amend section 25 (b) (1) of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. MAY:

H. R. 5817. A bill to authorize additional permanent professors of the United States Military Academy; to the Committee on Military Affairs.

By Mr. VINSON:

H. R. 5818. A bill to authorize the payment of additional uniform gratuity to reserve officers commissioned from the status of aviation cadets; to the Committee on Naval Affairs.

By Mr. HALE:

H. R. 5819. A bill to repeal certain provisions authorizing the establishing of priorities in transportation by merchant vessels; to the Committee on the Merchant Marine and Fisheries.

By Mr. BURCH:

H. R. 5820. A bill relating to mail service on Lake Winnepesaukee, N. H.; to the Committee on the Post Office and Post Roads.

By Mr. MERROW:

H. Con. Res. 136. Concurrent resolution expressing the sense of Congress that Greece be granted fair reparation, and for other purposes; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Idaho, memorializing the President and the Congress of the United States to express through appropriate legislation an approved plan of expansion of our air transportation facilities so as to include through feeder line service; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the Commonwealth of Virginia, memorializing the President and the Congress of the United States to enact legislation providing for the return of public employment offices to State operation; to the Committee on Labor.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BUCKLEY:

H. R. 5821. A bill for the relief of Jakob Clue, also known as Jacob Klueh; to the Committee on Immigration and Naturalization.

By Mr. JUDD:

H. R. 5822. A bill for the relief of Shuji Sugawara, his wife, Haru Hazel Sugawara, and his children, Albert Nobuyuki Sugawara and Katherine Meiko Sugawara; to the Committee on Immigration and Naturalization.

By Mr. KOPPLEMANN:

H. R. 5823. A bill for the relief of Manuel Ferriera Antunes; to the Committee on Immigration and Naturalization.

My Mr. McMILLAN of South Carolina:

H. R. 5824. A bill granting an increase of pension to William E. McIntosh; to the Committee on Pensions.

H. R. 5825. A bill for the relief of George E. Doyle; to the Committee on Claims.

By Mr. RANDOLPH:

H. R. 5826. A bill for the relief of Edward M. Rinker; to the Committee on Claims.

By Mrs. SMITH of Maine:

H. R. 5827. A bill for the relief of Brian Hubert Wright; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1713. By Mr. ANDREWS of New York: Resolution by the Ukrainian Americans from western New York, protesting against forced repatriation of Ukrainian refugees and requesting that they be granted their inalienable right of political asylum; to the Committee on Foreign Affairs.

1714. By Mr. NORBLAD: Petition signed by O. M. Peak and other food merchants of Lincoln County, Oreg., suggesting certain modifications of the Price Control Act; to the Committee on Banking and Currency.

1715. By Mr. SMITH of Wisconsin: Petition of Oliver C. Wordell, secretary-treasurer, Brillion Lions Club, Brillion, Wis., petitioning Congress to include the sum of $50,000 in agriculture appropriation bill for 1947 for the establishment of a forest research center in Wisconsin; to the Committee on Agriculture.

1716. By Mr. WALTER: Resolution of parish of Christ Church, Philadelphia, with regard to the UNO, etc.; to the Committee on Foreign Affairs.

1717. By the SPEAKER: Petition of the Townsend Clubs of the Fifth Congressional District of the State of Florida, petitioning consideration of their resolution with reference to support of House bills 2229 and 2230; to the Committee on Ways and Means.

1718. Also, petition of various citizens of Stratton, Colo., petitioning consideration of their resolution with reference to the admittance to this country of the English wife of Sgt. Salvador Velasquez; to the Committee on Immigration and Naturalization.

1719. Also, petition of Southern Hardwood Producers, Inc., petitioning consideration of their resolution with reference to request to increase southern hardwood and cypress prices 20 percent; to the Committee on Banking and Currency.

1720. Also, petition of the Wisconsin League of Radio Stations, petitioning consideration of their resolution with reference to endorsement of the Lea bill; to the Committee on Interstate and Foreign Commerce.

SENATE

WEDNESDAY, MARCH 20, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Chaplain Maj. Paul W. Yinger, AUS, offered the following prayer:

Almighty God, who art the strength of those who seek Thee, the joy of those who love Thee, we who are Thy creatures ask Thy wisdom and leading, without which our days are aimless and our strivings mean and momentary.

O Thou who art the Teacher of the meek, speak to us the word of truth that we be not condemned to move from error to despair and from despair to defeat.

Bless our land, we pray, with the fruits of honest toil and the blessings which come from devotion to Thy way. Fashion us into a courageous and noble people that we may prove ourselves the encouragement and hope of the world. Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, March 19, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 4873) to create an Agricultural Credit Agency, to consolidate therein all Federal agricultural lending agencies, to create a public farm-appraisal system, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on March 19, 1946, he presented to the President of the United States the following enrolled bills:

S. 396. An act providing for the transfer of a certain fish hatchery in Comanche County, Okla., to the city of Lawton, Okla.;

S. 1162. An act to convey certain lands to the State of Wyoming; and

S. 1185. An act to change the designation of Custer Battlefield National Cemetery, in the State of Montana, to Custer Battlefield National Monument, and for other purposes.

COMMENDATION OF COMMODORE JAMES K. VARDAMAN—RESOLUTION OF MISSISSIPPI LEGISLATURE

Mr. BILBO. Mr. President, I ask unanimous consent to present for appropriate reference a concurrent resolution adopted by the Legislature of the State of Mississippi commending the Honorable James K. Vardaman, whose nomination as a member of the Federal Reserve Board is now before the Senate. I ask to have the resolution printed in the body of the RECORD.

There being no objection, the concurrent resolution was received, referred to the Committee on Banking and Currency, and, under the rule, ordered to be printed in the RECORD, as follows:

House Concurrent Resolution 31

Concurrent resolution memorializing the United States Senate to confirm the appointment of James K. Vardaman as a member of the Board of Governors of the Federal Reserve System

Whereas James K. Vardaman is a native-born Mississippian and a member of one of Mississippi's most illustrious families, his father, James K. Vardaman, Sr., having served as a member of the legislature, speaker of the house of representatives, Governor of Mississippi, and a United States Senator; and

Whereas James K. Vardaman has an excellent educational background, having graduated from the University of Mississippi with both a bachelor of arts degree and a bachelor of laws degree; and

Whereas he has had a long and wide experience in the handling of bonds, finance, and banking; and

Whereas James K. Vardaman has served his country bravely and courageously as a captain of artillery in World War I and as a commander, captain, and commodore in the United States Navy in World War II, and was wounded in the invasion of southern Europe; and

Whereas the President of the United States has appointed Commodore Vardaman as a member of the Board of Governors of the Federal Reserve System because of his qualifications as a banker and because of his wide experience in finance and bonds: Now, therefore, be it

Resolved by the House of Representatives of the State of Mississippi (the senate concurring therein), That the United States Senate be memorialized to confirm the appointment of James K. Vardaman as a member of the Board of Governors of the Federal Reserve System and that a copy of this resolution be sent to the clerk of the United Senate and to the two Senators from the State of Mississippi.

Adopted by the house of representatives, February 27, 1946.

J. WALTER SILLUS,
Speaker of the House of Representatives.

Adopted by the senate, March 5, 1946.

F. L. WRIGHT,
President of the Senate.

AMENDMENT OF FAIR LABOR STANDARDS ACT—PETITION

Mr. CAPPER. Mr. President, I have in my hand a telegram signed by outstanding businessmen of my home town of Topeka, Kans., urgently appealing to the Congress to indicate definitely in the pending bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, that employees of any office building which is not engaged in interstate commerce be exempt from the wage-hour provisions. I earnestly hope such action will be taken by the Senate when that section of the bill is reached.

I ask unanimous consent to present the telegram and that it be appropriately referred and printed in the RECORD as a part of my remarks.

There being no objection, the telegram was received, ordered to lie on the table and to be printed in the RECORD, as follows:

TOPEKA, KANS., *March 15, 1946.*

Hon. ARTHUR A. CAPPER,
United States Senate Office Building,
Washington, D. C.:

We the undersigned in conference just concluded are unanimously agreed that wage-hour amendment, S. 1349, would extend provisions of wage-hour law to practically all office buildings. Only those buildings engaged in interstate commerce are now covered by law. Proposed legislation would bring under law every activity affecting commerce. Proposed changes would create confusion. Proposed changes should possibly remove all distinction between interstate and intrastate business and we urge your vigorous opposition.

Paul Sweet, David Neiswanger, Laird Dean, Wm. O. Biby, David G. Page, H. O. Chapman, J. E. Merriam, C. O. Blevans, W. L. Hamilton, John Dean, Henry Bubb.

USE OF WORDS "OBSERVE SUNDAY" IN CANCELLATION OF MAIL

Mr. CAPPER. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD without the signatures attached a letter signed by the Reverend Robert I. Scott, pastor, and 65 members of the United Presbyterian Church, of Chicopee, Mass., in which they endorse Senate Joint Resolution 46 to provide for use of the words "Observe Sunday" in the cancellation of United States mail.

There being no objection, the letter was received, referred to the Committee on Post Offices and Post Roads, and ordered to be printed in the RECORD without the signatures attached, as follows:

CHICOPEE, MASS., *March 7, 1946.*

DEAR SIR: We are more than happy for the Christian stand that you have shown in the introduction of the Senate Joint Resolution 46 and desire to add our testimony to yours.

Even the quiet printing of "Observe Sunday" on the mail, especially at the strategic season of the year that you propose, shall speak much for the preservation of a day that should be marked with the thanksgiving and prayers of a so-called Christian nation.

We appreciate this and all similar efforts and in token thereof have affixed our names as fellow citizens and fellow Christians and we shall watch and pray for the enactment of this bill.

Sincerely,

THE MINISTER AND MEMBERS.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. WALSH, from the Committee on Naval Affairs:

S. 1871. A bill to authorize the conveyance of a parcel of land at the naval supply depot, Bayonne, N. J., to the American Radiator & Standard Sanitary Corp.; without amendment (Rept. No. 1070); and

H. J. Res. 307. Joint resolution to authorize the use of naval vessels to determine the effect of atomic weapons upon such vessels; with an amendment (Rept. No. 1071).

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. BARKLEY, from the Joint Select Committee on the Disposition of Executive Papers, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon pursuant to law.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TYDINGS:

S. 1967. A bill to amend an act entitled "An act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes," as amended; to the Committee on Territories and Insular Affairs.

By Mr. RUSSELL:

S. 1968. A bill for the relief of Ida Valeri; to the Committee on Immigration.

S. 1969. A bill for the relief of Mr. and Mrs. Andrew Evans; to the Committee on Claims.

By Mr. JOHNSON of Colorado:

S. 1970. A bill to amend certain provisions of the National Service Life Insurance Act of 1940, as amended; to the Committee on Finance.

By Mr. MYERS:

S. 1971. A bill authorizing the Secretary of the Navy to dispose of certain materials to the United States Coast Guard Auxiliary; to the Committee on Naval Affairs.

(Mr. MEAD introduced Senate bill 1972, to repeal the prohibition against the filling of a vacancy in the office of district judge in the Southern District of New York, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

DISTRICT JUDGE, SOUTHERN DISTRICT OF NEW YORK

Mr. MEAD. Mr. President, the Judicial Conference of Senior Circuit Judges, at its recent session which was held in September 1945, recommended the repeal of the prohibition against filling the judicial vacancy in the District Court of the Southern District of New York. That vacancy was caused by the retirement of the late Judge John M. Woolsey. The effect of this action would be to restore to 13 the number of district court judges authorized for the southern district of New York. The thirteenth judge was authorized by the act of May 24, 1940, but that act contained a provision to the effect that thereafter the first vacancy occurring in the office of district judge should not be filled. Consequently, the number of judges reverted to 12 upon the retirement last December 31 of Judge Woolsey.

Mr. President, I therefore ask unanimous consent to introduced for appropriate reference a bill to repeal the provision which prevents the filling of the vacancy in the southern district of New York which was caused by the retirement of Judge Woolsey.

There being no objection, the bill (S. 1972) to repeal the prohibition against the filling of a vacancy in the office of district judge in the southern district of New York was received, read twice by its title, and referred to the Committee on the Judiciary.

AMENDMENT OF FAIR LABOR STANDARDS ACT—AMENDMENTS

Mr. JOHNSTON of South Carolina, Mr. MEAD, and Mr. HOEY each submitted an amendment intended to be proposed by them, respectively, to the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, which were severally ordered to lie on the table and to be printed.

DEPARTMENT OF AGRICULTURE APPROPRIATION ACT, 1947—AMENDMENT

Mr. MYERS submitted an amendment intended to be proposed by him to the bill (H. R. 5605) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1947, and for other purposes, which was in the item "Forest and range management investigations," on page 38, line 19, to strike out "$2,330,000" and in lieu thereof to insert "$2,405,000," which was referred to the Committee on Appropriations and ordered to be printed.

HOUSE BILL REFERRED

The bill (H. R. 4873) to create an Agricultural Credit Agency, to consolidate therein all Federal agricultural lending agencies, to create a public farm-appraisal system, and for other purposes, was read twice by its title and referred to the Committee on Agriculture and Forestry.

INVESTIGATION OF ADMINISTRATION OF FEDERAL BANKING LAWS

Mr. DOWNEY submitted the following resolution (S. Res. 242), which was referred to the Committee on Banking and Currency:

Resolved, That the Committee on Banking and Currency, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation with respect to (1) the circumstances under which agencies of the Federal Government may grant or decline to grant banking charters or memberships in Federal agencies to banking institutions, or approve or disapprove the establishment of additional banking facilities by existing institutions, and (2) the administration of the Federal banking laws, particularly concerning the equal opportunity of banking institutions to share in the benefits of such laws, and whether discrimination and unfair practices are indulged by supervisory agencies to the prejudice of particular institutions. The committee shall report to the Senate at the earliest practicable date the results of its study and investigation, together with such recommendations as it may deem desirable concerning additional legislation.

For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Seventy-ninth Congress to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee under this resolution, which shall not exceed $———, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

PERMANENT APPOINTMENTS IN THE GRADES OF GENERAL OF THE ARMY, FLEET ADMIRAL OF THE NAVY, AND GENERAL IN THE MARINE CORPS—CONFERENCE REPORT

Mr. THOMAS of Utah submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1354) to authorize the permanent appointment in the grades of General of the Army, Fleet Admiral of the United States Navy, and general in the Marine Corps, respectively, of certain individuals who have served in such grades during the Second World War, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment numbered 3.

That the Senate recede from its disagreement to the amendments of the House numbered 1, 2, and 4, and the amendment of the House to the title of the bill; and agree to the same. Amendment numbered 5: That the Senate recede from its disagreement to the amendment of the House numbered 5, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "shall be entitled to receive the same pay and allowances while on the retired list as officers appointed under this section are entitled to receive while on active duty.

"SEC. 3. The President is hereby authorized, by and with the advice and consent of the Senate, to appoint to the permanent grade of admiral in the Coast Guard any individual who shall have served as Commandant of the Coast Guard, with the grade and rank of admiral, after March 21, 1945, and before August 14, 1945. Any officer appointed under the provisions of this section shall receive the pay and allowances prescribed by section 3 of the Act of March 21, 1945 (Public Law 20, Seventy-ninth Congress); and any such officer who has been or may hereafter be retired or relieved from active duty shall be entitled to have his name placed on the retired list with the highest grade or rank held by him on the active list or while on active duty, and shall be entitled to receive the same pay and allowances while on the retired list as officers appointed under this section are entitled to receive while on active duty."; and the House agree to the same.

ELBERT D. THOMAS,
EDWIN C. JOHNSON,
LISTER HILL,
WARREN R. AUSTIN,
STYLES BRIDGES,
Managers on the Part of the Senate.

ANDREW J. MAY,
EWING THOMASON,
OVERTON BROOKS,
WALTER G. ANDREWS,
DEWEY SHORT,
Managers on the Part of the House.

The report was agreed to.

THE OPA—ARTICLE BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an article entitled "What's Wrong with OPA?" written by him and published in the March 1946 issue of the Washington News Digest, which appears in the Appendix.]

AMERICAN POLITICAL PHILOSOPHIES—ADDRESS BY CHESTER V. SALOMON

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address delivered by Chester V. Salomon, of Milwaukee, Wis., before Second Ward Republican Club of Milwaukee on March 14, 1946, which appears in the Appendix.]

NEED FOR FEDERAL LABOR LEGISLATION—STATEMENT BY SENATOR BALL

[Mr. BALL asked and obtained leave to have printed in the RECORD a statement entitled "Is Federal Labor Legislation Needed?" made by him on March 19, 1946, which appears in the Appendix.]

JACKSON DAY DINNER ADDRESS BY SENATOR MEAD

[Mr. MEAD asked and obtained leave to have printed in the RECORD a Jackson Day dinner address delivered by him at Binghamton, N. Y., on March 18, 1946, which appears in the Appendix.]

FOOD SITUATION IN EUROPE—ARTICLE BY BISHOP SHEIL

[Mr. MEAD asked and obtained leave to have printed in the RECORD an article on the subject of the food situation in foreign countries written by Bishop Bernard J. Sheil and published in the Washington Post of March 10, 1946, which appears in the Appendix.]

JEWISH HOMELAND IN PALESTINE—ADDRESS BY SOLICITOR GENERAL McGRATH

[Mr. MEAD asked and obtained leave to have printed in the RECORD, a radio address on the subject of a Jewish homeland in Palestine, delivered by Solicitor General J. Howard McGrath on March 5, 1946, which appears in the Appendix.]

THE BRITISH LOAN—STATEMENT BY EDWARD A. O'NEAL

[Mr. HILL asked and obtained leave to have printed in the RECORD the statement in support of the British loan made by Edward A. O'Neal, president, American Farm Bureau Federation, before the Senate Banking and Currency Committee on March 13, 1946, which appears in the Appendix.]

AGRICULTURAL PROGRAM OF THE NATIONAL FARMERS UNION

[Mr. AIKEN asked and obtained leave to have printed in the RECORD a national economic policy for agriculture adopted by the National Farmers Union, which appears in the Appendix.]

APPOINTMENT OF BERNARD M. BARUCH TO ATOMIC ENERGY COMMISSION

[Mr. LUCAS asked and obtained leave to have printed in the RECORD an editorial entitled "New Assignment," from the Washington Evening Star of March 19, relating to the designation of Bernard M. Baruch as the American representative on the United Nations Atomic Energy Commission, which appears in the Appendix.]

CALL OF THE ROLL

Mr. PEPPER obtained the floor.

Mr. HILL. Mr. President, will the Senator yield to me to suggest the absence of a quorum?

Mr. PEPPER. I yield for that purpose.

Mr. HILL. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	Murray
Austin	Hart	Myers
Bailey	Hatch	O'Daniel
Ball	Hawkes	O'Mahoney
Bankhead	Hayden	Overton
Barkley	Hickenlooper	Pepper
Bilbo	Hill	Radcliffe
Brewster	Hoey	Reed
Buck	Huffman	Revercomb
Bushfield	Johnson, Colo.	Russell
Capehart	Johnston, S. C.	Saltonstall
Capper	Kilgore	Smith
Carville	Knowland	Stanfill
Chavez	La Follette	Stewart
Connally	Lucas	Taft
Cordon	McClellan	Thomas, Okla.
Donnell	McFarland	Thomas, Utah
Downey	McKellar	Tunnell
Eastland	McMahon	Tydings
Ellender	Magnuson	Vandenberg
Ferguson	Maybank	Walsh
Fulbright	Mead	Wheeler
George	Millikin	White
Gerry	Mitchell	Wiley
Gossett	Moore	Willis
Green	Morse	
Guffey	Murdock	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from New York [Mr. WAGNER] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] and the Senator from Virginia [Mr. BYRD] are necessarily absent.

The Senator from Missouri [Mr. BRIGGS] and the Senator from Idaho [Mr. TAYLOR] is detained on public business.

The Senator from Nevada [Mr. MCCARRAN] is absent on official business.

Mr. WHITE. The Senator from Illinois [Mr. BROOKS] is recovering from a recent operation.

The Senator from Nebraska [Mr. BUTLER], the Senator from Minnesota [Mr. SHIPSTEAD], and the Senator from North Dakota [Mr. YOUNG] are necessarily absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from North Dakota [Mr. LANGER], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is still detained on official business.

The Senator from Wyoming [Mr. ROBERTSON] is absent because of the illness of a relative.

The Senator from Iowa [Mr. WILSON] is absent because of illness in his family.

The PRESIDENT pro tempore. Seventy-nine Senators having answered to their names, a quorum is present.

AN AMERICAN POLICY FOR PEACE AND A NEW WORLD

Mr. PEPPER. Mr. President, as the hearts of men and nations are gripped in the fear of war, I rise to speak for peace, and against war, and alike against the causes of war and those who want to make war.

The grim danger of war which faces America and the world today impels me to speak with the utmost candor and plainness.

Before the veterans have all come home to their families again, before artificial legs and arms have been provided for the amputees, before new faces have been made for the scarred and wounded, before the sick and injured have all gotten into hospitals, and the handicapped have learned a new way of earning a living—yes, before the war itself is over, responsible people are letting their tongues roll the word "war" again.

It is time for the Government and the people of this country to stop, look, and listen. It is time—yes, it is late—for those millions of American men and women who have just laid down the weapons of war to awaken to the fact that we are hurtling toward war again. It is late for the mothers and fathers of this country who have just got some of their sons home, to be startled, and to realize that they are about to lose them again, and that the monster of war which they thought forever dead is rising once more.

What is this fright and furor which makes us so tense we can listen without surprise or shock at the rumor around the Halls of this Congress a few afternoons ago that demobilization had been stopped, leaves canceled, and feverish preparation for mobilization was in progress? There was such credibility in the very nature of this suggestion that the War Department had officially to deny it, even to the Congress.

Who is it that threatens us with war?

Has Germany, so recently and so soundly defeated, suddenly reemerged as a potent enemy, ready to strike again?

Has Japan, after surrendering abjectly, eluded the vigilance of General MacArthur and his troops? Does she now stand ready again to plunge her treacherous dagger in our backs?

Have all our late enemies been suddenly resurrected from the grave dug by our victory only a few short months ago?

No. Germany, Japan, and their satellites are prostrate. It is not they who are the cause of these rumors of war.

Rather it is among the Allies who so gloriously fought together to defeat them, that, according to everything we see and hear, a new war threatens.

Here, for the first time in modern history, three major powers, all who fought grandly together as allies, stand unchallenged in the world. Their enemy is defeated, and no one save those whose hands they have clasped in the friendship of struggle and sacrifice are capable of threatening them. And yet we live in tension comparable to the days before Munich or on the eve of either of the last wars. Before we throw away this peace we have so dearly won, before we condemn mankind to war suicide, before we thrust back the hand of plenty which the future has hospitably been extending toward us and toward all mankind, is it not time to look with candor and clear sight, and with an earnestness which bespeaks the horror of what we risk if we fail, to try to understand what lies behind all this planning and talking about war.

Of course, there are always national chauvinism, imperial vanity, and the dangerous dregs of unrepentant isolationism loose in the land and in the world. And there is, of course, the infamous influence of fearmongers and warmongers who are promoting their gambles with death and destruction to

recapture their industrial or political empires which were destroyed in the defeat of nazism.

But beyond and behind these sinister forces and people, this tension which threatens war is the reflection of the desperate reaching out of the United States, Great Britain, and the Soviet Union for national security.

Let us look at the Big Three, the victorious Big Three, today and see what they are doing for self-preservation.

Take ourselves first. The extent of demobilization we have had is primarily due to the demand of the men that they be let out and of their families and loved ones that they come home rather than to any desire on the part of the Army, Navy, or Air Forces. It has been recommended to the Congress that we have an Army of over a million, a Navy of 500,000; that we have over a thousand ships in active service and a reserve fleet subject to immediate manning—the largest Navy in the world beyond all question and essentially the equal of all other navies afloat.

It has been recommended that we have an Air Force of 500,000 men and the greatest and most modern air fleets, with the entire world in their range.

It has been recommended to the Congress that we extend selective service and that we adopt peacetime compulsory military training in America.

We are told that so many of our war plants will be stand-by plants ready for instant use in the making of war material, and that we shall stock pile from the ends of the earth strategic and critical materials.

Demand has been imperatively made that we gird ourselves with scores of major bases, stretching in the west to the coast of China 6,000 miles from San Francisco, reaching practically from the Arctic to the Antarctic, and including the mandated islands in the Marianas and the Carolines held by the Japanese under the League of Nations. And the same demand has been made for a system of bases that stretch the length of the hemisphere in the Atlantic.

Over and above all this, we have the atomic bomb. According to reports we are stock piling atomic bombs as fast as our facilities will allow, notwithstanding the growing resignations and resistance of the scientists who made the bomb possible.

We are on the verge of the most colossal experiment in military history to see what is the real strength and power and behavior of this atomic bomb, so that we may increase its destructive character, and at the same time build perhaps a new type of fleet impervious to the atomic bomb of another—an experiment, incidentally, to which the Security Council of the United Nations Organization has not yet been invited. And we clutch desperately to the atomic bomb and our exclusive control of it like a fearful child clutching the hand of an all-powerful father. Meantime, some among us advocate that the military should become the principal guardians and users of this mighty atomic power.

Indeed, those who used to argue that the safeguards of our security were the two oceans now urge us to span all oceans and move from pole to pole and continent to continent in desperate quest for an illusory military security, while other nations, inevitably apprehensive over all these things, ask, "What is America up to? Is it just security they seek?"

Does all this sound like a nation which feels calm and secure in a world grown small and neighborly?

Let us look at Britain, another member of the Big Three.

Tory and Socialist alike are aquiver over the dangers to their routes to India, over the deterioration of the Empire's life lines, over the possibility of some other powerful nation getting a foothold in the Mediterranean which Britain, 1,500 miles away, seems to regard as her own "Mare Nostrum."

Why does she keep 4,000,000 men under arms? Why does she maintain armies of so-called "protection" in Greece, Palestine, Egypt, Indonesia, India, Indo-China, Burma, and everywhere else along the routes of Empire? Exhausted and financially pressed as she is, beset with tremendous domestic recovery problems which for their solution require the strong arms of all her men and women, Britain still keeps huge armies on the alert, and constantly is building a greater Navy, a greater air force, carrying on desperately research in the improvement of war weapons and in the science of war, and reaching out eagerly and earnestly for bilateral alliances and nonaggression compacts.

Even with the United Nations Organization established and the Security Council at work, Britain acts the part of a nation on the brink of war. She holds onto her corner of the atomic bomb like grim death, backing America's stand on secrecy with a determination born of panic.

Is this the picture of a great nation and a people which has just emerged victorious from her most dangerous of all wars and now faces confidently the future in a safe and prosperous world?

Now let us take the third member, Russia.

Russia is strong today. But after a bitter yesterday, Russia looks apprehensively to what she may encounter tomorrow. She is suspicious. Denied the atomic bomb, denied warm water outlets, denied the common courtesy of economic negotiations with her greatest ally, believing that her philosophy is such that she will never be accepted by nations dominated by cartelists, reactionaries, or Russophobes, Russia is beset with many fears.

She reads the newspapers of Britain and the United States. She learns of the speeches made by men in high office, including the speeches made in the Congress. She makes an application for a loan from her old comrade in arms, the United States, and what happens to it?

In the words of Generalissimo Stalin to me last September in Moscow. "Six months have elapsed and Russia has not even had an answer to her application for a $6,000,000,000 loan to help her repair the damage of war and raise the standard of living of the Russian people."

After this conversation, the American Embassy in Moscow wrote a letter to the Soviet Foreign Office calling attention to an earlier letter from the United States advising that American policy had not yet been formulated with respect to such loans. Another 6 months elapses and meanwhile a $3,750,000,000 loan has been specially negotiated with another power and laid before the Congress. But Cabinet members in Washington say there never was such an application made. Maybe Stalin did not know.

Then the startling announcement is made that there was a Russian application for an Export-Import Bank loan, but it got lost in a pigeonhole and has just been discovered.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. PEPPER. I had hoped to be able to continue without interruption, if the Senator does not mind.

Russia forms her own opinion of whether a Russian loan would be recommended by the American Government and could pass the American Congress, and thereafter adopts her 5-year plan to the desperate need of lifting herself by her own bootstraps.

The Soviet Union too keeps a great army, the greatest in the world under arms, and lays great plans for its new strength and power. She works desperately to build her own atomic bomb and to provide new and improved weapons of war. In the Far East, in the Middle East, in the Mediterranean, in the Balkans, in eastern Europe, and in the Baltic, she strives to build a "Maginot line" of security. She reaches out eagerly for critical and strategic materials, particularly oil. And she must take from the low standard of living of her people, a people who have suffered more than any great nation in history from war, the materials and the manpower with which to support this security machine.

Russia knows what war is. Hence her fear is not imaginary. It grows out of anguish and suffering. It rises from the smoking, battered ruins of her devastated areas, from the 15,000,000 men, women, and children—50 times our losses—she lost in this war, from the 25,000,000 whom that war left homeless and starving, from all those who went hungry, poorly clothed, and wretchedly housed, to defeat those enemies who with fierce barbarity and unspeakable atrocity invaded her soil and attacked her people.

I heard of the incident of Russian slave laborers being transported into Germany; of women hastily snatched from their homes without regard to their health, some of them giving birth to babies in the slave train, and the Gestapo snatching those newborn babies from the clutching embrace of mothers and hurling them out the window to perish in the snow beside the track.

Russia's fear is aggravated by her memory of the past. She remembers the summer of 1919, when the armies of 14 nations, including Britain, France, China, the United States, Germany, and Japan were waging war against the new Soviet Union upon Soviet soil.

She remembers the 7,000,000 Russian men, women, and children who perished in battle or from starvation and disease in 2½ years of bloody intervention and

civil war, and the estimated $60,000,000,000 of property damage she suffered in the same period.

The Russians remember what Winston Churchill himself, on another day and in another mood, said of this period. He said:

> Were they (the Allies) at war with Russia? Certainly not. But they shot Soviet Russians at sight. They stood as invaders on the Russian soil. They armed the enemies of the Soviet Government. They blockaded its ports and sank its battleships. They earnestly desired and schemed its downfall. But war? Shocking. Interference? Shame. It was, they repeated, a matter of indifference to them how Russians settled their own affairs. They were impartial—Bang!

Russia remembers the Red baiting, the articulated and open conspiracy against her among the major capitalistic powers of the world, which went on after foreign military forces were withdrawn or driven from the Soviet Union, and the long period when she was feared and hated by all and recognized by none.

She remembers how long it was before Britain recognized her established Government, and that more than a decade passed, after her Government was in indisputable power and authority, before Franklin D. Roosevelt became President of the United States and recognized her.

She remembers how long it was before she was permitted entry into the League of Nations, and then how her sober pleas for collective security and for disarmament were contemptuously ignored.

She remembers how Hitler was built up against her and how she was denied an invitation to Munich, where it was made virtually certain that Hitler would strike her.

She remembers the German-Japanese-Italian conspiracy to destroy Russia under the hypocritical pretense of the Anti-Comintern Pact, and that no nation of strength and power protested against such proposed aggression.

She remembers the iron curtain which for generations the western European powers have dropped down between Russia and the Middle East, the Mediterranean, the Balkans, and eastern Europe.

Yes; Russia remembers the efforts made to divert Hitler against her alone, the Senators in the United States Senate who voted to make lend-lease illegal for Russia, and the prophecies made in Europe and the United States that she would quickly collapse under the Nazi hammer blows.

If we, with our atomic bomb, with the greatest navy in the world, the largest air force, and the most superbly equipped army, are fearful; if we, for security, defend a zone which now includes the Western Hemisphere, the Pacific Ocean, Japan, and central China, and the Atlantic Ocean north to Iceland and east to the Azores; if Britain's defense zone embraces western Europe, the Mediterranean, the Near East, Africa, and southwest Asia, as well as the seven seas, is there any real wonder that Russia, knowing the horrors of war as we never have known them, as even the British have not known them, is determined that never again shall the cruel assault which she has experienced twice in one generation come to curse her?

Yes; the world is in the grip of fear. We face today a crisis of confidence.

This siege of fear reaches from the highest heads of state to the lowliest man in the street.

We read in the papers what the heads of state say. Each of us in his own experience knows what the common man is saying. A taxi driver in my presence 2 nights ago cursed his luck that he was just home from the Pacific, just back with his wife and two dirty little chubby kids, as he put it, just having bought his new cab, and now it seemed as though he would have to chuck it all again and go off to war once more.

Fear-mongering is the tactic of the warmongers. It is the tactic of those whose over-all strategic conception is war.

Can we not allay this great and all-pervading fear among the nations?

Can we not prevent the vicious cycle of so-called defensive measures and countermeasures which are brutally undermining the foundations of world peace?

War, Mr. President, does not spring, like Minerva, full-blown from the brow of Jove. War is not made by a single, overwhelming decision. It is made by an accumulation along the way of minor decisions, some witting, some unwitting, which make the final decisions of war inevitable. War is built up stone by stone, as it were; it develops step by deliberate step; it creeps up mistake by mistake, misjudgment after misjudgment, until, too late, the guns go off.

What, then, is the way out of this web of fear?

We may in the beginning ask what are the blind alleys which do not lead out, which enmesh us all the deeper.

First is the blind alley of unilateral nationalism or isolationism. No nation today is strong enough to be secure alone, no matter if it does have, in the words of the distinguished chairman of the Foreign Relations Committee, "an adequate army, a superior navy, and a superlative air force"—and even, I might add, the almighty bomb.

The second blind alley is the program of "getting tough," as some urge, or waving the big stick. All you have to do, Mr. President, is to read history to learn that Britain or Russia or the United States do not frighten easily. And these nations have not been accustomed to run even before force, let alone to quiver before epithets, however stentorian be the tones in which they are uttered.

The third blind alley is the bilateral alliance or the balance-of-power conception of security. Both of these belong to a dead day. We have passed them on the way upward and forward. And that is true even if you call the bilateral alliance a "fraternal association."

And we must confess that at the present time and under the present circumstances the United Nations Organization is not the way out of this web of fear.

The United Nations Organization was founded upon the principle of the unity of the Big Three. It is not, as certain Senators repeatedly assured us, a superstate or a world government. It is a compact of sovereign states, because it could not have gotten by the Senate had it been anything else.

It was never expected, when it was created, that the United Nations Organization had the power to act against one of the Big Three, for the veto was the inevitable incident of the principle that it was a compact among sovereign states of unimpaired sovereignty. It is a delusion and a snare to regard the present United Nations Organization as the tribunal for the solution of the clashes and conflicts among the Big Three growing out of their fear for their own security.

And those who pretend now that the United Nations Organization can perform such functions are either, without disclosing their purpose, attempting to wreck it or to convert it from its declared original character into something else.

If an attempt is made to settle one of the major issues among the Big Three, the veto power would, of course, be used by the nation affected. Then the United Nations Organization would be utterly helpless; and we knew that when we ratified it in the Senate. Its framers knew that when they conceived it at Dumbarton Oaks and at San Francisco.

If, after a veto, the other two of the Big Three attempt to use the machinery of the United Nations Organization against the third member of the Big Three to coerce it, or if outside the United Nations Organization they use force, then the world is faced with war.

Also, the United Nations Organization is wrecked if two of the Big Three under the cloak of the United Nations Organization form another cordon sanitaire around the third of the big trinity.

In fact, it was never expected that the United Nations Organization would function save upon the sturdy base of the unity of Great Britain, Russia, and the United States. We must, therefore, prepare outside the United Nations Organization the conditions which will make it possible for the United Nations Organization effectively to function, just as with respect to the proposed loan to Britain we are today preparing the foundations upon which the Bretton Woods agreement can work.

Nor will the problem be solved by attempting at this time to change the character of the United Nations Organization by a drive to scrap the veto power.

What, then, is the way out of this crisis of fear? And how can the United Nations Organization and the peace be saved?

I venture to suggest that the only way is to carry out the grand conception of Franklin Delano Roosevelt who, more than any other, is responsible for the United Nations Organization, and to reestablish the unity of Great Britain, Russia, and the United States, and to bring about a whole new mental and spiritual attitude on the part of these powers toward peace and plenty.

But at the very outset one asks the question, How can such unity now be reestablished and how can we dispel this fog of distrust and fear, and dedicate

these great powers to a new victory of peace and plenty?

I suggest let there be convened at once a meeting of the heads of the Governments of Great Britain, Russia, and the United States and a full-scale conference of the Big Three set under way post haste. Of course, at such a conference the foreign offices of the three Governments would be strongly represented. But that is not enough to provide delegations truly representative of the will to peace of these three countries and the gravity and comprehensiveness of the issues to be considered at such a conference.

Among our representatives, for example, there should be Eisenhower, and from Russia there must be Zhukov, and from the British, Alexander and others like these men who have worked together. Each of these men has the complete respect and confidence of the military men of the other Big Three Powers. And incidentally, no one of them ever hurled across the council table an epithet against another.

And there must be businessmen, labor leaders, leaders of agriculture, women, veterans of this war and the youths who would be the cannon-fodder of another war.

This conference would have the commission of staying in session until its task was done. Its scope and agenda must be the restoration of confidence among the Big Three by working out agreement on three fundamental issues—military, economic, political or cultural—which today are holding up agreement on the specific issues that come before the Security Council. The task of the conference is in effect to clear the way for the Security Council and the General Assembly. It will not seek agreement on detail, but on those basic principles on which the detailed issues pivot.

I. SECURITY THE MAJOR ISSUE

The major issue facing this conference will be the issue of security and the resolution of the fears of each and all of the three great powers.

The first task on the security agenda is to insure that we shall never allow Germany and Japan to make war again. There can be no peace, no hope of peace, unless these two war-making nations shall forever be purged of the power to make war.

That means we must thoroughly carry out our purpose of demilitarization, denazification, decentralization, decartelization, and reeducation of the German people. The same things must be ruthlessly done in Japan.

I shall never forget, sitting with Generalissimo Stalin in the Kremlin and hearing him tell me that the war we have just suffered grew out of our policy of leniency toward Germany after the last war, and of his fears that we are now making the same mistake about Japan. I shall never forget seeing him strike his fist upon the table in front of him and saying, with that resolute spirit which hurled the Nazis back from the throat of his country, "Never again must Germany and Japan be allowed to make war."

Obviously neither the Big Three nor the United Nations Organization should stop when we destroy nazism and fascism in Germany. We should also cut out the roots which have now reached into Spain and Argentina.

It is a larger subject than I can adequately cover here, but it seems to me that we cannot successfully accomplish this purpose of keeping Germany from waging war again unless we put under international control and detach from the Reich the Ruhr, and the Rhineland; unless we detach and set up Bavaria as an independent country, as it once was for a thousand years; and unless, following the suggestion of Sumner Welles, we divide into two parts the remainder of the country along historical divisions.

These severed parts of Germany could economically exist and the people in them enjoy a good life and a decent standard of living without Germany as such again having the unity and the character which would give it the power to make war. Mr. President, a nation which three times since 1870 has attacked its neighbors, the last two times engulfing the world in the maelstrom of war, has forfeited its right to be a nation until it has gone through an adequate period of penance and probation.

Of course, this division of which I speak can be begun or accomplished only when our occupation policies are carried out, and we are ready to bring Germany under a permanent peace treaty.

Second on the security agenda must be atomic power. It is senseless to think that there can be a stable and secure world as long as only a part of the major powers have the atomic bomb. It is folly to expect Russia to sit supinely by and not make every desperate effort to provide for its own security this incalculably dangerous and destructive weapon while others have it perfected and are producing bombs for their stock piles. There can be only a panicky atomic bomb race among the great powers if this question is not satisfactorily resolved.

It is impossible to measure the damage already done to world peace and security—and, I may add, to international confidence in the purpose of future America—by our failure to admit this obvious fact.

Moreover, though atomic power is potentially the greatest boon humanity has ever had it can never be developed to serve mankind unless it is finally disposed of as a threatening weapon of war, and kept safely out of military hands. For the military knew only one use of atomic power, and that is to use it for war and destruction. We need only to make the simple inquiry as to what would have happened in the world to the steam engine and electricity if they had been primarily developed as instruments of war, and kept by the military from the free and open channels of science and progress.

Let America, therefore, take the lead in proposing a resolution of this most dangerous of issues among the Big Three. I would prefer that we should first, before the convening of such a conference, after calling on Britain and Canada to join us, destroy every atomic bomb which we have, and smash every facility we possess which is capable of producing only destructive forms of atomic energy. Then we could go into the court of this conference with the cleanest of hands to talk about the future control of atomic power for the purposes of peace and outlawing it for war.

Of course, we should have stopped the whole atomic bomb production process on VJ-day. Our failure to do so has already not only precipitated suspicion and ill will, and many of the acts of provocation now being committed in the world, but a desperate atomic bomb race among the major powers is already on the way.

But it will not be imperative that we destroy our atomic bomb facilities before going to such a conference if we will solemnly offer to do so, if the other members of the Big Three will covenant to destroy all such facilities which they have, and if all of us will agree that the fullest access to all of our countries shall be allowed to representatives of the Security Council to witness in all our countries such destruction.

We should all have to pledge ourselves never to make any weapon out of atomic energy and to give representatives of the Security Council the most open and the freest right of examination of our facilities and research in this field at all times.

Our agreement to destroy our own bomb-making facilities must also be upon condition that all the present and future body of knowledge respecting atomic energy shall be freely poured into the international channels of science and become the common property and the newest servant of mankind.

To those to whom these suggestions may sound shocking let me say that there can be no great secret like this long kept by anyone, and that the alternative to this suggestion is a desperate atomic armament race and, in the end, war. Only if all nations have this knowledge, and all of us outlaw it, can there be any security for any of us against it.

Surely, when we can lift ourselves up enough to see atomic power in perspective, we must agree that if atomic energy is made a weapon of war, with the growing means of hurling projectiles and with further development of the atomic bomb which is inevitable, it can only mean mass destruction for us all.

On the other hand, if atomic power is employed as an instrument of peace it can lift the human race to heights of security, abundance, and happiness which would have seemed fantastic before its discovery. But we cannot just drift and expect security and stability in the world so long as we, Britain, and Canada hold the atomic bomb like a Damoclean sword over the heads of Russia and the rest of the world.

The next most important question upon the security agenda at the conference will be the joint occupation by the Security Council of strategic bases and areas of the world.

Mr. President, you can no more expect Russia to accept her confinement behind the iron curtain of military and naval bases, fleets and airforces of western European powers and the United States than you can expect her to take supinely her being shut in behind the curtain of atomic armaments.

Today one of the essential causes which provokes the threat of war is the occupation of strategic bases and areas by certain powers and the exclusion of other powers. Indeed the major tension which exists today between Russia and Britain in the Middle East and the Mediterranean can be directly attributed to this fact.

Again, let the United States take the lead in proposing the joint occupancy by the powers on the Security Council of the strategic army, navy, and air bases held by any nation outside its own homeland. Each nation of course which now has treasured bases will feel that it is giving up an essential to its security. But if we all give up exclusive occupation and do it with a new spirit and a new attitude we will need them for war, and our security will be far better guaranteed than by exclusive possession and control in an armed and jittery world.

Britain and the United States might as well face this matter realistically. It is the worst kind of illusion and folly for us to believe that Russia, occupying one-sixth of the earth's surface and having one-tenth of the world's population—a people able, strong and brave—will acquiesce indefinitely in the mastery of every ocean and sea and every strategic area on the earth by our two countries, without striving to break that stranglehold.

Against the background of British and American domination of the strategic areas of the earth, to make a mountain out of Russia's demands in the Dardanelles is not only gross inconsistency but an intolerance which smacks of international arrogance. On the other hand, if no member of the Big Three had anything to fear from either of the other two and we had the United Nations Organization with its Security Council really functioning, what danger would there be in the world for anybody?

There must have been many men of the American frontier who really thought there would never come a day when men could be safe without carrying their own guns on their hips or their own rifles in the crook of their arm. We all gave up our arms, yet we feel safer under a system of domestic collective security without them.

I realize how difficult is this matter, and yet I know how deadly is war, and the time has come for us to make an all-out attack on war and to destroy it.

Fourth on this agenda must be the implementation of the covenant of the Atlantic Charter that nations shall have equal access to the critical raw materials of the earth. For as long as oil remains a critical commodity in the waging of war and in the pursuits of peace, that covenant implies that Russia shall have fair access to the oil reserves of territories outside her own homeland, as do the other Big Two.

It is to be regretted that the oil treaty recently negotiated was not broadened to include Russia, instead of being limited to Britain and the United States alone. No doubt the reason Russia was not included in the treaty-making was because it concerned the oil of the Middle East, and Russia has been excluded from access to the oil in that area.

It is not necessary to remind you, Mr. President, how the oil in the Middle East is now held.

In Saudi Arabia, the greatest oil reserve in the world outside of the United States, the exclusive concessions are held by two United States companies.

In Iraq, British, French, Dutch, and American interests and a man who got the original concession and has a minority interest have exclusive control of all the petroleum reserves.

In Iran, the British have all the concessions for the exploitation of the extensive oil deposits found there.

Is it really surprising that the Russians should for a long time have been seeking oil concessions in the north of Iran, adjacent to the Russian homeland, and have encouraged the independence movements in that area if they were denied such concessions? We are not simple enough to believe that all of these concessions by foreign countries in the Middle East were procured without recourse to the tactics of power politics.

I wonder what our attitude would be if the powers of the world had sought and gained exclusive exploitation of the oil of Mexico, and the United States had been denied access to that area. Our own history is perhaps not free of diplomatic and military intervention for economic elbow room.

If we are to have peace, we must provide peaceful methods for nations to gain access to the strategic and critical materials of the modern world. Here again, let America, as it was one of the authors of the Atlantic Charter, become the first advocate of this principle, and remove that friction which disunites the Big Three today and threatens not only the United Nations Organization, but the peace of the world.

Fifth, upon this security agenda, must come the colonial question. For this question not only involves the question of raw materials, but it goes to the very heart and core of democracy and freedom in the modern world. It is offensive to the living, and an affront to the dead, that nations recently liberated from the Nazi oppressor by American blood and treasure should so soon become the oppressors of others.

Nations cannot expect to stand on high, lofty principles in their pronouncements and violate democratic rights in practice.

We cannot say that the Atlantic Charter was intended for the west and not for the east.

The right to life, liberty, and the pursuit of happiness, by the solemn assurances of our own declaration, was not limited by God to any especially favored part of the world.

Surely, the Trusteeship Council of the United Nations Organization should become both the protector and the benefactor of the dependent or retarded peoples of the world. Every mandate awarded by the League of Nations should be revoked or assigned to the international control of the Trusteeship Council of the United Nations Organization, if the mandated area is not ready for independence.

And here let me suggest that the tranquillity of the whole troubled Middle East can best be assured by every foreign power removing its forces and by placing Palestine under the Trusteeship Council.

Mr. President, it comes with ill grace from certain world powers whose troops are stationed in every nation from Egypt to Singapore to make a world conflagration out of the movement of a few troops a few miles into a neighboring territory to resist an oil monopoly which they enjoy. And if American foreign policy is made the scapegoat for such imperialism it is more stupid than I thought it possible for it to be.

Once the conflict of the powers over oil in the Middle East is resolved this great area can, with the aid of the Social and Economic Council and their own great and growing strength and resources, move into a new and larger life of their own.

Mr. President, I could recite conversations with Cabinet members all through the Middle East begging the American Government representatives to present to their Government their own aspirations for independence. It is a good idea to look around a little every now and then and see the sham and hypocrisy which sometimes appear from responsible mouths.

II. ECONOMIC COLLABORATION

I have spoken of security as the first major subject on the agenda of this new enlarged meeting of the Big Three. The second major subject must be economic collaboration among the Big Three.

Here America must lead or be the nation to suffer most. We have now dedicated ourselves to the only condition in which democracy can flourish, namely full employment of its resources. We cannot have full employment in America, we cannot have the full use of our facilities in agriculture or industry, unless we have great markets all over the world. Conversely, the torn fabric of the world's economy cannot be repaired without our aid and support.

We know there cannot be peace, except upon a stable economic base in the world. Economic war will lead to a shooting war. But economic collaboration among the nations of the world will lead not only to peace but to prosperity.

For the United States, economic isolationism is as dangerous as political isolationism. To deny a loan for useful purposes reasonably within a nation's ability to repay, is as dangerous to the security of the United States as it was to deny a nation essential to our defense in war, lend-lease.

It is not a question of our being able to make a British loan, a French loan, a Russian loan, or a loan to any other power meeting reasonable conditions. We cannot afford not to make such a loan, for it is our goods which these loans eventually will buy, our factories they will keep in production, our workers they will employ, our farmers for whom they will provide markets.

Here again, America has the golden opportunity of all time, and here again, we must have broad vision and act with boldness.

What I have said primarily relates to our own well-being. Need I remind you,

Mr. President, of how desperate is the plight of these friends and allies of ours beyond the seas, these hundreds of millions of people striving to live again like men? These many nations and peoples deserve our help in their struggle to rebuild their devastated lands and to contribute again the many things the world needs, and in our hearts we know that our people want to give help.

It is folly to think of rejecting the British loan. No businessman would refuse aid to his best customer going through a temporary crisis. A prosperous Britain is necessary to a prosperous world and a prosperous America.

And a loan to Russia is just as right as a loan to Britain. Stalin told me the Soviet Union would pay back any loan they received as they have repaid all their loans in the past and that they would use it to repair the damage of war and to raise the living standards of the Russian people, among the poorest in Europe.

They need such a loan to buy in this country the heavy machinery required to start their industries again, the farm machinery needed for their fields, the rolling stock for their railroads, the electrical equipment for their power plants, the machinery with which to open their mines and oilwells again.

To deny that loan because we fear Russia or hate communism means that we drive Russia to tightening instead of liberalizing her economy, to restricting instead of extending the liberties and the living standards of her people, and that we force her to the conclusion that we will never be her real friend, and her future must be made only through her own strength and her own separate way. Nor do we aid our own heavy industries and the workers in them by such blind substitution of prejudice for reason. Wise leadership on our part in the field of economic collaboration will lead not only to our prosperity and our peace but to the development of the backward areas of the earth by enterprising businessmen from this and other lands and to lifting up the major part of the whole human family.

III. POLITICAL AND CULTURAL COOPERATION

Having at such a conference worked out the problems of security and economic collaboration, it will not be difficult to establish a working basis for enduring political and cultural collaboration among the Big Three and among all nations of the world.

Once we have removed the fear of war and the fear of want, knowledge and culture will flow in ever-expanding streams to all parts of the earth. Then the Social and Economic Council of the United Nations Organization will really begin to function and become the booster pump for the further extension of all human knowledge and skills, scientific and artistic. With the body of knowledge the human race now has, and favorable conditions for its expansion, the magnificence of the edifice we can raise above the human mind and spirit surpasses the imagination.

To those who say that such a conference and such a program outlined are impractical, I say they are the only practical prospect for a peaceful and prosperous world.

It will require, of course, a new order of thinking, a new attitude on the part of the governments of the peoples of these three great powers, and especially on the part of their representatives at such a conference.

To a great degree, there must indeed be new kinds of representatives at such a conference if it is to have the hope of success.

Such representatives must be men and women who dare, for the sake of peace, to make an all-out attack upon war, and the causes of war, and the agitators for war. Such men and women representing this Nation must be capable of protecting America's interests through the practice of enlightened selfishness, and they must always act under the compulsion that men never had a more solemn responsibility than they. There has never been such a penalty for failure, such reward for success, as faces such a group.

And such a conference cannot begin, and surely cannot succeed, without a new spirit on the part of our Government—executive and legislative.

And here let me speak to my friend, the truly able senior Senator from Michigan. Few, if any, men in all the land have had the influence upon recent American foreign policy he has had. The necessity of the collaboration by the minority party with the party in power to make possible an effective national foreign policy and the distinguished Senator's admitted leadership of his party in foreign affairs have given him an awful responsibility to his country and to the world.

If I speak candidly to him about the essential spirit of his policies, it is not in criticism. It is because the gravity of the occasion requires me to speak with the utmost candor, for it is not his policy but his country's policy that is at stake.

It is pertinent to recall that the Senator from Michigan failed his country as a sentinel when the menace of Hitlerism rose and loomed upon the horizon. He either could not see or did not see that Hitler and nazism threatened the United States and the democratic world. Instead of lending his strength to the efforts of his President and his Secretary of State, he obstructed their efforts and made their work more difficult and dangerous.

He must himself shudder at what would have been the effect of the success of his policies in those dangerous days, as he stood against the repeal of the Neutrality Act and the passage of lend-lease.

As he admonishes Russia today, he may be sure that however fair he intends to be in his counsel, Russia will ever remember that he joined those who voted to make it illegal to extend lend-lease to Russia 3 months before Hitler struck her in 1941.

But, of course, no man in the Congress was more loyal to his country during the war than was the Senator from Michigan. But he will remember that he lent his great strength to resist reference to "an international organization" in the Connally resolution in 1943, the amendment providing for such reference having been offered by 13 Senators, among whom was the Senator from Florida. He must also recall that when the task of creating the United Nations Organization fell upon the Goverment, he was adamant in his insistence that it must be a compact of sovereign states with unimpaired sovereignty.

Such a principle of unimpaired sovereignty made it inevitable that the United Nations Organization could not function except upon the base of the unity of the Big Three. He cannot today in midstream reverse his course or change the creature which he helped to fashion.

The Senator from Michigan today is the most vigorous and powerful advocate of the newest form of isolationism—the exclusive possession of the atomic bomb by the United States, and the effective control of atomic energy by the military. I say to him that that policy is as dangerous to the eventual security of his country and the peace of the world as his votes against lend-lease and against Russia's eligibility for lend-lease were in 1941.

I have not heard any statement—I could have missed it—from the able Senator from Michigan about the British loan or a French loan. Indeed I have thought him strangely silent on this subject, in view of the leadership which the country, as well as the Congress, attributes to him. I doubt, however, that there is any serious question about what his attitude would be toward a Russian loan.

Nor have I heard any statement from the able Senator in comment upon the "fraternal association" in arms proposed by Mr. Winston Churchill, which strikes, as many of us see it, at the very heart of the unity of the Big Three upon which the United Nations Organization was built and at the survival of the United Nations Organization itself which the Senator so ably helped to build.

I have spoken, as I have said, with a candor which I believe the gravity of the issue of peace or war requires I have said what I have about the policies of the able Senator from Michigan, whom I am proud to call friend, because such a peace program as I have outlined, which in the very depths of my heart I believe to be the only real bulwark between us and war, will gain immeasurably by his support. I do not want the weight of his strength against it. With his opposition we might not succeed this time, as fortunately we did in the enactment of the preparedness program which President Roosevelt sponsored and which the able Senator opposed. The consequences of failure are too dire to contemplate.

Mr. President, it will be said that what I have proposed displaces the United Nations Organization, and you will ask, What of the coming meeting of the Security Council of the United Nations Organization which is almost upon us? My answer is, that unless there is held such a conference as I propose and that conference succeeds in restoring the confidence of the Big Three in each other by developing agreement on fundamentals, there can be no hope of success at the Security Council meeting.

For lack of unity and divisive antagonism among the Big Three on the pivotal questions will thwart and stifle the Security Council. If the Council attempts

a solution by treating the symptoms of the disagreements and ignoring the root causes, it will find itself upon the rocks.

But on the other hand, if the Security Council is not permitted to become an arena for the exchange of epithets and recriminations, and if a genuine effort is made to restore unreservedly the unity of the Big Three, then the Security Council is equipped to go straight ahead with building the mighty new edifice of a new world.

The Big Three conference, therefore, is to pave the way, to supplement and support, and not to displace, either the objectives or the program of the Security Council or the United Nations Organization. For none more heartily favors the United Nations Organizations than I, no one appreciates more its necessity and its high purpose, no one yearns more eagerly for its unqualified success than I do. But I am raising my voice in warning against putting too soon a strain too severe upon this great hope of future peace without first insuring that the solid foundation has been solidly laid.

Those key problems solved, it is my feeling that the three great powers then being met together, could sweep quickly to solution of specific issues, lesser in significance but nevertheless real, within the framework of the United Nations Organization. The policies so worked out then could become the pattern for collaboration throughout all the United Nations.

I unreservedly support the United Nations Organization and have confidence in its success. But those who propose to thrust into the very forefront of the Security Council's coming discussions these major conflicts among the Big Three without previous preparation and reconciliation among the Big Three, endanger the very life and future of the United Nations Organization itself. There are issues aplenty, arising out of the completion of the war and the wiping out of the Fascist-Nazi menace which require the full attention and action of the Security Council. If these are acted on in the context of Big Three unity, they will in themselves preserve that unity.

We told those who died in World War I that that would be the last war. We failed them. I will not say we betrayed them; I will say only that we failed them. Now, another generation has had to go to war, and many have died, torn out of the arms and hearts of loved ones. Many more have come back—the tragically scarred, the living dead—shut up where they cannot be seen. Many with the anchor of the mind gone. Many maimed and broken. Countless more with the pattern of their lives destroyed and hopelessness where there was once vibrant hope.

Is it not time that we began to pay our debt to all of them, that at long last we keep faith with them? And do we not owe it to the next generation and to those yet unborn to spare them from a similar fate? Is there anything that so much should bear upon the heart and conscience of this generation as the duty to stop war?

Ever since my trip last year through the devastated regions of Europe, I have been haunted by the grim vision of the destruction and death which confronted me wherever I went. I shall never forget, Mr. President, that little cluster of 800 graves of American boys who died in the bombing of the Ploesti oil fields far away in the dim recesses of the Carpathians. I shall never forget that little cemetery around Cassino, where American boys from far-away Texas went and never returned. I shall never forget Dachau and the murder factory.

I think the most awful thing I ever heard was the story of how 90 Russian officers were shot at Dachau. They were led out to a ditch that might hold the flowing blood, made to kneel on the edge of the ditch, and then were shot, each with a revolver in the back of his head. A man who was one of the stretcher bearers told me the story in the eerie darkness of that Dachau camp—how he moved one of the bodies into the chamber adjoining the crematory, and how he entered that large room, writhing with human beings, like worms. Immediately in front of him rose up the ghastly figure of a Russian officer who somehow had staggered to his feet, blood streaming down his face, with tousled hair, wondering whether it was this or the other world in which he found himself.

I can never forget the graves, the concentration camps, the murder factories, the maimed women and the little children, the hunger-ridden and the homeless I saw. It is a part of the indescribable horror of war.

Before us then, is the choice, war or peace, poverty or plenty, hopelessness or hope.

If this decision were left to a free choice of the people of America, to the people of the Big Three, to the Russians whose faces wreathed in smiles and friendship when one said, "Amerikanski" to them, I know what the decision would be. I know that more than all else in the world they pray for peace, and there is no price they can pay for it so dear to them as the sons and daughters, the loved ones, they would have to feed into the mouth of war.

If we could catch and feel the voice of all the hundreds of millions affected by our decision, and if, searching our hearts, we strove only to do right, I know, too, what our choice would be.

I have faith that out of the unspeakable suffering of this war a new will for peace has burst forth and that those in places of authority have the opportunity to express that will and to make this dream of the centuries for a world of peace and plenty at last come gloriously true.

We may delay it; we may temporarily thwart it, but be assured the people's will for a people's peace will prevail.

If we delay and thwart temporarily that will by yielding to the siren calls of the selfish and the short-sighted, be assured we will not escape their wrath.

I have faith that there is in the hearts of men a new purpose and that at long last the hosts of the earth are marching forward in a new brotherhood in peace and plenty under God.

AMENDMENT TO FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. ELLENDER] for himself and the Senator from Minnesota [Mr. BALL].

Mr. ELLENDER. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	Murray
Austin	Hart	Myers
Bailey	Hatch	O'Daniel
Ball	Hawkes	O'Mahoney
Bankhead	Hayden	Overton
Barkley	Hickenlooper	Pepper
Bilbo	Hill	Radcliffe
Brewster	Hoey	Reed
Buck	Huffman	Revercomb
Bushfield	Johnson, Colo.	Russell
Capehart	Johnston, S. C.	Saltonstall
Capper	Kilgore	Smith
Carville	Knowland	Stanfill
Chavez	La Follette	Stewart
Connally	Lucas	Taft
Cordon	McClellan	Thomas, Okla.
Donnell	McFarland	Thomas, Utah
Downey	McKellar	Tunnell
Eastland	McMahon	Tydings
Ellender	Magnuson	Vandenberg
Ferguson	Maybank	Walsh
Fulbright	Mead	Wheeler
George	Millikin	White
Gerry	Mitchell	Wiley
Gossett	Moore	Willis
Green	Morse	
Guffey	Murdock	

The PRESIDING OFFICER (Mr. EASTLAND in the chair). Seventy-nine Senators have answered to their names. A quorum is present.

Mr. FULBRIGHT. Mr. President, I offer two amendments to the Ellender-Ball amendment to the committee amendment to the pending bill. The amendments relate to the employment of children under 18 years of age by such companies as Western Union and others, the child employees of which are engaged principally in picking up and delivering messages. I ask that the amendments be read, printed, and lie on the table.

The PRESIDING OFFICER. The amendments will be read.

The CHIEF CLERK. On page 2 it is proposed to strike out lines 10 and 11 and in lieu thereof insert the following:

(b) Section 6 (b) of the act is amended to read as follows:

"(b) The provisions of subsection (a) of this section shall not apply with respect to any messenger under 18 years of age employed principally in picking up and delivering letters and messages or performing errand services, if such messenger is paid wages at a rate not less than 55 cents an hour."

On page 3, line 2, before the period, insert a colon and the following:

Provided, That this subsection shall not apply with respect to messengers employed principally in picking up and delivering letters and messages or performing errand services.

The PRESIDING OFFICER. The question is on the amendments of the

Senator from Arkansas to the amendment of the Senator from Louisiana [Mr. ELLENDER].

Mr. FULBRIGHT. Mr. President, I do not insist on a vote being taken upon the amendments today. I shall later ask that they be considered.

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter which I have received from the Secretary of Agriculture. The letter deals with the rider containing the provisions of the so-called Pace bill which it is proposed to add to the pending bill. I think it is important that all Members of the Senate have access to the letter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
March 14, 1946.

Hon. JAMES E. MURRAY,
Chairman, Committee on Education and Labor,
United States Senate.

MY DEAR SENATOR: You have asked me for the comments of the Department of Agriculture on the possible effect of adding to the minimum wage bill as a rider the provisions of the so-called Pace bill (H. R. 754), which provides for including an allowance for all farm labor at wage rates paid to hired farm labor in the calculation of the parity index.

I desire to make my comments in two different categories. First of all, I will give you the general comments of the Department of Agriculture as to the effect of the Pace bill in any normal period of farming activity. By that I mean that I would like to consider the Pace bill completely apart from its implications in the present situation. Then I would like to point two or three things which are of current importance and which, in my opinion, add greatly to the arguments that might be made against the inclusion of that bill as a rider on the minimum wage bill.

First of all, then, I give you these general comments as representing the viewpoint of the Department of Agriculture on the provisions of the bill without regard to current world shortages in grain and the present adjustment period of industrial wages.

Assuming that the Pace bill would not change the calculation of parity in any way except for the inclusion of the wage allowance, its enactment would increase parity prices by about one-third. At first glance, such an increase in parity prices might seem attractive from the farmers' standpoint. There are several considerations, however, which indicate that this may not be the case, that the enactment of the Pace bill might actually work against the farmers' interest. Some of these are:

(1) Parity prices as now calculated are an accepted standard for farm prices. The current parity formula has been of more value to farmers than any other formula or similar argument that has so far been advanced. Farmers and their representatives should rather carefully consider what they are doing before the current parity index is revised or substantially altered.

(2) The Pace formula calls for adding an allowance for all farm labor, including the unpaid labor of the farm operator and his family at some relative wage rate which must be a matter of judgment rather than statistical record. Parity prices as now calculated are designed to keep the ratio of prices received by farmers to prices and rates paid by farmers at the same level as prevailed in 1910–14. This purchasing power idea has been and will almost certainly continue to be of more value to farmers generally than a shift to some form of the cost of production approach. Prices received and prices and rates paid can be statistically measured but cost calculations for agricultural commodities depend almost entirely upon allowances which must be made for the farmers' own labor and the use of his own land and equipment and in the past at least such estimates have led to endless argument.

(3) Enactment of the Pace bill would currently result in a substantial increase in parity prices, but it would also give lower parity prices in periods of severe depression than the method now used. That is, farm wage rates go up further and down further than prices paid, interest, and taxes, with the result that parity prices would be higher when the labor situation was tight and lower in cases of depression.

(4) Enactment of the Pace bill would accentuate the relative disparities which already exist between the several parity prices. That is, the best argument for revising the parity index is for revisions which will bring the parity prices into better line with one another and the existing and prospective demand situation during the several years immediately ahead. A flat percentage increase in all parity prices will not remedy this situation.

(5) The real test ahead for farmers and the farm program is whether support price commitments can be successfully handled once the current food crisis subsides. As an average, farm prices were continuously below the parity level for the 20 years between World War I and World War II and as an average prices received by farmers have only been above the parity level for a short time during and following World War I and World War II. Farmers need a parity price goal which can occasionally be reached, otherwise they will discredit the parity standard and the support price activities which should be connected with it.

(6) In conclusion, farmers and their representatives should be interested not only in the calculation of a theoretical parity but also the manner in which such parity calculations are used. What farmers want is a sound support program which will assure them of reasonable prices over the years ahead rather than an inflationary whirl during the next 2 years, followed by a severe deflation and failure of the support price program. An immediate increase of 33 percent in parity prices would certainly lead to inflation and an effort to support prices for agricultural products generally at 133 percent of the current parity level would almost certainly wreck any general price support program as conditions return to normal. Perhaps parity prices should be revised and perhaps an allowance for hired wages should be included in such a revised index since they are actual cash costs, but there is no reason to believe that a 33 percent jump in parity prices and a shift away from the current purchasing power concept of parity is to the interest of the farmers, entirely aside from its effects on the nonfarm front.

Assuming that the Pace bill, H. R. 754, would not change the calculation of parity in any way except for the inclusion of a wage allowance for all farm labor, its enactment would increase the parity index calculated from the base 1910–14=100 from 173 to 237 as of February 15, 1946. This would increase the parity prices of the principal commodities, such as corn, cotton, and wheat, by about 33 percent. In the case of fruits and vegetables, for which the parity base period is 1919–29, the index would be increased from 116 to 146, or about 26 percent. In the case of flue-cured and burley tobacco, for which the base is 1934–39, the index would be increased from 148 to 206, or about 39 percent. The following table compares prices received by farmers with parity prices as calculated at present and as indicated under the Pace bill.

Specified farm products: Base period average, prices received by farmers, present parity and parity calculated under Pace formula, Feb. 15, 1946

Commodity	Base period average August 1909 to July 1914	Feb. 15, 1946		
		Prices received by farmers	Parity prices	
			Present	Pace formula [1]
Wheat.....Bu..	$0.884	$1.55	$1.57	$2.10
Corn.....Bu..	.642	1.11	1.14	1.52
Rice.....Bu..	.813	1.77	1.45	1.93
Cotton.....Lb..	.124	.2301	.2207	.2939
Apples.....Bu..	.96	3.75	1.71	2.27
Hogs.....Cwt..	7.27	14.20	12.90	17.20
Beef cattle.....Cwt..	5.42	12.60	9.65	12.80
Lambs.....Cwt..	5.88	13.30	10.50	13.90
Butterfat.....Lb..	.263	.508	[2] .480	[2] .639
Milk, wholesale Cwt..	1.60	[2] 2.33	[2] 2.93	[2] 3.89
Eggs.....Doz..	.215	.326	[2] .356	[2] .474
Tobacco:				
Flue-cured....Lb..	[3] .229	[4] .369	.339	.472
Burley.....Lb..	[3] .222	.324	.329	.457
		Comparable prices [5]		
Oranges, on tree Box..	[6] $1.81	$2.12	$2.10	$2.64
Grapefruit, on tree Box..	[6] .81	1.00	.94	1.18

[1] Index on August 1909 to July 1914 base, calculated by giving index of prices paid, including interest and taxes, a weight of 68 and all farm labor a weight of 32; August 1919 to July 1929; August 1934 to July 1939, index of prices paid a weight of 65 and all farm labor 35.
[2] Adjusted for seasonal variation.
[3] 5-season average, 1934–38
[4] Jan. 15, 1946.
[5] Computed under sec. 3 (b) of Price Control Act.
[6] Derived base price 1919–29.

EFFECT ON PRESENT SITUATION

The Department of Agriculture is most seriously concerned with the effect of the enactment of the Pace bill at the present time. There are two principal reasons for this. One is that it is bound to have an upsetting effect on the entire stabilization and price-control program, especially as it relates to food. The other is that it might have a very disturbing effect on the present program in which the United States, along with other exporting countries, is now engaged in an effort to relieve famine, starvation, and probable death among the populations of the world.

Why do I say that it would upset the stabilization and price-control program? The three great basic commodities—corn, cotton, and wheat—are currently at about the parity level and the enactment of the Pace bill would require that ceilings on these commodities be revised upward by about one-third since all ceilings under the price control law must be at or above the parity level. But if ceilings on these commodities are revised upward one-third, ceilings for almost every other crop and class of livestock would have to be adjusted upward in order to maintain a relative price structure about like the one now current. A new round of wage demands would, of course, be generated and the whole stabilization and price-control program wrecked.

Consider, then the other situation, namely the effect this might have on the shipments of meat, wheat, and food fats and oils to those nations and peoples who are now in extremely difficult situations as the result of the destruction of agriculture abroad during the war, the lowered productivity of land, the incidence of famine, the failure of a monsoon in India, and the droughts which have swept France and northern Africa as well as great sections of India and are reliably re-

ported to have been the worst in 60 years. These unfavorable agricultural circumstances have given us a world deficit in importing areas of around 21,000,000 tons of wheat with a supply that possibly can be shipped from exporting countries which totals from eleven to twelve million tons of wheat. This country, with other exporting countries, is striving valiantly to bridge this gap as best it can. By designation from President Truman a National Famine Emergency Council has been appointed and a Famine Emergency Committee has set up headquarters within the Department of Agriculture to give guidance to this work. The Department itself has designated emergency food program managers in each one of the States and counties and is proceeding with steps in every county in the United States to conserve cereals, particularly wheat and wheat products, and to save food fats and oils in order that the most generous contribution can be made to the humanitarian purpose of supplying food world-wide.

I think it entirely possible that the enactment of the Pace bill would have a disturbing influence. The Department of Agriculture is anxious that there shall be stable prices on commodities such as corn and wheat and that these prices only should be raised as parity as now determined may require and not in such a way as to encourage farmers to hoard their wheat and risk deterioration. As late as last December, the Office of Price Administration announced that there would not be further increases in the price of corn except in response to the legal requirements of the parity formula. In compliance with that, corn prices were increased 3 pennies a few days ago and that fact has induced some farmers to believe that the corn price, and even the wheat price, may go up some more and that possibly they would do better to hold on to their precious grains.

That is what we don't want to happen. We believe that grain prices will hold about their present pattern and that any further increases during this marketing season will be infinitesimal, if any increases at all are made. If, however, one of our legislative bodies should pass a proposal that would seemingly offer substantial increases in the price of grain, we would naturally have to assume that the farmer would hold back his grain and decline to market it until final action had been taken by the other House and if action there was also favorable, there would be a further period of waiting until eventual action could be taken by the President on the bill.

Finally there is a whole field for doubt as to just how the provisions of the Pace bill might be applied and what final prices the Department would eventually calculate as meeting the requirements of this proposed legislation. The bill itself provides that parity for all agricultural commodities shall reflect "the cost of all farm labor (on the basis of the national average and including hired workers, farm operators, and members of the families of farm operators engaged in work on the farm, computed for all such labor on the basis of wage rates for hired farm labor), as contrasted with such * * * costs of all farm labor during the base period."

I have raised the question in correspondence as to whether or not this means the cost of all farm labor, or means farm-labor wage rates. There is a vast difference. If it means only the cost of all farm labor, what does it do, for example, to the price of cotton? Would the Department be justified in figuring the cost of farm labor as it relates to cotton in connection with those areas in our great cotton-producing States where the farmer uses a mechanical cotton picker along with all the other modern contrivances to lower labor costs in the handling of cotton? There are those who contend that with the use of the most modern machinery and with the thorough mechanization of a cotton plantation on a large scale, it is possible to reduce labor costs to a fifth of what they may be when the one-man, one-mule method is employed. If that be true, do you apply your Pace bill formula to the most mechanized plantation or to the smallest, least efficient cotton acreage? I do not say that the problem is insoluble, I merely say that it might be indefinite and that it might require months before the final determination could be made.

Without wishing to extend this letter too greatly, I desire to raise only one other question. The assumption of the Pace bill is that the present parity formula does not allow for changes in labor costs (cash or imputed) and that proper allowance for these costs may be made by tying the price of a unit to the price of an hour of labor. This rules out consideration of any increase in the productivity of labor. Actually, production per farm worker in 1944 was 93 percent higher than in 1910–14. The result was that while farm wage rates per hour increased 215 percent, labor costs per unit of product increased only 59 percent, compared with a 95 percent increase in farm prices. We must be careful that in trying to help the farmer we do not actually harm him.

The farmers of this country, through their organizations, know that the present Secretary of Agriculture has been spending a good deal of time in a discussion of the possible revisions of the parity formula. I have urged repeatedly that if the parity formula is to be changed it should be changed only after most careful study in which the farmers themselves participate. I know that one great farm organization has spent a tremendous amount of time in trying to study the effect of the Pace formula on the parity principle. I would think it would be of interest for the Congress, sometime in its consideration of parity revision, to go into the figures which this farm organization and others have developed. For example, we have some figures in the Department which we have not yet had an opportunity to check, but which indicate that even if farm wage rates were to be included in parity at a weight of 32 percent and the effect of this figured back over the past 35 years, that in 16 of those 35 years the inclusion of farm wages at 32 percent would increase parity prices; in 15 of the 35 years the inclusion of farm wages at 32 percent would decrease parity prices; and in 4 of the 35 years the inclusion of farm wages at 32 percent would make no change.

I do not set this forth as a final answer, nor do I represent it as being scientifically provable. I merely suggest that with that sort of a preliminary showing it is important that any change in the parity formula, which has meant so much to the American farmer, should be made carefully after the most scientific, actuarial study of the effect of the modification upon the present farm price that the farmer will obtain, and upon what might happen to him in years of depression. The farmer, in my opinion, would not be too definitely wedded to a formula which boosted his income in periods of prosperity, but dropped him further into the financial depths in periods of adversity.

I therefore would urge the Congress not to add the Pace bill as a rider to the minimum wage bill. I would urge that the Pace bill, if it is to be considered by the Congress, should be carefully considered by agricultural groups; should be the matter of most serious study by those groups; and should have thrown upon it the light of the most careful scrutiny by accountants and by experts in the field of farm prices. It should never be passed until the farmers of this country have a chance to say, and say clearly, whether they desire to have any tampering with a formula which has improved their lot by obtaining for them a measure of equality with other sections of our population.

Respectfully yours,

CLINTON P. ANDERSON,
SECRETARY.

EXECUTIVE SESSION

Mr. HILL. Mr. President, the Senate Committee on Foreign Relations is engaged in an important meeting, other committees have important meetings scheduled for this afternoon; and I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. EASTLAND in the chair) laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. CONNALLY, from the Committee on Foreign Relations:

Lt. Gen. Walter Bedell Smith, United States Army, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Union of Soviet Socialist Republics; and

Cecil Wayne Gray, of Tennessee, for promotion in the foreign service of the United States of America, from foreign service officer of class 2, to foreign service officer of class 1.

By Mr. MCKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

WAR ASSETS ADMINISTRATION

The Chief Clerk read the nomination of Lt. Gen. Edmund B. Gregory to be War Assets Administrator.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. O'MAHONEY. Mr. President, in connection with the confirmation of Lieutenant General Gregory, I ask to have printed in the RECORD a letter which I have received from Mr. Paul H. Appleby, Assistant Director of the Bureau of the Budget.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., March 11, 1946.

MY DEAR SENATOR O'MAHONEY: Following your conference with the Director of the Office of War Mobilization and Reconversion, members of my staff were requested to canvass opinions to determine whether enabling legislation is required to permit General Gregory to serve as War Assets Administrator on and after March 25, if confirmed by the Senate. It is our opinion, which has been concurred in by the Judge Advocate General and the Comptroller General's staff, that no additional legislation is necessary to enable General Gregory to accept the office of War

Assets Administrator on March 25, or to permit him to receive salary as War Assets Administrator in addition to his pay and allowances as lieutenant general of the Army during the period March 25 to June 30, inclusive, and further, that his acceptance of the office of War Assets Administrator does not in any way jeopardize his status as an officer on terminal leave pending retirement from the Army, or his position as a retired officer of the Army, except that after June 30 he must elect to receive either his salary as War Assets Administrator or his retirement pay as a retired officer of the Army. This opinion is based on the following facts:

1. General Gregory went on terminal leave March 7, 1946, pending retirement from the Army June 30, 1946.

2. General Gregory is considered on active-duty status during the period of terminal leave.

3. Revised Statutes, section 1222, prohibits "an officer on the active list * * * from holding civil office," but this prohibition has been removed by Public Law 226, Seventy-ninth Congress, insofar as it applies to this case. Public Law 226, dated November 21, 1945, provides "any person while on terminal leave pending separation from or release from active duty * * * may enter or reenter employment of the Government of the United States * * * and, in addition to compensation for such employment, shall be entitled to receive pay and allowances from the armed services for the unexpired portion of such terminal leave at the same rates and to the same extent as if he had not entered or reentered such employment." The Judge Advocate General, the General Counsel of the Bureau of the Budget, and the Comptroller General's staff have all rendered informal opinions that Public Law 226 modifies section 1222 to permit any person leaving the armed forces to accept employment of the Government of the United States and to receive both compensations during the period of terminal leave and without in any way jeopardizing the officer's status as an officer of the Army. Under Public Law 226, General Gregory would remain on active status during the period of terminal leave and also be permitted to serve as War Assets Administrator.

4. 5 U. S. C. 62 permits retired officers to serve in an office to which appointment is made by the President with the advice and consent of the Senate. General Gregory's appointment falls into this status after June 30, 1946, and such appointment does not jeopardize his position as a retired officer.

5. 5 U. S. C. 59a permits a retired officer holding a civilian appointment to elect either his pay from the civil office or his pay as a retired officer when the retired pay amounts to or exceeds the rate of $3,000 per annum.

I have requested Mr. Latta of the White House staff to prepare a letter of nomination for the President's consideration revising General Gregory's nomination to be effective on March 25, instead of upon his retirement from the Army.

Sincerely yours,

PAUL H. APPLEBY,
Assistant Director.

ASSOCIATE JUDGE, MUNICIPAL COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA

The Chief Clerk read the nomination of Brice Clagett, of Maryland, to be associate judge of the Municipal Court of Appeals for the District of Columbia.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES ATTORNEY

The Chief Clerk read the nomination of Herbert W. Christenberry to be United States Attorney for the eastern district of Louisiana.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

SELECTIVE SERVICE SYSTEM

The Chief Clerk read the nomination of Raymond V. Bowers to be Assistant Chief, Research and Statistics Division, National Headquarters.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. HILL. I ask unanimous consent that the postmaster nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

THE ARMY

The Chief Clerk proceeded to read sundry nominations in the Army.

Mr. HILL. I ask unanimous consent that the Army nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Army are confirmed en bloc.

THE NAVY

The Chief Clerk proceeded to read sundry nominations in the Navy.

Mr. HILL. I make the same request with regard to the nominations in the Navy.

The PRESIDING OFFICER. Without objection, the Navy nominations are confirmed en bloc.

THE MARINE CORPS

The Chief Clerk read the nomination of Brig. Gen. Samuel L. Howard to be major general.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

That completes the Executive Calendar.

Mr. HILL. I ask unanimous consent that the President be notified forthwith of all confirmations of today.

The PRESIDING OFFICER. Without objection, the President will be immediately notified.

RECESS

Mr. HILL. As in legislative session, I move that the Senate stand in recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 2 o'clock p. m.) the Senate took a recess until tomorrow, March 21, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 20 (legislative day of March 5), 1946:

UNITED STATES ATTORNEY

Ray J. O'Donnell, of Ohio, to be United States attorney for the southern district of Ohio, vice Byron B. Harlan, resigned.

TEMPORARY APPOINTMENT IN THE ARMY OF THE UNITED STATES

TO BE BRIGADIER GENERAL

Col. Martin Conrad Shallenberger, Infantry.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 20 (legislative day of March 5), 1946:

WAR ASSETS ADMINISTRATION

Lt. Gen. Edmund B. Gregory, to be War Assets Administrator.

ASSOCIATE JUDGE, MUNICIPAL COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA

Brice Clagett, to be associate judge of the Municipal Court of Appeals for the District of Columbia.

UNITED STATES ATTORNEY

Herbert W. Christenberry, to be United States attorney for the eastern district of Louisiana.

SELECTIVE SERVICE SYSTEM

Raymond V. Bowers to be Assistant Chief, Research and Statistics Division, National Headquarters, Selective Service System, with compensation at the rate of $6,230 per annum.

POSTMASTERS

CONNECTICUT

Clara B. Snow, Wapping.
Orrin R. Bugbee, West Suffield.

ILLINOIS

Clarence M. Sullivan, Glen Ellyn.

IOWA

Mary T. Harper, College Springs.
Anna M. Eikenbary, Fertile.
Richard W. Carlson, Yarmouth.

VIRGINIA

Mabele W. Clements, Clayville.
Barron P. Didlake, Glenallen.

IN THE ARMY

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY OF THE UNITED STATES

To Finance Department

Capt. Maynard Norwood Levenick.

To Corps of Engineers

First Lt. Robert Duncan Brown, Jr.

To Ordnance Department

First Lt. Richard John Rastetter.

To Infantry

First Lt. VanCleave Parrott Warren.
Second Lt. Robert Stephen Mills.

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

Dwight Moody Young to be lieutenant colonel, Medical Corps, with rank from March 15, 1946, subject to examination required by law.

James Emile Graham to be major, Medical Corps, with rank from March 1, 1943.

Jay Franchel Gamel to be major, Medical Corps, with rank from March 1, 1946.

Aubrey L. Jennings to be major, Medical Corps, with rank from March 7, 1946.

James Richard Paul to be captain, Medical Corps, with the rank from March 14, 1946.

Paul Cable Larnce to be captain, Pharmacy Corps, with rank from March 12, 1946, subject to examination required by law.

Emerson Beery Taylor to be captain, Pharmacy Corps, with rank from March 12, 1946, subject to examination required by law.

Thomas Floris Criswell, Jr., to be captain, Pharmacy Corps, with rank from March 12, 1946, subject to examination required by law.

Woodrow Charles Herbert to be captain, Pharmacy Corps, with rank from March 12, 1946.

Paul Francis Crutchlow to be first lieutenant, Pharmacy Corps, with rank from March 31, 1946, subject to examination required by law.

IN THE NAVY

APPOINTMENTS IN THE NAVY

To be assistant surgeons, with the rank of lieutenant (junior grade)

John C. Ayers	Carmelo C. Celestre
Joseph S. Bower	Robert F. Erhard
Victor Y. Lindblade	Edward J. Healey
Robert L. Fleck	Paul O. Sather

To be assistant civil engineers, with the rank of ensign

Robert B. Childers
Robert R. Graham

To be assistant surgeons, with the rank of ensign

Dan P. Appleby	Josiah B. Henneberger
James A. Smith	Eugene T. MacDonald

To be ensign

Henry A. R. Peyton

IN THE MARINE CORPS

Brig. Gen. Samuel L. Howard to be major general, for temporary service, from September 28, 1942.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 20, 1946

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord God, Thou who didst come to open the prison doors and to set the captive free, we pray to be delivered from the limitations of narrowness and the lower spheres of life. Endow us with that outlook in which there is inspiration from Him who dwells above the storm, where is silence full of untroubled peace. O give us a growing ardor, a more intense yearning for the clasp of Thy compassionate hands, that we may move together in the cadences of divine love, in whose ample folds the world may find rest. O God, open our eyes that we may see, our ears that we may hear the music of the spirit, and our hearts that we may gain victory over all things earthy. "Blessed are they who hunger and thirst after righteousness for they shall be filled." O take for our sins the answer of Him who hung upon the Cross, and bring us to Thyself in peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5400. An act making appropriations for the fiscal year ending June 30, 1947, for civil functions administered by the War Department, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. THOMAS of Oklahoma, Mr. HAYDEN, Mr. OVERTON, Mr. RUSSELL, Mr. THOMAS of Utah, Mr. BAILEY, Mr. GURNEY, Mr. BROOKS, and Mr. REED to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5671. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCKELLAR, Mr. GLASS, Mr. HAYDEN, Mr. TYDINGS, Mr. RUSSELL, Mr. BROOKS, Mr. BRIDGES, and Mr. GURNEY to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 1821) entitled "An act to amend section 502 of the act entitled 'An act to expedite the provision of housing in connection with national defense, and for other purposes,' approved October 14, 1940, as amended, so as to authorize the appropriation of funds necessary to provide additional temporary housing units for distressed families of servicemen and for veterans and their families," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MURRAY, Mr. ELLENDER, Mr. HILL, Mr. TAFT, and Mr. SMITH to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1354) entitled "An act to authorize the permanent appointment in the grades of General of the Army, Fleet Admiral of the United States Navy, and General in the Marine Corps, respectively, of certain individuals who have served in such grades during the Second World War."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5458) entitled "An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes."

The message also announced that the President pro tempore has appointed Mr. BARKLEY and Mr. BREWSTER members of the Joint Select Committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the Departments and Agencies:

1. Department of Commerce.
2. Department of the Navy.
3. Department of the Treasury.
4. Department of War.
5. Government Printing Office.
6. Interstate Commerce Commission.
7. National Archives.
8. Office of Price Administration.
9. Petroleum Administration for War.
10. Selective Service System.

EXTENSION OF REMARKS

Mr. MANSFIELD of Montana asked and was given permission to extend his remarks in the RECORD and include a resolution from the Fraternal Order of Eagles, Helena Aerie, No. 16, Helena, Mont.

Mr. ROGERS of Florida asked and was given permission to extend his remarks in the RECORD and include a message from the American Legion with reference to granting terminal leave pay to veterans.

Mr. LANE asked and was given permission to extend his remarks in the RECORD in two instances and include newspaper editorials on the recommendations of the reorganization committee.

Mr. STEWART asked and was given permission to extend his remarks in the RECORD and include a resolution from the Atoka, Okla., Lions Club.

Mr. SABATH asked and was given permission to extend his remarks in the RECORD and include an editorial from the Chicago Times and one from the Chicago Sun, and a radio broadcast by Dr. Gerstenfeld.

TERMINAL LEAVE PAY FOR ENLISTED PERSONNEL

Mrs. MANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Georgia?

There was no objection.

Mrs. MANKIN. Mr. Speaker, there is pending in the Committee on Military Affairs the bill H. R. 4051, a bill that would give to the enlisted personnel the same terminal leave rights as are now enjoyed by the officers. The gentleman from Florida [Mr. ROGERS] has just been granted permission to extend his remarks in the RECORD on this matter, and I hope you will all read his remarks. The purpose of my speaking to you at this time is to ask you to sign discharge petition No. 23. This petition would permit this bill to come to the floor of the House. There are not yet enough signatures on the petition. This is a bill that is of vital interest to all the veterans of the United States, and I think this bill ought to come before us so that we may consider it.

EMERGENCY CONFERENCE FOR CIVILIAN CONTROL OF ATOMIC ENERGY

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, the Emergency Conference for Civilian Control of Atomic Energy has asked me to make an announcement this morning. This conference is composed of the major national organizations of church, labor, and consumer groups. They are in Washington, D. C., to discuss this important problem, and they are having a meeting in the caucus room of the old House Office Building at 10 o'clock tomorrow morning at which Senator MCMAHON, of the Special Senate Committee

on Atomic Energy, and Dr. Hogness, professor of nuclear physics at the University of Chicago, will address the assembly. All the Members of the House are cordially invited to attend. This is a bipartisan-sponsored meeting. Congressmen JUDD, LAFOLLETTE, and Mrs. DOUGLAS of California and myself have sponsored the meeting.

PERMISSION TO ADDRESS THE HOUSE

Mr. LYLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LYLE. Mr. Speaker, the ugly shadow of war is creeping back into the hearts, minds, and speech of the American people at a time when we should—yes; must—be devoting all of our energies, our thoughts, and our planning to the building of that decent and peaceful world that so many have thought so much about, talked so much about, and fought for so hard.

I deem it the direct responsibility of the Members of this House—the responsibility of all public officials—to talk straight on this matter, and to give to the people the benefit of all available facts. Peace is our objective. Let us think peace, talk peace, and I believe we can build that decent world. Rumors of wars are unfounded, and most assuredly war is not imminent. It is not, I believe, at all probable. There is always a possibility for war, and there shall perhaps always be, for to this point in history mankind has not yet attained its full objective. The world is only emerging from its bloodiest and most crushing war. We have now reached that point where we cannot afford to succumb to weariness, but must summon new strength and courage and make our attack on the ultimate objective.

Mankind faces its greatest earthly trial, and we are engaged in that period of human relations testing whether or not men can live peaceably upon this earth. Less than success cannot be contemplated for the consequences of failure in the wake of atomic power are beyond the experiences of history. What is said here, fortunately, will little affect our future; what Americans, especially young Americans, think, and so think, do, and say may well herald the life of tomorrow. Time was never more inopportune for indecision, nor for parrotlike utterances of words and ideas that have only a popular appeal to hungry emotions. The time is now for a sound philosophy, straightforward and decent. We cannot afford the luxury of personal, political, or national selfishness, intolerance, or short-sightedness. The immediate benefits and profits are much too costly to those who follow us, and must pay the bill.

It is inevitable that normal individuals, that groups and nations emerge from the nasty, dirty business of war with a touch of emotional, moral, economic, and political hysteria. Our objective, a decent peaceful world is now only attainable, the way cleared by the blood, work, and sacrifice of many millions, not all Americans. Congress has, America has, and the world has the assurance of the President, Secretary of State, the Secretary of War, Secretary of the Navy, and our great American commander, General Eisenhower, that talk of war at this time is absurd. Difficulties yes, but when we speak of international difficulties, we must remember how difficult it is for us to understand each other at home and to get along together and agree. We should talk of peace, we should think of peace, and work for peace. It is a subject we know very little about.

The history of civilization records that only three centuries have been relatively peaceful. During one of these, the nineteenth century, the great powers of the world spent only 30 percent of their time at war. In the period 1500 to 1940 A. D. there was an average of 42 wars per century and 550 battles per century. America has enthusiastically supported two wars during my lifetime. The last one has cost nearly a million casualties and several hundred billion dollars. It has touched every home, and its cost in human suffering is beyond mental calculation. We have given generously, unselfishly, and enthusiastically because we believe in a future, a future of organized governed international relations, in a decent and peaceful world. We can have that, or, we can have a future of bigger and better wars with the marvels of science prostituted to more successful death dealing. We have proved our powers of destruction, let us then prove our power of construction. But peace is not without a price, and the answer is as to whether or not we in America are willing to pay the price of peace, may well determine the course of future events. Perhaps you say it is foolish to question whether or not we are willing to pay the cost of peace. In terms of ordinary truths, what price can we expect peace to cost?

First. We must understand that the world is small and peopled with many millions of human beings who are not Americans but nevertheless are human, and their philosophy, thoughts, economy, and well-being inevitably affect us. Yes, I mean that to some extent we are our brothers' keepers. We must basically accept our responsibility to treat them as we would have them treat us.

Second. We must understand that years of teaching "isms" have deprived the people of many lands of the ability to think along decent lines. Their sense of values is warped. Until men have been educated to the point of decent reasoning, we must be in position to protect our hard and bloodily earned peace with power. We must support a strong Army, Navy, and Air Force for many years to come.

Third. We must understand that a world organization based upon the dignity of individuals and peoples as governments must be the means to settlement of disputes between nations. And we must understand that the basis of such organization cannot be perfect. Neither can we, as Americans, expect to write it without regard for other nations.

You see, we Americans like to feel we are the only ones who suffered in this war.

That thought alone is sufficient to breed other wars.

Fourth. We must understand that special interests, some businesses, and at times national interest, must be modified, looking to a peaceful world.

You say your propositions are simple and easy. But when the program is started and so and so's business is hurt or endangered, he screams aloud and long, and says that we are not Uncle Sam but Uncle Sap, and he uses all his power to excite Congress and the people to enact legislation to place him in a safe harbor. He was patriotic in war, but he is not willing to pay the price of peace—it hurts his business.

I say the thousands of white crosses, the overflowing hospitals, the hundreds of thousands of gold stars, are evidences of hurt and sacrifice no business can ever equal.

I say that if some individual or business must be hurt to assure that there will be no more of war—it is a price worth paying.

Hungry people must be fed, countries restored to the end that they can be self-supporting. It will cost money. Many say it is not our responsibility, not our job. But you know that hungry, destitute, morally deficient people are not receptive to talk of peace and good government. I firmly believe America has the key to a peaceful world. We need not lower our standards of living to achieve this, but America must say to the Congress and executive department: "Carry on." We are ready to pay the price of peace—involving lowered trade barriers, international credit machinery, monetary stabilization, commodity agreements, relief and rehabilitation, control of cartels, and other measures which threaten our chances of a secure and lasting peace.

THE LATE MISS MABEL BOARDMAN

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include an editorial from the New York Times.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, this afternoon in the great National Cathedral all that was mortal of Miss Mabel Boardman will be laid to rest. It is very fitting that the cathedral should honor this great noblewoman, this great humanitarian. I believe no man or woman in the world has ever received more eulogy, more appreciation than she for her surpassing work for humanity, for those who may be injured and for those who suffered at home and abroad.

In the eyes, Mr. Speaker, of this country and of the nations of the world, Miss Mabel Boardman has personified the Red Cross. Those who loved her and ad-

mired her will try to follow in her footsteps.

[From the New York Times]

MABEL T. BOARDMAN OF RED CROSS DIES—LONGTIME NATIONAL SECRETARY SERVED WITHOUT PAY FROM ITS REORGANIZATION IN 1905—DREW UP HIGH STANDARDS—INSPIRING LEADER, ADMINISTRATOR WAS DESCENDANT OF SHEFFIELD SCIENTIFIC SCHOOL FOUNDER

WASHINGTON, March 17.—Miss Mabel Thorp Boardman, for many years national secretary of the American Red Cross, died tonight after an attack of coronary thrombosis.

FORTY-FOUR YEARS IN RED-CROSS WORK

Florence Nightingale holds a high place in history for her ministrations to the wounded on the battlefields of the Crimean War, which are said to have been the beginning of all trained nursing, and the beginning too of the Red Cross idea. Clara Barton, during the Civil War, brought the idea of ministering to soldier wounded a little nearer to realization.

But it remained for Mabel Thorp Boardman, during 44 years of wholly gratuitous and unceasing effort, to implement the great love of humanity these pioneer women displayed by building the American Red Cross, while helping to lay the foundation for the International Red Cross.

Many countries have honored her with special medals. In the earthquake of Tokyo and Messina, on the battlefields, in hospitals and prison camps of the First World War, during the Mississippi flood disaster, famine, depression-relief, the Spanish Revolution and in the widest-flung war in history, with its many complex and urgent humane needs, she provided much of the organization through which America's generosity has most effectively brought mercy and relief to the points where it was needed.

HONORED AT HER RETIREMENT

At a testimonial luncheon in Washington on December 13, 1944, upon her retirement from the general committee of the Red Cross, she received a gold medal specially designed for the occasion. The citation accompanying the medal sums up her service and talents in official language:

"Inspirer of the organization and administration of the Red Cross.

"Leader of men and women in the vision of the Red Cross as a national and international instrumentality of service.

"Practical idealist, tireless, loyal, wise, and constant. Possessed of many talents, she has devoted her life to one purpose—the American Red Cross."

Although even the Red Cross had no record of her age, she remarked in 1944 that she then was more than 80 years old.

Miss Boardman was born in Cleveland, the daughter of William Jarvis and Florence Sheffield Boardman. Her father's ancestors came from England in 1636 and settled in Connecticut. Her great-grandfather, Elijah Boardman, was a United States Senator from that State. Gen. John Mason, Colonial soldier and Indian fighter, was another Boardman ancestor.

Her maternal grandfather was Joseph Earl Sheffield, of New Haven, Conn., for whom the Sheffield Scientific School of Yale University is named, because of the aid he gave to it.

STUDIED HERE AND IN CLEVELAND

She was educated in private schools in Cleveland and New York, and then studied and traveled in Europe. William Walter Phelps, Minister to Germany from 1880 to 1893, had married her mother's sister, and the attractive young niece enjoyed much of the official and always military society of Berlin.

At the turn of the century she was dividing her residence with her family between Cleveland and Washington, and was doing welfare work with children in both cities. But the record of the Red Cross during the Spanish-American War was being reviewed in Washington, and incorporation and national recognition for it were being recommended. Miss Boardman's name was included among the original incorporators, without her knowledge. This type of practical service appealed to her, and her interest in its needs started then.

By an official act of Congress in 1905 the society was reorganized and Miss Boardman became full-time secretary, the first and only employee, although she was not paid. Charitable at heart, and fervently patriotic, her intelligent ability was fired by these passions.

She worked incessantly at her desk, first in a one-room office, and later in the War Department. Much of her time was spent traveling from city to city organizing chapters and branches, which eventually spread into every small and large community in the country.

INSISTED ON HIGH STANDARDS

The high standards which Miss Boardman insisted upon, both as to character of women volunteers and thoroughness of training, had much to do with the organization's fine record for efficiency. The emblem and the uniform mean as much to many American soldiers as the flag itself.

In 1913, when America was not too aware of the approaching war in Europe, the Red Cross planned its official headquarters building in Washington. With some Government funds and a larger amount raised by public subscription, Miss Boardman persuaded the executives to buy a site on Seventeenth Street NW. A beautiful marble memorial building was erected, dedicated to the services of American women in the Civil War. The building was completed in 1917, when this country's participation in the war was getting into stride, and the Red Cross was expanded to its greatest dimensions up to that time.

EXTENSION OF REMARKS

Mr. VURSELL asked and was given permission to extend his remarks in the RECORD and include therein a telegram, a letter, and a resolution.

Mr. SPRINGER asked and was given permission to extend his own remarks in the RECORD and to include therewith an editorial from the Indianapolis Star.

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD and to include an article entitled "Past and Present."

Mr. ARENDS asked and was given permission to extend his remarks and include therein a copy of a speech made by the gentleman from Massachusetts, Hon. JOSEPH W. MARTIN, on St. Patrick's Day in the city of Philadelphia.

WORK OF THE COMMITTEE ON UN-AMERICAN ACTIVITIES

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DONDERO. Mr. Speaker, bearing directly on the good and important work being done by the Committee on Un-American Activities of the House of Representatives I want to give to the House and to the country a brief record of what the committee has done for the Nation between February 8, 1945, and January 31, 1946. It received 1,189 requests for information from the following agencies of the Federal Government and has answered them from the material under its control:

Committee on Un-American Activities, number of requests for information at room 550, Feb. 8, 1945-Jan. 31, 1946

Government agency:	No. of requests
Alien Property Custodian	6
Civil Service Commission	95
Federal Bureau of Investigation	19
Federal Works Agency	21
Navy Department	26
Office of Price Administration	2
Office of Strategic Services	31
State Department	457
Treasury Department	273
War Department	257
War Manpower Commission	2
Total	1,189

This list gives to the country some idea of the splendid work being done by that committee. I want the Nation and the Congress to know of it.

EXTENSION OF REMARKS

Mr. ADAMS asked and was given permission to extend his remarks in the RECORD and include a letter.

SPECIAL ORDER GRANTED

Mr. HORAN. Mr. Speaker, I ask unanimous consent that after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered, I may address the House today for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

WAR SCARE

Mr. BENNET of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BENNET of New York. Mr. Speaker, last night I heard a broadcast by Upton Close, who said in substance that President Truman was trying to create a war scare in order to get votes for his program of keeping America strong and helping England.

Where have we heard that one before? We heard it in 1938, 1939, 1940, and 1941 from the Communists, the Roosevelt haters, the pacifists, and many sincere Americans who misread the signs of the times. They did not want America to be strong; they did not want us to help England, and they almost succeeded in their purposes.

Today we find the same old alinement. They are saying again that we do not need military, naval, and air strength. They are insisting that we leave England to work out her own salvation no matter what methods she pursues and what effect it has on UNO, world peace, or any other problem.

In those earlier times I had to fight that alliance and that viewpoint from the outside. I am glad that I can now

do it here where the decisions are to be made.

I am for a strong world organization and a powerful America to help make that organization function. I am for helping England to get back on her feet so that we can have free exchange of goods, services, and ideas, with a consequent promotion of prosperity—the only really effective way to fight communism, which breeds on poverty and discontent. I would like to have Henry Wallace know that.

Let those who take a different view read again the prewar debates on these same subjects and ask themselves whether they wish to be lined up with the same forces which almost succeeded in making our country helpless and without any allies when the blow fell at Pearl Harbor.

PERMISSION TO ADDRESS THE HOUSE

Mr. LATHAM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks and include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

[Mr. LATHAM addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. CANFIELD asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. FALLON asked and was given permission to extend his remarks in the RECORD and include an article from Service Stripe.

Mr. WASIELEWSKI asked and was given permission to extend his remarks in the RECORD in four instances; in one to include an article from the Milwaukee Journal, in another an editorial from the Washington News, in another an editorial from the Washington Evening Star, and in the fourth instance to include some testimony made before a subcommittee of the Foreign Relations Committee of the Senate on the St. Lawrence seaway.

GIFT-LOAN TO GREAT BRITAIN

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I have heard much about being friendly to Great Britain. I want to be Great Britain's friend. I have no reason to be against Great Britain. But I want to say, first, last, and all the time, that I want to be for America. America first, with me.

When the time comes that we say we are going to make a loan of $3,750,000,000 to Great Britain, when we know that that loan is going to be a gift, if we are going to be honest about it, we ought to have enough manhood to stand here and say we are going to give them $3,750,000,000. If you make a man a loan once and he does not repay it, he may come back and ask you for another loan. If you grant that loan the second time and he does not pay it, what are you going to do when he comes for a third loan? You are going to say "No." That is what I say to Great Britain now.

Great Britain can make a loan through the regular banking connections of the two Governments. She can put up collateral for the loan and you know it then will be paid as the usual bank loans are paid. She does not want that. Great Britain wants a gift. We have no money to give away. Our taxpayers now have more of a burden than they can stand. We only wreck our own country to help Great Britain with this gift. We cannot afford that; we cannot make the gift, as a Government, without jeopardizing our own stability. This we, as a Nation, should not do. I will not be one to wreck America for any country in the world.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

COMMUNISTS IN THE STATE DEPARTMENT

Mr. GALLAGHER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. GALLAGHER. Mr. Speaker, the Committee on Un-American Activities has given us some statistics today from the record of the State Department. I do not believe we could have 400 Communists in that organization. I do not believe in advertising this party and adding to their strength. I want to say that those members at least are not dues-paying members and no acclaimed Communists. They may at some time have expressed a belief in the interest of the common people. However, I object to the further advertising of the Communist Party on this floor.

The SPEAKER. The time of the gentleman from Minnesota has expired.

ADDITIONAL TEMPORARY HOUSING FOR VETERANS

Mr. LANHAM. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1621) to amend section 502 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, so as to authorize the appropriation of funds necessary to provide additional temporary housing units for distressed families of servicemen and for veterans and their families, with House amendments, insist on the amendments of the House, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. LANHAM]? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. LANHAM, Mr. BELL, Mr. BOYKIN, Mr. MCGREGOR, and Mr. RODGERS of Pennsylvania.

THANKS OF CONGRESS AND MEDALS TO GENERAL MARSHALL AND ADMIRAL KING

Mr. MAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House Joint Resolution 243, tendering the thanks of Congress to General of the Army George C. Marshall, and the members of the Army of the United States who have fought under his direction during the wars; and providing that the President of the United States shall cause a medal to be struck to be presented to General Marshall in the name of the people of the United States of America; with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Strike out all after the resolving clause and insert "That the thanks of the Congress are hereby tendered to General of the Army George Catlett Marshall for his distinguished leadership, as Chief of Staff of the Army and as a member of the Combined Chiefs of Staff of the United Nations, in planning the expansion, equipment, training, and deployment of the great Army of the United States and in formulating and executing the global strategy that led to victory in World War II; and to the members of the Army of the United States who served under his direction with such heroic devotion and personal sacrifice.

"SEC. 2. That the thanks of the Congress are hereby tendered to Fleet Admiral Ernest Joseph King for his distinguished leadership, as commander in chief of the United States Fleet and Chief of Naval Operations and as a member of the Combined Chiefs of Staff of the United Nations, in planning the expansion, equipment, training, and operation of the United States Navy and in formulating and executing the global strategy that led to victory in World War II; and to the members of the United States Navy, the United States Marine Corps, and the United States Coast Guard and to the members of the Reserve Forces who served under his direction with such heroic devotion and personal sacrifice.

"SEC. 3. The President of the United States is requested to cause gold medals to be struck, with suitable emblems, devices, and inscriptions, in General Marshall's and Admiral King's honor. When the medals have been prepared, the President is requested to present them to General Marshall and Admiral King, together with a copy of this joint resolution engrossed on parchment, in the name of the people of the United States.

"SEC. 4. There is hereby authorized to be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, such sum as may be necessary to carry out the provisions of this joint resolution."

Amend the title so as to read: "Joint resolution tendering the thanks of Congress to General of the Army George Catlett Marshall and to Fleet Admiral Ernest Joseph King and to the members of the armed forces of the United States who served under their direction; and providing for the striking and presentation to General Marshall and Fleet Admiral King of appropriate gold medals in the name of the people of the United States."

Mr. MAY (interrupting the reading of the amendment). Mr. Speaker, I ask unanimous consent that the further reading of the amendment be dispensed with. I will make an explanation of

just what the Senate amendment does and I am confident there will be no objection.

The only thing the Senate amendment does is to include in the provisions of the House joint resolution the Admiral of the Fleet, Ernest J. King, under the same terms and conditions as General Marshall. In other words, this resolution tenders the thanks of Congress and the American people to General George C. Marshall, General of the Armies and Chief of Staff during the war, and awards a medal to him in the name of the people of the United States, and through him as the General of the Armies and the Chief of Staff, to the men under him. The Senate amendment does the same thing with regard to Admiral King and the brave men of the Navy who served under him. Surely no one would grant to the leader of the Army, genuinely entitled thereto, and to his men, such deserved recognition, and withhold the same honors from the leaders and men of the other service like recognition.

Mr. MICHENER. Mr. Speaker, reserving the right to object, is this action agreeable to the other members of the Military Affairs Committee?

Mr. MAY. Yes; it is. I have consulted with them.

Mr. ARENDS. Yes; it is.

Mr. RANKIN. Mr. Speaker, reserving the right to object, and I shall not, my only objection is that they did not include a Congressional Medal of Honor to the greatest general of this war, George S. Patton.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. TABER asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

THE SOVIET RADIO STATION IN THE PENTAGON BUILDING

Mr. TABER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Speaker, on yesterday I read in the newspaper a statement that the Soviet radio station in the Pentagon Building has been granted a 3 months' extension of life. This is a three-band transmitter which transmits thousands and thousands of coded words between Washington and Moscow. Although the war is over, Under Secretary Acheson is said to have insisted upon this, notwithstanding there has been heavy opposition in the War Department to the continuance of its operation.

It seems to me the operation of this station requires a thorough investigation on the part of the Foreign Affairs Committee. It is about time we found out whether those who are looking after our foreign affairs have their first loyalty to the interests of the United States.

COMMUNISTS IN THE STATE DEPARTMENT

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMAS of New Jersey. Mr. Speaker, I rise to correct the statement of the gentleman from Minnesota [Mr. GALLAGHER].

The gentleman from Michigan, who was criticized by the gentleman from Minnesota, at no time said that the Committee on Un-American Activities had stated there were 450 Communists in the State Department. What the gentleman from Michigan did say was that 450 agents of the State Department had called upon the office of the Committee on Un-American Activities in order to look into our files for one purpose or another. The gentleman from Michigan all the way through his remarks was stating that various agents of the Government had called upon the Committee on Un-American Activities to look into the files for the period from February 5, 1945, to date.

EXTENSION OF REMARKS

Mr. BLACKNEY asked and was given permission to extend his remarks in the RECORD and include an editorial from the State Journal of Lansing, Mich.

Mr. RANKIN asked and was given permission to extend his remarks in the RECORD and include a radio address he is to deliver over WMAL tonight answering attacks on the Committee on Un-American Activities.

MEDALS OF HONOR

Mr. LARCADE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. LARCADE. Mr. Speaker, a few moments ago the House passed a bill authorizing medals of honor to be struck for that great leader of the American forces in the recent war, Gen. George C. Marshall, which I heartily approve.

Last June I introduced bills to authorize special medals of honor for Generals Pershing, Eisenhower, and MacArthur. These bills have been before the Military Affairs Committee since that time but I have been unable to get any action except that I received a letter from the chairman of the subcommittee considering the bills stating that it was not the policy of the Military Affairs Committee to pass on matters of that kind; however, since the chairman of the Committee on Military Affairs is present and has presented the bill which was just enacted into law, I desire to ask that reconsideration be given to my bills which have been introduced because all of the other countries of the world have given Generals Pershing, Eisenhower, and MacArthur all of the honors of their country, I think they also are entitled to the highest honors that this country can bestow upon them.

The SPEAKER. The time of the gentleman from Louisiana has expired.

THE LATE HARRIS DICKSON

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, the relentless messenger that never tires and never wearies has again knocked upon the door of an outstanding American and a distinguished citizen of Mississippi. Harris Dickson, the noted author, has been called to his eternal reward. He passed away at his house in Vicksburg, on last Sunday at the age of 77.

Many of you will remember Harris Dickson as the creator of Old Reliable in the Saturday Evening Post a few decades ago.

It has been said that Joel Chandler Harris, of Georgia, the creator of Uncle Remus, was the greatest folklore philosopher since Aesop.

We all knew and loved Irvin Cobb, of Kentucky, the creator of Judge Priest.

In their class was Harris Dickson, the creator of Old Reliable through whom he did more to present to the world the virtues, vices, and natural characteristics of the average Negro of the South than any other man of this generation.

We bid him farewell in his own immortal lines:

Its faith in the strength of the men who do,
And in the skill of the men who say—
That gives hope to each that all will reach
Home safely at the end of the day.

DOMESTIC RAISING OF FUR-BEARING ANIMALS

Mr. SABATH. Mr. Speaker, I call up House Resolution 544 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2115) relating to the domestic raising of fur-bearing animals. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same back to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, later on I shall yield 30 minutes to my colleague from Illinois [Mr. ALLEN].

Mr. Speaker, this is not a very important bill to many Members; nevertheless

it is an important one to certain sections of the country.

House Resolution 544 makes in order consideration of a bill, H. R. 2115, introduced by the hard-working gentleman from Utah [Mr. GRANGER]. It provides for 1 hour of general debate and then the bill will be read under the 5-minute rule, at which time any germane amendments will be in order. The agricultural interests are all in favor of this bill which provides for transferring power and jurisdiction relative to fur-bearing animals from the Department of the Interior to the Department of Agriculture; not fur-flying but fur-bearing animals.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Kentucky, the chairman of the Committee on Military Affairs.

Mr. MAY. I am very happy to have the distinguished gentleman of the Committee on Rules allude to our colleague, the gentleman from Utah [Mr. GRANGER], as being a very hard-working man. I would like to add that he is a very able and capable Representative of his district; that he is not only a hard-working man, but he is diligent and eternally on the job on behalf of his constituents.

Mr. SABATH. I did intend to say that, but the gentleman from Kentucky said it much better than I possibly could. He is all that the gentleman says he is, and I know that he is beloved and appreciated by all of us here for the splendid service which he is rendering to the country. Not only has he appeared before the Committee on Rules urging and pleading for the passage of this legislation, but the gentleman from California [Mr. VOORHIS] has also appeared in favor of the rule and the passage of the bill.

Many of us do not know much about fur-bearing animals, but this is a new industry in this country, and I think it should receive all the cooperation and aid that we can give it. I concede that I do not know about all the fur-bearing animals that are described, and the authority for that will be transferred to the Department of Agriculture. I am familiar with the value of hares, and I suggest to those gentlemen and others that they should immediately breed more hares because of the value not only of the meat, but of the skin. Consequently, I congratulate those who are interested and who I hope will bring about a situation that will improve the breed and also the quantity and quality of these rabbits or hares. I know that in many sections of the world hare meat is a specialty and is recognized as the finest meat, even preferable to the finest lamb or young goat meat. So I feel that this legislation, though it may appear to be of no great importance to many of us, will be of real benefit to the entire Nation, because it may be the medium which will overcome the shortage of meat within a few years; a shortage from which we have been suffering at times.

THE SECRETARY OF COMMERCE

If I may be permitted to make an observation I will do so. Yesterday the gentleman from Mississippi [Mr. RANKIN] criticized the former Vice President, the present Secretary of Commerce. Personally, I think Mr. Wallace is a splendid gentleman, an honorable, honest, and sincere man. Though I have the utmost confidence in him, I cannot quite agree with all that he has proposed, because I think the course he suggested will not be necessary. The gentlemen he has criticized I know are Democrats and will again join with the party which should be dear to them, because they were elected on the Democratic ticket and by right should cooperate with the party of which they are members to bring about that unity and cooperation which will be helpful to them as well as to the entire Nation.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. SABATH. Why, of course I shall.

Mr. COX. I think the gentleman from Mississippi has been wasting a good deal of ammunition, for when I go out hunting I never cock my gun at a sparrow. As for myself, I would pay absolutely no attention to the speech of a dunce like Mr. Wallace.

Mr. SABATH. That remark is unfair. Surely he is not a dunce and any man who takes him for one aims badly. I know the gentleman from Georgia is a good huntsman and goes gunning very often. He may be capable of bringing down a lot of game; but none will be as big and brave as that he has just shot at; and not all of his aiming and sniping can bring this game down. But I hope that he and the gentleman from Mississippi [Mr. RANKIN] and others will forget that statement of the Secretary of Commerce, and not give others the opportunity to criticize and call attention to what he referred to as a "coalition." May I not urge, and I do urge, most sincerely, that we forget our differences and cooperate more harmoniously as the party entrusted by the American people with guidance of our national destinies in this hour of supreme responsibility for the world's future; and let us strive for world-wide peace, which, however, must require peace at home.

Mr. ALLEN of Illinois. Mr. Speaker, I make the point of order that the gentleman is not speaking in order on this resolution.

The SPEAKER. The gentleman will proceed in order.

Mr. SABATH. I feel that all these fur-bearing animals that are provided for include perhaps many other animals that are not included in the bill. And, of course, Mr. Speaker, we are all aware of the educational possibilities—it is well known that rabbits multiply rapidly. I do not know whether the gentleman from Illinois is familiar with all of the many fur-bearing animals we have in this country because they do not seem to be designated specifically. Of course, there are a great many of them. Some of them are dangerous and many of them are not fur-bearing animals. But they are not included in this bill so I would not delude the membership on that score.

In conclusion, may I say that this legislation is not aimed at giving any additional great power to the Secretary of Agriculture who is a capable and able gentleman who will I know assume the addditional duties in a manner satisfactory to the gentleman from Utah, the gentleman from California, and all others interested in helping the development of an industry which I know will benefit the country.

With that statement, Mr. Speaker, I conclude my discussion of the rule, having confined my remarks, as I always do, to the rule which is before the House for consideration, though I cannot resist the temptation at times to deviate from the subject under discussion to enlighten the House on matters which I believe are timely and of importance.

Mr. Speaker, I reserve the balance of my time and now yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, there is no objection to the adoption of the rule on this side of the aisle.

Mr. SABATH. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. GRANGER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2115) relating to the domestic raising of fur-bearing animals.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 2115, with Mr. OUTLAND in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. GRANGER. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, this is a very simple matter. I regret that we have been compelled to take up the time of the House on this bill. We endeavored to have the bill passed by unanimous consent but were unable to do so, and this is the only method that we can pursue. This bill proposes to do two things, and two things only. First, it defines and declares certain fur-bearing animals as domestic animals and declares that the raising of such animals constitutes a farming and agricultural pursuit. Secondly, all the functions of the Department of the Interior with relation to the raising of such fur-bearing animals are transferred from the Department of the Interior to the Department of Agriculture.

As the gentleman from Illinois [Mr. SABATH] stated, perhaps this is not such an important bill, but it has more importance than many Members may realize. The raising of domestic fur-bearing animals and rabbits is practiced in every State of the Union, and in some States it is a major agricultural pursuit. Such States, for instance, as Michigan, Wisconsin, and Minnesota. There should be no opposition to this bill. It comes from our committee with a unanimous report. It simply provides for the two things I have mentioned. I do not know that there is any opposition to the bill.

Mr. VURSELL. Mr. Chairman, will the gentleman yield for a question?

Mr. GRANGER. I yield.

Mr. VURSELL. I have been receiving quite a number of letters from people

in my district who raise rabbits. All of their letters express the desire for a higher tariff rate on the importation of competitive articles from other countries. This bill does not touch that in any way, does it?

Mr. GRANGER. No; it does not, except indirectly. I think the gentleman is talking about Angora rabbit wool?

Mr. VURSELL. Yes.

Mr. GRANGER. Of course, this bill would have the effect of declaring that kind of a rabbit or the raising of that kind of a rabbit to be an agricultural pursuit. It would help in that direction, because it would have a standing with some department and would be an agricultural pursuit.

Mr. VURSELL. Because of your interest in this matter, I thought you would know if there is any other bill pending before the House or any committee now that has been introduced for the purpose of raising the tariff on rabbit wool. Frankly, I ask that question for the purpose of securing information.

Mr. GRANGER. I will say I have had some inquiries similar to that which the gentleman has received. There is a bill that was offered by the gentleman from California [Mr. DOYLE] that would do what the gentleman is asking about.

Mr. PITTENGER. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. PITTENGER. Has there been any criticism of the way Mr. Ickes or some of his subordinates conducted the Department of the Interior with reference to these fur-bearing animals? Is that the reason for the transfer?

Mr. GRANGER. No. I have heard no complaint whatsoever.

The House will remember, of course, that prior to the departmental reorganization that was effected several years ago this agency was in Agriculture. Under the reorganization program it was transferred to Interior, and it has been there ever since. Even so, the people who are administering this act think it could be administered just as well in the Department of Agriculture. At the same time, they are satisfied with it where it is in the Interior.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. WHITE. I think this is a very commendable piece of legislation, and it will have my unqualified support. I am wondering why, in enumerating the list of fur-bearing animals, the beaver were left out?

Mr. GRANGER. This bill is confined solely to domestic fur-bearing animals in captivity. The beaver is a wild animal.

Mr. WHITE. It would be very easy to go into the business of raising beaver. I notice you have muskrats in here, and they have practically the same habits.

Mr. GRANGER. They are entirely different.

The CHAIRMAN. The time of the gentleman from Utah has expired.

Mr. GRANGER. Mr. Chairman, I yield myself five additional minutes.

The beaver is in an entirely different field. This bill does not contemplate going into the field of wildlife whatsoever. We want to take domestic animals that are in captivity, that are farming activities, and put them in the Department of Agriculture, and leave wildlife and fish and deer exactly where they are.

Mr. WHITE. I am in favor of the gentleman's position, but I cannot distinguish between beaver and muskrats, when you talk about wildlife. If one can be domesticated, why not the other?

Mr. GRANGER. Well, beaver are not. Muskrats are. They are real farming, as any other farming activity is carried on.

Mr. WHITE. Would the gentleman be willing to accept an amendment to include beaver, to be left discretionary with the individual, of course?

Mr. GRANGER. No; I would object to that.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield to me?

Mr. GRANGER. I yield.

Mr. VOORHIS of California. I would like to point out that the language of the bill mentions specifically certain fur-bearing animals, and says, "all other fur-bearing animals raised in captivity for breeding or other useful purposes." In other words, the criterion that the bill sets up is the question of whether the animals are raised in captivity.

Mr. GRANGER. As far as I know beaver have not been raised in captivity.

Mr. MANSFIELD of Montana. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. MANSFIELD of Montana. I want the gentleman to know that I appreciate the great amount of work he has put in on this particular measure. I believe it is an important measure. I rose to my feet to bring out what the gentleman from California [Mr. VOORHIS] has stated, that I believe the answer to the question raised by the gentleman from Idaho is found right in the bill as written.

Mr. WHITE. I may say to the gentleman and to the House that State game wardens are profiting by going in on private land, trapping the beaver, and making a regular business out of it. I do not know why the farmer who pays taxes on his land and supports the place should not be permitted to raise some beaver if he wants to keep them in captivity.

Mr. GRANGER. There is nothing to prohibit anyone from doing that very thing if they want to under this bill if they are raised in captivity and are domestic animals. That is very clear.

Mr. WOLVERTON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. WOLVERTON of New Jersey. I want to emphasize what the gentleman has already said and what was so well stated by the gentleman from California [Mr. VOORHIS]. I believe the statements of these two gentlemen answer completely the objection that has been made by the gentleman from Idaho [Mr. WHITE], in that the bill reads "and all other fur-bearing animals raised in captivity."

Mr. GRANGER. Yes.

Mr. WOLVERTON of New Jersey. If the beaver in which the gentleman from Idaho is interested are raised in captivity as these other fur-bearing animals are, then they certainly come within the provisions of the bill.

This bill which is now before the House has real merit in its effort to establish a new and rapidly growing industry. The raising of domestic rabbits for the production of fur and as a highly nutritious meat has become an important branch of American agriculture. The producers of rabbits are farmers, like poultry farmers and other producers of livestock. Therefore it naturally belongs in the Department of Agriculture.

It is an industry rapidly increasing in importance in the district I represent as well as in many other parts of the country.

I hope the bill will have the favorable support of the House.

Mr. GRANGER. I think the bill entirely covers that. I thank the gentleman.

Mr. ALMOND. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. ALMOND. I am heartily in favor of the bill, but I wish to be sure I understand one portion of it. As I understand, this does not involve the creation of any separate bureau or agency to administer the functions of the bill, nor does it involve any appropriation.

Mr. GRANGER. The gentleman is correct; it does not create any additional agency or require any further appropriation; in fact, the committee went to the extent of ascertaining from the Department of Agriculture what their practice would be if this legislation were passed. We were given the assurance, and I think rightly so, that the activity simply would be taken over and it would not cause the creation of any new bureau or require any additional appropriation.

The CHAIRMAN. The time of the gentleman from Utah has expired.

Mr. GRANGER. Mr. Chairman, I yield myself five additional minutes.

Mr. GILLIE. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. GILLIE. I believe this is a rather important bill. The people in my district are very vitally interested in this transfer because we have one of the largest fur-bearing industries in my district. We are particularly interested in rabbits. We have a great many growers there. Some of them have as many as 100 or 150 hutches of various kinds of rabbit.

I wish to support this bill, and my folks back home are very much interested in this bill. Inasmuch as it will not require any extra money or further appropriation to make this transfer I am heartily in favor of having this bill passed just as it is.

Mr. GRANGER. I thank the gentleman and I hope the Committee will pass the bill without much debate.

Mr. Chairman, I reserve the balance of my time.

Mr. JOHNSON of Illinois. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, the gentleman from Utah [Mr. GRANGER], author of this bill, has made a very able presentation of the material body of this bill and has clearly

stated its provisions. I cannot see why there should be any objection to this measure, because of the rapid growth of this industry in the past few years.

Mr. Chairman, something has been said about rabbits. There was testimony presented before our committee that last year in one county alone in California there were produced $6,000,000 worth of rabbits. That has become a great food industry, therefore it belongs under the jurisdiction of the Department of Agriculture.

There has also been mentioned the production of Angora rabbits because of the wool, which is like the wool of the Angora goat, for which there is quite a market in this country. May I say to those gentlemen who have referred to some kind of a tariff, that there should be some protection for these growers, and I agree with them, but this is not the time or place upon which we should attach any such tariff measure.

Mr. Chairman, I now yield 5 minutes to the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Chairman, one of the reasons for this bill being before us this morning has not been mentioned as yet. That is the small-farm or truck-garden owner in many places throughout this Nation has gone into the production of rabbits not only for fur but for food. What we had in mind was to transfer this activity back to the Department of Agriculture so that these folks who need information as to the way to feed and care for these fur-bearing animals can get the information through the Department of Agriculture.

Mr. Chairman, I do not represent the city of Denver, in Colorado. That is District No. 1. However, my district does completely surround the city of Denver, coming up to the city limits of Denver on all four sides. It is probably the only congressional district in the United States completely surrounded by another congressional district. I get hundreds and hundreds of letters every spring, some throughout the year, inquiring as to how to care for and make money out of these rabbit hutches. The Department, in my opinion, has issued very fine bulletins on this subject, which give some very excellent information on how to feed and how to care for rabbits.

Mr. HENRY. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Wisconsin.

Mr. HENRY. Is it not true also that most all of the people raising fur-bearing animals in this country favor the legislation that we are attempting to pass here today?

Mr. HILL. That is exactly right. Those folks who are producing fur are in favor of this bill. Mr. Chairman, let me add further that we are going to have a considerable number of boys return from this war, many of whom cannot do the active, hard work necessary to take care of a poultry ranch. However, in many instances they could take care of rabbit hutches.

I would like to impress upon the Members of the House this morning that it is important this little change be made so that these veterans may get the necessary information from the Department of Agriculture in connection with the care of these animals. We have in my State fur-bearing ranches at this time producing fox and other fur-bearing animals, and, in answer to the gentleman from Idaho, who referred to beaver, may I say that our State fish and wildlife organization is now promoting plans to start experimental farms in connection with the production of beaver fur. This bill would classify those under domestic fur-bearing animals.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Indiana.

Mr. SPRINGER. It is the intention, as I understand it, to make this bill apply to all kinds and types of fur-bearing animals which are mentioned and which are raised in captivity for fur and other purposes?

Mr. HILL. As I understand this bill, as soon as you take over a fur-bearing animal and raise him in captivity, then he immediately comes under this bill. In other words, as soon as we begin to grow and produce them in captivity they come under this bill.

Mr. SPRINGER. Under the provisions of the bill as written I do not believe the gentleman is going to attain just that result.

Mr. HILL. What change would the gentleman suggest ?

Mr. SPRINGER. For instance, in lines 6, 7, and 8 it provides that:

> Fox, rabbit, mink, chinchilla, marten, fisher, muskrat, karakul, and all other fur-bearing animals——

I think the comma ought to come out and it ought to be replaced following the word "animals." Then those particular animals will apply to those in captivity for breeding and other purposes, and I think then you will accomplish the purpose you intend.

Mr. HILL. I thank the gentleman for his contribution.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from California.

Mr. VOORHIS of California. I think the legislative intent should be very clear that it is the purpose of this bill to transfer to the Department of Agriculture and to designate as domestic animals only those animals which are raised under domestic conditions on a farm by a farmer, and that the criterion to be established is the circumstance under which the animal is raised rather than the type of animal that it is.

Mr. HILL. That is entirely correct. I am sure that the gentleman in charge of the bill would have no objection to an amendment which would satisfy those who question what this section means.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. JOHNSON of Illinois. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Michigan.

Mr. MICHENER. Of course, I am in favor of this bill, but I want to express the hope that the passage of this bill will not be an incentive to the organization of a number of these silver-fox farms or rabbit farms, or what have you, for the simple reason that the raising of silver foxes a few years ago developed into one of the worst rackets in the country. There were a number of them in my district. Corporations were organized; stock was sold. For instance, the man who owned the stock would own a pair of silver foxes, and then he was to receive a certain part of the increase as well as the proceeds thereof. This bill is intended to help the honest-to-God farmer who wants to raise these animals, but it should not be made an incentive for racketeering companies to prey upon the people, especially the veterans, in selling them stock in fur-bearing farms.

Mr. HILL. I thank the gentleman from Michigan. I might say this, that some good has come out of what the gentleman complains of. At our State agricultural college we have a department that conducts experiments and has been doing work on fox fur farming for years, and some fine results have been obtained.

Mr. GILLESPIE. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Colorado.

Mr. GILLESPIE. I understand some of the producers of Angora rabbit wool have expressed a preference that this industry stay under the jurisdiction of the Department of Interior. Of course, this is a new industry and is developing rapidly and is a line of endeavor that is attracting many of the returning servicemen and I think it should have every protection possible. It is an infant industry in every sense of the word and should have protection against foreign competition.

Mr. HILL. I would say this to the gentleman from Colorado that this Angora rabbit wool raising industry is just in its infancy. In my home town of Fort Collins we have a man who has been spending most of his time in introducing and working with the boys and girls in that part of Colorado in promoting the Angora rabbit wool activity. They are doing quite well and feel their opportunities in this field are growing rapidly.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Utah.

Mr. GRANGER. Contrary to what the gentleman from Colorado was stating to the gentleman, the mail I have received on this Angora-rabbit wool proposition is that the growers want this activity transferred from the Department of the Interior to the Department of Agriculture. I think the gentleman is mistaken on that.

Mr. HILL. I think the gentleman from Utah is entirely correct. The letters I have had from the Angora people are along this line. They are afraid that after the war is over we are liable to have the Japanese going back into the producing of this Angora wool.

They had a corner on it for many years. The producers seem to think that if we could get a little tariff for their protection we might be able really to develop an Angora-rabbit wool production activity in this country that would really be quite an industry.

Mr. GRANGER. Of course, the matter of the tariff does not enter into this legislation at all.

Mr. HILL. No; nor could it be a part of it.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from California.

Mr. VOORHIS of California. May I say that my own mail, which is rather heavy from the producers of Angora wool, has been universally in favor of this transfer. It seems to me quite apparent that from the point of view of the interest of the producers of a so-called agricultural commodity of that kind their best interest lies in their being in the Department of Agriculture and having their product considered an agricultural product.

Mr. HILL. The gentleman from California is entirely correct, because even in this angora rabbit wool production the rabbit itself is a real food prouct after the wool has been plucked from the rabbit.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. They have the benefit here of the Extension Service of the Department of Agriculture. Will they not also have the benefit of the lending agencies such as the Production Credit Associations? Is not that somewhat the motive behind it?

Mr. HILL. The rabbit industry is so small and so inconsequential from the standpoint of borrowing money that most of these boys and girls and the veterans who wish to get into the rabbit business do not need to borrow any money from anyone.

In closing, may I say that I am supporting this measure 100 percent. I hope no one objects to it. We do not need to consider the matter further. This activity should have been kept in the Department of Agriculture in the first instance. I hope everyone will support this measure.

Mr. GRANGER. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Chairman, I was in part responsible for preventing this bill being considered on the Consent Calendar. My objection to the bill is that we have passed a reorganization act giving the President power to reorganize the executive branch of the Government. It is a good act. It is the best act of its kind we ever passed. I can qualify as a competent witness because I have been on every reorganization commitee in this House for the last 18 years.

Yesterday we passed a bill setting up an agency having to do with loans and credits to farmers, the service rendered to those engaged in agriculture. There was not a line in that bill that provided anything the President could not do under the powers we granted him in the reorganization act. There is not a line in this bill that the President cannot do under the powers we gave him in the reorganization act.

The Biological Survey was at one time in the Department of Agriculture, until the Fish and Wildlife Service was created in the Department of the Interior. At the last hearing we held before the Committee on Conservation of Wildlife, of which I am a member, it developed that there are seven agencies of the Government performing functions that properly belong to the Fish and Wildlife Service. The Biological Survey, of the Fish and Wildlife Service, is the one that is rendering service in connection with this industry. I know it is growing. I know just as well as you do that this industry is expanding, and it should expand. But I think we should let the President of the United States reorganize his own branch of Government now that we have given him the power, and not be passing legislation of this character.

In response to the gentleman from Colorado, let me say that I receive just as much mail as he does from people desiring information in reference to raising fur-bearing animals, including rabbits.

I do not have the least trouble in securing the literature desired from the Fish and Wildlife Service. It takes a little longer now because the office is temporarily located in Chicago, but when it was located here you could get that literature in 24 hours or 48 hours at the most. I see no reason for the passage of legislation of this kind, when the President has the power to put the agencies where he wants to put them. He can put it in the Department of Agriculture if he desires. I maintain that, although these animals are raised on the farms, there is no reason why the Fish and Wildlife Service cannot give the people the information. The fact of the matter is that you will either set up a biological survey in the Department of Agriculture to handle this matter or the Department of Agriculture will have the Fish and Wildlife agency service this department.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. GRANGER. Of course, the gentleman knows that this bill would not in any way interfere with the reorganization program of the President. If this procedure is wrong, the President has ample opportunity to correct it before it becomes law and he has the authority to reorganize the departments even if this bill does become law. The gentleman mentioned that there was not anything that the President could not do. Here is something that the President cannot do. On page 2, line 1, after the enumeration of these fur-bearing animals, the bill states that the Congress of the United States declares the raising of them to be an agricultural pursuit. The President cannot do that.

Mr. COCHRAN. What difference does it make if they are declared to be agricultural pursuit or some other kind of pursuit? That is not going to have anything to do with the price or the raising of the animals.

Mr. HENRY. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. HENRY. If this is good legislation, what is the difference if we pass it as we are attempting to do here or wait for the President to act?

Mr. COCHRAN. Why do you not give the President the time to act; and if he does not act, then consider the bill?

Mr. GRANGER. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia [Mr. ALMOND].

Mr. ALMOND. Mr. Chairman, I have studied the report on this bill and have studied the bill very carefully. It seems to me to be a very salutary piece of legislation. It calls for no appropriation and creates no new department or bureau, but merely transfers jurisdiction of this work from the Fish and Wildlife Service of the Department of the Interior to the Department of Agriculture in order that this growing and important industry may have the benefit of the splendid facilities that the Department of Agriculture now has to administer to its sound and progressive growth. I cannot understand why it has been referred to as a minor piece of legislation. I think it is vital legislation. One important matter that suggests itself to my mind specifically is with reference to the prevalence of the disease among wild rabbits in the South known as tularemia. The wild or game rabbit will soon be extinct. The husbandry of domestic rabbits is growing rapidly to be a very vital and important industry in this country. It will open up new avenues of opportunity and sources of income for the assistance of many people who can raise rabbits on their farms. The Department of Agriculture has facilities with reference to the propagation of these animals as well as information to help people raise them in a healthy condition. This is a great industry and can be put on a high level. I think the legislation is important and I hope it passes.

Mr. GRANGER. Mr. Chairman, I yield the gentleman one additional minute.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. ALMOND. I yield.

Mr. SPRINGER. I have received a large number of communications from veterans who desire to engage in this business. I am certain the gentleman from Virginia has also received a number of communications on that subject.

Mr. ALMOND. That is true.

Mr. SPRINGER. This measure merely transfers this from the Wildlife Division of the Interior Department to the Department of Agriculture?

Mr. ALMOND. The gentleman is correct.

Mr. SPRINGER. I think that would be a very wholesome act in respect to the administration of this particular business.

Mr. ALMOND. I thank the gentleman for his contribution.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. ALMOND] has again expired.

Mr. HILL. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Chairman, I do not wish to prolong the discussion of this legislation. The thing I cannot understand is why it should be necessary to discuss the matter at all. It seems apparent on its face, certainly it is apparent to any person who has any acquantance at all with the raising of fur-bearing animals, that it is an agricultural activity, and therefore the only proper, sane, and sound place for it to be is in the Department of Agriculture.

Statements have been made to the effect that it is an infant industry. Certainly it is an infant industry, but it has already reached proportions where in some sections it constitutes a very real and important part of the agricultural economy of the State. That is true particularly in the State of Wisconsin, where even in its infancy this industry has reached very astounding proportions, and constitutes a very big factor in the agricultural economy of that State.

I hope this legislation will be enacted. I certainly do not feel that the argument presented by the gentleman from Missouri, namely that because the President has been granted the power to reorganize, therefore we should not act, goes to the merits of this legislation. This reorganization is necessary. It is advisable and meritorious. Therefore, there is absolutely no reason for waiting just because the power to reorganize has been given to somebody else. It should have been done long ago. It certainly should be done now.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. BYRNES], has expired.

Mr. GRANGER. Mr. Chairman, I yield 1 minute to the gentleman from Louisiana [Mr. LARCADE].

Mr. LARCADE. Mr. Chairman, no doubt you all know that Louisiana is the largest fur producing State in the United States, and my district is the largest muskrat producing district in the United States. I have submitted the bill under consideration to the Commissioner of Conservation of Louisiana, and other interested parties in my district. They have no objection to the bill.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. GRANGER. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, this is a very important measure to a significant group of American farmers. It is a very logical measure, as has been said by a number of Members, and there is not any reason why there should be the slightest question about its passing.

The gentleman from Missouri made the argument to the effect that we passed a reorganization bill and should leave the matter to the President. Even though we have passed a reorganization bill, if Congress knows a certain move is right and is the sound course to pursue, we should go ahead and do it. I see no reason why we should wait for a very uncertain possibility that the President will transfer this work from one department to the other.

The whole purpose of this bill is very simple. The purpose of the bill is to get certain government services to a branch of Agriculture, which are now under the Fish and Wildlife Service of the Department of the Interior, over into the Department of Agriculture where they belong.

In my section of California the raising of domestic rabbits has become an important industry. During the war it was one of our major sources of meat. It is so today and will continue to be. In one year, in 1945, 4,000,000 animals were marketed in Los Angeles county alone, with a value of $6,000,000 for the meat alone, without regard to the value for the fur. The men who produce those animals are farmers, just exactly like poultry farmers and other livestock farmers. One gentleman asked the question as to what difference it makes whether these animals are described as domestic animals, and their products as agricultural products. I can answer that it makes all the difference in the world.

To a farmer, the services of the Extension Service and other services of the Department of Agriculture are of extreme importance, and for one group of farmers to be shut out from the possibility of having the advantage of those services just does not make good sense.

I wish to read one short paragraph from the California Rabbit Magazine, which, of course, speaks for this industry. It reads:

> The rabbit industry is rapidly becoming one of the larger meat-producing businesses in this section of the country. It is probably the largest fur-producing business and the only short Angora wool-producing industry we have. Compared with other agricultural industries, the rabbit business has no more right being in the Department of the Interior than the Coast Guard has. Why should an industry that produces food and clothing be put under the same head as snakes, turtles, skunks, and fish?

That is the way our people feel about the matter.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. BROOKS. I wish to call the gentleman's attention to the fact that in the old WPA days the Government went so far as to consider the trapping of wild muskrats in Louisiana a farming industry, and I think properly so.

Mr. VOORHIS of California. I agree with the gentleman.

I have in my hand a petition signed by several hundred rabbit producers all over these United States. This petition is in support of this bill. I have all kinds of correspondence universally in support of the bill. Last summer I attended the State convention of rabbit producers in my State, which convention was unanimously in support of this legislation.

The research work that is carried on in the field of domestic animals is carried on by the Department of Agriculture. It ought to be a saving to make this transfer. A great deal of that research work is carried on using these very animals as subjects for it; and why in the world should we not have in the Department of Agriculture the services to farmers who are encompassed in this bill?

The Farm Bureau Federation has indicated their support of the bill. We made a couple of amendments to the bill in accordance with their suggestion.

The Grange is in support of the bill and has so testified. All the other farm organizations as far as I am aware are in support of this bill.

Legislation such as this as a matter of fact should have been passed even before this. I want to say for my part that I appreciate very deeply the interest that the Members of the Committee on Agriculture have taken in the bill, the hard work that the author of the bill, the gentleman from Utah [Mr. GRANGER] has done; and I know that the farmers who will be affected by the bill and who hope for its passage would want me to say that to the House.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. JOHNSON of Indiana. Mr. Chairman, I yield such time as he may desire to the gentleman from Colorado [Mr. GILLESPIE].

Mr. GILLESPIE. Mr. Chairman, the production of Angora rabbit wool is comparatively new in the United States, although it has been carried on in Japan and Europe for a number of years. My own State of Colorado is particularly well adapted for the growing of this wool because the average altitude of that State is the highest in the United States and the cool nights cause the rabbits to grow heavy pelts, and while the yield for a single rabbit is low, the price of wool is very high. This is a line of business that can be engaged in successfully by men who are partially disabled and is being eagerly sought after by returning veterans.

I have had many letters from veterans stating that they want to engage in the production of Angora rabbit wool and are asking that a tariff be placed on this commodity to protect them from cheap Japanese or European importations. One letter I received, reads as follows:

> DENVER, COLO., *February 25, 1946.*
>
> DEAR SIR: We are writing you at this time asking your full cooperation on passing of bill H. R. 5308, the taxing of Angora rabbit wool and yarn coming into this country from foreign trade.
>
> The Angora rabbit is becoming big business in this country, and it can stay big business providing we can get this bill passed, but we cannot compete with foreign labor.
>
> I am an ex-serviceman having met with an accident after leaving the service, losing all four fingers from my right hand, which makes me want to become more and more independent. We believe the Angora rabbit can give us this chance and many, many veterans of this last war, providing we can get this bill passed.
>
> Thanking you,
>
> Mr. and Mrs. CYRIL L. FISH.

This is a sample of many letters I have received. H. R. 5308 has been introduced by the Honorable CLYDE DOYLE, of California, for the purpose of affording such protection and I hope when we come to that bill that the request of these returning veterans, as well as thousands of others, engaged in this new and in-

fant industry will be taken into consideration.

Mr. GRANGER. Mr. Chairman, I know of no further requests for time and ask that the Clerk read the bill.

The Clerk read as follows:

Be it enacted, etc., That for the purposes of all acts of Congress, Executive orders, administrative orders, and regulations—

(a) fox, rabbit, mink, chinchilla, marten, fisher, muskrat, karakul, and all other fur-bearing animals raised in captivity for breeding or other useful purposes shall be deemed domestic animals;

(b) such animals and the products thereof shall be deemed agricultural products; and

(c) the breeding, raising, producing, or marketing of such animals shall be deemed an agricultural pursuit.

Committee amendment: Page 1, line 3, after the word "of", insert "classification and administration of."

The amendment was agreed to.

Committee amendment: Page 1, line 5, after the word "regulations", insert "pertaining to—."

The amendment was agreed to.

Committee amendment: Page 2, line 4, after the word "animals", insert "or their products by the producer."

The amendment was agreed to.

Mr. SPRINGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SPRINGER: Page 1, line 7, after the word "karakul", strike out the comma; and insert a comma after the word "animals" at the end of line 7.

Mr. SPRINGER. Mr. Chairman, the amendment which I have just offered will, I am certain, clarify and lend material assistance to the pending bill, H. R. 2115. The bill, in its present and original form, in lines 6, 7, 8, and 9, on page 1, would create confusion as to whether the legislative intent is to limit "all other fur-bearing animals" to those "raised in captivity," or as to whether the provision "raised in captivity" will apply to those fur-bearing animals which are specifically menticned in that portion of the pending biil. I am confident that much confusion would develop if the bill should be passed in its original form, and without the insertion of the amendment which I have offered. That very uncertain condition, which would doubtless create confusion in the future, should be corrected now, and for the purpose of entirely clarifying and making specific and certain, this very material question, I have offered the amendment in line 7, page 1, to strike out the comma following the word "karakul", and to insert a comma after the word "animals" at the end of line 7, and with the adoption of that amendment all of the animals named in subdivision (a), on page 1, including "all other fur-bearing animals," will be controlled by the provision, which follows "raised in captivity." This is, as I understand from the members of the subcommittee having this measure in charge, the express intention of both the subcommittee and of the full committee upon this subject. That intention being that the fur-bearing animals which come within the provisions of this bill must be those which are "raised in captivity for breeding or other useful purposes shall be deemed domestic animals." My amendment will clarify this measure and make certain the intent which is here desired.

Mr. Chairman, I am happy to have the opportunity to support this measure. Quite recently I have received many communications from returning veterans and from the people in the district which I have the honor to represent, all of whom desire to engage in the business of producing fur-bearing animals. It is my considered judgment that the transfer of this particular item of business from the fur-bearing animal section of the Department of the Interior to the Agricultural Department is both desirable and expedient. As a matter of fact this particular business, which relates to those animals raised in captivity and which are deemed to be domestic animals, should properly come within the purview of the Department of Agriculture. To all of us, I am certain, this transfer will meet with entire approval and unanimous endorsement.

May I compliment the members of the subcommittee for bringing before the House this measure which is so desirable, and which will be found to be wholesome in the future. Especially I desire to compliment the gentleman from Utah [Mr. GRANGER], the gentleman from Illinois [Mr. JOHNSON], and the gentleman from Colorado [Mr. HILL] for the splendid work they have done in connection with this legislation, and for their painstaking efforts in presenting this legislation to the House. They have rendered an outstanding service in a worthy cause.

Mr. Chairman, it is my hope that the amendment which I have offered will be passed, thereby clarifying this measure and making clear and certain the intention of the committee, and that this measure will be passed by the unanimous vote of the Members of the House. I am confident this legislation, when enacted into law, will be found to be helpful and very beneficial.

[Here the gavel fell.]

Mr. GRANGER. Mr. Chairman, this is a desirable amendment and the committee will accept it.

The amendment was agreed to.

Mr. WHITE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITE: Page 1, line 7, after the word "karakul", insert the word "beaver."

Mr. WHITE. Mr. Chairman, if we are going to enumerate the animals to be domesticated, those that can be propagated, I suggest that beaver be included also. I live in a country where beaver had practically become extinct, but now are gradually increasing, having been fostered by the State and Federal Governments, and through protective laws have become rather plentiful.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Indiana.

Mr. SPRINGER. Does not the gentleman believe that the language in line 7, page 1, reading "and all other fur-bearing animals" includes the beaver?

Mr. WHITE. That is subject to interpretation by the wildlife and game people. There is a question whether beaver is included.

Mr. SPRINGER But beaver is a fur-bearing animal.

Mr. WHITE. Beaver is a fur-bearing animal, yes, and it ought to be propagated in these United States.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from North Carolina.

Mr. COOLEY. Is beaver grown in captivity?

Mr. WHITE. They can be grown in captivity just the same as muskrats.

Mr. COOLEY. Maybe they can, but are they?

Mr. WHITE. That is a question. I believe they are grown in captivity. I do not know whether they are grown commercially or not, but I see them in parks, zoos, or in a great many other places.

Mr. COOLEY. Are they grown for commercial purposes?

Mr. WHITE. They are out in my country. Out in Idaho last year a farmer trapped 60 beaver under the auspices of the State and he got $38 as his share for each of those beaver. If there is anything that should be propagated and anything that will boost the fur trade it is the beaver pelt. I contend that the way should be opened for the farmers of this country to maintain their land and to raise these beaver, domesticate and propagate them for fur purposes. That is the object of my amendment.

Mr. COOLEY. I am not arguing with the gentleman whether it would be a good or bad thing. I was wondering what the present situation is with reference to the growing of beaver in captivity.

Mr. WHITE. If there is any merit to this bill at all, then there is merit in the amendment I have offered.

Mr. Chairman, beaver produces some of the most valuable fur that we have in the fur trade. If we are going to propagate fur-bearing animals at all it seems to me we should not exclude one of the most valuable animals we have in our country. I do not see why the committee cannot accept the amendment. It only inserts the word "beaver," and if anyone wants to propagate beaver I do not know why the door should be closed to them.

Mr. Chairman, I hope that my amendment will be agreed to.

Mr. GRANGER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Idaho.

Mr. Chairman, in the first place I doubt whether or not the amendment is germane because this bill deals exclusively with those animals that are now raised in captivity and those animals which are domesticated; furthermore, the language of this bill would take care of the situation that the gentleman from Idaho enumerates, in that it applies to fur-bearing animals in captivity. If, as the gentleman suggested, the time should come when beaver are raised in captivity they would come within the provisions of this bill.

Mr. Chairman, I hope the Committee will reject the amendment offered by the gentleman from Idaho.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho [Mr. WHITE].

The amendment was rejected.

The Clerk read as follows:

SEC. 2. (a) All the functions of the Secretary of the Interior and the Fish and Wildlife Service of the Department of the Interior, which affect the breeding, raising, producing, marketing, or any other phase of the production or distribution, of domestically raised fur-bearing animals, or products thereof, are hereby transferred to and vested in the Secretary of Agriculture.

(b) Appropriations and unexpended balances of appropriations, or parts thereof, which the Director of the Budget determines to be available for expenditure for the administration of any function transferred by this act, shall be available for expenditure for the continued administration of such function by the officer to whom such function is so transferred.

(c) All records and property (including office furniture and equipment) under the jurisdiction of the Secretary of the Interior and the Fish and Wildlife Service of the Department of the Interior used primarily in connection with the administration of functions transferred by this act are hereby transferred to the jurisdiction of the Secretary of Agriculture.

SEC. 3. This act shall take effect 60 days after the date of its enactment.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. COOPER] having assumed the Chair, Mr. OUTLAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 2115) relating to the domestic raising of fur-bearing animals, pursuant to House Resolution 544, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

DEFICIENCY APPROPRIATION BILL, 1946

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3671) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. CANNON of Missouri, Mr. LUDLOW, Mr. O'NEAL, Mr. RABAUT, Mr. JOHNSON of Oklahoma, Mr. TABER, Mr. WIGGLESWORTH, and Mr. DIRKSEN.

EXTENSION OF REMARKS

Mr. DIRKSEN asked and was given permission to extend his remarks in the Appendix of the RECORD in two different instances.

Mr. RABAUT asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. LAFOLLETTE. Mr. Speaker, I ask unanimous consent that I may extend my remarks in the RECORD immediately following the address of the gentleman from Washington [Mr. HORAN], who has a special order this afternoon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HARRIS. Mr. Speaker, Maj. John R. Walsh, former Chief of the Intelligence Branch of the Persian Gulf Command of the United States Army, is writing a series of six articles, which are being carried in the Washington Post, on the disturbing situation in the Middle East. The first of these articles appeared in the Washington Post on March 17, entitled "Russian Aims in Middle East Are Revealed by Old Events." I think this historical background should be of very great interest to the people of this country, and I ask unanimous consent to extend my remarks in the RECORD and include this article.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Louisiana [Mr. BROOKS] is recognized for 20 minutes.

THE SUGAR SITUATION

Mr. BROOKS. Mr. Speaker, a number of persons have spoken or written to me in reference to the shortage of sugar prevailing throughout the United States. I think perhaps I have been an object of special attention due to the fact that I am from Louisiana, a sugar-producing State. I do not, however, represent an area which grows sugarcane or produces beet sugar, but I have made, to some extent, a study of this situation. The statement I make today is in an effort to clear up the reasons for the shortage of this universal household commodity.

There are certain definite reasons for our shortage of sugar today, none of which is connected with Government operation. I believe that the Members of Congress and the people of the United States are entitled to know these reasons; and if you will give me your attention for a few minutes, I will quickly outline them and explain in detail as far as my time will allow.

In the first place, sugar could not suddenly become plentiful, like gasoline and steel, when the war ended. Peace brought no relief to this problem because the sugar backlog usually stored up in this country was all gone, sources of supply lost, and it takes months to plant and harvest the cane and beet crops. To increase processing facilities it takes even longer, especially with existing shortages of essential material.

Before the war, we consumed in the United States about 6,500,000 tons of sugar a year. That means a little more than 100 pounds per person per year. We obtained this sugar from the following sources of supply before the war:

	Tons
Cuba	1,950,000
United States beets	1,600,000
Philippine Islands	1,000,000
Hawaii	950,000
Puerto Rico	600,000
United States cane	400,000
Miscellaneous	50,000

Now what has happened to our sources of sugar? Where has it gone? Why are we short today? Here is the answer, briefly stated, so that everyone in the United States can fully understand:

In the first place, the Philippine supply of 1,000,000 tons was completely and suddenly shut off on Pearl Harbor day and we have had nothing since. Reports tell us that we can expect no sugar from the Philippines for another 2 years. Many of the mills are damaged or destroyed, no crops have been planted, and the outlook is very discouraging.

The next largest loss in our supplies came from beet production in our own country. This area normally produced about 23 percent of our prewar sugar consumption. During the war, sugar-beet growers were faced with a shortage of labor. It is well known that the sugar beet is one of the heaviest labor crops on the farm. Naturally, faced with a shortage of labor, the farmer preferred to plant crops where the labor requirement was less. Also, other foodstuffs were needed as well as sugar beets. Many farmers diverted beet acreage to other crops and it is difficult to say that they did not contribute just as much to the war effort by producing beans, potatoes, and so forth, as they would have had they produced sugar beets. In my section, many farmers went into the cattle-raising business. The farmers lost a large proportion of their young men to the armed forces and other entered the war industries, such as shipyards, airplane factories, and others.

Puerto Rico suffered in 1943 and 1944 through a drought and our inability to ship fertilizer to the island in 1942 and 1943, due to a shortage of shipping. The 1946 Puerto Rican crop should be back to prewar levels or even better.

Hawaiian sugar producers had cane fields requisitioned by the armed forces and converted into airports. Mechanized equipment was requisitioned. Labor was lost to the armed forces and to defense work in the islands. Despite this, their production dropped less than 15 percent from prewar levels.

Louisiana and Florida cane production has fluctuated at around or better than prewar volume. I am proud to say that the growers in these areas have made valiant efforts to increase production but have also been hindered by insufficient labor. The production in Louisiana has been increased, however, almost one-quarter, I am told, above prewar production.

Cuba has been our principal source of supply during the war and has been able to increase its production substantially. During the war years Cuba cooperated by selling its crop to us at reasonable prices. The 1945 crop outturned about three-quarters of a million tons less than had been expected, due to a hurricane and severe drought which reduced the crop. Although negotiations for the 1946 Cuban purchase have been more difficult, because of certain demands being made by Cuba as to its future share in the United States market, nevertheless, a contract is ultimately expected to be concluded. In the meanwhile, shipments of new-crop Cuban sugar are coming forward on an agreement, and the lack of a final contract is not affecting our supplies.

Although production in all areas during 1946 will substantially exceed the production of 1945, there will not be any more sugar actually available due to the fact that stocks in the United States and its supplying areas on January 1, 1946, were about 400,000 tons less than January 1, 1945. Stocks are now at a minimum and consumption must come from production.

Many remarks have been made on the floor of this House recently charging bungling and mismanagement by the Department of Agriculture of the sugar problem. It was recently stated that the Government price-fixers have used the excuse in 1943 and 1944 that the dire shortage was due to lack of ships to bring sugar from Cuba and that this statement was not true. The statement is 100-percent correct as, during those years, there was always extra sugar available in Cuba but, due to severe losses in shipping tonnage by submarine activity and the requisitioning of further tonnage for military purposes, there were so few ships available to move sugar from Cuba that it was necessary to inaugurate a so-called ferry system of moving sugar from Habana by barges and tugs to Florida ports and the shipment of sugar from there by rail to United States consuming areas.

It has also been stated that millions of pounds of sugar went to waste in Cuba. This is also incorrect. No sugar went to waste in Cuba although it is true that during the years of shipping stringency a limited amount of blackstrap molasses had to be ditched as further storage space was not available. This product is a byproduct of sugar manufacture. It should be remembered that in that period tank steamers were at a premium and those available had to be used for the movement of petroleum products to our armed forces and our allies.

It has also been stated that there has been recent delay in shipment of sugar from Cuba due to the insistence by the Commodity Credit Corporation that it wouuld pay only 3.10 cents per pound for 47,500 tons of 1946-crop sugar to be shipped as replacement of a similar quantity of 1945-crop sugar loaned by Commodity Credit Corporation to Cuba for local consumption needs. I am sure that no reasonable person would dispute the issue with Commodity Credit Corporation when it is known that the purchase price of sugar loaned to Cuba was 3.10 cents and that, certainly, the Cuban Government should return it at the same price despite the fact that the price for 1946 sugar is 3.675 cents per pound. There has been no disagreement with the Cuban Government on this point.

It has also been stated that Great Britain is offering Cuba 9 cents per pound for sugar, and that this act has some bearing on our difficulties with Cuba. The truth of the matter is that Great Britain has not offered any price to Cuba but will share in our purchase under the recommended allocations of the Combined Food Board, as has been the case in each of the war years.

Now, let me discuss the second large group of fundamental reasons for our sugar shortage. I refer to the great increase of nonfood uses of sugar. For the first itme in the history of our country sugar went to war for other purposes besides food.

These new nonfood uses made great inroads in our sugar supplies. From 1942 to 1945, inclusive, 1,600,000 tons of sugar were converted into an invert sirup to be used for the production of industrial alcohol for the rubber and explosives programs.

During the war all the sugar we could lay our hands on was subject to allocation by the Combined Food Board. This meant that we could not take for ourselves all the sugar that we could find. This Board allocated a fair percentage to our allies, especially Russia and England. Next, lend-lease got its share of the total and UNRRA now is being taken care of.

Our prewar average consumption in this country was about 100 pounds per person per year, but the armed forces jumped this to almost 150 pounds per soldier and sailor. With all of these situations developing, it is a wonder that our people were provided for as well as they were in regard to sugar. Again, let me call attention to the fact that the reasons I have given in the second group for our shortage of sugar were not caused by any of the agencies of Government.

There has been exceedingly close cooperation between most of the units of the sugar industry, including the Cuban Sugar Stabilization Institute, and the Department of Agriculture. I have mentioned the problems of the producing areas and I might add at this point that the cane-sugar refiners on the east, Gulf, and west coasts also suffered with labor problems and irregularities of ship arrivals as well as wartime regulations and handicaps, but, in spite of these handicaps, managed to handle the raw sugar supplies from offshore areas so as to assure a reasonably steady flow of refined sugar to the consumers of this country. At present, the amount of sugar available for consumers in the United States is less than 70 percent of their prewar use. We are now in the period of greatest crises in sugar supplies, but the prospects are for a gradual but steady improvement in the situation.

Naturally, there have been complaints about insufficient supplies of sugar, charges of mismanagement and bungling and, unquestionably, mistakes have been made; but where programs are so large, so complicated, and so difficult of administration, it is not strange that some mistakes have been made. The Department of Agriculture has had to face a most difficult job in trying to obtain by production and assembly the tremendous tonnage of sugar needed by our people. Perhaps no other work in the agricultural field has been as complicated and as difficult as has been this program; and we who sit here in this House of Representatives should know and understand some of the problems which vexed the Department of Agriculture in its long and hard struggle for badly needed sugar supplies.

I do not wish to conclude without saying a word on behalf of our good friend and former colleague, the Secretary of Agriculture, Clint Anderson. He is devoting himself to his duties as a member of the Cabinet with the same sincerity, diligence, and drive which was characteristic of his work here as a Member of the House of Representatives. I have met him a number of times since he has become a member of the Cabinet; and I believe the country and this Congress appreciate the fact that he is setting a magnificent example of industry and sincerity in high Government position during this most critical period of reconversion.

Mr. DOMENGEAUX. Mr. Speaker, will the gentleman yield?

Mr. BROOKS. I yield to my distinguished colleague from Louisiana.

Mr. DOMENGEAUX. Notwithstanding these various severe handicaps the farmers of the country were faced with, I think the gentleman would like to know that Louisiana increased its prewar production of sugar over 25 percent during the war period.

Mr. BROOKS. I think the gentleman from Louisiana will fully agree with me that they are entitled to the applause and commendation of the country for the magnificent effort they made in spite of these handicaps.

Mr. PRIEST. Mr. Speaker, will the gentleman yield?

Mr. BROOKS. I yield to my distinguished friend from Tennessee.

Mr. PRIEST. I just wanted to say that I feel certain the House will appreciate the contribution being made by the gentleman from Louisiana in clearing up some of the misapprehensions in connection with the sugar situation.

I also have had some letters, but I have not been able to answer them as accurately as I feel I can after the gentleman has concluded his very fine statement.

Mr. BROOKS. I thank the gentleman.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. BROOKS. I yield to the distinguished gentleman from Kentucky.

Mr. ROBSION of Kentucky. I wish also to express my appreciation for the information that the gentleman has brought to the House.

What is the total consumption of this country normally?

Mr. BROOKS. Normally, about a hundred pounds per person per annum.

Mr. ROBSION of Kentucky. And what is our production annually, normally?

Mr. BROOKS. For the entire country?

Mr. ROBSION of Kentucky. For the entire country, and you might include our possessions.

Mr. BROOKS. I think our production would normally be about the same as the figures I have given.

Mr. ROBSION of Kentucky. How much are we short in our production as compared with our needs?

Mr. BROOKS. Our shortage is due to a number of things.

Mr. ROBSION of Kentucky. I know, but I say, normally, how much are we short?

Mr. BROOKS. We are at the lowest ebb in sugar stocks now.

Mr. ROBSION of Kentucky. The gentleman does not understand my question. How much do our consumptive needs exceed our production?

Mr. BROOKS. I do not have the exact information which the gentleman wants. The difficulty there is that if we do obtain more sugar we are in a situation where others are stripped of sugar likewise. The over-all picture is not particularly attractive to our present needs.

Mr. ROBSION of Kentucky. I was not making any effort to question the gentleman's statement at all, but I was asking, for my own information, how much we were usually short in our production over our consumption.

Mr. BROOKS. I yield to my good friend from Louisiana who represents the Sugar Bowl of the State of Louisiana.

Mr. ROBSION of Kentucky. I have been thrcugh that and was very, very much impressed.

Mr. DOMENGEAUX. The production of sugarcane in the United States, which is largely centered in Florida and Louisiana, reaches about a million tons of sugar per year, which is about 15 percent of the entire production. The beet-producing section of this country produces about 22 percent. That would give approximately 37 percent of the consumption.

Mr. ROBSION of Kentucky. What I was trying to get at was how much we depend upon foreign countries for our sugar.

Mr. DOMENGEAUX. Our production is about 37 percent, normally, of our consumption. So the difference would be the percentage we would be dependent upon other countries for.

Mr. ROBSION of Kentucky. You have not included in that our foreign possessions, Puerto Rico, Hawaii, and the Philippines?

Mr. DOMENGEAUX. The Philippines produce about 800,000 tons of sugar yearly.

Mr. BROOKS. We are certainly short from the Philippine Islands. That constitutes the bulk of what we are short.

Mr. ROBSION of Kentucky. What I was trying to get at is how much we have to get from other countries in normal times.

Mr. BROOKS. That is just what I have told the gentleman. In normal times we get close to a million tons from the Philippine Islands.

Mr. ROBSION of Kentucky. But that is our own possessions. I was trying to find out what tonnage we were dependent upon other countries for.

Mr. BROOKS. In normal times we get our sugar from Cuba and Puerto Rico and the other sources which I mentioned, which are either ours or very close to this country.

Mr. DOMENGEAUX. Mr. Speaker, will the gentleman yield?

Mr. BROOKS. I yield.

Mr. DOMENGEAUX. I think the gentleman is making an excellent statement. He is explaining the reasons why this shortage exists. They are facts that are generally known. But what the gentleman does not quite realize is that there was a material reduction in beet sugar in this country, because the beet farmers went into other agricultural products. They did this because they could not make any money out of the price-fixing policy of the OPA and the policies of the Department of Agriculture.

The SPEAKER pro tempore. The time of the gentleman from Louisiana has expired.

Mr. BROOKS. Mr. Speaker, are there other special orders? I should like a little more time.

The SPEAKER pro tempore. There is one other special order.

Mr. HORAN. Mr. Speaker, I have no objection to the gentleman's having additional time.

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to proceed for five additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. DOMENGEAUX. The gentleman must realize that sugar is the only commodity in the entire price-fixing field where no increase of price was authorized prior to February of this year. That necessarily discouraged the domestic producers of sugar in this country and they went into other agricultural pursuits, if they could. In Louisiana there is an enormous investment of capital in sugar factories. The type of farming that prevails in that particular area is not adaptable to anything else than the growing of sugarcane.

May I also call the attention of the gentleman to the fact that there are 5 sugar factories in the State of Louisiana that went out of the production of raw sugar and went into the production of molasses because of the arbitrary and confiscatory prices of the OPA and the Department of Agriculture.

Mr. BROOKS. Let me suggest to the gentleman that he take his own time and allude to the problems and troubles he has mentioned in that respect, because that is far afield from the subject of the speech I made here.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from Pennsylvania.

Mr. RICH. Does the gentleman think for a minute that Mr. Anderson, our present Secretary of Agriculture, would do the same as a previous Secretary of Agriculture did when he cut the production of sugar in Louisiana and in Florida, doing away with the planting of a lot of sugarcane, yet at the same time we paid the sugar industry $78,000,000 for not raising sugar? When they started that policy in our Government a few years ago does the gentleman believe it led to anything but chaos in the sugar and other industries?

Mr. BROOKS. I know what the gentleman is referring to. I made no mention of that in the course of my remarks. I reiterate that the present Secretary of Agriculture is doing a magnificent job; he is setting an example of sincerity of purpose and honesty of endeavor to the entire country that we ought to be proud of.

Mr. RICH. I am in sympathy with what Mr. Anderson is doing, but I was opposed to what a previous Secretary of Agriculture did about 10 years ago.

The SPEAKER pro tempore. The time of the gentleman from Louisiana has again expired.

Under previous order of the House, the gentleman from Washington [Mr. HORAN] is recognized for 10 minutes.

FAIR LABOR STANDARDS ACT

Mr. HORAN. Mr. Speaker, over on the other side of the Capitol, Senate bill 1349 is now being debated, considered, and amendments are being offered. This bill, of course, originated in the Senate and will not come to the House until that body has acted.

Senate bill 1349 amends the Fair Labor Standards Act, raises the 40-cent minimum hourly wage to 65 cents for the first year beginning 120 days after the bill becomes law. This is raised to 70 cents the second year and 75 cents thereafter. The bill also provides that upon recommendation of an Industry Advisory Committee and after hearing interested parties, the Administrator of the Wage and Hour Division may establish the 75-cent minimum for unskilled job classifications in a particular industry prior to the time prescribed by this act. He can also fix minimum rates higher than the 65-75-cent rate for job classifications other than unskilled in order to maintain reasonable wage differentials between the minimum for unskilled labor and the rates for interrelated job classifications within the industry. Overtime pay at time and a half will be based on the new wage rates, and on a 40-hour week. Employment of oppressive child labor by an employer engaged in interstate commerce or in the production of goods for such commerce is prohibited. Coverage is extended to include seamen and individuals within the area of production in handling, storing, canning, and so forth, of agricultural products for market or in making dairy products—amending United States Code 29: 202, 203, 206-208, 212, 213, 216. An action by an employee to recover liability for unpaid minimum wages or unpaid overtime compensation may be brought within 5 years after accrual of the liability.

Undoubtedly this bill will presently be before us. I have no quarrel whatever with a substantial minimum wage. Good wages and high production are clearly essential to the Nation's welfare and solvency. Nor do I find any wide-spread opposition from my district or region to this particular part of the proposal.

There are, however, other provisions in the act which regionally, climatically,

seasonally, and industrially are too inflexible. This is a clear instance of the difficulty of Federal applications of a problem that must be considered, always, from the viewpoint of local or regional influences.

Certainly any such amendment to the Fair Labor Standards Act should allow for the maximum of flexibility if the merits of such a proposition are to be achieved. Certainly, to achieve such an objective, production must be encouraged and kept at the maximum. If wages, which must come from full production, are to be held at high levels, nothing should be permitted to creep in that will, through inept administration, paralyze production or create confusion. Initiative is certainly entitled to that assurance from us.

There are many sincere and well-informed men in industries throughout the Nation who should be fully heard before we in Congress write too many conclusions into such an act. If we want the purposes of such an act to be achieved, it should be the point of wisdom for us to listen to their advice.

It is, therefore, my pleasure to read you a letter I have just received from Mr. Frank W. Shields, of the Yakima Valley Traffic and Credit Association.

It is a most interesting letter and I believe it states the case of highly perishable commodities very well. This letter is in no sense an attack upon the principle of high wages. As the letter indicates, we rank well up in any class of wage scales for agricultural labor. It is, however, a forthright and clear appeal to the Congress not to enact any inflexible legislation that might in the end defeat the very purposes for which such an act was conceived and introduced.

The letter reads as follows:

YAKIMA VALLEY TRAFFIC & CREDIT ASSOCIATION, INC.,
March 15, 1946.

Hon. WALTER HORAN,
Member of Congress, Washington, D. C.

DEAR CONGRESSMAN HORAN: This letter is an appeal for consideration of an area having a population of 140,000 persons whose welfare is dependent on the successful growing and marketing of more than 20,000 carloads of tree fruits—peaches, pears, prunes, and apples. Moreover, it is an appeal for the special consideration of more than 5,000 orchardists, whose welfare is entirely dependent upon their ability to grow, harvest, and market their crops successfully.

The growing, harvesting, and preparing of a carload of fruit for market requires approximately 1,600 hours of hand labor. Between the tree and car, each individual piece of fruit must be handled several times before it comes to rest in packages ready for shipment. These operations are perforce seasonal, and because of the perishable nature of the product rapid handling is required from the moment the fruit is just right for harvesting. Thus many hands are required to perform this work within the seasonal limitation set by nature.

For example, if the 1945 cherry crop of this area had been laid end to end it would have paved a strip 1 foot wide reaching from Seattle to Chicago. Each cherry is handled individually three times—when it is picked from the tree, when it is sorted, and when it is put in the package. Moreover, this work must be done with dispatch or the fruit will lose its food value. Thus the harvesting and preparation of tree fruits must be timed to the day and hour or else the whole system of production will fail.

An unseasonally hot day that accelerates the ripening of peaches, pears, prunes, a rain that starts rot in cherries, a frost that starts apples dropping to the ground overnight demands that the processes of harvesting and preparation of perishable products for market must be subject to adjustment to the needs of the product, else producers stand to lose their labor and investment, and the area's economy may be threatened.

Frequently, during the fruit season, the problem of timely harvesting and preparation of the area's products is compounded by reason of multiple crops maturing at one time. For example, production in Yakima County ranks first in apples, first in summer pears, first in cherries of 3,072 counties in the United States, and third in total value of its agricultural production.

In consequence of this, a wide latitude on hours of employment is essential to the harvesting and preparation of these crops for market. Ordinarily, 20,000 temporary workers must be brought into the district to supplement resident workers. Even then it is not always possible to avoid a partial loss of crops.

For example, in 1944 the area lost Eartlett pears having a value of more than $1,000,000 because of insufficient labor to handle them timely.

In addition to the acreage already in production in this area, 72,000 acres of additional land in the Roza project is now coming into production, and soon 1,000,000 acres of the Columbia Basin project will be added to this area, which will greatly increase the area's labor load.

The crops produced in this area cannot be harvested and prepared for market pursuant to predetermined production schedules, as is the case of continuing industrial processes, because hours of work are fixed by the unyielding and capricious laws of nature. It is not a problem that can be conformed to social desirability. We grant the desirability of shorter hour work days and work weeks. But the choice which governs the area's operation is the one of conforming the operation to the laws of nature and the resultant maximizing of the Nation's food supply, or the one of restricting production and minimizing food volume, not to mention the loss of wages to workers if production were to be minimized.

The problem of the worker in this entire area has never yet caused governmental concern. The average agricultural wage paid by our farmers in 1944 and 1945 averaged $9.40 per day, the highest agricultural wage paid anywhere in the United States. When it is considered that the area's products must be transported largely to the markets of the East, Southeast, and South at high freight rates, and sold for what they will bring in competition with the products of areas not so handicapped—wage rates for this area are exceptional.

In the packing plants of the area, wages are influenced by wages on the farms and generally average 10 to 25 cents an hour more than wages on the farm. Historically, this has been the rule. Moreover, wage rates in the plants are determined by management-union agreement. The unions are recognized by management as the bargaining agents for all plant employees, union or nonunion.

Although there are periods when workers must work long hours per day as well as long hours a week, fruit workers generally work a maximum of not more than 9 months out of each year. The high rate of pay which prevails in the area makes the 9 months' employment attractive to workers generally despite the longer day and week hours during rush periods.

Moreover, a different social and economic problem is presented relative to the employment of fruit workers in this area than is the situation where the help works the year around as in factories, stores, or other nonessential establishments. Consequently, hours of labor and working conditions are very much less related to their health and morals than is the case of year-around workers in certain other occupations.

Because of the area's unusual labor requirements, the perishability of our products, and the necessity of preparing for market a large proportion of these products in plants off the farm, the Government a number of years ago set up exceptions in the law (section 7 (b) (3), section 7 (c), section 13 (a) (10), the Fair Labor Standards Act) to meet this particular agricultural need.

Perhaps no better authority can be quoted on this point than Secretary of Labor Schwellenbach, known equally well in our State for his friendship to labor as well as his statesmanship. In his sponsorship of the exemption given agricultural employment within the area of production under the Fair Labor Standards Act he said, "The purpose of the amendment is not for the protection of the packing plants nor the owners of packing plants. The cost is paid by the producer. These packing plants just pass the cost back to the man who produces the apples. The farmer pays the bill. The purpose of the amendment is to permit the small farmer who cannot afford to have his own warehouse and cannot afford to have his own washing machine, to be placed on a parity with larger producers who can afford to maintain their own warehouses and their own washing machines and their own equipment."

It is because the work of preparing fresh fruits and vegetables in their raw or natural state is essentially agricultural and the costs paid by the producer, no matter who performs them that as a national policy Congress has wisely granted broad latitude and exemption on matters of wages and hours:

The Fair Labor Standards Act provides three exemptions for the preparation of perishable fruits and vegetables:

Section 7 (b) (3): No overtime for a period of 14 weeks until beyond 12 hours per day and 56 hours per week because of seasonal character.

Section 7 (c): Total exemption for a period of 14 weeks from the hour provisions in the first processing, canning, or packing perishable or seasonal fresh fruits and vegetables.

Section 13 (a) (10): Total exemption withing the area of production from both the wage-and-hour provisions of the law for anyone employed in the handling, packing, storing, drying, or preparing in their raw or natural state of agricultural or horticultural commodities for market.

Historically, the area consistently has had to take full advantage of the exceptions provided for agricultural labor in the present Fair Labor Standards Act. There is no reason to believe that the farmers, packers, and workers can harvest and prepare a constantly increasing production in fewer hours of work days and work weeks than they have been able to handle the production of the past.

Consequently, the Pepper amendment to the Fair Labor Standards Act which drops exceptions section 7 (b) (3), section 7 (c), and section 13 (c) (10) will, if adopted in its present form, provide a real threat to the farmers of this area, to the general economy of all people residing in the area as well as the Nation's food supply.

It is, therefore, submitted that hours of work and working conditions in the harvesting and packing of fresh fruits for market must be handled very differently than other nonseasonal industries for the following reasons:

1. Nature regulates the ripening of fresh fruits and, therefore, dictates the intermittent harvesting and packing operations of them. For example, the maximum time a grower has to harvest a crop of peaches, cherries, apricots, prunes, or summer pears is about 10 days and during a time of extremely hot weather; this time is reduced to as low as 5 days. In order that these fruits be maintained in suitable condition for shipment to market, the packing houses must handle them within a day from the time they are harvested.

2. This seasonal employment for brief periods of time performed by fruit workers during which they must work more day and week hours than necessary in industrial plants do not pose a problem relative to health and morals of such workers as would employment of them in a nonseasonal industry.

3. Extra night shifts are definitely impractical and generally impossible.

4. Restrictions incompatible with seasonality of the operations would cause a severe loss of the Nation's food supply.

In consequence of the foregoing statement we are requesting that you use your efforts to have the exceptions, as contained in the present Fair Labor Standards Act, incorporated in the proposed Pepper amendment to the act.

Unless this is done there is every reason to believe that the Pepper amendment will make it impossible for the highly specialized agricultural operation of this area to prosper—it might not even be able to exist at all.

For this year and regardless of the needs of farmers and workers, the changing of any regulation that may result in an impairment of the Nation's food supply is unthinkable. Authoritative observers of worldwide conditions state that more people will die from sheer starvation during the coming year than in the past 150 years. This prospect alone should serve to stay any action on legislation that may reduce our critical food supply.

We trust that our plea for the agricultural interests of this area will have your utmost consideration.

Yours very truly,
YAKIMA VALLEY TRAFFIC & CREDIT ASSOCIATION,
By FRANK W. SHIELDS,
Secretary-Manager.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. HORAN. I gladly yield to the gentleman from Arkansas.

Mr. HAYS. The gentleman is rendering a service in calling attention to the possible dangers involved in inflexible provisions governing minimum wages I know of his interest in improving the condition of the workers for whom this legislation is advanced. I feel as he does however that legislation of this kind should be very cautiously approached, not because we are unwilling for a reasonable advancement to be made since changing conditions might require some changes in legislation of this type, but if I interpret the gentleman's point of view correctly, two things must be insisted upon: first, that the regional disparities be properly considered, and second, that this legislation not have an inflationary effect. We do not help the condition of the workers of America by cutting off the employment of those who cannot earn an inordinately high minimum wage and withholding, as a result of that, the goods that would come from the factories where they might be employed. Without prejudging the case, I join in the warning that has been sounded by the gentleman from Washington and suggest that the condition of little businesses employing millions of workers affected by this legislation be adequately considered in approaching an important program of this kind. I thank the gentleman for calling it to our attention.

Mr. HORAN. I appreciate the statement of the gentleman from Arkansas. It is going to take a real working combination of initiation and sweat to get this country back in the groove of full production. Anything we might do unwisely here to frustrate initiative at the production end should be avoided if possible.

Mr. LAFOLLETTE. Mr. Speaker, I should like to direct the attention of the House to one of the most vital problems before our Nation today. I refer to the need for legislation raising the minimum wage for low-paid American workers in American industry. As you know, there are numerous House bills which propose to raise the minimum wage to a point which will more nearly provide a minimum of adequacy for the wage earners of America who are engaged in interstate commerce. And at this moment, the Senate is considering S. 1349, which among other things, proposes to raise the minimum wage under the Fair Labor Standards Act to 65 cents.

It is a matter of urgency that the Labor Committee of the House, which has heard testimony on these bills, bring the question before the House at the earliest possible moment. In this reconversion period, when wages of many workers are being set by collective bargaining, we must see to it that those weak in bargaining power, those who would be primarily affected by the proposal to establish a more adequate floor under wages, should receive this congressional guarantee of a decent wage before they are forgotten in the self-interest of those who think only in terms of profits.

As one who prides himself in seeking legislation which is in the interest of the people as a whole, I strongly favor raising the minimum wage to 65 cents and I feel certain that a majority of the people in my State are equally as strong in support of the proposal.

Raising the minimum wage at this time would add millions of dollars to the purchasing power of low-paid industrial workers, and a great proportion of this increased income would go toward assuring a better and broader market for the American farmer.

Raising the minimum wage to 65 cents an hour would not affect prices materially since in practically all industries the added cost can be readily borne out of profits and increased productivity of better-nourished, better-housed, and more contented workers.

The minimum wage should be raised in order to assure jobs to our returning veterans, jobs which will provide enough income to guarantee adequate diet, adequate shelter, and the general well-being of the fighting men on whom we were so recently depending to win these very cherished privileges and necessities.

Furthermore, the minimum wage must be raised in accordance with the principles and ideals on which this Nation was founded. America can ill afford to carry on business as usual while many millions of her people are being paid wages which will not provide a minimum standard of living; America, I contend, can ill afford to subsidize the business activities of her industrial giants at the expense of the ill-fed, the ill-clothed, and the ill-housed, low-paid worker.

We in the North very smugly think that the South is the only low-range area. But there are too many such industries and areas in the North and in Indiana also. Recently such a case was laid bare in Indiana, the case of the Indiana Cotton Mills, Inc., of Cannelton, Ind., in my own Eighth District.

No doubt the average well-informed person would assume that no such wages as 48 cents an hour would be paid in any fairly large manufacturing plant in Indiana. However, an initial examination into the wage structure of the above plant by the Textile Workers Union of America, CIO, indicates that there are 350 workers in this plant—a typical cotton mill. Wages to learners now are 45 cents an hour, but until recently were less than 40 cents. The so-called plant minimum—the least any permanent worker is supposed to be paid—is 48 cents per hour. However, the actual average hourly wage is 53 cents. Weekly pay is therefore less than $21.20 for 40 hours, which is what most cotton mills are running.

This demonstrates the existence of a little-known fact that in every so-called high-wage area, we constantly run into pockets of very low, really sweat shop, wages.

I think I speak for the people of Indiana when I say that I strongly favor the minimum-wage legislation now before the Senate and which has been the subject of weeks of testimony before the House Labor Committee. I favor this proposed 65-cent minimum wage legislation because it is in the interest of all of the people of Indiana—because it is a proposal which would benefit hundreds of thousands of people in my State and throughout the Union.

There is nothing complicated about the proposal; there is nothing complicated concerning the real issues involved; these bills, in the House, and Senate bill 1349, simply aim to provide enough food, and clothing and adequate shelter to afford a minimum level of decency for millions of low-paid American wage earners.

As a representative of the people of my State, I want to reiterate my strong support of this proposal to raise the minimum wage to 65 cents an hour and I trust that as the other body considers this proposal that the State's representatives there will likewise support and vote for this legislation.

EXTENSION OF REMARKS

Mr. HOOK asked and was given permission to extend his remarks in the RECORD and include a letter.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. WASIELEWSKI, for today and tomorrow, on account of official business.

To Mr. HOCH, for Wednesday, March 20, on account of official business.

To Mr. COLMER (at the request of Mr. RICHARDS), for an indefinite period, on account of illness.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1354. An act to authorize the permanent appointment in the grades of General of the Army, Fleet Admiral of the United States Navy, general in the Marine Corps, and admiral in the Coast Guard, respectively, of certain individuals who have served in such grades during the Second World War.

ADJOURNMENT

Mr. SPARKMAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 9 minutes p. m.) the House adjourned until tomorrow, Thursday, March 21, 1946, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1152. A letter from the director, national legislative committee, the American Legion, transmitting the proceedings of the Twenty-seventh Annual National Convention of the American Legion, held at Chicago, Ill., November 18 to 21, 1945 (H. Doc. No. 512); to the Committee on World War Veterans' Legislation and ordered to be printed, with illustrations.

1153. A letter from the Chairman, Reconstruction Finance Corporation, transmitting report of its activities and expenditures for the month of October 1945; to the Committee on Banking and Currency.

1154. A letter from the Chairman, Reconstruction Finance Corporation, transmitting report covering its operations for the period from the organization of the Corporation on February 2, 1932, to September 30, 1945, inclusive; to the Committee on Banking and Currency.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. RANKIN: Committee on World War Veterans' Legislation submits a report pursuant to House Resolution 192 on investigation of the Veterans' Administration (Rept. No. 1795). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Election of President, Vice President, and Representatives in Congress. H. R. 5644. A bill to facilitate voting by members of the armed forces and certain others absent from the place of their residence, and to amend Public Law 712, Seventy-seventh Congress, as amended; with amendment (Rept. No. 1796). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BELL:

H. R. 5828. A bill to amend an act entitled "An act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes," as amended; to the Committee on Insular Affairs.

By Mr. CANFIELD:

H. R. 5829. A bill to amend the act of May 22, 1896, so as to include posts of the Jewish War Veterans of the United States; to the Committee on Military Affairs.

By Mr. KEOGH:

H. R. 5830. A bill to amend the act entitled "An act to prohibit the unauthorized wearing, manufacture, or sale of medals and badges awarded by the War Department," as amended; to the Committee on Military Affairs.

By Mr. MILLER of California:

H. R. 5831. A bill to include the heads of executive departments and independent agencies within the purview of the Civil Service Retirement Act of May 29, 1930; to the Committee on the Civil Service.

By Mr. BATES of Massachusetts:

H. R. 5832. A bill providing for the conveyance to the town of Marblehead in the State of Massachusetts, of Marblehead Military Reservation for public use; to the Committee on Expenditures in the Executive Departments.

By Mr. GRANAHAN:

H. R. 5833. A bill to increase the compensation of postmasters, officers, and employees in the postal service; to the Committee on the Post Office and Post Roads.

By Mr. HART:

H. R. 5834. A bill to amend an act to provide compensation for disability or death resulting from injury to employees in certain maritime employments, and for other purposes; to the Committee on the Judiciary.

By Mr. McMILLAN of South Carolina:

H. R. 5835. A bill authorizing the Director of the National Park Service to erect headstones for sailors who were buried at sea; to the Committee on Naval Affairs.

By Mr. MERROW:

H. Con. Res. 137. Concurrent resolution expressing the sense of Congress that the President of the United States invite Premier Stalin to a conference for the purpose of discussing international affairs; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CANNON of Missouri:

H. R. 5836. A bill granting a renewal of patent No. 1046196 issued December 3, 1912, for device known as a smoke consumer; to the Committee on Patents.

By Mr. COOLEY:

H. R. 5837. A bill for the relief of Vivian Newell Price; to the Committee on Claims.

By Mr. MANSFIELD of Montana:

H. R. 5838. A bill for the relief of Pearle Hoen; to the Committee on Claims.

SENATE

THURSDAY, MARCH 21, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Almighty God, Thou hast created us in Thine own image and with a capacity to be like Thee in mind and in spirit. Grant that during this day we may yield ourselves gladly and unreservedly to the pulsations of the higher life. Make us responsive to the persuasions of those ideals which Thou hast implanted within our souls.

We pray that our President and all who share in the responsibilities of government may be blessed with an ever-increasing measure of Thy guiding and sustaining spirit. In the midst of the world's trials and tribulations, may they be men of clear and commanding vision and dauntless and indomitable valor.

Inspire us with fidelity and fortitude as we seek to build a civilization for the glory of God and the welfare of mankind everywhere. Help us to live out each day in faith, in faithfulness, and in the fear of the Lord.

Hear us in the name of the Christ. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, March 20, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House insisted upon its amendment to the bill (S. 1821) to amend section 502 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, so as to authorize the appropriation of funds necessary to provide additional temporary housing units for distressed families of servicemen and for veterans and their families, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. LANHAM, Mr. BELL, Mr. BOYKIN, Mr. MCGREGOR, and Mr. RODGERS of Pennsylvania were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 5671) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CANNON of Missouri, Mr. LUDLOW, Mr. O'NEAL, Mr. RABAUT, Mr. JOHNSON of Oklahoma, Mr. TABER, Mr. WIGGLESWORTH, and Mr. DIRKSEN were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the amendments of the Senate to the joint resolution (H. J. Res. 243) tendering the thanks of Congress to General of the Army George C. Marshall and the members of the Army of the United States who have fought

under his direction during the wars, and providing that the President of the United States shall cause a medal to be struck to be presented to General Marshall in the name of the people of the United States of America.

The message also announced that the House had passed a bill (H. R. 2115) relating to the domestic raising of fur-bearing animals, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (S. 1354) to authorize the permanent appointment in the grades of General of the Army, Fleet Admiral of the United States Navy, general in the Marine Corps, and admiral in the Coast Guard, respectively, of certain individuals who have served in such grades during the Second World War, and it was signed by the President pro tempore.

REPORTS OF RECONSTRUCTION FINANCE CORPORATION

The PRESIDENT pro tempore laid before the Senate two letters from the Chairman of the Reconstruction Finance Corporation, transmitting, pursuant to law, a report of the activities and expenditures of the Corporation for the month of October 1945 and a report covering its operations for the period from the organization of the Corporation on February 2, 1932, to September 30, 1945, inclusive, which, with the accompanying reports, were referred to the Committee on Banking and Currency.

RESOLUTION OF BONNER SPRINGS (KANS.) CITY TEACHERS' ASSOCIATION

Mr. CAPPER. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted by the City Teachers' Association, of Bonner Springs, Kans., in which the members commend the Federal Government for its efforts in checking inflation during wartime and urge that our economy be further stabilized in the postwar period.

There being no objection, the resolution was received, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Resolution commending the Federal Government for its efforts to maintain a stabilized economy and urging further action to avoid inflation during postwar years

Whereas living costs have been partially held in check during the war years; and

Whereas many powerful forces are now exerting extreme pressure on the Government to remove restrictions on inflation; and

Whereas many millions of workers can never hope to secure salary increases fast enough to catch up in a race with inflation: Therefore be it

Resolved by the Bonner Springs City Teachers' Association, of Bonner Springs, Kans., That suitable agencies and individuals of the United States Government be highly commended for their heroic efforts to keep the cost of living under control while the war was being fought; and be it further

Resolved, That suitable agencies and individuals of the United States Government be urged to stabilizie our economy and exert every effort to avoid further inflation during the postwar years.

HAZEL B. DEFENBAUGH,
President, Bonner Springs City Teachers' Association,
Bonner Springs, Kans.

Action taken on March 12, 1946.

ALLIANCE WITH ENGLAND—COMPULSORY MILITARY TRAINING—LETTER FROM R. W. WING, ALTOONA, KANS.

Mr. CAPPER. Mr. President, I ask unanimous consent to present and to have printed in the RECORD a letter I have received from R. W. Wing, of Altoona, Kans., protesting against an alliance with England and opposing compulsory military training.

There being no objection, the letter was received and ordered to be printed in the RECORD, as follows:

ALTOONA, *March 11, 1946.*

DEAR MR. CAPPER: I listened to your radio speech Sunday evening and certainly do agree with you.

I do wish all of our Senators and Representatives would lay aside politics and do their very best for their own people here in the United States.

Mr. Churchill is here for no other purpose than to get that alliance signed up so the United States will have to protect England now and ever after and get that big loan from the United States. That is all England cares for us. As you said, I think we had better be very careful before our rights and freedom are signed away.

I am also opposed to compulsory military training.

Yours truly,

R. W. WING.

CONSTRUCTION OF HOMES FOR VETERANS—LETTER FROM AMERICAN WAR DADS

Mr. CAPPER. Mr. President, I have received a letter from Francis V. Daily, secretary of the Wyandotte County Council of the American War Dads, of Kansas City, Kans., favoring the restriction of the use of all materials for home construction exclusively to homes for veterans.

I ask unanimous consent to present the letter, and that it be printed in the RECORD.

There being no objection, the letter was received and ordered to be printed in the RECORD, as follows:

AMERICAN WAR DADS,
Kansas City, Kans., March 13, 1946.

Hon. ARTHUR CAPPER,
Senate Chamber, Washington, D. C.

DEAR SENATOR: At a regular meeting of the Wyandotte County Council of the American War Dads, held in Memorial Hall, Kansas City, Kans., February 27, 1946, a motion was unanimously passed that a letter be sent you in solicitation of your efforts to stop shipments of lumber and other building materials being shipped from the United States, and that all materials that can be used for home construction be directed into homes exclusively for veterans until such time as the housing shortage is substantially relieved.

Very truly yours,

FRANCIS V. DAILY,
Secretary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GEORGE, from the Committee on Finance:

H. R. 4208. A bill for the relief of the Calvert Distilling Co.; without amendment (Rept. No. 1072).

By Mr. BANKHEAD, from the Committee on Agriculture and Forestry:

S. 1507. A bill to better adapt the loan programs authorized by the Bankhead-Jones Farm Tenant Act, as amended, to the needs of veterans and low-income farmers, and for other purposes; without amendment (Rept. No. 1073).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MEAD:

S. 1973. A bill to include the heads of executive departments and independent agencies within the purview of the Civil Service Retirement Act; to the Committee on Civil Service.

By Mr. MAYBANK:

S. 1974. A bill to provide for the selection for elimination and retirement of officers of the Regular Army, for the equalization of retirement benefits for members of the Army of the United States, and for other purposes; to the Committee on Military Affairs.

By Mr. KILGORE (for himself and Mr. MITCHELL):

S. 1975. A bill to limit the disposal of surplus munitions of war, to amend the Surplus Property Act of 1944, and for other purposes; to the Committee on Military Affairs.

By Mr. FERGUSON:

S. 1976. A bill to exempt certain vessels from filing passenger lists; to the Committee on Commerce.

S. 1977. A bill for the relief of Nicola Yoanou; to the Committee on Immigration.

AMENDMENT OF FAIR LABOR STANDARDS ACT—AMENDMENT

Mr. MEAD submitted an amendment intended to be proposed by him to the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, which was ordered to lie on the table and to be printed.

HOUSE BILL PLACED ON THE CALENDAR

The bill (H. R. 2115) relating to the domestic raising of fur-bearing animals, was read twice by its title and ordered to be placed on the calendar.

SPECIAL ASSISTANT TO COMMITTEE ON EDUCATION AND LABOR

Mr. MURRAY submitted the following resolution (S. Res. 243), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Education and Labor hereby is authorized to employ a special assistant to be paid from the contingent fund of the Senate at the rate of $5,640 per annum from April 1 to June 30, 1946.

PRINTING OF REVIEW OF REPORTS ON THE SACRAMENTO RIVER, CALIF. (S. DOC. NO. 142)

Mr. BAILEY. Mr. President, I present a letter from the Secretary of War transmitting a report dated February 8, 1946, from the Chief of Engineers, United States Army, together with accompanying papers and an illustration, on a review of reports on the Sacramento River, Calif., requested by a resolution of the Committee on Commerce, and I ask unanimous consent that it be referred

to the Committee on Commerce and be printed as a Senate document, with the illustration.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ADDRESS BY SENATOR LA FOLLETTE AT CONFERENCE OF THE WISCONSIN PROGRESSIVE PARTY

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD the address delivered by him at the conference of the Wisconsin Progressive Party at Portage, Wis., March 17, 1946, which appears in the Appendix.]

PETITION BY WISCONSIN CHEESE MAKERS ASSOCIATION FOR AMENDMENT OF MAXIMUM PRICE REGULATION NO. 289

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD copy of a petition for amendment of Maximum Price Regulation No. 289, filed by the Wisconsin Cheese Makers' Association with the OPA on March 20, 1946, which appears in the Appendix.]

TRIBUTE TO THOMAS A. EDISON BY DR. LESTER H. CLEE

[Mr. SMITH asked and obtained leave to have printed in the RECORD an address on the life and influence of the late Thomas A. Edison, delivered on February 13, 1946, by Dr. Lester H. Clee, pastor of the Second Presbyterian Church of Newark, N. J., which appears in the Appendix.]

PRIVATE ENTERPRISE—A BULWARK OF PEACE—ADDRESS BY C. J. HENDERSON

[Mr. CARVILLE asked and obtained leave to have printed in the RECORD an address on the subject Private Enterprise—A Bulwark of Peace, delivered by C. J. Henderson on the Pacific Round Table program, at Honolulu, Hawaii, on March 6, 1946, which appears in the Appendix.]

ADDRESS BY MSGR. FULTON J. SHEEN BEFORE THE FRIENDLY SONS OF ST. PATRICK

[Mr. MEAD asked and obtained leave to have printed in the RECORD an address delivered by Msgr. Fulton J. Sheen before the Friendly Sons of St. Patrick, at New York City, on March 16, 1946, which appears in the Appendix.]

UNITY NEEDED IN WASHINGTON—EDITORIAL FROM THE ARKANSAS DEMOCRAT

[Mr. McCLELLAN asked and obtained leave to have printed in the RECORD an editorial entitled "Unity Needed in Washington," published in the Arkansas Democrat of Little Rock, Ark., on March 17, 1946, which appears in the Appendix.]

THE NATIONAL HOUSING SITUATION—LETTER FROM CHESTER BOWLES TO WILSON WYATT

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD a letter dated January 11, 1946, from Chester Bowles to Wilson Wyatt, Federal Housing Expediter, dealing with the national housing situation, which appears in the Appendix.]

MEMORIAL ADDRESS ON THE LATE PRESIDENT ROOSEVELT BY JOHN T. WELSH

[Mr. MITCHELL asked and obtained leave to have printed in the RECORD a memorial address on the late President Franklin D. Roosevelt, delivered by John T. Welsh, of South Bend, Wash., on April 13, 1945, which appears in the Appendix.]

SINKING OF THE *YUKON*

[Mr. MITCHELL asked and obtained leave to have printed in the RECORD a letter from Ed Coester, of the Sailors' Union of the Pacific, and an article from the West Coast Sailor, relative to the sinking of the *Yukon*, which appear in the Appendix.]

THE ALUMINUM INDUSTRY OF THE NORTHWEST

[Mr. MITCHELL asked and obtained leave to have printed in the RECORD letters and telegrams addressed to him with regard to the operation of aluminum plants in the State of Washington, which appear in the Appendix.]

AMENDMENT TO FAIR LABOR STANDARDS ACT

The Senate resumed the consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

Mr. TAFT. Mr. President, I desire to make a few remarks with regard to the pending amendment offered by the Senator from Louisiana [Mr. ELLENDER] to the minimum wage bill.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Morse
Austin	Guffey	Murdock
Bailey	Gurney	Murray
Ball	Hart	Myers
Bankhead	Hatch	O'Daniel
Barkley	Hawkes	O'Mahoney
Bilbo	Hayden	Overton
Brewster	Hickenlooper	Pepper
Bridges	Hoey	Radcliffe
Buck	Huffman	Reed
Bushfield	Johnson, Colo.	Revercomb
Capehart	Johnston, S. C.	Russell
Capper	Kilgore	Saltonstall
Carville	Knowland	Smith
Connally	La Follette	Stanfill
Cordon	Lucas	Stewart
Donnell	McClellan	Taft
Downey	McFarland	Taylor
Eastland	McKellar	Tunnell
Ellender	McMahon	Vandenberg
Ferguson	Maybank	Walsh
Fulbright	Mead	Wheeler
George	Millikin	White
Gerry	Mitchell	Wiley
Gossett	Moore	Willis

Mr. BARKLEY. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from New York [Mr. WAGNER] are absent because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Virginia [Mr. BYRD], the Senator from Alabama [Mr. HILL], and the Senator from Maryland [Mr. TYDINGS] are necessarily absent.

The Senator from Missouri [Mr. BRIGGS], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Washington [Mr. MAGNUSON], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Utah [Mr. THOMAS] are detained on public business.

The Senator from Nevada [Mr. McCARRAN] is absent on official business.

Mr. WHITE. The Senator from Illinois [Mr. BROOKS] is recovering from a recent operation.

The Senator from Nebraska [Mr. BUTLER], the Senator from Minnesota [Mr. SHIPSTEAD], and the Senator from North Dakota [Mr. YOUNG] are necessarily absent by leave of the Senate.

The Senator from North Dakota [Mr. LANGER], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is still detained on official business.

The Senator from Wyoming [Mr. ROBERTSON] is absent because of the illness of a relative.

The Senator from Iowa [Mr. WILSON] is absent because of illness in his family.

The PRESIDING OFFICER (Mr. MAYBANK in the chair). Seventy-five Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendments proposed by the Senator from Arkansas [Mr. FULBRIGHT] to the so-called Ellender-Ball amendment to the amendment of the committee.

Mr. TAFT. Mr. President, I desire to make a brief statement on the general principles of the minimum wage bill and the amendment offered by the distinguished Senator from Louisiana [Mr. ELLENDER] on behalf of himself and the Senator from Minnesota [Mr. BALL]. There seems to be some reluctance to come to a vote on this measure, and I do not desire at the present time to make a comprehensive statement, but I do want to say something about the guiding principles which I think should determine the rate that should be fixed as the minimum wage which is to be placed in this bill.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. PEPPER. I merely wish to suggest that, on the contrary, instead of there being any reluctance to vote on this measure, it might be well that Senators be advised of the possibility of a vote tomorrow. The able majority leader, the Senator from Kentucky [Mr. BARKLEY], has just told me that he wanted the Senate to be in session tomorrow. I thought Senators might be making various plans, and that the Senate might continue to discuss the bill today and perhaps begin to vote on the essential amendments tomorrow. At least so far as we are concerned, we would be ready to do so.

Mr. McCLELLAN. Mr. President, will the Senator from Ohio yield to me?

Mr. TAFT. I yield.

Mr. McCLELLAN. I rise to express the hope that no action will be taken on the bill and no vote will be taken on any amendments to it tomorrow. I do not know exactly how, but I gained the impression that the Senate was not to take any decisive action on the measure or on any amendments until next week. I have made my plans and I know that my colleague has made plans to be absent tomorrow to keep engagements previously made. I hope that action on the measure will be delayed, or at least that voting on important amendments will be delayed until next week.

Mr. BARKLEY. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. BARKLEY. In that connection I wish to make this statement: The bill has dragged on in committee and in the Senate interminably. When we have

tried to urge prompt consideration of it the excuse always made is that Senators are absent. That is a matter over which I have no control. I realize that many Senators are going to be absent over the week end, because Jackson Day dinners will be held and Jackson Day speeches are to be made all over the country Saturday night, just as Lincoln Day dinners were held and Lincoln Day speeches were made all over the country in February, the difference being that the Jackson Day speeches will be much better than were the Lincoln Day speeches. [Laughter.]

Nevertheless many Senators are going to be absent over the week end, and some of them may have to leave tomorrow in order to keep their appointments. I myself had an appointment in Kansas City on Saturday night, from which I have been compelled to be released for reasons which I need not explain.

But I hope, Mr. President, that the Senate will make progress on this bill. We have to meet tomorrow in order to adjourn over to Tuesday, the assumption being that Senators will not be back on Monday from engagements which they are compelled to fill, and that is perfectly natural and understandable. But the first thing we know the housing legislation will be before the Senate. There are two housing bills which we must consider separately. Soon we are going to have before us legislation respecting the CPA and also legislation respecting the British loan. The Senate will be jammed up with legislation in addition to the appropriation bills. It seems to me, inasmuch as the minimum-wage bill is now before the Senate, that Senators ought to exert some effort to expedite its consideration, so that amendments may be voted on and a final determination of the bill reached.

Mr. TAFT. Do I understand the Senator from Kentucky to say that there are to be Jackson Day dinners all over the Nation in violation of the President's suggestion that all banquets be abandoned?

Mr. BARKLEY. The Jackson Day dinners not only will not be in violation of the President's suggestion, but will be in complete compliance with his suggestion. If the newspaper accounts are correct the Jackson Day dinners will be the smallest, insofar as amount of food is concerned which will be available, of any dinners that have ever been held for the same price in the history of the United States.

Mr. TAFT. I am delighted to hear that. I was afraid that any Senator who would attend such a dinner might be purged from the Democratic Party, and I would not like to see such a thing happen.

Mr. BARKLEY. I may discuss that situation someday, but it will have no relevancy to the dinner.

Mr. President, I appreciate what the Senator from Arkansas said, and I am not going to try to push the matter along or try to have any important votes taken tomorrow if the Senator is not going to be here. But I urge Senators to get back to Washington the first of the week, if possible Monday, certainly not later than Tuesday, no matter where they are going, or on what mission they are going, so that we may proceed with the bill, have it considered, and have the Senate pass on it.

Mr. McCLELLAN. Mr. President——

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from Ohio yield to the Senator from Arkansas?

Mr. TAFT. I yield.

Mr. McCLELLAN. I merely wish to say to the majority leader that, as he has well stated, many of us have made engagements, have entered into obligations, and have planned accordingly. It is not my purpose to try to have action on the bill delayed in any respect.

Mr. BARKLEY. I understand.

Mr. McCLELLAN. I am perfectly willing, so far as I am able, to cooperate in every way to expedite the pending legislation to a conclusion. But we cannot fulfill other obligations into which we have entered and be present to vote on amendments tomorrow. I remember very well that the Senate recessed for the convenience of the Republicans so they might be present at Lincoln Day dinners.

Mr. BARKLEY. Yes.

Mr. McCLELLAN. The Senate suspended action on business before it at that time. The pressure of legislation, procedure, and objectives was not so great that Republicans were not permitted to have their field day in politics. I feel that the pending legislation, controversial as it is, should not be made an order of business tomorrow with important votes on amendments which are controversial, when many of us have to be away in order to keep engagements previously made.

Mr. BARKLEY. I fully appreciate that, and I will say to my good friend from Arkansas that I have been particeps criminis in some of the arrangements. We have a way here of entering into gentlemen's agreements. We made one when the Republicans were going around over the country in February making speeches on Lincoln and Truman. Now we want to hook up the President with Andrew Jackson and we have perfectly proper and legitimate reasons for doing so.

Mr. TAFT. Am I correct in understanding that the dinners—the cheapest of them—are to cost each guest $100?

Mr. BARKLEY. No; not all of them. They range in price. The price depends on various factors. There is no arbitrary rule about it. I might also say that we never inquire of the Republicans what they charge those who attend their Lincoln Day dinners.

Mr. TAFT. We never capitalize on Lincoln from a financial standpoint.

Mr. BARKLEY. The dinner to be held in Washington will cost $100. Prices range from that down. I do not think any of them will cost more than $100. They range down to $10. If the Senator from Ohio would agree to come to one of them, I would agree to give him a $100 ticket.

Mr. TAFT. Mr. President, I intend to deal with the rate question only in connection with the pending bill.

The present law was enacted in 1938. It provided a minimum wage of 25 cents an hour for 1 year, 30 cents an hour for 6 years, and 40 cents an hour thereafter. The minimum wage, therefore did not reach 40 cents an hour until 1944. In the meantime in some industries it became somewhat higher. Industries could raise wages through the industry committees, with the approval of the Wage and Hour Administrator. They could raise the 30-cent rate gradually to not more than 40 cents; but the 40-cent rate was not reached until 1944, after 3 years of war.

It is proposed by the current bill to raise the 40-cent rate at once to 65 cents an hour; in 2 years to 70 cents; and in 4 years to 75 cents. Roughly speaking, the weekly wage can be obtained by multiplying the rate by 40. The annual wage can be obtained by multiplying the hourly rate by 2,000, which is approximately the number of hours worked during the year.

The minority feel that an adequate and generous increase would be made by raising the rate to 55 cents an hour at once, and, after 18 months, to 60 cents, an increase of 50 percent over the existing minimum rate of 40 cents.

The advocates of the pending bill seem to feel that the only question to be considered is the kind of wage we would like to pay people in the United States. In substance the argument is that all we have to do is to pass a law sufficiently broad, and every family in the United States can immediately enjoy $2,500 a year, $3,000 a year, or any sum we choose to fix. I certainly would like to bring about that result, but the problem is not so simple as that.

I suppose that all of us agree that the Government should not undertake to fix the wages of every person who is working in the United States. This would involve a complete abandonment of the freedom under which individuals and businesses have always operated in this country, the very freedom for which we fought many wars, and which is guaranteed by our Constitution. Government wage-fixing would mean that the Government would attempt to fix the value of every man's work and necessarily would have to fix all prices. This is the very essence of socialism. In other words, a man's reward would be determined by the Government, and not by the normal processes of competition, which reach a much closer approximation to the real value of a man's work. By the means suggested we would necessarily have a completely socialistic system. I do not believe that any Member of the Senate favors that kind of a system; but if we are not going to say that the Government shall fix the wages of the people of the United States, and do not favor general wage fixing, on what theory do we press a minimum-wage law? All of us seem to agree that the wage a man receives should be in accordance with the productive value of his labor and the value of the product into which it goes. If he gets more than that, costs of production increase so that the product cannot be sold, and there is no employment at all in that field. If he gets

less, someone is making an improper profit out of him. The distinguished Senator from Montana [Mr. MURRAY] said on Thursday:

A fair or adequate wage should have two characteristics: First, it should correctly reflect the productive contribution made by the employee as established through fair and open collective bargaining; second, it should be sufficient to maintain the wage earner and his family on a reasonably adequate standard of living.

I respectfully submit that the two standards are entirely contradictory. We cannot have both. The difficulty with the definition "sufficient to maintain the wage earner and his family on a reasonably adequate standard of living" in many cases is that it might represent far more than the productive contribution made by a particular employee. We all know that there is a tremendous difference in the capacity of different men and women and in their diligence, willingness to work, and ability. We know also that there is a great difference in the jobs in which they are engaged—that in some industries the product may be very much sought after by others, so that they are willing to pay a high price for the labor going into the product, and in other industries an attempt to raise the price of the product would only result in the disappearance of the market.

The question is, How far we can pay a wage higher than the apparent productive value of the services without doing more harm than good and upsetting the normal productive processes of the country?

I voted for a minimum wage for women in 1921 in the Ohio Legislature. It was justified on the ground of economic oppression. It was pointed out that unions could obtain the value of their services by collective bargaining, but that many unorganized workers, such as waitresses in city restaurants and store employees, had to take what was offered them. The law was proposed as a means of securing the real value of these services in the case of workers unprotected by unions. This is still the best justification for a minimum-wage law.

But when the minimum-wage law of 1938 was passed, it had an additional purpose. It was felt that people could be educated to pay more for certain services than their then value on the economic market. Perhaps competition in the textile industry had reduced the price of textiles unduly and the people expected to buy them at prices really below what they should pay. But even in this field it was recognized that the rise of price must be gradual, and the wages-and-hours law of 1938 was graded from 25 cents an hour up to 40 cents an hour. It was realized that if the wage were increased too rapidly, involving a too-rapid increase in the price of the product, it would result in more unemployment and leave the supposed beneficiaries of the law worse off than they were before. Thus, in section 8 of that law, the industry committees and the Administrator are authorized to recommend an increase only if the increase, "having due regard to economic and competitive conditions, will not substantially curtail employment in the industry."

It was realized that the objective sought could be attained too rapidly; that if we wished to raise the return to the worker above the then economic value of his services as reflected in the value of the product made by him, it would have to be done by a process of education of the people. That process is necessarily slow. Otherwise, if we go too fast, the people will say, "We never paid that much for this product. We do not want it at that price. There are other things that we can buy." The result is that the article is not produced, people are thrown out of work, and we defeat the very purpose which we are trying to accomplish, namely, raising the living standard of those who are receiving the particular wages. Whether the people can be educated to buy at higher prices is always doubtful, but it is certain that they can only be so educated by a gradual process.

The classic example of this result our Senate committee saw in Puerto Rico. The first wage-hour law was applied to Puerto Rico where standards of living are about one-half those in the poorest continental State. The needlework industry in western Puerto Rico was wiped out over night, and for 5 years after that time there were 50,000 people unemployed in that part of the Island.

The process has hardly had a test. In this country the result has not been so striking. The 40-cent minimum was reached only in 1944, when the whole wage level had risen under war pressure. Furthermore, in this country an industry as a whole is not likely to be destroyed. The difficulty is that the less efficient producers and the small industries are driven out of business and the industry is likely to be concentrated in the large mass production units and the monopolistic companies in the industry. Many small businesses exist in the United States because they do pay somewhat lower wages which they are able to do without oppression because they operate in small towns or in sections of the South where the cost of living is much less. A too rapid increase in the minimum wage will not only wipe out these small businesses, but it will bring unemployment and depression to many small towns and many sections of the United States.

There is another danger, Mr. President, in increasing the minimum wage too rapidly. There may be cases in which the increase of the minimum wage will not increase the price of the product, but broadly speaking this cannot be true. An increase in wages, unless balanced by increased productivity, must increase the cost of the product. There is no evidence in any statistics that there has been an increase in productivity of labor during the past 4 or 5 years. It was argued by the distinguished Senator from West Virginia that after the last war, productivity increased rapidly. That, certainly, is no evidence that it will necessarily do so after this war. After it has increased, we can take due account of that fact by further legislation. An increase of the minimum wage tends to increase wages all along the line. Whatever we may say about the wage to be paid inefficient workers, human nature is such that a comparatively higher wage must be paid to those who are more efficient in the brackets of pay above the minimum. The employer feels that he should do so and the people who are working in the factory feel that they should receive more pay. The universal testimony before the committee was that an increase in the minimum wage shoves up wages all along the line—perhaps not to the same extent, but to some extent. If we increase the minimum wage too rapidly, therefore, it means inflation. Even Chester Bowles, the prophet of the ridiculous economic theory that wages can be increased without increasing prices, recognizes that some increases will result from the rates proposed under the pending bill.

If we do get inflation, we accomplish nothing by raising the minimum wage because the recipient has to pay more for everything he buys. So if we go beyond the proper limit, beyond the limit which we can soundly support, we shall make the recipient pay an additional price for everything he buys; and if we thus go beyond the proper figure which we can establish, we do not do anyone any good, but we upset every industry.

Again, Mr. President, this is not an argument against any increase, but is only an argument that to accomplish its purposes a minimum wage increase must be extremely gradual. Take, for example, the case of farm labor. The authors of this bill do not have the nerve to apply the law to farm labor, but the theory which they advocate applies just as well to agricultural labor as it does to industrial labor. Why do they not include farm labor? Because they realize that it would so increase the farmers' costs that it would either wreck the farmers or force an increase in agricultural prices which would bring about inflation.

I may say that by expanding their definition of interstate commerce, and by removing all exemptions right up to the gate of the farm, they are indirectly forcing an increase in farm labor. To the extent that they do so, their action undoubtedly will increase the already dangerous threat of inflation in this country and will increase the price of the food purchased by the very people they are trying to benefit.

Mr. President, the advocates of the bill talk as if they are dealing with only a few low-wage industries. That is not the case. The bill by removing many exemptions attempts to affect wages in every small town and every remote agricultural region in the United States. If it became effective, it would change the economic aspect of countless activities outside of the industries so frequently referred to. It would wipe out many small businesses and would bring economic ruin to many small towns and to whole sections of the country. As far as the big businesses are concerned, most of them pay far more than any figure

mentioned in this bill. If the bill applied to my own city of Cincinnati only, I would vote for it in a moment. But this is an attempt to write a statutory minimum for a vast country with tremendously different conditions responsible for its fairly general prosperity today.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. PEPPER. Perhaps the Senator from Ohio would prefer not to be interrupted at this time.

Mr. TAFT. No; I am glad to yield to the Senator from Florida.

Mr. PEPPER. The Senator from Ohio has just said, or has left with me the impression, that perhaps large businesses are paying rates higher than those provided for or required by the bill. I should like to ask the Senator if he thinks that is true with respect to the chain stores. For example, under the extended coverage of the bill the large chain-store groups of the Nation will be brought under the minimum-wage law. They would be required to pay to the clerks in their stores a minimum of 65 cents an hour. Does the able Senator think the clerks in those stores are paid such wages at the present time?

Mr. TAFT. I really do not know; I have not examined the evidence as to them. The Senator from Florida may be correct, and that group may be an exception. I was thinking of the large industries; I believe I used the word "industry." But I referred to the large companies—for instance, General Motors. We know about most of them. As I have said, so far as cities such as Cincinnati are concerned, either 65 cents an hour is being paid or they could very easily reach that figure without any bad results.

So, Mr. President, in my opinion, the question is one of degree. I believe that we can improve conditions with a minimum-wage law, and that we can gradually accomplish some of the proper purposes of a minimum wage. But what does this bill propose to do? As I have pointed out, the act of 1938 provided a minimum wage of 25 cents for 1 year, 30 cents for 6 years, and 40 cents thereafter. The minimum statutory rate, therefore, on January 1, 1941, which is the usual basis of wage-rate calculations, was 30 cents. Toward the end of the war in 1944, it reached 40 cents. Now it is suddenly proposed to boost this statutory rate to 65 cents at once, 70 cents in 2 years, and 75 cents in 4 years. That would mean an increase of 116 percent at once over prewar rates, and 150 percent after 4 years. This compares with perhaps a 50-percent increase for workers in the mass-production industries of steel and automobiles, and a 40-percent general increase throughout the United States. The members of the minority propose a 55-cent rate immediately, and after 18 months a 60-cent rate. This is an 84-percent increase, or more than twice the increase to other workers, and a 100-percent increase after 18 months.

The distinguished senior Senator from West Virginia [Mr. KILGORE] the other day said that we must do this in order to give these workers their share of the increased national income. Of course, the increase in the national income is brought about by many factors, including the increase in prices, the increase in wage rates, and various other increases, some of which will necessarily be removed—as, for instance, the increase in overtime pay, the increase in the number of people who are employed, and a number of other different relations. But with respect to the other workers, even the 55-cent increase which we propose is an 84-percent increase over the prewar rates, as compared to an increase of approximately 40 percent or 50 percent for the general worker. So, under our proposal, we would give those workers a larger share in the national income than the other workers are receiving. The increases to which I have referred compare with a 33-percent increase in the cost of living.

Instead of being accused of parsimony, Mr. President, it seems to me that on the basis of any comparisons our rates are exceedingly liberal, certainly as great as we can hope to secure without causing unemployment and inflation.

If, instead of comparing the rates with prewar rates, we compare them with 1944 rates, when the rate reached 40 cents, the figures in the bill mean an increase of 62½ percent at once, 75 percent after 2 years, and 87½ percent after 4 years. This compares with an increase, including the 18½ cents recently granted in some industries, of from 15 to 20 percent for other workers since 1944. Our minority proposal would be a 37½-percent increase at once, and a 50-percent increase after 18 months. There has been practically no increase in the cost of living since 1944.

It is suggested that the real minimum wage during the war has been 55 cents. This, however, only applied to war industries and was not a general wage throughout the United States. Furthermore, if the War Labor Board felt that 55 cents was as high as they could go at the height of war activity, it would seem dangerous to go higher today in the absence of any evidence of increased productivity.

The argument is made that we must have a minimum wage sufficient to support a family of four at the rate of not less than $2,000 a year. Nearly all the evidence related to that argument. The difficulty with this argument is that it proves too much. If this were the only consideration, we should make the minimum wage a dollar an hour. The authors of the bill recognize that that cannot be done. They recognize that there are other considerations. As a matter of fact, there is no reason why a minimum wage should support a family of four. There are 15,000,000 single workers in the United States, and, for the most part, they are the less experienced younger people who have not yet reached a family status. There is no reason why every errand boy should receive wages sufficiently high to enable him to support a family of four.

But this is not the real consideration. The question is, How far can we increase the minimum wage without causing unemployment and inflation, and thereby doing more harm than good? I have tried to figure every reasonable comparison, and my sincere judgment is that the committee bill will not accomplish its purposes, and will do far more harm to the prosperity and welfare of the very people it is trying to help than it will do good, and that it will reduce their employment or increase the prices they have to pay. I believe it would cause serious damage to small business, and depression in many sections of the country and in small towns. I believe that the rates which the Senator from Louisiana [Mr. ELLENDER] proposes are reasonable and capable of accomplishment. When general productivity has increased, we can easily consider the further raising of the minimum wage.

Mr. TAYLOR. Mr. President, I was interested to read the other day that factory wages dropped 37 percent during 1945. That fact appeared in the December Monthly Report on Civilian Production issued by the Civilian Production Administration. During the first quarter, total industrial wages averaged about two and a half billion dollars a month, but in October 1945 they were down to one and six-tenths billion dollars.

This drop was the result of a 22-percent decrease in industrial employment, and a 10-percent decrease in hours worked. The aspect of this situation that interests me most at the moment is the 10-percent cut in hours. Unquestionably, all that 10-percent decrease in time was in the overtime bracket, so that it means that workers' incomes fell considerably more than 10 percent. If they were being paid time and a half for overtime, as most of them were, it meant anything from a 15-percent to a 40-percent cut in wages, depending on the amount of overtime they were working.

I ask Senators to consider this fact along with another one which was brought out during the hearings recently held on Senate bill 1349 which would amend the Fair Labor Standards Act and establish 65 cents an hour as an immediate minimum wage for all workers in interstate commerce. In January 1944, at the very peak of our war production, 34 percent of America's nonagricultural workers were earning less than 60 cents an hour, and 11 percent, or nearly 3,000,000 workers, were still earning less than 40 cents an hour. They were, of course, in the intrastate industries not covered by the Fair Labor Standards Act. Of those covered by the act, 20 percent were earning less than 65 cents an hour during the summer of 1945.

These facts—both the wage cuts and the low wages themselves—do not jibe with the propaganda which is being circulated that American workers are grossly overpaid. It gives plenty of logic to the wave of strikes for living wages which is sweeping the country. And it makes the passage of Senate bill 1349, which establishes a minimum wage of 65 cents now and 75 cents in 2 years, one of the most urgent tasks facing Congress today.

Forty cents an hour times 40 hours is $16 a week. Could you, Mr. President, live on $16 dollars a week today, and support your family? Sixty-five cents an hour times 40 hours is $26 a week. Could

any Senator live on that? Would he expect anyone he knew to live on that? And yet, $26 a week is more by many dollars than 34 percent of the nonagricultural workers of our great country receive in any week of the year. It is more by many dollars than 20 percent of our nonagricultural workers who are covered by the Fair Labor Standards Act ever receive. And, however we may look at it, it is less than the minimum needed to support a family on what the experts call a subsistence level. That was proved during the hearings by testimony from unbiased Government witnesses.

Yet the future prosperity of this country depends on a huge increase in the production and sale of a type of consumer goods which not one single family earning less than $26 a week can ever hope to be able to buy. This is the frightening contradiction with which we in America are faced today. If industry cannot achieve and maintain a high level of sales of relatively expensive durable consumer goods such as automobiles, refrigerators, good radios, houses, and so on, it cannot possibly manage to achieve and maintain full employment, good profits, and a prosperous national economy. It is, therefore, to industry's own selfish, special interest to see to it that the 65-cent minimum-wage bill becomes law at once.

Chester Bowles, Office of Price Administration chief, put the problem in a nutshell in a letter which he wrote to the Senate Education and Labor Committee. He said:

> Right here at our feet lies our greatest undeveloped market—a market which can be tapped to improve income and employment opportunities for everyone simply by raising the level of minimum wages.

Everyone knows that there are literally millions of Americans who cannot afford to buy any of the comfort products which we all think of as making up the American standard of living. And so long as that condition remains, so long as we have any "undeveloped markets," as Mr. Bowles so tactfully calls them, so long as substandard, subminimum wages result in huge sectors of our population being unable to buy the things they need, just so long will our famous American standard of living be a double standard—luxury for some, want for others; plenty for some, starvation for others; comfort for some, misery for others. That is not my concept of what we mean by the American standard of living.

Of course, on the other side of the picture are all the low-wage industries which came before the Education and Labor Committee hearings and claimed they could not possibly pay minimum wages as high as 65 cents without going bankrupt or getting huge price increases. It pays to look at a few of these industries and see what are the facts.

The executive vice president of the United States Independent Telephone Association stated that a wage raise among its low-paid employees to 65 cents would deprive workers of jobs because the companies would be forced to install dial systems; that it would bring about rate increases of as much or 100 percent; that it would cause curtailment of service because the companies would have to cut down service to 8 hours a day instead of 24, and would bankrupt many smaller companies. As it stands today all independent telephone companies with 500 or less phones are already exempt from the Fair Labor Standards Act. The independent company's vice president wanted that exemption raised to all companies with 1,000 phones or less.

And all this because the wage increases would add so much to their operating costs.

But the actual facts of the situation are quite otherwise, according to the Federal Communications Commission's evidence. Basing their figures on the reports submitted by these independent telephone companies themselves to the FCC, the Commission showed that the independent telephone companies with more than 500 and less than 1,000 phones—and there are 43 such companies in the United States today—would be able to pay 65 cents an hour minimum to all employees and still make a clear profit of $800,000 more in 1946 than they made in 1944, which was one of the best years on record for them.

That may sound ridiculous to you, Mr. President, and I suppose it sounded so to some of the Senators who read the facts in the FCC report. But it is not ridiculous. It is all due to the little fact that in 1946 Federal income taxes on these independent telephone companies are going to be nearly $2,000,000 a year less than they were in 1944. That is what the elimination of the excess-profits tax is going to do for them. It seems to me, therefore, that it is only decent and just that these companies, which pay less than 65 cents an hour to more than 70 percent of their workers, should bring up their wage levels to the minimum proposed in Senate bill 1349. Obviously they can afford to do so today, and still make more money than they made during their best previous years.

Wages paid by these independent telephone companies are among the lowest in the Nation. Another extremely low-paying industry is tobacco manufacturing—an industry dominated by some of the richest and highest-profit companies in our economy. Chester Bowles gave some extremely interesting figures on its wage structure and its profits at the hearings on S. 1349.

According to his testimony, the tobacco industry pays 58 percent of its workers less than 65 cents an hour. That is a higher percentage of substandard wage payments than in any other manufacturing industry. To raise all wages to 65 cents would cost the industry $14,000,000 a year. $14,000,000 is 11 percent of the industry's wage bill; and it may seem like a lot of money. But, Mr. President, do you know what the tobacco industry's profits were in 1944? They amounted to $154,000,000. Subtracting the whole $11,000,000 from that figure, would still leave the profits of the tobacco industry 22 percent higher than they were before the war. But let us assume that the manufacturers refuse to play along with that, and demand a price increase. Even though cigarettes comprise only a little more than half of the total tobacco business, let us assume that the whole increase in the wage bill is to be paid for by an increase in the price of cigarettes. How much would the increase have to be? About one-tenth of a cent a pack, or a cent a carton. As Chester Bowles put it:

> I think we would find that wholesale and retail margins are wide enough so that even in this event consumers would see no difference in the retail stores.

In other words, industry can easily afford to pay a 65-cent minimum wage and so can the nonindustrial businesses in distribution, transportation, communications, sales, and so on, that are covered by the Fair Labor Standards Act. They can pay it out of profits even with the 1945 tax structure; they can pay it twice as easily now that the excess-profits taxes are eliminated.

Mr. President, let me make one more thing clear. Under no circumstances should any business or industry be permitted to exist in America, and to make profits on American workers, if such profits are earned as a result of underpaying their workers. Such businesses are immoral and unprogressive, and for the good of the Nation they must be eliminated if they cannot continue in business and at the same time pay adequate wages.

This is particularly true in view of what has happened to prices during the past 5 years. Back in 1938, when the 40-cent minimum provided in the Fair Labor Standards Act of 1937 originally went into effect, many big-business operators thought that a human being could live on $16 a week and get by. Prices were down; the cost of living was fairly low compared to the cost today; and although a person living on $16 a week certainly could not afford decent medical care, decent living quarters, decent food, and decent clothing, according to our American standards of decency, he could at least manage to exist without starving. Whether a family of two or three or four or five could do so or not is something else again; the fact of the matter is that before the bill went into effect many such families were managing to exist on less than $16 a week. How, I do not know.

In other words, even in 1938 a 40-cent minimum was not only minimum, it was definitely substandard, considered in terms of what we think of as the American standard of living. Yet many millions of industrial, commercial, professional, Government, and agricultural workers were existing at or below that income level.

What is the situation today? Since 1938 the prices paid by most families in the low- and moderate-income brackets for the essentials of life—food, clothing, and so on—have increased 30 percent by the most conservative estimates. So that people who were living on substandard wages and in substandard conditions 7 years ago are having to live in conditions which are at least 30 percent more substandard now than then. In my vocabulary such substandards might just as well be called starvation standards of living, for that is what eventually happens to people who have to live on such incomes—malnutrition to start,

and the diseases and defects of outright starvation soon thereafter.

And these are the people to whom industry and business cannot afford to pay $26 a week. These are the Americans whose needs for at least an emergency standard of subsistence are going to bankrupt American business and industry—the largest and the strongest and the wealthiest aggregation of producing and distributing capital in the universe. I cannot agree with such a contention. No one can tell me that American initiative, American enterprise, American inventiveness, American efficiency can exist only by paying American workers starvation wages. As a matter of cold, objective fact, the contrary is true. It is only by paying high wages that business and industry can be truly profitable and can provide a truly prosperous economy for the Nation and the world as a whole. Until they pay their workers enough so that they no longer can be called what Chester Bowles called them—undeveloped markets—until then, America's prosperity hangs by a thread.

I digress for a moment from the thread of my remarks to say that a great deal of the testimony before the Committee on Banking and Currency urging the approval of the British loan followed the argument that we had to lend money abroad so that those in other countries could buy our surplus goods; in other words, that we can produce plenty in America, but cannot pay the workers enough to enable them to buy what they produce, so that we have to give some other country the money with which to buy our goods.

Mr. President, I intend to vote for the British loan, and one of the reasons is that I foresee our private enterprise system breaking down in less than 5 years, because our production and our purchasing power are not in balance. I do not know how it will be possible to make them balance. Industry will not produce without a certain margin of profit. If the margin is to great, then the people do not have enough money with which to buy the goods, so there is a surplus, and any time there is a surplus the factories are closed, and when the factories are closed, the workers are out of employment, and the economy comes to a standstill.

So I believe in high wages. I shall, as I have said, vote for the British loan for several reasons, among them that we must subsidize other countries so they can buy our goods because we do not have enough money ourselves with which to buy them. But I shall vote for the minimum wage bill in an effort to enable our people to buy a larger share of what they produce.

Until every American is able to buy and consume the products of American industry and thus assure full production and full employment throughout our economy, we will constantly be faced by the fearful specter of mass unemployment, depressions, crises, and permanent economic chaos.

The amendments to the Fair Labor Standards Act embodied in S. 1349 provide the first essential step we must take if we are to give all Americans an American standard of living. As the Washington Post said in an editorial published in the issue of November 7, 1945:

> An economy must be judged not by what it produces for its most fortunate members but by the kind of life it affords for the least of those who share it. We can reasonably claim again a high standard of living for America only when all Americans have within their grasp the necessities of life and at least the elementary comforts.

That statement puts the problem as clearly as it can be put. Every worker in interstate commerce should receive sufficient money to enable himself and his family to buy the necessities of life and at least the elementary comforts. That is what S. 1349 proposes to make possible. The many millions of other workers not in interstate commerce, whose wages are still less than 40 cents an hour, not to mention less than 65 cents, will have to rely on the slower processes of competition for labor between interstate and intra-state business, and the long, difficult road of organization and collective bargaining among the small businesses and industries of the States.

It is up to Congress, Mr. President, to lead the way, to show the people of America that it means what it says when it resolves for full employment or when its Members talk big about the American standard of living. It is up to Congress, fair and square, to provide the legislative essentials for a prosperous America. It is up to Congress to ignore the anguished cries of the profit-seeking few who would rather have wealth themselves than let the wealth be fairly distributed among the millions of those who are in need. It is our duty and our privilege to strengthen the national economy from foundation to rooftree by buttressing it with economic justice for all.

Mr. GREEN. Mr. President, at the time the 65-cent-an-hour minimum wage was originally proposed, prior to the termination of hostilities, it would have required increased wages for about 4,000,000 American workers in all classes of industry covered by the present law. Fortunately, however, our economy has not remained static during this period and while the Congress has deliberated, manufacturers and other employers have taken action and one by one the arguments against a 65-cent minimum have become out of date. In fact, the trend toward higher wages and a minimum of at least 65 cents has reached such proportions that the bill we are now considering has become for all practical purposes a matter of putting into law what has already been accomplished in fact.

The arguments against the 65-cent minimum wage have now become extremely academic and out of date. The minority members of the committee speak of raising the minimum to 55 cents as an advance of 37.5 percent and of raising the minimum to 60 cents as a 50-percent increase. This method of figuring ignores the actual level of wages. The minority has ignored hundreds of pages of testimony presented to the subcommittee on this bill. The record shows plainly that the 55-cent minimum has long been out of date. The fact is that we have been slow in bringing the statutory minimum in line with the actual minimum wage. Our past delays in legislating a higher minimum is no excuse for again falling behind the trend of events. No more grievous error can be made in legislation that to be completely out of date. A 55-cent or 60-cent minimum now would be as obsolete as the 40-cent minimum was 2 years ago. If we are to modernize our wage legislation, we must immediately bring the legal rates for all employees into line with the minimum wage which is enjoyed by most.

Recent wage trends in American industry have completely altered the old wage patterns. Since last August, numerous increases have taken place which by now have affected some 9,000,000 workers and this number is steadily increasing, as everyone who glances at the newspapers knows. Moreover, each of the new wage settlements has raised the minimum in the various industries concerned. We know the minimum wage in the heavy goods industries is far above that which is now proposed. For example, the minimum wage in the iron and steel industry generally is 96.5 cents per hour; at the Ford Motor Co., $1.13 per hour; at the Aluminum Co., 96 cents; and comparable rates have been or are being negotiated throughout all the heavy industries which employ a large proportion of our working population.

This condition prevails, however, not only among the heavy-goods industries but also among the various consumer-goods industries throughout the United States. I can illustrate this situation best by referring to the bell wether of the substandard wage industries—the cotton textile industry. This industry has become the gage of the ability of the low-wage industries in general to pay better rates of pay. The textile industry traditionally has been a low wage payer. It was the industry for which the No. 1 NRA code was signed. Its wage standard set the level for the rest of American low-wage industries during the NRA. This industry also was the first one considered by industry committees under the Fair Labor Standards Act of 1938. This industry also proved time and again to be the measure for the determination of substandard wages under the War Labor Board. By every test, therefore, the levels prevailing in the cotton textile industry provide the best clue to the determination of going wage levels in the low-wage industries because its minimum wage has usually set the pattern for other low-wage industries..

In this connection I think it is extremely important for my colleagues in the Senate to realize that a 65-cent minimum wage has become the prevailing minimum wage in cotton textile mills throughout the entire country—North, South, East and West. There is no longer distinction in the minimum wage levels between cotton mills in one section of the country and another. In fact there have not been any such distinctions under the wage-and-hour law from 1939 to date. The gap between the northern and southern wages has not been at the minimum wage level. With the same legal

minimum, they have paid different jobs different rates of pay above the minimum for conditions peculiar to the individual mills and areas. The industry itself has, in recent years, recognized the unwisdom of different minima.

The industry, in the person of the Cotton Textile Institute, has endorsed at all public hearings before the Administrator of the Wage and Hour and Public Contracts Divisions of the Department of Labor a single minimum applying to all divisions of the industry wherever located. It has recognized that the machinery is similar in all parts of the country and, in fact, many of the most modern plants are located in the southern States, and that there is little disparity in productivity between northern and southern cotton mill workers or between workers in New England, the Carolinas, or the Pacific Coast. Under good management and favorable conditions, they attain the same high levels of productivity. There is greater disparity in productivity among the individual cotton mills in a single area than there is among the averages for mills located in different regions. This has been found true with respect to the efficiency of management as well as the efficiency of workers.

State development commissions and others interested in attracting new industries speak proudly in their promotion campaigns of the workers in their respective States—North and South—and extol their workmanship, capabilities, loyalties and diligence. This conclusion is amply documented by the evidence of one of the economists who testified before the subcommittee of the Senate Committee on Education and Labor in his studies of productivity. It is also proven by the fact that many companies in the automobile, oil, aircraft and other industries, pay exactly the same rates of pay in the South as they do in the North.

There is no longer any reason to believe that lower wages will tend to attract more industry to the section paying low wages. On the contrary, we have learned that the areas with the greatest buying power derived from high wages, are the ones which attract new industries. During recent years new industries have come to those areas within the South which have the highest wage levels and which have the highest consumer spending power.

The attainment of the 65-cent minimum wage in the cotton textile industry was recently achieved in most plants throughout the entire country. In the North, all textile mills, and in the Carolinas and recently throughout the rest of the South, a substantial number of the plants are already paying this minimum. Moreover, the number of mills—both union and nonunion—falling into line is growing daily. Nevertheless, we need a 65-cent minimum for the cotton textile and other low wage industries in order to bring the laggard companies into line. These companies employ only about 10 percent of the workers. They should not be permitted to undermine the standard of living established by the industry as a whole.

The largest gains under this bill will accrue to be unorganized and unprotected workers, many of whom support large families and have the same responsibilities as the organized workers. In the unionized plants, the 65-cent minimum has been almost universally adopted. We cannot sit idly by and permit the unorganized workers and their families, including many veterans, to remain defenseless when we have the power to protect them and to assure them at least the going minimum wage prevailing in American industry.

Since 1938, when the national Fair Labor Standards Act was passed, fundamental changes have occurred in our economy and national income has gone up 150 percent. While the 40-cent goal established then by the Congress seems modest in retrospect, it actually represented a much greater forward step than the 65-cent rate we are considering today. Moreover, whereas Congress led the way in 1938, manufacturers and trade unions are leading the way now in 1946.

I also want to emphasize the fact that a 65-cent minimum will not represent a generous gift from the American Congress to the low-paid workers. It is one necessary step to protect our national economy. Soon after VJ-day, it became apparent that our veterans and war workers were not going back to their old jobs in textile, lumber, and other low-paying industries at 50 or 55 cents an hour and, production in these industries instead of attaining the much hoped for increase, actually continued to decline. The cotton-textile industry recognized that low wages in the industry were the greatest single barrier to increased textile production and the majority of the producers in the industry have already taken steps to rectify this situation. The cotton-textile mills have discovered that they can recruit adequate labor forces with a 65-cent minimum, and generally where this rate has been adopted, employment has increased. As a result of recruiting this additional labor, the turning point in textiles has been reached and from the low point of October and November 1945, when we were producing cotton textiles at a rate of some 8,600,000,000 yards a year, production has risen to a current rate of 9,400,000,000 yards, a remarkable showing for such a short period of time. Veterans are now going back to the textile mills. With rates at the higher figure, these men are now enlisting to produce much needed cotton goods.

Let me make one more point in reply to the minority report. Contrary to its assumption that most workers receiving low wages are young single workers without dependents, scientific surveys have shown that the majority of workers at minimum rate jobs have family responsibilities. Moreover, in many instances, workers at the lower-rated jobs support larger than average families. We must, therefore, take account of these realities in establishing an appropriate minimum-wage level.

In conclusion, I should like to emphasize that the pending bill will not raise as large a proportion of workers in manufacturing industries as did the Fair Labor Standards Act of 1938. By confirming in law the minimum wage which free collective bargaining has already established in many low-wage industries, the pending bill will protect the unorganized worker and the fair employer and thereby protect our national economy as a whole. I therefore urge my colleagues in the Senate to support the 65-cent minimum wage provided in this bill as a moderate step in the right direction.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Swanson, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5671) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

SECOND URGENT DEFICIENCY APPROPRIATIONS ACT, 1946—CONFERENCE REPORT

Mr. McKELLAR submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5671) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 5, 6, and 7; and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

"LOANS, GRANTS, AND RURAL REHABILITATION

"For funds in addition to funds authorized under this head in the Department of Agriculture Appropriation Act, 1946, and for the same objects and subject to the same conditions, the limitation of $57,500,000 in the authorization and direction to the Reconstruction Finance Corporation to make advances, contained under this head in said Act, is hereby increased to $82,500,000."

And the Senate agree to the same.

KENNETH MCKELLAR,
CARL HAYDEN,
RICHARD B. RUSSELL,
STYLES BRIDGES,
CHAN GURNEY,
Managers on the Part of the Senate.

CLARENCE CANNON,
LOUIS LUDLOW,
EMMET O'NEAL,
LOUIS C. RABAUT,
JED JOHNSON,
JOHN TABER,
R. B. WIGGLESWORTH,
EVERETT M. DIRKSEN,
Managers on the Part of the House.

The report was agreed to.

AMENDMENT TO FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

Mr. MORSE obtained the floor.

Mr. WHITE. Mr. President, will the Senator from Oregon yield to me for

the purpose of suggesting the absence of a quorum?

The PRESIDING OFFICER (Mr. HUFFMAN in the chair). Does the Senator from Oregon yield to the Senator from Maine for the purpose of suggesting the absence of a quorum?

Mr. MORSE. I wonder if the minority leader will withhold his suggestion for a comment?

Mr. WHITE. Certainly.

Mr. MORSE. I appreciate the courtesy implied in the desire of the Senator from Maine to suggest the absence of a quorum; but in view of the fact that I understand that no vote on any phase of the bill now pending before the Senate will be taken this week, I should prefer not to have a quorum call for the purpose of bringing Senators into the Chamber to hear any remarks which I may make. Members of the Senate will have ample opportunity, if they wish to do so, to read my remarks in the RECORD. No doubt many of them are attending important committee meetings this afternoon, or have other important business to transact. Therefore I would rather not have them disturbed in order to hear my remarks.

Mr. WHITE. Mr. President, I withdraw my suggestion of the absence of a quorum.

Mr. MORSE. Mr. President, I wish to speak briefly this afternoon on certain aspects of the pending minimum wage bill. At a later time in the debate I hope to speak at greater length, because it will be my endeavor to answer some of the arguments which the opponents of the bill will make, after they have put in their case in chief, so to speak. However, I believe that there is certain foundation material which ought to be made a part of the RECORD at this time for the consideration of the Senate and of the country.

By way of introduction, Mr. President, I should like to say that last Sunday I heard what I consider to be a great sermon. It was delivered by Rev. Alfred W. Hurst, in the Cleveland Park Congregational Church in this city. the topic of the sermon was, "Give us this day our daily bread." It was a very interesting analysis of that part of the Lord's Prayer—"Give us this day our daily bread." It discussed the economic aspects of Christianity. The sermon stressed the relation of economic justice to Christian living.

It seems to me that in American politics too frequently there is much reference to great Christian principles and not enough practice of those principles. Businessmen as well as politicians are too frequently willing to profit from religious forms and associations but keep in watertight compartments their economic practices separated from their professed religious convictions. That remark is probably also apropos to us as a Nation and as a people. Too many in all walks of life live their Christianity on Sunday and then do business as usual the other 6 days of the week. There are millions of underpaid Americans who are most deserving of a greater practice of some of the fundamental principles of Christianity applied to the economic life of this Nation. There are millions who believe that our system of free enterprise can be reconciled in practice with the concepts of the Lord's Prayer and the other principles of Christianity. They are crying out to a free-enterprise system in this country today "Give us our daily bread"—not for nothing, but in payment for service rendered. When we consider the low-paid workers of America, I think, if we are to be honest and true to our own principles, we must recognize that large segments of the American economy do not live up to the Christian concept "Give us this day our daily bread"—for service rendered.

Let us not mince words. The establishment in this country of decent minimum social and economic standards must be made a political issue in the decade ahead if we are to promote the greatest good for the greatest number of our people. So I would say to the two great political parties of America that the voters have a right to know, and I believe they will exercise the vigilance to take note, where the politicians in the Congress of the United States stand on the great piece of social legislation which is now pending before the Senate.

I read in the newspapers—and all I know about it is what I read in the newspapers—that there is a feeling among some leaders in the Senate that because of the opposition in certain quarters to the legislation now pending, perhaps this bill should be put aside for now. I understand that it has been suggested that possibly we should not take action on it until the beginning of the next session of Congress. I wish to register today my protest against any such strategy, even if it is in the budding. I believe that we have before us a bill which is vital to the welfare of the free-enterprise system of this country. A measure on which the Members of this body should be required to vote before the elections next fall. The people of the United States have the right to know where Members of Congress stand on minimum wage standards. So I shall do all within my indiyidual power to secure a vote on this bill before the voters vote in the first elections a few weeks hence. Let us see whether a majority of this body wants to vote for legislation which will come somewhere near giving to the millions of underpaid workers their daily bread, in accordance with the conception of Christianity which the Master Himself set forth in the prayer which He taught us to say.

Let me say one further word with a political connotation, Mr. President, to my party. I happen to be one who believes that liberalism and reactionism can be defined only in terms of specific issues. But give him a set of specific issues and the voter will not err in determining who is the liberal and who is the reactionary, as adjudged by their votes in the Senate on such issues. According to my sights and beliefs, the bill which now proposes to establish a 65-cent minimum wage is one test of liberalism in American politics, and I want to see the members of my party here in the Senate stand up and be counted on it.

When the Fair Labor Standards Act was passed in 1938 Congress took a great step forward toward assuring a minimum decent American standard of living for all our people. It was a very important step toward reducing the black shadows of industrial life—the sweatshops, the slums, the squalor and misery of entire families condemned to eke out an existence in poverty and want. The step of first establishing a 25-cent minimum and later working toward a 40-cent rate now seems far in the distant past; but in terms of dates it was not long ago. Back in 1938 it marked very real progress and seemed as great a step as could be taken at that time, since the average wages in whole establishments in some industries were substantially below the 25-cent minimum which later became the law. Just think of that, Mr. President—that as recently as 1938 there were in this country great establishments of industry in which the average wage was below 25 cents an hour. Yet we talk about the "American way" and the great virtues of the American economic system. It has great virtues, but they have not been tapped yet, Mr. President, in comparison with their potentialities. No adequate defense could be made of a 25-cent minimum wage.

Finally this Government, and rightly so—and I digress for a moment, Mr. President, to press this point upon the consideration of this body—finally this Government, through its elected representatives, established the fair minimum wage law, starting at 25 cents an hour in 1938. The question is frequently raised, What is the Government's interest in wages? Why should a government set itself up to tell to American employers what minimum wages they should pay? Mr. President, in my judgment, it goes to a very basic concept of democratic government. As I see it—and this is basic in my political philosophy—it is the duty and obligation of a representative government to see to it that minimum economic and social standards are established and maintained so as to protect the economic weak from the economic strong. I think that under our form of government that is an obligation of government—not to go above what sound judgments can agree are minimum standards, but to fix minimum social and economic standards which will protect the economic weak from the economic strong.

Why do I think that is an essential obligation of government? I think it is because, fortunately, in this country we have not only a political democracy but a capitalistic economy. I think one is dependent upon the other; I think it is impossible to have one without having both; because, as I have said heretofore on the floor of the Senate, if we do not have political democracy we cannot have a capitalistic economy, and if we do not have a capitalistic economy we cannot have political democracy. If we do not have both of those concepts hitched together, the type of economy we will have is an economic statism. Under that form of economy, of course, the Government does not become the servant of the people, but its master; and that is true whether it takes a trend toward fascism or communism. Hence, as a liberal in relation to issues such as the one before

us, I say we must maintain our capitalistic system based upon the profit motive, but we must recognize that, of course, the Government has the direct responsibility, in relation to that economy, of seeing to it that potential abuses of it do not permit of the exploitation of the economic weak by the economic strong. Under a competitive economy, that trend, as history has shown over and over again, always occurs in an unchecked capitalistic economy which lives, of course, upon the profit motive and which is motivated by competitive factors and forces.

Therefore, it is the duty of our Government to prevent the treatment of workers as simply a commodity within the capitalistic order, as was the case in the early history of our economy, and when the doctrine of laissez-faire predominated in the United States. We have to go back only 25 or 30 years to find prevailing the conditions whereof I speak, when not only 12 hours of labor a day but in some instances more than 12 hours a day were required of workers. When Members of this body pleaded, not so many years ago, for an 8-hour day, all the typical harangues were applied against that, too; namely, that they were impossible hours, and that the proposal was socialistic. Those were the arguments which were made in those days. But those great liberal leaders recognized in principle the doctrine for which I raise my voice in plea today, namely, that the very existence of the capitalistic system itself depends upon the assumption by democratic government of the obligation of protecting the economic weak from the economic strong by establishing minimum standards which will prohibit and prevent the exploitation of workers in low-paid positions.

As a friend of the American businessman, I say now, as I have said to many of them in conventions assembled, that if we left entirely to the American businessman the right and power and privilege of hiring and firing as he chose, and of paying such wages as he elected to pay, the inevitable result would be the exploitation of human beings. That is why I say, Mr. President, that there rests on a democratic government the obligation of protecting the general welfare of the people as a whole; and, as Lincoln pointed out, our type of free government has the obligation of seeing to it that the greatest good for the greatest number is promoted by government. In my judgment, Mr. President, the survival of democratic government is dependent upon its service to all the people in the interest of the general welfare of all the people rather than to provide a privileged economic few with the license to exploit the many.

My point of view in regard to this type of legislation is equally applicable to other types of social legislation; and stemming from the same basic political philosophy came my opposition to those who do not believe, for example, Mr. President, that we should set up in this country an FEPC. There, too, I feel that there is the obligation of government to maintain minimum standards of protection for the more unfortunate in our Nation.

So, with that as a basic political premise, I make a plea this afternoon for the establishment of a 65-cent minimum wage because, in my judgment, we cannot adequately protect the economic weak from the economic strong with a minimum fixed at a lower point.

I venture to assert, Mr. President, that no one who supported the Fair Labor Standards Act when it was enacted in 1938 believed that the 40-cent-an-hour minimum represented the ultimate goal, or that it would provide even a minimum standard of living for an American family except in rare instances. On the contrary, voices were raised in both the House of Representatives and in the Senate to express the view that the minima contemplated in the act were only beginnings. The debates of the Senate show that fact beyond a question of doubt.

Now that our economy has grown larger, our productivity is higher, and our output per man-hour is expected in the immediate future to be from one-third to one-half greater than it was before the war, I am surprised that there are some among us who profess that we should raise the legal minimum wage merely to the point of restoring the real wage which 40 cents an hour would have provided in 1938. I am surprised that there are those among us who think that we are not now ready to make a progressive step forward beyond the equivalent of a real wage increase from 1938 to 1946. With the great potential of our economy, Mr. President, I say that now is the time for us to take another step forward beyond the real minimum wage level of 1938 to a higher real wage level of 1946. Those who propose the 55-cent-an-hour minimum simply say to the people of the United States, "We believe that the conditions of 1938, so far as minimum wages are concerned, should be the criterion of action today."

Mr. President, ours is a dynamic society. If it is to grow and strengthen, it cannot stand still. We must move ever forward to an ever higher standard of living for all our people. I say that such a road will not lead to the destruction of the free enterprise system of this country but, on the contrary, it will lead to its perpetuation. Only those disciples of despair who believe that we should not progress at this time, who believe that we should keep the minimum wage at its real wage level compared with the 40-cent-an-hour wage level of 1938, are the ones who, in my judgment, do not have an abiding confidence in the free enterprise system which some of us who call ourselves liberals on specific issues, such as this bill do have in our economic system.

Mr. President, I may say by way of digression that after all the free enterprise system does not mean or should not be allowed to mean a freedom on the part of the American employer to pay such wages in the minimum brackets as he desires without any Government control being exercised. Such freedom represents a type of license which is sought by certain shortsighted persons in American business. It is a sort of a license for exploitation of labor which is against the best economic interests of businessmen themselves.

The growth in our economy since 1938 has been so amazing that many still do not realize its full implication. When prices are adjusted to the prewar base, it will be seen that in 1944 and in 1945 the country produced virtually twice as much as in 1938, in spite of the fact that 12,000,000 of our most productive workers—those in the armed forces—had been withdrawn from our farms and from our factories.

In other words, with the return of those 12,000,000 men, and with the restoration of normal civilian production, we now have the opportunity to take further steps toward freedom from want which was one of our wartime goals. Freedom from want, Mr. President, must be attained in this country if the economic system which I seek to defend is to survive.

Our national income, with the tools and skills at hand, is amply adequate to warrant taking the further steps which are contemplated in the measure now before the Senate of the United States.

I have been surprised by those who regard wartime expediencies of the National War Labor Board as representing the top standard which we can now achieve. The National War Labor Board, in general, permitted increases in wages of four types, namely, a 15 percent cost-of-living increase under the so-called Little Steel formula, adjustments to correct interplant and intraplant inequities, increases to aid in the prosecution of the war, and finally, increases to correct substandards of living. The Board was never able to correct substandards as much as it desired to do so, but kept constantly in mind that objective, and during the war it permitted increases to 55 cents an hour in wage-agreement cases without Board approval.

I hope once again, as I hoped and attempted to do in the committee, to clarify a persistent misunderstanding which exists among Members of this body—evidenced by their statement as to the meaning of the order of the War Labor Board which permitted the payment of a wage of 55 cents an hour without the requirement of Board approval. In my attempt to clear up the misunderstanding, Mr. President, I should like to read into the RECORD the Board's release of August 30, 1945, bearing upon this point. This order was finally issued after the Board had established for a long time the practice of granting pro forma such wage increases:

> Section 803-30, General Order No. 30. Increases in wage or salary rates which do not bring such rates above 55 cents per hour may be made without the approval of the National War Labor Board, although the increase will be used in whole or in part as the basis for seeking an increase in price ceilings or for resisting otherwise justifiable reductions in price ceilings, or in the case of products or services being furnished under contract with a Federal procurement agency, will increase the cost to the United States.
>
> FRED E. DESMOND,
> *Acting Executive Director.*

That order was issued, Mr. President, in accordance with a well-established practice which prevailed when I was one of the voting members of the Board. I ask Senators to take note of the contents

of the order. There is not a word in it about substandard wages. There is not a word in it to the effect that the increase could be made to 55 cents an hour because the board believed that 55 cents an hour set the limit of a substandard wage. As I have aready told the Senate committee, the records of the Board can speak for themselves. But I assert to you, Mr. President, that when this particular procedural order was before the Board for a vote, it was not adopted on the basis of any propcsition that 55 cents an hour would set a fair minimum wage. Quite the contrary. Members of the Board—the public members of the Board, at least; and I do not think I need to argue at any great length that they were the controlling members of the Board—did not believe that 55 cents an hour would fix a decent minimum wage. While I was still on the Board we allowed increases up to 55 cents per hour as a permissive prccedure but not on the basis that we believed 55 cents set a fair minimum wage. If the issue of fixing a minimum wage had been before the Board when I was a member and the same view prevailed throughout the life of the Board, I say, Mr. President, with the certainty of the correctness of my statement, the figure would have been considerably higher than 55 cents.

Why, then, was this procedural rule issued? Why did the same practice prevail before the rule was issued? To understand it one must understand, first, the powers of the War Labor Board, and, second, the procedural rules which confronted it at the time when the order was issued.

Our jurisdiction over wages was limited to so-called wage dispute cases and to so-called Form 10 cases. The Form 10 cases were those concerning which parties, unions or workers and employers, reached an agreement through collective bargaining as to what wages they would like to have approved by the War Labor Board. By the time this particular procedural rule was enunciated by the Board, the President of the United States, and Congress through legislation, had given to the Board jurisdiction and authority and the duty to pass judgment upon all proposed wage increases in this country, save and except certain powers that were given to other agencies of the Government, such as the Agricultural Department over agricultural wages. However, that department, too, was bound by the same stabilization principles that were applicable to the War Labor Board.

Long before the time this rule was published, the Board was confronted with a backlog of many thousand cases, and much criticism was being heaped upon the Board because, work as hard as we could and as long hours as we could withstand, we could not make much of a dent in that backlog of Form 10 cases. We had regionalized. We had many regional boards throughout the United States and they, too, were working at top speed, but they could not procedurally dispose of those cases. So we had to find some short cuts. We had a great many Form 10's before us, a large number of them, interestingly enough, Mr. President, coming from the Southern States, the textile, lumber, and various other industries in the South which had historically paid very low wages. Hence long before the rule was published we allowed increases up to 55 cents per forma without Board consideration purely as a procedural device to break the log jam in Form 10 cases. These cases rested upon agreement between the parties. The employers were asking for blanket approval. They wanted made available a procedure whereby they could obtain quick and blanket approval for some wage increases.

An analysis was made of the pending Form 10's before us. Some of the Form 10's called for increases to 42 cents, some to 45, some to 50, some to 55, and some above the 55-cent level. It was very interesting when the statisticians in the wage stabilization office came before us with their report. We recognized that a successful solution of this procedural log jam would determine, in large measure, the confidence of the American public in the Board.

When the statisticians came before us they pointed out that there was a great cluster of Form 10's from the 40 to the 55-cent level. There were many above the 55-cent level, but one could not look at the figures they presented to us without recognizing that if we allowed per forma the increases up to 55 cents we would break the log jam. We did that in practice and later after I left the Board it did it by rule.

So the Board by this procedure—and, as I have said, there was not a word about substandard wages in it, but it was only a procedural matter—gave permission to employers and workers to enter into agreements for increases up to 55 cents an hour without any approval from the War Labor Board at all.

Mr. President, that is the history of this permissive order. I say again, as the Presiding Officer has heard me say in committee, without any fear of successful contradiction, when the War Labor Board adopted that practice and issued that order it did not issue it on the basis of establishing a minimum wage for the war period. If that issue had been before the Board, then I say the figure would have been above the 55-cent level.

Mr. President, I hope what I have said will dispose of the argument in that regard. If not, I shall rise again and emphasize it over and over again, because I think that those who use the argument that the War Labor Board fixed a minimum wage of 55 cents are guilty of unintentionally misleading public opinion.

Let me say, in further digression, that it is interesting to note that the present Wage Stabilization Board, the successor to the War Labor Board, has just recently, I am reliably informed, issued a similar permissive order, not a minimum wage order, but a similar permissive order, which now says to American employers and American workers, "You can agree on 65 cents without having to come before this Board." Let me repeat that for the benefit of those who persist in making the argument that the War Labor Board has established a 55-cent minimum wage. I repeat, Mr. President, the present Wage Stabilization Board, the successor of the War Labor Board, procedurally—not substantively, but procedurally—has agreed that American employers and American workers can agree in a labor contract upon a 65-cent wage without Board approval.

Mr. President, that it is not a minimum wage, either. That order has not been issued by the Wage Stabilization Board as a minimum wage order, but merely as a recognition of the fact that procedurally this Board, as in the case of the old War Labor Board, needs some procedural relief if it is to perform its duty of disposing of the various requests for wage increases.

My attention has just been called to the fact that the industry representative of the Atlanta, Ga., Wage Stabilization Board has recommended a minimum wage of 65 cents for southern industry. Next week, in my second major speech on the pending bill, Mr. President, after some of the opponents have had an opportunity, to which I think they are entitled at an early hour, to present their opposition to the bill, I hope to discuss at some little length the problem of the wages in southern industries, and the relation of that problem to the economic health of our body politic as a Nation.

So I say, Mr. President, the War Labor Board was never able to correct substandards to the extent it desired, but kept constantly in mind that objective, and at the end of the war permitted increases to 55 cents an hour, by way of the permissive order which I have already explained. That level was reached by a series of steps. In February 1943 the War Labor Board announced that wages could be increased to 40 cents without Board approval, if no price increase were involved. By May 1945 the Board permitted wage increases up to 50 cents, procedurally, without Board approval, even if price increases were required, and to 55 cents if the wage increases did not affect prices. In August the Board permitted increases to 55 cents even though prices were affected, and no longer required approval if prices were not at issue. In other words, in a period of about 2½ years the Board progressively advanced from 40 to 55 cents, a tempo approximately comparable to that contemplated in the pending measure, and made that advance without ever passing upon the question of what would constitute a substandard wage, but made clear in decision after decision that 55 cents was not the minimum limit which the Board felt should be the minimum wage prevailing in this country.

We on the War Labor Board were continuously conscious that approximately half of the productive capacity of the country was drawn into supplying our Army, Navy, and Air Corps and into helping furnish the tools of victory to our armed forces and those of our allies. We were well aware that about 12,000,000 of the most productive men and women had been taken out of the civilian labor force. Because of the enormous appetite of war for supplies and still more supplies and because of the shorter manpower supply, there continued to develop during the war increasing scarcities of consumer goods. As a result we had to move with caution, since the full labor force was not available for civilian production. Conditions

have changed radically since that time, however. Both VE-day and VJ-day have come and gone. The major part of the armed forces has been demobilized. The major part of the wartime supply requirements of the armed forces has been eliminated. By next summer, the very earliest that this measure can go into effect, there should be a floodtide of civilian products.

We on the War Labor Board never looked on 55 cents as the final goal for a substandard wage policy, although we did feel that the National War Labor Board could not advance much more rapidly than we did. The Board recognized, and so reported to the President, that "the situation of the lower income wage and salary workers, upon whom the increase in the cost of living has fallen with disproportionate severity, has remained unsatisfactory under the wartime economy." However, the Board's capacity to improve the situation of these workers was distinctly limited, since it could act only in two ways: by passing on voluntary wage adjustments, that is, adjustments by agreement, and by deciding wage disputes. The Board could not, for example, issue wage orders requiring employers not before the Board to raise their wages.

That point needs great emphasis. We did not have the jurisdictional power at any time, Mr. President, to require employers to pay a certain wage. We were not a legislative body, although, I may say, that in effect we, like so many other administrative tribunals did legislate. That, I think, is one of the characteristics and one of the weaknesses of administrative tribunals, that need to be watched, for in administering their powers given to them by Congress under very broad and general acts they do in effect legislate. That is why I have said before from this place on the floor and shall say many times in the future that I think as a legislative body we need to encourage some check on what I shall call the quasi-legislative powers of administrative agencies. No doubt many of the decisions of the War Labor Board which this speaker himself wrote were legislative in effect. I would justify them only under the law of national necessity, the application of which is necessary in wartime.

But we did not have the power, Mr. President, to set a substandard wage. We were not given that legislative power. However, in dispute cases we did have the right to grant wage increases, using one of the wage criteria set forth in the President's Executive order creating the Board, and thereafter empowering the Board to take into account substandard wages. Thus in some of our cases in which we gave wage increases—yes, Mr. President, up to 75 cents an hour—we buttressed the justification for many of those increases on the ground that we felt that on the facts and evidence of the particular case a showing was made that an increase of a higher amount than the 55 cents could be justified on a substandard wage basis.

I desire to emphasize the last point again, Mr. President, because it is pretty basic to an understanding of the wage policies of the Board. We had no legislative power to legislate minimum wage standards. We did have the power to approve wage contracts voluntarily entered into between employers and workers and take into account substandard wage problems as shown by the particular case. We did have the power to grant wage increases in particular disputed cases, applying the substandard wage criteria that the President reserved to us in his Executive order setting up the Board.

I should like to call attention to the situation that prevailed when we had the famous textile cases come before the Board. When the Board finally set the 55-cent wage in the textile cases in the spring of 1945, it actually wanted to go over 55 cents, and although budgetary studies showed the need for a higher rate, it did not do so because the cases affected only 54 companies out of the 1,200 concerns in the textile industry. If the Board had had all the companies before it, if they had all been involved in the cases, instead of only 54, the Board would have gone above 55 cents; but it did not feel that it would be justified in going above the figure that the parties themselves were able to agree upon, when it did not have before it the entire industry. I was not on the Board at that time but I know that the statements I have made about the textile case are correct and the Board records and the decision in the case will support everything I have said about Board policy in this matter.

The Board's power did not reach employers who did not want to raise wages voluntarily or who were not involved in wage disputes pending before the Board. The Board did not want to disturb the competitive relationships in the industry; but, on the basis of the implications of the figures and their findings, the Board felt that they could have gone over 55 cents had the cases affected the entire industry directly, and said so at the time. This feeling finally was reflected in the approval of an increase to 65 cents for a number of New England textile mills in early 1946, based upon a Form 10 agreement; that is, based upon a voluntary agreement. Thus, in a period of about 3 years, the Board advanced wages from 40 cents to 65 cents for certain textile mills, under a substandard wage request on the part of the parties which was approved by the Board.

However, the Board recognized that all carefully prepared budgetary studies showed the need for wages higher than the rates developed under its substandard wage policies at the termination of the war. Further steps in the direction of a more adequate concept of the rate required to eliminate substandards, were taken by the Wage Stabilization Board in its approval on January 17, 1946 of a wage agreement providing for a 65-cent minimum wage in 19 cotton and rayon textile manufacturing plants in New Bedford and Fall River, Mass., on the basis that that rate "in this case is necessary to aid in the correction of substandards of living and is fully justified under the wage stabilization program."

The next development which I believe the Wage Stabilization Board should make immediately, is to permit wage increases up to 65 cents an hour by any employer.

At the time I wrote that sentence, Mr. President, I did not know that the Wage Stabilization Board had under consideration exactly the recommendations I had made in this speech. But yesterday I talked to a member of the Board. I told him my position in regard to this question, and he said, "I am pleased to tell you that we have agreed upon exactly that type of permissive order, identical with the procedure that was involved in the 55-cent permissive order, and it will be publicly announced shortly." So this recommendation of mine, is today, Mr. President, the policy of the Wage Stabilization Board, the successor of the old War Labor Board. However, let no one misunderstand me and believe that I think the 65-cent minimum is a proper minimum wage. I do not believe that it takes much of a mathematician to prove that a 65-cent minimum wage does not permit a free American worker to maintain a standard of living of health and decency.

Surely that ought to be the objective of a democratic government if it is to adequately fulfill the obligation about which I spoke in the beginning of my remarks, namely, the obligation of a free government to see to it that its free people are protected in the enjoyment of decent minimum social and economic standards so that they will not suffer exploitation at the hands of the economically strong.

As a result of the movement of wages during the war under the guidance of the War Labor Board, only a very small proportion—less than 3 percent—of manufacturing wage earners were receiving under 50 cents in the summer of 1945, and less than 9 percent under 55 cents.

After the relaxation of wartime controls immediately after the war, new patterns of wage adjustments developed after August 18, 1945, and the reestablishment of wage stabilization controls on February 14, 1946. Let me cite some of those patterns: 18½ or 19 cents increase for all major automobile companies except, until just recently, General Motors; 18½ cents increase for steel workers; and the 65-cent minimum agreement on the basis of "substandards" in certain textile companies. Since February 14, 1946, the National Wage Stabilization Board has approved a 23½-cent increase for carpenters in Baltimore; a general increase of 16 cents an hour to employees in the meat-packing industry over straight-time hourly wage rates of August 17, 1945, affecting about 131,000 employees; a 19-cent increase over VJ rates for 39,000 employees of the Aluminum Co. of America; and increases up to 18 cents an hour for approximately 275,000 employees in the shipbulding industry.

Very shortly in my remarks, Mr. President, I wish to discuss the over-all increases during the war period in some of the industries in which the workers are highly organized. I mean that as a significant statement, Mr. President, because I think that among the forgotten

men and women of America are many thousand white-collar workers, who have not as yet enjoyed the benefits of free collective bargaining through representatives of organized labor, but who are organizing at a very rapid rate, because they finally are coming to appreciate the fact that if they are to protect and advance their standard of living they must do it through free collective bargaining and union representation.

It is very interesting to note that the workers for whom I am pleading today, the low-paid workers are for the most part still among the unorganized workers of America. I do not happen to be a business agent for any union, but I certainly will not ignore what American labor history shows, and that is that the standard of living which free workers enjoy in this country today has been obtained in large measure because of the fact that workers have taken advantage of the right under our form of government to organize themselves into bodies to carry on free collective bargaining. I also take note of the fact that in Fascist and Communistic countries, when those horrible regimes have been forced upon the peoples of those countries one of the first things that the tyrants under either communism or fascism have always done is to destroy the right of men and women to organize themselves into unions for collective bargaining purposes. I make that defense of this basic American freedom, Mr. President, also as a critic of certain abuses of organized labor. But I do not intend to be one who believes that because such abuses exist we should seek to weaken and destroy the right of free men and women to organize into unions and bargain collectively.

By and large, the white-collar workers of America, in many sections of the country, are in need of the type of minimum wage for which I plead today.

On the basis of the 55-cent rate, which prevailed in many industries at the close of the war, it seems to me that the proposals in the measure before the Senate are definitely within the over-all pattern of wage adjustments made since VJ-day. Wage increases of 15 or 20 cents an hour would raise the 55-cent rate to 70 or 75 cents an hour. Some of the increases have been on a percentage basis of 15 or 20 percent; and on this basis the adjustment upward from 55 cents would mean about 65 cents. Wages in industries which would have been most affected by the bill pending before the Senate at the time of the hearings have not remained stationary. In all of them—tobacco, lumber, textiles, apparel, and furniture—large proportions of the workers have received increases of several percent since VJ-day. So the additional effect of the bill before the Senate has become indeed very small. For example, in the cotton textile and lumber industries, both in the North and the South, a considerable number of mills have already increased their minimum to 65 cents, partly in anticipation of the speedy enactment of this bill. I am sure that the Senate will be as forward looking as the southern textile manufacturers who have already increased their wages to 65 cents.

Mr. President, I think it is very important, if we are properly to judge this bill, to take note of the relation of wage increases in certain selected industries to the proposed increase provided for in the bill.

As I have previously stated, the minimum-wage provisions of S. 1349 will apply in large measure to unorganized workers who were primarily dependent upon wage increases voluntarily given by their employers during the war, and are so dependent at present, when there is much less pressure upon employers to give increases voluntarily. Consideration of the bill should, in fairness, include a comparison of wage increases obtained by organized workers, through collective bargaining, and the increase which a 65-cent minimum would bring to workers at or near the minimum.

On the basis of published figures which have been adjusted to eliminate various types of premium pay, average straight-time hourly earnings in January 1941 in five major industries, employing between one and one-half and two million workers, ranged from 67 cents in meat packing to nearly a dollar an hour in petroleum refining, automobiles, and rubber tires and tubes. Under War Labor Board directives, based on the Little Steel formula and other wage-stabilization criteria, the workers in these industries received increases during the war which raised their hourly earnings, exclusive of overtime and other premium pay, from 22 to 27 cents above the January 1941 figures. In November 1945, 3 months after the end of the war, straight-time earnings in meat-packing averaged 88 cents an hour, in steel $1.08, in automobiles $1.20, in petroleum refining $1.22, and in rubber tires and tubes $1.23.

In recent months, workers in these industries have received further increases above the November figures. The current rates in these industries, estimated on the basis of the wage adjustments negotiated through collective bargaining, exceed the January 1941 rates by the following amounts: 27.7 cents in meat-packing; 41.5 cents in steel; 43.5 cents in automobiles; 45.4 cents in rubber, and 46.7 cents in petroleum. Although these increases have not yet been made effective throughout all the plants in these industries, they have been adopted by large companies in each of the industries and I think we can agree that they may be considered representative of wage levels which will soon prevail. These increases are almost twice as great as the proposed 25-cent increase in the minimum wage which, by comparison, appears very moderate.

Mr. President, I am sure that I do not need to tell the Presiding Officer of this body or any Member thereof that statistics, as sometimes handled, can show some very interesting results. To translate the 25-cent increase, from 40 to 65 cents, as some of the opponents of the bill are doing, to a percentage increase, and then, with a scarecrow technique, to attempt to frighten the American people into the belief that such a percentage increase would be unstabilizing to a free enterprise economy, seems to me to overlook the fact that neither low-paid workers nor any other workers can eat percentages. They eat food, bought with cents.

I say, Mr. President, that in view of the present cost-of-living situation which confronts the Nation, when we compare the 25-cent increase proposed for the low-paid workers covered by the pending bill with the number of cents increase which highly organized workers in this country have been able to obtain for themselves through collective bargaining then to talk in terms of a percentage increase is running away from the merits of this bill. To protest this bill on the ground that it allows a large percentage increase over a paltry 40-cent figure is based upon a philosophy of reaction and a desire to keep the poor poor and help the rich become richer.

A comparison of increases in industries where wages have been raised well above the minimum by collective bargaining between the employers and the employees with the proposed increase from 40 to 65 cents does not, however, give the whole picture, Mr. President. Consideration should also be given to the fact that the inadequacy of the 40-cent minimum had already been recognized some time before Senate bill 1349 was introduced, and the effective minimum had been raised above the 40-cent level in a great many areas in the United States. As I have previously pointed out, the War Labor Board originally ruled that wages below 40 cents an hour were substandard. Over a 3-year period that figure was raised and raised, until finally the Board permitted the parties to increase the rate to 65 cents an hour without even obtaining the approval of the Board. The Board figure is significant as an indication of the increased costs of living and the increased level of wages generally.

Compared with the 55-cent wage permissively allowed by the Board in 1945, 65 cents represents an increase of 10 cents an hour; or if we wish to speak in terms of percentage, although I do not think that is at all helpful in connection with the problem before us, it represents an increase of 18 percent. In the five industries for which current increases have been computed, the increase in average straight-time hourly earnings since November 1945—not January 1, 1941, but November 1945—is 16 cents in meat packing, 18½ cents in steel, automobiles, and rubber, and 22 cents in petroleum. These adjustments represent increases of from 15 to 18 percent. In other words, the proposed increase in the minimum above the War Labor Board's 55 cents is, in actual value, only from one-half to two-thirds as great as the average increases recently effective in industries paying wages well above the 55-cent level; and it is proportionately about equal to these increases. The fact that these increases have been granted as a result of collective bargaining, in industries in which the employees are well organized into strong unions, emphasizes the necessity for assuring comparable treatment for employees who, being lower in the economic level, are economically weaker and stand in need of greater governmental protection. Moreover, the agreements which

provided for these wage increases typically also provide for other advantages to the employees, such, for example, as great improvement in working conditions. Such advantages are not provided for in the pending bill, and let me say that they should not be provided for in this bill. Nevertheless, they are of great value to the workers concerned. I refer to such advantages or privileges as pension funds, more liberal vacations, and the like, which are in addition to the wage increases provided by the collective-bargaining agreement.

Mr. President, I close this part of my presentation of my position on the minimum-wage bill by requesting unanimous consent to have printed in the RECORD as a part of my remarks a table showing a comparison of average straight-time hourly earnings in selected industries for January 1941 and November 1945 and currently, the figures being based upon governmental statistics obtained from the Bureau of Labor Statistics.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Comparison of average straight-time hourly earnings in selected industries January 1941, November 1945, and current

	Meat packing	Steel	Automobiles	Rubber tires and tubes	Petroleum
Average straight-time earnings (cents per hour):[1]					
January 1941	66.6	85.2	95.0	96.0	97.0
November 1945	88.3	108.2	120.0	122.9	121.8
Current (estimate)	104.3	126.7	138.5	141.4	143.7
Increase:					
January 1941 to November 1945:					
Cents per hour	21.7	23.0	25.0	26.9	24.8
Percent	32.6	27.0	26.3	28.0	25.6
January 1941 to current:					
Cents per hour	37.7	41.5	43.5	45.4	46.7
Percent	56.6	48.7	45.8	47.3	48.1
November 1945 to current:					
Cents per hour	16.0	18.5	18.5	18.5	21.9
Percent	18.0	17.0	15.0	15.0	18.0

[1] January 1941 and November 1945 earnings are based on average hourly earnings, adjusted for overtime and other premium pay. Current hourly rates are estimates, computed on the basis of increases which have been agreed upon by the unions and the major companies in each of the industries since November 1945. Current rates therefore do not necessarily represent the rates presently in effect on an industry-wide basis, since some plants may not yet have adjusted their wage scales, but they represent the level of earnings which may be expected when the increases have become effective throughout the industries.

Mr. MORSE. By way of summary, Mr. President, I shall call the attention of the Senate to two propositions: One, that the justification for any legislation of this type rests upon what I consider to be a basic obligation of a democratic form of government, namely, to establish minimum social and economic standards which protect the economic weak from the economic strong and which promote the greatest good to the greatest number. Promoting the general welfare calls for such legislation as to provide standards necessary so that the competitive-enterprise system itself may function with all its richness and may provide all the opportunities for a better standard of living for all our people, without allowing labor itself to be treated by that system as a commodity and to be subject to exploitation by the economically strong.

Second, Mr. President, I say that I support this bill because I consider it a specific measure which tests the political liberalism of Members of the Senate. I am perfectly willing to stand upon the economic soundness of the bill because I think that another of the real tests of liberalism is the determination to see to it that we advance the common good of the many—as compared with the insistence of a privileged few to exploit them—in a manner which will carry out the basic principles of democratic government and our private-property economy. If free enterprise is to endure in this country, we must move along a liberal economic course of action by way of legislative reforms such as the one which is embodied in the bill now pending before the Senate. We must maintain decent minimum. social and economic standards for our people as a whole in conformity to the Christian teaching set out in the Lord's prayer when we pray, "Give us our daily bread."

Mr. LA FOLLETTE. Mr. President, as a member of the subcommittee of the Committee on Education and Labor which considered the pending bill, I have given a great deal of thought and study to these proposed amendments of the Fair Labor Standards Act. I favor the enactment of Senate bill 1349.

Mr. President, in 1938 the Congress declared its intent to eliminate conditions detrimental to the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of workers.

I wish to emphasize at the outset that I regard this measure, as I did the one passed in 1938, as an effort to set a minimum wage. I recognize that in arriving at the proper rate judgment must be exercised, and that men can differ as to the minimum which they believe will result in the greatest benefit to the greatest number without creating unemployment. But I wish to emphasize that, as a member of the committee and as a member of the conference committee, in 1938 we knew that 40 cents an hour was not sufficiently high to provide the minimum essentials for decent living. However, it seemed as high as we could go under the depression conditions which then prevailed. I hope that Senators will remember that when the original act was passed in 1938, large numbers of persons in the United States were unemployed. During World War II the American economy proved its tremendous productive capacity and efficiency. It seems to me obvious that we can now take another step forward in our efforts to raise the minimum wage to a more adequate standard, a standard more in keeping with the productive capacity of the American economy. The fact is that the groups which would be benefited by the enactment of the pending bill have, by their own efforts, earned the right to a higher economic standard.

For many years the United States has been noted throughout the world for its efficient utilization of manpower and its mass-production economy. Unfortunately, however, as any Senator will find if he studies the testimony taken in connection with the pending bill, the benefits of this productive genius and technical know-how have not always benefited the lower-income groups.

In the interest of all our people we should reexamine the working of our economic system to assure that these low-income groups get some of the benefits of their high production.

As far back as records go, each new generation of American factory workers has on the average doubled the output per man-hour of the generation which preceded it. Thus, between the end of the First World War and the beginning of the Second, productivity in manufacturing increased approximately 100 percent. This high output per man-hour was responsible for the miracles of production which we achieved during the war years. It made possible the tremendous victories and final triumph of our heroic fighting forces. In the most destructive war in history we proved that free men could out-fight and out-produce nations governed by totalitarian states. Despite the claims made concerning the efficiency of Hitler's Germany, the typical American factory worker produced almost two and a half times as much per hour of work as the German worker in a similar industry. Despite the reputation of the Japanese for imitating western mass-production methods, the American worker produced about four times as much in the same length of time.

During the war, as everyone knows, we accomplished many spectacular increases in productivity. In the aircraft industry, for example, output per man-hour tripled during the years 1942 through 1944. Over the same period, productivity doubled in the construction of Liberty vessels. These are merely examples of large industries achieving significant gains, but there were many thousands of other instances of American technical know-how being translated into higher production per man-hour. Moreover, many of these wartime achievements can and are now being utilized in peacetime industries, and therefore they will continue to serve well the Nation in the future.

The tremendous increase in productivity and efficiency in many industries producing for military use had an adverse affect on industries engaged in civilian production, since it was necessary for such industries to produce under conditions that were conducive to inefficiency rather than efficiency. Thus, in industries manufacturing primarily for civilian use, there were generally no substantial increases in productivity after 1941. War-production requirements not only prevented the development of new

types of machines but also precluded in those civilian industries even normal maintenance and replacement of existing equipment. Moreover, operations in civilian industries were severely handicapped by the loss of experienced workers to the armed forces, or to war industries; restrictions of output, use of substitute raw materials, and the host of other difficulties which are the inevitable concomitant of war. The surprising thing to me was that even under these severe operational handicaps, as well as excessive hours, productivity was maintained at the peacetime peak of 1941.

Now that the war is over, there is every reason to believe that the long-term trend in productivity is being resumed; not, however, at the normal rate of about 3 percent a year but, in all probability, at an accelerated rate. Manufacturers are replacing the overworked, obsolete machinery, which they had to make do during the war, with more efficient modern equipment. New techniques learned during the war are being applied to civilian products. In their most productive years our young men are returning from the armed forces to resume production for peacetime use. These factors, combined with the elimination of many other wartime handicaps, are enabling manufacturers to concentrate on efficient, high-volume production. Since present ceiling prices for manufacturers' products are at their wartime peak or higher, it is apparent that the increase in productivity which is now taking place, and which will continue in the next few years, will provide an adequate margin which can be utilized in part to increase substandard wages.

Mr. President, I want to make it clear that the large anticipated increase in productivity, which I envision, is not based on prophecy nor will it require the development of revolutionary techniques. It is being accomplished largely on the basis of existing knowledge and the application of proven methods. I also wish to refer to our experience after World War I, because I am convinced that the experience will be repeated. After that war—specifically between 1919 and 1922—productivity in manufacturing rose about one-third. The underlying economic factors which produced this startling gain after World War I are even stronger today than they were during the reconversion period following that war.

Take the cotton-textile industry as an example. The equipment used in this industry has been obsolete for years, but owing to depressed conditions and large idle capacity, comparatively few modern machines were installed in cotton mills during the past 20 years. During the war, however, the industry operated these antiquated spindles and looms at a high tempo. As a result, it made good profits and put aside large reserves for the purchase of new equipment. In the course of the next few years, these funds will undoubtedly be expended for high-powered automatic looms and other modern machinery. As a result, productivity per man-hour will inevitably rise significantly, and this increase will provide the margin with which the textile industry can meet decent wages for its employees.

Mr. BREWSTER. Mr. President——

The PRESIDING OFFICER (Mr. ELLENDER in the chair). Does the Senator from Wisconsin yield to the Senator from Maine?

Mr. LA FOLLETTE. I yield.

Mr. BREWSTER. I am very much interested in the Senator's discussion of the textile situation, as that is a matter of great concern to us in New England. The first phase that aroused my interest came in the discussion of the minimum wage which is now 40 cents, whereas in my section of the country—New England—the 65-cent minimum very generally prevails in the cotton-textile industry at this time. We have been urged to raise the minimum for the country to the 65-cent standard, to meet the competition of the low-wage textile industry in the South. That has been urged on us very eloquently, and with certainly some measure of appeal, as the only way of equalizing conditions.

However, another phase of the matter was brought to my attention this morning, namely, the wages in the British textile mills, which are $13, as contrasted with the prevailing wage level in New England, which is $26. I wondered to what extent those who have been considering this matter, in connection with the policy of the present administration to reduce protection against the competition of foreign mills, felt that the workers of this country would be affected by the continuing reduction of the protection, along with the very much lower wages which prevail abroad, as we constantly increase our wage payments.

Mr. LA FOLLETTE. The question which the able Senator raises is a very pertinent one. Let me say, first of all, that there is testimony in the volume on Senators' desks, taken in connection with the subcommittee's hearings on the pending bill, from manufacturers who have mills both in New England and in the South, to the effect that there is no appreciable difference in productivity between the employees in the northern mills and those in the South.

Mr. BREWSTER. Does that mean, then, that production costs are lower in the South at the present time as the result of their lower wage?

Mr. LA FOLLETTE. I think it does. Let me say, in answer to the second phase of the Senator's question, that of course no one can predict what reductions may be made as the result of further exercise of the power to adjust tariff rates. But I think the Senator would be interested in getting the figures showing the comparison between the per-man per-hour output in American mills of the North or South with that which obtains in the mills in Great Britain. I have such confidence in managerial capacity and genius and the technical skill of the American worker that my belief is expressed here that if, as is surely to be anticipated, these mills are now equipped with modern power machinery, the per man per hour output will go up, so that American producers can meet any competition which may result from any reasonable exercise of the power to adjust tariff rates.

Mr. BREWSTER. Does the evidence indicate whether or not this advantage of the American worker over the British worker is to some extent the result of the use of machines?

Mr. LA FOLLETTE. I do not think there is anything to indicate exactly what produces the result, but of course it is common knowledge that in the textile industry in Great Britain a large percentage of the machinery is obsolete, methods are outmoded, factories inefficiently designed, and so forth.

Mr. BREWSTER. Would the Senator's opinion be affected if he should learn that very large orders for the most modern American textile machinery are now being placed by foreigners in this country?

Mr. LA FOLLETTE. It would not affect it, because I believe—and I do not say this in any nationalistic spirit—that the whole history of this country from the time of its industrialization has demonstrated that, given our management, given the skill of our workers, and given modern machinery, we will be more than able to compete, as I said before, regardless of any reasonable exercise of the tariff adjusting power. As the Senator knows, at a meeting to be held in Europe during the coming summer, there is to be further consideration of the whole tariff question. I cannot predict what may come out of that, but any reasonable exercise of the power, in my judgment, will be more than met by the three factors I have already mentioned, which have made this country the greatest industrial nation in the world.

Mr. BREWSTER. The Senator does continue to be a disciple of protection does he not?

Mr. LA FOLLETTE. I did not catch the Senator's question.

Mr. BREWSTER. The Senator from Wisconsin does continue, does he not, to be a disciple of protection for American industry?

Mr. LA FOLLETTE. Yes; I certainly am a disciple of protection for American industry when it is properly exercised. At the time I was here as a Republican I joined with a few of my colleagues on this side, and some on the other side of the aisle, in putting up the best fight we knew how against the Smoot-Hawley tariff bill, which I thought embodied the theory of protection gone mad.

Mr. BREWSTER. I certainly welcome the clear implication that the Senator is here as a Republican now.

Mr. LA FOLLETTE. No; I did not say that. [Laughter.] I was merely asserting a historical fact.

Mr. BREWSTER. If it is proper, I wish to call attention to the fact that very large orders for American textile machinery of the most modern type are being placed in this country. I presume the negotiated loan will finance them, and with that I have no quarrel; I think we should sell the British whatever machinery we can. But I think the Senator from Wisconsin and everyone else concerned in the welfare of American industry must not assume too much capacity in the American workmen, given the same machines in foreign countries, to prevent our being confronted with some very

clear competition, and I think we should keep our eyes constantly on that problem.

Mr. LA FOLLETTE. Mr. President, I agree with the Senator, but, if he will pardon me for saying so, I think the fear of foreign competition has been somewhat exaggerated in the past, because over and over and over again the history of American industrialization demonstrates that when we put these three factors together—management, modern machinery, and the natural aptitude of the American worker—we can meet any reasonable kind of competition. Of course, if excessive cuts are made, they may go to the point which might result in injury being done to American industry, but, as I have studied this question over the past years, I have always been amazed at how the dire predictions as to what would happen from foreign competition were not fulfilled, when we put the industrial brains and the know-how of America and the skill of the American worker together.

Mr. BREWSTER. I certainly do not wish to be in the position of disparaging the superiority of Americans over every other people.

Mr. LA FOLLETTE. Consider what we did during the last war. We outproduced all the other nations of the world combined.

Mr. BREWSTER. I do not wish to divert the discussion, but we did have one rather totalitarian power on our side during that process.

Mr. LA FOLLETTE. Yes; but I do not think that proves anything about production, as the Senator will agree if he will examine the figures.

Mr. BREWSTER. I agree with the Senator in that. To continue with the specific issue, the Senator spoke about the Smoot-Hawley bill.

Mr. LA FOLLETTE. Yes.

Mr. BREWSTER. If the Senator was very closely following events, I am sure he is aware of the fact that the Smoot-Hawley law is no longer the issue, but that we are down to within five points of the Underwood tariff, and under the law enacted by Congress a little time ago we can go practically 50 percent under the Underwood tariff, which was considered the primary factor in the terrific depression that followed the last war. I am sure the Senator recalls that situation, and that of course gives me very great concern.

Mr. LA FOLLETTE. I do not agree with the weight which has been given in some quarters to the factor of the Underwood tariff in its effect upon the depression after the last war. My only reason for citing the Smoot-Hawley tariff bill was that the Senator said he was glad to know that I subscribed to the protective theory. I wanted to say that I did subscribe to the protective theory, but I did not subscribe to it when I felt it was carried to great excess.

Mr. BREWSTER. Going back to the time before the Senator was here, I think, although I know he was following events very closely, in 1920 and 1922, when the tariff was increased, not under the Smoot-Hawley law but under the earlier one, which replaced the Underwood tariff, I think that is a much more interesting test, and I wanted to know whether or not the Senator had an opinion on that matter at that time.

Mr. LA FOLLETTE. I was not in any position to register my opinion on that situation.

Mr. BREWSTER. That is a much fairer test of the protective principle.

Mr. LA FOLLETTE. I may say to the Senator that I take great comfort from the fact that the productivity of American industry has risen 100 percent since that time.

Mr. BREWSTER. One final question, and I shall be through, because I do not wish to interrupt the Senator's remarks further. I have felt that the Senator from Wisconsin was much more eloquent in behalf of dairy products than of the textile industry of New England, and I hope he will join me whenever the proper time comes. I am happy to associate myself with him in behalf of the dairy interests, but I do think we should take all our industry into account when we subscribe to the protective tariff principle.

Mr. LA FOLLETTE. If the Senator will search the more than 800 roll calls which were taken on the Smoot-Hawley bill in the Senate, he will fail to find a single one of them in which I took a sectional position.

I should like to say also that what I have said about the textile industry of America I hope the Senator will consider as a compliment, because I have indicated that I have great confidence in the industry and in its capacity to increase its productivity. I think it is going to continue to make great strides in that direction.

Mr. BREWSTER. I did not mean to imply that there would be any lack of fairness, because I know that no one in the Senate has a better reputation than the Senator from Wisconsin in that regard when the case is presented, and we shall appeal to the Senator in confidence——

Mr. LA FOLLETTE. And not in vain.

Mr. BREWSTER. When, as, and if we find that we are being inundated with foreign importations which we are unable to meet. We are very much concerned about it, but it is still too early to determine whether that will come to pass.

Mr. LA FOLLETTE. If the economic facts in the case are present the Senator will find me in his corner.

Mr. President, there is one additional point I should like to make about the relation between productivity and the present minimum-wage bill. It seems clear that the enormous output per man-hour already attained and the spurt in productivity which is now taking place will continue during the course of the next 3 or 4 years. I see every indication that the long-term upward trend in productivity will continue beyond that time. In fact, our knowledge of industrial processes and our expenditures on industrial research in connection with the war are infinitely greater than in any other period in our history. Moreover, our scientists are exploring new fields of chemistry and physics which may lead to revolutionary changes in our living habits in the not-too-distant future. Therefore, the long-term trend in productivity after the initial sharp upturn following the war is, in my judgment, more likely to increase rather than decline. Thus, the ever-higher output per man-hour will, in my considered judgment, enable our economy to absorb progressive increases in the minimum-wage level and I believe it is reasonable to assume that the 65-cent minimum can be increased to a 75-cent level in the next few years without any inflationary effect on our general price level.

Thus far, I have been speaking primarily of productivity in manufacturing industries. However, higher output per man-hour is by no means confined to factory work alone, but has also been characteristic of mining, agriculture, transportation, public utilities, and the service trades. Thus, for example, man-hour output in American mines more than doubled between World War I and World War II, and the increase in railroad transportation in the same period amounted to about 75 percent. The latter figure would no doubt have been even more impressive if the railroad plant had not been allowed to become run down and obsolescent during the depression. Moreover, during the war productivity in mining continued to increase at the long-term rate of about 3 percent per annum despite the numerous handicaps of wartime operations and the working of lower-grade and marginal ore deposits.

In railroad transportation, productivity rose about 50 percent between 1939 and 1944. While this phenomenal achievement was attributable primarily to the fuller loading of cars and maximum utilization of facilities which may decline somewhat under less stringent conditions, railroads have already placed large orders for high-powered modern equipment and the long-term trend toward higher output per man-hour will undoubtedly be resumed in a short time.

Productivity in the service trades and in office and clerical work is more difficult to measure scientifically than that in other types of industries. Nevertheless, studies by noted economists have shown that through better organization and control, through the use of more efficient machinery, and through countless other ways, the volume of business conducted by a staff of a given size has risen very significantly in recent years and is continuing to expand.

Mr. President, I now wish to refer to the increased coverage which the bill provides. The pending bill would be of material benefit to the employees of chain stores with large-scale operations. At the present time the act exempts these employees where the greater part of the sales of the stores where they are employed are in intrastate commerce. The pending bill would change this exemption to make it applicable only to small, independent retail and service establishments. Under the bill employees of chains of retail or service establishments consisting of five or more stores and other such establishments whose annual business exceeds half a million dollars a year would be brought within the protection of the minimum wage and overtime provisions of the law.

I desire to emphasize in order that there may be no misunderstanding on this point that the proposal of the committee would not in any way apply to employees in smaller drug stores, grocery stores, barber shops, shoe-repair shops, tailors and cleaners, and the like which make up by far the greater number of the Nation's retail and service establishments. Out of more than a million and a half independent retail establishments, less than 5,000, representing the very largest stores, would be brought under the act. The enterprises which would be brought under the act are those which are either a link in the flow of interstate commerce as in the case of the chain store, or those which by their size necessarily engage in a variety of activities which are interstate in character or which affect interstate commerce. These activities are of a very different kind from those which I believe the Congress originally intended to exempt when it inserted section 13 (a) (2) in the present act. When this section was debated, it was apparent that what Congress thought it was excluding from the act were primarily establishments such as the local dry goods store, the butcher shop, and the corner grocery. In actual practice, however, this provision has had the effect of exempting large retail outlets, big chains, and department stores. I repeat that the bill will not bring the local dry goods store, the butcher shop, or the corner grocery within the coverage of the wage-and-hour law, but it will bring within the protection of the law the employees of the large chains and the large-scale stores.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. MYERS. Is the Senator in his statement going to refer to hotels? I have received considerable mail from hotels throughout my State objecting to the provisions of the bill.

Mr. LA FOLLETTE. No, Mr. President, I am confining my reference in these remarks to the retail store and the chain store.

Mr. MYERS. Will the Senator comment at this time as to whether hotels—small and large hotels—would be covered under the provisions of the amendment?

Mr. LA FOLLETTE. I do not have statistics on that point, I will say to the Senator. They would be covered if they did $500,000 or more of business annually. But I do not have the break-down of the number that would be covered.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. PEPPER. Is it not fair to say that if any enterprise is engaged in interstate commerce, it would be a great corporation which stretches all over the country, which buys and sells goods all over the country, and for which agencies in particular places are merely outlets for this national service and sales?

Mr. LA FOLLETTE. I do not think there can be any question that the large organizations with their far-flung operations are engaged in interstate commerce. As a matter of fact, the Senator knows that many of their warehouse establishments and their manufacturing establishments are now covered by the existing law. But because Congress, in 1938, put in this exemption of retail outlets, it permitted that portion of this vertical, or horizontal, operation, whichever the Senator prefers—it permitted the retail outlet to be exempted from the law, along with the small local retailers and the service establishments.

Mr. PEPPER. Mr. President, will the able Senator yield once more?

Mr. LA FOLLETTE. Yes.

Mr. PEPPER. I saw a chain-store proprietor the other day who complained about the unfairness of the committee because he assumed that the committee had designedly attempted to legislate discriminatingly against chains. I told him that on the contrary the committee had not intended to discriminate and had taken no action that would discriminate against chains as such. We made size and character the criterion.

The committee felt that an independent merchant who did more than half a million dollars of business a year conducted an enterprise of such size and character that it should come within the scope and coverage of this proposed law. The chains are covered because their size, character, reach, and extent and volume of business done bring them within the category which the committee felt should be covered by the act.

Mr. LA FOLLETTE. I entirely agree with the Senator, and I am very glad he made that point. There is no intention to discriminate.

In the case of the typical chain stores their warehouses are covered now under the act, because they are in the midst of a stream of interstate commerce from suppliers through the warehouse into the retail store. There is no logic or justification for the law cutting across this flow of commerce as it does now so that the employees in the retail outlet are outside the protection of the law. Similarly there is no justification for the law cutting across the flow of commerce into the stores with large-scale operations, so as to exempt employees in these stores. These stores employ on the average of upwards of 150 employees in each store.

Establishments which will be brought under the act are large industrial enterprises, whose operations frequently extend throughout several States, and in some cases over the country. Many of them manufacture all or part of the products they sell. The majority of them act in a wholesale capacity for their own retail establishments and frequently for other establishments. They buy directly from the manufacturer, holding large stocks of goods on hand, and redistributing goods to various locations as needed. Employees engaged in their manufacturing and wholesaling operations are presently covered by the act, and the retail and service employees of these enterprises should also have its protection.

Chain store operations differ in many respects from the small, local retail or service enterprise. They are large corporations with several stores and a large force of employees. They bear scant resemblance to the neighborhood drug, grocery, drygoods, or notion store, or barber shop. In 1939, the census reported average sales of chain stores almost four times as large as the average for independent stores. Although there are approximately only one-tenth as many chain stores as there are independent retail stores, the chain stores have from one-half to one-third as many employees and do about one-fourth of the total retail business of the country. Food stores illustrate the basic differences between large-scale chain operations and independent operations. Chain food stores, accounting for about 30 percent of total chain-store sales, averaged six employees a store in 1939, and sales of more than $60,000 a store. Independent food stores, on the other hand, average one employee, and one proprietor a store, with average sales of about ten to twelve thousand dollars a store.

Independent retail and service establishments, with sales of over $500,000, are also not "typical" retail or service establishments such as the original exemption was intended to exclude, as I believe. They comprise less than 1 percent of all the independent establishments, but they have nearly 20 percent of all the employees and make about one-fourth of all the sales. Approximately one-half of these employees are in department stores, many of them with several hundred employees, with anual sales per store averaging more than $3,000,000 in 1939.

The effect of the amendment on the total coverage of the act would be to extend its benefits to between a half and three-quarters of a million workers; in conjunction with the "affecting commerce" amendment, another million and a half workers would be covered. About four-fifths of these employees are in large-scale or chain retail stores, representing about 30 percent of the total retail employment; the remaining one-fifth are in service establishments operating on a chain basis or doing a volume of business several times larger than that of the smaller laundries, barber shops, beauty parlors, and other retail outlets which I have already mentioned.

In extending the protection of minimum wages and overtime compensation to employees of large stores and chain stores and in still retaining the exemption for small shopkeepers and service establishments, the bill really makes the coverage of the Fair Labor Standards Act coextensive with other legislation in the labor field, such as the National Labor Relations Act, which applies to the large stores and big chains. By exempting the small independent stores and service establishments the bill recognizes the special difficulties of these smaller concerns which do not have office forces adequate to keep required records and which are not able to regularize their operations to the degree that the large stores and service establishments are able to do.

The large enterprises, although they may sell at retail, buy as wholesalers buy—at the price and quantity at which the wholesaler buys. They are not engaged in a purely retail business, but in a hybrid business which combines wholesale, manufacturing, and retail functions. In point of fact the exemption contained in the present law which treats these large enterprises as retailers only

accentuates their other economic advantage over the small independent retailer.

The need of the employees of the large stores and chain stores for the protection of the minimum wages and overtime prescribed in the Fair Labor Standards Act is well known to every person who has made a study of wages and hours in the United States. Union organization is much less prevalent in the retail and service industries than in industries such as manufacturing, mining, or transportation, which are already covered by existing law. Hours of work in retail stores and service establishments are traditionally long and earnings have been traditionally low.

The need of the employees in large stores and chain stores for minimum-wage protection is not, however, too dissimilar from that of other employees who are covered by the act at the present time. According to the Monthly Labor Review of February 1946, the average hourly earnings of employees in retail stores in November 1945 were 80 cents an hour. Average hourly earnings ranged upward from 65 cents an hour in general merchandising stores to 99.1 cents an hour in automotive sales establishments. Such industries as lumber and timber, wood preserving, textiles, hosiery, knitwear, and many of the apparel industries, tobacco manufacturing, and certain food industries have average hourly earnings at levels at or below the average hourly earnings in retail trade.

On the other side of the picture is the fact that in 1944 a group of very large corporations engaged in retail trade received an average rate of nearly 30 percent on net worth before income taxes and 10 percent after income taxes. Surely such profits, when compared with the earnings received by employees in large stores and chain stores, do not justify continuing to put these enterprises in a special category exempt from the obligation to pay their employees at least a minimum wage of 65 cents an hour, and to pay them time and one-half for overtime after 40 hours.

The employees in these stores need the protection of the minimum-wage and overtime provisions of the act fully as much as employees in other industries, and fully as much as employees of some of the same enterprises in their manufacturing plants or in their wholesale distributing centers. They have children to educate and doctor bills to pay. They need good food and adequate housing and proper clothing. Industry which produces the goods they need requires them as customers fully as much as it requires as customers the employees in manufacturing establishments. Their purchases form a part of national purchasing power fully as much as do the purchases of employees in other industries. Both industry and the farmers depend in part upon the purchasing power of these employees for continued activities on the basis of maximum production and employment. It has been estimated that farm income will be increased by $750,000,000 a year as a result of increased food purchases due to the increase in wages which the pending bill would bring about. On the basis of need and in the national interest, it is essential that these employees be extended the protection of the law amended in the manner proposed by the bill now before the Senate.

I state again, Mr. President, as I said at the outset, that I recognize that the judgment of men who have studied this problem will differ as to the point at which the minimum wage should be fixed at this time, but it is my firm conviction that all the experience growing out of the war, all the experience we have had with the ever-increasing productivity of American industry due to natural resources, managerial genius, engineering skill, and equipment, should lead us to take the optimistic position that this trend is bound to continue in the future and that we should exercise our judgment on the side of raising the minimum wage in the way that is proposed by the pending bill.

I base that position, Mr. President, on the high level of productivity in the United States which has been the basis upon which America attained its greatness. Increases in productivity which have already manifested themselves and which will exert an increasingly powerful influence on our economy in the next few years will provide the basis which will enable us to maintain a decent American minimum standard of living. It is my firm conviction that it is in the public interest to do all in our power to make certain that the low-income groups share in the progress to which they make such a notable contribution. The passage of this bill will be a long step in the elimination of conditions detrimental to the welfare of these workers, the communities in which they live, and the Nation as a whole. Its enactment will contribute greatly to buttressing our free-enterprise economy at a high level of production and employment.

Mr. President, I ask unanimous consent to have printed in the RECORD, at the conclusion of my remarks, comments based upon the document entitled "American Industries in War and Transition, 1940–50," issued by the War Production Board, indicating the productivity during the war.

There being no objection, the comments were ordered to be printed in the RECORD, as follows:

A. INCREASE IN PRODUCTIVITY DURING THE WAR

This conclusion about productivity during the war is based on the Bureau of Labor Statistics index for 24 selected nonmunitions manufacturing industries whose products remained nearly enough constant during the war to permit extension of the prewar series. The evidence for these industries is not relevant for an analysis of the general increase in productivity during the war. Productivity in these industries was kept artificially low by virtue of their inability to compete for resources with the munitions industries. These industries lost much of their qualified manpower to the munitions industries and in large part had to rely on marginal labor. They were also compelled to operate with old plant and machinery which would otherwise have been retired. No conclusions can therefore be drawn from the trend of productivity in these industries to the trend in manufacturing as a whole.

A War Production Board study estimates that despite the small increase in these nonmunitions industries there has been about a 25-percent increase in output per man-hour in manufacturing as a whole between 1939 and 1944 (American Industries in War and Transition, 1940–50, War Production Board, Program and Statistics Bureau, Doc. No. 27, July 20, 1945, p. 9). This increase is slightly above that which would be expected on the basis of normal trend value.

B. INCREASE IN UNIT-LABOR COST

The facts are that, despite the increase in wage rates during the war and despite the alleged constancy of productivity, private wages and salaries took about as much of every dollar of private production in 1944 as in 1939, whereas profits before taxes represented an increasing share. The details may be obtained from the Department of Commerce.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5201) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1947, and for other purposes; that the House receded from its disagreement to the amendment of the Senate No. 18 to the bill, and concurred therein, and that the House receded from its disagreement to the amendment of the Senate No. 10 and concurred therein with an amendment, in which it requested the concurrence of the Senate.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the President pro tempore:

H. R. 5458. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes; and

H. J. Res. 243. Joint resolution tendering the thanks of Congress to General of the Army George Catlett Marshall and to Fleet Admiral Ernest Joseph King and to the members of the armed forces of the United States who served under their direction; and providing for the striking and presentation to General Marshall and Fleet Admiral King of appropriate gold medals in the name of the people of the United States.

EXECUTIVE AND INDEPENDENT OFFICES APPROPRIATIONS — CONFERENCE REPORT

Mr. McKELLAR submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5201) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1947, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 11, 12, 27, and 28.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 15, 16, 19, 20, 21, 23, 25, 26, and 29, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to

the same with an amendment as follows: In line 8 of the matter inserted by said amendment strike out the sum "$570,000" and insert in lieu thereof "$970,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: At the end of the sum "$3,272,983" inserted by said amendment, insert the following: ", of which $40,000 shall be available for salaries and expenses of the Federal Board of Hospitalization"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$101,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"No part of the appropriations herein made to the Bureau of the Budget shall be used for the maintenance or establishment of more than four regional, field, or any other offices outside the District of Columbia."

And the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$3,060,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,792,700"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$2,194,120"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$3,075,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$4,916,700"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$4,431,142,415"; and the Senate agree to the same.

The committee report in disagreement the following: Amendments numbered 10 and 18.

KENNETH MCKELLAR,
RICHARD B. RUSSELL,
THEODORE FRANCIS GREEN,
J. H. BANKHEAD,
STYLES BRIDGES,
Managers on the Part of the Senate.

JOE HENDRICKS,
GEORGE MAHON,
GEORGE ANDREWS,
ALBERT THOMAS,
R. B. WIGGLESWORTH,
FRANCIS CASE,
HENRY C. DWORSHAK,
Managers on the Part of the House.

Mr. McKELLAR. Mr. President, I ask unanimous consent for the immediate consideration of the conference report. It is a report on the independent offices appropriations bill which has been passed by both Houses of Congress, and both Houses have agreed as to everything except language which will be reported in a separate amendment which I shall offer in a few moments.

Mr. WILEY. That is the only difference, is it?

Mr. McKELLAR. It is the only difference; and as soon as the conference report is adopted, I shall move that the amendment be agreed to.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the report was considered and agreed to.

The PRESIDING OFFICER (Mr. ELLENDER in the chair) laid before the Senate a message from the House of Representatives announcing its action on certain amendment of the Senate to House bill 5201, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.
March 21, 1946.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 18 to the bill (H. R. 5201) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1947, and for other purposes, and concur therein; and

That the House recede from its disagreement to the amendment of the Senate numbered 10 to said bill and concur therein with an amendment as follows:

In line 12 of the matter inserted by said Senate engrossed amendment, strike out all after "Senate" down to and including "bodies" in line 14, and insert "or House of Representatives or by the Committee on Appropriations of either body."

Mr. McKELLAR. Mr. President, I wish to explain to the Senate what the amendment means. In the language relating to the emergency fund of the President there is a proviso reading as follows:

Provided, That no part of such fund shall be available for allocation to finance a function or project for which function or project a budget estimate of appropriation was transmitted pursuant to law during the Seventy-ninth and Eightieth Congresses and such appropriation denied after consideration thereof by the Senate and House of Representatives or by the Committees on Appropriations of both bodies.

In other words, if an appropriation requested by the President has been denied by both Houses of the Congress or by the Committees on Appropriations of both bodies, then according to this provision the emergency fund of the President cannot be used to finance such a function or project. The amendment changes the language of the proviso so as to read "Senate or House of Representatives or either Committee on Appropriations."

I am sure the Senator from Wisconsin will approve the amendment, and I am quite sure every other Senator will also approve it. Therefore I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 10.

The motion was agreed to.

THE HOUSING EMERGENCY

Mr. MEAD. Mr. President, I desire to bring to the attention of the Senate again the developing housing emergency in which the country now finds itself. We have provided in many ways for the veterans of the recent war. We have provided them with hospitalization, education, compensation, and preference in the civil service, but we have delayed altogether too long in providing the minimum housing facilities which they require when they return to civilian life. The legislative situation is bad. The temporary housing bill is in conference. The appropriation for that temporary measure has yet to be authorized. The so-called Patman bill, which recently passed the House of Representatives with numerous amendments, has been referred to the Senate Committee on Banking and Currency. The Wagner-Ellender-Taft bill is yet to be considered by the full Committee on Banking and Currency which now is considering the Patman bill.

Mr. President, it may be weeks or even months before this legislative program is finally enacted by both Houses of Congress. If that happens, a very grave emergency will have occurred. I hate to contemplate the difficulties in which we shall find ourselves if that is permitted to happen. It is my opinion that the Senate will have to reconstitute the Wyatt housing program or present a satisfactory and suitable alternate program.

As I have said, the housing shortage constitutes at present a very grave emergency; and unless we expedite the legislative program in connection with housing, the emergency will gradually and progressively grow worse. As I have indicated, in some respects Congress has provided for the veterans who are returning to their homes; but unless Congress does something about the housing emergency, it will be treating the veterans of the recent war in a very cruel and very unsatisfactory manner. Then, Mr. President, an emergency even more serious than the present one will be upon us; and unless we expedite this program, recognizing the fact that hundreds of thousands of veterans are returning weekly, we shall find our people living in the parks, we shall find them resorting to tents for homes, we shall find that it will be absolutely necessary for us to use transport ships, camps, Army posts, and similar facilities for the housing of our people because of the increasing number of family housing units which are necessary every day in view of the return to our country of thousands upon thousands of veterans.

Mr. President, I am hopeful that the Senate will grasp the seriousness of this problem and will expedite the enactment of this legislation which in my judgment presents to us a challenge which requires and demands that we do justice to the returning servicemen.

Day by day the extreme emergency growing out of the need for housing for veterans becomes more and more apparent. Every day, thousands of newly released servicemen are joining the ranks of the millions of veterans already discharged who are finding the lack of hous-

ing the most serious obstacle to their return to normal civilian life.

Mr. President, further to indicate the fact that the emergency is here, let me point out that within the last few days I find editorial comment on the subject in such newspapers as the Chicago Sun, the Philadelphia Bulletin, the Philadelphia Inquirer, the New York Herald Tribune, the Baltimore Sun, the Philadelphia Record, the Christian Science Monitor, and the Des Moines Register. I now ask unanimous consent to have the editorials printed at this point in the RECORD as a part of my remarks.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of March 21, 1946]

THE VETERANS ON HOUSING

The veterans have their say about the dearth of housing in a count of hands reported elsewhere in this newspaper today by Mr. Elmo Roper. Returned soldiers' responses toward various suggested solutions to their shelterless predicament—reponses separated from others tallied in a cross-section survey of public opinion—constitute a loud demand from the ranks for action.

In the survey, made just before Mr. Wilson Wyatt's emergency program was anncunced, 87.5 percent of the veterans approved the Government's lending at low interest to people who wish to build their own medium-priced homes. About three-fourths (74.8 percent) were against removing ceiling-price controls on building materials. As to channeling building materials to low- and medium-bracket house construction even more (77.9 percent) said "Yes." And almost 9 out of 10 (89.3 percent) felt that rent ceilings should be kept a while longer.

The principles of those things are implicit in the Wyatt emergency program, which the House of Representatives stripped of vital provisions for ceiling prices on existing homes and premiums to promote a swift flow of building stuffs. But, in the veterans' opinion, even more than the whole Wyatt program is not enough. They were asked whether the Government should start right in and build on a large scale to sell and rent direct to veterans; more than half of them (58.8 percent) replied "Yes." In this they went beyond the Wagner-Ellender-Taft bill's solutions, which stop with the proposal that the Government lend at low interest to local housing authorities for low-cost construction and slum clearance. The direct action was suggested in the Rabin bill, introduced last December in the House, however, and a revival of interest in such steps may be expected if there is protracted fiddling and, consequently, increased desperation.

On almost every point the veterans stood by greater majorities than the general public for the remedial steps, though, significantly, a plurality of the latter, or a majority, favored the same measures. One-third of the public in fact suuported compelling those who have unused rooms to rent them—and Mr. Roper persuasively surmises that the reason that only 35.6 percent of the veterans agreed to this is that "they've already had enough 'doubling up' to last a lifetime."

The survey is interesting as the first breakdown of public opinion by Mr. Roper as to veterans' and nonveterans' sentiment. It indicates that although the veterans have not formed themselves into huge pressure groups, they are thinking citizens, desirous of meaningful solutions of at least one exigent domestic problem.

[From the Christian Science Monitor of March 5, 1946]

A BLOW TO VET HOUSING

In a spot where problems are peculiarly intensified, the United States faces the now familiar choice between battling inflation by production plus control, or by production plus free-for-all scramble. The spot is housing, and not only is inflation an issue here but also a very real and acute shortage of actual shelter—especially for returning veterans.

Housing Expediter Wyatt's report, widely acclaimed as able, gave hope of only 2,700,000 new houses and apartments by the end of 1947—a bare fifth of the 10-year need—with the aid of everything that could be brought to bear—subsidies to attract skilled labor and encourage production of scarce materials, and priorities and allocations to channel those materials to the housing job. Now, in spite of pleas from all five of the Government agencies charged with reconversion and stabilization responsibilities, Congress has refused to give Mr. Wyatt the backing he asks. Instead, the Wolcott bill promises to pass, which would remove price ceilings on both new and old houses, make no provision for subsidies, and limit allocation powers.

The price question alone is of especial importance here. There are reasonable arguments that supply and demand would soon hold down prices of goods quickly manufactured. But housing construction takes time. The country is already witnessing what happens when homes get caught in the inflationary whirlpool.

And the consequences of this kind of inflation can be so disastrous! A returning veteran might write off his loss on a $30 overcoat for which he paid $60 as a minor casualty of war-to-peace. But should he be saddled with a $10,000 indebtedness on a home he might have to sell 5 years later for $5,000, his earnings for many years would be mortgaged. Multiply such a misfortune by a few million, and America would have the makings on another economic collapse.

Coming from a man of Wilson Wyatt's standing and disinterestedness, the charges that a huge lobby is fighting his program cannot be shrugged off as politics. Here is a situation in which veterans and the general public both need to make themselves heard.

[From the Philadelphia Record of March 9, 1946]

HALF A HOUSING BILL AS BAD AS HALF A HOUSE

On key legislation, Congress is being about as helpful as a kick in the teeth.

Sending a good, workable bill to solve a critical national problem through the House of Representatives is like taking a clock to a blacksmith for adjustment.

He removes the spring and gears, puts it back together again so it looks like a clock.

But it does not tick. It does not "tell time."

That is the way it was, for instance, with the full employment bill which emerged after Congress got through with it as a pitiful thing with neither purpose nor power.

That is what has also happened to the Patman housing bill.

The House has just finished "adjusting" that.

It ripped out what President Truman called the heart of the legislation—price ceilings on existing homes and Federal subsidies to encourage a production speed-up in building materials.

There is a crisis in housing in America. Particularly among veterans.

It is estimated that at least 3,000,000 families will need homes by the end of this year and 680,000 more by the end of 1947.

Truman's able Housing Expediter, Wilson W. Wyatt, has drafted a comprehensive program calling for 2,700,000 moderate and low-priced homes in the next 22 months.

The Patman bill, before the House went to work on it, was the enabling legislation for the Wyatt program.

To solve the housing crisis, all our energy must be directed toward that end—

Not only half, or a third, as the House proposes.

Dwelling prices must be regulated to hold the economic line against inflation. It must be done so veterans can afford to purchase homes—old ones as well as new.

We paid Federal subsidies in billions during the war to get production fast. Nobody likes subsidies in normal times, but they produced the goods in an emergency.

The housing shortage is an emergency.

The Patman bill must be restored to its original form in the Senate.

By the time it reaches a Senate-House conference committee for ironing out the differences, the House perhaps may have heard the voice of the American public.

The public demands roofs be raised swiftly for veterans—or it will raise the roof on Capitol Hill.

[From the Baltimore Sun of March 9, 1946]

THE HOUSE MAKES A BEGINNING AT AN EMERGENCY HOUSING PLAN

The House has now passed an emergency housing bill which provides for almost everything needed to get emergency housing except the materials with which to build houses. This, however, is a serious defect. It is a defect which the Senate and later the inter-House conference will be expected to correct.

The House bill falls down on the materials issue because a House majority has killed the program for $600,000,000 worth of manufacturers' subsidies in the housing materials field. The principle on which the House majority rejected this provision is a good one. Subsidies are the opiate of an economic system and dull all those efficiencies on which sound economic production depends. Not only that. With $300,000,000 to play with, unscrupulous or unskillful bureaucrats could fall into all kinds of graft and corruption. If subsidies are finally adopted, Congress and the housing expediter will be under the most urgent obligation to kep a cold and canny eye out for trickery in this field. But having made those necessary reservations it is still true that a case can be made for subsidies in this particular case.

It roots in the fact that overriding necessity requires the continuance of price ceilings generally and in the housing materials field. These ceilings, being fixed in terms of average, allow a fair profit to the efficient operators in the field. At the margin of the manufacturing field, however, are high-cost operators who for various reasons can't do business at the ceiling level.

To get the production which these high-cost people can provide if someone will guarantee them against losing money, Mr. Wyatt had proposed to pay them subsidies over and above the market return they would receive under the general price ceilings. If they don't get these subsidies, they just won't produce. If they won't produce, many houses won't be built. If these houses aren't built just so many more house-hunters, veterans especially, will have to go unhoused.

The House has also refused to authorize ceilings on the resale price of houses already built. Thus it has refused to apply the controls in this vital field which obtain rather generally elsewhere in the economy. The ceiling proposal, as a matter of fact, was rather less onerous than ceilings in other lines because it permitted immediate unceilinged sales, the control merely setting in to block subsequent sales at higher figures.

With these two important omissions noted, however, it must be said that the House bill has enacted some helpful things. It gives Mr. Wyatt legislative authority to smash bottlenecks in other agencies which retard housing. Firm power for the allocation of what materials there are is provided. Preference is given to World War II veterans in the housing produced. Ceilings on new houses are authorized. In short, a beginning has been made. But subsidies and the resale ceilings are an integral part of the Wyatt plan and must be provided in the emergency bill finally enacted.

[From the Chicago Sun of March 6, 1946]

PEOPLE MUST DEFEAT THE ANTIHOUSING LOBBY

It is up to the people to save Wilson Wyatt's housing program. The Truman administration having failed to save it in the House, the people—and especially the war veterans who are most immediately concerned—must make their voices heard so strongly that the Senate will restore the essential features of the program.

This newspaper does not advocate a veteran's march on Washington, but nobody who is even half aware of the housing problem can deny that if ever a march were justified, this is the time.

Seldom has Congress surrendered so abjectly to the pressure of an organized lobby representing special interests against the clearly perceptible public interest. When a solid Republican phalanx, backed up by the usual complement of Southern Democrats, cut the heart out of Mr. Wyatt's legislative program, it was the real-estate men, the big materials producers, and speculative builders who were directing national policy. And they were directing it in behalf of a speculative boom which would not only prolong and deepen the housing crisis but threaten the economic and social stability of the country at large.

The lobby and its congressional servants give the veteran, instead of houses, moralistic homilies against subsidy. What Mr. Wyatt actually proposes, however, is a system of incentive bonuses to bring about an urgently needed eightfold expansion in the production of housebuilding materials.

The Nation has used that principle often in the past. We used it to evoke the miracle of war production. We used it to build railroads, build highways, encourage manufacturing, relieve depression. By tariffs, land grants, revolving funds, donations, tax rebates, and countless other devices, Congress has subsidized one industry after another. But now Congress declines to apply the same principle to veterans' housing.

Again, the lobby and its minions tell us in unctuous tones how much nobler it is to control real-estate inflation by competition than by price ceilings. Competition! They know in their hearts that with demand at its present explosive proportions, price competition does not exist. Without ceilings, we face the certainty of a steady rise in housing costs that will remove homes from the reach of more and more veterans.

It was not socialization that the House defeated. It was not free enterprise that triumphed. The bald and ugly fact is that the House, acting at the behest of vested interests in a stagnant industry, voted against 1,200,000 houses this year and in favor of 500,000 houses. The people must make it plain that they want more than a million houses in 1946; and that they want every Member of both branches on record by roll-call vote as to where he stands.

[From the Philadelphia Inquirer of March 6, 1946]

PICK UP THE PIECES AND ADOPT A HOUSING PLAN

Housing legislation sponsored by the Truman administration has been torn to bits in a bitter dog fight in the House.

So now what? So now Congress must pick up the pieces and assemble a new program. It will be making a grave mistake if it ends up in political deadlock in this matter or if it evolves some pseudo-plan for housing relief that cannot work.

The controversy over price ceilings and control has been a major feature of House debate on the bill. The administration wants price ceilings on existing homes, an that provision has been defeated. It wants price ceilings on new homes also and it is indicated that item will be tossed out as well.

Proponents of the price fixing on home sales contend it is needed to checkmate inflation and protect veterans from excess costs. Opponents insist it will discourage home building and promote black-market sales of dwellings above ceilings.

Main defeat suffered by the administration has been in connection with the proposed $600,000,000 subsidies to stimulate production of scarce building materials. The sponsors of this decisively outvoted provisio say that it is indispensable to prevent price-hiking that would place new homes out of the reach of veterans. Spokesmen for the other side favor, instead of the subsidies, reasonable increases in the price of materials, which they say, would immediately encourage production of materials and thereby assist large-scale building operations.

Certainly the materials now so scarce must become plentiful before homes will begin rising on the scale envisioned by Housing Expediter Wyatt. It will be unfortunate all around if moves to that end are bogged down in politics or in campaigns aimed at the OPA or the theory of price ceilings in general.

A program in the precise form favored by Wyatt may not be necessary, but a program that can channel materials to home building in price ranges returned servicemen can afford is definitely needed, and Members of Congress must frame one.

[From the New York Herald Tribune of March 6, 1946]

HOUSING: THE EMPTY HAT

For the moment the House of Representatives has put the national housing authorities into a position which is depicted elsewhere on this page by our cartoonist, Mr. Darling. Pulling houses out of a hat was, of course, never proposed by Mr. Wilson Wyatt, the Housing Expediter. On the contrary, he has convincingly stated what it will take to put up 2,700,000 homes for veterans in time to keep abreast of the crisis. But the hat trick is what the House came down to when it rejected the heart of the Wyatt program—the $500,000,000 premium provision for insuring production of building materials, just as the Government previously underwrote mortgages for bankers in order to stimulate home owning.

There is just one way to put the housing in the hat. The Senate can reconstitute the Wyatt program, thus reassuring the veterans and the public in general as to the responsibility of their legislators. We trust that this will be done.

[From the Des Moines (Iowa) Register for March 6, 1946]

THE HOUSING BILL AND A BLIND CONGRESS

Of all the domestic measures before Congress, one would expect the bill designed to meet the housing shortage to receive the broadest support. For, although the housing shortage affects many groups, it affects two groups particularly—the families of veterans, millions of whom have had to give up their homes while in service, and the families of the poor, who under our system have always had to rely on getting houses "passed down" to them which are not now available because so few new houses are being built.

Monday a coalition of virtually all Republicans and some Democrats in the House voted against a proposal to use $600,000,000 to subsidize greater production of building materials. This was regarded by President Truman, Chester Bowles, and Wilson Wyatt as the heart of the administration's housing program.

It isn't that this administration program was perfect. But it was a plan, and one aimed at the root of the problem. Experts and disinterested persons generally have advised and supported it. Veterans' groups have pleaded for it. And speed is important, because the housing situation is getting worse and will continue to get worse for some time. Houses are deteriorating. More hundreds of thousands of servicemen are returning all the time. There is a considerable lag between starting to build a house and living in it, at best.

The arguments against the subsidy proposal have been largely on the smear level, calling it communistic and socialistic and offering neither constructive criticism, amendment, nor substitute. Once again the House of Representatives has used the "teller" vote—originally designed to speed procedural matters—in order to escape a record of how the individual Members voted on a highly important matter, and thereby to escape responsibility for their votes.

Republicans supposedly have a substitute for the administration's bill. If it is realistic, it is going to have to deal with the same economic and social facts which the administration's bill tried to meet through the subsidy program. Meantime nothing is being done. Meantime the matter has been made a political football in an election year.

We have never been able, under our political system, to receive constructive leadership from the minority party in Congress. There is no reason to believe that we will on the housing issue. We get leadership—if we get it at all—from the administration and the majority party. The defeat of this part of the administration's housing program is a defeat of constructive leadership in general.

The Congress which in 1941, with but a single dissenting Member (who was booed for her vote), declared a war taking millions of our young men away from their homes, now refuses to hurry in making it possible for them to resume their normal lives.

To citizens who are angry at this betrayal of responsibility, and to servicemen who are being kept from their families or from getting married or are living in ratholes and with uncertainty—to these it will be slight satisfaction to say, "Well, you can vote." But it is the best they have. And they will no doubt use it.

In the meantime, those who scream "communism, socialism" at every proposal to get something tangible done are the very ones who are really promoting those systems. For they are discrediting both capitalism and representative government.

Mr. MEAD. These editorials, Mr. President, call for the immediate consideration of the veterans' housing program. There are other editorials on the same subject from newspapers all over the country. I am bringing only a few of them to the attention of the Senate in order to indicate the widespread interest which is held in the housing program.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MEAD. I am glad to yield to the Senator from Ohio.

Mr. TAFT. As the Senator from New York has said, the co-called Wagner-Ellender-Taft bill will be considered in executive session by the full committee tomorrow. I hope that the bill will be approved in two or three meetings of the committee. The emergency bill which came from the other House has been delayed, I believe, as much by lack

of planning on the part of the Administrator as by anything which Congress may or may not have done. The committee was ready to go ahead with hearings on the bill this week, but the Administration was not ready. I do not want the impression to be created that the Banking and Currency Committee has delayed consideration of the so-called housing measure. I think it may be considered next week, but there has been some implication that the measure which has come from the other House has been before a Senate committee for some time, and that its consideration has been delayed by the committee itself. Such implication is not in accordance with the facts.

Mr. MEAD. Mr. President, I wish to commend my distinguished colleague for his interest in the housing program. I feel that he has contributed considerably to the improvement in the housing situation, and I know from his record in the past that he will show real concern with regard to the proposed legislation which has been assigned to his committee for consideration. I wish it to be distinctly understood that I have made no reference whatever to the Banking and Currency Committee. I merely wished to leave the impression that in the Congress the matter has been neglected altogether too long.

Mr. WILEY. Mr. President, will the Senator from New York yield?

Mr. MEAD. I yield.

Mr. WILEY. The last statement of the Senator from New York causes me to rise. Does not the Senator believe that, as a matter of fact, most of the difficulty in relation to our failure to obtain production lies within the OPA?

Mr. MEAD. Mr. President, I disagree with my distinguished colleague with reference to his contention, and particularly as it pertains to housing. There are, of necessity, some adjustments which must take place during the reconversion period. However, it occurs to me that a free-for-all in the housing construction field would be a very serious mistake to make, and if OPA has contributed anything—and it has, in my judgment, contributed much—it has made a lasting contribution, a constructive contribution, and one which has held the line, particularly in the field of housing.

Mr. WILEY. I do not care to go into the general subject of the OPA, but I wish very definitely to say that houses cannot be built by passing legislation. Houses must be built out of lumber, out of brick, out of glass, and other materials which go into their construction. I believe that the evidence pretty well establishes that throughout the Nation the lumber industry has been unable to obtain an adequate price for finished lumber. The lumber industry can make more money by manufacturing and exporting rough lumber which is not the kind used in the construction of houses. Consequently we do not have the necessary finished lumber which is used in the construction of houses.

The same situation exists with reference to the production of other materials. Last night I heard a gentleman from the great State of Michigan tell of examples there of the production of materials, the manufacturers of which have been waiting for months to be allowed to charge adequate prices for their products, and have been losing money in the meantime. In my own State, factories are closing down which could produce materials used in the building of homes; but the manufacturers cannot obtain a readjustment of prices.

I do not say that the OPA is 100 percent wrong. I say that there are too many square pegs in round holes in the OPA who do not appreciate the fact that we have entered into a period which calls for production.

Mr. MEAD. Mr. President, so far as the exportation of rough lumber is concerned, I am satisfied that the figures which have reached me indicate that the exportation of lumber is at a very low ebb, and that the importation of lumber exceeds the exportation by a great volume.

With reference to an increase in prices for all material men, I may say that, if we want the prices of houses to be out of line and completely out of reach of the veterans for whom I am speaking, all we need to do is to take off the lid. I want houses which will be moderately priced, and I want some control to be exercised over their construction, so that the returning veterans may enjoy living in them.

Mr. President, there must be immediate action. That is what I am clamoring for. I believe that, if the Senate were to meet 6 days a week, 12 hours a day, and had its committees working night and day, we would not be making the sacrifice we should make for our servicemen in view of the sacrifices which they have made for us.

I have said that there must be immediate action in regard to the housing program if we are to give the veterans the decent homes which they deserve after serving their country on the battle fronts of the world. The Nation demands action of the kind which our veterans deserve. It is up to Congress to give the Government the tools with which to do the job. If we are dissatisfied with the program which has been presented to us by the Housing Expediter, to do nothing is not the answer. The answer is to give the Housing Expediter a program which we believe is superior to the one which he has presented. But no program, Mr. President, is not the answer.

President Truman and Mr. Wilson Wyatt have laid down the lines for a bold program of action to meet the veterans' housing emergency. They are calling for emergency action by the Federal Government and by private industry so that homes which are needed may be built, and built fast. I believe it is clear that the overwhelming majority of the American people, and certainly our veterans, are firmly behind the program. I believe the same is true with reference to the press of the country.

Mr. President, we rose to great heights during the war. We amazed the world, and we certainly astounded our enemies by the great productivity of our industries. We can meet the present challenge, and we can make a greater record in the field of housing than has ever been established before by this or any other country. The Truman-Wyatt housing program calls for starting the construction of 2,700,000 new homes and new apartments for veterans in 1946 and 1947. It is a big goal, far greater than any past housing production rate, but it is a minimum goal in terms of the desperate need for veterans' housing. Even with 2,700,000 additional homes and apartments for veterans in 2 years there will be more overcrowding and more doubling-up by the end of 1947 than there was last fall at the start of mass military demobilization. We will have made no dent in the huge job of replacing 10,000,000 slum flats and substandard shacks now located throughout the country. Mr. President, that is the magnitude of the challenge with which we are confronted.

Congress is completing action to provide funds for converting and moving 200,000 emergency temporary units for veterans and for their families under amendments which I have sponsored to the Lanham Act. That is an important emergency action, but there still remains the big job of providing legislative tools needed to stimulate the vast expansion in permanent housing construction which will be the only lasting solution to the present housing crisis. The task of stimulating permanent construction will require both emergency measures and the basic housing provisions of the Wagner-Ellender-Taft bill. I intend, also, to address the Senate on the importance of the far-reaching Wagner-Ellender-Taft bill.

I should like now to emphasize the importance of the emergency housing bill now before the Senate, on which hearings are scheduled to commence very shortly before the Banking and Currency Committee. The objective of the bill is to expand the building capacity, expand the materials capacity, and expand the labor capacity of the housing industry in order to produce 950,000 permanent houses in 1946, and 1,500,000 permanent houses in 1947. That would be the most rapid peacetime growth in the productive capacity of a major industry that this country has ever witnessed.

Mr. President, how will these emergency measures work? First, through priorities and allocations, financing aids, and other needed assistance the Wyatt program will aim for enormously increased housing production by existing builders and contractors, and by new organizations entering the on-site building field. Most of such building will be channeled into the lower-priced homes and lower-rent apartments which are needed by most veterans and most American families.

Second, through guaranteed markets, priorities and financing aids, conventional building will be supplemented. This will secure the additional housing production volume at the rate of 1,500,000 homes and apartments.

The emergency bill also is needed to fight inflation in housing prices and rents. On new homes and apartments for veterans, priorities and regulations will assure that sales prices and rents

are reasonably in line with actual current costs plus reasonable profits. As a supplement to rent control on existing apartments, we badly need measures to stamp out speculative resales of houses in the present dizzy inflationary housing market. Unrestrained inflation in housing sales prices would set back housing progress by a generation. A vigorous and successful fight against inflation is essential to achieve our emergency and long-range goals: decent homes within their means for all veterans and all American families.

Finally, there is the vital question of supplying the materials needed to build 1,500,000 houses a year. Only in part is the present materials bottleneck a result of reconversion maladjustments. To that limited extent, the bottleneck can be broken by incentive price increases, competitive price readjustments, and priorities assistance in securing needed equipment.

But much more than that is needed. To get materials for 1,500,000 houses a year, there must be capacity production of conventional building materials, capacity production of new materials, and increased capacity in many materials. We need the full output of small plants as well as large, of surplus war plants where they are adaptable to our needs, and of new facilities.

The emergency answer to these requirements is the Wyatt premium payments plan for increased production. Through this plan we can bring out the capacity output of individual plants without over-all price increases which would add greatly to the cost and price of homes for veterans. Through this plan, we can stimulate permanent expansion in the capacity of the building-materials industry, reach our building target for 1946 and 1947, and provide the necessary materials base for our long-range building program.

I think Congress should take quick action to provide these essential emergency aids for veterans' housing. The issue is clear-cut. Without the tools to do the job, we cannot expect to build 2,700,000 homes and apartments for veterans by the end of 1947. And without that production of housing, the shortage of decent homes for veterans will still be with us in even more acute form 2 years from now. I do not believe that Congress, the American people, or American veterans, can accept that prospect.

Mr. President, to show that this situation is widespread, to show that it is growing worse day by day, I wish to call attention to a number of telegrams and letters which I have received from returning servicemen and their families, from veterans' organizations throughout the country, from labor organizations, from civic organizations, from educational institutions, from public officials, from chambers of commerce, from business people, and from many other individuals and organizations. There are too many of them to incorporate in the RECORD at this time. My office has been deluged with mail from all over the country urging that immediate and effective steps be taken to provide homes and apartments; first, for our servicemen who are most seriously affected and the ones who most deserve it; and, secondly, for those who were on the home front during the war, producing the planes, and the guns, and the tanks, and who likewise find it impossible to locate decent places in which to live. We are in the middle of a crisis; we cannot delay; we must act immediately.

Mr. President, I have here for incorporation in the RECORD some telegrams which I believe will be helpful to the Senate and to the committee considering the proposed legislation.

I have a telegram from Neil O. Churchill, the mayor of Bismarck, N. Dak.

I have a telegram from the Honorable William P. Firrey, mayor of the city of Paterson.

I have a telegram from Mayor F. O. Eichelberger, city manager of Dayton, Ohio.

I have one from Hon. Otis Massey, mayor of Houston, Tex. He says:

> Houston needs immediately 25,000 additional homes. They are being built at the rate of about 750 per month. This should be stepped up to 1,500 per month. Material shortage is slowing down construction.

Here is a telegram from the mayor of Des Moines, Iowa, who pleads the cause of the veterans. He is Hon. John MacVicar.

Here is a telegram from the mayor of Charlotte, N. C., who says the housing situation is very critical in Charlotte.

I have a telegram from John J. McDonough, the mayor of St. Paul, Minn. He says:

> We are experiencing a serious shortage in private dwellings and apartments, resorting to temporary housing.

I have here a telegram from the mayor of Oklahoma City, who says, "We have the usual scarcity of houses." He is R. A. Hefner.

I have a telegram from the mayor of Fall River, Mass., who says the housing situation is acute, and that immediate action is imperative.

Another telegram comes from J. R. Fleming, the mayor of Phoenix, Ariz.

I have a telegram from the mayor of Denver, Colo., who says the housing situation in Denver is acute.

I have here a telegram from George Garties, director, Cincinnati Municipal Housing Authority, in which he pleads for immediate action.

Here is a telegram from the mayor of Providence, R. I., Hon. Dennis J. Roberts.

Here is a telegram from the mayor of Toledo, Ohio, who says:

> Situation is critical. Homes under construction being delayed because of shortage of materials, primarily lumber and plumbing.

Here is a long telegram from Mayor Roger D. Lapham, of San Francisco, who says:

> Housing situation extremely critical. Attempting to service 200,000 increase in population over 1940 exclusive of military personnel with prewar facilities.

He refers to a backlog of 4,500 applications for dwellings on file at veteran service center. The situation there will be very serious shortly; in fact, it is very serious at the present time.

Mr. President, here is a very long telegram from the mayor of Hollywood, Calif., embracing about three pages. He explains the very serious situation that exists in that city.

Here is a telegram from Mayor John B. Gage, of Kansas City, Mo., in which he says:

> Best estimate of need for veterans 4,800 units in 1946. Five thousand nine hundred and forty-two veteran applications for housing since September 17, 1945. Four hundred and ninety-five have been housed in housekeeping units, 427 in rooms. Applications now made at rate of 80 per day. Overall need, veteran and nonveteran, 19,000 units by 1950.

Then he proceeds to detail length of time when those units will be necessary.

Here is a telegram from Hubert H. Humphrey, mayor of Minneapolis, Minn. He begins by saying:

> Minneapolis housing situation increasingly critical. Ten thousand veterans and families listed with war housing bureau in need of shelter.

They have "converted vacant public-owned facilities, schools, fire barns, and so forth." Mr. President, when it becomes necessary to convert public-owned facilities, including schools and fire barns, the situation is certainly very serious.

Here is a telegram from the mayor of Salt Lake City, Utah, and, like every other mayor, he says the housing situation in Salt Lake City is critical. "Help of Government through your bill (the temporary legislation) which will make 250 apartment units available at Salt Lake air base deeply appreciated." Then he proceeds to tell about the serious situation which confronts him as the mayor of that city.

Mr. President, I should like to have these telegrams incorporated in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

BISMARCK, N. DAK., *March 16, 1946.*

Hon. JAMES M. MEAD,
United States Senator,
Washington, D. C.:

Re your telegram March 13. Bismarck needs four to five hundred new homes within next 3 years. Approximately 50 building permits issued since July 1945, but persons unable to obtain materials; severe shortage of lumber and plumbing materials. City has 50 trailer houses from Federal Public Housing Authority, but needs additional emergency units for housing returning veterans.

NEIL O. CHURCHILL, *Mayor.*

PATERSON, N. J., *March 18, 1946.*

JAMES M. MEAD,
United States Senator,
Senate Office Building:

Housing situation critical. Veterans pressing need. Applications have been filed with and approved by FPHA for 150 temporary housing units to be occupied by veterans. Municipal sites have been selected and we have been promised that these units would be erected early in April. Veterans' application for living quarters now exceed 500.

Mayor WILLIAM P. FIRREY,
City of Paterson.

DAYTON, OHIO, *March 16, 1946.*
Hon. JAMES M. MEAD,
Senate Office Building:
Housing situation Dayton acute. Applications for units totaled over 3,000, with 15,000 men yet to return from armed forces. Dayton allocated 311 units under your bill, but having difficulty financing off-site costs. Local government finances will not permit further off-site financing for new units to be allocated under new $250,000,000 bill housing committee established. For further information advise.

F. O. EICHELBERGER,
City Manager.

HOUSTON, TEX., *March 15, 1946.*
Hon. JAMES M. MEAD,
United States Senator,
Washington, D. C.:
Houston needs immediately 25,000 additional homes. They are being built at the rate of about 750 per month. This should be stepped up to 1,500 per month. Material shortage is slowing down construction.

OTIS MASSEY, *Mayor.*

DES MOINES, IOWA, *March 15, 1946.*
JAMES M. MEAD,
United States Senator,
Washington, D. C.:
Answering your telegram of March 13 re housing situation: Des Moines is in dire need of 6,000 dwelling units now. Veterans' center reports veterans of World War II living under deplorable conditions. We have labor but no materials. We have 971 possible units in permanent buildings released by the Army at Fort Des Moines 6 weeks ago. FPHA has promised to make 203 units available for the veterans. In Iowa cities cannot use any funds to help the housing situation. If FPHA could fix up the 971 units we could take care of Drake University GI students and our other veterans. If materials are made available we can work ourselves out of trouble in 2 years. The cost on a $6,000 four-room house. One hundred fifty veterans' families are split with the wives living in other States. Seven hundred families are in deplorable situations. Eleven hundred are doubled up with children separated from the parents.

JOHN MACVICAR, *Mayor.*

CHARLOTTE, N. C., *March 16, 1946.*
JAMES M. MEAD,
Senator:
Housing situation very critical. Awaiting transfer of Morris Field from Government when we can reconvert barracks under your bill. Thanks for your interest and help.

H. H. BAXTER, *Mayor.*

ST. PAUL, MINN., *March 14, 1946.*
JAMES M. MEAD,
United States Senator, Senate Office Building, Washington, D. C.:
Retel we are experiencing a serious shortage in private dwellings and apartments resorting to temporary housing. Governor Thye refuses special session State legislature. Cities of Minnesota without enabling legislation permitting us to share in benefits of Federal assistance, making every effort to induce home owners to share space with others, urgent need building materials be released.

JOHN J. MCDONOUGH, *Mayor.*

OKLAHOMA CITY, OKLA., *March 14, 1946.*
JAMES M. MEAD,
United States Senator,
Washington, D. C.:
We have the usual scarcity of houses; however, permits have been issued and work started on approximately 900 new homes. In addition, work will start next Monday morning on 355 apartment units to be converted from barracks now existing at Will Rogers Airport. These units will be rented to veterans exclusively.

R. A. HEFNER, *Mayor.*

FALL RIVER, MASS., *March 15, 1946.*
JAMES M. MEAD,
United States Senate:
Housing situation acute, immediate action imperative.

WILLIAM P. GRANT, *Mayor.*

PHOENIX, ARIZ., *March 14, 1946.*
JAMES M. MEAD,
United States Senate, Washington, D. C.:
Housing situation in Phoenix very critical. Many veterans coming to this area due to climatic conditions. City has been allocated 150 units which is not even stopgap as four local housing projects and one immediately adjacent to city have over 3,000 applications from veterans alone.

J. R. FLEMING, *Mayor.*

DENVER, COLO., *March 14, 1946.*
Hon. JAMES M. MEAD,
United States Senator,
Washington, D. C.:
Housing situation in Denver, Colo., is acute.

B. F. STAPLETON, *Mayor.*

CINCINNATI, OHIO, *March 18, 1946.*
Senator JAMES M. MEAD:
Re tel James Garfield Stewart, mayor of Cincinnati, instructs me to advise that the housing shortage in Cincinnati is acute, particularly for returning veterans. Planning commission estimates present housing supply short 6,500 units to meet veterans' needs. Costs that must be assumed locally in obtaining Government temporary units handicapping that program. Strongly recommend Federal Government assuming site improvement costs in connection with temporary units being supplied by Government.

GEORGE GARTIES,
Director, Cincinnati Metropolitan Housing Authority.

PROVIDENCE, R. I., *March 16, 1946.*
Hon. JAMES M. MEAD,
United States Senate,
Washington, D. C.:
Acute doubling-up situation for roughly estimated 2,000 families of veterans, practically no new housing since 1941 other than 1,056 permanent FPHA public housing units in which first preference is given to veterans based upon 1940 census data private rental market above $40 monthly shelter rent is exceedingly limited, no immediate relief in sight to any appreciable degree except through national emergency program and in enactment of long-range national and local and enabling legislation.

DENNIS J. ROBERTS, *Mayor.*

TOLEDO, OHIO, *March 15, 1946.*
JAMES M. MEAD,
United States Senator,
Senate Office Building:
In reply to your inquiry re Toledo housing situation, war housing center reports 2,000 applications, 563 placed as a result of doubling up. Toledo Real Estate Board no vacancies. Toleda metropolitan housing, 625 applications for temporary veteran housing units; 1,200 applications for apartments. Building permits issued since January 1, 129 units.

Situation is critical. Homes under construction being delayed because of shortage of materials, primarily lumber and plumbing.

MICHAEL V. DISALLE, *Vice Mayor.*

SAN FRANCISCO, CALIF., *March 14, 1946.*
Hon. JAMES M. MEAD,
United States Senate,
Washington, D. C.:
Housing situation extremely critical. Attempting to service 200,000 increase in population over 1940, exclusive of military personnel, with prewar facilities. Backlog 4,500 applications for dwellings on file at veterans service center alone. Up to present conversion efforts being made to house only 420 of these veteran families. FPHA advises no Federal funds available this city under your resolution; technical reason. San Francisco Housing Authority anxious to proceed with immediate construction of six additional permanent housing projects. Statutory cost limitation on Federal grants to authority of $5,000 maximum per unit prohibits this not realistic present day figure. Bids on Chinatown project brought low figure of $6,250 per unit. Local authority endeavoring to have figure raised to meet present-day costs. Can't move until this done. Perhaps you can help; hundreds units private construction partially completed held up due to lack of materials. Private builders guarantee immediate completion and additional construction if material bottleneck is broken. Eliminate red tape in obtaining surplus materials now lodged in Government warehouses. Release them to private builders in sufficient quantities and I am assured the job will be done.

ROGER D. LAPHAM, *Mayor.*

HOLLYWOOD, CALIF., *March 15, 1946.*
Senator JAMES M. MEAD,
Senate Office Building,
Washington, D. C.:
Housing situation in Los Angeles and surrounding metropolitan area is growing more critical. Distressingly slow progress is being made in temporary emergency veterans housing project. This is due primarily to lack of materials. Situation could be corrected by proper priority set-up and better channeling of such building materials and fixtures as are available. We have done our part by providing local financing. Selection of adequate sites and have good city organization and management. However, only about 10 percent of quonset huts are under construction. At present rate first 100 units will not be ready for occupancy until about May 15, and then only by using plywood for partitions, which would create fire hazard and no soundproofing between units occupied by separate families. The principal need at the present time is sheet rock or plaster board for interior partitions. Applications of veterans with local housing authority have doubled during past month and applications for more than 10,000 veterans' families are now on file. We are prepared to let additional contracts but contractors report they have no assurance of materials. Following is situation other than veterans' temporary housing projects. There are between ten and twelve thousand houses in this immediate area in various stages of completion where construction is entirely stopped for lack of materials. Contractors report that such houses can only be finished by going into black market to purchase supplies. Despite this situation there is some new construction going forward which leaves inference as to questionable practices in matter of securing building materials. Lumber situation still tight, nails critical. Contractors contacted express much dissatisfaction locally in matter of handling of priorities. Belief expressed here that best method would be through Civilian Production Administration. Another serious situation exists as to shortage of furniture. This is third largest furniture manufacturing center in America but shortage of lumber and other materials

has so slowed up production that even when new housing units are available we may be unable to furnish them. Nonveteran demand for housing is increasing in proportion.

FLETCHER BOWRON,
Mayor of Los Angeles.

KANSAS CITY, MO., *March 14, 1946.*
Hon. JAMES M. MEAD,
Senate Office Building,
Washington, D. C.:

Best estimate of need for veterans, 4,800 units in 1946. Five thousand nine hundred and forty-two veteran applications for housing since September 17, 1945. Four hundred and ninety-five have been housed in housekeeping units. Four hundred and twenty-seven in rooms. Applications now made at rate of 80 per day. Over-all need, veteran and nonveteran, 19,000 units by 1950. Four hundred units under construction. HH priorities for over 1,200 have been issued by local FHA. Material shortage prevents further construction. Labor available.

JOHN B. GAGE, *Mayor.*

MINNEAPOLIS, MINN., *March 14, 1946.*
Senator JAMES A. MEAD,
Washington, D. C.:

Minneapolis housing situation increasingly critical. Ten thousand veterans and families listed with War Housing Bureau in need of shelter. Have converted vacant public-owned facilities—schools, fire barns, etc.—and have established a 107-unit trailer camp. Three hundred and fifty prefabricated, demountable houses promised by FPHA. Have applied for additional 500 units, but no assurance of acceptance of this application. Have staged extensive shelter-a-vet appeal to home owners. Despite vigorous and active program, housing problem extremely acute. Genuine hardship and suffering on part of thousands of veterans and families.

HUBERT H. HUMPHREY,
Mayor.

SALT LAKE CITY, UTAH, *March 14, 1946.*
JAMES M. MEAD,
United States Senate,
Washington, D. C.:

Housing situation in Salt Lake City critical. Help of Government through your bill, which will make 250 apartment units available at Salt Lake air base, deeply appreciated. Modification of Army rules to permit university students to live in unused barracks at Fort Douglas a splendid gesture. Forty percent of our enlisted Army and Navy personnel still to return, with absolutely no housing availabilities in Salt Lake City to come to. Cannot something be done to bring seriously needed construction materials into this area? Bad as situation is, I hope administration will move with great caution in connection with freezing construction materials for commercial enterprises. In my opinion, that would halt much commercial activity and wipe out certain important pay rolls. No man is going to start building a home if he has no job. We have organized to meet this serious emergency and are doing everything we possibly can in the premises.

EARL J. GLADE, *Mayor.*

Mr. MEAD. Mr. President, I also have here a number of letters. The first is from George W. Johnson, mayor of the city of Duluth.

There is also one from Hon. Carl O. Triebel, mayor of Peoria, Ill.

Another is from the city of Cedar Rapids, Iowa, Hon. F. K. Hahn, mayor. He says:

It is the consensus of opinion in this locality that the housing shortage will continue for several years.

I have another from Hon. John L. Bohn, mayor of the city of Milwaukee.

I have another letter addressed to me by Thomas F. Waldron, Director of the Board of Commissioners of the City of Trenton, N. J., dealing with the same subject.

I also have a letter from Hon. A. P. Kaufmann, mayor of St. Louis, Mo.

Another letter is addressed to me by the Honorable George K. Batt, mayor of the town of Montclair, N. J.

I have a letter from Hon. James T. Kirk, mayor of the city of Elizabeth, N. J., who says:

The city population is approximately 120,000, of which approximately 1,028 veterans have applied for housing facilities.

Total number of owners' listings received, 113.

Number of veterans' placements made through the veterans' assistance program, 37.

Number of veterans who obtained their own rentals, 26.

Number of veterans who purchased homes, 11.

Then he proceeds to say that approximately 1,028 veterans have applied for housing facilities.

I also have a letter from Bleecker Marquette, executive secretary of the Better Housing League of Cincinnati and Hamilton County, Inc., which is very interesting and illuminating.

I have a letter from Ralph W. O'Neill, mayor of the city of Youngstown, Ohio.

Mr. President, these letters and telegrams are but a few taken from many received by me from cities spread all across the United States. They reveal an ever-increasing emergency, which, if not corrected in the immediate future, will, in my judgment, develop into the most serious emergency housing situation that ever affected the Nation. I hate to contemplate what may happen in that event, Mr. President. I do not know what the veterans are going to do. It occurs to me that we will have to use every possible facility to avoid hardship and suffering, and we will have to exert all the energies and all the abilities at our command to bring out and to pass promptly the housing program which is now before Congress.

Mr. President, I believe the Senate ought to go on a 6-day schedule. I believe we should assign these bills to several committees so they may be studied quickly, so that hearings may be held simultaneously. I believe we ought to make it our goal to pass the entire housing program within the next 30 days and complete the temporary program, as well as the permanent program, and augment that program if necessary in order to reach and exceed if possible, the goal fixed by the present Expediter of Housing. Unless we do so I believe we will be treating the veteran unfairly. "Unfairly" is a very weak word. Probably a stronger word should be substituted for it. We will be treating the veteran in the rawest kind of manner. It will be a raw treatment in view of the sacrifices the veteran has made for us in the last several years. The veteran deserves better treatment. I am confident that the Senate will rise up and do its part in expediting this emergency program.

Mr. President, I have asked that the telegrams be printed in the RECORD as a part of my remarks. The letters of which I have spoken I ask to have referred to the Committee on Banking and Currency which is considering the housing situation.

The PRESIDING OFFICER. Without objection, the letters will be referred to the Committee on Banking and Currency.

Mr. MEAD. Mr. President, at a later date I shall discuss the pending Wagner-Ellender-Taft bill. I merely want to reiterate what I said in the beginning, which is that we should act upon the housing program and pass expeditiously and in a satisfactory manner the bills providing for it, so that the responsibility will rest with the executive department of the Government and not with the Congress of the United States.

CONTROL OF ATOMIC ENERGY

Mr. BALL. Mr. President, in the past few days the Senate has heard considerable discussion of the question, how atomic energy should be controlled. I should like to comment very briefly on what I think are significant aspects of that discussion, particularly as covered in the speech delivered yesterday by the Senator from Florida [Mr. PEPPER].

I am opposed to the military control of atomic energy domestically which I believe the original May-Johnson bill would have brought about. It is understandable that many Americans, misled into believing that the only choice for us is between that bill and S. 1717, the McMahon bill introduced last January, should prefer the latter, despite its complete disregard of security aspects of this issue. Fortunately, there is a sound, liberal solution which will assure fundamental civilian control of atomic energy and freedom of research, without disregarding the important national security aspects of this whole problem.

A clue to the real meaning and purpose of the somewhat confusing publicity recently on this issue is provided in two very significant paragraphs from the foreign-policy speech which the Senator from Florida [Mr. PEPPER] delivered in the Senate March 20. He insisted that such grave international issues as Iran, Turkey, and atomic-energy control must be settled not in the United Nations Organization where 51 nations participate and decisions are reached publicly after open discussion but by the "big three" alone. Speaking of atomic energy, the Senator from Florida said:

Let America therefore take the lead in proposing a resolution of this most dangerous of issues among the "big three."

This is the significant part Mr. President:

I would prefer that we should first, before the convening of such a conference, after calling on Britain and Canada to join us, destroy every atomic bomb we have and smash every facility we possess capable of producing only destructive forms of atomic energy.

The Senator continued:

Then we could go into the court of this conference with the cleanest of hands to talk about the future control of atomic power

for the purposes of peace and outlawing it for war.

What are the facts? Russia still has an estimated 10,000,000 men under arms, and her armies are occupying Iran in violation of a treaty and threatening Turkey. No one knows what secret weapons Russia has developed or is producing behind her iron curtain of isolation. On the other hand, the United States has demobilized so rapidly that our Navy, Army, and Air Force are declared by our own military leaders to be relatively impotent today. What the Senator from Florida proposes is that we strip ourselves of the only real military power we still possess, the atomic bomb, and then confer with Russia about future security and peace. We might enter such a conference with clean hands, but I submit we would enter it committed in advance by our own impotence to a policy of appeasement.

The original McMahon bill would, in my opinion, have brought about nearly the same situation as that proposed by the Senator from Florida although by an indirect method. I understand this bill already has been considerably modified in committee. But in its original form, the McMahon bill, under the guise of assuring civilian control, would have stripped our military forces of anything whatever to do or say about atomic weapons. The military could not even have used an atomic bomb for experiment and training except by specific direction of the President, presumably to be given only in the event it became necessary to drop a bomb. This, in my opinion, would be as suicidal for American security and peace as the course advocated by the Senator from Florida.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. BALL. I yield.

Mr. McMAHON. I rather think the Senator from Minnesota is in error in his interpretation of the bill as originally presented. I do not want to enter into a detailed discussion of it now. I do not have before me a copy of the bill as it was originally introduced. I simply want to file a caveat, as it were, at this point in the RECORD, that I do not agree by a long shot with the Senator's interpretation as to the exclusion of the military, as is claimed, in the original provisions of the bill, which, as the Senator knows, has been modified in committee.

Mr. BALL. The Senator is entitled to his interpretation. I am interpreting the bill as I read it when it was originally introduced.

Mr. President, there is in America a Communist Party, small in numbers but extremely potent in public propaganda and operating within literally scores of supposedly liberal "front" organizations. Any person reading the propaganda of this party and its front organizations and comparing it with the actual facts, cannot escape the conviction that their position on international issues is dictated by a desire to see Russian aims and objectives rather than American aims prevail throughout the world. They were in the forefront of the demand for too-speedy demobilization, which has left us relatively impotent in Europe, Asia and the Middle East. Now, they are all beating the drums for the original McMahon bill, and are making unjustified charges of "fascism" about the so-called Vandenberg amendment, adopted 10 to 1 by the Senate's special atomic energy committee. This amendment, as explained the other day on the floor of the Senate by our distinguished colleague from Michigan [Mr. VANDENBERG], merely provides for a military liaison committee to make recommendations to the civilian control commission on national security issues and, if it feels it necessary, to carry such issues to the President for final decision. The liaison committee would have absolutely no "control" and no power to act. It could not even delay actions by the civilian commission when it opposed them. Mr. President, that seems to me to be the absolute minimum for national security on this tremendously vital issue.

If this Communist Party line, which seems to have such widespread support among groups which I am sure have not thought through its implications, should become American policy, then we would be placed in exactly the same position Britain was in before Munich—forced by our own military weakness to appease any powerful aggressor who might threaten world peace. That sort of situation could easily set the stage for World War III just as appeasement at Munich set the stage for World War II. I believe that all Americans want to find a basis for peaceful cooperation with Russia, but I also believe that it is essential for peace that the cooperation be a two-way street.

Mr. President, in support of that contention I should like to quote no other authority than the distinguished Senator from Florida [Mr. PEPPER] himself. Speaking on the floor of the Senate on August 22, 1940, during a discussion of the Burke-Wadsworth conscription bill, the Senator from Florida attacked a pamphlet issued by the Communist Party of Florida, Albert Lopez, chairman, which said among other things that—

> The Burke-Wadsworth bill means Hitlerism for America.
>
> Young men are torn from their jobs, their families, and sent to the Army and labor camps.

The Senator from Florida said:

> Is that an expression of a conscientious sentiment harbored in the heart of a frightened mother, or is that the sinister influence from Moscow across the sea, reaching into our own land, trying to paralyze our own defense for their own and not our gain?

I continue to quote the Senator from Florida:

> So, Mr. President, there are instances in which persons have been unwittingly, no doubt—just as certain persons are unwittingly carriers of deadly germs—the carriers of pernicious propaganda that tends to destroy the body politic and the body economic and the body national here upon this continent.

Mr. President, it will be noted that that was in August 1940, at a time when our later ally had a nonaggression pact with Hitler. Of course, at that time the party line of the Communists in this country was to oppose to the limit every effort to get America prepared. I think the Senator from Florida was absolutely correct in characterizing the position taken in 1940 as propaganda adopted by Moscow for its own purposes, and not for American purposes. Unfortunately, he does not seem to recognize the same sort of propaganda foisted upon the American people at this time for exactly the same purpose—to make America so weak and impotent that we shall have no alternative but to appease any aggressor.

Big Three domination of the world, with the UNO relegated to a minor role as sort of window dressing, will no more assure peace than will temporary appeasement of some powerful aggressor at the cost of international justice and principles. The United Nations Organization, where the rights of smaller nations can be given a full hearing before the bar of world public opinion, is the agency which should seek the solution of all these issues threatening peace, including Iran, Turkey, the Far East, and control of atomic energy. I shall support the solution of international control of atomic energy through the UNO Commission which I am glad to see the administration is now assisting in establishing; and I shall support supplying the UNO with armed forces as provided in the Charter, but until it has such forces and we are sure they are sufficient to maintain peace, it would be folly for us to disarm or to strip ourselves of the one remaining great reservoir of essential power which we still have.

Mr. President, again I quote from the distinguished Senator from Florida who did not seem to favor Big Three domination or great power domination of the world in 1940. Speaking on this floor on February 13, 1940, questioning our late colleague Senator Adams of Colorado, the Senator from Florida had this to say:

> Does the Senator think it would aid American economy, particularly the export business of the United States, if such nations as Russia should gobble up the little nations of Europe?

Later he had this to say:

> Does not the Senator recognize that the kind of world this is to be is, to a considerable extent, to be determined by settling the question of whether or not the sort of thing Russia is now doing to Finland may be carried on with impunity in what purports to be an orderly and civilized world?

Mr. President, I can see no difference whatever in principle between what Russia did to Finland in 1940 and what she now seems to be doing to Iran and Turkey.

To return to the subject of the control of atomic energy, there are five objectives in atomic-energy control on which I believe most of us could agree. They are:

First. That Government control of production and development in this tremendously important field to set up by legislation as soon as possible, so as to resume the progress in research which has come to a standstill because of the lack of legislation.

Mr. McMAHON. Mr. President, will the Senator from Minnesota yield?

Mr. BALL. I yield to the Senator from Connecticut.

Mr. McMAHON. I feel that the Senator is in error when he says that progress in research has been stopped for want of legislation. It is true that a good deal of scientific progress and research has come to an end, but it is not because we have not enacted legislation. It is because of the military control of the project and the type of regulations which have been issued. I am telling the Senator what the scientists have told the committee and have told me individually. They say that that is the kind of thing under which they cannot work in peacetime. The reason we have some of them left is that there is some hope on the part of those who remain that we shall be able so to operate this project—not under the kind of security regulations and compartmentalization under which it has been operated—as to let it proceed. I am neither defending nor accusing. I am only telling the Senator what has been told to the committee and to me personally and individually.

Mr. BALL. I thank the Senator. I certainly hope that his more optimistic picture is correct. I was merely going on the basis of statements which I have seen, from the Senator from Connecticut and from various scientists, to the effect that research progress was pretty much at a standstill largely because of the uncertainty as to what Congress was going to do. I know that work is still being done on the Manhattan project.

Mr. McMAHON. That, I may say to the Senator, is the explanation which has been given by certain sources which are interested in the bill. All I am trying to tell the Senator is that those who invented the bomb, and the engineers and industrialists who made the bomb, have told us what I have repeated to the Senator. We should not forget that the bomb was invented by scientists and produced by industrialists and engineers. The Army acted in a managerial capacity. It provided protection against espionage, for one thing, and provided a procurement service for another. That was the place of the Army in the project.

Mr. BALL. The Senator will agree, will he not, that the Army also dropped the bomb?

Mr. McMAHON. Oh, yes. The Army also dropped the bomb; but it had to get it made first.

Mr. BALL. That is true.

Mr. McMAHON. I simply wish to point out to the Senator that if we rely on men for whom I have the greatest and highest respect, let me reiterate—General Eisenhower and Admiral Nimitz, great Americans that they are, or President Truman, or the Senator from Michigan [Mr. VANDENBERG]—to produce bombs, we shall not get any bombs produced. We must depend upon the scientists, the engineers, and the industrialists who have produced them in the past. We must not forget that.

Mr. BALL. Mr. President, I have no quarrel with the statement of the Senator from Connecticut.

It seems to me that the second objective in respect to atomic-energy control on which I believe most of us could agree is that the Federal Government, through a civilian commission, should control all fissionable materials, their production, and, through licensing and allocation powers, their use in research, industry, and in the development and production of atomic weapons.

The other objectives which I have in mind are as follows:

Third. That fundamental research, as distinct from applied research, should be completely free, with scientists free to publish their findings.

Fourth. That security precautions on atomic weapons continue until safe international controls may obviate their necessity, and that there should be joint military and civilian control and direction of atomic-weapon research. Let me add here that I think the Vandenberg amendment is a minimum of safeguard for the security aspects of this problem.

Mr. McMAHON. Mr. President, will the Senator further yield?

Mr. BALL. I yield.

Mr. McMAHON. Is the Senator unaware of the fact that under the bill, as I originally introduced it, the Army and the Navy were given the right to conduct all the experiments they wished to conduct?

Mr. BALL. I did not read the bill that way.

Mr. McMAHON. Then I ask the Senator to read it again.

Mr. BALL. Fifth, Mr. President, it seems to me that most of us could agree on the following objective: That the United States should vigorously support and lead in the efforts of the UNO Atomic Energy Commission to develop a safe method for international control of this destructive force. We have at last appointed our delegate on this commission, and it is to be hoped we will speed up its deliberations as much as possible. It is my conviction that the only practical solution internationally lies through the UNO, not through any Big Three control such as the Senator from Florida [Mr. PEPPER] envisages.

Mr. President, because of my strong opposition to the type of control of atomic energy proposed in the May-Johnson bill, I introduced a bill on this subject, Senate bill 1557, on November 6, 1945, embodying the first four objectives stated above. Although a great many scientists with whom I discussed the subject endorsed that bill, the Senator from Connecticut [Mr. MCMAHON] did not see fit to give it any serious consideration in his committee. It now appears that the majority of the special committee are rewriting the McMahon bill to conform largely to these objectives. If that is done, I certainly shall support the committee bill on the floor of the Senate.

INVESTIGATION OF THE COURTS-MARTIAL SYSTEMS OF THE ARMY AND NAVY

Mr. MORSE. Mr. President, I wish to make a few brief comments in regard to two resolutions pending before the Senate.

On November 26, 1945, I submitted Senate Resolution 195, calling for an investigation of the courts-martial systems and the places of incarceration of military prisoners on the part of both the Army and the Navy.

On January 29, 1946, the senior Senator from Nevada [Mr. MCCARRAN] submitted Senate Resolution 216, calling for a similar investigation by the Judiciary Committee; but to his resolution was added a proposal for an investigation of the establishment of a military government in Hawaii.

I wish to say, Mr. President, that I do not think it matters a great deal what committee conducts the investigation, although for the RECORD, and in passing, I think it should be pointed out that, under my resolution, Senate Resolution 195, the committee would have been composed of three members of the Military Affairs Committee, three members of the Naval Affairs Committee, and three members of the Judiciary Committee. In other words, it would have been a special committee. I think that the Military Affairs Committee and the Naval Affairs Committee should be, by means of having three members of each of those committees on the special committee, in constant contact with any investigation of courts martial which might be conducted by a committee of the Senate.

I think it is also interesting to note that Senate Resolution 216, introduced by the distinguished Senator from Nevada, seeks to accomplish exactly the same thing which I sought to accomplish by my resolution, and, furthermore, Mr. President, that under the terms of my resolution there could have been, it seems quite obvious to me, an investigation of the military government in Hawaii. However, if the Senate determines that it should decide to the contrary, I should be very happy to accept the language in regard to an investigation of the establishment of military government in Hawaii encompassed in the resolution submitted by the Senator from Nevada. I suppose that note might be taken of the fact that if the investigation were conducted by the Judiciary Committee, the introducer of Senate Resolution 195, the present speaker, would not or could not be a member of the committee serving under the resolution coming from the Judiciary Committee because I do not happen to be a member of that committee. But I do happen to be a member of the Naval Affairs Committee. I also understand that it is not uncustomary to have sound Republican suggestions encompassed in resolutions adopted under a Democratic administration. That is also all right with me, Mr. President, except I wish to keep the record straight.

What I do wish to raise my voice in plea for is that the Senate proceed with an investigation of the courts-martial systems of the Army and the Navy and the penal practices of the Army and the Navy. I have said before on this floor, and I now repeat, that they are rife with rank injustice. The Army and the Navy are making haste, I observe, to seek at least to make a record for themselves, before the type of investigation which I have called for proceeds. I note both of those establishments are seeking to set up their own committees of investigation and are calling upon distinguished American citizens and associations to help them with that investigation. I applaud them, although I think their efforts are somewhat belated. Bor example, the Army has called upon the American Bar Association to set up a committee to pro-

ceed with an investigation of the courts-martial system of the Army. I think that is fine; but it is not enough, and it does not remove from this body the responsibility of conducting an official governmental investigation by the Senate of the injustices of the courts-martial system of the Army. If a committee such as the one I propose is set up, I am sure it will welcome wholeheartedly the full support of any committee set up by the American Bar Association, and I have said so in a letter addressed to both the Under Secretary of War, Mr. Royall, and the President of the American Bar Association.

But, Mr. President, I do not propose to be placed in a position where the Army or the Navy can substitute an investigation of their own—a self-investigation by the Army or by the Navy, I care not what procedure they adopt—for what I consider to be the clear obligation of this body to proceed without greater delay to a thoroughgoing investigation of the courts-martial systems and the penal practices of the Army and the Navy.

Once before, I said that I have yet to talk to a lawyer who was an officer in the recent war and who held a Reserve commission who had anything to do with the courts-martial system but what he has said to me, "Press for an investigation under that resolution. Something must be done to clear up the injustices inherent in the courts-martial systems and penal practices of the Army and the Navy."

Mr. President, I hope the Senate will see fit to proceed under Senate Resolution 195. With summer approaching and with talk of an early adjournment of this body, I think the time of a special committee of the Senate, appointed in accordance with the provisions of Senate Resolution 195, could well be spent during the summer months, in the interests of American justice, in proceeding with the type of thoroughgoing investigation of the Army and Navy practices against which I have heretofore protested.

Whether it is done under Senate Resolution 195—and I would suggest that certainly as a matter of priority and parliamentary courtesy it should be done under it—or whether it is done under the so-called McCarran resolution, Senate Resolution 216, I say let us do it; let us delay no longer; let us make perfectly clear to the Army and Navy of the United States that we, as the duly elected representatives of the people of the United States, intend to see to it that a thoroughgoing investigation of the allegation of the injustices of the courts martial practices of the Army and the Navy and of their penal practices will be made and that all such injustices will be brought to light and to the attention of the American people.

Not only our veterans in past wars, but our veterans in any future war are entitled to no less. Certainly those men, whatever their number may be, who are today languishing in military prisons as a result of injustices, and as a result of what I have heretofore said were arbitrary practices on the part of certain men with brass on them, are entitled to our immediate attention. I hope that the veterans' organizations of this country which have been writing to me about the matter will continue to press for justice for veterans who have been done injustices under a court martial and penal system which I am satisfied any fair investigation will show is archaic and outmoded.

We, as United States Senators, should not permit the Army or the Navy to continue any longer practices which will not stand the test of a fair and impartial investigation by a committee of this body, supplemented and aided by any committee of the American Bar Association or any other association which the Army or the Navy would like to have assist us in making such an investigation.

Mr. KNOWLAND. Mr. President, I should like to commend the able Senator from Oregon, who has been carrying on a fight for an investigation of the court-martial system of the Army and the Navy. I think the men in the armed services, including both officers and enlisted men, should, and would, welcome such an investigation.

I have stated before and wish to reiterate now, that if the War Department and the Navy Department have not yet modified their court-martial systems they should do so, because we are still technically in a state of war, and according to the last information which has come to me men are being tried for what, in normal times, would be considered mere misdemeanors, and sentences are being and have been pronounced which are far more severe than they should be. I hope that the distinguished and able Senator from Oregon will continue his fight.

LEAVE OF ABSENCE

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent that I be allowed to be absent from the session of the Senate tomorrow.

The PRESIDING OFFICER. Without objection, leave is granted.

EXECUTIVE SESSION

Mr. PEPPER. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. ELLENDER in the chair) laid before the Senate, messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. GEORGE, from the Committee on Finance:

Sam E. Richardson, of St. Johnsbury, Vt., to be collector of internal revenue for the district of Vermont, with headquarters at Burlington, Vt., to fill an existing vacancy; and

Henry V. Schwalbach to be collector of customs for customs collection district No. 37, with headquarters at Milwaukee, Wis. (Reappointment.)

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

FOREIGN SERVICE

The legislative clerk read the nomination of Lt. Gen. Walter Bedell Smith to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Union of Soviet Socialist Republics.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Cecil Wayne Gray, of Tennessee, to be foreign-service officer of class 1.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. PEPPER. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc; and, without objection, the President will be notified at once of all confirmations of this day.

That completes the Executive Calendar.

RECESS

Mr. PEPPER. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 52 minutes p. m.) the Senate took a recess until tomorrow, Friday, March 22, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 21 (legislative day of March 5), 1946:

COMMISSIONER OF THE DISTRICT OF COLUMBIA

John Russell Young, of the District of Columbia, to be a Commissioner of the District of Columbia for a term of 3 years, and until his successor is appointed and qualified. (Reappointment.)

FEDERAL COMMUNICATIONS COMMISSION

Rosel H. Hyde, of Idaho, to be a member of the Federal Communications Commission for the unexpired term of 7 years from July 1, 1945, vice William Henry Wills, deceased.

TEMPORARY APPOINTMENT IN UNITED STATES COAST GUARD

Capt. Louis W. Perkins, United States Coast Guard, to be appointed a commodore for temporary service in the United States Coast Guard to rank from the 16th day of March 1946, while serving as commander, North Atlantic Ocean Patrol, or in any other assignment for which the rank of commodore is justified, pursuant to the provisions of an act of Congress approved July 24, 1941 (Public, No. 188, 77th Cong.).

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

MEDICAL CORPS

To be lieutenant colonels

Maj. Stuart Gross Smith, Medical Corps (temporary colonel), with rank from April 1, 1946.

Maj. Lester Maris Dyke, Medical Corps (temporary colonel), with rank from April 24, 1946, subject to examination required by law.

To be majors

Capt. William Titus Sichi, Medical Corps (temporary lieutenant colonel), with rank from April 3, 1946.

Capt. James Goree Moore, Medical Corps (temporary colonel), with rank from April 3, 1946.

Capt. Robert LaShore Callison, Medical Corps (temporary colonel), with rank from April 4, 1946.

Capt. William Donald Graham, Medical Corps (temporary colonel), with rank from April 7, 1946.

Capt. Eugene Coryell Jacobs, Medical Corps (temporary lieutenant colonel), with rank from April 10, 1946.

DENTAL CORPS

To be major

Capt. Charles Joseph Cashman, Dental Corps (temporary lieutenant colonel), with rank from April 1, 1946.

CHAPLAIN

To be major

Chaplain (Capt.) John Thomas Kilcoyne, United States Army (temporary colonel), with rank from April 18, 1946.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY OF THE UNITED STATES

TO QUARTERMASTER CORPS

Lt. Col. George Huston Bare, Infantry (temporary colonel), with rank from September 4, 1943.

TO ORDNANCE DEPARTMENT

Capt. Harry Cecil Porter, Field Artillery (temporary colonel), with rank from June 10, 1942.

Capt. Corwin Paul Vansant, Infantry (temporary colonel), with rank from June 13, 1943.

First Lt. Merten Kenneth Heimstead, Infantry (temporary lieutenant colonel), with rank from July 3, 1940.

First Lt. Edmund Whritner Miles, Infantry (temporary colonel), with rank from June 12, 1939.

TO SIGNAL CORPS

Capt. Ralph Doak McKinney, Infantry (temporary lieutenant colonel), with rank from June 12, 1944.

TO INFANTRY

First Lt. William Roscoe Kintner, Coast Artillery Corps (temporary lieutenant colonel), with rank from June 11, 1943.

POSTMASTERS

The following-named persons to be postmasters:

ILLINOIS

Lee L. Herrin, Herrin, Ill., in place of O. W. Lyerla, resigned.

John Q. Rose, La Prairie, Ill. Office became Presidential July 1, 1945.

INDIANA

Hubert P. Warren, Cortland, Ind. Office became Presidential July 1, 1945.

NEW HAMPSHIRE

Benning W. Noyes, Salem Depot, N. H., in place of D. E. Stevens, resigned.

OHIO

Hilbert H. Martin, Middletown, Ohio, in place of Roy Newlin, resigned.

OKLAHOMA

Lee Kennedy, Broken Bow, Okla., in place of Lee Kennedy. Incumbent's commission expired June 23, 1942.

Samuel L. Billingsley, Marietta, Okla., in place of O. B. Autry. Incumbent's commission expired June 23, 1942.

PENNSYLVANIA

Margaret T. Morganti, Morgan, Pa. Office became Presidential July 1, 1943.

Edith E. Tritt, Shiremanstown, Pa., in place of J. B. Cassidy, resigned.

Laura E. Coughenour, Isabella, Pa., in place of N. J. Angelo, resigned.

Harry F. Aiken, Brookville, Pa., in place of W. T. Means, resigned.

Elizabeth I. Unger, Muir, Pa., in place of W. W. Tallman, resigned.

Evelyn McCarty, Beallsville, Pa., in place of W. A. McCarty, resigned.

WASHINGTON

Warren Lincoln, Shelton, Wash., in place of J. A. Knight, retired.

WISCONSIN

Harriet V. Kenyon, Mellen, Wis., in place of I. A. Kenyon, deceased.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 21 (legislative day of March 5), 1946:

FOREIGN SERVICE

Lt. Gen. Walter Bedell Smith, United States Army, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Union of Soviet Socialist Republics.

Cecil Wayne Gray, to be foreign-service officer of class 1, in the foreign service of the United States of America.

POSTMASTERS

ARKANSAS

Bobby R. King, Mount Vernon.

DELAWARE

John B. Counselman, Houston.

GEORGIA

Velvie Holcomb, Tate.

ILLINOIS

Edith A. Wagoner, Cropsey.

MICHIGAN

Leonard L. Feuerstein, Chesaning.
Alma Hill, Covington.
Margaret J. Hoffman, Munith.
A. Spalding Friedrich, Traverse City.

NORTH CAROLINA

James E. Paschall, Manson.

OHIO

Lauris D. Glass, Alpha.
Lucy M. Dye, East Springfield.
Robert G. Clark, South Vienna.

PENNSYLVANIA

John C. Clouse, Rimer.

TENNESSEE

Jona R. Clark, Haydenburg.
Luther G. Coulter, Sale Creek.

VERMONT

Corydon W. Cheney, Sharon.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 21, 1946

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal source of light, show us the path that is full and free that we may be strong and wise in our decisions. Be Thou our Lord of sincerity and truth and the revelation of our unspoken longings. We pray that the deliberations of the Congress may be for the honor and safety and welfare of every section of our land, that all may find the way and walk with Thee in the paths of peace and good will. Most earnestly we pray, not for the thought of war—war which has fastened its bitter fangs in our memories—but to lift us out of that decadent period, proclaiming a warless future. Remove from every eye the film of fear and dismay, and arrest the talk that gives utterance to shattered hopes and trust. Help us to redeem these days by a wise, daring courage, not wandering in the wilderness of doubt but filled with determined self-control and a vision of truth that no wrong can crush and no power can defeat. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. RYTER asked and was given permission to extend his remarks in two instances; in one to include an article by Dr. Raphael Lampkin, and in the other to include a radio address delivered by Mr. Ryter.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and to include a citation.

Mr. COCHRAN asked and was given permission to extend his remarks in the RECORD and to include a letter from the Comptroller General of the United States.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in two instances and to include editorials.

Mr. ELLIS asked and was given permission to extend his own remarks in the RECORD and include a letter.

INTERNATIONALISM AND A BALANCED BUDGET

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ALLEN of Illinois. Mr. Speaker, Members of Congress are clothed with certain responsibilities that many private, honest, and patriotic citizens do not have upon their shoulders. Recently an eastern college president, probably a superinternationalist, came to my office. He proceeded to talk about what he wanted to talk about, giving his views relative to many important questions. He told me we ought to have the largest navy in the world; we should have the largest army in the world; we should insist on having the largest air force in the world; that we should spend billions of dollars for the scientific development of the atomic bomb. He also favored UNRRA to feed the starving people of the world as well as lend-lease. He also favored loans to Great Britain, Russia, and other countries. Above everything else he insisted we should have peacetime military conscription.

We talked a few minutes about other important matters of vital interest to the people of our Nation. Finally, I brought to his attention hundreds of letters I had received in regard to balancing the Budget and having Congress to live within its income. He threw up his arms and he said, "Of course, Congressman, we all admit that."

The SPEAKER. The time of the gentleman from Illinois has expired.

EXTENSION OF REMARKS

Mr. PHILLIPS (at the request of Mr. HILL) was granted permission to extend his remarks in the RECORD and include a poem.

Mr. JARMAN asked and was given permission to extend his remarks in the RECORD and include two newspaper excerpts.

Mr. MARTIN of Massachusetts asked and was given permission to extend his remarks in the RECORD and include a letter from the county agent of Bristol County.

Mr. REED of New York (at the request of Mr. MICHENER) was granted permission to extend his remarks in the RECORD in two instances; in one to include some statistics, and in the other an editorial.

Mr. PATMAN asked and was given permission to extend his remarks in the Appendix of the RECORD on three subjects and to include certain statements.

Mr. MICHENER asked and was given permission to extend his remarks in the RECORD and include a statement from a newspaper.

Mr. MURDOCK asked and was given permission to extend his remarks in the RECORD and include a letter from a constituent.

BRITISH LOAN

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I want to read a letter I have received from Arkansas:

MARCH 16, 1946.

Representative in Congress Hon. Mr. RICH,
Washington, D. C.

DEAR SIR: Congratulations to you for saying what you did about the loan to Britain. If our Nation would tell Churchill and all the rest of that bunch of English moochers to go jump in the lake, we would be saved a lot of money and future bloodshed. Why does our Nation continue to play the part of the cat, in the story of the cat, the monkey and the chestnuts, to England? Hasn't she handed us enough dirty deals in the past? Stand your ground. Any time England is interested in us it is a selfish deal. Tell my Democratic friends in Congress that this is the way our folks back home feel about this.

Very truly,

———— ————.

P. S.—I am a Democrat, too.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

NEED FOR DAYLIGHT-SAVING TIME

Mr. FULTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FULTON. Mr. Speaker, to assist in preventing starvation abroad and increase domestic garden food production by giving an extra hour to continue the victory-garden program, I have introduced a bill today for national daylight-saving time beginning the last Sunday of April and ending the last Sunday of October 1946.

Since September 25, 1945, when the United States gave up daylight-saving time, the date of the approval of H. R. 3974, a lot has happened, and a greater realization has come to the country concerning the terrible conditions and starvation abroad.

We Congressmen who spent several months in Europe last year realized the urgent needs and the times ahead.

This extra hour each day will provide extra food and save urgently needed coal for assisting our good allies and those in need the coming winter. It is little enough for the American people to give up 1 hour's sleep to help combat the deaths by starvation of 3,000,000 people in India and five to eight million people in China, as well as those impoverished starving millions of Europe.

The time and hour for patriotic devotion and sacrifice has not passed, as we Americans realize fully.

DAYLIGHT-SAVING TIME

Mr. BENNET of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BENNET of New York. Mr. Speaker, I am glad to rise in support of the legislation proposed by the gentleman from Pennsylvania [Mr. FULTON].

In my part of the country, as elsewhere, the farmers do not like daylight saving, but on the other hand they have uncomplainingly accepted it along with other things which have been felt to be necessary in the prosecution of the recent war and in the struggle to keep our armed forces, our civilian population, and our allies, properly fed.

In my judgment they will patriotically support a continuance of daylight saving provided they are convinced that by so doing they will be able to play a larger share in the great effort which our country is making to help starving millions abroad.

Objections to this great humanitarian project do not come from the farmers who have to do the work, but rather from a few consumers who are merely asked to make a little reduction in what is today, as always, the world's best balanced and most abundant diet.

OMNIBUS CLAIMS BILL

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. PITTENGER. Mr. Speaker, I want the RECORD to show the situation as far as one member of the Committee on Claims of the House of Representatives is concerned with reference to House procedure. We adopted some rules, and one of them provided for the hearing or consideration of omnibus claims bills on certain occasions. This rule has been more honored in the breach than in the observance. I think it is about time we proceeded to follow the rules.

I see the distinguished majority leader here and I am very glad of that. I hope when the time comes that the House with the approbation of our beloved majority leader may be permitted to consider the omnibus bills.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. PITTENGER. I yield with pleasure.

Mr. McCORMACK. The gentleman is certainly possessed with mystic powers, because—the gentleman from Minnesota did not know it—I had just consulted with the distinguished minority leader about that very thing and I was going to ask unanimous consent that on Monday next one of the omnibus bills be in order for consideration. So I congratulate my friend on his mystic powers.

The SPEAKER. The time of the gentleman from Minnesota has expired.

DAYLIGHT-SAVING TIME

Mr. RAMEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. RAMEY. Mr. Speaker, I am happy to support the resolution of the gentleman from Pennsylvania [Mr. FULTON] and concur in his judgment. It was a privilege to be with him for 37 days visiting the distressed countries he mentioned. I personally know he went to the bottom of mines, to the factories, to the peasant farms; that he did like the rest of us, study with the GI's and with the laboring folks instead of going to places where there was luxury.

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GROSS. Mr. Speaker, I am surprised, amazed, and somewhat humiliated when these city Members come along here and try to spring daylight-saving time on the country again in the name of feeding the starving hordes of the world. They would not do it if they knew any better. They mean well but how little they know. I know they pity the starving. So do I. So do the farmers of the Nation. But do not spring daylight-saving time on us, forcing us out early in the morning when the ground and the plants are wet with dew, when we cannot go ahead. The farmer must go along in the morning, in the evening he must quit early or lose a lot of valuable time or work several hours overtime

which his help will not do. It means less production.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. GROSS. No.

I want to say to the Members of this House and to these poor deluded men who want daylight-saving time not to try it. Forget about daylight-saving time and make it possible for the farmer to raise crops.

I am thoroughly disgusted with all this sympathy for the farmers that comes from the city. We do not need the city sympathy. All we want is to be let alone and raise crops. If we are let alone, given equipment, help, and fair prices; we will raise crops enough to feed you folks in the city and all the rest of the world, but let us alone. If you bring a daylight-savings bill in here you will get into the damnedest dog and cat fight you ever saw with the farmers of this country. We pity you enough to feed you if you will just let us do it.

THE ATOMIC BOMB

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, under the rules of comity between the two Houses, a Member is not permitted to mention the name of a Member of the other body; but I think the world ought to know that when a Member of that body on yesterday advocated destroying all our atomic bombs and all the machinery to make them, and then giving the secrets, or as the President calls it, the "know how" of making them, out to the world, in my opinion, he did not speak for the American people; and he certainly did not speak for this branch of the American Congress.

Everyone knows that we are not going to use the atomic bomb to destroy civilization. The best thing we can do is to keep quiet, keep the secrets of the atomic bomb, keep our machinery ready, keep all the bombs we have, and give the world to understand that we want peace, and that we are going to have it.

The SPEAKER. The time of the gentleman from Mississippi has expired.

AN AMERICAN POLICY FOR PEACE AND A NEW WORLD

Mr. DE LACY. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. DE LACY. Mr. Speaker, yesterday I had the privilege of listening to one of the most distinguished Members of the United States Senate deliver a brilliant speech for peace, an appeal to the world, an appeal to all the peoples of the world and the nations of the world to understand and to see each other's problems. Courageously stripping the mask off the "new atomic isolationism," the able southern Senator discussed the security problems and the economic and political necessities of each nation. He urged an end to fear and suspicion and the elimination of the underlying causes of international misunderstanding.

It was a brilliant speech and I do not think it is fitting to have a small portion of it taken up and distorted on this floor when the message was for peace, for understanding, for security, and for the prosperity of all the peoples of the world.

EXTENSION OF REMARKS

Mr. O'HARA asked and was given permission to revise and extend his remarks in the RECORD and include a letter.

Mr. FLANNAGAN asked and was given permission to extend his remarks in the RECORD.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, the March 9, 1946, program, Our Foreign Policy, of the National Broadcasting Co., which includes the debate on the St. Lawrence seaway and power project between Congressman PITTENGER and Senator SALTONSTALL has been published. I ask unanimous consent to extend my remarks by inserting this printed document in the CONGRESSIONAL RECORD, excepting the illustrations. The extension may exceed the limit established by the Joint Committee on Printing. In spite of this I ask unanimous consent that the extension be made.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. VURSELL asked and was given permission to extend his remarks in the RECORD.

WHAT MAKES AMERICA GREAT

Mr. MAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. MAY. Mr. Speaker, last night in listening to the radio I heard a commentator tell the story of a streamlined passenger train of the Illinois Central Railroad that will stop at a small town in Tennessee tonight for the purpose of picking up a crippled little girl that has been waving flowers to the trainmen of both freight and passenger trains as they have passed through this little village for more than a year.

The trainmen, though brave, strong, and grim as they must be, are still generous, and out of their souls they have been inspired to and have collected a fund out of their own pockets to take her to a hospital in St. Louis. She is going to have a drawing room to herself and she will be taken at the expense of these noble trainmen to that great hospital to be operated on to correct her physical disabilities and to give her longer life.

Mr. Speaker, that is the thing that helps to make America great. That approaches the spirit of Him who said, "Suffer the little children to come unto me and forbid them not, for of such is the Kingdom of Heaven," or still that other great truth, "that it is more blessed to give than to receive."

Mr. Speaker, it gives me great pleasure to present this to the House.

RELIEF OF SUNDRY CLAIMANTS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that on Monday next it may be in order for the House to consider the bill (H. R. 3068) for the relief of sundry claimants.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

RAYMOND C. CAMPBELL

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3904) for the relief of Raymond C. Campbell, with a Senate amendment thereto, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "$7,500" and insert "$6,000."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

GEORGE W. MURRELL AND KIRBY MURRELL, A MINOR

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3012) for the relief of George W. Murrell and Kirby Murrell, a minor, with a Senate amendment thereto, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Amend the title so as to read: "An act for the relief of George W. Murrell; Kirby Murrell, a minor; and the estate of Mamie W. Murrell, deceased."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

KATHLEEN LAWTON McGUIRE

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2670) for the relief of the legal guardian of Kathleen Lawton McGuire, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 7, strike out "$1,657.25" and insert "$1,000".

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

COLD SPRING, MINN.

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2008) for the relief of the village of Cold Spring, Minn., with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "$3,637.27" and insert "$2,100".

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

INDEPENDENT OFFICES APPROPRIATION BILL, 1947

Mr. HENDRICKS. Mr. Speaker, I call up the conference report on the bill (H. R. 5201) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1947, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

CALL OF THE HOUSE

Mr. ALLEN of Illinois. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 61]

Bailey	Fellows	Johnson,
Baldwin, N. Y.	Fisher	Luther A.
Barden	Flood	Jones
Barry	Forand	Kelley, Pa.
Bender	Fuller	Kelly, Ill.
Bloom	Gamble	King
Bolton	Gathings	Kirwan
Boren	Geelan	Latham
Boykin	Gerlach	Lesinski
Buckley	Gibson	Lynch
Buffett	Gillette	McKenzie
Byrne, N. Y.	Gillie	Mansfield, Tex.
Carnahan	Gore	Mason
Celler	Grant, Ala.	Murphy
Chapman	Green	Norblad
Clark	Gregory	Norton
Clippinger	Hall,	Patterson
Cole, N. Y.	Edwin Arthur	Peterson, Fla.
Colmer	Hall,	Peterson, Ga.
Courtney	Leonard W.	Pfeifer
Crawford	Halleck	Philbin
Cunningham	Hancock	Phillips
Curley	Hart	Ploeser
Dawson	Hartley	Plumley
De Lacy	Hébert	Powell
Dingell	Heffernan	Price, Fla.
Dondero	Hinshaw	Quinn, N. Y.
Douglas, Calif.	Hoffman	Rabin
Douglas, Ill.	Holmes, Mass.	Rains
Drewry	Howell	Randolph
Engle, Calif.	Jackson	Rayfiel
Reed, N. Y.	Simpson, Ill.	Wadsworth
Robertson,	Simpson, Pa.	Walter
N. Dak.	Slaughter	Wasielewski
Roe, N. Y.	Smith, Maine	Whitten
Ryter	Smith, Ohio	Winter
Savage	Stefan	Wolfenden, Pa.
Sheridan	Stevenson	Zimmerman
Short	Sumners, Tex.	
Sikes	Torrens	

The SPEAKER. On this roll call 315 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

INDEPENDENT OFFICES APPROPRIATION BILL, 1947

The Clerk read the statement of the managers on the part of the House.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5201) "making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1947, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 11, 12, 27, and 28.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 15, 16, 19, 20, 21, 23, 25, 26, and 29, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In line 8 of the matter inserted by said amendment, strike out the sum "$870,000" and insert in lieu thereof "$970,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: At the end of the sum "$3,272,983" inserted by said amendment, insert the following: ", of which $40,000 shall be available for salaries and expenses of the Federal Board of Hospitalization"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$101,000" and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

"No part of the appropriations herein made to the Bureau of the Budget shall be used for the maintenance or establishment of more than four regional, field, or any other offices outside the District of Columbia.".

And the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$3,060,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$1,792,700"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$2,194,120"; and the Senate agree to the same

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$8,075,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$4,916,700"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$4,431,142,415"; and the Senate agree to the same.

The committee report in disagreement the following amendments numbered 10 and 18.

JOE HENDRICKS,
GEORGE MAHON,
GEORGE ANDREWS
ALBERT THOMAS,
R. B. WIGGLESWORTH,
FRANCIS CASE,
HENRY C. DWORSHAK,
Managers on the Part of the House.

KENNETH MCKELLAR,
RICHARD B. RUSSELL,
THEODORE FRANCIS GREENE,
J. H. BANKHEAD,
STYLES BRIDGES,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill H. R. 5201, making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1947, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Nos. 1 and 2: Inserts the proposal of the Senate amended to provide that $970,000 shall be returned to the Treasury, instead of $870,000, as proposed by the Senate, the reduction of $100,000 being applied to the item for work in connection with the grounds of the Execution Mansion, instead of providing for salaries and expenses of the White House Office from the unexpended balances in the fund of $1,650,000 appropriated in the First Deficiency Appropriation Act, 1946, and returning the remainder to the Treasury, as proposed by the House.

Nos. 3, 4, 5, 6, 7, 8, and 9, relating to the Bureau of the Budget: Appropriates $3,272,983, as proposed by the Senate, instead of $3,044,880, as proposed by the House, for salaries and expenses; inserts the language "of which $40,000 shall be available for salaries and expenses of the Federal Board of Hospitalization; provides not exceeding $25,000, as proposed by the Senate, instead of $12,500, as proposed by the House, for purchase and exchange of lawbooks, books of reference, newspapers and periodicals; provides not exceeding $1,800 for teletype news service, as proposed by the Senate, instead of $1,350, as proposed by the House; provides

not to exceed $2,600 for penalty mail costs, as proposed by the Senate, instead of $1,570, as proposed by the House; provides $42,500 for employment of persons or organizations by contract or otherwise without regard to section 3709 of the Revised Statutes, or the Classification Act of 1923, as amended, as proposed by the Senate, instead of $38,750, as proposed by the House; appropriates $101,000 for printing and binding, instead of $88,000, as proposed by the House, and $125,000, as proposed by the Senate, the reduction of $24,000 in the figure proposed by the Senate being applied to funds for printing the revised edition of volumes I and II of the Standard Commodity Classification; and includes the proposal of the Senate with reference to the maintenance or establishment of regional, field or other offices outside the District of Columbia, amended to permit the maintenance or establishment of four such offices.

Nos. 11 and 12, relating to the Federal Communications Commission: Appropriates $5,560,000, of which not to exceed $2,984,000 shall be available for personal services in the District of Columbia, as proposed by the House, instead of $5,330,000, of which $2,884,000 would have been available for personal services in the District of Columbia, as proposed by the Senate.

Nos. 13, 14, 15, and 16, relating to the Federal Power Commission: Appropriates $3,060,000 for salaries and expenses, instead of $2,860,000, as proposed by the House, and $3,115,000, as proposed by the Senate, of which $1,822,250 shall be available for personal services in the District of Columbia, instead of $1,674,500, as proposed by the House, and $1,792,700, as proposed by the Senate; and appropriates $235,000 for flood-control surveys, of which $100,800 shall be available for personal services in the District of Columbia, instead of $200,000, of which $89,600 would have been available for personal services in the District of Columbia, as proposed by the House.

No. 17: Appropriates $2,194,120 for salaries and expenses, Federal Trade Commission, instead of $2,094,120, as proposed by the House, and $2,333,620, as proposed by the Senate, the increase of $100,000 in the bill as passed by the House being provided for law enforcement and trade practice conference work of the Commission.

Nos. 19, 20, and 21, relating to the Public Roads Administration: Authorizes the purchase of one hundred and twenty-one used or surplus passenger automobiles, as proposed by the Senate, instead of one hundred, as proposed by the House; provided $1,812,500 for personal services in the District of Columbia, as proposed by the Senate, instead of $1,682,785, as proposed by the House; and inserts the clarifying words "a part of" in the item for secondary or feeder roads, as proposed by the Senate.

No. 22: Appropriates $8,075,000 for general expenses, Interstate Commerce Commission, instead of $8,000,000, as proposed by the House, and $8,130,000, as proposed by the Senate, the reduction of $55,000 in the amount recommended by the Senate consisting of a decrease of $25,000 in the proposed increase of $100,000 for the Bureau of Service in connection with car-service supply and control work, the remaining reduction of $30,000 being applied as a general cut.

No. 23: Strikes out the provision of the House proposing an appropriation of $5,000 for the Interstate Commission on the Potomac River Basin, as proposed by the Senate.

No. 24: Appropriates $4,916,700 for the Securities and Exchange Commission, instead of $4,791,700, as proposed by the House, and $5,041,700, as proposed by the Senate.

No. 25: Appropriates $1,452,512 for salaries and expenses, Smithsonian Institution, as proposed by the Senate, instead of $1,408,224, as proposed by the House.

No. 26: Appropriates $772,490 for salaries and expenses, National Gallery of Art, as proposed by the Senate, instead of $757,490, as proposed by the House.

No. 27: Appropriates $975,000 for salaries and expenses of the Tariff Commission, as proposed by the House, instead of $1,125,000, as proposed by the Senate.

Nos. 28, 29, and 30, relating to the Veterans' Administration: Appropriates $553,805,915 for administration, medical, hospital, and domiciliary services, as proposed by the House, instead of $553,845,915, of which $40,000 shall be available for the Federal Board of Hospitalization, as proposed by the Senate; appropriates $1,648,387,000 for readjustment benefits, as proposed by the Senate, instead of $2,148,387,000, as proposed by the House, the reduction of $500,000,000 in the House figure being accounted for by the passage of a special resolution (H. J. Res. 316) appropriating that amount which was required immediately for the payment of readjustment benefits; and corrects the total of appropriations for the Veterans' Administration.

AMENDMENTS IN DISAGREEMENT

The following amendments are reported in disagreement:

No. 10, relating to the emergency fund for the President. The House managers will recommend concurrence in the Senate amendment with an amendment.

No. 18, authorizing the Federal Works Administrator to accept payment on obligations held by him of States or other public bodies. The House managers will recommend concurrence in the Senate amendment.

JOE HENDRICKS,
GEORGE MAHON,
GEORGE ANDREWS,
ALBERT THOMAS,
R. B. WIGGLESWORTH,
FRANCIS CASE,
HENRY C. DWORSHAK,
Managers on the Part of the House.

Mr. HENDRICKS. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, there is no disagreement on the conference report itself. The bill as it left the House was a reduction under the Budget estimate of $47,613,876. In the conference report the bill is reduced under the Budget estimate by the amount of $45,899,825.

The total of the bill, of course, when it left the House was larger than it is at the present time, owing to the elimination of the Veterans' Administration item of $500,000,000. I think that fairly well sums up the conference report.

Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Speaker, I have signed this conference report not because I am happy in the result, but because once again it seems that the report is the best that can be hoped for under existing conditions.

The House will recall that the recommendations received from the Bureau of the Budget, on behalf of the President, called for appropriations in the fiscal year 1947 exceeding those of 1946 by about $1,376,000,000, and exceeding those for the fiscal year 1939, just prior to the war, by about $2,136,000,000.

Of the increases compared with the fiscal year 1946, it is true that about $1,240,000,000 was in respect to the Veterans' Administration, but over and above this there were increases recommended of about $136,000,000, appropriations for the great majority of the agencies included in this bill reflecting increases in the coming year, a number of them reflecting the largest appropriations in their history.

The House reduced the bill by about $46,700,000. The Senate increased it by about $2,100,000. The Senate bill has been reduced in conference by about $388,500.

The net result is that while this bill is some $46,000,000 under the Budget estimates, it is still about $91,000,000 above appropriations for the same purposes, excluding the Veterans' Administration, in the present fiscal year.

I sometimes think, Mr. Speaker, that a distinguished Member of the Senate was entirely correct when he stated facetiously a short time ago that, in his opinion, we would never get any real economy here in the Congress until all the money in the national deficit has been spent.

Mr. HENDRICKS. Mr. Speaker, I yield 2 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Speaker, I should like to state to the House what is done by the conference report on the White House item, which attracted the attention of many Members at the time that the action was taken in the House.

It will be recalled that in the House we proposed to recapture the money which had been originally appropriated for the White House extension in the deficiency bill and apply part of it to the payment of office salaries and return the balance to the Treasury. The Senate concurred in the action so far as rescinding the appropriation was concerned, but instead of applying the part proposed to be reappropriated to the payment of salaries, it proposed its use for certain improvements of the White House grounds, but not the building of the west wing offices, museum, cafeteria, and auditorium as originally contemplated. The Senate proposal was to apply $265,000 to the completion of the east wing, and that was explained as the completion of the interior of the east wing which is already constructed and has been in use for some years. These funds would make it possible to redecorate the east wing and improve the interior. Two hundred and twenty-five thousand dollars was proposed by the Senate for work on the grounds of the Executive Mansion, an underground storeroom at $59,000, rehabilitation of the present heating system, $60,000, and a service tunnel on the north side, $47,000.

The action of the conference concurs in that program approved by the Senate, except that we increased the return to the Treasury by $100,000, and that increased return to the Treasury is accomplished by reducing the amount for the grounds of the Executive Mansion from $225,000 to $125,000. That is the way in which the approval of the conference report leaves the fund.

Mr. HENDRICKS. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, the gentleman from Massachusetts speaks of the amount this appropriation is above the appropriation of 1939, and I believe also of the present

fiscal year. I may say to the House that the increase is due almost entirely to the $1,236,243,165 for the Veterans' Administration and $159,838,792 for the Bureau of Public Roads. In addition, there is no fair comparison between this appropriation and the appropriation for 1939. All the agencies have had more work to do, and they have a backlog, so we naturally expect the appropriation to be bigger. We have reduced it even below the President's estimate, however.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 10: Page 4, line 21, insert the following:

"EMERGENCY FUND FOR THE PRESIDENT

"Emergency fund for the President: Not to exceed $5,000,000 of the appropriation 'Emergency fund for the President,' contained in the First Supplemental National Defense Appropriation Act, 1943, as supplemented and amended, is hereby continued available until June 30, 1947: *Provided*, That no part of such fund shall be available for allocation to finance a function or project for which function or project a Budget estimate of appropriation was transmitted pursuant to law during the Seventy-ninth and Eightieth Congresses and such appropriation denied after consideration thereof by the Senate and House of Representatives or by the Committees on Appropriations of both bodies."

Mr. HENDRICKS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. HENDRICKS moves that the House recede from its disagreement to the amendment of the Senate numbered 10 and concur in the same with an amendment as follows: After the word "Senate" in line 12 of said amendment strike out the remainder of the line and all of lines 13 and 14 and insert in lieu thereof the following: "or House of Representatives or by the Committee on Appropriations of either body."

Mr. WIGGLESWORTH. Mr. Speaker, I ask for a division of the question.

Mr. HENDRICKS. Mr. Speaker, I make the point of order that a division of this motion is not in order.

The SPEAKER. The gentleman is in order and can get a division of the question.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman from Florida yield me 4 minutes in order that I may explain the situation?

Mr. HENDRICKS. Mr. Speaker, I yield 4 minutes to the gentleman from South Dakota for the purpose of discussing the amendment.

Mr. CASE of South Dakota. Mr. Speaker, the reason I asked for this time is to explain the situation we have before us, so that everyone will understand just where we are. We are considering Senate amendment No. 10, which appears at the bottom of page 4 of the independent offices appropriation bill.

It will be remembered that when this bill was considered in the House the gentleman from Idaho [Mr. DWORSHAK] made a point of order against the paragraph, which carried a $5,000,000 appropriation for emergency funds for the President, and the point of order was sustained. When the bill went to the Senate the $5,000,000 was restored. The question pending before the House now is whether or not we should recede and concur in the Senate amendment restoring the $5,000,000.

The gentleman from Massachusetts asked for a division of the question, the question being on the motion of the gentleman from Florida [Mr. HENDRICKS] that we recede and concur with an amendment. The effect of asking for the division is to force a separate vote on the question of receding, and the question we will first vote upon will be whether or not the House should recede. If that motion should be voted down, then, presumably, the gentleman from Florida will make the customary motion to further insist upon our disagreement. If the motion should not be voted down and the House recedes, then the question will recur on the balance of the motion offered by the gentleman from Florida that we concur with an amendment.

Parenthetically, I would say that the amendment is desirable if the fund be approved. Its effect is to deny the availability of the funds for any project if a request for funds for such project has been denied by either body of the Congress or by the Appropriations Committee of either body.

The first question to be decided, however, is whether or not we shall recede. That places squarely before the House the question of whether or not there should be any emergency fund for the President at all. It has been the contention of the gentleman from Idaho and many Members of the minority side at least, that under present conditions, with the war over and with the Congress in session as steadily as it is, there is no occasion for an emergency fund; that the history of the emergency fund shows that on practically every use to which it has been put there has been ample time for the President to send up a supplementary estimate or a request for early consideration. The deficiency committee has been very prompt to respond to appeals for emergency appropriations. We have passed several here in the recent history of the House where on very short notice when an emergency has arisen the deficiency committee has given it consideration. The question that is now before the House is whether or not you want to continue the existence of an emergency fund from which the President may make appropriations or expenditures without any justification or without presenting the matter to the Congress.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. MICHENER. Do I correctly state the situation when I say that the question is whether or not the President shall be given a blank check to spend as he may see fit for such purposes as he may desire, the sum of $5,000,000.

Mr. CASE of South Dakota. The gentleman is correct in that assumption.

Mr. MICHENER. Has the committee reported a proposal such as that?

Mr. CASE of South Dakota. No; that is not in the conference report. That is what is in disagreement. A vote "aye" to recede is a vote for the blank check; a vote "no" is against it.

Mr. HENDRICKS. Mr. Speaker, I yield 4 minutes to the gentleman from Idaho [Mr. DWORSHAK].

Mr. DWORSHAK. Mr. Speaker, the gentleman from South Dakota has explained the parliamentary situation in regard to the motion now pending. I want to call attention to the proviso added by the Senate. I quote:

Provided, That no part of such fund shall be available for allocation to finance a function or project for which function or project a Budget estimate of appropriation was transmitted pursuant to law during the Seventy-ninth and Eightieth Congresses and such appropriation denied after consideration thereof by the Senate and House of Representatives or by the Committees on Appropriations of both bodies.

Mr. Speaker, I contend that is an ineffectual proviso because naturally if the President wants to allocate funds for some alleged emergency proposal which might be denied in Congress, he would not transmit a Budget request to the Committee on Appropriations of the House. Consequently the committee would not have an opportunity to consider a request which would not be submitted. This prohibition would be inoperative and ineffectual and would not accomplish the purpose which the conferees on the part of the other body contend it would.

In the hearings on this particular item, there is nothing to justify the continuance of an emergency fund for the President. Of course, during the war, the previous President had access to these funds and sought to justify them because of the lack of time to present Budget requests to the Congress. During the hearings on this question, I asked the Director of the Bureau of the Budget what justification there was. I quote Director Smith's reply, as follows:

The only thing we know about is some more money for the item that you mentioned, approximately $4,000,000 for repatriation of destitute people, and if that is the sole item, it might then be approximately $13,000,000 balance instead of $17,000,000; but that would be a rough guess.

Therefore, it is obvious that whereas there was about $17,500,000 available in the emergency fund of the President on December 6, 1945, the Director of the Budget did not offer any justifiable reason for continuing this emergency fund because he could anticipate no project upon which this fund might be expended.

It has been pointed out frequently that Congress is in session most of the time, and whenever an item is needed to cover some emergency proposal submitted by the Bureau of the Budget, the President can come here and request consideration by the Appropriations Committee.

I want to stress again that this proviso is merely a subterfuge, and no Budget request would either be submitted to or considered by any appropriations committee when it was anticipated there

would be disapproval of it. Therefore, I appeal to the House to defeat this motion to recede, so that the bill will remain in the exact form that it was when it left this body—containing no emergency funds for the President.

The SPEAKER. The time of the gentleman from Idaho [Mr. DWORSHAK] has expired.

Mr. HENDRICKS. Mr. Speaker, I yield 4 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Speaker, I think almost everyone in the House would agree that one of the most fundamental mistakes the Congress of the United States ever made was the surrender in recent years of control over the purse strings of the Nation to the executive branch of the Government.

I object to a large emergency fund for the Executive on fundamental principle. I object to it also because, time and time again, despite frequent protests to the Budget Bureau, it has been demonstrated that this fund in recent years has been used for purposes for which it should not have been used.

I do not have time to read the items, but for this fiscal year between July 1 and December 5, 1945, there were some 13 allocations made out of the emergency fund, aggregating some $6,712,000. Almost without exception, in my opinion, those items not only could but should have been brought to the Appropriations Committees of the Congress, instead of being spent in the discretion of the Bureau of the Budget, without any "Yes" or "No" by the Congress.

Under leave to extend my remarks, I include at this point in the RECORD a table showing the allocations:

Statement of allocations made from the current appropriation, emergency fund for the President, national defense, 1942–46, during the period July 1 to Dec. 5, 1945

Balance available for allocation as of July 1, 1945	$58,935,122
Rescission of portions of previous allocations	+10,558,284
Rescission of appropriation	−45,000,000
Total available for allocation	24,493,406
Allocations:	
Executive Office of the President: For procurement of special reports and handling of special problems	100,000
Independent offices: Veterans' Administration: For printing and binding (Reimbursable—H. R. 4805)	200,000
Federal Security Agency: For temporary aid to civilians	1,300,000
Department of Commerce: For disposal of Office of Civilian Defense property	221,000
Department of the Interior: For special committee appointed by President	19,800
Department of Justice: For confidential purposes	2,771,357
Department of Labor: For President's National Labor-Management Conference	15,000
Allocations—Continued	
Department of State:	
For procurement of special reports	$125,000
Expenses of personal representative of President to United Nations Organization	377,500
Cultural relations with China, Near East, and Africa (pursuant to Public Law 529)	1,390,000
Conference of Allied Ministers of Education in London (pursuant to Public Law 529)	172,000
For confidential purposes	15,000
Expenses of representative of President in French West Africa	5,539
Total allocations to Dec. 5, 1945	6,712,196
Balance available for allocation as of Dec. 6, 1945	17,781,210

I should not object to a small fund under present conditions, but the fighting is over, and it seems to me altogether unnecessary to set up such a fund as $5,000,000 for the fiscal year 1947.

I hope when the question recurs on whether the House will recede, that the Members will vote "no" in order that the proposed fund of $5,000,000 may be eliminated or substantially decreased.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. HENDRICKS. Mr. Speaker, I yield 4 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. This fund for the President permits the President to allocate funds for any purpose he may see fit except something that has not heretofore been deliberately refused by the Congress. That allows him to go ahead and spend money for a purpose which is not authorized by Congress. It has never been the custom in this country for any such fund to be available in peacetime; it never was for any President, it should not be now. There was not a single item of allocation in the last 12 months that was of an emergency character. There is no possible excuse for the continuance of this operation, and the Congress of the United States should now recover to itself the power to appropriate money and to provide for the departments of the government. If we do not, activities of all kinds will be started which the Congress will not approve and for which we will be subjected to all kinds of high pressure to continue.

I hope the Congress will refuse to recede, and will recover back to itself the power to create agencies and to appropriate funds for their continuance.

Mr. HENDRICKS. Mr. Speaker, I yield myself 5 minutes, after which I expect to move the previous question on the motion to recede.

Mr. Speaker, they would lead you to believe that we are being careless and reckless by allowing the President $5,000,000 emergency funds in this bill. Many bills have passed carrying large emergency funds for the President. Except for the fact that some of us who might want to play politics sometimes have criticized, it cannot be shown that the funds have been expended in any way they should not have been. This bill came to the House originally with $5,000,000 for the President's emergency fund. It was knocked out on a point of order and the House had no opportunity to vote on it. It went to the Senate. They restored it and put all the safeguards around it they possibly could.

Mr. Speaker, the gentleman from New York says we are giving the President a blank check to write and do with what he will. I admit that, and I am willing to give it to him. All these gentlemen who want to change this would give the President nothing. They state that the war is over. Maybe the shooting war is over, but really I must say that is not true. As far as we are concerned the shooting war is over, but the war is not over and nobody with any intelligence can stand here and say that the war is over.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. HENDRICKS. Not at this time.

Certainly emergency conditions arising out of the war are not over. The gentleman from New York says there are no emergencies for which this fund need be used. May I point out to you that the emergency fund was used to finance the UNO meetings. There has been no appropriation made for it.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. HENDRICKS. Not at this time. I have only 5 minutes. I will yield later.

There may be other organizations and other purposes arising out of UNO that would need some money before an appropriation could be put through the Congress for it.

The President used this emergency fund for the taking over of strike-bound plants. The President used this emergency fund to set up the office of the Housing Expediter for emergency housing. He used the emergency fund for the fact-finding boards. He used it for many purposes.

Is the President asking for a lot of money to spend and use foolishly? He is not. He had $59,000,000 last year. He, himself, asked that $45,000,000 of it be taken back, and it was.

He is only asking now for $5,000,000 in the coming fiscal year. The war is not ended in this country, and I feel that the people of the United States are of the opinion that the President ought to have this $5,000,000.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. HENDRICKS. I yield to the gentleman from New York.

Mr. TABER. No estimate was ever submitted up there to take care of the UNO. If there had been, it would have received prompt consideration. There is no emergency which justifies this allotment.

Mr. HENDRICKS. That still does not obviate the fact that emergencies will arise where the expenditure of money is needed immediately. If we cannot trust the President of the United States with

$5,000,000, we cannot trust him to be President of the United States.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. HENDRICKS. I yield to the gentleman from Texas.

Mr. MAHON. Does not the gentleman feel that the $5,000,000 is the lowest figure that we can afford to provide at this time in view of the demands that the President may possibly have and in view of the record made in the use of these funds within the last year?

Mr. HENDRICKS. Yes. The President had $59,000,000 last year and for the coming year he is asking for $5,000,000. I think that is a fair reduction in anybody's language.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. HENDRICKS. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. When the gentleman made the statement that the President's expenditure of these funds could not be challenged or questioned in any instance, I was wondering if the gentleman had in mind the use of this fund for the making of allocations to the FEPC, the refugee camp in New York, and for the construction of this so-called "mad house" down on Pennsylvania Avenue. In connection with all of those projects Congress has raised some question, whether wisely or not, but at least some doubt may exist as to whether or not the President's wisdom was perfect in making those allotments.

Mr. HENDRICKS. Did the gentleman vote for the FEPC? When he answers that, then I will answer his question.

Mr. CASE of South Dakota. I do not know that that question has come to a vote yet. We have heard a little about a discharge petition which seeks to bring it up.

Mr. HENDRICKS. It has come to a vote before.

Mr. CASE of South Dakota. On appropriations, perhaps. If the gentleman will look up the roll call he may find out.

Mr. HENDRICKS. Will the gentleman answer the question?

Mr. CASE of South Dakota. I do not recall my vote. Does the gentleman recall his vote?

Mr. HENDRICKS. Yes, I do. I voted "no."

Mr. CASE of South Dakota. Then the gentleman has answered the question I wanted to put.

Mr. HENDRICKS. If the gentleman voted for the FEPC, or if he is in favor of it, he cannot contend that the President's allotment to that agency is not a proper allotment.

Mr. CASE of South Dakota. The gentleman is the one who raised the question as to whether or not the President's use of the funds can be criticized. The gentleman has qualified for his own challenge.

Mr. HENDRICKS. I do not agree with the President in the allotment of funds to the FEPC, but the President had the legal right and authority to do it. If the gentleman is for the FEPC, then he cannot contend that the President did not properly allot that money out of the emergency fund.

The SPEAKER. The time of the gentleman from Florida has expired.

Mr. HENDRICKS. Mr. Speaker, I yield myself two additional minutes.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. HENDRICKS. I yield to the gentleman from Mississippi.

Mr. RANKIN. I want to know if this fund is going to be used for that purpose. If it is, I am going to vote against the conference report.

Mr. HENDRICKS. Mr. Speaker, I made inquiry at the White House if funds would be used for that purpose and I was told they had no intention of using funds for that purpose unless the act is authorized; therefore I assume the President will keep his word and will use none of these funds for FEPC.

The SPEAKER. The time of the gentleman has again expired.

Mr. HENDRICKS. Mr. Speaker, I move the previous question on the motion to recede.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Florida that the House recede from its disagreement to the Senate amendment.

Mr. HENDRICKS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 181, nays 140, not voting 110, as follows:

[Roll No. 62]

YEAS—181

Abernethy	Earthman	Lanham
Allen, La.	Eberharter	Larcade
Almond	Elliott	Lea
Andrews, Ala.	Ervin	Link
Baldwin, Md.	Fallon	Ludlow
Barden	Feighan	Lyle
Barrett, Pa.	Fernandez	McCormack
Barry	Flanagan	McDonough
Bates, Ky.	Fogarty	McGehee
Beckworth	Folger	McGlinchey
Bell	Gallagher	Madden
Biemiller	Gardner	Mahon
Bland	Gary	Maloney
Boykin	Gordon	Manasco
Bradley, Pa.	Gorski	Mankin
Brehm	Gossett	Mansfield, Mont.
Brooks	Granahan	
Brown, Ga.	Granger	Mansfield, Tex.
Bryson	Grant, Ala.	Marcantonio
Bulwinkle	Hare	May
Bunker	Harless, Ariz.	Miller, Calif.
Burch	Harris	Mills
Burgin	Hart	Morgan
Camp	Havenner	Morrison
Cannon, Fla.	Hays	Murdock
Cannon, Mo.	Healy	Murray, Tenn.
Chelf	Hedrick	Neely
Clark	Hendricks	Norrell
Clements	Hobbs	O'Brien, Ill.
Cochran	Hoch	O'Brien, Mich.
Combs	Holifield	O'Neal
Cooley	Hook	O'Toole
Cooper	Huber	Outland
Cox	Izac	Pace
Cravens	Jarman	Patrick
Crosser	Johnson, Calif.	Pickett
Curley	Johnson, Lyndon B.	Poage
D'Alesandro	Johnson, Okla.	Powell
Daughton, Va.	Kee	Price, Ill.
Davis	Kefauver	Priest
Delaney, James J.	Kerr	Rabaut
Delaney, John J.	Kilday	Randolph
Domengeaux	King	Rankin
Doughton, N. C.	Kirwan	Resa
Douglas, Calif.	Klein	Richards
Doyle	Kopplemann	Riley
Durham	LaFollette	Rivers
	Lane	Robertson, Va.
		Robinson, Utah
Roe, Md.	Starkey	Voorhis, Calif.
Rogers, Fla.	Stewart	Weaver
Rogers, N. Y.	Stigler	Welch
Rooney	Sullivan	West
Rowan	Sumners, Tex.	White
Russell	Tarver	Whittington
Sabath	Thom	Wickersham
Sadowski	Thomas, Tex.	Winstead
Sasscer	Thomason	Wolverton, N. J.
Sheppard	Tolan	Wood
Smith, Va.	Traynor	Woodhouse
Somers, N. Y.	Trimble	Worley
Spence	Vinson	

NAYS—140

Adams	Fulton	McMillen, Ill.
Allen, Ill.	Gavin	Martin, Iowa
Andersen, H. Carl	Gearhart	Martin, Mass.
Anderson, Calif.	Gifford	Mathews
Andresen, August H.	Gillespie	Merrow
Andrews, N. Y.	Goodwin	Michener
Angell	Graham	Miller, Nebr.
Arends	Grant, Ind.	Mundt
Arnold	Griffiths	Murray, Wis.
Barrett, Wyo.	Gross	O'Hara
Bates, Mass.	Gwynne, Iowa	O'Konski
Beall	Hagen	Pittenger
Bennet, N. Y.	Hale	Plumley
Bennett, Mo.	Hall, Edwin Arthur	Ramey
Bishop	Hand	Reece, Tenn.
Blackney	Harness, Ind.	Reed, Ill.
Bradley, Mich.	Henry	Rees, Kans.
Brown, Ohio	Herter	Rich
Brumbaugh	Heselton	Robsion, Ky.
Buck	Hess	Rockwell
Butler	Hill	Rodgers, Pa.
Byrnes, Wis.	Hoeven	Rogers, Mass.
Campbell	Holmes, Wash.	Schwabe, Okla.
Canfield	Hope	Scrivner
Carlson	Horan	Sharp
Case, N. J.	Hull	Smith, Wis.
Case, S. Dak.	Jenkins	Springer
Chenoweth	Jennings	Stevenson
Chiperfield	Johnson, Ill.	Stockman
Church	Johnson, Ind.	Sumner, Ill.
Clason	Jonkman	Sundstrom
Clevenger	Judd	Taber
Cole, Kans.	Kean	Talbot
Cole, Mo.	Kearney	Talle
Corbett	Keefe	Taylor
Curtis	Kilburn	Thomas, N. J.
D'Ewart	Kinzer	Tibbott
Dirksen	Knutson	Towe
Dolliver	Kunkel	Vorys, Ohio
Dworshak	Landis	Vursell
Ellis	LeCompte	Weichel
Ellsworth	LeFevre	Wigglesworth
Elsaesser	Lewis	Wilson
Elston	Luce	Winter
Engel, Mich.	McConnell	Wolcott
Fenton	McCowen	Wolfenden, Pa.
	McGregor	Woodruff

NOT VOTING—110

Auchincloss	Gibson	Patterson
Bailey	Gillette	Peterson, Fla.
Baldwin, N. Y.	Gillie	Peterson, Ga.
Bender	Gore	Pfeifer
Bloom	Green	Philbin
Bolton	Gregory	Phillips
Bonner	Gwinn, N. Y.	Ploeser
Boren	Hall, Leonard W.	Price, Fla.
Buckley	Halleck	Quinn, N. Y.
Buffett	Hancock	Rabin
Byrne, N. Y.	Hartley	Rains
Carnahan	Hébert	Rayfiel
Celler	Heffernan	Reed, N. Y.
Chapman	Hinshaw	Rizley
Clippinger	Hoffman	Robertson, N. Dak.
Coffee	Holmes, Mass.	Roe, N. Y.
Cole, N. Y.	Howell	Ryter
Colmer	Jackson	Savage
Courtney	Jensen	Schwabe, Mo.
Crawford	Johnson, Luther A.	Shafer
Cunningham	Jones	Sheridan
Dawson	Kelley, Pa.	Short
De Lacy	Kelly, Ill.	Sikes
Dingell	Keogh	Simpson, Ill.
Dondero	Latham	Simpson, Pa.
Douglas, Ill.	Lemke	Slaughter
Drewry	Lesinski	Smith, Maine
Eaton	Lynch	Smith, Ohio
Engle, Calif.	McKenzie	Sparkman
Fellows	McMillan, S. C.	Stefan
Fisher	Mason	Torrens
Flood	Monroney	Wadsworth
Forand	Murphy	Walter
Fuller	Norblad	Wasielewski
Gamble	Norton	Whitten
Gathings	Patman	Zimmerman
Geelan		
Gerlach		

So the motion to recede was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Patterson for, with Mr. Ploeser against.
Mr. Heffernan for, with Mr. Bender against.
Mr. Dingell for, with Mr. Gillie against.
Mr. Sheridan for, with Mr. Dondero against.
Mrs. Douglas of Illinois for, with Mr. Simpson of Pennsylvania against.
Mr. Courtney for, with Mr. Fuller against.
Mr. Gore for, with Mr. Stefan against.
Mr. Carnahan for, with Mr. Buffett against.
Mr. Pfeifer for, with Mr. Cole of New York against.
Mr. Bonner for, with Mr. Cunningham against.
Mr. Sparkman for, with Mr. Short against.
Mr. Kelley of Pennsylvania for, with Mr. Reed of New York against.
Mrs. Norton for, with Mr. Shafer against.
Mr. Rayfiel for, with Mr. Latham against.
Mr. Keogh for, with Mr. Schwabe of Missouri against.
Mr. Byrne of New York for, with Mr. Crawford against.
Mr. Colmer for, with Mr. Fellows against.
Mr. Roe of New York for, with Mr. Halleck against.
Mr. Green for, with Mr. Jensen against.
Mr. Lesinski for, with Mr. Hoffman against.
Mr. Monroney for, with Mr. Jones against.
Mr. De Lacy for, with Mr. Howell against.
Mr. Patman for, with Mr. Gillette against.

General pairs until further notice:

Mr. Coffee with Mr. Holmes of Massachusetts
Mr. Drewry with Mr. Gamble.
Mr. Quinn of New York with Mr. Hartley.
Mr. Price of Florida with Mr. Eaton.
Mr. Bailey with Mr. Gwinn of New York.
Mr. Peterson of Georgia with Mr. Mason.
Mr. Buckley with Mr. Rizley.
Mr. Whitten with Mr. Simpson of Illinois.
Mr. Slaughter with Mr. Wadsworth.
Mr. Torrens with Mrs. Smith of Maine.

The result of the vote was announced as above recorded.

PROGRAM FOR NEXT WEEK

Mr. HENDRICKS. Mr. Speaker, does the gentleman from Massachusetts [Mr. MARTIN] wish recognition?

Mr. MARTIN of Massachusetts. Yes; if I might have a couple of minutes.

Mr. HENDRICKS. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. I thank the gentleman for the time and take advantage of it to inquire of the majority leader as to the program for next week.

Mr. McCORMACK. If we dispose of these two conference reports today and the Hays bill there is no legislative program for tomorrow, and if there is no objection I shall then ask that we adjourn from today until next Monday.

Monday next is District day, but I understand that committee has no bills to be considered.

H. R. 3068, an omnibus claims bill out of the Claims Committee, for which unanimous consent to consider on Monday has already been secured, will be brought up at that time. There are several private bills in that omnibus measure.

On Tuesday and Wednesday we will consider a joint resolution on veterans' housing, which carries an appropriation of approximately $250,000,000, following the Second Emergency Housing bill.

Mr. MARTIN of Massachusetts. That is to take care of the so-called Lanham bill?

Mr. McCORMACK. Yes.

On Tuesday and Wednesday we will also take up consideration of a second deficiency bill for 1946.

On Thursday and Friday a Philippine trade act of 1946 bill will be considered. I understand the Ways and Means Committee has agreed to report this bill. The members of that committee are now in the process of writing a report. I have spoken with the chairman of that committee, the distinguished gentleman from North Carolina [Mr. DOUGHTON], and we have reached an agreement that we will consider that bill on Thursday and Friday.

That is the program for next week with the exception, of course, conference reports may be brought up at any time.

Mr. MARTIN of Massachusetts. Will Thursday be devoted to general debate?

Mr. McCORMACK. I cannot answer that question specifically.

Mr. MARTIN of Massachusetts. I understand that bill will take 2 days.

Mr. COOPER. Mr. Speaker, of course a rule has not yet been granted. My understanding is application for a rule will be made on Monday. Obviously it is impossible to tell definitely at this time, but, personally, I would think that the first day should be used in general debate and the second day in the reading of the bill. We cannot tell until a rule is granted.

Mr. McCORMACK. If necessary we can meet at 11 o'clock.

Mr. MARTIN of Massachusetts. I thank the gentleman.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

INDEPENDENT OFFICES APPROPRIATION BILL, 1947

Mr. HENDRICKS. Mr. Speaker, I move the previous question on the motion to concur in the Senate amendment with an amendment.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Florida.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 18: Page 15, line 8, insert the following:

"The Federal Works Administrator is authorized to accept payment, at par and accrued interest, of any obligations, held by him, of States or other public bodies or nonprofit corporations, notwithstanding the maturity dates or any premiums for the redemption thereof."

Mr. HENDRICKS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. WIGGLESWORTH asked and was given permission to revise and extend the remarks previously made and include a table.

URGENT DEFICIENCY APPROPRIATION BILL, 1946

Mr. CANNON of Missouri submitted the following conference report and statement on the bill (H. R. 5671) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5671) "making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 5, 6, and 7, and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

"LOANS, GRANTS, AND RURAL REHABILITATION

"For funds in addition to funds authorized under this head in the Department of Agriculture Appropriation Act, 1946, and for the same objects and subject to the same conditions, the limitation of $67,500,000 in the authorization and direction to the Reconstruction Finance Corporation to make advances, contained under this head in said Act, is hereby increased to $92,500,000."

And the Senate agree to the same.

CLARENCE CANNON,
LOUIS LUDLOW,
EMMET O'NEAL,
LOUIS C. RABAUT,
JED JOHNSON,
JOHN TABER,
R. B. WIGGLESWORTH,
EVERETT M. DIRKSEN,
Managers on the Part of the House.

KENNETH MCKELLAR,
CARL HAYDEN,
RICHARD B. RUSSELL,
STYLES BRIDGES,
CHAN GURNEY,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5671) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendment No. 1, relating to the Court of Claims: Appropriates an additional amount of $12,000, fiscal year 1946, for printing and binding, as proposed by the Senate.

Amendment No. 2, relating to the Office of Vocational Rehabilitation, Federal Security Agency: Appropriates an additional amount of $3,435,000, fiscal year 1946, for the

Federal share of costs of State vocational rehabilitation programs, as proposed by the Senate.

Amendment No. 3, relating to the Veterans' Administration: Appropriates an additional amount of $1,000,000 for increasing the vocational rehabilitation revolving fund from $500,000, as proposed by the Senate.

Amendment No. 4, relating to loans, grants, and Rural Rehabilitation, Department of Agriculture: Increases the existing limitation of $67,500,000 upon rehabilitation loans to needy individual farmers by the Reconstruction Finance Corporation by $15,000,000, instead of by $25,000,000, as proposed by the Senate.

It is the sense of the committee of conference that applications for loans of eligible veterans of World War II should have priority in making loans pursuant to this additional authorization.

Amendment No. 5, relating to the Navy Department: Provides for the payment out of existing appropriations of expenses in connection with the transfer to the United States of foreign vessels of war, as proposed by the Senate.

Amendment No. 6, relating to cemeterial expenses, War Department: Appropriates an additional amount of $3,000,000, fiscal year 1946, as proposed by the Senate.

Amendment No. 7, relating to increased pay costs of certain Federal officers and employees: Makes a direct appropriation of $228,117,807, as proposed by the Senate, instead of an indefinite appropriation of not to exceed $227,565,500, as proposed by the House.

CLARENCE CANNON,
LOUIS LUDLOW,
EMMET O'NEAL,
LOUIS C. RABAUT,
JED JOHNSON,
JOHN TABER,
R. B. WIGGLESWORTH,
EVERETT M. DIRKSEN,
Managers on the Part of the House.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H. R. 5671) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that the statement may be read in lieu of the report.

Mr. COCHRAN. Mr. Speaker, reserving the right to object, will the gentleman from Missouri tell us what is in the conference report?

Mr. CANNON of Missouri. Mr. Speaker, nothing but emergency matters. There is no item in it that is not of an emergency nature. All agencies provided for in this bill are either out of money or nearly so, and must be provided for immediately. The conferees on the part of the two Houses have met and have reached complete agreement. There is no difference of opinion on any provision in the report.

Mr. COCHRAN. Is there any disagreement on any item at all?

Mr. CANNON of Missouri. No disagreement on any item. There is complete agreement on the report in its entirety.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the statement.

Mr. CANNON of Missouri. Mr. Speaker, this bill is substantially in the form in which it passed the House as to House provisions. There is but one change as to such provisions, and that relates to pay costs, as to which the Senate has provided specific appropriations instead of limited indefinite appropriations. It is merely a change in form. Therefore, the only reason this bill went to conference was that the Senate added 6 amendments, excluding the pay-cost amendment.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Arizona.

Mr. MURDOCK. Is the appropriation of $100,000,000 for rural electrification in this bill?

Mr. CANNON of Missouri. That is not in this bill; that has been provided for in an earlier measure.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Texas.

Mr. MAHON. I was concerned by the fact that while the Senate provided $25,000,000 in additional loans for the Farm Security Administration, in conference the figure was reduced so that only $15,000,000 will be available for additional loans by the Farm Security Administration. I had hoped very much that we might agree to the Senate figure of $25,000,000. May I ask the distinguished chairman of the committee if he believes the $15,000,000 will be reasonably adequate to meet the demands, particularly the demands of veterans, for loans? I know I have received numerous letters from individual veterans and individual farmers in my home State who are dependent upon Farm Security Administration loans. They were told a few days ago that there is no more money available. I would hate for us to find that the $15,000,000 provided here is not adequate to meet the most pressing demands. Will the gentleman make some statement as to that situation?

Mr. CANNON of Missouri. The amount is more than adequate. On March 8 there still remained of this appropriation in round figures $6,500,000; to be specific, as I recall it, $6,465,000 remained on March 8 unused and uncommitted. Of course, the larger part of that amount is still uncommitted. The Senate amendment, however, provided for $25,000,000 additional, $15,000,000 of it for veterans and $10,000,000 for nonveterans. We have agreed to $15,000,000, and in the conference report we set out that the veterans are to have priority. Therefore, under the bill as here reported we have approximately the $6,500,000, and in addition the $15,000,000 carried by this amendment in the allotment of which the veterans are to have priority. I may say that suggestions to the effect that there might not be sufficient money were based upon estimates. No actual figures were submitted. They merely submitted surmises, and even under the figures submitted it is not clear that any additional amount will be necessary.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from New York.

Mr. TABER. Is it not a fact that no estimate was made and no Budget estimate was submitted for this item?

Mr. CANNON of Missouri. That is true.

Mr. Chairman, if there had been any desire to follow the regular routine, a very essential routine in these days when we are trying to balance the Budget, this item would have been submitted to the Bureau of the Budget. As a matter of fact, the Bureau of the Budget was not even consulted. They just came up here and threw it in without any of the usual advanced consideration, without any estimate and without the approval of the Bureau of the Budget, which has a very important function under our budgetary system of government. But in any event we have gone along and provided ample funds for the purpose.

In addition to this loan matter, the Senate added an amendment for $12,000 for printing and binding for the Court of Claims. The previous appropriation is $33,000.

We have agreed to a Senate amendment providing an additional $3,435,000 for the Federal share of cost of State vocational rehabilitation programs. The previous appropriation is $8,258,900.

This will take care of the needs for allotment to the States. There is also an increase in the vocational rehabilitation revolving fund of the Veterans' Administration from $500,000 to $1,500,000.

The fifth amendment involves no additional appropriation. It will enable the Navy Department to defray expenses in connection with the transfer to the United States of foreign vessels of war, including pay, subsistence, clothing, transportation, and repatriation of alien crews. That was agreed to by the House conferees.

The last item makes an initial appropriation of $3,000,000 for the procurement of caskets for the bodies of soldiers of World War II to be returned to this country for burial.

Option will be afforded the next of kin, as in the last war, to determine whether they prefer those who fell in foreign lands to be returned for burial in the United States or whether they prefer to have them remain in the American cemeteries on the battlefields where they fell. It is estimated that eventually $100,000,000 will be necessary for this purpose. This is the initial provision of $3,000,000.

Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, this is a unanimous report of the conferees. Frankly I think it calls for too much money in some of the items in disagreement, but it was the best settlement we could get out of the Senate. It is, as the chairman stated in his opening remarks, an emergency bill providing funds that must be had. You know this is an emergency administration. We have been in the throes of an emergency

administration ever since the 4th of March 1933. Just so long as this administration lasts we can count on being in the throes of an emergency and emergency legislation.

Mr. CANNON of Missouri. Mr. Speaker, I agree with the gentleman from New York that since 1933 we have met many emergencies. The preceding administration had brought on some of the most pressing emergencies in the history of the Nation—emergencies which it could not meet. The World War also precipitated unprecedented emergencies. The brightest chapters in American history are those which record the prompt and efficient manner in which the administration—from 1933 to 1946—has taken care of every emergency, foreign and domestic, successfully and effectually and to the satisfaction of everybody concerned, including all House and Senate conferees on this bill.

Mr. Speaker, if no one else desires to speak, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to; and a motion to reconsider was laid on the table.

AUTHORIZING THE SPEAKER TO SIGN ENROLLED BILL H. R. 5671

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House the Clerk be authorized to receive a message from the Senate on the bill H. R. 5671, and that the Speaker be authorized to sign the enrolled bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DEMOCRATIC CAUCUS

Mr. McCORMACK. Mr. Speaker, I desire to make a brief announcement for the benefit of the Democratic Members.

On Monday afternoon at 4 o'clock, if the House has adjourned, or if not, immediately after the adjournment of the House, there will be a Democratic caucus for the purpose of electing a Democratic member of the Ways and Means Committee, there being one vacancy at this time.

EXTENSION OF REMARKS

Mr. FALLON asked and was given permission to extend his remarks in the RECORD and include an address delivered on St. Patrick's Day by the Most Reverend Lawrence J. Sheehan, auxiliary bishop of Baltimore and Washington.

Mr. HARRIS asked and was given permission to extend his remarks in the RECORD and include an article from the Washington Post, dated March 19.

Mr. GOSSETT asked and was given permission to extend his remarks in the RECORD and include a prize-winning poem entitled "Soldier Returning."

Mr. RANDOLPH (at the request of Mr. HEDRICK) was given permission to extend his remarks in the RECORD and include a poem.

FEDERAL RURAL REHABILITATION PROJECTS

Mr. SABATH. Mr. Speaker, I call up House Resolution 545 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2501) to authorize the Secretary of Agriculture to continue administration of and ultimately liquidate Federal rural rehabilitation projects, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same back to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CALL OF THE HOUSE

Mr. TARVER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 63]

Anderson, Calif.	Gathings	Patman
Andrews, N. Y.	Geelan	Patterson
Arends	Gerlach	Peterson, Fla.
Auchincloss	Gibson	Peterson, Ga.
Bailey	Gillette	Pfeifer
Baldwin, N. Y.	Gillie	Philbin
Bell	Gore	Ploeser
Bloom	Green	Plumley
Bolton	Gregory	Powell
Bonner	Griffiths	Price, Fla.
Boren	Hall, Leonard W.	Quinn, N. Y.
Buckley	Halleck	Rabin
Buffett	Hart	Rains
Bulwinkle	Hartley	Rayfiel
Burch	Hébert	Reed, N. Y.
Burgin	Heffernan	Rich
Byrne, N. Y.	Hinshaw	Robertson, N. Dak.
Camp	Hoffman	Roe, N. Y.
Carnahan	Holifield	Rooney
Celler	Holmes, Mass.	Ryter
Chapman	Howell	Savage
Clements	Jackson	Sharp
Clippinger	Jensen	Sheppard
Cole, N. Y.	Johnson, Luther A.	Sheridan
Colmer	Johnson, Okla.	Short
Cunningham	Kelley, Pa.	Sikes
Curley	Kelly, Ill.	Simpson, Ill.
Daughton, Va.	Keogh	Simpson, Pa.
Dawson	King	Slaughter
De Lacy	Latham	Smith, Maine
Delaney, John J.	Lea	Smith, Ohio
Dingell	Lesinski	Sparkman
Dondero	Luce	Spence
Douglas, Ill.	Lynch	Stefan
Eaton	McKenzie	Stockman
Eberharter	McMillan, S. C.	Sumner, Ill.
Ellsworth	Mason	Torrens
Engel, Mich.	May	Walter
Engle, Calif.	Monroney	Wasielewski
Fisher	Murphy	Whitten
Flood	Norblad	Wilson
Forand	Norton	Winter
Fuller	O'Neal	Zimmerman
Gamble		

The SPEAKER. On this roll call 301 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FEDERAL RURAL REHABILITATION PROJECTS

Mr. SABATH. Mr. Speaker, this rule makes in order the consideration of the bill H. R. 2501, known as the Hays bill. It provides for 1 hour of general debate, after which the bill will be read for amendment under the 5-minute rule.

This bill comes from the Committee on Agriculture. Although there was some question in the committee as to the bill, I understand an agreement has been reached by the committee, which believes that the bill should be passed despite the fact similar provisions are in the Cooley bill, because it is feared that the Cooley bill may take some time before it can clear the House and the other body.

In short, Mr. Speaker, this bill authorizes the Secretary to sell to World War veterans land for agricultural purposes. It has been stated that we have about 1,000,000 acres of land, a considerable proportion of which can be advantageously farmed. In view of the fact that many returning veterans are seeking to obtain permanent homes on farms on which they can provide for their families, I think this bill is in the right direction, because we cannot do too much for these returning men who have served our country so well.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. MICHENER. Does this bill attempt to carry out the policy established by Rex Tugwell when he was in the Department, that is, placing people on farms where they could not make a living, even sending some of them to Alaska. I do not want to hold out hope to the veterans which fails to give them any security. I just do not want these boys to be fooled. I may favor the bill after the debate, but I want to be sure these veterans are not being sold a gold brick.

Mr. SABATH. I fully appreciate that my colleague, the gentleman from Michigan, has the interest of the veterans at heart, and that he would not favor any legislation which would not help them, as is intended, I believe, by this legislation.

To my surprise, however, the gentleman from Michigan seems to me to be unfair to call this the Tugwell program. He will recall that the purpose of the resettlement program was not alone to provide farms for ex-servicemen and the unemployed, but also to contribute to the Nation-wide effort to provide employment for the millions still unemployed that we inherited from the Republican administration, and all in sharp contrast to Mr. Hoover's policy of letting the American people starve. I concede that some of the projects and some of the farmers did not succeed. Of course, we always have some derelicts in every walk of life.

Under present law the Farm Security Administration is directed to sell the tracts in question as rapidly as possible; and that means that most of it is being

sold in large tracts to the highest bidder. Under the present law, the Secretary cannot delay the sales until the veterans get out of service and qualify themselves.

Mr. TARVER. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield for a question.

Mr. TARVER. May I be permitted to reply to the question of the gentleman from Michigan? This bill gives to the Farm Security Administrator and the Department of Agriculture no authority which they do not already have with regard to selling these lands to veterans. The only material change in existing law is to repeal that provision of the Agriculture Appropriation Act, for which the House has voted many times, and for which it voted again on Monday of last week, which prohibits the maintenance of these so-called cooperative land projects except for purposes of disposition or liquidation. This bill would provide for the maintenance for 3 years after the war of these projects and would repeal that provision of existing law by implication and would authorize the making of appropriations in unlimited amounts as you will see by examining section 3, for the purpose of maintaining, developing, and carrying on these identical projects which Congress has many times disapproved.

Mr. MICHENER. It will carry on the Tugwell program?

Mr. TARVER. That is right, for 3 years after the war.

Mr. FLANNAGAN. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Virginia, chairman of the Committee on Agriculture.

Mr. FLANNAGAN. This legislation would not carry out a single project inaugurated by Tugwell or anyone else under the Farm Security Act. It only provides that those lands now owned by Farm Security that are susceptible of division into farm units be offered for sale to veterans first. It gives the veterans a preference. This legislation has attracted much attention and has been approved by a veterans' association of the United States.

Mr. SABATH. Personally, I do not see anything in the bill that could in any way operate against giving an opportunity to veterans of obtaining a piece of land on which they can make their livelihood.

If they require grazing land, naturally they will need as much as 400 acres. Nevertheless, I give the veterans credit for knowing what kind of land and how much land they can farm to advantage.

Mr. SPRINGER. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. SPRINGER. What is the position of the various veteran organizations with respect to this measure?

Mr. SABATH. The veteran organizations I have heard from are in favor of this legislation. I do not see how any man who is interested in the veterans can be opposed.

From the study I have made and from the information I have obtained, the Committee on Agriculture, which has given the matter a great deal of thought and consideration, feels it is bound to be of great benefit to 200,000 or more veterans who are seeking to establish themselves on the farm, because they realize the advantages agriculture and farmers are now enjoying. I do not blame them for wanting to go on the farms, where they will at all times have a roof over their heads, and will be able to raise enough to maintain themselves and their families. They will be in a much better position than the man who comes back to a job in a plant or factory or shop where, before he can obtain a living wage, he may have to spend 2 months or more without employment, and go out on strike, before he can obtain a living wage; whereas, these men on the farms will not be subject to such trials and tribulations.

Mr. Speaker, I believe I understood the gentleman from Pennsylvania [Mr. GROSS] to say that farmers do not need any assistance from the town and city folks for whom the farmers must provide food.

If this bill passes and veterans of World War II are aided in obtaining suitable land for farming, as I hope they will be, the gentleman should have this much knowledge, that obtaining the land in itself will not make it possible for them to clean, clear, develop, and prepare the land for farming. It must be plowed, disked, harrowed, dragged, and planted, and the crop must be cultivated and harvested. For this, as he should know, all kinds of machinery, tools, and implements are needed—tractors, plows, wagons, cultivators, threshers, and so on—which the farmers surely do not themselves make.

All those things must be made in factories by labor in the towns and cities. The farmers must have homes to live in, barns and sheds. They must be clothed. They must have shoes, and many, many other things that are not grown on the farm, before they can put in a crop, harvest it, and ship it to market.

I hope, Mr. Speaker, he will concede that farmers are dependent on the city workers for the tools and equipment and supplies that make it possible for the farmers to produce the crop just as the city workers are dependent on the farmers for food.

I understand from the latest reports that we will have a greater crop than ever this year, exceeding even that of the banner years of 1944–45. I hope when these deserving men come back and get these farms they will continue to follow the best methods of successful farmers and will help to produce still greater crops, so that we can continue not only to provide for our own needs but also for many of those starving people across the seas.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman referred to a crop estimate for this year. Let me tell the gentleman that the crops estimated by the Department of Agriculture and reported this morning have not as yet been planted, so it is rather like pulling something out of thin air.

Mr. SABATH. I know they have nearly always been correct in those things. I know also there are some gentlemen who invariably try to make the country believe there will be a shortage, shortage, shortage in everything. That is only for the purpose of boosting prices to the consumers. I do not believe in that. I believe these men experienced in agriculture know what they are doing. If they do not they ought to close up shop and we ought to stop appropriating millions upon millions for them.

Mr. GRANGER. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. GRANGER. In response to the statement of the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], is it not a fact that estimate has been made for years and years?

Mr. SABATH. The gentleman is correct, as always.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield on that point?

Mr. SABATH. I yield.

Mr. AUGUST H. ANDRESEN. This is an interim extra crop report. The usual crop report is made on the 10th of the month. The crop report will come out on the 10th of April.

Mr. SABATH. And I hope it will be even better than is indicated by the report I read this morning.

Mr. AUGUST H. ANDRESEN. The gentleman comes from a great corn and hog producing State. The gentleman knows that the corn will not be planted in his State until sometime in May.

Mr. SABATH. I fully appreciate that. Although I do not know much about agriculture, I know that much; and I know a few other things as well, but I am not going to enlighten the House just now.

Mr. Speaker, I reserve the balance of my time and yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, I understand several Members on this side of the aisle are opposed to the bill but I have learned of none who are opposed to the rule.

Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. JENKINS] and ask unanimous consent that he may proceed out of order.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. JENKINS. Mr. Speaker, last fall, about October, Congress passed a tax bill providing for the repeal of excess-profits taxes and for carry-overs and carry-backs, and for the removal from the rolls of about 12,000,000 low-income taxpayers. Since its passage that law has provoked a great deal of discussion and some criticism. I think that if the bill were to come up for consideration at this time it might not pass. At that time it appeared that we were on the threshold of an era of prosperity, but that era now has slipped away from us. At that time people were hopeful and business was reconverting rapidly. The principal opposition at that time was

from those who felt that in view of the collosal national debt it was not wise to reduce taxes in any respect. Most of those who have recently been complaining did not complain at that time.

A great many Members of the House on both sides have indicated to me that they would like to have the facts with reference to this legislation, and especially to the features I have mentioned. I have had collaboration with one of our experts on the Ways and Means Committee and we have gotten together a compilation of the facts and figures which I believe will answer the questions and queries of those who have made inquiries.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and also ask unanimous consent that I may extend my remarks in the Appendix of the RECORD.

Mr. KOPPLEMANN. Mr. Speaker, reserving the right to object, I am interested in the gentleman's statement that if that bill were to come before us now it might not pass. Does the statement which the gentleman desires to have inserted in the RECORD deal with the reasons why that bill should not have been passed?

Mr. JENKINS. No; I would not say that it does especially. It is a statement of facts with reference to the whole program.

Mr. KOPPLEMANN. In the light of what has happened, may I conclude, from the gentleman's observation that the bill might not pass were it up for consideration today, that the handful of us who voted against that tax bill prophesied correctly?

Mr. JENKINS. If the gentleman gets any satisfaction out of that situation, he is entitled to it. As I have already stated, a number of people in the country opposed it.

Mr. KOPPLEMANN. In relation to the statement that the gentleman desires to put into the RECORD, I would like to know——

Mr. JENKINS. If the gentleman presses me on that, I will say those who have criticized the passage of that bill most sometimes forget to give credit to the other feature of the law which released from the payment of all taxes some 12,000,000 people in the lower tax brackets. The criticism that has come to this bill is that it passed back the carry-forwards and carry-backs to corporations. However, that bill was a well-balanced bill. It did some of that, but not nearly to the extent that some would have us believe. Instead of a $22,000,000,000 carry-back, it was not more than about five billion. But it did release from the tax rolls about 12,000,000, many of whom would probably be opposed to the carry-backs and carry-forwards, while at the same time they would like to have the provision that was passed for their benefit. It was a well-balanced bill passed at a time when it looked as if the country was getting into an era of prosperity and progress. It may not be a well-balanced bill now because the conditions have changed materially.

Mr. KOPPLEMANN. It wasn't balanced as it came back from the Senate, so far as corporation taxes were concerned. The relief to the 12,000,000 was a picayune item compared to the relief given the corporations. But the $5,000,000,000 you mention would have balanced the Budget.

Mr. JENKINS. I would not agree with that statement. Every tax bill is a burden. None of them are popular.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SABATH. Mr. Speaker, I yield to the gentleman from Texas [Mr. LANHAM].

Mr. LANHAM. Mr. Speaker, I ask unanimous consent that the Committee on Patents may be permitted to file a supplemental report to accompany H. R. 3756.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SABATH. Mr. Speaker, I yield 8 minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Speaker, I hope the membership of the House will give me their attention while I endeavor to discuss the subject matter which is now under consideration. This is a proposal to repeal by indirection a part of the Agricultural Appropriation Act of 1946. In view of the statement which was made by the Chairman of the Committee on Agriculture when he interrupted the gentleman from Illinois [Mr. SABATH], and his evident misconception of the purposes of the bill which was reported by him, I desire to read from his own report submitted to this House on December 17, 1945, as follows:

> The primary object of the bill is to direct the partial suspension, for a period not to exceed 3 years from the termination of the present war, of the requirement contained in the current Department of Agriculture Appropriation Act (59 Stat. 136) to liquidate as expeditiously as possible resettlement projects and rural-rehabilitation projects for resettlement purposes, in order to permit development and sale of the property to veterans without precluding equitable treatment of present project occupants.

Now, what is the provision of the Agricultural Appropriation Act of 1946 which it is desired to repeal by indirection?

I read from page 28 of that act:

> None of the moneys appropriated or otherwise authorized under this caption "Loans, grants, and rural rehabilitation", shall be used for (1) the purchase or leasing of land or for the carrying on of any land-purchase or land-leasing program; or (2) the carrying on of any operations in collective farming, or cooperative farming, or the organization, promotions, or management of homestead associations, land-leasing associations, land-purchasing associations, or cooperative land purchasing for colonies of rehabilitants or tenant purchasers, except for the liquidation as expeditiously as possible of any such projects heretofore initiated.

In other words, this bill proposes to remove the limitation which has been carried for several years and for which this House voted again without a dissenting voice on Monday of last week in H. R. 5605, the Agricultural Appropriation bill for next year, preventing the use of funds carried in the bill for carrying on and maintaining these projects, by providing that they may be maintained and carried on for a period of 3 years after the war for the purpose of selling them to veterans or to present occupants of the projects.

There is no necessity for any additional law in order to sell these lands to veterans. The Farm Security Administration is selling them to veterans now. It is carrying on now the identical policy which is provided for in this bill with the exception of that part of the bill which seeks to repeal the inhibition against maintaining these cooperative land projects to which I have referred for other purposes than liquidation.

Let me read to you what they propose to do here in section 3:

> There is hereby provided to be appropriated such amounts as may be necessary to carry out the purposes of this act, including, without limitation, the maintenance and operation of the project properties and making betterments and improvements deemed necessary to accomplish the purposes—

What purposes? For selling to veterans? No—

> the purposes for which such properties were acquired.

For what purposes were they acquired? They were acquired in part for the purpose of carrying on the communal farming operations on huge tracts of land acquired by the Farm Security Administration. They were acquired for purposes which this House has many times disapproved and against which it has legislated in the passage of several agricultural appropriation acts. Now it is proposed, and it is frankly stated in the report of the committee, that it is the primary purpose of the legislation to repeal that inhibition. If the gentlemen want to repeal that inhibition they should have made the proposal on Monday of last week when the Agricultural Appropriation bill was being passed by the House, because we had in that bill this identical limitation which has been carried heretofore, and not a member of the Committee of the Whole rose to suggest that any change ought to be made in that limitation.

Our Subcommittee on Agricultural Appropriations has been studying this matter for a number of years. We have sought to correct abuses which grew up in the operations of the Farm Security Administration. The gentleman from Arkansas, the author of this bill [Mr. HAYS], was one of the officials of the Farm Security Administration when some of these abuses were being carried on, and one of the most outstanding of them was the communal project at Lake Dick, Ark., in his State. We have tried to stop the wastage of public funds, and the endeavor to encourage communal farming along the lines of practices of Soviet Russia. We have sought to bring about the liquidation of these 1,800,000 acres of land owned by the Farm Security Administration and operated largely for these purposes, and they have been liquidated down to about 600,000 acres of land which they now own. This report says, I believe, some 1,100,000 acres, but that is when the re-

port was written. The land is down now to 600,000 acres. If you will refuse to pass this bill, we will soon get the Farm Security Administration out of this cooperative land-project business.

Who wants to turn the veterans of the United States into this sort of a program? What veteran has ever asked for it? Somebody of course persuaded John Thomas Taylor to write a letter to the Members of Congress, which letter on its face indicated that he did not know what he was talking about, indicating that the veterans were interested in an attempt to maintain these programs for their benefit, but if you will read the report on the bill itself you will find that Mr. Taylor on the face of his letter did not know what he was undertaking to discuss and, in my judgment, he does not represent a half a dozen veterans in the United States; that is, with regard to this matter.

In the report of Marvin Jones, who was then War Food Administrator, he said:

> Other than the suspension of the liquidation mandate in order to develop and sell the property to veterans as provided by the bill, the bill would not appear to authorize Farm Security Administration to carry on any program or activity proscribed by Congress under existing law.

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia.

Mr. TARVER. It is perfectly clear from a letter which I have here from the present Administrator of the Farm Security Administration that all the authority contained in this bill with the exception of that in regard to maintaining, developing, and carrying on these cooperative land projects for a period of 3 years after the war the Farm Security Administration already has. I read from that the bill will "limit sales of such developed or subdivided lands to only present occupants or veterans."

Then he states what he is doing under existing law:

> In connection with the expeditious, though orderly, sale of project properties, economic farm units are being sold at earning capacity values to low-income farmers meeting the standards of eligibility set out in the Bankhead-Jones Farm Tenant Act (including veterans eligible under such standards), and upon the same terms as applicable to loans under the act.

In other words, everything in this bill that could be insisted is good is already provided for by law. The only thing that is bad, and the thing which it is attempted to bring about again after it has been stopped by Congress, is the maintenance of these so-called cooperative projects. I certainly hope that the House, which has heretofore adopted many times a position with reference to this subject, will not permit this to be done under the guise of helping the veterans. It is not going to be of any assistance to them.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Kansas.

Mr. REES of Kansas. Why would it not be proper just to give the veterans a preference for the purchase of this land and let them buy it outright?

Mr. TARVER. They are being given preferential consideration by the Farm Security Administration. I am in favor of selling the land to veterans, if they want it. The Farm Security Administrator now will sell veterans the land that has not been disposed of, if they want it. There is no necessity for providing unlimited funds to carry on cooperative land projects in order to bring about that result.

The letter from the Farm Security Administrator regarding this bill which I have permission to insert reads as follows:

> UNITED STATES DEPARTMENT
> OF AGRICULTURE,
> FARM SECURITY ADMINISTRATION,
> *Washington, March 19, 1946.*
>
> Hon. MALCOLM C. TARVER,
> *House of Representatives,*
> *Washington, D. C.*
>
> DEAR JUDGE TARVER: This is in response to your recent oral inquiry with respect to H. R. 2501—"A bill to authorize the Secretary of Agriculture to continue administration of and ultimately liquidate Federal rural rehabilitation projects, and for other purposes."
>
> It appears that if enacted the bill would authorize the suspension of the liquidation mandate for a period not to exceed 3 years in order to:
>
> 1. Allow the Farm Security Administration to develop and subdivide the project property into economic family-type units.
>
> At the present time the Farm Security Administration does not have authority to spend appropriated funds for the development and operation of project properties except in connection with expeditious liquidation of such properties.
>
> 2. Limit sales of such developed or subdivided lands to only present occupants or veterans.
>
> In connection with the expeditious, though orderly, sale of project properties, economic farm units are being sold at earning-capacity values to low-income farmers meeting the standards of eligibility set out in the Bankhead-Jones Farm Tenant Act (including veterans eligible under such standards), and upon the same terms as applicable to loans under the act.
>
> 3. Permit present occupants or veterans a period within which to establish their eligibility to acquire their present units, if suitable, or to acquire other developed or subdivided project units.
>
> The present direction from the Congress is to expeditiously liquidate project property. Originally there were 1,856,000 acres included in the project properties to be liquidated. Two-thirds of this land has been disposed of in accordance with the direction from the Congress, leaving 633,000 acres unsold. A portion of this acreage is not suitable for subdivision into economic farm units and subsequent disposition to veterans or other eligible applicants. For example, six land-purchasing associations have 330,000 acres of land acquired almost wholly for grazing purposes which cannot be practically subdivided into family-size economic units. Other units containing community facilities and utilities are not suitable for farming purposes. It is estimated that of the unsold land only about 105,000 acres are suitable for subdivision into economic farm units. Approximately 15 percent of this land is developed and would be sold to project occupants if H. R. 2501 is enacted. The remaining 85 percent, if developed and subdivided, would produce approximately 850 economic family-size farm units for sale to veterans.
>
> We will be glad to furnish you any additional information you may wish.
>
> Sincerely yours,
> DILLARD B. LASSETER,
> *Administrator.*

(Mr. TARVER asked and was given permission to revise and extend his remarks and include a letter he had received from Mr. Lasseter.)

Mr. ALLEN of Illinois. Mr. Speaker, I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, I might say to you today, "Behold the resurrected ghost of Rexford Guy Tugwell." He began resettlement back in 1935 under an Executive order. I do not recall in its entirety the number of millions of dollars we entrusted to what I am frank to say is the careless sense of responsibility of Rexford Tugwell, but he has long since been removed from the scene and has gone on to larger fields to nationalize all the land in Puerto Rico. I understand he has come to the end of his accomplishment there and soon will assume a pedagogical position in a midwestern university. I say that only for purposes of background, because here we have an endeavor now to continue for 3 years after the end of the war the projects that the subcommittee on agricultural appropriations has made a diligent endeavor to liquidate. When is 3 years after the war? I presume it will be 3 years from the day when the President proclaims the end of the emergency or Congress passes a concurrent resolution. Whatever it is, you can use your own yardstick and figure 3 years from that day that these projects will be kept in an operating condition until the Secretary of Agriculture at his pleasure undertakes to cut up these lands that are tillable and turn them over not alone to veterans, but also to the present occupants of these projects. There are a good many of those occupants. I believe the purpose of the whole bill is confessed in its title where it says:

> To authorize the Secretary of Agriculture to continue administration of and ultimately liquidate Federal rural rehabilitation projects.

That is the whole story in a nutshell. It would give him authority to improve these projects. It would give him authority to better these projects. As the gentleman from Georgia, Judge TARVER, has so well pointed out, there is an open-end appropriation here providing for such funds as may be necessary to carry out the purposes of this act, "without limitation, the maintenance and operation of the project properties and making betterments and improvements deemed necessary to accomplish the purposes for which such properties were acquired."

That simply means the continuation, as I see it, of these properties after we have made such a diligent effort to get them liquidated. First of all, let me direct your attention to our fiscal experience with them. It is all recited here in this huge ponderous 2,000-page tome which are the hearings on the Agriculture Appropriation bill for 1947. The projects we have already sold cost us $49,000,000. We sold them for $29,500,000 and took a

loss of $19,500,000. The operations expense was $12,800,000 and the operations income was $8,500,000. So that the net operating loss was $4,300,000. That is not the whole story. You see, when this bare land was acquired and they began to build houses and pectin mills and hosiery mills and garment factories and all that sort of thing, there was a development cost. On that development cost, according to Mr. Lasseter, the present Director of the Farm Security Administration, we sustained another loss of approximately $19,000,000. That is $38,500,000 plus $4,300,000, which is substantially about $43,000,000. Now should we give to the Secretary of Agriculture the authority to continue them for another 3-year period beyond the end of the war, whenever that may be, when the Farm Security Administration already has the authority to divide them up and when it already has the authority to sell them to veterans in economic farm units? Why should we continue this business? One of the amazing things about the report that goes with this bill is that it is dated May 5, 1945. It is 10 months old. Let me give you more current figures, the figures that were submitted to us just a month ago. You will find them on page 1390 of the hearings. Do you know how much of this tillable land is left that can be developed into economic farm units? I let Dr. Lasseter, the Farm Security Administrator, speak. He says:

> Approximately 632,000 acres remain unsold, of which 400,000 acres is in grazing, cut-over timber, and undeveloped land. The remaining 232,000 acres is in land usable as individual farms.

Mr. TARVER. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. TARVER. In the letter from Mr. Lasseter which I placed in the RECORD, he states that the acreage has now been reduced to 105,000 acres, capable of being subdivided into 850 farm units.

So what we are talking about is maintaining this program in order to provide 850 farm units for veterans, which they can already buy if they want to.

Mr. DIRKSEN. Exactly so.

Now, about an hour ago we passed the second urgent deficiency appropriation bill. I sat in on the conference this morning with the Senate. Finally, an item crept into that bill that did not even go to the Budget Bureau. It was messaged to the Senate. It called for an additional $25,000,000 for rural rehabilitation loans and loan funds, of which $15,000,000 was to be earmarked for veterans. We finally compromised and made it $12,500,000, all of which can be expended in behalf of veterans.

If the Farm Security Administrator was so disposed, he could use all of it for veterans. That was our understanding when we came out of conference this morning. In the course of the conference it was recited to us that there are some 20,000 veteran applications for farm tenant purchase units and for rural rehabilitation loans, and all that sort of thing. There is not any question but that the veterans want it, but if you have got 20,000 applications and you are going to have 850 units—it is 105,000 acres—how quickly all of it is going to be disposed. But why, in the name of common sense, continue for 3 years the liquidation of this solemn farce that was perpetrated on the country since 1935 by an impractical visionary, as a result of which we spent millions and millions of dollars out of the Federal Treasury? Are you going to perpetuate that sort of thing? It will not be a service to the veterans but a disservice, because Mr. Lasseter already has authority to sell the usable farm acreage to veterans as quickly as he can process the whole liquidation program. Let us not do it.

I have such affection for my friend from Arkansas that I am reluctant to oppose this bill, but we have worked for years in the Subcommittee on Agriculture, when a very ingenious chap by the name of C. B. Baldwin, who is now managing director of the Political Action Committee in New York, was Administrator of Farm Security. We had a difficult time, as the gentleman from Georgia, Judge TARVER, so well knows, to bring them around to the point where we could liquidate these projects. Always he was so elusive and so unresponsive in his answers. Every year we had to crowd him in order to get the Government out of this land business, to liquidate the hosiery mills, the garment plants, cannery plants, sweetpotato dehydrating plants, starch plants, turpentine and rosin plants, all of which were built as an incident to these resettlement projects, every one of which has failed.

On the Committee on Agriculture were the very fine gentlemen who were on a subcommittee of which our good friend from North Carolina [Mr. COOLEY] was the very able chairman. They made one of the finest reports that I think was ever presented to this House. You will remember what they said in that report. I suggest you fortify yourself with a copy of it. It is House Report 1430, Seventy-eighth Congress, second session.

On page 23 of the report they said:

> The committee has found it imperative to provide a clear and definite authority for liquidation of resettlement and rural rehabilitation projects in the Farm Security Administration.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the gentleman one additional minute.

Mr. DIRKSEN. That is what we have been trying to do. But here is a proposal today, supposedly in the interest of the veterans, when, as a matter of fact, by its own language, it is not limited to the veterans. The present occupants of the property become the beneficiaries of this, but there is a possibility now of continuing these costly projects of our old friend Rexford Guy Tugwell, when it is not necessary, and in so doing it will cost more administrative money out of the Federal Treasury. Let us not do it.

Mr. BRADLEY of Michigan. I just wonder how many legislative proposals and legislative sins will be enacted in the name of the veteran.

Mr. DIRKSEN. I am afraid some will be. There is therefore thrust upon us a double responsibility to be diligent to see that what we do in his behalf is sound and valuable.

Let me observe in conclusion that my purpose is to direct attention to the weaknesses and objectionable features of this bill in its present form.

Peradventure it can be amended in the Committee of the Whole and revamped so that it will be a feasible workable bill which will not impede the liquidation progress we have thus far made on resettlement projects and at the same time develop benefits for the veteran.

If it is so amended I shall support it, but if not I shall be compelled to vote against it.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Speaker, as has already been said by the distinguished gentleman from Illinois, this bill was reported by the Committee on Agriculture last May. There is no reason why it should not have been passed by the House on the Consent Calendar. It is a very simple bill. There is no ghost of Rexford Tugwell running through this bill. It is silly even to talk about anything of that sort in connection with this bill. The sole purpose of the legislation is to enable a few veterans to acquire farm homes. Had the bill been passed when the committee reported it last May after a similar bill had been passed by the Senate it would have enabled a good many veterans to have acquired farm homes by this time. But it has not been passed, time has gone on, and now there is only 100,000 acres of this land left available for veterans. I hope that today we are not going to be misled by talk over the crimes and sins of the Resettlement Administration and the Farm Security Administration in the past, into voting down the rule or a simple little bill to give a few veterans an opportunity to buy farms.

I was a member of the Cooley committee to which the gentleman from Illinois paid such a fine tribute a little while ago. I know all about the projects he referred to, the hosiery mills, the communistic type of farms, and all that sort of thing; and I commend the gentleman from Illinois and the gentleman from Georgia and their committee on the work they have done in liquidating these projects. They have done a fine job. I am in thorough accord with what has been done up to date toward liquidating these projects. But now the war is over. We have veterans who are looking for farm homes. All this bill does is to give these veterans that opportunity. It does not do what the gentleman from Georgia says it will do.

Mr. TARVER. Mr. Speaker, will the gentleman yield?

Mr. HOPE. Not at this moment; I am sorry. The bill does not do what the gentleman from Georgia says it will do, perpetuate for 3 years this program, because it is specifically provided in the bill that nothing contained herein shall be deemed to authorize retardation of the expeditious liquidation of other land or property comprising such projects insofar as it is deemed practicable by the Secretary consistent with the purpose of this act.

We clearly make an exception of these tracts that are not suitable for settlement by veterans. There are only about 100,000 acres out of somewhere between five and six hundred thousand that are suitable for settlement. That is all that is involved. It is a simple little issue.

Mr. DIRKSEN. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield.

Mr. DIRKSEN. Does not the gentleman from Kansas agree that the Farm Security Administrator has authority now to divide up this land into economical farm units and to sell it to veterans? Why pass this bill if he can do it under existing law? Why not proceed with the liquidation rather than take a chance on hindering expeditious action if we pass this bill?

Mr. HOPE. I can only answer by saying that much of this land has not been sold to veterans. It has been sold mostly in large tracts and that is because the language of the legislation under which it is being sold provides that it shall be sold to the best advantage of the Government. A lot of this land is in large tracts.

It is not improved. Now, a large unimproved tract cannot be sold to a veteran for a farm home. He is not in position to handle it that way. So this bill simply provides that we can divide up these 100,000 acres into economic units, take care of the necessary improvements on it, and sell the land to the veterans.

The SPEAKER. The time of the gentleman from Kansas has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the gentleman the balance of the time on this side.

Mr. ROBSION of Kentucky. May I say that in my district there is one of these resettlement projects. Recently the Farm Security Administration did sell it, but gave preference to those already having possession.

Mr. HOPE. This bill also does that.

Mr. ROBSION of Kentucky. Does this bill do the same thing? Does it give preference to those who are living on the property?

Mr. HOPE. The committee felt that those people who are on the land and who have been told that they would have an opportunity to buy it should retain that preference.

Mr. ROBSION of Kentucky. The second preference is to the veterans?

Mr. HOPE. Yes. It is an equal preference, as far as that goes.

Mr. ROBSION of Kentucky. In what way does this bill offer an advantage over the present law?

Mr. HOPE. At present much of the land is in large tracts, it is not improved, and it can only be sold to advantage by selling it to a large purchaser, for use as a plantation perhaps. Under this bill it is provided that the land can be divided into suitable tracts, improved and sold to the veterans.

Mr. ROBSION of Kentucky. If we pass this bill we are not doing any greater harm than we did in passing the other bill?

Mr. HOPE. No.

Mr. ROBSION of Kentucky. How does the gentleman arrive at this 100,000 acres of land?

Mr. HOPE. That is the report from the Farm Security Administration.

Mr. ROBSION of Kentucky. I thank the gentleman.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Kansas.

Mr. REES of Kansas. As I understand it, there are about 850 farm units; that is, you can divide this land into about 850 farm units?

Mr. HOPE. That is an estimate that has been made by the Farm Security Administration. That is an approximate number.

Mr. REES of Kansas. The present occupants of the land have a preference along with the veterans, or do the occupants have the first right?

Mr. HOPE. Well, on the tract where there is an occupant already, I assume they would have the preference but, of course, on much of this land which is in large tracts there are no occupants and no improvements.

Mr. REES of Kansas. If the occupants have the first right there would not be very many veterans you could take care under this bill, would there?

Mr. HOPE. As I understand it, there are very few occupants on this land.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Illinois.

Mr. SABATH. Is it not a fact that the present law provides that the land must be sold to the highest bidder, and can be sold in 10,000-acre tracts? This bill gives the veterans a preference, does it not?

Mr. HOPE. It provides that it must be sold to the best advantage of the Government. Most of it is unimproved land and can only be sold to those who are interested in that type of land.

Mr. REES of Kansas. The Farm Security Administration if it sells to a veteran, either with or without this act, can let the purchaser have all of the purchase price; in other words, a veteran will be lent all of the money anyhow whether we have this act or if we follow the act which is now in effect. Is that not correct? In other words, the Farm Security Administration lends the entire purchase price of the land it sells to a veteran?

Mr. HOPE. If it is an unimproved tract of land there would be no authority by which a veteran could secure a loan for the improvements.

Mr. DIRKSEN. He could get a Rural Rehabilitation loan.

Mr. HOPE. No; I do not think under those circumstances he could do that. Even if he could, the funds available are limited.

Mr. TARVER. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Georgia.

Mr. TARVER. The gentleman knows, in response to the question of the gentleman from Illinois [Mr. SABATH], that there is nothing in the world to the proposition of selling the land in 10,000-acre tracts.

Mr. HOPE. No; and I made no such statement.

Mr. TARVER. I know the gentleman did not, but the gentleman from Illinois did. As a matter of fact, the Farm Security Administrator is now selling this land in small tracts to individual buyers and is refusing to make sales of the entire tracts of land involved when they can be sold in small tracts to individuals. The gentleman, I presume, has been informed by the Farm Security Administrator that that is his policy.

Mr. HOPE. A good deal of the land, of course, has been sold in large tracts because it was the only way that it could be sold under existing law.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I would like to ask the gentleman if he regards the language as broad enough to include farm lands that the Department of Agriculture owns, which have been acquired under allotments made by the Secretary under appropriations under the Wheeler-Case Act.

Mr. HOPE. I would not think so. I do not think the committee had that understanding.

Mr. CASE of South Dakota. It seems to me the language which says, "and other like enterprises, heretofore initiated for similar purposes and financed, in whole or in part, with funds made available to the Secretary," is broad enough to extend this authority for these lands which are now administered by the Soil Conservation Service and which were acquired by the Department of Agriculture by funds appropriated to it.

Mr. HOPE. I can only say that I am quite sure that none of those lands were considered as being included under this authorization when the bill was under discussion in the committee.

Mr. CASE of South Dakota. Whether they have been included or not, if the language is broad enough to include them by saying "for similar purposes, and financed, in whole or in part," it certainly would include them.

Mr. HOPE. I am very doubtful about it, but I would be glad to look into it, and there will be an opportunity to look into it before we finally dispose of the bill.

Mrs. MANKIN. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield to the gentlewoman from Georgia.

Mrs. MANKIN. Did the gentleman say that most of these lands are unimproved lands?

Mr. HOPE. Yes; that is my understanding.

Mrs. MANKIN. Then I do not see how you are going to arrive at the earning capacity value of these lands. Section 2 says that these lands are to be disposed of at the earning capacity value.

Mr. HOPE. I believe that could be rather readily determined by taking into account similar land in the same area. I do not believe there will be any difficulty about that.

Mr. SABATH. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma [Mr. WICKERSHAM].

Mr. WICKERSHAM. Mr. Speaker, I believe the gentleman from Arkansas [Mr. HAYS] should be highly commended for his foresight in introducing his bill. It was introduced some time before it was

reported. The Committee on Agriculture has gone into the bill very thoroughly, and I hope the rule on same will be adopted. This bill will provide approximately 850 agricultural farm units for the veterans. There are not sufficient funds in FSA to provide for anything near the needs of the veterans, much less the civilians. There is no trace of Tugwell administration in these particular units. We thrashed that out before, and we should not drag Tugwell into the picture. These sales would also help prevent inflation; they will more or less stabilize the prices in the various localities, and indirectly aid other veterans. I really hope the Members of the House will adopt this rule, and I hope the bill itself will receive your favorable consideration.

Mr. SABATH. Mr. Speaker, I yield the balance of my time to the chairman of the Committee on Agriculture, the gentleman from Virginia [Mr. FLANNAGAN].

Mr. FLANNAGAN. Mr. Speaker, I do not yet understand how such a simple little bill can create so much confusion and so much misunderstanding. There is nothing complicated about this legislation. It is only an effort to give the veterans an opportunity to buy that part of the lands still owned by the Farm Security Administration that is susceptible of partition into family-size farm units.

The opponents of this bill try to bring in the administration of the Farm Security Administration under Mr. Tugwell and others. I was a member of the Cooley committee and I suspect I was the most severe critic upon that committee of these crack-pot Tugwellian projects. I stand by every word in the report.

What does this bill do? We find that the Farm Security Administration has reduced its acreage from approximately 2,000,000 acres to about 600,000 acres. There is probably 100,000 acres of the land left that is fertile farm land susceptible of division into family-size farm units. The only thing we are trying to do is give the veterans preference to buy that part of the land that can be divided into farm units.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. FLANNAGAN. I yield to the gentleman from Texas.

Mr. MAHON. The gentleman says there are 100,000 acres susceptible of division and sale. In my congressional district there is a project embracing 37,000 acres. The Government bought that land a number of years ago and the Government has made a profit on the land as it now stands. It is not developed. There are many people who would buy the land today and pay the Government a good profit, but the people locally are of the opinion, and I agree with them, that veterans should have the right to buy this land either in an improved or in an unimproved state, and establish homes thereon.

Mr. FLANNAGAN. If this legislation is passed, that object will be accomplished.

Mr. MAHON. The veterans will get the right to buy that land.

Mr. FLANNAGAN. The veterans will have the first call on the Farm Security Administration for that land.

This legislation does not continue a single Farm Security Administration project. The legislation was submitted to the War Food Administrator, at that time Marvin Jones, and he made a favorable report. It was cleared by the Bureau of the Budget. Who is Marvin Jones? Marvin Jones did as much to clean up the Farm Security Administration as any man in the United States. When the Cooley committee developed the facts, we went to Mr. Jones and got Frank Hancock put in as the Administrator. He did a good job of cleaning out the mess that the Farm Security Administration had gotten into. If you will read Mr. Jones' letter, which appears in the report we filed, you will find that he states that this legislation does not continue a single one of these projects. It only gives the veterans an opportunity to buy the fertile farm land that the Farm Security Administration now owns if that land can be divided into family-size tracts. That is all this legislation does.

The SPEAKER. The time of the gentleman from Virginia has expired. All time has expired.

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. FLANNAGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2501) to authorize the Secretary of Agriculture to continue administration of and ultimately liquidate Federal rural rehabilitation projects, and for other purposes.

CALL OF THE HOUSE

Mr. TARVER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 64]

Andresen, August H.	Curley	Healy
Andrews, N. Y.	Dawson	Hébert
Arends	Dingell	Heffernan
Auchincloss	Dondero	Hinshaw
Bailey	Douglas, Calif.	Hoffman
Baldwin, N. Y.	Douglas, Ill.	Holmes, Mass.
Barden	Ellsworth	Hook
Barrett, Pa.	Engle, Calif.	Howell
Bender	Fisher	Jackson
Bloom	Flood	Kefauver
Bolton	Forand	Kelley, Pa.
Bonner	Fuller	Kelly, Ill.
Buckley	Gamble	Keogh
Buffett	Gardner	Klein
Bunker	Gathings	Knutson
Byrne, N. Y.	Gerlach	LaFollette
Byrnes, Wis.	Gibson	Latham
Carnahan	Gillette	Lynch
Celler	Gillie	McKenzie
Chapman	Gore	Mason
Clippinger	Green	Murphy
Coffee	Gregory	Norblad
Cole, N. Y.	Hall, Leonard W.	Norton
Colmer	Halleck	Patman
Crawford	Hart	Patterson
Cunningham	Hartley	Peterson, Fla.
Pfeifer	Rooney	Peterson, Ga.
Philbin	Savage	Spence
Ploeser	Shafer	Stefan
Powell	Sheppard	Stockman
Quinn, N. Y.	Sheridan	Sumner, Ill.
Rabin	Short	Sumners, Tex.
Rains	Sikes	Thomas, Tex.
Rayfiel	Simpson, Ill.	Torrens
Reed, N. Y.	Simpson, Pa.	Walter
Rich	Slaughter	Wasielewski
Robertson, N. Dak.	Smith, Maine	Whitten
Roe, N. Y.	Smith, Ohio	Wigglesworth
	Smith, Va.	Wolfenden, Pa.
		Zimmerman

The SPEAKER. On this roll call 316 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FEDERAL RURAL REHABILITATION PROJECTS

The SPEAKER. The question is on the motion offered by the gentleman from Virginia [Mr. FLANNAGAN] that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 2501.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 2501, with Mr. PRIEST in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. FLANNAGAN. Mr. Chairman, I yield 10 minutes to the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS. Mr. Chairman, there is substantially little difference between the gentleman from Georgia and myself in considering the fundamental purposes of what is known as the Tarver amendment, which gives to the Department of Agriculture a mandate to liquidate as expeditiously as possible the property held in what is known as resettlement projects. In general I favor the policy Congress adopted in that amendment and has reiterated from time to time. It is my purpose in introducing the bill simply to give to the veterans of this war a preference in the purchase of the lands being liquidated under that amendment. The gentleman from Virginia [Mr. FLANNAGAN], the chairman of the Committee on Agriculture, and the ranking minority member, the gentleman from Kansas [Mr. HOPE], have stated the purposes of this bill. They know its purposes because they heard the bill fully debated before their committee. I will be content to leave to them the explanation of the measure. However, I appreciate the chairman's giving me this time to speak briefly on the bill, and it would be in order for me to give a brief history of my association with the measure.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from New York.

Mr. EDWIN ARTHUR HALL. A little while ago the remark was made that John Thomas Taylor represented about half a dozen veterans in the United States. May I ask the gentleman just what status this gentleman holds, and can he shed any light on how accurate that statement is?

Mr. HAYS. Mr. Taylor is chairman of the national legislative committee of the American Legion and speaks not on his own authority but on the authority of the 1945 convention of the American Legion, which in its national meeting endorsed this bill, at the behest, I might add, of the American Legion of Arkansas.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Arizona.

Mr. MURDOCK. I congratulate the gentleman on bringing in this bill. I can recall that last year when a similar bill giving preference to the veterans on lands irrigated by the Bureau of Reclamation was before this House the gentleman gave hearty support to that bill. This is a splendid bill of identical intent and I hope it is passed. In both measures the gentleman from Arkansas, author of the bill, has shown himself a true friend of veterans.

Mr. HAYS. Since the gentleman has asked me to yield, may I interrogate him? He is familiar with the bill before the House. It is my purpose to give to the veterans under this measure the same preference that is given them with reference to lands that are under the jurisdiction of the committee of which the gentleman from Arizona is chairman, and that was embodied in the bill H. R. 520.

Mr. MURDOCK. That is correct. Those two bills have the same intent, that is, to give veterans preference in acquiring title. I think that when both of these bills are enacted, as I hope they will be, we have yet much more to do in order to give the veterans the preference to an adequate number of units of land which they ought to have. Both bills, H. R. 520 and this bill, H. R. 2501, are good proposals with the same purpose, but the enactment of both together would be far less than the Government should do to keep its promise to land-hungry veterans.

Mr. GOSSETT. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Texas.

Mr. GOSSETT. There is nothing in your bill that alters or amends the provisions in Public Law 457, known as the Surplus Property Act, is there?

Mr. HAYS. Not at all. I am glad the gentleman asked that question.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield.

Mr. TARVER. Assuming that the gentleman is in good faith in his statement that all he intends to do is provide for the disposition of this property and waiving the question as to whether or not the law already makes provision for such disposition, would the gentleman agree to an amendment which would substitute for the words in lines 7 and 8, on page 1 of the bill, "maintain, administer, and utilize for such period as he may deem necessary until disposal thereof," the words "to dispose of within a period of 3 years after the enactment of this act, or such shorter period as may be sufficient for that purpose," or words to that effect?

Mr. HAYS. I have not seen the gentleman's amendment.

Mr. TARVER. I have not drafted the amendment yet. But if the gentleman only wants to provide for the disposal of the property and the liquidation thereof, while I think that is already provided for by law, I would have no objection to his proposal, provided the language in section 3, which would authorize the maintenance of the projects with unlimited appropriations, is also stricken. But if the gentleman will amend his bill so that it will simply provide for the disposal of the land as expeditiously as possible, I certainly would have no objection to that because I think the law already so provides.

Mr. HAYS. I rather think I can agree to the amendment which the gentleman proposes because I can assure him that it is my purpose not to interfere with the expeditious liquidation of the property. But I would not want to limit the 3-year period unduly because I want to give the Department of Agriculture time to plan for the sale of this land in family-sized units to veterans who have farm experience and who can qualify.

Mr. TARVER. I feel sure that nobody has any objection to the sale of the land to veterans. All of us would like to see that done if the veterans want the land. But the thing that is objectionable is the proposal to continue the operation and maintenance of these cooperative land projects and to authorize the appropriation of unlimited amounts of money therefor. I shall draft the amendment I have in mind and submit it to the gentleman for his consideration.

Mr. HAYS. I will be glad to consider it.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Virginia.

Mr. FLANNAGAN. If that is the only objection that the gentleman from Georgia has to this legislation and if he can make the language of the bill clearer by an amendment along the lines that he has suggested, I am sure the committee will accept such an amendment, because that is the construction we placed upon the bill as drawn.

Mr. TARVER. I shall be very glad to draft the amendment as soon as possible and submit it to the chairman of the committee and the author of the bill for their consideration and I hope it may be possible for them to agree to it.

Mr. HAYS. I thank the gentleman. I am sure he will find all of us very cooperative in an effort to work this out, because I know certainly it is not the purpose of anyone to withhold from veterans any opportunities that it may be possible to extend to them to engage in farming.

Mr. Chairman, while I do not want to detain the House longer, I would like to make further reference to my relationship to the measure and will do so very briefly. My response to the question of the gentleman from New York almost covered the subject. There was considerable land in Arkansas that came in this category. The American Legion of Arkansas urged that this land, much of it very fine farming land, ought to be sold to veterans. The first survey that was made showed that 600,000 veterans in the United States with farm background were going to seek farming opportunities when they came out of the armed services. That was about the same as the number that were looking for industrial opportunities. That number has risen until it is now estimated that a million young men formerly in the service are looking for farm opportunities. We cannot do a great deal for them, I grant, as far as this measure is concerned. I want to be fair. I am trying to be conservative in projecting the good results of this measure. The gentleman from Kansas covered it pretty well. He referred to the fact that the testimony before his committee indicated there are probably less than a thousand farm units that would be available for the veterans at this time.

I now yield to the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. On line 21 of page 2, these words appear:

and to present occupants of such land.

As I interpret those words, preference under this act would not only be given to veterans but also to the present occupants of the land. Suppose a present occupant of land and a veteran would walk into the office of the individual having charge of the sale of this property, and both of them expressed a desire to purchase an identical piece of land, which would have preference?

Mr. HAYS. This provision to which the gentleman refers was put in by the committee, and it was on the recommendation, I think, of Judge Marvin Jones.

The CHAIRMAN. The time of the gentleman from Arkansas [Mr. HAYS] has expired.

Mr. FLANNAGAN. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield.

Mr. POAGE. It was called to our attention that some of this land is now occupied by individuals who are renting from the Government with a contract for purchase. They do not have title to the land. The Government has the title, but to pass a piece of legislation that would make it impossible to ripen those sales contracts into title would obviously be unfair to those people, and the wording is in there to protect the word of the United States Government where we have that kind of provision outstanding, as we do have in a great many cases.

Mr. ABERNETHY. If the gentleman will yield further, that does not answer my question of why it was put in.

Mr. HAYS. I yield to the distinguished gentleman from Virginia.

Mr. FLANNAGAN. That was discussed by the committee. As the gentleman from Texas [Mr. POAGE] stated, there are certain occupants of some of these lands at this time. The contractual rights that those occupants have with the Government will have to be protected. If they do not have any rights that have to be protected, then the veteran gets the preference.

Mr. HAYS. That is my understanding. It was because of the fear that some equitable claim of an occupant

might be forfeited if it were not inserted that the language was put in for that purpose.

Mr. ABERNETHY. Will the gentleman let me follow that for a moment?

Mr. HAYS. I have one other matter I would like to discuss if the gentleman will let me go ahead for a minute.

I want to refer to a comment of the gentleman from Georgia [Mr. TARVER], who suggested that the language "without limitation," appearing on page 3 with reference to improvements, was too broad, and to point out that that will be corrected by a committee amendment. I think that can be satisfactorily met when the committee amendment is offered.

Also, the language to which the gentleman objected, on page 3; that is, "the purpose for which such properties were acquired." The gentleman from Georgia suggested that that might reaffirm some instructions to engage in collective farming. In order to be sure that that is not susceptible of that construction, the language should be changed, and the committee has an amendment to offer on that point.

I am trying to say just this, that we are making an effort to get the language of the measure in form so that this House can do what I know a majority of the Members want to do; that is, to give the veterans preference and provide for the purchase of family-sized units.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Texas.

Mr. MAHON. I would like to have the gentleman state the requirements a veteran would have to meet. In other words, if a veteran wants to buy one of these tracts, is it necessary for him to be in a low-income bracket, or could any veteran who is able to buy land and wants to occupy it as a home compete on a basis of equality with all other eligible veterans?

Mr. HAYS. Eligibility is determined in section 2 and refers to title I of the Bankhead-Jones Farm Tenant Act. I believe the gentleman will agree, will he not, that it would hardly be fair to open the doors altogether to veterans without experience, without farm background and farm experience. If you found from the city someone with an agricultural education he might offer prospects for success, but there have to be some criteria; and the gentleman would agree, would he not, with the requirement of that section in title I of the Bankhead-Jones Act which establishes standards?

Mr. MAHON. On that question I agree that somebody with a farm background should be given preference over somebody who does not have a farm background, but would there be any limitation as to his financial resources?

Mr. HAYS. No; he does not have to be without funds or farm implements, nor does he necessarily have to make a down payment if the county committee approves him.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado [Mr. CHENOWETH].

Mr. CHENOWETH. Mr. Chairman, I had intended to offer an amendment to this measure providing for the sale of land embraced in land-utilization projects and so notified the chairman of the Committee on Agriculture. I have, however, been persuaded by the chairman of the comimttee and the ranking Republican member to handle the matter through a separate bill rather than as an amendment to this bill. So I will introduce a separate measure and hope it will receive the early consideration of the committee. I do wish to discuss my proposal briefly in connection with this legislation.

My bill will authorize the Secretary of Agriculture to sell the land which is now included in what are known as land-utilization projects in this country. The purchase of this land was authorized and made under title III of the Bankhead-Jones Farm Tenant Act of 1937 wherein the Secretary was "authorized and directed to develop a program of land conservation and utilization, including the retirement of lands which are submarginal or not primarily suitable for cultivation."

Mr. Chairman, I do not know what the situation is in other States so far as these projects are concerned, but I have two of these projects in my district in Colorado. The lands to which I refer are not all submarginal, and as proof of that I wish to quote from the testimony of Mr. Dykes, Assistant Chief of the Soil Conservation Service, under whose supervision these projects are administered, before the Subcommittee on Appropriations, as found on page 1035 of the hearings, in which he included a statement of the income from the operation of these lands in 32 States last year. The total receipts were $548,265.78. In other words, the Government collected this amount of money from the leasing of a portion of these lands. Under the law 25 percent of these receipts is returned to the counties in which the lands were located in lieu of taxes, and this amounted to $137,066.54.

Mr. Chairman, I submit that this land is not submarginal when this amount of money is realized annually through leases. I do not know how many of the 7,250,000 acres of land contained in these projects were leased, but in any event it is obvious that much of the land is suitable for grazing and farming. I contend that the Government ought to get out of the farming business, and give our returning veterans and others the opportunity to use this land.

Mr. Chairman, when we are talking today about liquidating these Government land projects, we are overlooking one of the largest now in operation. These land-utilization projects are not covered by this bill before us this afternoon, but, as I stated, I intend to introduce a bill which will authorize and direct the Secretary of Agriculture to sell the seven and a quarter million acres of land, or so much of the same as may be suitable for grazing, farming or other agricultural purposes. I am not referring to land that is submarginal and which may be worthless for any purpose.

Mr. RIZLEY. Mr. Chairman, will the gentleman yield?

Mr. CHENOWETH. I yield to the gentleman from Oklahoma.

Mr. RIZLEY. Do I understand the purpose of the gentleman's bill and the purpose of the amendment he wanted to offer is to include all of these lands, whether they are classified as submarginal or not, and open them up for resettlement?

Mr. CHENOWETH. Not for resettlement, but for sale to those who are now using the same, or to others who may be interested. I may say that the Government is now, through the Soil Conservation Service, leasing these lands every year to stockmen and to those engaged in farming, and is collecting, as I stated a moment ago, over half a million dollars annually from the leasing of these lands. I also call attention to the fact it will cost the Government about $1,453,000 this year to administer the program, according to the Budget estimate. So we are in the red to the extent of almost a million dollars in the operation of these projects.

Mr. RIZLEY. I would have no objection to some sort of a utilization program or for the sale of this land for grazing, if the gentleman would be willing to write into the bill some sort of provision that would preclude the people who buy this land from going out and plowing up hundreds of thousands of acres of it again like they did in those years, starting the dust bowls all over again. A lot of this submarginal land should not have been in cultivation to begin with.

Mr. CHENOWETH. Some of this land was not submarginal when it was purchased. I am familiar with the situation to which the gentleman refers, and I think he will agree with me that much of this land was good grazing land.

Mr. RIZLEY. If you open this thing up, starting down in the gentleman's country, and I know something about it, and the western section of my State, as well as down in Texas and New Mexico, and include all of this land that was taken out, sandy, bunch-grass land, and plow it up for the purpose of growing a wheat crop, like they did when wheat was worth two or three dollars a bushel, as I stated, if you get that back into cultivation you will have a repetition of the same thing all over again.

Mr. CHENOWETH. Much of this land is in cultivation now under Government supervision so there would be no change in its present use. I want to see it returned to private ownership.

Mr. RIZLEY. I do not believe much of it is, if the gentleman will look into the matter.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. HOPE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. CHENOWETH. Mr. Chairman, pursuing the inquiry made by the gentleman from Oklahoma, may I state that from the testimony of Mr. Dykes, who is in charge of the soil-conservation program, it is obvious much of this land is being leased to privvate individuals who are paying to use the same. I do not know how much is being used for farming and how much for grazing purposes. The Government realizes more than a half

million dollars a year through leasing this land. Some of this land contained in the projects is undoubtedly submarginal land, which will never be suitable for farming or grazing purposes, and I am not asking that the Secretary be directed to sell that kind of land. I am insisting that the land which has been proven to be suitable for farming, grazing, or for other agricultural purposes, be now sold. I see no reason to continue projects where the land is now being used.

Mr. RIZLEY. I am in full accord with the gentleman's idea to get the Government out of the land business. I would have no objection whatsoever to selling all of this land. However, there is a lot of this land as to which there should be some prohibition in the conveyance precluding it from being plowed up and being used for strictly agricultural purposes again. It might be fine for grazing. If the gentleman is going to introduce a bill along that line, there should be a careful study and analysis made of the agricultural land, if there is such, and the grazing land. Certainly the gentleman's bill ought to have a provision in it that would preclude the plowing of thousands and thousands of acres of this land again, land that should never have been plowed up in the first place.

Mr. CHENOWETH. I say, in answer to the gentleman from Oklahoma, that I would anticipate no great change in the use of the land after it is sold. That which is now being farmed will continue to be farmed, and the same will be true of the grazing land.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. CHENOWETH. I yield to the gentleman from Texas.

Mr. POAGE. If the gentleman was to sell this land, might it not be advisable to put in the deed some covenant running with the land to provide that the purchaser should never break the land or put it in cultivation? In other words, I recognize the desirability of putting all this land in private ownership and putting it back on the tax rolls, because a man is a better citizen when he owns the land than when he is leasing it. But would it not be better to make the man who is now renting that land enter into an agreement when he purchases it, in his deed, so that his purchase would be void if he ever broke that land? Could we not protect the public in that way if we put those provisions in the transfer?

Mr. CHENOWETH. I would reply by stating that I think experience has proven the folly of trying to convert some of this land into farm land, and I do not believe the same mistake will be made again. I would hate to see too many restrictions placed on the transfer of this land.

Mr. POAGE. Right now we get $1.60 a bushel for wheat. Is it not oftentimes profitable to buy that land at its full market value and pay for the land in one year, but in the next year it may be swept by the dust storms and it will blow off onto the next farm, and for hundreds of miles destroy everybody for long periods to come?

Mr. CHENOWETH. I will say to the gentleman from Texas that I am in perfect sympathy with his objectives, and I think we should take every step necessary to prevent the situation he has described. I do not share his apprehensions, however, and I feel confident the details can be worked out satisfactorily. There has been some confusion concerning whether or not this is to be a permanent program. In reading the Bankhead-Jones Act, I do not find any provision here that would give this land-utilization program a permanent status. However, I know that that is the opinion of some of those in the Soil Conservation Service who are administering these different projects.

The returning veterans are inquiring about this land. They would like to have the opportunity to purchase it. The Government is now leasing part of the land for over a half million dollars per year. The cost of the administration is more than double the receipts, so it is a rather unprofitable venture. I think the time is here to liquidate.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. CHENOWETH. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. The gentleman just made a remark about whether or not this legislation would become permanent. I note that the committee proposes to offer an amendment which reads, as follows:

> Not to exceed 3 years from the date of termination of the present war.

If that committee amendment is incorporated in the bill, it would seem to call for the establishment of preference for 3 years, and the liquidation of these lands within 3 years.

Mr. CHENOWETH. As I stated at the beginning of my remarks, I am not going to offer an amendment to this bill. I will introduce a separate bill, so that my proposal will not be affected by any action taken on the measure before us today.

Mr. Chairman, I hope that the Committee on Agriculture will give early consideration to the matter of disposing of this land belonging to the land-utilization projects so that the same may be made available to returning veterans and others who may be interested.

Mr. FLANNAGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, I am very much interested in this legislation, for the reason that perhaps the largest project involved is within my own congressional district. It is a project known as the Lehman farms project in Cochran County, Tex. The land is not developed, it has not gone under the plow, it has not been subdivided, but the Farm Security Administration has made a very detailed study of the land and is now in course of deciding the sizes of the various units. The proposed units will vary somewhat with the nature of the land. It will be an out-and-out farming or stock-farming operation.

It seems to me most desirable that this land, which the Government has bought and upon which it has probably made a 50-percent profit already, should go to veterans.

Of course, only a few people can be accommodated on these projects. Even on this project, as big as it is, perhaps only some 100 veterans could be accommodated, but certainly the land should go to veterans for homes rather than to other interested persons.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from North Carolina.

Mr. COOLEY. How has the Government made a profit on the land?

Mr. MAHON. The Government has leased the land for oil, for one thing, and it has leased the land for grazing and for other purposes. The land has increased in value perhaps about 50 percent. That is what I had in mind.

Mr. COOLEY. I understood the gentleman to say that the Government had made a profit, but the gentleman means the land has actually enhanced in value to the extent of 50 percent.

Mr. MAHON. It has enhanced in value by probably 50 percent, and the Government has certainly made a profit. I believe the grazing lease last year was about $12,000, and the oil lease and bonus has been considerable.

Mr. COOLEY. Is it oil land?

Mr. MAHON. There is oil in that locality; in fact, there is oil all over many sections of my State of Texas.

Mr. GOSSETT. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Texas.

Mr. GOSSETT. All land in the Southwest has potential oil possibilities. Any time there is a sale of land that is a material consideration, whether there has ever been any drilling of wells or not.

Mr. COOLEY. I wonder if any oil has been discovered on this land.

Mr. MAHON. No oil has been discovered on this particular land, but it may be that oil will be discovered on this 37,000-acre tract.

Mr. COOLEY. Could it not be very profitably disposed of at the present time on the present market?

Mr. MAHON. It could be very profitably disposed of. At present there are a number of people who would be very glad to buy this 37,000 acres. The transaction would run, of course, into several hundred thousand dollars. There is little likelihood that any veteran would have the opportunity to purchase the land on that basis. Since the Government is going to make a nice profit on this big project, it would seem most unfortunate if it should not be divided up into family-size farms and sold to veterans who are able and willing to pay for them on some kind of fair basis.

I would not insist, certainly, without more information, that the land be improved, because I think in many instances the veteran himself, if we can delay the sale until the time when materials become available, may be able to improve the land. I may be in error in this conclusion as I am not fully familiar with all the facts and possibilities.

I do not believe in these community projects. I have never believed in them. They should never have been started. But here we have this land, and I think

it is most essential that we utilize it in the manner suggested by the committee.

Mr. ALLEN of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Louisiana.

Mr. ALLEN of Louisiana. Is the land now occupied?

Mr. MAHON. The land is not now occupied. It is used for grazing purposes.

Mr. ALLEN of Louisiana. It is occupied if it is used for grazing purposes. Would not the gentleman admit it is occupied? I take it for granted that the Government has leased it to somebody to graze cattle, and those people go on the land and actually occupy it.

Mr. MAHON. There are a few people on the land, but a very few people. It is a large ranch in western Texas

Mr. RIZLEY. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Oklahoma.

Mr. RIZLEY. What method is being employed or has been employed to determine what is a family-size farm? Who is to make that determination? That is one thing about which I have not been clear.

Mr. MAHON. The Farm Security Administration itself has made a study, in fact, is in the process now of making a study, of a suitable division plan for the disposition of the land. There is some possibility that the land can be sold to a somewhat greater financial advantage to the Government by selling it all in one tract. But local citizens want the land sold in family-size tracts to veterans. That is the proper thing to do. There is no doubt but that the Government will make a profit on the sale regardless of the way in which the land is sold. This bill will make sure that it may be sold in family-size farms to veterans of this war.

Mr. RIZLEY. What I do not understand is what the procedure is. I could not put my finger on it in the present FSA law. What is it that authorizes anybody to say now what is or what is not a family-size farm?

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. HOPE. Mr. Chairman, I yield 3 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, I rise to ask the gentleman from Kansas if he feels the veterans will really be given a priority in this, further than just a preference. I have come to the conclusion that a preference means very little or nothing when written into a law and often a priority means little or nothing. I want to be sure the veterans do have this opportunity to secure the farms and farm lands. Thus far, they have been merely given a lip-service priority and have not been able to get farms or surplus property of any kind.

Mr. HOPE. This bill specifically provides that the land is to be sold to veterans. The only opportunity for anyone else to purchase the land is with reference to those who are now occupying the land. Some of the land is occupied by people who have been given a reason for at least thinking that they would be able to purchase it. So some of these tracts will no doubt be purchased by those now occupying them. But I understand most of the land is not occupied. It is not improved. The only person under this bill who will be eligible to purchase it will be a veteran, so it is not a case of veterans' priority—it is a case of a veteran's right in the first instance.

Mrs. ROGERS of Massachusetts. I think the veteran should be given the right to purchase every house unless a present owner who is a nonveteran actually has already a contract. Will the gentleman tell me what the price will be? Will they be sold to the highest bidder?

Mr. HOPE. The price will be based on the earning capacity of the land which is something that is reasonably capable of being determined. It will be determined by the economic value of the land, which in turn will be based, of course, upon the decision of the Administrator of the Farm Security Administration.

Mrs. ROGERS of Massachusetts. The price will not be too high for the veteran to pay? You understand that veterans have been abroad and have not been able to make any money.

Mr. HOPE. This language was put in expressly for the purpose of protecting the veteran and not loading him up with some land which is too expensive for him to operate and make a living. The price will be on the basis of normal prices, I might say.

Mrs. ROGERS of Massachusetts. They will not be based on inflation values?

Mr. HOPE. Absolutely not.

Mr. POAGE. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I will be very glad to yield, as I would like to get this information with reference to the provisions of the bill.

Mr. POAGE. This is the first bill that has ever been brought to the floor of the House which protects the veteran against inflated prices.

Mrs. ROGERS of Massachusetts. I am delighted to hear that.

I think the gentleman from Texas [Mr. POAGE] has section 2 in mind. Section 2 reads as follows:

SEC. 2. The Secretary shall sell or cause to be sold, from time to time, those of such lands as are suitable for disposition in economic farm units at the earning-capacity value as determined by him and otherwise on such terms as he may deem advisable, to veterans, as defined in the Surplus Property Act of 1944 (Public Law 457, 78th Cong.), and to present occupants of such lands who meet the requirements of eligibility specified in title I of the Bankhead-Jones Farm Tenant Act (7 U. S. C. 1000–1006), as amended.

The gentleman perhaps knows that I have introduced a bill that would give veterans the priority in the purchase of Government-owned houses, and already the gentleman from Alabama [Mr. MANASCO] and his committee have graciously heard me and heard veterans' organizations on the subject. I hope that the gentleman will assist in securing the passage of that measure. It provides that the houses shall be sold to the veterans at reasonable prices. I congratulate the Committee on Agriculture on bringing this to the floor for action.

Mr. FLANNAGAN. Mr. Chairman, I yield 3 minutes to the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Chairman, I am in favor of the general objectives of this bill, but there seems to be some confusion with reference to the preference or privileges of those who may be presently occupying the land. A moment ago I asked the gentleman from Arkansas, the author of this measure, to yield to me on that question and I would like to pursue it just a little further in order that there may be no misunderstanding. Assuming that there is a tract of land in which a veteran and an occupant might be commonly interested in purchasing, and the occupant at this time or at the time of his expressed desire to purchase has no option nor a tangible or visible equity therein, is it the opinion of the gentleman, the author of the bill, that the veteran would have the preference or that the occupant would have preference in purchasing?

Mr. HAYS. I think I now understand a little more clearly the question the gentleman has in mind. May I say first that the term "present occupant" means occupant of a specific tract and this does not give such a person, a nonveteran priority over the land other than that which he occupies, and in such a case only where he has an equity. I am using the word in its nonlegal sense, because I can conceive of certain situations in which occupants might have a valid claim from an equitable and moral standpoint, but not a legal claim, because of the postponement of the execution of certain papers.

Mr. ABERNETHY. It is my interpretation of the bill, then, since it is a veterans' preference bill, that if a veteran and a nonveteran, who is the occupant of the land, and who has no contract to purchase, no agreement to purchase, no equitable interest in it, should go into the office of the party in charge of selling the land, and both express a desire to purchase, then the veteran would have preference over that individual. Is that right or not? If it is not, then I am opposed to this language in the bill in behalf of the occupants, because this bill was intended to give the veterans priority.

Mr. HAYS. The gentleman is correct.

Mr. ABERNETHY. I thank the gentleman.

Mr. ALLEN of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield.

Mr. ALLEN of Louisiana. But after all, the bill does not say that. I appreciate what the gentleman from Arkansas [Mr. HAYS] says, but that is not what the bill says.

Mr. ABERNETHY. I agree with the gentleman. I think that it should be clarified to that extent.

Mr. HAYS. I am agreeable to clarification.

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. ABERNETHY] has expired.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. EDWIN ARTHUR HALL].

Mr. EDWIN ARTHUR HALL. Mr. Chairman, in relation to the subject just mentioned, I think it is a safe statement to say that where agencies of Government have taken over land for war purposes, the former occupant of the property is given priority to repurchase the land.

I am heartily in accord with the Hays bill. I think it should have been passed about a year ago, or at least as soon as it was introduced. There is no question but that the veteran—if I may be permitted to say a word in his behalf; I was challenged on the floor the other day when I submitted an amendment in the interest of the veterans—should be given the opportunity to obtain as much land as he possibly can, in order to become a farmer. The need for cultivation of all the excess land in the country, that we can possibly put under the furrow, is paramount. If we are going to feed starving Europe, if we are going to take care of all those undernourished peoples throughout the world, then the veteran must be called upon to do the job. Upon his return from the Army or the Navy, he should have a chance to obtain that excess land which has, prior to this time, been used by agencies of Government.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. SPRINGER. This bill contains a provision that preference is given to veterans of the present war and present project owners. As I understand, there was some assurance given the present occupants that they would have the first right to purchase. Is that correct or not?

Mr. EDWIN ARTHUR HALL. I cannot answer the question as it relates to the Farm Security Administration, but I do know that agencies of Government that have used lands for war purposes have given the person who owned the land formerly the first opportunity to purchase the land.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. POAGE. The committee put that amendment in there and not the author of the bill. I think it is the plain intention there to make it possible to make good where there had been commitments made to occupants of the property.

These people, first of all, must be approved by the local Jones-Bankhead committee of each county and no local committee is going to approve the present occupant of a piece of land in preference to a veteran unless he has some very strong claims.

Mr. EDWIN ARTHUR HALL. That may be true, but according to a statement just made by the chairman of the committee, I conclude that the veteran will have priority of purchase.

Mr. POAGE. Sure he will.

Mr. SPRINGER. But if it is true that this assurance has been given to the present occupant that he would be given the first opportunity to purchase, then he would have a priority over the veteran.

Mr. EDWIN ARTHUR HALL. I can cite several examples that have been carried out by various Government agencies. But I want to come to another point. The remark was made a little earlier in the debate that there was no weight behind the statement or the position of the legislative chairman of the American Legion. I do not pretend to speak for Mr. Taylor because he is perfectly able to speak for himself, but I would conclude from his very position as chairman of the legislative committee of the American Legion that he must represent the considered opinion of the majority of the members of the American Legion of the country, and I think it is a safe statement to say that the American Legion as well as the other veterans' organizations of the country are definitely behind the Hays bill.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. Mr. Chairman, I feel justified in the position I took last Christmas time. It was suggested that this bill be brought up at that time, and I assured the author of the bill that I knew the position that the gentleman from Georgia [Mr. TARVER] would take, and the work that he had put in trying to straighten out and get this Farm Security business settled all over the United States. I think the debate here today surely justifies the position I took then.

I would not have objected to the bill. I offered no objection to its being passed. However, the Agricultural Subcommittee of the Appropriation Committee deserved some consideration under the circumstances.

Now, let us get this picture straight. In the first place, here is what we are served up with any time we start running the country by men instead of by laws. In the first place, Farm Security did not have any business buying this land, they had no authority to buy it. In the second place, if the agency had followed the mandate of the Appropriations Committee of this House it would not have even had the land now because they would have had it sold long ago. This has dragged along until at the present time we have supposedly some hundred thousand acres of land that is suitable for agricultural purposes out of the 600,000 acres remaining. Some of the land is supposed to be down in Texas.

Let me call your attention to the fact that at Christmas time the Congress gave away 800 acres of land to the State of Texas or some institution down there for which Farm Security had paid $75 an acre but which they said at Christmas time was not worth anything at all. It did not take them very long to buy this land, but it has taken them a very long time to sell it. This should be worked out and I think it should be patched up some way here between the distinguished gentleman from Georgia [Mr. TARVER] and the chairman of the Committee on Agriculture, the gentleman from Virginia [Mr. FLANNAGAN]. If you analyze the figure here you will find there will be only about 15 veterans per State who will ever have an opportunity to obtain a farm. We should get busy and pass the Cooley bill. This bill has merit and applies to all the United States and every one. The Cooley bill is for all the United States not for only one section of the country. We should provide some legislation that will help produce some food, and then we will be rendering a real service. Some of these days somebody is going to think it is not a bad idea to have a little bit more food than we see in the food picture at the present time in the United States.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, this measure, as I understand it, is intended to dispose of a part of the land left in the hands of the Government, land that was acquired by various agencies some years ago. The principal reason for this legislation is that it is for the purpose of helping veterans. We are going to have a lot of legislation come to the floor of the House which include veterans, and we ought to help them every way we can.

Mr. Chairman, I am going to submit an amendment unless some other Member submits a similar one, to determine if the committee means what it says. My amendment will see that veterans do have preference for purchase of this land. According to the statements made on the floor here, today, there are only about 850 units left unsold. The proponents tell us the present occupants of the land will have the first right to that land. So there are not going to be so many units left under this bill for the veterans after all when we get through with it.

Mr. Chairman, I propose that we amend the present bill, and I am going to submit an amendment, using part of the language in the bill and make it provide that notwithstanding any other provision of law—the Secretary of Agriculture, in order to insure the maximum preferential disposition to veterans of the present war, subject only to contractual rights of present occupants, is hereby authorized and directed to sell such land, improved and unimproved—then continue the remainder of that section. I also include section 2 down to line 21, and strike the remainder of the bill.

Mr. Chairman, this amendment will mean in substance that those agencies in charge will have the right, and will be directed, to sell this land to veterans, only subject to whatever contractual rights there may be in those who occupy the land at present.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Illinois.

Mr. DIRKSEN. That is a very forthright and simple approach to the problem, and will solve the whole thing. The Secretary is directed to sell the land to the veterans. If that is what we are interested in, then the proposal that the gentleman from Kansas intends to offer ought to be adopted by the Committee of the Whole.

Mr. REES of Kansas. That is all there is to it. They will have the right to sell this land to the veterans, and that is the

end of it. I thank the gentleman for his contribution.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I shall be glad to yield to the gentleman from Mississippi.

Mr. ABERNETHY. The gentleman from Illinois [Mr. DIRKSEN] expresses my sentiments exactly. I think this bill ought to be amended accordingly.

Mr. REES of Kansas. I appreciate the gentleman's statement in support of my amendment that will be submitted at the proper time. Unless, of course, similar amendments shall have already been submitted and approved.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. FLANNAGAN. Mr. Chairman, I yield 3 minutes to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, one of the principal pieces of land involved in this measure is located in the State of Arizona and consists of about 5,000 acres, but these are improved acres. This development happens to be one of the early resettlement projects which the Congress has recently tried to have liquidated. It was not "my baby," as it was started before I came to Congress. However, I have always thought this development, the Casa Grande Farms, Inc., near Coolidge, Ariz., served a worthy purpose during the days of the great depression. True, it was rather expensive. I do not think well of the type of its organization, as I prefer farmers to acquire title in private ownership. The best that can be said of it is that it helped down-and-outers, who had previously been good farmers, back on their feet and it helped to salvage some human values during the depth of the depression.

Now, I happen to know that there are big farmers, corporation farmers, who would give their eye teeth to get possession of that fine piece of land. This is especially true if they can get it at forced sale. I am quite anxious that the ideas incorporated by several speakers here today, that we make sure that this law provides that this land shall be disposed of to veterans, are cinched and made sure in this enactment. Let us prevent speculation and save this land for veterans.

During the course of debate, it has been pointed out that there are only about 850 units available altogether. Last year I found that a census taken among men in uniform showed that 850,000 men in service expressed a desire after the war to own a piece of land. Now we come along in this bill with 850 units. As I get it, that is about enough for 1 out of 1,000. Well, that is not much. However, I favor it just the same, and as I complimented the gentleman from Arkansas a little while ago, I am glad he brought in this measure, even though it is a small part of a real need. Surely the Agriculture Department can and will do more for the veterans.

I am planning to do this same thing and give preference to veterans on land that is irrigated, good land, land on which they can make a living. My bill, H. R. 520, passed in the House last September, aims to help veterans get homes on the land, but should help 40 times as many veterans. The author of this bill helped us greatly with H. R. 520. The gentleman from Colorado broached a matter here a few minutes ago of furnishing veterans range land in the West and although it is not germane to this bill, it is a good idea, and I hope the gentleman from Colorado will pursue it further. I have a more extended idea fitting in with it.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I yield to the gentleman from New York?

Mr. EDWIN ARTHUR HALL. I agree with the gentleman that there should be some limit on the number of acres or the size of the farm, and I would like to ask him what he figures a family-sized farm to be.

Mr. MURDOCK. That will vary greatly, because this land is located in various and diverse sections of this big country. A 40-acre piece of land in some irrigated projects—and that is the kind of land I am talking about in Arizona—would be a family-sized unit, and from there on up to 160 acres. In some places, it must be more than 160 acres. In the far West outside of irrigation projects a homestead must be as much as a section of land.

May I say to the Members that the veterans coming back from this war are land hungry. What have we done? Congress has done little and that very belatedly. We have done little enough, even after we pass my measure, H. R. 520, in giving these veterans preference on irrigated land if and when it is enacted. Even after we have passed this bill, offered by the gentleman from Arkansas, we have done too little to begin to fulfill our obligations and our promises. There is land which could be obtained in private ownership and made productive. There are hundreds of thousands of veterans who would like to be farm owners. What do we really want for our veterans—that they shall return to be rural laborers and cow hands working for someone else or as farm owners with their feet on the soil? We are answering that question by our action on such bills as the one before us.

Mr. FLANNAGAN. Mr. Chairman, I do not have any further requests for time.

Mr. HOPE. I have no further requests, Mr. Chairman.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That, notwithstanding any other provision of law, the Secretary of Agriculture, in order to assure the maximum preferential disposition to veterans of the present war is hereby authorized and directed to maintain, administer, and utilize, for such period as he may deem necessary until disposal thereof as hereinafter provided, such of the lands (improved and unimproved) comprising or incident to those resettlement projects and rural rehabilitation projects for resettlement purposes, and other like enterprises heretofore initiated for similar purposes and financed, in whole or in part, with funds made available to the Secretary, War Food Administrator, Farm Security Administration, Resettlement Administration, or Federal Emergency Relief Administration, as he determines are suitable for ultimate disposition in economic farm units. Nothing contained herein shall be deemed to authorize retardation of the expeditious liquidation of other land or property comprising such projects insofar as is deemed practicable by the Secretary consistent with the purpose of this act.

SEC. 2. The Secretary shall sell or cause to be sold, from time to time, those of such lands as are suitable for disposition in economic farm units at the earning-capacity value as determined by him and otherwise on such terms as he may deem advisable, to veterans, as defined in the Surplus Property Act of 1944 (Public Law 457, 78th Cong.), who meet the requirements of eligibility specified in title I of the Bankhead-Jones Farm Tenant Act (7 U. S. C. 1000-1006), as amended.

SEC. 3. There is hereby authorized to be appropriated such amounts as may be necessary to carry out the purposes of this act, including, without limitation, the maintenance and operation of the project properties and making betterments and improvements deemed necessary to accomplish the purposes for which such properties were acquired.

SEC. 4. Until such time as the Congress by concurrent resolution, or the President, terminates the functions, powers, and duties of the War Food Administrator or the War Food Administration, the authority vested in the Secretary of Agriculture by this act shall be exercised by the War Food Administrator.

Mr. FLANNAGAN (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with, and that it be open to amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 1, line 5, after the word "war" insert "and present project occupants."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 1, line 9, after the comma, insert "not to exceed 3 years from the date of termination of the present war."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 20, strike out the bracket.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 21, strike out the bracket, and after the comma insert "and to present occupants of such lands."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 7, strike out all of section 4.

The committee amendment was agreed to.

Mr. TARVER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TARVER: On page 1, line 7, strike out lines 7, 8, and 9 through the word "provided" and insert in lieu thereof "dispose of lands hereinafter described as expeditiously as possible."

Mr. TARVER. Mr. Chairman, I should like to query the chairman of the committee first. I understand this amendment is acceptable to the committee.

Mr. FLANNAGAN. The amendment has been gone over, and we accept the amendment.

Mr. TARVER. That is satisfactory to the ranking minority member also, the gentleman from Kansas [Mr. HOPE]?

Mr. HOPE. Yes, I have gone over the amendment and I have no objection to it.

Mr. TARVER. I think then, Mr. Chairman, it is unnecessary to discuss the meaning of the amendment further than to say that the proposal to sell these lands to veterans, and to sell them as expeditiously as possible, has never been opposed by the subcommittee on Agricultural Appropriations. The thing we have been opposing is the maintenance of these cooperative land projects under the guise of benefiting the veterans but without its being of any benefit to them, in our judgment.

Mr. FLANNAGAN. I do not believe there has been really any disagreement between the gentleman from Georgia and the gentleman from Illinois and the members of the Committee on Agriculture. We had the same objective in mind. I think we are all together on the main object of the bill, that is, to give the veterans the benefit of acquiring this land that is susceptible of partition.

Mr. TARVER. Of course, the gentleman agrees with me that the insertion of the committee amendment, "not to exceed 3 years from the date of termination of the present war war" does not mean that we expect the Farm Security Administration to keep the lands for 3 years after the termination of the present war but, on the contrary, we expect them to sell these lands just as rapidly as that can be done.

Mr. FLANNAGAN. I think it is the intention of every member of the committee that these lands shall be disposed of at the earliest possible moment, but that the veterans certainly shall have an opportunity of acquiring this land.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield to the author of the bill, the gentleman from Arkansas.

Mr. HAYS. I am sure the gentleman from Georgia does not oppose the sale of this land in family-size units where that is the feasible way in which to accomplish the basic purpose of this legislation. In other words, under present practice, under the interpretation given the Tarver amendment by the Farm Security Administration, sales of land have been in large blocks, and in many instances veterans were not able to present bids that were the high bids and have not been able to acquire land for farming purposes. The gentleman does not object, then, by his amendment and does not intend by his amendment to interfere with this other policy of selling the land in family-size units so that veterans may obtain it, and a larger number of them may share in it as potential farm owners?

Mr. TARVER. I have urged the Farm Security Administrator not to sell these tracts of land in huge acreages even where he might secure larger sums of money for the Government by reason of following that procedure, but to subdivide the land into family-size tracts for sale to veterans or to present occupants of the land. He has assured me that that is his intention. You know, we have a new Administrator, who has been adjusting himself to the duties of his position, and I think the gentleman may be assured that in connection with his further actions in the disposition of these lands the Administrator intends to follow that policy. So far as I am concerned, I would be willing to go further than the gentleman's bill goes and assure veterans preference even over project occupants, especially project occupants who have had no contract for the purchase of the lands occupied by them, in securing these lands. In other words, I want to see every veteran who returns and who wants to buy these lands given preference and an opportunity to do so.

I do not want to see him forced into any cooperative communal land project to be operated as some of these projects have been operated heretofore. I do not want to see the Congress, if possible to avoid it, authorize the continuance of that type of project with the idea that they are doing something for the veteran because I do not think the veteran wants that.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. TARVER].

The amendment was agreed to.

Mr. FLANNAGAN. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. FLANNAGAN, of Virginia: On page 3, line 2, after the word "including", strike out the balance of the line and all of line 3 down to the word "and" which appears in said line immediately before the word "making."

The amendment was agreed to.

Mr. FLANNAGAN. Mr. Chairman, I offer another committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. FLANNAGAN, of Virginia: On page 3, line 5, after the word "purposes", strike out the balance of line 5 and all of line 6 and insert "of this act. Provided that no expenditure shall be made for improvement on any farming unit in excess of one-third of the earning capacity value."

Mr. TARVER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I am supporting the amendment because I think it improves the language of section 3. As far as I am individually concerned, I do not believe there ought to be an authorization in this bill if it is enacted into law for the making of betterments and improvements on these lands even to the extent of one-third of the appraised value upon the basis of earnings. I recall in the hearings had during many years of consideration by our subcommittee on agricultural appropriations evidence as to the abuses which grew up during the days when they were building $9,000 and $10,000 houses on these tracts of land. Of course, there are some limitations in the language as offered by the gentleman from Virginia, but there still might be very extensive improvements and building on those lands under the language as it would remain after the amendment he has offered is adopted. But the language of the section as it would then read contemplates that there shall be submitted to the Committee on Appropriations an estimate of whatever money is necessary for making improvements to carry out the purposes of this act, and that the committee first and the Congress afterward will have the opportunity to scan those requests and determine what if any funds should be expended for that purpose in order to carry out the objectives of the act. And with the understanding, and of course it is an understanding because as a matter of law it is correct, that the mere enactment of the authorization does not carry with it any money which can be utilized by the Farm Security Administration for the purpose of making these improvements, I should not, as far as I am individually concerned, oppose the passage of the bill if the section is amended in accordance with the amendment which has been offered by the gentleman from Virginia.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from North Carolina.

Mr. COOLEY. Has not the Farm Security Administration taken the position in the recent past that they had no right to place the improvements upon this property for the purpose of making sales to individuals of family sized farms?

Mr. TARVER. That is correct.

Mr. COOLEY. That has resulted in the sale of large acreages rather than farming units.

Mr. TARVER. No; I think the sale of large acreages in some instances has been brought about by reason of the fact that the people who offered to purchase large acreages were able to offer more money than the people who are interested in family sized tracts. But that policy has been changed as I sought to explain a while ago.

Mr. COOLEY. That was a definite mandate that the Congress and the gentleman's committee gave to the FSA to liquidate the projects as expeditiously as possible?

Mr. TARVER. That is true.

Mr. COOLEY. But as the gentleman says, whatever money is spent for improvements will first be scrutinized by the gentleman's committee?

Mr. TARVER. They must come before the committee and justify every dollar that is expended. Those dollars, if expended, must be for the purposes of this act, which purposes are the wise and early disposition of the lands which are here involved.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. HAYS. Then, the gentleman would not object to that necessary delay to determine in what instance such investment would be justified? I mean not any undue delay, but that delay that is inherent in the proposition.

Mr. TARVER. I think the language of the amendment which has been adopted, "as expeditiously as possible," carries with it the feeling that Congress is relying on the discretion of the Farm Security Administrator. I think the present Farm Security Administrator has discretion and has common sense, and that he will conduct these sales as rapidly as it can be done. I hope he will sell all the lands to veterans, if they want it.

Mr. COOLEY. Mr. Chairman, will the gentleman yield further?

Mr. TARVER. I yield.

Mr. COOLEY. In view of fears expressed by some members of the committee with reference to a continuation of these communal properties, it is a fact that the gentleman's committee would have to provide the money for a continuation of those projects or they could not possibly be continued?

Mr. TARVER. The language of the first section, until it was amended, might have been susceptible of another conclusion, but I think under the bill as now amended that undoubtedly would be true.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

The question is on the committee amendment.

The committee amendment was agreed to.

Mr. ALLEN of Louisiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ALLEN of Louisiana:

On page 1, line 6, after the word "occupants" insert "who have existing contracts to purchase."

On page 2, line 21, after the word "lands" insert the words "who have existing contracts to purchase and."

Mr. FLANNAGAN. Mr. Chairman, will th egentleman yield?

Mr. ALLEN of Louisiana. I yield.

Mr. FLANNAGAN. We have gone over the amendment, and it is acceptable.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Louisiana. I yield.

Mr. COOLEY. Why is the amendment important, in view of the fact that the Farm Security Administration could not possibly take land that was under contract to some other person and sell it to a veteran or to any other person?

Mr. FLANNAGAN. This is true, but the amendment will not hurt any. It may clarify it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. ALLEN].

The amendment was agreed to.

Mr. ALLEN of Louisiana. Mr. Chairman, the amendment which I offer is intended to spell out what the author of the bill says he means and what the members of the committee reporting the bill say they mean. As the bill is now drawn, it gives preference in the sale of this land to veterans "and present occupants." If the bill is permitted to stand in that way, it simply does not give to the veterans the preference which I think every Member of this House wants the veterans to have. The author and also members of the committee reporting the bill have repeatedly told us that the only reason they wrote this language in the bill with reference to occupants was to protect those who already have contracts to purchase said lands. In other words, they have said frankly that their object is to protect the contracts which the Government may have already made. If that is true, then it should be spelled out exactly so that there will be no doubt about it. The amendment which I have offered will make it clear just what the committee means in the wording of the bill.

So far as I am concerned, and I think this is the attitude of every Member of the House, I want the veterans to purchase this land. I want them to have a priority to purchase the land. This can be done by adopting the amendment which I have offered. My amendment makes it clear that veterans do have the priority. I think this amendment is necessary to clear this matter up. Of course, if the Government has entered into a binding contract with persons to purchase any portion of this land, the committee has indicated clearly that it wants to respect that contract. But it takes the amendment which I have offered to make it clear that only "existing contracts to purchase" will be considered by the Government with reference to occupants. I therefore urge the adoption of this amendment so that we may make it clear that we do mean and that we do intend for veterans to have a priority to purchase this land.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDWIN ARTHUR HALL: On page 2, line 16, after the comma insert "units not to exceed 500 acres in any one sale."

Mr. EDWIN ARTHUR HALL. Mr. Chairman, there has been a lot of talk this afternoon about keeping these large concerns from grabbing up these lands that are intended for family-size units. There has been no attempt to define a ceiling on what a family-size unit should be, but I think some limit should be set here.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. CASE of South Dakota. Would the gentleman have any objection to making that 640 acres? It occurs to me that in the western area, where there is dry farming, that would be necessary.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I ask unanimous consent to modify my amendment by making the amount 640 acres.

Mr. TARVER. Mr. Chairman, reserving the right to object, does the gentleman mean not to exceed 640 acres, or does he mean definitely 640 acres?

Mr. EDWIN ARTHUR HALL. That no one purchase may exceed 640 acres.

Mr. TARVER. It is an over-all limitation, not a definite designation.

Mr. EDWIN ARTHUR HALL. That is right. I will be frank to say to my friend from Georgia that I believe there should be some ceiling on this acreage.

Mr. FLANNAGAN. The amendment being a limitation, so far as I am concerned, I will accept it.

The CHAIRMAN. Is there objection to the request of the gentleman from New York that he may modify his amendment?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment as modified.

The Clerk read as follows:

Amendment offered by Mr. EDWIN ARTHUR HALL: Page 2, line 16, after the comma insert "units not to exceed 640 acres in any one sale."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

Mr. GOSSETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GOSSETT: Page 3, after line 6, add a new section as follows:

"Any conveyance by the Government of title to land under this act shall convey all of the right, title, and interest of the Government in and to such land, including all mineral rights."

Mr. FLANNAGAN. We have gone over the amendment and it is acceptable to the committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was agreed to.

Mr. GOSSETT. Mr. Chairman, I submitted this amendment to the chairman of the committee and also to the ranking minority member and am pleased that both of them agree to its equity and soundness. When the Congress passed Public Law 401 in the Seventy-eighth Congress, it intended that mineral rights and all other rights under these small farms and plots being sold by the Farm Security Administration, the Federal Housing Administration, and other agencies of Government should be sold to the purchaser. So far these agencies have refused to comply with this obvious intent of Congress. This amendment makes clear the congressional intent in these matters. For the Government to reserve minerals under these small farms is unfair to the purchasers and unfair to the communities in which they live. It destroys a part of the value of the land and complicates its resale. It further disrupts the normal and usual business practices in most States in which these properties are situated. I trust we shall have no further administrative difficulties in trying to convince the administrative agencies of the Government that the phrase "all right, title, and interest of the United States in and to such real estate" also includes mineral rights.

Mr. FERNANDEZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FERNANDEZ: On page 2, line 14, after the word "act", strike out the period and insert a semicolon

and the following: *"Provided, however,* That lands within the State of New Mexico heretofore originally acquired by grants from the Government of Mexico or the King of Spain and confirmed by authority of the Congress, which are now held by the Secretary of Agriculture for administration, and which the Secretary of Agriculture determines are not suitable for ultimate disposition in economic farm units under this act, may be, notwithstanding any other provisions of law, administered and utilized by the Secretary of Agriculture for a period of not to exceed 3 years from the present war."

Mr. FERNANDEZ. Mr. Chairman, I am heartily in favor of this bill. My amendment simply seeks to broaden the bill a little to take care of a very special and peculiar situation which we have in our State. The wording of the amendment may sound strange to you, but when I have given you some of the background, I am sure you will understand the reason and the purpose of the amendment.

Back when we first settled New Mexico, Spain and Mexico followed a system of giving to a certain number of families grants of land in which to settle a village. The system was that the villagers would settle in the river valley and would have their little patches of ground where they grew their gardens, and the Government granted them the land around the village for grazing purposes for their stock.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield.

Mr. FLANNAGAN. Does the gentleman's amendment attempt to continue any of these projects?

Mr. FERNANDEZ. No. My amendment is limited to 3 years. If the gentleman will let me proceed for just a minute, I am sure he will understand the purpose of the amendment. When our Government came along, there had grown up in the State several villages of that nature which had lands in the country around the village or on one side or the other of the village, depending on the terrain, which then became a part of the land of this country subject to taxation. It will be understood that under the Spanish and Mexican Governments no taxes were paid on the land. Taxes were collected otherwise.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield to the gentleman from Virginia.

Mr. FLANNAGAN. That would be a continuation of one of these projects heretofore set up by Farm Security?

Mr. FERNANDEZ. Let me finish my statement, then I will be glad to yield for questions.

As time rolled on, the people did not understand that this land was to be taxed. Many eminent lawyers believed that it was not subject to tax because the land was given to the community. It is only in the last 10 or 20 years that the courts have decided they are taxable. The taxes accumulated and the people lost those common lands during the depression. They could not pay the accumulated taxes when the courts decided they had to be paid.

Mr. AUGUST H. ANDRESEN. Who got title to the land when the taxes were not paid?

Mr. FERNANDEZ. When the lands were sold for taxes, the speculators got title to the lands. That is, they claimed title to the land. Of course, throughout the years these villagers claimed title to the land also. The Government bought them for their benefit and these people have been using them. There is one grant where they have already repaid the Government and have taken the land back.

Most of these grants cannot be divided into small farm units, as, for example, one grant I have in mind that lies on the side of a mountain. The people live on the river banks and use the hills for firewood, and for grazing for their cattle, sheep, and goats. I have no objection whatsoever—in fact we want it done—to the land which can be divided into family units being divided and sold that way, because we also have veterans in those communities. I have here a letter from El Rito, N. Mex., one of those grants, in which it is stated that at a special meeting held a few days ago, at which about 700 residents of El Rito were present, they took up the matter of trying to purchase this land under the provisions of the appropriation bill. Of course, there are about 500 families in that grant and it is a difficult situation for them to purchase it.

The CHAIRMAN. The time of the gentleman from New Mexico has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield to the gentleman from North Carolina.

Mr. COOLEY. The chairman of the Committee on Agriculture asked the gentleman if this is one of these tremendous FSA projects. As I understand it, this is not such a project. It is not a communal project?

Mr. FERNANDEZ. No.

Mr. COOLEY. It consists of grazing lands adjacent to the village?

Mr. FERNANDEZ. That is right.

Mr. COOLEY. The title to the land is in such condition that you cannot clear it at the present time. There is no agency or municipality that is now in position to take over title to the land?

Mr. FERNANDEZ. That is right. I misunderstood the question. The village itself is owned by the people and they live in it. There is no question about that. But they have no way of making a living except on these lands on which they pasture their cattle.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield to the gentleman from Georgia.

Mr. TARVER. Who has title to the land? Does the Farm Security Administration have it?

Mr. FERNANDEZ. It is now held in the Government except where they have some contract with the people to purchase it.

Mr. TARVER. Is the gentleman trying to continue the operations of the Farm Security Administration on these lands or is he trying to have them take over some lands they have not had heretofore?

Mr. FERNANDEZ. No. I may say to the gentleman that we are trying to get the lands away from the Farm Security Administration and put them in the hands of the people, every effort is being made to that end.

Mr. TARVER. Did the gentleman go before the Committee on Agriculture and present his facts with reference to this subject matter?

Mr. FERNANDEZ. The gentleman knows it is hard to keep up with these committees. I regret that I did not.

Mr. TARVER. The House a while ago, by agreement with the committee, has stricken out of the bill the language which would authorize administering, maintaining, and utilizing these projects. Now the gentleman proposes to reinsert that language for the projects in his particular State.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield to the gentleman from North Carolina.

Mr. COOLEY. I made it clear a moment ago in my question to the gentleman that this is not what is generally known as an FSA project.

Mr. FERNANDEZ. I am not so clear about what is an FSA project. It is not a cooperative project, I will say that.

Mr. COOLEY. The people involved do not live on Government land; they live in a village of their own, and they only use the land for grazing.

Mr. FERNANDEZ. They are only grazing lands. They are not fit for cultivation.

Mr. COOLEY. They utilize them.

Mr. FERNANDEZ. Yes.

Mr. COOLEY. What the gentleman has in mind is that within a period of 3 years some person or corporation or municipality might be in a position to take over the lands, and the residents could continue to use them as they have in the past.

Mr. FERNANDEZ. That is right. This gentleman in his letter sends me a list of 95 veterans who are interested in organizing the village and incorporating it and buying this land for the use of the village.

Mr. TARVER. Mr. Chairman, will the gentleman yield further?

Mr. FERNANDEZ. I yield.

Mr. TARVER. Is the Farm Security Administration maintaining and utilizing these lands now?

Mr. FERNANDEZ. It is merely administering it in that it collects from the people the rent which comes to the Government for this land.

Mr. TARVER. In other words, the lands are in a caretaker status.

Mr. FERNANDEZ. That is all.

Mr. TARVER. Now the gentleman proposes to authorize them to administer, maintain, and utilize them. Why does he want to expand that type of ownership?

Mr. FERNANDEZ. Only for a period of 3 years to give these veterans who are coming back now an opportunity to get together and to purchase that land for themselves and their families and their

parents in this little village where they live.

Mr. TARVER. What I am interested in is this: The Farm Security Administration has the right under the provisions of this bill, as now amended, to keep this land that the gentleman has referred to for a period of 3 years for the purpose of selling it.

Mr. FERNANDEZ. Yes.

Mr. TARVER. Now the gentleman wants to amend that and to have the bill say that while the Farm Security Administration shall do that in regard to all other land in the United States that it owns, yet in the State of New Mexico it shall, in addition to keeping the land for the purpose of selling it, maintain and utilize and administer it. I cannot see how the gentleman can justify discriminating in favor of land in his State in that manner.

Mr. FERNANDEZ. May I say that we have other land in New Mexico that is not affected by my amendment and which will be divided up under this bill and sold in family units. I am limiting my amendment only to those four or five grants that were gotten by those villages from the Spanish Government merely for the purpose of giving them the opportunity during those 3 years to continue their efforts in purchasing those lands for themselves and for the veterans who live in those villages.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield to the gentleman from California.

Mr. VOORHIS of California. I would like to ask the gentleman whether under the terms of this bill the gentleman's object would not be accomplished anyway?

Mr. FERNANDEZ. Under the terms of the bill those lands which can be divided into small family-size units would be covered by the bill, but then they would be under orders from the Congress to immediately, before the end of 3 years, sell the balance, and those people, until they get in position to do so, cannot buy them. The lands might go to speculators at 50 cents an acre or less.

Mr. VOORHIS of California. Is this land not suitable for division into family-size units?

Mr. FERNANDEZ. Absolutely not. It is grazing land, and it is mountain land in one county. They depend on the water on the grazing lands, and on the forest wood for their firewood. They are having a desperate time trying to make a living. That is the reason the Government stepped in and bought these lands for them. One of them has already been repaid.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield to the gentleman from Tennessee.

Mr. JENNINGS. Was there a time when the title to these lands on which the gentleman now desires these people to have the right to graze and get firewood was vested in some community out there, or in individuals?

Mr. FERNANDEZ. In the village, or rather, not in the village but in themselves as members of the village in common under the original system that came from the Spanish Government.

Mr. JENNINGS. Then it was sold for taxes, and did the title go to the Federal Government?

Mr. FERNANDEZ. It was sold for taxes and the title went in some cases to absent speculators, and then they sold it to the Government.

Mr. JENNINGS. Now the gentleman simply wants the Government to lease the land to these people in order that for a period of 3 years they may graze these lands and get firewood off them?

Mr. FERNANDEZ. And get these soldier boys back where they can incorporate themselves or the villages and purchase the land.

Mr. JENNINGS. It is the soldiers who will get the benefit of it?

Mr. FERNANDEZ. Yes; the veterans, and their parents, members of the village. The veterans are a little bit more educated than the old folks were and will in time work out a way to keep the land.

Mr. JENNINGS. They will come back there and get the benefit of these lands by grazing them and getting wood off them?

Mr. FERNANDEZ. They will incorporate these villages, if necessary, and then buy the lands for the villages.

The CHAIRMAN. The time of the gentleman from New Mexico has expired.

Mr. FLANNAGAN. Mr. Chairman, I rise in opposition to the amendment.

I am sorry I cannot accept this amendment. If the Farm Security Administration owns this land, by adopting this amendment you will be continuing one of the Farm Security Administration projects that we are all against and are trying to liquidate.

If there is merit in the gentleman's claim and he will come before the Committee on Agriculture we will give him a full hearing, but this is the first time this matter has been brought to the attention of any member of the Committee on Agriculture. It has no place in this legislation, which is an endeavor to rehabilitate veterans upon such of these lands as are susceptible of division into family-size units.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield to the gentleman from New Mexico.

Mr. FERNANDEZ. These boys who are coming back are veterans. The only way they can help themselves is by buying these lands for the community for themselves and their families, and the members of the community who depend on this land for a living as they have for scores of years.

Mr. FLANNAGAN. I do not know anything about that. The committee has not had an opportunity to go into it. I think the gentleman should withhold his amendment and come before the Committee on Agriculture and let us go into the merits of his proposition.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield to the gentleman from Utah.

Mr. GRANGER. I think it is a very grave question whether the Farm Security Administration even has this land. I doubt it very much.

Mr. FLANNAGAN. I do not know. We do not know anything about it. We are legislating on a subject with which we are not familiar.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. If the Government owns this land, or one of the departments covered in the bill, the soldiers can buy that land just the same as any other soldier can buy any other land covered by the bill.

Mr. FLANNAGAN. That is right. I hope the amendment will be voted down.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word, and rise in support of the amendment. To the end that we may clear up this situation, may I ask the gentleman from New Mexico if he knows in whom the title to the land in question is vested at the present time.

Mr. FERNANDEZ. The title to the land is vested in the Federal Government. It was bought with the grants that were made to the New Mexico Rural Rehabilitation Corp. under the law we passed in the thirties, with which I am not too familiar. Then it was given to the Federal Government in trust, and the Federal Government holds the title as trustee for the people. Let me say very frankly that that is interpreted by many people as being title in the Government, and I rather agree with them.

Mr. COOLEY. In the event this land is forced on the market at the present time, who would be the prospective purchasers? Who would ultimately acquire the title?

Mr. FERNANDEZ. Only speculators, because nobody around there would buy the land in those large tracts.

Mr. COOLEY. As I understand, the gentleman is trying to keep this land from getting into the hands of speculators until his own people can organize an effort to acquire the title.

Mr. FERNANDEZ. I am only asking for 3 years for them to have the opportunity of buying this land.

Mr. COOLEY. There is another thing I want to clear up. There are FSA projects which all of us have objected to. As I understand, this is not operated as a community farm?

Mr. FERNANDEZ. No. I agree with the gentleman on the others, and I have no objection to that.

Mr. COOLEY. I just want to get it cleared up for the House. This is not a community farm. It is not one of Rex Guy Tugwell's communistic enterprises.

Mr. FERNANDEZ. Oh, by no means. The gentleman is correct.

Mr. COOLEY. This is property adjacent to a village and the people of that village are dependent upon this land for their livelihood.

Mr. FERNANDEZ. That is correct. Furthermore, if it is forced to be sold, it will have to be sold by the Government at a loss.

Mr. COOLEY. Unless we adopt the amendment which has been offered by the gentleman, we will force it to be sold

and some rich man will acquire it and speculate on it.

Mr. FERNANDEZ. That is correct.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. TARVER. The gentleman is too good a lawyer not to know that if the Government holds the land, as the gentleman from New Mexico has said, in trust for these people, the Government cannot sell the land.

Mr. COOLEY. I am not agreeing that it is held in trust. The gentleman from New Mexico states that is what he understands the situation to be.

Mr. TARVER. The gentleman from New Mexico so stated. What we are being asked to do here is to pass on something that none of us seem to know anything about and to pass a law dealing with the situation. Does not the gentleman think that his committee ought to pass on it first?

Mr. COOLEY. May I say to the gentleman from Georgia, of course, if the Government is holding title merely as a trustee, then the Government has no right to dispose of the land at all.

Mr. FERNANDEZ. I very frankly admitted, that in my opinion, the Government really holds the title and has the right to force sale on it.

Mr. COOLEY. And has made some contracts to convey a part of it, if I understood the gentleman correctly.

Mr. FERNANDEZ. To tell you the truth, I do not know the character of the transaction. All I know is that the efforts made by the Government in whatever arrangement they make had that for its purpose.

Mr. TARVER. Mr. Chairman, will the gentleman yield further?

Mr. COOLEY. Of course, I yield to the gentleman from Georgia.

Mr. TARVER. The gentleman from New Mexico very frankly admits he does not know. I am sure the gentleman from North Carolina does not know. I do not know. Is there anybody present who does know the facts about this matter? If none of us know, then why should we undertake to legislate on this matter?

Mr. COOLEY. Whether we know or not, I do not see how it can hurt anything to put in this provision and protect the property for 3 years.

Mr. FERNANDEZ. They are administering it now, and the title is presumably in the Government.

The CHAIRMAN. The question is on the amendment offered by the gentleman from new Mexico [Mr. FERNANDEZ].

The question was taken; and on a division (demanded by Mr. FERNANDEZ) there were—ayes 31, noes 51.

So the amendment was rejected.

Mr. CASE of South Dakota. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota: On page 2, line 4, after the word "enterprise", insert "including lands in the so-called water conservation and utility projects."

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota [Mr. CASE].

The amendment was agreed to.

Mr. DIRKSEN. Mr. Chairman, I move to strike out the last word.

I simply want to observe, Mr. Chairman, that with all the amendments, including all the amelioration in the bill, I believe I can support the bill.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PRIEST, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 2501, pursuant to House Resolution 545, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is there a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. HORAN asked and was given permission to extend his remarks in the RECORD in three instances and include newspaper articles.

Mrs. LUCE (at the request of Mr. MARTIN of Massachusetts) was granted permission to extend her remarks in the RECORD and insert a letter from a constituent.

Mr. ERVIN asked and was given permission to extend his remarks in the RECORD and insert a short magazine article on the United Nations.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include an article that will appear in the April edition of the magazine Columbia.

Mr. HOLIFIELD asked and was given permission to extend his remarks in the RECORD and include a list of organizations supporting civilian control of atomic energy.

Mr. JOHNSON of Oklahoma asked and was given permission to extend his remarks in the RECORD and include an address delivered by Hon. Claude Wickard.

Mr. HAYS asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. SPARKMAN asked and was given permission to extend his remarks in the RECORD and include an address he recently made in Columbus, Ohio.

PERMISSION TO ADDRESS THE HOUSE

Mr. PATRICK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

RADIO BROADCASTING

Mr. PATRICK. Mr. Speaker, this time to address the Congress was secured for the purpose of calling the attention of Congress to an editorial, a thing I seldom indulge in. This, however, is a timely editorial containing such educational and thought-provoking matter every Congressman will agree it is worth the presenting.

It has to do with the showdown that has finally come about in radio broadcasting. Variety, a dependable and worthy publication of high standing and fine standards, has in this editorial seen fit to set out one clear fact. That is that broadcasting is itself the employment of a public commodity and by the very nature of things cannot be operated under the same rules that obtain as to other private enterprise. We in this body are sure to be confronted in the days to come with legislation on this subject and it will be well for us to have the basic truth in mind that is so clearly pointed out in this editorial.

Here it is:

LET'S FACE IT!

The chips are down.

The inevitable showdown is here. Broadcasters now must face the fact that radio cannot operate under the same set of rules as those which govern other business operations. The comprehensive report of the Federal Communications Commission which, in effect, is a critical analysis of the public responsibility of broadcasters, has forced the entire industry to face the issue.

The first fact radio must face is that broadcasting is made possible only by the use of a public commodity. In the past the industry has only paid lip service to the responsibility inherent in its use of this commodity. To accuse a commission set up by the Government of assuming undue powers is to completely overlook this basic difference between radio and other private enterprise. Radio, of course, won't be Government-controlled in the United States of America, but it's equally obvious that it must operate under a different set of ethics than that which governs other private business. When the NAB makes the statement that the FCC reveals "a desire to impose artificial and arbitrary control over what the people of this country shall hear," it is forgetting this fundamental difference that sets radio apart.

Slowly but surely, over the past few years, over-commercialization has won out. Good taste, development of original radio technique and cognizance of public service programming have gone by the boards. Thus the FCC "showdown" report may be a blessing in disguise, coming as it does at a crucial moment, for growth in radio programming has been at a standstill. And if it has done nothing more than to alert the industry to a recognition of this stagnant status, the FCC report will have been of value.

Obviously the industry has brought upon itself the FCC proposals by its abuses, which were permitted to gain momentum simply because of a lack of policing. And it's obvious, too, that in the regulations that the FCC now suggests, there will be no excessive governmental interference. The constitutionality of control that regulates freedom of expression affords a wider interpretation

than that construed by the NAB. For in raising the cry against the threat to this fundamental freedom, the NAB is obscuring the issue by resorting to frantic flag-waving. The Constitution requires a broader reading today than it did a century and a half ago in order to encompass this new field of expression—radio.

There's little doubt that, if the public had been sufficiently vigilant and availed itself of its prerogatives, it could have made the broadcasters toe the mark. Or if the industry itself had been sufficiently enlightened to become aware that it was nearing the danger point, it could have taken the steps that would have made the FCC communique unnecessary. It's apparent now that the industry has not exercised self-government, either of its own volition or by public pressure.

Another factor that would have helped tremendously in making the public cognizant of what it had a right to expect would have been a critical press; one that would have constructively played the part of a guide. Even with regulation, radio needs able criticism by men who respect it as a mature medium and accept it on a full par with other arts.

The Commission's blueprint for the future demands that the broadcaster give consideration to the FCC proposals and incorporate them into the running of his station, in addition to the mere business mechanics of operating the stations at a profit.

The FCC recommendations as such could well stand as a primer for the operation of a good radio station.

ROSE.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. GREGORY (at the request of Mr. BATES of Kentucky), for today, on account of official business.

To Mr. AUCHINCLOSS (at the request of Mr. SUNDSTROM), for 5 days, on account of illness in the family.

To Mr. HINSHAW (at the request of Mr. MARTIN of Massachusetts), for March 21 and 22, on account of official business.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 5458. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes; and

H. J. Res. 243. Joint resolution tendering the thanks of Congress to General of the Army George Catlett Marshall and to Fleet Admiral Ernest Joseph King and to the members of the armed forces of the United States who served under their direction; and providing for the striking and presentation to General Marshall and Fleet Admiral King of appropriate gold medals in the name of the people of the United States.

BILL AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill and a joint resolution of the House of the following titles:

H. R. 5458. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes; and

H. J. Res. 243. Joint resolution tendering the thanks of Congress to General of the Army George Catlett Marshall and to Fleet Admiral Ernest Joseph King and to the members of the armed forces of the United States who served under their direction; and providing for the striking and presentation to General Marshall and Fleet Admiral King of appropriate gold medals in the name of the people of the United States.

ADJOURNMENT

Mr. SPARKMAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 38 minutes p. m.), under its previous order, the House adjourned until Monday, March 25, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE CENSUS

The Committee on the Census will hold an executive session on H. R. 4781 on Friday morning, March 22, 1946, at 10 a. m.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the securities subcommittee of the Committee on Interstate and Foreign Commerce at 10 o'clock Monday, March 25, 1946.

Business to be considered: Public hearing resumed in study of operations pursuant to the Public Utility Holding Company Act of 1935. Securities and Exchange Commission representatives heard.

COMMITTEE ON FLOOD CONTROL

The Committee on Flood Control will begin hearings on an omnibus flood-control authorization bill on Monday, April 8, 1946, at 10 a. m. The hearings will continue daily except Saturday up to and including Friday, April 19.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Tuesday, April 9, 1946, at 10:30 a. m., to begin hearings on projects to be reported out in an omnibus river and harbor authorization bill.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BOYKIN: Committee on Patents, submits a supplemental report showing changes in the existing law made by the bill (H. R. 3756) to require the recording of agreements relating to patents (Rept. No. 932, pt. 2). Ordered to be printed.

Mr. HÉBERT: Committee on Naval Affairs. H. R. 5765. A bill authorizing the Secretary of the Navy in his discretion to deliver to the custody of the city of New Orleans, the silver service and silver bell presented to the United States for the cruiser *New Orleans*, without amendment (Rept. No. 1798). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAY: Committee on Military Affairs. H. R. 3959. A bill to provide for the burial in the Memorial Amphitheater of the National Cemetery at Arlington, Va., of the remains of an unknown American soldier who lost his life while serving overseas in the armed forces of the United States during the Second World War; with amendment (Rept. No. 1799). Referred to the Committee of the Whole House on the State of the Union.

Mr. RANKIN: Committee on World War Veterans' Legislation. H. R. 5149. A bill to govern the effective dates of ratings and awards under the Veterans' Administration revised Schedule for Rating Disabilities, 1945, and for other purposes; with amendment (Rept No. 1800). Referred to the Committee of the Whole House on the State of the Union.

Mr. TOLAN: Committee on the Judiciary. S. 1163. An act to provide for the appointment of one additional district judge for the northern district of California; with amendment (Rept. No. 1801). Referred to the Committee of the Whole House on the State of the Union.

Mr. BURCH: Committee on the Post Office and Post Roads. H. R. 5059. A bill to provide temporary additional compensation for postmasters and employees of the postal service; with amendment (Rept. No. 1802). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of Illinois:

H. R. 5839. A bill to permit the continuation of certain premium payments with respect to copper, lead, and zinc; to the Committee on Banking and Currency.

By Mr. ROCKWELL:

H. R. 5840. A bill to authorize an exchange of land in Eagle County, Colo.; to the Committee on the Public Lands.

By Mr. TRIMBLE:

H. R. 5841. A bill to empower Reconstruction Finance Corporation to lend money to school districts; to the Committee on Banking and Currency.

By Mr. BOYKIN:

H. R. 5842. A bill fixing the date of the termination of World War II for special purposes; to the Committee on Patents.

By Mr. FULTON:

H. R. 5843. A bill to prevent starvation abroad and increase domestic garden food production through establishment of daylight saving time; to the Committee on Interstate and Foreign Commerce.

By Mr. GEARHART:

H. R. 5844. A bill to amend sections 2801 (e) (4), 3043 (a), and 3045 of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. PRIEST:

H. R. 5845. A bill to provide basic authority for the performance of certain functions and activities of the Department of Commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. BOREN:

H. R. 5846. A bill authorizing the Secretary of Agriculture to investigate and install works and measures for the prevention of damage to agricultural lands and property and other values from the uncontrolled flow of water in tributaries of navigable streams that traverse groups of farms; to the Committee on Agriculture.

By Mr. THOM:

H. Res. 568. House Resolution to create a special committee to investigate the advisability of new legislation with regard to campaign expenditures, and for other purposes; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DOYLE:

H. R. 5847. A bill for the relief of Watson Airfotos, Inc.; to the Committee on Claims.

H. R. 5848. A bill for the relief of Mrs. Millicent Moore; to the Committee on Claims.

H. R. 5849. A bill for the relief of Mrs. Grace A. Phillips; to the Committee on Claims.

By Mr. MATHEWS:

H. R. 5850. A bill for the relief of Mrs. Mary Desmond; to the Committee on Claims.

H. R. 5851. A bill for the relief of Second Lt. Francis W. Anderson; to the Committee on Claims.

By Mr. RYTER:

H. R. 5852. A bill for the relief of Bronislaw Stalicia; to the Committee on Immigration and Naturalization.

By Mr. SIKES:

H. R. 5853. A bill for the relief of Mrs. Theresa Price; to the Committee on Claims.

H. R. 5854. A bill for the relief of Mrs. Jessie Louise Raines; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1721. By Mr. ANDREWS of New York: Resolution adopted by the Federation of Italian-American Societies in Buffalo, N. Y., expressing its desire to the President of the United States, Harry S. Truman, to have Mr. Earl Brennan appointed to the post of Ambassador to the Government of Italy; to the Committee on Foreign Affairs.

1722. By Mr. O'TOOLE: Petition signed by 60 residents of the Thirteenth Congressional District of New York, opposing any legislation or restrictions which may be proposed that will bring about partial or national prohibition; to the Committee on the Judiciary.

1723. By Mr. PLOESER: Resolution of the Central Council, American War Dads, to place a strict embargo on the exportation of lumber and other building materials which are needed for home construction; to the Committee on Ways and Means.

1724. Also, resolution of the Missouri State Association of Master Plumbers, opposing the area pricing orders G-31 and G1-4 applicable to Kansas City and St. Louis, as being detrimental and discriminatory to the plumbing industry of that area; to the Committee on Banking and Currency.

SENATE

FRIDAY, MARCH 22, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou whose blessings cannot be numbered, grant that our lives may be rich in the cardinal virtues of temperance, prudence, justice, and fortitude, and in faith, hope, and love.

May we rejoice in the blessed promise that no good thing wilt Thou withhold from those who do justly, love mercy, and walk humbly with the Lord. Enable us by Thy grace to repel every selfish propensity and every willful purpose.

We pray that these Thy servants, conscious of their high calling and opportunity, their privilege and trust, may be guided in a special way by the eternal truth and righteousness of God. May they be equal to the challenge of every task as they frame the policies and administer the affairs of government for our beloved country.

Give them clarity of mind and courage of heart as they take counsel together for the building of a better world in which peace and prosperity shall be the glorious possessions of all Thy children.

In Christ's name we bring our petitions. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The Chief Clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., March 22, 1946.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. BURNET R. MAYBANK, a Senator from the State of South Carolina, to perform the duties of the Chair during my absence.

KENNETH MCKELLAR,
President pro tempore.

Mr. MAYBANK thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, March 21, 1946, was dispensed with, and the Journal was approved.

LEAVES OF ABSENCE

Mr. CARVILLE. Mr. President, I ask unanimous consent to be absent from the Senate during next week on official business.

The ACTING PRESIDENT pro tempore. Without objection, leave is granted.

Mr. WILLIS. Mr. President, I ask unanimous consent of the Senate that I may be permitted to absent myself from the sessions of the Senate for the next 10 days, until the first week of April.

The ACTING PRESIDENT pro tempore. Without objection, leave is granted.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Megill, one of its clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 5671) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes, and it was signed by the Acting President pro tempore.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on March 21, 1946, he presented to the President of the United States the enrolled bill (S. 1354) to authorize the permanent appointment in the grades of general of the Army, fleet admiral of the United States Navy, general in the Marine Corps, and admiral in the Coast Guard, respectively, of certain individuals who have served in such grades during the Second World War.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

CLARIFICATION OF CERTAIN CUSTOMS LAWS

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to clarify the customs laws relating to the customs supervision of lading and unlading of carriers, the furnishing of customs services outside regular business hours, and the extra compensation payable to customs employees for overtime services, and for other purposes (with an accompanying paper); to the Committee on Finance.

EXPORTATION OF CERTAIN COMMODITIES

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to continue in effect section 6 of the act of July 2, 1940 (54 Stat. 714), as amended, relating to the exportation of certain commodities (with an accompanying paper); to the Committee on Military Affairs.

FACILITATION OF DECENTRALIZATION OF VETERANS' ADMINISTRATION

A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to facilitate the decentralization of the Veterans' Administration (with an accompanying paper); to the Committee on Finance.

REPORT OF ADMINISTRATOR OF RENT CONTROL, DISTRICT OF COLUMBIA

A letter from the President of the Board of Commissioners of the District of Columbia, transmitting, pursuant to law, a report of the Administrator of Rent Control for the District of Columbia, covering the period from July 1 to December 31, 1945 (with an accompanying report); to the Committee on the District of Columbia.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The ACTING PRESIDENT pro tempore appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Sentate.

ADMINISTRATION OF INDIAN LANDS—RESOLUTION OF INTERSTATE ASSOCIATION OF PUBLIC LANDS COUNTIES

Mr. CORDON. Mr. President, there has been sent to me a resolution adopted by the Interstate Association of Public Lands Counties, with reference to which I would comment at some length were it not the resolution itself is self-explanatory. I read it at this time:

Resolution 7

Whereas the several Indian tribes throughout the Nation have surplus funds to their credit in the hands of the Federal Government amounting to several millions of dollars; and

Whereas it is the desire of the United States Indian Service to perpetuate its wardship of the various tribes and the members thereof by attaching to said Indians additional acreage which will likewise lend some color of reason for continued administration and thus furnish an additional excuse for the perpetuation of the United States Indian Service and of its annual appropriation now totaling $41,000,000 per year; and

Whereas it is the intention of the United States Indian Service to use a substantial amount of said surplus tribal funds to buy deeded land and thereby further raid the tax base of western counties already burdened with Indian reservations; and

Whereas it is the opinion of Federal officials who are in a position to express an opinion upon such matters that said funds can be used for such a purpose by the Commissioner of Indian Affairs at his discretion without consulting the Congress or the tribes; and

Whereas Indian reservations exist because the United States Senate, in recognition of certain national obligations, executed certain treaties which created them, yet in actual practice the Indian reservations constitute the peculiar obligation and burden of the counties in which they are located; and

Whereas the United States Department of the Interior has shown no enthusiasm for an in-lieu-of-tax payment plan covering lands dedicated to the discharge of said national obligation: Now, therefore, be it

Resolved by the Interstate Association of Public Lands Counties in convention assembled at Reno, Nev., this 27th day of February 1946, That steps be taken at once to place before the Congress appropriate legislation which will forbid the use of tribal funds for such acquisition purposes except as and when the Congress may expressly grant such authority, with the advice and consent of the Indians themselves expressed through a secret ballot free from undue influence and with the advice and consent of the executive officers of the county governments to be affected thereby: *And provided further*, That in all such cases the Congress shall also provide for an adequate in-lieu-of-tax payment program covering existing Indian reservations as well as the lands to be currently acquired.

I ask unanimous consent to present the resolution and that it be referred to the Committee on Indian Affairs.

The ACTING PRESIDENT pro tempore. Without objection, the resolution will be received and referred to the Committee on Indian Affairs, as requested by the Senator from Oregon.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WALSH, from the Committee on Naval Affairs:

S. 1805. A bill to authorize the promotion of personnel of the Navy, Marine Corps, and Coast Guard who were prisoners of war; with amendments (Rept. No. 1074); and

S. 1959. A bill to authorize the payment of additional uniform gratuity to Reserve officers commissioned from the status of aviation cadets; without amendment (Rept. No. 1075).

By Mr. HATCH, from the Committee on Public Lands and Surveys:

S. 1857. A bill to authorize the availability for certain necessary administrative expenses of appropriations for the Department of the Interior; without amendment (Rept. No. 1076);

H. R. 2418. A bill to authorize the United States Commissioner for the Sequoia National Park to exercise similar functions for the Kings Canyon National Park; without amendment (Rept. No. 1077); and

H. R. 3796. A bill to quiet title to certain school-district property in Enid, Okla.; without amendment (Rept. No. 1078).

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WALSH:

S. 1978. A bill to authorize the restoration of Philip Niekum, Jr., to the active list of the United States Navy with appropriate rank and restoration of pay and allowances; to the Committee on Naval Affairs.

By Mr. HATCH (by request):

S. 1979. A bill to eliminate the restriction on the number of lots which may be acquired by settlers in the town site of Wadsworth, Nev.; to the Committee on Public Lands and Surveys.

By Mr. CAPPER:

S. J. Res. 146. Joint resolution for the incorporation of the Ladies of the Grand Army of the Republic; to the Committee on the Judiciary.

DISTRIBUTION AND UTILIZATION OF HEALTH PERSONNEL, ETC.—INCREASE IN LIMIT OF EXPENDITURES

Mr. PEPPER submitted the following resolution (S. Res. 244), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the limit of expenditures under Senate Resolution 74, Seventy-eighth Congress (providing for study and survey of the distribution and utilization of health personnel, facilities, and related services), agreed to June 2, 1943, is hereby increased by $50,000.

RUSSIA'S CLAIMS AND PLANS—EDITORIAL FROM THE SHREVEPORT (LA.) TIMES

[Mr. OVERTON asked and obtained leave to have printed in the RECORD an editorial entitled "Russia's Claims and Plans," published in the Shreveport (La.) Times of March 19, 1946, which appears in the Appendix.]

EDITORIAL COMMENT ON PROPOSED REORGANIZATION OF CONGRESS

[Mr. PEPPER asked and obtained leave to have printed in the RECORD three editorials endorsing the proposal for reorganization of Congress submitted by Senator LA FOLLETTE, which appear in the Appendix.]

THE ST. LAWRENCE SEAWAY PROJECT—STATEMENT BY CORNELIUS H. CALLAGHAN

[Mr. MEAD asked and obtained leave to have printed in the RECORD a statement made by Cornelius H. Callaghan, executive vice president of the Maritime Association of the Port of New York, in opposition to the St. Lawrence seaway project, before a subcommittee of the Senate Committee on Foreign Relations, on February 28, 1946, which appears in the Appendix.]

AMENDMENT TO FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

Mr. BARKLEY. Mr. President, I wish at this moment to make a very brief statement with reference to the pending legislation, the bill S. 1349, known as the minimum wage bill. I do so at this time because we have had a general understanding that there will be no vote today and that we will recess until next Tuesday, at which time we hope to begin voting on amendments and to bring the bill to as speedy a conclusion as possible.

I recognize the importance of the subject of minimum wages in the United States, and I also recognize the difficulty of applying any yardstick with respect to wages to every situation in every community throughout the United States. But we embarked in 1938 on a program calculated to attempt to bring up to a higher standard the wages of substandard employees engaged in commerce, by which we mean commerce among the States and with foreign nations. We were feeling our way in 1938, and we then took a very modest and halting step. We provided for a minimum wage of 25 cents an hour at the beginning, thereafter to be stepped up to 40 cents an hour. It seems now almost ludicrous that we felt in 1938 that a 25-cent minimum wage, even as it might be stepped up later to 40 cents an hour, was anything like an approach to an adequate wage for the working people of the United States.

Twenty-five cents an hour is $2 a day for an 8-hour day, or $52 a month for 26 days' work, assuming that men and women to whom it applied worked every day in the month and worked 8 hours each day—$52 a month as a minimum wage for those engaged in the production of goods going into commerce or in the transportation of goods or in their distribution.

We provided that the minimum should be increased gradually until it reached 40 cents an hour, which is $3.20 a day for an 8-hour day. Assuming that men would work 8 hours every day and assuming that everybody who would draw the minimum of 40 cents an hour would work 26 days each month of the year, they would get at 40 cents an hour about $83 a month as the minimum. Assuming further that all the men and women who would draw 40 cents an hour would work 8 hours all the 26 working days of each month, 12 months in the year, we arrive at a figure that approaches $998 a year.

We may theorize all we wish, and to our hearts' satisfaction, that Congress has no concern about minimum wages, and should not have any concern; that the traffic should bear whatever it can bear in the competitive markets, and Congress should not exercise any concern over it, but let wages be whatever they may, and let the workingman draw whatever he can get; that it is not the concern of the Nation as a whole to deal with the subject at all. That was the argument made by some of those who opposed the act of 1938.

Congress did not take that view, not only so far as labor was concerned, but Congress has not taken that view insofar as agriculture is concerned. Long before the triple A was enacted into law Congress had been attempting to deal with agricultural problems in order to increase the income of the farmer. In order that he might receive a larger share of the national income a number of bills were enacted by both Houses of Congress and vetoed by Presidents. So that there is nothing unusual with respect to the interest Congress manifests in the minimum wage applying to day labor and to hourly labor.

Even long before these efforts to increase the income of the farmer, Con-

gress had dealt with the wage question involving interstate commerce by setting up mediation boards to deal with the wages of men in transportation on our railroads throughout the country. One of the first efforts in that field was the creation of the Railway Labor Board in the Transportation Act of 1920, which turned out to be unsatisfactory, with the result that it was repealed in 1926, and the Railway Labor Act enacted, which set up the Board of Mediation and Conciliation. There have been no major railroad strikes in the United States since that law was enacted in 1926.

So, whether we want it or not, or whether we would have preferred it or not, a situation has arisen which makes it imperative that Congress deal with the question of wages of those who are engaged in interstate commerce by way of transportation or production, or whose activities affect interstate commerce, as provided in the pending bill.

In the Transportation Act of 1920 Congress went far beyond the jurisdiction which it had previously exercised in the passage of railway legislation, by extending the authority of the Interstate Commerce Commission not only to railroads engaged in transportation in interstate commerce, but even to railroads, although not interstate, whose rates and practices might operate as a burden upon interstate commerce, or might affect interstate commerce as conducted by interstate transportation lines.

The provision in the pending bill which changes the description of commerce to include all those who are working in any industry which affects commerce among the States is in line with the advanced step made by Congress in 1920, when it enacted the transportation law which has been in effect ever since, with various amendments which have been added to it.

So, Mr. President, I support the bill now pending before the Senate increasing the minimum wage from the 40 cents an hour, now in effect, to 65 cents an hour, to be advanced by stages to 70 cents, and ultimately to 75 cents an hour.

I do not intend to go into any detailed discussion of the exemptions or the increased coverage, more than to say that I think Congress has the jurisdiction and the power, under the commerce clause of the Constitution, as interpreted by the Supreme Court, to deal with the wages of men whose labor affects commerce among the States.

Persuasive and plausible arguments may be made for the exemption from the application of the law of this, that, and the other industry. I think the bill goes none too far in increasing the coverage of the act under which men will be permitted to draw the increased minimum as the years go by.

Mr. President, I wish to emphasize the importance of increasing the minimum wage from the 40 cents an hour, as it now exists, to the figure provided in the bill. It has been said that many of those intended to be covered, and who were covered under the original act of 1938, and who are now covered under present law, have had their wages advanced until many of them draw more than the 40 cents minimum now provided. Many of them draw even as much as the 65-cent minimum provided in the bill. Undoubtedly that statement is true. There are about twelve or thirteen million industrial workers in the United States. Many of them have had their wages increased by the action of the Government through the War Labor Board, and by process of collective bargaining, and through the agency of industry committees which were provided for in the present law and are carried forward in the bill now pending; but there are about two and a quarter million industrial workers, or workers covered theoretically under the law, who are not now drawing 65 cents an hour for the work which they perform.

It is a matter for congratulation that the forward-looking and wise policy of our country has been to increase the income of workers so that gradually they may share a larger proportion of the total income of the American people. In 1932, due to the depression, the total income of the American people had declined from about $85,000,000,000, in 1929, to approximately $38,000,000,000, in 1932. That income seems fantastically small now when we compare it with the national income of 1945, 1944, and 1943, in which years undoubtedly the income was increased in part by reason of the intensity of the war activities. The national income had increased by 1938 to about $63,000,000,000, and it was when we had a total national income of approximately $68,000,000,000 that Congress passed the act of 1938, fixing a minimum of 25 cents an hour, to be gradually stepped up to 40 cents, and the step-up was consummated I think in 1944.

Our national income has multiplied from $68,000,000,000 in 1938 to from $160,000,000,000 to $180,000,000,000 in 1945, variously estimated. I think the figure of $160,000,000,000 is conservative. We produced in 1945 $197,000,000,000 worth of goods as compared to $97,000,000,000 or $98,000,000,000 worth in 1940; so that we increased our total output of American products more than 100 percent in 5 years from 1940 to 1945. We increased our national income from about $75,000,000,000 in 1940 to $160,000,000,000, we will say, in 1945.

The question which arises in my mind is this: Have we increased the proportion of our national income drawn by the lower wage earners, those in the lower brackets, made up largely of unorganized workmen all over the country who do not possess, and, it may be, cannot possess the power of organization, and therefore are effectively deprived of the right of collective bargaining because the machinery for the selection of representatives and the machinery for any compulsion on the part of their employers does not exist in an effective way? Have the increases received by these workers, many of whom have had their pay increased above the 40-cent minimum now in the law, many of whom have had their pay increased even up to the 65 cents an hour which is provided in the pending bill—have their increases, whatever they may have been, been commensurate with increases in our national income, and commensurate with our total production as the result of their labor and that of all the other workers in the United States?

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. Yesterday I discussed that question, and it seems clear that the wages of the workers in question have increased, from the period the Senator referred to when the national income was low, from 30 cents to 55 or 60 cents, or about 100 percent, whereas the wages of ordinary workers, so far as I can obtain the figures, now are about 50 percent more than they were prior to the war; that is, during the period of low national income the Senator referred to, let us say 1937. Therefore, it is obvious that the low-paid workers, who will receive a 55- or a 60-cent minimum such as proposed now, will receive a much larger increase, and therefore will have a larger share of the national income than the ordinary worker in the automobile industry or other industry whose workers are well paid.

The question is one of degree, of course, but I think the figures show clearly that under the pending legislation the lower-paid workers will receive a proportionately larger increase in wages and a larger share of the national income than they had when the national income was low. The national income represents not only the matter of wage rates but the number of individuals who are working. The question of prices also enters into the consideration. Prices now are 25 percent higher than they were then. A great many other factors enter into the consideration. But, so far as I can judge wage rates, it seems to me that a certain group of individuals will be receiving a larger percentage of wage increase than others and will be receiving a larger percentage of the national income as a whole. The Senator from West Virginia suggested that argument. But it does not seem to me it is an argument against the amendment proposed by the minority.

Mr. BARKLEY. I heard the Senator's speech yesterday, and I read it again this morning in order that I might familiarize myself with the points he made.

Mr. TAFT. I feel greatly honored by the Senator's interest in my remarks.

Mr. BARKLEY. I always like to hear what the Senator from Ohio says, and to read what he says, although sometimes the more I hear what he says and read what he says the less I agree with him. But the Senator is thoughtful and industrious. I pay him the tribute of being one of the most able and industrious Members of this body, and I am always interested in his views.

But, Mr. President, if we assume that the increases which have been made in the lower brackets of workmen's compensation have raised the total income of the 2,250,000, we will say, or 2,500,000, of the 13,000,000 who are engaged in industrial production, and even if wages were raised up to the 65 cents an hour minimum provided in this bill, we would not have done much more than to absorb the increased cost of living which the workers

in the lower brackets have endured from 1938 until now. The figures vary with regard to the percentage of the increase in cost of living. They range all the way from 33 percent to 45 percent, depending on the statistical bureau or agency from which the figures are obtained. But I think it is fair to say that from 1938 to now the average cost of living in the United States has increased at least 40 percent. So, when we increased the wages of the lower wage earners in the country, when we set a maximum, which became a minimum, of 40 cents in 1938, we were not doing anything particularly generous. We were not establishing anything that could be accepted as a standard of life in America.

No one would contend that a man with a family—and a family of four has been used as an average here for argument—can maintain a decent standard of living in the United States on a wage of 40 cents an hour. The Senator from Ohio rejected that argument because he said there are many bachelors in the country and many spinsters, and, therefore, one cannot accept a family of four as an average. But we cannot pass legislation for the benefit of bachelors only. We cannot pass legislation based upon the standards and expenses of a bachelor or even of a spinster in the matter of cost of living. We must consider and acknowledge the fact that the vast majority of the men in the United States who work for wages are heads of families. They ought to be heads of families. It is the exception when they are not. If we are to deal with the problem from that standpoint, we must consider the family average instead of the average of an individual.

I do not think that anyone could successfully contend that even with the maximum of 40 cents an hour which Congress provided in the previous legislation, which should become the minimum, any man with a family, whether of four or three or simply two, could enjoy a decent standard of living in the United States, assuming that he worked every day and every week and every month during the entire year and received $998.

Mr. ELLENDER. Mr. President——

The PRESIDING OFFICER (Mr. MEAD in the chair). Does the Senator from Kentucky yield to the Senator from Louisiana?

Mr. BARKLEY. I yield.

Mr. ELLENDER. Did I understand the Senator to say that a wage of 40 cents an hour in 1938 is equivalent to about 65 cents an hour now, that is so far as the cost of living is concerned?

Mr. BARKLEY. I spoke of 40 cents, the maximum in the bill then considered, which was the minimum ultimately to be attained, and that, compared to the cost of living at the time that bill was enacted into law, the increase provided for in the pending bill would not do much more than absorb the increase in the cost of living.

Mr. ELLENDER. I might state to the Senator that a study made by a department of Government, and placed in the RECORD, shows that it would require today a minimum of 53 cents in order to purchase what could have been bought for 40 cents in 1938. On the other hand, does the Senator know that the legal maximum which is now in the law—40 cents—was not reached until the latter part of 1945?

Mr. BARKLEY. It was reached in 1944, according to my information.

Mr. President, we can dispute here about figures, and whether 53 cents an hour now would be equal to 40 cents in 1938. Even if it were, I would not be satisfied with it, because I do not believe that 40 cents an hour was enough in 1933. Even if we had fixed a minimum wage in 1938 to take effect upon the signing of the bill by the President, which would have given the minimum of $998 a year, assuming that every man worked every working day in the year, that he had no lay-offs, that he took no time out for sickness, that he took no time out for dental care, but kept his nose to the grindstone 26 days a month, 12 months in the year, and drew $998—even under the standards of living at that time, and the cost of living, the 40 cents would not have been sufficient to give to any man in the United States with a family a decent standard of living for himself and his family. He might have been able to get along with the bare necessities of food of a cheaper quality. He certainly could not have bought any of the luxuries. He could not have bought very much furniture. He could not have bought many curtains to hang at the windows. He could not have had any music in his home. He could not have had any pictures on the wall at $998 a year, assuming that he worked every working day in the year. So even at that rate, if we had started with 40 cents, instead of 25 cents, it would have been a very low minimum, and would not have permitted anything approaching what we think the American standard of living ought to be for the average American family, no matter where the worker lives or what his occupation may be.

The figure of 55 cents proposed in the amendment offered by the minority amounts to $4.40 a day. With 26 working days in each month, that amounts to $1,372 a year. When it is stepped up to 60 cents an hour under the proposed amendment it will amount to $4.80 a day, or $1,497 a year. The difference between 55 cents an hour and 60 cents an hour for the whole year, assuming that the worker works every working day in the year, would be the difference between $1,372 and $1,497, which is $125. In other words, if he worked every working day in the year at the rate of 60 cents an hour he would receive $125 more for the entire year than he would receive under the 55-cent rate proposed.

Under the terms of the bill, at 65 cents an hour the wage for an 8-hour day would be $5.20. For the entire year, assuming that the worker worked 26 days every month, his compensation would be $1,622. At the 70-cent rate it would be $1,747. At the 75-cent rate it would be $1,872. In other words, there would be a difference of $125 between the 65-cent rate and the 70-cent rate, and similarly a difference of $125 between the 70-cent rate and the 75-cent rate.

In view of the standard of life which we seek to establish for ourselves, in view not only of the necessities but some of the conveniences to which a family is entitled, or for which it may yearn, in the way of clothing and education, in view of the fact that we are giving serious consideration to an increase in the compensation of all Government employees, which I favor, and in view of the fact that we are giving consideration to an increase in our own compensation, I ask any Senator, or anyone else in the United States, whether $1,622, under the 65-cent rate, or $1,872, under the 75-cent rate, is too much to fix as a minimum annual compensation for the workers of the United States, assuming that they earn it by working every working day in the entire year.

Mr. WHITE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Maine?

Mr. BARKLEY. I yield.

Mr. WHITE. We speak of the pending legislation in terms of a minimum wage, and that seems to be the theme of the discussion. Does the distinguished Senator believe that there is any tendency, in fixing a minimum wage, to make it also the maximum wage? Is there that danger?

Mr. BARKLEY. I do not think so. I know that here and there such situations exist that the minimum finally becomes the maximum; but the experience we have had with the present law since 1938 has not fortified that tendency, because, by reason of the industry committees, and by reason of the efforts of the War Labor Board and other activities, many of those who in 1938 came within the category of the 25-cent rate or the 40-cent rate have of necessity had their wages increased beyond that point, so that the 40-cent rate did not become the maximum, nor did the 25-cent rate. I do not believe that the minimum fixed in the proposed legislation, whatever it may be, would prove to be a maximum, because that has not been the tendency up to now.

Mr. President, because I believe that 65 cents an hour, 70 cents an hour, or 75 cents an hour is not too high a figure to fix as a minimum for two and a quarter million workers in the United States I support the bill, so far as that part of it is concerned, which has been reported by the Committee on Education and Labor, and shall vote against the amendment offered by the Senator from Louisiana [Mr. ELLENDER] when it comes to a vote.

Mr. President, in a moment or two I wish to discuss the question of inflation which has been brought into this debate. The Senator from Ohio [Mr. TAFT] referred to the inflationary effect of the proposed legislation. He stated that it would add to the cost of living. I am not one of those who believe that we can increase wages, whether by a minimum-wage law or by collective bargaining, or by any other method, without increasing the cost of production. I am not going to delude myself into the belief that we can increase wages without increasing the cost of producing what wages produce. We have had a great deal of discussion in regard to that question with reference to the steel

strike, the General Motors strike, the General Electric strike, and all the other strikes; and there was a contention for a while that the wages of the workers in those industries could be increased and that the increase could be absorbed out of the profits of the companies for which they were working. All I have to say about that is that if that were true, it would be an indictment of the Government agencies which have been seeking to keep down prices; and while profits were not the primary objective of keeping down prices, there is no way to separate profits from prices. They go together. I am unwilling to believe that the price-fixing agencies of the Government in the exercise of their jurisdiction and their power have fixed prices so high that, out of those prices, sufficient profits were made to absorb all the increases in wages which might be granted to American workingmen and which they were entitled to have and which they have received and are receiving and will continue to receive until the whole wage situation has reached some kind of equilibrium on a basis which will entitle us to hope that we may go forward with the enormous production of which the American people are capable. It may be that in some isolated instances or in the case of some great corporations, profits have accumulated to such an extent that they might absorb increases in wages for a while; but there is not going to be any rescission in wages; they are not going back to the prewar level; they are not going back even to the war level, unless the expenses of living go back, and we know that is not going to happen.

Therefore, I proceed on the assumption that increases in the wages of employees must enter automatically into the cost of production, and that finally the American people must pay for them, and will pay for them, and are glad to do so, provided our total income is sufficient to enable them to pay them out of their individual incomes, whether they be farmers or merchants or bankers or lawyers or laboring men.

Mr. President, every time certain measures are opposed here, we hear the old, familiar word "inflation." When I was a young man, beginning my political pilgrimage, I advocated a few progressive measures; for instance, when I first ran for Congress I advocated Government aid in the building of highways all over the United States. One of my distinguished opponents in that campaign back in 1912, a man who had previously served a term in Congress, opposed me on the ground that that was socialism; that it was socialistic for the Federal Government to help counties and States build highways. Before the campaign was over, the Democratic Party met in Baltimore and wrote into its platform a plank in favor of Federal aid in the construction of highways; and, of course, my opponent had to change his attitude on that matter; it was no longer "socialistic."

Shibboleths and names are used which seem to frighten people because of some mysterious connotation in connection with them. Now we are using the word "inflation." I am opposed to inflation as much as any other person can possibly be; but with the cost of living going up and with the cost of labor going up, with our efforts here to maintain the high prices of agricultural products, and having almost guaranteed a 2-year floor for the prices of agricultural products which we are in favor of and which we shall maintain, I am not one of those who will delude themselves into believing that we are going to have some increase in the cost of living; and, of course, that increase will reflect itself in a sense upon the net income of all of us, and it will be more injurious to the man or woman with the fixed salary which cannot be increased than it will to those whose salaries may be flexible or may be the result of their individual efforts more than the result of any fixed rate of compensation.

But, Mr. President, we have had an increase in the cost of living since the minimum wage law was first enacted. The increase in the cost of living has amounted to approximately 40 percent, and it has hurt more and has hit harder the persons in the low-income brackets in the United States than it has any other group in our country.

This particular increase will affect approximately 2,250,000 of our working people. Not all of them will receive an increase in the amount of the entire difference between 40 cents an hour and 65 cents an hour, because many of them have already had their wages increased up to 50 cents an hour or 55 cents an hour, and some of them have had their wages increased to 60 cents an hour. But the total number who are now being paid wages less than the 65-cent-an-hour minimum provided for in the bill is two and one-fourth million. That does not mean that all of them are working at 40 cents an hour, which is the present minimum. I do not know what the average is; I have no figures here to indicate how many of the 2,250,000 or 2,500,000 of our people now are being paid 45 cents an hour or 50 cents an hour or 55 cents an hour. But there are that many people in our country who are drawing less than 65 cents an hour, which is the minimum fixed in the pending bill. It would be interesting if we were able to present to the Senate figures or information relative to the number of them who now are being paid 50 cents or 55 cents or 45 cents an hour. It would be interesting if we had the figures which show how many of them lose, out of every 12 months, 1 month by reason of illness or temporary lay-offs. When they are out of work because of illness, their expenses go on just the same. If they are laid off temporarily by the plant in which they work, either because of lack of business or because of readjustments of machinery or for any other reason, or due to the closing of the institution, the amount of money which they would otherwise earn during that period must be subtracted from their total annual wages, but their expenses go on just the same during that period.

The increase in the minimum wage provided for by the pending bill is not inflationary, in my judgment, Mr. President. In view of the inflationary pressures which are always present and always are obvious in any period of readjustment following a war of any kind, and especially following the world's greatest war when the effect of such pressures is being felt and will continue to be felt in spite of all the Government can do to keep them down, I do not believe we can deny to the men and women in the lower-wage brackets who now are working for between 40 cents and 65 cents an hour an opportunity to share more abundantly in our national income than they are sharing notwithstanding such increases as they may have received between 1938 and 1946.

Whatever the magnitude of the problem which confronts us in combating a rising price level, Mr. President, we should not attempt to fight inflation with sweatshop wages. If we are to keep down inflation, we certainly ought not to keep it down at the expense of the lowest-paid wage earners in the United States; we ought not to make them the victims; we ought not to make them the lever; we ought not to make them the stile from which we shall climb on to the horse of inflation and ride off with it while others enjoy an increase in the take-home pay which they have been able to obtain, as I believe rightfully, as a result of the wage negotiations which occurred not only during the war but which have been emphasized since the war.

I do not consider it to be the responsibility of depressed and exploited wage earners, wherever they may be, to assume the burden of holding the price line single-handed while labor in general, and management throughout the country, reap their rewards in increased productivity through higher wages and through higher prices, because no wage influence that can be exerted by putting a lid on wages below 65 cents an hour can produce any visible offset to the rising trend of prices.

Although polls of public opinion throughout the country indicate a readiness to bear the results of further increases in prices in order to afford a minimum standard of living to substandard wage earners, it is not necessary that we rationalize and defend the proposed amendment on the basis of our willingness, even at the cost of inflation, to increase the minimum wage. There are no grounds for fear that the immediate effect of this bill on prices will be of any consequence, and in the long run we can expect it to operate to reduce prices rather than raise them.

Before inquiring whether increased wages will necessarily mean increased prices, let us consider the actual extent to which the pending bill will result in higher labor costs. How much will this country have to pay to bring every depressed wage earner up to 65 cents an hour? Although approximately two and a quarter million pay checks would be directly affected by this bill, the actual magnitude of the total dollar increase would be considerably less than this number might suggest. As a result of wartime pressures on wages, the greatest proportion of these employees are already receiving only slightly less than 65 cents an hour. The National War Labor Board was successful in bringing a substantial proportion of substandard wages up to the 55-cent minimum. It is

estimated that the direct increase in the wage bill for all manufacturing industries combined would, under the pending measure, be roughly $504,000,000. The entire added wage bill, under the proposed legislation, for all those who are now working for less than 65 cents an hour, would be a total of approximately $500,000,000 per annum. This would require an increase of 2 percent of the total 1945 wage bill.

Mr. President, is this inflation? Can an increase of 2 percent in the cost of labor, even with minor additions from the indirect costs of the bill, be labeled inflationary? It can be labeled inflationary only if it results materially in substantially higher prices.

Before answering the question, Will the pressure exerted by an increase in the minimum lead to rising prices? we will have to examine existing price-cost relationships for these factors, under competitive conditions, determine whether the new cost will be passed on by the manufacturer and the distributor to the consumer, or met out of profits. How much of such an increase could, in a competitive market, be absorbed by profits? In 1944 profits were more than $14,500,000,000. The cost of bringing the minimum wage up to 65 cents would be roughly 3½ percent of that figure. This is an era in which, since the passage of the 1938 act, profits after taxes have more than doubled, in which profits before taxes have soared from $2,500,000,000 to $27,000,000,000 in 1945. It is not too much to expect that the proposed increase in the cost of labor can be borne by the producer with negligible repercussions on prices throughout the system.

Mr. President, we are not getting together to divide up industry's wartime earnings for distribution to the low-wage groups. The pending bill is a forward-looking measure, designed to provide opportunities and stability for a growing postwar America. It is aimed at diverting an increasing amount of the fruits or an expanding capacity to the low-income groups, thus providing the mass purchasing power which a full-employment level of production demands.

Mr. President, I cite the wartime profit figures only as an indication of the tremendous proportions of industry's earning prospects for the next decade. Already business has been handed by Congress a boon of no mean dimensions by the repeal of the excess-profits tax, for which I voted as a member of the Finance Committee of the Senate and as a Member of the Senate of the United States, which, beginning the first of this year, reduced taxes on those earnings which were for many firms the major part of total receipts. The tax carry-back provisions very nearly eliminate the element of risk for war enterprises now converting to peacetime production.

In my judgment, prospects for business in this country have never been brighter. Productivity which, in the past has risen at a steady rate of 3 percent a year, should for the next few years hit an unprecedented stride. I say this not merely on the basis of the past trend of postwar productivity, but I am thinking of actual technological developments which have taken place during the war, and are due to be introduced by manufacturers. It is not overly optimistic to anticipate that in an era such as is promised by the future, manufacturers can shoulder the cost of a minimum wage without passing it on to consumers in the form of higher prices.

The effect of paying a higher wage will be rather to redistribute income than to increase it. By compelling employers in the aggregate to reduce prices by about 3 percent in order to assure their employees a living wage, we are not increasing the inflationary pressure but merely transferring income from the hands of the manufacturers who may have made more than they were entitled to, or more than their share of the total income, to those who are making less than they are entitled to as their share of the total income of our people and who will spend it on a minimum standard of living.

I do not believe in taking away from one to give to the other; but I do believe that as our capacity to produce expands a greater and greater proportion of our growing real income should be turned over to the lowest-income groups. Diverting income from the manufacturer to the low-wage earner does not create new income, and, accordingly, it does not set in motion new inflationary pressures. There is no significant difference in the effects of an expenditure on prices in general whether spent by a worker and his family or by manufacturers. So long as the cost of the increased wage bill is not reflected in the price of the ultimate goods, there need be no great concern over an increase in effective buying power which would constitute an inflationary potential.

But there are those who will voice concern about the consequences for the historically low-profit industries and the marginal producers. What of their ability to increase wages without raising prices? I do not deny that these sectors of our economy deserve our attention. But let me emphasize that we must consider this legislation from the point of view of the economy as a whole. We must recognize the marginal producer as a special case, deserving particular consideration, and we must treat him accordingly. But we cannot allow the standards for the entire Nation to be set by the individual low-profit firms. Nor can we support a dynamic economy by so adjusting our sights as to avoid hardship to the small group of industries, or sectors of industries, whose cost-price relationships and competitive conditions are unfavorable. I concede that there will be industries whose profit margin is such that production can only be sustained through an increase in their price level. But let us view these individual segments of the econocy in their proper perspective. Who are they? How large a proportion do they contribute to our total output? And what will be the relative magnitude of a price increase in these industries?

The primary consideration in estimating specific effects of the increased rate in any industry is the proportion of employees receiving less than the proposed minimum. A careful study of the United States Department of Labor figures reveals that in all but five of the manufacturing industries, the number of wage earners receiving below 65 cents is negligible, and thus little, if any, price adjustment would be justified in the majority of industries on the basis of the new minimum. The five low-wage manufacturers, however, deserve closer attention.

The tobacco industry employs the most substantial number of workers at less than 65 cents. In this industry, where over half of the wage earners receive less than the minimum, an increase in the pay roll of about 11 percent would bring all wage earners up to the proposed level. If this increase were absorbed by the manufacturer out of profits rather than by the consumer, the remaining level of profits would still stand 22 percent above the industry's prewar level. In lumber and timber, where over 50 percent of the wage earners receive less than 65 cents, producers could absorb the entire 9 percent increase in the wage bill and still retain profits before taxes almost 7 times the prewar figure. In the textile industry, the new wage bill would be 6 percent above the present level, and were none of this cost passed on to consumers, the industry could still maintain profits over 4 times the prewar level.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. HAWKES. In making comparisons of prices of seven times more than they were prewar, can the Senator tell me what the percentage of profit was in that particular industry prior to the war? If it was almost nothing, and we multiply almost nothing by seven, it does not become very great, whereas, if the profit was a substantial one the argument is very strong.

Mr. BARKLEY. Of course, I am sure the Senator recognizes the fact that if an industry made no profit at all it could not be multiplied by 7.

Mr. HAWKES. I mean, suppose the profit were half of 1 percent and it were multiplied by 7, then it would be 3½ percent.

Mr. BARKLEY. I do not have them, but I shall be glad to try to obtain the figures for the industry in question. Those I am now quoting are from the calculations of the Bureau of Labor Statistics of the United States Department of Labor.

Mr. HAWKES. I am not now trying to prove anything; I am merely seeking information. I am sure the Senator will agree with me that if the prewar profit was substantial, and the subsequent profit was seven times as great, it would be excessive; whereas if it were a very limited profit, such as would not entice anybody to go into the business, and it were multiplied by 7 it would be merely a normal profit.

Mr. BARKLEY. I should say that if an industry before the war earned 1 percent as profit and that were multiplied by 7, it would have seven times its prewar profit, which still would not be an exorbitant profit.

Mr. HAWKES. That is exactly what I mean.

Mr. BARKLEY. I cannot give the Senator the figures, but I shall attempt to get them if they are obtainable.

Mr. HAWKES. I will appreciate it if the Senator will do so.

Mr. BARKLEY. I am speaking now of industries in which there is a greater preponderance of workers who draw less than 65 cents an hour.

Mr. HAWKES. I realize that.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. AIKEN. The Senator mentioned the fact that the tobacco industry has the greatest number of low-paid employees. According to the figures submitted to us by the Department of Labor, the profits of the tobacco industry for the years from 1936 to 1939 averaged $114,000,000 a year, while for the year 1944 they increased to $153,000,000. However, the tobacco industry was hit harder by taxes than many other industries, so that net profits after taxes were reduced about 20 percent, but gross profits before taxes increased 34 percent during the war. The profits for other industries will be found in part II of the hearings of January 18 to 21. I understand that since the excess-profits tax has been removed from these companies, they can now realize at least the profit they made previous to the war and probably more than that.

Mr. BARKLEY. That is entirely possible, although it might depend somewhat upon the cost of the raw product which they bought. During the years 1943, 1944, and 1945 the prices of tobacco out of which tobacco products were made were very high. This year the market almost collapsed. In other words, the average price of tobacco going into cigarettes dropped from about 52 cents a pound in early December to about 25 cents a pound. So in the future that will undoubtedly be reflected in the profits they will be able to make out of tobacco which was bought at lower prices, but it would not reflect itself in 1946 and probably not in 1947 because a large part of their purchases have to dry and season, as they call it, before they are actually put into the production of cigarettes.

Mr. AIKEN. Taking cigarettes alone, the average profit of the manufacturers for 1936–39 was $100,000,000. That jumped to $130,000,000 in 1944, an increase of 30 percent. However, the profits after taxes dropped from $82,000,000 down to $63,000,000, a drop of 42½ percent; which shows clearly that it was not the increase of wages but the matter of taxes which brought about a reduction in the profits of the tobacco industry.

Mr. BARKLEY. That applies to many other companies as well as to tobacco.

Mr. AIKEN. I hope, and I presume the Senator from Kentucky hopes, that the producer of tobacco will continue to get a good price for his products since he is the man who takes the risk.

Mr. BARKLEY. I certainly do, and we passed a bill recently, with the Senator's aid, which applied to production in a way that will assist in maintaining higher prices for tobacco, so that the bottom of the market will not fall out, and the farmer will have for the production and marketing of his tobacco more than he was recently able to obtain.

Were the price of the new minimum to be absorbed by apparel manufacturers, profits would be sustained at one and a half times the prewar level, and two and a half times that level in the furniture industry.

Thus, it is apparent that the impact of the increased wage bill in the typically low-wage industries would be far from crippling. If in each case the manufacturer bore the entire burder profits would not fall below a level substantially above prewar figures.

Now let us assume the producers in these five so-called hardship industries passed on the cost to the consumer. What would be the inflationary proportions of such price increases? The prices of cigarettes would go up about one-tenth of a cent a package, assuming none of the increase were borne by the distributor. Lumber and timber prices would not increase more than 5 percent. The average increase in the price of textiles at the manufacturing level would be less than 1½ percent, and we would not pay more than 4 percent more for furniture and apparel.

Even if all the increase involved in wages in these five so-called hardship industries should be passed on to the public, are we ready to say that the American people, if required to do so, would not be willing to pay one-tenth of a cent more for each package of cigarettes, or that they would not be willing to pay 5 percent more for lumber in order that the men who go into the woods and into the sawmills and into the factories may make a decent wage? Are we not willing to assume that their increased purchasing power and productivity by reason of this increase would offset any disadvantage to the employer and even result in greater profits on the part of the employer?

Remember, Mr. President, that these inflationary pressures which would occur if the manufacturer and the distributor chose to pass the new cost along to the consumer would not take place throughout the economy. In all but five manufacturing industries the repercussions would be scarcely detectable, for it is only in the specific industries just named that a considerable number of wage earners are employed below the minimum.

It is important that we recognize that, even if in all these cases price increases should result from raising of the statutory minimum, the over-all result would not be large. These industries represent a relatively minor portion of our economy. Compared with the volume of production in the entire country for which no question of increased prices will be involved, the inflationary forces exerted by those industries which will feel the impact of an increased minimum will be insignificant.

We have evaluated the inflationary forces believed to be inherent in an increase in the minimum wage, and they have proved to be few in number and in no case substantial. But all potential pressures of an increase in the minimum are not of inflationary character. What, now, are the offsetting influences, the factors contributing to deflation, which will be set in motion by an increase in the statutory minimum?

Insofar as the higher wages operate to achieve an increase in productivity, such effects must be considered counteracts to inflation. It should be clear that if a worker accelerates his output as fast as his wage rises, the cost of his labor to the producer does not increase. In other words, if he is a more contented worker and goes to his work in the morning and leaves it in the afternoon a happier man, with the feeling and the knowledge that he is sharing to a greater extent in the entire income of our people, it will affect his productivity, it will affect his attitude toward his job, and toward the industry in which he is working.

Accordingly, when productivity increases with wages, the unit cost of production not only does not rise, it will actually be lowered, to the extent that utilization of capacity equipment is intensified.

This increase in productivity is inevitable as wages at the substandard level are raised. No one can view the history of this great industrial nation without a penetrating awareness of the interdependency of high wages and high profits—since the beginning of the industrial era the two have gone hand in hand. Historically prices have fallen in the United States while wages have continued to climb. The result has not been inflation, but the highest real income in the world, as a consequence of an ever-increasing rate of productivity.

There are two common-sense reasons why it is possible to increase output per man by simply forcing the employer to pay a living wage. First, there is no doubt that a worker who can provide three square meals a day for himself and his family, and a decent home in which to live approaches his job with a new energy, a new interest, a new verve. It cannot be denied that there is some relationship between the highest standard of living in the world and the level of production which the United States has achieved. It is equally patent—and this can be read from the testimony of some of the Nation's leading industrialists—that a producer who is given a flat minimum-wage bill to meet will take steps to introduce new efficiency into his plant in order that the increase may be absorbed.

When he can no longer meet his competitors' prices by depressing wages, he is forced to seek the only alternative means of decreasing costs—he will increase efficiency of his labor. It is highly probable that in many inefficient areas and industries the incentive provided by the new minimum-wage requirements will so increase productivity as to more than offset the increased wage bill. It is thus not inconceivable that the effect of the bill in some quarters should be actually to lower prices. We cannot ignore this relationship between wages and productivity, for we can depend on it to play a major roll in offsetting whatever comparatively minor inflationary pressures might evolve from passage of this bill.

The effect upon productivity of increasing wages from the long-run point of view cannot be overestimated. They

are more than incidental to the rising tempo of output. They are absolutely essential in a growing economy such as ours, to a sustained high level of production. We are a dynamic, progressive system. Since the Fair Labor Standards Act was passed, less than 7 years ago, our national income has climbed from $80,000,000,000 to $194,000,000,000.

I use that figure as a maximum. It ranges all the way from $160,000,000,000 to $190,000,000,000, but I think that the latter is the maximum, and $160,000,000,000 is the minimum. I believe the prospect of full employment and full production in the United States, when we have adjusted our controversies which have grown up as a result of the readjustment and chaotic situation which the war brought about, will result in our producing in the United States next year more in value and in volume than we produced in the peak year of the war, which was $197,000,000,000 worth of goods. I believe next year we can produce more than $200,000,000,000 worth of goods for the consumption of our own people, and for the yawning mouths and markets and stomachs of the people of the world, who are anxious to receive our surplus.

The expanding job and business opportunities necessary to sustain our unprecedented level of output can only be supplied through mass purchasing power and an ever-rising rate of productivity. In an era in which this Nation's income can double in 5 years, shall we hesitate to pass a bill which will do no more than pick up the stragglers who get left behind in the race to secure a share of the Nation's increasing real income?

Accordingly it is not only practical foresight to provide for a flexible minimum which will rise to 70 cents 2 years from now, and 75 cents 2 years later, it is a virtual necessity if we are to maintain the present industrial pace. If we could continue the historical rate of increase in productivity, we should fear no impelling inflationary results of the bill. For 20 years following the last war average hourly earnings increased by 28 percent. Prices during the same period fell by 38 percent as a result of declining labor costs. On the basis of wartime developments, we can count on even greater strides in the immediate future. It is not inflationary to divert a share of the rewards of progress to the low-income workers of this country.

So, Mr. President, I support the proposed legislation. I believe it to be fair and just. I believe it to be in harmony with the tendency of the present times. I believe it will work no hardship on industry, and if it turns out that industry cannot absorb the increase out of profits, I do not believe it will work any harm to the great consuming masses of the American people, who, out of their wealth, out of their accumulations, and out of their incomes, will be glad to pay the increased wage to these lower-paid workers, and who, whether in a seen or an unseen fashion, will receive more than a monetary benefit through the satisfaction of feeling that they have contributed to the elevation of life and happiness and contentment, to the education and health and enjoyment, of our people, in the new economy which we vision.

For the reasons I have stated, Mr. President, I hope the pending bill will be enacted, without the amendments offered by the minority, that it may become law, and that the increase provided can be absorbed as in the case of the law that has been on the statute books for the past 7 years.

Therefore, Mr. President, I repeat, I support the bill, and hope it will be enacted without crippling or devastating amendments.

WORLD COOPERATION

Mr. MAYBANK. Mr. President, last Saturday, at the meeting of the Hibernian Society in Charleston, many distinguished speakers addressed the gathering. I shall not ask at this time that any of the speeches be included in the RECORD, but I do wish to call attention to an editorial which appeared in the Columbia State, which is very brief. It reads:

> Responding to the toast, South Carolina, at the one hundred and forty-fifth anniversary of the Hibernian Society of Charleston Saturday night, Donald Russell, Assistant Secretary of State quoted a toast made by Secretary Byrnes at an official dinner at the Potsdam Conference:
>
> "Those whom war has joined together, let not peace put asunder."

I need go no further to show the interest of our South Carolina Jim Byrnes for peace on earth and good will to all despite some statements that I have read.

AMENDMENT OF FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

Mr. SMITH. Mr. President, as one of those who joined the minority members of the Committee on Education and Labor in presenting the minority views—and in supporting the alternative amendments to the Fair Labor Standards Act, I desire to explain the reasons for the position which I have taken.

I had the privilege of serving as a member of the subcommittee which conducted the hearings on the amendments, and having attended practically all the hearings, I feel that I have heard all the arguments on this important matter, pro and con. Furthermore, in order to give my constituents in New Jersey an opportunity to express their views, I personally held a private hearing in Trenton, N. J., which was attended by representatives of labor, management, and the general public.

My general over-all conclusions from this experience of many weeks, which I wish to emphasize, are:

First. That the minimum-wage and maximum-hour policy as defined in the Fair Labor Standards Act of 1938 is sound and, generally speaking, has been successfully administered.

Second. That in light of the increased cost of living since the 40-cent minimum wage was put into effect, and there has been some discussion, Mr. President, whether it was put into effect in 1944 or in 1945—we should now increase the minimum wage to reflect those increased living costs.

Let me reemphasize what I have just said. I think the minimum-wage and maximum-hour policy as defined in the Fair Labor Standards Act of 1938 has been and is sound.

I think that in the light of the increased cost of living since the 40-cent minimum wage was put into effect, we are now called upon to increase that minimum wage in line with the increased cost of living.

But, Mr. President, in my judgment the majority report and proposed amendments to the act endeavor to "go too far too soon" and threaten to change the original minimum-wage policy. The changes proposed may well undermine a sound minimum-wage program for our country and might well effect our whole national economy.

Let me emphasize again that my criticism is that the majority report and proposed amendments endeavor to "go too far too soon." We are in the process of readjustment after a great war, and in my considered judgment we must feel our way carefully or we will fundamentally damage our whole national economy.

Mr. President, let me say that I am one of those who believe sincerely—and I yield to none of the previous speakers in this—in the highest possible wage levels for our workers, both from the standpoint of living standards and because a wide consuming power is a most important factor in the marketing of an expanded national production. I agree with those arguments. But let me note that while the general wage-level issue is of course related to the minimum-wage question, it is a problem quite different. General wage levels—and I want to emphasize this—are the concern of free collective bargaining between employer and employed. Minimum-wage legislation, as distinguished from general wage levels, is wage fixing by government, primarily to protect those who are unable to protect themselves by the collective-bargaining processes.

We have been struggling, Mr. President, for some years to enable collective bargaining to occupy its proper place in our society so as to protect the workers in their dealings with management, and we are all agreed that that is the right approach. Now we have added to that, minimum-wage fixing by Government fiat, by legislation, which is simply setting a floor to protect those who are not in a position to bargain for themselves.

Let us consider, Mr. President, the original Fair Labor Standards Act of 1938, which is the present law which it is now proposed to amend, and the policy of which I previously said I approved. That act, after providing for an Administrator of Wage and Hour in the Department of Labor, and setting up—and this is important—industrial committees which would consider the different situations in various industries, established minimum wages and maximum hours on a basis which it was felt it would be possible for industry to meet without curtailing employment, and which aimed over a period of 7 years to bring the minimum wage for the individual worker

from a base of 25 cents an hour to an ultimate base of 40 cents an hour. It was recognized that this should be a gradual step-by-step progress. The act then went on to provide for administrative machinery, to define child labor and its limitations, and because of the fact that conditions varied throughout the country, both because of differences in industries and differences in regional conditions, the act provided for certain industry exemption in order to make it possible to fit the wage-and-hour plan within the general pattern of the national production program.

I might say parenthetically here that I think if I were writing a minimum-wage law I would favor a reasonably low figure, but I would make it universal with no exceptions. What we did was to try and set a higher figure, and then we had to make exemptions because we realized that various conditions throughout the country required different treatments. I want to emphasize that because it goes into the whole program proposed by the majority and the wide coverage they placed in their proposed amendment.

Mr. President, the law was passed and went into effect in 1938. The evidence presented to our Education and Labor Committee at our recent hearings indicates that it has been successfully applied, and that the standard of our "border line" workers has been raised. We all rejoice in this result. It was demonstrated that employers who desire to pay fair wages can be protected by this minimum wage policy. One of the outstanding good effects of the policy was to prevent the slashing of wages as a means of reducing the cost of production in depressed times.

I am one of those who firmly believe—and I want to emphasize this—that competition should never be met at the expense of the living standards of our people. I favor the minimum wage policy because it protects employers who do not want to slash wages in depressed times, but try to make their savings in other ways. We want to protect them so far as we can.

We must bear in mind, however, in considering the beneficial results of the policy that it became effective just at the moment when the step-up in production was restored to the country because of the demands, first abroad and then at home, for war materials. Let us bear in mind that this policy did not get under way until 1939 or 1940, and while the war for us had not yet begun, yet there was a step-up in demand for war material because of the war abroad.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. MORSE. What I should like to express now to the Senator is a factual difference and a difference in principle. I should like to make a brief statement, if the Senator will permit me, on his comment as to when this 40-cent raise went into effect, for most of the workers covered by the 1938 act.

One factual difference with the minority report is on the same point, if I understood the Senator correctly, as he has made in his speech thus far, namely, it was not until 1941 or 1945 that the act of 1938 setting the 40-cent figure went into effect. The record on this bill shows the great majority of the workers who were affected by the 1938 act had reached the 40-cent level by the spring of 1943. The Wage and Hour Administrator has shown, for example, that—

For the hosiery industry, 17,000, or 19 percent, of the workers got an increase to 40 cents in September 1939.

For the hat industry, 6,000, or 22 percent, got an increase to 35 and then 40 cents in July 1940.

For the millinery industry 3,000, or 16 percent, got an increase to 40 cents in January 1940.

For the leather industry, 3,000, or 6 percent, got an increase to 40 cents in September 1940.

For the pulp and primary paper industry, 9,000, or 7 percent, got an increase to 40 cents in September 1940.

For the converted paper-products industry, 31,000, or 16 percent, got increases from 36 to 40 cents in June 1941.

For the portable lamp and shade industry, 5,000, or 44 percent, got an increase to 40 cents in July 1941.

For the cotton-garment industry, 99,000, or 68 percent, got an increase to 40 cents in September 1941.

For the rubber-products industry, 5,000, or 5 percent, got an increase to 40 cents in November 1941.

For the jewelry industry, 12,000, or 33 percent, got an increase to 40 cents in November 1941.

For the seamless-hosiery industry, 15,000, or 23 percent, got an increase to 40 cents in February 1943.

For the women's-apparel industry, 65,000, or 25 percent, got an increase to 40 cents in September 1941.

For the knitted-underwear industry, 15,000, or 22 percent, got an increase to 40 cents in November 1941.

For the wood furniture manufacturing industry, 44,000, or 36 percent, got an increase to 40 cents in November 1941.

For the property motor-carrier industry, 72,000, or 12 percent, got an increase to 40 cents in March 1942.

For the shoe-manufacturing industry, 90,000, or 39 percent, in November 1941.

I could recite many more instances for the record, but I wish to save time and space.

I think the minority members, or those who signed the minority report, ought to review again what the records of the Wage and Hour Administrator of the Department of Labor show on that point. With the Senator's permission, and with unanimous consent of the Senate, I should like to have included in the RECORD at the end of the remarks of the Senator from New Jersey a table showing the number of employees in the continental United States who received direct wage increases as the result of the passage of the 1938 act, and the dates when they received them, because I think the table is an adequate answer to the question: When did the 1938 act as to the majority of the employees concerned, really go into effect?

The PRESIDING OFFICER. Without objection, the table will be printed in the RECORD.

Mr. SMITH. I am very glad to have the Senator's comment. I was quoting previous speakers who differed as to whether the final effect was in 1944 or 1945. So far as my point is concerned, it makes no difference whether it was 1945, 1944, or 1942, because 1942 was after the war impact had come, and it enabled us to maintain and increase our wage levels because of the demands for war production.

Mr. MORSE. There is quite a bit of difference so far as the arguments set out in the minority report are concerned, as to the percentage and as to the rapid rate with which the percentages alleged by the minority have been applied. I make this comment at this time: When we are considering when the rates went into effect under the 1938 act, the Senator should take note of the fact that the 55-cent figure which he and others who joined in the minority report advocate allegedly constitutes only the real minimum wage of the 1938 act applied in the year 1946. The great majority of the low-paid workers in the country would not receive any real increase from the proposal in the minority report. Most of the low-paid workers under 65 cents in industry today are getting 55 cents or more. All the minority really is saying to the smaller number of low-paid workers under 55 cents in this country is that we think your allegedly minimum real wage ought to be in 1946 what it was in 1938. I say that that is a sad reflection on the private-enterprise system of this country, if, in the year 1946 we are not ready to take a progressive step forward toward a high real minimum wage.

Mr. SMITH. I agree with the Senator. It is only a question of how rapidly we can do it, and whether my point is well taken that the report of the majority would do it too fast and too soon.

Mr. President, I do not object to interruptions, but I request Senators who wish to interrupt me to ask brief questions, and not take my time to make extended speeches.

Mr. AIKEN. Mr. President, will the Senator yield for a brief observation?

Mr. SMITH. I yield.

Mr. AIKEN. The testimony before the committee showed that in 1941, 20 percent of the workers of the country were receiving less than 40 cents an hour, and that at the time the testimony was given—I believe in January of this year—20 percent of the workers of the country were receiving less than 65 cents an hour. So the percentage of workers who are now receiving less than the proposed minimum is the same as the percentage who were receiving less than the actual minimum of 40 cents an hour in 1941.

Mr. SMITH. I thank the Senator. I think he has made a valuable contribution.

Before the minimum wage was ever raised to 40 cents by the law of 1938, we were approaching the peak of war production. I repeat that in the light of the remarks of the Senator from Oregon [Mr. MORSE] and the Senator from Vermont [Mr. AIKEN]. Because the Government soon became the principal buyer of practically everything produced

in this country, it was possible to meet the general increase in wages without considering the cost or the effect on prices. We had no question of price control because the Government was paying what it had to pay to get production.

I am trying to analyze the situation in a thoughtful way, so that we can see the implication of what is being proposed.

What, then, does the committee report with its amendments propose? First, it leaves the 40-hour week where it was, which means that employment over 40 hours in any one week is to be paid at the rate of time-and-a-half for overtime. There is no quarrel with that general principle. I think we are all agreed on that at the present time. It provides for a minimum wage starting at 65 cents, which is 25 cents above the former legal minimum. I recognize that the Senator from Oregon said in that connection that the minimum wage was raised beyond that figure by War Labor Board action, to 55 cents. The minimum wage goes in successive stages to 70 cents and 75 cents. These figures are based upon the Department of Labor's estimates of the minimum living standard for a family of four.

I am not going to debate that question at length. I merely wish to say that if I were thinking in terms of such a yardstick, I should say that the 75-cent figure is not adequate. If the Government is to provide by legislative action for a living for a family of four, I should say that the rate ought to be a dollar an hour, or even higher. A rate of a dollar an hour would represent approximately $2,000 a year, which we all admit is very close living, with reasonable comfort, for a family of four. But can we take that as the yardstick. That is the question to which I wish to address myself.

After the hearings were concluded, and while the committee in executive session was considering the exact form of the proposed amendments—we having practically agreed to the proposed amendments—a further move was made successfully in committee to extend the coverage to any industry "affecting commerce" anywhere in the United States.

At this point let me remark that no evidence was taken on the question whether that could be done. There were no hearings on that particular subject. At a final meeting, when the vote had to be taken by proxies, it was voted to extend the coverage. I do not say that anything was put over. I merely state that it was a surprise move to many of us. Those of us who objected stated that we felt that we could not safely go along with the extension of coverage, because we had no evidence to show how the man on Main Street in the Middle West, or anywhere else in the country, would be affected.

This was without regard to types of employment or the question of whether the business was interstate or intrastate. The original act of 1938 contemplated interstate business; and while I admit that those engaged in intrastate business had to be protected, as well as those engaged in interstate commerce, the problems are very different in different parts of the country. One of the reasons for having interstate commerce protection was those variations.

This is the extension of coverage to which the minority objects. The original act of 1938 had recognized, because of the difference in conditions in the various States, that purely intrastate business should be handled by local State legislation, and that the small-business man, the corner grocery store, and the retail business, should not be harassed by Federal inspections and Federal control, but should be subject only to local State control and State policy.

In reading the majority report I find a legitimate plea for high wages Nation-wide. As I stated earlier in my remarks, I agree with the argument for high wages Nation-wide. But that is not the issue here. The issue here is what should be the legislated floor under all wages—not the bargained floor, but the legislated floor, below which no one can go in hiring a person in the lowest compensation classification. Must we consider the needs of a family of four, or are we considering a minimum wage for an individual?

Evidence before the committee showed that there are some ten or twelve million individuals in this country who do not have family responsibilities, and who might very well not be employed at all if it were necessary to pay them compensation at the beginning of their employment to enable them to take care of three other persons besides themselves. If they are not worth the wages they are paid, if they do not produce up to the value of the minimum wage, they will not be employed. I ask the question: Do we want them on relief? I am afraid of unemployment under such a strict rule, and a yardstick which calls for a family of four as the test.

What should be the test? The only test should be, What does the individual produce? If he does not produce 65 cents worth an hour, the employer cannot continue to employ him. He may do so under the law for a month or two, but in the long run, if the employer is operating in the red, he will not continue to employ him. We are facing the threat of unemployment as a result of quick legislation. Unemployment is the very thing which we wish to avoid.

What, then, is a reasonable alternative? We of the minority considered the approximate rise in the cost of living since the 40-cent rate went into effect. The best figures we could get showed that the increase was approximately 35 percent. Therefore we have suggested 55 cents as the starting point for an individual. Allowing for an estimated further rise within the next year and a half in the cost of living, we suggested an increase to 60 cents 18 months hence, which would be a 50-percent increase over the present rate. This increase, as we stated in our minority report, would compensate for an increase in the cost of living, and would also provide for anticipated increases in the productivity of individual workers.

These figures are consistent with the findings of the War Labor Board which set the minimum figure at 55 cents during the war period and required Government approval beyond this figure in order to control the danger of inflation. We all know today that inflation is a very present danger which cannot be avoided except by productivity. I agree with the Senator from Oregon that the Board did not set it as a minimum wage, but set it as the figure up to which an employer could go before he had to report his wage advances and obtain the consent of the War Labor Board. That was in the attempt to avoid inflation.

Mr. HAWKES. Mr. President, will the Senator yield for a minute or two?

Mr. SMITH. I am glad to yield to my distinguished colleague from New Jersey.

Mr. HAWKES. I wonder whether the Senator will tell me why the minority of the committee advocate going beyond what he thinks is right for the next 18 months. Why should any of us think that we can tell what will happen in this great country of ours 18 months from now? The Congress will be here at that time and it will be able to take any necessary action.

I am very heartily in favor of the recommendations contained in the printed views of the minority, and I shall support them. But I should like to have a little enlightenment as to why any Member of this body thinks he is smart enough to gaze into the crystal ball and foresee the future and tell us what the minimum wage should be 18 months from now. That is the one fault I find with the proposed legislation. There is an attempt to analyze economic conditions and to foresee conditions in the years which lie ahead, whereas it seems to me that if we handle the job which is now at hand, that will be sufficient, and the present Congress or a future Congress can take up the other job at a latter time.

Will the Senator tell us what the theory is for raising the minimum wage to 65 cents?

Mr. SMITH. Mr. President, my colleague raises a very interesting point. It was the opinion that such a minimum wage could be reached in the 18-month period. I cannot answer beyond that. The question my colleague asks brings out the reason why the minority feel that we cannot predict what will happen in respect to wage rates in the future. I agree with my colleague that it is almost impossible to do so. Much as I wish to see the wage rate raised as fast as we can raise it, I agree with my colleague that we cannot tell whether we shall have an "up" period or a "down" period, although we all hope to heaven that we shall have an "up" period. As the Senator from Kentucky [Mr. BARKLEY] said, we hope we shall have an "up" period, but there is no assurance of it.

Mr. HAWKES. I should like to interrupt the Senator again for a moment, if he will further yield.

Mr. SMITH. I am glad to yield.

Mr. HAWKES. I do not know whether the committee gave thought to the point I am about to mention. My colleague

knows me and he knows what I believe in regard to wages. The Senator from Kentucky [Mr. BARKLEY] said one thing with which I can definitely agree, namely, that if we can obtain throughout the United States a satisfied group of employees who are not worrying all day long about making a living, they will do more efficient work and will help solve the problems of our democracy. There is no question about that at all.

But again I ask whether the committee gave definite thought to the matter of foreseeing the future. I think the Senator will find that most businessmen in the United States would go along very happily with the proposal for a 55-cent minimum wage or some similar figure; but I think it will be found that nearly every person in the United States who is charged with operating a business and meeting a pay roll will say, "Why did the legislative body think it could foresee what would happen in this great country of ours 18 months from now?"

Mr. SMITH. Mr. President, I say to my colleague that I think it was the same theory that prompted the originators of the 1938 act to contemplate increasing the minimum wage rate from 25 cents to 40 cents. I think that was done on the same theory.

Mr. HAWKES. But the Senator remembers that the Senator from Utah [Mr. THOMAS] pointed out definitely that 10-cent-an-hour wages were in effect at that time; in those days wages were very low.

Mr. SMITH. That is true.

Mr. HAWKES. Now after increases made by law, we are reaching a period of danger if we misjudge future ability to pay.

Mr. SMITH. That is why I am concerned.

Mr. HAWKES. Regardless of whether anyone believes it—and I say this without regard to any business with which I may be concerned—we are traveling toward a period of danger for the little fellow out in Doeville or in some other small town, and it is a period of danger in which he may find himself unable to continue to carry on his business. The result may be that persons who live in his community may be deprived of an opportunity to earn 50 cents an hour because we are trying to fix the minimum wage too high. That is the point I have in mind.

Mr. SMITH. That is the same theory that governed me in joining in the minority report.

Mr. HAWKES. I thank the Senator very much for yielding to me.

Mr. TUNNELL. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. TUNNELL. I should like to suggest to the senior Senator from New Jersey [Mr. HAWKES], who has just asked about legislating for the future, that we are not permitted to pass ex post facto laws. All our legislation is for the future.

Mr. HAWKES. Mr. President, will my colleague yield to me again for a moment?

Mr. SMITH. I yield.

Mr. HAWKES. I should like to say to my distinguished friend the Senator from Delaware that I do not consider that the establishment by legislation of a 55-cents-an-hour minimum-wage rate, without gazing into the future, is passing an ex post facto law. I have been speaking of laws which deal with the future, but which deal with it step by step rather than trying to forecast the distant future at this time.

Mr. TUNNELL. Of course, I know that some persons do object to the enactment of any kind of law dealing with the wages which will be paid at a future time. But the point I make is that we are unable to pass any laws except those which deal with the future.

Mr. AIKEN. Mr. President, will the Senator from New Jersey yield to permit me to ask a question?

Mr. SMITH. I yield to the Senator from Vermont.

Mr. AIKEN. I should like to know how long a distance the senior Senator from New Jersey considers it is from the present to the future which is dealt with by the pending bill, and how far we would have to go before we arrived at that future?

Mr. HAWKES. Mr. President, will my colleague further yield?

Mr. SMITH. I am glad to yield.

Mr. HAWKES. I should like to answer the question asked by the Senator from Vermont by saying to him that if he will write out a prospectus of what is going to happen in the United States 18 months from now, and will attach his signature to it, I shall be very glad to tell him what I think is the future.

Mr. AIKEN. Mr. President, it seems to me that to legislate for a period 2 years ahead is not dealing with a period too far into the future.

Mr. SMITH. Mr. President, I do not object to interruptions, but I should like to have my remarks appear in the RECORD in some sequence.

From the standpoint of extending the coverage of the act, we of the minority declined to go into the intrastate field, and we left all the exemptions as they had been defined in the original act of 1938. That was not because we did not feel there was much to be said in regard to those exemptions, but we felt that those exemptions had not been sufficiently explored during the abnormal war period. We accepted the redefinition of child labor so as to make that more inclusive than the original act contemplated, and we accepted the amendments proposed by the majority with regard to certain procedural questions. These questions are set forth in the minority report, and I shall not deal with them here.

The program supported by the minority begins more conservatively in respect to the minimum-wage rate, and it includes exemptions which were included in the original 1938 act. The program proposed by the minority recognizes, I submit, the fundamental nature of the minimum wage philosophy—protection against exploitation and "sweat shop" conditions. It might be described as a progressive milestone along the road to a higher standard of living for all of our people, but a milestone that is not so extreme or so all inclusive as to interfere with maximum production or maximum employment.

Bear in mind that we believe in maximum production and maximum employment, but it is our view that we cannot proceed to achieve the other desirables until we have both maximum production and maximum employment. Personally, I favor further progress along the line of raising the minimum wage as our national income expands and as actual production justifies further increases. However, I wish to distinguish between actuality and guess, just as my colleague from New Jersey has suggested that we cannot prophesy in regard to the future. As I proposed in committee, I should be glad to see the goal of 75 cents established over a 5-year period if the industry committees of the Wage and Hour Division of Labor could make the necessary adjustments without curtailing employment. But to my mind, employment is much more important than the raising of wages for a few, with the result that others are kept out of employment.

Mr. President, it seems to me that to make the present minimum goal mandatory as of today is far too drastic and too dangerous a step to take in respect to our national policy.

It was the judgment of our group, therefore, that we should digest the advances proposed in our amendment and have our industries absorb those advances before making any further advances mandatory. We recognize that minimum-wage fixing by Government is still in the experimental stage. There is not one who can prophesy accurately what lies ahead of us in this postwar period. We are all confidently hoping for a greatly expanded national production, a greatly expanded export trade, a high general wage level, and a consuming capacity among all our people to absorb what is produced. But to prophesy these things definitely in advance is beyond the ability of anyone. To try and cover too wide a field too soon may destroy the very objectives that we are all seeking. We are still troubled by the problem of the small employer on Main Street who, above all, we want to protect. This includes the thousands of small farmers whose future may well be jeopardized.

We did not get nearly enough evidence on this subject, despite the effort of my good friend, the Senator from Vermont. We do not understand the implications of the present price controls which prevent, at the moment, what otherwise might be the free functioning of normal economic laws.

If America has profited from any sound principle in its economic life from the time of its founding, it has been our willingness to try and try again. We must remain loyal to this experience of our own history, and be willing to make

the great social advances gradually and without economic upheavals.

To sum up my position I prefer, and I use the word "prefer" advisedly, because I do not want to see this wage bill defeated; I want a bill passed by the Senate which will increase the present wage minimum, and I propose to support such a bill; but I prefer the minority amendment of 55–60 cents with limited coverage to the majority 65–75 cents with wide coverage—

First. Because to me it represents the sound, step-by-step method of raising the living standards of our border-line workers. It is the trial-and-error method of progress, with the opportunity to industries all over the Nation to digest the advances made before being compelled by law to go further;

Second. Because it enables millions of our younger, untrained people to find jobs, who might not be employed at a wage that is aimed to cover the needs of a family of four;

Third. Because it properly recognizes the distinction between a Government-established minimum wage and wage levels which can only be satisfactorily established by free collective bargaining.

Let me emphasize that distinction. It is vitally important in connection with this entire wage discussion. Legislative minimums are different from wages established by free collective bargaining.

Fourth. Because the increase can probably be absorbed without a general advance in costs all along the line which might add to the inflation threat.

I am not suggesting that there are serious threats of inflation in this legislation, but that subject seems to be involved in anything which increases costs throughout our economy.

Fifth. Because the majority report and proposed amendments do not adequately safeguard the position of our farmers who would have difficulty in absorbing any sharply increased production costs.

The farmers in my State have called attention to the danger which they will face if, in certain areas, this principle is applied to the processing industries.

Sixth. Because the broad extension of coverage called for by the majority amendment jeopardizes the position of little business—the corner grocery store, the merchant on Main Street—throughout the country.

Seventh. Because the majority report ignores the fundamentally different living conditions in our various States. This is too big a country to try and establish, by mandate of Government, uniform rules to meet all the varying regional differences. This applies especially to the minimum wage principle which must be adapted to, and not hinder, local industry. I am entirely in sympathy with those who want to assist in raising the living standards in the poorer sections of our country.

It is said that this bill will raise the living standards in the poorer sections of the South. We all want to see living standards there raised if it is possible to raise them. But this must be done by the "trial and error" method, carefully watched by the industry committee of the Wage and Hour Division of the Department of Labor and not by mandatory, frozen rates.

Let me restate, in closing, my overall position on this difficult subject:

I believe in the minimum wage policy which we have experimented with successfully.

I believe it should follow living costs.

I believe the 40-cent figure must now be raised.

I believe that any other wage adjustments belong to collective bargaining and not to Government wage fixing.

I believe that the varying conditions throughout the country and in different industries must be considered in determining minimum wage policy with consequent appropriate exemptions.

I have tried to sum up briefly what I believe the minimum wage policy to be. It must not be confused with the general wage subject.

Let me emphasize our big objective. We want to see the living standards of all our people raised. We are particularly concerned with the welfare of those on the "border line." We definitely want them employed and earning their own livings—not on relief or WPA. But we must always bear in mind that any sound wage program, including mandatory minimum wages, must be based on production. Without productivity there can be nothing out of which the living of any of us can be provided.

I am eager to support and vote for a sound minimum wage bill, but I hope it may be sound and give promise of supporting our industrial structure. It is for these reasons that I am supporting the alternate amendments proposed by the minority.

Mr. President, the method being proposed is that of trial and error. It will work no hardship on any of us, because under it we may move ahead and advance the minimum standards as fast as our economy can take care of them.

(The table presented by Mr. MORSE during the course of Mr. SMITH'S speech and ordered to be printed in the RECORD is as follows:)

Number of employees in continental United States who received direct wage increases as result of present act

Period	Minimum wage rate	Number of individual increases
	STATUTORY MINIMA	
Calendar year—		
1938	25 cents	300,000
1939	30 cents	650,000
	WAGE ORDER MINIMA	
Fiscal year—		
1940	32½ to 40 cents	313,000
1941	do	638,000
1942	34 to 40 cents	805,000
1943	35 to 40 cents	278,000
1944 (13 months ending July).	40 cents	609,000
1940–44	32½ to 40 cents	2,643,000

Mr. PEPPER. Mr. President, I ask unanimous consent to incorporate in the body of the RECORD following the remarks of the able Senator from New Jersey a comparison of the major provisions of the pending bill with the present Fair Labor Standards Act, which I hope may be of some value to Senators in understanding the provisions of the pending measure.

Immediately following that I ask that there be printed two editorials in support of the pending bill, one from the Tampa Tribune, of Tampa, Fla., the other from the Orlando Morning Sentinel, of Orlando, Fla.

There being no objection, the comparison and editorials were ordered to be printed in the RECORD, as follows:

Comparison of major provisions of S. 1349 with the present Fair Labor Standards Act

Major provision	Present Fair Labor Standards Act	S. 1349 as amended by committee
Policy of the act	1. To correct and eliminate labor conditions detrimental to maintenance of mininimum standard of living necessary for health, efficiency and general well-being of workers in industries engaged in commerce or in production of goods for commerce (sec. 2).	1. Adds activities "affecting commerce" and inserts "and affects" after "burdens" in item (2) (sec. 2 (a)).
	2. To carry out the purposes of (1) above through congressional power to regulate commerce among the several States (sec. 2 (b)).	2. Adds also congressional power to regulate commerce with foreign nations (sec. 2 (b)).
Definitions	1. "Wage" includes reasonable cost of board and other facilities customarily furnished by employer (sec. 3 (m)).	1. Retains the same definition, but excludes wages of seamen from its application (sec. 3 (m)).
	2. No provision.	2. "Activity affecting commerce" is one in commerce, necessary to commerce or competing in commerce, or where wage payment at rates below minimum or where oppressive child-labor burdens, obstructs, or tends to burden or obstruct commerce or the free flow of commerce (sec. 3 (c)).
Wage rates	1. (*a*) 25 cents per hour in first year of operation (beginning Oct. 24, 1938). (*b*) 30 cents per hour in next 6 years of operation. (*c*) 40 cents per hour thereafter (beginning Oct. 24, 1945). (*d*) Not less than rates (not over 40 cents an hour) as prescribed by Administrator's order, any time after effective date of act (sec. 6 (a)).	1. (*a*) 65 cents per hour first 2 years of operation. (*b*) 70 cents per hour third and fourth years of operation. (*c*) 75 cents thereafter. (*d*) Not less than rates (not over 75 cents per hour) as prescribed by Administrator's order, any time after effective date of amendments (sec. 6 (*a*)).
	2. Above rates do not apply to Puerto Rico or Virgin Islands, if employees are covered by wage order issued pursuant to industry committee recommendations (secs. 6 (a) (5) and 6 (c)).	2. Substance of provisions in present act retained (secs. 6 (a) (5) and 6 (c)).
Rate of overtime compensation.	1. Overtime compensation at 1½ times employee's regular rate for hours in excess of 40 a week (sec. 7 (a)).	1. S. 1349 does not change this provision (sec. 7 (a)).
General coverage of minimum wage and overtime provisions.	1. Employees engaged in commerce or in the production of goods for commerce (secs. 6 (a) and 7 (a)).	1. Adds employees employed in or about or in connection with any enterprise where the employer is engaged in any activity affecting commerce (secs. 6 (a) and 7 (a)).

Comparison of major provisions of S. 1349 with the present Fair Labor Standards Act—Continued

Major provision	Present Fair Labor Standards Act	S. 1349 as amended by committee
General coverage of child-labor provisions.	1. S. 1349 provision not in present act.	1. Directly prohibits employment of oppressive child labor by employer in or about or in connection with any enterprise in which he is engaged in commerce or production of goods for commerce or in any other activity affecting commerce (sec. 12 (b)).
Exemption from general overtime provision.	1. Exempts from overtime pay for not over 12 hours a day, 56 hours any week, for not over 14 weeks in the aggregate in any 1 calendar year, any industry found by Administrator to be seasonal in nature (sec. 7 (b) (3)).	1. Extends the partial exemption during 14 workweeks to any other industry handling or packing or storing, in raw or natural state, or first processing or canning of agricultural or horticultural commodities, or fish or other aquatic form of animal or vegetable life, found by Administrator to have a marked annually recurring seasonal peak (sec. 7 (b) (3) (B)).
	2. Certain operations in the dairy industry are exempt throughout the year and certain operations in the agricultural processing industries and meat-packing industry are exempt for 14 workweeks a year (sec. 7 (c)).	2. Deleted. (Some of these industries will be eligible to receive exemption under sec. 7 (b) (3) (B).)
	3. Hours and overtime rates do not apply to employees of motor carriers whose maximum hours of work and qualifications are subject to regulations by Interstate Commerce Commission (sec. 13 (b) (1)).	3. Hours and overtime rates do not apply to employees of motor carriers whose maximum hours of work and qualifications during the greater part of a workweek have been established by Interstate Commerce Commission regulations (sec. 13 (b) (1)).
	4. S. 1349 provision as recommended by committee not in present act. Seamen exempt from both wage and overtime provisions (sec. 13 (a) (3)).	4. Cover seamen for minimum-wage purposes by leaving them out of 13 (a) exclusion, but hours and overtime rates do not apply to seamen (sec. 13 (b) (3)).
Exemption from both wage and hour provisions.	1. Employees in executive, professional, administrative, local retailing, or outside salesmen capacity (sec. 13 (a) (1)).	1. Same as original act with "local retailing capacity" deleted (sec. 13 (a) (1)).
	2. Employee in retail or service establishments, the greater part of whose selling or servicing is in intrastate commerce (sec. 13 (a) (2)).	2. Employee in retail or service establishments when employer has not over 4 such establishments and where total annual sales of the establishment are not over $500,000 (sec. 13 (a) (2)).
	3. Seamen (sec. 13 (a) (3)).	3. Eliminates present exemption by deleting "seamen" from sec. 13 (a) but still exempts them from overtime provision (secs. 13 (a) and 13 (b) (3)).
Exemption from both wage-and-hour provisions.	4. Employee catching, taking, harvesting, cultivating or farming, fish and other aquatic forms of animal and vegetable life, including loading, unloading, or packing of such products, or propagating, processing, marketing, freezing, canning, storing, curing, or distributing thereof (sec. 13 (a) (5)).	4. Deletes from exemption employees loading, unloading, packing fish or other aquatic forms of life, or propagating, processing, marketing, freezing, canning, storing, curing or distributing thereof, except loading and unloading when performed by employee who also performs activities otherwise exempted (sec 13 (a) (4)).
	5. Employee of semiweekly or weekly newspaper with circulation under 3,000, with major part of circulation in county where printed and published (sec. 13 (a) (8)).	5. Deletes requirements that newspapers be "semiweekly and weekly" with major part of circulation in county where printed and published (sec. 13 (a) (7)).
	6. Employee in area of production engaged in handling, packing, storing, ginning, compressing, pasteurizing, drying, preparing in raw or natural state, or canning of agricultural or horticultural products for market, or in making cheese, butter or other dairy products (sec. 13 (a) (10)).	6. Deletes entire exemption (sec. 13 (a)).
	7. Switchboard operators at public telephone exchange with less than 500 stations (sec. 13 (a) (11)).	7. Switchboard operators at public telephone exchange with less than 1,000 stations (sec. 13 (a) (9)).
Employee suits	1. S. 1349 provision not in present act. In general, statute of limitations applicable is that provided by State laws.	1. Action to recover liability of unpaid wages and damages limited to 2 years from date of accrual of liability (sec. 16 (b)).
	2. S. 1349 provision not in present act.	2. Action to recover liability accruing prior to effective date of amendments instituted after that date limited to 2 years from effective date of amendments (sec. 12 of S. 1349).
	3. Employer is liable to employee for unpaid minimum wages and overtime compensation and an additional equal amount as liquidated damages (sec. 16 (b)).	3. Court may reduce liquidated damages in whole or part when shown that employer's violation was not willful and that he acted in good faith (sec. 16 (b)).

[From the Tampa (Fla.) Tribune]

MINIMUM WAGE BOOST

There is a bitter battle going on in the Senate over its Labor Committee's proposal to raise the national minimum wage scale to 65 cents an hour and to bring some 4,000,000 more workers under its protective wing. Advocates of the measure have hit back hard at contentions the bill is inflationary.

It cannot be denied that adoption of a higher minimum scale would create some upward pressure. However, we are in for a round of wage increases anyhow under the President's new wage-price policy. The individuals this bill will benefit are among those who will suffer most from the resulting price rise. They are some of the unfortunate millions who have precious little resources to start with and find it difficult to negotiate for increased wages which keep pace with increased living costs.

Under the present law the minimum wage is set at 40 cents an hour, or $16 a week. Certainly that scale doesn't provide an extravagant living. The amendment now being discussed would raise the minimum level to 65 cents an hour, or $26 a week. It is difficult to see how such workers can be paid less, for any job worth filling at all is worth enough to keep the worker from the steady down grade resulting from miserable housing, food, and clothing.

It stands to reason that paying the worker enough to maintain his health and spirit will cause him to produce better. What is more, it relieves the community from the probability that otherwise he will become an expensive public charge.

Senator ELLENDER and other opponents to the contrary, Congress has done far more inflationary things than this. It has done them for agriculture, for real estate, and other industries. And surely it is difficult to see, as Senator THOMAS of Utah pointed out, how one gets inflation "by giving a shabbily dressed typist a raise of $2.50 a week."

National self-interest and a sense of justice to a small fraction of the Nation's laboring force demand that this bill be passed promptly.

[From the Orlando (Fla.) Morning Sentinel of March 16, 1946]

MAKE SURE IT FITS

The President, Senator PEPPER, and numerous others have plugged for 65 cents an hour as a minimum wage set by law and Orlando Sentinel has endorsed a minimum that will provide working people with a living wage.

We have never cottoned to the idea that a girl should be paid low because she can live with her parents or that a man should be hired cheap because he can be had cheap.

It has been our view that business, industry, private enterprise ought to compute a square and honest wage among its costs when fixing its charges for goods and services.

Whether 65 cents an hour, which seems fair now, will be fair a year from now is a question, for its worth as a wage would go up or down with prices.

So to set the figure at 65 cents by law would make it impossible to rectify it quickly if prices should rise to render it an inadequate living allowance.

Maybe there is possibly some other device more certain to win the desired end, such as parity minimum, one that would automatically rise or fall with prices.

We confess we do not understand a lot of these things, but no outstanding spokesman seems to know all the answers either, so why not do a little, nonpolitical, scientific research on these matters?

Mr. WILLIS. Mr. President, I wish to make a few brief remarks, supplementing what the Senator from New Jersey [Mr. SMITH] has said today regarding the minimum-wage law.

Yesterday the junior Senator from Oregon [Mr. MORSE], for whom I have great respect and deep affection, stated on the floor of the Senate that there is nothing in our system of free economy which gives a man the right to exploit the labor of his fellow men. By exploiting the earnings and the labor of his fellow men, I presume he meant to deny them a fair return on the effort through which the employer profits greatly. I heartily concur in that statement, and I believe that all Members of the Senate will agree with it.

But I offer this thought also: There is nothing in our free economy which denies a man the right, when he can see an opportunity to start a small business, to offer to those in his community, who may or may not be competent workers, a fair return for the production they can give in that effort; and there is nothing in our free economy or philosophy which should place that man under jeopardy of the law for so doing.

If there is anything which is of peculiar genius to our American system, it is the protection of the rights of the minority; and I am greatly concerned lest those who have been advocating a 60- to 80-percent increase in statutory minimum wages have overlooked the right of the weak, the young, and underprivileged to get as full a return for their labor as their ability to earn will justify. Senators have often said here that the

great majority of the people of our country require the minimum wage provided by the bill. I am speaking now for the minority, for those who, because of unfortunate circumstances, perhaps, or because of an improper location or because they are just beginning to learn to earn a return for their efforts and are not able to earn the full amount of the minimum wage, might thereby be denied employment. I think that is a matter which should be taken into consideration in connection with this problem. We do not wish to put such men and women and boys and girls into the position of having to come to the Government for aid. Most of all, we wish to encourage them to rely upon themselves and to earn as much as they can earn through their own efforts. Then if they are unable to earn sufficient to meet their needs, we should take steps to aid them.

Therefore, I should like to have the Senate give careful consideration to the proposal to establish a minimum wage of 65 cents for every employed person in the United States. I come from a small community and I have been intimately associated with men in small communities who are struggling to maintain small businesses. Therefore, I know that such a wage would cause them to cut off from their businesses many persons who now are happily employed, but who cannot earn the full amount of the proposed minimum wage.

As evidence of that, I wish to read a letter which I have received from a friend of mine who is in the newspaper publishing business:

THE PILOT CO.,
Plymouth, Ind., March 20, 1946.

Senator RAYMOND E. WILLIS,
Senator HOMER E. CAPEHART,
Congressman CHARLES A. HALLECK,
Congressman ROBERT A. GRANT.

DEAR FRIENDS: You may be interested in how our management locks at the proposed minimum wage bills (S. 1349, H. R. 3914) to increase the minimum wage from 40 cents an hour to 65 cents and then to 75 cents an hour.

These rates, of course, are not too high for any experienced or capable worker. There may be factories and stores in some cities where they do not pay more than the 40 cents an hour, but I don't know of any around here. But 40 cents an hour is plenty for an apprentice. Some 20 years ago I knew that reporters paid to get on the Washington Post. Don't know what it is now.

The big trouble with such a Nation-wide law is that it must apply to apprentices and to marginal workers, no matter what their ability or production value. Such conditions are not fair for the good worker nor for the employer who is compelled to pay the rate, no matter what the value of the worker.

We have in our employ an example, a young man whom we will call Rusty. Rusty does the mailing and works mostly on the mailing galleys, carries metal for the typesetting machines—and similar simple work. He can do that, but more expert work and skill is beyond him, and so far as we can tell he will not improve much. We pay him 55 cents an hour. He lives at home and so his income for 40 hours ($22) is a good income for him in our town. It might not be in Chicago or Indianapolis.

Our feeling is that when jobs become scarce young men like Rusty and young women of similar ability will find very tough going. They probably cannot get jobs at all, for the law will compel employers to pay the highest rate, no matter what the ability of the worker. They will, of course, choose the good workers and let the others go, or install machines to do the work for which they now can pay an ordinary rate.

Result of this will be to produce unemployment.

I do not know whether the law could be so fixed that it would exempt such persons and so give them a chance to get jobs and make a living. You know best about that. The minority report of Senators ELLENDER and BALL seems to us much more reasonable than the majority report.

If we can give you any further information on this that will help, we shall be pleased to do so.

Respectfully submitted.

SAMUEL E. BOYS.

Mr. President, I know there are many homes in which the standard of living is raised because of the additional income which many of the younger members of the family and many of the women and the handicapped can contribute as a supplement to the income earned by the principal wage earners of the families.

I have received letters about the proposed change in the minimum wage and about the 40-hour week from another class of people, namely, those who are supplying farmers with farm machinery and are servicing farm machinery. As a matter of necessity, they have to keep their plants and their stores open for long hours, so as to be ready to serve the farmers who wish to come to their places of business at late hours. Those people tell me they cannot supply the service they are now supplying if they are required to operate on the basis of a 40-hour week and if they are compelled to pay time and a half wages for any overtime work done by their employees. If that is required of them, they will not be able to maintain their plants and their services for the long hours during which they are now operating and maintaining them.

I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a letter bearing on the point to which I have just adverted.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BOLINGER BROS.,
Windfall, Ind., March 20, 1946.

Hon RAYMOND E WILLIS,
United States Senate Office Building,
Washington, D. C.

DEAR SIR: In regard to bill S. 1349, which deals with the Fair Labor Standards Act, I do not think it should include the farm-implement dealers for the following reasons:

1. On a 40-hour basis there would be a lot of farmers who would be denied service that was necessary for carrying on their business.

2 An implement dealer on a 40-hour basis would have to charge higher prices for his work due to the fact that they would not have as long business hours as before.

3. So many times, especially in the spring, a farmer works early and late and on a 40-hour basis he might have to let his business stand idle for days instead of hours.

Therefore, I think that the 40-hour week policy would be a big disadvantage to the implement dealer.

Hoping that this letter will be of help to you, I remain,

Very truly yours,

BOLINGER BROS.,
HOWARD BOLINGER.

Mr. WILLIS. Mr. President, I wish to say that I heartily concur in nearly all the points made in the able presentation by the distinguished junior Senator from New Jersey [Mr. SMITH], as representing my views on the pending measure.

REPORT OF THE SPECIAL COMMITTEE TO INVESTIGATE THE NATIONAL DEFENSE PROGRAM—SURPLUS PROPERTY ABROAD (PT. 5 OF REPT. NO. 110)

Mr. TUNNELL. Mr. President, it is my privilege, as chairman of the Subcommittee on Foreign Surplus Property of the Special Senate Committee Investigating the National Defense Program—the Mead committee—to present to the Senate a report of the committee on surplus property abroad.

Before proceeding further, Mr. President, I wish to say that I, for one, am very proud of the great amount of surplus property in the shape of war materials which we found were not being used at the time of the surrender. If we had found that our War Department, our Navy Department, or any other department of the Government, had failed to provide the necessary materials for war, we should have had ground for serious criticism. I, therefore, wish to congratulate those who procured such great amounts of material for war.

Before asking leave to file the report, I desire to give the Senate a brief statement of the background of the investigation on which the report is based, and to call attention to some of the important conclusions which are reached.

Mr. President, the committee has devoted a great deal of its effort in the past year and a half to the investigation of surplus property abroad. I, personally, have participated extensively in this work. As some of the Senators may recall, the former Senator from Ohio, Mr. Burton, now Associate Justice of the Supreme Court, and I reported to the Senate a little more than a year ago as a result of our investigations in north Africa, the Mediterranean, and the Middle East. Subsequently there were other investigations, in all of which I participated actively.

The report which is being filed today is based principally, however, upon investigations conducted by the junior Senator from California [Mr. KNOWLAND] and myself. We left Washington 2 days after Christmas, and for the next 37 days, in a trip which took us all the way around the world, we devoted our time almost exclusively to the investigation of surplus property abroad.

I may say, in connection with such investigation that we investigated the declarations of surplus. We investigated the sales which had been made following the declarations.

Our itinerary carried us to the headquarters of every major foreign theater. We held 32 public hearings and 4 executive hearings. In addition to the hearings, we accumulated a vast amount of factual data and statistics which were prepared in advance of our arrival pursuant to the committee's request.

Before discussing the report itself, I wish to express the appreciation of the committee for the excellent cooperation given to the committee by the War De-

partment and the Navy Department. We were universally treated with courtesy and hospitality, and the information we requested in our investigation was promptly supplied. The Navy Department furnished our plane, and I want to pay special tribute to our plane captain, Lieutenant Nelson, and his excellent crew, who flew us over 30,000 miles in 37 days without the slightest suggestion of any hazard.

I also want to state that the subcommittee did not approach its task with a view to being critical or finding fault with the manner in which the services and the disposal agencies had performed their functions. We simply sought to learn the facts, without any preconceived notions of what we were to find. In our report we have sought to set those facts out as impartially and as accurately as we know how, seeking neither to criticize nor to praise, except as the facts impressed us.

Transcripts of the 32 public hearings which we held are now in the process of being printed—I believe they are ready at this moment—together with portions of the material presented to the committee in memorandum form. These hearings and the statistical material which accompanies them should form a record, taken at a time when the problems and the facts were fresh, which should be a valuable addition to the history of World War II. It is upon this record, as well as hearings and material accumulated in Washington, that the report is based.

The report sets forth 11 broad conclusions on the various aspects of the problems involved in the liquidation of our surpluses abroad. I propose now to read these conclusions, commenting briefly upon each of them. The report, together with its appendices, comprises a total of 94 pages. For a more detailed discussion of various specific phases of foreign surplus property disposal, I refer Senators to the body of the report. If even greater detail is desired by any of the Senators, the committee will be glad to supply it, either from the record of the hearings or the material in its files.

The first conclusion of the committee is a general one, seeking to appraise the present status and prospects of surplus property disposal abroad. It reads as follows:

1. The basic problems facing us in the disposal of our surplus war assets abroad remain unsolved. The scarcity of dollars, the cost and difficulty of warehousing on foreign soil, restrictions on our sales imposed by foreign governments have proved to be greater obstacles to a favorable disposal than our agents have, up to now, been able to overcome. Consequently, the ultimate return to our Government from sales of surplus abroad is likely to be a comparatively small fraction of its cost to United States taxpayers.

I might interject here that the figures as to the value of various surpluses are based in almost all instances upon the original cost, the new cost. Some of this equipment of course is now second hand. I refer particularly to 9,500 jeeps which we saw at Vincennes, just outside of Paris. These jeeps had been used, and some of them very severely, apparently, but I think they are now supposed to be in running condition. However, they probably have had a part of their original cost worn from them. There were also in the same depot 25,000 bicycles, most of which had been used.

The second conclusion reads as follows:

2. The Army and Navy were slow in inventorying supplies and in declaring surpluses abroad. Although recently declarations of surpluses have been speeded up, the most favorable period for selling surplus property is now behind us.

At committee hearings on matériel demobilization, it developed that long in advance of VE-day and VJ-day Army procurement agencies had made plans for reduced procurement, which were to be placed in effect upon the occurrence of VE-day or VJ-day, whenever that might happen. Of course no one short of a prophet could tell just how much of any particular surplus there would be, as no one knew just when VE- or VJ-day would occur. Promptly upon the arrival of those dates, a program was set in motion for the speedy cancellation of contracts.

Apparently no such planning was made with respect to the declarations of surplus, although it was equally apparent that upon the cessation of hostilities huge surpluses were bound to develop. There was no plan which had been made in advance of the event which could be placed promptly in effect upon VE-day and VJ-day, and particularly the latter date. Some surpluses will not be declared until July of this year, even though the rate of their declaration has in recent months been stepped up appreciably. The significant aspect of this planning, in my mind, is that even the costly lessons of the war have not been fully learned. As this Committee has repeatedly said in its earlier reports, failure to anticipate problems and plan for them before they occurred hampered our early war production efforts. We still seem to be deficient in this respect.

I hope I will be pardoned if I say that the subcommittee's presence in the Pacific had some bearing upon speeding up the rate of declarations of surpluses. By the time we arrived at Manila we were told by the Foreign Liquidation Commissioner's representatives that in the past week or 10 days declarations of surpluses had piled in on them at such a rate that they were unable even to count them. I may say further that the subcommittee was able to achieve specific action with respect to the situation in the Pacific by cabling to the War Department in Washington concerning certain peacetime reserves which had been set up by the theater itself without authority from Washington, and calling attention to a prohibition against declaring surplus any serviceable motor vehicles. About a week later the Secretary of War visited the members of the subcommittee in Shepheard's Hotel in Cairo and announced that the War Department had taken action on the matter which the subcommittee had brought to its attention.

The third conclusion of the committee is:

3. A large number of cargo ships, many of which were loaded with surplus materials, were kept idle in the far Pacific for several months after the cessation of hostilities because of indecision on the part of the War and Navy Departments. Most of these ships have now been unloaded or returned to the United States, but the vacillation and lack of decision resulted in a substantial loss in dollars, manpower, and delay in surplus disposal while these ships were idle.

Some of these ships had been sent to the European theater of war, and then sent to the Pacific theater at the time of the surrender of the Germans. When they reached the Pacific theater the surrender of the Japanese had either taken place or it took place very soon thereafter.

I know the Senate will pardon me for the statement that I believe the presence of our committee in the Pacific, on the spot, and the direction of the attention of the high authorities in the War and Navy Departments to the neglected ships and the men aboard them in these desolate harbors in some of the Pacific islands, contributed in some measure to the ultimate solution of this problem. At our hearing in Saipan, the masters of four of the idle vessels appeared and testified. One of them was the master of a vessel which was loaded with bombs. He told the committee he would like to know, as would the men aboard his vessel, whether or not a decision would be made as to the disposal of his ship before the bombs deteriorate to such a point that they might blow up. Even after the committee commenced its investigation of this idle shipping, it was some time before sufficient pressure could be brought to bear to direct attention to and obtain a decision on this neglected problem.

The fourth conclusion reads as follows:

4. The return of civilian-type surpluses abroad which are sorely needed in our civilian economy for reconversion, a primary responsibility of the Office of War Mobilization and Reconversion, has been given only slight attention.

I do not propose to discuss this conclusion in any detail, since I understand my colleague on the subcommittee will make some remarks on this matter. I merely wish to point out, as the report states, that this is another instance in which the presence of a Senate agency on the spot contributed to a correction of a deficiency.

The fifth conclusion of the committee is:

5. Time is of the essence in all surplus property disposal. Time, in foreign surplus disposal, however, is even more critical than in domestic disposal for the reason that our troops must guard and warehouse our supplies abroad. Slowness in declaring and selling surpluses abroad tends to delay demobilization and keep our military personnel from their families and their peacetime pursuits.

It might be stated also in this connection that particularly in the Pacific area or theater deterioration was a matter which entered into consideration. In other words, in the hot, moist atmosphere

of the South Pacific many goods deteriorated much more rapidly than they did in the European theater. We heard much of the possibility and probability of deterioration in the Pacific, but we scarcely heard it mentioned by the witnesses in the European theater.

The sixth conclusion reads as follows:

6. Ample authority has existed in the executive departments and agencies for the disposal of surplus property abroad ever since the enactment of the Surplus Property Act of 1944.

I might say in that connection that we found in north Africa, when former Senator Burton and I were there, that the materials were being sold or shipped to the active theater of war very expeditiously.

I think it is not generally appreciated that many of the provisions of the Surplus Property Act of 1944 which must be observed by our domestic disposal agencies, particularly those relating to priorities, do not have to be observed as to foreign disposals. However, until recently, about the 1st of February, the power to waive such provisions was in the Surplus Property Administrator, and, in his interpretation of the act and in the regulations which he issued thereunder, he did not always do exactly as the foreign disposal agency—the Foreign Liquidation Commissioner—desired he should. However, since the 1st of February that regulating authority has been vested in the State Department. We have been informed during the preparation of this report that that authority has been used by the State Department by a regulation issued on March 15, 1946, to achieve a greater latitude in the consideration which the Foreign Liquidation Commissioner may accept for the sale of our surpluses abroad in a way which the committee considers to be entirely proper and right. However, the point I wish to make is that there is nothing more which the Congress could have done to give our executive departments all the authority they needed in foreign surplus disposal and that there were no statutory restrictions and that ample authority had been delegated to the executive departments to handle this problem.

Mr. FERGUSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HUFFMAN in the chair). Does the Senator from Delaware yield to the Senator from Michigan?

Mr. TUNNELL. I yield.

Mr. FERGUSON. To the Senator's knowledge, have the departments ever asked Congress for any aid by way of law in dealing with this surplus property?

Mr. TUNNELL. I have no recollection of their making any complaint or expressing any desire for any further authority.

Mr. FERGUSON. So far as surpluses in foreign countries are concerned, apparently, then, they have the statutory authority they desired.

Mr. TUNNELL. My attention is called to the fact that there is a bill pending which would give to the Foreign Liquidation Commission the same authority as the State Department has given it under a ruling or order.

The seventh conclusion of the committee is:

7. The State Department failed to create favorable conditions for the sale of our surpluses located in foreign countries, or to resist effectively the imposition of onerous restrictions imposed by foreign governments, which had the inevitable effect of making favorable disposal difficult.

Almost universally, countries where our surpluses are located have prevented us from making sales to local nationals. In my opinion, our Government ought not to have been so restricted.

I am not so sure that any agency of our Government could have compelled a change in that situation. When the war ended we were caught with a great amount of surplus material, as I have stated, for which I am glad, and there was then no way of preventing our disposing of these goods. We must dispose of them. If we hold them, first, they deteriorate; second, the market probably becomes less by reason of increased production; and, third, all the means of preventing our selling them to the nationals of the foreign country are brought forward.

The eighth conclusion reads as follows:

8. The bulk sale price to the United Kingdom in December 1945 was a far poorer bargain for the United States than the bulk sale to France after the last war in July 1919. However, France never paid us for our surpluses.

That is, after World War I.

This conclusion is discussed in considerable detail commencing on page 23 of the report, and the appendices contain still further detailed facts and discussion with regard to the bulk sale to the United Kingdom.

The reason this matter was discussed in such great detail is because it is the first large bulk disposal which has been made so far. Others are in the process of negotiation. Because a discussion of the features of this transaction would, alone, involve considerable time, I refer the Senators to the report itself. I also refer the Senators to the transcript of the public hearings which the committee held on this subject in Washington on February 22 and 25, 1946.

That was the situation in which we found ourselves with reference to Great Britain. We had a very large amount of materials, some of which were war materials, on our hands in Great Britain. The necessity rested upon us of guarding the depots in which they were contained, and providing for their disposal. When we were prohibited from selling to Great Britain we then realized the condition in which we were placed.

The ninth conclusion of the committee is:

9. Our failure to recapture or at least retain full control over lend-leased weapons and armaments may well have repercussions in delicate future relations between nations. A matter of such importance as the permanent transfer of weapons and armaments to foreign nations should be studied and acted upon by Congress.

I think I might say, in filling out that thought, that war equipment or ammunition sold by the United States to one foreign country, if used by that country against another foreign country, both of which are supposed to be friendly to us, may result in difficulties in the future. That is what this conclusion refers to.

The tenth conclusion reads as follows:

10. The benefits received from the United Kingdom for the cancellation of the consumed lend-lease balance in our favor are nebulous and require the United Kingdom to do no more than it ought to be willing to do anyway.

In other words, as I remember, there was a balance in our favor of approximately $16,000,000,000 between the lend-lease which had been furnished by the United States and the reverse lend-lease. The total amount of money which we are getting is $650,000,000, which does not pay for any part of the consumed lend-lease.

The eleventh conclusion of the committee is:

11. The Senate ought to familiarize itself thoroughly with the problems facing the United States in its economic and commercial relations with other nations in the postwar period, and examine the manner in which such relations are being handled by our governmental agencies concerned therewith.

The disposal of materials which may find their way into markets which would otherwise be open may affect our economic situation generally. The failure to place such materials where they can be of assistance to citizens of the United States may have an important economic effect.

Mr. President, I feel very strongly that the next decade, particularly, will be a critical one in the history of the United States, and, indeed, in world history. Because of the tremendous advances in transportation and communication in recent years, the world has shrunk so that isolationism is no longer an issue. We know that we are a part of the world, and, whether we like it or not, we are rubbing elbows with our neighbors and we must assume our responsibilities. The statement with respect to rubbing elbows with our neighbors applies no matter where those neighbors may be. No matter in what part of the world they may be, they are now only a few hours away. Notwithstanding this generally accepted fact, we have a tendency to become absorbed in our own domestic problems and neglect our foreign problems. Altogether too little do we think and act as members of the international community.

Mr. President, I am proud of the idealism that is expressed in the great international documents which have been adopted in recent years by our Congress, which have sought to establish a blueprint for an orderly and law-abiding international community.

But, Mr. President, in my opinion, it is not enough simply to support and assist in formulating broad, general principles of right conduct between nations. In addition, we must play our part in the more prosaic, everyday economic and commercial matters, which, after all, have a tremendous influence upon national interests and national policies. The sale of

our surplus war property located in foreign lands is a specific instance of such commercial and economic interests. Although it may be less spectacular than political international issues, in my opinion, it affords an opportunity to express American policy and American influence in a concrete and specific way. It is one instance where abstract principles of right dealing between nations can be applied to a specific transaction, which, as every lawyer knows, is the only way in which legal principles can be given meaning or life.

Mr. President, I think the disposal of our surplus property abroad is important from the point of view of the taxpayer, in order to reduce to the extent possible the cost of the war to our country. But there are many other, and possibly even more important, aspects of the disposal of our surplus property abroad. There are many lessons to be learned if we have the interest and the ability to study and profit by the experience we are having in this business deal with other nations.

The report which I submit and the conclusions which I have read seek to call attention not so much to failures in surplus property disposal as to the possibilities for improvement. In my opinion, the primary lesson to be learned from the facts disclosed in our report is that our agency for contact with the rest of the world must be strengthened, and strengthened speedily. In my opinion, there is no more important problem on the agenda of the United States Senate than the development of the best possible instrumentality for contact with other nations and for the expression of our hopes, aspirations, ideals, and objectives as an important unit in the international community.

To me, the evidence demonstrates beyond question that our present instrumentalities fall short of the capacity which I conceive the world situation requires of us. I say this not critically, but sympathetically, with a desire to do what I can as an American in the United States Senate to support, improve, encourage, and perfect these instrumentalities.

I think it will be found that in the first report which was made by Senator BURTON and myself we stressed the possibility of future commercial advantages in the sections of the world which we had visited; and I think that argument applies perhaps with double force at this time. The time is closer.

Mr. President, there is not a man so great but that he stands in awe of the prospect which faces civilization in this era of rapid air transportation and undreamed-of explosive destruction. The possibility of mankind's self-annihilation gives us all pause. What hope is there unless we find a way to live in harmony with the rest of the world and to establish a system which will insure that any nation which does not desire harmony, but promotes conflict, can be controlled by the rest of the international community? This is a problem which has faced the world from time immemorial and has not been solved. Now we must solve it. The alternative of failing to solve it we dare not even contemplate.

In my opinion, we can do most toward the establishment of the kind of world we want to live in by advancing vigorously what we think is right. This cannot be done if we act and live in continual fear that someone else will not like what we say or will take offense at our looking out for our own interests. America, in commerce as in war, must be for America.

No one rightfully should condemn us for speaking our views, for stating our position, nor for insisting upon the recognition of our interests.

As I view it, our main objective in connection with surplus property disposal abroad was to do a good job of merchandising and thereby realize as much as possible for the Treasury of the United States. I should like to see more realized for the people of the United States.

It is this lesson which I believe can be learned from the experience of surplus sales abroad. It can teach us, if we have the interest and the time to give it attention, to do a better job in exerting the influence of America in the future course of world events.

I am proud of the record of our country. I believe we have little to be ashamed of with respect to the fair treatment of others. I firmly believe that the strongest possible expression of the interests and the ideals of this outstanding land of opportunity will be a healthy influence in the community of nations. I want that interest to be expressed to the fullest possible extent. It is for that reason that I urge the Senate to play its part vigorously and effectively in the formation and expression of our national policy in international economic affairs and in strengthening and perfecting our instrumentalities for the expression and execution of that policy, to the end that an era of permanent stability, peace, and fair dealing may prevail among the nations of the earth.

Mr. President, I now submit the report of the Special Committee Investigating the National Defense Program on Surplus Property Abroad.

The PRESIDING OFFICER. The report will be received.

Mr. KNOWLAND. Mr. President, as a member of the Subcommittee on Foreign Surplus Property of the Special Committee Investigating the National Defense Program, I desire to make some observations on the report on surplus property which has just been filed by the senior Senator from Delaware [Mr. TUNNELL].

I wish to say that, as a new member of the committee, taking the place of our former colleague, Senator Burton, of Ohio, who now is an Associate Justice of the Supreme Court of the United States, I have felt that it has been a rare privilege to serve on the committee which has had such a splendid record over so long a period of time. The committee was formerly headed by the now President of the United States. His successor as chairman of the committee is the able junior Senator from New York [Mr. MEAD]. It has been my privilege to serve as a member of the subcommittee headed by the able senior Senator from Delaware [Mr. TUNNELL]. I feel that we have had an experience which is rather unusual in the case of legislative committees, for during the long life of the Mead committee it has not been necessary for the members of the committee to file majority and minority reports; and I can say that during the long, 30,000-mile trip by air around the world, and throughout the hearings which we held, the Senator from Delaware and I worked in close cooperation, and were able to present a report which has the approval of the entire committee.

I wish to call particular attention to two phases of the report which I think should be of special interest to the Senate at this time. The first is the section dealing with the return of civilian-type surplus property, and the second relates to the sale of armaments otherwise referred to at hearings as nondemilitarized combat matériel.

Mr. President, my interest in the subject of the return of our surplus civilian-type property which is located abroad has been stimulated by the great need in this country for building materials and building machinery, which now are in extremely critical shortage because of the great demand for housing for returning veterans and others. My State of California is particularly hard-pressed in this respect, but other areas of the country are also suffering from housing shortages.

Mr. President, it is, likewise, common knowledge that there is an extreme shortage of heavy construction machinery for highway-building programs and other construction, which, of necessity, have been held in abeyance during wartime. During the war, we rightly denied our civilian economy the materials and the machinery which were necessary for building and construction work. We produced huge amounts of such materials and machinery for our Army and our Navy. Much of that material and machinery was shipped overseas, and at the war's end much of it has become surplus.

It did not seem right to the subcommittee that this machinery and these materials should remain unused, to lie and rust in the Pacific islands, when it was so sorely needed at home in the reconversion program. I am gratified to be able to say that I believe that the wheels have now been set in motion for returning a part of this material home, where it can be used. I am also gratified to be able to say that I believe the activities of this subcommittee are, in large measure, responsible for that condition. There seems to me to be little reason or excuse for the failure of our Government agencies to take action on this matter until 6 precious months after the cessation of hostilities had passed, and until it had been brought forcibly to their attention by a Senate committee. I think it only appropriate to add that I am disappointed that now, having started the machinery to return civilian-type surpluses, it appears that no further action is to be taken by the Director of War Mobilization and Reconversion until the Under Secretary of War and the Foreign Liquidation Commissioner return from a trip abroad. A list has been prepared, but no one has yet been ordered to do

anything about it. The services have indicated their willingness to ship these needed items back; but they feel, and rightly so, I think, that the decision is a civilian decision to be made by our civilian Government agencies here.

As is pointed out in the report, the time lag will be considerable even after the issuance to the services of instructions to return the specified items to this country; and I am disturbed that action cannot be commenced until the return of certain officials from a trip abroad. I cannot see why there should be any question that the return of extremely scarce items which would be useful to our civilian economy should be delayed by 1 day more, and I think the Director of War Mobilization personally should give this matter his attention in order that no further delays occur after the Under Secretary of War and the Foreign Liquidation Commissioner have returned.

I also wish to draw attention to the general order for returning all civilian-type surpluses from the Pacific area, whether they are needed in this country or not. I think the word of caution which the committee has voiced on this matter should be given close heed by the services. In this connection, the letter of Capt. Granville Conway, Acting Administrator of the War Shipping Administration, which is set forth as appendix X–A to the report, should be given considerable weight. From that letter, which was addressed to the chairman of the committee, and was dated March 14, 1946, I read the following:

Up to this time we have been able to supply all the vessels that the Army has requested to lift return cargoes. We are interested, however, in the volume and types of cargo that may be hereafter moved to the United States. The number of outbound sailings of War Shipping Administration-controlled vessels to the Pacific for the Army and Navy is rapidly diminishing. In March and April less than 20 ships a month, exclusive of refrigerated vessels, are scheduled to go out. If any substantial number of vessels are requested by the Army for return cargoes, it will be necessary to dispatch vessels from the west and east coasts in ballast to the loading areas. This will be a very costly operation. It is of great concern, therefore, that such cargoes as are returned to the United States be screened carefully by the military authorities to be sure that these cargoes are, in fact, needed in the United States. I am particularly concerned in the amount of ammunition that the services may intend to return to the United States in the future. As of March 9, all available discharge installations in the United States were fully occupied and there were approximately 13 vessels in the Pacific Northwest at anchorage awaiting berth. The last of these vessels is not expected to go on berth until mid-April. Not only are these installations limited in the number of ammunition vessels that they can accept but the interior movement of ammunition to depots necessitates the use of railroad boxcars, which are scarce and vitally needed for the movement of grain. I feel, therefore, that the military should exercise care and satisfy themselves of the absolute necessity of having more ammunition in the United States before they order additional vessels for this purpose.

With respect to the order for returning all civilian-type surpluses, I am disturbed because I am afraid that what shipping is available will be absorbed by a great many items which we do not need in this country, or need as badly, at least, as we do building materials and construction machinery, and that as a result we still will not get the things which we sorely need for our housing and highway-construction programs. In my opinion, these critical items should be given the green light, and, from all I have been able to learn, the Army and the Navy are perfectly willing to do this if they are so requested by the appropriate civilian agencies.

The other feature of the report on which I desire to comment is of an entirely different nature. It relates to our peaceful relations with other nations. I refer to the ninth conclusion of the report, which is as follows:

9. Our failure to recapture or at least retain full control over lend-leased weapons and armaments may well have repercussions in delicate future relations between nations. A matter of such importance as the permanent transfer of weapons and armaments to foreign nations should be studied and acted upon by Congress.

The reason that I am so concerned about this matter is that, especially in these trying times, we ought to proceed carefully in any matter which affects relative military strength, and which may have repercussions in our delicate relations with friendly countries. I think these aspects of our foreign relations are well stated in the report on pages 36 and 37, as follows:

Several major questions of our national policy are necessarily involved in the adoption of any program for the transfer of armaments. They are:

1. The effect upon any future world program for disarmament.

2. The effect upon policing plans and responsibilities under the United Nations Organization.

3. The result of the existence of the means of waging war in the hands of foreign nations presently on friendly terms not only with the United States but with themselves, which may subsequently become embroiled in a dispute either with the United States or among each other, in which such armaments may be used as an instrument of national policy, either potentially or by open resort to arms in combat, under which circumstances the United States would have no power to control the use of such armaments.

4. The use of such armaments for the control of backward peoples, whether now under the domination of some other foreign power, or to be subsequently brought within such foreign control.

5. The deprivation of our economy and that of foreign countries of the metals and components which would be generated if armaments were reduced to scrap.

6. The encouragement of a race in armaments which would result from the efforts of nations excluded from our transfer of armaments to maintain their military strength relative to those to whom we do transfer armaments.

7. The retardation of industrial and economic recovery resulting from the allocation of higher percentages of national productive capacity to the creation of armaments and the lowering of the level of the standard of living resulting from military expenditures.

8 The generation of ill will toward the United States on the part of those nations excluded from our transfer of armament, possibly resulting in strained relations and the creation of an atmosphere of unfriendliness and distrust between the United States and such excluded nations, which might contribute to retaliatory action against the United States, and which might also impair existing and future efforts aimed at world cooperation through such organizations as the United Nations Organization and other international bodies.

9. The policy of equipping other nations with United States type armaments, thus binding such nations to our type of weapons and possibly furnishing a market for our armament industry in replacement parts and new orders.

10. The strengthening of nations now considered to be our friends and allies against those now considered to be our potential enemies.

The sale or gift of armanents by our Government in peacetime is a matter of such importance and delicacy in our relations with the other nations of the world that it deserves full consideration and study by Congress itself. The committee believes that the present programs for the transfer of armaments to other nations should be reviewed by Congress immediately, and that any subsequent program for the sale, gift, or transfer of armaments should be embarked upon only after express and clear authorization by Congress.

The Government of the United Kingdom now has troops deployed in areas where there has recently been or where there is threatened to be open fighting—Indonesia, Greece, Palestine, Egypt, India. Whether armaments which we have transferred to the British in the United Kingdom settlement are actually employed in such conflicts, either those which have occurred since VJ-day or those which may occur in the future, is not the real point. The fact that we have contributed to the total arms which the British Empire has is the important fact and it imposes upon us a responsibility for the use of those arms which we cannot escape. Although we have no voice in the foreign policy of the British Government nor in the formation or execution of colonial policies of the British Empire, we have aided them and have made possible whatever the British Empire may elect to do that involves a use of arms. We have a similar responsibility for the unrecaptured, unconsumed materials which we lend-leased to Russia. We have a similar responsibility for armaments we have lend-leased to other countries and have permitted them to retain after the war. We will have a similar responsibility for armaments which we transfer in the future.

In recommending the removal of American markings on nondemilitarized combat material transferred to other governments, the State Department obviously had some of the above implications in our foreign policy in mind. The committee does not believe that the removal of identifying labels on our equipment is a complete discharge of our responsibilities to nations and peoples, against whom such equipment, possibly against our will, may be employed.

There may be those in Congress who have some doubt that the way to peace is to provide armaments to other nations with which to wage war. Such opinions ought to be given a full hearing before a policy is embarked upon and commitments have been made and nondemilitarized combat material is transferred, after which time it may be very difficult and embarrassing for our Government to do anything about it.

Mr. President, another phase of this matter which disturbs me is that the transfer of nondemilitarized combat material is being done under the authority of the Surplus Property Act, but actually the purpose is to give financial support, through the furnishing of armaments, to certain selected countries. It is true that the material which is being transferred is surplus property. However, the objec-

tive is not mainly to recover the value of the property for the United States, since it is being sold at a very low price. The committee has been told that we will transfer this military property for approximately its scrap value, whereas its value as weapons would be many times that amount. To me, by far the greater proportion of the war material problem is the policy of giving military support, and only the minor proportion is the recovery of the value as surplus property. For this reason, I believe such transfers of nondemilitarized combat material should be done only with the approval and upon the basis of a policy passed upon by the Congress of the United States. It is for that reason that I urge the appropriate committees of the Senate to give this matter their most careful attention and to develop the policy of the country on this important and delicate subject.

It is not something that should be decided in the inner sanctum of the State Department. Congress, too, has a responsibility that cannot and should not be lightly cast aside.

Mr. MEAD. Mr. President, as chairman of the committee which has just submitted its report, I should like to take this occasion to commend the senior Senator from Delaware [Mr. TUNNELL], chairman of the Subcommittee on Surplus Property, and the junior Senator from California [Mr. KNOWLAND] for the important report which has just been presented here in the Senate regarding investigations of surplus property disposal abroad.

The Senator from Delaware has taken a courageous and forthright position following his intensive work in gathering and studying great quantities of facts and information with respect to our vast surplus property holdings abroad. Accompanying him on his recent journey of investigation which extended all the way around the world, the able junior Senator from California cooperated to the fullest and gave unsparingly of his efforts and talents to bring to the Senate this complete, searching, and unprejudiced report. In this connection, let me emphasize that the report submitted here today by Senator TUNNELL carries with it the full approval of the entire Special Committee Investigating the National Defense Program, of which I have the honor to be chairman.

I believe it is of interest to the Senate to comment briefly on the manner in which this report was prepared by the committee and finally approved. Although the activities of the subcommittee, comprising the Senator from Delaware and the Senator from California, who recently traveled around the world, are the principal basis for the report, three other field investigations were made since the latter part of 1944. These investigations extended to north Africa, the Middle East, the Persian Gulf area, the Caribbean, and the European and Mediterranean theaters.

Prior to all these field investigations, extensive hearings have been held here in Washington, by way of preparation. Memoranda, expert testimony, statistics, military charts, and theater reports have all been carefully studied both here in Washington and in the various areas under inspection by the committee.

Moreover, upon returning from these arduous field investigations, additional hearings have been held with the governmental agencies directly concerned and supplementary data have been added to our voluminous committee record.

From time to time various members of our committee who have addressed their attention to surplus property matters have reported informally to the Senate. Our committee has acquired extensive and specialized knowledge on the question of surplus property disposal abroad. All phases of this important and complicated problem have been thoroughly explored. Each factor has been properly weighed. Every new development has been carefully watched, with each new fact being fitted into the broader considerations of United States foreign policy and international cooperation. I mention all this, Mr. President, to demonstrate that a wealth of knowledge, understanding, and hard work has gone into the completion of this report.

Let me also point out that every agency of our Government affected by the contents of this report has been accorded full opportunity to review the facts and conclusions contained in it. All rebuttal information has been carefully checked and all conclusions have been reconsidered before final adoption of the report. However, no modifications have been made except where the facts clearly showed that a change was justified.

I think it is appropriate to go into just a little more detail concerning the committee's procedure in the issuance of reports. There is, of course, no obligation on the committee to submit drafts of its reports to anyone. Many committees do not do so. However, our committee has consistently contacted governmental agencies or outside individuals thought by the committee to be interested in or affected by the substance of the discussion in proposed committee reports. In this instance, the committee submitted the draft of the report to about a dozen Federal agencies with a letter which I propose to read:

UNITED STATES SENATE,
SPECIAL COMMITTEE INVESTIGATING
THE NATIONAL DEFENSE PROGRAM,
March 12, 1946.

Mr. WILLIAM L. CLAYTON,
Assistant Secretary of State,
State Department, Washington, D. C.

DEAR MR. CLAYTON: Attached is a galley-proof copy of the proposed report of the Committee on the Disposal of Government Surplus Property Abroad. In accordance with the committee's practice, this document is submitted to you on a confidential basis for your examination and suggestions.

The committee desires that your examination cover particularly:

1. The facts and statistics stated in the report.

2. The declassification of any material previously considered by you to have been classified.

3. Any additional facts or points, which, in your opinion, should be included in the report.

In addition, the committee will be glad to consider your views concerning the interpretation of the facts and the conclusions of opinion which the committee has reached.

Because of a tight schedule for the issuance of this report, your comments should reach the committee not later than noon on Thursday, March 14, 1946. To the extent that it is feasible to do so, your corrections should be marked on the galley-proof copy, which, in any event, should be returned to the committee at the time mentioned.

Very truly yours,

GEORGE MEADER,
Chief Counsel.
JAS. M. MEAD,
Chairman.

By request of Secretary Byrnes, it was arranged that a draft of this report be discussed with the staff by representatives of the State Department, including Dean Acheson, Under Secretary of State; Benno Schmidt, General Counsel of the Foreign Liquidation Commission; and Harold Stein, Chief of the Surplus Property Division of the Office of War Mobilization and Reconversion. At their request, an executive session of the committee was arranged, in order to permit the further expression of the State Department's views concerning the report, which was held by the Subcommittee on Foreign Surpluses, with other members of the committee invited to attend. This meeting was held on Friday, March 15, 1946. This meeting was held only for the benefit of the State Department, all other agencies having submitted their corrections within the time limit mentioned in the letter, according to the usual practice of the committee.

At that session of the subcommittee it was agreed that the State Department would submit specific suggestions as to changes of wording in the draft of the report, in order to present specifically their views with regard to the interpretations of the facts and conclusions of opinion of the committee. I want to emphasize that there was no dispute as to the facts themselves. I quote from the record of the session of the committee referred to, on page 19 of the record:

Mr. ACHESON. I am not criticizing a statement of fact anywhere in the report.

The State Department also in that hearing unequivocally took the position that there was no policy which required secrecy concerning the facts presented in the report and that there was no disposition on the part of the State Department to conceal these facts from the American public.

Mr. President, I wish to repeat the last statement, because I believe it to be very important. The State Department also in that hearing unequivocally took the position that there was no policy which required secrecy concerning the facts presented in the report and that there was no disposition on the part of the State Department to conceal these facts from the American public.

Subsequently, on Monday, March 18, 1946, the State Department and the Office of War Mobilization and Reconversion presented detailed suggestions concerning the rewording of certain portions of the report. These were carefully and meticulously gone over by the committee and specifically by the chairman and the other member of the subcommittee. Some suggestions were accepted and others were not. The State Department was

advised as to the decision of the committee.

The issuance of the report was delayed for 3 days beyond the schedule for its issuance, solely for the purpose of affording the State Department full opportunity to consider the report and present its views to the committee.

I mention the foregoing details concerning the preparation of this report only so that the RECORD may show the care exercised by the committee and the opportunity afforded all interested agencies to present their views and to dispel any impression which might be gained that the report was issued casually and without the full consideration of the committee. We go into these matters in complete detail, Mr. President, and in keeping with the practice and precedent established at the time of the formation of the committee.

For my own part, I should now like to direct the attention of the Senate for a moment to that section of the report which deals with the question of the coordination of our efforts in the handling not only of our surplus properties abroad but in all of our economic and commercial undertakings with foreign governments.

The committee's report states:

> The advancement of our interests cannot be assured through any notion that there is any hocus-pocus or magic in a diplomatic method of negotiating on the basis of generalities, rather than upon the facts and factors which are involved in a commercial transaction of like character.

Our report also reminds the Senate that many great measures looking toward American participation in world affairs have been adopted by overwhelming majorities by Congress. These include the historic United Nations Organization, the United Nations Relief and Rehabilitation Administration, and Bretton Woods. But let us not forget that these great instruments, which carry with them the future hopes of all mankind, will not automatically solve our world problems simply because they have been accorded world approval as broad and general charters of hope for a better world.

As the committee's report states "to ascertain basic facts and master the principles underlying such negotiations requires hard, prosaic, everyday work." To this I would add that this hard, prosaic, everyday work must be directed through straight channels under an overall coordinated direction and not misdirected through a maze of bureaucratic red tape and fancy protocol.

There have been instances where too little hard-headed attention was given to America's world problems by the various officials and agencies of our Government concerned with these vital responsibilities. Moreover, it is discouraging to note that too often tangible results and improvements come about only after prodding and incessant vigil by an agency such as our investigating committee. For example, it was not until after our subcommittee, following its inspection of the European and Mediterranean theaters, had vigorously urged a consolidation of the foreign disposal agencies, the Foreign Economic Administration and the Army-Navy Liquidation Commission, that the wisdom of such a course was appreciated and action to that end taken.

At this point, I wish to bring to the attention of the Senate conclusion No. 11 of the committee, which reads as follows:

> 11. The Senate ought to familiarize itself thoroughly with the problems facing the United States in its economic and commercial relations with other nations in the postwar period, and examine the manner in which such relations are being handled by our governmental agencies concerned therewith.

I do not propose to go into this subject in great detail at this time since I believe it merits thorough exploration in and of itself. However, it seems to me appropriate, in connection with the committee's recommendation that the economic and commercial foreign interests of the United States be studied thoroughly by the Senate, to suggest that any such study ought to include the way in which we relate to each other the various objectives we have in foreign policy. For example, in the matter of reparations, we ought not to be in the position of furnishing support for the population of Italy on the one hand, while reparations are exacted from her on the other hand, which actually are derived from the funds which we have contributed. Such action merely results in siphoning off the funds and the relief expenditures which we make in that country and in other countries where similar action is taken.

Mr. President, I wish to reiterate that statement. We should look carefully into these matters. They should be coordinated so that logic and reason will be present at all times. As I said a moment ago, in the matter of reparations we ought not to be in a position of furnishing support, for instance, to the population of Italy on the one hand, while reparations are being exacted from her by other countries on the other hand. As a result such reparations are actually derived from the funds which we have contributed.

Our foreign surplus-property activities should be a part of all our other foreign activities, and it was for this reason that both the Foreign Economic Administration and the Army-Navy Liquidation Commission were placed directly under the State Department, where that coordination could actually be fulfilled.

If we compartmentalize our negotiations with other countries and our right hand does not know what our left hand is doing, we are likely to lose in our negotiations with foreign countries the advantage of relating what is being done for other nations in one field to objectives which we seek in another field. At all times, our negotiators should not only be specifically and completely informed on the subject matter with which they are dealing, as is so aptly pointed out in the report, but there should be the closest kind of coordination between negotiators in the several fields. I make this comment at this time solely as an indication of one important matter which I believe the Senate would do well to explore, in the event the Senate agrees that a study should be made by it of our foreign economic and commercial problems and the manner in which they are being handled by the agencies concerned therewith.

Mr. President, I wish to point out that the report which has just been filed on surplus property abroad advises the Senate only on one of the aspects of surplus-property disposal, a subject which has absorbed a large portion of the committee's interest during the past year and a half or two years. On December 19, 1944, the committee filed a report on the accumulation of surpluses, urging at that time that the supply system be improved so that the quantity of surpluses which would necessarily arise at the close of the war would be kept to the minimum. On March 22, 1945, the committee issued a report on the disposal of surpluses other than industrial plants, commenting upon the organizations then charged with the disposal of commodities and other movable surpluses.

I desire to quote from one of the conclusions in that report, since it bears specifically on the report which has just been filed and gave a warning and urged action which, as is definitely shown by the report which has just been filed, went unheeded. The tenth conclusion of the report we filed on March 22, 1945—exactly a year ago today—states:

> 10. Surpluses abroad should be disposed of expeditiously. To this end, policies should be formulated at once. Immediate action should be taken by the armed forces and other procurement agencies to determine procedures to be followed at the conclusion of the war in Europe. There need not be a period of confusion. Similarly, decisions must be made at once as to the items which are to be declared surplus at this stage and those which will be utilized in the Pacific war. Pending the formulation of a policy with respect to bases and holdings abroad, individuals should not take action which will prejudice the position of the United States.

In addition to these special reports to which I have referred, comments have been made on surplus property disposal in both the third and fourth annual reports of the committee.

On December 20, 1945, I addressed this body on the subject of the War Department's so-called strategic reserve plan which, in essence, proposed to store supplies for from 10 to 20 peacetime years and even for the first year of any future war. Fortunately, as a result of the committee's inquiry into this strategic reserve plan, the War Department policy was reexamined and completely modified with the result that great stocks of urgently needed civilian supplies are now being released by Army authorities.

I mention these matters by way of reporting to this body that the examination of the disposal of our assets in the form of supplies, installations, and facilities created during the war has a very real bearing not only upon the total cost of the war to the American taxpayer but also upon our future dealings with other nations.

Our committee will continue to direct a major portion of its attention to these matters. In the near future we expect to report on the subject of the disposition of domestic surpluses and also to keep the Senate advised of all important de-

velopments in our investigations of surplus property matters.

Finally, Mr. President, I wish to make it abundantly clear that we are not aiming to criticize the departments of Government or the executive agencies of the Government. We are endeavoring at all times to carry out the original concept under which this committee was created. We seek to effect corrective measures while corrective measures can be effective. We have been commended by a great many agencies of the Government for suggestions which our committee has made to them and for the corrections which resulted from our recommendations.

Let me say in conclusion that we will carry out our task until the reason for the creation of this committee no longer exists. In doing so we will make recommendations and reports to the Senate, which I trust will be considered by the executive agencies of the Government.

Mr. FERGUSON. Mr. President, I desire to make a few comments on the report which has just been filed by the senior Senator from Delaware [Mr. TUNNELL]. I have read the report in its entirety, and as a member of the Special Senate Committee Investigating the National Defense Program I endorse it. I believe that this subcommittee of the Mead committee, in filing this report at this crucial period in our relations with the rest of the world, has rendered a real service to the country. The report speaks plainly and frankly, but fairly. It is just this sort of plain speaking and this forthright support of the interests of our country which is desperately needed in these times.

One portion of the report I desire to emphasize because it points out what I conceive to be a grave responsibility of the Senate of the United States which is of particular significance at this moment. That is the section of the report which deals with our future foreign economic and commercial relations. Because I believe this section, appearing on pages 37, 38, and 39 of the report, states briefly and clearly what the responsibilities of the Senate are, I propose to read it into the RECORD at this point:

OUR FUTURE FOREIGN ECONOMIC AND COMMERCIAL RELATIONS

Many measures looking toward American participation in world affairs have been adopted by overwhelming majorities by recent Congresses. Among such measures are the United Nations Relief and Rehabilitation Administration, Bretton Woods, and the United Nations Organization. However, America's influence toward stability, peace, and well-being in world affairs cannot be made felt solely by supporting these broad, general movements toward international cooperation. We must likewise, make our influence felt in the less spectacular workaday situations that develop. One of these is the problem of disposal of our surplus property abroad.

The committee believes that the restrictions, limitations, and conditions imposed upon us by foreign governments in the disposal of our surplus property abroad have thrown an additional burden of war cost upon the American people. The amount of this additional burden can be measured by the reduced return we will receive because of our inability to sell our war surpluses abroad in an advantageous market. Not only have we been saddled with a huge public debt, fraught with economic repercussions, but our natural resources have been depleted at a rapid rate. If these resources are not replenished, we will be weaker economically than we were before the war. Other governments were able to impose these restrictions on surplus sales because our representatives were not able to overcome the strong positions taken by the representatives of other governments.

To ascertain basic facts and master the principles underlying such negotiations requires hard, prosaic, everyday work. It requires the assembly of the best knowledge which experts in various fields in the various departments of our Government can provide. The development of the facts is far more important than endless arguments about general theories. The advancement of our interests cannot be assured through any notion that there is any hocus-pocus or magic in a diplomatic method of negotiating on the basis of generalities, rather than upon the facts and factors which are involved in a commercial transaction of like character. The problem is in applying the general principles of our foreign national commercial interests to a specific situation.

Referring again to surplus-property disposals, specifically, it means that our agents must be fully familiar with the character, quality, and volume of the goods we have to sell, much the same as anyone in the merchandising business must know his inventory. Our agents must also know the market value of what they have to sell. These are facts which should be as fully and intimately known as any private individual or organization would know them in the merchandising business.

As to financial matters, the difficulties of foreign exchange, the fundamental economic principles of international trade and exchange of goods and the alternatives of medium in which payment could be made to the United States should be fully known. If present mediums of exchange are inadequate and prevent the realization of a fair return to our Government, people with experience in the field of export and in the field of international economics and international finance should display some real initiative in discovering a medium in which we can accept payment and, if necessary, requesting Congress to grant an expansion of authority.

The committee's study of the quality of performance of the agents who represented the United States in connection with the bulk sale to the United Kingdom and other negotiations abroad has convinced the committee that a better job of representing the United States is feasible if only the expert ability existing in various branches of our executive departments is fully marshaled and organized in order to develop the facts upon which a sound and fair position can be asserted for the United States and placed in effect.

The committee has had occasion to observe a disinterest in the State Department in the handling of such matters as foreign surpluses. The attitude apparently proceeds from the traditional concentration of the State Department on political problems on a high level, rather than upon economic and commercial problems. The committee recognizes that there has been a movement toward strengthening the economic and commercial activities of the State Department under Mr. William Clayton, Assistant Secretary of State; however, the committee feels that the vital interest of the United States in future economic and commercial problems in its relations with other countries, including the problem which will affect private capital and trade interests, as well as strictly governmental interests, require substantial strengthening in staff and authority and substantial improvement in performance.

The accomplishment of this objective is so important that all possible devices within our means to achieve it speedily should be employed. A device within the authority and power of the Senate is to employ the investigative power of the Senate in order to familiarize the Senate fully with the outstanding commercial and economic problems which we face in this critical period immediately following the cessation of hostilities.

In addition to informing the Senate, past experience has demonstrated that the investigative activities of the Senate have a salutary effect upon administrative agencies, especially those which have a tendency toward vacillation and procrastination in making prompt decisions based upon an intelligent study of the facts and factors involved within their responsibility. The committee believes that our instrumentality for conducting our future economic and commercial relations with other countries should be expanded and strengthened, and that its handling of these problems be subjected to the continuous and intensive scrutiny of the Senate.

Mr. President, my reason for reading that part of the report into the CONGRESSIONAL RECORD is that I believe it lays down a policy by the legislative branch which should be well known not only by the agencies and departments of the Government but by the people of the country.

Mr. President, can anyone doubt that the Senate of the United States, particularly in those future policies which involve contacts with other nations, has a responsibility to inform itself, to determine the important facts upon which any reasonable and intelligent decision must be based, and to study the problems which we face in our relationships, particularly those of an economic and commercial nature, with other countries?

The fighting has now ceased, and today we are taking up commercial, economic, and trade relations with all the nations of the world. Does the Senate now have adequate means for making a thorough and incisive study of those problems? Can there be any doubt, Mr. President, that the Senate has the means, if it elects to use them, to make thorough studies of these important problems and to exert its influence in an effective manner upon our policies in foreign economic and commercial relationships and the execution of them? If we fail to use the power we have, and, as a result, the people of this country suffer through inept and unsound policies or actions, what explanation can we then make to our citizens?

The investigative authority of the Senate has the prime object of making available to us the pertinent facts and the best available expert opinion to the end that our legislative decisions may be of the highest quality possible. However, that is not all that the investigative authority of the Senate does. By turning the spotlight of publicity on the actions of our appointed administrative agents, it reveals to the public many acts and many policies which otherwise would go unknown and unnoticed. This results in a better informed public opinion. I think that today public opinion is a greater influence in America than in any other country of the world. Public opinion must represent the voice of a well-informed public if it is to be accorded its proper weight in a representative government such as ours. So we must do our part to inform the public, in

order that the opinion they form will be worthy of playing an important part in a representative government such as ours.

A collateral and equally important effect of the exercise of the investigative authority of the Senate is that administrative agents are constantly aware of the possibility that their decisions and their actions may some day be subjected to review and to public examination. If they were assured that they could be free from exposure, our administrative agents and employees might be inclined to have less regard than they now have for the interests of the public in the day-to-day matters which are entrusted to their care.

Mr. President, I have supreme confidence in the judgment and right thinking of the American people when they are given the facts. The one distinctive feature of our Government is that the people make the ultimate decisions, and if they are to make right decisions they must have the facts. When administrative agents start to clothe their acts in secrecy in time of peace, and resist efforts to make public their decisions and actions, then is the time when we must begin to fear for the preservation of our democratic form of government. In peacetime our public business must be operated on top of the table so that the public may view what is taking place. But, in order that the public may be fully advised, an investigating committee, such as the Mead committee, can give them the facts after research has been conducted and the facts disclosed.

Merely as an illustration of the public benefit which can result from investigative action by the Senate, I wish to call attention to three specific instances in connection with the work of the subcommittee whose report has just been filed of corrective action, to which they called attention, being promptly taken.

The first is the instance already referred to by the Senator from Delaware [Mr. TUNNELL] in his remarks of a situation being corrected which never should have existed in the Pacific, namely, one in which the Army had been prohibited from declaring surplus any serviceable vehicle, and peacetime reserves, requiring the storage of materials over long periods of time, had been established without the approval or direction of the War Department in Washington.

Second, on page 9 of the report, the committee notes that in its investigations in the Pacific the subcommittee discovered that War and Navy Department regulations prohibited the return of civilian type surpluses, no matter how badly they were needed in America, and by cable called this situation to the attention of the committee in Washington. The committee's activities in following up this lead resulted in the establishment by the Office of War Mobilization and Reconversion of the special working committee which has now prepared lists of needed civilian items, and which has been discussed at some length by the Senator from California.

Mr. President, the time to bring these civilian items back is now, while we are in the process of reconversion. It is now that those articles should be brought back in order that those who need them may use them before our factories begin to produce similar articles. It is therefore timely that this matter be called to the attention of the officials of government, as well as to the attention of the public.

The action to which I have referred will alone repay many times in benefit to the country the entire cost of all the investigating activities of the Senate for a long period of time. The shame of the matter is that 5 months after the end of the war had to pass before this deficiency in our surplus disposal program was caught, and before any action was taken to correct it. How much worse it would have been if no committee had gone abroad, and if no corrective action at all had been taken.

The third instance to which I call attention is the adoption by the Department of State of a regulation dated March 15, 1946, which expands the authority of the Foreign Liquidation Commissioner in order to permit acceptance in exchange for our surpluses abroad a consideration other than cash, foreign currency or dollar credits. That regulation is set forth as appendix 17 in the committee's report. The regulation was adopted subsequent to the time that the committee submitted a draft of its report to the agencies, and, while it cannot be proved, I have no doubt in my own mind that the committee's comments on this deficiency in our disposal program abroad contributed in some measure to the issuance of this regulation.

While it is not attributable specifically to the work of the subcommittee, I think it is only appropriate to mention at this point that the investigations of the committee in early December of the strategic reserve plans of the War Department resulted in a huge, but incalculable, saving to the country by inducing the abandonment of long-range storage plans for civilian goods on the part of the War Department. It should also be noticed that similar, but less publicized, plans which the Navy adopted in December were, likewise, reviewed and the amounts to be kept in reserve were lowered, due to committee activities.

This is not the occasion to discuss in detail how the Senate's responsibility to inform itself on our future foreign commercial and economic relationships should be carried out. I realize that the specific issue must yet be presented in such procedural form as will permit the Senate to pass upon it in accordance with its rules. For that reason, I do not propose at this time to discuss details of procedure. The filing of this report and the recommendation which it made, which I have quoted at length, did, however, seem to me to be an appropriate occasion to state to the Senate the views which I have long held that its investigative activities should be strengthened and not weakened, as a means of guaranteeing to our people the democratic form of government which everyone of us prizes so highly.

Mr. President, many of our citizens believe that all our negotiations with foreign governments must be made effective through treaties, which must be approved by two-thirds of the Senate. But in actual experience many negotiations are carried out by what is known as Executive agreements. Some of them are approved by both Houses of Congress. But we have entered into a great number of agreements, such as those with reference to the sale of surplus property, and those with reference to the transfer of the reversionary interests in unused lend-lease property to foreign governments, without the approval of both Houses of Congress. The sale of surplus property referred to in this report is not in any way directly connected with the agreement on the British loan. That particular agreement did not have to be approved and was never submitted to the Congress for its approval. The British loan would be the result of an agreement which has been negotiated and is now in Congress for its approval. So we have three kinds of international agreements, namely, first, treaties to be approved by the Senate alone; second, agreements which are to be submitted to the Congress and approved by both Houses of Congress; and third, agreements such as are referred to in this report, with reference to which no approval by Congress is asked. That is what the investigating authority of Congress may go into.

The reason we went into this particular deal was that it might set a pattern for handling similar deals in the future, and therefore we wanted the Senate to know what had taken place with reference to one particular agreement which was not submitted to Congress for its approval. That is the reason I felt that I should make the remarks which I have made today.

Mr. BREWSTER subsequently said: Mr. President, I should like to make a brief statement regarding the report filed today on behalf of the Mead committee. On behalf of the other members of the committee and the other Members of the Senate, I wish to express appreciation for the great amount of work which has been done by the Senator from Delaware [Mr. TUNNELL] and the Senator from California [Mr. KNOWLAND] on their recent trip, to the laborious character of which I can certainly testify, and to commend the exhaustive character of their research.

Mr. President, I feel that the report contains a great amount of matériel which has great significance. I can make that statement without being immodest because my own connection with it was not close.

I wish to call particular attention to the portion of the report which was referred to by the Senator from California [Mr. KNOWLAND], on page 35, dealing with the matériel which was left over under lend-lease in the hands of foreign countries, as this is a matter which has given me, and I think others, very great concern.

The State Department apparently recognized this problem in requesting that the American labels should be removed from this matériel before it was used in putting down the uprisings in the Dutch East Indies. I have some

doubt as to whether those who may receive the benefit of these munitions in the shape of bullets in their ribs will be particularly appreciative of the fact that the American labels have been removed, as I presume they will be just as dead as though the American label was on the matériel. It could not seem other than a most cynical commentary upon the American viewpoint as to the intelligence of the world, that American responsibility for these arms could be eliminated by the suggestion that the labels be removed.

It does, however, establish the proposition, it seems to me, that the United States has a vital interest in the use of this matériel. The report, which is unanimous, as all previous reports by the committee have been, emphasizes this very strongly, and it is a matter which I trust will receive the attention not only of the Congress but of those in authority in the executive department concerned with the future disposition of this matériel.

As was established very clearly in the hearings by the committee, even under the transfer to Great Britain full rights of recapture are being retained by the United States. Whether or not this is a prudent disposition may enter into the matter, as we might perhaps more clearly abdicate our responsibility by turning over the matériel without limit. However, we have retained the right of recapture, the result being that of this vast amount of matériel, amounting to some five or six billion dollars worth, now in the hands of one of our former allies, and the other matériel which is scattered around the globe among the other nations, it is still matériel in which the United States has a definite interest, and for which it has a definite responsibility.

While the United States is at peace with all the world, it will, in my judgment, be extremely unfortunate if this matériel shall be used against nations or peoples with whom the United States is now at peace. It seems to me entirely appropriate, following the example of the State Department in requesting the removal of American labels, to insist that this matériel shall not be used. To be sure, it may be said that since the total amount of arms and munitions in possession of any power represents its capacity to make war, whether the matériels are used out of a particular bin or reservoir is of little importance, but I think it is of very great importance that the United States shall at least use its authority and responsibility to ask that American munitions and matériel produced by this country for the purpose of waging war with Germany, Japan, and Italy, matériel in which the United States still possesses a definite proprietary interest and has a responsibility shall not be used by any power for offensive or defensive action of any kind against other powers or peoples with whom the United States is now at peace.

I believe that as we go into discussions with the United Nations, and conferences on peace, it may be of very great importance and significance that the United States at least can enter such discussions and conferences with clean hands, and that no people throughout the world, subject or otherwise, will be able to confront us in the United Nations and say, "Your arms and munitions are now being used against our people in warfare."

I hope our State Department will give serious consideration to action of this character in accordance with the very earnest stress placed upon it by the unanimous report of the Mead committee, which has been giving most careful attention to this matter throughout the past few months, for it may have a most important bearing upon the capacity of the United States to assist in the maintenance of the peace.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. FERGUSON. Is it not true that when we furnished the lend-lease material, to which we now have title, it was furnished to be used against particular enemies?

Mr. BREWSTER. There is no doubt of it.

Mr. FERGUSON. Enemies which this country felt should be suppressed?

Mr. BREWSTER. Yes.

Mr. FERGUSON. And that if it is used in the future, certainly Congress should determine that question?

Mr. BREWSTER. There can be no question that it involves a question of the highest policy when United States arms and munitions are used against other people. It amounts practically to a declaration of war. Suppose today we should send arms and munitions and matériel to be used, let us say, against the people of Palestine, in difficulties there, or in the Dutch East Indies, in India, or anywhere else. If we should voluntarily give munitions and arms for that purpose, we would be committing an unfriendly act, an act to which any people or country would have a right to take most serious exception. Yet that is substantially what we are doing when we do not exercise the right of recapture, which we undoubtedly possess. By our inaction we are permitting those arms and munitions to be used for military purposes.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. KNOWLAND. I should like to ask the distinguished Senator from Maine a question. Does he not think that it would be wise for the Congress to legislate so that the disposal of armaments of the kind we are now discussing would require the same type of congressional action that is required in the disposal of warships? There is now pending in the Congress a bill to dispose of certain war vessels to China. That bill must go through the normal legislative processes, thus giving Congress a chance to pass upon the wisdom of the move.

Mr. BREWSTER. I welcome the suggestion of the Senator from California, and I think Congress should take affirmative action. Whether or not this is within the purview of lend-lease—and apparently it has been assumed it is—I think the Congress certainly never contemplated such a situation when it enacted the Lend-Lease Act. Whether within the broad scope of the Lend-Lease Act this may be possible perhaps may be a matter of argument. It certainly never was in the contemplation of the Congress, and I think the Congress should at once, as a matter of the highest policy, take definite, affirmative action to determine the circumstances under which this matériel either may be used or may be demilitarized so that it cannot be used. I think this is one of the great contributions we can make to a continuance of a peaceful world.

HOUSING CONSTRUCTION—CONFERENCE REPORT

Mr. TAFT submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1821) to amend section 502 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, so as to authorize the appropriation of funds necessary to provide additional temporary housing units for distressed families of servicemen and for veterans and their families, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment, as follows: In lieu of the matter inserted by the House amendment, insert the following:

That section 502 (a) of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, is amended by striking out "$160,000,000" and inserting in lieu thereof "$410,000,000."

SEC. 2. That section 502 of said act be amended by adding after subsection (c) thereof the following subsections:

"(d) Upon approval of an application, made by any educational institution, State or political subdivision thereof, local public agency, or nonprofit organization, for temporary housing for the purposes of this title, the National Housing Administrator, if he determines that such action will aid in expediting the provision of such temporary housing, may—

"(1) transfer hereunder to the applicant structures or facilities necessary or suitable to provide such temporary housing; and

"(2) contract to reimburse the applicant (including the making of advances) for the cost, as certified by the applicant and approved by the Administrator, in the relocation or conversion (including the costs of disassembling, transporting, and reerecting structures and facilities, and connecting utilities from dwellings to mains, but not including the costs of site acquisition and preparation, or the installation of streets and utility mains) of such temporary housing and facilities.

"(e) The term 'administrative expenses,' as used in this title V, shall be deemed to include administrative expenses of the National Housing Agency in performing any functions with respect to priorities or allocations of materials or equipment for public or private housing, and of the Housing Expediter (including until June 30, 1946, those of any Government agencies in carrying out parts of the veterans' emergency housing program of the Housing Expediter authorized by existing law, to the extent that additional administrative expenses of such agencies are

thereby involved) in performing any functions with respect to facilitating the provision of veterans' housing authorized by existing law,"; and the House agree to the same.

JAMES E. MURRAY,
LISTER HILL,
ALLEN J. ELLENDER,
ROBERT A. TAFT,
ALEXANDER SMITH,
Managers on the Part of the Senate.

FRITZ G. LANHAM,
C. JASPER BELL,
FRANK W. BOYKIN,
J. HARRY MCGREGOR,
ROBERT L. RODGERS,
Managers on the Part of the House.

Mr. TAFT. Mr. President, the only matter in controversy related to a technicality with reference to the additional provision of 100,000 units at a cost of $250,000,000, the question being over the authority of the National Housing Administrator to provide funds for the Civilian Production Administrator to process all the priority necessities of the building material program.

The House objected to the Senate amendment. The House has now accepted our amendment, with a very slight modification making it clear that the provision does not in any way deal with the new Wyatt housing bill which, of course, will carry its own authority for expenditures when and if it shall be passed.

Mr. MEAD. Mr. President, I wish to commend the able Senator from Ohio and his associates on the conference committee for the speed with which they handled this very important matter.

Mr. TAFT. I move that the conference report be agreed to.

The report was agreed to.

EXECUTIVE SESSION

Mr. MORSE obtained the floor.

Mr. BILBO. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. BILBO. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. HATCH, from the Committee on Public Lands and Surveys:

Oscar L. Chapman, of Colorado, to be Under Secretary of the Interior; and

Ellis Purlee, of California, to be register of the land office at Sacramento, Calif. (reappointment).

By Mr. WALSH, from the Committee on Naval Affairs:

Sundry meritorious noncommissioned officers to be second lieutenants in the Marine Corps; and

Sundry citizens to be second lieutenants in the Marine Corps.

REGISTER OF WILLS FOR DISTRICT OF COLUMBIA

Mr. BILBO. Mr. President, from the Committee on the District of Columbia, I report favorably the nomination of Theodore Cogswell, of the District of Columbia, to be register of wills for the District of Columbia, vice Victor S. Mersch, resigned.

I ask unanimous consent that the nomination be confirmed.

The ACTING PRESIDENT pro tempore. The nomination will be stated.

The legislative clerk read the nomination of Theodore Cogswell, of the District of Columbia, to be register of wills for the District of Columbia, vice Victor S. Mersch, resigned.

Mr. BILBO. Mr. President, in connection with this nomination, I ask unanimous consent to have printed in the RECORD a letter from the corporation counsel, District of Columbia, concerning Mr. Cogswell. The letter contains a splendid statement of the very wonderful record made by Mr. Cogswell. In addition to serving as register of wills for the District of Columbia, he served in two world wars. While he was serving as register of wills he resigned from that position in order to serve his country in World War II. He has now returned home after having rendered distinguished military service. I ask that the letter be printed in the RECORD in order that the public may know what a wonderful record Mr. Cogswell has made.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CORPORATION COUNSEL,
DISTRICT OF COLUMBIA,
Washington, March 22, 1946.

Hon. THEODORE G. BILBO,
Chairman, Committee on the District of Columbia,
United States Senate,
Washington, D. C.

MY DEAR SENATOR BILBO: The following information is supplied at your request concerning Mr. Theodore L. Cogswell, whose nomination for the position of Register of Wills is presently being considered by your committee.

Mr. Cogswell was born in the District of Columbia on the 4th of August 1893. He was educated at Georgetown University, receiving his bachelor's degree in law and being admitted to the bar of the District of Columbia in 1916. He received his master's degree in 1920.

His experience in the Register of Wills' office commenced in October 1912. He held this position until he enlisted in the United States Army in the First World War. He served as second lieutenant, first lieutenant, and captain in the Three Hundred and Nineteenth Infantry of the Eightieth Division. He was severely wounded in action in the Argonne campaign and was subsequently decorated with the Distinguished Service Cross, with two citations for extraordinary heroism in action, the Silver Star with Oak Leaf Cluster, and the Purple Heart. He also was awarded the Croix de Guerre by the French Government. After his discharge from the Army in 1919 he returned to the Register of Wills' office in the District of Columbia.

In October 1921 Mr. Cogswell was promoted to Chief Deputy Register of Wills. Six years later he was confirmed as Register of Wills. He held this position continuously until his resignation to accept a commission as major in the Transportation Corps, Army of the United States, on November 25, 1942. In the Second World War, as transport commander, he traveled more than 300,000 miles on Army transports, saw action in north Africa, and participated in the invasions of Sicily and Italy, and was in the South Pacific when the Japanese surrendered. He is now on terminal leave from the Army of the United States with the rank of colonel.

The nomination now under consideration by your committee will, if favorably considered, return Mr. Cogswell to the position which he has occupied with outstanding distinction for many years. He is recognized in this jurisdiction as one of the leading authorities on probate law, wills, and administration. His candidacy is actively supported by the Chief Justice of the United States District Court for the District of Columbia, who has written the Attorney General to this effect, as well as the Associate Justices of that court. There is uniform high regard for his work, both by lawyers, members of the general public who have had experience with his office, and the various banks and trust companies of the District of Columbia.

I believe that the appointment of Mr. Cogswell should receive the approval of your committee.

Respectfully,

VERNON E. WEST.

Mr. WHITE. Mr. President, I understand that the Senator from Mississippi has asked for the present consideration of the nomination?

Mr. BILBO. Yes.

Mr. WHITE. This is another one of the cases similar to that of a few moments ago when there was involved the question concerning the suspension of a rule of the Senate. I understand that in the present case there are involved certain circumstances which seem to justify the request.

Mr. BILBO. Yes.

Mr. WHITE. As I understand the situation, this nominee is an ex-soldier who recently returned from service, after having rendered distinguished service in the Army of the United States, and has been reappointed to the position which he vacated when he entered the Army. Am I correct in that statement?

Mr. BILBO. The Senator is correct; he began service as register of wills of the District of Columbia in 1927.

Mr. WHITE. I understand also that the nomination comes before the Senate with the unanimous report of the committee.

Mr. BILBO. That is correct.

Mr. WHITE. I have no objection.

The ACTING PRESIDENT pro tempore. If there be no objection to its consideration, the question is, Will the Senate advise and consent to this nomination?

The nomination was confirmed.

Mr. BILBO. Mr. President, I ask that the President be notified at once of the confirmation of the nomination of Mr. Cogswell.

The ACTING PRESIDENT pro tempore. Without objection, the President will be notified at once of the confirmation of the nomination.

The Senate is in executive session, the Senator from Oregon [Mr. MORSE] having yielded for that purpose. It has occurred to the Chair that the nominations on the Executive Calendar might be considered at this time. If there be no objection, the clerk will state the nominations on the Executive Calendar.

COLLECTOR OF INTERNAL REVENUE

The legislative clerk read the nomination of Sam E. Richardson to be collector of internal revenue for the district of Vermont.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

COLLECTOR OF CUSTOMS

The legislative clerk read the nomination of Henry V. Schwalbach to be collector of customs for customs collection district No. 37.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed; and, without objection, the President will be notified forthwith of the nominations confirmed today.

NOMINATION OF OSCAR L. CHAPMAN TO BE UNDERSECRETARY OF THE INTERIOR

Mr. JOHNSON of Colorado. Mr. President, today the Committee on Public Lands and Surveys reported to the Senate with its unanimous approval the nomination of Oscar L. Chapman to be Under Secretary of the Interior. Hearings were held on his nomination, and the nomination is now on the desk. I am about to ask unanimous consent for the present consideration of this nomination.

Mr. WHITE. Mr. President, I suppose the unanimous-consent request involves a suspension of the rule, if granted. In ordinary circumstances I would be opposed, but I understand that this is the nomination of Oscar L. Chapman to be Under Secretary of the Interior.

Mr. JOHNSON of Colorado. That is correct. We have a new Secretary of the Interior——

Mr. WHITE. I was about to say, without any reflection on the Secretary, that the fact is that we have a new man in the office of Secretary. Mr. Chapman is a man of long experience in the Department. He has been in the Department for 14 or 15 years.

Mr. JOHNSON of Colorado. Thirteen years.

Mr. WHITE. He is intimately acquainted with all the details of the organization and work of the Department. I think there is justification in the circumstances for the suspension of the rule and for immediate and favorable action on the nomination.

Mr. JOHNSON of Colorado. I am deeply grateful to the Senator from Maine for his cooperation in this matter.

Mr. President, I ask unanimous consent, out of order, that the nomination be considered at this time.

The PRESIDING OFFICER. The nomination will be stated for the information of the Senate.

The Chief Clerk read the nomination of Oscar L. Chapman to be Under Secretary of the Interior.

The PRESIDING OFFICER. Is there objection to the present consideration of the nomination? The Chair hears none. Without objection, the nomination is confirmed; and, without objection, the President will be immediately notified.

Mr. HATCH. Mr. President, the action just taken is gratifying to me. I invite attention to the fact that in recent days we have had before the Committee on Public Lands and Surveys the nomination of the Secretary of the Interior, Mr. Krug, and today the nomination of the Under Secretary, Mr. Chapman. At the meetings of the Committee on Public Lands and Surveys in connection with both nominations there was a splendid attendance by members of both parties, Democrats and Republicans. It was and is gratifying to me that on each of these occasions, without regard to political differences, the committee unanimously reported the nomination to the Senate, and each nomination has now been unanimously approved by the Senate.

Mr. FERGUSON. Mr. President, I am personally acquainted with Mr. Chapman, who happens to be a neighbor of mine, and I am glad to see his nomination confirmed today. I believe that he will do a good job, as he has done in the past.

LEGISLATIVE SESSION

Mr. BREWSTER. I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed consideration of legislative business.

ORDER FOR RECESS TO TUESDAY

Mr. BARKLEY. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today it stand in recess until 12 o'clock noon on Tuesday next.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT OF FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

Mr. MORSE. Mr. President, I wish to make a few remarks today dealing with certain representations made by the opponents of the minimum wage bill now pending before the Senate.

At the outset, I wish to make some general remarks first, then refer specifically to some of the arguments advanced by my very good friend, the distinguished junior Senator from New Jersey [Mr. SMITH]. I know of no one for whom I have greater respect and a closer friendship than the Senator. However, I find myself, on this issue, so completely opposed to the point of view he expressed this afternoon that I feel it quite proper that the RECORD of today should at least contain an opposite point of view expressed by one of those of us who signed the majority report. And may I say as a matter of procedure, Mr. President, that my colleagues who signed the majority report have assigned this part of the so-called rebuttal work to me. On other days, other members of the majority will present our view in reply to the points of view expressed by those who signed the minority report.

I think it is going to be clear before we get through with this debate that there is a sincere desire on the part of both groups to this report, the majority and the minority, to have the final determination of this legislation, as far as votes in the Senate are concerned, determined upon the basis of objective data. We are dealing here with a subject in regard to which much objective data can be assembled, Mr. President, in support of the points of view of the conflicting sides.

I do think there are other ramifications of this issue. As I tried to point out yesterday, I think this bill is one of many pieces of legislation that has very important political connotations, and presents issues that I think are going to determine, for example, the direction in which my party goes in the next decade; whether or not my party is going to stand and support, by votes in the legislative halls where it has representatives, legislation that seeks to protect minimum economic and social standards devised to advance and support the best interests of the many in this country against the dangers that are constantly pressing upon them of exploitation by the privileged few.

I feel, Mr. President—and it is my personal view—that this minimum-wage bill gives to the Republican Party an opportunity to make perfectly clear to the great mass of the American people whether, if the facts support the bill, as I believe we will be able to demonstrate in this debate they do, it is actually going to vote for sound social legislation, or only make promises at convention time of full dinner pails, jobs for all, a higher standard of living for our people, but then not do those specific things that it ought to do as a party when in the Halls of Congress it has an opportunity to vote on that type of legislation.

In other words, Mr. President, I think it is legislation such as this that brings out clearly the differences in the philosophy and points of view of those who call themselves liberals and those whom we at least are prone to criticize sometimes as being too reactionary.

However, as I said yesterday, liberalism can be defined only in terms of specific issues, and unless those issues can be backed up by objective data that supports their economic soundness, then one is not a liberal if he votes for such legislation. He is a "phony." He then would be one who would stoop to political expediency in appeals to the prejudices of special groups in the country. And when I say that, according to my own judgment as I have analyzed this bill, it presents to me a test of my liberalism. I say it, Mr. President, because I think the economic data which will be marshaled throughout this debate in support of this legislation so overwhelmingly supports it that I am quite sound when I say it is one of the pieces of legislation by which our party is going to be judged in the years ahead as to its liberalism.

I now wish to make perfectly clear that I do not mean that anyone who votes against this bill, as I assume the junior Senator from New Jersey [Mr. SMITH] will, unless we can convince him of the soundness of our position, is not a liberal. That would be a most unfair and a most unjustifiable criticism of men voting against this bill.

Mr. SMITH. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. SMITH. I want to make it clear right now that I have expected to support this legislation, but that I hoped it could be amended in a way that I could support it wholeheartedly. I do not want it to appear that I am going to vote against this legislation, because I feel we have to increase the minimum wage at

this time. It is a question of how far and how soon. That is the point I tried to make in my address today.

Mr. MORSE. Mr. President, I judge from the distinguished Senator's signature on the minority report that the proposal in the minority report is the legislation that he will support. Of course, if that is the legislation he will support, then I want to make very clear to the Senator from New Jersey that I think it would be legislation not designed in the better interests of the American people.

Mr. President, when I make the point, I do not charge that any Member on either side of the aisle who votes against this legislation does not believe in a sound liberal program for either party. I mean, however, to make this qualification, the one I made yesterday, that as we take piece after piece of social and economic legislation each Member on this side of the aisle writes his record, in my judgment, over a period of time as to whether or not he would join forces with those of us who believe that there is no great future for the Republican Party in this country unless that party proceeds without further delay to become the advocate of sound social legislation which advances the general welfare of the country. By that I mean legislation which advances the economical and social welfare of the many providing the greatest good for the greatest number. I think the preservation of the private enterprise economy itself is dependent upon my party's, if it is to come back into power, adopting such a legislative course of action.

Now with specific reference to the legislation before us. The 55-cent minimum proposed by the minority will benefit very few of the wage and salary workers who urgently need relief. That is a premise that I do not propose in my future remarks on this issue to let those opposed to the bill overlook, Mr. President. That is a fact. I do not think we can dispute facts. Unless those governmental statistics cannot be believed, Mr. President, I tell you that the suggested wage scale proposed in the minority report will benefit only a very few, comparatively speaking, of the low-paid workers in this country who need relief.

As of the summer of 1945 only 3 percent of the workers in manufacturing industries were getting less than 50 cents an hour and only 9 percent less than 55 cents an hour. Manufacturing and nonmanufacturing establishments must generally compete in the same labor markets for the unskilled labor supply. I am informed that these proportions of about 3 percent under 50 cents and about 9 percent under 55 cents apply also to all workers presently covered by the act.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. MORSE. I will be glad to yield.

Mr. ELLENDER. Has the Senator any information to indicate how many clerks who will be covered by the terms of this bill are now receiving only 40 cents an hour or 45 cents an hour?

Mr. MORSE. I do not have the information on my desk, but I can assure the Senator from Louisiana that before the debate is over I shall see to it that the information is supplied him.

Mr. ELLENDER. It is my information that from 4,000,000 to 5,000,000 employees will be affected by this cover-all amendment, which will be the subject of much debate before action on the bill is had.

Mr. MORSE. Does the Senator mean chain-store clerks? About 1,300,000 employees of large retail chain, department store, and other large sales and service enterprises would be brought in under the bill.

Mr. ELLENDER. Yes; I mean chain-store clerks, and in fact clerks in all other stores. The Senator knows very well that if a chain store is located in a small town of 10,000 people the wages paid by it are bound to affect the wages paid to every clerk in every store that is not covered by this bill.

Mr. MORSE. Perhaps the Senator from Louisiana will be surprised to know that in some sections of the country chain-store clerks' wages are lower than clerks in the independent stores.

Mr. ELLENDER. That may be true in some cases.

Mr. MORSE. I shall supply the Senator with the data.

Mr. ELLENDER. I do not much blame the Senator from Oregon for taking the position he is now taking, for the reason that in his own great State there are few who are now receiving less than the 65 cents an hour wage. But I ask the Senator to look into the facts. I ask him to read the hearings and try to obtain from them—and he can if he will examine them—what is going to happen to a number of industries in the South, and what the effect of the bill will be on farm labor, which is mostly hand labor.

As I indicated on the floor last week, in the sawmills of the Senator's State most of the work is done by machines. Most of the logs are cut by machines. They are hauled to the sawmills by machines. In many instances one tree will produce as many as 11 carloads of lumber, whereas in the South, as the distinguished Senator from Alabama [Mr. BANKHEAD], whom I see present, can verify, between 5 and 8 acres of timber are required to produce that much lumber. The reason is that much of our timber is cut over. Some of the logs which are cut in the South are between 8 and 14 inches in diameter. They are very expensive to handle. I am sure that if a bill which would impose a minimum wage of 75 cents an hour for such labor were enacted, the producers of the South in our Timber Belt would be unable to make both ends meet. As I pointed out in the debate, if the price of labor should increase to 75 cents an hour, it would means that lumber prices would have to be increased as much as 35 percent over the level of 1944. I believe that the clerk sitting next to the Senator produced a statement from Mr. Walling which showed a little lesser percentage. As I recall, the percentage shown by Mr. Walling in his statement was 27½ percent rather than 35, which is a difference of about 8 percent.

Mr. MORSE. The statement of Mr. Wallings in the record refers only to the increase in labor costs in the southern lumber industry and not to the prices of southern lumber. As I shall show later, the prices of southern lumber would increase but little at the manufacturing level.

I am always very glad to have the point of view of my good friend the Senator from Louisiana. I have heard his persuasive defense of southern economic practices on this floor many times. The question is not one in which all is black or all is white. I must say that, by and large, I do not find him convincing on the proposition that the maintenance of substandard wages in the South is beneficial either to the South or to the welfare of the Nation as a whole. I believe that one of the greatest helps to the economy of the South, as the great president of the University of North Carolina, Frank Graham, is reported in today's press as having stated yesterday at a southern conference, would be the establishment of a minimum wage such as the one pending before the Senate.

Let me say also that there are a great many southern industrial statesmen who are on record in favor of a 65-cent minimum wage. It does not follow, Mr. President, in spite of the great industry of the Senator from Louisiana, that he can succeed in presenting economic data which will support, in my judgment or in the judgment of any impartial tribunal, the premises from which he argues.

The Senator from Louisiana refers to the lumber situation in the South. I am somewhat familiar with it, and so are the lumber producers in my State. They are very well informed in regard to the lumber policies of the South. It is true that there are many employers in my State, including lumber producers, who are urging the 65-cent minimum provided for in the bill, because of their costly experience in competition with the very low wages paid in the southern lumber industry. Certainly I think we have reached an era—at least I hope so—of economic unity in this country, when we all must recognize that, after all, the maintenance of low standards of living in any section of the country—I care not what color the skins of the workers may be—affects 135,000,000 people from coast to coast and from North to South. I believe that one of the strongest reasons for support of the 65-cent minimum wage is that it would be helpful in insuring that a better standard of living is provided for many of the low-paid workers of the South. Their purchasing power has a very direct effect upon the economic health of all the rest of the Nation.

Mr. ELLENDER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MEAD in the chair). Does the Senator from Oregon yield to the Senator from Louisiana?

Mr. MORSE. I yield to the Senator from Louisiana.

Mr. ELLENDER. I ask the Senator if he has any idea of the unit cost of production of lumber in his State?

Mr. MORSE. No. I do not have those data before me. I have some general information on the subject.

Mr. ELLENDER. As I recall the record, the data furnished by Mr. Walling showed that if the minimum wage were increased to 75 cents it would cause the price of lumber in the South

to increase approximately 27½ percent; and, using the same yardstick, it would cause the price of lumber from the West to rise less than 4 percent. So the unit cost in the West is much lower than in the South. That is why today lumber producers in the West are able to pay more for their labor, because even with highly paid labor, production of lumber does not cost as much in the West as it does in the South.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. MORSE. I shall be glad to yield in a moment. First I wish to make a reply to my good friend.

I am inclined to believe that one of the reasons why there is this differential in cost to which the Senator referred, whatever the figure may be, is that the southern lumber industry has not developed the efficient methods which characterize the lumber industry in other parts of the country. For too long a time the southern lumber industry, for a competitive advantage, has sought to rely upon very low-paid workers. It has capitalized upon the backs of labor, when it ought to bring into a great many plants more efficient machinery and methods of production.

Mr. ELLENDER. That is not the reason at all. In the Senator's State there is virgin timber. Many trees tower 200 or 300 feet. One tree will produce as many as 11 carloads of lumber, whereas in the South 5 or 6 acres of timberland must be cut in order to produce that much lumber. Our timber is cut over. We have been cutting timber in the South for generations.

Mr. MORSE. While the productivity per man-hour in lumbering was something like three times as high per 1,000 board-feet of lumber in the West as in the South, and while size of timber and machines used in the West are important factors, there is possible mechanization in the South which has not been developed. The question is why have relatively low wages not increased the southern part of the Nation's lumber output considerably.

Mr. ELLENDER. I remember that in my youth it was not unusual to find in a swamp, cypress trees measuring as much as 9 feet in diameter. They were so high that I could not kill a squirrel in one of them with a shot gun. Today, such trees are not to be found. They have been cut down; and all we have left as a heritage is charred stumps.

Mr. MAYBANK. Mr. President, will the Senater yield?

Mr. MORSE. I yield to the Senator from South Carolina.

Mr. MAYBANK. Mr. President, I wish to make this observation for the benefit of the distinguished Senator from Oregon: The reason for low wages in the South is not the southern manufacturer. A few moments ago the distinguished Senator from Alabama [Mr. BANKHEAD] entered the Chamber. Last month he placed in the CONGRESSIONAL RECORD, for everyone to read, the OPA ceiling prices on lumber. The OPA ceiling prices on the lumber of the South were from a third to a half less than lumber prices in the North and other sections.

I know that the Senator from Oregon wishes to be fair on this question. For many years we have suffered from discriminatory freight rates, from OPA regulations, and other restrictions having to do with the business of the South that the Government of the United States could inflict upon the poor southern people, who have tried to raise living standards, and have tried to increase wages. The OPA always turned thumbs down. The Senator well knows, as a result of his service on Government boards, the discriminations in wages which were permitted in the South, as compared with the North, not only in the lumber industry, but even as applied to a clerk in a bank.

I know that my friend wishes to make a correct statement. It is not the southern employer who has beaten down wages. It has been the New York control. It has been the freight-rate control. It has been the control of our industries by so many who have no interest in us.

What the Senator from Louisiana says is correct. We could not sell our lumber except on the basis of freight rates prescribed for Louisiana, Alabama, and Georgia, by those who do not favor us. So while I appreciate the remarks of the Senator from Oregon, I must say that, after all, it is not the southern employers who are responsible for most of the evils.

Mr. MORSE. Mr. President, let me say that I think the Senator from South Carolina knows—and if he does not, I now assure him of it—that he can count on me to assist him in the elimination of any type of unfair discrimination in the South, including unfair freight rates. I wish to say further that I certainly believe there are a multiplicity of facets which produce the economic differences between various sections of the South and some other sections of the United States. I have been able to find no preponderance of evidence in the record made before the committee, Mr. President, that a minimum wage of 65 cents would do great injury to the economy of the South. On the other hand, I share the view of the southern industrialists who believe that it would be a great stimulus to greater production, greater sales and larger profits in the South because of the increased purchasing power and because of the growth of production which would result if the underpaid workers of the South who would benefit from this legislation received a 65-cent minimum wage.

There is in the record, Mr. President, certain material in regard to lumber, and I shall quote paragraph 2 of it, although I am sure the Senator from Louisiana [Mr. ELLENDER], when he makes one of his major speeches on this point, will discuss it in greater detail.

Before I place this material in the RECORD, I wish to point out a fact which I am sure the Senator from Louisiana will recall, namely, that when Mr. Bowles came before our committee and testified as to the effect of the 65-cent minimum wage rate on the lumber industry, if it were applied at the present time, his testimony was that it would increase the price 5 percent at the manufacturing level and much less at the retail level.

Mr. ELLENDER. Generally speaking, that is true; and that 5 percent would be an over-all increase, affecting the industry as a whole. But as I indicated by the evidence I produced yesterday, to raise the wage to 75 cents an hour would mean a 35-percent increase in the cost of producing lumber in the South. There is no doubt about what Mr. Bowles testified; and as Senators will recall, the record shows that Mr. Bowles testified to the 5-percent increase which would be brought about by the 65-cent minimum wage.

Mr. MORSE. That is correct.

Mr. ELLENDER. He would not venture to state what the percentage increase would be in relation to a 70-cent or a 75-cent minimum wage.

Mr. MORSE. Let me make perfectly clear my position in regard to Mr. Bowles' testimony. The Senator from Louisiana is correct in saying that Mr. Bowles testified that, if the 65-cent wage were put into effect, it would require a 5-percent general price increase in the lumber industry. In the hearings we brought out, however, that that increase would be a very small amount in terms of dollars in the construction of the individual house; and there was some discussion and debate within our committee, as the Senator will recall, regarding whether that 5-percent increase should go to the consumer by way of increased prices, or whether it should be taken care of by way of a subsidy, or whether an extension should be made to the bill so as to exempt the lumber industry.

The Senator from Louisiana will further recall that the present speaker took the position that we have no right to expect the lumber workers of this country to subsidize the general public by working for wages below a 65-cent minimum. That premise, Mr. President, is one of which I would make general application throughout this debate. Let me reiterate that I think that when we come to deal with minimum standards, when we come to deal with this obligation of government to protect the weak from the strong, then the public, the consumers, have no right to expect labor to subsidize the consumers by working for a substandard wage in order that the consumers may purchase at a cheap price.

I say it would be better for the consumers of America to have a 5-percent increase in the price of lumber and have the lumber workers of this country, who now are receiving less than 65 cents an hour, enjoy the increased standard of living and increased purchasing power which would be brought about by the 65-cent minimum wage. I think that point marks rather clearly the difference between the point of view of the Senator from Louisiana and my point of view as to this matter.

I should also like to point out to him further that, of course, I realize the southern lumber industry is now operating under OPA ceilings. I need not tell the Senator that he has found me protesting from time to time, which I think the Senator from South Carolina alluded to in his remarks, against unfair practices of OPA. I shall continue to

protest, and I hope that when the OPA law is before us soon for extension, the Senate will proceed to make some amendments to the law so as to protect the people of this country from the arbitrary and abusive practices of the OPA. I am perfectly willing to support an extension of the general objectives of the OPA, but I do not think we can justify voting for an extension of the OPA law unless at this time we do some rewriting of that law in the public interest.

Mr. AIKEN. Mr. President, will the Senator yield?

The ACTING PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from Vermont?

Mr. MORSE. I yield.

Mr. AIKEN. I ask the Senator from Oregon if the lumber prices fixed by the OPA are not based, theoretically at least, upon the cost of producing the lumber in the various sections of the country?

Mr. MORSE. Yes; there are regional differences in the lumber prices fixed by the OPA.

Mr. AIKEN. Those differences occur because of the differences in cost of production.

Mr. MORSE. That is one of the principles in respect to the pricing policy.

Mr. AIKEN. There is no question that if prices in the South were higher, as they would be if we increased the minimum wage, the OPA would be required to make proper adjustments in respect to the price of lumber.

Mr. MORSE. That is correct.

Mr. AIKEN. I think the Senator from South Carolina hit the nail on the head when he spoke of the exploitation of the South by northern capital. New York financial interests have established colonies all over the United States. They have gotten into all kinds of businesses where we would least expect to find them. They have no local pride; they do not care about the States where they locate their interests. All they care about is how many dollars they can get out of those businesses and those areas. Some were driven out of the North because of State laws which forced them to stop exploiting the people in certain areas. But I think I can assure the Senator from South Carolina that those greedy financial interests will continue to exploit the people of the South and to strip the Southern States of their timber and other resources until we have legislation which is adequate to prevent them from doing it. I think that is one of the biggest and most difficult problems we now face, namely, how to deal with the expanding financial colonialism of the New York interests which have their lines and their connections reaching out all over the United States, with the result that although perhaps a local operator is conducting a business in his own name, oftentimes he is forced to take a stand which is not for the welfare of his own community. Many people do not understand that he does so for the reason that he is absolutely controlled by some New York bank or some other agency in the North.

Mr. BALL. Mr. President, will the Senator yield to me? I should like to ask the Senator from Vermont a question.

Mr. MORSE. I am glad to yield.

Mr. BALL. How does the Senator from Vermont think living standards in the South can be raised permanently, except by the investment of capital in the South, as a long-term proposition?

Mr. AIKEN. I think the southerners could do a great deal better job for their own States than the northern exploiters are doing today. I do not expect to convince the Senator from Minnesota of that, but I think the southern people can run their own interests better than any speculative bankers and investors in New York can.

Mr. BALL. Then the Senator from Vermont takes the position that the investment of capital has nothing to do with increasing productivity and, therefore, increasing the living standards in any given area or industry; does he?

Mr. AIKEN. I take the position that most of the capital which has become concentrated in New York City was not earned there, and some way should be found to distribute it to the places from which it came. I know the southerners will agree with me on that point. That concentration of capital has become a harmful influence in many ways. The Senator from Minnesota can defend the New York banks and financial interests and institutions to his heart's content——

Mr. BALL. Mr. President, the Senator from Minnesota was not defending anyone. He asked a simple question, namely, Does the Senator from Vermont know of any way to drastically and permanently increase the productivity and, thereby, the living standards of any large segment of the population of our country other than by the investment of capital which will produce more goods?

Mr. AIKEN. I think other ways can be found.

Mr. BALL. I think the Senator from Vermont will find very few people who will agree with him on the position he takes.

Mr. AIKEN. It is not necessary or desirable to concentrate so much financial and economic power in the hands of a few. I am not so wedded to those interests that I think they alone must be relied upon.

Mr. MORSE. Mr. President, I think the point is very well made, namely, that the answer for the South is by an increase in productivity, under fair management, fair dealing in respect to freight rates, and the elimination of discriminatory economic practices.

In view of the fact that discussion has occurred in regard to the lumber industry, I should like to read a paragraph or two from the record. The reports on the bill show that—

> Actually, labor cost is only one factor in the production costs of the lumber industry.
>
> In fact, 1942 salaries and wages were less than one-half of the total costs of operations. Stumpage and depreciation costs are not affected by changes in the minimum. Since labor costs do not rise as much as the increase in the minimum and since a number of workers in the southern pine industry are already receiving well above 40 cents an hour (only 20 percent of the workers in the southern lumber industry are under 50 cents, 46 percent under 60 cents, and 84 percent under 65 cents), the increase to 65 cents would not raise the price of lumber by 62.5 percent or anything near that amount as estimated by the southern pine industry group in the record of the hearings.
>
> Actually, the additional labor cost at 65 cents would be much less than claimed and would not hurt the profit position of the industry materially. Based on June 1945 data, wage costs would be increased 19 percent for the entire southern lumber, 3 percent for the North, and 9 percent for the entire industry. Since wages and salaries are only about one-third of the value of the product, manufacturing costs for the southern branch of the lumber industry would be increased by about 7 percent, for the northern branch 1 percent, and practically no effect at all for the western branch.

The data of the Wage and Hour Administrator presented earlier in the RECORD to which the Senator from Louisiana referred was based on a study for August 1944. This study showed an increase in lumber labor costs for the South at 65 cents of 27.3 percent and for the North of 4.9 percent. At 75 cents these figures would be 45 and 12.6 percent, respectively. Labor costs, however, are only part of the total price of the lumber product. Wages in the lumber industry increased between August 1944 and June 1945. Accordingly, the later estimates are more related to the current situation.

At this point I should like to point out that the profit experience of the southern lumber industry has been very satisfactory under the act and during the war. Gross income and profits before taxes for the southern lumber industry compared favorably with that of the northern lumber industry and reasonably well with that of the entire United States lumber industry as follows:

	Entire industry	10 Southern States	Northern States
1938			
Total gross receipts	$753,815,000	$147,716,000	$85,381,000
Net profits before taxes	[1] 12,279,000	[1] 332,000	[1] 2,001,000
1939			
Total gross receipts	924,511,000	[illegible]5,951,000	100,242,000
Net profits before taxes	17,503,000	3,814,000	607,000
1940			
Total gross receipts	1,091,731,000	[illegible]17,804,000	101,141,000
Net profits before taxes	58,840,000	12,541,000	[1] 1,286,000
1941			
Total gross receipts	1,526,494,000	[illegible]99,904,000	160,536,000
Net profits before taxes	159,983,000	27,839,000	9,507,000
1942			
Total gross receipts	1,738,337,000	314,372,000	185,164,000
Net profits before taxes	187,987,000	28,540,000	13,450,000

[1] Loss or deficit.

Mr. President, I should like to proceed with a few more general remarks before I come to some specific points which the Senator from New Jersey made today, and to which I wish to take exception.

I have pointed out that I am informed that only a very small number, as the report of the Bureau of Labor Statistics will show, of the workers of this country would be affected by the 55-cent figure proposed by some members of the committee as set forth in the minority views. Those figures are as of last summer. What is the situation today? First, I should like to reiterate that in the latter part of August the War Labor Board, as a procedural matter, decided to permit wage increases up to 55 cents an hour without Board approval, regardless of price aspect. That decision, and the general upward trend in wages with the subsequent general relaxation of wartime wage controls, has markedly affected the number and proportion of workers getting less than 55 cents an hour. The Bureau of Labor Statistics reports that several million workers have received increases in wage rates since VJ-day, and that there are many, many increases of which they do not now have record. In consequence, I doubt strongly if there are more than 2 or 3 percent of our workers who would be benefited by the proposal of the minority.

As a matter of fact the minority proposal would do no more than restore the objective which we had back in 1938, if in fact it does that. Since the living costs of the low-paid workers have increased considerably more than those of larger incomes, because of the disappearance of low-priced merchandise, bargain sales, and so forth.

And that, Mr. President, is an important point which we should pause to consider. When we take the increased cost-of-living figures in this country on a Nation-wide basis, we see that they do not truly reflect the increase in the cost of living for the low-paid workers, for the simple reason that merchandise is not available at the old price levels. What has happened? As a result of certain OPA policies, so-called low-quality goods, goods which are cheap in quality, and which, because of economic necessity, our low-paid workers have been forced to buy during the past years, are just not on the shelves for them to buy. Mr. President, I ask Senators to try to obtain the 50-cent shirt which the low-paid worker used to be able to buy before the war. Of course, it was a shirt of poor quality. But that is what he had to wear. I ask Senators to try and find those cheap canvas gloves which could be purchased at one time for 5 and 10 cents a pair.

The point I wish to emphasize, Mr. President, is that the cost of living for our people in the low-income bracket has increased much more than has the cost of living for the people in the higher bracket, because the low-paid worker no longer has available to him goods of cheaper quality.

I should also like to point out that for whatever lower quality goods is available, the prices have risen much more than higher quality goods normally purchased by persons with average incomes or higher than average incomes. Finally, and most important, is the fact that the prices of food items, which constitute a greater percentage of the money budget of low-income families than they do for average or higher-than-average wage-earner families, have risen steeply. Estimates presented to the committee showed that the cost of living for low-income families between 1941 and 1945 increased by as much as 50 percent. Since there are a number of unmeasurable factors, this increase may be even more.

I have been impressed by the testimony of the former Administrator of the Office of Price Administration, Mr. Chester Bowles, to the effect that if we take into account the disappearance of cheap, left-over merchandise, of spoilage sales in our food stores on which our substandard workers depended, a rate comparable to the present 40 cents would be close to the 65-cent proposal.

I repeat that sentence for emphasis, Mr. President, because I assert again that it is a point which is not mentioned in the minority views. If we take into account the disappearance of cheap left-over merchandise, of spoilage sales in our food stores on which our substandard workers depended, a rate comparable to the present 40 cents would be very close to the 65-cent proposal.

If the minority members of the committee really believe that all we should do at this time—and I think we should do much more—is to take up the difference between the cost of living in 1938 and in 1946, and if they use as a basis for that recommendation the general over-all cost of living figures for this country, then I assert that there is a great error in their computations because they are not taking into account the fact that the people of low income in this country have suffered greater increases in the cost of living than have the people in the higher-paid bracket.

I recall that during my own boyhood, which was not long ago, it was necessary for us to cut the corners at every turn. I recall that the bread which we bought, whenever we could get it from the bakery, was the so-called 3-day bread, that is the bread which the more wealthy called stale bread.

Mr. President, there are millions of families in this country who find it necessary to cut the corners in the family budget in just the way which I have described. Because of the abnormal economic conditions which prevail in this country at the present time, because of what has happened to the price structure in this country, and because of the fact that the cheaper goods to which I have referred are no longer available, the low-income people are not able to make the type of saving which they once made, and they are necessarily compelled to suffer even a greater loss than are others.

In actual practice during the war, the National War Labor Board afforded little relief to low-paid workers, because no wage raise based on the increase of the cost of living was granted to large numbers of them. At best, the Little Steel formula afforded little relief to these employees since the 15-percent wage adjustment was computed on a low-base rate. Moreover, the Board followed the practice of deducting from the wage adjustment under the Little Steel formula any wage increases granted for the purpose of correcting substandards of living, a practice which applied to raises required by the Fair Labor Standards Act. Likewise, little or no relief was afforded low-paid workers under the Board policy which permitted wage increases up to the minimum rates prevailing in the particular locality. The effect of this policy was to freeze wage rates at their existing substandard levels for low-paid workers.

The minority report would regard as static the "real minimum wage which Congress passed in 1928, proposing only to raise the minimum to adjust for changes in the cost of living for the average wage earner and not on the basis of changes in the cost of living of the low-paid worker. The report shows no confidence in the dynamics of our American economy, no regard for the substantial increase in productivity which took place between 1938 and our entry into the war—an increase of approximately 10 percent—no faith in American progress which after the last war showed a great spurt in output per man-hour, no humanity that our much greater present economy should protect still more the economically weak in assuring a nearer approach to a decent American standard of living.

I assert, Mr. President, that the minority views, which seek only to take up the changes in the cost of living, do not take into account the increase in productivity which took place between 1938 and the time of our entrance into World War II.

As I said yesterday, workers cannot eat percentages. Few workers were receiving wages less than 25 cents an hour in 1938. I believe that the minority views, in attempting to establish their case by the percentage argument, tend to create the impression that in 1938 all the workers who would now be affected either under the pending bill, or the act of 1938, were receiving less than 25 cents an hour. That is not true. Only a small percentage of the so-called low-income workers of this country in 1938 were getting less than 25 cents . Some were.

The point I would emphasize is that most of the increases to 40 cents had occurred by the end of 1942, and only a small proportion of the low-paid workers under the act were brought up to 40 cents in 1944. Yet the speakers against the bill to date have stressed the fact that only a short time ago, a year or 18 months ago, the 1938 law went into effect on a 40-cent level.

Because the case for the 65 cents rests upon the factual material, Mr. President, and because I believe the Members of the Senate will cast their votes on the basis of their analysis of the evidence in the record, I wish to emphasize again that by the spring of 1943 the great majority of the workers who would be affected by the pending bill if it went into effect tomorrow had reached the 40-cent level, and those who did not reach it until 1944, as the Senator from Ohio pointed out yesterday, were the stragglers. However, he did not point out

that most of the workers had the 40 cents by the spring of 1943.

The distinguished Senator from Indiana [Mr. WILLIS] argued this afternoon that the bill would work a great disadvantage to the employer in the small town, and I shall have something to say either later this evening or in my next speech on the arguments concerning the differences in cost of living in large communities and small towns. But in his statement this afternoon the Senator from Indiana read a letter from some newspaper editor in Indiana, as I recall, pointing out that if the bill went into effect it would make it impossible for the editor to give employment to a certain type of employee.

I judge that the employee is not what we would call a normal employee, but I do not want the impression to get abroad that under our bill employers are required to pay 65 cents an hour to the crippled, the handicapped, the feebleminded, the decrepit, or those unable to do a fair day's work because of physical or mental handicaps. Yet there are many people who seem to hold to that view, judging from my mail.

Now let us go to the record. It is unanswerable. On page 26 of the bill, line 16, the section on exemptions, we find this language in subsection (6) referring to those exempted:

any employee to the extent that such employee is exempted by regulations or orders of the Administrator issued under section 14—

Of the act of 1938.

What does that section of the act provide? Let us get it into the record. It provides that learners, apprentices, and handicapped workers are subject to exemption. That is, it does not follow that it is going to be necessary to pay learners and apprentices 65 cents an hour under the bill. The same procedural machinery which applied to this group of employees will apply to them under the pending bill. Let me read section 14 of the act of 1938:

LEARNERS, APPRENTICES, AND HANDICAPPED WORKERS

SEC. 14. The Administrator, to the extent necessary in order to prevent curtailment of opportunities for employment, shall by regulations or by orders provide for (1) the employment of learners, of apprentices, and of messengers employed exclusively in delivering letters and messages, under special certificates issued pursuant to regulations of the Administrator, at such wages lower than the minimum wage applicable under section 6 and subject to such limitations as to time, number, proportion, and length of service as the Administrator shall prescribe, and (2) the employment of individuals whose earning capacity is impaired by age or physical or mental deficiency or injury, under special certificates issued by the Administrator, at such wages lower than the minimum wage applicable under section 6 and for such period as shall be fixed in such certificates.

Mr. President, if that procedure, in the opinion of the minority, is not proper procedure, then let them come forward with an amendment to the act of 1938 which seeks to take away from the Wage and Hour Division the procedural rights given to it in 1938. I say that if that were a proper procedure in the act of 1938, and if it is encompassed, as I assure the Senate it is, in the pending bill, then it is certainly unfortunate if any one forms the impression, from anything that is said on this floor by any opponent of the bill, that employers, whether they are newspaper editors who hire handicapped people or other employers, will be required, under the bill, to pay 65 cents.

Mr. President, in regard to some of the points made by the junior Senator from New Jersey [Mr. SMITH], I should like to say that in my judgment a 55-cent minimum does not represent a sound step-by-step method of raising the living standards of our border-line workers, as he suggested, because now, as I have previously stated, very few workers receive that minimum. A 55-cent minimum merely marks time, adjusting only by cost-of-living changes which really have already been adjusted in the sense that most of the workers receive the minimum which the minority now proposes.

A 55-cent minimum also discriminates again between the unorganized workers in this country and the highly organized workers. This is because the highly organized workers, as I endeavored to show yesterday, have received increases in cents per hour, much in excess of the increases provided for by the majority report, of 25 cents an hour over the 1938 basis of 40 cents, or 10 cents an hour over the 55-cent rate. Such a minimum, I say, makes no allowance for the enormous production progress which has been made in our economy since 1938.

So, I close my comment on that point of the Senator's speech by saying that when he and his colleagues plead for a 55-cent minimum, on the ground that it is a sound step-by-step method of raising the living standards of our border-line workers, it is not marching forward at all. It does not constitute stepping. It constitutes in effect standing still, and we cannot make economic and social progress by standing still.

As I recall, Mr. President, the argument made by the distinguished Senator was that the 65-cent minimum might work a hardship on young people and single people. I point out that most of the single people of this country receiving less than the minimum are not young people. Many of the single people have dependents or contribute to the support of their families, and, unfortunately, they delay marriage unduly. But I want to challenge the notion that came out and was expressed several times in committee that a 65-cent minimum is going to work a hardship on young people, that it is going to work a hardship on single people. It is not going to work any hardship on young people because there are very few young people who receive only 65 cents an hour or less. Our real problem here, as we look at the national statistics from a family standpoint or a marital standpoint of low-paid workers, our great social problem in connection with this bill arises from the fact that many of our low-paid workers are family men. They are men who have families to support. For the record, let me say that the proportion of single individuals without dependents to support is very small, as the statistics show. Single individuals under 30 years of age without dependents were less than 6 percent of all individuals and families with incomes under $1,500 in 1941, and less than 2 percent in 1944.

Less than 30 percent of all single individuals without dependents in 1941 had incomes under $1,500 a year, and less than 4 percent in 1944. Most single individuals with incomes under $1,500 a year are evidently elderly pensioners.

Families with incomes under $500 in 1941 were 40 percent of all families and single individuals with incomes under $500 a year in 1941, 62 percent of all those with incomes between $500 and $1,000, and 78 percent of all those with incomes between $1,000 and $1,500 a year. All in all, in 1941, families of two or more persons constituted about 75 percent of all families and single individuals—under 60 years of age—with incomes under $1,300 a year—or about the equivalent of 65 cents an hour—and 78 percent under $1,500 a year—or about the equivalent of 75 cents an hour.

I do not see how we can get away from those income statistics in relation to marital standing. They are a matter of record. I say Mr. President, that they show that a 65-cent minimum wage would benefit the heads of families for the most part in this country. Yesterday, the Senator from Ohio pointed out that there are 15,000,000 single workers in the United States and for the most part, he stated, they are the less experienced younger people who have not yet reached a family status. This, however, is somewhat of a misrepresentation of the facts. Actually in 1942, there were only 7,850,000 single individuals who maintained independent living quarters or lived as lodgers or servants in private homes and the like. There was another 33,400,000 families consisting of two or more persons sharing a common or pooled income and living under a common roof. Of this 33,400,000 families, roughly two-thirds had at least one wage earner and another one-third had two or more wage earners contributing to the support of the families. It is obvious that Senator TAFT's estimate for all single wage earners, without dependents, of all ages would be reduced to a considerably lower figure and the number of single persons under 21 would be considerably less.

One more set of figures and I close with this point. The figures for 1944 are:

Families under $500, 28 percent of all families and single individuals without dependents with incomes under $1,500 a year in 1944.

Five hundred to $1,000, 63 percent.

One thousand dollars to $1,500, 61 percent.

Single individuals without dependents under $500, 72 percent.

From $500 to $1,000, 37 percent.

From $1,000 to $1,500, 39 percent.

Note: The single individual without dependents under 30 years of age with incomes under $1,500 were less than 2 percent of all single individuals without dependents with incomes under $1,500.

Mr. President, the distinguished Senator from New Jersey just spoke to me and said it was necessary for him to keep an engagement, and that he might

find it desirable to reply to my comments when the Senate next convenes, and I told him I would welcome the comment, but that I was very sorry that due to the fact that I was in the midst of the speech I would not have an opportunity to have him present to answer now if he cared to, but that when the next Senate convenes, I want him to make any additional comment he may care to make on the remarks that I now make concerning his speech.

In his speech on this bill the able Senator from New Jersey stated that the minimum wage level proposed in the majority report was based on Department of Labor estimates of a living minimum standard for a family of four. While it is true, Mr. President, that $1,500 a year, or earnings which would result from 2,000 hours of work at 75 cents an hour, would barely meet the emergency existence level budget for a family of four, it still falls far short of meeting even a decent minimum standard of living for such a family, and even falls short of meeting such a level for a single individual in practically all areas of this country.

Mr. President, I want to be perfectly frank and fair to the opponents of the bill. I want to say that in my judgment a 65-cent minimum wage is not enough for a single person in this country as a minimum wage if that person is to develop into the type of family citizen that we want him to develop into through marriage. After all, who among us did not find it necessary to work and earn prior to marriage? We are not going to build up strong American homes, we are not going to build up strong American youth, if we require workers to try to make a living on the 55-cent figure which the minority in its report proposes to offer the low-paid workers.

As I suggested the other day, I can think of no better defense measure that could be passed by the Senate of the United States than the 65-cent minimum wage law, because I think its relation to public health is so obvious that it needs very little argument to support it. When we look at the records that were made by our draft boards in their examinations of large numbers of men for service in the war, and we find from their report that malnutrition is one of the leading reasons for such a large number of men not being accepted for Army service, then we get the point, it seems to me, of the relationship between a decent family income and family health and strong, healthy children.

I would say further, Mr. President, that it seems to me that economic social legislation of this type absolutely is essential as citizenship legislation. We need to recall, I think frequently, the fact that whenever a society has millions of people within it that have, after all, very little to lose by a change to another form of economy, they are easy prey for the demagogs who would substitute some other form of economy for a private property economy in this country. That is why I say to American businessmen: In your selfish interest, out of motivation for the perpetuation of our private property economy if for no other reason, you ought to be behind this movement for a 65-cent wage. And, Mr. President, I believe most of them are. In fact, I would be perfectly willing, in answer to the doctrines that come out of the National Manufacturers' Association, to let the American businessmen vote on this bill once they understand the facts involved in it.

I have never found businessmen, in any of the cases with which I have been connected, involving economic problems in the field of industrial relations, unwilling to recognize and act upon the facts once they were made clear to them. The trouble is that many of them are fed so much propaganda by forces in this country which seem bent upon beating down labor that American businessmen are confused. Let them see the economic advantages of a 65-cent wage bill to production, to purchasing power, and to labor morale, and I am of the opinion that they would say "Vote for a 65-cent bill." I am happy to be able to report that the majority of businessmen who have written to me thus far on this bill have supported the 65-cent figure.

I stated a moment ago—and I call attention to it now because it refers to a point made by the Senator from Louisiana when he mentioned the 75-cent figure—that I am perfectly willing to do my trading on the floor of the Senate. I believe that a 65-cent rate is of great importance to the economic prosperity of this country. I believe it is one of the things that we need to help prevent depression.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. ELLENDER. Would the Senator be willing to leave the determination of the rate to industry committees composed of representatives of management, labor, and the public?

Mr. MORSE. No.

Mr. ELLENDER. Why not?

Mr. MORSE. I will offer the Senator from Louisiana a 65-cent rate for 2 years, 70 cents in the next two, and 75 cents thereafter. Then I will go to work with him to see if we can get a higher figure adopted. Let us see what the conditions are 5 years from now.

Mr. ELLENDER. I think I know what the conditions will be as to many industries.

Mr. MORSE. I think the Senator would be surprised; and I wish to see that he gets that surprise package. That is why I should like to have him accept my suggestion.

Mr. ELLENDER. When the 1938 act was placed on the statute books I, for one, insisted on section 8 (e), wherein it was left to the industry committees to determine whether or not any industry could reach the 40-cent goal before the end of the 7-year period fixed in the act. It was understood that, under that subsection, even after the 7 years expired, if any industry was unable to reach the 40-cent level it would not become effective even after the 7 years had expired. That is why I am so insistent on having that subsection remain in the act. So far as I am concerned, I would probably agree to a 65-cent minimum if subsection (e) of section 8 were left in the act.

Mr. MORSE. The Senator asks me why I would not accept his proposition. I would not accept his proposition because I believe that any minimum wage less than 65 cents an hour now and less than 75 cents 4 years from now is a wage which this Government cannot justify writing into a law, in view of present economic conditions in this country. With industry about to enjoy the greatest period of prosperity in all its history, with production about to increase at a tremendous rate, for the Senator to ask me to agree upon a wage less than 65 cents an hour, or to give someone the authority to grant 65 cents an hour in his discretion, is a proposition which I cannot go along with, because I am satisfied that it would amount to my agreeing to a substandard wage. I happen to believe that both parties in Congress ought to take a stand for a decent wage so that the workers of this country can maintain a proper standard of living, of health, and of decency. I will not be a party to any proposal for a substandard wage.

Mr. ELLENDER. The Senator has stated that he has received many letters—I presume from all over the country.

Mr. MORSE. Yes.

Mr. ELLENDER. And that very few were against a 65-cent minimum.

Mr. MORSE. I stated that a majority of the businessmen favored the 65-cent figure.

Mr. ELLENDER. Did those letters come from Oregon?

Mr. MORSE. They came from a great many States. Some of them were from the State of Louisiana. I shall get them for the Senator so that he may read them.

Mr. ELLENDER. I suppose there are a few employers in the State of Louisiana who are now paying far in excess of 65 cents, and who are able to do it. But why is not the Senator willing to leave it to management, to labor, and to the public to determine whether or not a particular industry is able to pay the 65-cent rate at present?

Mr. MORSE. I shall be glad to go into that question in great detail at a later date. Suffice it to say now that, as I have already tried to point out, if we do not fix a decent minimum wage, then under our competitive system—and I wish to preserve our competitive system—the inevitable result will be, of course, competition on the basis of treating labor as a commodity, and the exploitation of labor by substandard wages. The Senator does not agree with this statement, because I made the same statement in committee and he expressed his disagreement at that time. But I say that any industry which cannot pay a decent minimum wage is an industry which does not help the economy of this country.

Mr. ELLENDER. What would the Senator do about it?

Mr. MORSE. I have heard all the dire predictions about industries which cannot pay a decent minimum wage. Such predictions were made in 1938. They

were made before industry boards. But the interesting thing is that when the wages were fixed, those industries not only survived, but, by and large, made a substantial profit.

Mr. ELLENDER. The Senator knows that it was only in the latter part of last year that a 55-cent minimum in the cotton-textile industry of the South was agreed upon; and even with that slight increase in wages it was necessary to raise the price of the commodity. There is no doubt in my mind that if we should raise the minimum wage to 65 cents, and eventually to 75 cents, the persons who would suffer would be the very ones whom the Senator is now trying to help.

Mr. MORSE. The Senator constantly makes the argument that an increase in minimum wages would have some effect on the price structure of this country. I agree that it would have some slight immediate effect on the price structure, but not nearly the effect which the Senator has convinced himself it would have. My reply to the Senator is the reply which I think must be made until we can get the point across, namely, that in my judgment the consumers generally in this country do not have the social right to expect low-paid workers to subsidize them so that they may buy goods at a cheap price, based upon taking it out of the backs of free workers. In my judgment we cannot expect the workers of this country in the low-paid brackets to subsidize the rest of us. We ought to be willing to pay whatever price increase is necessary in order to provide a decent purchasing power to the low-paid worker. I happen to believe that once we increase the pool of purchasing power and the competitive forces proceed to work with that additional purchasing power, we shall be surprised at the extent to which we shall be able to keep down prices.

Mr. ELLENDER. Mr. President, will the Senator further yield?

Mr. MORSE. I yield.

Mr. ELLENDER. The Senator speaks of paying high wages, and says that no one should object to paying high wages if the result is increased productivity. Does the Senator know that during the war productivity increased approximately 15 percent, in contrast with an increase of 40 percent in wages?

Mr. MORSE. I think that is a remarkably fine increase in productivity.

Mr. ELLENDER. Over a period of 4 or 5 years?

Mr. MORSE. I think that is a fine increase in productivity.

Mr. ELLENDER. An increase of approximately 3 percent a year?

Mr. MORSE. I understood the Senator to say 15 percent.

Mr. ELLENDER. Not 15 percent a year; that was over a period of 4 or 5 years.

Mr. MORSE. I think that is a very good increase in productivity on a Nation-wide basis, when we consider all the dislocations and all the production problems which were confronting American industry during this war, and when we realize that sometimes 5,000 men in a shipyard would have to wait because the transportation system made it impossible to get the steel to them when they were ready to use it in building a ship. Let me say to the Senator from Louisiana that figures in regard to productivity during the war need to be analyzed very carefully. I think it is remarkable that with the tremendous war effort which we were making, we were able to increase productivity at all.

It has been shown on page 2507 of the CONGRESSIONAL RECORD for March 21, 1946, that—

> This conclusion about productivity during the war is based on the Bureau of Labor Statistics index for 24 selected nonmunitions manufacturing industries whose products remained nearly enough constant during the war to permit extension of the prewar series. The evidence for these industries is not relevant for an analysis of the general increase in productivity during the war. Productivity in these industries was kept artificially low by virtue of their inability to compete for resources with the munitions industries. These industries lost much of their qualified manpower to the munitions industries and in large part had to rely on marginal labor. They were also compelled to operate with old plant and machinery which would otherwise have been retired. No conclusions can therefore be drawn from the trend of productivity in these industries to the trend in manufacturing as a whole.
>
> A War Production Board study estimates that despite the small increase in these nonmunitions industries there has been about a 25-percent increase in output per man-hour in manufacturing as a whole between 1939 and 1944 (American Industries in War and Transition, 1940–50, War Production Board, Program and Statistics Bureau, Doc. No. 27, July 20, 1945, p. 9). This increase is slightly above that which would be expected on the basis of normal trend value.
>
> B. INCREASE IN UNIT-LABOR COST
>
> The facts are that, despite the increase in wage rates during the war and despite the alleged constancy of productivity, private wages and salaries took about as much of every dollar of private production in 1944 as in 1939, whereas profits before taxes represented an increasing share. The details may be obtained from the Department of Commerce.

Mr. ELLENDER. I wish to point out that the increase in wages has greatly exceeded the increase in productivity. It simply shows that the cost per unit is bound to be increased if the increase in wages exceeds the increase in productivity.

Mr. MORSE. What the Senator really has in mind, however, is that he thinks that every change in a wage by way of an increase should reflect itself in a corresponding profit increase.

Mr. ELLENDER. Not profit, but productivity, certainly. Unless there is greater productivity, the cost of the product per unit is bound to increase, and the increased cost can only be met by an increase in the price of the commodity.

Mr. MORSE. I think it will be found that there will be some reduction of profits; and in many industries it would be desirable to have some of the profits go to the workers by way of increased wages.

Mr. ELLENDER. I should like to ask the Senator a question and I should like to have him express his views in regard to the point I shall make. I wonder how the problem could be met except by a tremendous increase in the cost of the product. I have in mind the following example: Prior to the war, there was a man who had a concern at some place in Michigan. His plant made tubes of different kinds. The cost was measured by the weight of tubes a worker could turn out in an hour. Before the war the average was 16 pounds an hour. Today it is only 8 pounds an hour. But the wages have increased 67 percent.

Mr. MORSE. I should like to study the facts of the case.

Mr. ELLENDER. Assuming that the figures I have given the Senator are correct, and I think they can be verified——

Mr. MORSE. I am not questioning the figures, but I wish to inquire as to the basis upon which the figures may rest. I should wish to study the facts of the case, so as to find out whether before the war the operator of that plant was engaging in such a speed-up of the workers that the production was greater than it should have been, and whether he was then engaging in certain other labor practices in his plant which justify a decrease in production at this time.

Mr. ELLENDER. Let me point out that the plant to which I have referred paid the highest wages paid by any concern in the State of Michigan. Before the war the production was 16 pounds an hour a worker. Just before the war started there was a decrease, as I recall the figures, from 16 pounds an hour to as little as 9 pounds an hour. That decrease was due to the fact that many of the employees left the plant to go to other concerns to work.

Mr. MORSE. Many of them were drafted, I assume, too.

Mr. ELLENDER. That may be true. The operator of the plant had to put less skilled workers at work.

The fact remains that the decrease in production per man was considerable; production was cut almost in half. That plant finally began to operate as a war industry. Of course, today the employees are not as skilled as those who were employed there before the war or for several years before the war. Today the production in that plant has been cut in half, as I have said. But the wages have increased 67 percent.

I should like to know how the Senator from Oregon would meet a problem of that kind, unless the commodities produced in the plant are increased considerably in price.

Mr. MORSE. I think that in a few such instances there will have to be price increases.

Mr. ELLENDER. I am glad to hear the Senator say that.

Mr. MORSE. But, of course, we cannot make the same generalization as to all prices combined. Let me say to the Senator from Louisiana the result is not going to be a large price increase on a national plane for all our economy. It does not work out in that way, and it never has. As a matter of fact, economic investigations by the Temporary National Economic Committee show that price increases usually precede wage increases. In fact, farm organization groups agree that the bill will not increase prices of farm products to consumers.

Between 1923 and 1944 average hourly earnings in manufacturing industries increased from 52 cents an hour to 87 cents, whereas the general level of wholesale prices of manufactured goods in 1944

were only slightly above the 1923 level. Between 1923 and 1939 these prices dropped 19 percent, whereas average hourly earnings increased 17 percent. As will be shown later, profits also increased.

Mr. President, I have only one or two other points to make at this late hour.

It seems to me that the Senator from New Jersey has also overlooked the point that Senate bill 1349 does not propose to cover the little corner grocery store or the little merchant of Main Street throughout the country. Those are not the big chain enterprises or the big independent enterprises with sales of more than $500,000 which the bill would cover. As I said earlier today, we need to recognize that the figures will show that many of the so-called little corner grocery stores are paying wages higher than those paid by their big chain competitors. We shall find that the best statistics we have been able to collect thus far in our analysis of the effects of the bill show that it will apply to 1,290,000 retail-store workers in the so-called chains or big independents with an income of $500,000 or more, whose business affects interstate commerce. What is wrong with that? Who wants to argue that a clerk in a big chain store should not be paid 65 cents an hour? He is a human being just like the rest of us. I hope to see the day come when minimum-wage standards of 65 cents an hour will be applied to all workers, so that all workers will find in their pay envelopes wages paid to them on the basis of 65 cents an hour. Why? Because I happen to believe that we cannot have any hope for a decent standard of living for any individual on a lower wage.

The scare argument that this bill will bring under the Minimum Wage Act some clerks in some stores who were not covered by the 1938 act is one of the strong reasons, I say, for the enactment of the pending bill. It is about time that they, too, were paid a decent minimum wage.

Furthermore, Mr. President, although the Senator from New Jersey states that "the majority report ignores the fundamentally different living conditions in our various States," I think that the facts do not warrant the making of a statement quite that strong. All of the authoritative budget figures from the Bureau of Labor Statistics or the WPA show that the difference in living costs between one section of the country and another amounts to no more than 3 or 4 cents, when figured on a wage basis—a difference too slight to be taken into account in establishing a national minimum-wage policy, particularly since in some sections of the country the proposed minima included in Senate bill 1349 are actually substantially below the minima in most plants in those communities.

Mr. President, I should like to place in the RECORD at this point a summary of a cost-of-living study based upon large and small cities:

Studies by the Bureau of Labor Statistics show that the difference in the cost of living between a city of 100,000 or more and one of 2,500 persons is probably about 10 percent. The difference in expenditures necessary to purchase a given level of economic living in five small northern and five small southern cities with populations ranging from 10,000 to about 18,500 was found to be 3.1 percent, on the average, lower in the southern cities. The city with the lowest cost appeared in the North, and the difference between the northern group and the southern group was smaller than the differences between some of the cities in the same region. In fact, the range between the highest cost city in the North and the lowest cost city in that region was greater than the range in the southern group.

A 1938 study of 20 northern cities and 16 southern cities of various sizes shows an average of $1,342 in budget costs for the northern cities in 1938, and $1,289 for the southern cities, or about a 4-percent difference. In numerous instances larger cities had lower living costs than smaller-sized cities.

But, Mr. President, even when we try to analyze cost of living statistics based on city comparisons, there is one point which must not be overlooked, namely, that the real difference is not a cost of living difference, but a difference in the standard of living. What we seek to do, I hope, is to raise on a national level throughout the country the standard of living of our people in all cities, all towns, all hamlets, and in all sections of the country.

I conclude by making two points. I believe that a 65-cent minimum is essential for all workers who will be covered by the pending bill, in the interest of the private-enterprise system itself, because I believe it is necessary to afford such increased purchasing power which is needed as an impetus during the economic period immediately ahead. I believe that a 65-cent minimum wage, Mr. President, should be approved by the Senate because to do so would be a decent act. It is decent for a free government to set up such minimum precautions as are encompassed in the pending bill.

Speaking for myself as a Republican, Mr. President, I think the bill should be passed, and vigorously supported by the Republican Party, because it is a clear exemplification of sound progressive legislation designed to promote the general welfare of the great majority of our people, and not at an unfair cost to the privileged few.

JURISDICTIONAL LABOR DISPUTE IN NORTHERN CALIFORNIA CANNING INDUSTRY

Mr. KNOWLAND. Mr. President, on March 8 I called to the attention of the Senate a serious situation then facing the agricultural and canning industries of California, and I pointed out that approximately one-third of the Nation's processed vegetable and fruit crop was being jeopardized. I pointed out further that it was urgent that the Secretary of Labor and the National Labor Relations Board forthwith take action to prevent the wastage of food at a time when the world was crying for help and hunger stalked the globe.

The other day I was rather amazed to learn that the President of the United States, in a press conference which he held at the White House, had indicated that he had no knowledge of the critical situation existing in the State of California. At this point I wish to read into the RECORD a telegram which was sent to the President under date of March 21. The telegram reads as follows:

MARCH 21, 1946.

DEAR MR. PRESIDENT: You have been quoted in the public press to the effect that the cannery dispute in California has not been called to your attention and that the dispute should be settled by the Governor of California. I trust that you will rectify this confusion of the facts. The Federal Government through National Labor Relations Board assumed jurisdiction of this dispute more than a year ago. It has held an election, has subsequently voided it, and has denied the interested parties the right to engage in exclusive collective bargaining. Only yesterday it issued a procedure for further action and requiring compliance of the parties. The Federal Conciliation Services assumed jurisdiction last November. The Department of Agriculture and the Department of Labor have been functioning since January. The matter has been discussed on the floor of both Houses of Congress. Many communications have been directed to you personally and interested parties have been in constant telephonic communication with your personal staff in the White House. All interested parties have looked to the Federal Government as the only agency with jurisdiction to act. There is no jurisdiction in the State of California. Were there such I would have acted long ago. It would be most unfortunate if after this lapse of time the public were led to believe that the State had jurisdiction when the interested parties themselves know that no such jurisdiction exists. The world food situation which you so rightly called to the attention of the public requires immediate settlement of this dispute. It is of sufficient magnitude to demand your own personal consideration and action. Within the limits of my jurisdiction I shall be happy to be helpful in any way you might indicate.

EARL WARREN,
Governor of California.

On the same day a letter was addressed to the President of the United States by Hon. CLARENCE F. LEA, chairman of the California delegation in the House of Representatives. I ask unanimous consent that the letter be inserted in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 21, 1946.

The PRESIDENT,
The White House,
Washington, D. C.

DEAR MR. PRESIDENT: As authorized by the California delegation in the House of Representatives, I call your attention to the present situation as to the jurisdictional strike against the canneries of California.

These canneries ordinarily provide about one-third of the Nation's total production of canned fruits and vegetables. This production normally exceeds 1,300,000,000 cans of food.

The cannery season has now begun and the foods involved will be coming in in increasing amounts for several months. Some of these food products have already been wasted because cannery production is stifled by the jurisdictional strike.

The obdurate attitude of parties to the strike seems to offer no early settlement.

Apparently, the only legal method available of securing a prompt settlement in order that these valuable food products may be

saved is through the exercise of the war powers of the President.

It seems to us that while the plea is made for the restriction of food on every table in our country and while a starving world is crying for food, this jurisdictional strike should not be permitted to curtail the supply of food so badly needed.

If the appeal of a starving world is not sufficient to induce those responsible for this hold-up in production to cease their destructive efforts, then the powers of Government should properly be used to see that this need of food production is not thwarted.

We trust that early and every proper consideration will be given to the exercise of your war powers to the end that these food products may be saved.

If you are not convinced of the necessity and propriety of Government intervention at this time, our delegation desires an early appointment with you in order to present the importance of the action proposed.

Respectfully yours,

CLARENCE F. LEA,
Chairman of the California Delegation in the House of Representatives.

Mr. KNOWLAND. Mr. President, as the junior Senator from the State of California, I personally have been in constant touch with the Secretary of Labor, with the National Labor Relations Board, with Mr. John R. Steelman, who is a special assistant to the President of the United States and whose office is located in the White House.

In order to keep the record straight, I will say that last week the chairman of the House delegation from the State of California called at the White House for the purpose of making an appointment with the President of the United States and was advised by the White House secretariat to put off coming to the White House for a few more days because the White House at that time thought that a solution of the situation to which I have referred was imminent. As a matter of fact, Mr. President, food is now rotting in the fields of California. If, when efforts have been made through the Secretary of Labor, the National Labor Relations Board, Mr. John Steelman, special assistant to the President of the United States, and the secretary of the White House staff, who was informed of the conditions when Representative LEA asked for a conference, it is still impossible to have attention given to the condition about which I complain, and the communications to which I have referred have not been brought to the attention of the President, resulting in a statement being made by him at the White House press conference to the effect that he had no knowledge of this critical situation existing in the State of California, then I say, Mr. President, that there is something fundamentally wrong in the administrative procedures of the executive branch of the Government of the United States.

The time for procrastination has long since passed. The farmers of California, as well as other citizens of California, and the people of the United States generally, are not going to accept excuses from this point on.

As I pointed out on the 8th day of March, Mr. President, I believe that the matter is of such vital importance that it requires the personal attention of the President of the United States. If the laws of this country have been so loosely drawn that jurisdictional disputes of the nature involved in the controversy in California can permit a blockage which will lead to the destruction of food in a world of hungry people, then the Senate and the House of Representatives have the obligation forthwith of changing the laws. We can no longer permit a situation to exist in which one of the great labor unions of this country can tell the people of the United States that they cannot process food which may be vital to prevent starvation and death in various sections of the world. It is the obligation of the President of the United States to act, and if necessary he should forthwith take over the canning industry of California, and see to it that not another pound of food rots in the fields of that State.

Mr. HATCH. Mr. President, the Senator from California has just spoken about a deplorable condition which exists in his State, and has called attention to the fact that the President of the United States said in a recent press conference that he was not familiar with the situation.

I have no knowledge or information about the subject, but the fact that the President did say in his press conference that he was not familiar with the situation bespeaks its own truth. Otherwise he would not have made that remark, and would not have called upon the Governor of the State of California.

No man in the world has been more assiduous in taking the leadership for the preservation of food and the feeding of starving people than has President Truman. The unfortunate situation, whatever may be its causes, cannot and should not be laid on the doorstep of the President of the United States.

We, the Members of Congress, and people generally, when met with problems, are too much inclined to say "Let the President do it." If a jurisdictional dispute is involved which has caused the spoiling of food and the breaking down of the canning industry in the State of California, the fault does not lie in the executive branch of the Government, but in our own branch, the legislative branch, in that we have not provided what I think are the necessary laws, not to enslave labor, or to take away any of the fundamental rights of labor, but to prevent and to correct abuses and excesses which we all know exist.

I shall welcome the support of the Senator from California and all other Senators in the enactment of adequate legislation which will prevent excesses and abuses of this nature, but I shall not call upon the President of the United States to perform a task which I ought to perform in the legislative branch of government, and neither shall I call upon him to exercise the tenuous powers under the War Powers Act to take over in a situation such as exists in the State of California.

What I have said has been said in the utmost of good faith, as I am sure describes what the Senator from California said, but I did not want this hour, late as it may be, to pass and let a challenge like that he has voiced be laid on the doorstep of the President of the United States and not be answered in some measure.

PRESERVATION OF ATOMIC SECRETS

Mr. HART. Mr. President, during the past few weeks the columns of the Washington Post have included many statements critical of the measures which the Manhattan district has employed in preserving military secrets. It has been repeatedly represented that such measures as the so-called compartmentalization of scientists in particular have been extremely irksome to those gentlemen, and it has even been said in certain quarters that the security measures employed by the Army authorities slowed up the development work of the Manhattan district.

In today's issue of the Washington Post appears an editorial under the heading "Spy scare." It concerns the recent disclosures in Canada, and is about a Dr. May, of whom the Senator from Iowa [Mr. HICKENLOOPER] spoke some days ago. Most of the editorial is a lead-up, and I shall read only the important part at the end. It is as follows:

> Thus, if Dr. May is really guilty of betraying what he learned at Chicago, where it is said he "carried on extensive work in collaboration with our scientists in a highly secret and important new field," it, nevertheless, remains true that he could have learned nothing there except by permission of the Army authorities. General Groves' assertion that he refused Dr. May permission for a fourth visit to Chicago seems to imply very plainly that either the general himself or some highly placed subordinate had granted permission for the previous visits. In view of the very serious accusations now brought against Dr. May, it seems to have been something less than the height of discretion and sound judgment of character for the Army ever to have allowed him to visit the laboratory at all. Certainly it does not strengthen the argument that only in the hands of military officers, vested with plenary powers for the preservation of them, will our atomic secrets be safe.

Incidentally, Mr. President, the last sentence of the editorial is, in itself, misrepresentative, in that arguments have not been advanced for vesting military officers with plenary powers for the preservation of secrets. In this matter of illustration that I have read, the main point is that General Groves in particular appears to be damned by the Washington Post on both sides of the question. On the one hand, he and the Manhattan district have been damned over the length and breadth of the land for mistreating scientists, under the claim that extreme and unnecessary measures were used for the preservation of secrets. Today the military officers are blamed for not having been tight enough in their security precautions. All that just by way of illustration of something that has been going on.

The military is always hammered after a war. That disheartens those who receive the criticism, but it wears off and is not too important. What is important is the fact that many estimable people who are joining in the criticism of atomic energy matters, for instance, find themselves in strange company. It

is the company of some elements who do not care for the preservation of this country as we have known it.

RECESS TO TUESDAY

Mr. HATCH. Mr. President, under the order already entered, I move that the Senate stand in recess until 12 o'clock noon on Tuesday next.

The motion was agreed to; and (at 5 o'clock and 59 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, to Tuesday, March 26, 1946, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 22 (legislative day of March 5), 1946:

DEPARTMENT OF THE INTERIOR

Oscar L. Chapman to be Under Secretary of the Interior.

DISTRICT OF COLUMBIA

Theodore Cogswell to be register of wills for the District of Columbia.

COLLECTOR OF INTERNAL REVENUE

Sam E. Richardson to be collector of internal revenue for the district of Vermont, with headquarters at Burlington, Vt.

COLLECTOR OF CUSTOMS

Henry V. Schwalbach to be collector of customs for customs collection district No. 37, with headquarters at Milwaukee, Wis.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 25, 1946

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou good Shepherd of the fold, send us forth with brave and willing hearts to meet the adventures of life. With unfeigned thanks we lift our prayer to Thee for reason and all the endowments of soul and body. For the gift of Thy patience, for Thy love and Thy guidance, we bow down and worship Thee. Let us feel the challenge of an earnest call to duty and become channels through which divine grace can flow into other lives. Consecrate, O Father, the homes of our land; cleanse our politics; hallow our daily work. Give us strength for our labor that we may seek unselfishly to bless and not curse, and let some word of Thine come home to our hearts to make these hours a benediction and a helpful memory. O Light of the World, shine on the darkened souls of men, weary with tossing to and fro and longing for the morning, and lead us on until the shadows break and night shall be no more. Through Christ our Redeemer. Amen.

The Journal of the proceedings of Thursday, March 21, 1946, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5201) entitled "An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1947, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate, No. 10, to the foregoing bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1821) entitled "An act to amend section 502 of the act entitled 'An act to expedite the provision of housing in connection with national defense, and for other purposes,' approved October 14, 1940, as amended, so as to authorize the appropriation of funds necessary to provide additional temporary housing units for distressed families of servicemen and for veterans and their families."

The message also announced that the President pro tempore has appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

1. Department of Commerce.
2. Department of Justice.
3. Department of the Navy.
4. Department of the Treasury.
5. Department of War.
6. National Wage Stabilization Board.
7. Petroleum Administration for War.

COMMUNICATION FROM THE CLERK IN RE H. R. 5671

The SPEAKER laid before the House the following communication from the Clerk of the House which was read:

MARCH 25, 1946.

The Honorable the SPEAKER,
House of Representatives.

SIR: Pursuant to the authority heretofore granted, the Clerk received from the Secretary of the Senate the engrossed bill (H. R. 5671) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes, together with accompanying papers including a message that the Senate had agreed to the conference report on said bill as of March 21, 1946.

Very truly yours,
SOUTH TRIMBLE,
Clerk of the House of Representatives.

ENROLLED BILL SIGNED

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee had on March 22, 1946, examined and found truly enrolled a bill of the House of the following title:

H. R. 5671. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

The SPEAKER. Pursuant to the authority granted him on Thursday, March 21, 1946, on Friday March 22, 1946, the Chair signed the enrolled bill of the House (H. R. 5671) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

EXTENSION OF REMARKS

Mr. McCORMACK asked and was given permission to extend his remarks in the RECORD in two instances, in one to include a speech made by President Truman last Saturday and in the other to include a speech made by Secretary of Commerce Wallace.

Mr. LANDIS (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks in the RECORD.

Mr. WASIELEWSKI asked and was given permission to extend his remarks in the RECORD and include an editorial from the Milwaukee Journal of March 19.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include a very interesting article.

SPECIAL ORDER GRANTED

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. ANDERSON] may be permitted to address the House for 20 minutes tomorrow, after disposition of matters on the Speaker's desk, and at the conclusion of any special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that the gentlewoman from Illinois [Miss SUMNER] be permitted to address the House for 20 minutes tomorrow after disposition of matters on the Speaker's desk, and at the conclusion of any special orders heretofore granted.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SECURITY COUNCIL OF UNITED NATIONS ORGANIZATION

Mr. JARMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. JARMAN. Mr. Speaker, today the Security Council of the United Nations Organization convenes in New York City. In welcoming this great organization to our shores, I know that you, my colleagues, share my sincere hope for the success of its efforts which simply must occur if civilization is to survive. I know I can also speak for you in expressing to the members of this Security Council, to their deputies, to Secretary General Trygve Lie, to his assistant secretaries, and to all of those associated with him in this worthwhile endeavor our very best wishes that they may find their residence in our country as pleasant as we hope their efforts to preserve peace will prove successful.

THE LATE VICE ADM. HOWARD L. VICKERY

Mr. BLAND. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BLAND. Mr. Speaker, since this House last adjourned, a most distinguished public servant, a great patriot, and one who may properly be described as a casualty of the World War has passed to his eternal reward. Vice Adm. Howard L. Vickery, former Vice Chairman of the United States Maritime Commission, has died. In my opinion, our victory in World War II is largely due to his foresight, his service, and his sacrifice. He had upon his shoulders, more largely than did any other man, the burden of building a merchant marine to win this war. That merchant marine helped to carry food, equipment, munitions, and armed forces to theaters of war in all parts of the world.

Vice Admiral Vickery's record of building over 5,000 ships far surpasses all preceding records. It is the world's greatest shipbuilding achievement. From 1937 to September 1940, he served as assistant to the Chairman of the United States Maritime Commission, and had supervision over all shipbuilding, design, and construction work in connection with the Commission's program to rehabilitate the American merchant marine.

In September 1940, Admiral Vickery was appointed by the President as a member of the United States Maritime Commission through special legislation, necessary because of his status as a commissioned officer on the active list of the United States Navy. As a member of the Maritime Commission, he continued, in addition to his other duties, his work in connection with the construction program which he assumed in 1937.

In 1942, he assumed duties as Deputy Administrator, War Shipping Administration, and so continued until his retirement.

From January 1, 1942, to September 1, 1945, more than 5,000 ships, exceeding 50,000,000 dead-weight tons, were built under Admiral Vickery's supervision. The original peacetime program of the Maritime Commission was to build 50 merchant ships per year for replacement of America's antiquated merchant fleet. In 1939, under the impetus of war dangers, this program was advanced to 100 ships per year; then, in 1940, to 200 per year; and, from 1940 to 1943, the program moved forward to 1,700 ships per year. This was an increase in production of approximately 3,400 percent over the construction program of 1938, as compared with a 1,700-percent increase in the aircraft field.

After Pearl Harbor, Admiral Vickery, remembering our experience in World War I, announced that "Ships built for this war shall be used in this war," and they were. Without them it is difficult to believe that we could have won.

Admiral Vickery frequently appeared before the Committee on Merchant Marine and Fisheries. He gave of his wisdom freely when invited to do so, but he never sought to impose his judgment upon the committee. Admiral Vickery was always a welcome guest. Every man on the committee welcomed his appearance, for all knew he would testify to the truth, the whole truth, and nothing but the truth, without extenuation or reservation of any kind and without considering whether his testimony was favorable to himself personally or not. He was frank to admit the possibility of mistakes having been made, and he did not attempt to shift the responsibility to other shoulders. Many times I have heard him say: "That might have been a mistake; if so, it was my mistake, and I assume the responsibility." He disarmed all criticism by his frankness and his truth.

Knowing how well Admiral Vickery discharged his duty and performed his task, how frank he was in his testimony, how greatly he tried to help the committee in the solution of its problems, how willing he was to serve, and how much he did, how comprehensive was his knowledge, and how capable he was in presenting the facts as he knew them, he dissolved all criticism and disarmed all opposition so that in the end he had the united support of all the members of the committee.

Admiral Vickery worked so unreservedly and harmoniously with his friend, Admiral Land, Chairman of the Commission, that the two came to be referred to as the Siamese Twins.

Admiral Vickery was born at Bellevue, Ohio, April 20, 1892; educated in East High School of Cleveland; was graduated from the United States Naval Academy in 1915 with the degree of bachelor of science. During the World War he served in the cruiser and transport force on the U. S. S. *Charleston*, and after the armistice was assigned to the Construction Corps. In 1921 he took the master of science degree in naval architecture at Massachusetts Institute of Technology. In 1922 he was in the United States Navy superintending constructor's office at Bethlehem Shipbuilding Corp., Ltd., Union Plant, San Francisco, Calif., supervising construction of submarines; 1922–25, new-construction superintendent, docking superintendent, and outside superintendent at Boston Navy Yard; 1925–28, loaned to Haitian Government as treaty engineer, as director shop, supply, and transportation division; 1928–29, Bureau of Construction and Repair, Washington, D. C.; 1929–33, served as technical adviser on shipping to Governor General of Philippines; 1933–34, attended Army Industrial College, Washington, D. C.; 1934–37, head of War Plan Section, Design Branch, Bureau of Construction and Repair, Navy Department. Served on Fire and Structural Strength Committee of Senate Technical Committee on Safety of Life at Sea, drafting regulations for passenger vessels.

Admiral Vickery was a member of the Council of the Society of Naval Architects and Marine Engineers; member naval architecture committee, as well as classification committee, of the American Bureau of Shipping; formerly member Production Executive Committee, War Production Board, and War Manpower Commission; Chairman, Postwar Planning Committee of the United States Maritime Commission; chairman of the board of trustees of the Cleveland Law School Cleveland, Ohio, and member, American Legion.

Admiral Vickery was stricken during the war and spent some weeks in the hospital though by no means so long as he should have been there. He was devoted to his work. He could not give up, and even when his physical strength and vigor were impaired, he carried on until victory was won. There could be for him no rest while others fought. He is now a casualty of the great war as surely and as certainly as one who fell on the firing lines.

Admiral Vickery was my personal friend. I never called upon him in vain. His patience, his calm courage, his comprehensive scope of all details helped me and all of the committee in the work which in the war years we had to do, and which at times was heavy and man-killing.

Admiral Vickery worked well, he kept the faith, and the most that I could hope for myself or any of us is that when our work shall end we shall have performed our public tasks but half as well as Admiral Vickery performed his. He is gone, but he has left to all mankind an inspiring legacy which we shall cherish so long as each of us shall live.

Admiral Vickery was married and leaves behind him a widow and two children, Lt. Comdr. Hugh Blanchard Vickery, United States Navy, and Barbara Willis Vickery. To the widow and children we extend our deepest sympathy and sorrow.

Admiral Vickery was ever mindful of our American merchant marine for peace and for war, and the members of our committee shall have before them at all times in their deliberations Admiral Vickery's admonition, as expressed in his own words:

> In planning for America's participation in postwar foreign trade, we may count on good ships and an experienced, seagoing personnel, on competent ship-operating companies and on a shipbuilding industry anxious to participate. The ingredients which must be added are patronage and public support. When these are assured, the American merchant marine will have entered the most promising chapter of its long and stormy career.

EXTENSION OF REMARKS

Mr. LYLE asked and was given permission to extend his remarks in the RECORD.

Mr. VINSON asked and was given permission to extend his remarks in the RECORD.

Mrs. DOUGLAS of Illinois asked and was given permission to extend her remarks in the RECORD in two instances.

Mr. MANSFIELD of Texas asked and was given permission to extend his remarks in the RECORD and include an address by Lt. Gen. R. A. Wheeler, Chief of Engineers, before the American Shore and Beach Preservation Association, March 21, 1946.

Mr. PATTERSON (at the request of Mr. DOYLE) was given permission to extend his remarks in the RECORD and include an editorial.

Mr. MADDEN asked and was given permission to extend his remarks in the RECORD in three instances, in one to include a resolution adopted by the American Legion, First District of Indiana, and in the other two editorials appearing in the Gary Post-Tribune.

Mr. BARTLETT asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. ROBINSON of Utah asked and was given permission to extend his remarks in the RECORD and include a statement by J. H. Leib, national legislative director of the American Veterans of World War II, together with two short newspaper clippings.

THE UNITED NATIONS ORGANIZATION IS OUR WORLD EMISSARY FOR PEACE

Mr. DOYLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DOYLE. Mr. Speaker, may I just extemporaneously say, I think it most appropriate to not only join in the wishes of my distinguished colleague that we hope for success of the United Nations Organization today convening in New York, but that we do something besides hope. First, we must stop raising fear and suspicion and gossip and rumor that this hope of this war-torn world will not succeed. It seems to me highly important that we recognize on the floor of this House that the United Nations Organization is the agent, is the arm, is the emissary, is the representative of this Congress, if you please, for world peace, and that we ought to definitely stop raising thoughts of fear and suspicion and intolerance about it and the possibility of failure. Let us do our part fully besides hope. Let us work so that there will be no room for doubt. Let us work and pray and speak for success. Let us be confident of the triumph of peace on earth over material greed and lust for power. We must raise the spiritual sinews of our nations to a level which will hold at an equalizing level the scientific discoveries and uses of the last few days.

I respectfully suggest we can do something practical and powerful too about winning an enduring world peace by operating our own selves and this great legislative body somewhat as follows:

First. Do not repeat as facts items of news about other countries and their attitudes and intentions, unless we know what we are saying is based on fact.

Second. Do not assign evil intent and motives to Russia, England, or any other nation, unless we are prepared to prove our statements.

Third. Do not castigate a whole people or a nation because of one incident or occurrence, which may even be founded on fact.

Fourth. Give other nations as much credit for not desiring another war now, as we ourselves ask of them about our intentions.

Fifth. Work, speak, pray as intently for peace to be established firmly in the experience of the world through the UNO as we did to win the war. It is worth it. It is not less of a challenge. It is the most priceless and necessary achievement in the total relationships of mankind.

Sixth. Let us practice what we preach.

EXTENSION OF REMARKS

Mr. RABAUT asked and was given permission to extend his remarks in the RECORD and include the address of Msgr. Fulton J. Sheen, of the Catholic University of America, delivered over the National Broadcasting Co. network Sunday evening, March 24.

Mr. ROMULO (at the request of Mr. SHEPPARD) was given permission to extend his remarks in the RECORD.

Mr. JOHNSON of California asked and was given permission to extend his remarks in the RECORD and include two letters.

Mr. TALBOT asked and was given permission to extend his remarks in the RECORD and include an editorial from the Army Times.

Mr. HOEVEN asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. ANDREWS of New York asked and was given permission to extend his remarks in the RECORD in two instances, in one to include a bill he is introducing today, and in the other a letter from the Secretary of War having to do with martial law in Hawaii; also, the broadcasts by Mr. Fulton Lewis, Jr., concerning it.

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD in three instances and include in each a newspaper article.

PERMISSION TO ADDRESS THE HOUSE

Miss SUMNER of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

[Miss SUMNER of Illinois addressed the House. Her remarks appear in the Appendix.]

WEST POINT MILITARY ACADEMY

Mr. ANDREWS of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ANDREWS of New York. Mr. Speaker, I am today introducing a bill which, effective July 1, 1947, would make it mandatory that every young man nominated for the Military Academy at West Point, either by Members of Congress, the President, or otherwise, be obliged to serve at least 9 months, with an honorable discharge, in the Regular Army or any component part thereof, prior to actually entering West Point. A similar bill is also being introduced in connection with the Naval Academy and service in the Navy or Marine Corps by the gentleman from New York [Mr. COLE].

I want to point out that by carrying out these provisions we would insure every graduate of West Point and Annapolis having had enlisted service. That would go a long way to improve the armed services insofar as the attitude of commissioned officers toward enlisted men is concerned. Secondly, it would capitalize our successful experience in the operation of the officer candidate schools during this war, in which many fine young leaders in the lower grades of the commissioned service were developed from the enlisted personnel, both from among volunteers and those who were inducted under selective service. In the third place, it would automatically screen out numerous young men who are successful in entering both Academies, but who soon thereafter drop out, having evidently pursued the courses at West Point and Annapolis only to obtain an education.

From numerous sources, including conferences with officials of the War Department, I am convinced that this will be a step in the right direction and result only in a more enlightened relationship between officer and enlisted personnel of both the Army and Navy, and, therefore, these measures should have the support of both War and Navy Departments, with the approval of Congress.

PERMISSION TO ADDRESS THE HOUSE

Mr. JONKMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[Mr. JONKMAN addressed the House. His remarks appear in the Appendix.]

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

[Mr. STEFAN addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. McDONOUGH asked and was given permission to extend his remarks in the RECORD in two instances and in each instance to include certain material.

Mr. ANDERSON of California asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances, in one to include a report, and in the other to include a letter.

Mr. STEVENSON asked and was given permission to extend his remarks in the RECORD and include therein his statement before the Committee on Ways and Means entitled "Lest Ye Forget."

THE MEAT SHORTAGE

Mr. GWYNNE of Iowa. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GWYNNE of Iowa. Mr. Speaker, I quote the following from a recent issue of the Waterloo (Iowa) Daily Courier:

As predictions were freely made that the Nation faces one of the greatest meat shortages in history, in view of drastic reductions in beef slaughtering by packing plants, R. A. Rath, president of the Rath Packing Co., said operations in the beef kill here were down to about one-fourth to one-third of capacity.

The reason given is that the company is unable under OPA price ceilings to compete with the black market in buying cattle.

This is a sample of price control à la Chester Bowles. In spite of the propaganda being put out, the public is learning that the OPA is not solving production and cost problems. It is only sweeping them under the rug.

This Congress should do something about it before it is too late.

EXTENSION OF REMARKS

Mr. ROBERTSON of North Dakota asked and was given permission to extend his remarks in the RECORD.

Mr. COLE of Missouri (at the request of Mr. CLEVENGER) was given permission to extend his remarks in the RECORD and include a poem.

Mr. CLEVENGER asked and was given permission to extend his remarks in the RECORD and include an article from the Dairy Cooperative.

Mr. ELLIS asked and was given permission to extend his remarks in the RECORD and include an editorial.

THE MEAT-PACKING INDUSTRY

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, OPA has closed down most of the meat-packing plants in my district because they claim they are unable to make ends meet under the OPA regulations, price ceilings, and bunglings. One of the concerns sent me a statement of their business. The net sales amounted to $850,000, on which they had a loss of $108,796.17. But they received from the Government subsidies amounting to $78,086.23. Think of it, subsidies amounting to $78,086.23. This to be paid by future generations. He is still in the red $30,704.94 after receiving this large subsidy; so is the Government in the red. It must be that the OPA has the squeeze on these meat-packing industries or they would not be closing down. They say that the OPA is putting the squeeze on all business. Another company states to me in a letter:

For more than 2 years we have not sold beef nor veal, for to follow the regulations would mean an out-of-pocket loss to us of $25 to $30 per head. But these regulations have made it possible for the other sort of fellows to take up our business at $50 per head profit.

He means the black-market fellows. So where does the public benefit? The New Deal OPA drives out legitimate business and substitutes the black-market operators.

Oh, where are you taking business? To the poorhouse and bankruptcy.

PROSPERITY ON AMERICAN FARMS

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include certain excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, there recently came to my desk a copy of a very fine article from the February issue of the Country Gentleman, entitled "Detroit Takes the Farm Road," calling attention to the activities of certain business executives of the city of Detroit who banded together in research with efforts directed toward working out what they could to help solve the farmer's problems and raise his income.

These executives after thorough study came to this conclusion:

Prosperity begins on the farm. Unless the farmer is prosperous industry cannot be prosperous; labor cannot be prosperous; nobody can be prosperous.

I hope all Members interested in the future prosperity of the country will take time to read this very interesting article, which I am placing in the Appendix. Particularly do I call it to the attention of our many urban Representatives who all too often think in terms of income only as it applies to labor in factory and shop.

The SPEAKER. The time of the gentleman from Illinois has expired.

EXTENSION OF REMARKS

Mr. ARENDS asked and was given permission to extend his remarks in the RECORD and include a newspaper article by Mr. Tomlinson.

Mr. SCHWABE of Oklahoma asked and was given permission to extend his remarks in the RECORD and include a statement made by the president of the General Mid-Continent Oil and Gas Association before the Banking and Currency Committee of the House.

Mr. GAVIN asked and was given permission to extend his remarks in the RECORD in two instances and include therewith editorials from the St. Mary's Daily Press.

Mr. MILLER of Nebraska asked and was given permission to extend his remarks in the RECORD in two instances, one on Government planning and the other on our obligations to the Greek Nation.

SPECIAL ORDER GRANTED

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that the gentleman from New Hampshire [Mr. MERROW] may address the House on Wednesday for 30 minutes, after the legislative business of the day and any special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AMENDING SECTION 201 (G) OF THE NATIONALITY ACT OF 1940

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill H. R. 388, an act to amend section 201 (g) of the Nationality Act of 1940 (54 Stat. 1138–1139; 8 U. S. C. 601), with a Senate amendment, and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That section 201 of the Nationality Act of 1940 (54 Stat. 1138–1139; 8 U. S. C. 601) is hereby amended by adding the following subsection to be known as subsection (i):

"'(i) A person born outside the United States and its outlying possessions of parents one of whom is a citizen of the United States who has served or shall serve honorably in the armed forces of the United States after December 7, 1941, and before the date of the termination of hostilities in the present war as proclaimed by the President or determined by a joint resolution by the Congress and who, prior to the birth of such person, has had 10 years' residence in the United States or one of its outlying possessions, at least five of which were after attaining the age of 12 years, the other being an alien: *Provided*, That in order to retain such citizenship, the child must reside in the United States or its outlying possessions for a period or periods totaling 5 years between the ages of 13 and 21 years: *Provided further*, That, if the child has not taken up a residence in the United States or its outlying possessions by the time he reaches the age of 16 years, or if he resides abroad for such a time that it becomes impossible for him to complete the 5 years' residence in the United States or its outlying possessions before reaching the age of 21 years, his American citizenship shall thereupon cease.'"

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman kindly explain the amendment?

Mr. LESINSKI. Mr. Speaker, this is to make sure that the children born abroad of our soldiers are born into United States citizenship. In other words, one parent is a citizen and the other an alien. Citizenship does not descend to the child by birth unless the citizen parent has resided for a period of 10 years in the United States, 5 of which must be after its sixteenth birthday.

Inasmuch as we enlisted youngsters at 17 and drafted them at 18, many of our boys have married foreign girls and had babies born to them before the twenty-first birthday of the citizen father.

All this is to provide that as far as our service people are concerned, they merely must have 5 years of their 10 years' residence in the United States subsequent to the twelfth birthday instead of the sixteenth birthday. In other words, a child born in a foreign land, although of an American parent, must live in America at least 10 years, 5 of which must be after the age of 16. They were drafted at 18 and they never had time to live that 5 years after they

were 16. So it is simply releasing that one particular item.

Mr. MARTIN of Massachusetts. Their service in the American Army prevented them from complying with the provisions of the law?

Mr. LESINSKI. That is correct.

Mr. KEAN. Mr. Speaker, will the gentleman yield?

Mr. LESINSKI. I yield.

Mr. KEAN. If a man came here in 1940 and became an American citizen and joined the Army and he went back to Europe and served in the army of occupation and married a French girl, for instance, and had a child, he would get no benefit from this?

Mr. LESINSKI. He would get no benefit unless he were an American citizen.

Mr. KEAN. But he was an American citizen.

Mr. LESINSKI. If he were an American citizen then he might go abroad and marry a foreign woman and bring her here. That is under your Bill of Rights.

Mr. KEAN. No; but if he became an American citizen and joined the Army, say in 1940, then he went abroad in the Army, married a French girl—I know of a case just like this—married a French girl and is now in Germany in the army of occupation, and they are about to have a child, that child will not be an American citizen because this man had not lived in America for 10 years.

Mr. LESINSKI. Yes; but he can bring that wife and child to America. The child must live at least 5 years in America after the age of 16. When he has done so and makes a declaration to that effect then he would become a citizen.

Mr. KEAN. Even though the father had not lived in the United States for 10 years?

Mr. LESINSKI. That is correct, as long as he is an American citizen.

Mr. RANKIN. Mr. Speaker, reserving the right to object, frankly, I am not very enthusiastic over any of these bills that break down our present immigration laws. It seems to me this ought to be limited to the period of hostilities and not be extended beyond VJ-day.

Mr. LESINSKI. It is not extended beyond that; it extends up to just that time.

Mr. RANKIN. No; I think if you will read the amendment, it states "for the duration of the war." The war is not over until Congress passes an act declaring it at an end and the President issues a proclamation to that effect. So it seems to me that an amendment ought to be inserted to limit its operations to the period of actual hostilities.

Mr. LESINSKI. I believe that in passing a law as long as it refers only to our own soldiers serving in our Army, it is all right. We may have an army of occupation for another 2 or 3 years.

Mr. RANKIN. We have had a good many people that got out of the country to avoid military service and they wanted to stay out until after the war was over. They ought not to be permitted to use this as a smoke screen to get back into the United States.

Mr. LESINSKI. They are not permitted to. As a matter of fact many such people coming back have been arrested. They are not entitled to the benefits of this law.

Mr. RANKIN. If the gentleman will agree to that language I would not object; otherwise I want the bill brought to the floor of the House so we can amend it. Read the amendment. If the gentleman will accept the amendment I propose I will not object to the bill.

Mr. LESINSKI. This is a Senate amendment.

Mr. RANKIN. I understand, but we do not have to accept it.

Mr. LESINSKI. And this Senate amendment only takes care of our soldiers who were inducted before they had a chance to fulfill all the requirements of citizenship.

Mr. RANKIN. I listened very carefully to the reading of this Senate amendment. We do not have to adopt the Senate amendment at all; but if we do adopt it, it certainly ought to be limited not to the duration of the war—it may be 5 years before the war is declared at an end—but it ought to be limited to the actual duration of hostilities. If you will accept that amendment to the amendment I will not object; otherwise I want it brought to the floor in the regular way so we can amend it.

Mr. LESINSKI. I have gone all over this Senate amendment, and I see no reason why it should be amended.

Mr. Speaker, I withdraw the request.

AMENDMENT OF LANHAM ACT—CONFERENCE REPORT

Mr. LANHAM submitted the following conference report and statement on the bill (S. 1821) to amend section 502 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, so as to authorize the appropriation of funds necessary to provide an additional 100,000 temporary housing units for distressed families of servicemen and for veterans and their families:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1821) to amend section 502 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes", approved October 14, 1940, as amended, so as to authorize the appropriation of funds necessary to provide additional temporary housing units for distressed families of servicemen and for veterans and their families, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment as follows: In lieu of the matter inserted by the House amendment, insert the following: "That section 502 (a) of the Act entitled 'An Act to expedite the provisions of housing in connection with national defense, and for other purposes', approved October 14, 1940, as amended, is amended by striking out '$160,000,000' and inserting in lieu thereof '$410,000,000.'

"SEC. 2. That section 502 of said Act be amended by adding after subsection (c) thereof the following subsections:

"'(d) Upon approval of an application, made by any educational institution, State or political subdivision thereof, local public agency, or nonprofit organization, for temporary housing for the purposes of this title, the National Housing Administrator, if he determines that such action will aid in expediting the provision of such temporary housing, may—

"'(1) transfer hereunder to the applicant structures or facilities necessary or suitable to provide such temporary housing; and

"'(2) contract to reimburse the applicant (including the making of advances) for the cost, as certified by the applicant and approved by the Administrator, in the relocation or conversion (including the costs of disassembling, transporting and reerecting structures and facilities, and connecting utilities from dwellings to mains, but not including the costs of site acquisition and preparation, or the installation of streets and utility mains) of such temporary housing and facilities.

"'(e) The term "administrative expenses", as used in this title V, shall be deemed to include administrative expenses of the National Housing Agency in performing any functions with respect to priorities or allocations of materials or equipment for public or private housing, and of the Housing Expediter (including until June 30, 1946, those of any Government agencies in carrying out parts of the veterans' emergency housing program of the Housing Expediter authorized by existing law, to the extent that additional administrative expenses of such agencies are thereby involved) in performing any functions with respect to facilitating the provision of veterans' housing authorized by existing law.'"

And the House agree to the same.

FRITZ G. LANHAM,
C. JASPER BELL,
FRANK W. BOYKIN,
J. HARRY MCGREGOR,
ROBERT L. RODGERS,
Managers on the Part of the House.

JAMES E. MURRAY,
LISTER HILL,
ALLEN J. ELLENDER,
ROBERT A. TAFT,
ALEXANDER SMITH,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1821) to amend section 502 of the Act entitled "An Act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, so as to authorize the appropriation of funds necessary to provide additional temporary housing units for distressed families of servicemen and for veterans and their families, submit the following written statement explaining the effect of the action agreed on by the conference committee and submitted in the accompanying conference report.

House amendment to subsection (e) of section 2 provided for the limitation of administrative expenses to housing for veterans provided under title V of said act. The Senate receded from its disagreement to the amendment of the House and agreed to the same with an amendment as follows:

Substitute for subsection (e) of section 2 the following:

"(e) The term 'administrative expenses', as used in this title V, shall be deemed to include administrative expenses of the National Housing Agency in performing any functions with respect to priorities or allocations of materials or equipment for public or private housing, and of the Housing Expediter (including until June 30, 1946, those of any Government agencies in carrying out

parts of the veterans' emergency housing program of the Housing Expediter authorized by existing law, to the extent that additional administrative expenses of such agencies are thereby involved) in performing any functions with respect to facilitating the provision of veterans' housing authorized by existing law."

FRITZ G. LANHAM,
C. JASPER BELL,
FRANK W. BOYKIN,
J. HARRY MCGREGOR,
ROBERT L. RODGERS,
Managers on the Part of the House.

Mr. LANHAM. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (S. 1821) to amend section 502 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, so as to authorize the appropriation of funds necessary to provide an additional one hundred thousand temporary housing units for distressed families of servicemen and for veterans and their families.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. RICH. Mr. Speaker, reserving the right to object, does the bill deal with subsidies? Have subsidies been added to it since it left the House?

Mr. LANHAM. No; this bill has no subsidies whatever added. The Senate made merely a change in a technical provision of the bill as it passed the House dealing with administrative expenses.

This has to do with housing for veterans to be constructed from surplus Army and Navy barracks and available war housing, an act which we passed recently.

Mr. RICH. And the subsidy provision asked by the administration is eliminated and is out of the bill?

Mr. LANHAM. This is an entirely different bill. It does not involve subsidies. This is a bill from the Committee on Public Buildings and Grounds making some of these barracks and other housing available for the veterans.

Mr. RICH. That is all right as long as we cut the subsidies out.

Mr. RANKIN. These are buildings that are already constructed and owned by the Federal Government and will go to waste unless something is done?

Mr. LANHAM. That is true.

Mr. MCGREGOR. I want to concur in the statement of the chairman. As one of the conferees we met with Members of the other body and we reached an agreement on this bill. It does not contain the question raised by the distinguished gentleman from Pennsylvania. This bill simply takes care of the barracks of the Army and Navy that have been declared surplus, and authorizes an expenditure for the tearing down, transporting and reconstruction of these units in municipalities and colleges for the aid of the veterans.

Mr. LANHAM. Yes. And the amendment provides for administrative expenses only under existing law.

Mr. RANKIN. This is not a program to unload on the veterans a lot of prefabricated houses at two or three times what they are worth. This permits the veterans to secure houses already built out of real American material in order that they may use them for their own use and occupation.

Mr. LANHAM. That is correct.

Mr. RANKIN. I see no objection whatever to the measure.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. LANHAM]?

There was no objection.

Mr. LANHAM. Mr. Speaker, I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the full report.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement of the managers on the part of the House.

The conference report was agreed to.

A motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and I also ask unanimous consent that on tomorrow, the next day and the day following, at the conclusion of any other special orders, I may be permitted to address the House for 50 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

WALTER WINCHELL

Mr. HOFFMAN. Mr. Speaker, I have not the slightest intention of using all of the special orders granted me, but I intend to use one if I do not succeed in presenting a question of personal privilege tomorrow. It had been my purpose to make answer to the false and malicious charges of one Walter Winchell made on the 17th of March. As I have been advised, that the majority party wishes to use this room for a conference this afternoon, I have deferred my remarks until tomorrow or some subsequent day.

EXTENSION OF REMARKS

Mr. SPARKMAN asked and was given permission to extend his remarks in the RECORD and include an editorial from the Christian Science Monitor.

Mr. RABAUT asked and was given permission to extend his remarks in the RECORD and include an address by Henry Ford 2d.

SPECIAL ORDERS GRANTED

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent that on Tuesday, April 2, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 1 hour.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. RICH. Mr. Speaker, I ask uanimous consent that on tomorrow, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

EXTENSION OF REMARKS

Mr. EDWIN ARTHUR HALL asked and was given permission to extend his remarks in the RECORD.

Mr. HALE asked and was given permission to extend his remarks in the RECORD and include a statement by J. H. Leib of the Veterans of World War II, and a letter addressed to him by General Hawley.

OMNIBUS BILL

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. PITTENGER. Mr. Speaker, very shortly we are going to consider an omnibus bill. Under the rules of procedure debate on those bills is very limited, and that is why I am taking 1 minute at this time. There will be 5 minutes on a side, if the time is used, in connection with each section of the bill. Each section represents a private claim. All I want to say now is that during my service in the House we have never had a better personnel on the Claims Committee. Some of you know, because you have had the committee operate on and act on bills that have come before it. So I am asking when the time comes for the objectors to object—of whom I am very fond, and for whom I have the most profound regard—I want you to bear in mind then what I cannot say now, namely, that the time will be so limited that you will either have to stand by the committee or you will have to repudiate it. So get ready for what is coming.

Let me say, Mr. Speaker, that every bill which will be presented to the House for consideration in a few minutes has been carefully checked over by members of the Claims Committee of the House of Representatives. The Claims Committee has heard the evidence and has reported favorably on those bills where the claimant is entitled to redress from his Government. You cannot sue the Government of the United States in any of these cases and the only place where relief can be had is before Congress.

In none of these bills which are in this omnibus bill, to be considered very shortly, do I have any personal interest. As I recall, none of these claimants live in Minnesota. My only connection with these cases is the fact that I am a member of the Claims Committee. I attend the committee meetings and I am familiar with the facts involved in these measures.

For a long time we have had Members of the House designated to check the work of the Claims Committee and if they feel that the Claims Committee has made a mistake in acting favorably, the objectors are charged with the responsibility of making a motion to strike the particular claims out of the bill. I am going to differ with the objectors but there will be no personalities so far as I

am concerned. I respect every one of them and I feel that they have a mistaken view of these different claims. It is too bad that we do not have more time in which to discuss the facts. However, the House rules only provide 5 minutes debate for and 5 minutes debate against any particular amendment under this omnibus bill. So, let me say to the Members of the House that you should not take too seriously some broad statement that somebody opposed to a claim may make when the claim comes before you for a vote. It is easy to make statements and sometimes wrong impressions are created and the other side of the question cannot, in the brief time allotted, make proper explanations. You Members will be safe in following the best judgment that the members of the Claims Committee have exercised in these cases. I know that there are bound to be differences of opinion on almost everything. Each Member has a different viewpoint perhaps from the author of the bill. Those situations are bound to arise. I would urge the Members of the House to stand by the report of the Committee on Claims. The committee has heard the evidence and most of the arguments that will hereafter be made or presented to and argued before the Committee on Claims. Do not be misled by any last-minute statements which should have been presented to the committee and which the committee now has no opportunity to refute.

PERMISSION TO ADDRESS THE HOUSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[Mr. McCORMACK addressed the House. His remarks appear in the Appendix.]

OMNIBUS BILL

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McGREGOR. Mr. Speaker, as one of the objectors, duly appointed by the Speaker, I want to reply to my very distinguished colleague the gentleman from Minnesota [Mr. PITTENGER] who is a capable Member of Congress and a very valuable member of the Claims Committee. May I say that we objectors have a high regard for the Committee on Claims, but we feel they are human and subject to error. This Congress more than once has taken exception to various legislation that has been recommended by various committees. As the gentleman has said, we only have 5 minutes. We hope all Members will stay on the floor, and I think after you hear the arguments both pro and con you will agree with your objectors and you will disagree with some of the recommendations suggested by the gentleman from Minnesota.

FIRST OMNIBUS CLAIMS BILL, SEVENTY-NINTH CONGRESS

The SPEAKER. The Clerk will call the first omnibus bill on the Private Calendar, H. R. 3068.

The Clerk called the bill (H. R. 3068) for the relief of sundry claimants, and for other purposes.

The Clerk read as follows:

Title I—(H. R. 2092. For the relief of the Growers Fertilizer Co., a Florida corporation.) By Mr. ROGERS of Florida.

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Growers Fertilizer Co., a Florida corporation, the sum of $2,017.84 in full settlement of all claims against the United States for goods furnished to the clients of the Farm Security Administration of the Department of Agriculture upon the order and authority of an agent of said Farm Security Administration during the period from April 15, 1937, to March 22, 1938: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid of delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. SPRINGER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SPRINGER: Beginning on page 1, strike out all of title I.

Mr. SPRINGER. Mr. Speaker, this measure is on behalf of the Growers Fertilizer Co., of Florida. That is a corporation with its principal office and place of business located at Fort Pierce, Fla.

In 1937 and 1938, under the plan of Farm Security Administration, the Growers Fertilizer Co. sought to sell fertilizer to many farmers in that area, of some four counties. A Mr. Williamson and a Mr. Arrants were representatives in that particular area of the Farm Security Administration. It is shown in the report that before the Growers Fertilizer Co. extended any credit to any farmers, or sold them the fertilizer without payment being made at that time, the agents of the Farm Security Administration advised them not to exend the credit unless the farmers secured loans because the Government would not pay the cost on any of the sales of fertilizer so made. The matter of payment was left entirely up to the farmer. If the farmer obtained a loan from the Farm Security Administration from which he could pay for his fertilizer, that was entirely proper, but the Government did not stand behind any of the sales that were made insofar as payment was concerned. And the Growers Fertilizer Co., Inc., was so advised before such sales were made.

However, in 1937 and 1938 the company did sell fertilizer to these farmers, and did so after they had been advised not to make such sales, that the Government would not be responsible for the payment for any of the fertilizer sold to the farmers.

Some of the sales were not paid for, and now the Growers Fertilizer Co., even in the face of the statements which had been made to it by the agents of the Farm Security Administration, to the effect that the Government would not stand responsible for any of the payments, and in the face of the fact that they sold the fertilizer but the farmers have not paid for it, seeks to collect the amount of $2,017.84 from the United States Government on account of the fertilizer delivered to those farmers.

I may say that the Secretary of Agriculture is against this bill. In the report you will find his statement opposing the adoption of this title because, he said, it would chart a new course. Heretofore there has never been any payment similar in character to this made by the United States Government on account of any purchases made by farmers in this country.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Pennsylvania.

Mr. RICH. Who notified this company that they should not deliver any more fertilizer?

Mr. SPRINGER. A report from the Department of Agriculture includes this sentence:

Our field officials advised us that the claimant was informed prior to his extension of credit that the Government would not be responsible for these accounts.

Mr. RICH. Who made that statement?

Mr. SPRINGER. The Acting Secretary of Agriculture, Harry L. Brown. I may say that the Secretary of Agriculture is entirely opposed to the adoption of this particular legislation. From the time the matter started with the Resettlement Administration, and then on to the Farm Security Administration, the first communication from the Growers' Fertilizer Co. was that the Government owed six hundred and twenty dollars and some cents. Then another letter came along in which they had increased the amount to about $1,200 or $1,400. In the last communication which they received, the Growers' Fertilizer Co. claimed $2,017.84. I ask that this title be stricken out and that this measure be not granted because it will establish a new precedent and chart a new and a novel course. It would mean our Government would pay the fertilizer bill of this certain group of farmers, to the exclusion of all others.

[Here the gavel fell.]

Mr. ROGERS of Florida. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, the purpose of this legislation is to pay the sum of $2,017.84 to the Growers' Fertilizer Co. that have furnished fertilizer to the farmers of Glades, Broward, St. Lucie, and other counties. This claim arose as follows: Williamson, who was the State director, and a Mr. Arrants, came to J. E. Nobles, who I know to be an outstanding and honest man, and made arrangements with him to furnish these fertilizers to applicants

for loans. These fertilizers were furnished upon the orders of Arrants and not upon the orders of the farmers themselves. That is clear.

Mr. PITTENGER. Mr. Speaker, will the gentleman yield? Who was the Government official who told them to furnish the fertilizers?

Mr. ROGERS of Florida. The Government officials were Williamson and Arrants, representing the Farm Security Administration.

Mr. PITTENGER. There is no doubt about that?

Mr. ROGERS of Florida. There is no question about that.

Mr. PITTENGER. Then after they got the fertilizer they repudiated their obligation?

Mr. ROGERS of Florida. That is exactly right. They got the fertilizer upon the representation of the agents they sent down there.

Mr. SPRINGER. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Florida. I would like to yield to the gentleman, but I cannot because I only have a short time to explain the case to the Members of the House. Is the membership of the House of Representatives going to let a man go down there who purports to represent the Farm Security Administration and obtain fertilizer that went to the farmers and then fail to see that this man gets paid on the strength of a letter written from the Department of Agriculture because they say they had no information? Where is the testimony of Williamson? Where is the testimony of Arrants? There is not a single word heard from them. The record shows absolutely and unequivocably that these fertilizers were furnished upon the orders of Arrants and Williamson.

Mr. PITTENGER. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Florida. I yield.

Mr. PITTENGER. You want this bill to be paid and the vote therefore should be "no" because the motion is to strike this section out and thus not pay the bill. Therefore, the way to vote is "no" on this amendment.

Mr. ROGERS of Florida. That is correct.

We have 21 members of the Committee on Claims. This claim has been investigated by them, not once, but twice. It came to the floor of the House once before and on the objection of two Members, as you know, the bill was sent back to the committee under the rules of the House. It went back to a subcommittee which looked into the merits of this bill. It is now here upon the recommendation of that subcommittee and upon the recommendation of the full committee. Are you going to stand by that committee or are you going to accept the opinion of one objector?

Mr. SPRINGER. Mr. Speaker, will the gentleman yield for a question?

Mr. RIVERS. What was the vote in committee? Was it unanimous?

Mr. ROGERS of Florida. It was unanimous so far as I know. I do not know of any opposition.

Mr. PITTENGER. And that is true, not only as to this one committee, but of the committee of the previous Congress.

Mr. ROGERS of Florida. Absolutely.

Mr. PITTENGER. Are you going to stand by the committee or are you going to do away with it?

Mr. ROGERS of Florida. I thank the gentleman from Minnesota [Mr. PITTENGER]. You know the hostory of this case. I hope the membership of the House will stand by the committee. If you do not stand by the committee, then we might just as well do away with the Committee on Claims and not have them report to the Congress at all. I hope you vote down this amendment.

The SPEAKER. The question is on the amendment offered by the gentleman from Indiana [Mr. SPRINGER].

The question was taken; and on a division there were—ayes 26, noes 48.

So the amendment was rejected.

The Clerk read as follows:

Title II—(H. R. 2063. For the relief of Peter Paul Bacic, Charles C. Cox, H. Forest Haugh, and Luther M. Durst.) By Mr. RODGERS of Pennsylvania.

That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Peter Paul Bacic, Transfer, Pa., the sum of $500 to Charles C. Cox, Transfer, Pa., the sum of $590.76; to H. Forest Haugh, Transfer, Pa., the sum of $391.75; and to Luther M. Durst, Transfer, Pa., the sum of $310. The payment of such sums shall be in full settlement of all claims of said individuals against the United States for property damage sustained by them when water wells on their farms either became dry or polluted due to the lowering of the water table in that area as the result fo the drilling of several deep wells by a private contractor under contract with the United States to provide water for Camp Reynolds (formerly Shenango Personnel Replacement Depot), in Pymatuning Township, Mercer County, Pa:

With the following committee amendment:

Page 3, line 7, after the word "Pennsylvania", insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The Clerk read as follows:

Title III—(H. R. 1758. For the relief of Harry Tansey.) By Mr. Rowan.

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Harry Tansey, of Chicago, Ill., the sum of $39,105, in full settlement of all claims against the United States as reimbursement of the value of tax-paid liquor, which was seized on the 1st day of December 1923 and illegally destroyed by Federal prohibition agents on the 18th day of October 1926, at Chicago, Ill.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. McGREGOR. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McGREGOR: Strike out title III.

CALL OF THE HOUSE

Mr. TABER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore (Mr. SPARKMAN). Evidently a quorum is not present.

Mr. MADDEN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 65]

Andrews, Ala.	Fisher	Merrow
Auchincloss	Flood	Morgan
Bailey	Fogarty	Morrison
Baldwin, Md.	Fulton	Murdock
Baldwin, N. Y.	Gathings	Norton
Barden	Gerlach	O'Toole
Barrett, Pa.	Gibson	Patterson
Barry	Granahan	Peterson, Fla.
Bates, Mass.	Gregory	Peterson, Ga.
Beall	Gross	Pfeifer
Bender	Hall,	Philbin
Bishop	Leonard W.	Ploeser
Bloom	Halleck	Powell
Bolton	Hand	Price, Fla.
Bonner	Hart	Quinn, N. Y.
Bradley, Pa.	Hartley	Rains
Brown, Ohio	Healy	Ramey
Brumbaugh	Heffernan	Reed, Ill.
Buckley	Hobbs	Rizley
Bunker	Holifield	Roe, N. Y.
Burch	Holmes, Mass.	Savage
Campbell	Jackson	Schwabe, Okla.
Canfield	Jennings	Sheridan
Cannon, Fla.	Johnson,	Short
Carnahan	Lyndon B.	Sikes
Celler	Kefauver	Simpson, Ill.
Chapman	Kelley, Pa.	Smith, Maine
Clark	Kelly, Ill.	Smith, Ohio
Clason	Keogh	Somers, N. Y.
Clements	King	Sumners, Tex.
Colmer	Kirwan	Sundstrom
Corbett	Klein	Taylor
Cox	LaFollette	Thom
Cravens	Latham	Thomas, N. J.
Crosser	Lemke	Tolan
Curley	Luce	Torrens
Davis	Lynch	Towe
Dawson	McConnell	Wadsworth
De Lacy	McGlinchey	Weaver
Douglas, Calif.	Mankin	Weichel
Durham	Mansfield,	White
Elsaesser	Mont.	Whittington
Ervin	Marcantonio	Wolfenden, Pa.
Fenton	Mason	Wood
Fernandez	May	

The SPEAKER pro tempore (Mr. SPARKMAN). On this roll call 301 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FIRST OMNIBUS CLAIMS BILL, SEVENTY-NINTH CONGRESS

Mr. McGREGOR. Mr. Speaker, I want to assure the Members of the House that I did not raise the point of order that a quorum was not present, but I am certainly glad that we have so many Members here to listen to the arguments on the bill and especially to listen to my reason for attempting to strike out this item which would pay to Harry Tansey $39,500 for an alleged payment of tax on liquor back in 1923. This amend-

ment refers to title III of the omnibus bill, or H. R. 1758, for the relief of Harry Tansey. This is the third bill which has come before various Congresses relative to this particular case. It originally was introduced as a claim for payment of $81,000 to Harry Tansey for the alleged payment of taxes and interest, taxes paid on liquor stored in Chicago, Ill., during the bootleg era of 1923. Then a new bill was introduced and presented for $49,500. Now we have another for $39,500 all relative to the same case. I cannot go into the details in the short time I have, but may I briefly say that this liquor was originally owned by the Grommes and Ullrich Co., wholesale dealers.

The firm of Grommes & Ullrich, Inc., at a special meeting of the board of directors on March 9, 1923, elected Harry Tansey president and director and by special resolution voted that company be dissolved and that the assets consisting of liquor be distributed at the rate of one case to each share of stock issued and outstanding.

On or about April 23, 1923, Roscoe Andrews, prohibition director for the State of Illinois, was suspended for the reason of having issued permits for the dissolution of the assets of Grommes & Ullrich Co. In November 1923 the Government seized certain liquors stored in a barn located at 2419 West Monroe Street, Chicago. On January 5, 1925, in the case of United States of America against Robert Mulcahy and Romaine Blakesly, Harry Tansey intervened with the claim that the liquor seized from Robert Mulcahy belonged to him and asked that same be returned to him. His appeal was denied, and on October 18, 1926, the liquor was destroyed.

There was involved about 1,700 cases of liquor. The Government filed in District Court of the United States, Northern District of Illinois, equity No. 3798, seeking to have said premises where liquor was stored declared a nuisance under section 22, title II, of the National Prohibition Act. Harry S. Tansey filed an intervening petition. After numerous hearings United States District Judge James H. Wilkerson issued a final decree on January 6, 1926. On October 2, 1928, the United States circuit court of appeals, upon motion of counsel of appellant, dismissed the appeal. May I read from report—as you note I have said that Mr. Harry Tansey wants this $39,500 for repayment of an alleged payment of liquor tax.

I read from report of John T. Sullivan, Acting Secretary of Treasury:

> Available reports and files do not show when or from whom the liquor was purchased by Grommes & Ullrich, or what, if any, commodity tax thereon was paid by the company or by Mr. Tansey.

Mr. Tansey had his day in court in Chicago. He was found not guilty once of transporting bootleg liquor. Then when the Federal court in the great State of Illinois decided that this building where this liquor was stored was a nuisance, Mr. Tansey, through his attorney, went to court and tried to prove that it was not a nuisance and that the court was in error. I know they are going to say that the court was prejudiced against Mr. Tansey and those who were handling liquor in the year 1923. I am not saying whether the court was in error or not but the records will prove that Mr. Tansey's own counsel withdrew the case before the case was heard. Then the court declared that the liquor should be destroyed and they destroyed it. We often hear people say that courts are prejudiced when their decisions do not meet with our own personal approval.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. McGREGOR. I yield.

Mr. DONDERO. You have stated that there have been three bills introduced so far. In any of these bills, has any evidence been submitted to show that the tax was paid?

Mr. McGREGOR. I do not know for the simple reason that I have not given careful study to the other two bills, but I do know that the statement I have read to the House is in the report of this bill, and in that statement the Secretary of the Treasury, John L. Sullivan, definitely states they have no record of any tax ever having been paid on this liquor. If it is not true I would say to the capable gentlemen from Michigan I am certain that the proponents of this bill would submit evidence in that regard. Yet, we are faced today with the request for payment which originally was $81,000, then $49,500, and now $39,500. Why the various figures? If he is entitled to anything he is entitled to it all.

Certainly this House does not want to go on record saying that we are going to pay a questionable tax claim that comes before this House for liquor that was destroyed back in 1923. If we start that procedure, every man who had liquor at that time, who claims he paid a tax on it, will come to you as his Congressman and insist that he be paid for the tax that was on the liquor that was destroyed, according to law—and by order of the court.

We are faced today with the question of deciding whether or not this case which has been heard before the courts of Illinois and refused, which has been refused by the Treasury Department, will be allowed, and whether or not we are going to pay for a very questionable bill—of $39,500.

I hope you will vote to strike out this title and agree with my amendment.

The SPEAKER. The time of the gentleman from Ohio [Mr. McGREGOR] has expired.

Mr. ROWAN. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, when I came to Washington a little over 3 years ago, I met Harry Tansey. I knew him in Chicago as a well-to-do gentleman. I asked him, "Harry, what are you doing here?" He said, "Bill, I have had a case for 9 years. I have lost my money. I have come down here to secure a position so I could watch the case myself. I am unable to engage legal counsel, but I am confident I am right in this case."

He was occupying a very menial position at that time. The bill had been presented before, and I presented it. It went to the Committee on Claims and was unanimously recommended to the House, where it was passed. It went to the Senate, and there it failed, with a number of other similar bills, when the Senate adjourned.

Mr. PITTENGER. Mr. Speaker, will the gentleman yield right there?

Mr. ROWAN. I yield.

Mr. PITTENGER. When the bill passed the House in the Seventy-eighth Congress, there was not a single dissenting vote against it, was there?

Mr. ROWAN. There was not.

Mr. McGREGOR. Mr. Speaker, will the gentleman yield?

Mr. PITTENGER. There was not a single dissenting vote against it.

Mr. ROWAN. There was not.

Mr. PITTENGER. Now, this bill is here under the same circumstances. It would have passed the Senate in the Seventy-eighth Congress except that this bill and dozens of others were not reached because of adjournment.

Mr. ROWAN. That is right.

Mr. PITTENGER. If you want to pay this man money which the House Committee on Claims said he had coming, the vote on this pending amendment is "no"?

Mr. ROWAN. That is correct.

Mr. PITTENGER. Because the amendment is to strike out the title. If you want to keep it in the bill, the vote is "no."

Mr. ROWAN. That is correct.

Mr. PITTENGER. Will the gentleman yield further?

Mr. ROWAN. Yes; I yield.

Mr. PITTENGER. I was listening to the remarks made by the distinguished gentleman from Ohio [Mr. McGREGOR]. Let me say to the Members of the House that I know we need objectors. I think the gentleman from Ohio is one of the best we ever had. He is one of the fairest. But I think he is 100-percent wrong in connection with this claim. He brought out a great many things. I listened to all of it. I do not have any interest in this bill any more than I have in any other bill that comes before the Committee on Claims. That is the interest of helping my colleagues. Harry Tansey did not have the money to fight the case in the courts. All this bill does is refund to him the amount of tax that was paid on the bonded merchandise and he does not get anything for the material.

Mr. McGREGOR. Will the gentleman yield? Will the gentleman admit that Tansey is on the floor of this House now?

Mr. PITTENGER. Well, I do not know anything about that. I am telling you how I became interested in this case. He is not a robber. If you want to know who is carrying the laboring oar in this case, let me say I am one of them. I am glad I am. I met him here as an employee of this House. I spent night after night talking to him about the merits and demerits of this bill. I was prejudiced against it. I thought there was something wrong. He never failed to answer in a straightforward manner every question I asked him.

So you have this choice: You can decide whether you want to stand behind the Committee on Claims, which considered every argument that the handsome, debonair, and distinguished gentleman

from Ohio [Mr. McGREGOR] had made, or you can repudiate the committee.

Let me tell you, it is a thankless job to serve on that committee.

The SPEAKER pro tempore. The time of the gentleman from Illinois [Mr. ROWAN] has expired.

The SPEAKER pro tempore. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. McGREGOR) there were—ayes 60, noes 61.

Mr. McGREGOR. Mr. Speaker, I object to the vote on the ground there is not a quorum present and make the point of order that no quorum is present.

The SPEAKER pro tempore. Evidently no quorum is present. The doorkeeper will close the doors, the Sergeant at Arms will notify absent Members and the Clerk will call the roll.

The question was taken; and there were—yeas 182, nays 105, answering "present" 1, not voting 143, as follows:

[Roll No. 66]

YEAS—182

Abernethy	Goodwin	O'Brien, Mich.
Adams	Gore	O'Konski
Allen, La.	Graham	Pace
Almond	Grant, Ind.	Phillips
Andersen, H. Carl	Griffiths	Pickett
Angell	Gwinn, N. Y.	Plumley
Arends	Gwynne, Iowa	Poage
Arnold	Hale	Priest
Barrett, Wyo.	Hall, Edwin Arthur	Rankin
Beckworth	Hall, Leonard W.	Reece, Tenn.
Bennet, N. Y.	Hancock	Reed, N. Y.
Bennett, Mo.	Hare	Rich
Blackney	Harris	Richards
Boren	Henry	Robertson, N. Dak.
Bradley, Mich.	Herter	Robertson, Va.
Brehm	Heselton	Robsion, Ky.
Brooks	Hess	Rockwell
Brown, Ga.	Hill	Rodgers, Pa.
Bryson	Hoeven	Roe, Md.
Buck	Hoffman	Russell
Buffett	Holmes, Wash.	Sasscer
Bulwinkle	Hope	Schwabe, Mo.
Brynes, Wis.	Horan	Schwabe, Okla.
Camp	Hull	Scrivner
Carlson	Jenkins	Shafer
Case, S. Dak.	Jensen	Sharp
Chenoweth	Johnson, Calif.	Simpson, Pa.
Church	Johnson, Ill.	Smith, Va.
Clevenger	Johnson, Okla.	Smith, Wis.
Clippinger	Jones	Springer
Cochran	Jonkman	Stefan
Cole, Kans.	Judd	Stevenson
Cole, N. Y.	Kean	Stewart
Cooley	Kearney	Stigler
Cooper	Keefe	Stockman
Crawford	Kilburn	Sumner, Ill.
Curtis	Kinzer	Sumners, Tex.
Davis	Kunkel	Taber
D'Ewart	LeCompte	Talbot
Dolliver	LeFevre	Talle
Dondero	Lewis	Tarver
Doughton, N. C.	Ludlow	Thomason
Drewry	McCowen	Tibbott
Dworshak	McDonough	Vinson
Earthman	McGregor	Voorhis, Calif.
Eaton	McKenzie	Vorys, Ohio
Elliott	McMillen, Ill.	Vursell
Ellis	Mahon	Wadsworth
Elston	Mankin	Wasielewski
Engel, Mich.	Martin, Iowa	Welch
Fellows	Martin, Mass.	Whitten
Folger	Mathews	Wickersham
Fuller	Michener	Wigglesworth
Gamble	Miller, Nebr.	Wilson
Gary	Mills	Winstead
Gavin	Mundt	Wolcott
Gearhart	Murray, Tenn.	Wolverton, N. J.
Gifford	Murray, Wis.	Woodruff
Gillespie	Norblad	Worley
Gillette	Norrell	Zimmerman
Gillie		

NAYS—105

Allen, Ill.	Butler	Coffee
Anderson, Calif.	Byrne, N. Y.	Cole, Mo.
Bates, Ky.	Canfield	Combs
Biemiller	Cannon, Mo.	Courtney
Bland	Case, N. J.	Cunningham
Boykin	Chelf	D'Alesandro
Delaney, James J.	Hoch	Pittenger
Delaney, John J.	Hook	Price, Ill.
Dingell	Howell	Rabaut
Dirksen	Huber	Rabin
Domengeaux	Izac	Randolph
Douglas, Ill.	Jarman	Rayfiel
Doyle	Kee	Resa
Eberharter	Kilday	Riley
Ellsworth	Knutson	Rivers
Engle, Calif.	Kopplemann	Robinson, Utah
Fallon	Lane	Rogers, Mass.
Feighan	Lanham	Rogers, N. Y.
Forand	Larcade	Rooney
Gallagher	Lea	Rowan
Gardner	Link	Ryter
Gathings	Lyle	Sabath
Geelan	McCormack	Sadowski
Gordon	McMillan, S. C.	Slaughter
Gorski	Madden	Sparkman
Granger	Maloney	Spence
Grant, Ala.	Manasco	Starkey
Green	Mansfield, Tex.	Sullivan
Harless, Ariz.	Miller, Calif.	Traynor
Havenner	Monroney	Walter
Hays	Murphy	Weaver
Hébert	Neely	West
Hedrick	O'Brien, Ill.	White
Hendricks	O'Hara	Winter
	Outland	Woodhouse
	Patrick	

ANSWERING "PRESENT"—1

Hagen

NOT VOTING—143

Andresen, August H.	Fisher	Mason
Andrews, Ala.	Flannagan	May
Andrews, N. Y.	Flood	Merrow
Auchincloss	Fogarty	Morgan
Bailey	Fulton	Morrison
Baldwin, Md.	Gerlach	Murdock
Baldwin, N. Y.	Gibson	Norton
Barden	Gossett	O'Neal
Barrett, Pa.	Granahan	O'Toole
Barry	Gregory	Patman
Bates, Mass.	Gross	Patterson
Beall	Halleck	Peterson, Fla.
Bell	Hand	Peterson, Ga.
Bender	Harness, Ind.	Pfeifer
Bishop	Hart	Philbin
Bloom	Hartley	Ploeser
Bolton	Healy	Powell
Bonner	Heffernan	Price, Fla.
Bradley, Pa.	Hinshaw	Quinn, N. Y.
Brown, Ohio	Hobbs	Rains
Brumbaugh	Holifield	Reed, Ill.
Buckley	Holmes, Mass.	Rees, Kans.
Bunker	Jackson	Rizley
Burch	Jennings	Roe, N. Y.
Burgin	Johnson, Ind.	Rogers, Fla.
Campbell	Johnson, Luther A.	Savage
Cannon, Fla.	Johnson, Lyndon B.	Sheppard
Carnahan	Kefauver	Sheridan
Celler	Kelley, Pa.	Short
Chapman	Kelly, Ill.	Sikes
Chiperfield	Keogh	Simpson, Ill.
Clark	Kerr	Smith, Maine
Clason	King	Smith, Ohio
Clements	Kirwan	Somers, N. Y.
Colmer	Klein	Sundstrom
Corbett	LaFollette	Taylor
Cox	Landis	Thom
Cravens	Latham	Thomas, N. J.
Crosser	Lemke	Thomas, Tex.
Curley	Lesinski	Tolan
Daughton, Va.	Luce	Torrens
Dawson	Lynch	Towe
De Lacy	McConnell	Trimble
Douglas, Calif.	McGehee	Weichel
Durham	McGlinchey	Whittington
Elsaesser	Mansfield, Mont.	Wolfenden, Pa.
Ervin	Marcantonio	Wood
Fenton		
Fernandez		

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Bender for, with Mr. Patterson against.

Mr. Bishop for, with Mr. Healy against.

General pairs until further notice:

Mr. Cox with Mr. Ploeser.
Mr. Keogh with Mr. Taylor.
Mr. Bailey with Mr. Beall.
Mr. Lynch with Mr. Latham.
Mr. McGehee with Mr. Johnson of Indiana.
Mr. Kelly of Illinois with Mr. Elsaesser.
Mr. Barry with Mr. Jennings.
Mr. Morrison with Mr. Holmes of Massachusetts.
Mr. Roe of New York with Mr. Fenton.
Mr. Bonner with Mr. Hartley.
Mr. Cravens with Mr. Brown of Ohio.
Mr. Pfeifer with Mr. Halleck.
Mr. Colmer with Mr. Reed of Illinois.
Mr. Flannagan with Mr. Harness of Indiana.
Mr. Gibson with Mr. Short.
Mr. Hart with Mr. Weichel.
Mr. O'Toole with Mrs. Smith of Maine.
Mr. Heffernan with Mr. Wolfenden of Pennsylvania.
Mr. Quinn of New York with Mr. Sundstrom.
Mr. Hobbs with Mr. Auchincloss.
Mr. Sheppard with Mr. Simpson of Illinois.
Mr. Sheridan with Mr. Rees of Kansas.

Mr. GORE changed his vote from "nay" to "yea."

Mr. SASSCER changed his vote from "nay" to "yea."

Mr. McKENZIE changed his vote from "nay" to "yea."

Mr. BULWINKLE changed his vote from "nay" to "yea."

Mr. CLIPPINGER changed his vote from "nay" to "yea."

Mr. ANGELL changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

EDWIN FAIRFAX NAULTY AND LESLIE FAIRFAX NAULTY

The Clerk read as follows:

Title IV—(H. R. 1949. For the compensation of Edwin Fairfax Naulty and Leslie Fairfax Naulty). By Mr. BARRY.

That jurisdiction is hereby conferred on the Court of Claims of the United States to hear, determine, and render judgment, notwithstanding the lapse of time since origination, or any provision of law to the contrary, on the claims against the United States of America of Edwin Fairfax Naulty, of New York City, N. Y., and Leslie Fairfax Naulty, of Hartford, Conn., for damages alleged to have been sustained by them as the result of the use, without their consent or compensation, by the Government of the United States of America continued over a period of years of the copyrighted plans, designs, specifications of structure, construction and operation of aircraft, aircraft accessories, and other aeronautical appliances from or through the technical ideas and proposed use contained in copyrighted drawings and textual specifications of construction and operation and, also through the description of and explanation of such elements of aviation and aeronautical technique contained in bills introduced in Congress for the purchase of aviation and aeronautical inventions and technique by the Government of the United States of America from and of Edwin Fairfax Naulty and Leslie Fairfax Naulty (part title to and in such copyrighted graphs and text also resting in Nancy Washington Naulty, of Philadelphia, Pa., and Virginia Fairfax Naulty, of Hartford, Conn., by grant from Edwin Fairfax Naulty and Leslie Fairfax Naulty, such information being indicated in the text of the items listed hereafter in this bill and contained in bills described above, in several and successive sessions of Congress and thereby available for above-described construction, operation, modification, and use of such inventions without the consent or purchase of such inventions from Edwin Fairfax Naulty and Leslie Fairfax Naulty or either of them.

Such use is presently asserted, only in the case of the following itemized structures, at several and different periods of time by officials, officials connected with and through them, by others contracting with depart-

ments and independent offices of the United States of America for which use proper award for compensation by judgment under the common law and usage and such statutory law as may apply under the terms of the fifth amendment of the Constitution of the United States of America by Edwin Fairfax Naulty and Leslie Fairfax Naulty; suit to be brought within 2 years from the date of the enactment of this act.

The items indicated are—

Fairnault cantilever flight craft, an invention of nonstrut monoplane, biplane, and multiplane aircraft, with transverse wing thorobrace and cantilever fuselage, combined with Fairnault stepped body, side-set, top-set, or under-set radiators and Fairnault movable cockpit dome.

Fairnault detachable fuel tank or container, an invention for quickly disengaging aircraft gasoline and oil containers in event of fire or other emergency during flight, and Fairnault "contents discharging" fuel and oil containers of various structures.

Fairnault portable parachute, attachable to body of pilot, an invention to provide escape from a damaged aircraft in the air, also same combined with a means of quick inflation for opening and of manual collapse control and manipulation to avoid a dangerous landing from a landplane, and combined with an air-belt life preserver to keep aviator afloat after jump from a seaplane.

Fairnault aviators' steel helmet, with removable visor, combined with wireless and interplane phone receivers and transmitters and oxygen tube, an invention for the protection of aviators in combat, to enable them to give or receive messages in flight, to listen in on motor and air screw, or cut out noise of same, and to provide connection with an oxygen container, or compressed sea-level air container, yielding breathable air at high altitudes.

Fairnault-Weaver sectional density, metal flight wings, an invention to provide differing zenith and nadir surfaces, of fixed type, for aerofoils, embodying reduction of volume and increase in mass of aerofoils—a combination of ballistics and aviation—and also designed so that curved and regular transverse section serve as bracing and add to strength of aerofoils.

Fairnault-Weaver sectional density flight wings, an invention factorable of fabric or metal and with variable contours controllable in operation by pilot.

Fairnault metal intermesh combined with vulcanized fabric for aircraft, an invention to provide a weatherproof "nondoped," paraelectric, slow-burning casing or covering for bodies, aerofoils, elevators, rudders, and fins, which is factored by coating suitable metal mesh with hard rubber or other suitable plastic material capable of fixation of tension and easily moldable in fabrication to any desired contour.

Fairnault variable gage bays for aerofoils, an invention by means of which the weight of metal or other material or structure and casing used in outboard bays of aircraft is reduced proportionately, bay by bay, from fuselage to wing tips.

Fairnault movable multiple winding hexagon wireless aerial, an invention to reduce to small compass and to increase the efficiency of an aerial used on aircraft and to determine the direction of initiation of any wireless message.

Fairnault symmetrical design for aircraft, an invention by means of which all parts of an aircraft have a common dimensional divisor, or multiple, so that span, chord, gap, fuselage, structure, elevators, rudders, dihedral, cathedral, master diameter, diametric plane, fineness ratio, aspect ratio, and airscrew diameter are all in symmetrical proportion.

Nault argo, an invention of a series of stepped and variable contoured, streamlined hull designs for use as main hulls and pontoons for seaplanes.

Fairnault slot wings, 1917–18.

Fairnault laminated flight wings with air spaces between laminations. Special construction differing from Fairnault multipinion, copular, or self-flying aerofoils previously described. Fairnault slot wings of 1917–18, improved.

SEC. 2. There is hereby authorized to be appropriated, from the general fund in the United States Treasury not otherwise obligated, such sum of money as may be necessary to pay the amount of any judgment rendered pursuant to this act. The amount of such judgment shall be payable by the Secretary of the Treasury on the presentation of a duly authorized copy of the judgment of the Court of Claims of the United States.

Amend the title so as to read: "A bill for the relief of Edwin Fairfax Naulty and Leslie Fairfax Naulty."

Mr. DOLLIVER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLLIVER: Page 4, line 10, strike out all of title IV in its entirety.

Mr. DOLLIVER. In the time that I have been a member of the objectors' committee of this House I have discovered that it is not a very good way of obtaining great popularity among the other Members; nevertheless, I presume someone must accept the responsibility of being objectors. In response to that responsibility, I have objected to this Naulty bill.

The bill in reality provides compensation to certain individuals who claim that their aeronautical inventions were used by the United States Government. As a matter of fact, both the Navy Department and the War Department say that the inventions were not used. I should explain what I mean by saying that this is a claim for payment.

Actually it extends to these claimants only the privilege of bringing their suit in the Court of Claims. It does provide, however, for an appropriation to pay any judgment that may be rendered by the court.

Mr. Speaker, the whole basis of my objection to the bill is that away back before the First World War these individuals claimed to have had some patent rights or some copyrights upon certain aeronautical inventions which they claimed the Government used. This procedure for securing compensation was started back in the year 1919.

If there were no other reasons for rejecting this claim, it should be rejected on the basis that it is stale and old. Previous Congresses, both the House and Senate, have refused to allow its payment.

It may be said by the proponents of the bill that this merely gives to the claimants access to the Court of Claims, but it seems to me about the only thing accomplished is to permit them to go into the Court of Claims when they have slept on their rights, when they have failed to come in within the time fixed by the statute of limitations. They should be treated no differently than any other claimant who has a lawful claim against the Government of the United States. After sleeping on their alleged rights for more than 20 years, they should be required to abide the result of their laxity in pursuing their remedy.

Mr. Speaker, it seems to me that my amendment should be agreed to and the Naulty claim be disallowed.

Mr. TARVER. Mr. Speaker, will the gentleman yield?

Mr. DOLLIVER. I yield to the gentleman from Georgia.

Mr. TARVER. Can the gentleman give us any information as to what the amount of money involved in this claim would ultimately be?

Mr. DOLLIVER. There is no amount specified in the bill because the bill does not appropriate any specific sum. It merely provides for the appropriation of money for the payment of any judgment that may be rendered.

I am glad the gentleman has asked the question because there is one item in these items of copyright that was actually tried out by the War Department back in about 1918 or 1919. That trial proved to the War Department that the invention or copyright was of little use and it was rejected. All expenses involved in that trial were paid by the Government through the War Department. Some $1,300 or $1,400 were involved and, as I stated, that was paid by the Government.

The War Department in its report says that no further use was made of any of these claimed inventions and the Navy Department in its report on the bill says that none of the inventions were ever used by the Navy Department.

Mr. Speaker, I hope my amendment will be agreed to.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Iowa [Mr. DOLLIVER].

The amendment was agreed to.

The Clerk read as follows:

Title V—(H. R. 844. For the relief of John P. Hayes, postmaster, and the estate of Edward P. McCormack, former postmaster, at Albany, N. Y.) By Mr. BYRNE of New York.

That John P. Hayes, postmaster at Albany, N. Y., is relieved of all liability to refund to the United States the sum of $5,685.53; that the estate of Edward P. McCormack, former postmaster at Albany, N. Y., is relieved of all liability to refund to the United States the sum of $5,189.87. Such sums represent a shortage in the accounts of said postmasters, caused by theft of post-office funds by a former clerk who has been convicted and sentenced to imprisonment for such thefts. The Comptroller General is authorized and directed to credit the account of John P. Hayes in the sum of $5,685.53 and to credit the account of the estate of Edward P. McCormack in the sum of $5,189.87. The surety on the bond of said postmasters is released from any liability on account of such shortage.

Mr. DOLLIVER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLLIVER: Page 9, line 8, strike title V in its entirety.

Mr. DOLLIVER. Mr. Speaker, this portion of the omnibus bill refers to a shortage that occurred in the post office at Albany, N. Y., and this bill is designed

to forgive the sum of approximately $11,000 to two individuals who served as postmasters during the time that one of the clerks in the post office was defaulting. It is claimed by the proponents of the bill that the postmasters who came on during this period of time were unaware of the defalcation of the clerk in the office, and accordingly they should be relieved of the responsibility for the eleven-thousand-odd dollars.

However, the bill presents very clearly a case that seems to warrant this House in refusing to pay. When these men were appointed as postmasters at the quite large post office in Albany, N. Y., they went into it with their eyes open; that is, they accepted the appointments with all the emoluments and all the liabilities attendant upon that job. Approximately one-half of the amount sought goes to the estate of a deceased postmaster.

After they had served their periods as postmasters it was discovered that a clerk by the name of Koutzaroff had embezzled some $16,000, of which about $5,000 has been repaid, and under the law the postmasters, under whose administrations this defalcation occurred, are liable for the amount of the defalcation so that the United States Government does not become the loser.

Of course, it is unfortunate for this estate and it is unfortunate for this postmaster that they had to pay this money. But personally I can see no reason why the United States Government, having tendered to these men the jobs with their rewards should be called upon now to forgive the amounts which the law prescribes that the postmasters are liable for.

Mr. JOHNSON of California. Mr. Speaker, will the gentleman yield?

Mr. DOLLIVER. I yield to the gentleman from California.

Mr. JOHNSON of California. The purport of this bill is that under legal liability created by Congress we are now trying to wipe that out by a special bill; is that correct?

Mr. DOLLIVER. I think that is correct. I think the gentleman has stated the essence of the situation.

Mr. JOHNSON of California. What about the surety company?

Mr. DOLLIVER. This bill also provides that the sureties of the postmasters are to be forgiven.

Mr. JENNINGS. Mr. Speaker, will the gentleman yield?

Mr. DOLLIVER. I yield to the gentleman from Tennessee.

Mr. JENNINGS. It is a uniform rule, as I understand, that subrogation of that sort even by the Committee on Claims is not allowed. I am a member of the committee and this is the first time I ever heard of it.

Mr. DOLLIVER. I am not a member of the Committee on Claims and I do not know why the bill was passed by the committee. I cannot accept responsibility for what they did.

Mr. McGREGOR. Mr. Speaker, will the gentleman yield?

Mr. DOLLIVER. I yield to the gentleman from Ohio.

Mr. McGREGOR. Does not the gentleman feel that if we allow a bill like this to go through that we are establishing a precedent so that the employees will say, "What is the use of us being honest? We can take the money and we will not be punished, nor will our estate be punished. Congress will appropriate all the money that is lost."

Mr. DOLLIVER. True; and not only that, but it makes a nullity of the procedure that is set up by the Congress to protect the Treasury of the United States by way of bonding and by way of legal responsibility for defaulting employees of the Post Office Department.

Mr. ANGELL. Mr. Speaker, will the gentleman yield?

Mr. DOLLIVER. I yield to the gentleman from Oregon.

Mr. ANGELL. Was the employee of the postmasters covered by liability insurance?

Mr. DOLLIVER. Yes. That is where this five-thousand-odd dollars comes in. There was a coverage of the defaulting employee, I think, to the extent of some $5,000, and that has been paid. But he had embezzled about $16,000 before they caught up with him. Of course, the rest of it had to be paid by his superior officer, namely, the postmaster, and his sureties.

Mr. ANGELL. Was not the postmaster covered likewise by his surety?

Mr. DOLLIVER. Yes; they have sureties.

Mr. ANGELL. Then this is a claim to reimburse the surety companies, not the postmaster?

Mr. DOLLIVER. I do not know whether or not it was a surety company, but it is a bill to relieve the sureties from liability.

Mr. Speaker, I hope the amendment will be adopted.

Mr. BYRNE of New York. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, this matter goes back to 1932. The defalcations of Koutzaroff took place over a period of 9 years under three postmasters, a man by the name of Kling, a man by the name of McCormack, and the present postmaster, Hayes. None of the postmasters are permitted to take out a bond of indemnity to protect them against defalcations of their employees, because they have no power over the dismissal of their clerks, who are under civil service. Therefore, while each postmaster pays for a bond of $100,000 covering his personal defalcations or shortcomings, he cannot protect himself, unfortunately, against the acts of his employees.

There are about 475 men and women working in the Albany post office. It is one of the large post offices of the country. Therefore, it was, of course, just a question of a thief after long years of dipping his hand into the Treasury being caught by inspectors, who should have caught him, perhaps, in the first instance. This particular post office, like all similar post offices, happens to have a full-time inspector on the job. It was shocking not only to Hayes, the present postmaster, but of course to the widow of the deceased McCormack and also to Kling to find that that particular inspector had been overlooking this man's shortcomings. Let me read what this man's duties were. This is from the affidavit of William G. Van Cott, who has been since 1892 assistant postmaster at Albany:

> George Koutzaroff was employed in the Albany (N. Y.) post office as regular clerk, being assigned to duty in the superintendent of mail's office on second-class and permit-mail matters.

When these men learned that this man had been defaulting to the full extent of $16,176.97 during those 9 years, which was reduced to the point where Hayes is being asked for $5,000-plus, and the McCormack estate for $5,000-plus, they of course, were very deeply grieved to find that they had in their employ a man who had been a thief so long, but Koutzaroff had been a thief, and at last was caught up with. He is still in the Lewisburg Federal Penitentiary doing time for that offense. They secured all the money they could from him and his estate and his relatives to reduce the penalty which was imposed upon him.

You might just as well charge the president of a bank with being negligent if someone in the bank had been stealing money, and also charge him with responsibility for paying back the bank if they did not get enough money from the bonding company to satisfy the money that had been stolen.

Mr. COLE of New York. Mr. Speaker, will the gentleman yield?

Mr. BYRNE of New York. I yield to the gentleman from New York.

Mr. COLE of New York. What has happened to the inspector who failed to detect the defalcations that resulted in this loss?

Mr. BYRNE of New York. I do not know anything about it, but I rather doubt that he is in the Federal employ.

Mr. DOLLIVER. Mr. Speaker, will the gentleman yield?

Mr. BYRNE of New York. I yield with pleasure to the gentleman from Iowa.

Mr. DOLLIVER. Does the gentleman mean to imply that the president and officers of a bank are not responsible in any way for defalcations of subordinate employees?

Mr. BYRNE of New York. I would say they are responsible morally but not financially. I have been connected with banks, as the gentleman undoubtedly has been, and am so connected at the present time. I know of no financial obligation upon the president of a bank to take over the liability of some thief in the bank, like this fellow who for 9 years was stealing the money of the people and getting away with it, even though the post office had been examined not only by the resident inspector but by all the visiting inspectors over that period of 9 years. If there is any way of protecting postmasters against that sort of thievery, I would like to know what it is because it should be put into effect.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Iowa [Mr. DOLLIVER].

The question was taken; and on a division (demanded by Mr. DOLLIVER) there were—ayes 34, noes 35.

So the amendment was rejected.

The Clerk read as follows:

Title VI—(H. R. 845. For the relief of Mrs. Luther S. Sykes.) By Mr. CANNON of Florida.

That the Secretary of the Treasury is authorized and directed to pay out of any money in the Treasury not otherwise appropriated, the sum of $5,000, to Mrs. Luther S. Sykes, of Dade County, Fla., in full satisfaction of her claim against the United States for compensation for the death of her husband, Luther Sexton Sykes, who died as the result of injuries sustained by him when he was struck by a United States Navy station wagon, operated by an enlisted man of the Navy, at the naval air base, Opa Locka, Fla., on January 30, 1941: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of service rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. SPRINGER. Mr. Speaker, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. SPRINGER: On page 10, line 1, strike out title VI in its entirety.

Mr. SPRINGER. Mr. Speaker, title VI of this bill for the relief of Mrs. Luther S. Sykes. Luther S. Sykes, of Dade County, Fla., was injured by being struck by a station wagon operated by the Navy Department, from which injuries he died. The day on which this collision occurred in which Luther Sykes was injured it was perfectly dry. The street, in the air base at Opa Locka, Fla., was entirely dry at that particular time. A young boy by the name of Smoot, an aviation machinists mate, third class, was driving the station wagon at the time of the accident. He had taken some officers over to a hangar in one section of that air base and was driving back to the officers' quarters to get the children of the officers to take them to their school. He had been driving the station wagon for some time. He was a very capable boy, Mr. Forrestal says in his report. The place where this collision occurred was on a long sweeping curve around to the left. There was a truck filled with dirt, proceeding along the camp roadway, operated by Mr. T. L. Drawdy, ahead of the Nation station wagon. They were making fills in part of the camp. There was this truck traveling along this road ahead of the station wagon, and Mr. Smoot, driving the station wagon, passed the truck traveling from 35 to 40 miles per hour. After he passed the truck he noticed Mr. Sykes some 250 yards away walking down this roadway. Mr. Sykes was on his side of the road, that is, on his right side of the road; and the driver of the station wagon was on his right side of the road. He blew his horn when he saw Mr. Sykes approaching. From the record there was nothing at that moment which would indicate that an accident might occur. It was about 8:10 a. m., and the roadway was hard and reasonably smooth, composed of crushed rock and pressed by heavy rollers. As he came nearer he saw Mr. Sykes was over toward the center of the road. He turned the station wagon to the right until the right wheels of the station wagon were off of the pavement. Just about the time this man who was walking had reached the point where the accident occurred, Mr. Sykes, through an error of judgment, jumped or lunged to his left, instead of to the right, and by that movement he came right into the path of this station wagon. The wagon had almost stopped at the time. It struck him. He was injured and he died afterward from the effect of the injury.

I want to call to the attention of the members to a statement in the report given by Mr. Forrestal, then Acting Secretary of the Navy, in which he says this is his opinion, after he had obtained all the facts:

That the cause of the accident was the error in judgment on the part of Luther Sexton Sykes in moving to his left and into the path of the oncoming car.

That considering the condition of the road, the amount of traffic, the station wagon was operated with reasonable caution and not at an excessive rate of speed.

If he had continued in a straight course which he was coming down the road, there would have been no collision, but he jumped to his left immediately in front of the car and was struck by it.

Now, let us see what he says further:

That the accident was unavoidable on the part of the driver.

He further states the following:

It appears that Mr. Sykes was a civilian electrician, employed by Fred Howland, Inc., and Jack Quinn, Inc., on naval-construction work, and a report by the Florida Industrial Commission indicates that his widow is entitled to compensation under the Florida Workmen's Compensation Act for a period of 350 weeks at the rate of $14 a week, or a total of $4,970.

She is entitled to draw that amount under the law of the State of Florida as the widow of Mr. Sykes. This is a bill to pay her $5,000 by the United States Government, which would give her $9,970 for his death, if this measure should be passed. If that award should be granted in this case, that would be unfair to all others similarly situated, who have been allowed only the sum of $5,000 in death cases.

The SPEAKER pro tempore. The time of the gentleman from Indiana [Mr. SPRINGER] has expired.

Mr. TARVER. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, my only reason for taking this time is that the author of the bill, the gentleman from Florida, Hon. PAT CANNON, is not here, having been called back to his district on official business, as I am advised, and that copies of this report containing the evidence in this case have been exhausted, and many Members have been unable to obtain them. I knew nothing about this case until this morning when I found that this bill was coming before the House for consideration, and secured a copy of the report and have read it.

I feel that any Member of the House who has read the report will inevitably come to the conclusion that the Committee on Claims was amply justified in reporting this bill favorably. I am not one of those who votes in favor of any sort of claim which may be reported from the Committee on Claims. This morning I have voted in favor of striking out three of the titles in this bill.

Mr. JENNINGS. Mr. Speaker, will the gentleman yield?

Mr. TARVER. I yield.

Mr. JENNINGS. I also am familiar with the facts in this case. This Government vehicle struck that man with such tremendous force that it broke his legs, his arms, and hurled him 15 feet. The Under Secretary of the Navy, Mr. Forrestal, now Secretary of the Navy, says that due to the element of doubt as to the condition of the brakes on that vehicle, he has no objection to the enactment of this measure.

Mr. TARVER. I thank the gentleman.

Mr. JENNINGS. The physical facts are such as to show that there was the grossest negligence on the part of the operator of that automobile.

Mr. TARVER. I thank the gentleman. Read the affidavit of the only eyewitness, T. L. Drawdy, incorporated in this report, and you will inevitably come to the conclusion that if the gentleman is a reputable man—and there is certainly no evidence to the contrary—the circumstances of this accident or occurrence evidence the most gross negligence on the part not only of the driver of the vehicle but on the part of those who allowed him to use a defective vehicle—one whose brakes were defective.

As has been pointed out by the gentleman from Tennessee, the Secretary of the Navy says, and I quote:

In view of the element of doubt in this case, particularly the question of the condition of the brakes, the Navy Department has no objection to the enactment of the bill H. R. 3585, if in the judgment of the committee such relief is warranted.

Mr. JENNINGS. Mr. Speaker, will the gentleman yield?

Mr. TARVER. I yield.

Mr. JENNINGS. Under the doctrine of the last clear chance, here this fellow comes down the road at this terrific rate of speed. He sees the man was there in danger and he should have stopped his car. Instead of that he kept on going, hit the man, and broke every bone in his limbs.

Mr. TARVER. Certainly the Members should not object to the small amount of $4,900 compensation to the widow of this man. I hope the House will not approve the amendment offered by the gentleman from Indiana.

Mr. SPRINGER. The bill provides $5,000. Under the workmen's compensation law of Florida, the widow is entitled to $4,970.

Regarding the question of speed, the only witness in the case was Mr. Drawdy, who said at the time Mr. Smoot passed his truck in which he was hauling dirt for filling purposes he was traveling not over 35 miles an hour.

Mr. TARVER. He was going so fast he was unable to negotiate a curve. He

said the physical marks at the side of the road showed he had run off the pavement and knocked this man 18 feet and inflicted injuries upon him which never could have been inflicted had he been traveling at a reasonable rate of speed.

Mr. JENNINGS. That his speed was unreasonable is shown by the testimony of some sailor boys whom he passed. They said he was going at least 60 miles an hour.

Mr. TARVER. It is not a matter of the compensation laws of Florida. Here was a young man. The evidence showed he was industrious. An allowance of $5,000 instead of $4,900 is a difference of only $100 in amount, in addition to what she was entitled to receive from the State of Florida. To pass this bill would certainly not be any act of generosity on the part of the Congress in view of the evidence in this case and the recommendation of the Navy Department itself.

I hope the amendment will be voted down.

The SPEAKER. The time of the gentleman from Georgia has expired.

The question is on the amendment offered by the gentleman from Indiana.

The amendment was rejected.

The SPEAKER. The question is on the passage of the omnibus claims bill.

The bill was passed.

A motion to reconsider was laid on the table.

RESIGNATION FROM SPECIAL COMMITTEE

The SPEAKER laid before the House the following resignation:

MARCH 25, 1946.

The Honorable SAM RAYBURN,
Speaker, House of Representatives.

DEAR MR. SPEAKER: I deeply appreciate your kindness in appointing me to the Board of Naval Academy Visitors but due to the press of other matters I find it impossible to attend the coming Board meeting at Annapolis.

Under these circumstances I regretfully tender my resignation to such Board.

Sincerely yours,

GENE WORLEY.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

APPOINTMENT TO FILL VACANCY ON BOARD OF VISITORS TO UNITED STATES NAVAL ACADEMY

The SPEAKER. Pursuant to the provisions of title 34, section 1081, United States Code, the Chair appoints as a member of the Board of Visitors to the United States Naval Academy to fill an existing vacancy thereon, the gentleman from Maryland [Mr. FALLON].

ONE HUNDRED AND TWENTY-FIFTH ANNIVERSARY OF GREEK INDEPENDENCE

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, Americans of Greek descent, along with their kin in the mother country and in other parts of the world, are today celebrating the one hundred and twenty-fifth anniversary of the independence of Greece, and they are paying tribute to the men and women of 1821, who, on March 25, 1821, rose as one against the then mighty Turkish Empire and, fighting alone against great odds for 7 years, compelled the world to recognize the sanctity of their struggle, and caused the Turks to withdraw from Greece proper and from some of the islands of the Aegean Sea.

Since 1821 Greece has forged ahead and prospered despite internal strife that, for one reason or another, disrupted its progress and tranquility at times. Grave problems appeared in the past, but the Greeks successfully solved them. They suffered a catastrophic defeat in Asia Minor in 1922. Yet, the people of Greece, instead of being completely and finally ruined, as some had expected, not only took care of 1,250,000 refugees from Asia Minor and Thrace, but, working together, the people of old Greece and the Greek refugees from Turkey amazed outsiders by creating new life and prosperity for the entire country, within a few years after the upheaval of 1922.

So long as there is human life in Greece, the spirit of Marathon and the spirit of 1821 shall never die. There never was any danger of that spirit dying. In fact, it has been strengthened for the Greeks of our times have added the spirit of October 28, 1940. That was the beginning of the end of Italian imperialism, and the spirit of April 1941 when they so fearlessly defied panoplied German might.

After fighting the Italians, the Germans, and the Bulgarians; after enduring the added bloodshed and destruction of a short-lived civil war, caused by local and international political differences, the people of Greece now face extremely difficult conditions. Nevertheless, intelligent, patriotic, progressive, and good Christians as they are, they will soon emerge from the hardships of today into the better life of tomorrow they are even at this moment striving to create for themselves. And the spirit of Marathon, of 1821, of 1940, and of 1941, shall ever be with them.

As for us, our Nation admires the Greeks for the civilization they gave us and for their heroism and love of freedom throughout the ages. In their present postwar plight we are, through the United Nations Relief and Rehabilitation Administration, doing more than any other of our allies to help them in the difficult task of restoration. Moreover, I feel the people of America are united in favoring the just request of Greece for the return of the Dodecanese and northern Epirus to the mother country, and the establishment of a naturally stronger border line which will plug the usual invasion route into Greece.

God bless the people of Greece!

EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Kentucky [Mr. SPENCE] may be permitted to extend his own remarks in the Appendix of the RECORD and include therein a statement made this morning before the Committee on Banking and Currency by Bernard Baruch.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

USE GRAIN FOR FOOD, NOT DRINK

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, in some parts of our country the grain shortage is acute. Valuable livestock is being liquidated. And even more serious, the United States is falling behind approximately 100,000 tons per month in its grain commitments to starving Europe. United States distillers and brewers are using 225,000 tons of scarce cereals—corn, rye, barley, rice, and so forth—per month, nearly 25 percent of Europe's entire requirements from us. Present schedules call for shipment of 1,000,000 tons per month to Europe.

Government officials close to the problem admit that an immediate stoppage of hard liquor and beer production would go a long way to stave off the starving in Europe.

Distillers at present are permitted to produce at a rate which will turn out 260,000,000 proof gallons of liquor this year. Sales are expected to run 150,000,000 proof gallons, the same as last year. This amount could readily be supplied from the stocks of whisky which now amount to 350,000,000 proof gallons; there is also enough spirits with which to make blends of whisky and gin on hand to supply the country for some time.

Brewers are using 4,000,000 bushels of cereals per month, about the same as distillers. Distillers and brewers are using corn, barley, rye, rice, and so forth, all of which are entirely suitable for food and feed. Lack of these grains has forced milk, egg, and meat producers to use wheat for feed. Wheat is the grain most needed for human relief. Consequently our livestock in many sections is being slaughtered. It is time we put first things first, second things second, last things last. And the first thing is grain to relieve human hunger, and the second thing is grain for feeding livestock that our future food production and the solvency of our agriculture may be protected. No grain should be allowed to be used in this crisis for other purposes beside these—certainly none under the circumstances for liquor manufacture. House Joint Resolution 325, introduced by me on March 7, would accomplish exactly these purposes. It should be passed at once.

STRIKE IN IRON MINES OF NORTHERN MICHIGAN AND WISCONSIN

Mr. HOOK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOOK. Mr. Speaker, in the early part of February a strike was called in the iron mines of northern Michigan and Wisconsin. So that we may get a clear picture of this situation, might I call attention to the fact that one of the mining companies in which the strike was called is what is known as the Inland Steel Co. Some time ago negotiations went on between the union and the Inland Steel Co. This was during the existence of the War Labor Board. It is my understanding, and I believe the record will bear me out, that the company and the unions had agreed on a contract. Shortly after all terms of the contract had been agreed to and written up the War Labor Board announced its plans for going out of existence. As soon as this happened the company, not having signed the agreement, even though as I said all terms had been agreed to, refused to sign and gave notice that all negotiations were off, and from that time on refused to bargain collectively in violation of the National Labor Relations Act. The issue prolonging this strike is that these Michigan mining companies are refusing to offer more than 10 cents by way of increase, in spite of the 18½-cent Big Steel settlement. The union representatives accordingly filed a complaint with the National Labor Relations Board. This was practically 3 months ago. I am reliably informed, and I believe the record will bear me out, that investigations were made into the complaints filed with the National Labor Relations Board against the Inland Steel. Up to this time there does not seem to have been any official action or determination on those complaints. In the meantime conditions have become progressively worse.

In order that the record might be quite clear, I wish to report that shortly after the strike was called, which was some time the first part of February, I was in my district, which is the Twelfth District of Michigan, and comprises the eight western counties. We have some of the largest underground iron-ore mines in the world in that district, in what is known as the Gogebic Range, the Marquette Range, and the Iron County Range. I was naturally interested in the situation as it then presented itself. I talked with a number of union representatives and was informed that even though the picket lines were drawn tightly around the mines, it was peaceful picketing, and there were no disturbances whatsover. The union officials cooperated with the mining companies in furnishing union men to operate the pumps and carry on proper maintenance work so that there would be no damage to either equipment or the pumping operations. In carrying out this agreement it was necessary that the captains in the picket lines sign passes through the picket line so that it could be made certain that only those authorized would go into the property. This was not only the protection to the union and their picketing, but it actually protected the mining company's property by keeping out unauthorized persons who might possibly do damage to the company's property. Some of the mining company officials objected to having to receive a pass from the captain of the pickets. Outside of that there seemed to be peace and quiet and the strike was very orderly. Some might question the fact that mining company officials were required to have passes to go through the picket lines, but it was necessary to do that to see that only authorized persons were going through the picket line into the mining company property.

There is no doubt in my mind that the Inland Steel Co. have set out definitely to break the union, break the strike, and with that in mind, made application for an injunction against the unions. Simultaneously with the application for injunction of the Inland Steel Co., applications were made for the Athens Iron Mining Co., the Negaunee Mining Co., the North Range Mining Co., and the Cleveland Cliffs Iron Co.

The story is rather interesting, if not intriguing. It seems that the injunctions were issued by Hon. Frank A. Bell of the twenty-fifth circuit of Michigan, and Hon. Herbert W. Reynolds of the eleventh circuit of Michigan. Judge Bell's residence is at Negaunee, Mich., which is in the County of Marquette, where these mining companies are located. Judge Reynolds' residence is in Saulte Ste. Marie, which is in the eastern end of the Upper Peninsula of Michigan. I am informed, and charge the fact to be, that Judge Bell holds stock in the Cleveland Cliffs Mining Co., the Inland Steel Mining Co., the Athens Mining Co., and the Negaunee Mining Co., but does not own stock in the North Range Mining Co. At an ex parte hearing, an injunction was issued out of the Circuit Court of Marquette County in chancery on March 19, 1946, and a court order providing for preliminary injunctions and requiring the defendants to show cause before the court on the 29th day of April 1946, by the Honorable Frank A. Bell, circuit judge. Simultaneously and on the same day the same type of preliminary injunction was issued in the cases of the Cleveland Cliffs Iron Co., the Inland Steel Co., the Athens Iron Mining Co., and the Negaunee Mining Co., by Judge Herbert W. Reynolds. It is my understanding that the reason that Judge Reynolds was called in was because of the fact that Judge Bell had stock in these companies and was disqualified. He did not disqualify himself in the case of the North Range Mining Co., which is involved in the same strike. It is rather interesting, as I said, and a little intriguing, to notice that one of the attorneys in all the cases that were presided over by Judge Reynolds, which I understand were the companies in which Judge Bell owned stock, that Judge Bell's son, Francis A. Bell, was No. 1 attorney. I give you this preliminary description in order to show you that all is not what it should be in the courts in these cases.

Let me emphasize that up to the time that these preliminary injunctions were issued there was no trouble and no violence, but shortly thereafter State police were called in, and the mining companies took time over the radio to urge a back-to-work movement and threatened to break through the picket lines. This caused resentment, and, in my opinion, will end up in bloodshed unless this matter is taken care of very shortly. I want to issue a warning at this time that if there is bloodshed or loss of life the mining company and mining company officials are the responsible parties and the moving factor bringing this about. There is no doubt in my mind that the Inland Steel Co., in part, is out to bring about the same old bludgeoning methods that were used in the so-called copper country strike in 1911, where men were shot down in cold blood and mining company officials stated that they were going to break the unions for all time. I thought that we had moved forward in the last 12 years toward industrial peace, but evidently the mining barons of my section have not kept pace with progress and still think that people can be treated like slaves and driven around at the point of a gun, harassed by the courts, and forced to live as was the case before the enactment of the Wagner Act.

I think that this should call for a full and complete investigation by the Senate committee that was set up to investigate the causes of strikes and labor conditions, and also should call for an investigation by the Governor of the State of Michigan into the situation that exists where father and son are judge and attorney, and stock is being held by a judge who is interested in the outcome of the application for injunctions.

Just as an illustration, in closing, to show you how sweeping are the temporary restraining orders that are issued, I quote to you from section (c) of the order issued in the case of Cleveland Cliffs Mining Co.:

(c) No group or crowds shall be permitted for the purpose of communicating with or preventing persons seeking employment from accepting employment or contracting for employment with the plaintiff. Persuasion in the presence of three or more persons congregated with the persuador is not permitted and is hereby prohibited.

This is only one section of the temporary restraining orders. They are the most sweeping thing that I have ever witnessed in my 22 years in the practice of law.

EXTENSION OF REMARKS

Mr. GWINN of New York asked and was given permission to extend his remarks in the RECORD on the Washington Cathedral.

Mr. HENRY asked and was given permission to extend his remarks in the RECORD in two instances; to include in the first an editorial appearing in the Portage (Wis.) Daily Register of March 22, 1946, and in the second to include an editorial which appeared in the Waukesha (Wis.) Daily Freeman of March 21, 1946.

Mr. DIRKSEN (at the request of Mr. MCGREGOR) was given permission to extend his remarks in the RECORD.

Mr. REED of New York (at the request of Mr. MCGREGOR) was given permission to extend his remarks in the RECORD.

INCREASING ECONOMIC OPPORTUNITIES FOR RETURNING VETERANS

Mr. MADDEN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. MADDEN. Mr. Speaker, I wish to call to the attention of the Members of Congress H. R. 5561. I introduced this bill for the purpose of stimulating small- and medium-sized business enterprises and to increase the economic opportunity of the returning veterans.

This bill would clarify certain provisions of the Internal Revenue Code whereby gross income for income-tax purposes would not include income attributable to the receipt by an employee of a stock option of a noncompensatory nature from a corporate employer.

Under certain existing interpretations of the tax laws and rulings, small and medium enterprises have been unable to make proper use of stock options in order to attract the vitally needed services of capable and alert young men. The smaller businesses are put at a severe disadvantage in competing with giant corporations for the services of these men, since they are discouraged from offering a proprietary interest in the business—the one strong incentive which can counterbalance the advantages and higher salaries the larger corporations are able to offer.

This bill, while clearing the way to proper use of stock options, carefully guards against tax-exemption abuse. The bill, in fact, includes effective means of striking at tax avoidance through the use of options.

Millions of young men, including many returning to civilian life, are eager to follow the American tradition of acquiring an ownership interest in a business which they have helped to build.

Many new and small companies are eager to bid for the services of these men but cannot afford to pay large salaries to them until they have proved their worth. The very success or failure of such enterprises hinges upon the acquisition of capable technical and managerial personnel.

The stock option is an indispensable aid in this situation. It provides a stake for new employee, thereby satisfying his desire to own a share of the business and intensifying his personal devotion to the undertaking.

Under the interpretation to which the bill is directed an employee holding options who desires to exercise them and thereby invest in his business is seriously discriminated against. He is confronted with a prohibitive tax at a time when usually he lacks the requisite cash.

Proper use of the stock option must be made operable, so that capital and the industrious young man may get together on mutually profitable terms.

I hope the Members of Congress, and especially the Members of the Ways and Means Committee, will give particular study to this bill so favorable action can be taken on the same before the end of this session.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CELLER (at the request of Mr. JOHN J. DELANEY), indefinitely, on account of illness.

To Mr. LAFOLLETTE (at the request of Mr. HOLMES of Washington), for 30 days, on account of official business.

To Mr. CRAVENS (at the request of Mr. TRIMBLE), indefinitely, on account of illness in family.

To Mr. CHIPERFIELD (at the request of Mr. MARTIN of Massachusetts), indefinitely, on account of official business.

BILL PRESENTED TO THE PRESIDENT

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee did on March 22, 1946, present to the President, for his approval, a bill of the House of the following title:

H. R. 5671. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 37 minutes p. m.) the House adjourned until tomorrow, Tuesday, March 26, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

The Committee on Public Buildings and Grounds will hold hearings on H. R. 5796, at 10:30 a. m. Tuesday, March 26, 1946, in room 245, Old House Office Building.

COMMITTEE ON FLOOD CONTROL

The Committee on Flood Control will begin hearings on an omnibus flood-control authorization bill on Monday, April 8, 1946, at 10 a. m. The hearings will continue daily except Saturday up to and including Friday, April 19.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Tuesday, April 9, 1946, at 10:30 a. m., to begin hearings on projects to be reported out in an omnibus river and harbor authorization bill.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1155. A letter from the Archivist of the United States transmitting report on records proposed for disposal by various Government agencies; to the Committee on the Disposition of Executive Papers.

1156. A letter from the Secretary of the Navy, transmitting a draft of a proposed bill to authorize the restoration of Philip Niekum, Jr., to the active list of the United States Navy with appropriate rank and restoration of pay and allowances; to the Committee on Naval Affairs.

1157. A letter from the Administrator, Veterans' Administration, transmitting a draft of a proposed bill to facilitate the decentralization of the Veterans' Administration; to the Committee on World War Veterans' Legislation.

1158. A letter from the Chairman, Reconstruction Finance Corporation, transmitting report of its activities and expenditures for the month of November 1945; to the Committee on Banking and Currency.

1159. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill to clarify the customs laws relating to the customs supervision of lading and unlading of carriers, the furnishing of customs services outside regular business hours, and the extra compensation payable to customs employees for overtime services; and for other purposes; to the Committee on Ways and Means.

1160. A letter from the president, Board of Commissioners, District of Columbia, transmitting a report of the Administrator of Rent Control, covering the period from July 1 to December 31, 1945; to the Committee on the District of Columbia.

1161. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated November 26, 1945, submitting a report, together with accompanying papers and an illustration, on a review of reports on the Mississippi River between the Missouri River and Minneapolis, for harbor improvement at Wabasha, Minn., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on April 30, 1940 (H. Doc. No. 514); to the Committee on Rivers and Harbors and ordered to be printed, with one illustration.

1162. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated September 28, 1945, submitting a report, together with accompanying papers and illustrations, on a review of reports on the Mississippi River between the Missouri River and Minneapolis, with a view to ascertaining the damages that may be caused in Minnesota, Wisconsin, and Iowa by seepage and backwater resulting from the creation of pools Nos. 3 to 11, inclusive, requested by resolutions of the Committee on Rivers and Harbors, House of Representatives, adopted on March 1, March 10, March 16, April 4, and June 6, 1939 (H. Doc. No. 515); to the Committee on Rivers and Harbors and ordered to be printed, with five illustrations.

1163. A letter from the Administrator, Veterans' Administration, transmitting a draft of a proposed bill to authorize the Administrator of Veterans' Affairs to grant an easement for highway purposes to the Commonwealth of Pennsylvania, in certain lands in the reservation of the Veterans' Administration Hospital, Lebanon County, Pa., and for other purposes; to the Committee on World War Veterans' Legislation.

1164. A letter from the president, Roosevelt Memorial Association, transmitting the 25-year report of the Roosevelt Memorial Association; to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. IZAC: Committee on Naval Affairs. S. 1907. An act to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes; with amendment (Rept. No. 1812). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PITTENGER: Committee on Claims. S. 1190. An act for the relief of Mrs. Henry H. Hay; without amendment (Rept. No. 1804). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 1504. An act for the relief of Edith Roberta Moore; without amendment (Rept. No. 1805).

Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 1609. An act for the relief of Catherin Gilbert; without amendment (Rept. No. 1806). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 1627. An act for the relief of Mrs. Isabel N. Mifflin; without amendment (Rept. No. 1807). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. H. R. 4616. A bill for the relief of the Maryland Sanitary Manufacturing Corp. of Baltimore, Md.; with amendment (Rept. No. 1808). Referred to the Committee of the Whole House.

Mr. BYRNES of Wisconsin: Committee on Claims. H. R. 4723. A bill for the relief of John M. Shipp; with amendment (Rept. No. 1809). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 4833. A bill for the relief of the estate of Robert Lee Blackmon; without amendment (Rept. No. 1810). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 4976. A bill for the relief of Mrs. Catherine Fortunato; with amendment (Rept. No. 1811). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on Immigration and Naturalization. H. R. 5598. A bill for the relief of John Camera; with amendments (Rept. No. 1813). Referred to the Committee of the Whole House.

Mr. ALLEN of Louisiana: Committee on Immigration and Naturalization. H. R. 5278. A bill to legalize the admission to the United States of Virginia Harris Casarde; without amendment (Rept. No. 1814). Referred to the Committee of the Whole House.

Mr. KEARNEY: Committee on Immigration and Naturalization. H. R. 4725. A bill for the relief of Alexander Mihailovich Kalinin, Paul Lonubine, and Leon de Witt Ravadovsky; with amendment (Rept. No. 1815). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AUGUST H. ANDRESEN:

H. R. 5855. A bill to promote the conservation of wildlife, fish, and game, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. BELL:

H. R. 5856. A bill to provide for trade relations between the United States and the Philippines, and for other purposes; to the Committee on Ways and Means.

By Mr. ALLEN of Louisiana (by request):

H. R. 5857. A bill to provide for the collection and publication of statistical information by the Bureau of the Census; to the Committee on the Census.

By Mr. COLE of New York:

H. R. 5858. A bill to prescribe additional requirement for admission as a midshipman to the United States Naval Academy, and for other purposes; to the Committee on Naval Affairs.

By Mr. FERNANDEZ:

H. R. 5859. A bill to amend section 2 of the act entitled "An act for the preservation of American antiquities," approved June 8, 1906; to the Committee on the Public Lands.

By Mr. ANDREWS of New York:

H. R. 5860. A bill to prescribe additional requirements for admission as a cadet to the United States Military Academy, and for other purposes; to the Committee on Military Affairs.

By Mr. BARRETT of Wyoming:

H. R. 5861. A bill authorizing the Secretary of the Navy in his discretion to deliver to the custody of the University of Wyoming the silver service presented to the United States for the battleship *Wyoming;* to the Committee on Naval Affairs.

By Mr. ELLSWORTH:

H. R. 5862. A bill to provide for the selection for elimination and retirement of officers of the Regular Army, for the equalization of retirement benefits for members of the Army of the United States, and for other purposes; to the Committee on Military Affairs.

By Mr. HERTER:

H. R. 5863. A bill relating to the disposition of certain philatelic material under the control of the Bureau of Engraving and Printing; to the Committee on Banking and Currency.

H. R. 5864. A bill to amend the act entitled "An act to provide for a permanent census office," approved March 6, 1902, as amended (the collection and publication of statistical information by the Bureau of the Census); to the Committee on the Census.

By Mr. HULL:

H. R. 5865. A bill to promote the conservation of wildlife, fish, and game, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. McKENZIE:

H. R. 5866. A bill to provide free mailing privileges for war-veteran patients in United States veterans hospitals; to the Committee on the Post Office and Post Roads.

By Mr. McMILLAN of South Carolina:

H. R. 5867. A bill to amend an act entitled "An act to regulate the height of buildings in the District of Columbia," approved June 1, 1910; to the Committee on the District of Columbia.

By Mr. SUMNERS of Texas:

H. R. 5868. A bill to amend the act of May 28, 1896, as amended, relating to the appointment of assistant United States attorneys; to the Committee on the Judiciary.

By Mr. FARRINGTON:

H. R. 5869. A bill to provide for the tenure of office and retirement of the justices of the Supreme Court of the Territory of Hawaii, the judges of the circuit courts of the Territory of Hawaii, and the judges of the United States District Court for the Territory of Hawaii; to the Committee on the Judiciary.

By Mr. GREEN:

H. R. 5870. A bill amending section 301 of title III, Public Law 106; to the Committee on the Civil Service.

By Mr. TOLAN:

H. R. 5871. A bill to provide for the expeditious naturalization of former citizens of the United States who have lost United States citizenship through voting in a political election in a country not at war with the United States during the Second World War; to the Committee on Immigration and Naturalization.

By Mr. LANHAM:

H. J. Res. 327. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the Inter-American Trade Exposition, Fort Worth, Tex., to be admitted without payment of tariff, and for other purposes; to the Committee on Ways and Means.

By Mr. VINSON:

H. Res. 569. Resolution providing for the consideration of S. 1907, a bill to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CANNON of Missouri:

H. R. 5872. A bill for the relief of Mr. and Mrs. Walter Keaton; to the Committee on Claims.

By Mr. COLE of New York:

H. R. 5873. A bill for the relief of Rachib Shriay; to the Committee on Immigration and Naturalization.

By Mr. CROSSER:

H. R. 5874. A bill for the relief of Joseph Maezer; to the Committee on Claims.

By Mr. CURTIS:

H. R. 5875. A bill for the relief of Teruko Nagai; to the Committee on Immigration and Naturalization.

By Mr. D'EWART:

H. R. 5876. A bill to authorize the Secretary of Agriculture to extend and renew to Chicago, Milwaukee, St. Paul & Pacific Railroad Co. for the term of 10 years a lease to Henry A. Scandrett, Walter J. Cummings, and George I. Haight, trustees of Chicago, Milwaukee, St. Paul & Pacific Railroad Co., of a tract of land in the United States Department of Agriculture range livestock experiment station, in the State of Montana, and for a right-of-way to said tract, for the removal of gravel and ballast material, executed under the authority of the act of Congress approved June 25, 1936; to the Committee on Agriculture.

By Mr. DONDERO:

H. R. 5877. A bill for the relief of Jansson Gage Co.; to the Committee on Claims.

By Mr. FARRINGTON:

H. R. 5878. A bill for the relief of Elsie Elmhorst; to the Committee on Claims.

H. R. 5879. A bill for the relief of Donald Pitchford and Frances Pitchford; to the Committee on Claims.

By Mr. GREEN:

H. R. 5880. A bill for the relief of the legal guardian of Thomas Gallagher; to the Committee on Claims.

By Mr. HERTER:

H. R. 5881. A bill to authorize the Secretary of State to transfer certain silver candelabra to May Morgan Beal; to the Committee on Claims.

By Mr. JONES:

H. R. 5882. A bill for the relief of Ruby O. Harless; to the Committee on Claims.

By Mr. McDONOUGH:

H. R. 5883. A bill for the relief of Raymond L. H. Huebscher; to the Committee on Claims.

By Mr. RYTER:

H. R. 5884. A bill for the relief of Frances Krzys; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1725. By Mr. ANDREWS of New York: Resolution by the Niagara Falls Market Growers Association, Inc., of Niagara Falls, N. Y., urging that, as applied to agricultural products, the functions of the Office of Price Administration be eliminated at the close of the current fiscal year; to the Committee on Banking and Currency.

1726. By Mr. NORBLAD: Petition signed by Ed Anderson and 33 other food merchants of Clatsop County, Oreg., suggesting certain modifications of the Price Control Act; to the Committee on Banking and Currency.

1727. By the SPEAKER: Petition of Local Federation, No. 7, of Baltimore & Ohio Railroad System, Federation No. 30, petitioning consideration of their resolution with reference to the correction of the frequent registration for unemployment-insurance benefits; to the Committee on Ways and Means.

1728. Also, petition of B. M. Gancy, petitioning consideration of his resolution with reference to redress of grievances; to the Committee on the Judiciary.

SENATE

TUESDAY, MARCH 26, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou eternal God, whose greatness our finite wisdom cannot comprehend, we pray that Thou wilt make our minds and hearts the sanctuaries of Thy presence, Thy peace, and Thy power.

Grant that this may be a day of unclouded vision. May our faith never become eclipsed by doubt. Give us insight and inspiration for every task. May all the barriers that impede the progress of the kingdom of truth and righteousness be broken down.

Show us how we may release the hidden splendor of humanity, emancipating it from fear and want and everything that defiles and degrades. Help us to bring about a more ethical and equitable distribution of those blessings which Thou hast purposed for all mankind. May men and nations everywhere live together in the blessed fellowship of peace and good will.

Hear us in the name of the Christ. Amen.

THE JOURNAL

On request of Mr. HATCH, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, March 22, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On March 22, 1946:

S. 396. An act providing for the transfer of a certain fish hatchery in Comanche County, Okla., to the city of Lawton, Okla.;

S. 1162. An act to convey certain lands to the State of Wyoming; and

S. 1185. An act to change the designation of Custer Battlefield National Cemetery in the State of Montana, to Custer Battlefield National Monument, and for other purposes.

On March 23, 1946:

S. 1354. An act to authorize the permanent appointment in the grades of general of the Army, fleet admiral of the United States Navy, general in the Marine Corps, and admiral in the Coast Guard, respectively, of certain individuals who have served in such grades during the Second World War.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1821) to amend section 502 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, so as to authorize the appropriation of funds necessary to provide additional temporary housing units for distressed families of servicemen and for veterans and their families.

The message also announced that the House had severally agreed to the amendment of the Senate to the following bills of the House:

H. R. 2008. An act for the relief of the village of Cold Spring, Minn.;

H. R. 2670. An act for the relief of the legal guardian of Kathleen Lawton McGuire;

H. R. 3012. An act for the relief of George W. Murrell and Kirby Murrell, a minor; and

H. R. 3904. An act for the relief of Raymond C. Campbell.

The message further announced that the House had passed the following bills in which it requested the concurrence of the Senate:

H. R. 844. An act for the relief of John P. Hayes, postmaster, and the estate of Edward P. McCormack, former postmaster, at Albany, N. Y.;

H. R. 845. An act for the relief of Mrs. Luther S. Sykes;

H. R. 2063. An act for the relief of Peter Paul Bacic, Charles C. Cox, H. Forest Haugh, and Luther M. Durst;

H. R. 2092. An act for the relief of the Growers Fertilizer Co., a Florida corporation; and

H. R. 2501. An act to authorize the Secretary of Agriculture to continue administration of and ultimately liquidate Federal rural rehabilitation projects, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 2008. An act for the relief of the village of Cold Spring, Minn.;

H. R. 2670. An act for the relief of the legal guardian of Kathleen Lawton McGuire;

H. R. 3012. An act for the relief of George W. Murrell; Kirby Murrell, a minor; and the estate of Mamie W. Murrell, deceased;

H. R. 3904. An act for the relief of Raymond C. Campbell; and

H. R. 5201. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1947, and for other purposes.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

NOVEMBER 1945 REPORT OF RECONSTRUCTION FINANCE CORPORATION

A letter from the Chairman of the Reconstruction Finance Corporation, transmitting, pursuant to law, a report of the activities and expenditures of the Corporation for the month of November 1945 (with an accompanying report); to the Committee on Banking and Currency.

LANDS IN RESERVATION OF VETERANS' ADMINISTRATION HOSPITAL, LEBANON, PA.

A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to authorize the Administrator of Veterans' Affairs to grant an easement for highway purposes to the Commonwealth of Pennsylvania, in certain lands in the reservation of the Veterans' Administration Hospital, Lebanon County, Pa., and for other purposes (with accompanying papers); to the Committee on Finance.

REPORT OF BOY SCOUTS OF AMERICA

A letter from the chief scout executive of the Boy Scouts of America, transmitting, pursuant to law, the thirty-sixth annual report of the Boy Scouts of America for the year 1945 (with an accompanying report); to the Committee on Education and Labor.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

The memorial of G. Allison Phelps, founder-director, United States Americans, Montrose, Calif., remonstrating against the proposed loan to Great Britain; to the Committee on Banking and Currency.

A resolution adopted by the Southeastern Synagog Conference, an organization comprising religious bodies of the Southeastern States assembled in Chattanooga, Tenn., calling upon the British Government to annul the policy of the white paper and favoring the establishment of a democratic Jewish commonwealth in Palestine; to the Committee on Foreign Relations.

A resolution adopted by the board of directors of the Verhovay Fraternal Insurance Association, representing citizens of Hungarian descent, of Pittsburgh, Pa., favoring relief for the starving and suffering Hungarian people; to the Committee on Foreign Relations.

A resolution adopted by the Public Forum of Spokane and the Inland Empire, Spokane, Wash., protesting against any treaty or alliance with Great Britain or any other country; to the Committee on Foreign Relations.

A resolution adopted by the Public Forum of Spokane and the Inland Empire, Spokane, Wash., approving the stand taken by Congressmen COFFEE and SAVAGE against State capitalism; to the Committee on Education and Labor.

Resolutions adopted by the Public Forum of Spokane and the Inland Empire, Spokane, Wash., relating to the atomic bomb; ordered to lie on the table.

By Mr. BARKLEY:

A concurrent resolution of the Legislature of the Commonwealth of Kentucky; to the Committee on Post Offices and Post Roads:

"House Resolution 118

"Concurrent resolution urging the Congress of the United States to pass H. R. 5059, providing pay raises for postal clerks

"Whereas it is common knowledge that our Federal postal clerks are notoriously underpaid; and

"Whereas there is now pending in the National Congress a measure which would give our postal clerks an increase in salary: Now, therefore, be it

"Resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky (the Senate concurring therein):

"1. That the Congress of the United States is urged to pass, as soon as possible, H. R. 5059, which would provide increased compensation for postal clerks.

"2. The clerk of the senate is hereby directed to send copies of this resolution to the House of the Congress, and to the Kentucky delegations in the United States Senate and House of Representatives.

"Attest:

"EMERSON BEAUCHAMP,
"Clerk of the Senate."

RESOLUTIONS OF BOARD OF COUNTY SUPERVISORS OF MILWAUKEE, WIS.

Mr. WILEY. Mr. President, I ask that there be noted in the RECORD two resolutions adopted by the County Board of Supervisors of Milwaukee, Wis., one relating to extension of feeder air lines into Milwaukee, Wis., and the other being a

resolution forwarded to Hon. Wilson Wyatt, Director of Federal Housing, relating to the housing shortage in Milwaukee County.

The PRESIDENT pro tempore. Without objection, the resolutions will be received and appropriately referred.

By Mr. WILEY:

A resolution adopted by the Board of Supervision of Milwaukee County, Wis., relating to extension of feeder air lines into Milwaukee, Wis.; to the Committee on Commerce.

A resolution adopted by the Board of Supervisors of Milwaukee County, Wis., relating to the housing shortage in Milwaukee County, Wis.; to the Committee on Banking and Currency.

INVESTIGATION OF BETTER MOBILIZATION OF NATIONAL RESOURCES OF THE UNITED STATES—INCREASE IN LIMIT OF EXPENDITURES

Mr. KILGORE, from the Committee on Military Affairs, reported an original resolution (S. Res. 245), which, with an accompanying paper, was referred to the Committee to Audit and Control the Contingent Expenses of the Senate, as follows:

Resolved, That the limit of expenditures of the subcommittee of the Military Affairs Committee authorized by Senate Resolution 107 of the Seventy-eighth Congress and Senate Resolution 146 of the Seventy-ninth Congress, to investigate the better mobilization of the national resources of the United States, is hereby increased by $57,000.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JOHNSON of Colorado (for Mr. THOMAS of Utah):

S. 1980. A bill to continue in effect section 6 of the act of July 2, 1940 (54 Stat. 714), as amended, relating to the exportation of certain commodities; to the Committee on Military Affairs.

By Mr. KILGORE:

S. 1981. A bill granting a pension to Lenore Anderson; to the Committee on Pensions.

S. 1982. A bill providing credit for unused leave accumulated prior to retirement by officers placed on the retired list; to the Committee on Military Affairs.

By Mr. CAPEHART:

S. 1933. A bill authorizing the Indiana State Toll Bridge Commission to construct, maintain, and operate a toll bridge or a free bridge across the Ohio River at or near Mauckport, Ind.; and

S. 1984. A bill authorizing the Indiana State Toll Bridge Commission to construct, maintain, and operate a toll bridge or a free bridge across the Wabash River near Mount Vernon, Ind.; to the Committee on Commerce.

By Mr. RUSSELL:

S. 1985. A bill for the relief of Mrs. J. E. Shealy, Jr.; to the Committee on Claims.

By Mr. BILBO:

S. 1986. A bill to regulate the manufacture, sale, distribution, and use, of barbiturates in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. MEAD:

S. 1987. A bill to amend the act of July 6, 1945, relating to the classification and compensation of employees of the postal service, so as to provide proper compensation to supervisors in the largest post offices and in other postal services; to the Committee on Post Offices and Post Roads.

By Mr. CHAVEZ:

S. 1988. A bill to authorize the Secretary of the Interior to quitclaim to the heirs of Jesus Gonzales all right, title, and interest of the United States in a certain described tract of land within the Carson National Forest, N. Mex.; to the Committee on Public Lands and Surveys.

By Mr. PEPPER (for himself and Mr. ANDREWS):

S. 1989. A bill for the relief of the Florida Citrus Exchange, the Growers Loan & Guaranty Co., and the Guaranty Operating Co.; to the Committee on Claims.

By Mr. CAPEHART:

S. J. Res. 147. Joint resolution providing for observance of October 11, 1946, in commemoration of the death of Gen. Casimir Pulaski; to the Committee on the Judiciary.

JUSTIN P. HOPKINS—RECOMMITAL OF BILL

On motion of Mr. EASTLAND, the bill (H. R. 2962) for the relief of Justin P. Hopkins, was taken from the calendar and recommitted to the Committee on Claims.

TERMS OF OFFICE OF MEMBERS OF FEDERAL POWER COMMISSION—HOUSE BILL PLACED ON CALENDAR

Mr. BAILEY. Mr. President, House bill 3704, to amend section 1 of the Federal Power Act, with respect to the terms of office of members of the Federal Power Commission, came to the Senate and, by inadvertence, was referred to the Committee on Commerce. I now move that the Committee on Commerce be discharged from further consideration of the bill. I would move that it be referred, upon the discharge of the Committee on Commerce, to the Committee on Interstate Commerce, but for the fact that the Committee on Interstate Commerce has already reported a similar measure, stated in the precise language of the House bill.

Therefore, I move that the Committee on Commerce be discharged from further consideration of House bill 3704, and that it be placed on the calendar.

The motion was agreed to.

A MORATORIUM ON STUPIDITY

Mr. WILEY. Mr. President, centuries ago a man seeking to comprehend the problems of his day uttered the words "Lift up, Thou, mine eyes that I may see the wondrous glory of Thy law."

Mr. President, Barney Baruch said something about a moratorium on strikes, and he also said something about the need for productivity in this Nation getting under way. I think we need a moratorium on stupidity in order that we may find the answer to the strike situation and our failure to get production.

We all know that if there is anything that is needed in this country today it is labor working, labor producing. Without labor doing that, we are going to face a crisis so tremendous that no one can foresee the consequences. Perhaps, as has been suggested, there are those who want to weaken this great Nation. It is our strength today that gives us leadership throughout the world. Mr. President, we are not only feeding and sustaining the world but we are proceeding on the theory that we can continue to do it without production. Strikes in California have lost the Nation California's spinach and broccoli crops.

I should like to read a letter which I wrote to Hon. Clinton P. Anderson, Secretary of Agriculture, Washington, D. C. The letter is dated March 25, 1946, and is as follows:

MY DEAR MR. SECRETARY: I would appreciate hearing from your office as to your plans regarding improvement in the critical farm machinery and help situations.

I have been receiving many communications from my constituents to the effect that unless farm machinery and additional hands can be obtained, many a crop will not be planted and those that are planted may not be harvested.

I understand that there has been a strike underway in the International Harvester Co.—

Parenthetically I may say there is also a strike under way in the G. I. Case Co. in my State—

resulting in a failure to get production in this imperatively needed product. I wonder if the Department has been active in helping to secure an early end of this strike.

Surely in the face of the international food crisis Government can take positive steps to secure for the overworked farmer needed help and machinery. During the war the situation was bad; now it is worse. With machinery worn out and with many hands gone from the farms into private industry is Government so impotent now that it can only pass the buck from agency to agency?

I know that you are familiar with the situation as I have outlined it, but I should greatly like to hear from you as to the steps you propose to take to correct the grave problems I have cited.

Sincerely yours,

ALEXANDER WILEY.

Mr. President, this letter indicates a part of the stupidity on which I want a moratorium declared. The farmers of this country are calling for help, and I say to you, Mr. President, and I want it to be remembered, that if the farmers do not get help, our people will not be eating a lot of the canned goods they are eating now; the farmers will not put peas into the field; they will not be able to utilize their acreage.

Mr. President, I said that our farm machinery during the 4 or 5 years of war has been worn out and I know whereof I speak, because personally I have a problem of that kind, which can be multiplied by tens of thousands of cases throughout the farm area of this great country.

The question is, What are we going to do? Are we going to become weaker and weaker and weaker? The way to do that is to stop producing foodstuffs and farm products and farm machinery. Pay men to remain idle, and let OPA go on "balling up" our manufacturing.

Yes; the people of this country are expecting that the Committee on Education and Labor of the Senate will get down to brass tacks and report an appropriate labor bill to this body. Letters from laboring people and all segments of our society want this done. Mr. President to indicate how labor feels let me say that the last information I received came to me this morning from Milwaukee. In the largest industry in that city they are calling for a strike vote, but they cannot get a sufficient number of men to vote. Under our law 65 percent

must vote. They cannot get a sufficient number to enable a vote to be valid. Why are we so fearful to do that which is necessary?

I conclude, Mr. President, by saying that the country expects this body to declare a moratorium on stupidity.

FIFTIETH ANNIVERSARY OF NATIONAL FARM SCHOOL

Mr. GUFFEY. Mr. President, this year the National Farm School, located near Doylestown, Pa., is celebrating its golden jubilee.

The National Farm School is an agricultural school for Jewish and other lads. It has always been maintained on a nonsectarian basis. Students are admitted without any discrimination on account of race, creed, or origin. It is an outstanding undertaking, and has always performed a great work. I ask that there be included in the RECORD as a part of my remarks a letter addressed to the chairman of the board of trustees of the school by President Truman in connection with the golden jubilee, and an article about the school entitled "Pencils to Plowshares."

There being no objection, the letter and article were ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, January 17, 1946.

Mr. LEON MERZ,
Chairman, Board of Trustees,
National Farm School,
Farm School, Pa.

DEAR MR. MERZ: The origin of the National Farm School is as interesting as its subsequent history has been notable.

I am glad to send my hearty congratulations and warmest personal greetings as you celebrate the fiftieth anniversary of an institution founded with the blessing of one of my illustrious predecessors and in a measure inspired by the great Russian reformer, Count Tolstoy.

Both President Cleveland and Count Tolstoy, with clear vision and unerring insight, saw that nations like individuals draw their strength from the soil. Now, as always, agriculture is the Nation's bulwark. A society with its roots deeply imbedded in Mother Earth is a stable society.

The celebration of your golden jubilee will afford a splendid opportunity to appraise the achievements of the school's first half century and to glimpse its possibilities for further service in the decades that lie ahead.

Very sincerely yours,

HARRY S. TRUMAN.

PENCILS TO PLOWSHARES—LEO TOLSTOY'S IDEA, FARM SCHOOL NOW 50 YEARS OLD

(By David Taylor Marke)

NEW YORK.—Count Leo Tolstoy, great Russian novelist, never set foot on American soil, but his idea was responsible for the establishment of one of America's unique institutions—a school devoted exclusively to agriculture.

The story is told on the fiftieth anniversary of the National Farm School, located near Doylestown, Pa.

In 1894 a young American rabbi, Joseph Krauskopf, of Philadelphia, visited Russia with a plan for the removal of persecuted Jews to unoccupied lands in the interior of Russia, there to be colonized on farms.

Czar Alexander III was critically ill at the time and Dr. Krauskopf was unable to present his proposal personally.

However, Count Tolstoy, an ardent proponent of the agricultural life, invited Dr. Krauskopf to his home. There, seated under the poverty tree where Tolstoy usually received those who brought their woes to him, he heard the young rabbi out.

"Your plan to lead your people back to the soil," commented Tolstoy, "back to the occupation which your fathers followed with honor in Palestinian lands, is of some encouragement to me.

"It shows that the light is dawning. It is the only solution of the Jewish problem. Persecution, refusal of the right to own or to till the soil, exclusion from the artisan guilds, made traders of the Jew. And the world hates the trader.

"Make bread-producers of your people, and the world will honor those who give it bread to eat.

"There is little chance at present," Tolstoy continued, "for a Jewish colonization scheme in Russia." But, "if the plan cannot be entered upon in Russia," he asked, "why can it not be made successful in the United States?

"Lead your people to the country and to the farm. Start agricultural schools for them. Teach them to exchange the yardstick for the hoe, the peddler's pack for the seed-bag, and you will solve the problem while it may yet be solved.

"You will see the lands tilled by them overflow, as of old, with milk and honey. You will see them give of their plenty to the people of the land, and receive in return a goodly profit and esteem. And once again there will arise from among Jewish husbandmen prophets, lawgivers, inspired bards, and teachers to whom the civilized world will do homage."

Before Rabbi Krauskopf left, Tolstoy won his promise to found a farm school in America. In 1896, the National Farm School became a reality.

The school set up as its primary objective the education of city youth, particularly Jewish boys, in a type of farm training that would enable them to enter practical agricultural pursuits.

For 50 years the school has attracted most of its students from large cities. In those 50 years, the school has grown from a one-building, 122-acre farm to an attractive campus and multibuildinged 1,200-acre plant devoted to all phases of farming and farm management and marketing, as well as floriculture and landscape gardening.

The school is nonsectarian. The students (from 17–21 years of age when admitted) live together, work and study together in the fields and classroom, and play together on their athletic fields.

OPA PRICE CEILINGS ON MEAT

Mr. JOHNSTON of South Carolina. Mr. President, in a few days the Senate will be called upon to determine whether the OPA shall continue in existence. I desire to call to the attention of the Senate the effect the OPA is having on certain industries in my State. I hold in my hand a telegram from the Greenville (S. C.) Chamber of Commerce, signed by K. B. Miles, executive vice president, reading as follows:

GREENVILLE, S. C., *March 22, 1946.*

Senator OLIN D. JOHNSTON,
Senate Office Building:

Today our public has been shocked with an announcement of the Balentine Packing Co., in that it has become necessary for them to discontinue slaughtering and marketing of beef because they cannot operate at a profit with present ceiling prices as permitted by OPA. Surely there must be some governmental machinery that could be used whereby such action would not be necessary. We think it is imperative that OPA regulations and ceilings be changed to a more practical and businesslike application that will permit businesses to prosper rather than perish. The citizens of this community appeal for your vigorous cooperation to do something about this matter.

K. B. MILES,
Executive Vice President, Greenville Chamber of Commerce.

I also hold in my hand a letter from the Balentine Packing Co., Inc., of Greenville, S. C., signed by its president, Mr. W. Louis Balentine. It reads as follows:

BALENTINE PACKING CO., INC.,
Greenville, S. C., March 20, 1946.

Hon. OLIN D. JOHNSON,
Member United States Senate,
Washington, D. C.

DEAR SENATOR: I am enclosing copy of a statement and resolution adopted by the National Independent Meat Packers Association on March 14, 1946, and wish also to add the following remarks:

We were forced to discontinue our beef operations on February 1, 1946. We can no longer comply with ceilings on live cattle as established by OPA. In plain words, we cannot buy cattle today at or under ceiling prices. To exceed ceiling prices is a serious violation. We operate a legitimate meat-packing business and have no desire or intention to violate laws, absurd as they may be in some instances.

Obviously we were faced with a difficult situation. All during the war years and since we have slaughtered cattle, for the most part, at a loss in order to supply this community and adjacent areas with a fair share of beef.

Our decision to quit rather than violate OPA regulations is going to work a hardship on our retail customers as well as consumers. We deeply regret the absolute necessity for such action. We recognize that our company has a responsibility to furnish beef and other meats to this community, and we have made every effort to discharge this responsibility during these trying times.

We hope that soon OPA will realize that complicated, confusing, and theoretical regulations cannot put meat on your table. Until that occurs we are forced to discontinue our beef operation. Our plant will remain in business to slaughter and process pork to the extent that hogs are available.

Only through black-market operation would it be possible for us to remain in the beef business, and we refuse to become a party to this unlawful, nefarious practice.

Any support that you may be able to give this resolution will be greatly appreciated.

Yours very truly,

BALENTINE PACKING CO.,
W. LOUIS BALENTINE,
President.

Mr. President, attached to the letter are a statement and resolution approved by the board of directors of the National Independent Meat Packers Association, signed by its secretary. They read as follows:

STATEMENT AND RESOLUTION APPROVED BY THE BOARD OF DIRECTORS OF THE NATIONAL INDEPENDENT MEAT PACKERS ASSOCIATION, MARCH 14, 1946

STATEMENT

This association has consistently supported price control as essential to the war effort. Prevention of inflation is a necessary part of the program of reconversion. But price control on meat has completely broken down. Prices are dictated by the black market and not by the Government, and there is more inflation than there would be in a free market. The people are paying over $700,000,000 a year to maintain the fiction of price control, and countless additional millions are being paid by consumers in the form of black-market prices. Legitimate slaughterers are

unable to obtain cattle in competition with the black market, with the result that in all parts of the country beef slaughterers are closing down completely or drastically curtailing production, making it difficult for housewives to obtain beef in the usual channels. The Government is hurt by $700,000,000 spent to no purpose but to subsidize an enormous and vicious black market. The consumers are hurt in a two-fold way by extremely high black-market prices and by scarcity of meat in legitimate channels. The meat packers are hurt and many threatened with ruin because they cannot compete with the black market. Additional enforcement officers even at huge expense would not solve this problem because enforcement against the black market is as impossible as enforcing prohibition.

RESOLUTION

In view of these facts—

"*Resolved*, That the National Independent Meat Packers Association urge upon Congress the complete elimination of price control on meat and meat animals effective July 1, 1946."

I hereby certify that the above statement and accompanying resolution was approved by the unanimous vote of the board of directors at a meeting held in Washington, D. C., Thursday, March 14, 1946, and that is so recorded in the official minutes of that meeting.

C. B. HEINEMANN,
Secretary.

Mr. President, I think the plight in which the people of the United States now find themselves is most serious, and I believe they and all Members of the Senate wish to have something done about it. We do not wish to spend $700,000,000 to subsidize the production of meat, and then have concerns which are supposed to be engaged in legitimate businesses appeal to this body and to the people of the United States for relief, saying that they cannot stay in business legitimately under the varying OPA prices.

So, Mr. President, it is our duty to study this problem and see what we can do to solve it. We should do everything that can be done and we should bring all possible pressure to bear upon the OPA to do what is right and just in the matter.

CONTINUATION OF RENT CONTROL

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the RECORD a forthright letter which I have received from the progressive mayor of one of our progressive New York State cities. The letter is under date of March 6, 1946, and comes from Hon. Stanley W. Church, mayor of the city of New Rochelle, N. Y.

In his letter Mr. Church points out the necessity of continuing rent control beyond the June 30 dead line, and thereby helping to prevent a catastrophe taking place which would adversely affect more than 100,000 residents of his community. Mr. President, I compliment the mayor on his courageous and enlightened stand.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE MAYOR,
CITY OF NEW ROCHELLE, N. Y.,
March 6, 1946.

Hon. JAMES M. MEAD,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MEAD: In the spring of 1944, it became evident to me that housing shortages were becoming acute and that landlords were taking advantage of the situation by substantially increasing their rents. The situation then was bad, but it is downright frightening to contemplate future chaotic conditions in Westchester County, should Congress fail to enact legislation to continue rent control.

Thousands of persons who have made their residence here for years, many of them for decades, were saved their homes by the prolonged fight, which I initiated and led almost single-handedly and fought for rent ceilings, which were finally established in Westchester County on October 20, 1944.

There is no question in my mind, that if rent control is eliminated on June 30, that rents throughout Westchester will increase from 50 to 100 percent, forcing thousands upon thousands of our residents to vacate their homes, with no place to go. There would not be sufficient moving vans, trucks or other vehicles to handle the exodus out of the county, of our old residents and neighbors, driven out by high and unreasonably inflated rents.

May I call your attention to the fact that December, last, I introduced a resolution, which was adopted, at the annual convention of the United States conference of mayors held in New York City, requesting the continuation of rent control until the housing emergency has passed.

Therefore, I urge you to do everything possible to continue rent control beyond the June 30 deadline, and thereby prevent a catastrophe from taking place, which would adversely affect over a hundred thousand of our residents.

Respectfully yours,

STANLEY W. CHURCH,
Mayor.

FINANCING OF MORTGAGES FOR HOME BUILDING BY VETERANS

Mr. JOHNSTON of South Carolina. Mr. President, I wish to read to the Senate a brief letter which I have written to the Honorable George E. Allen, member of the Board of Directors of the Reconstruction Finance Corporation, which vitally affects the Veterans' Administration sponsored program for financing mortgages for home building by veterans of World War II.

The proposal which I make in this letter is within the power of the Reconstruction Finance Corporation to put into effect if its officials so desire. If they do not put it into effect it would almost mean derelection of duty on their part. The letter is as follows:

MARCH 22, 1946.

Hon. GEORGE E. ALLEN,
Reconstruction Finance Corporation,
Washington, D. C.

DEAR MR. ALLEN: I fully realize that the Reconstruction Finance Corporation was largely responsible for the immediate success of the Federal Housing Administration program at its inception by establishing a secondary market for FHA insured mortgages. I, therefore, am now appealing to you in behalf of the veterans to establish a similar secondary market for all mortgages originating under title III of the Servicemen's Readjustment Act of 1944, Public Law 346, Seventy-eighth Congress, as amended by Public Law 268, Seventy-ninth Congress—the so-called GI bill of rights for the benefit of veterans of World War II.

As you know, the Veterans' Administration guarantees mortgage loans to veterans for the purchase of homes, farms, and financing of business ventures. In the case of the purchase of existing homes or the construction of new homes, the Veterans' Administration is willing to guarantee a full 100-percent mortgage on the purchase price established by a reasonable value appraisal to the extent of the top 50 percent of any possible loss to the lender, not to exceed $4,000. This is a liberal guaranty and one that should be helpful to many veterans in building or purchasing homes. So far, however, a majority of the smaller banks and mortgagees are unable to process and finance the required number of loans because of the unavailability of a suitable secondary market.

By your agency establishing a secondary market for veterans' loans under the Veterans' Administration's sponsorship the benefit to our veterans would be tremendous. It would permit our small banks and/or mortgagees in the small communities throughout the Nation to assist the veterans. I believe you can readily see the advantages to the veterans of being able to do business with his home-town banker whom he knows and is known by. This secondary market established by you for these Veterans' Administration-sponsored mortgages under time limits and conditions as your agency established for Federal Housing Administration mortgages would open a large market and enable veterans to secure a home with minimum delay in financing and would undoubtedly speed up and facilitate the home-building program sponsored by the President and Mr. Wilson Wyatt and so much desired by us all.

I have the advice of experts in the fields of construction and financing that such action on your part would facilitate the building of approximately 200,000 additional homes under the President's home-building program. I realize the desire of your agency to cooperate in all matters for the public good that are financially sound. Since all mortgages financed by the Veterans' Administration are guaranteed to the top 50 percent of any possible loss to the lender, not to exceed $4,000, it seems to me that they are as sound an investment as any Federal Housing Administration insured mortgage.

I, therefore, urge your agency to take immediate steps to afford a secondary market for Veterans' Administration-sponsored mortgages, thereby providing for veterans to receive the benefits to which they are now entitled under the Servicemen's Readjustment Act of 1944.

I shall appreciate your early consideration of this matter.

With kindest regards, I am,

Sincerely yours,

OLIN D. JOHNSTON,
United States Senator.

Mr. President, I urge my colleagues in the Senate to give this matter their careful attention and to join with me in requesting Mr. Allen immediately to establish a secondary market for Veterans' Administration-sponsored home financing loans in order that our veterans may receive the benefits to which they are entitled under the so-called GI bill of rights for the benefit of veterans of World War II.

FRATERNALISM IN THE ATOMIC AGE—ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address entitled "Fraternalism in the Atomic Age," delivered by him before the Potomac Lodge of Odd Fellows, at Alexandria, Va., March 22, 1946, which appears in the Appendix.]

ROLE OF UNITED NATIONS IN WORLD PEACE—ADDRESS BY SENATOR VANDENBERG

[Mr. VANDENBERG asked and obtained leave to have printed in the RECORD an address delivered by him on March 23, 1946, at a civic homecoming in Grand Rapids, Mich., which appears in the Appendix.]

OUR FAITH IN AMERICA—ADDRESS BY SENATOR WILLIS

[Mr. TAFT asked and obtained leave to have printed in the RECORD an address entitled "Our Faith in America," delivered by Senator WILLIS before the Sons of the American Revolution at Washington, D. C., on March 20, 1946, which appears in the Appendix.]

RURAL ELECTRIFICATION IN THE NATION'S FARM PROGRAM—ADDRESS BY THE SECRETARY OF AGRICULTURE

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an address entitled "Rural Electrification in the Nation's Farm Program," delivered by Hon. Clinton P. Anderson, Secretary of Agriculture, before the National Rural Electric Cooperative Association, Buffalo, N. Y., March 4, 1946, which appears in the Appendix.]

ROAD TO WORLD PEACE—ADDRESS BY ERIC A. JOHNSTON

[Mr. REVERCOMB asked and obtained leave to have printed in the RECORD an address entitled "Road to World Peace," delivered by Eric A. Johnston, at the Commodore Hotel, New York City, on March 20, 1946, which appears in the Appendix.]

GLOBAL RELIGION—SERMON BY REV. PAYSON MILLER

[Mr. McMAHON asked and obtained leave to have printed in the RECORD a sermon entitled "Global Religion," by Rev. Payson Miller, broadcast on the Church of the Air program on Sunday, November 25, 1945, which appears in the Appendix.]

CIVILIAN CONTROL OF ATOMIC ENERGY—EDITORIAL FROM MANCHESTER (CONN.) EVENING HERALD

[Mr. McMAHON asked and obtained leave to have printed in the RECORD an editorial entitled "Should Be Civilian Control," dealing with the control of atomic energy, published in the Manchester (Conn.) Evening Herald of March 13, 1946, which appears in the Appendix.]

INAUGURAL ADDRESS OF RONALD P. BRIDGES ON BECOMING PRESIDENT OF PACIFIC SCHOOL OF RELIGION

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD the inaugural address delivered by his brother, Ronald P. Bridges, on the occasion of his becoming president of the Pacific School of Religion, which appears in the Appendix.]

RUSSIA'S STAND ON FOOD HARD TO EXPLAIN

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an article entitled "Communist Tactics in France," written by Marquis Childs, an article entitled "Soviet Deaf to UNRRA, Sells Wheat," written by Ruth Montgomery, and an article entitled "Russia Sells France Grain; Silent on Plea from UNRRA," all published in the Washington Post of March 21, 1946, which appear in the Appendix.]

SECRETARY WALLACE—ARTICLE FROM THE RICHMOND (IND.) PALLADIUM-ITEM

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an article entitled "The Dangerous Fascism of Wallace Still Threatens You," from the Palladium-Item, of Richmond, Ind., of March 21, 1946, which appears in the Appendix.]

HOME BUILDING—ARTICLE FROM THE INDIANAPOLIS STAR

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an article entitled "Home Building Volume Equals 17-Year Record," from the Indianapolis Star of March 22, 1946, which appears in the Appendix.]

THE ST. LAWRENCE PROJECT—ADDRESS BY MATTHEW WOLL

[Mr. MEAD asked and obtained leave to have printed in the RECORD an address on the subject of the St. Lawrence project, delivered by Matthew Woll, vice president of the American Federation of Labor, at Rochester, N. Y., on March 7, 1946, which appears in the Appendix.]

STRIKES AT GENERAL ELECTRIC CO. AND WESTINGHOUSE CORP.—STATEMENT OF UNITED ELECTRICAL RADIO AND MACHINE WORKERS OF AMERICA

[Mr. MEAD asked and obtained leave to have printed in the RECORD a statement of the United Electrical Radio and Machine Workers of America regarding a strike of employees of General Electric Co. and Westinghouse Corp., which appears in the Appendix.]

AMENDMENT OF FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT] to the amendment proposed by the Senator from Louisiana [Mr. ELLENDER] on behalf of himself and the Senator from Minnesota [Mr. BALL].

Mr. PEPPER. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	Myers
Austin	Hart	O'Daniel
Bailey	Hatch	O'Mahoney
Ball	Hawkes	Pepper
Bankhead	Hayden	Reed
Barkley	Hickenlooper	Revercomb
Bilbo	Hoey	Robertson
Brewster	Huffman	Russell
Bridges	Johnson, Colo.	Saltonstall
Briggs	Johnston, S. C.	Shipstead
Brooks	Kilgore	Smith
Buck	Knowland	Stewart
Byrd	La Follette	Taft
Capehart	Lucas	Taylor
Capper	McClellan	Thomas, Okla.
Chavez	McFarland	Tobey
Connally	McKellar	Tunnell
Cordon	McMahon	Vandenberg
Donnell	Maybank	Walsh
Eastland	Mead	Wheeler
Ferguson	Millikin	White
Fulbright	Mitchell	Wiley
Gerry	Moore	Young
Guffey	Murdock	

Mr. BARKLEY. I announce that the Senator from Virginia [Mr. GLASS], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are absent because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Georgia [Mr. GEORGE], and the Senator from Alabama [Mr. HILL] are necessarily absent.

The Senator from Louisiana [Mr. ELLENDER], the Senator from Idaho [Mr. GOSSETT], the Senator from Rhode Island [Mr. GREEN], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MURRAY], the Senator from Louisiana [Mr. OVERTON], the Senator from Maryland [Mr. RADCLIFFE], and the Senator from Utah [Mr. THOMAS] are detained on public business.

The Senators from Nevada [Mr. CARVILLE and Mr. MCCARRAN], and the Senator from California [Mr. DOWNEY] are absent on official business.

Mr. WHITE. The Senator from Nebraska [Mr. BUTLER] and the Senator from Indiana [Mr. WILLIS] are necessarily absent by leave of the Senate.

The Senator from North Dakota [Mr. LANGER], the Senator from Oregon [Mr. MORSE], the Senator from Kentucky [Mr. STANFILL], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from Iowa [Mr. WILSON] is absent because of illness in his family.

The Senator from South Dakota [Mr. BUSHFIELD] is absent because of illness.

The PRESIDENT pro tempore. Seventy-one Senators having answered to their names, a quorum is present.

Mr. BALL. Mr. President, I rise to speak briefly in support of the Ellender-Ball amendment to S. 1349 and in opposition to the bill as reported by a majority of the Committee on Education and Labor.

Mr. President, there has been quite an effort by its proponents to make the vote on this bill and on the pending amendment the crucial test as to whether Senators are liberals or reactionaries. This effort appears to me to be very similar to the proposal made last week by the Secretary of Commerce that a few individuals be set up as the arbiters of which side of any given issue is liberal and which is reactionary, which is Republican and which is Democratic. I am reminded also of the various articles and tables I have seen in certain magazines purporting to give the voting records of Members of Congress. It is significant that these articles do not list how Congressmen and Senators voted on the hundreds of issues which come before us each session. They do not list Members as voting "yes" or "no." Instead, these so-called unbiased voting records pick out around a dozen particular issues, and they list Members as voting right or wrong. Sometimes they merely indicate whether the vote was right or wrong by a plus or minus sign. I am sure that all my colleagues have seen some of these so-called voting records.

Mr. President, I submit that if I or any other individual or group was given the right to determine for the final record what issues were really important and which side was right and which was wrong, I could by my choice of issues make any individual Member of this body appear on the record as either 100 percent wrong or 100 percent right.

This angle of the debate is not too important because I am sure that most Senators will agree with me that under our system only the people of the United States, and not any particular group or set of individuals, will decide finally which is the liberal side of this or any other issue. However, I do question seriously whether those who insist that the sole criterion of whether a public official is liberal or not should be whether he is willing or not to support any and all legislation which purports to give additional rights, immunities, privileges, or benefits to some particular group are really serving the cause of liberalism. I notice that

those who seek to determine political labels by that formula always insist that the group receiving these special benefits or privileges must be a very large one with plenty of votes. If it happens to be a small group which does not carry too much weight at the polls, then voting for special privileges or immunities or benefits for that group becomes a symbol of reaction. This seems to be a widespread idea, Mr. President, that by simply passing a law here in Congress we can give a great many people something for nothing. I cannot agree with that theory. In my life I have never received something for nothing, and I have never seen that theory work. We always pay in some coin or other for progress. It is my conviction, and I have attempted to demonstrate it from time to time, that many of the measures proposing to give large groups something for nothing—measures such as the full-employment bill as it was originally introduced, or the amendment proposed to the unemployment compensation bill to guarantee everybody $25 a week for 26 weeks, actually proposed benefits to large groups which inevitably in the long run would have been paid for in the precious coin of human freedom. In other words, Mr. President, I do not subscribe to the proposition that through government we can eliminate all risks, economic or otherwise, from our system of society without at the same time eliminating all freedom both political and economic.

I particularly regret that it is proposed to make this bill the vital test of liberalism, because this bill is concerned solely with dollars and cents, and the issue involved is fundamentally economic.

I have the idea, which may sound a little quaint in these days, that to be a liberal one must be devoted to liberty. I mean liberty, not for any particular group, whether it be workers, farmers, or businessmen, but liberty for all individuals and all citizens. And human liberty, Mr. President, cannot be measured solely in dollars and cents. I believe that a liberal judges issues as they arise primarily on whether their net effect will be to expand or contract the sum total of opportunities and freedoms enjoyed, not by any particular group, but by all of the people of this country as individuals.

Mr. President, I think the majority of the committee would admit that the issue raised by this bill and by our amendment is an economic question fundamentally. Otherwise they would have proposed in their bill a minimum wage, not of 75 cents an hour, but of $1 an hour, which their own figures show to be the minimum which they regard as necessary for a worker to maintain a family on an adequate American standard of living. They did not propose a minimum of $1 an hour because they recognize the economic fact that if a minimum wage is raised too high, it will either: First, force prices up so high as to cancel out the gains in income for the workers affected; or second, it will make many individual businesses noncompetitive and force them to close, thereby throwing a great many people out of work.

The economic question at the root of this issue, therefore, is: Where is this economic danger point? Where can we fix this statutory minimum wage with a reasonable assurance that it is not going to be so high that it will force many employers to discharge their least efficient people and force them onto public relief? I think we must recognize that the average American employer—I grant there may be exceptions—does not want to employ so-called cheap labor. He wants the best and most productive employees he can get, and he is perfectly willing, generally again, to pay them a wage which is proportionate to their contribution to his business. In our society there are vast differences in ability and productive capacity among people. Generally those individuals who are being paid today the lowest wages are those who are the least productive. A great many of them are in the so-called service industries, where experience has shown that there is a very definite economic ceiling on the price which the public will pay for those services. I know, for instance, that laundries have found that when they increase the price of home laundry above a certain point they do not increase their own business; they only sell more washing machines. Obviously if we force an industry like this to pay a wage which in turn will force a price increase greater than the public is willing to pay, we will only create unemployment and not raise the living standards of anybody. I don't think either the proponents or the opponents of the committee bill would argue that it is not much better for an individual to have a productive job at 55 cents an hour, rather than no job at all at 75 cents an hour, if that is the choice.

The facts are, Mr. President, that as to this basic economic question of when we reach the danger point to our economy in raising this minimum wage, the testimony before the committee provides no real answer. True, we have plenty of estimates that American productive capacity is great enough and our economy strong enough to pay this minimum without any real danger and without creating any serious unemployment. But none of those who testified to this effect, and most of them were either Government officials or economists employed by one or another of the groups supporting this legislation, had any economic facts or experience on which to base their estimates. They had no facts, because the statutory minimum wage of 40 cents did not finally become effective for all American industry covered until 1944, and it was effective for the majority of industry only in 1942. I do not think anyone on this floor would contend that the year 1942, when we were striving to increase war production to the maximum and when we had a shortage of labor and a sellers' market, was a normal period for American industry.

Because of that situation, we were unable in the committee to get any kind of statistics as to how even the 40-cent minimum has affected small business concerns operating in previously low-wage areas in any normal times. Obviously, to predict the future without any real facts as to what has happened in the past is to proceed on very slim evidence on an issue which contains such great potential dangers to our economy.

I myself think it was rather significant that no representatives of large industries appeared before the committee to oppose the committee bill. Throughout this war, as we all know, there has been a tendency to concentrate American industry more and more in large concerns, and there have been very heavy casualties among smaller businesses, not because of financial losses during the war, but because we deliberately forced their closing, through various policies, in order to leave the larger industries with all the materials necessary for war production. Large business in America has never shown any deep concern for the welfare of its smaller competitors, and I do not think big business would worry at all if legislation of this type eliminated some of that so-called marginal competition. In fact, some of the proponents of this committee bill admit quite frankly their belief that a marginal small business cannot afford to pay 65 or 75 cents an hour and keep going should go out of business.

Mr. President, I think that is a very dangerous philosophy for this Government to adopt if we really want to preserve a free economy in the United States. When the Government, which inevitably in our system must be guided more by political considerations than by economic facts, begins to decide by itself what is an efficient and proper business and what is not, and which business should survive and which should not, we are dangerously close to totalitarianism.

But, further than that, there are two basic fallacies underlying the argument made for the 75-cent minimum in the committee report and arguments supporting it on the floor of the Senate. The first fallacy is that there is no substantial difference in living costs throughout the length and breadth of this great land. The committee majority contends that the only reason it seems to be cheaper to live in a small town or rural region is because living standards are lower.

What are the facts? Admittedly there are not too many good studies; but one was made by the WPA as of June 15, 1943, and that particular study showed a range in living costs of 20 percent between the extremes reported for 33 cities. And, mind you, these were all good-sized cities, with no small towns among them. Another WPA study made in March of 1935 concluded that it cost considerably less to live in smaller cities and also in the South. Actually, they found the difference in living costs a little less than 10 percent between the cities they covered as compared to their size, and about 10 percent difference between living costs in New England and the South, which were the regional extremes.

Beyond that, I think any Member of this Senate who has ever lived in both a small town and a large city knows from experience the complete fallacy of the argument that there is no real difference in living costs between them. The workman in a small town usually walks to work. He does not have to pay car fare.

He can live in a house with quite a bit of land around it. He can have a large garden and keep chickens, or even a cow, if he wants to. I have traveled quite a bit over my State, and I know that in literally hundreds of small towns and villages in Minnesota I can buy a good dinner for 40 or 60 cents—a dinner which in Minneapolis or St. Paul would cost anywhere from $1 to $2. Differences in living costs are very great between small towns and large cities.

But I submit that even this difference in actual dollars and cents in living costs does not fully measure the difference in living standards in small towns and large cities. Living standards are not measured for me solely in the price of food, clothes, and shelter. Measured by my standards of value, the family in a small town, living perhaps in an old and ramshackle, but spacious home, with plenty of lawn and garden and within 5 minutes walk of open country, knowing their neighbors intimately, as one does in a small town, is living on a far higher and better standard than the factory worker in a large city, jammed into a dinky apartment or a dingy row house, with nothing but brick and pavement for miles around, even though the small town family's income is only half that of the city dweller.

The other major fallacy, Mr. President, on which the majority of the committee bases its recommendations is that this increase of 87.5 percent in the statutory minimum wage is justified by the tremendous increase in worker productivity which is inevitably coming, as industry completes reconversion to peacetime production. In support of that position, the majority cites the very large admitted increases in productivity per man after the last war.

Mr. President, I submit that the situations after the last war and after this one are in no way comparable. After the last war we only had three or four million of our industrial workers organized into labor unions. Today we have around 15 million of our industrial workers organized into labor unions. And, Mr. President, I do not believe that anyone can successfully refute the proposition that when workers are organized into unions, the initial result is generally a lowering of productivity per worker. Most unions in my experience tend to limit output per worker. Instances of that sort occuring on war production, even at the height of our war effort, could be cited by the hundreds. I have sought some statistics on this question of productivity, and I have not found any accurate and reliable figures. In the hearings on labor legislation before the Education and Labor Committee, and also before the Mead war investigating committee, we did have some testimony on this point. The testimony indicated that there has been an increase in productivity in two major industries—steel production and aircraft production, neither of which would be affected by this bill. On the other hand, all the evidence I have seen indicates a considerable decrease in productivity per man in the automobile industry and in the electrical industry. I think it is taking a very dangerous gamble with the future prosperity of America to base a minimum wage on what we hope will happen when what actually has been happening is the reverse.

Mr. President, the proponents of the committee bill cite the very much larger national income today as proof that we can afford this increase in the statutory minimum wage without any substantial increase in prices—this despite the testimony, I may say, of Chester Bowles that under this proposal a price increase of at least 5 percent would be required for the lumber industry. I have the figures on the national income and its division as among wage earners, corporate net income after taxes, net income of proprietors, and interest and net rents and royalties from 1909 through 1945, as compiled by the Department of Commerce.

I averaged out those figures for the 5 years 1909 to 1913 inclusive, and then for the last 5 years 1941 through 1945, inclusive. The results are very interesting. They show that in the 5 years from 1909 to 1913, wage earners on the average received 58.2 percent of the total national income which averaged around $30,000,000,000. Corporate net income after taxes accounted for 7.8 percent, and net income of proprietors for 21 percent, while interest and net rents and royalties made up the remainder, or 13 percent.

Now what happened in the last 5 years from 1941 to 1945 when our national income averaged close to $150,000,000,000 a year? Wage earners received 70.3 percent of that total income, or 12 percent more of the national income than they received from 1909 to 1913. On the other hand, corporate net income accounted for only 6.6 percent of the total, or a drop of 1.2 percent, while the net income of proprietors dropped from 21 percent in the earlier 5 years to 16 percent of the total in the most recent period. Interest and net rents and royalties totaled only 7.1 percent of the national income in the past 5 years, as compared to 13 percent in the first 5 years.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. BALL. I yield.

Mr. FULBRIGHT. What is included in the word "proprietors"? Does the Senator refer to small business proprietors?

Mr. BALL. I refer to individuals who own their businesses and operate them individually.

Mr. SALTONSTALL. Mr. President, the Senator has quoted figures showing that the income of the country between 1909 and 1913 was $30,000,000,000 as compared with the income in the period 1941 to 1945 of $150,000,000,000.

Mr. BALL. I was referring to the average yearly income.

Mr. SALTONSTALL. Are those figures comparable? I ask the question because I did not realize that the gross income of the country was as low as $30,000,000,000 annually during the period 1909 to 1913.

Mr. BALL. I may say that these figures have not been adjusted with regard to prices. Obviously, when the income is adjusted for prices, we had a much larger income than $30,000,000,000 in the period to which I have referred. However, the standard is the same for both periods, and it shows the percentage of the total national income which each group received.

Mr. SALTONSTALL. Can the figure $30,000,000,000 be compared with the figure $150,000,000,000 for working out percentages of what was received in wages, and what was received in dividends?

Mr. BALL. Yes. I had reference to the total original income. I believe the figure refers to total gross income.

Mr. AIKEN. Mr. President, I understood the Senator to say that during the period 1909 to 1913 the workers received 58.2 percent of the total national income.

Mr. BALL. The Senator is correct.

Mr. AIKEN. And that during the period 1941 to 1945 they received 72 percent.

Mr. BALL. It was 70.3 percent.

Mr. AIKEN. The point which the Senator is trying to make, if I understand him correctly, is that it is worse for the country to have the workers receive a higher percentage of the national income.

Mr. BALL. No; I believe on the whole that such a development has been a healthy one. I think we may be approaching a danger point, as I shall attempt later to show in my remarks.

Mr. AIKEN. The point which the Senator is attempting to make is that wages should not rise above a certain percentage, is it not?

Mr. BALL. No. Later, I shall make a point concerning profit. The point I was trying to make was that steadily during the years, and particularly during the past year, the percentage of the total national income going to wage earners has increased greatly.

Mr. AIKEN. I do not dispute that statement. Does the Senator have any figures with regard to the total number of employees involved? Of course, during the period 1909 to 1913 there were a great many small establishments throughout the country which have since been integrated into large corporations.

Mr. BALL. I do not have any figures on that point. I would assume that the number of establishments has decreased somewhat, but not very greatly. Of course, the labor force has increased tremendously, but that does not alter, particularly, the percentages.

Mr. AIKEN. I thank the Senator.

Mr. BALL. Mr. President, the figures which I have quoted also show that the increase in per capita national income has been 263 percent in the same period from 1909 to 1945. The average per capita income in dollars increased from $317 in 1909 to $1,153 in 1945. The increase has been steady throughout the period, but of course it did jump very heavily during the war years. In fact from 1938 to 1945 it increased approximately 130 percent.

Mr. President, I have before me a table which I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD as follows:

National income by distributive shares, 1909–44

[In billions of dollars]

Year	Total income originating [1]	Compensation of employees			Corporate net income after taxes	Net income of proprietors	Interest and net rents and royalties	Per capita national income
		Total [1]	Wages and salaries [2]	Supplements to wages and salaries [3]				
1909	28.7	16.4	16.2	0.3	2.2	6.3	3.8	$317
1910	30.4	17.7	17.4	.3	2.3	6.4	4.0	329
1911	30.5	18.0	17.7	.3	2.0	6.3	4.2	325
1912	32.9	19.2	18.9	.3	2.5	7.0	4.3	345
1913	34.8	20.5	20.2	.3	2.8	7.0	4.5	358
1914	33.9	20.2	19.9	.3	1.9	7.1	4.7	342
1915	37.0	21.1	20.8	.3	2.9	8.1	4.9	368
1916	44.8	24.4	24.1	.3	5.3	9.9	5.2	439
1917	53.7	28.0	27.8	.2	6.1	14.0	5.6	520
1918	58.3	35.0	34.9	.2	3.9	13.3	6.1	565
1919	68.2	38.3	38.0	.3	5.7	17.1	7.1	653
1920	69.5	45.1	44.6	.4	3.9	13.3	7.1	653
1921	51.7	36.1	35.8	.4	-----	8.5	7.1	476
1922	50.5	37.6	37.2	.4	3.9	10.3	7.6	541
1923	69.5	44.2	43.7	.4	5.2	12.0	8.2	621
1924	69.1	44.1	43.6	.5	4.3	12.1	8.6	606
1925	73.7	45.8	45.4	.5	5.5	13.7	8.7	636
1926	76.6	48.8	48.4	.5	5.8	13.4	8.5	652
1927	75.9	49.2	48.7	.5	5.1	12.9	8.8	638
1928	78.7	50.1	49.6	.5	6.3	13.1	9.2	653
1929	83.3	53.1	52.6	.5	7.2	13.6	9.4	684
1930	68.9	48.2	47.7	.5	1.7	10.0	8.9	560
1931	54.5	40.6	40.0	.6	−1.6	7.3	8.2	439
1932	40.0	31.7	31.0	.6	−3.6	4.8	7.1	320
1933	42.3	29.8	28.7	1.1	−.6	6.5	6.6	337
1934	49.5	34.5	32.6	1.9	.5	7.5	6.9	392
1935	55.7	37.5	35.6	1.9	1.7	9.5	7.1	438
1936	64.9	43.0	40.0	3.1	3.8	10.9	7.3	507
1937	71.5	48.3	45.0	3.3	3.9	11.9	7.4	555
1938	64.2	45.1	41.2	3.9	1.7	10.1	7.3	495
1939	70.8	48.1	44.2	3.8	4.2	11.2	7.4	541
1940	77.6	52.3	48.6	3.7	5.8	12.0	7.5	588
1941	96.9	64.5	60.8	3.7	8.5	15.8	8.0	727
1942	122.2	84.1	80.8	3.3	8.7	20.6	8.8	907
1943	149.4	106.3	103.1	3.2	9.8	23.5	9.7	1,095
1944	160.7	116.0	112.8	3.2	9.9	24.1	10.6	1,164
1945	161.0	114.5	111.4	3.1	9.0	25.6	11.8	1,153

[1] Detail will not necessarily add to total because of rounding.

[2] Includes payments made to Federal civilian and military personnel stationed outside continental United States.

[3] Includes employer contributions to social insurance funds (including Government retirement systems), industrial pensions, compensation for industrial accidents, military reserve and retirement pay, and fees to bank directors.

NOTE.—Estimates for 1929–45 are those of the U. S. Department of Commerce. Estimates for 1909–28 are extensions of the Commerce series on the basis of data published by the National Bureau of Economic Research.

Source: National Income Unit, U. S. Department of Commerce, September 1945.

Mr. BALL. Mr. President, I think these figures from the Department of Commerce show very clearly that the trend for the past 40 years has been toward increasing the wage earners' share of the national income at the expense of profits of both corporations and individual proprietors. I know that it is politically inexpedient today to defend profits. But as I learned economics, reasonable profits are absolutely essential in the operation of the competitive capitalistic system, and I am for that system. I think that there is a danger point below which we cannot force profits by legislation or regulations without running a serious risk of drying up and sterilizing the whole capitalistic system. It is the contention of the majority that in large part the increase in manufacturing costs which would be brought about by a 75-cent statutory minimum wage could be absorbed out of profits which since 1909 have dropped for all categories, from 42 percent of the national income to 29.8 percent of the national income. I may remind those supporting the majority report that in the long run it is profits invested in new capital equipment and new machinery which must increase the productivity and thereby the real wages and living standards of the workers in this country. If we in our somewhat political attacks on profits so penalize them and dry them up that that flow of new capital is decreased or eliminated completely, then our living standards inevitably will begin to drop.

Mr. President, as this bill was introduced originally it included in section 8 a provision which would have given industry committees authority, with the approval of the administrator, to fix minimum wages for various classifications above the unskilled level. In other words, as it was originally proposed, S. 1349 was not a minimum wage bill at all, but a bill to give the Government authority to fix all wages for any type of work. The inevitable result of such wage fixing by the Government would be a complete Government control of our whole economy, because we could not fix wages without fixing prices and profits and eventually regulating all of business to such an extent that we would have to take it over and run it. I am opposed to that. The original section 8 has been eliminated, but I think the purpose behind it still remains.

There seems to be a tendency on the part of many groups to regard a statutory minimum wage as a device gradually to boost wage earners' incomes and living standards by legislation, regardless of the total productivity of this country's industry and workers. I think that concept is fundamentally unsound. I believe that every time the Government starts tinkering with the economy in this direct fashion in an effort to force higher living standards without regard to the economic factors which must bring about such higher living standards, we take one step nearer the totalitarian form of government.

Mr. President, my concept of a statutory minimum wage is that it is a part of our basic social-security program to fix minimum—and they must be minimum—economic-security standards for all the people, leaving it to individual initiative and enterprise to achieve the economic progress we expect. In other words, the proper function of a minimum wage, it seems to me, is to place a floor under the incomes of productive workers, just as old-age annuities and unemployment-compensation benefits place a floor under the living standards of the inevitable casualties in a free economy. Beyond placing this floor under our citizens' economic security, I believe the obligation of government is to see to it that all the people get an even break and as nearly as possible equal opportunities, and to leave the rest to their individual initiative. If, as seems to be the case, it is the ultimate purpose of those favoring the committee bill to force the minimum wage up to $1 an hour, which would provide the $2,000 annual income which they regard as the minimum necessary to maintain an American standard of living, regardless of the effort put forth by the individual, then I think they are writing the death sentence of initiative and enterprise, which are essential to a free economy.

Personally, I should like to see a minimum wage of 40 or 50 cents applied to every worker in the country, with no exemptions. I do not think that would be possible today under price control, but I would vote for it the day price control is lifted. That, it seems to me, would fulfill the real function of a minimum-wage law, of placing a floor under individual economic security.

To sum up, Mr. President, I think it is exceedingly dangerous to gamble with the economy of America on the basis of pure guesses and estimates. I shall support the Ellender-Ball amendment; and if it fails, I shall have to oppose S. 1349.

Mr. TUNNELL. Mr. President, with regard to the pending bill I cut from the Philadelphia Inquirer of recent date a clipping which I shall read:

> Administration leaders have privately admitted that they haven't a prayer of getting the broad new minimum-wage bill—as is—through the Senate. They know they're licked, and they're willing to compromise.

I call attention to this sort of propaganda which is being put into the newspapers for the purpose of fighting the minimum wage bill.

What I have read is followed by this language:

> Just as it did in the House, where the administration lost control of its housing, labor, and full-employment programs, the leadership once more has run afoul of the now familiar coalition of Republicans and southern Democrats.
>
> The minimum wage bill had hardly been brought onto the floor of the Senate before the southern Democrats were hard at work.
>
> On the other side of the aisle, Republicans contented themselves with working behind the scenes. They held their fire while Senator RICHARD B. RUSSELL (Democrat of Georgia), representing the farm bloc, proposed an inflationary amendment that would raise food prices an estimated 15 to 20 percent, and Senator JAMES O. EASTLAND (Democrat of Mississippi), suggested tacking on the Hobbs antiracketeering bill verbatim.

The peculiar situation with regard to this comment is that the writer seems to assume that this bill is one that affects the administration and not one that affects the people of the United States. It does not seem to occur to him that the worker is interested at all; it is only a political game in which as he says, southern Democrats and northern Republicans are combined. I do not know, but it seems to me that that is rather a slander on both of them. I do not think either the southern Democrats or the northern Republicans would admit such a partnership; but this writer seems to take it for granted that all the members of this so-called combination will admit that they are working together, regardless of the merits of the case, for the purpose of defeating something which the writer says the administration wants. I am clearly of the opinion that it is the worst type of propaganda. I do not think there is the slightest truth in the statement he makes as to the agreement or attempted agreement. I read further from the article:

This afternoon, while the proponents of higher minimum wages were making their formal speeches for the RECORD, an exceptionally authoritative source said he expected the coalition to load the bill down next week with two more highly controversial issues—namely, the Petrillo bill and the Case bill. Both stringent labor-curbing measures.

That is interesting in view of the fact that I have received many contradictions from people as to the Case bill being an antilabor bill at all. This writer puts the Case bill down clearly as "a stringent labor-curbing measure." He at least was telling the truth about that.

With this in prospect, even before the debate gets down to brass tacks on the floor, the administration spokesman admitted defeat, revealing a leadership willingness to compromise on a flat minimum of 60 cents an hour instead of the proposed progression from 65 to 70 and finally 75 cents an hour in 2-year stages.

I doubt if the writer of that article or the publisher of the newspaper can find any responsible person who made any suggestion of that sort or agreed to any such suggestion, or that it was something which appeared to be agreeable to this so-called combination between Republicans and southern Democrats.

And there appeared to be every likelihood that the leadership would be willing to confine the coverage to those workers who are now within the scope of the wage-hour law, instead of widening it to include chain-store employees, department-store employees, cannery workers, and, in short, virtually all wage-earners but farm hands.

He failed to refer to the fact that the department store or chain store would have to have five stores or sell $500,000 worth of goods a year. That is another indication of the reason for the writing of just this type of an article:

In the House during the last few months it has almost been like watching a football game from the grandstands. The leadership would kick off, the coalition would catch the ball—

That is, the so-called southern Democrats and northern Republicans—

and never stop running with it. In the field of neither labor nor housing legislation could the administration ever recover.

In other words, it is not a matter for the benefit of the Nation; it is a question of which shall succeed politically, this so-called coalition or the administration, as this writer states it.

The Senate, so far, has been somewhat more subtle except for the continuing fight in the Senate Labor Committee before the minimum wage bill was reported out. But the heavy hand of the coalition is readily apparent in the fatal amendments already stacked up against the measure.

There is no pretense here that the bill is for the benefit of the country or for the benefit of the laboring man. It is something which is being loaded up "by fatal amendments stacked up against the measure." I think perhaps he may have the right slant on some of those amendments.

Twice the Case bill, which would change the parity formula to include the costs of farm labor, was passed by the House only to be killed in the Senate by the threat of a Presidential veto. It would make southern farmers very happy, regardless of what it did to the urban housewife.

Twice also the antiracketeering bill was passed by the House, only to die in one of the many pigeonholes known to the Senate Judiciary Committee. In many respects it is a good bill, although it has never been acceptable to prolabor Senators. It, too, would make the southern farmer happy.

The Case bill, of course, breathed its last gasp in the offices of the Senate Labor Committee, where even mildly antilabor Senators weren't interested in rushing out the pulmotor. The only possible way it can get before the Senate now is by way of an amendment—or rider—to some other measure.

Introduction of the Case bill—when and if necessary—would identify the group that is out to scuttle minimum wages even more positively than fingerprints.

Who are the people who are "out to scuttle minimum wages"? That is put down as a plain objective of somebody. Those who speak in opposition to the pending bill tell us that they favor high wages. They go away beyond the minimum wage. Yet this writer, who seems to speak very glibly of attempted agreements and the like, says they are out to scuttle the minimum-wage bill.

There was a time when it was understood that Senator CLAUDE PEPPER, father of the minimum-wage bill, would accept the Pace bill as an amendment; it would bring in farm bloc support. Later, the piling up of other controversial amendments showed PEPPER which way the wind was blowing.

A check of the Senate's membership discloses no more than 25 votes for the Pepper measure as it stands now.

This article, as I have said, is a deliberate attempt to destroy the minimum wage bill by false statements as to what the real situation is, and, I hope, by false statements with regard to the motives of a so-called coalition. I do not think any considerable number of Senators will put themselves in the position of voting, in a matter which affects so many millions of people, merely on political grounds, and as a means of attempting to hit at certain political sections. I cannot imagine such a situation, and do not believe it exists, notwithstanding the statements of the writer from whom I have just quoted.

Mr. President, there is undoubtedly a difference of opinion, indeed, a very serious difference of opinion, between those who believe in a minimum-wage law and those who do not believe there should be a minimum-wage law at all. I am unable to see why there is any difference in principle in the advocacy of a bill carrying a minimum wage of 65 cents rather than one carrying a minimum wage of 40 cents. I do not see any difference in principle. Each would be Nation-wide in its application, each would be for the purpose of preventing what are generally known as sweat-shop conditions.

Mr. President, the minority of the committee have filed a plan or proposal for reducing the minimum wage plan of the majority. I wish to call attention to some of the things which have already been said in the debate. The senior Senator from New Jersey [Mr. HAWKES], last Friday, made this statement, which appears on page 2557 of the CONGRESSIONAL RECORD:

I do not know whether the committee gave thought to the point I am about to mention. My colleague knows me and he knows what I believe in regard to wages. The Senator from Kentucky [Mr. BARKLEY] said one thing with which I can definitely agree, namely, that if we can obtain throughout the United States a satisfied group of employees who are not worrying all day long about making a living, they will do more efficient work and will help solve the problems of our democracy. There is no question about that at all.

But again I ask whether the committee gave definite thought to the matter of foreseeing the future. I think the Senator will find that most businessmen in the United States would go along very happily with the proposal for a 55-cent minimum wage or some similar figure; but I think it will be found that nearly every person in the United States who is charged with operating a business and meeting a pay roll will say, "Why did the legislative body think it could foresee what would happen in this great country of ours 18 months from now?"

Apparently the thought of the Senator from New Jersey was that we dare not legislate for a time in the future; that the future is something which no one knows anything about. The Senator from Vermont [Mr. AIKEN] said:

I should like to know how long a distance the senior Senator from New Jersey considers it is from the present to the future which is dealt with by the pending bill, and how far we would have to go before we arrived at that future.

We cannot legislate for the past. That would have no effect on the conduct of man. Now the point is made that we cannot legislate for the future because we do not know the future. Therefore the Senator from Vermont asked the very pertinent question, "How long a distance is the future?" We are by the Constitution clearly prevented from dealing with the past.

Mr. AIKEN. Mr. President——

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from Delaware yield to the Senator from Vermont?

Mr. TUNNELL. I yield.

Mr. AIKEN. The Senator from Delaware may recall that the Senator from New Jersey was referring to an 18-month period, and stating that we could not foresee conditions 18 months ahead. We could very aptly have called his attention to the fact that it was the minority members of the committee and not the majority members of the committee that used the 18-month period of time.

Mr. TUNNELL. The point I am getting at is that the Senator from New Jersey was objecting, as the Senator from Vermont and I both understood, to the suggestion in the minority report that the wage should be effective 18 months later.

Mr. AIKEN. The Senator from New Jersey held that we could not foresee conditions which would exist 18 months later. However, the minority and the majority of the committee both agreed on legislating for 18 months into the future.

Mr. TUNNELL. Yes; but the senior Senator from New Jersey does not agree with either the minority or the majority. He does not believe in legislating for the future, as I understand.

Mr. AIKEN. I agree with the senior Senator from New Jersey that there are a good many people who cannot see 18 months into the future. But I do not think that many of them are in the Senate.

Mr. TUNNELL. I agree that it is a great problem as to when we shall reach a certain stage of development, and all that. At the same time I do not think our predecessors in the Senate or in the House refrained from passing the 40-cent per hour minimum law on the ground that they could not see into the future.

Mr. AIKEN. I think that conditions which will prevail 18 months from now are going to depend to a considerable extent upon the sort of legislation we enact now. We can legislate to make national conditions better in the future or we can legislate in such a manner as to retard national expansion and growth.

Mr. TUNNELL. I should like to ask the Senator from Vermont this question: Does he believe that the defeat of the minimum wage bill would have the effect of increasing the prosperity of the country 18 months from now?

Mr. AIKEN. The Senator knows my attitude on that question. I think the defeat of the bill would tend to diminish national prosperity 18 months from now.

Mr. TUNNELL. Thus by our own votes we would be bringing on such a condition that a minimum wage that would help to support or would come anywhere near supporting a family would simply be impossible.

Mr. AIKEN. That is correct.

Mr. TUNNELL. There is a theory advanced in the views of the minority to which I wish to call attention:

> The committee majority has departed from that concept of a "minimum wage" for an individual and is attempting to fix as a minimum what might be termed "a standard wage" needed to support a family of four. The standard used by one witness after another on behalf of the 75-cent figure was the amount necessary to maintain adequately a family of four. Repeated efforts failed to produce any evidence, or even reliable estimates, as to how many wage earners who would be affected by the bill actually are responsible for the support of a family of that size.

As I have understood, those who oppose a minimum wage of any consequence believe that the wage should depend on the value of the services rendered, on the value of the wage earner. In the minority views Senators say that a family of four is not what we are attempting to provide for; that that is not the basis for the minimum wage; but that a family of one is what we are considering.

Since I read that astonishing attitude on the part of the minority of the committee I have been wondering just how the wife and two little children were going to live. If the wage which a person is to receive will support a single man or a married man without supporting his wife and two children, then I wonder how the wife is going to be supported, and I wonder how the 1-year-old child or the 2-year-old child is going to be supported, because a minimum wage is not supposed to be sufficient to support anyone but the wage earner himself, and at 40 cents an hour, with 40 hours a week, the wage will not support anyone but the wage earner.

Mr. President, there is not very much use to attempt to defend a policy of that sort, and I was somewhat surprised when one or two Senators seemed to attempt to justify the thought that a minimum wage should be sufficient to support only the wage earner himself.

I do not know how it may be in some States, but in my State I think the minority of the committee would have a good deal of difficulty persuading the Attorney General's office that the wage earner was not liable for the support of his wife and two little children.

Mr. President, I hope the views expressed by the minority represent the belief of only a minority of the American people. I hope only a minority of the American people hold to the theory that a person who is the head of a family, the wage earner, is the only one who should be considered, and that the wage for him should be the wage for both himself and his wife and for all his family. This is a most astonishing and absurd position for the membership of the minority to take with respect to a minimum wage. Yet the minority report is signed by six members of the Senate Committee on Education and Labor.

The Nation since 1938 has been living under a minimum-wage theory; it has had a minimum-wage law, and that law certainly was not passed on the theory that the minimum wage was to be different in the case of a single man from what it was in the case of a married man, nor was it based on the theory that no one but the wage earner himself should be considered when dealing with a family of four.

Mr. President, the views of the minority on Senate bill 1349 should be studied and read by every Member of the Senate, because it is a classic of its type. It is remarkable for its ability to set up false issues and to demolish the opposition based on those issues. It is remarkable also for its ability to start from a partially true premise and proceed to a logical conclusion which is completely false or completely irrelevant.

Repeatedly, those who oppose a decent minimum-wage law have said that the proposal now pending before the Senate represents an increase of 87½ percent. Those who make that statement also tell us that a very large percentage of the wage earners are now receiving 65 cents an hour; and then they turn around and, without directly saying so, give the impression that this is a proposal to increase wages 87½ percent. That is not the truth. It is not the situation, and no one will claim that it is, when we come down to a plain statement of what wage earners are receiving. It is not denied that 80 percent of the factory workers of America are now receiving 65 cents an hour or more—many of them more. One witness who appeared before the committee stated, as I recall, that he was paying those in his factory $1.20 an hour. I heard a Member of the Senate say that in the factory over which he presides when he is not in the Senate there is a minimum wage of 80 cents an hour.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. TUNNELL. I yield.

Mr. HAWKES. I appreciate the Senator's remarks in regard to what I said in the Senate. The Senator is absolutely correct. However, I should like to invite his attention to the fact that the minimum to which he refers is not fixed by law. It is adjustable to changing economic and world conditions. I think that is a very vital thing.

I am sure that the Senator wishes to have my viewpoint on this question. The system under which the factory in which I am interested operates is based upon voluntary cooperation. Adjustments are made on a voluntary basis. I know of a case in which the workers of a particular company, which was not making money, went to the management and stated that they would like very much to help the company through a difficult period by accepting a reduction of 10 cents an hour. The point I wish to stress is that if the minimum wage is set too high, and an employer cannot go below it without violating the law, he is in a fixed position, which may mean tremendous difficulty in our economic structure throughout the United States. That is the point I wish to make clear.

Mr. TUNNELL. I understand the Senator entirely. I know that he stated that in his factory a minimum wage of 80 cents an hour was being paid, and that the factory had increased the wages 10 cents an hour without it costing the company a cent.

Mr. HAWKES. That is an absolutely correct statement.

Mr. TUNNELL. The increase in wages was compensated for by an increase in productivity. I believe that the Senator has the right idea of the wage situation. I am not saying what I say about the Senator with any idea of reflecting upon him. I am congratulating him, because I think his plan is a great improvement over the plan by which the workers must wait until starvation drives them perhaps to take a stand of hostility or even engage in violence.

Mr. HAWKES. Mr. President, will the Senator further yield?

The PRESIDING OFFICER (Mr. DONNELL in the chair). Does the Senator from Delaware yield to the Senator from New Jersey?

Mr. TUNNELL. I yield.

Mr. HAWKES. I should like to emphasize the vast difference between doing a thing voluntarily and being in a position to make adjustments, as compared with an inflexible requirement of law under which changes cannot be made when necessary. That is the vital point in the picture. Let me say to the Senator, as I said the other day, that any business which must rely upon the exploitation of labor for its existence is not entitled to exist. I go further and say that there are many marginal businesses, which are extremely vital to the welfare of our American system, but which might have to go out of existence if the

wage rate were increased 5 or 10 cents an hour beyond a certain minimum.

Mr. TUNNELL. I entirely agree with the Senator that no employer has a right to pay dividends in terms of the sickness of his employees, or in terms of the amount of money which the employees have earned, and which he refuses to pay. I say that the employer has no right to pay dividends based upon such conditions, and that the profits and the success of the business are falsely judged if they are based upon such a foundation.

I return to the thought of the Senator from New Jersey. He is afraid of what this Congress may do now; but he does not look forward to the Congresses of the future, which will be able to take care of the situation which will then exist. The conditions with respect to labor to which I refer do not exist in the case of workers who are receiving 80 cents an hour, but they do exist among those who are receiving 40 cents an hour. The Senator from New Jersey states that there is a minimum wage in his factory of $32 a week. In the factories and in the woods of the State of the Senator from Louisiana there is a minimum of $16 a week, which will not pay for a decent American standard of living. The purpose of the minimum-wage bill is to take care of such situations.

It is said that the enactment of the proposed minimum wage bill would increase the price of lumber by 5 percent. That would be a terrible situation to picture, would it not? We might save a million lives, but we would have to pay 5 percent more for lumber.

The minority believes in holding down the wage. Instead of allowing a minimum wage of 65 cents an hour, they wish to make it 55 cents. Perhaps they will be able to scrape the butter off the bread of millions of children. Perhaps they will be able to take the dessert from the laboring man's dinner pail. Perhaps they will be able to reduce the number of meals which a worker can have in the course of a year. Perhaps they will be able to soften the teeth of the children of America so that they cannot be filled—a condition which the evidence showed to exist. Perhaps they will be able to keep a little girl from going to school because she cannot have glasses for her eyes. Perhaps they can bring about such a condition that millions of men and women in America will be weak and sickly because they cannot obtain medical treatment. But they will be saving 10 cents an hour, and that is the purpose of their proposal.

When all is said and done, the fear of what is going to happen in the future does not impress me so long as the American Government is functioning, so long as Congress will continue to meet, perhaps a Congress with the same Members in it, 5 or 10 years from now. I assume that future Congresses will be just as intelligent as is the present Congress, and will have just as much ability to look forward and, if necessary, say, "This minimum wage is too high. Things have reached the point where living costs are lower, and it is no longer necessary to maintain such a high minimum standard." Why should we say that the next few years will produce a Senate and a House which will not look after the interests of American labor? What right have we to say that, any more than we have a right to say it as to the present Senate and House? No Member of the Senate will say that a family of four or three and a fraction can be supported on the minimum wage. No one dares say that. The Senator from Minnesota said, "Why don't you make it a dollar?" Mr. President, some of our workers have already passed the dollar limit; many businesses are paying a wage of a dollar an hour in cases in which they are able to do so. I am not one of those who wish to say, as the Senator said, that it is dangerous to mention profits. I say that without profits there cannot be proper living conditions in America during the coming period. We must have profits for the businessman, and I agree just as thoroughly to that as does any other Member of the Senate. I believe there must be profits. I am not so completely carried away with the idea that there are no profits, when the Government agencies tell us that there was a national income of $161,000,000,000 last year and the largest profits in our history. The Senator from Minnesota said, "Suppose you reach the point where there is no money available for the building of new factories or the establishing of new businesses? Suppose the time comes when you encroach so heavily upon the total that there is nothing left for anyone to buy with or invest with?" Mr. President, let us see what the total bank deposits of the United States amount to. The estimated bank deposits in the United States and its possessions as of December 31, 1945, amounted to $166,508,514,000. The Senator from Minnesota stood before the Senate and wondered whether there would be sufficient money available for investment in business ventures. Well, Mr. President, I do not know, but I am hoping that there will be sufficient money. If the present amount is not adequate within the next 3 months or 6 months or a year there will be an increase in bank deposits, unless the money is invested in business. I hope to see a large amount of it invested because, as has been stated, that is how we are going to continue the prosperity of America.

When we are told that 9,000,000 of our people have received wage increases within the last 6 months, I am inclined to think that business is successful and that the American people, from both the standpoint of labor and the standpoint of business, are intelligent, are successful, and have men at work. After all, today 52,000,000 Americans are gainfully employed; $166,000,000,000 is on deposit in banks in the United States and its possessions, and national income in the amount of $161,000,000,000 was produced last year. So, Mr. President, can it be said that we are in danger at this time?

We are told that we must not legislate for the future. That same argument will apply to every bill that is presented to the Senate. We are told, "Do not do it, because it may be that in the future different conditions will prevail, and by that time there will be opposition to lowering the minimum wage." If the condition which some of our people fear develops it may become necessary to change the minimum wage. Some of our people fear that the time will come when we shall have to pay less.

On Friday of last week, the junior Senator from New Jersey [Mr. SMITH] said, as appears on page 2599 of the CONGRESSIONAL RECORD:

> I agree with the Senator. It is only a question of how rapidly we can do it, and whether my point is well taken that the report of the majority would do it too fast and too soon.

Mr. President, those were the words used—"too fast and too soon." There are some underfed, underpaid workmen in America; not all our workmen are being paid 80 cents on hour. I imagine that those who are receiving less than a living wage, who find that they cannot pay their store bill on Saturday night, who find that they cannot hire a doctor because they do not have the money to pay him, who cannot do the things that will enable them to raise a strong, healthy, active American family, do not think that it will be too fast and too soon.

I say to the Senate that this problem is a practical one. It is not a case of whim. If the American people cannot afford to pay sufficient to enable the children of the workingmen to develop into strong, healthy boys and girls and to grow up to be healthy men and women, then there is something wrong with the consuming public and something wrong with the people who have $166,000,000,000 in the banks.

The report of the minority is to be commended for its ability to ignore a record composed of over 1,500 printed pages, so as to avoid submitting the least iota of evidence to support its conclusions. The process of obfuscation which permeates the report is a classic, and I recommend it for study by all who are interested in the subject. Pending such a study, I shall do my best to outline to the Senate the tortuous meanderings of the minds which drafted the minority report.

The minority report says the two major issues involved in connection with Senate bill 1349 are, first, the determination of what is a proper minimum wage at this time, and, second, the coverage of the law. The report provides a setting for the discussion of the minimum wage by stating that the majority propose to increase the present minimum wage from 40 cents an hour to 65 cents an hour, or 62½ percent immediately, and in 4 years to 75 cents, or an 87½ percent increase. The minority then label the committee bill a 75-cent minimum wage bill because by 1950 such a minimum wage will be mandatory. It is true that in statutory language an increase from 40 cents an hour to 65 cents an hour is proposed; but anyone who has attended the hearings held by the committee or who has taken the trouble to read the transcript of the hearings knows that is not the reality of the situation, and knows that the actual increase to the vast majority of low-paid workers will not be anything like 62½ percent.

The majority of the committee are dealing with realities, at a time when millions of workers are desperately in need of food, shelter, and clothing. The realities are that there are few covered workers earning less than 55 cents an hour, and that for the most part the committee recommendation amounts to an increase of about 10 cents an hour from 55 cents to 65 cents, or an increase of approximately 18 percent. That is the reality of the situation and not the 62.5 percent mirage presented by the minority.

Mr. President, if the workers of the Nation were now receiving but 40 cents an hour, the statements set forth in the minority report would be correct. As it is, they are not correct, and are deceptive to those who do not study the question involved.

The minority report goes on to recommend a minimum wage of 55 cents an hour and represents it as a 37.5-percent increase. The minority proposal, in essence, is to legalize the present minimum standard applicable to most of American industry. True it is that there are certain areas where even a 55-cent minimum will do some good, but to offer it as a 37.5-percent increase in wages is nothing but sheer humbug.

The minority did not stop here. This does not fully represent their judgment as to what Congress owes to those of its citizens who have gained least in a rise in the national income from $64,000,000,000 to $160,000,000,000. The minority proposes, out of a tremendous sense of responsibility, to increase the minimum to 60 cents an hour. When? In 18 months. Yes; 18 months. With that increase the new minimum, the report smugly points out, represents a 50-percent increase over the present. If the low-paid workers of the country could eat or wear percentages this would be a wonderful proposal, indeed. As it happens, however, they require dollars and cents to live on, and of that the minority proposes to give them very, very little.

No man can calculate accurately that the business of this country is in position to pay 60 cents an hour but cannot pay 65 cents an hour. The difference is altogether too small. The Senator from Minnesota has attempted to show that the difference represents a small division line between those who are liberal and those who are not liberal. I do not think that such a small division accurately represents the difference between liberals and so-called reactionaries. I do not wish to criticize anyone who sees differently from me in that respect. But the minority did not stop at that point.

The justification for the program submitted by the minority is, first, that the proposed increase of 55 cents an hour is roughly equivalent to the increase in cost of living and, secondly, that the further increase to 60 cents "not only will compensate for any likely increase in the cost of living but also will provide a substantial increase to reflect anticipated increases in the productivity of workers and other factors.

If the American workman is receiving 55 cents an hour at the present time—some of them are receiving less—what would be the advantage gained if the minority views were enacted into law? They would prevent the laboring class of this country from receiving any increase whatever. It would be in only a few isolated cases that they would receive any increase at all. But the Senator from Minnesota said that labor is now organized. He has said that 15,000,000 people are now in the ranks of union labor. Perhaps there are that many. My own estimate is that about one-fourth of the total labor employed in this country at the present time is unionized. If there are 52,000,000 gainfully employed, as we are told there are, and assuming that the Senator is correct in his statement that approximately 15,000,000 of them are unionized, there still remain 37,000,000 workers who do not have the protection of union labor. They do not have the right of collective bargaining. They are merely on the outside, and there is where the injustice is being done to the laboring class today. As I have previously said, there has been an increase within the past few months in the wages paid to approximately 6,000,000 American workmen. No small part of that increase is due to the introduction of the pending bill. I believe that the employers of America have seen the justice of this measure. They have seen that there should be paid an increase in wages, and that a business which is unable to pay the increase is not supporting its labor in an American style.

Roughly speaking—very roughly, indeed—the increase from 40 cents to 55 cents an hour is equivalent to the increase in the cost of living. The majority of the committee has found, on the basis of detailed evidence submitted by a number of experts on the subject, that the increase in cost of living for the low-paid workers is at least 40 percent, and some experts place the figure substantially higher. But, Mr. President, the point to be remembered is that those workers will already be receiving 55 cents an hour before receiving any aid as a result of this bill.

The minority fails even to recommend an increase in proportion to the increase in cost of living, but makes up for this niggardliness by its generosity in suggesting a 5-cent increase to be achieved almost 2 years after the passage of the bill.

Mr. President, 18 months and then 120 days must elapse after the bill is enacted into law before it becomes effective. So, according to the minority views, if workers are now receiving 55 cents an hour they will receive a 50-percent increase after the lapse of 22 months. That situation represents a difference in views between the majority and the minority members of the committee. One believes that the American laborer is entitled to sufficient to live on, and the other says, in effect, "make him live on that amount," naming an amount which it admits is below living standards.

This 5-cent increase, the minority believes, not only will compensate for any likely increase in the cost of living, but will also provide "a substantial increase" the minority says "a substantial increase" to reflect an "anticipated increase in the productivity of workers and other factors."

The report fails to indicate how much of the 5-cent increase proposed will compensate for any likely increase in the cost of living, how much will represent the increase to reflect anticipated increased productivity, and how much will represent the other unspecified factors. It is surprising to me that the committee failed to admonish the low-paid workers against careless spending of the 5-cent increase which it recommends for 2 years—22 months, to be exact—from the date of passage of this bill and I am somewhat surprised that they have not told us that the 5 cents an hour increase would be inflationary, because that is a standard objection.

Inflation, as I understand it, comes from the bidding by many people who have money for property which is scarce, resulting in a rise in prices. I say to the minority, there will be a terrible inflation, if they do not exercise great care, when they raise the wages of underpaid workers, those who are getting from $22 to $24 a week. Look out for the inflation. That makes just as much sense as the statement that the minimum wage is not for a family of four, such as America has, but is only for the head of the family.

In making its recommendation of a 55-cent minimum based upon a cost-of-living adjustment, the minority report carelessly ignores the increase in productivity which has taken place since 1938, when the 40-cent minimum was established as the immediate congressional objective. The committee fails to call attention to the fact that as a Nation we have increased our national income from $64,000,000,000 to $160,000,000,000, an increase, when allowance is made for increased population and higher prices, of approximately 75 percent per capita.

The minority report fails to give the slightest indication as to why the workers who were in the greatest need should be given no share in this increased productivity of 75 percent. All that is offered is some unspecified portion of a nickel share in prospective productivity. When it is considered that the most conservative estimates are for an increase in productivity of at least 10 percent a year in the next few years, or approximately 20 percent by the time the minority recommendation of 5 cents would go into effect, the portion of the nickel which the committee recommends does not seem very beneficent. It seems so utterly niggardly that in all fairness it would be better if the minority had recommended that the minimum stay at 55 cents an hour. At least the issues would have then been clear to the Senate and to the voters of the country. At least it would be clear that the sponsors of the minority report advocate a policy of denying to those millions of workers who depend upon Congress to maintain a minimum of subsistence any share in the 75-percent increase in real per capita national income since 1938 and in 30- to 40-percent increase in productivity which will occur between 1946 and 1950.

The second major contention of the minority on the minimum-wage question is that in legislating in 1938 Congress was fixing a minimum wage for an individual and not a proper wage for a family of four. After having set up this false issue of minimum wage versus a proper wage, the minority goes about the task of demolishing the arguments for setting of wages above the minimum which it considers to be a very radical departure from previous policy and only a short step into Government fixing of all wage rates, which the committee characterizes as a policy which surely would mean the end of our free, competitive economy.

If our workmen are brought to a state of starvation, if they cannot pay their necessary expenses, I wonder how our free competitive economy will stand then. How does it stand now?

As proof of the fact that the majority is seeking to fix wages above the minimum and not a minimum wage, the minority cites the elimination of a provision which was in the original S. 1349 which specifically provided for a certain amount of wage fixing above the minimum. For sheer logic this should get some kind of a prize. The fact that the committee majority voted to eliminate any wage fixing above the minimum and to restrict itself to recommending a minimum wage is cited by the minority as proof that the majority recommendation constitutes a fixing of wages above the minimum. This statement must be read to be believed.

It is not clear how the minority arrives at the profound conclusion that in 1938 Congress was legislating a minimum wage for a single individual, since not one iota of proof for this statement is offered by the minority, or any other statement, for that matter. The Fair Labor Standards Act findings and declaration of policy, which, I take it, represent congressional intent, seek to eliminate labor conditions detrimental to the maintenance of the minimum standard of living necessary for health, efficiency, and general well being of workers. I fail to see any reference in this statement of policy which indicates congressional intent to provide for health, efficiency, and general well being for single workers only, and to permit families to exist under conditions that are detrimental to the maintenance of health, efficiency, and general well being.

I hope every Senator will read the minimum wage recommendation in the minority report. It is not a partisan matter; it is signed by four Republicans and two Democrats.

I thought perhaps the committee reports made it clear that what Congress was intending to protect was the health and welfare of single workers. I looked first of all at the President's message which led to the passage of the Fair Labor Standards Act, where I find the President stating that "one-third of our population, the overwhelming majority of which is in agricultural industry, is ill-nourished, ill-clothed, and ill-housed." I find nowhere in the Presidential message any indication that the minimum wage which he was seeking was to be a minimum for a single individual and not for a family. Nor do I find any such statement in the report of the Senate committee.

I do not quite understand the reasoning of those who are attempting to say, as the writer in the Philadelphia Inquirer said, that the proposed increase is something which the administration must have. Those who are compelled to work for starvation wages are not administration people or antiadministration people; they are not Democrats or Republicans; they are not people who live in any particular section of the country. They are not southern workers or northern workers, except as their employers pay decent living wages or fail to pay decent living wages, one or the other. This is not a matter which starves the administration; it starves the individual worker. Under the minority report he will get, perhaps, after 22 months, an increase of 5 cents an hour.

The committee did say that 40 cents an hour "does not give a wage sufficient to maintain what we would like to regard as the minimum standard of living." Likewise, in the report of the House committee, it is urged that "no fair-minded person would suggest" that 40 cents an hour "is too much to maintain the minimum American standard of living." What is apparent throughout all these statements is that Congress was taking a modest step—and an admittedly inadequate one—toward a minimum American standard of living.

We all know that employers are able to pay a higher wage. American workers are earning a higher wage, and American workers are paying for their living prices which require a higher wage, and they have to do so.

What the minority report proposes to do is to freeze that step, which was admittedly an inadequate one, and to say to the ill-fed, ill-housed, and ill-clothed workers of the Nation, that is where we must stop.

The minority asserts that the majority of the committee is proposing to recommend "a proper wage" or "a standard wage" needed to support a family of four. If the minority is trying to imply that the majority of the committee regards the 65-cent minimum or even the 75-cent minimum as a proper wage, we deny that implication. If the minority is implying that the rate of 65 cents or 75 cents is a proper wage or a standard wage for a family of four, that is their privilege.

Mr. President, I do not think that any Senator or any other person can sustain before an American audience the contention that 55 cents is either a proper wage or a standard wage.

We of the majority deny that a 65 cent or 75 cent minimum wage is a proper wage. We deny that an American family of four can live in health, decency and general well-being on such a wage. We assert that the 65 cent minimum recommended by the majority is truly a minimum wage and that it is inadequate to carry out the declaration of policy contained in section 2 (a) of the Fair Labor Standards Act to eliminate labor conditions "detrimental to the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of workers."

The minority contends, however, that the low-paid workers of the Nation are primarily single workers and imply that the married workers are in the higher brackets. There is no proof presented in support of that statement, and so far as we are able to find it is not true. In order to make this point, the minority complains because the proponents of the bill have failed to produce "any evidence" as to how many wage earners to be affected by the bill actually are responsible for the support of a family of four. The majority of the committee failed to obtain such information because it considered it irrelevant; because it felt that regardless of the number of low-paid wage earners that are single, the objectives of the Federal policy should be a nation of families and that a minimum wage must support a family if it is to have any meaning at all. Under the minority theory we must have single workers in the future. The minority, though regarding the issue as significant, fails to provide any information on the subject. After erroneously asserting that there are 13,000,000 single individuals employed in the United States the committee concludes that "it is logical to assume that the great bulk of them, being younger and often beginners, are in the lower wage brackets." Since so much point has been made of this issue by the minority, I have taken the trouble to find out what the facts are. On the basis of the data furnished me by the Departments of Labor and Agriculture, I find that of the American consumer units earning less than $1,300 in 1941, over 75 percent were family units of two or more persons and less than 25 percent were single individuals. The logic on which the minority rests its case is shattered by the facts. The fact is that at least 3 out of 4 of the low-paid individuals are supporting families, and that is not all since a substantial percentage of single individuals earning less than $1,300 helped to support members of the family living elsewhere. Moreover, lest one accept the contention of the minority that single individuals in the low-wage brackets are youthful beginners let me refer to an article in the February Monthly Labor Review which points out that of the single individuals earning under $1,500 in 1944, about four-fifths percent were over 30 years of age.

Regardless of these facts, which demolish the case of the minority that a minimum wage should be intended for a single individual, the majority contends that the issue is a false one. We contend that if it is the intention of Congress to abolish conditions detrimental to the maintenance of a minimum American standard of living it must provide a minimum wage sufficient to maintain a family in health and decency.

How far would an employer get in asserting to a married man who applies for work that he would have to take a particular amount because he is married, and in asserting to a single man who asks for a job that he would have to take a less amount because he is single? In-

stead of the minority finding that what a man does, the amount which he is able to return because of what he earns, is a factor, they apparently attempt to base the wage upon the question of whether the worker has a family or not, and say that the minimum wage is not intended for a family. The fact that it is a minimum wage for a family does not make it any less a minimum wage. The idea that a minimum wage for a single individual is a minimum wage and that a minimum wage adequate to support a family is a "proper" wage is sheer sophistry.

The third argument used by the minority in its support of its program is the old bugaboo of inflation, on which I shall not dwell at any length, since I feel sure it will be adequately demolished. I merely want to call attention to two misleading statements made in the three-sentence paragraph on this topic. The first statement is that American industry reached the 40-cent minimum only a little over a year ago. Now, if this statement had read that American industry was compelled by law to reach the 40-cent minimum only a little over a year ago it would have been somewhat closer to the truth, since the Fair Labor Standards Act required that in the absence of early action by the Administrator the 40-cent wage should, in any event, go into effect on October 24, 1945. However, the law also required that the Administrator appoint committees as rapidly as possible in order to reach the 40-cent objective as soon after 1938 as possible. This was done, and the great majority of underpaid employees reached the 40-cent minimum by 1942. Thus, the minority statement should have read that, for the most part, American industry reached the 40-cent minimum by spring of 1942, before the rapid rise in cost of living, and that all of the remainder reached this goal by the summer of 1944.

The second misleading statement in this paragraph is that Chester Bowles told the committee that the price of lumber, already high, would have to be increased 5 percent if the 65-cent minimum goes into effect. This sentence is inserted to support the view that the 65-cent minimum would inevitably add tremendously to the already great inflationary pressures in the country. I submit that this statement would give the unwary reader the impression that Chester Bowles was opposed to the 65-cent minimum wage. An accurate summary of Chester Bowles' testimony is that he was not worried about inflationary effects of the bill on any industry with the sole exception of lumber. With respect to lumber, Chester Bowles did say that the price of lumber might be increased by 5 percent. He also said that the problem of lumber should be handled through subsidies so that the workers would be asked to subsidize the industry. Chester Bowles also pointed out to the public only 2 or 3 days ago that the problems of the lumber and textile industry could not be solved without increased manpower and that increased manpower could not be obtained without higher wages.

On the question of coverage, the minority group asserts that they would leave the existing law as it is. The minority seems to be rather proud of this position despite the fact that President Truman, in his message to Congress on the state of the Union, urged the extension of coverage to millions of workers not presently covered, despite the fact that the Secretary of Labor and the Administrator of the Wage and Hour Division urged the committee to benefit from 7 years' experience with the law to solve some of the problems which have developed in its administration by extending the coverage, and despite the fact that the present coverage of the bill includes less than half of the workers of the country. The majority of the committee believes that after 7 years' experience with the law its benefits should be extended as far as possible.

The argument given by the minority against extending the coverage is that the groups principally affected would be thousands of small employers engaged in the processing of farm and fishery products and in retail distribution. These small employers, asserts the minority, are already squeezed by the rising wages and material costs and the OPA ceiling and would have one more new and complicated set of Government regulations added to their reconversion problem.

The minority first tell us that the small employers are generally in the small towns, and then they tell us that in the small towns the small employers are being squeezed by the higher wages. Then they tell us that the farmer is already being squeezed because wages are increasing in the industrial districts. They then turn around and say that if the 65-cent minimum is passed it will result in higher wages to be paid by the farmers. I wish they would get on one side or the other of this question. Is the fact that wages are being paid at rates higher than 65 cents the thing which is driving the farmer to consider higher wages and meet that competition? Or is it the fact that there is a possible law providing a minimum wage which would not greatly increase the present wage? Which is it that is driving farm wages up? If no minimum-wage bill is passed, will not the farmer still have to compete with mills such as the one operated by the Senator from New Jersey, which is paying 80 cents an hour? Will not the farmer have to compete with them?

These two statements contain a small kernel of truth so surrounded by partially true and totally untrue statements as to be lost to view. Its purpose is obviously to appeal to the small business of the Nation. This is, of course, no new strategy. It has always been the fate of small business to be the shield behind which big business has achieved escape from social legislation. Again they attempt to hide behind the farmer and at the same time admit that the wages of industry have already placed the farmer in competition with higher wages.

Let me first analyze this question of small employers in retail distribution. Is it true that small retailers are covered by this bill? The facts are—for those who are interested in facts—that the committee proposes to extend the coverage to the large employers in retail distribution and to exempt the small employers. The large employers are those chains with five or more stores and nonchains with more than a half million dollars in gross sales. The bill would apply to the A. & P., Sears, Roebuck, Montgomery Ward, Woolworth, and such enterprises. Is this the minority's conception of small business? The committee proposes to cover the large interstate enterprises to the extent that their activities affect commerce. Small employers are exempt.

A second group of small employers for whom the minority expressed concern are those engaged in the processing of farm and fishery products. In the farm products field, it is doubtful whether one can say that the committee's action extends coverage of the act since all such processing establishments have been covered by the minimum wage provisions of the act, except those in the area of production as that term is defined by the administrator. Since the Supreme Court invalidated the last definition of the administrator on area of production, no new definition has been written. The administrator appeared before the committee earnestly pleading for the elimination of the area of production exemption because, as he points out, no definition can be written under the Supreme Court opinion which will be satisfactory and that any definition which he writes will be grossly discriminatory and lead to unfair competition. In the face of this plea, the minority would leave the existing law as it is. In any event, until a valid definition is issued by the administrator, no one can say who is exempt from the minimum-wage provisions of the act. It is true that there are some small employers involved in the area of doubt. Included also are some so-called small businesses such as Bordens, National Dairy Products, Campbell soup, Heinz, and hundreds of other enterprises of that type.

The majority of the committee also proposes to rationalize the great many confusing overtime exemptions and to make them uniformly suitable for the seasonal needs of the food and fish-processing industry. The minority characterizes this action as increasing the coverage of the act although with the exception of fish-processing employees, this proposal does not add a single worker to the coverage of the law.

The minority nowhere mentions and nowhere justifies the continued exemption of agriculture and fish-processing industries from the minimum wage provisions of the act. The minority argues that the exemption for these industries is primarily from the hours provisions of this act and defends the exemption on the ground that these industries are subject to tremendous fluctuations in activity because the exact time at which crops must be harvested and fish caught is uncontrollable and the food must be processed immediately or be wasted. I am in favor of the exemption of farm employees, and believe it is justified. Even conceding everything the minority has said on this point, does this justify a minimum wage exemption from the act? Does the fact that food must be processed quickly require sweatshop wages for the workers engaged in this

vital task? Does it justify the minority proposal to continue the exemption from the minimum wage provisions for the processing of fish and for such operations as may be determined to be in the area of production. The farmer will be taken care of by the demands for his product; and he is entitled an income sufficient to enable him to pay a living wage to his employees.

The minority is horrified because the committee proposes to extend the coverage of the act to "activities affecting commerce." This horror is based on the belief that no one can say definitely what type and kind of establishments would be brought under the law. The minority fails to point out what I am sure they know, that this language is substantially similar to that contained in the National Labor Relations Act, and that there have been 10 years of court opinions interpreting this language. The minority also contends that this language was not in the original bill "and was barely alluded to in committee hearings." It may be that the members of the minority were not present at the committee sessions when the Administrator of the Fair Labor Standards Act appeared before it and pointed out the very serious situations arising out of the present coverage language and suggesting that these difficulties could be solved by adopting language similar to that contained in the NLRA. This testimony is to be found on page 270 of the committee hearings.

The minority is also concerned over certain changes proposed by the committee in the transportation field. The minority asserts that virtually all transportation is now exempt from the hours provisions of the law and that the committee majority proposes to remove this exemption insofar as seamen and some employees of motor carriers are concerned. The facts are that the committee proposes to eliminate only the minimum-wage exemption for seamen and that the sole action with respect to motor carriers is to eliminate a "no man's land" between the Fair Labor Standards Act and the Motor Carrier Act so that a group of employees that are now under neither act will be covered by one or the other.

My main purpose in summarizing the minority report is to present the issues clearly to the Senate so that each Senator will know what he is voting for or against. I submit that the minority report fails to present the issues clearly and that this report sets up a number of false bogies which it dispelled more or less successfully. Let us get rid of these bogies and get down to real issues.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TUNNELL. I yield.

Mr. PEPPER. I have listened with great interest to much of the able Senator's very outstanding address. I believe he has rendered a great service to the Senate in his explanation of the effect of the pending measure.

I was especially interested in what he said about extended coverage. I ask the Senator if it was not generally believed, when the Wages and Hours Act of 1938 was adopted, that it would cover all those which the Federal power, through Congress, was able to reach, and if it was not stated on this floor by the opponents of the measure in 1938 that in fact it would reach all those within the area of the Federal authority? Furthermore, has not experience revealed that not to be the situation, and that there is required the extension of the act by the language in the bill, namely, that it shall affect not only those engaged in the production of goods for commerce, and those engaged in commerce—meaning, of course, interstate commerce—but as well those engaged in activities affecting commerce? I will make the question a double question, and add this: Is it not also equally desirable that the Congress bring into coverage those engaged in activities affecting commerce, if they are within the Federal power, as to bring in those covered by the definition in the present law?

Mr. TUNNELL. I think the Senator has expressed a thought upon which I had not touched, and which I believe was the correct thought at the time when it was considered that this was exclusively an interstate commerce matter. Probably the idea of commerce has broadened since 1938.

Mr. PEPPER. For example, the Supreme Court has decided the Southern Underwriters case, to cite one example only, a case involving a great insurance company engaged in interstate commerce, carrying on the kind of business which insurance companies usually carry on, leading us to infer that probably the court might make the same kind of definition about chain stores, namely, that they are really engaged in commerce within the meaning of the Constitution. Perhaps they would not otherwise be subject to coverage. But we make it clear, by the insertion of the definition "activities affecting commerce," that they are covered.

Mr. TUNNELL. I thank the Senator.

Mr. President, in conclusion, I refer to the statement of the Senator from Minnesota [Mr. BALL], who said something about this being a determination as to whether one wanted a job or did not want a job. I believe his language was "job or no job." If we believed that there was the slightest justification for that statement, we would all be opposed to the bill. But will any Senator—even the Senator from Minnesota—stand before the Senate and say that the difference between 55 cents an hour—or 60 cents an hour, as it would become even under the provisions of the minority suggestion—and 65 cents an hour would mean the difference between a job and no job? That is too close a calculation for the human mind to make; but it is the same argument that was used in 1938 and has always been used by those who believe that the minimum wage should be kept just as low as possible. If the bill provided for a 50-cent minimum wage, there would be those who would be urging the adoption of a 45-cent minimum. It seems that some persons consider it a victory if the wages of laborers are reduced. It seems to me that it would have been considerably more consistent if those who represent the minority view in favor of reducing the minimum wage had come forward with some kind of amendment or provision to reduce dividends or to provide that under certain conditions prices should be increased. I do not think the idea of reducing the wages a laborer receives to a point below the absolutely necessary minimum is the answer. The payment of less dividends or the payment of higher prices is something which neither the man who holds a claim against business or the consuming public will object to. Americans wish to be a Nation of liberal American-living people, and they do not wish to force our workers to the living standards or conditions of the Chinese or Hindus. The people of America are willing and anxious that the laborers in America shall live in a state of prosperity, health, and strength.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a joint resolution (H. J. Res. 328) making an additional appropriation for veterans' housing and related expenses, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 1821) to amend section 502 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, so as to authorize the appropriation of funds necessary to provide additional temporary housing units for distressed families of servicemen and for veterans and their families, and it was signed by the President pro tempore.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred, as indicated:

H. R. 844. An act for the relief of John P. Hayes, postmaster, and the estate of Edward P. McCormack, former postmaster, Albany, N. Y.;

H. R. 845. An act for the relief of Mrs. Luther S. Sykes;

H. R. 2063. An act for the relief of Peter Paul Bacic, Charles C. Cox, H. Forest Haugh, and Luther M. Durst; and

H. R. 2092. An act for the relief of the Growers Fertilizer Co., a Florida corporation; to the Committee on Claims.

H. J. Res. 328. Joint resolution making an additional appropriation for veterans' housing and related expenses; to the Committee on Appropriations.

AMENDMENT OF FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

Mr. MYERS. Mr. President, as one of the sponsors of the minimum-wage bill, I feel that there should be no need for extensive argument on behalf of Senate bill 1349. The fact that it is necessary to build a case for a piece of legislation which seems to me so modest in its aims and so obviously justified would indicate that there is still a serious lag

in our thinking on social and economic issues of this kind.

I am somewhat distressed, Mr. President, that it should be necessary to plead here for legislation which requires a 65-cent minimum wage now, and very cautiously a 75-cent rate in 4 years, in view of the perfectly astonishing high levels of business expansion to which this country can now look forward. It would seem to me that we shall bungle the best economic opportunity which has ever been offered to us as a nation if we waste our time spelling out justifications for legislative action which is imperative and long overdue from every consideration of enlightened self-interest and sound social ethics.

A year ago, even the most sanguine of us felt uncertain as to how quickly the economic machinery of this country could be changed back from war to peacetime uses. That task has been accomplished with almost incredible speed and efficiency. A year ago many of us were taking it for granted that a slump of short or even of moderate duration was more or less an inevitable result of the dislocations in the wake of the war. But we now see that only sheer stupidity, blind selfishness, or utter refusal to see things as they are will cause a so-called business depression in this country.

The demand on the part of the American people and our allies abroad for goods and services of every kind and description has proved itself to be far greater than we had anticipated. Far from there being any cessation of demand, the real problem that faces us is the rapid expansion of our resources in order to meet the pressing needs of our people and of the people abroad to whom we are morally obligated.

If responsible Americans haggle over whether we can or cannot pay minimum wages of 65 cents an hour, or whether this or that group of workers in productive industry should or should not be covered by this proposed law, it is a sign that we are not yet, as a Nation, ready to rise to the great occasion which faces us. There is practically no major industry, no type of communication, none of the established systems of retail distribution, no type of personal services or popular amusement in this country which is not confronted with the need for a speedy expansion in the volume of business, and at the same time all industry is faced with the need for improving the quality of its product. Technological improvements in almost every line of economic activity are being held back by shortages, or because the immediate pressure to alleviate scarcities does not permit the delay which might occur if the new facility were installed.

The same kind of backward, hesitant thinking which forces us to fight for a 65-cent minimum wage level is forcing an inexcusable delay in solving the housing crisis. We are permitting an aggregation of marginal producers and groups of technological incompetents to hold back the development of a really competent construction industry in this country.

None of the larger employer organizations, virtually none of the large trade associations which customarily appear before congressional committees to oppose social legislation, have publicly declared themselves against the broad provisions of the Pepper-Tunnell bill. And none of the really big industries of America, those who have demonstrated their ability either in peace or in war to produce in vast volume while reducing end costs, are fighting the Wilson Wyatt housing program.

Mr. President, what is holding us back? Is there any economic, social, or ethical justification for keeping the brakes on all-out production because we are afraid that some incurable parasitic or backward fragment of industry will be forced to modernize or to give way to those who can do the job in a way which the times demand? I say we are holding back the production of needed shelter for our veterans because we now realize that to get this job done in the time it takes to do it will mean that some elements in our economic society who have refused to rationalize the set-up will be forced to reconvert to new methods just as the automobile manufacturers were forced to reconvert plants when it became necessary to produce planes instead of cars. The result of that conversion was victory in a war against dictators, and a byproduct of this whole process was vast profits for all those who took part in it, plus the accumulation of a vast fund of technical know-how which will be put to very good use in the years to come.

Our delay in enacting the broadest and most generous minimum wage bill is holding back urgently needed production of all types. There is overwhelming evidence to show that production shortages are directly related to labor shortages, which are in turn traceable to the low level of wages in those industries.

In textiles, in lumber, in foundries, and in scores of service trades, the failure to achieve maximum output or maximum efficiency is due to the persistence of substandard wages, which makes it impossible for these industries or trades to recruit a full labor force.

Many aspects of our reconversion program have been severely handicapped by shortages of manpower in low-wage industries. In order to increase output for urgently needed housing, Government agencies have found it necessary to work out programs with trade associations to increase wages in such industries as the brick, cast-iron, soil-pipe, and clay sewer-pipe industries. These increases were necessary to attract sufficient manpower to stimulate production.

The following comments are based on the Labor Market for February 1946, a publication of the United States Employment Service. The information relates primarily to December 1945.

Owing primarily to low wages, the brick-and-tile industry was unable to recruit sufficient manpower and consequently the low level of production threatened the reconversion and housing programs. As a result, a price increase was granted on September 18, and substantial wage increases were given by about half the firms in the industry. Employment was greatly stimulated by the higher wage level, and rose approximately one-sixth in the 2-month period between the middle of October and the middle of December. Accordingly, the serious manpower shortage impeding brick production in preceding months was largely alleviated.

The improvement, however, was not shared equally by all firms. It is interesting to note that these plants which had raised wages 10 cents an hour since September 1945 reported recruiting improving, turn-over and absenteeism declining, and no manpower difficulties anticipated. On the other hand, those firms that had raised wages less than 10 cents an hour almost universally agreed that the increase had not aided recruitment of manpower, nor was it expected to.

A similar situation existed in the clay sewer-pipe industry, and similar action was taken by Government agencies and the industry. Although employment rose from September to December, the return of veterans and availability of farm labor were perhaps stronger influences than the increase in wages. However, the size of the wage increases in this industry were generally small and, despite the adjustment, rates were still low in comparison to those in other types of manufacturing. However, the heavy nature of the work, and the necessity for working outdoors during the winter months were equally deterring factors to the recruitment of additional labor. The experience of this industry would seem to indicate that it takes more than token-wage increases to attract manpower to the low-wage bottleneck industries.

Although the southern pine lumber industry is seriousy undermanned, the industry has been unable to increase its employment since the war at the low-wage rates offered. Whereas many openings are for unskilled labor and thousands of qualified workers are unemployed, there has been little tendency to accept jobs in logging camps and sawmills even where alternative forms of employment are not available.

Where sections of industry have voluntarily established the minimum rates that are called for in this legislation, it has been possible to increase the labor supply, and thereby expand production.

The case of the New England cotton textile mills, which last November raised their minimum rate to 65 cents, is a case in point. Employment and production have increased over 15 percent in these mills in the period between November 1945 and February 1946. Where the wages were not increased the production increase was very slight. Many similar illustrations could easily be cited.

Mr. President, every expert who has looked into the problem of building-material shortages cites substandard wages in several types of manufacture as the basic cause for lagging production. The best proof in the world that this wage increase is needed and can be paid is the fact that industry by and large has voluntarily instituted the 65-cent rate or higher during the time the pending bill has been under consideration. There is now only a comparatively narrow segment of industry which is covered by the Fair Labor Standards Act that still pays minimum wages below 55 cents per hour. It is only fair play and common

justice that those who are paying the 65-cent rate shall be protected against the unfair competition of those who do not.

Speaking for a moment as a representative of a large northern industrial State, I must point out that every consideration of sound sectional self-interest would require the passage of Senate bill 1394 as it has been reported by the committee. Industry in Pennsylvania, just as industry in New England, has suffered seriously in the past from southern competition. The fact is that Pennsylvania includes in its roster of industrial concerns a much larger proportion of textile establishments of almost every kind than is commonly recognized.

In the decade immediately preceding the passage of the Fair Labor Standards Act, there was a flight of industry from Pennsylvania to Southern States. Hosiery manufacture was one of our major industries which suffered serious losses as a result of southern competition.

This has brought serious hardships to the workers in the State of Pennsylvania. Not only is this migration a problem, but the fact that new plants are started in the South while relatively few in Pennsylvania are started, is an extremely important factor.

In 1925, of the 1,061 hosiery plants in this country, 35.4 percent were located in the Commonwealth of Pennsylvania. Only 24.1 percent were located in the South. Today, 20 years later, we find that of the 921 hosiery plants of all kinds in the country, Pennsylvania only has 29.8 percent, having lost almost 100 plants. The South, in the meantime, has 47.3 percent of the entire hosiery industry.

This drift southward was fairly well checked in 1938 when the wage and hour law became operative. The stabilizing effect of this law was abundantly demonstrated within a few months of its enactment.

However, during the war period, the 40-cent minimum which the present law enforces has become entirely obsolescent. A definite disparity now exists between the wage levels actually paid in many Southern States and States like my own State of Pennsylvania. This disparity arises largely as a result of the lower wages paid to workers in such industries as furniture, cotton textiles, hosiery, and many others. With the enactment of a 65-cent minimum wage, however, this gap between northern and southern rates would again be closed or narrowed sufficiently so that it would be less menacing to competing establishments in Northern States.

Among the several industries which are important to my State and which are now showing some tendency to move southward are woolens and worsted, chemicals and paper. There is no reason in the world why concerns such as these are, should shift from where they now are operating, except to obtain lower wages. If Congress will do its obvious duty and enact a just and necessary minimum wage, there will be far less likelihood of industrial concerns relocating merely to be able to exploit workers more effectively in another part of the country.

I am not arguing, Mr. President, for legislation or social policy which will keep any factory or any industrial establishment tied to a particular locality, although the social wastage caused by the transient type of industry has been well recognized by every competent observer. The point that has to be made and driven home is that industry will stabilize itself in a given region or a given community provided that it is guaranteed by the action of Federal and State legislatures that it will not be subjected to the type of unfair competition which an obsolete minimum wage law sets in motion. We will never have absolute uniformity in cost of operation for industries in every hamlet, town, or city in these United States. But it is to the advantage of all legitimate industry to see to it, in so far as costs are conditioned by law, that is by such costs as workman's compensation, unemployment insurance, social security, minimum wages, and the like, that national uniformity be achieved as nearly as is possible.

It is now thoroughly established that the productivity of workers is virtually identical in every part of the country where industry has been established for any length of time. Productivity is conditioned far more by the efficiency of management than by any geographical difference between workers. Ample testimony on this point was presented in the hearings on the pending bill.

A number of studies have been made of the comparative efficiency of factory labor in the North and in the South. One of the most comprehensive of these was a survey conducted by Prof. Richard A. Lester, economist of Duke University, of 41 concerns having plants producing similar products in both the North and the South. In response to questionnaires, 23 of these firms reported the efficiency of labor in their southern plants to be equal to or better than the efficiency of labor in their northern plants. Moreover, a dozen industrial-engineering concerns doing consulting work both in the North and in the South were asked their experiences with the relative effectiveness of labor in the South as against the North, and each of them stated that under comparable conditions, labor productivity in the South was just as high as in the North. Other studies have also reached the conclusion that factory workers in the South produce just as much as northern workers engaged on similar work.

Let me refer, Mr. President, to a case which illustrates this point. The officers of the American Federation of Hosiery Workers, a national union whose headquarters are in Philadelphia, but has membership in all parts of the country, tell me this interesting fact: The full-fashioned branch of the hosiery industry is highly skilled. The machinery employed is exceedingly delicate and complicated, but the rate of production in comparable plants in North and South is now mathematically identical. The wages in the South are, however, much lower. The history of this particular branch of industry demonstrates overwhelmingly the absolute fallacy of regional differentials in wage rates.

The officers of this union are, of course, earnestly pleading for the passage of Senate bill 1349 as the most practical way of eliminating the menace of the substandard wage rates in an industry which has, by and large, achieved excellent wage levels while at the same time keeping costs to the consumer surprisingly stable and well within the reach of the mass market.

Mr. President, my point is that, despite equal productivity, factory workers in the South are often paid lower wage rates than those in other sections of the country, as shown in the following tables.

Average hourly earnings in December 1945 for a few selected industries in the North and in the South show the following:

Industry	Cents per hour	
	North	South
Full-fashioned hosiery	110.8	87.3
Seamless hosiery	68.9	65.0
Cotton goods	85.3	69.1

Before leaving this particular phase of the problem, Mr. President, I wish to call attention to what I might call the "ethical aspect of this problem of regional wage differentials." We have as a Nation just come through a great conflict. There was no difference in the payment to our draftees whether they were from Mississippi or Maine or from Alabama or Pennsylvania. These men suffered together, fought together, and, I hope, they came closer together in their feeling for each other. It is not too much to say that the very foundations of our political and economic democracy were strengthened by this mingling of men and women from all sections of our great country. We must continue to develop and extend this educational process which the accident of the war set in motion. It would be folly of the worst description if we permitted this unification of our people to be delayed, impeded, or side-tracked merely because some group of sweat-shop employers in a few States insisted upon clinging to unfair advantages which congressional delay in enacting proper legislation has afforded them.

Mr. HAWKES. Mr. President, before I address myself to the minimum wage standard bill, I should like to say that I was present in the Senate when the Senator from Minnesota [Mr. BALL] delivered his very excellent analysis of the bill, and that I believe he rendered a real service to every employer and every employee in the United States. From what I have heard in the Senate on the subject of the minimum wage standard bill it would seem to me we are all seeking the same objective. It is simply a question of how to reach that objective of doing the decent thing in employment throughout the United States. Some would regulate the whole matter by law. Others would reach the objective by law to a certain point and then by voluntary collective bargaining thereafter. I might say that the Senator from Minnesota made a very interesting comment which to me means that regulation carried far enough, or too far,

means nothing less than the destruction of individual freedom, the thing which has made America the leader of the world.

Mr. President, I wish to address myself to Senate bill 1349, and particularly to the amendment presented by the Senator from Louisiana [Mr. ELLENDER] and the Senator from Minnesota [Mr. BALL], as representing the views of the minority of the Senate Committee on Education and Labor.

First, let me say that anyone who has employed thousands of people and watched the difference in accomplishment between well-paid employees and those who consider themselves underpaid must realize that the great success of our American system rests upon a balance in equity between all groups which go to make up what we call the free enterprise system.

One of our first and most important objectives should be to find a fair way to divide the fruits of common effort between those who furnish the capital to make the business possible; those in the plants and offices who are responsible for keeping the wheels of business and industry turning around; and third, but not least in the picture—the consuming public, who should get fair value in return for their money.

As has been said on the floor of the Senate by a number of those who have preceded me, the proposed minimum wage standard will not affect favorably a great majority of our working people in the United States. I say it will not affect them favorably for the reason that if the minimum wage standard is set too high it might affect them unfavorably, but I will come to that subject later.

I should like to ask a few questions which I believe will stimulate some thinking which may help us not to make the mistake of doing an injury to those we wish to help, rather than bringing to them a benefit.

We must consider the effect of what we do now upon those who at present are getting two or three times as much as the present minimum wage standard.

First. I ask each Senator to consider who in this body has wisdom enough to set a high minimum wage standard, which automatically increases itself as time goes on, without our knowing anything about the economic conditions which may exist at that time?

Why take such a step now? Why not do the thing that is right for now and count on the Congress to carry through further if and when changes are needed and can be made without serious interference with the great American way of making a living?

Second. How can a minimum wage standard set by a legislative body be fair in New York, Chicago, and Los Angeles on the one hand and on the other hand be fair to businessmen and small industries which are located in out-of-the-way towns throughout America?

The claim that the cost of living is pretty much the same throughout the United States is contrary to the facts. For instance—to say nothing about the cost of food products, I learned from a friend of mine the other day that he has recently rented a house in a small town in Pennsylvania for $100 a month. I can assure Senators that the same house in Montclair, N. J., would rent for $250 a month.

Third. Let us remember that wages are estimated to be 85 percent of the cost of all the important products used by the human family. Therefore, in the last analysis, the consuming public is going to pay the bill.

Carrying this further, if we make the mistake of adjusting wages, by law, to too great an extent, any economist will tell us that such action will feed the flames of inflation.

I shall not go into the details involving figures of bygone years, because in his speech this afternoon the Senator from Minnesota [Mr. BALL] gave a very clear picture of the effect in past years and at the present time.

In my opinion there is no way in the world to keep excessive wages from reflecting themselves in the cost of living; and when a dollar buys considerably less than it did before we have inflation. I invite the attention of the Senate to the statement made by the distinguished Bernard Baruch, that we simply cannot raise wages without raising costs and selling prices, and that it all feeds into inflation.

Fourth. We all know that the 40-cent minimum wage now in existence by law came into effect only in 1945. We also know that all of our talk on price control for the purpose of holding the line against inflation, as well as the Price Control Act itself, relate to the January 1, 1941, prices. Therefore, if we are going to be consistent, we must compare the minimum wage rate in effect January 1, 1941, with whatever increase we are going to adopt in the present law.

The minimum wage rate on January 1, 1941, was 30 cents an hour. Therefore, if we increase the minimum rate now to 55 cents that will be an increase of 83⅓ percent.

If we should increase the minimum rate to 65 cents, that would be increasing the minimum rate in this period, as compared with the rate in effect January 1, 1941, by 116⅔ percent.

If we adopt a bill which automatically increases the minimum rate to 75 cents in a certain period of time, that would be an increase of 150 percent, as compared with January 1, 1941.

In all the negotiations throughout the United States with reference to increased wage rates we have been relating things back to January 1, 1941. The Government agencies and other reliable agencies estimate the increased cost of living at slightly less than 40 percent, and few, if any, reliable agencies figure the increased cost of living in excess of 40 percent.

We cannot disregard this factor of relating increases by law in minimum wage rates to the minimum wage in effect on January 1, 1941, if we are going to be consistent in our efforts to control inflation.

One cannot juggle one figure around differently than he juggles others without coming to grief, unless we can find someone who is a better juggler than any I have seen in the Government up to date.

It seems to me that any fair-minded American citizen would say that an increase of 83⅓ percent in the minimum wage rate established by law now, as compared with the minimum rate in effect by law on January 1, 1941, is extremely fair to all those who are affected by the regular established minimum wage rate.

Fifth. I now wish to discuss the effect that a high standard minimum wage rate established by law might easily have on all the wages of people who are receiving two or more times as much as the minimum established rate.

It would be only human for industry, after the present high demand for products ceases—as we expect it will—and the industry finds it difficult or impossible to make a fair profit under the conditions which exist at that time, and in view of the high rate of pay established, to say that the great Congress of the United States fixed 55 cents or 65 cents, as the case may be, as a fair minimum-wage standard. Industry could very properly ask, "Why should we pay $1.10 an hour or $1.50 an hour when the company is not showing a fair profit to those who have invested their capital and made the business possible?"

I can hear some of my friends who think industry always makes money and who never talk on the floor of the Senate about any of the losses business sustains from time to time say that ownership may wish to make too great a profit. That problem is pretty well regulated by taxation, and I doubt if many industries will be allowed to keep too great a profit in the future.

On the other hand, if we put impossible barriers in the way of private industry, it will not function, and I would not now attempt to indicate what may happen to the greatest human development that has ever taken place in the world.

Sixth. I like to be practical in these things, even though we all wish to be as considerate as is safely possible. The same reasoning I have used in connection with high wages being reduced in the event of an economic set-back would carry me to the point where we can figure that a too high minimum wage rate, by law, might be used by many employers in opposing increases in wages as we go along the economic highway. An employer could justify himself in refusing certain increases in wages requested in collective bargaining on the ground that he was already paying considerably more than the Congress of the United States set as a fair minimum wage rate. He could at least justify himself in advancing wages only a fraction of what he might otherwise do.

Mr. President, I think that is a very important factor. I am one who believes, just as sincerely as does any other Member of the Senate, that the higher we can get wages, with fair regard to a decent profit in the business for those who have invested capital and made the business possible, the better it will be for the Nation. I leave this thought with the Senate. When Congress says that 55 cents, 65 cents, or 75 cents is a fair wage, I am sure that any Senator who might be in business would say, "Here is one

way of putting a non-profitable business back on some kind of a profitable basis." He might not say so on the floor of the Senate, but I think if in a losing business he would say it in a little different way than he would if the minimum rate were not fixed at a very substantial figure.

Seventh. I hope that when we finish with this bill, if it passes, that the minimum wage will be 55 cents an hour, and that we will not attempt to look into the future by arranging for advances after 18 months, or any other period of time. The Congress will be here if business is still alive, and the Congress can take a second bite at the situation as the time and necessity for doing so approaches. Why should we, as legislators, endeavor to see the future too far in advance by looking into the magic globe?

Eighth. As I said on the Senate floor the other day, every company I have been associated with has paid greatly in excess of the established minimum wage, and the company of which I was formerly president now has a minimum wage standard which is double that established by law, and its wage rates in effect ever since the Government decided to establish minimum wage rates have been between two and three times the minimum wage rate established by law.

In my work in the United States Chamber of Commerce and other great business organizations, I have always urged owners and operators of business to pay high wages and create satisfied employees, on the ground that it was nothing more than enlightened self-interest to make people better workmen, more interested in the results of the work accomplished by the organization, and possessed of decent spending power so as to keep the wheels of industry and business turning.

I cannot, however, forget the many small towns and small town businesses and manufacturing companies with which I am familiar, and I would be unfair if I did not state that many businessmen and small industries in out-of-the-way places may find it difficult from time to time to pay even 55 cents an hour and still keep going.

As I stated on the floor of the Senate this afternoon, I have been through many years of experience with the ups and downs of economics. It is conceivable to me that we might bring about such a condition that the owner of a business could not operate profitably under certain economic conditions facing him at a given time. He would like to have the opportunity to go to his employees and say, "Would you rather have me close the plant now, or would you rather have me try to keep it going, and what are you willing to do?" I have seen employers go to employees and say, "I cannot make both ends meet under present conditions. Do you want me to keep the plant going? Are you willing to take a set-back for a time so that we can keep the plant going?" I have seen the men respond, not impulsively, but after thinking it over. I have seen them come back with a signed petition to the effect that they wanted to keep the business going, and that they were willing to take a certain set-back because they believed in the honesty of purpose of the employer.

This is one of the reasons why I am now opposed to taking the 65-cent, 70-cent, and 75-cent step. This, plus the unknown future, are the principal reasons why I am hopeful that the Senate will recognize that an 83⅓-percent increase at this time, as compared with January 1, 1941, without attempting to fathom the unknown situation 2 or 3 years from now, is the wise course to follow.

Let not those who are anxious to show proper consideration for humanity do things which, in the end, may injure substantial parts of our population in small towns. Remember, there are thousands of people in small towns who had rather work near their home where they can live at home, go home to lunch, and where they have other economies that are unknown to workers who are away from home. I know many people working in small towns and small businesses and factories who would not change their lot for twice the pay in some distant city where the cost of living and the opportunities of wasting money greatly exceed those found in their local situation.

Ninth. In our efforts to enact a bill with a minimum wage standard covering as many people as possible, we can very easily place a burden upon one company which is competing with another by placing that business under the bill and exempting the other.

For instance, a man with one or two places of business might be doing a total of more than $500,000 a year. He would be controlled by the present bill. Next door to him in the one, two, or three towns where he had places of business, there might be another man whose total business was only $300,000. He would not be controlled. Such discrimination between the two men or the two companies might easily cause the man doing $500,000 worth of business to lose a substantial part of his business to the man doing $300,000 worth of business.

In that respect the bill certainly would work to the detriment of the employees, inasmuch as the second man could improve his business because he could hire labor at whatever price he could get it; and if there were a surplus of labor in the town, he could get it for less than the minimum wage established by this bill.

Such reasoning might even be carried so far as to show that the bill would be a deterrent to the expansion of business by a man whose company got close to the $500,000 mark.

I ask you, Mr. President, could there be any more destructive discrimination or greater injustice than the establishment of such a set of conditions? It just does not make sense, and it does not make justice. It takes great wisdom and a deep sense of justice to draw any dividing line, and I sincerely hope we shall find a way not to create such a discrimination and thereby unintentionally injure certain groups of businessmen and industries which are functioning fairly and are aiding our great industrial and business structure.

I shall support the amendment offered by the Senator from Louisiana and the Senator from Minnesota, but I should like it better if we did not attempt to move beyond the one step of 55 cents an hour.

Mr. President, in the beginning of my remarks today I touched upon a very important point which I should like to reemphasize at this time. I wish to show that in every speech which has been made on the floor of the Senate in regard to Senate bill 1349, the hope has been expressed that we can raise the standard of pay and the standard of wages. The only difference of opinion is as to how that shall be done. I, for one, reemphasize what the Senator from Minnesota [Mr. BALL] said. I have been talking about it all over the United States for 10 years, in the hope that the American people will understand that the only difference between the success of this great Nation and the experience of other nations which have had all the raw materials and all the substance that we have had is that we have made our progress by means of voluntary cooperation, without controls and regulations by law in every respect. We have been freemen. Most of our people do not understand what freedom is. They have had it; everyone in this country has had it for generations—so they accept it as a matter of fact. But freedom enters into the very important subject now before us; I refer to freedom to do the right thing. The pressure which the people of the United States can bring to bear upon persons inclined to do the wrong thing, over and above the establishment of the proper minimum wage, is the pressure which the great United States of America should exert, but it should exert it only by fair means.

So I say that I hope in our effort to find the right means of reaching this improvement in the standard of living and in taking steps to meet the new conditions, we shall not try to depart from the foundations of the United States of America—namely, individual freedom and voluntary cooperation—and turn to regulation.

Mr. President, the other day I received a letter which is a masterpiece. The Senate knows that I have been opposed to the regulation of fair employment by law. No Member of the Senate is more strongly in favor of fair-employment relations and practices than I am, but I was opposed to doing it by law. I received a letter from a very fine old colored gentleman living in Indiana who said something very wonderful:

> DEAR SENATOR: I am a colored man out in Indiana. I have read your speech on fair employment practices and I agree with you. We have tried "lawing" things for over 150 years, but we have not promoted the relationship between the black man and the white man very far. Let's try a little Christianity and a little decency in human relationships, and a little development of democracy instead of "lawing" so much.

Mr. McMAHON. Mr. President, traditionally we Americans proudly acclaim freedom of speech and freedom of religion.

Another freedom, however—freedom from want—has not been achieved for all of our people; and, I believe, that the greatest challenge facing the Congress

today is the proposition that the guaranty of freedom from want shall be extended to all.

Freedom from want has a tendency to color or modify the other freedoms, and it may even determine to what extent they may be enjoyed. Poverty anywhere in our land is a danger to prosperity and general well-being everywhere; and unless the Congress passes the pending minimum wage bill which will take some millions of our people from the fringe of poverty, we shall be failing in our duty as representatives of the people and, in my opinion, we shall be failing in our obligation to a Nation dedicated to the principles of fairness and opportunity for all.

Mr. President, the Congress of the United States virtually defined freedom from want in 1938 in terms of a "minimum standard of living necessary for health, efficiency, and general well-being," when it passed the Fair Labor Standards Act. Workers who do not receive wages sufficiently high to maintain that standard may truly be said to be in want and need. President Truman has termed the 40-cent minimum established in 1938 as inadequate even at that time, and has declared that it has now become obsolete. I am in hearty agreement with the President's conclusions.

Even back in 1938, a 40-cent minimum wage would have provided a minimum standard of living in only one city in the United States, according to studies by the Works Progress Administration, which developed and priced an emergency level budget as a guide to handling relief problems. This WPA emergency level budget, developed in 1935, was so low that it was designed for short periods only; and the WPA warned that the budget would be a hazard to health if families had to live at that level for any considerable length of time.

According to a study made in five communities in early 1944, that emergency budget cost $1,400, or about 70 cents an hour, if the employee worked throughout the year. What would that emergency level budget cost now? A study of the cost of such a budget was made in five textile communities in the South and in New England in January and February of 1944. At that time, the emergency level budget of the WPA, with low-cost-food items of the Bureau of Agricultural Economics substituted, would have cost $1,400. With the addition of taxes and the purchase of war bonds, the cost of that budget would have been $1,621, which the Bureau of Labor Statistics states "represents the very least that would be needed for a family of four residing in those five textile communities in 1944."

Since the average workweek in a peacetime economy is 40 hours, and since there are several holidays during a given year, it seems unreasonable to estimate total annual income on a basis of more than 2,000 hours. On the basis of 2,000 hours a year—and that means working practically every hour of every 8-hour day—the $1,400 figure which I have just mentioned as the cost of the WPA emergency level budget would have required in 1944 a minimum wage of 70 cents an hour. With price rises of almost 4 percent since early 1944, the minimum of 70 cents an hour would not even meet the requirements of that emergency level budget.

Since the Bureau of Labor Statistics has more objective information on costs of living and budgetary costs than any official or private agency, I quote from the testimony of A. F. Hinrichs, Acting Commissioner of the Bureau of Labor Statistics, before the Senate committee:

> The statistical evidence of the inadequacy of the standard that would be permitted by a $1,300 or $1,500 family income seems to me to be almost overwhelming. * * * I would say as a matter of expert opinion that for a family to obtain a minimum standard of adequacy a worker must earn more than 75 cents an hour or must work many hours of overtime or else two or more people in the family have got to have jobs.

In view of such testimony, it is evident that the most that can be said for the moderate increase in the minimum wage rate provided in this bill is that it does represent some increase over the totally inadequate amount provided in the act of 1938.

Mr. President, this Nation has been known as the land of opportunity. We have prided ourselves on the fact that we have maintained high living standards, and our Nation has been referred to in other lands as the land of promise. If we are to make those high-sounding phrases ring with truth, the Congress must make this the land of opportunity for all the people, for the wealthy and the poor, for the bond clipper and the wage earner. We have something so fine in this America of ours that we must not sell it short for the benefit of a few.

Mr. President, you have heard repeated references to our higher national income in 1945—a total of $160,000,000,000—achieved, by the way, when millions of our young men had been drawn from the production lines and from the farms. With the return of those men, there is no reason why substantially higher national incomes cannot be achieved, nor any reason why, with national incomes of such proportions, it would be impossible, or even difficult, to secure for our lowest-paid workers at least the modest minimum wage objectives in the pending bill.

The American people should confidently believe that our system of free enterprise can continue to progress toward higher standards of attainment. Our system of government and our system of production can reach these goals.

There may have been a time when the most that our workers could expect out of our system of enterprise was a minimum to support a single individual. That time is past. Hundreds of thousands of those single people are single because they have dependents—mothers, sisters, and brothers—whom they must support in addition to supporting themselves. Many of the single persons dream of and long for the time when they can have a home and family of their own. That is a modest dream. That is a goal which we in the Senate must bear constantly in mind lest we make that dream more difficult of fulfillment. It is a dream which we can definitely move nearer reality by passing the pending measure. We certainly do not want a minimum so low that it will work toward making this country a Nation of bachelors and spinsters.

The United States has a tremendous responsibility in the postwar world in setting its economic house in order. Our unceasing activity in the direction of guaranteeing freedom from want for all our people will tend to inspire similar activity throughout all the nations of the world.

Mr. President, in closing I assert that we could do no better than to pass the pending measure and thereby send a message to the peoples of the earth that democracy, which is now supposed to be, as it always is, on trial, has been tried and in this instance was not found wanting.

Mr. PEPPER. Mr. President, I have been particularly interested in the address of the able Senator from Connecticut for the following reason: A day or two ago I read in the American magazine an article which had been written by a former Governor of the State of Minnesota, Capt. Harold E. Stassen. Captain Stassen is not a man without experience or, perhaps, ambitions. In the article to which I have referred Captain Stassen gave some counsel to his own party and admonished it to become the truly liberal party of the country. I believe that I would almost be willing to see the country go Republican if the Republican Party were the kind of a party that it should be, and provided a better program and policy were not offered by what is, from my point of view, the better party, namely, the Democratic Party.

However, what particularly interested me—and I relate it to the remarks of the able Senator from Connecticut—was that Governor Stassen emphasized that the administration at the present time is on dead center, that the Democratic Party is demobilized or, in Navy terms, adrift. The reason for that situation was stated by Captain Stassen to be that the Democratic Party has in it a conservative element. Perhaps I am not a part of that element if that is a true description of it. But I was interested in the conclusion of Governor Stassen that liberal progress could not be achieved in the Congress of the United States because of the conservative branch of the Democratic Party. Mr. President, I have not appeared in the role of a defender of the conservative branch of the Democratic Party, if there be such a branch. But I am willing to presume upon the intelligence of the members of that branch only to say that it will be interesting to observe in the vote tomorrow upon the pending bill whether higher wages and a better standard of living for the working men and women of this country are to be stymied, stifled, and obstructed by the Democratic or Republican Members of the Senate.

All I am saying, Mr. President, is that I can well understand, although I do not agree with it, the point of view of the Senators who come from the low-wage areas of the South, who believe that their economy cannot stand such an increase

in wages as is being proposed under the pending measure. As I say, I do not agree with that point of view. I did not agree with it in 1938 when the present wage law was before the Senate, and I believe that time has proven that the fears of the Senators to whom I have referred were groundless. I believe that the future will be equally convincing to those who now fear the results of a higher wage. But, Mr. President, while Senators from low-wage areas of the South might experience the kind of groundless fear as that to which I have referred, what about Senators who come from higher-wage areas? How can they conscientiously entertain such a fear? Suppose there were a high wage scale in a certain State, how could a Senator from that State fail to uphold a 65-cent-an-hour wage as a minimum wage?

Mr. BALL. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BALL. Mr. President, I merely wish to say to the Senator from Florida that I have never voted for or against any issue in the Senate solely on the basis of how the result of the vote might affect my own State. It seems to me that we, as Senators, have an obligation in the Senate of the United States of considering the United States as a whole. I try to do that. As I tried to point out in my address earlier in the day, I regard the question before us as a fundamentally economic one as to where we reach the danger point, where the loss of productivity resulting from unemployment will offset the gain realized by raising the wages of workers who might today be in the very lowest income category. I think the question is primarily one on which we have actually very little evidence today.

Mr. PEPPER. I thank the Senator for his observation.

Mr. AIKEN. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield.

Mr. AIKEN. I think this matter was quite well presented by the senior Senator from South Carolina [Mr. MAYBANK] last week when he pointed out that much of the low-paid labor of the South is employed by northern owners who went South to escape the higher wages in the North, feeling that if they could acquire the industries of the South and could acquire land in the South, and could hire labor for much less than they were required to pay in the North, either by State law or by competition, they would be in a position to undercut their competitors as a result. I do not blame the South for the low wages as much as I blame northern capital which has gone South with the expectation of hiring low-paid, unorganized labor.

Mr. PEPPER. I thank the able Senator particularly for his comment. In case after case in my State, and in the South generally, I have seen the exploitation of southern natural resources. I have seen the exhaustion of our minerals, I have seen the depletion of our forests by northern capital, yet when we proposed that they pay the labor who did their work a decent wage, they said we were trying to confiscate their property. What they meant was that we were trying to diminish their profits in the interest of a better living standard of the people who bore upon their backs the burden of their toil.

Mr. President, all I wanted to say was that the junior Senator from Alabama and the junior Senator from Florida are supporting the pending bill, and perhaps other Senators from the South are likewise doing so. When we advocate this measure, although we come from low-income areas of the Nation, where the per capita wealth is the lowest in all the land, surely we have a right to expect that the Senators who come from the rich States of the North and the Middle West and the West, the Senators who come from high-income States, and States of high per capita wealth, are not going to make our effort more burdensome or obstruct the effort on our part to lift up the people of America to a better life.

Mr. President, in no sense of the word do I wish what I have said considered as a partisan appeal. I wish every Senator on this floor, Democratic and Republican, would vote for the pending bill. I think we should. I believe it would not only help the people directly affected, but that it would help everybody. That is the Christianity there is in good works. By the magnificent law of dividend for virtue, when one does good it comes back to him in greater measure than he dispensed it, and the richest of all people are those who do most for others. That is not only a private doctrine, it applies particularly in the sphere of economy.

I do not propose to support all that Mr. Henry Ford has ever done, by any means, but I remember the dynamic impress he made upon this country long ago when he raised the wage of the lowest paid worker in his plant to $5 a day. There were people who thought that was foolish, that Ford was not only a dreamer, but that he was improvident. Some begrudged the example he had set, because they knew that in time it would affect the wages they, too, would have to pay. Yet Mr. Ford did not do that as an act of philanthropy. He was trying to make it possible for the workers to buy Ford cars, and today the prosperity of our economy is directly dependent upon the purchasing power of the masses of the people.

There are not enough rich people in this country, unfortunately, to buy all the output of our factories and our farms. If we ever needed proof positive of the fact that the key to American prosperity is the prosperity of the masses of the American people, their buying power, we have had it during the war. In the days of Franklin D. Roosevelt, when, in order to get this Nation out of the depression early in 1933, he reversed his own declared policy of economy and retrenchment, and launched this Nation upon a policy of spending money in order to lift up the people, he believed, and I think exhibited proof of it, that that principle was correct. He proved that the ability of the people to buy was the key to the Nation's prosperity and its security. But we never had the courage and the votes—at least the votes, Mr. President—to put enough money into the channels of our commerce and trade to give the experiment a fair show. We never dared to see whether or not it would lift up America, not only the laboring man and woman, but business as well, if we really gave enough money to the people to enable them to buy all the produce of our factories and farms.

We struggled along with one or two or three billion dollars for WPA, and kept the WPA worker of the South on twenty-odd dollars a month—not a week, but a month. Even that lifted us up out of the depression to a very considerable degree, and launched us toward a greater prosperity.

Mr. President, it remained for the war really to make the experiment succeed beyond any question or cavil, for during the war the demands of the war required that we put to work every man and woman, boy and girl, who would and could work. What was the result? The national income soared from $38,000,000,000, what it was in 1932, to $160,000,000,000, in 1944. There was never such prosperity in all the land, not only in the workman's cottage, but in the home of the banker, the railroad magnate, the manufacturer, the investment broker, and everybody else who rides upon the backs of the toilers of America.

The only risk to our future is that we will lose the buying power of the masses of the people. If we lose it, it condemns to failure the business structure of this country. It will topple down the temples of profit as surely as Samson in his blind agony pulled down the pillars of the temple upon his own head.

There is but one way in which to make America prosperous, and that is by observing the good old Democratic doctrine of providing for the welfare of the masses of the people of America. That is not demagoguery, that is good economics, as well as good Christianity and good politics and philosophy.

Mr. President, what I am saying is that I do not want to see any partisan appeal made on the issue before us, but in view of what Governor Stassen said, that it is not possible to pass liberal legislation in this Congress because of the conservative southern bloc in the Democratic Party, I wish to ask my brethren, our friends on the other side of the aisle, if, when we begin to vote tomorrow, there will be as large a percentage of Republican Senators voting for the 65 70 and 75 cents an hour bill as there will be Democratic Senators on this side of the aisle voting for it. I want to make an appeal to our brethren on the other side of the aisle to go along with us tomorrow and let everybody in the country know which party is showing the largest percentage of support for higher wages and a better standard of living for the people of the United States.

Mr. President, I am particularly hopeful that our Republican brethren will follow our good example, because when I first came to an awareness of politics in this country I heard two things about the Republican Party. One was that it was the party of great moral ideas. That was when I was just a boy, Mr. President. The other was that it was the party of the full dinner pail. It made its appeal to the workingman. I remember the cartoons I used to see, the workmen

pouring out of the factories, under a Republican administration, happy, contented, with full dinner pails, for the good old Republican Party looked after the workingman. It filled up his dinner pail. It was later, Mr. President, that the platform of the party came to be to have a chicken in every pot and two cars in the garage. I am harking back to the days of the full dinner pail.

I wish to ask my brethren how full the dinner pail of the American workmen will be if he gets less than 65 cents an hour for 40 hours' work. That, Mr. President, is only $26 for a full week. For a full month it is only $104. On such a wage how full can you fill the dinner pail of a father who has a family to support? How full can you fill the dinner pail even of a single man who may have dependents? Mr. President, how far will it go to pay the expenses of a working girl or workingwoman, who, if she does not have a family to support, if she does not have dependents, has self-respect to maintain, has the duty of a woman to live like a lady to fulfill?

That is what we are going to decide tomorrow when we begin to vote on one of these wage scales or the other. Mr. President, do we realize that if our brethren on the Republican side go along with the majority of the Democrats on this side of the aisle tomorrow, we will put $10 a week more in the workingman's pocket or pocketbook? Ten dollars toward the workingman's doctor bills, toward the workingman's food budget, toward the furniture in the workingman's humble home, toward the leisure that the workingman may occasionally glimpse? Mr. President—toward all that we will enable him to earn $10 a week more. That is not much, but I have seen the time when I followed a plow 12 hours a day for 65 cents for the whole day. Many of us know what it means to get a mere $10 a week more. We have not forgotten such things as that, Mr. President.

Mr. BALL. Mr. President, will the Senator yield?

Mr. PEPPER. I will yield in a moment. If we pass the bill, $10 a week more than provided by the present law will go into the pocketbook of the workingman. Now, $4 a week is not very much, but four times $4 a week is $16 a month, and we will put that much more money in the workingman's family budget over the amount provided in the amendment offered by the able Senator from Minnesota [Mr. BALL], the able Senator from Louisiana [Mr. ELLENDER], and other Senators associated with them, if the bill as reported by the committee and recommended by the President is adopted by the Senate.

I now yield to the Senator from Minnesota.

Mr. BALL. Mr. President, I was interested in the Senator's statement that if we vote for the majority bill we will put $10 a week in the pockets of these low-wage earners. So far as I know the only employees whom I pay—and I do not pay them directly; the Senate Disbursing Office pays them—are all paid considerably above this minimum. I am wondering if the Senator from Florida has not overlooked the very important middleman in this process of putting the $10 a week in the workingman's pocket, and that is the employer who has somewhere to get the money to pay the $10 a week.

Mr. PEPPER. The able Senator will understand, of course, that when I say we put it in workingmen's pockets I mean we do it just like we put men in the Army. We passed a law which made the men go into the Army. I mean we will put that $10 bill in their pocketbooks over what they are now getting, because we pass a law, if the other House agrees with us and the President concurs—we pass a law that makes the employers pay it.

Mr. BALL. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BALL. Does not the Senator believe that it is still up to the employer, who finally pays the wages, to decide whether he shall increase his total wages, if he has 100 employees, by a thousand dollars a week, or whether he shall lay off enough employees to keep his wage bill the same? And under present OPA ceilings probably a great many of them will have to do the latter. Then some employees will not have $10 more a week in their pockets. They will not have any wages coming in.

Mr. PEPPER. Mr. President, I realize that that was the argument made in 1938. It was said, "If you pass the law you will close us down. You are going to throw everyone out of a job when you try to get higher pay for a few."

I am not doubting the sincerity of the fears of the Senator from Minnesota, but, Mr. President, experience has not justified those fears. I have in my heart an abiding faith that experience will not justify his fears if this bill is passed. I realize that there may be a few cases—I think they will be relatively few—where someone will be thrown out of a job. I realize that in legislating for a great country like ours there may be an occasional hardship somewhere. But I am not willing to deny millions of working men and women their due and what they can be paid simply because a few employers somewhere may experience a hardship by a general law of that character.

In every bill we pass we have to apply general principles, and general principles universally applied will fall heavier upon some than upon others. But, Mr. President, the able Senator from Minnesota voted to send men into combat, into the jaws of death, and into the valley of death itself. Yet, but we were legislating for the Nation. In some cases family hardships tore the heart of the soldier who had to leave his hearthstone even to follow his country's flag. But we did not hold back because there was a hardship upon a few. We legislated for the security and the safety of America. Yet today the able Senator is so sensitive about a few employers who may be hurt that he condemns millions of employees to a lower wage than they deserve and their employers can pay them.

Mr. BALL. Mr. President, will the Senator again yield?

Mr. PEPPER. I yield.

Mr. BALL. The Senator from Minnesota spoke for himself and, of course, he is not condemning millions of employees to anything. As a matter of fact the majority report on this bill indicates there are only two or three million employees who will be immediately affected by it, as the Senator very well knows. What the Senator from Minnesota has said is that we cannot legislate prosperity in this country by voting, as the Senator said, $10 a week, or $20 a week, or ham-and-eggs or any other program of that type into the pockets directly of the American people. I do not think that is sound economics and will ever work.

The Senator from Florida has been talking about war prosperity. Is he contending that the only basis on which we can achieve the kind of prosperity we all want is on the basis of our war expenditures, when the Federal Government was running a deficit of $30,000,000,000 or $40,000,000,000, or $50,000,000,000 a year? And how long does the Senator think our system would survive that kind of financing and economics?

Mr. PEPPER. Mr. President, I do not ask the Government to take over the economy, but I just said a minute ago that the experience of our economy during the war had proved that the only way to have national prosperity is to have the masses of America's people working at good wages. That is the answer. And when the miserable, unorganized workers at the bottom of the economic ladder cannot by their bargaining power get their fair share of the national income, or a decent wage from their employer, they have no form to which to take their case except the people's Congress, their Government. That is the reason we passed a 25-cent minimum wage bill in 1938 over the vigorous opposition of a large part of the membership of the Senate. They said then that it was not a matter for the Government to deal with. They said the workers should bargain collectively; that if they did not want to work for what they were receiving they should quit. They said what we then proposed would result in drying up the very springs of our prosperity and leave a sterile economy.

But, Mr. President, again I am merely reminding my colleagues that the principles contained in the wage-hour law of 1938 did not justify those fears. What I started to say was that while I sympathize with the fears of some of my able and eminent colleagues from the South, where wages are still too low, and the per capita wealth is too low, and the whole economy is too poor, I do not even agree with their fears. But I cannot for the life of me understand how a Senator from a high-wealth State, from a high-wage-level State, from a rich-economy State, will allow his fears to make him vote for a lower wage than 65 cents an hour for a working man or woman.

Mr. President, the fatal addition to the wage bill of the country if we pass this 65-cents-an-hour measure will be only 2 percent. That is to say, we will raise the wage bill of this country only 2 percent by increasing minimum wages by law to 65 cents an hour. Even when workers get the 75-cents-an-hour wage under this bill, we will raise the wage bill of the country only 5 percent.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BANKHEAD. I should like to ask the Senator if he has information on the subject how much that will increase the national income. How much more money will be put into circulation as the result of increase in wages?

Mr. PEPPER. The able Senator has asked me a question to which I am not sure that I have the answer, but in the committee Mr. Chester Bowles estimated that the total cost of raising minimum wages for all privately employed non-agricultural workers in the country to 65 cents would be only $4,000,000,000 a year. Since the present bill is much narrower than that, actually the total increase in the wage fund will amount to considerably less than $2,000,000,000 a year.

Mr. BANKHEAD. Is that increase limited to the effects of this bill?

Mr. PEPPER. Yes; the effect of this bill would be to put under $2,000,000,000 a year more into the pockets of the working people of the country. And to the able Senator from Alabama, who has been such a gallant and valorous leader of the cause of agriculture in the Senate, let me add also quickly that Mr. Bowles testified that about $400,000,000 of that would find its way into the pockets of the farmers of this country for food products alone. When we add clothing and other things which are produced essentially from the farms, we find that approximately 50 percent of the income of the low-income groups of this country goes to the farmers of the Nation. This means that a billion dollars of the increase will accrue to them.

Mr. President, that is the reason why I say that this bill is not merely for the purpose of helping the workers of the country. It is for the purpose of helping the farmers. It is also for the purpose of helping the merchants from whom the working people buy. It is also for the purpose of helping the bankers who collect the people's money and use it. It is also for the purpose of helping the manufacturers who make the goods which the people buy. It is for the purpose of helping everyone in the United States, and through this Nation, the world economy as a whole.

Mr. President, I humbly ask our brethren on the other side of the aisle to join us tomorrow as we try to pass some liberal legislation which will help everyone in the country.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. AIKEN. I wonder if the Senator from Florida is fully aware of the fact that in issuing this challenge to the Republicans he may be jeopardizing the future of the Democratic Party. Surely the Senator from Florida must know that there are between 10,000,000 and 20,000,000 people in this country who would join the Republican Party and vote the Republican ticket just as soon as the party proved to them that it was the party representing the common man of this country. If the challenge of the Senator from Florida should be so effective or the arguments he states should be so persuasive that most of the members of the minority party in the Senate should vote for the 65-cent minimum wage bill, and if they should vote for various measures for improving health and education in this country, and then should wholeheartedly work for the improvement of our relations with other countries and the promotion of foreign and domestic trade, I could see very little future for the Democratic Party in the United States for a long time to come.

Mr. BANKHEAD. Mr. President, will the Senator yield to me so that I may ask the Senator from Vermont a question?

Mr. PEPPER. I yield.

Mr. BANKHEAD. I wonder if the Senator is trying to tempt the Senator from Florida to join the Republican Party. [Laughter.]

Mr. AIKEN. I am not sure but that could be done, if the Republican Party were to do all the things which I have suggested.

Mr. PEPPER. Let me say to my able friend that the Democratic Party has always been the party of the people. If the Democratic Party, with characteristic gallantry and self-sacrifice, should have to lay its life upon the altar of the people's service, I think it would be well given.

Mr. MEAD. Mr. President, as one of the cosponsors of the pending measure, as one who has been supporting the bill which has been reported to the Senate by the committee, and as one who is opposed to the weakening amendments which have been presented and will be acted upon in the near future, I wish to make some observations about this measure.

I appeared before the committee and spoke for the bill during the course of the committee hearings upon it. I believe that it is a reasonable measure, that it comes to us at an appropriate time, and that it carries with it logic and good common sense.

As has been well said on the floor during the course of this debate, the cost of living has risen to such an extent as to wipe out the increases which were provided by the Congress when the minimum-wage law was enacted in 1938. Moreover, Mr. President, the time is ripe, because we have witnessed an increase in the wage standards in many of the industries of the country. Many industries are granting voluntary increases to their employees. I believe that such action has a very sound economic effect.

Many unfortunate workers are unorganized. Some of them are engaged in seasonal work, and others in part-time work, work which is frequently interrupted by reason of various conditions over which they have no control. Such workers have lost their overtime pay, and their wage scale is now much lower than it has been during the past 4 or 5 years. So, Mr. President, considering the situation which confronts us economically, it occurs to me that this is a splendid gesture for the Senate to make. So I trust that the bill will be enacted as it has been reported by the Committee on Education and Labor, which devoted prolonged attention to it.

I wish to point out, so that they may be a part of the record which I make in support of the bill, some of the very effective statements contained in the President's messages to the Congress.

On September 6, 1945, the President requested Congress to renew and amend the Fair Labor Standards Act of 1938. At that time the President laid before us a specific economic program. The party of which he is the leader has a specific economic program. It is the only specific economic program before the American people and before the American Congress at this time. Our President—the President of all the people and all the country, and the leader of the Democratic Party—said at that time:

> The foundations of a healthy national economy cannot be secure so long as any large section of our working people receive substandard wages.

We are now providing for those in the substandard group. The President continued:

> The existence of substandard wage levels sharply curtails the national purchasing power and narrows the market for the products of our farms and factories.

That was well demonstrated by the able Senator from Florida [Mr. PEPPER].

Mr. President, in dealing with the group affected by the pending legislation we are dealing with the group to which the late President Roosevelt referred as the one-third which was ill-fed, ill-clothed, and ill-housed so far as our standard of living is concerned.

President Truman in his message also made this statement:

> I believe that the goal of a 40-cent minimum was inadequate when it was established. It has now become obsolete.

That is a statement which cannot be successfully contradicted.

The President continued:

> The high prosperity which we seek in the postwar years will not be meaningful for all our people if any large proportion of our industrial workers receive wages as low as the minimum now sanctioned by the Fair Labor Standards Act.

Mr. President, during the war, under the strain of war, in an effort to produce the materials of war, we expanded our industrial productivity to an amazingly high degree. That rapid and magnificent expansion of our productivity must be sustained. If it is not sustained by a high purchasing power, we shall drift into the spiral which leads to depression, such as resulted from our economic errors after the expansion which took place in the First World War. That those errors are not being repeated is evidenced by the leadership and the wisdom which have brought about not only the pendency of this legislation, but the entire economic program recommended by the President.

The increased productivity and high annual income which we are now capable of making must be buttressed by a high consuming market. If we neglect the segment made up of the low-wage earners of our population, if we fail to pass this particular legislation and the other bills which have for their purpose an increase in the buying power of our people, then I can see stagnation setting in, gradually at first, but more rapidly as

time goes on, until we find an imbalance between our productivity and our ability to consume. It is true that we may be able to find markets for our goods elsewhere, but the buyers will require dollars with which to buy those goods, and we shall require buying power in this country to keep pace with the assembly-line production which we developed so skillfully during the war.

So, Mr. President, I believe that the pending measure is opportune. It is one of the "must" bills if we are to keep our economic house in order.

I wish to quote from a further message of the President on this measure. In his message on the state of the Union on January 21, 1946, the President again requested the Congress to amend the Fair Labor Standards Act. On that occasion the President said:

Full employment and full production may be achieved only by maintaining a level of consumer income far higher than that of the prewar period. A high level of consumer income will maintain the market for the output of our mills, farms, and factories which we have demonstrated during the war years that we can produce. One of the basic steps which the Congress can take to establish a high level of consumer income is to amend the Fair Labor Standards Act to raise substandard wages to a decent minimum and to extend similar protection to additional workers who are not covered by the present act.

Mr. President, I ask unanimous consent to have both the President's message delivered on September 6, 1945, and the President's message transmitted January 21, 1946, printed at this point in the RECORD, as part of my remarks.

There being no objection, the messages were ordered to be printed in the RECORD, as follows:

[From the President's message of September 6, 1945]

The foundations of a healthy national economy cannot be secure so long as any large section of our working people receive substandard wages. The existence of substandard wage levels sharply curtails the national purchasing power and narrows the market for the products of our farms and factories.

In the Fair Labor Standards Act of 1938 the Congress adopted a program intended to provide a minimum-wage standard for a large number of American workers.

In that statute the Congress declared it to be our national policy to eliminate from interstate industry, wage levels detrimental to the maintenance of minimum standards of living. The establishment then of a minimum wage of 25 cents per hour represented a first step toward the realization of that policy. The goal of 40 cents per hour, which under the act was to be made effective by 1945, was actually made fully effective more than a year ago by the voluntary action of the industry committees.

I believed that the goal of a 40-cent minimum was inadequate when established. It has now become obsolete.

Increases in the cost of living since 1938 and changes in our national-wage structure require an immediate and substantial upward revision of this minimum. Only in that way can the objectives of the Fair Labor Standards Act be realized, the national purchasing power protected, and an economy of full production and abundance preserved and maintained for the American people.

The high prosperity which we seek in the postwar years will not be meaningful for all our people if any large proportion of our industrial wage earners receive wages as low as the minimum now sanctioned by the Fair Labor Standards Act.

I, therefore, recommend that the Congress amend the Fair Labor Standards Act by substantially increasing the minimum wage specified therein to a level which will eliminate substandards of living, and assure the maintenance of the health, efficiency, and general well-being of workers.

The scope of the Fair Labor Standards Act also should be clarified and extended. In view of changes which have occurred since 1938, I believe it is no longer necessary to exclude from the minimum-wage program the large number of workers engaged in agricultural processing who are now excluded. There now exists a twilight zone in which some workers are covered, and others, doing similar work, are not. Extension of coverage would benefit both workers and employers, by removing competitive inequities.

[From President's message of January 21, 1946]

Full employment and full production may be achieved only by maintaining a level of consumer income far higher than that of the prewar period. A high level of consumer income will maintain the market for the output of our mills, farms, and factories which we have demonstrated during the war years that we can produce. One of the basic steps which the Congress can take to establish a high level of consumer income is to amend the Fair Labor Standards Act to raise substandard wages to a decent minimum and to extend similar protection to additional workers who are not covered by the present act.

Substandard wages are bad for business and for the farmer. Substandard wages provide only a substandard market for the goods and services produced by American industry and agriculture.

At the present time the Fair Labor Standards Act prescribes a minimum wage of 40 cents an hour for those workers who are covered by the act. The present minimum wage represents an annual income of about $800 to those continuously employed for 50 weeks—clearly a wholly inadequate budget for an American family. I am in full accord with the proposal now pending in the Congress that the statutory minimum be raised immediately to 65 cents an hour, with further increases to 70 cents after 1 year and to 75 cents after 2 years. I also favor the proposal that the industry committee procedure be used to set rates higher than 65 cents per hour during the 2-year interval before the 75-cent basic wage would otherwise become applicable.

The proposed minimum wage of 65 cents an hour would assure the worker an annual income of about $1,300 a year in steady employment. This amount is clearly a modest goal. After considering cost-of-living increases in recent years, it is little more than a 10-cent increase over the present legal minimum. In fact, if any large number of workers earn less than this amount. we will find it impossible to maintain the levels of purchasing power needed to sustain the stable prosperity which we desire. Raising the minimum to 75 cents an hour will provide the wage earner with an annual income of $1,500 if he is fully employed.

The proposed higher minimum-wage levels are feasible without involving serious price adjustments or serious geographic dislocations.

Today about 20 percent of our manufacturing wage earners—or about 2,000,000—earn less than 65 cents an hour. Because wages in most industries have risen during the war, this is about the same as the proportion—17 percent—who were earning less than 40 cents an hour in 1941.

I also recommend that minimum-wage protection be extended to several groups of workers not now covered. The need for a decent standard of living is by no means limited to those workers who happen to be covered by the act as it now stands. It is particularly vital at this period of readjustment in the national economy and readjustment in employment of labor to extend minimum-wage protection as far as possible.

Lifting the basic minimum wage is necessary, it is justified as a matter of simple equity to workers, and it will prove not only feasible but also directly beneficial to the Nation's employers.

Mr. MEAD. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD as a part of my remarks the explanation of the pending bill which is contained in paragraph II of page 3 of the committee report.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

II

The bill under consideration amends the Fair Labor Standards Act in the following principal respects. (The amendments are fully described in part III of this report.) The bill—

(1) Raises the minimum wage to 65 cents per hour during the first 2 years of operation, 70 cents in the third and fourth years, and 75 cents thereafter. It continues the procedure of the present act whereby industry committees, composed of employer, employee, and public members, may reach the 75-cent objective more rapidly where practicable in accordance with the congressional declaration of policy and standards in the act. The special procedures for determining wages in Puerto Rico and the Virgin Islands still apply.

(2) Broadens and clarifies the coverage of the minimum wage and overtime provisions. Minimum wage and overtime pay are extended to employees of employers engaged in any activity affecting interstate or foreign commerce; chiefly involved are employees of large chain and large independent retail selling and retail servicing enterprises. However, employees in small independent retail selling and servicing establishments are still exempt. Seamen are granted minimum-wage protection but not overtime pay. Industries processing agricultural or horticultural commodities or fish are covered by the minimum-wage and overtime provisions. However, such of these industries as have marked annually recurring seasonal peaks are made eligible for a single overtime exemption in place of the present complex and discriminatory system of overtime exemptions. As a result of these changes, minimum wage and overtime pay will now apply with greater uniformity to employees of employers engaged in the handling or packing or storing, in their raw or natural state, or the first processing or canning, of perishable or seasonal agricultural or horticultural commodities or fish. Employees of motor carriers are covered by overtime-pay provisions unless the Interstate Commerce Commission has set qualifications and maximum hours of service for their occupations prior to the effective date of the bill. Several minor exemptions now in the act are broadened—switchboard operators in public telephone exchanges with fewer than 1,000 stations, and employees of daily as well as semiweekly and weekly newspapers with fewer than 3,000 circulation, are exempt.

(3) Directly prohibits the employment of oppressive child labor by employers engaged in commerce, the production of goods for commerce, or any other activity affecting commerce.

(4) Modifies the provisions for employee suits by providing a 2-year statute of limitations in such employee suits to recover unpaid minimum wages or overtime compensation, and damages, and grants to the courts discretionary power to reduce in

whole or in part liquidated damages in such suits if the employer shows affirmatively that the minimum wage or overtime violations were not willful and that he acted in good faith.

Mr. MEAD. Mr. President, future historians, I venture to predict, will find it strange that we consider it necessary to debate the issue whether 65 cents an hour or 75 cents an hour is too much to pay the workers who are the backbone of our industrial development.

I find it strange myself. I find it difficult to believe that as we enter the atomic age, as we prepare to harness this great new force with all its radical implications for our industrial system, we still have not learned the importance of purchasing power.

We Americans are superb producers. We are poor distributors.

To raise the minimum-wage rate to 55 cents in the industries we are talking about is not to raise it at all. It is well known that the War Labor Board last year set 55 cents an hour as the minimum wage which they would automatically approve, and this figure has become the effective minimum-wage rate for industries in and affiecting interstate commerce. So if we amend the bill by reducing the wage scale to 55 cents an hour, we are giving the workers only what they are already receiving in most instances. Last week the Wage Stabilization Board went even further and set the figure at 65 cents. Yet some people still talk about enacting a minimum-wage rate of 55 cents. The only thing that would do would be to change the words of the law.

Mr. President, perhaps an increase in the minimum-wage rate to 55 cents an hour might have been worth while before the war. Now the higher cost of living would make it considerably less attractive. Fifty-five cents an hour for 40 hours a week is exactly $22 a week or $1,100 a year if—and this is an exceedingly big if—the worker gets 50 weeks of work during the year. Even 65 cents is only $1,300 a year. Think of it, Mr. President. We who live in the richest country in all the world, in a country capable of producing almost $200,000,000,000 worth of wealth in 1 year, are fixing by law an annual wage of but $1,100 a year, provided the worker works 50 weeks a year; and we do that at a time when we realize that even $2,000 a year will not maintain the average American family in decent conditions and provide proper food, shelter, and clothing for them. Even 65 cents an hour amounts to only $1,300 a year.

Both these yearly figures fall far short of the lowest estimate of what it takes to keep a family of five decently fed, clothed, and housed. Both amounts are entirely inadequate.

The people we are talking about, those who are down in the brackets below and around 65 cents, are the real ill-fed, ill-clad, and ill-housed men, women, and children of this country. They are the people who wait around bargain counters watching for the very low-sale prices; they are the ones who gather in grocery stores on Saturday night just before closing time to pick up fruits and vegetables or meat likely to spoil before Monday morning. They are the unorganized workers who cannot speak for themselves. They are the ones who really need the protection of this proposed law, and I say they should have it.

Mr. President, I shall not dwell on the general question of raising the floor under wages. To me the issue is clear. This great Nation, already in the first phase of a gigantic production boom, does not want—and cannot afford—to have second-class citizens without enough to eat or enough to wear or a decent place in which to live.

This is the time to raise the floor under wages. There will soon be the highest peacetime level of production in our history. We shall break all records. Huge profits are being made without even an excess-profits tax to worry about. Now is the time to act. But all this has been said before during this debate, and I shall not urge it further.

What I wish to talk about are the provisions of the bill that extend coverage to two and a quarter million people who will gain the benefits of the wage-hour law if the bill passes as it stands today. I want particularly to talk about one group whom the bill affects—the retail employee.

As President Truman said:

It is particularly vital at this period of readjustment in the national economy and readjustment in the employment of labor to extend minimum-wage protection as far as possible.

I do not see why all these exemptions were put into the law in the first place. But now is a good time, as President Truman says, to change or repeal them.

It seems to me that there are only two criteria to determine whether employees should be under this proposed law. The first criterion is whether they are within the constitutional power of the Congress; that is, whether they are engaged in or affect commerce. The second criterion is whether the law is capable of enforcement, insofar as the particular group is concerned. I understand why we cannot put certain groups of people under the law; it is because we simply cannot enforce it as to them. We cannot put outside salesmen under the law because we do not know when they are working. We cannot put a highly paid professional man under the law because he simply does not operate that way. There is no sense having a law that is not enforceable.

But there are all sorts of exemptions in the minimum-wage law today that go far beyond these criteria. There is no better example of this than the men and women behind the counters of the big chain and department stores throughout the country.

Let us hold up against the tests I have suggested, the case of the chain and department store worker. Certainly the employees of a large department store or a chain grocery store fall within the constitutional power of the Congress to deal with matters in and affecting interstate commerce. Under the Wagner Act, the National Labor Relations Board has steadily held that such companies are under the Wagner Act, and it has been continuously upheld by the courts. There is no reason for any different rule where wages and hours are concerned. Equally certain, the law is enforceable with respect to these workers. They punch a time clock just as do workers in a factory.

If we do not follow these two rules, if we give a number of exemptions the following is the kind of a result we get—and there are many cases like this one: Mary and Margaret are sisters. They leave the house at the same time every morning and they get home at the same time every evening. Mary goes to a shirt factory and sits down at her sewing machine and works 40 hours a week. Margaret goes to a large retail store and stands on her feet behind the counter 40 hours a week. Mary is under the wage-and-hour law, but Margaret is not. However, both are under the Wagner Act. Why should there be this discrimination?

An exemption was provided in section 13 (a) (1) for workers employed in a local retailing capacity. Then there was provided a whole exemption in section 13 (a) (2). I say that now is the time to wipe off the books that discriminatory favoritism toward chain stores.

Take a look at the profits of some of the chain stores. The 13 food chains made 200 percent more in 1944 then they made during the years 1936 to 1939. They made 50 percent even after taxes. Department stores made 346.3 percent more in 1944 than during the 1936–39 period; they made 60 percent even after taxes. Now that the excess-profits tax is off, their profits will probably go through the roof; at least, Mr. President, it is reasonable to assume they will be higher. I wonder whether anyone seriously contends that this favoritism should continue.

I, for one, am really interested in the small independent store. That is why I insisted that the bill contain an exemption for these small independent stores, and the bill as it now stands provides an exemption for any independent store doing less than one-half million dollars' worth of business. But a large store, chain or independent, should certainly pay 65 cents an hour to the girl who has to deal with a large number of customers from 9:30 in the morning until 6 at night.

I want a law that will do something for these people. In New York there has been established a 52-cent minimum for retail clerks which was originally to go into effect early this year. I now understand that the effective date has been indefinitely postponed. The retail employees in New York are learning what "too-little-too-late" means in our own country.

If there ever was the right bill and the right time, this is it. I shall oppose every effort to water down this bill. The people of the country are solidly behind it. We must not let them down. Certainly the President of the United States is behind it, and I hope the Senate of the United States will back up the President. We must give fair consideration to the workers who are included under the proposed legislation.

Mr. President, I trust that the pending bill will receive the approval of the Senate. I also trust that the amendments

which have been offered to the bill, and which have a tendency to weaken it, reduce the scale of wages provided in the bill, or limit the coverage provided in it, will not be agreed to by the Senate. I appeal to my colleagues in the Senate to think of the workers in the lower categories who are embraced within the provisions of the pending bill, the unorganized workers who have the most difficult tasks to perform, and who receive the lowest pay for their work. I trust that my colleagues will keep those workers in mind. I trust that when we vote on the amendments tomorrow sight will not be lost of their welfare and their well-being, as well as the welfare and well-being of our country.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT] to the amendment proposed by the Senator from Louisiana [Mr. ELLENDER] for himself and the Senator from Minnesota [Mr. BALL].

EXECUTIVE SESSION

Mr. PEPPER. I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDENT pro tempore. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

DEPARTMENT OF THE INTERIOR

The legisative clerk read the nomination of Ellis Purlee to be register of the land office at Sacramento, Calif.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations in the Marine Corps.

Mr. PEPPER. I ask unanimous consent that the Marine Corps nominations be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the Marine Corps nominations are confirmed en bloc, and, without objection, the President will be notified forthwith of all the confirmations of today.

RECESS

Mr. PEPPER. As in legislative session, I move that the Senate take a recess until noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 55 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, March 27, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 26 (legislative day of March 5), 1946:

DIPLOMATIC AND FOREIGN SERVICE

W. Averell Harriman, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Great Britain.

UNITED NATIONS ECONOMIC AND SOCIAL COUNCIL

John G. Winant, of New Hampshire, to be the representative of the United States of America in the Economic and Social Council of the United Nations.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 26 (legislative day of March 5), 1946:

DEPARTMENT OF THE INTERIOR

REGISTER OF LAND OFFICE

Ellis Purlee to be register of the land office at Sacramento, Calif. (Reappointment.)

IN THE MARINE CORPS

APPOINTMENTS IN THE MARINE CORPS

To be second lieutenants from April 2, 1946

Guenther W. Lenffer	Michael J. Vrabel
Charles A. Ray	Lewis R. Webb
Alvin W. Burri	Robert E. Barde
Jack A. Cohoon	Gordon S. Baxter
Charles W. Cox	Charles W. Blyth
Kenneth B. Fish	Samuel L. Grier
Earl R. DeLong	William T. Hickman
William A. McClelland	James A. Horn
Charles A. Merrill	Paul Kessler
Clair "F" Runyon	Chew Een Lee
Albert C. McLean	Alfred L. Leidy
Robert G. Work	Donald L. Mann
Robert V. Anderson	John F. Miniclier
Nicholas A. Canzona	Willard G. Orth
John E. Dolan	Alfred L. Perry, Jr.
James H. A. Flood	Kenneth E. Rice
William L. Hewetson	Thomas J. Sager
Weldon L. Keating	Joris J. Snyder
Bruce Magruder, Jr.	Richard M. Ulf
Lee D. Martin	Henry J. Witkowski
Gene M. McCain	Joseph A. Zybrands
Carl Pedersen, Jr.	

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 26, 1946

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal Father, whose most holy name shows forth the wonder of Thy love, at the altar of prayer we rejoice in Him who made Himself of no reputation, who suffered and walked the earth with men that He might reveal unto them the true nature of God, who is and evermore shall be. Thou who didst come to a world that was destitute, give us that form of love which spiritualizes and beautifies life. Oh hasten the day when the unborn tomorrows shall bring forth the parliament of man, in which shall be established the realm of true brotherhood, in which no rivalries can destroy or controversies can defeat. Be pleased to remember and bless our President, our Speaker, and this Congress assembled, that they may be led to deliberate upon the things that are for the welfare of our whole Nation; strengthen us all with wisdom from above that we may quit ourselves like men, and Thine shall be the praise. In the name of our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. RANDOLPH asked and was given permission to extend his remarks in the RECORD.

Mr. ROBERTSON of Virginia asked and was given permission to extend his remarks in the RECORD and include an editorial from the Chicago Daily News entitled "Water and Concrete."

Mr. LEFEVRE asked and was given permission to extend his remarks in the RECORD, and further to extend his remarks and include an editorial.

Mr. KNUTSON asked and was given permission to extend his remarks in the RECORD and include a short newspaper article.

Mr. JOHNSON of California asked and was given permission to extend his remarks in the RECORD and include an address by Dr. M. H. Trytten entitled "Problems of Scientific Personnel and Science Talent."

Mr. SPRINGER asked and was given permission to extend his remarks in the RECORD and include a letter.

DAYLIGHT-SAVING TIME

Mr. SHARP. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SHARP. Mr. Speaker, I read in the CONGRESSIONAL RECORD of last Thursday's date, speeches by the gentleman from Pennsylvania [Mr. FULTON] and the gentleman from New York [Mr. BENNET] advocating daylight saving starting April 30 and expiring October 30 for the sole purpose of helping out with our food supply. I come from a section of Long Island, N. Y., that does considerable growing of potatoes and cauliflower, and I do not know of anything to help the conditions more than daylight saving of an extra hour for this purpose. It will benefit those that plant victory gardens, those that work in offices and other positions where they are employed during all the day, each day of the week and month.

I remember when I went to work as a young man, I had a position in the United States post office and I was busy between the hours of 6:15 a. m. and 7:30 p. m. I was not anxious at this time to plant a victory garden, but I had an old trotter I had to jog each day and I could not find time to do it. Usually I jogged him at night, but I could not develop his speed after dark as much as I would have liked to, so it was not very satisfactory, training a trotting horse after dark. If we had had daylight saving at that time, it would have been wonderful.

Now the people are not interested in training horses, but we are interested in growing extra farm production, and I do not think the farmer would object seriously to such a procedure to assist

in the prevention of starvation abroad and to an increase in domestic garden food production by this extra hour. The farmers would not object to such a plan that would be such a favor to so many people, and for the good of all the people, it should be done, and I hope the bill will be supported when it comes before the House.

AMERICAN YOUTH FOR DEMOCRACY CLUBS

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I notice in the Times-Herald of the 22d of March this item:

STUDENTS BACK SOVIET REQUEST

A delegation of 20 college students today called at the State Department to demand, among other things, that the United States respect the Soviet request for postponement of UNO consideration of the Russian-Iran dispute "until negotiations with Iran are terminated." The students said they represented 63 college American Youth for Democracy clubs.

The college students of today want to be very careful what they are doing. I recall very distinctly when the Italian boys and girls before the war stated that they wanted Mussolini to go to war, and they got their wish, and they got it in the neck, I imagine, every one of them. These boys and girls ought to know what they are doing before they make such requests as this.

EXTENSION OF REMARKS

Mr. HÉBERT asked and was given permission to extend his remarks in the RECORD and to include an editorial.

Mr. PFEIFER asked and was given permission to extend his remarks in the RECORD and include a statement by the Committee for a Just Peace for Italy.

Mr. McCORMACK asked and was given permission to extend his remarks in the RECORD and include an address made last night by Hon. Tom C. Clark, Attorney General of the United States.

WHEATLESS DAY IN RESTAURANTS TO HELP STARVING PEOPLES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I noticed in this morning's Washington Times-Herald a news item which was of great interest to me. The headline reads: "One wheatless day each week proposed for restaurants." This suggestion came from a New York restaurant man. It seems to me it is a very excellent suggestion, when millions of people abroad, human beings just like you and I and all of us, and these unfortunate persons facing starvation; with tens of thousands of children suffering from undernourishment and from tuberculosis and all kinds of disease that result from undernourishment. Adults are dying and children are dying and millions are faced with a terrible situation. Even though we do the best we can, thousands will die. I know the people of America are willing to make every sacrifice possible to help these suffering human beings. I think this suggestion of a wheatless day for restaurants is an excellent one. No matter how much we cooperate voluntarily, there is always a limitation, because we are all human. A little compulsion now and then accomplishes better results. I am sure the people of America will listen to this appeal to bring relief to other human beings throughout the world and will be glad to have a wheatless day each week, or two wheatless days if necessary. I know the people of America will answer the crying voice of humanity.

PHILIPPINE ISLAND LEGISLATION

Mr. DOUGHTON of North Carolina. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a committee report on the bill H. R. 5856, the Philippine Island bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

PERSONAL PRIVILEGE

The SPEAKER. For what purpose does the gentleman from Michigan rise?

Mr. HOFFMAN. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state the ground for the question of personal privilege.

Mr. HOFFMAN. Mr. Speaker, on the 12th day of March, last, a standing committee of the House, the Committee on Expenditures in the Executive Departments, was considering the question of the disposal of surplus property and, in particular, H. R. 5702. Mr. John C. Williamson, assistant legislative representative of the Veterans of Foreign Wars, appeared and gave testimony as a witness.

On the 17th day of March 1946, Walter Winchell, over a Nation-wide hook-up of the American Broadcasting Co., a licensee of the Federal Communications Commission, referring to a colloquy which occurred between the Member from the Fourth Congressional District of Michigan and Mr. Williamson, among other things said:

WASHINGTON.—This is especially for all war veterans and their families. On March 12, last, the Washington (D. C.) Daily News reported as follows: "Veteran organization representatives got a verbal slap in the face from Congressman CLARE E. HOFFMAN, of Michigan." He charged, "there is a growing resentment of special privileges for veterans." The Washington Star adds: "In a diatribe against political pressure of veterans (regarding amendments to the Surplus Property Act) Congressman CLARE HOFFMAN, of Michigan said, 'Veterans are the same old Americans they were before the war, selfish and greedy still as they were before the war.'" That, soldier, is what Congressman CLARE HOFFMAN, of Michigan, thinks of war veterans. Speaking for all war veterans I say this to Congressman CLARE HOFFMAN and any other ingrates in Congress. Isn't it a little bit early to be slapping the faces of war veterans? You may need them again and very shortly, too. To save your country, your job, and your life.

Mr. Speaker, in a leaflet evidently published to create discord and class hatred, destroy the confidence of the people in their Representatives, there appears the following:

HOFFMAN "SEDITIOUS"

Previously, officers of Locals 931 and 922, United Electrical Workers, representing 40,000 workers in Michigan and Indiana, adopted a resolution which says in part: "The Halls of Congress are being poisoned with seditious utterances by Congressman CLARE E. HOFFMAN. * * * Seditious statements * * * are being made in Congress * * * dissemination of Axis propaganda * * * aids enemies of our Nation, and borders on treason. * * * This convention respectfully requests the Department of Justice that these seditious activities of CLARE E. HOFFMAN be investigated." Resolution was adopted and sent the Attorney General.

That statement made by Mr. Winchell reflects upon the integrity, in his representative capacity, of the Member of Congress to whom reference is made. The logical effect of Winchell's statement is to injuriously affect the morale of men in the service. His statement raises a question of personal privilege.

The statement quoted from No. 246 of In Fact reflects upon the integrity and the patriotism in his representative capacity of the Member of Congress from Michigan and raises a question of personal privilege.

The SPEAKER. Without passing on the first question raised by the gentleman, the Chair states that any pamphlet or newspaper or document that accuses the gentleman from Michigan [Mr. HOFFMAN] of being seditious certainly presents a question of personal privilege.

The gentleman is recognized.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include excerpts from publications and letters.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, if the issue presented by the words to which I have referred were only of personal interest, the time of the Members would not be taken. Unfortunately, the issue is broader than that and too many times has been ignored.

THE 1946 ELECTION SMEAR BUND SOUNDS OFF

Realizing that only desperate measures, a campaign of vilification and falsehood, can undermine the confidence of the people in their chosen representatives, in the Congress of the United States, PAC, the CIO, some of the New Dealers, the Communists, and some who do not believe in our constitutional form of government are determined that, by fair means or foul, they will elect in 1946 a Congress which will do their bidding.

In a whispering campaign, by word of mouth, through the press, over the radio, by commentators and by columnists, practically every Member of Congress who is vocal, active, unafraid, and consistent in his support of American principles, in opposition to any and all attempts to proceed other than in a constitutional manner, who is opposed to deficit spending, to government by men and bureaus rather than the adminis-

tration of equal justice under law by the judicial and executive agencies created by the Constitution, is assailed by some one or more members of this group.

They refuse to admit that, prior to 1930, the people of this country enjoyed more of every good thing of life than did the people of any other country. They pretend to think, although they know better, that the form of government which prevailed in almost any other country in the world was better than our own; that the lot of many other peoples under other forms of government was a happier and prosperous and a more secure one than that of our own people.

Their arrogance, their conceit, their intolerance, their lack of fair play and of common decency are their chief characteristics.

The campaigns for the election of 435 Members of the House, of at least 32 Members of the other body, have opened, and the floodgates have been opened, releasing against every candidate who in the past has refused to do their bidding or who they think in the future will refuse to act as their puppet, false charges of political venality; of a lack of charity, of kindliness, of consideration for the opinions and rights of others.

The press reported the President, addressing the Jackson Day banqueteers here in Washington, as saying:

> My friends in Congress have got to make a choice—they've got to make up their minds whether they are for veterans' rights or in favor of the real-estate lobby.

If the President made that statement, we can readily forgive him, for we know that, if he made it, it was on an occasion when he was talking for political purposes to a group of party members.

We know, too, that the President does not believe that the majority of the House—and a majority of the House voted against the subsidies contained in his housing bill—are opposed to veterans' rights. We know that he does not believe that they so voted because they were "in favor of the real-estate lobby."

The President was evidently carried away by the good food, small though it may have been in quantity, or perhaps by the fellowship of his fellow Democrats. He was evidently betrayed by the enthusiasm of the party—however it may have been generated or whatever may have caused it—into the making of an extravagant statement which is not in accord with the fact.

So let us forget and forgive, if that be necessary, this rather rash political slip of the President and turn our attention to those who are deliberately seeking the election of another rubber-stamp Congress, of a Congress which they may use to set the stamp of approval upon their schemes and proposed legislation designed to regiment our people, to bring about stateism or totalitarianism—something, almost anything, which will be the opposite of the Government which has given the individual freedom and prosperity, made us, as Churchill said, the most powerful economic and military nation in all the world.

Spearheading at the moment the vocal end of this destructive campaign, we have Walter Winchell. Walter Winchell has, it may conservatively be said, done more to create racial prejudice, arouse class animosity, generate civil strife, than—if we exempt Hitler—any other 100 men who have ever existed or who now exist.

He has been, and he is, a disgrace to the Navy, to his city, and to the country. As a peddler of false and salacious gossip he is an irresponsible master.

He has repeatedly, by false charges, attacked Members of Congress and the Congress itself in a manner which, whatever may have been his intention, was designed to destroy the people's confidence in their chosen representatives, in one of the coordinate branches of the Government.

He speaks over the radio, over a station of the ABC, the American Broadcasting Co., a licensee of a Federal agency.

Section 303 of title 47 of the United States Code empowers and authorizes the Federal Communications Commission to promulgate and enforce such rules as the public convenience, interest, or necessity requires.

Can it for one moment be contended that any licensee of this Federal agency should be permitted by false statements to challenge the integrity of the Congress or of the Members of Congress?

On the 17th of March, over a national hookup of the ABC, this man Winchell, undoubtedly resentful because, after an exposure of some of his activities, he was removed from active service in the Navy, placed in the Reserve and so deprived of the privilege of wearing an officer's Navy uniform in nightclubs and elsewhere, again opened his mouth, uncorked the vials of venom and falsely accused me of saying that veterans were selfish and greedy.

Informed people are aware of Winchell's irresponsibility. They know that he is a disseminator of keyhole gossip; that he has been characterized as the gent of the men's room; that it has been publicly charged that he paid some $90,000 on the demand of an underworld character; that many of his so-called news scoops or flashes are but the repetition of an AP, a UP, an International News Service, or some other news report, or an excerpt from an early or a late edition of the metropolitan press.

Winchell, while concededly extolling his presumed virtues as an uncoverer of reprehensible or criminal acts, is, on occasion, strangely silent.

Many of us remember that, during the war, eight German saboteurs landed from a German submarine on the Atlantic coast, their mission being the destruction of property which would aid us in defeating our enemies.

One Jergens is Winchell's sponsor. Jergens had two secretaries, one of whom was a very close associate in many of his business enterprises. This secretary aided and assisted one of the eight saboteurs, six of whom were subsequently executed. Confronted by the evidence, she admitted the crime, was convicted of misprision of treason and sentenced to a Federal penitentiary.

Had any Member of this or the other body been caught in a similar position to that then occupied by Jergens, who may or who may not have been entirely lacking in any knowledge of his secretary's activities, Winchell would have screamed to high heaven and he would have, by innuendo and by inference, accused such a Member of the Congress of being guilty of sedition or treason.

Mr. Winchell, Walter Winchell, an employee of Jergens, although he knew the news value in his field of such a disclosure, failed to tell his public about the activities of this other employee of Jergens, who, in wartime, aided an enemy of our country. Why was this self-styled super patriot silent? Tell us, Walter, why on this occasion you were as silent as the grave; apparently as dumb as a clam?

Winchell knew about the saboteurs and their activities and after his efforts to defeat many of the Members of Congress who were elected in 1942, he had the monumental gall to ask, "How about the voters going after those other saboteurs who landed in Congress?"

Apparently the House was not greatly concerned about that statement, although it was a direct charge, and was so understood by many of our people, that there were sitting in the Halls of Congress saboteurs, enemies of our country.

To our shame, be it said that, although advised of that statement, the House, perhaps because its Members underestimated the harm of the statement, themselves knew of Winchell's unreliability, assuming that practically everyone who listened knew of Winchell's untruthfulness, neglected to call Winchell before it and force him under oath to admit he was a purveyor of falsehood; that his charge that there were saboteurs in the House was wholly without foundation; that he was motivated only by a wicked, perverted mind.

Winchell seeks to smear and to destroy politically everyone in Congress whom he dislikes; who has the courage to vote his convictions, to remain firm in his allegiance to the oath taken when he assumed office.

Winchell has no conception of truth, of fairness, of justice, of ordinary common decency. He descends into the gutter; he rolls himself in carrion and, getting up, sniffs, but fails to recognize that the stench which he smells emanates from himself and not from the air which he breathes.

Hoping to induce some candidate to oppose me and to defeat me for reelection, Winchell, on Sunday evening, March 17, among other things, stated:

> Veteran organization representatives got a verbal slap in the face from Congressman CLARE E. HOFFMAN, of Michigan.

He further quoted me as saying:

> Veterans are the same old Americans they were before the war, selfish and greedy still as they were before the war.

Both of those statements are deliberate falsehoods.

He then asked:

> Isn't it a little bit early to be slapping the faces of war veterans?

THE TRUTH

What Winchell may have been referring to was a colloquy which took place

on March 12 between Mr. John C. Williamson, assistant legislative representative of the Veterans of Foreign Wars, and myself when he appeared before the House Committee on Expenditures in the Executive Departments during a hearing on the possibility of securing surplus housing for the use of veterans.

Needless to say, every Member of this House and of the other body, cognizant in some small degree—but only a small degree—of the sacrifices which have been made by the veterans, is not only willing, but eager to aid the veterans in every possible way and to at the same time see that legislation designed to aid veterans is not prevented from giving them aid, either by the application of red tape or the scheming and greed of unscrupulous individuals who would exploit them under the guise of assisting them.

After making it clear to Mr. Williamson that I believed that, whenever possible, a veteran should own his own home, with a yard, where he could raise his children and, if the children wanted it, a dog or a goat as a pet, rather than renting a home or living in a Government-constructed barracks or makeshift, inconvenient apartment or hut, I asked Mr. Williamson if it might not, and I quote:

Be well for the veterans to make up their minds, through their organizations, on what they want, what would be fair, and have Congress then give it to them, if it is possible, and end these veterans' preferences and priorities and special privileges?

Every Congressman knows that veterans, to whom we endeavored through legislation to give priorities and special privileges, are unable to obtain what they want, either because of red tape or the inefficiency of those administering surplus property or because there is no surplus available.

Many of us know that the so-called priorities, preferences, and special privileges presumably granted to veterans are but a delusion, holding out to veterans a hope of something which they cannot get.

Upon the desk of every Congressman there are no doubt many letters from veterans, disappointed, disillusioned, when their attempts to obtain an indicated article noted in the press as surplus met with failure.

To my inquiry as to whether the veteran should not ask for what he wants, for what would be fair, and then have Congress give it to him, if that was possible, Mr. Williamson, the representative of the VFW, expressed the opinion that—

"The problem of rehabilitation of 12,000,000 people" could not be solved that way.

I then made the statement that—

Just like everybody else, and the fact that that fellow is a veteran has not changed his characteristics. They try to think he has changed, but he is just the same old American he was before he went in; and if he was selfish and greedy before he went in, he still continues that way, that is, the chances are that he does.

And again suggested that we give to the veteran what he thinks he is entitled to, all at once and without delay.

Mr. Williamson said:

It would be Utopia, especially if we could do the same thing for labor.

From the foregoing and from the official transcript of the stenographer who was present at the hearing—and the printed testimony will be reported out by the committee—you will note that at no time did a representative of any veterans' organization get and I quote, "a verbal slap in the face" from me.

By no distortion of what I said can it be even inferred that I charged that any individual veteran or that veterans as a class were either—and I quote—"selfish" or "greedy."

I merely voiced the thought, of which we are all cognizant, that membership in any organization, unless it be a religious organization, does not change the fundamental characteristics of the individual.

Mr. Williamson yesterday morning assured me over the phone that nothing that was said by me was by him so construed. As I was about to come upon the floor yesterday I was handed a letter, which reads as follows:

VETERANS OF FOREIGN WARS,
OF THE UNITED STATES,
Washington, D. C., March 25, 1946.

HON. CLARE E. HOFFMAN,
House Office Building,
Washington, D. C.

MY DEAR MR. HOFFMAN: As assistant national legislative representative of the Veterans of Foreign Wars I have noted with concern the unjustified criticism directed against you as a result of certain statements made by you during my testimony before the House Committee on Expenditures in the Executive Departments on March 12, 1946, on amendments to the Surplus Property Act.

The impression that I gained during the hearing, and the impression I have now from rereading the transcript is that you were criticizing certain unreasonable demands made by veterans, mostly individuals, that threatened the entire veterans' legislative program. The Veterans of Foreign Wars has always believed that unbridled legislative patchwork in the form of veterans' benefits would, in the end, be detrimental to our efforts to obtain a comprehensive rehabilitation program through studied and planned legislative objectives.

The objections to your statement appear to be premised on the belief that every demand made by a veteran is reasonable per se. The Veterans of Foreign Wars in seeking an effective economic and social rehabilitation for 12,000,000 veterans cannot do justice to these and at the same time accept the false premise referred to above.

Sincerely yours,
JOHN C. WILLIAMSON,
Assistant Legislative Representative.

Personally, I do not care whether the Members give attention to these remarks or not. If the Members of the House choose to let men who are notoriously untruthful call into question their patriotism, their loyalty, their competency, their integrity, and the integrity of the House there is nothing I can do to prevent it. I realize quite well that any time any Member of this House dares to comment adversely on the floor of the House or elsewhere upon some of the utterances which are designed, or if not designed, inevitably have the effect of destroying the confidence of the people in their own Congress, some of these peddlers of falsehood will attack him. I realize that the making of these remarks here today will call forth from other radio commentators condemnation of and false statements about me. Nevertheless, the statement will be made.

By enacting legislation such as the GI bill, designed to give certain priorities or privileges to veterans, we must, as has been suggested, be careful that we open the door to a real priority, close it against those who would slip in either through the open door, through the keyhole or through the crack under the door and take from the veterans that which we intended they should have.

In a prepared statement Mr. Williamson said:

Does the Congress wish to give the veterans a priority that will actually result in the veterans getting their hands on something? If so, it must be an actual effective priority and not one that plays a mere lip service to priority. * * *

Again, to create an effective priority it must be one in the exercise of which the veteran does not have to compete with all the hot money floating around waiting to grab on to something good. The Federal Government should set its own price ceilings on all goods, including surplus housing. Then the idea of veterans' preference will be a reality.

The national problem of the veterans' acquisition of surplus housing has been dramatized as a local problem, to some extent, by the efforts of a group of veterans to acquire the McLean Gardens and other housing developments in the District of Columbia for a cooperative housing plan.

Then referring to H. R. 5702 which was under consideration by the committee, Mr. Williamson, after urging favorable consideration said, and I quote:

On March 8 certain objections were made to the bill by members of the committee, which the Veterans of Foreign Wars think are well founded.

No Member of the House can be successfully charged with opposing legislation classed as veterans' legislation merely because he does not vote for nor support all of the provisions of every bill labeled veterans' legislation.

It is matter of common knowledge that many a bill purporting to be introduced in the interest of veterans will not become law. It is matter of common knowledge that sometimes those who would exploit veterans at the expense of the Government, introduce adroitly and cunningly drawn bills which in reality some individuals expect to use for their own personal benefit. That opposition to some bill labeled veterans' legislation is not a yardstick by which to measure a Congressman's desire to aid veterans is made evident by the testimony of Mr. Williamson. His attention being called to the fact that Congressmen were sometimes unjustly charged with being opposed to veterans' legislation by some individual, among other things Mr. Williamson said:

Mr. WILLIAMSON. We receive many letters from various cities and districts asking how some Congressman votes on veterans' legislation. We always tell them this; it is a stock answer to these questions. That is, "For the last 10 years no veterans' legislation has passed the Congress by a roll-call vote."

That is the answer. We will have to get the information from another source. On the housing bill, Drew Pearson came out and said: "The following members are VAV" (voting against veterans). If the Veterans of Foreign Wars wanted to label Congressmen as voting against veterans' benefits it would demand a better criterion than the housing bill. Nobody can convince me that Mr. WOLCOTT, whom I happen to know, and who is a former Congressman of mine, and a former State commander of the Veterans of Foreign Wars——

Mr. HOFFMAN. And a veteran.

Mr. WILLIAMSON. Could be labeled as voting against veterans' benefits. Nobody can convince me that the chairman of this committee could have that label applied to him, or anybody else. It would have to be a much better criterion than the housing bill. In fact, it would have to be a clear-cut veterans' benefit, and it would have to pass or be killed by a roll-call vote.

Permit me to again make the statement, no worth-while bill drawn to extend aid to veterans under proper restrictions and safeguards will be opposed by any Member of this House. Hence, unless he relies upon the gullibility of members of the public or upon the impossibility of Congressmen reaching the ear of all those who listen to his falsehoods or unless he believes with Hitler that a lie repeated often enough may be accepted as the truth, it is futile for Mr. Winchell to charge any Member of Congress with being opposed to the interest of the veterans.

THE REAL ISSUE

The attack made by Walter Winchell upon me as a Member of Congress is of little importance, but the implications growing out of it and the certainty that similar false charges will be made against many other Members of Congress justify the use of the time which has been taken—justifies calling attention to the source through which those charges are given to the public.

The Federal Communications Commission was created by this Congress. It has jurisdiction over communications over the air—by radio. No one can operate a broadcasting station who is not licensed by this Federal agency. As has been stated the agency is not only privileged, it is its duty, to promulgate and to enforce rules which will compel the licensee, in this case, the ABC, to permit broadcasting as, and only as, and I quote, "public convenience, interest, or necessity requires." Certainly neither the public convenience, the public interest, nor public necessity requires that Walter Winchell, the employee of Jergens, over a national hook-up be permitted to falsely accuse a Member of Congress of an attack upon a representative of a veterans' organization, or of charging veterans with being "selfish and greedy." There are still millions of young men in the service. There is a law which makes it an offense to undermine the morale of those in the armed services.

As evidence that such is the effect of Winchell's remarks, I read a letter from a serviceman:

UNITED STATES NAVAL AIR STATION,
Alameda, Calif., March 18, 1946.

Representative CLARE HOFFMAN,
Congressman from Michigan,
Washington, D. C.

DEAR CONGRESSMAN: I see you believe that veterans are still the same greedy, selfish persons they were before the war. What makes you say that? Could it be that they are complaining about not having houses to live in, and you are feeling uncomfortable about it; or that they can't find jobs so they can take care of their people; or because unions on the one hand, and business on the other, are pitted against them; or perhaps that they are exploding legitimate gripes against Congress; or maybe you're feeling uncomfortable because of the treatment they are receiving in veterans' hospitals; or at the way in which you're healing the world they began to treat. I am sure you make such statements because you feel an inner pressure or fear of them. But it is the exact reasons for your calling them the derogatory names you did that I am interested in.

I believe if we put the blame for their alleged selfishness and greed where it belongs, it will read: "The blame is with Congressman CLARE HOFFMAN, not with veterans." Open your eyes, man, you've been blind to America just about long enough.

Respectfully,

ARMIN H. BECK,
S1c, Chaplain's Office, NAS, Alameda, Calif.

"The Chaplain's Office"—There is a commandment which says something about bearing false witness. I have not written the gentleman. I do not know whether I shall, but if I do I think I shall get from our good chaplain who sits here before me the appropriate verse and chapter to which to refer the gentleman who wrote me.

When a Federal agency permits its licensee to make false accusations against members of a coordinate body of the Government and to broadcast those statements, not only to the relatives of men in the service but to those themselves in the service, the logical, yes, the inevitable, result of such false charges is to injuriously affect the morale of those in the service.

Mr. Winchell in the past has had a great deal to say about sedition and seditious utterances. It would be well for him and for his sponsors and for the officials of the American Broadcasting Co. to analyze some of his statements and to consider the question of whether they are not violating a Federal law, as to whether the license of the ABC should not be revoked.

Permit me again to refer to Winchell's statement, "How about the voters going after those other saboteurs who landed in Congress?"

That statement was a direct charge that saboteurs had been elected to and were serving in Congress. Can anyone in this House successfully contend that conveying to men who were then fighting on the battle front the information that in the Halls of Congress there were saboteurs, enemies of our country, did not have a discouraging effect upon those young men? Was it not enough for them to know that facing them there was an enemy seeking to kill them?

Does public interest require they be falsely, untruthfully advised that in the rear of their battle line, that in the Halls of Congress here at home, in the Congress upon which they depended for the appropriations necessary to produce the munitions of war, there were enemies of their country?

Winchell, when he made that false and wicked statement, contributed nothing to the morale of the men in the service. He contributed not at all to the efforts of those here at home to aid in the prosecution of the war. His statement that there were saboteurs in Congress, the inference that the friends of Hitler were serving in the Halls of Congress, must have brought satisfaction to Hitler and his advisers.

Walter Winchell, broadcasting over the national hook-up with the consent of the American Broadcasting Co., made that statement. He is at it again and the Congress should take some action to force the Federal Communications Commission to revoke the license of the American Broadcasting Co.

The court has held that—*Trinity Methodist Church, South,* v. *Federal Radio Commission* (62 Fed. Rept. (2d) 850)—and I quote:

> If it be considered that one in possession of a permit to broadcast in interstate commerce may, without let or hindrance from any source, use these facilities, reaching out, as they do, from one corner of the country to the other, to * * * inspire political distrust and civil discord * * * then this great science, instead of a boon, will become a scourge, and the Nation a theater for the display of individual passions and the collision of personal interest * * * appellant * * * may not, as we think, demand, of right, the continued use of an instrumentality of commerce for such purposes.

Members of the House not so at the moment assailed may sit complacently in their seats. They may even be irked when a member falsely accused of words and acts which reflect upon him in his representative capacity claims personal privilege and calls the attention of the House to what is happening. Members may walk out of the Chamber, think the discussion to be of no importance to them, but mark this well, this statement, the day will come as it has before when members ignoring assaults like the ones today referred to will themselves, however innocent, be attacked. Well do I recall the occasion when a few years ago New Republic made a vicious and false charge reflecting upon my patriotism. Certain Members of the House went so far as to suggest that perhaps by what I had said against some of these publications, some of these radio commentators, I had provoked the charges.

Unfortunately for their viewpoint just a few weeks later the then minority leader was charged by the same publication with being the worst and the most dangerous of the group of Congressmen which it was opposing.

On another occasion the author of a book which was widely advertised by Walter Winchell listed among those whom he sought to brand as seditious a Member of this House of unquestioned ability, integrity, and patriotism who had in a most remarkable speech showing great research and logical reasoning, made the argument that our Government was a representative Republic, not a democracy.

Many other instances of unjustifiable attacks upon Members of Congress might be cited. It all fits into the pattern, a pattern which shows that there is a concerted effort to destroy the power of Congress by abuse, by attributing unworthy motives to the members of this body.

Permit me to call your attention to another broadcast made on the 17th day of March by one Quentin Reynolds, whose sponsor is Pepsi-Cola. He was discussing the housing bill. Let me quote:

After Wyatt had drawn up this program and the President had approved it a hundred percent, it had to go to Congress in the form of a bill. No one thought there'd be any opposition to it. How could there be? This wasn't a political question. It was a sound, decent, honest attempt to get houses built for veterans and to see that the veterans got a fair shake on the price.

Congressman PATMAN, of Texas, introduced the bill and men like Congressman MIKE MONRONEY, of Oklahoma, made eloquent pleas that it be passed. Now the wolves moved in. Two powerful lobbies with plenty of money and plenty of influence went to work on Congress. Let's name them. They were the Producers Council, a group of building-materials manufacturers, and the National Association of Real Estate Boards. They wanted business as usual, plus more profit. They wanted housing left alone. This was their baby and they wanted no one else to touch it. This was the time for a killing. Big demand—small supply. That's when the speculators get rich. They don't care about the displaced persons of America. They put plenty of heat on individual Congressmen. They bombarded them with telegrams and letters—I've seen the telegrams and letters—and Congress listened.

A lot of Congressmen made speeches about our brave boys who won the war for us and then they began to murder the Patman bill. They wouldn't give the veterans homes, but they'd give the veterans plenty of speeches. I listened to some of those speeches. It was pretty sickening. No one came up with any honest, constructive criticism of the bill. Congressman RANKIN, of Mississippi, moved that the entire bill be killed. Well, that was in character all right. Congresswoman JESSIE SUMNER, of Illinois shouted, "The building industry is up in arms against this communistic bill." Congressman HOWARD W. SMITH, of Virginia, a large real-estate holder, said, "I wouldn't build a single house under this bill."

Smiling, complacent men sat in the visitors' gallery. These were the lobbyists and they knew now that they had done their work well. Congressmen of both parties got up to throw knives into the bill. In vain men like MIKE MONRONEY argued for the veterans. It did no good. The lobbyists wanted price ceilings lifted altogether. They wanted to cut a melon; they wanted the good old days back—the good old days when they could get rich quick, overnight, if you didn't have a conscience—the good old days of the depression, when a million homes were foreclosed.

If these commentators who are in favor of certain legislation can jump on and abuse me, it is quite possible they cannot make me keep still, it is quite possible they cannot frighten me, but it is true that their effort is made, even though they know it has no effect on me, for the effect it may have upon other Members of the House.

Who is there sitting before me now who wants to have the lies of Walter Winchell, of Quentin Reynolds, and the publishers of PM, any of those organizations or other individuals—who is there, I ask, who is up for reelection, who wants any of those men lying about him over the radio?

What do they do? They throw an additional burden upon you, make you travel over your district, make you spend your money to prove the falsity of those charges.

Here is more of what Reynolds said:

But the House of Representatives refused to listen. They cut the heart out of the bill. By a vote of 161 to 92 they smashed the subsidy proposals. Not one Republican voted for the bill, and 33 Democrats joined the Republicans in killing it. Where were the liberal Republican Congressmen we've all come to admire so much lately? They were absent. Where were the liberal Democrats? More than a hundred of them stayed away when it came time to vote. They didn't want to vote against the high-powered real-estate and building-material lobbies, and they didn't want to go on record as voting against a bill designed to aid veterans. These are the people you and I send to Congress. We voted them in, these miserable cowards of both parties who didn't have the guts to stand up and be counted. Let's remember their names when it comes time for reelection. And let's remember the Producers Council and the National Association of Real Estate Boards.

In the words quoted is the implied charge that Congressmen sold their votes on the Housing bill to a group of lobbyists. That is a foul, wicked, false charge and everyone having a knowledge of the Members of this House knows that it is just that. There is a fair inference that it was made for the purpose of intimidating Members of the House, of forcing them to vote for unsound provisions of a bill.

The statement that "not one Republican voted for the bill and 33 Democrats joined the Republicans in killing it" is false. A glance at the CONGRESSIONAL RECORD on page 2001 shows that 359 Members voted for the passage of the bill, 24 voted against it and 48 did not vote. A glance at the list of those who did not vote will show that they did not dodge the vote, that they were unavoidably absent from the floor when the vote was taken.

Yet, Quentin Reynolds, Pepsi-Cola's hired man, referred to more than 100 Members of the House in these words:

We voted them in, these miserable cowards of both parties who didn't have the guts to stand up and be counted.

And for good measure he added:

Let's remember their names when it comes time for reelection.

Well, Quentin, their names are in the RECORD and the Members of the House and no doubt their constituents know that they lack neither courage nor intelligence.

If Pepsi-Cola, as a drink, possesses no more merit than does your broadcasts, may the good Lord help it.

Another thing, Mr. Reynolds, it may just be possible that back of the so-called housing bill is a little group of would-be profiteers who desire to sell to the Federal Government prefabricated houses—pig pens, hen coops. Perhaps they want Congress to put on them the label "homes for veterans," have the Government pay for them out of the taxpayers' borrowed money; label them "Pepsi-Cola" and force the veterans who deserve a real home to live in these little coops or pens.

Using your own reasoning, Mr. Reynolds, is it not just possible that you and some of your sponsors are interested in the $600,000,000 subsidy that you want the Government to pay to the fabricators of these huts? Is it not just possible that the authors of this scheme are stealing the label "veterans," pasting it on the bill, securing the support of the veterans' organization in the expectation that no one will dare to expose the scheme? That no one perhaps will discover what is back of this legislation, and so the profiteers move in under the veterans' banner?

It might be well if the Congress would cause an investigation to be made to learn whether the proposal is to aid the veterans or to aid would-be profiteers who expect to sell their wares to the Government.

It might be well for Pepsi-Cola and the Mutual Broadcasting System to take a look at the law governing broadcasting, at some of the court decisions.

Let the sponsors and the attorneys, of the licensee, under which you broadcast, read the cases of *Sorenson* v. *Wood* (123 Nebr. 348); *Miles* v. *Louis Wasmer, Inc.* (172 Wash. 466).

In the first case the court held that, "The Federal Radio Act confers no privilege to broadcasting stations to publish defamatory utterances."

The United States Supreme Court refused to review the decision.

In the second case the court held that privilege ends where falsity begins and held that the station licensee along with the other defendants was absolutely liable under the doctrine of defamation.

Perhaps fifty individual suits for defamation by the Members who were not present when the housing bill was voted upon, against Pepsi-Cola, might cause that company to cramp Mr. Reynolds' style in the future.

The worth-while point in the remarks that are here being made is that there is in this country today perhaps not a conspiracy, but a concerted effort by a certain group, a certain class which having plenty of money assails every Member of the legislative branch of the Government who incurs the displeasure of any member of that group.

This is election year. The entire membership of this House, one-third of the individuals who are serving in the other body for the next 6 years, will be elected in November. Is it the sense of this House that the membership of the Congress which meets on January 3, 1947, shall be determined by the Winchells, by the PAC, by the CIO, by the use of its campaign fund of upward of $5,000,000?

Should not this House call upon the Federal Communications Commission to perform its duty and to prevent the dissemination of false propaganda directed at Members of Congress, and which is designed and the inevitable effect of which is to inspire political distrust and civil discord?

It is my purpose to ask the Federal Communications Commission if there is any reason why its licensee, the American Broadcasting Co., should not have its license revoked.

In view of the fact that only recently a jury in New York, after a full and fair presentation of the evidence, decided

after a very brief deliberation that one Edward J. Noble, former Assistant Secretary of Commerce in the New Deal administration, should pay $350,000 and costs to one who through fraud and coercion was forced to transfer his license, the holder of this license may well be regarded with suspicion. An examination of the remarks from the gentleman from Massachusetts [Mr. WIGGLESWORTH], found in the CONGRESSIONAL RECORD of March 13, 1946, will give some idea of the manner in which the transfer of this license was forced.

False attacks upon Members of Congress, upon the Congress, such as those made by Walter Winchell, false attacks which tend to destroy the confidence of the people, not only in their individual Representatives but their confidence in the Congress as a whole, not only undermines the morale of those in the armed services, not only tends toward sedition, but are as harmful, as dangerous to our country as are the direct attacks of the country's enemies.

ELECTION TO COMMITTEE ON WAYS AND MEANS

Mr. COOPER. Mr. Speaker, by direction of the Democratic caucus, I offer a privileged resolution (H. Res. 570) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That THOMAS J. O'BRIEN, of the State of Illinois, be, and he is hereby, elected a member of the standing Committee of the House of Representatives on Ways and Means.

The resolution was agreed to.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following resignation from a committee:

MARCH 26, 1946.

Hon. SAM RAYBURN,
Speaker, House of Representatives, Washington, D. C.

MY DEAR MR. RAYBURN: I hereby tender my resignation as a member of the Appropriations Committee.

Sincerely yours,

THOMAS J. O'BRIEN.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of this week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SPECIAL ORDERS GRANTED

Mr. KING. Mr. Speaker, I ask unanimous consent that on tomorrow, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 1 hour.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SHAFER. Mr. Speaker, I ask unanimous consent that on tomorrow, following any special orders heretofore entered, I may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF REMARKS

Mr. RICHARDS asked and was given permission to extend his remarks in the RECORD in two instances and include newspaper articles in each.

Mr. HORAN asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. MERROW asked and was given permission to extend his remarks in the RECORD and include a resolution adopted by the National Association of Teachers of Singing at its Detroit meeting.

Mr. CASE of South Dakota asked and was given permission to extend his remarks in the RECORD and include correspondence with the Secretary of War and the Chief of Staff.

Mr. DOYLE asked and was given permission to extend his remarks in the RECORD in two instances; to include in one the charter and constitution of War Pilots of World War II, and in the other a short editorial.

CASTE SYSTEM AND MILITARY COURTS

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD briefly at this point.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, a study of military courts by a friend who was in the Judge Advocate General's Department offers striking evidence to support the action announced this morning by the Secretary of War, Robert P. Patterson, in creating a special board of nine prominent civilian judges to review the Army's court-martial procedure.

This study revealed that in over 9,200 special and summary court cases only 391 men or 4.2 percent were found not guilty. This is far below a civilian court average. But that is only part of the story.

In general courts, which are the only ones that can try officers, the percentage of acquittals was 15.4 percent for officers as against 7.5 percent for enlisted men.

These figures alone justify the action which Secretary Patterson, himself a judge in civil life, has taken. His creation of this board to examine the Army's court system, and the action taken in conjunction with Chief of Staff Dwight D. Eisenhower, the other day, in creating a board to investigate the so-called caste system, are decidedly constructive and in the best interests of the Nation.

I commend these steps wholeheartedly, Mr. Speaker, and ask that I may place in the RECORD, in separate insertions, correspondence with the Secretary and the Chief of Staff on these matters.

PERMISSION TO ADDRESS THE HOUSE

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[Mr. VOORHIS of California addressed the House. His remarks appear in the Appendix.]

Mr. JARMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

PAN-AMERICAN DAY

Mr. JARMAN. Mr. Speaker, Pan-American Day occurs this year on Sunday. Consequently I introduced a resolution which the House passed, setting aside Monday, April 15, exclusively, for the celebration of Pan-American Day. In behalf of the Pan-American Subcommittee of the Committee on Foreign Affairs I wish not only to extend a cordial invitation to all Members of the House to be present at that time, but to also indulge the hope that as many of you as can conveniently do so will attend. May I add that we shall be happy to have you indulge in any appropriate remarks you might wish to make.

VETERANS' HOUSING

Mr. LUDLOW, from the Committee on Appropriations, reported the joint resolution (H. J. Res. 328) making an additional appropriation for veterans' housing and related expenses (Rept. No. 1816), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. TABER reserved all points of order on the joint resolution.

Mr. CANNON of Missouri. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H. J. Res. 328) making an additional appropriation for veterans' housing and related expenses; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be confined to the joint resolution and extend not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from New York [Mr. TABER] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of House Joint Resolution 328, with Mr. MANASCO in the chair.

The Clerk read the title of the joint resolution.

By unanimous consent, the first reading of the joint resolution was dispensed with.

Mr. CANNON of Missouri. Mr. Chairman, the proposition before us involves perhaps the most urgent question in domestic economy, before the country today—the question of finding housing for veterans. In every community veterans are reporting in great numbers from service abroad after years of strenuous action, returning to their families expecting to establish homes and finding no available housing.

Others, availing themselves of the GI bill, are enrolling or are seeking to enroll at institutions of learning throughout the country, too often to find no living accommodations and are thus prevented from attending school or attending schools for which they have a preference.

The situation is in a measure critical. It is an emergency condition and calls for expeditious action. Because of the immediate and pressing need for early relief we are constrained to resort to temporary expedients; to make available out of existing surplus housing of one kind or another reasonably livable and sufficiently durable units at points of greatest need until the great existing paucity of housing may be more appropriately and adequately met.

This is a stopgap measure; nothing more and nothing less. Legislation is now being processed looking to a more abundant supply of housing—housing of standard design and construction. The House passed such legislation on March 7, 1946. In it the Congress declares "that an emergency exists wherein there are insufficient facilities for housing large segments of the population, that large numbers of veterans of the armed forces are returning to civilian life in need of housing accommodations which are not available, and that it is necessary for the health and safety of the people that all facilities of the United States Government be made available and coordinated to obtain a maximum amount of housing."

This temporary and emergency program we are considering today, calling for an additional appropriation of $253,727,000, is the second increment of a program which got under way the first of this year, pursuant to an appropriation of $191,900,000, for the conversion and relocation, as emergency shelter for veterans, of publicly owned temporary structures such as military barracks, dormitories, and temporary war housing, and which contemplated the provision of 100,000 units. Under this measure, 102,350 additional units will be provided, and, like the former appropriation, will be used in the reconversion of existing units found in the camps and in the great industrial centers where temporary housing or demountable dwellings were constructed or were brought in to meet the emergency conditions in the manufacturing areas. These funds are used for moving this housing, putting it into condition to be reconstructed, and reerecting it at points where it will be of use in providing for veterans at educational centers where large numbers of former servicemen are taking courses under the GI bill or are seeking to take courses, and for veterans and their families and the distressed families of servicemen in areas where an acute housing shortage exists.

The joint resolution, as I have stated, provides for the appropriation of $253,727,000, and, with that which has previously been provided, it will supply an estimated 202,350 units. Of course, that number is wholly inadequate. We already have on file applications for 382,988 units for veterans, but the 202,350 units will about exhaust the available facilities that may be utilized in this way, because much of the war housing, particularly in industrial areas, is now being occupied by veterans, servicemen, and their families, and with this amount of money we will practically exhaust salvage materials and complete this phase of the housing program.

Probably I should add that a portion of the new appropriation—the amount of $4,852,000—is for administrative expenses in connection with the temporary program and for laying the ground work for the larger program in the way of permanent housing, which lies ahead. In other words, the Housing Expediter, and agencies of the Government who will be responsible to him for the accomplishment of the larger program, will be enabled to undertake that program and prosecute it more rapidly when the legislation, now awaiting passage by the Senate, shall have become law.

Another point I wish to make is that the committee proposes to require progress reports every 60 days of accomplishments under this second increment of the temporary-housing program. The need is most pressing and the committee is determined to see that it is met just as quickly as may be practicable.

Our only apology for this bill is that it will not make adequate provision for all veterans and for the families of all servicemen who are in need of housing—that it is but a stop-gap measure. Under existing conditions as regards the availability of materials, however, our information is that it represents the maximum effort that can be made at this time in the way of temporary facilities or in the way of facilities that can be provided with the requisite expedition. However, it appears that relief in the way of permanent housing should soon be authorized and I am certain the committee may be depended upon to implement promptly such authorization with adequate appropriations.

Mr. Chairman, I yield to the gentleman from New York.

Mr. TABER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, there are a great many features about this resolution that do not appeal to me. I feel I should call your attention to the situation which is presented here. Frankly, at the present time, in the months of January and February there were contracts let for construction totaling $744,000,000, or an average of $372,000,000 a month. Of those contracts, $102,000,000 in February—I do not have the January figure although it was about the same—were for housing units. What is the picture? That means of the construction contracts that were let 28 percent only were housing units. In other words, we are providing so much money for contracts for large buildings, and I do not mean apartment houses, that the construction industry is not able to proceed as rapidly as they should. We are providing so much money for a tremendous number of other projects, including those under the Chief of Engineer's office, that it is delaying and hindering the housing projects. There is one feature of this program that involves $248,000,000 which relates to the conversion of war housing which was used for housing factory employees and those who are employed around military installations. It provides for changing that sort of housing, together with a lot of Army and Navy barracks, into residential quarters. I do not particularly object to it, although I doubt very much if it is a substantial contribution to the housing problem. Another feature involved represents a very bad situation. It involves nearly 5,000 people on the Federal pay roll under the Civilian Production Administration, and this new housing agency runs nearly to $5,000,000. I do not believe, from the picture I have at hand, that those people will do anything except hinder and impede the production of houses.

The more regulations you have, the more foolish things the Government does, the less houses you are going to have. These people, regardless of what the outfit may tell you, unless they operate altogether differently from any agency of Government I have seen in the last 10 years, will actually impede the construction of houses.

I am not going into quite as much detail about it as I hope the gentleman from Illinois [Mr. DIRKSEN] will when he follows me, but the housing picture is about like this: In the month of February 1929 there were let $129,000,000 worth of housing construction contracts. Our month of February just past produced $102,000,000. The $102,000,000 was the largest figure since 1929. There were a little over 500,000 houses altogether built in 1929. Housing at the present time is in this picture: On the 22d of March, the last date available, there were filed with the housing authorities applications to construct nearly 8,000 housing units. How many does that mean in a year on the basis of a 5-day week? Forty thousand per week, or a little more than 2,000,000 a year. It is evident, without any regard to this public construction which is covered by the $248,000,000, that private industry in this country is moving ahead with the construction of houses at a much greater rate than even the proponents of the Patman bill aimed at when that bill was on the floor 2 or 3 weeks ago.

The thing that Congress must watch out for is to see that we do not put too many obstacles in the way of housing construction, and do not provide too much funds for other construction projects which will take the labor which is needed for housing construction away from that purpose. What I am afraid of with this nearly $5,000,000 for additional employees to clog up the works, is that those people will mess up the situation,

and they will impede and interfere with the construction of housing.

The CHAIRMAN. The time of the gentleman from New York [Mr. TABER] has expired.

Mr. TABER. Mr. Chairman, I yield myself two additional minutes.

I do not suppose it is worth while to more than call attention to this. I will say to this outfit, however, that the minute I begin to hear of their impeding the construction of housing—that is just what they will do if they run true to form with the rest of these outfits—I intend to begin to blast them on the floor of this House, and I hope I will not be the only one to do so.

Frankly, I have tried to give you a picture of just what the facts are, and I hope with that picture it will be a warning to this outfit not to interfere with the normal processes of the trade which will build the houses unless the Housing Agency interferes with it; and I hope that if these people go on the pay roll—it is absolutely unnecessary—if these people go on the pay roll that they will not be permitted to run around and interfere with the legitimate production of houses.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Miss SUMNER of Illinois. They are already interfering, because there is a shortage of lumber, and these synthetic houses that are being built—some of them are being put up in Chicago and they are no good—the lumber and materials are diverted to them instead of being used in legitimate housing.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, there appears to be no real opposition to this bill, but there are a few observations I wish to make mainly for the record.

There is a notion, of course, that in other years we have not built a great many houses in this country. I believe perhaps your attention ought to be directed to the figures carried in the hearings, which indicate that public and private dwelling units back in 1925 aggregated 937,000; in 1926 it was 849,000; in 1927 it was 810,000. Then when the so-called economic dislocation came with all its fury in 1933 we dropped actually to the construction of 93,000 public and private dwelling units, but it was on the upgrade from that point, and as late as 1941 we constructed 715,000 private and public dwelling units. From that point it was on the downgrade due to the war. The figures given to us by the Bureau of Labor Statistics indicate that for last year, 1945, the total number of units constructed in the country was 245,000.

I allude to these figures for one purpose only and that is that from the period in 1925 or even 1940 or 1941 we did not have so very far to go in order to achieve the goal that has been set by Mr. Wyatt.

Another thing I wish to allude to is the rather careless expressions that have taken place on the floor and elsewhere with respect to the activities of a very dreadful alleged octopus known as the housing lobby, the real estate lobby, the lumber lobby, the building lobby. I find very considerable comfort in the fact that when Mr. Wyatt came before the deficiency committee—and he proved to be a very genial and a very able witness—he indicated to us that he was going to select some men of experience; and so he did. You will find reported on page 578 of the hearings this statement by Mr. Wyatt:

> I have secured the employment of a person to come with me last Thursday. I made some reference to him this morning. He has been for 2 years, I think in 1938 and 1939 if I recall the years, president of the national lumber organization.

It so happens that the gentleman to whom he referred is Mr. Don Campbell, of Lebanon, Ky., who in 1938 and 1939 was president of the National Association of Retail Lumber Dealers. Evidently in his time he was one of those alleged dreaded lobbyists. I understand that Mr. Campbell is an expert in the lumber field and knows the building business. I commend Mr. Wyatt for his selection, because here is a man who has knowledge, experience, and background in that field. Obviously that is the kind of man you have got to have if this program is to go forward with that degree of success that we anticipate in meeting the housing needs that are reportedly so acute at the present time.

Mr. Chairman, there is one thing that has been forgotten about this housing matter. There is far more activity in housing than is commonly appreciated. Housing applications are being filed every day and they are being filed in great quantities. I went to the trouble this morning to call up a very lovely, a very gracious and able person, Miss Shirley Hart, who is head of the Research and Statistical Bureau of the Federal Housing Administration, and I want to give you these authentic figures I received from her by way of confirmation:

From the 15th of January to March 26, 1946, a period of approximately 10 weeks, 287,650 applications have been filed to build houses everywhere in the country. Of that number, 200,191 have already been approved. The interesting thing about the approvals is that a little more than 55 percent were for houses below the price of $7,500 or for houses that are to rent for $60 per month or less.

Mr. Chairman, that is not a guess. That is not an idle and unsupported statement. That is not a mere conjecture from some irresponsible source. This is the head of the Research and Statistical Section of the Federal Housing Administration talking, indicating that if the figure for the last 10 weeks is projected over the year 1946, there will probably be one and a half million applications filed for housing, and, on the basis of present proportions, more than 55 percent will be for houses costing less than $7,500. The biggest day that the Federal Housing Administration had was the 22d of March—only a few days ago—when 7,974 people, whether they be builders or carpenters, whether they be veterans or nonveterans, filed applications in a space of 1 day for HH permits to build houses.

There is the answer, in my judgment, to this so-called housing problem. The Federal Housing Administration, which is a component part, a constituent agency, in the National Housing Administration, has figures gathered from its various offices everywhere in the country to indicate that people are filing their applications, and only one thing is needed. That is the thing that was so thoroughly emphasized on this floor for an entire week when the Patman bill was before us for consideration. That is, materials for the houses, and in proportion as the bottlenecks are removed and there develops a free flow of soil pipe, clay tile, sewer pipes, lumber, hardware—all those requisites of housing—so this matter is going to be solved.

As we get to the program that is now before us, the thing that distresses me some about it—but I shall go along with you—is the high cost of reconversion of some of the barracks and other structures we have in the country, and some of the other federally owned structures which will be reduced, transformed, and converted into housing units. This is not guesswork. This is an itemized statement from the Federal Housing Authority appearing on page 551 of the hearings.

First, with respect to cutting up military barracks, panelizing them, transforming, improving the site, then reconstructing them so that they will be useful for dwelling purposes, the estimated cost is as follows:

First, to demount a portion of the barracks for housing units, $215; to transport that unit to its appropriate site, $120; to reerect and alter, $1,990; site improvements, $175; total $2,500.

So, by way of illustration, Mr. BLACKNEY, if they come up to Battle Creek, Mich., and begin to saw up those frame buildings at Camp Custer, where I was in camp away back in 1918, panelize them, haul them down to Kalamazoo, Ypsilanti, Detroit, or some other place in the great State of Michigan, it will cost $2,500, and then you will have a housing unit that consists mainly of old and weather-beaten lumber. The question is, How long is it going to last? We are, therefore, pledging ourselves, after this bill passes, to the expenditure of another $253,000,000, in round numbers, for 100,000 emergency temporary housing units. So let us look at it realistically and say it is a stopgap program and that it will not be a substitute for what we must do in the housing field. But let us not be deluded about it. The figures from the Federal Housing Administration itself show only too eloquently the fact that they are filing applications now at the rate of 7,000 or more a day, nearly 8,000 in 1 day, and in proportion as they do that, which we emphasized here day in and day out recently, namely, the breaking of the bottlenecks on material, that housing program will finally solve itself.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. TABER. Mr. Chairman, I yield the gentleman two additional minutes.

Miss SUMNER of Illinois. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. It seems to me it would be possible to save all this sum of money if we were just a little more realistic and consider the fact that the same materials, allocated for the purpose of remodeling old houses for veterans, would give them permanent apartments; the kind of houses they would really like to live in permanently.

Mr. DIRKSEN. There is some force and some merit in that suggestion. I can say, I think, for the members of the committee, that we have not been too happy about this matter when all the testimony was presented, but we were not insensible to the experience we had some months ago when we brought a deficiency bill to this floor. The House worked its will on that day, and it probably was not in accord with what the deficiency committee thought after listening to all of the capable testimony. In fairness to the officials of the National Housing Agency, the Federal Public Housing Authority and others, it should be said that they, too, are not too happy about this emergency program, but they recognize the pressure for any kind of housing today and are willing to proceed with it if it is the will of Congress.

Miss SUMNER of Illinois. There is no criticism of the gentleman because the House passed it almost unanimously. That was the gentleman's duty, but I was just pointing out what I consider a very poor way to go at it.

Mr. DIRKSEN. I conclude with this observation. I was very much impressed with Mr. Wyatt. He appeared nearly an entire day before the subcommittee. He is very energetic, and I wish him well in this tremendous endeavor.

Mr. CANNON of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, I, of course, am going to support this appropriation bill. I have two main reasons. In the first place, if you talk to some of the men coming back from this war you will find that there is one thing that they thought about and hoped for more than any other one thing, and that was the home they would have when they got back. It has been nothing less than tragic that in case after case after case throughout the country veterans have not been able to find that home. In my opinion the most forthright and far-reaching action must be taken to obtain them quickly, which is why I voted for the original Patman housing bill and for incentive payments to obtain increased amounts of scarce materials as well. Now, the bill before us represents a real effort on the part of the Congress to provide certain housing and to provide it quickly and provide it certainly. It is not the kind of housing that he will want, or the kind we want him to get. but it has the great virtue that it can be made available quickly and will at least put a roof over 100,000 veterans' families.

Furthermore, it will carry out substantially, I believe I am correct, one section of Mr. Wyatt's program which calls for, I believe, 200,000 units of temporary housing to be assembled for the use of veterans and their families. In contrast, Mr. Chairman, to the waste of Army and Navy material which I am afraid has taken place in many parts of the world, including our own country, this measure will put to the highest use to which they could possibly be put some of the surplus structures. Here we are saying there is not going to be waste but, on the contrary, that every structure that can be assembled for veterans' homes is going to be used for that purpose, and used right away. I would certainly agree with what has been said already on the floor to the effect that this is a very small program, indeed, compared to the major housing effort that must take place, but this is going to help, and it is going to help substantially because right now is when these homes are needed, and here is one way in which we can get at least some of them very, very quickly.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, the lack of housing facilities in this country is due to a number of causes. We have been in a war that has absorbed a large part of the lumber produced in this country. The present head of OPA, and its prior head, and the gentleman brought here recently from Louisville, Ky., and others in bureaucratic positions in this city, have filled the air and the press with abuse and libel and slander of the Congress of the United States, undertaking to say, and they are saying every day, that the housing condition is the fault of the Congress. Then numerous small fry, babbling, blatant blatherskites, are following the same course of action.

I know the lumbermen of my district, hundreds of them. They know their business. They are not profiteers. They are patriotic, fine citizens. Many of them are veterans of the First World War. The sons of many of them have served in this war.

As a result of what the OPA has done and is doing and is proposing to do, as I said the other day on the floor of this House, that agency is the rat in the meal tub.

I favor appropriating the $250,000,000 to carry out this program, limited as it is. It is an emergency measure.

The houses will not necessarily be altogether temporary. You can reconstruct residences out of the lumber and the materials with which these war housing projects were constructed. They can be painted and they will last for many years. Of course, as has been suggested by the gentleman who just preceded me, this is in the nature of a temporary program, but it will afford shelter to veterans and their families who today do not have shelter. The veterans of this country are men of sense. They have been intensively trained and many of them are highly educated. Thousands of those who have come back have returned to their old jobs. Other thousands are enrolled in the colleges and universities of the country where they are surpassing other students in the grades that they make. They are fitting themselves for the duties of life. Their supreme purpose is to get back into civilian life, earn a living for themselves and families, and preserve the country they served so well in time of war.

Mr. Chairman, the maladministration, fumbling, stumbling, incompetency, and bullheadedness of the Office of Price Administration has done more and is today doing more to make it impossible for veterans and other citizens of this country to build houses than any other agency or set of men in the land.

The price ceilings placed by the Office of Price Administration on lumber have driven thousands of small sawmills out of business and have forced those of them who have remained in business to sell the lumber manufactured by them on the black market. OPA has placed prices on low-priced doors so low that manufacturers of such doors can no longer make and sell them at the ceiling price fixed by the OPA. This is caused by the fact that the lumber from which such doors are made and the labor to make them costs more than the OPA selling price of the door. As a consequence of this senseless regulation of the OPA, a veteran who undertakes to build a house is compelled to pay $24 for a high-priced door, the price of which is fixed by the OPA. There are 10 doors in the average house which the veterans desire to build or buy. The doors in this house, therefore, cost $240, whereas if the OPA would increase the price of a low-cost door to $5 per door the veteran could buy these low-cost doors and save $190 in the cost of building his home.

In an effort to fool the veterans and other people who desire to buy or build low-cost houses, Chester Bowles, Wilson Wyatt, and Paul Porter have been charging that real-estate lobbyists have come on the floor of Congress and have interfered, and are now interfering, with the construction of what these gentlemen refer to as low-cost houses. Everybody knows lobbyists cannot, and do not, come on the floor of Congress. This charge is not true. A great deal of tolerance is necessary, and a violent stretching of the imagination must be resorted to in order to classify a house costing from $5,000 to $8,000 as a "low-cost house." It ill becomes the gentlemen who have permitted over $600,000,000 worth of building material badly needed in this country for the construction of homes to be exported to foreign countries and who have recently shipped to Great Britain 20,000 prefabricated houses to use their official position and public funds to throw dust in the eyes of the people and to falsely charge that the condition which they themselves have brought about is chargeable to the Congress.

Bureaucrats who are filling the air and the press with their lobbying efforts cannot place their hands over the mouths of citizens whose efforts to produce building materials have been made impossible by the arbitrary, capricious, ignorant, and illegal practices of these bureaucrats themselves. In this country under our form of government the people have the right to express their views to their representatives in Congress in an effort to obtain redress and, in the language of the Constitution, "to petition the Government for redress of grievances." This

right is now being exercised by citizens throughout the length and breadth of this country. They have heretofore appealed to the bureaucrats; the bureaucrats have turned a deaf ear to their petitions. They are today turning to their elected representatives in Congress. This they have the right to do. They are appealing to the only officials in the Nation's Capital who are directly responsible to them and who have it within their power to give back to the people of this country the freedom and opportunity to carry on the business of the country under a government of laws rather than the rule of bureaucrats.

D. M. Rose & Co. is the oldest manufacturer of lumber—special millwork, finishing interior and exterior building materials, and oak flooring—in the city of Knoxville. The men who own and operate it are not profiteers. They are honest, law-abiding, patriotic American citizens. They know their business. They are equipped and are anxious to produce the materials without which houses cannot be built. I am including as a part of these remarks a letter which I have recently received from this company written by Mr. D. Morton Rose, its vice president. This letter vividly, forcefully, and truthfully demonstrates why it is veterans and others who wish to build houses cannot buy the lumber that goes into the construction of a house.

D. M. ROSE & Co.,
Knoxville, Tenn., March 18, 1946.

Hon. JOHN JENNINGS, Jr.,
Member of Congress,
House Office Building,
Washington, D. C.

Subject: Office of Price Administration.

SIR: This is vital:

Shall we liquidate or violate.

Shall 312 small retail dealers do business legally; working five to ten thousand employees; doing $44,000,000 worth of business.

Shall 2,513 small sawmills produce lumber legally; production, 747,225,000 board-feet; working 30,000 employees; valued at approximately $37,361,250.

Something is wrong.

Realizing the tremendous responsibility and difficult decisions that are placed upon you, as our representative, we are now honestly trying to lighten that burden, if possible, by conveying to you some of the cold facts and conditions that now exist.

D. M. Rose & Co. is in the lumber and building material business of 70 years' duration.

If OPA's controls over building material were removed, entirely, the building public would not pay any more for its lumber than it does today, due to the black market OPA has created, and which is creating inflation.

We do not want inflation. If we must have price control, for heaven's sake amend the law and compel OPA to consider current costs and a reasonable profit to average out over the building cycle.

OPA's stiff-neck policies of stifling production and distribution, no regard for current costs, and thinking its planned and regimented economy is stronger than the laws of supply and demand, is a mess, for the following reasons:

1. Stifling of production.
2. Disregarding facts.
3. Unreasonable policies.
4. Procrastination, delay and delay, too late with too little, bait-lure price increases.
5. Lack of enforcement.
6. Channeling distribution by price.
7. Intimidation and retaliations.
8. Assumption of power controls and interpretations never intended to be granted by Congress in the Price Control Act.
9. The asinine absorption policy of robbing Peter to pay Paul.
10. Profit control rather than price control.

1. Stifling of production:

It is a well-conceded fact that lumber production is way down. A bait-lure price increase granted recently to southern-pine producers, provided they attain an impossible production goal. This will not get the production.

D. M. Rose & Co. has purchased all the lumber it could legitimately. Its purchases from small mills in 1941 as a 100 percent dropped in 1945 to a measley 7.93 percent of 1941 purchases. Big-mill purchases have dropped during the same period from 100 to 27 percent. A further decline is anticipated for 1946, for at present we are not buying from a single small mill and darn few big ones. We attribute this condition principally to OPA's policies.

Something is wrong.

2. Disregarding facts: 1936 to 1939 might do for general business conditions but the building industry lagged far behind. Regardless, OPA used this as a basis. The year 1944 now seems to appear, for some unknown reason, as a profit base formula. This is another abnormal year as it does not reflect usual conditions that exist in building material business.

Something is wrong.

3. Unrealistic policies:

In MPR 19–A, which covers the small operator, pine is pine, no regard as to quality. There is such a wide variation in pine timber and the quality of the yield, that D. M. Rose & Co. always bought its pine lumber from small mills, on grade, in order to be fair to itself as well as to the little millman. MPR 19–A stopped this.

Yet, OPA allows us to buy hardwoods on grade from small mills. Why this distinction of selling pine and oak manufactured by the same man, on the same mill, same set, and same location.

Something is wrong.

4. Procrastination, delay and delay, too late with too little:

Delayed relief has helped to put some 10,000 small mills out of business that represented 60 percent or better of southern pine production. In 1941 we were buying from many small operators; today D. M. Rose & Co. cannot find even one to do business with, regardless of how badly we need the lumber.

Larger mills seem to be scarce also, and apparently do not care to deplete their timber supply that cannot be replaced at OPA's allowable cost figures.

We are unable to buy or even place orders with HH ratings, for flooring, ceiling, sheathing, framing and 4/4 finish, all of which are so necessary to build homes.

Something is wrong.

5. Lack of enforcement:

Sixty percent or more of the lumber moves on the black market at 30 to 50 percent above ceiling prices. Up-grading is common. Green lumber sold as dry and unfit to go into a GI's or anyone else's home. This condition is so out of control it is almost impossible for OPA to enforce and it will bog down of its own weight like the Volstead law.

The one who is suffering is the law abider and the public. In our judgment, if price control was removed, we do not believe the public would pay any more for building material than it does today, or at least it would not be long until it paid less.

We are having numerous requests from contractors to kiln-dry and work their lumber, which is most unusual. They are getting some lumber somehow and evidently not from a dealer.

Something is wrong.

6. Channeling distribution by price:

Special price on railroad lumber, special price on export stock, and unbalanced prices has diverted regular building lumber to other channels.

Profit control and not price control is the prime objective; consequently, items that are produced at a loss cease to be manufactured, no matter how badly needed for GI housing.

We need 100 percent of all lumber production if the housing program is to succeed. OPA says "No," we will only allow 75 percent of the industry to make profit or break even, before they will allow price relief, and then they refuse to use present-day costs or legitimate allowable replacement costs in these figures.

It appears that if manufacturers and distributors were allowed to make a profit on 75 percent of the badly-needed home building-material items we might get somewhere.

Something is wrong.

7. Retaliation and intimidation is the prevailing fear of OPA. Orders are evasive, complicatedly written, and construed in such a way that no matter how diligently one endeavors to comply with the law he may be a violator if OPA chooses to make him one.

If OPA is opposed too strenuously, one may find, some fine morning, a host of OPA's inspectors at his door on a "fishing expedition" to retaliate.

Something is wrong.

8. Assumption of power and control and interpretations never granted nor intended by Congress in Price Control Act:

Industry Advisory Committees are a part of the Act: OPA calls in these committees not to advise with them but just tell them, as their advice and judgment, based on experience, is ignored—long-haired boys know it all—

We have been compelled to make radical changes in business practices and methods of conducting our business. Items that we are forced to produce at a loss are discontinued no matter how badly needed. OPA selects only factual data and figures suitable for what they want to prove and disregard others, regardless of the adverse effect it has on production and distribution.

Something is wrong.

9. The asinine absorption roll-back policy of robbing Peter to pay Paul:

It just won't work and will wreck the orderly distribution of building material. Regulation 215 arrived at by OPA for mark-up on retail sales was established as being equitable. Now, low and behold the increases granted in 1946 to manufacturers are required to be absorbed by the distributor in spite of the fact that regulation 215 mark-up was based on the years 1936 to 1939 with a prevailing wage scale of 25 to 30 cents that has now gone to 55 to 60 cents. OPA says we can absorb the manufacturers increase and the wage increase and our own, in spite of the fact that the base period 1936 to 1939 was below the average of the building cycle.

OPA says our volume is increasing so we are able to absorb manufacturers' increases; as usual, it is the reverse. Plenty of demand, no material to supply that demand, consequently declining volume. As the above years averaged out for general business, OPA is trying to make it work for the building industry.

Dun & Bradstreet, for the year 1939, made a national survey of the lumber and building material dealers cost of doing business, which shows that an average mark-up on cost of 37.65 percent averaged a net profit of 2.68 percent. It is an undisputed fact costs have gone up. Under OPA's absorption program on southern pine lumber one of the big items allows only a 17 percent mark-up for the dealer. It cannot be done. Where is the veteran going to get his pine lumber with which to build his home if he does not get it from the dealer?

Something is wrong.

We have been a manufacturer of a highly specialized quality oak flooring for 33 years

that is not a cost-of-living item as it caters, mostly, to a discriminating de luxe trade.

We applied to OPA for a special price. It was granted. Cost data submitted was ignored to such an extent that we lacked $4.34 of paying factory cost and it would take an addition of $12.79 to pay overhead before profit.

Converting to make our contribution to the war effort, we stored our flooring equipment in the basement and apparently it will stay there in spite of the crying need for oak flooring, and we might add, further, that we are unable to purchase standard oak flooring from other manufacturers for some good reason.

Something wrong somewhere.

Yours very truly,

D. M. ROSE & Co.,
By D. MORTON ROSE,
Vice-President.

The Clerk read the joint resolution, as follows:

Resolved, etc., That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, $253,727,000, to remain available until expended, to enable the National Housing Administration to carry out the purposes of title V of the act of October 14, 1940, as amended (42 U. S. C. 1521), subject, however, to the enactment of the bill (S. 1821) "to amend section 502 of the act entitled 'An act to expedite the provision of housing in connection with national defense, and for other purposes,' approved October 14, 1940, as amended, so as to authorize the appropriation of funds necessary to provide an additional one hundred thousand temporary housing units for distressed families of servicemen and for veterans and their families," and to the provisions of such bill as enacted.

Mr. CANNON of Missouri. Mr. Chairman, I move that the Committee do now rise and report the joint resolution back to the House without amendment, with the recommendation that the joint resolution do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MANASCO, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the joint resolution (H. J. Res. 328), making an additional appropriation for veterans' housing and related expenses, had directed him to report the joint resolution back to the House with the recommendation that the joint resolution do pass.

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question on the joint resolution to final passage.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the joint resolution.

The question was taken; and on a division (demanded by Mr. DIRKSEN) there were—ayes 110, noes 0.

Mr. DIRKSEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 355, nays 1, not voting 75, as follows:

[Roll No. 67]

YEAS—355

Abernethy	Fallon	Knutson
Adams	Feighan	Kopplemann
Allen, Ill.	Fellows	Kunkel
Allen, La.	Fenton	Landis
Almond	Flannagan	Lane
Andersen, H. Carl	Flood	Lanham
Anderson, Calif.	Fogarty	Larcade
Andresen, August H.	Folger	Latham
Andrews, N. Y.	Fuller	Lea
Angell	Fulton	LeCompte
Arends	Gallagher	LeFevre
Arnold	Gamble	Lemke
Bailey	Gardner	Lesinski
Barrett, Pa.	Gary	Lewis
Barrett, Wyo.	Gathings	Link
Barry	Gavin	Luce
Bates, Ky.	Gearhart	Ludlow
Bates, Mass.	Geelan	Lyle
Beall	Gerlach	Lynch
Beckworth	Gifford	McConnell
Bell	Gillespie	McCormack
Bender	Gillette	McCowen
Bennet, N. Y.	Gillie	McDonough
Bennett, Mo.	Goodwin	McGregor
Biemiller	Gordon	McKenzie
Blackney	Gore	McMillan, S. C.
Bloom	Gorski	McMillen, Ill.
Bonner	Gossett	Madden
Boren	Graham	Mahon
Boykin	Granahan	Maloney
Bradley, Mich.	Granger	Manasco
Bradley, Pa.	Grant, Ala.	Mankin
Brehm	Grant, Ind.	Mansfield, Mont.
Brooks	Green	Mansfield, Tex.
Brown, Ga.	Griffiths	Martin, Iowa
Brown, Ohio	Gross	Martin, Mass.
Brumbaugh	Gwinn, N. Y.	Mathews
Bryson	Gwynne, Iowa	Merrow
Buck	Hagen	Michener
Buffett	Hale	Miller, Calif.
Bulwinkle	Hall, Edwin Arthur	Miller, Nebr.
Burgin	Hall, Leonard W.	Mills
Butler	Halleck	Monroney
Byrnes, Wis.	Hancock	Morgan
Camp	Hand	Morrison
Campbell	Hare	Mundt
Canfield	Harless, Ariz.	Murphy
Cannon, Mo.	Harness, Ind.	Murray, Tenn.
Carlson	Harris	Murray, Wis.
Case, N. J.	Hart	Neely
Case, S. Dak.	Hartley	Norblad
Chelf	Havenner	Norrell
Chenoweth	Hays	O'Brien, Ill.
Church	Hébert	O'Brien, Mich.
Clark	Hedrick	O'Hara
Clevenger	Hendricks	O'Konski
Clippinger	Henry	O'Neal
Cochran	Herter	Pace
Cole, Kans.	Heselton	Patman
Cole, Mo.	Hess	Patrick
Cole, N. Y.	Hill	Pfeifer
Combs	Hinshaw	Philbin
Cooley	Hoch	Phillips
Cooper	Hoeven	Pickett
Corbett	Hoffman	Pittenger
Courtney	Holifield	Plumley
Crawford	Holmes, Wash.	Poage
Cunningham	Hook	Price, Fla.
Curtis	Hope	Price, Ill.
D'Alesandro	Horan	Priest
Daughton, Va.	Huber	Quinn, N. Y.
Davis	Hull	Rabaut
Delaney, James J.	Izac	Rabin
Delaney, John J.	Jackson	Ramey
D'Ewart	Jarman	Randolph
Dingell	Jenkins	Rankin
Dirksen	Jennings	Rayfiel
Dolliver	Jensen	Reece, Tenn.
Domengeaux	Johnson, Calif.	Reed, Ill.
Dondero	Johnson, Ill.	Reed, N. Y.
Doughton, N. C.	Johnson, Ind.	Rees, Kans.
Douglas, Calif.	Johnson, Luther A.	Resa
Douglas, Ill.	Johnson, Okla.	Rich
Doyle	Jones	Richards
Dworshak	Jonkman	Riley
Earthman	Judd	Rivers
Eaton	Kean	Rizley
Eberharter	Kearney	Robertson, Va.
Elliott	Kee	Robinson, Utah
Ellis	Keefe	Robsion, Ky.
Ellsworth	Kelly, Ill.	Rockwell
Elsaesser	Kerr	Rodgers, Pa.
Elston	Kilburn	Roe, Md.
Engel, Mich.	Kilday	Roe, N. Y.
Engle, Calif.	King	Rogers, Fla.
Ervin	Kinzer	Rogers, Mass.
	Kirwan	Rogers, N. Y.
		Rooney
		Rowan
		Russell
		Ryter
		Sabath
		Sadowski
		Schwabe, Mo.
		Schwabe, Okla.
		Scrivner
		Shafer
		Sharp
		Sheppard
		Simpson, Ill.
		Slaughter
		Smith, Maine
		Smith, Wis.
		Somers, N. Y.
		Sparkman
		Spence
		Springer
		Starkey
		Stefan
		Stevenson
		Stewart
		Stigler
		Stockman
		Sullivan
		Sumners, Tex.
		Taber
		Talbot
		Talle
		Tarver
		Taylor
		Thom
		Thomas, N. J.
		Thomas, Tex.
		Thomason
		Tibbott
		Tolan
		Torrens
		Towe
		Traynor
		Trimble
		Vinson
		Voorhis, Calif.
		Vorys, Ohio
		Vursell
		Wadsworth
		Walter
		Weaver
		Weichel
		Welch
		West
		White
		Whitten
		Wickersham
		Wigglesworth
		Winstead
		Winter
		Wolcott
		Wolverton, N. J.
		Woodhouse
		Woodruff
		Worley
		Zimmerman

NAYS—1

Sumner, Ill.

NOT VOTING—75

Andrews, Ala.	De Lacy	Norton
Auchincloss	Drewry	O'Toole
Baldwin, Md.	Durham	Outland
Baldwin, N. Y.	Fernandez	Patterson
Barden	Fisher	Peterson, Fla
Bishop	Forand	Peterson, Ga.
Bland	Gibson	Ploeser
Bolton	Gregory	Powell
Buckley	Healy	Rains
Bunker	Heffernan	Robertson, N. Dak.
Burch	Hobbs	Sasscer
Byrne, N. Y.	Holmes, Mass.	Savage
Cannon, Fla.	Howell	Sheridan
Carnahan	Johnson, Lyndon B.	Short
Celler	Kefauver	Sikes
Chapman	Kelley, Pa.	Simpson, Pa.
Chiperfield	Keogh	Smith, Ohio
Clason	Klein	Smith, Va.
Clements	LaFollette	Sundstrom
Coffee	McGehee	Wasielewski
Colmer	McGlinchey	Whittington
Cox	Marcantonio	Wilson
Cravens	Mason	Wolfenden, Pa.
Crosser	May	Wood
Curley	Murdock	
Dawson		

So the joint resolution was passed.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. Cox with Mr. Short.

Mr. Bland with Mr. Simpson of Pennsylvania.

Mr. Coffee with Mr. Ploeser.

Mr. Drewry with Mr. Mason.

Mr. McGlinchey with Mr. Wilson.

Mr. Cravens with Mr. Howell.

Mr. Keogh with Mr. Clason.

Mr. Hobbs with Mr. Auchincloss.

Mr. Buckley with Mr. Chiperfield.

Mr. McGehee with Mr. Bishop.

Mr. Colmer with Mr. Holmes of Massachusetts.

Mr. Heffernan with Mr. Wolfenden of Pennsylvania.

Mr. Byrne of New York with Mr. Sundstrom.

Mr. Healy with Mr. Robertson of North Dakota.

Mr. Sasscer with Mr. Smith of Ohio.

Mr. O'Toole with Mr. Baldwin of New York.

Mr. Sheridan with Mr. LaFollette.

Mrs. Norton with Mrs. Bolton.

Miss SUMNER of Illinois changed her vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The doors were opened.

GENERAL LEAVE TO EXTEND REMARKS

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the joint resolution just passed.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

SECOND DEFICIENCY APPROPRIATION BILL, 1946

Mr. CANNON of Missouri, from the Committee on Appropriations, reported the bill (H. R. 5890), making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, and for other purposes (Rept. No. 1817), which was read a first and second time, and with the accompanying papers referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. TABER reserved all points of order on the bill.

INTRODUCTION OF A BILL TO REDUCE THE DEBT LIMIT OF THE UNITED STATES AND TO PROVIDE INDIVIDUAL INCOME-TAX RELIEF CONDITIONED UPON REDUCTION OF FEDERAL EXPENDITURES

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KNUTSON. Mr. Speaker, I have today introduced a bill to grant individuals relief from some of their present income-tax burden, effective January 1, 1947, such relief being conditioned, however, upon a reduction of at least $5,000,000,000 in the Federal expenditures forecast in the Budget for the fiscal year ending June 30, 1947.

The tax relief takes the form of a reduction of 10 percent in the normal and surtax applicable to individuals. The estimated decrease in the aggregate yield of individual income taxes resulting from this 10-percent reduction is $1,400,000,000. This, added to the anticipated deficit shown in the Budget for the fiscal year ending June 30, 1947, of $3,600,000,000, will just about offset the $5,000,000,000 reduction in expenditures upon which the tax relief proposed to be granted is conditioned.

The bill reduces the existing limitation on the public debt of the United States from $300,000,000,000 to $290,000,000,000. In addition it provides for successive further reductions in the debt month by month, in the amount of any net reduction in the amount outstanding during the preceding month. Under the existing debt-limiting provision, the amount outstanding may go up and down, subject only to the condition that it does not exceed $300,000,000,000 outstanding at any one time. Under the bill, not only is the limit lowered by $10,000,000,000 but this new limit is to be automatically decreased from time to time by any net reduction in the debt outstanding. The period selected for determining such a net reduction is the calendar month. Such a period will allow sufficient flexibility in the fiscal operations of the Treasury Department.

The 1947 Federal Budget calls for expenditures of $35,100,000,000, estimated revenues of $31,500,000,000, and an estimated deficit of $3,600,000,000. My proposal would reduce expenditures by $5,000,000,000, thereby eliminating the deficit of $3,600,000,000 and saving $1,400,000,000 to provide the 10-percent reduction in individual income taxes for 1947. This tax relief would become effective only if by an act of Congress approved prior to November 1, 1946, the total amount of Federal expenditures—other than $11,800,000,000 for interest on the public debt; refunds; veterans' pensions and benefits; and social security, relief, and retirement—for the fiscal year ending June 30, 1947, is limited to an amount which is at least $5,000,000,000 less than the total amount for such expenditures recommended in the Budget. In other words we recognize cuts cannot be made on $11,800,000,000 appropriated for the items enumerated but we do cut back $5,000,000,000 before November 1 of this year on the balance of $23,300,000,000 being appropriated for other purposes for the year beginning July 1, 1946.

The reasoning back of my proposal is very simple. The people stagger under too great a tax burden because we are spending too much money on government. We must start now—not next year—to cut back the cost of government. Most of us in Congress know it. The people know it. Congress holds the purse strings and the people know that, too. They also know the Democratic Party controls both branches of the Congress and the executive branch so there is no question where responsibility rests.

According to the Budget message submitted to the Congress by President Truman, the number of civilian persons on the Federal pay roll was to be reduced to 2,000,000 by June 30, 1946—that is just 90 days away. But now we are told the Federal demobilization has come to a standstill with the total at 2,400,000. Last month the number of persons on the Federal pay roll in Washington was increased by 3,620. It is almost a year since the shooting war stopped and these bureaus here in Washington are expanding instead of being cut back to intelligent peacetime operation.

We were given to understand the total on the Federal pay roll by the end of the next fiscal year, June 30, 1947, would be down to 1,600,000. The figure should be under 1,000,000 but current vacillating indicates even the 1,600,000 figure will not be reached and 2 years after the end of the war we are likely to have more than 2,000,000 civilians working for the Federal Government.

The only way to cut back the cost of government is to cut back on appropriations and refuse to vote deficiency bills except for a very special emergency purpose. I have tried to point up the issue in the bill offered today and emphasize the responsibility rests on the Democratic Party in control of the House and Senate.

EXTENSION OF REMARKS

Mr. BROWN of Georgia. Mr. Speaker, I ask unanimous consent to extend my remarks and include, by request, a statement by the legislative director of the Amvets relative to their endorsement of the continuation of the OPA as an emergency measure.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. MONRONEY asked and was given permission to extend his remarks in the RECORD and to include testimony by the American Veterans Committee on price control.

Mr. THOM asked and was given permission to extend his remarks and include a statement on lumber exports.

Mr. MILLER of California asked and was given permission to extend his remarks and include a newspaper article.

Mr. WHITE asked and was given permission to extend his remarks in three instances and to include certain excerpts.

Mrs. DOUGLAS of Illinois asked and was given permission to extend her remarks and include an article which appeared in the Chicago Times.

PERMISSION TO ADDRESS THE HOUSE

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent that today after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered, I may address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

EXTENSION OF REMARKS

Mr. LARCADE asked and was given permission to extend his remarks and include a letter.

Mr. JENNINGS asked and was given permission to revise and extend the remarks he made in Committee of the Whole and include a letter.

Mr. MURRAY of Wisconsin asked and was given permission to extend his remarks in three instances and to include tables, editorials, and newspaper articles.

Mr. SHAFER asked and was given permission to extend his remarks and include an article from the Wall Street Journal.

PERMISSION TO ADDRESS THE HOUSE

Mr. RIZLEY. Mr. Speaker, I ask unanimous consent that on Tuesday next, after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered, I may address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD and to include some quotations and other material.

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. ANDERSON] is recognized for 20 minutes.

CANNERY WORKERS' JURISDICTIONAL STRIKE

Mr. ANDERSON of California. Mr. Speaker, the jurisdictional cannery workers' dispute in California has passed

the point of a national scandal and has become a national disgrace. Approximately 100 canning and processing plants in my State are effectively closed by a jurisdictional dispute between the CIO Cannery Workers' Union and the A. F. of L. Cannery Workers' Union. The efforts of Government agencies to effect any sort of solution so far have accomplished absolutely nothing in the way of results.

In a paper published in my district last Thursday, March 21, the following statement is contained referring to the President's press conference of last Thursday:

Mr. Truman told his news conference that the situation had not been called to his personal attention. A reporter said a Member of Congress had described the President as believing the Governor should handle the situation, and Mr. Truman said that was his belief.

I cannot believe for one minute that the President is not cognizant of this problem in part, at least. If he is fully aware of the seriousness of the situation that affects approximately one-third of the canned fruits and vegetables of the United States, then I must charge that he is delinquent in his duties in not stepping in and taking over those canneries, placing them under Government jurisdiction and seeing that they are operated.

A brief résumé of what has led up to the present situation might be in order. The A. F. of L. cannery workers' organization has had a contract with the California processors and growers for approximately the past 10 years. Recent dissension in the ranks has given the CIO an opportunity to muscle in, and they have been doing very well at it. As a result of the muscling in of the CIO last year, a representation election was finally requested of the National Labor Relations Board, and held in October under very adverse circumstances. Now, the prize is a rich one. I can see why both the CIO and the A. F. of L. are fighting for representation. Approximately 60,000 cannery workers in California are involved.

An election was held 1 week after the Board's order was issued here in Washington. Proper eligibility lists were not prepared, and shortly after the election was held the A. F. of L. filed numerous protests with the National Labor Relations Board. A hearing was held before the National Labor Relations Board in Washington. As a result of that hearing and by an order issued on February 18, last October's election was voided.

In order to point out to the Members of the House how often this has been called to the attention of the House, the country, and the various agencies of Government, and President Truman, I am going to try to list in chronological order just how many times this subject has been mentioned.

For instance, on January 19, 1946, I took the floor and called attention to this situation. That appears in the RECORD. Shortly after the election was voided, on February 18, I wrote to Chairman Herzog of the National Labor Relations Board, requesting that the Board's order be amended and that the status quo be maintained and that the C. P. & G. be permitted to continue its exclusive contract with the A. F. of L. until a further election was held establishing representation for either the CIO or the A. F. of L. Cannery Workers' Union. Mr. Herzog replied to that letter of mine and stated that under the law that was impossible. So the order stands, and complete confusion reigns in California.

Mr. Speaker, on February 20, I wired the President at the White House, called his attention to the situation existing in California, and requested that he exercise his war powers if necessary.

On February 23 I received a reply from Matthew Connelly, the Secretary to the President.

Mr. Speaker, I ask unanimous consent that I may insert at this point in the RECORD my telegram to the President, and the reply from the President's secretary.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

(The telegram and letter referred to follow:)

The PRESIDENT, HARRY S. TRUMAN,
The White House:

You are undoubtedly aware of difficult situation faced by California canning industry because of jurisdictional dispute between CIO Cannery Workers Union and AFL Cannery Workers Union. Election held last October by NLRB to establish exclusive bargaining representative for employees was thrown out by NLRB decision of Monday February 18. Present California Processors and Growers contract with AFL terminates today. I have requested NLRB to permit California Processors and Growers to bargain with AFL until another election is held. NLRB advises me this impossible under provisions National Labor Relations Act. If status quo cannot be maintained under Presidential war powers an absolute impasse is threatened tomorrow. Urgently request that you invoke your full authority and that you direct Department of Labor Conciliation Service, Department of Agriculture, and NLRB to take such steps as are necessary to insure continued orderly harvesting and processing of valuable fresh fruit and vegetable crops in California. Will you please keep me advised of any action you take. Regards.

JACK Z. ANDERSON,
Member of Congress.

THE WHITE HOUSE,
WASHINGTON, *February 28, 1946.*

Hon. JACK Z. ANDERSON,
House of Representatives,
Washington, D. C.

MY DEAR MR. ANDERSON: The President has received your telegram of today and, by his direction, it is being referred promptly for consideration by the appropriate officials of the Government.

Very sincerely yours,
MATTHEW J. CONNELLY,
Secretary to the President.

Mr. ANDERSON of California. On Monday, March 4, I again took the floor of the House and called the attention of the Congress to the situation that still existed in California in spite of all the efforts of the supposedly interested Government agencies.

On March 8, 1946, the California Farm Bureau Federation wired the President.

Mr. Speaker, I ask unanimous consent to insert the entire wire at this point.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

(The telegram referred to follows:)

MARCH 8, 1946.

Hon. HARRY S. TRUMAN,
President of the United States of America,
Washington, D. C.:

The dispute between the CIO and the A. F. of L. in regard to jurisdiction over workers in California canneries is now at an impossible impasse. There is only one issue involved, and that is whether the CIO or the A. F. of L. is to control these workers and obtain tribute (membership dues) from them.

I want to emphasize that in any case the same people are involved. Many of these workers are now paying dues to both unions. In the meantime, a starving world is suffering from lack of farm products, the loss of which will increase as the season progresses. World drought is imminent. California's irrigated farms can do their part to alleviate some of the anticipated food shortage. The California cannery jurisdictional strike is not only destroying food already produced, but is also stopping plantings of important canning crops.

The loss of a crop is equivalent to approximately 50 percent of the farmer's capital investment in land and equipment, and in most cases prevents him from continuing operations. We recognize the right of any economic group to promote its own interests, but not at the expense of the general public.

Perishable crops must be taken care of immediately when mature. Even a day's delay spells losses. You, as President, and the Federal Government can stop the huge loss facing all of us. California workers, farmers, and consumers, are looking to you to take immediate action. This strike is wrong. It has no basis of fairness or equality.

Are labor unions greater than the United States Government or its President, and do they wield more power? If that is true, Democracy is lost. Will you, therefore, direct the National Labor Relations Board to immediately amend its order and stop this strike, or will you take over the operations of the canneries under your War Powers Act?

I am addressing this appeal to you on behalf of the 40,000 farm family members in the California Farm Bureau Federation.

RAY B. WISER,
President, California Farm Bureau Federation.

Mr. ANDERSON of California. Mr. Speaker, I call particular attention to the following paragraph of this wire:

Perishable crops must be taken care of immediately when mature. Even a day's delay spells losses. You, as President, and the Federal Government can stop the huge loss facing all of us. California workers, farmers, and consumers are looking to you to take immediate action. This strike is wrong. It has no basis of fairness or equality.

I do not know whether the President replied to this wire or not.

On March 11, 1946, the entire California delegation in the House of Representatives met and issued a statement which was transmitted to the President, to the Chairman of the National Labor Relations Board, to the Secretary of Labor, and to the Secretary of Agriculture, again calling attention to the situation that exists in California as a result of this jurisdictional dispute, and requesting the proper governmental agency to take prompt and effective action.

Mr. Speaker, I ask unanimous consent to place in the RECORD at this point in my remarks this statement which was released and signed by 23 Members of the California delegation.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

(The statement referred to follows:)

(NOTE.—The following statement was wired today to: Daniel J. Tobin, international president, International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, 222 East Michigan, Indianapolis, Ind.; Dave Beck, international vice president, International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, Teamsters' Hall, Seattle, Wash.; Donald Henderson, general president, Food, Tobacco, and Agricultural Workers Union (CIO), 150 Golden Gate Avenue, San Francisco, Calif.; and J. Paul St Sure, attorney, Financial Center Building, Oakland, Calif.; and copies were mailed to President Truman, the Secretary of Labor, the Secretary of Agriculture, and the Chairman of the National Labor Relations Board, Washington, D. C.)

WASHINGTON, D. C., *March 11, 1946.*

STATEMENT OF THE MEMBERS OF THE CALIFORNIA DELEGATION IN CONGRESS

We transmit the following:

To every element of labor, management, and agriculture concerned in the production, transportation, processing, and preserving of foodstuffs in California:

The uninterrupted and, in fact, the utmost effort in production, transportation, processing, and preserving of foodstuffs is of critical and even desperate importance to our Nation and the world in these emergent times when famine and starvation threaten the very lives of millions of human beings.

A jurisdictional dispute exists between labor organizations in California involved in the handling of food products, which dispute threatens the spoilage and loss of great quantities of vitally needed foodstuffs. We Members of the California delegation in Congress, therefore, call upon the participants in this jurisdictional dispute to establish a truce immediately, to the end that not one ounce of food be lost.

It is our firm belief that any action which imperils food supply is against the public interest and a violation of our American duty to our own people and to the world.

SHERIDAN DOWNEY, WILLIAM F. KNOWLAND, CLARENCE F. LEA, CLAIR ENGLE, J. LEROY JOHNSON, FRANCK R. HAVENNER, RICHARD J. WELCH, GEORGE P. MILLER, JOHN H. TOLAN, JACK Z. ANDERSON, BERTRAND W. GEARHART, ALFRED J. ELLIOTT, GEORGE E. OUTLAND, JERRY VOORHIS, NED R. HEALY, HELEN GAHAGAN DOUGLAS, GORDON L. MCDONOUGH, ELLIS E. PATTERSON, CLYDE DOYLE, CHET HOLIFIELD, CARL HINSHAW, JOHN PHILLIPS, ED V. IZAC.

Mr. ANDERSON of California. Mr. Speaker, on March 19 I again wired the President, again calling his attention to the situation that prevails in our State and again requesting him to take action under his war powers and to see that the canneries are operated. To this date I have not had a reply to my wire of March 19.

Mr. Speaker, I ask unanimous consent to insert the telegram at this point.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

(The telegram referred to follows:)

MARCH 19, 1946.

President HARRY S. TRUMAN,
The White House, Washington, D. C.:

You have been receiving repeated requests from California farmers, processors, and Members of Congress requesting that you take action in the jurisdictional cannery workers' dispute which has effectively closed approximately 100 canning and processing plants in California. Some field crops are already spoiling in the fields as a result of the absolute impasse that has been reached. Department of Labor and other interested Government agencies have failed to effect an agreement between the two unions involved and no solution has been found. Serious losses can be the only result if immediate action is not taken by the executive branch of the Government. It can only be assumed that you are not fully informed of the serious nature of the dispute and Members of the California congressional delegation would like to discuss the situation with you. The White House now informs us that our request to meet with you cannot be complied with at this time. May I respectfully urge that you set an immediate date for a conference between yourself and Members of Congress from California who are deeply concerned over the severe loss of valuable food crops that will result if the present jurisdictional dispute continues.

JACK Z. ANDERSON,
Member of Congress.

Mr. ANDERSON of California. Mr. Speaker, last Thursday in his press conference the President was asked if this situation had been called to his attention. He has been quoted four different ways to my certain knowledge. One of the quotations is the one I read previously to the effect that the situation had not been called to his personal attention, that the Secretary of Labor was handling it and that he thought it was a matter that should be taken care of by the Governor of the State of California. The Governor, however, has no jurisdiction whatever over a matter of this kind. This is strictly a Federal matter. The National Labor Relations Board took cognizance of it almost a year ago and conducted the election. The Department of Agriculture through the Secretary of Agriculture wrote a letter to the Chairman of the National Labor Relations Board requesting that last year's election he held.

It is absolutely incomprehensible to me and to the other members of the California delegation that the President cannot be aware of the seriousness of the dispute and we cannot for the life of us understand why he has not taken steps to see that the problem is effectively solved.

I should like to call the attention of the Members of the House to the fact that today in our State crops that are urgently needed to feed a starving world are going to waste in the field. Hundreds of tons of spinach are spoiling now. The next large crop that will come on is asparagus. Asparagus must be cut and canned as rapidly as it grows. If this impasse continues it will be absolutely impossible for any of those products to be properly processed and packed this year.

I should like to call attention to a wire from Gov. Earl Warren, of California to the President of the United States stating that the Governor has no jurisdiction whatever over the dispute and that it must be handled by the Federal Government and, Mr. Speaker, I ask unanimous consent that this be included at this point in my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

(The matter referred to follows:)

DEAR MR. PRESIDENT: You have been quoted in the press to the effect that the cannery dispute in California has not been called to your attention and that the dispute should be settled by the Governor of California. I trust you will rectify the confusion caused by this report. The Federal Government, through the National Labor Relations Board, assumed jurisdiction of this dispute more than a year ago. It has held an election, has subsequently voided it, and has denied the interested parties the right to engage in exclusive collective bargaining. Only yesterday it issued a procedure for further action and requiring compliance of the parties. The Federal conciliation services assumed jurisdiction last November. The Department of Agriculture and Department of Labor have been functioning since January. The matter has been discussed on the floor of both Houses of Congress. Many communications have been directed to you personally and interested parties have been in constant telephonic communication with your personal staff in the White House. All interested parties have looked to the Federal Government as the only agency with jurisdiction to act. There is no jurisdiction in the State of California. Were there such I would have acted long ago. It would be most unfortunate if after this length of time the public were led to believe that the State had jurisdiction when the interested parties themselves know that no such jurisdiction exists. The world food situation which you so rightly called to the attention of the public requires immediate settlement of this dispute. It is of sufficient magnitude to demand your own personal consideration and action. Within the limits of my jurisdiction I shall be happy to be helpful in any way you might indicate.

EARL WARREN,
Governor of California.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. A recent report of the Department of Commerce indicated that the carry-over of canned vegetables was 51 percent below that of 1940 and the carry-over of canned fruit was about 80 percent below 1940. If fruits and vegetables are now going to waste it will mean a further shortage of canned vegetables and fruits for the consumer?

Mr. ANDERSON for California. Mr. Speaker, I would like to point out to the gentleman that approximately 55,000,000 cases of canned fruits and vegetables are involved. That is the approximate canning capacity of the State of California and that represents approximately one-third of all the canned fruits and vegetables in the entire United States.

Mr. HORAN. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from Washington.

Mr. HORAN. This grows out of an election that was held by the NLRB for the cannery workers last October?

Mr. ANDERSON of California. That is correct.

Mr. HORAN. What percentage of the cannery workers participated in that election?

Mr. ANDERSON of California. Of the approximately 60,000 cannery workers in the State of California, between 12,000 and 13,000 cast ballots. About 1,250 of those ballots were challenged and were never opened. Approximately one out of every five of the eligible workers actually voted in the October election. I may say, however, that the election was held at a time of the year when employment in the canneries was extremely low. It was a bad time to call it, and because of the fact that only a week intervened between the order of the National Labor Relations Board setting up the election and the actual conduct of the election, it did not assure that every eligible worker had a chance to cast a ballot.

Mr. JOHNSON of California. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from California.

Mr. JOHNSON of California. Is it not a fact that about 90 percent of the canned goods canned in California goes out of the State?

Mr. ANDERSON of California. That is correct.

Mr. JOHNSON of California. Is it not also correct that the President acknowledged two communications sent by the gentleman from California [Mr. LEA] on behalf of a group of us concerning this very subject, on March 13, acknowledging a letter and also on February 1 acknowledging a letter about these matters?

Mr. ANDERSON of California. That is correct, and those two letters may be found in a statement placed in the Appendix of the CONGRESSIONAL RECORD yesterday afternoon by the gentleman now addressing me. Both of those were signed by Harry S. Truman and addressed to our colleague from California [Mr. LEA].

Mr. JOHNSON of California. Is it not a fact also that seven Members of the California delegation whose areas are involved had a personal interview with the Secretary of Agriculture and they expected, naturally, he would talk to the President about it?

Mr. ANDERSON of California. That is correct, and I should like to point out that Members of the California delegation for 10 days have been attempting to obtain a personal interview with the President to discuss this situation with him. We are now advised through the President's secretary that although we are welcome to come down and confer with the President he does not want to discuss this problem. Why, in heaven's name, I cannot say.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from Ohio.

Mr. JENKINS. I was about to ask the gentleman a question that would elicit that kind of an answer. It has been 2 months now that practically every organization in California has been sending out complaints with reference to this terrible situation. The question I was going to ask is, Do you not have any hope of solving the matter at all? Is there not anybody who can help?

Mr. ANDERSON of California. I may say to the gentleman that at 11 o'clock this morning I got the very latest information available from the NLRB and the Department of Labor. The sum total of their efforts to reach a solution of this jurisdictional dispute has been nothing up until 11 o'clock this morning. It appears to me there is only one thing left to do. The Congress has voted the President necessary war powers that are still in effect. Under those powers he can seize the canneries, run up the American flag, and make sure they are operated—make sure that this foodstuff is properly preserved to feed our own people and the starving peoples of the world.

Mr. JENKINS. The season is only starting in other States. What does the gentleman know about whether or not a similar condition may spread to these other States?

Mr. ANDERSON of California. The same situation will exist up in the Northwest as the canneries open in Oregon and Washington, and will spread east later.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from Michigan.

Mr. HOFFMAN. I do not quite understand why the farm products are not being processed. Is it because of the picket line, or what is the trouble?

Mr. ANDERSON of California. There is no question of hours and wages involved. It is simply a jurisdictional dispute. It is a question of representation, whether the CIO or whether the AFL shall represent the cannery workers in the State of California. My sympathy is with the A. F. of L.

Mr. HOFFMAN. I understand that, but do the workers refuse to cross the picket line or say that they refuse to go in and process the food?

Mr. ANDERSON of California. I might say this: The A. F. of L. has refused, that is, the teamsters union, to haul fruits and vegetables into the canneries until they are granted the same type of contract which they had prior to last October, which is exclusive representation with the California Processors and Growers.

Mr. HOFFMAN. Then the trouble grows out of the fact that the teamsters will not handle it and not because the workers will not process it or gather it; is that it?

Mr. ANDERSON of California. The field workers are gathering it, and the AFL has stated that they will accept deliveries from all bona fide farmers, and that their workers will process it.

Mr. HOFFMAN. Is that Dan J. Tobin, of the teamsters union, the same one that has been practicing extortion throughout the country?

Mr. ANDERSON of California. The teamsters union involved is the AFL teamsters union. In some of these canneries the CIO has a majority of the workers. That is where the AFL teamsters union refuses to haul any fruit or vegetables. In some of the canneries the AFL has the majority, and the CIO has established picket lines in front of these canneries. Now it is going further than that. The steel workers organization, also CIO, has stated that if this impasse continues, or if the AFL attempts to process the fruits and vegetables, that they will not turn out any tin for cans in which to ship the products when they are processed.

Mr. HOFFMAN. Would it be possible to arrange it so that the product canned by the CIO workers would be eaten by them, and the AFL can theirs and eat it?

Mr. ANDERSON of California. I will say neither the AFL nor CIO will eat any of the fruits and vegetables produced this season if this thing keeps on.

Mr. HOFFMAN. That might be all right, but how about the people that do not belong to either union?

Mr. ANDERSON of California. They will not get any either.

Mr. VOORHIS of California. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from California.

Mr. VOORHIS of California. I just want to say that I am deeply conscious of the tremendous burdens that rest on the President, but I also want to say that I agree with the gentleman as to what he said about the only solution that can be applied to this problem, and I believe it ought to be applied. I think there is no other way.

Mr. ANDERSON of California. I am glad to know that the gentleman agrees with me.

Mr. VOORHIS of California. Between now and the time the next NLRB election can be held there is one other way that I can see to save this most important food supply, and that is for the President to exercise his powers and take over the canneries and see that they are operated.

Mr. ANDERSON of California. As the gentleman knows, I fully agree with that observation.

Mr. HOLIFIELD. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from California.

Mr. HOLIFIELD. The gentleman has given substantially the chronological part of this story, but it is a little more complicated, and in the interchange with the gentleman from Michigan [Mr. HOFFMAN], I think there are some things that should be added.

Mr. ANDERSON of California. I will say to the gentleman from California that I welcome any contribution that will keep this thing clarified.

Mr. HOLIFIELD. As the gentleman knows, I am anxious to see the dispute settled. I, too, have appealed to the President to take over under the War Powers Act, as the gentleman has stated. It is not a partisan affair.

Mr. ANDERSON of California. Not at all.

Mr. HOLIFIELD. But I think that we should clarify the matter in this way. The AFL cannery workers and the CIO cannery workers neither have refused to process the food, but a third union, the teamsters union refuses to haul to the

plants. So far as the dispute between the cannery employees themselves is concerned, it is not a jurisdictional dispute between the two cannery employee unions, but this third union that transports is the one that is refusing to do the hauling; is that not correct?

Mr. ANDERSON of California. That is correct, except for this one factor, that the teamsters' union now has jurisdiction over the AFL cannery workers union in our State.

Mr. HOLIFIELD. It has jurisdiction?

Mr. ANDERSON of California. Yes.

Mr. HOLIFIELD. That is news to me. I thought they were independent.

Mr. ANDERSON of California. No. As I understand it, the charters of the AFL cannery union workers were shifted to the teamsters' union some time last year.

Mr. PHILLIPS. That is what started the trouble.

The SPEAKER. The time of the gentleman from California has expired.

Mr. McDONOUGH. Mr. Speaker, I ask unanimous consent that the gentleman be permitted to proceed for five additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JOHNSON of California. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from California.

Mr. JOHNSON of California. A while ago it was stated that the President exercised his war powers over the meat-packing plants. Is there any difference in principle between taking over the canneries than in the other order taking over the packing plants?

Mr. ANDERSON of California. I can give the gentleman a direct answer to that inquiry. In order to be sure that I was on firm ground in suggesting that the President seize these canning and processing plants and operate them under his war powers, I wired the Attorney General of the United States last week and asked him if the President had that power. He replied that he was unable because of his position and under the circumstances to make a direct reply to my inquiry, but he referred to the War Labor Disputes Act and said that under that act the President had seized the meat-packing plants. That is all the answer I need.

Mr. JOHNSON of California. Just for the record, the food value involved in these canned goods is between $250,000,000 and $300,000,000, is it not?

Mr. ANDERSON of California. I am sure the gentleman knows those figures. If he says that is right, I accept his figures.

Mr. JOHNSON of California. I think that is right, yes.

Mr. MILLER of California. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from California.

Mr. MILLER of California. Did I correctly understand the gentleman to say that the CIO packing-house workers would refuse to pack fruit that was brought in by the farmers themselves?

Mr. ANDERSON of California. I have seen no statement as to what the CIO cannery workers would do. The only statement I have seen is the statement of that nature made by the A. F. of L. cannery workers union in California, to the effect that they would pack and process the fruits and vegetables that were hauled in by bona fide farmers themselves.

Mr. MILLER of California. The CIO will do that, too.

Mr. ANDERSON of California. Does the gentleman know that?

Mr. MILLER of California. Yes.

Mr. ANDERSON of California. I am glad to have that added to the record.

Mr. MILLER of California. May I say that I agree with the gentleman that the only solution for this, as I see it, is the seizure of these plants by the President, but I wanted to keep the record straight on that one point.

Mr. ANDERSON of California. The main point is that the public interest is paramount. We should not let a jurisdictional dispute between a couple of labor organizations result in the failure to process 55,000,000 cases of fruits and vegetables in the State of California or any other State this year. Food is too badly needed not only in this country but throughout the entire world. How can we uphold a policy where the President and the Department of Agriculture and other Government agencies ask us to grow everything we can in order to feed a starving world and then on the other hand refuse to take the action that is absolutely necessary to insure that these canneries and processing plants will be run?

Mr. HINSHAW. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from California.

Mr. HINSHAW. I think the attention of the Congress and the country should be called to the fact that these fruits and vegetables will not wait to be canned. They are not the kind that can be stored in cold storage in order to protect them. They have to be cut in the field and taken directly to the cannery as quickly as possible in order that their full values may be retained.

Mr. ANDERSON of California. I do not know how long the gentleman has been off the farm, but he states the case very well.

Mr. PHILLIPS. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from California.

Mr. PHILLIPS. The gentleman is doing an excellent thing in bringing this to the attention of the country, particularly the fact that the essential factor involved is the interest to the people. I think he could speak for all the delegation on that point, because on the 20th of March the gentleman from California [Mr. GEARHART] and I also wired the President, pointing out that he would have public opinion behind him if he did anything to settle the California strike.

Mr. ANDERSON of California. That is definitely true. If he fails to assume this responsibility which we now feel is his, then he certainly will have public opinion definitely against him.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from Ohio.

Mr. JENKINS. The canning business in California is much more important than it is in some other sections of the country, because the crops there mature so early.

Mr. ANDERSON of California. The gentleman is correct.

Mr. JENKINS. People in my State depend a lot on California canned articles, and they will not get them if this thing keeps on.

Mr. ANDERSON of California. I might answer the gentleman by reading this wire which I received yesterday:

NLRB next week sending out field staff of investigators to begin prosecution of independents who executed agreements with AFL. This may have effect of independents canceling agreements, and thus precipitating blockade of their plants also. C. P. & G. plants attempting to operate on spinach, and thus far two canneries operating, receiving produce delivered by growers exclusively. AFL permitting bona fide grower deliveries, but announces any grower operating trucks with hired help will be blocked from canneries. Several fields of spinach past due for harvest because growers unable to make emergency arrangements in time for deliveries. Received word yesterday of 150 acres Salinas area now unfit for canning. Weather will bring off large quantities early next week.

If the canneries are not operated, this spinach and asparagus, and all other crops coming along will be lost and will not be canned. As was pointed out by the gentleman from California [Mr. HINSHAW] our cold-storage facilities out there will only hold a very small amount.

In closing Mr. Speaker, I again wish to emphasize the need for immediate action by the executive branch of the Government. If the Labor Department and the NLRB cannot settle the problem, then the President must. If he is not thoroughly familiar with the details as they have been called to his attention by Members of Congress and interested farm organizations, then I again suggest that he meet and discuss the entire problem with members of the California delegation in Congress.

EXTENSION OF REMARKS

Mr. BROOKS asked and was given permission to extend his remarks and include a very strong statement by Commander Stelle of the American Legion with reference to the Patman housing bill.

Mr. PATMAN asked and was given permission to extend his remarks in four instances and include certain statements and excerpts.

Mr. SOMERS of New York asked and was given permission to extend his remarks and include a speech delivered by Hon. DEWEY SHORT.

Mr. ROWAN and Mr. RIVERS asked and were given permission to extend their remarks in the RECORD.

Mr. GAMBLE asked and was given permission to extend his remarks in five different instances and include newspaper editorials and news articles.

Mrs. LUCE asked and was given permission to extend her remarks and include an editorial.

Mr. JUDD asked and was given permission to extend his remarks and include two editorials.

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. VOORHIS] is recognized for 15 minutes.

CONTROL OF ATOMIC ENERGY

Mr. VOORHIS of California. Mr. Speaker, in the Washington Post of March 18 there is contained a statement by former Secretary of War Henry L. Stimson so challenging and so important that I should like to read a portion of it to the House. This is what he said:

> If the atomic bomb were merely another—though more devastating—military weapon, which could be assimilated into the customary pattern of international relations, conceivably we could then follow the old pattern of secrecy and sole reliance upon national military superiority, and depend upon international caution to stay the future use of the weapon. But, to my view, the recent unlocking of atomic energy constitutes a first step—and only a first step—in a new control by man over the primal forces of nature too revolutionary and dangerous to fit into the old patterns.
>
> The military application of this discovery underscores most sharply the divergence between man's growing technical power for destructiveness and his psychological power of self-control and group-control—his moral power. If this is so, how this problem is approached in the sphere of the relations among the nations is a question of the most vital importance in the evolution of human progress.

Mr. Speaker, my purpose this afternoon is to discuss the kind of approach which it is necessary for our country to make toward these world problems today, if we are to develop the moral power of which Mr. Stimson speaks and upon which as a matter of fact we must principally rely if our country is in any true sense to be saved.

The release of atomic energy represents the unlocking of the ultimate powers of this universe, the final and greatest gift of God from his natural universe to humanity. Therefore, the pursuit of any course which fails to aim at the dedication of that gift to the welfare of humanity will be certain, in accordance with the laws of God, to bring a fearsome retribution upon any nation that so fails.

Man's intellect, his science, his physical power has so far outstripped his moral progress, his progress in self-control that we now face but two possible alternatives. Either enough such moral progress will be made within the next few years to bring mankind to a stage of social development where he can safely be trusted with atomic energy or else we shall witness the destruction not only of nations but of all the losses of the very science which has brought us to our present condition.

There are forces of destruction at work in the world, some of them blind forces that we have difficulty in understanding. Certain nations' actions sometimes baffle us and discourage us. We are profoundly concerned about the spread of dictatorship in certain parts of the world and the methods used to bring it about. There are forces of hatred and misunderstanding which have got to be overcome. But most of all there is this force of atomic energy whose use in war can mean the destruction of human civilization as we have known it and of every single value which Americans hold dear. This is the one great, overriding fact in the world today. Against that possibility nothing except a great moral and spiritual force as revolutionary in the field of human relationships and government and in the realm of human controls over human destiny and human action, as atomic energy is in the scientific field, can possibly suffice to meet the need.

During the months since the war ended I confess I have been profoundly discouraged. It seemed to me that on all sides we found reason for such discouragement, a general failure on the part of the nations and their peoples to lift themselves to the heights of vision which the times called for. But today there are some things to which we can point with considerable encouragement. One of these is Secretary Byrnes' speech to the United Nations Organization in which he stressed the fundamental principle of peace. It is the principle that no nation, however great it may be, can, if it is proposed to establish peace in the world, be allowed to gain its ends by force. Failure to assist this principle was the direct cause of World War II. The corollary to that principle is that the nations must strive toward a goal where no force will be used under any circumstance except it be a force for the preservation of peace, and one carried forward only under international agreement. If such principles can be made to prevail through and by the United Nations Organization it may yet be the means of peace, despite the concern that some of us have felt that it was by its structure too weak to accomplish that purpose.

Encouragement can, I earnestly hope, be had from the statement of the Premier of Russia the other day in which he affirmed it to be the intention of that Nation to use the United Nations Organization to the full for the purpose of the maintenance of peace.

And now we find in this morning's paper the report of the Acheson committee containing a proposal for the control of atomic energy and atomic weapons. That proposal goes, in my judgment, to the very root of the problem, and sets before us the one line of action by which real hope can be established. For that proposal is that there be established, through the United Nations Organization and by it, an agency of world-wide control over the mining and production of fissionable materials. Thus there would be a world governmental authority to which all nations would give up a portion of what they have in the past called sovereignty, to the extent necessary to enable that world authority to see to it that atomic energy is not used for the construction of atomic weapons, but is devoted, where it is used at all, to the welfare of humankind.

It is essential to remember the essential difference between atomic weapons and other weapons of war, for on all sides we are told the only defense against such weapons is to use them first; that, indeed, there is no means of preventing a nation from being destroyed by such weapons, even though that nation win the war.

So, once more than one nation possesses such weapons, which situation will prevail in the next few years if things continue to drift as they now are, from that moment mankind must live under the constant danger that someone, suspecting perhaps that somebody else is going to attack first, will loose this terror on the world. Every nation, every would-be world conqueror will know, as we know that all advantage will lie in ruthless, merciless attack, sooner or later some nation will attempt such dastardly action. I submit that that nation under no circumstances would be our own.

So there remains but one way out, and that is that there shall be but one agency in the entire world with the right to possess such weapons, and under those circumstances that agency itself would have no need. It is to the bringing of all nations to a realization of this necessity and to the challenging of them to act upon that realization that the major efforts of the United States must be directed and clearly if there is to be but one agency controlling atomic and similar weapons of mass destruction it will have to be an international agency and partake of the nature of a world government.

A member of another body has introduced a resolution—Senate Resolution 219—calling upon our Government to initiate moves to bring about enforced disarmament by agreement among the nations in regard to these same weapons of mass destruction.

In my judgment, everything America has stood for can be protected only in some such way as by the means here proposed.

But I know that true world peace can be achieved only by loosing constructive forces. It is not enough for us to try to protect ourselves, we have got also to build good will.

True, nothing matters today except world peace, since nothing else worthwhile can possibly be gained or held in an atomic age unless world peace is established.

But peace is impossible in the long run unless peoples are free. Freedom is threatened in nation after nation today by stark hunger. It will be so threatened apparently for some time to come. Wheat and fats may keep France and Austria and Italy and Greece and countless other countries free peoples—if those supplies can arrive soon enough. And as America really believes in her own creed, she will extend herself to the limit to see that to the maximum extent possible they come from here.

This will require sacrifice. And the sacrifice should be equal and it should be made in such a way as to give up the less important things here at home in order to protect the more important and at the same time attempt to save millions from starvation.

For all these reasons I advocate with all the earnestness at my command the reinstitution of rationing and allocation in America of those foods and food products vitally necessary both for other nations and for our own. By that means all will receive their just share; by that

means our livestock in deficit areas can be saved from destruction; by that means, above all, we shall be certain that we can and will do our utmost to keep bright in the eyes of all mankind the name of America as the helper of the suffering and oppressed of all the world. In days like these when only good will can give our own people safety, such a name for our country becomes its most priceless possession and its very greatest security.

Mr. Speaker, the times are such as to call for nothing less than an order of statesmanlike decision and action such as we are capable of only when we lift our eyes to the ultimate purposes of humankind. So I believe our Nation should issue a challenge to the world also. It should be a challenge calling upon every nation on this earth that desires peace to agree to a proposal such as the Acheson committee has advanced, to agree to a common control of atomic weapons and weapons of comparable mass destruction, to agree to sacrifice their right to make war at will to such a world authority. Let us make it clear that even if not all the nations will join with us in such a venture we will go forward with those who will do so. America alone is in a position to make such a move. To make it will be the greatest act of statesmanship the world has ever seen. That act, it is true, would at the moment be an act of some self-sacrifice on the part of this great Nation. But for that very reason it is the kind of act that can generate those moral and spiritual forces of which I have spoken. Until the nations are brought together in some such unity as that I agree America must continue to keep herself strong, that she must continue with the development of atomic energy; but the important thing is for the world to know that we do that only in order that we may lay those things upon the altar of world peace just as soon as the nations can be induced to accept the necessary common controls. Yes; and every nation has got to be ready to open its borders wide to the exercise of the necessary police power so that the people of our Nation and every other nation can know that even as they give up their right to possess these weapons of mass destruction so every other nation is doing likewise.

I think the time has come also for us to make certain other proposals, one of which would be the universal abolition of systems of conscription. Either the world will move toward preparation for waging an atomic war or else it will move toward prevention of any war at all. It cannot go in both directions at once.

It is here at home, too, that we have work to do. For we cannot successfully work for world peace unless the hopes of our own people for the future are kept bright and warm.

The people of the world care most of all about homes, food, and their families, about a work to do and faith and peace. These are simple things. They are more important everywhere than systems or power or gain or glory. I am earnestly in hopes that in the weeks remaining this Congress will consider and pass legislation that will make these things as nearly assured to the American people as governmental action in a free nation can ever do.

I think of one measure, for example, a proposal to raise for those people who are at the bottom of our income group the basic minimum wage, a proposal for those people who, by and large, do not have spokesmen to come before congressional committees because many of them are completely unorganized. For them we should say: "Yours is the mass purchasing power of America that we seek to maintain. It is by the level of your living standards that the true greatness, the success or failure, of our whole Nation must be judged."

The eyes of millions are upon our Nation today. Our people are a free people and a great people. But there are those who question whether we can, within the framework of our free institutions, conquer the economic problems of this age of atomic power. One principle we must establish: That whenever our powers of production outstrip the buying power of our people we will increase that buying power but we will not curtail our production. Such a course will require changes in our monetary system, a broader conception of what a social-security system should be, a resolute battle against monopoly in all its forms. But it need not require the sacrifice of one jot or tittle of our liberties.

As we look about a war-weary and sick world we can understand that if we are to loose that great moral and spiritual force I spoke about, there is one simple rule that we can follow, and that is the rule of charting our course according to the principles of right as they have been laid down through the last 2,000 years by the greatest Teacher the world has ever known.

The SPEAKER. The time of the gentleman from California has expired.

FEDERAL RURAL REHABILITATION PROJECTS

Mr. HAYS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 704) to authorize the Secretary of Agriculture to continue administration of and ultimately liquidate Federal rural rehabilitation projects, and for other purposes, and I shall offer an amendment to strike out all after the enacting clause and to substitute therefor the bill H. R. 2501 as passed by the House on last Thursday.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding any other provision of law, the Secretary of Agriculture, in order to assure the maximum preferential disposition to veterans of the present war and present project occupants, is hereby authorized and directed to maintain, administer, and utilize, for such period as he may deem necessary until disposal thereof as hereinafter provided, not to exceed 3 years from the date of termination of the present war, such of the lands (improved and unimproved) comprising or incident to those resettlement projects and rural rehabilitation projects for resettlement purposes, and other like enterprises heretofore initiated for similar purposes and financed, in whole or in part, with funds made available to the Secretary, War Food Administrator, Farm Security Administration, Resettlement Administration, or Federal Emergency Relief Administration, as he determines are suitable for ultimate disposition in economic farm units. Nothing contained herein shall be deemed to authorize retardation of the expeditious liquidation of other land or property comprising or incident to such projects insofar as is deemed practicable by the Secretary consistent with the purpose of this act.

SEC. 2. The Secretary shall sell or cause to be sold, from time to time, those of such lands as are suitable for disposition in economic farm units, at the earning capacity value as determined by him and otherwise on such terms as he may deem advisable, to veterans, as defined in the Surplus Property Act of 1944, Public Law 457, Seventy-eighth Congress, and to present occupants of such lands, who meet the requirements of eligibility specified in title I of the Bankhead-Jones Farm Tenant Act (U. S. C., 1940 ed., title 7, secs, 1000–1006), as amended.

SEC. 3. There is hereby authorized to be appropriated such amounts as may be necessary to carry out the purposes of this act, including, without limitation, the maintenance and operation of the project properties and making betterments and improvements deemed necessary to effectuate the purposes of this act.

Mr. HAYS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAYS: Strike out all after the enacting clause and insert the following:

"Be it enacted, etc., That, notwithstanding any other provision of law, the Secretary of Agriculture, in order to assure the maximum preferential disposition to veterans of the present war and present project occupants who have existing contracts to purchase, is hereby authorized and directed to dispose of lands hereinafter described as expeditiously as possible, not to exceed 3 years from the date of termination of the present war, such of the lands (improved and unimproved) comprising or incident to those resettlement projects and rural rehabilitation projects for resettlement purposes, and other like enterprises, including lands in the so-called water conservation and utility projects, heretofore initiated for similar purposes and financed, in whole or in part, with funds made available to the Secretary, War Food Administrator, Farm Security Administration, Resettlement Administration, or Federal Emergency Relief Administration, as he determines are suitable for ultimate disposition in economic farm units. Nothing contained herein shall be deemed to authorize retardation of the expeditious liquidation of other land or property comprising such projects insofar as is deemed practicable by the Secretary consistent with the purpose of this act.

"SEC. 2. The Secretary shall sell or cause to be sold, from time to time, units not to exceed 640 acres in any one sale, those of such lands as are suitable for disposition in economic farm units at the earning-capacity value as determined by him and otherwise on such terms as he may deem advisable, to veterans, as defined in the Surplus Property Act of 1944 (Public, No. 457, 78th Cong.), and to present occupants of such lands who have existing contracts to purchase and who meet the requirements of eligibility specified in title I of the Bankhead-Jones Farm Tenant Act (7 U. S. C. 1000–1006), as amended.

"SEC. 3. There is hereby authorized to be appropriated such amounts as may be necessary to carry out the purposes of this act, including and making betterments and improvements deemed necessary to accomplish the purposes of this Act: *Provided*, That no expenditures shall be made for improvements

on any farm unit in excess of one-third of the earning capacity value.

"SEC. 4. Any conveyance by the Government of title to land under this act shall convey all of the right, title, and interest of the Government in and to such land, including all mineral rights."

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CLEMENTS (at the request of Mr. CHELF), for today and the remainder of the week, on account of official business.

To Mr. GREGORY (at the request of Mr. BATES of Kentucky), for today, on account of official business.

ENROLLED BILLS SIGNED

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 2008. An act for the relief of the village of Cold Spring, Minn.;

H. R. 2670. An act for the relief of the legal guardian of Kathleen Lawton McGuire;

H. R. 3012. An act for the relief of George W. Murrell; Kirby Murrell, a minor; and the estate of Mamie W. Murrell, deceased;

H. R. 3904. An act for the relief of Raymond C. Campbell; and

H. R. 5201. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1947, and for other purposes.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1821. A bill to amend section 502 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, so as to authorize the appropriation of funds necessary to provide additional temporary housing units for distressed families of servicemen and for veterans and their families.

BILLS PRESENTED TO THE PRESIDENT

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 2008. An act for the relief of the village of Cold Spring, Minn.;

H. R. 2670. An act for the relief of the legal guardian of Kathleen Lawton McGuire;

H. R. 3012. An act for the relief of George W. Murrell; Kirby Murrell, a minor; and the estate of Mamie W. Murrell, deceased;

H. R. 3904. An act for the relief of Raymond C. Campbell; and

H. R. 5201. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1947, and for other purposes.

ADJOURNMENT

Mr. HAYS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 58 minutes p. m.) the House adjourned until tomorrow, Wednesday, March 27, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

SECURITIES SUBCOMMITTEE OF INTERSTATE AND FOREIGN COMMERCE COMMITTEE

There will be a meeting of the Securities Subcommittee of the Committee on Interstate and Foreign Commerce, at 10 o'clock a. m. Wednesday, March 27, 1946.

Business to be considered: Continuation of public hearing in study of operations pursuant to the Public Utility Holding Company Act of 1935. Securities and Exchange Commission representatives to be heard.

COMMITTEE ON FLOOD CONTROL

The Committee on Flood Control will begin hearings on an omnibus flood-control authorization bill on Monday, April 8, 1946, at 10 a. m. The hearings will continue daily except Saturday up to and including Friday, April 19.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Tuesday, April 9, 1946, at 10:30 a. m., to begin the preparation of an omnibus river and harbor bill. Following is the schedule for hearings:

(Tuesday, April 9)

1. Portland Harbor, Maine.
2. Fall River Harbor, Mass.
3. Wickford Harbor, R. I.
4. New Haven Harbor, Conn.
5. Bridgeport Harbor, Conn.
6. Stamford Harbor, Conn.
7. Barnegat Inlet, N. J.
8. Absecon Inlet, N. J.
9. Delaware River, Biles Creek, Pa.

(Wednesday, April 10)

10. Sacramento River, Calif., deepwater ship channel.

(Thursday, April 11)

11. Schuylkill River, Pa.
12. Middle and Dark Head Creeks, Md.
13. Mattaponi River, Va.
14. Newport News Creek, Va.
15. Norfolk Harbor, Va.
16. Savannah Harbor, Ga.
17. St. Johns River, Fla., Jacksonville to Lake Harney.
18. Hollywood Harbor (Port Everglades), Fla.
19. Withlacoochee River, Fla.

(Friday, April 12)

20. Sabine River, Adams Bayou, Tex.
21. Sabine-Neches waterway, Texas.
22. Trinity River below Liberty, Tex.
23. Aransas Pass, Intracoastal Waterway, Tex.
24. Brazos Island Harbor, Tex.

(Monday and Tuesday, April 22 and 23)

25. Tombigbee-Tennessee Rivers.

(Wednesday and Thursday, April 24 and 25)

26. Franklin Canal, La.
27. Mermentau River, La.
28. Lake Charles deep waterway, Louisiana.
29. Plaquemine and Morgan City route, Louisiana.
30. Red River below Fulton, La.

(Friday, April 26)

31. Big Sandy River, Tug, and Levisa Forks, Va., W. Va., and Ky.

(Monday and Tuesday, April 29 and 30)

32. Arkansas River, Ark. and Okla.

(Wednesday, May 1)

33. Cumberland River, Tenn. and Ky.
34. Big Sioux River, S. Dak.
35. Mississippi River seepage, Iowa, Minnesota, and Wisconsin.
36. Mississippi River at Lansing, Iowa.
37. Mississippi River at Wabasha, Minn.
38. Mississippi River at Lake Pepin, Minn.
39. Mississippi River at Hastings, Minn.

(Thursday, May 2)

40. Fairport Harbor, Ohio.
41. Cleveland Harbor, Ohio.
42. Great Lakes connecting channels, Michigan.
43. Calumet-Sag Channel, Ind. and Ill.
44. Chicago River, North Branch of, Ill.
45. Napa River, Calif.
46. Coos Bay, Oreg.
47. Columbia River at Astoria, Oreg.
48. Columbia River at The Dalles, Oreg.
49. Columbia River, Foster Creek Dam, Wash.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1165. A letter from the Chairman, Federal Power Commission, transmitting copies of various reports summarizing data on the production of electric energy, the installed capacity of electric generating plants, and the consumption of fuel for production of electric energy of electric utilities in the United States; to the Committee on Interstate and Foreign Commerce.

1166. A letter from the Chief Scout Executive, Boy Scouts of America, transmitting a copy of the Thirty-sixth Annual Report of the Boy Scouts of America for the year 1945 (H. Doc. No. 516); to the Committee on Education and ordered to be printed, with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CANNON of Missouri: Committee on Appropriations. House Joint Resolution 328. Joint resolution making an additional appropriation for veterans' housing and related expenses; without amendment (Rept. No. 1816). Referred to the Committee of the Whole House on the State of the Union.

Mr. CANNON of Missouri: Committee on Appropriations. H. R. 5890. A bill making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, and for other purposes; without amendment (Rept. No. 1817). Referred to the Committee of the Whole House on the State of the Union.

Mr. MANSFIELD of Texas: Committee on Rivers and Harbors. H. R. 5674. A bill to amend the laws authorizing the performance of necessary protection work between the Yuma project and Boulder Dam by the Bu-

reau of Reclamation; without amendment (Rept. No. 1818). Referred to the Committee of the Whole House on the State of the Union.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 1819. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. WALTER: Committee on the Judiciary. H. R. 5535. A bill to amend an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914 (38 Stat. 730), as amended; with amendments (Rept. No. 1820). Referred to the Committee of the Whole House on the State of the Union.

Mr. DOUGHTON of North Carolina: Committee on Ways and Means. H. R. 5856. A bill to provide for trade relations between the United States and the Philippines, and for other purposes; without amendment (Rept. No. 1821). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. STEVENSON:

H. R. 5885. A bill to promote the conservation of wildlife, fish, and game, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. KNUTSON:

H. R. 5886. A bill to reduce the debt limit of the United States and to provide individual income-tax relief conditioned upon reduction of Federal expenditures; to the Committee on Ways and Means.

By Mr. LANHAM (by request):

H. R. 5887. A bill to provide protection by registration of designs for woven-textile fabrics; to the Committee on Patents.

By Mr. McCORMACK:

H. R. 5888. A bill to fix the compensation of the Director of the Federal Bureau of Investigation; to the Committee on the Judiciary.

By Mr. SIKES:

H. R. 5889. A bill authorizing a modification of the project for improvement of the Apalachicola, Chattahoochee, and Flint Rivers, Fla. and Ga.; to the Committee on Rivers and Harbors.

By Mr. CHENOWETH:

H. R. 5891. A bill to authorize and direct the Secretary of Agriculture to sell lands acquired under title III of the Bankhead-Jones Farm Tenant Act, and for other purposes; to the Committee on Agriculture.

By Mr. BLAND:

H. R. 5892. A bill providing for a medal for service in the merchant marine during the present war; to the Committee on the Merchant Marine and Fisheries.

By Mr. FULLER:

H. R. 5893. A bill to prohibit exportation of American grain to nations which are manufacturing alcoholic beverages from agricultural products while their people are starving; to the Committee on Ways and Means.

By Mr. HÉBERT (by request):

H. R. 5894. A bill to authorize and direct the Commissioners of the District of Columbia to close Van Ness Street between Connecticut Avenue and Reno Road NW.; to the Committee on the District of Columbia.

By Mr. RAMEY:

H. R. 5895. A bill to provide appropriate pins for widows and next of kin of World War II veterans who received the Purple Heart posthumously; to the Committee on Military Affairs.

By Mr. CANNON of Missouri:

H. J. Res. 328. Joint resolution making an additional appropriation for veterans' housing and related expenses; to the Committee on Appropriations.

By Mr. HALE:

H. Con. Res. 138. Concurrent resolution designating the termination date of the act of July 14, 1941, providing for priorities in transportation by merchant vessels in the interests of national defense; to the Committee on the Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DOYLE:

H. R. 5896. A bill to extend the term of design patent No. 21,053, dated September 22, 1891, for a badge, granted to George Brown Goode, and assigned to the National Society, Daughters of the American Revolution; to the Committee on Patents.

By Mr. ROWAN:

H. R. 5897. A bill for the relief of Ohio Bell; to the Committee on Military Affairs.

By Mr. WELCH:

H. R. 5898. A bill for the relief of Etta H. Darby; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1729. By Mr. LUTHER A. JOHNSON: Petition of Russell C. Nye, administrator, Dallas City-County Hospital System, Dallas, Tex., favoring Senate bill 191 as it passed the Senate and opposing the amendment as suggested in House bill 5628; to the Committee on Interstate and Foreign Commerce.

1730. Also, petition of Robert O. Pugh, national service officer, Disabled American Veterans, Veterans' Administration, Waco, Tex., favoring House bill 5206; to the Committee on Labor.

1731. By Mr. PRICE of Illinois: Petition of Mascoutah, Ill., Local No. 74, Progressive Miners of America, recommending adoption of amendments to the social security law in line with the proposals resulting from the study recently completed by A. L. Altmeyer, Chairman, Social Security Board, which would lower retirement age for women to 60 years, increase benefits, and in general provide for many liberalizations in existing law; to the Committee on Ways and Means.

1732. By the SPEAKER: Petition of the commission council and mayor, city of New Orleans, petitioning consideration of their resolution with reference to endorsement of the Boren bill; to the Committee on Interstate and Foreign Commerce.

SENATE

WEDNESDAY, MARCH 27, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rt. Rev. John Z. Jasinski, D. D., bishop of the Buffalo-Pittsburgh diocese, Polish National Catholic Church of America, Buffalo, N. Y., offered the following prayer:

Let us pray.

Almighty God, who has given us this good land for our heritage, keep safe our forefathers' inheritance with pioneer spirit for all generations to come. Bless our land with honorable industry and mutual understanding of employers and employees, sound teaching and learning of teachers and pupils, and pure manners of parents and children of our homes. O God, minimize in us pride, vainglory, envy, hatred, and malice, and magnify in us humility, justice, faith, grace, peace, and a deep sense of our responsibility in the mighty task that confronts us. Defend our liberties and shape into one united people the multitudes brought out of many nations and tongues of the earth. Endue with the spirit of wisdom those to whom in Thy name we entrust the authority of government, that there may be justice and peace at home, and that, through obedience to Thy law, we may show Thy praise among the peoples of the globe.

Give us enthusiasm and determination to go forward in defending our land from evil enemies, as evil in itself is defeat, and good in itself is victory.

O God, give us spirit of Christian brotherhood, which no enemy can consume and no man can take away, and from evil enemies, as evil in itself is defeat, and good in itself is victory.

Through Jesus Christ our Saviour. Amen.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, March 26, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 704) to authorize the Secretary of Agriculture to continue administration of and ultimately liquidate Federal rural-rehabilitation projects, and for other purposes, with an amendment in which it requested the concurrence of the Senate.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on March 26, 1946, he presented to the President of the United States the enrolled bill (S. 1821) to amend section 502 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, so as to authorize the appropriation of funds necessary to provide additional temporary housing units for distressed families of servicemen and for veterans and their families.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	Myers
Austin	Hart	O'Daniel
Bailey	Hatch	O'Mahoney
Ball	Hawkes	Overton
Bankhead	Hayden	Pepper
Barkley	Hickenlooper	Radcliffe
Bilbo	Hill	Reed
Brewster	Hoey	Revercomb
Bridges	Huffman	Robertson
Briggs	Johnson, Colo.	Russell
Brooks	Johnston, S. C.	Saltonstall
Buck	Kilgore	Shipstead
Byrd	Knowland	Smith
Capehart	La Follette	Stewart
Capper	Langer	Taft
Chavez	McClellan	Taylor
Connally	McFarland	Thomas, Okla.
Cordon	McKellar	Thomas, Utah
Donnell	McMahon	Tobey
Eastland	Maybank	Tunnell
Ellender	Mead	Vandenberg
Ferguson	Millikin	Walsh
Fulbright	Mitchell	Wheeler
Gerry	Moore	White
Gossett	Morse	Wiley
Green	Murdock	Young
Guffey	Murray	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS], the Senator from Illinois [Mr. LUCAS], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] and the Senator from Georgia [Mr. GEORGE] are necessarily absent.

The Senator from Washington [Mr. MAGNUSON] is detained on public business.

The Senators from Nevada [Mr. CARVILLE and Mr. MCCARRAN] and the Senator from California [Mr. DOWNEY] are absent on official business.

Mr. WHITE. The Senator from Nebraska [Mr. BUTLER] and the Senator from Indiana [Mr. WILLIS] are necessarily absent by leave of the Senate.

The Senator from Kentucky [Mr. STANFILL] and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from Iowa [Mr. WILSON] is absent because of illness in his family.

The Senator from South Dakota [Mr. BUSHFIELD] is absent because of illness.

The PRESIDING OFFICER (Mr. MAYBANK in the chair). Eighty Senators having answered to their names, a quorum is present.

PETITIONS

Petitions, etc., were presented and referred as indicated:

By Mr. BARKLEY (for Mr. TYDINGS):

A petition of sundry citizens of Montgomery and Prince Georges Counties, Md., praying for the enactment of legislation providing for 15- to 20-percent increase in present rents which were frozen January 21, 1941; to the Committee on Banking and Currency.

A resolution adopted by the Woman's Club of Chevy Chase, Md., favoring the enactment of Senate bill 121, to redefine the powers and duties of the Board of Public Welfare of the District of Columbia, to establish a Department of Public Welfare, and for other purposes; to the Committee on the District of Columbia.

A petition of sundry citizens of the State of Maryland, relating to strikes and labor unions; to the Committee on Education and Labor.

ST. LAWRENCE WATERWAY—LETTER FROM HENRY ALLAI, PRESIDENT, DISTRICT 14, UNITED MINE WORKERS OF AMERICA, PITTSBURG, KANS.

Mr. CAPPER. Mr. President, I have received a letter from Henry Allai, president, District 14, United Mine Workers, Pittsburg, Kans., strongly opposing the proposed St. Lawrence waterway, which bill is now pending before the Senate. I ask unanimous consent to present the letter for appropriate reference and printing in the RECORD.

There being no objection, the letter was received, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

UNITED MINE WORKERS OF AMERICA,
Pittsburg, Kans., February 25, 1946.

Senator ARTHUR CAPPER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CAPPER: Again I wish to call your attention to the bill (in regard to the St. Lawrence waterway), which bill is now pending before your committee.

The United Mine Workers of America is strongly opposed to this bill. I have discussed this bill with other labor organizations—especially the railroads—throughout Kansas and find that they are also strongly opposed to this legislation.

This bill means that thousands of men of my union and of the railroad union will be thrown out of employment. The time is coming in the near future when we will need more employment for people throughout the entire United States. In Kansas now we have thousands of people already out of employment and these thousands cannot find a job anywhere. A lot of them are ex-servicemen who did not have jobs or who were not old enough to work in industry before entering the service. Upon their return, they do not have jobs to go to.

It is our belief that Congress, along with other citizens of this country, should try to promote jobs for these people, instead of passing legislation which will eliminate a lot of jobs we now have.

In the event this bill is passed and made a law it may benefit a few people, but I am sure it will be detrimental to the majority of people in this country.

Therefore I am again requesting you to oppose this legislation.

Yours very truly,

HENRY ALLAI,
President, District 14, U. M. W. of A.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WALSH, from the Committee on Naval Affairs:

S. 1854. A bill to establish the civilian position of academic dean of the postgraduate school of the Naval Academy and compensation therefor; with an amendment (Rept. No. 1081); and

S. 1978. A bill to authorize the restoration of Philip Niekum, Jr., to the active list of the United States Navy with appropriate rank and restoration of pay and allowances; without amendment (Rept. No. 1080).

By Mr. CONNALLY, from the Committee on Foreign Relations:

S. 1916. A bill to authorize the Secretary of State to transfer certain silver candelabra to May Morgan Beal; without amendment; and

S. Res. 82. Resolution favoring the award of the Dodecanese Islands to Greece; without amendment.

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. BARKLEY, from the Joint Select Committee on the Disposition of Executive Papers, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon pursuant to law.

REPRESENTATION OF CONGRESS AT EMPIRE PARLIAMENTARY ASSOCIATION MEETING AT BERMUDA

Mr. CONNALLY, from the Committee on Foreign Relations reported an original concurrent resolution (S. Con. Res. 58), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Senate and the House of Representatives hereby accept the invitation tendered by the President of the Legislative Council of Bermuda and Joint President of the Bermuda Branch of the Empire Parliamentary Association, to have four Members of the Senate and four Members of the House of Representatives attend a meeting to be held in Bermuda, beginnning June 10, 1946, at which the Bermuda Branch of the Empire Parliamentary Association will be host to delegations from the Parliaments of the United Kingdom and the Dominion of Canada, and at which it is hoped also to have representatives of the Parliaments of the Australian Commonwealth, New Zealand, and the Union of South Africa, and possibly a representative of the Central Legislature of India. The President of the Senate and the Speaker of the House of Representatives are authorized to appoint the Members of the Senate and the Members of the House of Representatives, respectively, to attend such meeting and are further authorized to designate the chairmen of the delegations from each of the Houses. The expenses incurred by the members of the delegations appointed for the purpose of attending such meeting, which shall not exceed $5,000 for each of the delegations, shall be reimbursed to them from the contingent fund of the House of which they are Members, upon the submission of vouchers approved by the chairman of the delegation of which they are members.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Oklahoma:

S. 1990. A bill to amend the Plant Quarantine Act approved August 20, 1912, as amended, by adding thereto a new section; to the Committee on Agriculture and Forestry.

By Mr. ROBERTSON:

S 1991. A bill to amend the Social Security Act, as amended; to the Committee on Finance.

By Mr. GOSSETT:

S. 1992. A bill for the relief of Pedro Ugalde; and

S. 1993. A bill for the relief of Simon Fermin Ibarra; to the Committee on Immigration.

DISCHARGE OF CERTAIN MEMBERS OF THE ARMED FORCES

Mr. KNOWLAND. Mr. President, I ask unanimous consent to submit for

appropriate reference a concurrent resolution, which reads as follows:

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that the Army and the Navy shall immediately discharge or release from active duty, upon application therefor filed by himself or by his parents or surviving parent, any person one or more of whose brothers or sisters shall have died in line of duty while serving in the armed forces of the United States subsequent to December 6, 1941.

There being no objection, the concurrent resolution (S. Con. Res. 59) was received and referred to the Committee on Military Affairs.

PRINTING OF ADDITIONAL COPIES OF PART 5 OF REPORT 110 OF SPECIAL COMMITTEE INVESTIGATING THE NATIONAL-DEFENSE PROGRAM

Mr. MEAD submitted the following resolution (S. Res. 246), which was referred to the Committee on Printing:

Resolved, That 3,000 additional copies of Senate Report No. 110, part 5, of the special committee of the Senate authorized and directed to make a study and investigation of the operation of the national-defense program be printed for the use of said committee.

EQUITABLE DISTRIBUTION OF SURPLUS PROPERTY TO VETERANS—AMENDMENT

Mr. O'MAHONEY (for himself and Mr. MAYBANK) submitted an amendment in the nature of a substitute intended to be proposed by them, jointly, to the bill (S. 1757) to broaden the scope and raise the rank of the veterans' preference provided for in the Surplus Property Act of 1944, which was referred to the Committee on Military Affairs and ordered to be printed.

FEDERAL AID FOR EDUCATION—AMENDMENT

Mr. HILL. Mr. President, I ask unanimous consent to submit, for reference to the Committee on Education and Labor, an amendment in the nature of a substitute for Senate bill 181, to authorize the appropriation of funds to assist the States and Territories in more adequately financing their systems of public education during emergency, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, which is the Federal aid for education bill originally introduced by the Senator from Utah [Mr. THOMAS] and myself. The amendment which I now offer, which is in the nature of a substitute for the bill, is offered on behalf of the Senator from Utah [Mr. THOMAS], the Senator from Ohio [Mr. TAFT], and myself.

The Federal aid for education bill, Senate bill 181, to which the Senator from Utah, the Senator from Ohio, and I, are submitting the amendment, is concerned with the appropriation of funds to assist the States and Territories in more adequately financing their systems of public education, and in reducing the inequalities of educational opportunities through public elementary and public secondary schools.

A brief analysis of the amendment will show its basic principles to be as follows:

First. The primary purpose of the proposed legislation is to help equalize educational opportunities in the United States.

Second. The apportionment of Federal funds as grants-in-aid to the States is based upon an objective procedure specified in the law.

Third. Federal aid to the States is apportioned in such a way that it bears a direct relationship to the number of children of school age in each State, and an inverse relationship to the financial ability of the State to educate those children.

Fourth. The proposal does not undertake to specify how or where State and local school funds shall be used, or to provide any kind of control to be exercised by the Federal Government over the operation of elementary and secondary schools.

Fifth. Eligibility for a State's receiving funds is conditioned upon:

(a) The maintenance in all school jurisdictions within each State after the fourth year of the program of a minimum average current expenditure (excluding interest, debt service, and capital outlay) of not less than $40 per annum per child in average daily attendance in public elementary and secondary schools.

(b) The maintenance of a minimum effort of expenditures from State and local funds.

(c) Absence of any discrimination against the children of any minority racial group in the use of Federal funds for education.

METHOD OF APPORTIONMENT

First. The plan of apportionment makes available to all States a minimum of $40 per annum per child of school age—based on a school population of 5 to 17 years inclusive—by providing in each State the difference between that amount and the amount which could be raised through State and local funds at the same rate of effort as the United States average effort required to produce $40 per annum per child of school age.

Second. Not to exceed 2 percent of funds appropriated are to be apportioned to Alaska, Hawaii, Puerto Rico, American Samoa, the Virgin Islands, and Guam, according to their respective needs.

Third. The Federal aid for any State whose aggregate current expenditures from State and local revenues will represent, in any year, an effort of less than 2.5 percent of its average annual income payments over a 5-year period, is to be reduced in proportion as its actual current expenditures from State and local revenues are less than that amount.

ELIGIBILITY

To be eligible to receive any part of the funds authorized, each State must provide:

First. A plan of apportioning funds within the State, by the fourth year of the operation of the act, which will guarantee a current expenditure of not less than $40 per annum per child in average daily attendance in all school jurisdictions; and

Second. Current expenditures for any year, from local and State revenues, for public elementary school and public secondary school education in an amount equal to or greater than that representing an effort of 2.2 percent of its average annual income payments over a 5-year period.

AMOUNTS REQUIRED

First. A total minimum program of $40 per annum per child for all States would cost approximately $1,100,000,000. The average annual income payments of all the States over a recent 5-year period was approximately $100,000,000,000. The average effort required to support a $40 program of current expense per child would, therefore, be approximately 1.1 percent of annual income payments averaged over a span of 5 years. As of 1943, there would be 33 States whose revenues at a rate of 1.1 percent of annual income payments—averaged for the 5 years for which most recent data are available—would be insufficient to produce $40 per annum per child aged 5 to 17 years. The aggregate amount needed to supplement this standard rate of effort in those States would be approximately $232,000,000.

Second. Authorization is made to permit the States to plan for the development of their educational programs. The authorized appropriations are graduated in amounts over a 3-year period: $150,000,000 the first year; $200,000,000 the second year; to the full authorization of $250,000,000 by the third year.

Mr. President, briefly, that states the provisions of the amendment in the nature of a substitute. I desire to express my gratification that the distinguished senior Senator from Ohio [Mr. TAFT] has joined the Senator from Utah [Mr. THOMAS] and myself in submitting the amendment. I know how much weight and influence the Senator from Ohio will bring in support of the bill as amended, and I hope that with his good help the bill may be passed at an early date.

Mr. TAFT. Mr. President, I have joined with the distinguished Senator from Alabama [Mr. HILL] in submitting the substitute for the Federal aid for education bill. We have been working on the matter for some time. Two years ago I opposed very strongly the proposal which then was made for a general passing out of Federal funds in aid for education; but, in the course of that investigation and that debate, one fact became apparent, namely, that in many States the children were not receiving a basic education; and that some of the States, although spending on education as much of a proportion of their income as the larger, wealthier States, were not able to provide such a basic education.

At that time the evidence showed that in some States the children received an education based on expenditures as low as $7 per annum per child, and that the figure ran all the way up from that point to $150 or more for children in other States.

It has always seemed to me that education is primarily a State function. I have not changed my views on that subject; but I believe that in the field of education the Federal Government, as in the fields of health, relief, and medical care, has a secondary interest or obligation to see that there is a basic floor

under those essential services for all adults and children in the United States.

I have particularly felt that the entire basis of American life is opportunity, and that no child can have an equal opportunity unless he has a basic minimum education.

The figures show that there are States which cannot provide a basic minimum education, although they provide as much of an income as do other States. The theory of the pending bill is different from that of former bills of a similar nature. My objection is that after the money is distributed the $7 child is raised perhaps to $12, but everyone else is likewise raised, and when we get through we have exactly the same disproportion and the same inadequate education as we had before.

The theory of this bill is based on the equalizing principle which today is in force in many of the States, and which should be enforced in all of them. So the bill is based on two principles which have not been heretofore adopted. The first is that no State receives any aid, at least not after 4 years, unless it expends from its own funds 2.2 percent of the individual income payments to the State, which is more than the average spent throughout the United States on education. If it does not spend that much, it will receive no aid.

Furthermore, when it receives Federal aid it must so adjust its internal distribution of all its funds so that every school district in the State shall have at least $40 a child per annum to spend on education.

So the intent of the bill, providing for a proposed expenditure of less than that which has formerly been proposed, is to insure that every child of the United States, regardless of the wealth of the district in which he lives, shall receive a $40-a-year education. That is an humble goal, but I feel that it is a concern of the Federal Government. The administration is left entirely with the State, but our interest is to see that there shall be afforded equality for every child. I think the bill is based on a sound principle, and I hope very much that it will be enacted into law.

There being no objection, the amendment submitted by Mr. HILL (for himself, Mr. THOMAS of Utah, and Mr. TAFT) was received, referred to the Committee on Education and Labor, and ordered to be printed.

I AM AN AMERICAN DAY

Mr. WILEY. Mr. President, in 1940 a joint resolution was unanimously enacted by the Congress, authorizing the President of the United States to proclaim annually the third Sunday in May as I Am an American Day, an occasion set aside to inspire new citizens, native-born and naturalized, to understand more fully the significance and responsibilities of citizenship in our self-governing Republic.

During the previous spring, in the two great States of Wisconsin and California, impressive ceremonies had been originated in honor of new citizens as they undertook the serious obligations of voting Americans. In Manitowoc, Wis., the observance was called Citizenship Day while in Los Angeles, Calif., it received the designation, I Am an American Day.

I was recently reminded of these facts when I received a communication from my friend, Maj. William Jackman, in which he enclosed a brief history of I Am an American Day.

My memory carried me back to a certain hearing on the public resolution to request a Presidential proclamation. It so happens that I am the sole remaining Member of this body who was present as a member of the subcommittee of the Judiciary Committee when Edward Arnold, well-known actor, and Benjamin Edwards Neal, original founder of I Am an American Day, offered their testimony.

I recall talking with the subcommittee chairman, the able former Senator from Kentucky, the Honorable A. B. (Happy) Chandler, about the praiseworthy action and patriotic interest shown by Mr. Arnold and Mr. Neal, who had traveled almost 3,000 miles—not at Government expense—in order to tell the committee about the inspiring ceremonies of the first I Am an American Day in the Hollywood Bowl.

On Monday, March 11 of this year, the seventh proclamation of I Am an American Day by a Chief Executive of the United States was issued by President Harry S. Truman. As we approach the important occasion of May 19, 1946—the first I Am an American Day since the war—when millions will gather in public place to honor new citizens, many of whom, although only 21 years of age, have already served their country nobly and valiantly in the armed forces, I feel that it is timely to record a few facts about the inception and growth of this historic occasion.

I should like to add one interesting item which is not accented in the story of I Am an American Day. It is rare indeed in this country for the observance of a day to be authorized by the Congress during the lifetime of its founder. However, the original founder, Benjamin Edwards Neal, of Texas and California, is not only alive but, I am informed, is in the finest of health. In the span of a few short years since he gave birth to a simple but sound patriotic idea, he has witnessed its growth into a public demonstration of loyalty which is without parallel in this, the greatest Nation on earth.

I ask unanimous consent to have printed in the RECORD a brief history of this patriotic panegyric, together with the founder's appeal for all-out participation in the forthcoming celebration of I Am an American Day.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

HISTORY OF I AM AN AMERICAN DAY

Since 1940, the third Sunday in May has been proclaimed by the President of the United States, by governors and mayors, as I Am an American Day.

I Am an American Day originated in Los Angeles; was first celebrated in the Hollywood Bowl on June 12, 1939. It became national by act of Congress in 1940, following an appearance of the founder and the organization chairman before the Judiciary Committee of the Senate.

The I Am an American Foundation, headed by Edward Arnold, of Hollywood, Calif., along with Government agencies, schools and colleges, patriotic organizations, newspapers and radio, has made I Am an American Day an integral part of the American tradition.

Since the first Hollywood Bowl celebration, citizens of all ages, in unprecedented numbers, have converged upon auditoriums, coliseums, schools, churches and open-air arenas throughout the Nation, to share the inspiration of I Am an American Day, which set the stage for young men and women in their twenty-first year, to dedicate themselves publicly to the high purposes of fulfilling their inherited American obligations. These ceremonies also afforded the newly naturalized citizen a thrilling setting in which to solemnly reaffirm his loyalty to the homeland of his adoption.

In the prewar era of 1938–39, when the youth of Germany, Italy, and Japan were being lashed into a frenzied warlike frame of mind, Benjamin Edwards Neal originated I Am an American Day, in an effort to inspire this Nation to a deeper sense of patriotism.

Now in the first year after war's end, the founder anticipates record participation in patriotic rallies on I Am an American Day, when future leaders of this Nation, through impressive ceremonies, will be imbued with their new and fearsome responsibilities.

Before World War II was over, scientists had split the atom, which leads to the conclusion that the youth of the world are face to face with the atomic ultimatum: "Live together as good neighbors or cease to live altogether!"

In view of the foregoing statement of facts, the founder of I Am an American Day urges you to allot a generous share of your time, your prayers and your influence toward the creation of patriotic demonstrations on May 19, I Am an American Day, which will remain indelibly in the minds of American youth. You will thus be helping to inspire a united Nation to pledge itself, under God to undertake, with honor, integrity, humanity and eternal vigilance, the tremendous tasks which lie ahead.

PAN-AMERICAN INFLUENCE ON THE PEACE TREATIES—ADDRESS BY SENATOR GREEN

[Mr. GREEN asked and obtained leave to have printed in the RECORD an address entitled "Pan-American Influence on the Peace Treaties," delivered by him at a meeting of the Peoples Mandate Committee on Peace Settlement at the Shoreham Hotel, Washington, D. C., March 21, 1946, which appears in the Appendix.]

POSTWAR PROSPERITY BEGINS IN THE WEST—ADDRESS BY SENATOR O'MAHONEY

[Mr. O'MAHONEY asked and obtained leave to have printed in the RECORD an address entitled "Postwar Prosperity Begins in the West," delivered by him at the annual dinner of the Colorado Mining Association, at Denver, Colo., on January 26, 1946, which appears in the Appendix.]

RECLAMATION PROGRAM FOR WYOMING—ADDRESS BY SENATOR O'MAHONEY

[Mr. O'MAHONEY asked and obtained leave to have printed in the RECORD a radio address delivered by him on January 2, 1946, dealing with the reclamation construction program for Wyoming, which appears in the Appendix.]

CANADIAN-AMERICAN RELATIONS — ADDRESS BY WILLIAM FLOCKERT DRYSDALE

[Mr. MEAD asked and obtained leave to have printed in the RECORD an address on

Canadian-American relations, delivered by William Flockert Drysdale, Director-General of Munitions of Canada, before the Albany County Historical Association, January 30, 1946, which appears in the Appendix.]

THE HOBBS ANTIRACKETEERING MEASURE—STATEMENT BY FRED BRENCKMAN

[Mr. CAPPER asked and obtained leave to have printed in the RECORD a statement by Fred Brenckman, of the National Grange, in support of the Hobbs antiracketeering measure, which appears in the Appendix.]

ST. LAWRENCE RIVER DEVELOPMENT

[Mr. AIKEN asked and obtained leave to have printed in the RECORD an editorial entitled "Needs Broader View" from the Democrat and Chronicle of Rochester, N. Y., of March 2, 1946; an editorial entitled "Frightening Canada," from the Republican of Springfield, Mass., of March 10, 1946; and an editorial entitled "The St. Lawrence Seaway Has Waited Long Enough," from the Philadelphia Record of March 13, 1946, which appear in the Appendix.]

ST. LAWRENCE RIVER DEVELOPMENT

[Mr. LANGER asked and obtained leave to have printed in the RECORD an editorial entitled "Congress and Seaway," from the St. Paul Pioneer Press of March 4, 1946; an editorial entitled "Nearer and Nearer To Having the Seaway," from the Detroit News of February 25, 1946; and an editorial entitled "Cleveland Would Benefit," from the Cleveland Plain Dealer of February 27, 1946, which appear in the Appendix.]

A BREAK FOR MARGARINE?—EDITORIAL FROM THE NEW ENGLAND JOURNAL OF MEDICINE

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an editorial entitled "A Break for Margarine?", from the New England Journal of Medicine of March 14, 1946, which appears in the Appendix.]

REPORT OF JOINT MEDIATORS IN WESTINGHOUSE ELECTRIC DISPUTE

[Mr. MYERS asked and obtained leave to have printed in the RECORD a report by William H. Davis and Arthur S. Meyer, joint mediators in the Westinghouse Electric dispute, dated March 25, 1946, which appears in the Appendix.]

AMENDMENT OF FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

The PRESIDING OFFICER. The pending question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT] to the amendment proposed by the Senator from Louisiana [Mr. ELLENDER] on behalf of himself and the Senator from Minnesota [Mr. BALL].

Mr. ELLENDER. Mr. President, we are now at the crossroads in our fight against inflation. I am sorry to say that the condition which faces our country today insofar as increase in the cost of living is concerned, has, in my humble opinion, been brought about, to a large degree, by the administration's policy toward wage increases.

It will be recalled that several months ago, soon after VJ-day, the President, as well as many of his advisers, stated to the country that wages could be increased considerably without at the same time appreciably increasing the cost of living. Many of us have battled all during the war in order to maintain a stable economy, and I maintain that the administration, in its advocacy of higher wages without at the same time increasing the cost of living, has fallen short. The suggestion of higher wages is very appealing. I doubt that the advocates of higher wages in this instance thought the thing through. They find themselves in a position where commodities must sell for a higher price, depending on the wage increases permitted.

I do not intend to go into detail to show that what was advocated by the administration has not materialized, except to cite the cases of a few industries. Let us take the steel producers, for example. The contention was advanced that wages could be raised without in any manner affecting the price of steel, but all of us know that has not come to pass. It was necessary to increase the price of steel $5 a ton, or an over-all approximate 10-percent boost. The same statement was made with respect to the prices of automobiles, electrical appliances, and many other commodities, but what was prophesied did not come to pass. It is my view that the price of those commodities will be upped in proportion to the wage increases allowed, unless an increase in productivity can be shown that will have the tendency of showing a decrease in the per-unit cost of production. In other words, unless an increase in productivity can be attained, any wage increase must be balanced by higher cost of the commodities manufactured if we are to maintain a steady increase in production. By way of emphasis let me say it in this way: That the cost of such articles has risen almost in the same proportion as wages have been increased. There is a reason for it. In the past, industry has been able to raise wages and lower cost of the commodity manufactured, the reason therefor being that productivity kept pace with the rise in the wage structure. But today that is not the case. The wage raises have been far in excess of increased productivity, and therefore any wage raise must be reflected in the cost of the product manufactured.

In the committee we were told of a company that had a very thriving tooling business in Michigan prior to the war. Productivity in the tool business was measured by the poundage which each employee produced per hour, and prior to the war, in 1939, the per hour productivity was 16 pounds per man. After the war started the productivity soon fell to 9 pounds per man per hour, and later to 8 pounds. Why? Because many of the employees sought greener fields in which to work and more pay. As a result this company that had, before the war, a thriving business, was compelled to employ men who were less skilled. But it had to pay them the same rate as it paid the more skilled men. Productivity decreased from 16 pounds per man to 9 pounds, and today the situation is that the labor bill of this manufacturer has been increased almost 60 percent, and its productivity, which before the war was 16 pounds per man per hour, now is 8 pounds per employee per hour.

Senators can see that if wages continue to increase to the extent they have in the last 3 or 4 months, unless productivity can be increased so as to compensate for the increase in wages, we are bound to have an increase in the cost of living in proportion to the extent that wages rise. I am not a college-bred economist, but that assertion makes sense to me, and, as I said, the truth of the assertion is being demonstrated by the fact that the prices of commodities are rising, with a consequent increase in the cost of living.

Mr. President, as every Member of the Senate knows, I have supported the extensions of the price-control law. I voted for the OPA Act itself. I have worked hard to maintain it. But so far as I am concerned, I do not propose to vote for a further extension of price control, if wages are permitted to rise, and if subsidies are used in order to keep prices down, thus letting our economy receive the impact in both ways.

Mr. President, it does not seem fair to me for the Stabilization Director or any Government agency to be empowered to permit wage rises while at the same time the Administrator of Price Control is holding industry under his thumb and trying to keep prices at a low level by reaching down into the Treasury of the United States for money with which to pay subsidies in order to accomplish that result. So far as I am concerned, I sincerely believe that it is now incumbent on those in charge in the Office of Price Administration to establish a new line so as to take care of the increases in wages which have been allowed and which will be allowed in the future.

I say that the line we fought to hold has been breached, the levee has been broken and the water has rushed through, and has inundated our program and it is necessary for the administration to reestablish another line, having in mind all the price increases which have been permitted and those which are bound to follow in every industry because of the wage increases which have been allowed since VJ-day.

Mr. President, let us again consider the steel industry, which I mentioned a few moments ago. Philip Murray was on the stand as a witness before our committee, and I posed this question to him: "Were the profits of the steel industry fair before the war, that is before 1939?" He answered, "Yes, sir." I asked him, "Has the price of steel appreciably increased since that time?" He answered in effect "Not to any extent." I asked, "What about wages?" He answered, "Wages have increased 35 cents an hour since 1941, including the proposed increase." There has not been an appreciable increase in the price of steel. Yet it is argued that the steel industry can make the same profit now that it did in 1939 without an increase in the cost thereof. That contention does not make sense. What many of us have asserted would happen has recently come to pass. With the maintenance of the present policy I expect the cost of living to increase from 8 to 12 percent. Mr. Eccles has said it would increase 10 percent. Mr. Bowles has admitted it would

increase from 5 to 6 percent if we continue payment of subsidies. Should subsidies not be maintained the increase may further increase from 3 to 4 percent. But as I have just indicated, I do not believe the Congress is going to vote to extend price control unless a new line is established so as to take care of the increases in prices, and I doubt if the Congress will vote for more subsidies in order to keep prices at a lower level.

Mr. President, the bill before the Senate follows the same pattern that has been advocated by the administration since VJ-day in that it provides for an increase in wages far in excess of what was permitted or came into being during the war. During the war, with full production, the 40-cent limit fixed in the law of 1938 was not reached until the latter part of 1944. Yet today Congress is urged, without a full investigation as to each industry, without knowing what effect it will have upon our economy, to raise the minimum to 65 cents for the first year, 70 cents at the end of the second year, and at the end of the fourth year, 75 cents an hour.

I asked Mr. Bowles what effect it would have. He did not know. He ventured a guess as to the effect of a minimum wage of 65 cents an hour. I asked Judge Collett. He referred me to Mr. Bowles. I asked Mr. Snyder. He referred me to Mr. Bowles. When Mr. Snyder appeared before our committee, I asked him who had advised the President. He said Mr. Bowles had. So the only witness we had before us to testify as to the effect of this bill on industry as a whole was Mr. Bowles, and Mr. Bowles would not venture an opinion beyond the 65-cent minimum.

Mr. President, the evidence before us today as what the effect would be is replete with guesswork. In answer to a question asked him by the Senator from Minnesota [Mr. BALL] Mr. Bowles told us that the 65-cent minimum alone would cost about $3,000,000,000. The effect of a rise in the minimum wage scale above the 65-cent minimum, as to employees in the upper brackets, was not taken into consideration. In other words, an increase of the minimum wage to a 65-cent level all over the country, without taking into consideration the rise which would necessarily follow in the higher brackets, would result in an increase in wages of $3,000,000,000.

Mr. Mosher, president of the Manufacturers' Association, estimated that the rise would be $4,000,000,000 instead of $3,000,000,000, and that if a similar scale of wages were adopted in the higher brackets, beyond the point where the bill goes, an additional $5,000,000,000 could be added. If the bill were to be enacted as written, we could expect a rise in wages of at least $14,500,000,000. I pose the question, What effect would that have on our economy?

Mr. President, we ought to be realistic on this issue. I do not wish to follow my good friend from Oregon [Mr. MORSE], who stated to his colleagues across the aisle that a vote on this bill would be the test of the Republican Party's liberalism. He might have said liberality with other people's money. The evidence on this bill falls far short of showing the effect on the small businessman, on the farmer, and on all those who produce to make the wheels of progress in this country turn.

Back in 1938, when we considered the Fair Labor Standards Act, the reason advanced for placing that law on the statute books was to get rid of sweatshops. The evidence showed that in some industries wages as low as 8 cents an hour were being paid, and that men and women worked as many as 12 to 15 hours a day. That was bad. Not only in the South and in the West, but in the Northeast, examples were shown of wages as low as 8 or 10 cents an hour in factories.

What did we do? Congress enacted a law permitting the minimum wage rate to start at 25 cents, which was admittedly meager at the time. In the next step we reduced the working time to 44 hours a week. The second year the rate per hour was increased from 25 to 30 cents, and the number of hours per week was reduced to 42. Thereafter, in order to reach the 40-cent rate, which many of us at that time thought would put a large number of industries out of business if imposed at once, the Congress decided to permit 6 years to transpire from the date when the 30-cent rate was put into effect until the 40-cent rate should become operative.

But there was a provision in the law that advisory industry committees appointed by the Administrator should have the right to investigate particular industries and determine whether or not they could stand a greater rate per hour than the legal 30 cents. Over a period of 2 years after the 30-cent rate became effective, in a few industries wages were increased 2 cents an hour; in others, 4 cents an hour, and so on. However, as I have just indicated, the 40-cent minimum was not reached until the year 1944. I am wondering what would have happened, even to the 40-cent maximum rate fixed in that bill, if it had not been for the war? I contend that the act of 1938 never had a fair trial. If it had not been for the war, many industries today, even after 6 years, would not have been able to pay the maximum fixed in the law.

Mr. President, the bill now before us contains a brand new concept of the minimum wage theory. It is not based on the elimination of sweatshops, but on what is now required to provide for a family of four. That is the concept; and it is sought to make the proposed minimum wage apply not only in New York and Washington, where there may be some necessity for an increase, but in every part of the country. A standard is being written into the law applicable to every nook and corner of the land. It can be shown that even today industries in many places cannot pay the 55-cent minimum which was permitted by the War Labor Board during the war. I am sure that if Congress were to establish a 65-cent legal minimum, a 70-cent legal minimum at the end of 2 years, and then a 75-cent legal minimum, and freeze such minimum wages into the law, many businesses would be unable to operate.

The bill as originally drafted had contained a provision that the Administrator should have the right to create industry committees with full power to classify each job holder in any industry, and to fix minimum wages beyond the point where Congress left off. After a few days of hearings, when the subcommittee considered that proposition it was stricken from the bill because it was discovered, without any "ifs" or "ands", that such a provision would have done away entirely with collective bargaining. To permit a bureaucrat in Washington, through advisory committees, to fix minimum wages beginning where Congress left off would certainly have done violence to private enterprise. As I said on the floor of the Senate on several occasions, if the Congress had passed both the FEPC bill, which would have told an employer whom he should employ, and the minimum wage bill as originally drafted, we would have had laws instructing an employer what persons he must employ and how much he must pay all his employees, from the floor sweeper up to the employee receiving the highest pay. If that had occurred, private enterprise would have gone by the wayside. I suppose no one within the hearing of my voice will attempt to deny that statement.

Mr. President, as I have said, the pending measure adopts entirely a different theory in respect to a minimum-wage law. Under the present law, any increase in wage within the boundaries of the act was to be brought about by industry committees selected by the Administrator, and composed of representatives of three groups, namely, one-third of persons representing labor, one-third of persons representing management, and the remaining one-third of persons representing the public.

Investigations were conducted by those committees so as to determine the extent to which a wage could be fixed, with due regard being given to the economic and competitive conditions of the industry involved. Moreover, the imposition of a higher wage was not to be allowed substantially if it had the tendency to curtailing employment. Standards were incorporated in the law whereby the industry committees could fix a minimum wage within bounds. But the pending measure which we are now considering freezes the minimum wage from 65 cents to 75 cents at the end of a certain period, irrespective of what the effect might be on the economic and competitive conditions of an industry, and whether or not the increase would curtail employment.

As I pointed out a moment ago, with full employment the War Labor Board did not permit a wage increase of more than 55 cents an hour unless those applying for it received permission to pay it. The reason for that situation was that if a higher rate than 55 cents an hour had been paid it might have had adverse effects on our economy, and it might have breached the line which we were trying to hold, and, no doubt, if those in the lower brackets had received increases in wages it would have been necessary to grant increases to those in the higher brackets.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. REVERCOMB. I feel that the Senator has touched the very heart of the question which must be decided by the Congress. I believe I express the views of the Senator from Louisiana, which certainly are my views, that we want the highest possible wage paid in any industry so long as that industry can live and be healthy. But if we go too high, if we peg by law the minimum wage at a point beyond reason, we may step over the line and create unemployment and destroy opportunities for work. Unless the place of work does thrive and live it cannot be of value to anyone—worker or owner. So the question is one of making a decision on the basis of the facts which we may have as to just where we should wisely stop.

There is another feature of Senate bill 1349 and also of the amendment offered by the able Senator from Louisiana. Both of them deal with progressive figures with respect to the future. While we all want progress and want wages and incomes increased, no member of this legislative body or of any other legislative body can foresee what is going to take place in years to come. I call that to the attention of the able Senator because it may occur in the course of this discussion that some fixed minimum wage without a progressive step-up may be written into the bill.

Of course we want the highest possible wages paid, and I think there ought to be an increase in the minimum, but the sole question for decision is how far can we go without cutting off opportunities for work. Certainly we do not want to destroy occupations or places of business or prevent expanding employment.

Mr. ELLENDER. It is a question of degree. The only reason why I personally have agreed to accept the 55-cent minimum is that is the prevailing minimum which has been established, and we have ample evidence to show that a minimum of 40 cents an hour 3 years ago would be about equal to a 52- or 53-cent minimum today. That is the reason why I say that Congress should start off with that minimum because we have the facts on which to base it.

May I say, Mr. President, that all the evidence we have so far had before us goes to show how wonderful it would be if the lowest-paid wage earners could obtain $1,350 and indeed as much as $1,900 a year, and how such a rate of compensation would improve their morale and their living conditions; but I submit that that is not the question at issue.

We have tried to obtain some evidence from the Government departments to show the effect of this wage increase by congressional action without investigating particular industries. We have been unable to obtain it. I say that this bill veers away from the principles upon which wages were to be increased under the Fair Labor Standards Act of 1938. Congress did set 25 cents and 30 cents legally, but, insofar as increases from that point on were concerned, it was left to industry committees.

Let me say further to the Senator from West Virginia that there was another provision in the present law which has been stricken out of the pending bill, and that is this: Section 8 (e) of the present law provides that even beyond the 6-year period the 40-cent minimum could not be imposed if an industry committee examined the condition of such industry and said that the said industry could not stand it. That provision is stricken from the law by the pending bill, and I contend that an effort is now being made to have the Congress establish by law the minimum rates proposed, irrespective of the ability of industry to live under them.

Mr. HAWKES. Mr. President, will the Senator from Louisiana yield for a moment?

Mr. ELLENDER. I yield to the Senator from New Jersey.

Mr. HAWKES. I should like to reemphasize what I said yesterday and on previous occasions in connection with this bill. As I understand the position of the Senator from Louisiana, he is trying to do the fair thing as related to conditions as they exist in the country today.

Mr. ELLENDER. The statement of the Senator from New Jersey is correct.

Mr. HAWKES. He is not trying to go too far into the future and end up by doing a great injustice instead of doing a benefit?

Mr. ELLENDER. The Senator from New Jersey is eminently correct.

Mr. HAWKES. I want again to bring out the fact that I am a believer in very much higher wages than 55 cents an hour. I have said repeatedly on a number of occasions that companies in which I am interested are paying twice the minimum standard wage. However, I desire to stress to the Members of this body that that is a voluntary arrangement. We are talking here about fixing a rigid and inflexible rule upon industry.

Mr. ELLENDER. Not only is it voluntary but it is based on actual conditions existing in a business.

Mr. HAWKES. If the Senator will permit me, it is voluntary and we still have the power and right, if economic conditions make it necessary and vital in order to keep a business going, to say to our men, "We cannot longer pay this wage and we want to adjust the compensation which is paid in order that we may continue to operate."

What I want to avoid if I can is the fixing by law of a rigid wage rate which may result in bringing about a very difficult if not chaotic condition to remedy which it would be necessary to wait for 6 months or so, as I said the other day, while the Congress was debating the question of removing the limitation in order that business might go ahead and function. I say again that there is no Member of this body and no member of the Government who is sufficiently wise to know what is ahead of us 18 months or 2 years from today.

Mr. ELLENDER. That is true, and that is the sole reason why I have been contending that the Congress should go slowly in fixing minimum wage rates. They ought to be fixed in the light of existing conditions, and if, perchance, it is desired to fix higher rates in the future, then we can utilize industry committees or come back to Congress when the fixing of a higher rate would be justified.

Mr. HAWKES. I take it that the Senator from Louisiana feels as I do that the higher the wages which can be paid compatible with the proper functioning of industry—and I am not referring to exorbitant profits—the better off the Nation is from every standpoint.

Mr. ELLENDER. There can be no question about that, except, of course, that some of us may disagree somewhat as to the extent to which wages should be increased. The Senator knows that unless industry obtains added productivity in order to offset the increase in wage, then industry must necessarily increase the price of the commodity it produces. That is true; and I fear that if we go too far in that direction not only will the prices of commodities increase but they may reach such a point that they will not sell so well.

As I have remarked on many occasions, I can foresee that if we permit undue increases in the wages paid by industry the rise in the cost of living will be such that it will absorb all the additional increase in wages. What advantage would an increase in wages be to a worker if when he went to the market he would have to pay, say, $8 for commodities which cost $5, 6 months ago? His living standard would by no means be affected. I say that there must be a point which represents the limit to which wages can be increased. What I am trying to emphasize is that it ought to be left to industry, it ought to be left to collective bargaining to reach the higher goals which are now being sought for by this bill.

Mr. HAWKES. Mr. President, may I interrupt the Senator for a moment to say that yesterday I brought out the point that if the minimum wage is fixed too high it may very easily interfere with proper collective bargaining to carry some wage rates where they should be carried further up the line.

Mr. ELLENDER. Exactly.

Mr. HAWKES. I know the Senator agrees with me that if we are going to continue the American system, as I trust we shall, wages must bear some relationship to ability and productivity; otherwise the system will fall.

Mr. ELLENDER. There can be no doubt about that.

Mr. President, there is another point which I wish to make to show that in this bill there is a new concept which cannot be found in the original Fair Labor Standards Act. In that act we sought, by way of exemption, to protect certain industries because it was thought that if Congress imposed the rates then fixed in the bill many casualties and much unemployment would be caused.

In section 7 (c) we exempted all those engaged in first processing of milk, whey, skimmed milk, cream, dairy products, and so forth; also the ginning of cotton and the compressing of cotton, the processing of sugar beets, sugar-beet molasses, and so forth. But the pending bill has not only stricken from the law this provision, but also has modified section

13 (a) in respect to the area-production clause, which had as its purpose the exemption of certain classes of farm labor.

Mr. PEPPER. Mr. President——

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). Does the Senator from Louisiana yield to the Senator from Florida?

Mr. ELLENDER. I yield for a question.

Mr. PEPPER. Is it not a fact that the decision of the Supreme Court has held invalid the administrative order of the Wage and Hour Administrator attempting to define area production, and has not that decision made it practically impossible to administer the present law with the area production provision in it?

Mr. ELLENDER. The Senator is correct when he says that the Supreme Court did hold some ruling of the Administrator invalid. It was because the Administrator tried to impose by his order numerous regulations which were never dreamed of or contemplated by Congress, for instance, as to the distance from a city an industry was located, the number of employees in an industry, and all that kind of restrictions. Of course, the Supreme Court declared that it was invalid. It was because in his definition of area production the Administrator tried to cover creation. The Court did not hold the theory of "area of production" invalid, but only passed upon some of the regulations of the Administrator which were never contemplated by Congress.

I want the provision retained in the bill, and I believe that if the Administrator would not try to reach out too far that that provision of the bill is workable. Before the Senate concludes the debate I understand that some Senator will offer an amendment so that "area production" can be defined by the Secretary of Agriculture rather than by the Administrator. That, in a measure, may cure many of the evils which appear in some of the Administrator's rulings.

Mr. President, aside from striking from the law section 7 (c), as I just indicated, the exemption as to the area of production has also been stricken. So that the method followed is to cover as many employees as possible, and, as I have said, that is going far afield from the theory of a minimum wage law as some of us visualized it back in 1938.

I do not like to repeat what I said awhile ago, but by way of emphasis, the pending bill in its present form covers millions of employees who were not contemplated under the Fair Labor Standards Act of 1938. It is a cover-all bill which will put under the thumb of an administrator in Washington practically every employee in the country except a few little grocery-store clerks. My view is that by including all clerks in all the stores which are covered by the bill, except those specifically exempted from the bill, the effect certainly will be to raise unduly the wages in the small grocery stores. It will increase the cost of doing business to such an extent that I can visualize much unemployment.

As I indicated a while ago, for Congress to fix the minimum, indeed, to freeze it, without in any manner investigating a particular industry affected, will cause the death of many small businesses, and there will be no way to make the change unless the businessman resorts to Congress. I do not have to say that if ever Congress fixes the minimum at 65 or 70 or 75 cents, it will be very difficult to retreat from that standard.

I would rather leave in the bill section 8 (e) of the present law, which we fought so hard to retain in the act of 1938, so that those affected could either make the changes as time went on or could say, "If you fix a wage of 65 cents, it will do violence to competitive conditions, and will substantially curtail employment." Those are things which should be left to the people interested, and an appeal should not be made to Congress.

It is rather difficult for some of us to rise on the floor of the Senate and argue against a 65-cent minimum. It is a small amount, I realize, but I am looking at it from many standpoints, particularly from the standpoint of the effect it will have on many businesses which are now barely making ends meet. To impose these higher wages without an investigation as to the ability of an industry to pay, and as to the effect on employment, I think is the wrong method of approach, and that is why I have indicated that the bill goes far afield from the theory and the philosophy back of the present Fair Labor Standards Act.

Mr. PEPPER. Mr. President, will the Senator yield again?

Mr. ELLENDER. I yield.

Mr. PEPPER. First let me ask the able Senator what his interpretation of section 8 (e) would be, as it is in the pending bill, if that section were incorporated in the wage scale section of the pending bill. What I am getting at is, in the Senator's opinion would it simply stop the 75-cent rate from going into effect at the beginning of the fifth year?

Mr. ELLENDER. That is correct.

Mr. PEPPER. Or would it also prevent an industry from permitting the 70-cent rate going into effect at the end of the third year?

Mr. ELLENDER. My interpretation would be that it would have the effect of preventing any rate which the Administrator has the right and authority to make from going into effect, if the rate would curtail employment and have an adverse effect on competitive conditions in the industry or business. That would be the legal effect, at least, insofar as the highest minimum permitted to be dealt with by industry committees is concerned. It would hardly affect such rates as are actually fixed by Congress.

Mr. PEPPER. I am not sure that that is the legal effect of section 8 (e). The second question I should like to ask the Senator is; If 8 (e) were inserted in the wage-scale section of the pending measure, would the able Senator from Louisiana support the bill?

Mr. ELLENDER. No.

Mr. PEPPER. Would the Senator support that section of the bill?

Mr. ELLENDER. No; because the wage starts at 65 cents. The rate, that is, 65 cents, is much higher than the point at which I want Congress to begin. As the Senator knows, I and other Senators offered an amendment in committee which provided that the wage rate shall start at the prevailing rate, 55 cents, with the understanding that the rate be increased to 60 cents at the end of 18 months, and thereafter to 65 cents, but with the understanding that the 65-cent rate may be imposed as to any industry within 120 days after the law becomes effective through the methods now provided in the law, that is, through the findings of industry committees created by the Administrator for that purpose. After all, Senators, that would be in a measure reaching the goal that many are now seeking to attain.

This bill has been advertised throughout the country as a 65 cent minimum wage bill. Virtually every letter, every post card, every telegram I have received in the last 4 or 5 months has urged me to support the 65-cent minimum-wage bill. As a matter of fact, it is not a 65-cent minimum-wage bill. It is a 75-cent minimum-wage bill. That 75 cents minimum, as I have said, is frozen into the law at the expiration of 4 years, and cannot be changed except by act of Congress. It strikes me very forcibly that if the pending amendment, which I expect to discuss in a few minutes, were adopted, the maximum of 60 cents provided in that amendment could be attained within 120 days after the act becomes effective.

Mr. President, as I stated a while ago, the pending measure seeks to strike from the law all exemptions. As I recall, when hearings were held on the original act, we were put in the position of choosing between a method of exempting so many employees from an industry or placing exemptions in the bill, and the committee decided that the best approach was to incorporate exemptions in the bill. Now the proponents of the pending measure seek to strike all that from the act and make the bill applicable to practically every employee in the Nation, except those specifically exempted, and I may say that their number is becoming exceedingly limited.

Mr. President, as was forcefully brought out by the distinguished Senator from New Jersey, the bill will do violence to the collective-bargaining methods of fixing wages.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. PEPPER. I feel that I cannot allow the statement made by the Senator that the bill would cover practically every employee in the Nation to go by without a protest that I do not believe the bill would have that effect. While it is the intention of the majority of the commitee to exert the full power of the Congress in the scope and reach of this measure respecting the subject which it covers, nevertheless we would all of necessity admit that there are vast hosts of employees in the country who are neither engaged in the production of goods for commerce, nor engaged in commerce within the meaning of the Constitution, nor engaged in an activity affecting commerce in the legal sense. While it will bring in several million employees who are not now covered, and there are perhaps some of us who wish we could cover everyone so as to include the whole wage group of this coun-

try, nevertheless we realize the impracticability of extending coverage to people who do not come within one of those categories, and there are many people who are not covered by the bill, as the Senator upon reflection, I am sure, will have to admit.

Mr. ELLENDER. If the wages of a clerk who is employed in an A. & P. store, let us say, in my home town, are raised to 75 cents an hour, what effect does the Senator think that will have on the wages of the clerk who works in the corner grocery? The man who operates the corner grocery is going to be in competition, in the matter of wage rates, with the A. & P., and necessarily he is going to have to pay much more for the services of his clerk, or else get incompetent help.

Mr. PEPPER. If the Senator will further yield, let me say that I was simply protesting in case the Senator meant that the direct legal effect of the bill would be to cover all employees. If the Senator means that the bill covers all those whom the power of Congress can affect, and that there may be many others indirectly covered, whose wages will be indirectly affected, I can only hope that the Senator's belief will be justified by experience.

Mr. ELLENDER. Mr. President, I made the remark that the act contained specific exemptions. If employees who are now specifically exempted from the effect of the bill, and if we add to those the school teachers and employees of the Government and pensioners and a few grocery clerks, my contention is that most employees in the Nation will be covered by the bill. In other words, those employed in business who are not specifically exempted by this bill are very few. If the Senator has any figures on that point, I wish he would give them to me for the record. As I recall, there are about one and a half million school teachers throughout the country. There are four or five million individuals engaged in employment with municipal, State, parish, and county governments. There are nearly three million employed under the Federal Government. But outside those categories there are very few who will not be covered by this bill.

Mr. PEPPER. Mr. President, will the Senator again yield?

Mr. ELLENDER. I yield for a question.

Mr. PEPPER. There are many people who would not come within the definitions which the bill carries. In the classes exempted, for example, let us take the retail trade and the service establishments. All retail dealers or all retail sales institutions, stores, and all retail service establishments which are not a part of a chain consisting of more than four or which do not have a gross business of half a million dollars a year or more, are exempt. The Senator will realize that that leaves out all the small retail stores and all the retail service establishments of the country.

Mr. ELLENDER. That is what I stated to the Senator. I tried to make myself plain. The Senator may have misunderstood me, or perhaps I did not make my explanation clear. I referred to those other than the ones specifically exempted in the bill, and other than school teachers and those employed by municipal, State, parish, county governments, and the Federal Government.

Mr. PEPPER. The Senator, of course, has not emphasized that, in respect to fishing, for example, everyone engaged in fishing until after the point where the fish are unloaded upon the dock, is exempt.

Mr. ELLENDER. They come within the specific exemptions in the law.

Mr. PEPPER. The first application of the law comes when the processing of the fish begins. In the field of agriculture everyone who works in the field, everyone who is actually engaged in farm work, in the sense in which that term is commonly understood, is exempt. The application of the law begins only when the first processing of agricultural and horticultural commodities is under way. So in the field of agriculture and horticulture vast hosts of people are outside the coverage of the law.

Heretofore seamen have been altogether exempt. Under the provisions of the bill seamen would be brought under the act with respect to wages, but not with respect to hours. In addition, of course, there are seasonal exemptions of those engaged in the processing of agricultural or horticultural commodities, for 14 weeks a year, in which they may labor as much as 56 hours a week and 12 hours a day without receiving overtime pay. So in spite of the desire of the committee to extend the Federal power as far as it can properly be extended under the Constitution, unhappily a vast host of our people will be left out.

Mr. ELLENDER. Can the Senator give us any figures—I have never been able to find them—as to how many persons, other than those specifically exempted, would not be covered by the bill?

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. A few moments ago the Senator stated that the crossroads merchant would be placed at a disadvantage by having to meet the wages paid by the chain stores. It seems to me that the bill would go a long way toward restoring the balance between the crossroads merchant and the chain store, which balance has been lost to the local merchant because of the superior purchasing power of the chain store in recent years.

Mr. ELLENDER. How does the Senator reach that conclusion, if the corner grocer must compete with the large merchant in paying high wages?

Mr. AIKEN. I reach that conclusion in this way: At the present time the chain store or the large department store hires all its clerks. The crossroads merchant is likely to be conducting a family affair.

Mr. ELLENDER. Are not the members of his family entitled to compensation?

Mr. AIKEN. They certainly are; but at the present time they compete with the chain-store clerk who may be receiving $15 or $16 a week. Two or three examples have been called to my attention of clerks working for a department store receiving only $12 a week. The crossroads merchant and his family have had to work for such wages; but even so, they are gradually being put out of business because of the superior financing and purchasing ability of the great department stores and the chain stores. If raising the pay of the clerk in the chain store to 65 cents an hour would enable the merchant at the crossroads to get somewhere near that sum for his own labor, I should say that that would be a distinct advantage to him rather than a detriment. That is the principal reason why I supported this amendment in the committee. I have seen the small-town merchant, upon whom we depend to do errands for us, and who does many things besides being a merchant, gradually put out of business by the great chains, which have run their lines out into the country.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. PEPPER. The Senator has reference, no doubt, to the small-town merchant who extends credit, which the chains never do.

Mr. AIKEN. Yes. Sometimes that is not a good thing for us. However, I believe that the small-town merchant performs a service which we never can expect from the big chains. If we could do something to restore the balance between him and his big rivals, I think it would be worth while to do it.

Mr. ELLENDER. I hope the Senator is correct in his conclusions, but I doubt that the bill would have the effect which he has in mind.

Mr. AIKEN. I voted for this amendment under the impression that it would have that effect.

Mr. ELLENDER. Mr. President, in concluding my remarks on the new concepts of this bill I wish to reiterate that it veers away from the concept of the original minimum-wage law, in that it is now sought to fix a minimum standard for a family of four, instead of trying to do away with sweatshops, which was the original idea or philosophy behind the present law.

No one will disagree with the statement that years ago when a person working in a factory received 8 or 10 cents an hour, that was a miserable wage. It was too low. The hours were too long. But to my way of thinking, it is a far cry between the conditions existing then and the conditions existing today. What some of us are seeking to do today in the amendment which we are proposing is to give to every laboring man in the country the prevailing minimum, namely, 55 cents an hour, even though that level has not been reached in many instances. Many small industries are unable to go above 45 cents or 50 cents. There is evidence in the record showing that in the tobacco industry 58 percent of the 80,000 employees in that business are not being paid 65 cents an hour today. In the lumber business the percentage is 54.

But it is argued that the lumber interests, the tobacco interests and others, can pay that small additional amount. The proponents of the bill base their arguments on the vast amount of money

which has been earned by those industries during the war. That was the argument advanced before the committee as to the steel industry. The proponents of the bill do not consider the profits which those industries made prior to 1939, but they take as a yardstick the large profits which those industries have made under a war-time economy. Admittedly the steel industry has made tremendous profits during the war. Why? Because it was permited to operate at full capacity, and even more. Furthermore it had a very good customer by the name of Uncle Sam, who purchased 50 or 60 percent of the entire output of agricultural and industrial production. In the steel industry I believe the breaking point is approximately 60 or 65 percent of capacity. At that level of production, the steel industry can break even. But imagine the enormous profits which the steel industry would make if it could operate at 100 percent of capacity or 110 percent, as some of the mills did during the war.

Take the farming industry, in which I am engaged. I raise potatoes. With a normal yield, I can break even at $1.50 a hundred. But if I have a yield of a third more than normal up go my profits. All businesses break even at a certain level of production. If production increases, with the same application of work and expenses that spells more profits to the farmer or the manufacturer. The same is true of the automobile industry, the copper industry, and all other industries. At a certain point in production there are very small profits in a given business or industry, but when that point is passed, productivity increases much more rapidly than the increase of the cost of labor which may be imposed. Therefore, Mr. President, it is then possible for an industry not only to increase wages but also to decrease the cost of the products it manufactures.

But as I pointed out a while ago, during the recent war, productivity decreased immensely. Wages have risen. Until productivity increases to the extent that wages have increased, we cannot expect anything except higher prices for anything that is manufactured. It is ridiculous to contend that those who distribute the goods can absorb the entire increase in wages. It cannot be done, Mr. President, unless, as I indicated a while ago, we have full production, as we had during the war. No Member of the Senate will say that it is possible for us to attain that goal merely by raising wages. We cannot take the chance of doing that and we cannot afford to write into the pending bill a fixed, frozen minimum, without knowing the effect upon industry as a whole.

In the textile industry, 47 percent of the employees today receive wages of less than 65 cents an hour. In some factories their minimum wages range from 45 cents an hour to 55 cents an hour. I wish to say that the record shows that when the 55-cent minimum wage was permitted by virtue of a regulation of the War Labor Board, many of the textile industries which permitted the increase to 55 cents an hour in order to obtain more employees requested the OPA to grant an increase in the price of the goods they manufactured, and an increase was granted them. I wonder what will happen to the price structure of the textile industry if all wages are frozen at 65 cents an hour, and if in a few years they become fixed at 75 cents an hour. As I have said, and as was stated by many of us before the committee, what will happen will be that the textile industry will increase its prices to a point far beyond the purchasing ability of those the proponents of the bill are trying to protect. That is bound to happen, unless—and this is the only other possibility—many of the factories, and perhaps many of our industries, go to Brazil or other countries where the cost of labor is lower. It will be impossible to escape one or the other of those results; and either of them will mean unemployment and the death knell of many textile industries in the South and, in fact, many of them throughout the United States.

Mr. AIKEN. Mr. President, if the Senator will yield to me, I should like to say that apparently the people of Brazil, since Brazil has become partially industrialized, are buying a great many more of the products of United States factories than they ever dreamed of buying before.

Mr. ELLENDER. I wish to encourage that trend. As I pointed out in the hearings, at which the Senator from Vermont was present, we now have a wonderful opportunity to increase our export trade. If we protect it and if we put ourselves into a position to compete with foreign countries, I can visualize that we shall have an export trade of $10,000,000,000 a year, which will give employment to probably 5,000,000 people. But we cannot do that, I say to the Senator from Vermont, by continuing to increase the cost of producing our goods, thereby widening the breach or gap between the price structure which exists in this country and the price structure of our foreign competitors.

Mr. AIKEN. As I understand the situation, the increased sales of United States goods to South American and Central American countries have occurred because of the increased purchasing power of the people of those countries, rather than lower production costs in United States plants.

Mr. ELLENDER. That may have occurred during the war. Those countries borrowed a great deal of money from the United States. Let us not be fooled by the result, for under the rules and regulations of the Export-Import Bank, those countries may have used the money they borrowed from us to buy products of United States factories. But what will happen if they no longer are able to borrow money from us?

Mr. AIKEN. At the present time they are buying heavily of American textiles.

However, I wish to call the Senator's attention to the fact that the difficulty in the textile trade has been largely due to the inability of the textile plants to compete for labor with the other industrial plants of the United States which are paying wages so much higher than those paid by the textile mills. The result has been that the textile mills have had great difficulty in obtaining the help they needed. As evidence of that, I call attention to the fact that the northern cotton mills signed an agreement for a 65-cent minimum wage early in November, as I recall; and since that time employment in the northern mills has increased 15 percent. I assume that their output has increased accordingly. So it is obvious that they are doing better because they are paying a higher wage.

The woolen trade has signed for a 75-cent minimum wage. Some of them have a minimum which is higher than that. The woolen mills seem to be doing more business since they have been able to obtain more of the right kind of help. Previously the wages they paid were so low that they had to take what help they could get, and that was the help the other mills or factories did not want.

Mr. ELLENDER. Mr. President, why not let the matter be handled on a voluntary basis? I have no objection to that. I believe that those who are able to bargain collectively should be permitted to do so to the limit of their ability. But, for goodness sake, let us leave something for collective bargaining.

Mr. AIKEN. I think we should have a high-level minimum. I think the Senator from Louisiana agrees that we should have a minimum at a substantial level.

Mr. ELLENDER. I do.

Mr. AIKEN. The difference between us comes on the question of degree.

Mr. ELLENDER. Yes; it is on the question of degree.

Mr. AIKEN. I suppose the Senator from Louisiana is guided more by what the people of his section of the country wish to pay and I am guided by what the people of my section of the country are willing to pay—which is considerably more.

Mr. ELLENDER. Mr. President, let us consider the States of California and Oregon. Those States, in contrast to the State of Vermont or the State of Louisiana, let us say, could afford to pay a minimum perhaps two and one-half or three times higher than the minimum we could afford to pay. As I stated on the floor of the Senate last Friday, in order to produce 1,000 board feet of lumber in Oregon, 11 man-hours of work are required. Does the Senator from Vermont know how many man-hours are required to produce the same amount of lumber in the South? Twenty-nine man-hours are required there. How in the name of common sense can Senators argue that they wish to establish a standard which will apply alike to Louisiana and Oregon? That situation is an example of the result of establishing too high a standard. If the standard established is too high, the inevitable result will be the destruction of the southern industries. I should like to point out again that 11 man-hours of labor are required to produce 1,000 board feet of lumber in Oregon, whereas in the South 29 man-hours of labor are required to produce the same amount of lumber.

Mr. AIKEN. Mr. President, if the Senator will further yield, let me say that one reason for that situation is that in the East timber which should not have

been cut was cut during the war. However, because of the great demand for lumber, it has been considered necessary to cut such timber. The result has been that the loggers have cut timber which could not be sold in normal times because it is second quality, poor, and full of shakes. It undoubtedly costs more at any time to cut a thousand feet of lumber in the East than it does in the West. Nevertheless, during normal times the East has proximity to markets which the far West does not have, or at least not to the same degree.

Mr. ELLENDER. It has always cost more, even in our heyday, to produce in the South than in the West. I presume that mechanization has a lot to do with it. The trees are so huge in the western section of the country that, in comparison to the South, mechanization started at an early date. An increase in wages to 65 cents an hour, as I pointed out in the debate the other day, means, as I recall the figures, less than a half of 1 percent increase in the cost to the lumberman of the West, but in the South it runs up as high as 27 percent.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. EASTLAND. Is it not a fact that our rainfall in the South is so much greater than it is in the West that it adds to the cost of production?

Mr. ELLENDER. There are so many factors to be considered that it is difficult for us to put our finger on all of them. But the Senator from Mississippi knows that in the North, as well as in the West—more particularly in the West—a small farm may consist of as many as 640 acres. In the South a small farm averages from 25 to 30 acres. In the West, mechanical devices are used which cannot to the same extent be used in the South. If we were to establish a standard applicable all over the country it can readily be seen that many of our industries would suffer. The farmers would suffer. How in the name of common sense can a cotton farmer, for example, compete with industry when virtually all the work on the farm is done by hand?

Take, for example, my own section of the South. Many devices have been experimented with to peel the lowly shrimp, but it cannot be done except by hand. That being true it can readily be seen that if the minimum wage is made so high that shrimp will cost a dollar a pound no one will buy them, and unemployment will result for lack of production in that industry.

I have referred to an example of many industries in the country which are in the same category. In spite of the situation which prevails, I am willing to fix a minimum wage, but I am positive that if we make it too high it will injure many industries. I would rather leave the matter in the hands of industry committees composed of representatives of labor, management, and the public, and let them determine what a certain industry can pay.

Mr. AIKEN. Mr. President, as the Senator has said, the cost of farm labor would be increased materially. I agree that in some parts of the country farm labor costs are approaching the costs of industrial labor. However, the Department of Agriculture found that in 1945 the prevailing wage in Louisiana for farm labor was $2.76 for a 10-hour day, or approximately 28 cents an hour, which is considerably less than the 40-cent minimum which is required by law to be paid by industry, and less than the 55-cent average which the South, perhaps, is threatened with.

Mr. ELLENDER. The figures which have been cited by the Senator from Vermont are very misleading. On my farm in the South I employ six families. In addition to giving those families a certain fixed wage per day, I furnish them with nice homes in which to live. I furnish each of them with a plot of ground on which to make a garden, and I give them enough corn to raise 300 chickens and 3 hogs a year, and all the milk they can drink. Farm help may receive that much in Vermont, but the situation is not general. As I say, the figures which have been cited by the Senator from Vermont are very misleading. If we were to add up and consider all the conveniences given to labor in the South—labor there must remain on the farms because there is work on the farms all the year around—the Senator would find, I am sure, that his figures were very misleading.

Mr. AIKEN. Does the Senator maintain that by adding to the wages paid farm labor in the South the conveniences to which he has referred, farm labor receives compensation close to that paid industrial labor in the South?

Mr. ELLENDER. In some cases, no. In the South we have, I believe, more unskilled labor than there is in any other part of the country. For that reason many persons are led to obtain employment wherever they can obtain it. The Senator has cited some average figures in the same way, I presume, that Mr. Bowles often cites figures. He takes an industry as a whole and shows that the profit in that industry is such a percent, and that the industry can increase the wages paid to labor. But, if we stop to particularize it will be found that in many cases what Mr. Bowles says can be done cannot actually be done.

Mr. President, I hesitate to cite my farm as an example, but I may say that in gathering potatoes I used to pay 12 cents a hundred to have the potatoes picked. Today it costs me 35 cents a hundred. That represents an increase of about 300 percent.

Mr. AIKEN. It is quite an increase.

Mr. ELLENDER. Of course it is. Farm tenants are included in that statement, and a great deal of colored labor is included. In many cases they are totally unskilled. Of course, they work on farms, and they are not fit to work in industry because of their lack of skill.

As I have already pointed out, Mr. President, in the textile industry, which has 1,040,000 employees, 47 percent of them had not reached the 65-cent-an-hour minimum, even during the war, when we had full employment and our rich Uncle Sam was purchasing practically the entire output.

In the apparel industry, with 795,000 employees, 38 percent of them have not reached the 65-cent-an-hour minimum.

Let us take the furniture industry. We have been talking a great deal about affording cheap furniture for returning veterans to put into their homes. The number of employees in the manufacturing end of the furniture industry is 329,000, and 37 percent of them have not reached the minimum wage level proposed by this bill. If we add all these additional costs to the cost of manufacture, as well as other costs which would be entailed because of the increase in cost of materials which go into the manufacture of furniture, it can readily be seen that the total costs are bound to increase to such an extent that they will considerably increase the cost of living.

Mr. AIKEN. Does the Senator from Louisiana have a good reason to suggest why employees in certain industries should receive so much less pay than the employees in other industries where the work is no harder? I confess that I have been unable to see why some industries should be historically low-wage industries.

Mr. ELLENDER. That is due to productivity. Let us take the automobile industry, for example, or a factory where refrigerators are made. As the Senator knows, there are assembly lines of refrigerators and automobiles a mile long, a man screws a bolt here and another over in another place. The methods have been so improved that they can afford to turn out many more automobiles for the same amount of wages paid. It was because of that that they were not only able to increase to a certain extent the wage scale of the employees, but they were also able to decrease the cost. More automobiles and more refrigerators were being made by the same number of workers and therefore at less cost to the manufacturers. As I pointed out in the early part of my remarks, so long as productivity can keep pace with wage increases, the cost of living will not be affected. But today we have not only reached the saturation point but have passed it, so that productivity is away down, whereas wages have gone up far above productivity.

Mr. AIKEN. But, as a matter of fact, I cannot see that it is not just as hard work to stand before a loom all day as it is to stand before an assembly line, where the wage earner would get 50 to 100 percent more pay. I have not been able to see the justice in the difference in pay.

Mr. ELLENDER. Would the Senator follow through with his argument and say that a man who makes hoes or who makes cultivators should receive the same as a man who makes an automobile?

Mr. AIKEN. If he makes the kind of cultivators farmers have to use these days in order to stay in farming, yes.

Mr. ELLENDER. How much does the Senator think that would increase the cost of the cultivator? Has the Senator any idea?

Mr. AIKEN. If the cultivator was as good as it should be, it would increase the productivity of the man on the farm who used it so he could pay a better price.

Mr. TUNNELL. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. TUNNELL. When were the figures with reference to the textile industry printed?

Mr. ELLENDER. The most recent figures available from the Bureau of Labor Statistics. I presume the Senator has in mind that since the statement was made quite a bit of the slack has been taken up.

Mr. TUNNELL. Yes. Every textile wage earner in the North is getting a minimum of 65 cents, and a majority, I understand, in the South.

Mr. ELLENDER. It was pretty near that point in the early part of this year.

Mr. TUNNELL. There have been many raises since those figures were printed.

Mr. ELLENDER. But in order to attain that goal it was necessary for the OPA to raise the prices of many commodities, as I have pointed out.

Mr. TUNNELL. Is that a sin?

Mr. ELLENDER. No; it is not a sin; but the point is that it proves what I have been arguing, that we cannot raise wages unless we also raise the cost of commodities, which means a higher cost of living.

Mr. TUNNELL. Which in many instances should be done. That is where the Senator and I differ.

Mr. ELLENDER. What difference does it make to the Senator in his living standard if he can go to a store today and buy for $10 what 6 months ago cost him $15? Is not his standard of living the same?

Mr. TUNNELL. It depends a good deal on how much of my income is used in that particular sort of purchase. Consider the man who is making $20 a week, or the man who is making $16 a week. A large part of it has to be used for the very necessities of life.

Mr. ELLENDER. Does the Senator know how much of a person's income is expended for food?

Mr. TUNNELL. It not only takes all of it, but it takes a part of the man's credit with his merchant, usually.

Mr. ELLENDER. If the Senator will look over the figures——

Mr. TUNNELL. I have looked over the figures, and also the people.

Mr. ELLENDER. The figures of the Department of Agriculture, as I recall them—I have them here, and I intended to touch on them—show that the percentage of a person's income for food today is about 15 or 17 percent.

Mr. TUNNELL. I do not think anyone believes those figures.

Mr. ELLENDER. The Senator will not believe them.

Mr. TUNNELL. I do not believe the Senator will find in even the figures which he has any statement that it takes only 17 percent of $16 a week to feed a family.

Mr. AIKEN. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. There is doubtless a group at a certain income level which spends 17 percent for food. However, the Department of Agriculture has figured out that it costs in the neighborhood of $15 a person a month for a family of four to obtain an adequate diet, and that the average family of four, earning from $1,400 to $1,800 a year, spends about 40 percent of its income for food. Of course, the higher the income the smaller the percentage.

Conversely, in the case of a family of four with an income of $700 to $800 a year, they will spend considerably more than half of it for food. I do not know to what level the 17 percent would apply. I presume when we get up to incomes of four or five thousand dollars a year, that might apply, but it does not apply to the millions of people in the low-income groups.

Mr. ELLENDER. Mr. President, since the distinguished Senator from Delaware has raised the point—I did not intend to—I have here some figures from the Bureau of Agricultural Economics——

Mr. TUNNELL. When were they prepared?

Mr. ELLENDER. I have them for the period from 1913 to 1945, and if the Senator will be patient, I shall read them.

Mr. TUNNELL. The Senator was reading some old figures on textiles. I wondered if these were old figures.

Mr. ELLENDER. I have here figures for December 1945, only 3 months ago.

Mr. TUNNELL. But the Senator says it was before the raises, which he seemed to know about, but did not tell.

Mr. ELLENDER. I heard that on the floor of the Senate, it is true. There were a few instances in which wages were raised, and they were raised because of the policy that was put into effect by the White House, whereby 18½-cent raises were permitted under the assumption that the cost of living would not be materially increased. But we are learning today that it is going to increase considerably more than was first anticipated.

Mr. TUNNELL. The Senator was arguing from the standpoint of textiles, raises in which he seemed to know about, but which he was not speaking of.

Mr. ELLENDER. I have here the table to which I was referring. It gives the per capita food cost, consumer income, and expenditures in the United States from 1913 to 1945.

The total income per capita in 1913 was $340, and the cost of quantities of food representing average annual consumption during that year was 29 percent.

For 1914 the per capita income was $333, and the cost of the food amounted to 32 percent.

Let us come to more modern times. Let us take a period before the war. In 1935 the total income per capita was $460. The food cost on a per capita basis was 26 percent.

Mr. TUNNELL. Will the Senator yield for a question at that point?

Mr. ELLENDER. Yes.

Mr. TUNNELL. Did that take into consideration 17 percent of the salary of a man making $100,000?

Mr. ELLENDER. I do not know. These figures were taken from the Bureau of Agricultural Economics.

Mr. TUNNELL. That is the average, is it not?

Mr. ELLENDER. Yes, but there are very few receiving $100,000 in contrast with those receiving the amounts here stated.

Mr. TUNNELL. But I understand from the Senator's statement that there are a good many people in his section receiving $16 a week.

Mr. ELLENDER. Sixteen dollars a week?

Mr. TUNNELL. Yes.

Mr. ELLENDER. Oh, yes. The Senator has them in his State, too.

Mr. TUNNELL. But not many.

Mr. ELLENDER. They are found all over the country.

Mr. TUNNELL. The average in the city of Wilmington today is in excess of 96 cents an hour.

Mr. ELLENDER. The fact remains, however, that in the Senator's State, and I dare say in every other State in the Union, there are some who are receiving this low amount.

Mr. TUNNELL. There are very few in my State.

Mr. ELLENDER. There are very few in some States; I do not deny that. But the fact remains that there is an attempt to write into the law a minimum which, in my opinion, is so high that it is bound to do violence to many industries, and put many people out of employment.

Mr. TUNNELL. Will the Senator yield for one more suggestion?

Mr. ELLENDER. I yield.

Mr. TUNNELL. I do not think that sections of the country which persist in paying less than a living wage should be permitted to continue to use that as an argument to draw textile industries and other industries to their areas.

Mr. ELLENDER. I do not think they do, to any extent.

In the year 1933, the total per capita income was $368, and the amount used for food was 26 percent.

In 1935 the per capita income was $460, and the amount used for food was 26 percent.

In 1936 the per capita income was $531, and the amount used for food was 23 percent.

Now let us get a little nearer to the present, just before the war. In 1939 the total per capita income was $541, and the amount used for food was 21 percent.

In 1940 the per capita income was $579, and the amount used for food was 19 percent.

In 1941 the per capita income was $692, and that used for food was 18 percent.

In 1942 the per capita income was $857, and 17 percent of that was spent for food.

In 1943 the per capita income in the United States was $1,042, and the percentage of that amount spent for food was 16 percent.

In 1944 the per capita income was $1,134, and 15 percent of that was spent for food.

In 1945 the per capita income was $1,178, and 15 percent of that amount was spent for food.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Vermont.

Mr. AIKEN. The Senator, as I understand, has used figures for all families of the United States, which include farm families and millionaire families, as well as the average urban family.

Mr. ELLENDER. A notation below the table says "Averages apply to the

average civilian consumers, including both farm and nonfarm population."

Mr. AIKEN. Yes. However, the figures I have for 1944, which are taken from the same source, I think, show that a family which had $757 left after tax payment spent $434 for food. Then of course the percentage spent for food dropped as the income rose, until we reach the family that had $4,381 left after tax payment, which spent $1,150 for food, or a little more than 25 per cent. However, as the income of the family rose the number of members of the family also rose. That is, there were 2.45 members of the family which had $757 left after tax payment, whereas there were 4.01 members of the family which had $4,381 a year left after tax payment. In other words, the inability to support a family cuts down the number of its members. In fairness to the Senator, I will say that the figures I am now giving are for urban families, and not the average for the country as a whole.

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed at this point in my remarks the table to which I have just made reference.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Per capita food costs, consumer income, and expenditures, United States, 1913–45 [1]

Year and month	Total income payments per capita [2]	Expenditures for all consumer goods and services [2]	Expenditures for food [3]	Food costs as percentage of income	
				Actual food expenditures	Cost of quantities of foods representing average annual consumption, 1935–39 [3]
				Percent	*Percent*
1913	$340				29
1914	333				32
1915	393				27
1916	477				25
1917	471				32
1918	542				32
1919	579				35
1920	628				33
1921	526				29
1922	531				27
1923	599				25
1924	610				24
1925	645				25
1926	659				25
1927	655				24
1928	664				24
1929	679	$583	$156	23	23
1930	595	527	143	24	25
1931	500	437	120	24	24
1932	380	345	94	25	25
1933	368	341	91	25	26
1934	418	377	99	24	26
1935	460	410	109	24	26
1936	531	461	119	22	23
1937	561	485	126	22	22
1938	509	451	117	23	22
1939	541	471	118	22	21
1940	579	497	124	21	19
1941	692	560	144	21	18
1942	857	612	199	23	17
1943	1,042	685	219	21	16
1944	1,134	742	241	21	15
1945:					
Jan.–Mar.[4]	1,178	775	253	21	15
Apr.–June	1,171	765	237	20	15

[1] Averages apply to the average civilian consumer, including both farm and nonfarm population.

[2] Income and expenditure data are based upon data compiled by the Bureau of Foreign and Domestic Commerce.

[3] Percentage of income required to purchase quantities of foods equal to prewar 1935–39 average consumption.

[4] Seasonally adjusted.

Source: Bureau of Agricultural Economics.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. RUSSELL. Whatever else the figures may show, they demonstrate beyond any peradventure that the line has been held with much more rigidity insofar as the prices of the farmer's products are concerned than with respect to wages.

Mr. ELLENDER. There can be no question about that.

Mr. RUSSELL. There can be no doubt about that. We hear a great deal about holding the line. It is said, "Hold the line here, and hold the line there, but we will arrange for a breach here, or a bulge there, or a retreat here, or slip the bivouac back a few more miles here," in respect to the wage increase demands to every group in the country until we come to the farmer and the product of his soil, which is his wage. The only wage which he receives is what he gets for what he sells by way of food products and fiber. The line there must be held in any event. It can be broken everywhere else, and income can be allowed to go up all down the line, as it has done from year to year, but the percentage of the amount spent for food decreases, indicating that the food prices have been held with greater rigidity than have wages.

Mr. ELLENDER. Let me state to the Senator, since he has raised that point, that I consulted the Legislative Reference Service of the Library of Congress and asked that they look up statistics from the Department of Agriculture as well as the Bureau of Labor Statistics and find for me how much the cost of living increased from 1939, that is, when the war in Europe broke out, up to January 1941, the date chosen for the Little Steel formula, and then from that day up to the present. I was given the consumer's price index for moderate-income families for December 1941 and earlier periods. In August 1939 the index was 98.6. In January 1941 the index was 100.8; showing an increase in the cost of living of 2.38 percent from August 1939 to January 1941. In November of 1945 the index had gone up to 129.3, showing that the cost of living had gone up 28.9 percent from January 1941 to November 1945.

Mr. RUSSELL. That covers all articles of living, not only food, but clothing and furnishings, and so forth.

Mr. ELLENDER. Yes. Let me point out the percentage of increase in earnings for industrial workers. The average weekly earning in January 1939 was $23.19. In January 1941 the average weekly earning was $26.64, or a rise of 14.9 percent over January of 1939, in contrast to a rise of only 2.28 percent in the cost of living in the same period. From January 1941 to November 1945 the average weekly earning increased to $40.89, or an increase of 53.3 percent over January 1941, in contrast to the cost of living increase of 28.9 percent during the same period.

I think that answers the question raised by the distinguished Senator from Georgia.

Mr. TAFT, Mr. PEPPER, and Mr. HATCH addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Louisiana yield, and if so, to whom?

Mr. ELLENDER. I yield first to the Senator from Ohio.

Mr. TAFT. Merely as a matter of record, Mr. President, I think it ought to be noted that it is not quite fair to judge the farmer's position by the figures on the cost of living. The wholesale price of farm products, which comes close to the farmer, has increased from the 1st of January 1941, from an index of 75 to 130, or an increase of approximately 73 percent in the price of farm products. Incidentally, that index increase compares with an increase of only about 10 percent in the wholesale price of all commodities other than farm products.

Mr. RUSSELL. I ask the Senator how the figures he has just given compare with the figures for wage increase since 1941?

Mr. TAFT. That depends on what we consider in the way of wages. The average wage rate prior to the last wage increase was 42 percent over the January 1, 1941, figure. Of course, the take-home pay was greater when the workers were receiving overtime pay. With the 18 cents an hour recently added I suppose that is about a 60-percent increase, although it is claimed by labor that because of down-grading, and so forth, really the net increase is about 50 percent. That is the basis on which I agreed to a 50-percent increase in the minimum wage.

Mr. RUSSELL. How does the increase in wages compare with the increase in farm income?

Mr. TAFT. The increase in wages is not so great as the increase in the wholesale price of farm products. Of course the wholesale price of farm products is more variable. The figures as to wage rates, for instance, based on current employee hours, show an increase from 62 cents an hour to about 96 cents an hour, or somewhat over 50 percent. I said 42 percent. I still think 42 percent is correct. But it is in the neighborhood of 42 or 50 percent.

Mr. PEPPER. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield to the Senator from Florida.

Mr. PEPPER. While the Senator says that the cost of living has risen about 29 percent between January 1941 and July 1945, the Senator overlooks the statement made by Mr. Bowles and others, including the Bureau of Labor Statistics, that an additional 4 percent should be added because of quality deterioration in products sold at retail, and other factors. For example, Mr. Bowles emphasized to our committee, as the members of the committee will recall, that it used to be customary for families of low income to be in the grocery store at midnight on Saturday night to buy the leavings, and in that way they would be able to boost the quantity of goods they would be able to purchase for a small sum of money. Mr. Bowles emphasized that now, on account of the shortage of goods, that advantage was no longer available to people of low income; that it would be necessary to add at least 4 percent to the figure 29 percent, and that in the lowest

income groups the actual practical effect has been to raise the cost of living substantially 50 percent.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HATCH. I asked the Senator from Louisiana to yield sometime ago, when he was dealing with per capita income and percentages paid for food. What does the Senator think those figures prove?

Mr. ELLENDER. I did not intend to bring them into the discussion, but the Senator from Delaware asked a question, as I recall, as to how much was spent for food. I understood him to say all of it. So I thought I would set him straight by citing figures from the Bureau of Agricultural Economics.

Mr. HATCH. The Senator does not mean, does he, that, taking the highest figure which he gave, 17 percent of $1,000, that would buy a sufficient quantity of food for even one person?

Mr. ELLENDER. That is what the figure is based upon.

Mr. HATCH. Does the Senator believe that? For example, 17 percent of $1,000 is $170 a year. Does the Senator believe that one person could be fed for $170 a year?

Mr. ELLENDER. For food alone?

Mr. HATCH. For food alone?

Mr. ELLENDER. I suppose that if there were as many as four or five in the family, the figure would be multiplied by the number in the family.

Mr. HATCH. I am speaking of one person.

Mr. ELLENDER. I do not believe it would be possible. However, the figure is computed on a per capita basis. I presume the basis is that of a family of four, five, or six, and that the estimate of 17 percent of $1,000 is based on that premise.

Mr. HATCH. I simply wished to know what the Senator was seeking to prove. Does the Senator believe that 17 percent would be a fair estimate based on the per capita income, and that no more than that would be required for food?

Mr. ELLENDER. I took the percentage from Government figures, and I presume that the Bureau of Agricultural Economics knows what it is talking about. I am merely citing the figures for what they are worth.

Mr. President, I shall now devote a few minutes in conclusion to the pending amendment. As I tried to point out a while ago, there can be no question that if the bill were enacted as written it would cause a tremendous rise in the cost of living. The effect of the bill would be not only to increase the rates of pay of the employees whom we seek to help, but to increase the wage scales of all employees in the upper brackets. As a result of that process, according to certain testimony in the RECORD—of course, some of the testimony is conflicting—if we should increase the wage scale to 65 cents at once, and then take into consideration the effect which that immediate increase would have on wages in the higher brackets, we could expect an additional cost by way of wages of between $8,000,000,000 and $9,000,000,000. When the highest amount proposed to be frozen into the law became effective, the increase would probably reach the enormous figure of $14,500,000,000. Someone must pay that increase. Who will it be? No one other than consumers.

In addition to those whom we are trying to benefit, we must consider the thousands of school teachers who have fixed salaries and who cannot be helped through legislation of this character. We must consider millions of pensioners who are now receiving a fixed stipend for their sustenance. We must think of the returning veterans, whose pensions range from the enormous sum of $55 a month in some cases to $110. Any increase in the cost of living will affect their meager income. The same thing applies to the thousands of men and women employed in municipal governments, in parish and county governments of the State, and in State governments, as well as the Federal Government.

Mr. AIKEN. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Vermont?

Mr. ELLENDER. I yield.

Mr. AIKEN. I should like to invite the Senator's attention to the fact that the wages of workers in the higher brackets have already been increased, or are being increased, to the extent of approximately 18½ percent. Furthermore, we shall have a bill before us in the near future, coming over from the House of Representatives, which will increase the salaries of Federal employees probably another 18 percent. What we are trying to do in this bill is to bring up to their proper relationship to other groups the low-income people who do not have the protection of labor unions or State governments, or the Federal Government. Those governments are voluntarily increasing their scale to the extent of approximately 18 percent. Unless something is done for the poor people who are now receiving 40 cents an hour, they are likely to stay at that level for a long time.

Mr. ELLENDER. The amendment we propose would increase the legal minimum from 40 to 55 cents, which would be an increase of 37½ percent.

Mr. AIKEN. I agree with that statement.

Mr. ELLENDER. The amendment further proposes an increase, in 18 months, to 60 cents, which would be an increase of 50 percent.

Mr. AIKEN. I agree that the amendment of the Senator from Louisiana is a substantial improvement over existing law; but it does not go as far as I wish it did.

Mr. ELLENDER. Mr. President, I shall devote a few minutes to an explanation of the pending amendment. It is very simple, and can be explained in a few minutes. The effect of the amendment proposed by myself and the distinguished Senator from Minnesota [Mr. BALL] would be to strike from the pending measure all sections from 2 to 9, and substitute language which would increase the legal minimum wage from 40 to 55 cents an hour. The proposed minimum wage of 55 cents would remain in force for a period of 18 months, and at the end of that time the wage would automatically and legally be increased to 60 cents an hour. If the law were to remain as it is now written with respect to the power of the Administrator to appoint industry committees to fix wages, the 60-cent minimum could be attained before the expiration of 18 months upon the convening by the Administrator of industry committees as provided under existing law.

The next effect of the amendment would be to restore in the bill all of the exemptions which Congress placed in the original act back in 1938. I have reference in particular to section 7 (c) which reads as follows:

(c) In the case of an employer engaged in the first processing of milk, whey, skimmed milk, or cream into dairy products, or in the ginning and compressing of cotton, or in the processing of cottonseed, or in the processing of sugar beets, sugar beet molasses, sugarcane, or maple sap, into sugar (but not refined sugar) or into sirup, the provisions of subsection (a) shall not apply to his employees in any place of employment where he is so engaged; and in the case of an employer engaged in the first processing of, or in canning or packing, perishable or seasonal fresh fruits or vegetables, or in the first processing, within the area of production (as defined by the Administrator), of any agricultural or horticultural commodity during seasonal operations, or in handling, slaughtering, or dressing poultry or livestock, the provisions of subsection (a), during a period or periods of not more than 14 workweeks in the aggregate in any calendar year, shall not apply to his employees in any place of employment where he is so engaged.

As I pointed out a few moments ago, these exemptions were placed in the act by the Congress in 1938 for very good reasons. I shall not go into detail to demonstrate that the reasons which existed back in 1938 now apply with equal force.

There is another exemption which the bill would strike from the law, but which would be restored to the bill if our amendment were adopted. I refer to section 13, subclause (10), which reads as follows:

10. To any individual employed within the area of production (as defined by the Administrator), engaged in handling, packing, storing, ginning, compressing, pasteurizing, drying, preparing in their raw or natural state, or canning of agricultural or horticultural commodities for market, or in making cheese or butter or other dairy products.

By the amendment which I am proposing, that provision is restored to the law. There will also be restored to the law, as I believe is necessary, section 8 (e) which preserves for the industry committees and the Administrator the right to defer even after the stated period provided in the bill, an increase in the minimum wage if it can be shown that the increase would affect the competitive relationship between industries and would substantially curtail employment.

The remainder of the amendment broadens the child-labor provision and also provides that instead of having no prescriptive limitation as to the time when suits may be filed, the period shall be limited to 2 years. I may say that is included in the pending measure; there is no change in that regard.

Other than that, Mr. President, the law would remain as now written—with,

as I have said, the change in respect to the minimum wage. I believe that Congress goes far enough, inasmuch as it does not have an opportunity to investigate every industry, when it says to all industries that the minimum wage shall be fixed at 55 cents an hour. As I have said, we are authorizing industry committees to permit a rise to 60 cents an hour if such an increase is justified before 18 months have expired.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. PEPPER. If I correctly understand the able Senator from Louisiana—and I should like to have the RECORD and the understanding of the Senate clear regarding the effect of the amendment—what the able Senator from Louisiana and his able colleague the Senator from Minnesota [Mr. BALL] do by their amendment is to strike out all the bill recommended by the committee except section 10 which deals with penalties; and their amendment would substitute for the entire committee bill, except section 10, two sections of their own, one of them being a revised wage-scale section providing for a minimum wage of 55 cents an hour for 18 months and 60 cents an hour thereafter, as opposed to the committee's recommendation of 65 cents an hour for 2 years, 70 cents an hour for 2 years thereafter, and then 75 cents an hour at the beginning of the fifth year; and the other section would revise the child-labor provision in the present law in a little less drastic manner than the majority of the committee would do by the bill they have reported.

In other words, in the committee bill child labor is forbidden. Child labor also is forbidden in the Ellender-Ball amendment, but only in respect to activities in commerce or in the production of goods for commerce, whereas in the committee provision affecting child labor, in addition to forbidding it in those two categories, oppressive child labor is also forbidden in activities affecting commerce.

So, as the Senator from Louisiana has clearly stated to the Senate, if the Senate adopts the Ellender-Ball amendment, for all practical purposes it will be a substitute for the pending committee bill.

Mr. ELLENDER. If the Senator from Florida chooses to call it that, he may do so. I think he has fairly stated what I, in turn, previously said—namely, that the effect of the amendment is to leave the law as it now stands with respect to all exemptions, and the only difference between our amendment and the bill reported by the majority of the committee is as to the wage rate, which our amendment would increase from 40 to 55 cents, and subsequently to 60 cents.

Mr. PEPPER. Yes. In other words, Mr. President, the committee has extended the coverage to include activities affecting commerce.

Mr. ELLENDER. That is correct.

Mr. PEPPER. That includes chain stores and others which would affect commerce. The Senator's amendment would eliminate that extended coverage. The committee has reduced the exemptions and has provided for enlarged coverage. The proposed substitute also would eliminate the extended coverage proposed by the majority of the committee.

Mr. ELLENDER. Mr. President, I may say to the Senator from Florida, although I am sure he knows it, that the extended coverage by which all goods affecting commerce would be excluded was merely an afterthought of his and of the other proponents of the measure. There is no word of evidence, I believe, except from one witness to justify the cover-all which the proponents of the bill have incorporated in it in this respect. We held hearings for over 8 weeks, and there was no indication at any time that this cover-all provision would be placed in the bill.

As a matter of fact, when the committee met the first or second time to write up the bill, I think there were only two or perhaps three Senators who desired to amend the law so as to cover any industry affecting commerce, in fact including any employment affecting commerce, I should say. Lo and behold, the week after the bill was reported by the committee, the majority of the committee reversed itself and included this clause. When I came out of the committee I pointed my finger in the direction of the gentleman who was responsible, to my way of thinking, for the incorporation of this cover-all provision. He was an attorney representing a CIO affiliate which has to do with the unionization of all clerks and workers in stores. As a matter of fact, subsequently he saw me. I told him when he talked to me that I was not interested in such a provision and that the committee had not held any hearings on it. But he said, in effect, that he was going to continue to work on it. He did, and the majority of the committee included the provisions just as he desired to have them included.

Mr. President, I do not wish to detain the Senate longer. I sincerely hope the amendment proposed by the minority will be adopted, because, as I view it, and as I have indicated, we cannot tell what will happen in the future. The wage rate we propose in our amendment is an increase of 37½ percent as compared with the present legal limit, and it will reach a 50-percent increase at the end of 18 months. Why not let us try that? If in the near future Congress can be shown that a greater increase is necessary and if the facts can be produced to substantiate such an increase, then let Congress act at that time. Congress is always in session. I believe it will be a serious mistake for us now to increase the minimum wage to the extent suggested by the pending bill, without any further facts to justify such an increase.

I have always favored as high wages as an industry could afford to pay. However, there is a limit beyond which we should not tread else we do violence to many long-established industries in various parts of the country.

Mr. CORDON. Mr. President, I send to the desk two amendments intended to be proposed to the pending bill, and I ask unanimous consent that they be read at this time, and that they be printed and ordered to lie on the table. I do not desire to discuss them at this time.

The PRESIDENT pro tempore. Without objection, the amendments will be read.

The CHIEF CLERK. On page 28, line 5, beginning with the comma after the word "damages", it is proposed to strike out down to and including the word "part" in line 9, and insert in lieu thereof a colon and the following: "*Provided*, That such liquidated damages shall not be allowed if it shall appear by a preponderance of the evidence that the violation was not willful and that the employer acted in good faith."

On page 29, beginning with line 1, it is proposed to strike out all down to and including line 8.

The PRESIDENT pro tempore. Without objection, the amendments will be received, printed, and to lie on the table.

RESTRICTION OF BUILDING CONSTRUCTION

Mr. WILEY. Mr. President, all of us read in yesterday's newspapers about the new order which Mr. Wyatt has issued. Personally I merely glanced at the newspaper articles relating to it, and I did not realize the significance of the order until today I received a telegram from the largest veneer plant in the United States. I refer to the new order restoring building priorities. The telegram to which I have referred reads as follows:

> The restriction on building announced this morning by the "brain trust" of Wyatt and Small has about the same effect on our business as an atomic bomb. Our business—and many others—are part of the construction industry, but it has no connection with residential construction. The major part of our product goes into nonessential projects today. There will not be any essential projects ready for our doors or plywood for approximately 6 months. If the people who are using our materials today for nonessential work must stop buying for those uses, we can close our shop and stay closed until the essential buildings are ready for final interior work. We would lose a tremendous investment in logs and other raw materials which we could not process because it is totally impossible for us to store more than a few weeks' of our product under roof, and there would be no place to ship it.
>
> This building order is similar to what would happen if a law were passed today, making it illegal for men, because of a shortage of men's suits, to wear anything but blue denim overalls. Millions of suits of clothes would have to be hung away and it would be months before overalls were available.
>
> We implore you to revoke this building restriction order at once. It is simply another manifestation of the rule that one regulation leads to another. Wyatt is trying to bail the Government out of the mess into which the OPA has put it. But we believe the net result will be financial ruin for thousands of industries, as well as complete disregard for the law by a large segment of the population. One thing is certain. The order will not get any houses built.
>
> Please remember that the restriction on building during the war was accompanied by a flood of war orders for other materials. We and all others dropped our civilian production 100 percent and went to war work. There is no war work today. Where are we to go when our orders cease, as they must within a few days or weeks? I am not an alarmist, but I warn you that if these juvenile master minds are not kicked out of Washington, we are going to have not only inflation of the worst degree, but complete industrial anarchy.

Mr. President, that caused me to dictate a few ideas of my own on this subject. I believe that this new order restoring building priority is one more monkey wrench which has been thrown by the administration into the works of American free enterprise.

This order is one more example of the functioning of the bureaucratic mind—piling order upon order, control upon control, in order to cover up previous mistakes. Now, in the construction field, the whole sorry cycle will begin again. Desperate businessmen, their plants put out of production, will be frantically telegraphing to their Representatives in Congress, and to the Civilian Production Administration for relief. Thousands of workers will be put out of jobs and free enterprise will be regimented.

There is no single American who does not want to see the finest, most inexpensive homes for our veterans supplied immediately in the present housing crisis. But is the administration's regimentation the way to achieve it? Must we create a vast new construction bureaucracy in every American city?

Mr. President, Senators have read the order. In many cities of this country another gang of bureaucrats are being installed.

Must we shackle America's great building trades? Where was the administration's planning a half-year ago at VJ-day against this inevitable housing crisis? Why was not the voluntary cooperation and planning of our private building trades enlisted, instead of Government coming out now in regimenting the construction industry?

These are questions which America asks, and which the veteran asks. The veteran fought for freedom. The New Deal gives him regimentation, supposedly for the veterans' benefit, but actually for the New Deal's own hide, to cover up its own blunders, to perpetuate its own powers, and to addict the American people more and more to accepting Government dictation.

This new housing order, I repeat, is a monkey wrench in the works of free enterprise. But there have been other monkey wrenches.

THE LABOR POLICY MONKEY WRENCH

The first one was thrown by the administration when it egged labor on to ask for an increase in wages when the President told Congress to increase wages and when Mr. Wallace said:

> It is apparent that present cost-price relationships are such throughout the (automobile) industry that a basic wage increase is possible without raising prices.

Mr. Wallace's statement purported to prove that the auto manufacturers could raise wages 25 percent and make profits three times as large as in 1936–39.

As a result of this suggestion, labor demanded increases and went on long and costly strikes. Production was paralyzed.

Yet after VJ-day our people were ready for the greatest production record in history. They were "raring to go." One hundred and seventy billion dollars in pent-up purchasing power was available. But Government threw this monkey wrench into the works and crippled free enterprise by encouraging strikes.

Now Mr. Wallace has come out with another statement reneging on his prediction that industry could increase wages without increasing prices. He blithely states:

> The projections in the release of November 1 were not intended, nor should they have been regarded as official forecasts of costs, prices, or profits for the automobile industry or of industry as a whole. * * * Such projections, although based on what seemed to be a reasonable range of assumptions, were not intended, nor should they have been interpreted as forecasts of what would actually happen.

The above retraction is a fine how-do-you-do after hundreds of millions of dollars have been lost because of Government-encouraged strikes.

In the automobile industry alone, in labor not paid, in automobiles not made, the country sustained a loss of more than a billion dollars. How much in the way of taxes that will mean to the Treasury of the United States can well be imagined. In economics we have been told that a dollar earned multiplies itself 30 times in a year. The strike lasted one-third of a year. Thirty times $1,000,000,000 is $30,000,000,000. When divided by three, the result is $7,500,000,000 which the country lost in national income because of the monkey wrenches which were thrown by our national leadership into the economy of America.

Mr. President, yesterday I spoke on the subject of a moratorium on stupidity, and the examples which I have cited illustrate the stupidity which exists in high places.

Strikes must end. Production must proceed uninterrupted. I have stated all along that in the reconversion emergency, with the huge inflationary pressure which is upon us, strikes are suicidal for labor, management, and the public.

Mr. President, the automobile strike has been settled, and its price which will be paid by labor will run up almost to $300,000,000,000. But that is not all. Go into any community of this country where an automobile dealer handles the products of General Motors, and observe the indications there of the loss which has been incurred. I have shown that it amounts to $7,500,000,000 in the total income of this country.

But, Mr. President, the same monkey wrenches to which I have referred caused other strikes. Labor got the idea that it could get 25 percent more out of industry without the consumer paying the bill. Who gave labor that idea? It was the monkey wrench throwers in high places.

One of the finest minds in this country, Mr. Baruch, has confirmed this view. On Monday last he stated:

> We must stop treading this economic primrose path. There is only one way to stop inflation, and that is to get production. What must be done later can be better done now. Whatever is necessary now to do to get that production I would do. * * *
>
> There should not be any strikes or lockouts for a period of at least 1 year by agreement preferably, otherwise by law.

This man is telling the Senate what the country wants. He said, "otherwise by law." Mr. President, have we the "guts" to enact such a law? The answer to that question remains to be given.

I was speaking on the subject of monkey wrenches. I trust that no committee of this body will throw another monkey wrench into the situation so that we will have a condition bringing about general strikes throughout the country. When will Congress have the intestinal fortitude to see this policy through, to fulfill the demand of the overwhelming proportion of our people that strikes be curbed in this grave period?

Mr. President, I have spoken of two monkey wrenches. There is another, the OPA monkey wrench. The third monkey wrench was thrown by OPA. Stubborn, ignorant, it ordered manufacturers to produce at a loss. It followed Mr. Wallace's prediction that wages could be increased without prices being increased. As a result of this economic stupidity, there were in many cases not only slow-downs in industrial production, but actual break-downs.

Oh, Mr. President, there are 5,000,000 unemployed men in America today and $170,000,000,000 in purchasing power, ready to be invested in clothing, building material, food, and the like, and on the farms there is a need for farm machinery. There are practically 2,000,000 veterans drawing compensation from the Government. What a wonderful example of what the planners can do to ball up a situation.

The monkey wrenches must be withdrawn from the works of free enterprise if America is to prosper. The American people at the ballot box must wrest control from those who throw the monkey wrenches. Congress must do its part to prevent the bureaucrats from further balling up the American production picture.

Mr. President, I wish to read the conclusion of the telegram with which I started my remarks:

> We are not interested in having anyone in Washington run our business in any way, shape, or form. We got along for 50 years without the benefit of advice from the OPA or any other alphabetical agency. During the war, we and all others were willing and anxious to cooperate with the War Production Board to help win a war. But to ask us to enter into this thing with the same vigor is like asking a man to be a cheer leader at his own execution.
>
> You can imagine our feeling when we learned this morning that this restriction had been announced and that the United States Senate had not even heard of it in advance. Just what are we sending Senators and Congressmen to Washington for if the Government agencies can file a death warrant for business without even consulting the Congress.

Mr. President, that is the challenge I leave in the laps of Members of this body. We stand here day after day talking about the small and the inconsequential, when a hurricane is on the horizon. I repeat, 5,000,000 men are out of work in America. We cannot get men to work on the farms of America, businessmen and others cannot get men to work, and practically 2,000,000 of our veterans are drawing compensation.

We need everything. We cannot get production. We are talking about feeding Europe. Listen to this. Tomorrow morning the Department of Agriculture is announcing to America that next year's crop of canned vegetables and fruits will be 45,000,000 cases short, and cases run from 24 to 48 cans.

I see the junior Senator from California [Mr. KNOWLAND] in the Chamber. Yesterday I said that the spinach crop and another vegetable crop had been lost in California because men would not go back to work. The story is definite and clear that unless men go back to work we will not get much of the fruit and vegetables which are supposed to be ready for the canneries on the 1st of April.

We sit here watching the house burning, and we are talking about feeding Europe, and are talking about lending billions of dollars to Europe. Baruch says we should not be considering loans, but should be considering production. How can we lend if we have not the production? How can we meet the credit if we have not the production?

Mr. President, it is up to us to move.

AMENDMENT OF FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

The PRESIDENT pro tempore. The pending question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT] to the amendment proposed by the Senator from Louisiana [Mr. ELLENDER] on behalf of himself and the Senator from Minnesota [Mr. BALL].

Mr. PEPPER. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	Myers
Austin	Hart	O'Daniel
Bailey	Hatch	O'Mahoney
Ball	Hawkes	Overton
Bankhead	Hayden	Pepper
Barkley	Hickenlooper	Radcliffe
Bilbo	Hill	Reed
Brewster	Hoey	Revercomb
Bridges	Huffman	Robertson
Briggs	Johnson, Colo.	Russell
Brooks	Johnston, S. C.	Saltonstall
Buck	Kilgore	Shipstead
Byrd	Knowland	Smith
Capehart	La Follette	Stewart
Capper	Langer	Taft
Chavez	McClellan	Taylor
Connally	McFarland	Thomas, Okla.
Cordon	McKellar	Thomas, Utah
Donnell	McMahon	Tobey
Eastland	Maybank	Tunnell
Ellender	Mead	Vandenberg
Ferguson	Millikin	Walsh
Fulbright	Mitchell	Wheeler
Gerry	Moore	White
Gossett	Morse	Wiley
Green	Murdock	Young
Guffey	Murray	

The PRESIDENT pro tempore. Eighty Senators having answered to their names, a quorum is present.

Mr. PEPPER. Mr. President, I send to the desk an amendment to the bill in the nature of a perfecting amendment to the section of the bill relating to the wage scale. I ask for consideration of the amendment. It is offered on behalf of a majority of the committee.

The PRESIDENT pro tempore. The clerk will state the amendment.

Mr. TAFT. Mr. President, a point of order. The amendment is not in order.

The PRESIDENT pro tempore. Let the amendment be stated to the Senate.

The CHIEF CLERK. It is proposed to strike out subsection (a) of section 5 and in lieu thereof insert the following:

SEC. 5. (a) So much of section 6 (a) of the act as precedes paragraph (5) thereof is amended to read as follows:

"SEC. 6. (a) Every employer shall pay to each of his employees who is engaged in commerce or in the production of goods for commerce, and every employer who is engaged in any activity affecting commerce shall pay to each of his employees employed in or about or in connection with any place of employment where he is so engaged, wages at the following rates—

"(1) during the first 24 months from the effective date of the Fair Labor Standards amendments of 1946, not less than 65 cents an hour;

"(2) during the next 24 months from such effective date, not less than 70 cents an hour;

"(3) after the expiration of 48 months from such date, not less than 75 cents an hour;

"(4) at any time after such effective date, not less than the rate (not less than 65 cents an hour and not in excess of 75 cents an hour) prescribed in the applicable order of the Administrator issued under section 8."

Mr. TAFT. Mr, President, a point of order.

The PRESIDENT pro tempore. The Senator will state it.

Mr. TAFT. Another amendment is pending before the Senate.

Mr. PEPPER. Mr. President, if I may comment upon that subject, let me say that the amendment is offered to only one subsection of a section of the bill. The amendment is a perfecting amendment to a section of the bill amended by the committee, and it is a perfection of the committee amendment. Therefore it is submitted, to take precedence over the Ellender-Ball amendment.

Mr. TAFT. Mr. President, the Ellender-Ball amendment is not a substitute. It is an amendment. If the Senator from Florida wishes to ask unanimous consent that he be permitted to make this change I am perfectly willing to recommend that consent be given, because I can only find very minor changes in the proposal now submitted. But I certainly do not admit the principle that the Senator can interpose other amendments during the consideration of amendments which are pending.

Mr. PEPPER. Mr. President, I should like to suggest how the amendment will serve to help Senators in the consideration of the measure. If the Ellender-Ball amendment were adopted, it would become impossible for any Senator to differentiate in his vote between sections of the bill. I have been persuaded on behalf of the group identified with this amendment to offer it because I find some Senators who favor the committee wage scale of 65 cents, 70 cents, and 75 cents, but do not want to go along on extended coverage. There are other Senators, some of whom are now before me, who have said they favor the extended coverage but do not want to vote for the high-wage scale. Others have said they wanted to vote in favor of the high-wage scale and in favor of extended coverage, but did not want to reduce the agricultural exemptions. This amendment offers a Senator the opportunity to vote, whether he wants the committee wage scale of 65 cents, 70 cents, and 75 cents, or not. Any Senator who favors that wage scale has an opportunity to vote for it. Any Senator who is opposed to it has an opportunity to vote against it. If my amendment prevails, each Senator will have a separate opportunity to vote on extended coverage and on reduced exemptions. I think that is in line with the principle of severence, and it will be fair to the Senate to offer an opportunity to vote on the bill rather than to have to vote on practically a substitute for the whole bill.

I submit that the amendment is in order, Mr. President.

The PRESIDENT pro tempore. The Chair will read rule XVIII of the Senate Rules:

If the question in debate contains several propositions, any Senator may have the same divided, except a motion to strike out and insert, which shall not be divided; but the rejection of a motion to strike out and insert one proposition shall not prevent a motion to strike out and insert a different proposition; nor shall it prevent a motion simply to strike out; nor shall the rejection of a motion to strike out prevent a motion to strike out and insert.

The Chair calls especial attention to the next sentence:

But pending a motion to strike out and insert, the part to be striken out and the part to be inserted shall each be regarded for the purpose of amendment as a question; and motions to amend the part to be stricken out shall have precedence.

The committee amendment, being a complete substitute for the bill, under the practice of the Senate is regarded as original text for the purpose of amendment.

The Ellender-Ball amendment, so-called, is a substitute for sections 2 to 9, inclusive, of the committee amendment. It is a motion to strike out and insert, as contemplated under rule XVIII, and is in the first degree only.

Under the rule above cited, the part to be stricken out and the part to be inserted are each open to amendment, with precedence given to a motion to amend the part to be striken out.

A motion to amend the part of the committee amendment embraced within sections 2 to 9, inclusive, which the Ellender-Ball amendment proposes to strike out, is in order as a perfecting amendment in the first degree, and takes precedence over the Ellender-Ball amendment.

Therefore the point of order by the Senator from Ohio is overruled.

Mr. TAFT. Mr. President, a point of order.

The PRESIDENT pro tempore. The Senator will state it.

Mr. TAFT. The last language read by the Chair is:

But pending a motion to strike out and insert, the part to be stricken out and the part to be inserted shall each be regarded for the purpose of amendment as a question.

There is no doubt that the part to be stricken out and the part to be inserted could be separated as different issues, it seems to me, but are motions to amend the part to be stricken out motions to the original bill, or are they motions to the pending amendment offered by the Senator from Louisiana [Mr. ELLENDER]?

I simply wish to have the procedure made plain. The Senate has a perfect right to vote separately on the question of wage scales and exemptions if it wishes to do so. It would take 2 weeks to do it, because it would require a series of approximately eight separate exemptions, and we should have to vote on them one after another, as I see the extended coverage question. But we have a right to do that.

Should this be an amendment to the original bill or an amendment to the Ellender-Ball amendment?

The PRESIDENT pro tempore. It is perfectly plain. After the semicolon in the last part of the rule, the language is as follows:

> And motions to amend the part to be stricken out shall have precedence.

An amendment has been offered to strike out and insert; and under this rule, before that amendment is voted upon, any Senator has the right to move to perfect the part to be stricken out.

Mr. PEPPER. Mr. President, I shall detain the Senate not more than one and a half minutes. What this amendment does is to present for the consideration of the Senate the committee wage scale, namely, 65 cents an hour for the first 2 years, 70 cents an hour for the second 2 years, and 75 cents an hour at the beginning of the fifth year. I think the question is clear to Senators. I am ready to have the Senate vote on the wage scale.

Mr. TAFT. Mr. President, I still feel that the procedure is very much confused. Let us suppose that this amendment is adopted, and then the Ellender-Ball amendment is adopted, striking out the new language. The Senator from Florida is not seeking to change the existing section, except for a few words here and there. I should like to inquire whether, if this amendment should be adopted, and then the Ellender-Ball amendment should be adopted, the result would be to restore the Ellender-Ball rates.

The PRESIDENT pro tempore. It seems perfectly clear to the Chair. It is proposed to strike out a part of the committee amendment.

Mr. TAFT. The parliamentary inquiry which I wish to make is this: Suppose the pending amendment were adopted. Then the Ellender-Ball amendment, if agreed to, would strike it out and provide the rates proposed therein. Am I correct in believing that that would be the situation?

The PRESIDENT pro tempore. The Ellender-Ball amendment if adopted would strike out the pending amendment and insert the rates of the Ellender-Ball proposal.

Mr. TAFT. I do not see any reason for objecting to this amendment.

Mr. PEPPER. Mr. President, it is obvious that the only way the Senate can vote definitely upon the wage scale is to vote on this amendment first. If it is the pleasure of the Senate to adopt the committee wage scale, I dare say a way can be found to keep the Ellender amendment from reversing the action of the Senate.

I believe the Chair has ruled——

Mr. TAFT. Mr. President, I should like to have a definite ruling on the question which I have propounded.

The PRESIDENT pro tempore. The Chair has ruled as definitely as the Chair knows how to rule. If the Senator is displeased, he can appeal from the ruling of the Chair.

Mr. TAFT. No; I simply wish to be certain that if we agree to this amendment, we may then strike it out by adopting the Ellender-Ball amendment.

The PRESIDENT pro tempore. That is correct. The adoption of the Ellender-Ball amendment would eliminate the pending Pepper amendment.

Mr. TAFT. Mr. President, I do not object to this amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. PEPPER].

Mr. RUSSELL. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. RUSSELL. Would the adoption of this amendment in any wise preclude further amendments changing the wage scale? The amendment would strike out a section of the bill which happens to contain the wage scale, but it is an amendment which inserts slightly different language.

The PRESIDENT pro tempore. That part of the committee amendment affected by this amendment, if adopted, would not be open to further amendment.

Mr. RUSSELL. So if the pending amendment were agreed to, the Senate would be precluded from voting on any different wage scale than that proposed in the pending amendment.

The PRESIDENT pro tempore. The Senate could vote on the Ellender-Ball proposal.

Mr. RUSSELL. The point I wish to make clear is whether or not, after adopting this amendment striking out the wage scale and certain language in the bill and reinserting a new wage scale, the Senate could vote upon a different proposition—say a wage scale commencing with 60 cents an hour—without reconsidering the amendment.

The PRESIDENT pro tempore. It could not consider an amendment to the original committee amendment covered by the Pepper amendment unless reconsidered.

Mr. RUSSELL. But an amendment to the so-called Ellender-Ball amendment would then be in order?

The PRESIDENT pro tempore. It would be in order after the disposition of the Fulbright amendment.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. TAFT. As I understand, the fact that section 5 (a) had once been amended would not interfere with action on the Ellender-Ball amendment, striking out the section which had been amended.

The PRESIDENT pro tempore. The Senator is correct.

Mr. CORDON. Mr. President, may I inquire of the Senator from Florida whether I correctly understand him to contend that his amendment, if adopted, would not change the Ellender-Ball amendment except to the extent of placing in the bill the 65-, 70-, and 75-cent increases in wages?

Mr. PEPPER. The pending amendment is purely and exclusively a wage scale amendment. A vote of "yea" on this amendment would be a vote for a 65-cent rate for the first 2 years, a 70-cent rate for the second 2 years, and a 75-cent rate at the beginning of the fifth year. That is all the vote would mean. What the Senate does subsequently with respect to the Ellender-Ball amendment or any other amendment is a matter yet to be decided, but the question now before the Senate is only the question of the wage scale.

Mr. CORDON. I should like to continue my inquiry for a moment, until I am clear. I notice in the amendment, as it lies on the desk, the provision that the wage scale shall apply to every employer who is engaged in commerce or in the production of goods for commerce which is the present law; and also every employer who is engaged in any activity affecting commerce. Did the Senator intend to include that language in his amendment?

Mr. PEPPER. That is the language of the committee amendment, and the committee amendment includes the extended coverage.

Mr. CORDON. Then, a vote for the Senator's amendment would be a vote not only to increase wages, but to broaden the coverage?

Mr. PEPPER. Yes; unless it were diminished by some other vote.

Mr. CORDON. This amendment would in fact not only increase wages, but would also broaden the coverage.

Mr. PEPPER. It does not affect exemptions.

Mr. RUSSELL obtained the floor.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. TAFT. In order that this question may be perfectly clear, I wish to offer an amendment to the Pepper amendment, if it be in order.

The PRESIDENT pro tempore. It is in order.

Mr. TAFT. I offer as an amendment to the Pepper amendment the provision of section 6 (a) which is contained in the Ellender-Ball amendment, so that there may be a direct issue. The amendment of the Senator from Florida does not change the committee amendment in any material regard. I now offer this section of the Ellender-Ball amendment as an amendment to the Pepper amendment.

Mr. RUSSELL. Mr. President, I did not understand that the Senator desired to offer an amendment. I wish to offer an amendment to the amendment proposed by the Senator from Florida, and I should like to have that amendment dis-

posed of before we vote upon the wage scale. I decline to yield to the Senator from Ohio for the purpose of offering an amendment.

The PRESIDENT pro tempore. The Senator declines to yield for that purpose.

Mr. RUSSELL. I had understood that the Senator from Ohio desired to make a statement. I cannot yield for the purpose of offering an amendment. I wish to offer an amendment on my own behalf.

The PRESIDENT pro tempore. The Senator from Ohio can be recognized later.

Mr. PEPPER. Mr. President, I ask that the amendment offered by the Senator from Georgia be stated, but I reserve the right to make a point of order after it is stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Georgia will be stated.

The CHIEF CLERK. At the proper place in the bill, it is proposed to add a new section, to be properly numbered, as follows:

SEC. 201. Section 301 (a) (1) of the Agricultural Adjustment Act of 1938, as amended, be, and the same is hereby, amended by striking out the following in the first sentence of said section and paragraph, to wit: "and in the case of all commodities for which the base period is the period August 1909 to July 1914, which will also reflect current interest payments per acre on farm indebtedness secured by real estate, tax payments per acre on farm real estate, and freight rates, as contrasted with such interest payments, tax payments, and freight rates during the base period," and inserting the following in lieu thereof: "and, in the case of all commodities, which will also reflect current interest payments per acre on farm indebtedness secured by real estate, tax payments per acre on farm real estate, freight rates, and the cost of all farm labor (on the basis of the national average and including hired workers, farm operators, and members of the families of farm operators engaged in work on the farm, computed for all such labor on the basis of wage rates for hired farm labor), as contrasted with such interest payments, tax payments, freight rates, and costs of all farm labor during the base period."

SEC. 202. The first sentence of paragraph (1) of section 2 of the Agricultural Adjustment Act of 1933, as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, approved June 3, 1937, as amended (7 U. S. C., 1941 edition, sec. 602 (1)), be, and the same is hereby, amended by changing the period at the end thereof to a semicolon and by adding the following: "and, in the case of all commodities, which will also reflect the cost of all farm labor (on the basis of the national average and including hired workers, farm operators, and members of the families of farm operators engaged in work on the farm, computed for all such labor on the basis of wage rates for hired farm labor), as contrasted with the costs of all farm labor during the base period."

Mr. PEPPER. Mr. President, a point of order.

The PRESIDENT pro tempore. The Senator will state it.

Mr. PEPPER. The Russell amendment, as I understand it, either attempts to place a separate section in the bill or is an amendment of a section which is separate from the one amended by the amendment which I submitted. My amendment, submitted on behalf of the committee, was a perfecting amendment to section 5, which is only the wage-scale section of the bill, whereas the able Senator from Georgia proposes to insert in the bill another section, one dealing with a different subject, namely, the Pace bill modifying the principle of parity established under the Agricultural Adjustment Act.

Mr. RUSSELL. Mr. President, I do not understand that there is any rule of relevancy in the Senate. The question of farm income and farm wages is certainly germane and would be held such under any parliamentary ruling of which I have knowledge. But certainly there is no parliamentary rule of procedure in the Senate which requires or deals with relevancy. I offer the amendment as an amendment to the amendment submitted by the Senator from Florida, and I respectfully submit that my amendment is not an amendment in the third degree, and that it is wholly in order at this time.

The PRESIDENT pro tempore. The Chair is ready to rule. The pending bill is not an appropriation bill, but is a legislative bill. The question of germaneness does not apply to a legislative bill of this kind. Any kind of amendment can be offered to it. The question of relevancy or germaneness does not apply.

Therefore the point of order is overruled.

Mr. PEPPER. Mr. President, will the Chair allow a comment? The question is not one of germaneness, but one of priority of consideration. I do not mean to suggest that the amendment submitted by the Senator from Georgia is not germane and not eligible. But the question is whether a committee amendment perfecting section 5 of the bill, which relates exclusively to the wage scale, should be displaced in priority of consideration by the amendment submitted by the Senator from Georgia.

Mr. RUSSELL. Mr. President, the Senate must determine that question, and it will do so when it votes on the amendment. The Senator from Florida cannot choose the order in which amendments shall be voted on in the Senate. He has just offered an amendment to which the authors of some other amendments have objected.

The PRESIDENT pro tempore. The Chair has already ruled on the matter. There is no question in the world but that a Senator may offer an amendment to an amendment such as the one proposed by the Senator from Florida, which is an amendment to the substitute bill reported by the committee. After that amendment has been offered, the Senator from Georgia is within his rights in offering an amendment to it. Naturally, the vote is taken first on the amendment offered by the Senator from Georgia to the amendment offered by the Senator from Florida.

Mr. PEPPER. The amendment offered by the Senator from Georgia is an amendment to the amendment I have offered; is it?

The PRESIDENT pro tempore. It is.

Mr. PEPPER. I believe that a committee perfecting amendment offered to a provision in the bill is not open to amendment.

Mr. RUSSELL. Mr. President, the Senator from Florida cannot find in the rules any provision that a perfecting amendment is any different from any other amendment. Such an amendment can be further perfected, unless an amendment to it is in the third degree. My amendment is not an amendment in the third degree, and it is in order.

The PRESIDENT pro tempore. Does the Senator from Florida desire to appeal from the ruling of the Chair?

Mr. PEPPER. No, Mr. President.

Mr. RUSSELL. Mr. President, I did not expect this issue to be brought up in this fashion; but I think the Senate should settle the important issue involved in this amendment before addressing itself to the matter of fixing wage scales, in connection with the measure reported by the committee.

My amendment to the amendment of the Senator from Florida is what has commonly been called the Pace bill. On two occasions it has been passed by the House of Representatives. Prior to the time when it was offered by Representative PACE, a proposal which was very similar was offered by Representative BROWN, and was likewise adopted by the House of Representatives. All Senators recall that on one occasion the Pace bill was reported favorably by the Senate Committee on Agriculture and Forestry and was submitted to the Senate. At that time there was an impending strike in all the coal mines; and the argument was urged so persuasively on the floor of the Senate that the adoption of the bill would fortify Mr. Lewis in his demands, that the Senate recommitted the bill to the Committee on Agriculture and Forestry. As usual, Mr. Lewis gained all his demands which he desired to gain; but the farmer, as usual, had been shunted aside to the Committee on Agriculture and Forestry, and his condition is the same or worse.

Mr. President, my amendment is directly related to the issue which is before us. The distinguished junior Senator from Vermont [Mr. AIKEN] in his address on the pending bill in which he discussed its effect upon agriculture, stated two or three times that there could be no question on earth that the wages received by those in industry had a direct bearing upon the wages paid to those who work on the farms. My amendment is offered to the Pepper amendment to the pending bill, Mr. President, because of my deep concern for the movement which apparently is under way in this country and which threatens to grind the farmers of our Nation out of business.

The Congress has already enacted what is known as an employment bill. At one time it was called a full employment bill. Later the word "full" was eliminated. Without regard to the omission of that word, all Senators know that that employment bill sets in force the machinery of Government to provide by tax funds from the common Treasury a series of public works projects to afford employment at the prevailing or going wage to those in this country at a time when such employment is not available in private industry.

We are now confronted with a bill which proposes to raise, over a period of time, to 75 cents an hour the minimum wage which may be paid by any person in this country. Where does the farmer stand when he is confronted with a Government proposal, on the one hand, to establish public works at the going rate to those who are unemployed, and a proposal, on the other hand, to raise the minimum wage to 75 cents an hour? It can only mean that over a period of time those who are engaged in agriculture will cease their hopeless struggle, and will go to the public works or to an industry to obtain the minimum of 75 cents an hour, and thus agricultural production in this Nation will be destroyed.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. PEPPER. I should like to ask the able Senator from Georgia whether the so-called Pace amendment has been favorably reported by the Senate Committee on Agriculture and Forestry?

Mr. RUSSELL. It has not been reported at this session. It has been reported on two other occasions.

Mr. PEPPER. Is the so-called Pace amendment favored by the Secretary of Agriculture?

Mr. RUSSELL. I imagine the Senator from Florida is well armed and equipped with the views of the Secretary of Agriculture on this measure, and I assume he will thunder them in the Senate before the amendment is voted upon.

Mr. PEPPER. As a matter of fact, has not the Senator from Georgia seen the published statement of the Secretary of Agriculture to the effect that he does not support it?

Mr. RUSSELL. I saw such an article in the public press, and I expressed my opinion thereon in the public press.

Mr. PEPPER. That is correct.

Will the Senator from Georgia advise the Senate whether the Farm Bureau, which is an active organization of farmers, favors the amendment?

Mr. RUSSELL. I am not advised as to the position of the Farm Bureau.

Mr. PEPPER. Would the Senator from Georgia be surprised if he were told that at the last convention of the Farm Bureau, a motion to recommend enactment of the Pace bill was rejected?

Mr. RUSSELL. I would not be in the slightest surprised, because I know something of the attitude of those who at times speak for the Farm Bureau. It has been their view that they could hold back the tide of rising wages in the United States and, therefore, they have foregone any effort to increase the income of the farmer who sells his product for his wage. But they might as well try, like old King Canute, to forbid the tide of the ocean to rise; they might as well try to beat back the sea with a broom, as to attempt to beat back the tide of increasing wages in the United States. If they took the position the Senator from Florida stated, it was based on a serious error of judgment, and it is a disservice to those whom they represent. The farmers of my State, whether members of the Farm Bureau or not, almost unanimously approve the amendment.

Mr. PEPPER. Mr. President, will the Senator yield further? Does the Senator know whether the National Grange favors or opposes this amendment?

Mr. RUSSELL. I am not advised as to the position of the Grange.

Mr. PEPPER. Would the Senator be surprised if the National Grange had stated that it was opposed to the amendment?

Mr. RUSSELL. I would not be surprised in the slightest degree, because, just as in the case of the Farm Bureau, the National Grange has been endeavoring to hold back all wages, but of course it has not been able to do so. Industrial wages have been skyrocketing.

Now the Senate has before it a bill proposing a great increase in the minimum wage, and in some form that bill will be passed. The organizations mentioned by the Senator from Florida have, in their efforts to hold down all wages, have not been in a position, of course, to seek priority for the farmer. I am now seeking a small measure of equality for the farmer after the wage scale in all other business has already passed far beyond the scale that was envisioned or approved by the leaders of the two organizations to which reference has been made.

Mr. PEPPER. Is the Senator informed as to what is the attitude of the farmers union in respect to the amendment?

Mr. RUSSELL. No, I am not informed as to what is the attitude of the farmers union, but from what I have seen of it in recent months I would conclude that it would be opposed to the farm amendment and in favor of the Senator's bill, because, according to its public pronouncements it has almost become an adjunct or branch of the PAC.

Mr. PEPPER. Are not the Farm Bureau, the National Grange, and the Farmers Union in favor of the pending bill?

Mr. RUSSELL. They may be, I do not know, but the Senator from Florida should realize that there are some Senators in this body who take a position with regard to proposed legislation according to what they believe is right for the people in the communities they represent, regardless of whether they have or have not a great vocal support of some powerful political organization. I have not asked representatives of the organizations to which the Senator has referred as to how they stand on this proposition. I should like to have them be in favor of the amendment, but if they are not it does not matter much to me because my view is that the welfare of the farmers whom I seek to represent in this body is inextricably bound up in this proposal. I want to go along on an increase in the minimum wage. I realize that we have approved a high wage level in this Nation so as to preserve a high national income in order to enable us to service our enormous debt. We must have high wages. But when we have high wages I assert that they should not be confined to those who are represented through any particular organization, whether it be the PAC, the A. F. of L., or the farm bureau. After all, all of the farmers of my State are not members of any organization. If we are to raise the national income level by operation of law, it is high time that the farmers of this Nation have someone in or out of their organizations to present their cause for a small measure of equality. Many of the local farm bureaus in my State have advised me of their support of this amendment to increase their income along with all others in the country.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. MAYBANK. I ask the Senator from Georgia if the Secretary of Agriculture has approved the present minimum wage bill?

Mr. RUSSELL. I understand that he has approved it.

Mr. MAYBANK. I also ask the Senator from Georgia if the American Farm Bureau has approved it?

Mr. RUSSELL. I have no knowledge as to whether they have approved it or not.

Mr. MAYBANK. I ask the Senator from Georgia if the National Grange has approved the bill?

Mr. RUSSELL. I am sorry that I cannot answer the Senator's question. I do not know.

Mr. MAYBANK. I should like to ask the Senator whether or not the Farmers Union has approved the bill.

Mr. RUSSELL. I do not know whether they approved it or not. For the reasons which I have already assigned, I assume that they approved it. I do not know what the Farm Bureau or the National Grange has done.

Mr. MAYBANK. I should like to ask the Senator whether or not Mr. Bowles has approved the bill,

Mr. RUSSELL. Of course, I know Mr. Bowles has approved it.

Mr. MAYBANK. What did Mr. Bowles approve for the cotton farmer in the way of ceilings on cotton? Did he or did he not try to ruin the cotton farmer? I am pleased to note that the Senator from Georgia feels that there are some of us here who do not have to depend upon lobbyists and groups who sit outside this Chamber to tell us what to do, or what legislation to pass.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield for a statement?

Mr. RUSSELL. I yield.

Mr. THOMAS of Oklahoma. This same idea has been before the Senate on many different occasions. In 1944 an identical idea in the form of an amendment was offered to the price-extension bill. The matter was fought out on the floor of the Senate. At that time every farm organization, with the exception of the Farmers Union, supported the amendment. The Senate agreed to the amendment and the conferees finally juggled it out in conference.

For the RECORD I wish to say that the Secretaries of Agriculture in the United States, insofar as the Committee on Agriculture and Forestry has been informed, are favorable to and are supporting this bill. An identical bill passed the Senate once before and was sent to the other House. A controversy then arose over a threatened coal strike, and the authorities in control of legislation

asked that a resolution be passed recalling the bill. The bill was recalled from the House of Representatives.

That, Mr. President, is the status of the matter as it stands today.

Mr. PEPPER. Mr. President, will the Senator further yield to me?

Mr. RUSSELL. I yield.

Mr. PEPPER. I have asked questions only that the facts may be disclosed, and I will not interrupt the Senator further. But in his preliminary statement will he tell the Senate what would be the effect of the amendment which he is now offering on the price of cotton, the price of corn, and the price of wheat?

Mr. RUSSELL. Mr. President, I intend to do that before I conclude my remarks. I do not wish to revert to that now, because I am discussing another phase of the subject.

I thank the Senator from Oklahoma for his contribution.

I may say, Mr. President, that I do not think it adds a great deal to the stature of the Senate of the United States to have us reach a time when we cannot legislate on a bill without having it dinned into our ears that this organization, or that organization, or some other organization is opposed to or is in favor of the measure.

All of us are glad to get the views of any person on any bill, but we should not have government by group pressure.

The time has almost arrived, Mr. President, when those who do not have spokesmen, who represent powerful political groups, cannot have their voices heard in the Senate of the United States. The time has almost arrived when the Senate will not consider any legislation except that which has been proposed or sponsored by some powerful political group which is seeking to get into its hands all of the power of the Government, and sometimes we are led to believe that they will eventually attain their ends.

Mr. CHAVEZ. Mr. President, I compliment the Senator from Georgia on his last statement. I have always maintained that the responsibility for national legislation is in the Senate of the United States and in the United States House of Representatives. I am always glad to receive the views of any organization with regard to any proposed legislation, but in the final analysis the responsibility for defeating or passing the legislation belongs to the Congress of the United States.

Mr. RUSSELL. The Senator from New Mexico is absolutely correct. This business of running around to find out how the PAC, or this group or some other group stands, before taking a position on pending legislation, certainly adds nothing to the prestige of the Senate, nor to the preservation of our form of government which we inherited from our forebears.

Mr. President, we hear a great deal about inflation and the effect which various proposed measures would have upon our national economy. I have concluded that the views of most of us can be boiled down. We have been told that price increases which will result in a wage increase approved by some groups, is not inflationary. But let someone else insist upon a small increase in the price of his commodity when it does not happen to meet with the approval of the person or group who are administering the bill, a threat is immediately posed of runaway inflation. It is not inflationary to increase the price of a raw commodity, such as steel, $5 a ton in order to allow a wage increase of 18½ cents an hour, or an average wage of $1.24 an hour in the great steel industry, but if we talk about a measure which would increase the wages of the cotton farmer 3 cents an hour, it immediately poses a terrific threat of inflation which is likely to wipe out all the Nation and destroy our national economy, according to those who have cheerfully approved much greater increases under political pressure.

Mr. MAYBANK. Mr. President, I wish to ask the Senator if it is not a fact that during and following World War I the price of cotton was always between 30 and 40 cents a pound. It reached a point of 42 cents in 1919, went down in 1920, and then went up to between 35 cents and 36 cents in the late 1920's. That situation suggests only a thought and question which I wish to ask the Senator, in keeping with the statement which the Senator from Florida made, and the question which he asked as to what effect this proposal would have on the price of cotton. I may say that it will have the same effect as any wage scale which is set for labor by the Congress of the United States. As wages increase, let us allow the price of cotton to increase in computing farm parity.

Mr. RUSSELL. All Senators know, of course, that the only wage the farmer has is that which he receives for his products in the open market. I understand from a computation made by the Bureau of Agricultural Economics, an agency of the Government under the Secretary of Agriculture, who is bitterly opposed to the amendment, that under the pending measure the price of cotton would increase from a present market of around 26½ cents a pound to 29 cents a pound, which is an increase of about 2½ cents a pound.

Mr. EASTLAND. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. EASTLAND. Does the Senator realize that because of increased costs and because the labor cost has increased 300 percent today over the base period, cotton cannot profitably be produced at 29 cents a pound?

Mr. RUSSELL. I do not think it can be, except in very rare cases.

Mr. EASTLAND. What is provided in the bill still would not be adequate for the producers of cotton, wheat, corn, or the other basic agricultural commodities.

Mr. RUSSELL. The Senator is correct.

Mr. MAYBANK. Will the Senator yield for a short statement?

Mr. RUSSELL. I yield.

Mr. MAYBANK. I merely wish to make the observation that despite what the Department of Agriculture and the Secretary of Agriculture say to our good friends of the West and the South, we are today exporting enormous quantities of wheat and cotton. To whom? To England, to France, to Germany. What is paying for it? American money. All they want to do is to keep farm prices down and keep taxes up, and ship those things to Europe and to the continent of Japan, so that they might think they are getting something for nothing. It makes no difference to General MacArthur whether he pays 40 cents for cotton or $3.50 for wheat. It is all our money in the end, and apparently the only people whom men like Bowles intend to injure and hurt and destroy are the rural farmer, the cotton farmer, the wheat farmer, and the rural citizens of this country.

Mr. RUSSELL. Mr. President, I have listened with some interest to the many learned arguments which have been made on this floor in behalf of the original committee bill. I congratulate the sponsors of the bill for the magnificent preparation that was given to the addresses we have been privileged to hear. I congratulate them for the pattern of their speeches. Each speaker apparently had agreed to cover some one phase of the subject, and they dealt with it very comprehensively, and much to the enlightenment of the Senate.

I was impressed with the arguments that were made about the necessity for maintaining a high level of national income. I was touched with the appeals that were made for assistance to the low-income groups of this Nation. I wish to point out to the Senate that each and every argument that has been made stressing the need for aiding those in the lower income brackets, every argument that has been made impressing upon us the necessity for maintaining purchasing power in this Nation if industry were not to languish and a period of unemployment were not to be brought about, applies with more force and with more justice to the amendment I now propose than it does to the bill that is reported by the committee.

Mr. President, that is true because the farmers of this Nation are today, as they have ever been, the lowest income group in this Nation. That is true because we have learned from sad experience in the past that depressions start on the farm, with the drying up of farm buying power. When the farmer has not that with which to buy it is but a matter of months until the smoke no longer rolls from the chimneys of the manufacturing establishments, and the streets of the cities are crowded with those who are unemployed looking for jobs at most any wages. The farmer is the last to enjoy any tide of prosperity.

Mr. PEPPER. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. PEPPER. The committee certainly, and I certainly, are deeply sympathetic with the problem of the farmer which the able Senator is presenting, and I should like to ask whether it is not a fact that the reason why the Farm Federation has not in the past and does not now, and the Secretary of Agriculture has not in the past and does not now, favor the Senator's amendment, is that the Secretary thinks, Mr. Bowles and Mr. Porter think, it would work inflationarily in its influence——

Mr. RUSSELL. Everything they do not favor is inflationary!

Mr. PEPPER. It would work inflationarily in good times, but in depressions, if we put the Pace amendment—an alteration of the parity principle—into effect, it would hurt the farmer. Is it not a fact that the reason why the farm organizations have not favored the amendment is that it is fine in good times, but when labor becomes plentiful, in bad times, they do not want the cost of labor part of the parity principle, because it would pull the farm price down?

Mr. RUSSELL. I should like to ask the Senator from Florida a question—and I ask him in good faith, because I am not advised—did the Farm Bureau Federation take any position before the Senator's committee on the bill he sponsors here?

Mr. PEPPER. Not to my knowledge.

Mr. RUSSELL. Did the Grange take any position on the bill before the Senator's committee?

Mr. PEPPER. The Grange did not testify.

Mr. RUSSELL. Neither organization appeared or testified?

Mr. PEPPER. It did not; but they are not the spokesmen in this country for industrial wage increases, and it is singular that they did not appear and ask for the Pace bill if they believed it should be added to the pending bill.

Mr. RUSSELL. I merely wish to point out how fallacious that is, and the fallaciousness of the reasoning of the Secretary of Agriculture when he came here and abandoned those he was put in the President's Cabinet to protect. He says this provision would hurt when times get hard and wages go down. What escalator is there in the committee bill to bring down the minimum wage when times get hard? It matters not how serious a depression we may have, there is nothing in the bill which would bring down the wage; and the Secretary of Agriculture testified in behalf of the bill.

Not only is there no escalator in the bill to bring down wages when times are hard, but I just pointed out that we had already enacted a so-called full employment bill, to give employment to those who might be thrown out of work when times go bad, and therefore the Secretary of Agriculture was in the sorry position of supporting a measure to protect and afford security to every group in this Nation except those he was supposed to represent, they being the American farmers.

Mr. TAYLOR. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. TAYLOR. I merely wish to make an observation. A moment ago the Senator from Georgia said that it appeared to him that depressions started with the farmers when their purchasing power dried up.

Mr. RUSSELL. All lines of business are interrelated; of course, one depends on the other——

Mr. TAYLOR. I should like to say, from my studies of the subject, that depressions start when the bankers dry up the sources of credit.

Mr. RUSSELL. That contributes, of course, but certainly the farmer has heretofore been the first to feel the actual brunt of decreasing prices in this country and the last to enjoy prosperous periods, and I think a study of almost any depression we have ever had will sustain that statement.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. EASTLAND. Did I understand the distinguished Senator from Georgia to say that the reason the Secretary of Agriculture assigned for his opposition to the amendment was that it was inflationary?

Mr. RUSSELL. He stated it was inflationary, and that it would not work in times when labor prices came down, though he was testifying in favor of a bill to maintain the wage at 65 cents an hour in good times and bad for everyone not working on the farm.

Mr. EASTLAND. I should like to call the attention of the distinguished Senator to the hypocrisy of that argument. The Department of Agriculture figures, and rightly so, that each cent a pound for cotton figures 1 cent on the hourly wage of the man who produces the cotton. When cotton is 10 cents a pound the farmers wage is 10 cents an hour. Today, with cotton at 26½ cents a pound, the farmer's wage is 26½ cents an hour. We have here an amendment which would raise that wage 2½ cents an hour, from 26½ cents to 29 cents, and it is said it is inflationary and should be defeated, and that at the same time we should pass a bill which would provide a minimum wage scale of 65 cents an hour.

Mr. RUSSELL. Mr. President, we have had in this country for some time what is known as the parity formula. As a matter of fact, to show how the farmer has always been forced to follow in the wake of every other group in this Nation, there have been only 9 years—bear that in mind, there have been only 9 years—in the 35-year period from 1910 to 1944, when the farmer enjoyed even inadequate parity, which did not take into consideration his toil in his fields, and the toil of his wife and of his children in the fields, in producing the food and fiber which enable us to eat and wear our clothes.

The late President Roosevelt has been quoted here. In a speech in 1942 he made a statement on parity. It is only a few lines long, but it is a good definition and shows his views upon the subject matter of the pending amendment. In a message to Congress on September 2, 1942, President Roosevelt made the following statement:

> Parity is the fair relationship between the prices of the things farmers sell and the things they buy.

And I ask Senators to heed this statement:

> Calculations of parity must include all costs of production, including the cost of labor.

That is what this amendment seeks to do.

> As a result parity prices may shift every time wage rates shift.

Under the trend of legislation in this Nation today all wage rates are going upward, except the wage of the farmer, which is chained to an index that is based on 1909 to 1914.

Mr. President, I shall not tire the Senate by lengthy statement of figures that demonstrate the odds against which the farmer has battled in the years which have gone, or those which will confront him in the future if the wages of all others are raised and his are left based upon a parity period without including the cost of farm labor.

I do wish to point out, however, that based on the index of 100 for the years 1910 to 1914, when wages, the cost of the things the farmers consumed, and the prices of farm commodities, were in balance, the hourly earnings of factory workers rose in that period from this weighted average of 100 to an average of 483 in 1945. The weekly wages of factory workers rose from 100 in this base period to 403 in 1945. The cost of living over that period rose only from 100 to 188. The retail cost of food rose only from 100 to 182. The income of the farmer rose from 100, when compared with the 483 of the hourly earnings of factory workers, to a weighted average of only 207; about 40 percent of the increase in industrial wages. Bear in mind the fact there have been substantial increases in hourly wages in industry since these figures were compiled.

Mr. President, as I have stated, every argument that has been made upon the Senate floor in behalf of this 65 cent per hour bill—and I hope that I will be in a position to vote for it because it is none too large as a minimum wage in this Nation—every argument that has been made in behalf of the bill applies with more force to my amendment than it does to the original committee bill. For example, here is a statement made in the committee report:

> This disparity grows as Congress deliberates.

We talk about the disparity between the relation of the low-income group and the national income. I point out that the disparity between the farm income and the national income grows more rapidly as the Congress deliberates upon this bill.

Mr. President, I wish merely to point out the figures as to farm income, as compared with national income, as conclusive evidence of the necessity of the Congress accepting my amendment. For 1945 the per capita income of our farm people was higher than it had ever been. It reached the staggering total of $570. The per capita income of those who do not live on the farms amounted to $1,290—two and one-half times as much as the farmer receives. Who is there to deny the statement that the farmer works harder and for longer hours than any group employed in industry?

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. HICKENLOOPER. I might say to the Senator from Georgia that I am not prepared at this moment to present the detailed statistics, but I should like to give him some information and ask him if he is aware of these facts. These

facts apply to my State of Iowa, which is the most highly diversified farming State in the Union, and over all the most densely productive as a State, with the highest percentage of tillable land. But in the highest productive years, 1943, 1944, and 1945, the net income of the average farmer in my State was approximately $3,700. That is of the farmer himself. It took approximately 8,000 man-hours of labor to produce that overall net income. If the Senator cares to calculate by simple arithmetic he will find that that is far less than 50 cents per hour wages for the farmer for the man-hours that were put in on that farm, including his children and his wife, or the 3.6 persons it took to run the average Iowa farm, so that the farmer in the highest period of income that we have ever had agriculturally in this country has not yet approached the hourly pay for the necessary work going into agricultural production that would be paid the most common of labor in this country today, in the roughest of occupations, digging ditches, or anything of that kind.

Mr. RUSSELL. The Senator knows that farming is not only the most back-breaking toil on earth, but it is subject to more hazard, and farming is a greater gamble than any other line of endeavor known to mankind.

Mr. HICKENLOOPER. And it is becoming the most technical of operations, if it is successfully operated, of any wide-scale operation that we have in America industrially today. I think those figures are significant when we discuss the question of general wage scales in industry and in other fields. Agricultural wages today, that is, the net income for the man-hours put in, do not begin to come up to the lowest scale for common labor.

Mr. RUSSELL. The constituents of the Senator from Iowa are most fortunate. I do not have the figures before me at this time for my State, but it is my recollection that they are only a little over half of what the Senator from Iowa indicated to be the farm income for his State.

Mr. HICKENLOOPER. I raise that point to support the Senator's contention that agriculture is not on a high scale of hourly income in comparison with the hours put in and the wages paid in other fields of industry.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. McCLELLAN. Along the line of the observation just made by the Senator from Iowa, while I do not have statistics at hand at the moment to substantiate the statement, I think no one would be able to challenge the statement that farm wages in the South, in our section of the country, on the basis of man-hours of labor actually put into what the farmer produces and on the basis of his gross income, have not yet begun to equal the existing minimum wage in our land. Now we are proposing to raise the industrial wage minimum to 65 or 70 cents, and leave the farmer down at a wage of about 30 cents an hour or less.

Mr. RUSSELL. The Senator from Arkansas is approximately correct because I find that according to a statement issued by the Bureau of Agricultural Economics in March 1945 the wages of hired farm workers in the South were approximately 29 cents per hour.

Mr. McCLELLAN. About 30 cents an hour would be a fair average of the wages earned by farmers in the South. That would be a fair average of the wages earned by the farmers and the members of their families for the man-hours of labor actually put into the producing of the crop. Now it is proposed to raise industrial wages without carrying the farmer's wage and the farmer's income along with them, and when we undertake to raise the farmer's income the charge is made that it is inflation. I say that the economy of this country ought to be kept geared together. Farmers, industrial workers, and all other earners should be geared together so that we will keep a balanced economy. If, by law, we are to fix a very high minimum wage for industry and at the same time not carry the farmer along we are going to have a depressed and an oppressed agriculture. If it is right by law to fix our economy or have a managed economy in America, then we had better do a little managing and give a little protection to those who produce the food and the fiber that are indispensable to our existence.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CAPEHART. Since the war has ended organized labor in America has had an increase of from 15 to 20 percent. It had to fight for it, and did fight for it and secured it. Now it is proposed to increase the minimum wage of unorganized labor from 40 to 65 cents. That takes care of both groups of labor. Therefore, I see nothing wrong in providing an increased wage for the farmer. I will support this amendment. It is only fair. I cannot see how anyone could disapprove of it. If we are to take care of all other groups in America, we should likewise take care of the farmer.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. PEPPER. In view of the statement made by the able Senator from Arkansas [Mr. McCLELLAN], which made it appear that the sponsors of the bill are in favor of an increase for industrial labor but are not in favor of an increase for agricultural labor because they do not favor this particular amendment, I invite attention to the fact that Mr. Bowles testified before the Committee on Education and Labor that in respect to tobacco, which would be affected by the pending bill, and in respect to cotton textiles, which would be affected, the increase in the cost of living would be negligible, whereas in respect to lumber he stated that the pending bill would increase the price of lumber possibly 5 percent.

I ask the Senator to compare that with what the Secretary of Agriculture stated. I assume that he has access to the correct statistics. In speaking of this amendment he said that it would increase the parity prices of the principal commodities such as corn, cotton, and wheat by approximately 33 percent. He points out that the price of wheat would go up from $1.57 a bushel to $2.10 a bushel; that the price of corn would go up from $1.14 a bushel to $1.52 a bushel; and that the price of cotton would go up from 22 cents a pound to approximately 29⅓ cents.

Mr. RUSSELL. The Senator is speaking of increases above the present parity prices.

Mr. PEPPER. That is correct.

Mr. RUSSELL. And not above the present market. The market prices of some of those commodities are considerably above the present parity prices. I know that cotton has sold recently for approximately 27 cents a pound. So even under those figures the increase could not be more than two and a fraction cents a pound.

Mr. PEPPER. I merely wish to have the Senator compare the 2½ cents a pound as a minimum—although both Mr. Bowles and Mr. Porter, as well as the Secretary of Agriculture, say that the increase would be greater—with the increase in the cost of living which would result from the passage of this bill. Even 2½ cents a pound for cotton is far different from the increase in the cost of living which would result from the passage of the bill.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. RUSSELL. I shall be glad to yield in a moment.

Mr. President, the pitiful 2½-cent increase in his wage which the cotton farmer would receive under this amendment must be compared to the increase which the Senator is sponsoring for non-farmers, namely, an increase from 40 cents an hour to 65 cents an hour.

Mr. PEPPER. Mr. President, will the Senator further yield?

Mr. RUSSELL. I yield.

Mr. PEPPER. Mr. Paul Porter, in a letter to me dated March 14, states that in his opinion—and he is the OPA Administrator—farm prices would be increased, on the average, by 20 percent.

Mr. RUSSELL. That is much less than the 33 percent which the Senator mentioned a moment ago.

As I stated a few moments ago, it so happens that both Mr. Bowles and Mr. Anderson have approved an increase of 18½ cents an hour for all those in the higher skills in industry. They are supporting an increase of 25 cents an hour in the minimum wage for those not in the higher skills in industry. Yet they would deny any increase whatever to the farmer. They can obtain figures and statistics to suit their position. We have been told that some of these wage increases were bulges in the line; but it begins to look as though they were breaches instead of bulges. It all depends upon whose ox one wishes to gore, or whose back one wishes to scratch. If one wishes to scratch the backs of a certain group, and increase wages 15 or 20 cents an hour, he can find reason for doing so, and can claim that it is not inflationary. But if he does not wish to scratch the backs of another group which would receive an increase of 2½ cents an hour, he can say that such an increase would be wildly inflationary and

would destroy the economy of the country. We must take into consideration the attitude of those who are doing the figuring before we accept their figures. I will not go along with those who fight for higher wage levels and state they are not inflationary, and at the same time would deny a pittance to the farmer by contending it will ruin the country.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from South Carolina.

Mr. MAYBANK. I thoroughly agree with what the Senator from Georgia says. We must take into account who is doing the figuring. The able Senator from Florida first suggested that the proposed amendment would raise prices by 33⅓ percent. Later, in a letter from Mr. Bowles, the figure of 20 percent is used. Today it is not possible to buy good cotton in the cotton mills of the Carolinas or New England for less than 100 points over the present future market. If Mr. Bowles knew anything about cotton he would know that good cotton is now bringing 28½ or 29 cents a pound. The parity formula has nothing to do with the price, but Mr. Bowles knows nothing about cotton.

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. RUSSELL. I wish to conclude my remarks, but I yield to the Senator from Idaho.

Mr. TAYLOR. I should like to inquire of the able Senator from Georgia, inasmuch as the group of Senators which he represents in this debate is opposed to the 65-cent minimum——

Mr. MAYBANK. No, no.

Mr. RUSSELL. Mr. President, let me say to the Senator that I represent no group of Senators. I represent only myself. I do not like the group complex. Some people believe that a Senator does not rise on the floor of the Senate unless he represents a large group of 18 or 20 Senators sponsoring an amendment. When I speak here I represent the Senator from Georgia and what I deem to be the views of my constituents. I do not go for the group idea. I hope to have the support of a large group but I speak only for myself.

Mr. TAYLOR. Mr. President, I apologize. I dissolve the group.

Mr. RUSSELL. Very well.

Mr. TAYLOR. Inasmuch as there are those who are opposed to applying the minimum wage to farm workers, how does the Senator propose to pass on to the great group of farm workers who do not own the land the benefits of the Pace amendments?

Mr. RUSSELL. The Senator raises a question which somewhat surprises me. I looked into that question because the Senator from Illinois had made the same suggestion earlier in the debate.

In this country there are farm operators who actually work upon the farm, and who depend upon the products of their toil for their wage. They number approximately 5,140,000, as compared with 1,880,000 hired workers. The Senator from Idaho proposes to deny to the more than 5,000,000 operators who own their farms and work upon them and depend upon the sale of the products of their toil for their wage any increase whatever in this day of increasing wages, for fear that some of the 1,880,000 hired workers might not get all that was coming to them.

If the Senator wishes to go along on an over-all increase, possibly we could devise some plan which would make sure that the farm workers obtained the benefit of the increase. We might write such a provision into the bill, fixing the minimum wage. I am not sure that the bill as reported by the committee does not already fix a minimum wage for many classes of farm workers who work for wages. I know that those who work in the woods felling and sawing timber would be covered by it. I believe that those who work on irrigation projects would be covered by the provisions of the bill. I believe that many classes of so-called hired farm workers are already covered by the terms of the bill as reported from the committee. The farm owner who works his lands with his family is not covered or protected.

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. TAYLOR. I merely wish to make it clear that I am not disinterested in the fate of the farmers, but I am not particularly excited, inasmuch as the farmers, as represented by their farm organizations, have not been very much excited over including the Pace amendment. It is not that I am disinterested in the farmers, but I am positively interested in seeing that the farm workers, who do not own the land, participate in any benefits which may be given to the farmers.

Mr. RUSSELL. I am equally as interested as is the Senator from Idaho.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. HATCH. From what part of the bill does the Senator draw his construction that agricultural workers employed in irrigation projects are included?

Mr. RUSSELL. I did not say that those employed on irrigated farms were included; but under the definition given in the bill there is some question in my mind whether those actually employed in doing the ditching and getting the water to the farms are covered. I believe that they are.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. MAYBANK. I merely wish to comment on what the Senator from Idaho stated, and the question which he asked the Senator from Georgia about those who work on the farms. As a result of laws enacted by the Congress of the United States sponsored by the Senator from Alabama [Mr. BANKHEAD] and others, many of those who years ago worked on the farms, have been able, through the assistance of the Farm Security Administration, to purchase their own farms. Many thousands have done so during the past few years. With that program under way, I think there will be far fewer than the 1,800,000 hired workers to whom the Senator referred.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. AIKEN. I wish to refer to the question which was asked the Senator, as to whether workmen on a farm performing labor in connection with irrigation ditches would be covered under the terms of the bill. At the present time the employees of an irrigation company getting the water to the farm are covered; but the men on the farm growing the crops and operating the ditches on the farm itself are not covered. Nor is there any intention to include them in the coverage under this bill.

Mr. RUSSELL. I thank the Senator for clarifying the matter. The question was raised the other day on the floor of the Senate, and no Senator could answer the question as to whether they were or were not covered. I am glad that the Senator from Vermont, who is the agricultural expert advising the sponsors of the bill, has clarified that matter for the Senate.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Oregon.

Mr. CORDON. I am interested in the comment of the Senator from Idaho [Mr. TAYLOR], who shows his concern—and I have a like concern—for workmen who are hired on the farms, who do now own the farms, and who are not covered under the existing legislation or the proposed legislation or any proposed amendments to any part of it. However, I suggest to the Senator from Georgia that there will be some values which will accrue to that class of persons even though the law does not reach them. I call the attention of the Senator to the fact that the amendment which has been offered, and which in the first place was reported by the committee—I refer to the amendment in the nature of a perfecting amendment, which now is under discussion, broadens the coverage of the wages-and-hours law so as to include all employers in any activity affecting commerce; and commerce is defined as being—

> Any activity in commerce or necessary to commerce or competing with any activity in commerce or where the payment of wages at rates below those prescribed by this act or where the employment of oppressive child labor would burden or obstruct or tend to burden or obstruct commerce or the free flow of commerce.

That occurs to me to be rather broad language. [Laughter.] As nearly as I can apply it, it means that once the smoke clears away and once the wage and hour law has been passed as it has been reported from the committee, every industry and activity, interstate and intrastate, in this country, except those which are specifically excluded under the terms of the amendment itself, will come under that definition.

If that be the case, then does it not necessarily follow that the minimum wage affecting all those employees will be a more attractive wage than the wage any man can get when working on a farm or the wage which any farmer can afford to pay to a man who is working on his farm, with the result that there will be a continual flow of labor away from the farmers and into industries, and that will leave the farmer in the position of

having himself and his family burdened with operating the farm or with meeting higher wages, but not receiving for his products any higher prices with which to pay the higher wages?

Mr. RUSSELL. Mr. President, there cannot be any question about the correctness of the statement just made by the able Senator from Oregon. There is a group of persons in this country, Mr. President, who think that the people of the United States should go out of the farming business. There are some of our master minds and our great economists who are of the opinion that we should retire from agriculture because we cannot compete with other lands in the matter of the low level of living. That group contends we should obtain the raw materials from Argentina, from Brazil, and from other countries of South America, and that we should become just a Nation of processors, where all people could enjoy the higher wages paid to those engaged in the processing industries.

Mr. President, I cannot subscribe to that school of thought or that philosophy. If it ever gains any strength in this country, I think the United States is doomed. But that group is the only group I know about which could look with equanimity upon a condition in this country which would result in increasing the wages of everyone but the farmer, and would provide employment in times of unemployment for all our people except the farmers.

Mr. President, the values to this country to be found in agriculture are not confined to the food we eat or the clothes we wear. We might be able to send to foreign lands and obtain the grain and the cotton and the wool and the other things which are necessary to sustain us in life. Of course, we might find ourselves in a bad situation and in very poor condition in time of world catastrophe or war, but probably we could exist. However, Mr. President, any such development as that, in my judgment, would strike a mortal blow to the soul of America. When we go back to the farms, we find those who live close to nature. They have time to think. They are not susceptible to the ebb and flow of the tide of public opinion. We may say what we please, but they are the sheet anchor of our civilization. When we are considering an increase in wages for this group and that group and an increase in prices in order to permit the payment of those wages, I, for one, do not propose to be deterred by the cry—which has been raised by those who are opposed to this amendment—that it is impossible to help the farmer without destroying the country, because I feel in my heart that we cannot save the country and destroy the farmer. Today 20 percent or 30 percent of the people of the United States live on farms. They realize the benefits of the independence of farm life, and they live close to nature. They know what religion means, other than as a form. They rear the children who have saved this Nation in times of emergency, and in normal times they give us many of the great men in our cities. If we did not have them, this Republic would fade and wither away and die. The maintenance of our farm population is something more than dollars and cents; it is what keeps the soul of the United States alive.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. AIKEN. I should like to allay the fears expressed by the Senator from Oregon that the farmers in his State will have to raise their wages if the pending minimum-wage bill goes into effect. Let me say that, according to figures of the Department of Agriculture, the average earnings of farm workers in the West—and for purposes of the figures, several States are grouped together, but they include the State of Oregon—were 77 cents an hour, as of last September, or more than the highest figure which has been estimated by anyone in contemplating minimum wage scales.

Mr. CORDON. Mr. President, if the Senator from Georgia will yield to me long enough to permit me to reply to the Senator from Vermont, I should like to say that, so far as I can determine, no provision of the existing law and no pending or proposed amendment affects wages in my State or in the Pacific Northwest. The wages in my State are higher in every value than the wages which would be prescribed by the pending bill, but the bill does affect some conditions in some of the other 47 States.

Mr. RUSSELL. Mr. President, I wish to congratulate the Senator from Oregon for being able to look beyond the confines of his own State and for taking some interest in the general welfare of these United States.

Now I wish to conclude in a brief time. I desire to offer for the RECORD certain tables which show the prices of various agricultural commodities, as computed on a 1945 basis. I do not have the 1946 figures, which I believe were referred to by the distinguished Senator from Florida.

(See exhibit A.)

I also desire to offer a table showing that for a period of 35 years, with seven rare exceptions, the farmer has been behind his fellow citizens in the battle for a livelihood and to enjoy the better things of life.

(See exhibit B.)

Mr. President, I feel very keenly that this amendment is as important, if not more important, than the original committee bill. The figures which I have obtained and the information which comes to me show that the boys who are returning from service in the Army and Navy of the United States are not returning to the farms. We cannot expect them to go back to the farms and work for a pauper's wage when all of their fellow citizens throughout this country who work in industry are protected by the strong arm of the Government in receiving a wage several times that amount. They desire the good things of life as much as anyone. Who can blame them for seeking relief from the present hardships of farm life and low income?

I believe that some action here and now which would show the farmers of this Nation that they are not forgotten in this move to increase the national income and to increase the wage level of all those in the country except the farmers, is necessary if we are to maintain the people on the farms and to get the returning soldiers to go back to the farms. Mr. President, I believe it is demanded by the dictates of justice and in the interest of the public welfare. I reiterate that every argument which has been made about our responsibility for low-level income groups applies even more strongly to the farmers than it does to any other group.

Mr. President, I apprehend that in the course of this discussion there will be very few who will take the position that the farm wage level is excessive and that under the amendment the farmer would receive more money than he would be entitled to. I do not believe there are many Senators who will say that the farmer is not entitled to a wage level of at least 40 cents or 45 cents an hour if everyone else is to have a minimum of 65 cents an hour. The attack which will be made upon this amendment will be by those who claim to be its friends. They will tell us that it is a good proposition and that they would be in favor of it as an independent bill, but they will say they cannot support it as an amendment to this bill. Mr. President, more good legislation has been killed on the specious plea that "this is not the right place for it" than by anything else I know of. The statement is made, "It is a good bill and we are in favor of it, but it should not be added to this bill because it is an industrial labor bill." We shall be told, "I am for it, but it has no place in this bill."

Mr. President, I wish to tell you now that in my opinion no man who really desires to help the farmer in this fight for equality will be deceived by any such claptrap as that. If we are in favor of this proposition and if we ever hope to see it written into law, we had better vote for it on this bill, because we shall never get it in any other way.

Now they have the right horses hitched to this bill. They have Mr. Philip Murray and the PAC and powerful political groups hitched up to this bill, and they will pull it through very fast. They will pull it through awfully fast. When we get down to voting on a separate proposition a letter will probably be received from Mr. Philip Murray saying that he favors it in the abstract, but there will not be any political goon squads to see that everyone votes for it. There are different ways in which a proposal may be supported; one, by resolution or letter, and the other by turning on the cold steel and beating the boys into line. If we want this proposal to be adopted, it must be voted for now. When it gets down to the White House as an independent proposition many alleged sponsors will be present for the purpose of urging that it not be signed. They will, in large part, be urging a veto. So, I hope that no man who really wants to see this small measure of justice dealt out to the farmers of this country will fall for any claptrap and bunkum that

this proposal is a good thing and should be adopted, but this is not the right place to do it.

Mr. President, if we hope to secure any measure of justice to the farmers in the great effort to increase our national income and our national wage level, this is the third and last opportunity which we will have to see the proposal enacted into law.

EXHIBIT A

Specified farm products: Base period average price, prices received by farmers, present parity, and parity calculated under H. R. 754, Sept. 15, 1945

Commodity	Unit	Base period average Aug. 1909–July 1914	Sept. 15, 1945		
			Prices received by farmers	Parity price	
				Present	H. R. 754 formula
		Dollars	*Dollars*	*Dollars*	*Dollars*
Wheat	Bushel	0.884	1.45	1.54	2.02
Corn	do	.642	1.12	1.12	1.47
Rice	do	.813	1.67	1.41	1.86
Flaxseed	do	1.69	2.89	2.94	3.87
Beans, dry edible	Hundredweight	3.37	6.33	5.86	7.71
Peanuts	Pound	.048	.0829	.0835	.1099
Cotton	do	.124	.2172	.2158	.2840
Cottonseed	Ton	22.55	51.40	39.20	51.60
Potatoes	Bushel	[1]1.12	1.38	1.27	1.62
Sweetpotatoes	do	.878	2.07	1.53	2.01
Hay	Ton	11.87	14.30	20.70	27.20
Apples	Bushel	.96	2.84	1.67	2.20
Hogs	Hundredweight	7.27	14.10	12.60	16.60
Beef cattle	do	5.42	12.00	9.43	12.40

[1]10-season average 1919–28.

EXHIBIT B

Comparison of wages, cost of living, food costs, and farm prices, 1910 to date

[1910–14=100]

Year	Hourly earnings, factory workers	Weekly wages per factory worker	Cost of living	Retail cost of foods	Prices received by farmers
1910–14	100	100	100	100	100
1914	105	103	104	106	101
1915	108	107	105	104	99
1916	123	121	103	117	118
1917	147	143	133	151	175
1918	193	183	156	173	204
1919	225	207	179	193	215
1920	273	247	208	218	211
1921	239	208	185	166	124
1922	219	202	173	155	132
1923	246	224	177	160	143
1924	257	225	177	158	143
1925	257	229	182	171	156
1926	259	231	183	177	146
1927	261	232	180	171	142
1928	264	234	178	169	151
1929	267	235	178	171	149
1930	261	218	173	163	128
1931	244	196	158	134	90
1932	216	159	141	112	68
1933	215	154	134	109	72
1934	255	170	139	121	90
1935	264	183	142	130	109
1936	266	196	144	131	114
1937	299	213	149	136	122
1938	302	195	146	126	97
1939	299	208	144	123	95
1940	312	222	145	125	100
1941	344	264	152	136	124
1942	403	331	169	160	159
1943	454	392	179	178	192
1944	481	[1]418	182	176	195
1945 [1]	483	403	186	180	202
Dec. 1945	471	369	188	182	207

[1]Preliminary.

Source: U. S. Department of Agriculture, Bureau of Agricultural Economics.

American Farm Bureau Federation, Chicago, Ill., Sept. 19, 1945.

Mr. PEPPER. Mr. President, before we conclude for the day, and in order that the Senate and the country as a whole may have the benefit of the advice of two important officials of our Government, I wish to read into the RECORD two letters. The first letter is from Mr. Paul Porter, Administrator of the Office of Price Administration, dated March 14, 1946. It is addressed to me, and reads as follows:

OFFICE OF PRICE ADMINISTRATION,
Washington, D. C., March 14, 1946.

The Honorable CLAUDE PEPPER,
United States Senate,
Washington, D. C.

DEAR SENATOR: I have been informed that an amendment embodying the principal provisions of the so-called Pace bill (H. R. 754) has been offered as an amendment to the legislation on minimum-wage standards now before the Senate. I am gravely concerned over the consequences which this amendment would have, and I am writing to explain to you the reasons for this concern.

The Pace amendment calls for recalculation of parity through the inclusion in the parity index of "the cost of all farm labor (on the basis of the national average and including hired workers, farm operators, and members of the families of farm operators engaged in work on the farm, computed for all such labor on the basis of wage rates for hired farm labor)." The effect of this amendment, if adopted, would be to increase the parity index by approximately one-third. In January 1946 the index stood at 177. If the Pace amendment had been in effect the index for that month would have been 236.

With the parity index at 236 most principal farm commodities would be below the new parity and their prices would consequently have to be raised at once. This would not, however, be the end of the matter. The maintenance of farm production requires that roughly the prevailing relationship among farm prices be maintained. It would, therefore, be necessary to raise many farm prices above the new parity level.

Our most conservative estimate is that farm prices would have to be increased on the average by 20 percent. With the increase limited to this amount the new parity ratio would be 105 as compared with the actual January ratio of 116. This resulting margin of only 5 percent above parity makes plain how conservative is our estimate of a 20-percent rise in farm prices.

A rise of 20 percent in farm prices would require an increase of 15 percent in the retail prices of food—or, alternatively, approximately a trebling of current food subsidy payments. On food alone, therefore—quite apart from the effect of a rise of farm prices upon the retail prices of clothing and textiles—this would mean an increase of about 6 percent in consumers' prices as a whole. This is roughly double the rise that would take place if all present food subsidies were removed.

Even upon the basis of these conservative estimates, therefore, it is plain that the Pace amendment would force an immediate spurt in the cost of living, a rise so sharp that the stabilization program would have no real chance of survival. For an immediate rise of 6 percent or more in cost-of-living prices—adding more than $4,000,000,000 to the annual food budget of American families—would cut the recent and pending wage increases by at least one-third and would automatically re-open the entire wage-price controversy. In my judgment, another round of wage demands at this time would involve price consequences that would completely wreck the stabilization program.

Farmers today, not only as a whole but in all sections of the country and in all types of farming, are enjoying unprecedented prosperity. National policy is explicitly geared to the maintenance of a high level of farm income, not only the support programs for farm prices but through sustaining the buying power of the other economic groups who constitute the farmers' cash customers. That policy cannot succeed if the stabilization program is wrecked. The farmer can be protected against a repetition of the catastrophic slump of farm prices, farm income, and farm-land values that followed the last war only if this time we succeed in keeping the economy as a whole on an even keel.

I cannot believe that the farmers of this country want to see the stabilization program wrecked for a temporary and indeed illusory gain. Neither labor nor management have been willing to press their claims to the point where the stabilization program would be wrecked. I am sure that the farmers are equally farsighted and equally aware of their own true interests and the interest of the Nation as a whole.

Mr. RUSSELL. Mr. President, I ask the Senator from Florida who wrote the statement that neither labor nor management have pressed their claims?

Mr. PEPPER. The letter is signed by Paul A. Porter, Administrator of the Office of Price Administration.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. TAFT. Did Mr. Porter state that the pending proposal would increase the food bill of the Nation by $4,000,000,000?

Mr. PEPPER. This is the language to which the Senator undoubtedly refers:

A rise of 20 percent in farm prices would require an increase of 15 percent in the retail prices of food—or, alternatively, approximately a trebling of current food-subsidy payments. On food alone, therefore—quite apart from the effect of a rise of farm prices upon the retail prices of clothing and textiles—this would mean an increase of about 6 percent in consumers' prices as a whole. This is roughly double the rise that would take place if all present food subsidies were removed.

Even upon the basis of these conservative estimates, therefore, it is plain that the Pace amendment would force an immediate spurt in the cost of living, a rise so sharp that the stabilization program would have no real chance of survival. For an immediate rise of 6 percent or more in cost of living prices—adding more than $4,000,000,000 to the annual food budget of American families—would cut the recent and pending wage increases by at least one-third and would automatically reopen the entire wage-price controversy.

Mr. TAFT. Of course, the Administrator does not say that the rates proposed under the Senator's amendment would increase wages somewhere between $3,000,000,000 and $4,000,000,000 which, obviously, under present conditions, would have to be passed on to the consumer. So, it really seems to me that if Mr. Porter is opposed to a $4,000,000,000 rise in the price of food, he should be opposed to a $4,000,000,000 increase in wages which would be reflected in the cost of living.

Mr. PEPPER. No; allow me to submit that, in my opinion, the analogy is not a correct one. Mr. Bowles testified that the entire addition would be approximately $4,000,000,000 if the bill were applied to the entire private nonagricultural economy. He said that very little of that would reach the consumer, except in respect to lumber, as to which the price increase would be 5 percent at the manufacturing level and much less at the retail level. In respect to tobacco and textiles, he thought that the middlemen and the producers could absorb practically the small additional cost which they would have to bear, whereas food costs would be an expense added to the pocketbook of the American purchaser of food.

Mr. TAFT. Does the Senator not remember that Mr. Bowles said that wages in the automobile industry could be increased by 18 percent without an increase being necessary in the cost of automobiles, and that an increase could be allowed in wages in the steel industry without raising the price of steel? And has not the Senator observed that an increase in the price of those products has taken place in spite of Mr. Bowles' predictions? In this case Mr. Bowles actually admits that the rates proposed by the Senator, as contrasted with those which are proposed in the amendment of the minority Members, would actually increase substantially the price of lumber and other materials. If Mr. Bowles makes such an admission now, I think we may judge from past experience that the increases will be three times what Mr. Bowles has estimated.

Mr. PEPPER. Mr. President, I may say to the Senator from Ohio that in the first place I was reading a letter from Mr. Porter and not from Mr. Bowles. I am about to read a letter from Mr. Bowles. The Senator will also recall that when Mr. Bowles was interrogated, I believe by the Senator from Ohio, with regard to the effect of recent wage increases on the prices of automobiles, he said there would be an increase, as I recall, of about $4 a car.

Mr. TAFT. That statement was directly contrary to Mr. Bowles' previous report, the reports of his economists which were published in the press, and contrary to the reports of Mr. Wallace. It was contrary to the findings of the President's fact-finding board, which followed largely the principles laid down by Mr. Bowles.

The effect of all those reports and principles was that an 18-percent increase in the wages paid to automobile workers would result in no increase in the price of automobiles. Now Mr. Bowles has commenced to hedge and admits that the increase in wages will have an effect on the prices of commodities.

Mr. PEPPER. Yet, Mr. President, the Senator from Ohio will recall that during all the wage negotiations with respect to the steel and automobile industries there was spoken of from time to time an expected price increase which was to be allowed to the industries affected. This price increase was not predicated on the wage increase.

Mr. TAFT. That, however, was contrary to Mr. Bowles' whole theory, and it was put over to him, and his theory was so wrong that he had to yield. I say that if in this case he is willing to admit that a minimum wage is inflationary to any extent, we can assume it is a great deal more inflationary than he is willing to say.

Mr. PEPPER. I know the Senate detects the difference between what Mr. Porter actually says and the impression gained by the Senator from Ohio. Mr. Bowles said that the increase to the wage bill made by the committee bill would take very little out of the pocket of the consumer, that except with respect to lumber, where there was a 5-percent increase at the manufacturing level and much less at the consumer level, it could be absorbed by the middleman and by the producer.

Mr. TAFT. Will the Senator yield?

Mr. PEPPER. Let me finish my statement. When we add $4,000,000,000 to the cost of food to the people of this country, that means that has to come out of the purchasing power of the consumer of the food and that is the difference, that one would raise the farm prices 20 percent, Mr. Porter says, whereas Mr. Bowles says—and I am quoting my authority—that the pending bill will have relatively little influence upon the cost of living to the American people. That is the difference between the Pace amendment and the pending bill. If Senators want to dispute what these authorities say, of course, that is within the prerogative of any Senator.

I yield to the Senator from Ohio.

Mr. TAFT. That is the greatest fallacy we can possibly assume. We cannot have a general increase in wages without an increase in prices. There is no market, there is no other place where the increase can go. The wages today represent over 70 percent of the national income of the United States, and if it were possible by any chance to squeeze a little out of profits, they might be raised to 72 percent, an increase of 3 or 4 percent, instead of an increase of some 62 percent, as proposed in the particular wage bill now pending. I say that Mr. Bowles' theory that we can increase wages without increasing prices is a complete fallacy. It cannot be done in the long run. It might be done temporarily, perhaps, by holding prices rigid, or temporarily by forcing little people out of business. It seems to me there is only one place where an increase can come, and that is an increase in productivity. Certainly there is nothing today to justify the idea that wages can be increased without an increase in prices.

Mr. PEPPER. I should like to answer the Senator's argument. We can increase wages and prevent anything beyond a negligible increase in prices. The way it can be done is through the control of the Office of Price Administration or through increased productivity and purchasing power. Mr. Bowles, in his testimony before our committee, said, in respect to textiles for example, that this minimum wage bill will raise textile wages. As I recall, he said that about 50 percent of the workers in the textile industry were getting less than 65 cents an hour in the summer of 1945. It is said, "If we raise the wages, it will mean textile products will cost more." This does not necessarily follow. Mr. Bowles said that the big department stores of this country, which handle most of these products, could absorb the increase in the cost without passing it on to the public. That can be done at present only because we have price control. They cannot pass it on to the public without the permission of the Government. Therefore, we have, on the one hand, the action of the Government in raising wages, and we have, on the other hand, the action of the Government in holding down prices. That situation distinguishes the case, I will say to my able friend, from the ordinary case when price control through the Government does not exist. Of course, if we did not have the OPA, the department stores might add the increase on to the price to the housewife when she came in to buy a dress; but if Chester Bowles and Paul Porter say they cannot do it, if they add it on they will go to jail—or ought to, provided the Congress does not cut the appropriations down so that the law cannot be enforced.

Mr. MAYBANK. I suggest to the Senator that there is a black market.

Mr. PEPPER. I agree there is a black market, but we did not help cut the black market out a few days ago when we about cut in half the enforcement facilities of the OPA, and I think we will have to remember that.

Now, in conclusion, I wish to read a letter from Mr. Chester Bowles. We have been talking about Mr. Bowles, and I shall call him as a direct witness now.

His letter dated March 14, 1946, is also addressed to me. He says:

> I am alarmed to hear that an amendment to the bill amending the Fair Labor Standards Act may be introduced which would have the effect of raising parity prices of farm products in the neighborhood of 30 percent.

That is, parity prices, not farm prices generally. And let me say to my able friend from South Carolina that that is Mr. Bowles' statement. Mr. Porter's statement referred to the 20-percent increase in farm prices and Mr. Bowles' statement to the increase in parity.

Mr. MAYBANK. The Senator is familiar with the State of South Carolina's progressive paper, published in the capital of our State, the Columbia State? The Senator is familiar with that paper?

Mr. PEPPER. I have heard of it.

Mr. MAYBANK. It has supported this administration always.

Mr. PEPPER. I believe it has.

Mr. MAYBANK. In the editorial sheet I have in my hand there appears an editorial in favor of the British loan, another in favor of the extension of the draft, which I shall put in the RECORD, and there is another editorial of which I should like to read the concluding words:

> The State knows that if all controls were removed there probably would be considerable jolt, but after study of the situation, and with full appreciation of the service rendered through controls before the situation became so scrambled, it believes that now it is better to let supply and demand do the regulating.

What I want to see is the farmer, the workingman, and the businessman regulating the supply and the demand, not Government bureaucrats of the CPA and the OPA.

Mr. PEPPER. Mr. President, I should be perfectly willing to submit to a referendum of the people of this country whether price control should be continued in effect or not, and if we did not hear a chorus of "ayes" coming back from the housewives and from the masses of the people of this country, who are already being squeezed too hard, I should be very badly fooled. I give the Senator the right to his opinion.

Mr. MAYBANK. They have been squeezed too hard. They have been squeezed by the mismanagement of the OPA.

Mr. PEPPER. If the able Senator from South Carolina believes that the agency which has been set up to protect the people has been the principal criminal, he is entitled to his opinion. I do not think the people share it.

Mr. MAYBANK. The Senator from Florida, of course, has a right to his opinion, and I have a right to mine.

Mr. PEPPER. I respect the able Senator's opinion.

Mr. MAYBANK. The trouble in this country today is the Government bureaucrats in Washington trying to run everything under the OPA or the CPA.

Mr. PEPPER. A little while ago the Senator asked the able Senator from Georgia if he remembered about the price of cotton after the last war being thirty-odd cents a pound, whereas it is twenty-odd cents now. I shall like to ask the able Senator if he remembers that the price of sugar got to 20 cents a pound and that some other prices went up so high that after the last war the common joke was about the high cost of living. It was not a joke to the people who had to pay it, but everyone was talking about the high cost of living, from which we suffered because we turned loose the controls over our economy.

Mr. MAYBANK. They do not talk about the high cost of living today; they talk about not having anything to live on. I recently came back on the train from the State so ably represented by the Senator and there was no sugar on the train. The boys coming out of the Army cannot get clothes. It is not a question of what people pay; it is a question of there not being anything to buy.

Mr. PEPPER. I realize that, and that is why I am in favor of subsidies in getting houses for the veterans.

Mr. MAYBANK. So am I.

Mr. PEPPER. I am in favor of subsidies on materials.

Now to get back to Mr. Bowles' letter.

Mr. CHAVEZ. Before the Senator proceeds with the letter will he yield to me?

Mr. PEPPER. Yes.

Mr. CHAVEZ. I believe in the philosophy of price control at this moment. I think it is a correct philosophy. I do not know what we would have done without price control throughout the war. But it appears that in the administration of the law possibly OPA has been negligent. I am not blaming any particular person in OPA. I am blaming OPA as such. I call attention to one particular thing. I went downtown this morning with the idea of trying to get some shirts. I went to 10 different places. I was optimistic.

Mr. PEPPER. The Senator should put an ad in the newspaper.

Mr. CHAVEZ. I was told by an employee of a responsible house that in the cellar of that establishment were plenty of shirts. Why does not Mr. Bowles do something about that?

Mr. PEPPER. I think if Mr. Bowles knew they were there and had enough enforcement officers to ferret them out he would do so. Certainly he should do so if he could.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. FULBRIGHT. I agree that OPA is probably necessary, but how does the Senator from Florida figure that increasing the purchasing power by $4,000,000,000 is going to help the OPA? How does the Senator think that is going to make more effective the control of prices?

Mr. PEPPER. Is the Senator referring to the effects of the pending wage bill?

Mr. FULBRIGHT. Yes.

Mr. PEPPER. That is a fair question, and I will try to answer it. Mr. Bowles testified before our committee that he did not welcome the additional 5-percent increase in the price of lumber at the manufacturing level that might be brought about by this bill. That was the only price increase which he thought was appreciable that would be brought about by this bill. And finally, Mr. Bowles took the position that if it were a choice between that small increase in price in that limited number of commodities affected and a general increase to millions of our working men and women who are at the bottom of the ladder, balancing one good and one evil against the other, it was in the public interest that this bill be passed, and I agree with him.

Mr. FULBRIGHT. Mr. President, I heard Mr. Bowles' testimony, but I should like to know the Senator's own views about what will be the impact upon our national situation of an additional $4,000,000,000 purchasing power? What does the Senator think will happen with that increased purchasing power when we do not now have enough goods?

Mr. PEPPER. That $4,000,000,000 increase, incidentally, will not be the direct effect of the bill. That was Mr. Bowles' estimate of what the cost might be if the bill were applied to the entire private nonagricultural economy. The testimony shows that the bill would cost considerably less than $2,000,000,000 for the present and additional proposed coverage under the bill.

The belief is, Mr. President, and it is my belief, that inflation does not come from purchases made by the people at the bottom of the economic ladder. For a family which is now receiving $16 a week to receive $26, and instead of $64 a month to receive $104 a month, is not going to be, when it is scattered, as it will be, among all the people in all the States, in all the sections of the country, the kind of pressure that will force prices upward and bring about inflation.

Mr. FULBRIGHT. The Senator means that purchasing power in the hands of those who need it most is not inflationary, but it is in the hands of those who do not need it most?

Mr. PEPPER. No. If it is distributed among two or three million people, scattered out into all kinds of little stores and shops, and for paying the doctor's bills, and for going to picture shows every now and then, and perhaps putting a little gas in the old car or buying a new tire so they can go to church on Sunday or to a picnic or something—when it is so scattered, when it comes out of the pocketbooks of the poor of the country, it is not like when a rich person buys a Rolls-Royce automobile, or a Packard, or a Cadillac, or buys a $150 suit of clothes, or the purchasing power exercised in a field already full of many purchasers with plenty of money.

Mr. FULBRIGHT. It would seem to me that the purchases of these poor people would be concentrated on food, which is one of our greatest scarcities. I cannot see that it is more inflationary for a man to buy a Rolls-Royce—I do not know that any of them exist—than to buy something else. That is not where our trouble is. It is in food, is it not, and in clothing which the poor people are particularly desirous of having?

Mr. PEPPER. Mr. President, I am perfectly willing to go squarely ahead, even if it is slightly inflationary, and put money in the pockets of the poorest people that will raise their standard of living. I would not shirk a minute or hesitate a second in accepting that horn of the dilemma. We are not trying to avoid that. But we do say the slight increase in the cost of living that might be brought about by the pending bill is not to be considered in comparison with the 20-percent increase in farm prices and less than $2,000,000,000 increase in the pay bill of this country that is proposed by my able friend the Senator from Georgia, the author of the amendment.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BARKLEY. I merely wanted to ask the Senator from Florida, or any other Senator who is interested in the problem, assuming that the 65-cent wage minimum may be slightly inflationary, whether he thinks it is a sound and wise policy to protect those receiving above 65 cents an hour from a slightly increased inflationary situation by squeezing down those who receive less than 65 cents? Is it sound and wise economy to protect those receiving above 65 cents from a

little inflation at the expense of those receiving below 65 cents?

Mr. PEPPER. Mr. President, let it be remembered, again quoting Mr. Bowles, that he testified that 65 cents to the housewife of the low-wage earner today is about the equivalent of 40 cents to this housewife at the beginning of the war.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MORSE. I want to point out, and I think it ought to go into the CONGRESSIONAL RECORD today, that it does not necessarily follow that an increase in wages will automatically result in an increase in prices. We have in the committee record material prepared by the Government agencies which I think should be placed in the CONGRESSIONAL RECORD at this point. It consists of only three short paragraphs.

The evidence shows on this point that the long-run effect of the bill would be to reduce prices through increased productivity and sales. Between 1923 and 1944 average hourly earnings in manufacturing industries increased from 52 cents an hour to 87 cents, whereas the general level of wholesale prices of manufactured products in 1944 was only slightly above the 1923 level.

Between 1923 and 1939 wholesale prices in manufacturing industries dropped 19 percent, whereas average hourly earnings increased about 17 percent.

Between 1937 and 1939 the wholesale prices of manufactured goods declined about 8 percent, whereas average hourly earnings were almost the same in 1939 as in 1937. Since the effect of the war began to be felt in late 1940, the price rise which began to take place in 1940–41 cannot properly be interpreted as the effect of the Fair Labor Standards Act of 1938.

I make this additional comment, if the Senator from Florida will permit me. I happen to be one who believes that when the smoke clears away from the present wage-price struggle in this country we are going to see that labor may not have increased its real wages to the extent that it seemed to think they would be increased by these wage raises. That is why I have taken the position, subject to much labor criticism, that I feel it has been a mistake during the reconversion period, at least as long as the Government found it necessary because of the limited supply of consumer goods, for labor to make a drive for a substantial increase in its wages unless production increases rapidly in the next year or so.

The only type of wage increase that can help raise the standard of living for the American worker must necessarily be a real wage increase, or an increase in real wages. I think labor will wake up to realize that it has not won for itself nearly the increase in real wages that it hoped to win by the struggle it has just gone through, a struggle in which certain segments of labor are still engaged.

I think it is an obligation of this Government, in view of what has happened, to see to it that the minimum real wage level is brought up, not only to the level of 1938, but, as I tried to point out the other day, to a point beyond the level of 1938, so that the low-paid workers of this country will not find themselves in a position of great disparity, which now exists, between them and organized labor. I think it is a sad hour in our economic life if we must be faced with the fact—as we are at this hour—that the low-paid workers of this country are suffering today because of the fact that they are not standing in the position of power in which organized labor stands. I think there is an obligation on our part to see to it that the 65-cent wage is put into effect, because that not only would bring the low-paid worker up to the so-called cost-of-living differential between 1938 and 1946, but it would give him a real wage increase above that 55-cent level which I think he justly deserves.

What I rose to point out was that it does not follow, as has been argued here this afternoon, that an increase in wages must necessarily mean an increase in prices, because I do not think the record will bear out that contention.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. TAFT. A statement has been made regarding my argument. My argument clearly recognized that an increase in productivity should be reflected in increased wages. It was not an unequivocal statement with regard to passing on increased prices.

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. TAYLOR. I believe that by the time the proposed wage increase for the lower-paid workers goes into effect we shall not be worrying about the scarcity of food. We shall be worrying about surpluses, because after this crop year in Europe we shall have more food than we shall know what to do with. I am convinced that most of this money will go for food. I still think that it would be a very fine thing for the farmers if the minimum wage were applied to farm labor. I still believe that it would benefit the farmer.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MAYBANK. I made a rather personal reference to the Senator from Florida in connection with my statement about the train from Florida.

We had no butter on the train—not that I eat butter, because I do not. I do not use sugar. But the Senator has supported bills in behalf of oleomargarine. Earlier in the day I placed in the RECORD some excellent articles from the New England Medical Society. I wonder if the Secretary of Agriculture has done anything about aiding us in producing oleomargarine in large quantities so that the poor people may have it. I want them to have it. I do not want butter. I prefer oleomargarine. The Senator continually refers to helping the poor people. I should like to know what has been done along the lines I have suggested. I am not questioning the Senator as to what he has done. I know what he has done.

Mr. PEPPER. I appreciate the inquiry of the able Senator from South Carolina; but unhappily I am unable to give him any information on the subject, because I am not informed with respect to it.

Mr. President, I wish to read from a table, and then finish reading Mr. Bowles' letter. I apologize for having trespassed on the time of the Senate.

I have before me a table which shows that wages in private industry in 1929 amounted to $47,500,000,000; in 1933, to $24,200,000,000; in 1935, to $30,600,000,000; in 1937, to $39,300,000,000; in 1939, to $38,000,000,000; and in 1941, to $52,600,000,000; in 1944, it was $84,600,000,000. These are the last figures from the Survey of Current Business.

During the same time agricultural proprietors received, in 1929, $5,200,000,000; in 1933, $2,200,000,000; in 1935, $4,100,000,000; in 1937, $5,100,000,000; in 1939, $4,300,000,000; in 1941, $6,300,000,000; in 1944, $11,800,000,000.

Mr. President, that is more than a 100-percent increase in what farm proprietors received, even between 1939 and 1944. I think we all agree that wages in private industry have risen about 75 percent at the maximum. So farm proprietors have had a far greater increase in their own income than have the industrial workers of the country, in spite of all that has been said about high wages during the war.

Take corporations. In 1929 corporations in this country had $7,200,000,000 income; in 1944 they had $9,900,000,000. Corporate savings went from $1,300,000,000 in 1929 to $5,400,000,000 in 1944. There was an increase of more than 400 percent in corporate savings between 1929 and 1944.

Again I remind the Senate that wage increases have been, at the outside, only about 75 percent. So the worker has certainly not had any excessive share of the national income.

Let me finish reading Mr. Bowles' letter. I had read the first paragraph when I was interrupted:

> The passage of such an amendment would raise retail food prices in the neighborhood of 15 percent and would add about $4,500,000,000 a year to consumers' food bills. It would increase the average family's annual food budget by about $125. It would also add more than 5 cents to raw cotton prices and force an increase of 7 percent in retail prices of cotton clothing and other cotton goods.

Mr. Bowles says 5 cents. My able friends have a different figure, but I am reading from Mr. Bowles' letter.

> The total cost of living, as measured by the BLS Index of Consumer Prices, would immediately be raised at least 6 percent. This figure does not take into account the secondary effects which would go up, raising parity prices further. Nor does it take into account any possible effects on wages.
>
> I have every reason to hope that the wage situation is stabilizing. A sharp rise in the cost of living, especially at this time, is certain to be most upsetting. Experience has shown clearly that increases in the cost of living much smaller than would result from this amendment create demands for new wage increases. Renewed wage demands would place a strain on the stabilization program which it might very well be unable to bear.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. RUSSELL. The Senator from Florida represents a State which is agricultural in part, and which was once largely agricultural.

Mr. PEPPER. That is correct.

Mr. RUSSELL. The Senator from Florida knows that the farmer has no wages except what he receives from what he sells.

Mr. PEPPER. That is essentially true.

Mr. RUSSELL. The only wage the farmer has is what he receives for his commodity when he sells it. Without regard to the Senator's views on this amendment, does not the Senator feel that it is a little unfortunate that Mr. Bowles, Mr. Anderson, and Mr. Porter can exercise great economic magic and approve substantial wage increases for every other group in this country, and yet cannot extend their legerdemain just a little further and work out some system whereby the farmer can share in the increasing national income for which we are striving? How is the farmer to get the benefit of it? Mr. Bowles, Mr. Anderson, and Mr. Porter can point to the sale of the farmer's commodity, or the wages which he receives when he sells his goods in the market place, and say, "You shall have no increase because that would bring about an increase in the cost of living for other people." We know that the farmer is in the lowest income group in the country today. I do not suppose that anyone would dispute the statement that, as a class, the farmers represent the lowest income group in the country today. I understand that both the distinguished Senator from Kentucky and the distinguished Senator from Florida say that even if it is a little inflationary, they are for the 65-cents-an-hour wage. But why should Mr. Bowles wax so vehement about a little inflation from other things? He said, I believe, as the Senator stated he testified, that the committee proposal would be slightly inflationary to some industries, anyhow. Why should he be so violently opposed to our efforts to help those who are in the lowest income group in the United States? Why should he say that they are to be denied any share in the increasing national income? I think Mr. Bowles and Mr. Porter and Mr. Anderson should get together and should work up a new broth of magic which would permit us to do a little something for the farmer without making it look so bad for the economy of the country.

Mr. PEPPER. Mr. President, the able Senator from Georgia has a perfect right to make such an inquiry. Here is the best answer I can give: If he were offering to the bill an amendment the effect of which upon our economy would not be any more inflationary than that of the pending bill, and if his amendment guaranteed to farm workers that the increased amount of money would go into their pockets, I would support the amendment, and I suspect that the able Senator from Kentucky [Mr. BARKLEY] and many other Senators would do so. But the able Senator from Georgia does not offer that kind of an amendment. He offers an amendment which the men in authority to whom I have referred, who have access to the figures and to the information—and they include the Secretary of Agriculture, whose letter I have before me, and who certainly should be a friend of the farmer—say, first of all—and they refer to the so-called Pace amendment—will increase the cost of living 15 percent and will add $4,000,000,000 to the Nation's food bill, or an average of $125 a family.

Mr. President, there is something else. The able Senator from Georgia has offered an amendment which does not provide that a penny of the $4,000,000,000 which his amendment would put into the pockets of the farmers shall go into the pockets of farm labor. The farmers might pass it on to farm labor, of course.

Mr. RUSSELL. Oh, Mr. President, the Senator from Florida knows that there are approximately 5,200,000 farmers who actually toil on their own farms, as compared to the 1,880,000 farm workers. I am perfectly willing to support an amendment going along with the proposal on a broad scale, so as to assure that farm labor will be paid just like any other labor. The work done by the laborer on the farm is the hardest of any work that is done in the United States. I know something about that.

Mr. PEPPER. That is correct.

Mr. RUSSELL. And it is as important in sustaining the life of this country as the work of any other group of people in the United States. He should have some protection. If we can secure the adoption of this amendment, we can thereupon go through the provisions of the bill dealing with other exemptions and can put this amendment in its proper place.

The Senator from Florida knows that all we have to do is to strike out from his bill the one line which provides the agricultural exemption, and thus have the minimum wage apply to farm labor.

Mr. PEPPER. Very well, Mr. President; so far as I personally am concerned, if the Senator from Georgia will make his amendment applicable to farm labor and then will bring the amount of inflation caused by his amendment down to the amount of inflation which the pending bill will cause, or approximately that amount, I shall be very glad to support the amendment. But the Senator from Georgia cannot do that with the Pace amendment. It is simply too extreme. That is why we cannot, despite all our desires to do so, support the Pace amendment as an amendment to the pending bill.

Mr. RUSSELL. Mr. President, I am afraid the Senator from Florida is like Mr. Bowles and these other gentlemen who take the position that the inflation they approve is all right and that they can hold that much inflation, but that when it comes to any other inflation which anyone else proposes or something which might be inflationary, that is just too bad, regardless of what group it will help, even if it is the lowest income group of the United States.

Mr. PEPPER. Mr. President, let me say that the proper step would be to offer the Pace amendment, not to the pending bill, but to a bill providing for a minimum wage of a dollar an hour, or something of the sort.

Mr. RUSSELL. Mr. President, if the Senator from Florida will go along in the matter of the prices of farm commodities, I think he might be able to gather some support for his suggestion of a minimum wage of a dollar an hour. The farmer has been receiving the lowest wage paid to anyone in years and years, and naturally he should be able to obtain an increase.

Mr. PEPPER. I thank the Senator.

Mr. President, I shall conclude the reading of the letter from Mr. Bowles:

As you know, I have always strongly supported efforts to protect the economic position of our farmers. We cannot go back to the agricultural depression that prevailed between the two wars. I am convinced, however, that passage of this amendment is as much against their interest as it is that of the consumers of farm products. An increase of prices now may give farmers short-run benefits, but these will be far more than offset by the harmful long-run consequences. The amendment would set support prices at a level that would price many of our farm products out of domestic and world markets, and would result in large post-transition surpluses. These prices could not long be maintained. They would sooner or later collapse and the underlying surplus situation would create an agricultural depression which it would take many years to cure. I have sufficient confidence in the good sense and far-sightedness of the American farmer to know that he would not deliberately go on a short inflationary spree at the cost of a long headache afterward.

The whole country has been relieved by the recent settlement of the steel, General Motors, and General Electric strikes. Our people are preparing to forget their differences and to settle down to make the wage-price policy work. It would be disastrous if another disruptive factor should be injected into the picture just when the new policy is off to a good start and we are at the point of getting things rolling again.

For several long and difficult years Congress has resisted repeated threats to legislate inflation. I am confident that it will appreciate the serious consequences that would result if this inflationary amendment were passed.

Sincerely yours,

CHESTER BOWLES,
Director.

Of course, Mr. Bowles is Director of Economic Stabilization.

Mr. President, in order that they may all appear together, I offer at this time and ask unanimous consent to have printed at this point in the RECORD a letter to Senator JAMES E. MURRAY, chairman of the Senate Committee on Education and Labor, dated March 14, 1946, by the Secretary of Agriculture, Hon. Clinton Anderson, on the same general subject.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 14, 1946.

Hon. JAMES E. MURRAY,
Chairman, Committee on Education and Labor, United States Senate.

MY DEAR SENATOR: You have asked me for the comments of the Department of Agriculture on the possible effect of adding to the minimum wage bill as a rider the provisions

of the so-called Pace bill, H. R. 754, which provides for including an allowance for all farm labor at wage rates paid to hired farm labor in the calculation of the parity index.

I desire to make my comments in two different categories. First of all, I will give you the general comments of the Department of Agriculture as to the effect of the Pace bill in any normal period of farming activity. By that I mean that I would like to consider the Pace bill completely apart from its implications in the present situation. Then I would like to point out two or three things which are of current importance and which, in my opinion, add greatly to the arguments that might be made against the inclusion of that bill as a rider on the minimum wage bill.

First of all, then, I give you these general comments as representing the viewpoint of the Department of Agriculture on the provisions of the bill without regard to current world shortages in grain and the present adjustment period of industrial wages.

Assuming that the Pace bill would not change the calculation of parity in any way except for the inclusion of the wage allowance, its enactment would increase parity prices by about one-third. At first glance, such an increase in parity prices might seem attractive from the farmers' standpoint. There are several considerations, however, which indicate that this may not be the case, that the enactment of the Pace bill might actually work against the farmers' interest. Some of these are:

1. Parity prices as now calculated are an accepted standard for farm prices. The current parity formula has been of more value to farmers than any other formula or similar argument that has so far been advanced. Farmers and their represenatives should rather carefully consider what they are doing before the current parity index is revised or substantially altered.

2. The Pace formula calls for adding an allowance for all farm labor, including the unpaid labor of the farm operator and his family at some relative wage rate which must be a matter of judgment rather than statistical record. Parity prices as now calculated are designed to keep the ratio of prices received by farmers to prices and rates paid by farmers at the same level as prevailed in 1910–14. This purchasing power idea has been and will almost certainly continue to be of more value to farmers generally than a shift to some form of the cost of production approach. Prices received and prices and rates paid can be statistically measured but cost calculations for agricultural commodities depend almost entirely upon allowances which must be made for the farmers' own labor and the use of his own land and equipment and in the past at least such estimates have led to endless argument.

3. Enactment of the Pace bill would currently result in a substantial increase in parity prices, but it would also give lower parity prices in periods of severe depression than the method now used. That is, farm wage rates go up further and down further than prices paid, interest, and taxes with the result that parity prices would be higher when the labor situation was tight and lower in cases of depression.

4. Enactment of the Pace bill would accentuate the relative disparities which already exist between the several parity prices. That is, the best argument for revising the parity index is for revisions which will bring the parity prices into better line with one another and the existing and prospective demand situation during the several years immediately ahead. A flat percentage increase in all parity prices will not remedy this situation.

5. The real test ahead for farmers and the farm program is whether support price commitments can be successfully handled once the current food crisis subsidies. As an average, farm prices were continuously below the parity level for the 20 years between World War I and World War II and as an average prices received by farmers have only been above the parity level for a short time during and following World War I and World War II. Farmers need a parity price goal which can occasionally be reached, otherwise they will discredit the parity standard and the support price activities which should be connected with it.

6. In conclusion, farmers and their representatives should be interested not only in the calculation of a theoretical parity but also the manner in which such parity calculations are used. What farmers want is a sound support program which will assure them of reasonable prices over the years ahead rather than an inflationary whirl during the next 2 years followed by a severe deflation and failure of the support price program. An immediate increase of 33 percent in parity prices would certainly lead to inflation and an effort to support prices for agricultural products generally at 133 percent of the current parity level would almost certainly wreck any general price support program as conditions return to normal. Perhaps parity prices should be revised and perhaps an allowance for hired wages should be included in such a revised index since they are actual cash costs, but there is no reason to believe that a 33 percent jump in parity prices and a shift away from the current purchasing-power concept of parity is to the interest of the farmers, entirely aside from its effects on the nonfarm front.

Assuming that the Pace bill, H. R. 754, would not change the calculation of parity in any way except for the inclusion of a wage allowance for all farm labor, its enactment would increase the parity index calculated from the base 1910–14=100 from 178 to 237 as of February 15, 1946. This would increase the parity prices of the principal commodities such as corn, cotton, and wheat by about 33 percent. In the case of fruits and vegetables, for which the parity base period is 1919–29, the index would be increased from 116 to 146, or about 26 percent. In the case of flue-cured and burley tobacco, for which the base is 1934–39, the index would be increased from 148 to 206, or about 39 percent. The following table compares prices received by farmers with parity prices as calculated at present and as indicated under the Pace bill.

Specified farm products: Base period average, prices received by farmers, present parity, and parity calculated under Pace formula, Feb. 15, 1946

Commodity	Unit	Base period average August 1909–July 1914	Feb. 15, 1946		
			Prices received by farmers	Parity prices	
				Present	Pace formula [1]
		Dollars	*Dollars*	*Dollars*	*Dollars*
Wheat	Bushel	0.884	1.55	1.57	2.10
Corn	do	.642	1.11	1.14	1.52
Rice	do	.813	1.77	1.45	1.93
Cotton	Pound	.124	.2301	.2207	.2939
Apples	Bushel	.96	3.75	1.71	2.27
Hogs	Hundredweight	7.27	14.20	12.90	17.20
Beef cattle	do	5.42	12.60	9.65	12.80
Lambs	do	5.88	13.30	10.50	13.90
Butterfat	Pound	.263	.508	[2] .480	[2] .639
Milk, wholesale	Hundredweight	1.60	3.33	[2] 2.93	[2] 3.89
Eggs	Dozen	.215	.326	[2] .356	[2] .474
Tobacco:					
Flue-cured	Pound	[3] .229	[4] .369	.339	.472
Burley	do	[3] .222	.324	.329	.457
			Comparable prices [5]		
Oranges, on tree	Box	[6] 1.81	2.12	2.10	2.64
Grapefruit, on tree	do	[6] .81	1.00	.94	1.18

[1] Index on August 1909 to July 1914 base, calculated by giving index of prices paid, including interest and taxes, a weight of 68 and all farm labor a weight of 32; August 1919 to July 1929; August 1934 to July 1939, index of prices paid a weight of 65 and all farm labor 35.
[2] Adjusted for seasonal variation.
[3] 5-season average 1934–38.
[4] Jan. 15, 1946.
[5] Computed under sec. 3 (b) of Price Control Act.
[6] Derived base price, 1919–29.

EFFECT ON PRESENT SITUATION

The Department of Agriculture is most seriously concerned with the effect of the enactment of the Pace bill at the present time. There are two principal reasons for this. One is that it is bound to have an upsetting effect on the entire stabilization and price-control program, especially as it relates to food. The other is that it might have a very disturbing effect on the present program in which the United States, along with other exporting countries, is now engaged in an effort to relieve famine, starvation, and probable death among the populations of the world.

Why do I say that it would upset the stabilization and price-control program? The three great basic commodities—corn, cotton, and wheat—are currently at about the parity level and the enactment of the Pace bill would require that ceilings on these commodities be revised upward by about one-third since all ceilings under the price-control law must be at or above the parity level. But if ceilings on these commodities are revised upward one-third, ceilings for almost every other crop and class of livestock would have to be adjusted upward in order to maintain a relative price structure about like the one now current. A new round of wage demands would, of course, be generated and the whole stabilization and price-control program wrecked.

Consider, then, the other situation, namely, the effect this might have on the shipments of meat, wheat, and food fats and oils to those nations and peoples who are now in extremely difficult situations as the result of the destruction of agriculture abroad during the war, the lowered productivity of land, the incidence of famine, the failure of a monsoon in India, and the droughts which have swept France and northern Africa as well as great sections of India and are reliably reported to have been the worst in 60 years. These unfavorable

agricultural circumstances have given us a world deficit in importing areas of around 21,000,000 tons of wheat with a supply that possibly can be shipped from exporting countries which totals from eleven to twelve million tons of wheat. This country, with other exporting countries, is striving valiantly to bridge this gap as best it can. By designation from President Truman a National Famine Emergency Council has been appointed and a Famine Emergency Committee has set up headquarters within the Department of Agriculture to give guidance to this work. The Department itself has designated emergency food program managers in each one of the States and counties and is proceeding with steps in every county in the United States to conserve cereals, particularly wheat and wheat products, and to save food fats and oils in order that the most generous contribution can be made to the humanitarian purpose of supplying food world-wide.

I think it entirely possible that the enactment of the Pace bill would have a disturbing influence. The Department of Agriculture is anxious that there shall be stable prices on commodities such as corn and wheat and that these prices only should be raised as parity as now determined may require and not in such a way as to encourage farmers to hoard his wheat and risk deterioration. As late as last December, the Office of Price Administration announced that there would not be further increases in the price of corn except in response to the legal requirements of the parity formula. In compliance with that, corn prices were increased 3 pennies a few days ago and that fact has induced some farmers to believe that the corn price, and even the wheat price, may go up some more and that possibly they would do better to hold onto their precious grains.

That is what we don't want to happen. We believe that grain prices will hold about their present pattern and that any further increases during this marketing season will be infinitesimal, if any increases at all are made. If, however, one of our legislative bodies should pass a proposal that would seemingly offer substantial increases in the price of grain, we would naturally have to assume that the farmer would hold back his grain and decline to market it until final action had been taken by the other House and if action there was also favorable, there would be a further period of waiting until eventual action could be taken by the President on the bill.

Finally there is a whole field for doubt as to just how the provisions of the Pace bill might be applied and what final prices the Department would eventually calculate as meeting the requirements of this proposed legislation. The bill itself provides that parity for all agricultural commodities shall reflect "the cost of all farm labor (on the basis of the national average and including hired workers, farm operators, and members of the families of farm operators engaged in work on the farm, computed for all such labor on the basis of wage rates for hired farm labor), as contrasted with such * * * costs of all farm labor during the base period."

I have raised the question in correspondence as to whether or not this means the cost of all farm labor or means farm labor wage rates. There is a vast difference. If it means only the cost of all farm labor, what does it do, for example, to the price of cotton? Would the Department be justified in figuring the cost of farm labor as it relates to cotton in connection with those areas in our great cotton-producing States, where the farmer uses a mechanical cotton picker along with all the other modern contrivances to lower labor costs in the handling of cotton? There are those who contend that with the use of the most modern machinery and with the thorough mechanization of a cotton plantation on a large scale, it is possible to reduce labor costs to a fifth of what they may be when the one-man, one-mule method is employed. If that be true, do you apply your Pace bill formula to the most mechanized plantation or to the smallest, least efficient cotton acreage? I do not say that the problem is insoluble, I merely say that it might be indefinite and that it might require months before the final determination could be made.

Without wishing to extend this letter too greatly, I desire to raise only one other question. The assumption of the Pace bill is that the present parity formula does not allow for changes in labor costs (cash or imputed) and that proper allowance for these costs may be made by tying the price of a unit to the price of an hour of labor. This rules out consideration of any increase in the productivity of labor. Actually, production per farm worker in 1944 was 98 percent higher than in 1910–14. The result was that while farm wage rates per hour increased 215 percent, labor costs per unit of product increased only 59 percent, compared with a 95-percent increase in farm prices. We must be careful that in trying to help the farmer we do not actually harm him.

The farmers of this country, through their organizations, know that the present Secretary of Agriculture has been spending a good deal of time in a discussion of the possible revisions of the parity formula. I have urged repeatedly that if the parity formula is to be changed, it should be changed only after most careful study in which the farmers themselves participate. I know that one great farm organization has spent a tremendous amount of time in trying to study the effect of the Pace formula on the parity principle. I would think it would be of interest for the Congress, some time in its consideration of parity revision, to go into the figures which this farm organization and others have developed. For example, we have some figures in the Department which we have not yet had an opportunity to check, but which indicate that even if farm wage rates were to be included in parity at a weight of 32 percent and the effect of this figured back over the past 35 years, that in 16 of those 35 years, the inclusion of farm wages at 32 percent would increase parity prices; in 15 of the 35 years, the inclusion of farm wages at 32 percent would decrease parity prices; and in 4 of the 35 years, the inclusion of farm wages at 32 percent would make no change.

I do not set this forth as a final answer, nor do I represent it as being scientifically provable. I merely suggest that with that sort of a preliminary showing, it is important that any change in the parity formula, which has meant so much to the American farmer, should be made carefully after the most scientific, actuarial study of the effect of the modification upon the present farm price that the farmer will obtain, and upon what might happen to him in years of depression. The farmer, in my opinion, would not be too definitely wedded to a formula which boosted his income in periods of prosperity, but dropped him further into the financial depths in periods of adversity.

I therefore would urge the Congress not to add the Pace bill as a rider to the minimum wage bill. I would urge that the Pace bill, if it is to be considered by the Congress, should be carefully considered by agricultural groups; should be the matter of most serious study by those groups; and should have thrown upon it the light of the most careful scrutiny by accountants and by experts in the field of farm prices. It should never be passed until the farmers of this country have a chance to say, and say clearly, whether they desire to have any tampering with a formula which has improved their lot by obtaining for them a measure of equality with other sections of our population.

Respectfully yours,

CLINTON P. ANDERSON,
Secretary.

Mr. PEPPER. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD a letter from the American Farm Bureau Federation, signed by Mr. Edward A. O'Neal, president, addressed to me, and dated March 14. In the letter Mr. O'Neal states that the cost-of-labor amendment to the parity formula was brought up at the recent convention of the federation and was rejected.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., March 14, 1946.

Hon. CLAUDE PEPPER,
United States Senate,
Washington, D. C.

MY DEAR SENATOR PEPPER: This answers your telegram asking for the position of the American Farm Bureau Federation concerning the inclusion of farm labor costs in the parity formula. Attached is a copy of the resolutions adopted by the voting delegates of the American Farm Bureau Federation at their last annual meeting. Also attached is a copy of the subsequent action of the board of directors of the federation on March 6 this year.

Sincerely yours,

EDW. A. O'NEAL,
President.

MOTION PASSED

That we reaffirm and endorse the action of the voting delegates on parity in general and that we direct the officers of the AFBF to work with the various interested groups to secure an adjustment in parity through the comparable price approach to take care of the commodities which are in a difficult position.

MOTION REJECTED

That the cost of labor be recognized in the parity formula.

Mr. PEPPER. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD a statement by Mr. James G. Patton, president of the National Farmers' Union. The statement was given personally by Mr. Patton to a secretary in my office and was transcribed by her.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The position of the National Farmers' Union with regard to the so-called Pace amendment and to other bills calling for the inclusion of farm-labor cost in the computation of the parity formula has been clearly stated and understood for some time. Furthermore, this position was restated only a week ago by the delegates to our fortieth national convention held at Topeka, Kans., when they adopted the following statement:

The delegates endorsed a program declaring that we oppose "the inclusion of additional farm-labor cost in the parity formula unless such inclusion is accompanied by a minimum wage for hired-farm labor."

I believe that it would be disastrous to adopt any measure aimed at further boosting of the parity index at this time unless the action were accompanied by some provision for speeding additional buying power among

low-income groups. The lowest of all American income groups is hired-farm labor, if the national average of wages received is compared with that of other groups. Moreover, it would be ironical in the extreme if an amendment were adopted to a minimum-wage bill which called for raising farm prices on the basis of labor cost without doing anything to get to the laborers themselves the additional wages upon which the increase was based. Finally, it seems to me that it would be very dangerous so far as farm prices are concerned to include farm-labor cost in the parity formula without putting a floor under such cost. Otherwise, reduced cost of farm labor sooner or later will pull down the parity index and result in lower rather than higher prices of farm products.

Mr. PEPPER. I also ask unanimous consent to have printed at this point in the RECORD a statement from Mr. Fred Bailey, general legislative counsel of the National Grange, made in the absence of Mr. Goss, the president of the Grange. The statement is to the effect that the National Grange also does not approve the Pace amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The following statement was taken over the phone at 4:45 p. m., March 14, 1946, from Mr. Fred Bailey, general legislative counsel, National Grange, in the absence of Mr. Goss:

"The National Grange is opposed to the Pace parity bill as an amendment to the Fair Labor Standards Act. The Grange long has insisted that farm labor costs are a legitimate part of the costs of agricultural production and should be included in parity. However, we believe that labor costs alone would result in a further unbalance between prices of agricultcre products and that a new parity formula should include a modernized base to reflect changes in consumer demand."

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. RADCLIFFE, from the Committee on Banking and Currency:

James Kimble Vardaman, Jr., of Missouri, to be a member of the Board of Governors of the Federal Reserve System for a term of 14 years from February 1, 1946, vice John McKee.

By Mr. CONNALLY, from the Committee on Foreign Relations:

W. Averell Harriman, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Great Britain.

John G. Winant, of New Hampshire, to be the representative of the United States of America in the Economic and Social Council of the United Nations.

The PRESIDENT pro tempore. If there be no further reports from committees, the clerk will state the nominations on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask unanimous consent that the nomination of postmasters be confirmed en bloc, and that the President be notified.

The PRESIDENT pro tempore. Without objection, the nominations of postmasters are confirmed en bloc, and, without objection, the President will be notified forthwith.

That completes the calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 40 minutes p. m.) the Senate took a recess until tomorrow, Thursday, March 28, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 27 (legislative day of March 5), 1946:

UNITED STATES DISTRICT JUDGE

Hon. Howard C. Speakman, of Arizona, to be United States district judge for the district of Arizona, vice Hon. Albert M. Sames, retired.

COLLECTOR OF CUSTOMS

Robert E. Noonan, of San Diego, Calif., to be collector of customs for customs collection district No. 25, with headquarters at San Diego, Calif., to fill an existing vacancy.

IN THE MARINE CORPS

The following-named naval aviators of the Marine Corps Reserve to be second lieutenants in the Regular Marine Corps in accordance with the provisions of the Naval Aviation Personnel Act of 1940, as amended, to rank from the dates stated:

Harold A. Eisele, from the 14th day of October 1941.

Robert M. Patterson, from the 16th day of October 1941.

Kenneth M. Ford, from the 16th day of October 1941.

Orvin H. Ramlo, from the 7th day of February 1942.

Arthur F. O'Keefe, from the 12th day of March 1942.

Griffith B. Doyle, from the 23d day of April 1942.

William D. Armstrong, from the 8th day of June 1942.

Frank Mick, from the 25th day of June 1942.

Henry A. McCartney, from the 13th day of July 1942.

Harold R. W. Walker, from the 18th day of July 1942.

Richard B. Elliott, from the 18th day of July 1942.

Richard W. Johnson, from the 5th day of August 1942.

Warren P. Nichols, from the 1st day of October 1942.

Paul A. Lemarie, Jr., from the 16th day of October 1942.

Marion C. Dalby, from the 16th day of November 1942.

John E. Cosgriff, from the 1st day of December 1942.

Wesley H. Rodenberger, from the 1st day of January 1943.

Walter W. Weber, from the 16th day of January 1943.

Bonnie G. Jerry, from the 1st day of March 1943.

Robert E. Bronson, from the 16th day of March 1943.

Richard S. Rash, from the 16th day of March 1943.

Robert L. LaMar, from the 16th day of March 1943.

Carl W. Lindell, from the 1st day of April 1943.

Basil T. Idler, from the 1st day of April 1943.

Andrew L. McVicars, from the 16th day of April 1943.

Robert H. Peters, from the 16th day of May 1943.

James E. Wilson, Jr., from the 16th day of May 1943.

John J. Doherty, from the 16th day of May 1943.

Paul M. Ruffner, from the 1st day of July 1943.

Leonard A. Miller, from the 1st day of August 1943.

Joseph E. Blattman, from the 16th day of August 1943.

William W. Eldridge, Jr., from the 16th day of August 1943.

Jack J. Howlett, 2d, from the 16th day of September 1943.

John S. Bostwick, from the 1st day of October 1943.

Richard A. Ward, from the 16th day of October 1943.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 27 (legislative day of March 5), 1946:

POSTMASTERS

ALABAMA

John B. Tillery, Dadeville.
Garnette L. Collins, Gallion.

LOUISIANA

R. Lynn Bernard, Arnaudville.

MASSACHUSETTS

LeRoy H. Fuller, Allerton.
Louis A. Monahan, Seekonk.

TEXAS

Harvey L. Pettit, Bloomburg.
E. Lilla McMichael, Cason.
Thomas H. McBrayer, Lorena.

WEST VIRGINIA

Theta M. Triplett, Bergoo.
Thornton T. Perry, Jr., Charles Town.

WISCONSIN

Wesley C. Orville, Maple.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 27, 1946

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Trinity of love and might, we acknowledge our weakness and the sense of our sinfulness is upon us. Forgive us, that despite Thy holy light, we stumble along the pathway of life. O do Thou guard our steps and enable us to accept without repining the disciplines of these days, stimulated to press forward under the guidance of Thy spirit and the light of Thy wisdom. Thou whose cross is the center of the dome of God, we pray for wills to unify our hopes and dreams, which mount up like many waters, changing the tides of the world. With

this unity of faith and knowledge, the errand of our Republic will be fulfilled only when the pilgrim hosts are out of the wilderness of strife and confusion, into the promised land of freedom from want and fear. Sanctify Thy gracious gifts, that we may ever use them to Thy honor and glory, even Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent that the conferees on the bill (S. 63) to amend the Communications Act of 1934, as amended, so as to prohibit interference with the broadcasting of noncommercial cultural or educational programs, may have until midnight tonight to file a conference report.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

EXTENSION OF REMARKS

Mr. JARMAN (at the request of Mr. SPARKMAN) was given permission to extend his remarks in the RECORD and include a speech recently made by him.

Mr. HART asked and was given permission to extend his remarks in the RECORD and include an address by Hon. George E. Brunner.

Mr. COLE of New York, asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. SPRINGER asked and was given permission to extend his remarks in the RECORD.

Mr. GAVIN asked and was given permission to extend his remarks in the RECORD and include an editorial.

SPECIAL ORDER GRANTED

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent that tomorrow, at the conclusion of the legislative program of the day and following any special orders heretofore granted, I be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PUNISHMENT FOR DESECRATION OF FLAG

Mr. GEARHART. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GEARHART. Mr. Speaker, if a person mutilates or disfigures one of Uncle Sam's 5-cent pieces, he can be haled before a Federal court and convicted of a Federal offense and punished severely.

And rightly so, since that nickel is a Federal coin which the Federal Government is bound to protect.

But if one should desecrate the flag of our country, this with intent to subject it to ridicule and contempt, the Federal courts would be powerless to do anything about it, for, strange though it is to relate, the Congress has never in the 157 years of its existence taken any action to protect it from those who despise it as a symbol of all of that which we hold near and dear.

Though American soldiers, sailors, and marines of all of our wars have laid down their lives in vindication of this glorious banner of the Republic, symbol of our greatness, as it is, our Federal courts are powerless to visit punishment upon those that would mutilate, deface, defile, defy, trample upon the self-same flag of our country—simply because the Congress has never conferred the essential jurisdiction upon them. Is it possible that the flag of our country is deserving of less protection than a 5-cent piece?

To remedy this impossible situation, I have today introduced a bill to correct this impossible situation, a bill which, Mr. Speaker, I commend to your favorable consideration.

PERMISSION TO ADDRESS THE HOUSE

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

[Mr. THOMAS of New Jersey addressed the House. His remarks appear in the Appendix.]

CAPTURE OF MIHAILOVICH SHOULD LEAD TO FAIR TRIAL

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. MUNDT. Mr. Speaker, this week's news dispatches from abroad bring us gratifying news that Mihailovich has been captured alive in Yugoslavia. I take this occasion to recommend respectfully to our State Department that it request the Tito government of Yugoslavia to deliver Mihailovich over to the International Military Tribunal of War Crimes for a fair and fact-revealing trial.

If he is guilty of working with the Nazis, as charged, he is an enemy of all of the United Nations and should be by them convicted. If he is not guilty, the world is entitled to the facts. The Tito government can gain stature for itself by delivering Mihailovich to the International Tribunal, and the world can learn the facts about Mihailovich.

When our commitee visited in Yugoslavia last fall we found considerable controversy as to whether Mihailovich was a traitor or a hero. History should not be discolored by prejudice or shadowed by suspicion. The facts should be made available through the International Tribunal. Mihailovich should be fully punished if he is guilty. If he is innocent, he should be so certified by an impartial trial to which Tito's government and others should present their full agenda of evidence. The situation presents a unique opportunity for Tito's government to demonstrate its respect for impartial justice.

MIHAILOVICH

Mrs. BOLTON. I ask unanimous consent to address the House for 1 minute and to include a letter from the Washington Post.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON. Mr. Speaker, when our committee visited Yugoslavia last fall I had occasion to ask the Prime Minister and the Minister of Foreign Affairs two questions relative to General Mihailovich: First, did the present government know where the general was; and second, what proof had they of his Nazi collaboration? To the first they replied dramatically that they did know and would pick him up and destroy him when the proper moment came. In reply to the second they brought in quantities of photographs and proceeded to show them to me. German troops? Yes. Mihailovich and Chetniks? Yes; but not both on the same photograph! When I pointed this out to them they grew quite angry when I suggested such evidence would not hold in American courts; they gathered up the photographs and changed the subject.

I want to urge upon our Government the suggestion that everything possible be done to insure this man who has been the victim of power politics a fair and just trial, and in this connection I include the following letter published in the Washington Post:

IN DEFENSE OF MIHAILOVICH

As late as August 1944 I, as an American officer, parachuted into Gen. Draja Mihailovich's territory in Serbia to evacuate Allied airmen shot down by Nazis, Bulgars, and Ustashi. Up to the time of our arrival these airmen were rescued and cared for by the general and his Chetniks, who from the beginning, were our allies and, as well, the allies of the British and the Russians. In brief, our mission alone evacuated almost 500 Allies, Russian, British, French, Poles, Belgians, Italians, and including 426 Americans.

During the following 3 months I had the opportunity to work with the Chetniks and General Mihailovich. In fact, I personally observed Chetnik raids on German garrisons through September 3, 4, and 5 at Kadina Luka, a railroad junction; Lazarevac and Ljig, south of Belgrade, where over 100 Nazis were killed and 300 captured. These attacks were led by General Mihailovich's corps commanders—a civilian, Vujnovic, since captured and executed by Tito's Partisans, and Capt. G. Topalovic, a regular Yugoslav officer, now a refugee in Italy.

I also witnessed the terrible conditions under which the Chetniks and General Mihailovich lived and resisted the Germans in the vicinity of Belgrade just prior to Russia's entry into Yugoslavia. In this vicinity I rode through German convoys and past German columns in stolen German vehicles, always in disguise.

General Mihailovich has been an able, intelligent, democratic leader of the movement, since April 1941, to bring personal liberties, freedom, and unfettered elections to the people of Yugoslavia. He has always been a strong believer of justice and the "four freedoms." He has had confidence in the Big Three meetings at Teheran and Yalta and he never compromised himself at any time in dealing with the enemy.

After Russia was attacked in June 1941, General Mihailovich accepted Tito and the Communists as partners in the resistance

against the enemy. He personally met with Tito who told Mihailovich that he was a Communist three different times. However, they disagreed after a few months, because Tito wanted to subject the Yugoslavs to sovietization or communism. Being a soldier-gentleman and a broad-minded, liberty-loving individual, Mihailovich allowed Tito to leave that terrain, even guaranteeing safety.

When the split came, about December 1941, the Communist line changed, General Mihailovich became a subject of smear attacks in Yugoslavia, Great Britain, Russia; and in America by Louis Adamic, the opportunist and his "liberal" cohorts. The line was that Mihailovich was a traitor dealing with the enemy and that he was anti-Russian. This continued until Tito came to power.

From what I saw and observed, this line was an injurious falsehood. Mihailovich loves the Russian people as much as he loves the Yugoslavs, and all the Allies—he despised the Nazis, Fascists, their satellites, and the totalitarian regimes.

Our Government should protest to the Yugoslav Government in demanding that General Mihailovich be given a fair trial with authentic evidence and witnesses and not with false and prejudiced propaganda literature emanating from Communist cells. This should not be done just to spare his life as General Mihailovich, but rather as an example of our gratitude to a people and an ally who have suffered immeasurably for that faith in God, freedom, and justice which we stand for.

Any kind of death would probably be welcomed by General Mihailovich now after being hunted down in the Yugoslav mountains by the Nazis, Fascists, Ustashi, Hungarians, Bulgarians, and Communists from all nationalities. He has done his best under the worst conditions and circumstances, without aid from the outside, to keep the torch of democracy burning for civilization. His family, as many families in Europe and elsewhere, has been broken up and placed in concentration camps, captured by the Nazis and Communists. A reward always has been on his head because he worshiped God and had faith in humanity.

It is up to his friends, his first and only allies, to see that he and his people are supported. We should have fair and unbiased observers at this trial.

M. R.

WASHINGTON, *March 25.*

PUBLIC SPENDING

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. MILLER of Nebraska. Mr. Speaker, the Public Buildings Administration has issued a report which shows that 6 months before Pearl Harbor the Federal Government occupied 68,277,000 square feet of leased office space throughout the country. On VJ-day, August 1945, this total had increased to 227,800,000 square feet. Six months after VJ-day the Government had released but 4,000,000 square feet. We must remember that this is leased space and does not include the enormous number of buildings owned by the Government. In New York City 36 agencies and bureaus occupied in excess of 6,000,000 square feet of rented space as of late February. This accounted for about 10 percent of the total office space in New York City. The Federal Government has been reluctant to relinquish space they now occupy. In doing this, they keep private business and returning veterans from getting proper office space.

In connection with the Federal pay roll, there has been little reduction since VJ-day. Excluding the Army and the Navy personnel, the pay roll has actually increased, during January, 34,569—more than 1,000 people a day, including Sundays. A review of the appropriation bills indicates that there are some eight Government agencies working on labor problems. The President's requested budget for 1947 is nearly double that of 1945. Yes; more than the all-time high for F. D. R. in wartime. There are some 60 agencies that gather statistics and put out propaganda to the public. Much of these statistics is never used. There are 30 agencies set up to lend the people's money. A dozen different agencies deal with the problem of health. Is it not about time that this Congress demand that Federal pay rolls be reduced, that overlapping and the duplication of various agencies be curtailed? Unless this Congress takes drastic action and cuts appropriation bills for this sprawling Government bureaucracy, the Budget will never be balanced—pay rolls will increase and more office space demanded.

EXTENSION OF REMARKS

Mr. SCHWABE of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a speech to be delivered today by a former Member of this body, Hon. Samuel B. Pettengill, before the Missouri House of Representatives.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. ARNOLD asked and was given permission to extend his remarks in the RECORD and include an article from the Christian Science Monitor.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. MARTIN of Massachusetts asked and was given permission to extend his remarks in the RECORD and include a resolution adopted by the Department of Massachusetts, Disabled American Veterans.

Mr. BRADLEY of Michigan asked and was given permission to extend his remarks in the RECORD and include a radio address recently delivered by him.

HELPING UNRRA AND THE RED CROSS

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I call your attention to a report of the United States Department of Agriculture, Production and Marketing Administration of the Commodity Credit Corporation, that has come across my desk. This morning I find they have over 173,000 cases of dried prunes, over 100,000 cases of dried apricots, over 42,000 cases of dried freestone peaches, and over 175,000 cases of dried clingstone peaches. We had thousands of pounds of dried milk and dried eggs and many thousands of pounds of other commodities that are being sold by the Government. If we would turn those commodities over to UNRRA or give them to the Red Cross instead of trying to sell them at commercial prices and taking a loss, and if we did the same with the Army rations we would save money for this country by buying more and in that way we would keep down our expenses. It seems to me that is the thing we ought to do. Oh, the poor business of this administration is causing a deficit every day, every month, and every year. We cannot afford to go any longer in this manner, with a $179,000,000,000 debt. Our country is in danger of financial bankrupcy by such manner of doing business as this reveals. Will you ever get any business sense? Our Nation needs it so bad.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

EXTENSION OF REMARKS

Mr. DINGELL asked and was given permission to extend his remarks in the RECORD and include a speech by General ROMULO, Resident Commissioner of the Philippine Islands.

Mr. HÉBERT asked and was given permission to extend his remarks in the RECORD and include an address by Secretary of the Navy Forrestal.

TO VITALIZE HISTORY

Mr. TRAYNOR. Mr. Speaker, I ask unanimcus consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Delaware?

There was no objection.

Mr. TRAYNOR. Mr. Speaker, I desire to read the following editorial from the Journal-Every Evening, of Wilmington, Del., for March 26, 1946:

Observance next Friday of Delaware Swedish Colonial Day, which has been called for in a proclamation issued by Gov. Walter W. Bacon, will have the effect of vitalizing the early history of the State, particularly Wilmington. It will mark the anniversary of March 29, 1638, when the Swedish settlers acquired the ground at The Rocks, where they landed on what is now Delaware soil.

Governor Bacon's request that commemorative exercises be held in the schools and by religious and civic groups is designed to serve two worthy purposes. It will emphasize Delaware's gratitude to the Swedish people for their part in starting orderly settlement of the Delaware River Valley. It also will stimulate interest in our early history.

That the State officially recognize the importance of celebrating each anniversary of the landing of the Swedes is attested by the fact that the 1939 legislature established March 29 of each year as Delaware Swedish Colonial Day.

EXTENSION OF REMARKS

Mrs. DOUGLAS of Illinois asked and was given permission to extend her remarks in the RECORD and include an editorial from the Washington Post.

Mr. KEOGH asked and was given permission to extend his remarks in the RECORD and include a speech by Henry Mannix, of Brooklyn, at the annual dinner of the Friendly Sons of St. Patrick.

Mr. PRICE of Illinois asked and was given permission to extend his remarks in the RECORD and include a letter from the American Legion.

Mr. MANSFIELD of Montana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a speech delivered by Dr. Peter H. Odegard, president of Reed College, of Portland, Oreg. I have received an estimate from the Public Printer that the cost will be approximately $156. Notwithstanding the cost, I ask unanimous consent that the extension may be made.

The SPEAKER. Notwithstanding the cost and without objection, the extension may be made.

There was no objection.

Mr. WASIELEWSKI asked and was given permission to extend his remarks in the RECORD and include an editorial from the Milwaukee Journal.

PERMISSION TO ADDRESS THE HOUSE

Mr. SLAUGHTER. Mr. Speaker, I ask unanimous consent that tomorrow, after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered, I may address the House for 25 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

LIVESTOCK AT KANSAS CITY AND CHICAGO

Mr. SLAUGHTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SLAUGHTER. Mr. Speaker, the reason I have requested 25 minutes to address the House tomorrow is to explain the situation that now presents itself in Kansas City and Chicago. For instance, at Kansas City less than 10 percent of the cattle are being slaughtered that were slaughtered in that same period or a comparable period last year. The condition is even worse in Chicago. All of this at a time when we are hearing about famine and about a shortage of food all over the country. It is a matter that very seriously affects this country, and I hope will be of some interest to the House.

The SPEAKER. The time of the gentleman from Missouri has expired.

EXTENSION OF REMARKS

Mr. COX asked and was given permission to extend his remarks in the RECORD and include a speech he made at Mobile, Ala., on last Monday evening.

Mr. DINGELL asked and was given permission to extend his remarks in the RECORD and include a statement by J. H. Leib, national legislative director, regarding Amvets organization of Michigan.

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and insert an analysis of the Filipino bill. It is possible, Mr. Speaker, that this may exceed the amount allowed. Notwithstanding, I ask unanimous consent that it be included in the RECORD.

The SPEAKER. Notwithstanding, and without objection, the request is granted.

There was no objection.

Mr. BROWN of Ohio asked and was given permission to extend his remarks in the RECORD and include an article entitled "Conscription and the West Point Mind," by Dr. Arthur E. Morgan.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD and include a recent address by former Gov. Harold E. Stassen.

Mrs. BOLTON asked and was given permission to extend her remarks in the RECORD and include a column from the Washington Post.

Mr. HALE asked and was given permission to extend his remarks in the RECORD and include an editorial from the New York Times of yesterday entitled "Coffee Subsidy."

FARM LABOR

Mr. RAMEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. RAMEY. Mr. Speaker, yesterday we again relieved the housing situation for veterans through passage of House Joint Resolution 328. In some parts of my State as many as one-third of the farm homes are vacant. In the metropolitan counties, of course, the percentage is much smaller than that. But even in those counties the trend away from the farms is noticeable. City jobs offer more money for less work; and only a small percentage of men drafted from farms are returning to them after their discharges from the armed service.

In the face of this trend away from farming, the famine which is facing a large part of the world today becomes a desperate problem. Meatless days, wheatless days, belt-tightening are all minor stopgaps. What is needed is bumper production of farm crops.

A start in that direction could be made if the Selective Service System would abide by the law which Congress passed, and particularly by the Tydings amendment to that law. Even today, with the shooting war over, Selective Service is flouting the Tydings amendment. As a preventive of World War III, plentiful food is more effective than a large peacetime army.

The SPEAKER. The time of the gentleman from Ohio has expired.

SPECIAL ORDER GRANTED

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to address the House for 20 minutes today following the special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ELECTION TO COMMITTEES

Mr. DOUGHTON of North Carolina. Mr. Speaker, I offer the following resolution (H. Res. 571).

The Clerk read as follows:

Resolved, That the following-named Members be, and they are hereby, elected members of the following standing committees of the House of Representatives:

Appropriations, EDWARD A. KELLY, of Illinois.

Civil Service, WILLIAM J. GALLAGHER, of Minnesota.

Public Lands, ARTHUR G. KLEIN, of New York.

Revision of the Laws, ARTHUR G. KLEIN, of New York.

World War Veterans' Legislation, E. H. HEDRICK, of West Virginia, and ALEXANDER J. RESA, of Illinois.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SCRIPPS-HOWARD EDITORIAL ATTACK ON UN-AMERICAN ACTIVITIES COMMITTEE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, I have always had a great deal of respect for Roy Howard, head of the Scripps-Howard newspapers; but I am disappointed that he permits one of his employees, some little fellow down here on the editorial staff of the Washington Daily News, to write such vicious attacks on the Committee on Un-American Activities and on me personally, as appeared in a two-column editorial in that paper on March 20, 1946.

If this were the first time, I might overlook it; but these editorials have been appearing in that paper from time to time and sent as "canned" expressions to the Scripps-Howard newspapers throughout the whole United States. They are calculated to hamper the work of the Committee on Un-American Activities, and to give aid and comfort to those enemies within our gates.

We members of that committee have no ax to grind. We are simply striving to protect our country against those subversive elements that are out to wreck it. We take more abuse from these subversive elements and their fellow travelers, than any other committee in either House of Congress.

If Roy Howard is the real American I have always taken him to be, he will put a stop to this unjustified abuse of the members of the Committee on Un-American Activities through the columns of the Scripps-Howard papers throughout the Nation.

If Mr. Howard could hear some of the testimony given to our committee by unimpeachable witnesses, individuals in responsible positions, he would undoubtedly change the tone of the editorial comments now appearing in his papers throughout the country and give us his enthusiastic support.

The SPEAKER. The time of the gentleman from Mississippi has expired.

THE MINORITY RULE

Mr. GIFFORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. GIFFORD. Mr. Speaker, I must take this minute inasmuch as my conscience is again bothering me. I presume I ought to speak out on many matters that are reflected in my mail. I would say to the many on the minority side who are taking the 1-minute daily that they are doing a most useful service. Like many of the old timers on the Democratic side of the aisle, I am disgusted but still somewhat able to conceal it.

EXTENSION OF REMARKS

Mr. THOM asked and was given permission to extend his remarks in the Appendix of the RECORD and include a telegram to the Veterans' Committee from the American Legion congratulating the committee on its support of the Wyatt housing program.

SECOND DEFICIENCY APPROPRIATION BILL, 1946

Mr. CANNON of Missouri. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5890) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, and for other purposes.

Pending that, I ask unanimous consent that time for general debate be limited to not to exceed 2 hours, half to be controlled by the gentleman from New York [Mr. TABER], and half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER. The question is on the motion.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5890) the second deficiency appropriation bill, 1946, with Mr. HART in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. CANNON of Missouri. Mr. Chairman, while this is called the second deficiency bill, it is really the first general deficiency bill, due to the fact that the bill termed the first general deficiency bill was disposed of just prior to the beginning of the present calendar year. The bill comes a little later than usual because our time was occupied with the rescission bill, which monopolized the attention of the committee almost exclusively for many weeks, and as a result it was necessary to introduce in that period two urgent deficiency bills and two special resolutions.

In these four bills we gave priority to emergency matters which required immediate consideration and reserved those items on which there was more time for deliberation for this bill.

The total amount involved in the present bill is $233,179,153.37, but on only $40,493,157.78 of that do we have any latitude as to appropriation. That amount is carried in title I of the bill. The remainder of the $233,000,000 is for, first, pay legislation enacted early in this fiscal year; that is, for increased pay of employees, for overtime, and matters we could not reduce, and, second, for judgments and for authorized claims over which we have no control, they having been already adjudicated. So there are only about $40,000,000 in these $233,000,000 over which we could exercise any great amount of discretion.

Of this $40,000,000, 70 percent is included in four items, namely, employment facilities and services, compensation to postmasters, United States participation in United Nations, and salaries and expenses, Bureau of Internal Revenue. The USES item is for paying State employees salaries at rates the States have voted and, of course, we had little choice there because the States have raised the salaries of their own employees who work side by side with our employees, and we are necessarily required to do likewise.

The postmasters' item ensues from advancement in grade of a number of officers as the result of a greater amount of postal revenue than was originally estimated. It also is a matter governed by law.

The United Nations item applies to our first contribution to the support of this Organization. The amount for contribution is $6,153,500 and should meet our share for the remainder of the calendar year. In addition to the contribution, $326,500 is provided for personal services and for the expenses of the office of the United States representative to the United Nations for the period April 1, 1946, to June 30, 1946. The latter amount will need to be supplemented later for expenses subsequent to next June 30.

The Bureau of Internal Revenue item represents an enlargement of the program initiated in the Second Deficiency Appropriation Act, 1945, approved July 5, 1945, for staffing such Bureau in order that it could run down tax evaders and add to our income by stopping losses incurred through evasional practices. The proposal is in harmony with provision made in the Treasury-Post Office Department bill for the next fiscal year, which the House has approved.

Those are the money high lights of title I of the bill as regards individual items.

The residue of title I funds is widely distributed and generally in relatively small amounts. You will see from the table at the end of the report that we have made cuts in many of the items.

Many of those cuts were in items where it was sought to advance the initiation of programs or projects that have been budgeted for 1947. In some instances, approval of the amounts would lead to obligations that would require larger appropriations in 1947 than have been budgeted.

The committee has exercised considerable care to avoid starting programs or policies which would, in a sense, force the hands of other subcommittees.

Of general interest is an additional amount of $369,000 for the Civil Service Commission, providing for temporary personnel for first, aid to veterans in civil-service employment, and second, expediting refunds of contributions to the retirement fund by employees separated from the Federal service.

We have provided $200,000, instead of $883,000, for expenses incident to the return of Federal agencies to Washington. The $200,000 applies to the Patent Office and the REA, both of which are partly moved. We have not provided for the return of any other agencies because of the acute shortage of office and living space in Washington.

We are providing for what may appear at first blush a fanciful project—a study of guaranteed annual wage plans.

We were asked to appropriate $200,000 for such a study, preliminary phases of which have been financed out of an allocation of the appropriation of the Office of War Mobilization and Reconversion.

An examination of the testimony, much of which was given by Eric Johnston, president of the Chamber of Commerce of the United States, is quite convincing that a study such as contemplated has possibilities of a considerable contribution to the furtherance of stabilization of employment, the attainment of which, of course, would be a godsend to labor and management and agriculture, and consequently to the general welfare.

We are not proposing an additional appropriation for the study, but are providing that it may be proceeded with as a charge to the appropriation already available to the Office of War Mobilization and Reconversion.

An item of considerable interest we considered and are recommending has to do with the measurement of acreages planted to flue-cured tobacco. In agreement with the estimate, we are providing that that may be done by raising the existing limitation upon salaries and other administrative expenses in carrying out certain programs under the appropriation "Conservation and use of agricultural land resources" by $600,000.

Another item of general interest, for which we are proposing an additional appropriation of $400,000, comes under the Department of Commerce and has to do with gathering, placing in shape, and publishing and selling scientific and technical data procured in Germany and Japan, but principally Germany.

This work was started under an initial appropriation of $300,000 and the results have been excellent. Much information of inestimable value to American industrialists has been and is being collected and any manufacturer can buy it for the cost of printing and paper. One manufacturer offered $20,000,000 for one report, if he might have it exclusively. The findings are published and widely circularized and are accessible to any citizen for a very nominal charge, perhaps too nominal.

I say too nominal, because little that the Government sells nets a cost return.

The Patent Office needs an appropriation to replenish its stock of patents. It sells these patents for 10 cents, even if they should be voluminous affairs costing $2 or more to print.

We were told that if a proper scale of prices were established—and it takes legislation to do it, sales income would be advanced $3,000,000 or more annually.

That accounts, Mr. Chairman, at least for the salient provisions of the bill.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. HENRY. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 63]

Adams	Dolliver	Mankin
Allen, Ill.	Douglas, Calif.	Mansfield, Tex.
Andrews, Ala.	Fellows	Mason
Baldwin, Md.	Fernandez	May
Barden	Fisher	Merrow
Barrett, Pa.	Fuller	Murdock
Bell	Gathings	Murphy
Bennet, N. Y.	Green	Norton
Bishop	Gwinn, N. Y.	Patterson
Boykin	Hall,	Peterson, Fla.
Buckley	Edwin Arthur	Pfeifer
Bunker	Hall,	Powell
Burch	Leonard W.	Rains
Byrne, N. Y.	Healy	Reece, Tenn.
Cannon, Fla.	Heffernan	Robinson, Utah
Carnahan	Holmes, Mass.	Sadowski
Celler	Jarman	Sasscer
Chapman	Johnson,	Savage
Chiperfield	Lyndon B.	Shafer
Clason	Kee	Sheridan
Clements	Kefauver	Short
Colmer	Kelley, Pa.	Sikes
Corbett	LaFollette	Smith, Ohio
Cravens	Lemke	Thomason
Crosser	Luce	West
Curley	McCowen	White
Daughton, Va.	McGehee	Whittington
Dawson	McGlinchey	Wilson
De Lacy	McKenzie	

Accordingly the Committee rose; and the Speaker pro tempore, Mr. MCCORMACK, having resumed the chair, Mr. HART, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 5890, the second deficiency appropriation bill, 1946, and finding itself without a quorum, he had directed the roll to be called, when 349 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The SPEAKER pro tempore. The Committee will resume its sitting.

The Committee resumed its sitting.

Mr. KEEFE. Mr. Chairman, the distinguished majority leader, Mr. MCCORMACK, addressed a Jackson Day dinner at Newark, N. J., on Saturday evening, March 23. I realize that this was a political speech and it is also evident that it was not a written prepared speech. My friend had a perfect right to indulge himself at this thoroughly political meeting, and I find no fault with that.

A synopsis of the speech, however, was printed in the Newark Sunday Call and many other newspapers. I read a portion of this speech, as so reported, with astonishment, and, I confess, with chagrin. Permit me to quote a portion of the newspaper report:

> Terming the conduct of Republicans on the Pearl Harbor probe disgraceful, Mr. MCCORMACK charged the investigation placed the United States on trial. He said the Republicans were "willing to prove the Japs innocent of the sneak attack if they could prove President Roosevelt guilty."

Mr. Chairman, I speak only for myself. The other Republican members of that committee are fully able to speak for themselves. I believe it is entirely fair and within the facts to say that the gentleman who is now addressing you had nothing whatsoever to do with the creation of the Pearl Harbor Committee. At no time did I seek membership on it. The committee came into being as the result of the adoption by both Houses of the Congress of a resolution introduced by the Honorable ALBEN BARKLEY, Democratic Senate leader. The Speaker of the House appointed me as a minority member and I accepted.

At that time, and repeatedly thereafter, I stated that I was determined to search for the facts and the truth and that only, and that under no circumstances would there be any political inspiration or implication involved so far as I was concerned in connection with that investigation. Mr. Chairman, I am convinced that a fair appraisal of the record will amply demonstrate that during the long, tedious hearings I have rigidly adhered to the position announced when I accepted membership on this committee.

I defy the majority leader or anyone else here and now to point to a single spot or place in the record where, by word, question, innuendo, implication, or otherwise, I conducted myself in a "disgraceful" manner as a member of that committee, or where I indicated at any time a willingness to "prove the Japs innocent in order to prove Roosevelt guilty."

Mr. Chairman, the majority leader may have been misquoted. I have observed in my long experience that such a situation frequently arises. In view of the facts, however, as reported in the press, it seems to me that the spirit of fair play, which I know our distinguished friend possesses to a high degree, will not permit that statement to remain without explanation. May I call your attention to the fact that the committee has not yet made its report, and any person making similar statements is indulging in pure partisan prophecy or clairvoyance.

It impresses me, therefore, that not only as an individual, but as an agent of this House, serving this House on this committee, I am entitled to some explanation from the distinguished majority leader, and I yield to him now, seeing that he is on the floor for that purpose.

Mr. MCCORMACK. I am very glad to have the gentleman yield.

The statement carried in the paper was substantially correct. The reporter who quoted me—and I was talking extemporaneously, although I had my thoughts definitely in mind—quoted me substantially correctly, with one exception. I stand by the statement that is quoted there that I said, "All of the Republican members of the Pearl Harbor Investigating Committee with the exception of one," and I notice that was not carried in the article, so that the substance of it was correct as carried in the Newark paper. I emphasized, "All of the members with the exception of one."

It was a political gathering and a splendid one. There were 2,100 people present, and there is great confidence that they are going to elect a Democratic United States Senator and a Democratic Governor.

I might also say, in all frankness, that the one Republican member of the committee—and I did not mention his name—that I distinctly had in mind, was the gentleman from Wisconsin [Mr. KEEFE].

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. TABER. Mr. Chairman, I yield five additional minutes to the gentleman from Wisconsin.

Mr. KEEFE. Mr. Chairman, I find myself somewhat baffled by the explanation of my friend from Massachusetts.

Mr. MCCORMACK. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I will be glad to yield.

Mr. MCCORMACK. I want to say it is sincere. What I said about the gentleman I meant. Even in a political gathering I specifically said, "With the exception of one member", and I had that distinctly in mind. I say that following the investigation. It is my own opinion. For whatever value it has, I want the RECORD to show it.

Mr. KEEFE. I deeply appreciate the sincerity of the majority leader and the explanation he has made, but even with that explanation, if it were so published in the newspaper, it would still leave the gentleman from Wisconsin in the same position he was when he read it as it presently appears.

May I say to my friend that I have been the recipient of very much publicity directed at me by a partisan press, charging that partisanship and politics were marking the attitude of the gentleman who is now addressing you. I have asked the gentleman for a bill of particulars in this time which I have yielded to the gentleman from Massachusetts. The gentleman says in his explanation that he does not include the gentleman from Wisconsin in the category referred to in his speech, so reported in the Newark newspaper. I accept the statement of the gentleman in the spirit in which it was rendered, and I think, as far as I am concerned, that should close the matter and should be a complete answer to those who have attempted to besmirch and smear the gentleman now addressing you before any conclusions have yet been determined by the committee. It seems to me that the time to discuss this question is when the evidence has been considered by the committee and the committee has made its report. I assure you that, as far as I am concerned, the report will be based upon the truth and upon the facts, and not upon innuendoes, or rumors, or suspicions that cannot be evaluated and that find no substance in truth or fact.

Mr. BENDER. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Ohio.

Mr. BENDER. From the observations of the gentleman from Wisconsin and since he was so active in that committee, was there anything in the way of the kind of thing described by our distinguished friend from Massachusetts that he attributes to any other minority member of the committee?

Mr. KEEFE. I stated in my opening statement that I am speaking only for myself. I assume that at a subsequent time other members of this committee will take this floor and answer the accusation which has again been repeated by the distinguished majority leader. Therefore, by the process of elimination we may ultimately establish the full facts and the truth that the majority leader attempted to convey.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Michigan.

Mr. HOFFMAN. It occurs to some of us that the gentleman or other members of the committee should not be unduly disturbed. We all recognize the gentleman from Massachusetts as being the Emily Post of the majority organization, but we do not all accept his statements, and neither do our constituents.

Mr. KEEFE. When a statement is made, even in a political meeting, by the eminent majority leader, and it is given circulation throughout the country, I assume there are thousands, perhaps millions, of people that have a right to believe the statements thus made. So far as I am concerned, I know what statements are frequently made in political meetings. Perhaps there is not a man on this floor who has not indulged in some superlatives and extravagances in political speeches. But in a matter so important as this, at a time when this committee is about to make and is now considering its report to the American people, it seems to me utterly unwise to challenge the integrity of the members of that committee until a report has been made which might furnish some basis for such accusation.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. GEARHART].

Mr. GEARHART. Mr. Chairman, in the 12 years of my membership in this body, this is the first time I have ever been called upon to raise my voice in the discussion of a partisan matter. The individual who stands before you, who has just been accused by the Democratic majority leader of having conducted himself in a disgraceful partisan manner, now for the first time must address himself to a partisan subject. In this investigation into the causes and effects of the Pearl Harbor catastrophe, we have taken over 13,000 pages of testimony. Now, I hurl into the teeth of the Democratic majority leader this challenge. I challenge him to find in that 13,000 pages one question, one assertion, one statement of mine from which a partisan inference may honestly be drawn. I give him a wider selection than that. I give him the entire congressional record of my 12 years of service in this body. When he comes before this body with one line, one sentence, one interrogatory from which an inference of partisanship of the kind which he denounces can be drawn, I will stand before you and make an honest admission.

I take this Pearl Harbor investigation very, very seriously. I take it just as seriously as the leader of the Senate took it when he rose to address that body in explanation of the resolution which initiated this investigation. I believe the American people are entitled to the truth. I believe the American people are entitled to know what the causes of that catastrophe were, a catastrophe which resulted in the slaughter of over 3,000 of our fellow American citizens. Their loved ones, their fathers, their mothers, their sisters, their brothers, their wives, and children are entitled to know whether they indeed died in vain. I went into that investigation to help reveal the truth as a sacred obligation to the people of the United States.

If that investigation which elicited facts, facts upon which inferences can be drawn or lessons can be derived, which will make a world war III less probable, the expenditure in effort and in time will not have been in vain.

But, unfortunately, there are in these United States some people who fear more than fear alone. They fear that investigation, not with reason, perhaps. They fear it without foundation or reason, perhaps, but they fear that out of that investigation will be revealed the facts from which trouble for them will flow; loss of position, loss of power and pelf may result for those and their kind. Let me say to you, I care not what may be the consequence of that investigation insofar as the political fortunes of anyone who may be a Member of this House on either side of the aisle is concerned, but I do want one thing, and I want it earnestly and with all the impulses of my heart, and that is the truth, the whole truth, and nothing but the truth, this so that the people of future generations, though yet unborn, if you please, can read a history that has been honestly written, a history reflecting only honest facts upon which nations and peoples can rely. I care not for the attacks of the left-wing smear bunds, the petty partisan poutishness of those who deal in such things, or the rantings of the whitewash brigade. This country has been treated to such lessons in the dishonorable art of smearing during these last 10 years that will render their efforts, whatever they may be and for what purpose they may be directed, no longer effective in the eyes of reasonable and honorable men. Yes. This investigation will go on and on and on to its logical conclusion, and when the last word is written those who cried partisanship in their miserableness will draw their reward in the contempt of the American people which they so richly deserve.

Mr. RABAUT. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. McCORMACK. Mr. Chairman, whatever observations I make on this occasion have no relationship to the gentleman from Wisconsin [Mr. KEEFE].

Now that political speeches made outside the House are going to be the subject of House debate, I wonder where the end is going to be. The Lincoln Day speeches that our Republican brethren made all over the country, and properly so, I heard no Democrat discuss on the floor of this House.

This matter is brought into the debate here not by myself—the RECORD shows that. I am not questioning the gentleman from Wisconsin [Mr. KEEFE] in bringing it in the way he did. But when the gentleman did, there is only one honorable thing I could do, and that was to state what I did state, that there was one party, and I frankly said it was the gentleman from Wisconsin himself, so this matter is brought in as a result of that.

I am not going to use the word disgraceful on the floor of the House because it would violate the rules of the House.

The matter is in the RECORD, however, not brought in by myself.

I was chairman of a special committee about 10 years ago that investigated communism, nazism, fascism, and bigotry. It was the only committee of investigation of its kind that in the past 20 years recommended legislation and had it enacted into law. The McCormack Alien Propaganda Registration Act was a result of the investigation; the bill making it a crime for anyone "knowingly or willfully to advocate the overthrow of the Government by force or violence" came out of that investigation; the bill giving the Army and Navy broader powers to control subversive activities and the distribution of subversive literature on naval vessels and in camps came out of it. As chairman of the committee I had certain views and they were carried out. We did not try our case in the press. No Member on either side, Democrat or Republican—and they were fine Members, and some of them on the Republican side are dead and their memories I revere. We agreed we would make no speeches while the investigation was going on. We agreed we would make no public statements while the investigation was going on. We recognized that the character of men and women was involved and that they were entitled to have their character protected rather than to be subjected to wild and reckless statements.

Can the gentleman from California [Mr. GEARHART] say that he has conformed to that policy?

Mr. GEARHART. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. GEARHART. All right. Will the gentleman name one partisan Lincoln Day speech I have ever made, either in or outside this Chamber——

Mr. McCORMACK. Throughout the press the country over you have been talking constantly about witch hunts.

Mr. GEARHART. No, I have not.

Mr. McCORMACK. Oh, you have not?

Mr. GEARHART. No.

Mr. McCORMACK. The only exception——

Mr. GEARHART. I defy the gentleman to cite one item in the 13,000 pages of transcript——

Mr. McCORMACK. Never mind the transcript.

Mr. GEARHART. Or from the CONGRESSIONAL RECORD of the past 12 years——

Mr. McCORMACK. All right; I will take them up.

Mr. GEARHART. I defy you to cite one quotation of anything of that kind.

Mr. McCORMACK. The gentleman defies me.

Mr. GEARHART. Name them.

Mr. McCORMACK. All right; we will name them, plenty, editorial after editorial can be shown.

Mr. GEARHART. Who writes the editorials. Do I?

Mr. McCORMACK. The gentleman wants me to state. Republican papers.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. BRADLEY of Pennsylvania. I wish to make an observation for the benefit of the House, and the benefit of the gentleman from California, that one of the most noted Republican papers in the United States, the Philadelphia Inquirer, repeatedly took the members of the committee to task for their futile efforts to bring political witch hunting into the investigation.

Mr. GEARHART. Including the gentleman from Wisconsin, who has been exonerated by the speaker who holds the floor.

Mr. McCORMACK. Now the gentleman from California wants to ride on the back of the gentleman from Wisconson [Mr. KEEFE].

Mr. GEARHART. Not at all. You have done the exonerating of the gentleman from Wisconsin. Do the editors you will quote do likewise?

Mr. McCORMACK. Because I put him in a different category. The gentleman from California even now is violating the rules of the House by this continued interruption. His very actions now show that he is trying to ride in on the back of the gentleman from Wisconsin. My viewpoint of the gentleman from Wisconsin is entirely different than my viewpoint of the gentleman from California in his conduct and the other's conduct as a member of that special committee.

Now, what is your story? Let us be frank about it. If there ever was an investigation on the part of certain Members whose tactics have disgusted the people of America it has been that investigation. From the outset there was a determination to try and smear the name of one of the greatest men who ever came across the horizon or the life of the known history of man, Franklin Delano Roosevelt. Oh, yes; for 13 long years the scoffers opposed; they opposed social security and called it communistic; they opposed the rights of labor, as they did the other day when 149 voted for the antilabor bill. Yes; they opposed every progressive step made under the leadership of Franklin D. Roosevelt and they scoff today at the mention of his name. But there are millions of Americans who respect and love the memory of Franklin D. Roosevelt. As time goes on, Roosevelt will go down in history not because his name was Roosevelt but because of what he stood for, go down in history as one of the great men of all time.

Mr. Chairman, I want to refer to certain Republican Members and I have got to confine that reference to Members of this House. I cannot talk about the Members of the other body here and now. I can on the outside; that is my privilege, it is my right. I exercised it last Saturday night and I am going to exercise it plenty in the future, do not worry about that. I am going to state my opinion about the investigation by certain Members and, so far as the gentleman from California [Mr. GEARHART] is concerned, the issue being raised, may I say that if ever a man by his public utterances and statements in the press tried to smear the name of Franklin D. Roosevelt, he is that gentleman and he stands convicted of it.

I was talking about the philosophy of the two parties. I was presenting to the political gathering what both parties stood for. I was presenting to the gathering there the fact we were building a sound social order following the period we had gone through since the Civil War, during which we had established an industrial empire; that under the leadership of Franklin D. Roosevelt we had established a sound social order for America. I spoke about social security, the Federal Deposit Insurance Act. I talked about all the sound progressive legislation we had enacted, including control of the stock exchanges. I talked about the Republican Party and I gave the votes of the Republican Party on certain issues. I mentioned the 149 Republican vote for the antilabor bill that passed the House recently, and the 33 against. I gave the vote as recorded in the CONGRESSIONAL RECORD.

I was showing the difference between the Democratic Party, with all its weaknesses, and the Republican Party, and demonstrated that the Democratic Party served the people. I said that the main body of the Republican Party was not progressive. I said the main body of the Democratic Party believed in action in government, while the main body of the Republican Party stood for inaction in government. I showed what Roosevelt stood for, the progressive measures enacted during his term, and I was illustrating that by the fact somebody was trying to smear Roosevelt through the Pearl Harbor investigation in order to endeavor to impair his prestige. Yes, I said that, and with the correction I made, very frankly—I am glad to make that exception—I stand by what I said, I am going to say it plenty because it is the truth.

Mr. Chairman, we are going into an election year. They have raised a political question here. We are going into an election that will be a struggle between the forces of progress, of action in government, as against the forces of inaction in government.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. RABAUT. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. McCORMACK. Mr. Chairman, there are progressive-minded members of the Republican Party and I respect them, but the main body has by their votes shown that they stand for inaction in government. The main body of the Democratic Members show by their actions that they stand for action and for progress in government. That is what was being shown and that is the basic question involved.

Certain Republican members of this committee have brought Franklin D. Roosevelt's name into it in order to make an issue and by their questions and by their public statements one would be led to believe they were trying to convict him instead of letting the record stand showing as it clearly does that the Japs were convicted and guilty of the attack on Pearl Harbor. They may think they are fooling the American public, but the American people are quick to catch on. The American public caught up with their actions. General Marshall, with a plane waiting for him several days to take him on an important mission over to China, one of the most important in the history of our country, was on the stand 8 days, 8 days under cross-examination, I think 6 or 7 by one member of the committee not a Democratic member. Then there was the matter of going out to the hospital with the photographers several days before the public hearings started. All those things are illustrations.

The American people realized they were trying to get something on Franklin D. Roosevelt. That is what they were determined to do. They brought Franklin D. Roosevelt in as an issue. Roosevelt is an issue this year, he will be an issue next year, but I repeat here what I said at Newark last Saturday night: Franklin D. Roosevelt licked the Republican Party four times in life and, as they have raised the issue by the Pearl Harbor investigation which will make it an issue this year, Franklin D. Roosevelt will lick them in death.

Mr. TABER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, maybe I might have a word or two to say about the bill under consideration. This is a deficiency bill, and in these days the situation in America seems to be such that one can say it only calls for $233,000,000. You can all remember when that was a lot of money and when that was a big appropriation bill, and until we get to the point where the membership of this House regards a bill for that amount as a lot of money, and considers it as a very serious thing, America is going to be in a bad way.

The bill itself represents $181,269,469 for the cost of Public Laws 106, 151, 158, and 134. All of those bills were enacted into law between June 30 and July 21 last, increasing the pay of certain Federal employees, so that that amount of the $233,000,000 is a statutory obligation.

In addition to that there is an item for judgments and authorized claims amounting to $11,416,526, so that out of the $233,000,000, $192,000,000 roughly is for fixed deficiencies. There are, besides that, a large number of items in the

same category of incurred deficiencies, claims in departments, and obligations that are inescapable. So that there is altogether less than $40,000,000 of new money involved. Of that amount $16,000,000 is for increases in the Bureau of Internal Revenue to collect taxes and take into the Federal Treasury what they tell us will be large sums of money. This should permit them to audit returns more quickly and to dispose of claims more quickly, and thus get rid of that backlog of uncollected tax payments that have hung over the income-tax situation for a long time. To what extent they will succeed I would not want to prophesy, but that is a subject which we should watch very closely, and we should go over their operations very carefully.

There is represented here no substantial disagreement on the part of the committee. There is one item that I feel I should call attention to. On page 8 of the bill there is an item under the Office of War Mobilization and Reconversion allowing $200,000 of their money, money which was appropriated to them last year in the war agencies bill, to be used for a study of guaranteed annual wage plans. I am going to be perfectly frank with the House. I believe that item is subject to a point of order. I do not know whether or not that point of order will be raised. I was very much disappointed yesterday to find that the committee had not been given what I would call a fair statement by the Bureau of Labor Statistics when they came before us with reference to that item. On page 168 of the hearings, in answer to a question by the gentleman from Indiana [Mr. LUDLOW], Mr. Arnow, of the Bureau of Labor Statistics, said this:

> I will say that a study of guaranteed wage plans was begun by the Bureau of Labor Statistics last April, intended to discover the number of guaranteed wage plans in existence, and some information about them. We have gone some distance on this particular project.

The fact is they completed a study on this subject on the 12th of April 1945, and submitted it to the Secretary of Labor. A provision carried in the Labor and Federal Security Appropriation bill involved that situation, but we were not advised of it; and it turned up yesterday. I am satisfied that that kind of study is desirable, but I do not like to see an agency of the Government coming up here and failing to give us a proper picture of what the situation is that we are dealing with. I suppose that is one of the New Deal ways of doing business. I suppose since we have that situation we will have to contend with that method of approach to our problems. Really, the evidence we had on the subject does not cover the entire picture. There is nothing on which to support this appropriation on the basis of the evidence that is in the record. It is disappointing that an agency should have the nerve to come before the Committee on Appropriations and leave us in that situation.

I yield to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Is this study to be made with reference to Government employees or to employees in industry?

Mr. TABER. It relates to employees in industry. Among those appearing in behalf of such a study was Mr. Eric Johnston, who is on some Presidential board in connection with this along with a group of farm leaders, and a group of labor leaders and two or three more industrial leaders. The idea of the study does not disturb me. The thing that disturbs me is having a governmental agency come up and not give us the picture that exists.

Mr. RICH. I think you are absolutely right in that, that they ought to reveal to you just exactly what their ideas are going to be and how they are going to perform this study. The question in my mind is this: Most industries in this country are conducted by private enterprise systems. You have them under the OPA today. They have frozen their prices and overhead and once they can sell their merchandise they have left the way open for increased wages. They are in the squeeze and they are not even going to be able to operate.

Mr. TABER. I appreciate that the OPA is the main factor that is stymieing industry today and preventing employment, restricting production, and creating inflation.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Chairman, as has been pointed out, this bill carries a total of $233,179,000. The great bulk of it is in respect to pay legislation, judgments, and audited claims. There is about $40,000,000 over and above the appropriations for these purposes, as compared with $50,000,000 recommended by the Budget. To be exact, the bill is about $9,965,000 under the Budget estimates.

I have taken just a few minutes to refer briefly to three or four matters in connection with the bill.

ANTIDEFICIENCY ACT AGAIN

First, I call your attention to the fact that the Civil Aeronautics Administration came before your committee and asked for the enforcement of safety regulations, $514,000. Of the total, $274,000 was requested solely because the agency, when it put returning veterans back on their old jobs, decided it would be nice to keep not only the returning veterans but the men whose places they took, and who, in the contemplation of the law, should have been relieved.

In other words, there was a doubling up of personnel. The rate of expenditure had been such that either a deficiency would be incurred or there would have to be drastic curtailment, due to lack of funds, in the balance of the year.

Mr. Chairman, this is not an individual instance. Similar occurrences have taken place in a number of cases. I call your attention to the statement in the committee report to the effect that the committee does not propose to tolerate this practice any longer. It expects the Bureau of the Budget to render a quarterly report which will set forth any appropriation which is not being administered within the spirit of the antideficiency law, together with the reasons, and the name and the position of the person or persons who may be responsible.

WEATHER BUREAU EXPANSION

Second, I may mention in passing the tremendous growth of the Weather Bureau. This agency came with a request for $1,170,000, of which the committee recommends allowing $535,000. As late as 1940 the Weather Bureau got along with an appropriation of $6,172,000. In the present fiscal year it will use $15,134,000. There seems to be no limit to the desire for expansion by this agency.

UNITED NATIONS ORGANIZATION

Third, and very briefly, I call attention to the provision for something over $6,000,000 for contribution and expenses in connection with the United Nations Organization. The great bulk of the appropriation is required by the contribution of this country to the over-all pool of $25,000,000, to which we contribute 24.6 percent. The balance is in respect to the expenditures of our delegation to the UNO.

For the fiscal year 1947 it is contemplated that the contribution will amount to $5,300,000, and our expenses to $1,036,000. These expenses will include salaries for 171 persons; travel, $94,000; communications, $39,000; and rents and utilities, $174,000.

I would not advocate anything that would in any way hamper the efforts of this organization to contribute to world peace. I express the hope, however, that our delegation will be held within reasonable bounds both as to size and as to expenditure, particularly in view of the enormous expansion of the State Department, and the fact that UNO headquarters is only a few hours away from the Capital of the United States.

STATE DEPARTMENT LOYALTY INVESTIGATIONS

Finally, Mr. Chairman, I wish to refer to the State Department and the enormous growth of that Department, which has risen from a personnel of 1,641 in the fiscal year 1941, up to 5,287 requested for the fiscal year 1947, or almost 320 percent.

In the bill now under consideration there was a request for some 588 positions in the Office of the Secretary and for some 240 other positions in the Foreign Service. These requests have been materially slashed by your committee.

I want to point out, however, that over and above the increase in personnel here requested, as appears from the committee hearings, there have been transferred to the Department of State since September last about 4,000 persons, coming from OWI, OSS, FEA, or from the Army and Navy Liquidation Commission, and that essential investigation and clearance from the standpoint of loyalty in respect to this personnel has not been completed.

The Members of the House will recall the statements which I repeatedly made on the floor during the war years seeking to obtain investigation and clearance as to loyalty, particularly in respect to OWI personnel.

They will also recall some of the specific charges which were leveled at specific individuals included in OWI personnel.

As late as January 1945, a year or two after the first representations were made to the Civil Service Commission and OWI, the Civil Service Commission reported 2,981 investigations of this personnel incomplete, with 128 found ineligible due to lack of loyalty.

In June of 1945 the OWI itself reported 1,431 investigations incomplete; with 351 removals due to lack of loyalty. At the same time OWI also admitted that about 14 percent of the persons named on two lists which I had presented to that agency in the past 2 years, with specific charges of serious character, had not yet been given complete investigations.

This year in January, when the Civil Service Commission was before your committee, Commissioner Flemming was not very clear as to the status of the loyalty work of the Commission in respect to OWI personnel. He did admit, however, that it was conceivable that some personnel may have been transferred to the State Department without essential clearance as to loyalty by the Commission.

And he later confirmed this by a table dated January 26, 1946, furnished in connection with the hearings on the Independent Offices Appropriation bill from which it appeared that the Civil Service Commission had discontinued OWI personnel investigations before completion to the number of 1,113, and that there were still pending and undecided some 263 cases.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. TABER. Mr. Chairman, I yield three additional minutes to the gentleman from Massachusetts.

Mr. WIGGLESWORTH. Mr. Chairman, under leave to extend my remarks I insert at this point in the RECORD some excerpts of testimony and a table appearing in the hearings on this bill at pages 497 and 498:

SECURITY CLEARANCE OF PERSONNEL TRANSFERRED FROM EMERGENCY AGENCIES

Mr. WIGGLESWORTH. To what extent has this OWI personnel been checked since the State Department has taken it over in terms of loyalty?

Mr. KURTH. The State Department has a Division of Investigation, which makes a very thorough check of every employee of the State Department.

Mr. WIGGLESWORTH. Can you tell this committee if that thorough check has been completed on every one of those who have been taken over from the OWI?

Mr. KURTH. I was coming to that. Obviously, when these people were transferred, it was a physical impossibility for the Division to make an immediate check. In order to develop any information which might be readily available from the House Committee on Un-American Activities, the FBI, and other similar sources, we set up a special committee to make a spot check pending a more thorough detailed check. That committee is reviewing the roster of the OWI personnel on a spot-check basis. The Division of Investigation will go into the matter still further and uncover anything that is not obvious.

Mr. WIGGLESWORTH. You know, I assume, that the Civil Service Commission has stated on the record as late as January that a great deal of that personnel was never completely checked, insofar as it was concerned.

Mr. KURTH. Yes; we found that out.

Mr. WIGGLESWORTH. There were persons in that personnel against whom most serious charges had been leveled for years, and it seems to me vitally important, particularly in a Department like the State Department, that we should be satisfied in respect to every individual in that Department.

I wish you would put something in the record that will state in detail just what the situation is in respect to the OWI personnel, with the action that has been taken, with the exact number that spot check has been taken on, the exact number that a final check has been made on, and how many, if any, have been eliminated in that process.

Mr. KURTH. I will do that.

(The statement requested is as follows:)

"PROCEDURE TO DETERMINE SECURITY CLEARANCE OF EMPLOYEES TRANSFERRED TO THE DEPARTMENT FROM OWI, OSS, FEA, AND ANLC

"It has become quite evident that the standards employed by the interim transfer agencies in the selection, investigation, and security clearance of their employees until October 1945 do not conform by a considerable measure to those general standards of the Department of State governing personnel clearances. About 4,000 employees have been suddenly transferred to the Department of State. The investigative files, as such, are fragmentary and in many cases consist only of limited spot checks.

"To offset any threat to the security of the Department posed by the influx of large numbers of relatively uninvestigated personnel, there is outlined the procedure by which this is being corrected.

"1. A security screening committee, composed of specialists in security fields and representatives of the two Department personnel units, is functioning under the following procedure:

"(a) All personnel of the interim agencies are being screened by the committee on the basis of available information as outlined from the records in the interim agencies, information available to the Department, and from other sources.

"(b) Every investigative case of the agency transfer personnel is being examined and a determination made of the additional investigative needs in order to bring each case into conformity with State Department investigative standards.

"(c) In those cases where the committee determines there is derogatory information of a substantive nature, the committee will recommend the termination of services.

"(1) Termination of services may be accomplished without a show-cause order if the person holds less than a permanent appointment and is a nonveteran.

"(2) Where the person holds a permanent civil-service position or is a veteran, a show-cause order shall be instituted against the individual. The action of the committee applies to all personnel regardless of position or rank.

"The security committees, whose members are not from any of the interim transfer agencies, but average 6 years employment in the Department of State report the following action:

"Approximate number of transfer cases	4,000
"Cases reviewed and given temporary security clearance on the basis of available security spot-check information	3,000
"Number of cases disapproved as unsuitable for continued employment in the State Department	243"

Let me emphasize two paragraphs in this table furnished by the State Department. I quote:

It has become quite evident that the standards employed by the interim transfer agencies in the selection, investigation, and security clearance of their employees until October 1945 do not conform by a considerable measure to those general standards of the Department of State governing personnel clearances.

Note the words: "By a considerable margin."

About 4,000 employees have been suddenly transferred to the Department of State. The investigative files as such are fragmentary and in many cases consist only of limited spot checks.

Think of it.

From the figures in the table, you will see, that of 4,000 cases transferred to the Department, 3,000 have been given temporary security clearance on the basis of a spot check; 243 have been disapproved as unsuitable for continued employment in the Department, the balance of 757 having apparently not yet been investigated.

Mr. Chairman, I consider the problem presented as one of vital importance. If possible this House should provide for clearance not only by the State Department but by the Federal Bureau of Investigation in each and every case. We have seen the exposé in Canada in recent days. We have listened to charges which have been leveled in the general direction of our own State Department. We cannot afford to take chances. The whole of this personnel should be carefully checked and either cleared or dismissed at the earliest possible moment. Like Caesar's wife all State Department personnel must be above suspicion.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, I would like to direct the attention of the Members to the fact that this bill contains the first administrative appropriation for the organization that is now the center of all attention in the world today, the United Nations Organization. There are one or two interesting items that ought to be made a matter of record.

The first one is the formula by which they contrive the United States' share in this administrative appropriation. I should say at the outset that they plan on a revolving working fund of $25,000,000, but because of the elapsed time in this year, the amount has been reduced. Of that amount, our share will be roughly a little over $6,000,000.

You will be interested in the formula by which our share is worked out. It is always astonishing to me how a little pattern can be started and then persist on and on and on until finally it develops into a rigid thing.

You will remember that when the United Nations Relief and Rehabilitation Administration was set up, obviously some pattern for participation on the part of various countries had to be de-

vised. Some person of a very felicitous turn of mind came along and said: "I suggest that we put it on the basis of national income, and that participating nations contribute 1 percent of their national income."

As a result of the $1,850,000,000 that has been made available to the UNRRA, one and one-third billion dollars came out of the United States. They felt, of course, that we were a rich, opulent, and productive country, therefore we could well afford to pay so much more than all the other 43 nations put together.

Now, we did not quarrel. That pattern, however, begins to spell itself out now in the United Nations Organization. You see, the Food and Agricultural Organization is a component part of this whole business, so when the preparatory commission in London was trying to devise a budget and a formula for participation they said, "Let us put it on the basis of national income and per capita income." Whether or not our people raised their voices in protest, or advanced some alternative suggestion, I do not know. The record does not disclose it, but the fact of the matter is that to the Food and Agricultural Organization we will pay approximately 25 percent of all the administrative expenses and the other 50 nations will pay the other 75 percent. Certainly no one will contend that we are not paying our full share.

Now, when it became necessary to spell out a pattern for administrative funds for the Central Organization which will be established in this country, they had to reach out and find some kind of a formula, and that formula will be based upon national income and per capita income. According to the testimony of Mr. Hiss before our subcommittee he said the United States will pay 24.6 percent. That is plainly about 25 percent of the total administrative expense. Our Soviet allies will pay 6.9 percent, slightly less than 7. The United States, therefore, will pay three and one-half times as much as Soviet Russia, notwithstanding the fact that in Russia proper they have 40,000,000 people more than we do in the United States. One would think that everybody would be just as much interested in peace over there as here, but we are going to pay three and one-half times as much as they. The Ukraine is considered separately, and it pays 1⅕ percent. White Russia is considered separately and apart from Soviet Russia, and it pays three-fourths of 1 percent. Great Britain pays 14.8 percent. So I emphasize the fact that though we have 40,000,000 less people than another major power, yet we will pay three and one-half times as much of the administrative expenses as that power that has developed so much interest to the world and caused so much concern.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. TABER. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. DIRKSEN. By way of parenthetical observation, I should say this: Is it not rather interesting that this capitalistic country known as the United States, whose ideology is anathema to the Reds and "pinks" and the "parlor bolsheviks" and Communists and others who are pursuing a wholly different ideological line—this country of ours that is wedded and devoted to freedom and free enterprise, should in every case in this international organization and its constituent units pay the lion's share? It is a fine testimony, is it not, to the efficacy of this capitalistic country in which we live. It is an eloquent testimony to the fact that the free enterprise system and the whole fabric of freedom which is the very essence of American life, and which is being so roundly condemned in so many quarters of the world today, is still the place to which the suppliants from every corner of the world beat a pathway to the door with a tin cup for the purpose of a little aid. This is high testimony, indeed.

I want to spell this out within the limitation of my time. You know, there is going to be a capital expenditure for UNO one of these days when they buy this 40 square miles, or whatever they contemplate—maybe not that much. It has to be furnished and refurnished with beautiful buildings befitting the development and the importance of a world organization. Of course, that is going to cost money. There must be beautiful trees, and a landscape gardener must come and lay out the formal gardens as befit an organization of such importance in the scheme of things in this world. All this will cost money. How many buildings? I do not know. How many trunk telephone lines and radio stations? I do not know. That matter is not yet apparent. But I do know this. As one who has been serving on the Appropriations Committee for a good many years, I do know that you cannot express buildings and beautiful drives and flower gardens and guards in uniform and personnel and other needs except in terms of money. So it is going to cost money by way of a capital investment for this purpose.

I said to Mr. Hiss, who was making the case for the State Department with respect to this formula, which is nearly 25 percent as the United States share of all this expenditure, "Mr. Hiss, will the formula also apply to capital expenditure?" His answer was, "Yes." So we may be called upon sometime to spend 25 percent of $100,000,000 for this purpose, and then our share will be 25 percent and the rest of the nations of the world will foot the bill for the balance.

I allude to all this for one reason. We are going to have to spell out some other responsibilities under UNO. Let me just submit this by way of inquiry. Let me just raise the question for you to ponder. It is assumed that there will be international troops, a kind of detachment located somewhere or other to be able to rush to a fractious place or a spot of friction in the world to quell disorder so that the flames of war will not once more illuminate the far horizons of the world. The thing I am curious about is this: Now that this pattern is rolling, will it be 25 percent of our troops and 75 percent of all the rest of the nations? Those troops must be equipped, there must be airplanes to accompany their effort, perhaps there must be tanks. There must be goods and supplies and equipment. Will it be the old story that when friction develops in the world and suddenly there comes a hasty summons for an international detachment to rush to some far-off corner of the earth to put down the fitful and feverish flame, will it be on the basis of this formula, and will the United States, that has no greater interest, perhaps, than other people who have populations equivalent to our own, be paying the bill, and will we be taxed for that kind of share? The record is pretty clear on that point up to now. Twenty-five percent will come out of the Treasury of the United States, wherein we tax the money that belongs to the people of this country.

In the case of capital expenditure the same formula will be translated into action. What will it be with respect to the responsibilities of the Economic and Social Joint Council, the Council on Trusteeship, the troops that may be required, the responsibilities of the joint chiefs of staff, and all the other agencies that will operate under this world organization? Let it never be said that the United States is not doing not only its full share but infinitely more than its full share.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. The pro rata share that is fixed will be a continuing percentage in the future, will it not?

Mr. DIRKSEN. It would appear so.

Mr. EBERHARTER. Does the gentleman know of any fairer method than apportioning the cost according to the national income? Do we not assess taxes on the ability to pay? When assessments are made on stockholders, are they not made on the basis of ability to pay? Are not charitable contributions generally asked for on the basis of ability to pay? I should like to know if the gentleman has some other formula that would be more fair than the formula that is fixed in this bill.

Mr. DIRKSEN. I have no formula to present. I am dealing only with the amount. But surely my friend from Pennsylvania is not making the mistake of considering the interdependence of different countries in the same light as the interdependence of the social and economic segments in our own country.

Mr. EBERHARTER. Does the gentleman know of any nation that is more interested in preserving the peace than the United States of America?

Mr. DIRKSEN. Definitely not, but does it become our sole responsibility?

Mr. EBERHARTER. I do not see how it can be said that any nation is more interested in maintaining peace in the future than the United States or the people of the United States.

Mr. DIRKSEN. The burden of this observation is to show that we are doing our full share and to emphasize to all the world that this capitalistic, free enterprise country that has been so under condemnation in many quarters is carrying the laboring oar for the whole wide world.

Mr. O'NEAL. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, I always admire the gentleman from Illinois and the statements that he makes. But I wonder whether he was not just a little off in one statement when he said all the countries of the world were coming to this country with a little tin cup. I wonder if the gentleman did not mean they were coming with the biggest trucks that they have ever been able to manufacture in all the world for the funds that they want for their own government.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield.

Mr. DIRKSEN. You know, a check for $5,000,000,000 can be put in a little tin cup.

Mr. RICH. Well, that is right too.

Mr. Chairman, another thing that I wanted to call to the attention of the gentleman from Illinois is that he might have mentioned that in the Bretton Woods Bank which was set up with a capitalization of $9,100,000,000, the United States is supposed to subscribe $3,175,000,000 to the fund. That is the lion's share. Also, in the stabilization fund of $8,800,000,000, the United States subscription is $2,750,000,000. Just remember that the United States of America is called upon to give the greatest sums to all the foreign countries, sums far greater than have ever been known of in the history of the world. Now with these great sums that these countries are coming to America and asking for, Great Britain asking for $3,750,000,000, together with other countries that are coming and asking for great sums of money, I wonder where the end is. I do not know how the taxpayers of America are ever going to be able to meet that situation. I do not think this Congress has the right to grant those funds to any country unless the people of the United States of America want to make those loans. In former years when Great Britain or any other country wanted to float a loan, they went to their bankers and put up collateral. The bankers then sold the collateral or hypothecated it and sold the bonds to the people of America or to some foreign country. In that way, they made the loans. But that is not the way we are asked to do business today. We are asked to obligate every taxpayer in America for these great loans. You are going to be responsible for the collection of taxes from the American taxpayers to pay that amount. Does that seem the right thing for us to do when they put up no securities and no collateral? It does not seem to me that that is right and I am not going to vote to put my people under that obligation to any nation or even to our own Nation. It is bad enough when we have to sell our own bonds to our own people to conduct the affairs of our own people. That is a great burden. But when we assume the burdens of all the nations of all the world, then we are just going too far and we are assuming responsibilities that do not belong to our American people. What is going to happen? Instead of us eventually making these other nations responsible for some of their requests and demands, we are only going to tear America down. Instead of raising those countries up, we will bring America down. I do not believe in that. While I want to help any nation that we can help, so far as extending them our good offices and our good will, yet I do not believe it is the duty of the American people to finance them. We cannot do it with a national debt of $279,000,000,000, a debt which is going still higher. Ever since 1932—14 years—we have had a deficit. We are going to have a deficit this year of $12,000,000,000. The President has asked in his budget message for $36,000,000,000 to run the Government for 1 year. That is four times more than ever was required in this Nation in any peacetime year before the war started. For the two succeeding years, he has asked for $25,000,000,000, a sum that is staggering, a sum that will challenge the American people and will challenge business in this country. It will challenge us. If we do not watch out, we will only sink our own Nation. Let us be watchful.

The Clerk read as follows:

Be it enacted, etc., That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, and for other purposes, namely:

Mr. SHAFER. I move to strike out the last word.

RECALL DR. WIRT'S CHARGES

Mr. Chairman, are we to restore our American system of free enterprise or will we abandon it? In the light of the road we have traveled over the past decade it is clear that the American voters must decide that issue this year.

In view of this it might be well for those Members of Congress who seek reelection to have in their minds before going before their constituents a true picture of what has happened in the United States since 1932. It might be well for all citizens to look at the record.

Henry A. Wallace, Secretary of Commerce, a member of the President's Cabinet, proposes a purge of our established parties, to "read out" of those parties all Members of Congress or other branches of Government who do not follow a strict party line, an iron discipline of party-leader direction. Mr. Wallace would make pariahs, political lepers, men "unclean," any man or woman on this floor with the courage to vote an honest conviction instead of being a rubber stamp.

This same Henry A. Wallace, once a Republican, is linked in that political-threat group, the Congress of Industrial Organizations' club, the Political Action Committee and its "other-than-labor" affiliate, the National Citizens Political Action Committee. Mr. Wallace, in the now all-but-forgotten past, was linked with Dr. Rex Tugwell, Robert Morss Lovett, and others of the original New Deal coalition who urged a planned economy for this Nation which rose to greatness and world influence under a system of free enterprise.

This same Mr. Wallace authored a book Sixty Million Jobs which has become a watchword and a slogan for the Communists, the Political Action Committee, and the entire group of leftists who have sought through the years to reduce the entire Nation to the status of a series of Tennessee Valley Authorities.

These trends make it most appropriate, in my opinion, to trace back along the trail of Mr. Wallace and his associates, to perhaps find the motivation of their entire group, and, perhaps, find signboards which will show where the planners have tried to take the American people under their dream of a planned economy.

During the second session of the Seventy-third Congress the files will show that Report No. 1439 was submitted to this House by the gentleman from North Carolina [Mr. BULWINKLE] as chairman of a Select Committee To Investigate Certain Statements Made by Dr. William A. Wirt, at that time connected with the public schools of the city of Gary, Ind. That committee was created under House Resolution 317 of the second session of the Seventy-third Congress. It consisted of five members—three Democrats and two Republicans. The Democrats were A. L. Bulwinkle, chairman; John J. O'Connor, and William A. Arnold. The Republicans were Harold McGugin and Frederick R. Lehlback.

The committee, as reference to House Resolution 317, second session, Seventy-third Congress, will show, was directed to summon Dr. Wirt, require him to reveal the sources of his information, and to summon such other witnesses and make such further investigations as the committee might deem advisable.

One portion of the statements made by Dr. Wirt and circulated by him in printed form, read by James Rand, Jr., before the Interstate and Foreign Commerce Committee of the House of Representatives on the 23d day of March 1934, stated:

PLAN OF REVOLUTIONISTS

The fundamental trouble with the "brain trusters" is that they start with a false assumption. They insist that the America of Washington, Jefferson, and Lincoln must first be destroyed and then on the ruins they will reconstruct an America after their own pattern. They do not know that the America of Washington, Jefferson, and Lincoln has been the "new deal," and that during the eighteenth and nineteenth centuries we have been making great social progress. The common man is getting his place in the sun. Why try to put him back into the Dark Ages?

Last summer I asked some of the individuals in this group what their concrete plan was for bringing on the proposed overthrow of the established American social order.

I was told that they believed that by thwarting our then-evident recovery they would be able to prolong the country's destitution until they had demonstrated to the American people that the Government must operate industry and commerce. I was told that, of course, commercial banks could not make long term capital loans and that they would be able to destroy, by propaganda, the other institutions that had been making our capital loans. And, of course, when Uncle Sam becomes our financier he must follow his money with control and management.

ROOSEVELT ONLY THE KERENSKY

The most surprising statement made to me was the following: "We believe that we have Mr. Roosevelt in the middle of a swift stream and that the current is so strong that he cannot turn back or escape from it. We believe that we can keep Mr. Roosevelt there until we are able to replace him with a Stalin. We all think that Mr. Roosevelt is only the Kerensky of this revolution."

When I ask why the President would not see through this scheme they replied: "We are on the inside. We can control by avenues of influence. We can make the President believe that he is making decisions for himself." They said: "A leader must appear to be a strong man of action. He must make decisions and many times make them quickly, whether good or bad. Soon he will feel a superhuman flow of power from the flow of decisions themselves—good or bad. Eventually, he can easily be displaced because of his bad decisions. With Mr. Roosevelt's background we do not expect him to see this revolution through. But strong men must take their place when the country is once engulfed in flames."

I asked how they would explain to the American people why their plans for retarding the recovery were not restoring recovery. "Oh," they said, "that would be easy." All they would need to do would be to point the finger of scorn at the traitorous opposition. These traitors in the imaginary war against the depression would be made the goats. And the American people would agree that they "the brain trusters" should be more firm in dealing with the opposition.

Thus they, the "brain trusters" would soon be able to use the police power of the Government and crack down on the opposition with a big stick. In the meantime, they would extend the gloved hand and keep the big stick in the background.

POWER OF PROPAGANDA

I was frankly told that I underestimated the power of propaganda. That since the World War propaganda had been developed into a science. That they could make the newspapers and magazines beg for mercy by threatening to take away much of their advertising by a measure to compel only the unvarnished truth in advertising. That they could make the financiers be good by showing up at public investigations the crooks in the game. And that the power of public investigation in their hands alone would make the cold chills run up and down the spines of the other business leaders and politicians—honest men as well as crooks.

They were sure they could depend upon the psychology of empty stomachs, and they would keep them empty. The masses would soon agree that anything should be done rather than nothing. Any escape from present miseries would be welcome even though it should turn out to be another misery.

They were sure that the leaders of industry and labor could be kept quiet by the hope of getting their own share of the Government doles in the form of loans and contracts for material and labor, provided they were subservient.

They were sure the schools and colleges could be kept in line by the hope of Federal aid until many of the "New Dealers" in the schools and colleges had control of them.

They were sure that their propaganda could inflame the masses against the old social order and the honest men as well as the crooks that represent that order—communism.

I asked what they would do when the Government could no longer dole out relief in the grand manner. By that time, it was answered, the oft-repeated exhortation to industry and commerce to make jobs out of confidence and to produce goods and wages out of psychology, together with their other propaganda, would have won the public to the idea that the only way out was for Government itself to operate industry and commerce.

They were certain that they did not want to operate agriculture for a long time. But the farmers could be won by doles to support Government operation of industry and commerce. Farmers would be delighted to get their hands in the public trough for once in the history of the country. The farmers would be one with the masses—united for a redistribution of the wealth of the other fellow. All they would need to do with the opposition would be to ask, "Well, what is your plan?"

When the hearings were held Dr. Wirt was permitted to call only six people—five Government employees and the representative of Tass, the Russian Government-controlled news agency who, he said, had attended a dinner at the home of one of the Government employees.

Dr. Wirt was not permitted to call in witnesses to substantiate his claims that his printed statements had been gathered from printed matter of Dr. Tugwell and other "brain trusters." He was not permitted to bring in Henry A. Wallace, though he said that one of the Government employees at the dinner had told him that Wallace and Tugwell were the leaders of their group.

Records of the select committee hearings show that the two Republican members of the committee were consistently voted down by the three Democratic members in every effort to permit Dr. Wirt reasonable latitude to prove his points. The hearings were limited to the six witnesses who attended the dinner. They were all but unanimous in insisting that none of the things reported by Dr. Wirt had been said by any one of them.

The majority report submitted by the committee upheld the strange finding that at a dinner lasting approximately 4 hours, no one had been able to edge in any conversation—that Dr. Wirt conducted a monolog.

The two Republican members submitted a strong minority report, but the whitewash had been made complete—Dr. Wirt was discredited, nothing was done, and the New Deal, in its heyday of power, with tremendous power in both Houses, went merrily along with its program.

Dr. Wirt was a prophet ahead of his time. In that early New Deal day, 1934, a full investigation of the charges he made might well have revealed plans for the program which has since become history in part, and which is still on the books of pending legislation.

I want to put before the Members of the House some thoughts of what might have been revealed had not Dr. Wirt been smeared and ridiculed into oblivion.

To examine this situation with some degree of understanding I first read Dr. Wirt's charges, carefully, and then the report of the chairman the gentleman from North Carolina [Mr. BULWINKLE] and his two supporting Democratic members. Then I read the dissenting report. It seemed to me that the best way to examine subsequent events in the light of evaluation of the Wirt charges, it was best to lay down a definite procedure, under these headings:

First. Motivating groups behind the planned program.

Second. Legislative steps planned to produce pieces of a jigsaw puzzle, which, when put together, would carry out the plan.

Third. Methods and instruments used to bring about the desired legislative jigsaw pieces.

Fourth. The pattern or final picture—the goal desired—and how far we have gone toward achieving that goal, and fulfilling the Wirt prophecy of 1934.

When the New Deal first came to power the brain trust was born. Raymond Moley was with it. But Moley chose, before long, to get out.

After the brain trust came the full-blooded New Dealers to positions of power—Tugwell, Robert Morss Lovett, Tommy Corcoran, Ben Cohen, Sam Rosenman, Wallace, and the rest.

Then came the National Planning Board—look up their plan for the regionalizing of the entire United States—to get the big picture.

After the National Planning Board came the left-wingers, the Communists and the fellow-travelers—Hillman and his PAC and the offshoots of that.

They were the motivating groups. Let us look briefly at what they wanted to accomplish by legislation. These steps come under that phase:

(a) Over-all planning—the planned economy idea.

(b) Expansion of Federal police power and investigational power.

(c) Development of Government corporations, so set up that they were responsible to the executive rather than to the legislative branch.

(d) Every additional possible means of strengthening the executive branch against the legislative branch.

(e) Use of propaganda and propaganda techniques by the executive departments and branches to boost their own projects and smear those who might oppose them.

(f) Create confusion in laws, agencies, and operations on the theory that confusion divides the opposition, prevents crystallization of new opposition and overcomes resistance of people to change. One technique is the presentation of recurrent "crisis" legislation. Bruce Barton, when in Congress, listed more than 30 recurrent "crises" from the New Deal.

(g) Inject the Federal Government into the private economy by purchase, persuasion or force.

(h) Alter the Supreme Court and supporting court system to evolve a political court rather than a justice system of courts.

(i) Make alliances with the "mass" movements to further pressure.

(j) Wherever possible widen the prevailing differences between groups of the people on economic, social and cultural lines—seeking to pit race against race, officer against enlisted men, nationality against nationality.

(k) Infiltrate economic and social organizations and groups with the idea of either neutralizing them or taking them over for use as instruments.

(l) By political and other purges, seek to retire opponents of the plan to private life, and if already in private life, smear

them into ineffectiveness by ridicule, smear charges and similar familiar methods.

These points interlock with section III and lead up to the ultimate goals. These are:

(a) Establish a State economic and socialistic system over the private enterprise, or capitalistic system, in the fields of finance, industry, agriculture, transportation, education, health, social security, and every other field affecting the daily life of mass-population groups.

(b) Centralization of power in the Federal Government and reduction of the States to local administrative units to carry out the centralized Government policies.

(c) Take over the control of production and finance, public and private.

(d) Work to abolish national sovereignty and set up a world government.

I believe, Mr. Chairman, that Dr. Wirt, discredited as he may have been, presented a picture of what was to happen in 1934 and what has happened in 1946 to a large degree.

I believe that as we go to the electorate this fall we should be able to present this picture and find out if it is the will of the sovereign people of the United States, whom we represent, that we should permit the replacement of our system of government in a representative Republic with a totalitarian form of government, in which the power of all is centralized in an executive department dictatorship, without the checks and balances provided by the founding fathers in the Constitution.

To make certain that a clear picture be gathered for the sovereign American voting group, I suggest the appointment of a special committee to reopen and reexamine the charges made by Dr. Wirt in 1934, with full power to subpena witnesses, take testimony, and examine records in the light of events of the intervening years. I shall file a resolution to create such a committee.

The Clerk read as follows:

Salaries and expenses: For an additional amount, fiscal year 1946, for "Salaries and expenses," including the objects specified under this head in the Independent Offices Appropriation Act, 1946, $369,000: *Provided*, That the limitation on the amount available for printing and binding is hereby increased from "$217,000" to "$267,000."

Mr. RICH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, since we are discussing this bill and spending so much money, I just want to read an article written by our old friend, Sam B. Pettengill. His article is entitled "Greedy for Gold":

The overhead of government is not the worst of it. It's the underhand.

When government goes virtuous and says everyone else is greedy for gold, I feel like the man who got a divorce because his wife fed him nothing but eggs. She just egged him on.

The Government doesn't respect us any more. It just bawls us out. Well, I reckon it's our fault. However, I'm going to squint down the old musket barrel at these holier-than-thou Government preachers for a minute.

I note that the executors of a millionaire ex-President want him declared to have been in military service so as to cut down his tax bill. This sounds like being just a little teeny bit greedy for gold, but there is probably another reason which you and I can't figure out. Then how about Senators putting their wives on the pay roll? That's an old family custom. Many a man in Washington lives by the sweat of his frau!

Here's Henry Wallace. He wants to do us good, so he is asking our Congressmen to let him reach into our pockets for $54,000,000 more than ever before to run his Department. Gosh, if you or I touched somebody for $54,000,000, or even for 54 bucks, they'd say we were greedy for gold. Yes, sir, $34,000,000 for Henry's Department in 1938; $82,000,000 in 1945; $111,000,000 in 1946; and $165,000,000 in 1947. If Henry would just let us keep our money we'd have less department but more commerce. We used to think that a tax cut was the kindest cut of all.

Leaving out the war and Navy people, do you know that Washington pay rolls increased in January by 34,569, or 1,000 a day including Sundays when they don't even pretend to work. The Executive Office of the President wants its appropriation for 1947 doubled over 1945. Peacetime, too. More for Truman than for Roosevelt, the former world's record holder. And they are willing to accept 20 percent more of the long green.

The Budget for next year ($36,000,000,000) calls for $120,000,000 a day for every week day, or $4 per day per family. Could this be wholly magnanimous and sublime? It couldn't have anything to do with elections, I know, so I am asking you. Congressman Ramspeck, of Georgia, before he resigned, said, "Giving jobs to uncles, brothers, cousins, and school chums has all but scuttled the merit system."

Anyhow, the spenders are the folks who try to keep us from talking back. They remind me of the king and the duke in Huckleberry Finn weeping over this sinful world.

That is signed "Samuel B. Pettengill."

You know Sam Pettengill was in the House a few years ago. He could not stand it any longer, so he got out. Every once in a while he writes letters telling of the ridiculous things that the Congress does. I think if you would all read Sam Pettengill from time to time and take his advice, you would be a lot better off, the country would be a lot better off, and the Treasury of the United States would be better off. This administration would be better off. I think it would be a wise thing to examine his statements from day to day and from week to week. He is a fine Jeffersonian Democrat whom I always admired, especially when I served with him on the committee investigating Government in business in competition with private industry. We found at that time that the Government was in many kinds of business, but since then it has just been expanding by leaps and bounds, and since 1934 there has been nothing like it in the history of the world. It is simply putting the Government into every kind of business so that private enterprise is going to have a difficult time from now on trying to compete with agencies set up by the Federal Government. If we do not look out, the first thing you know the Government is going to take over all kinds of business and we will have business just like they have over in Russia. We almost have it at the present time.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. HOFFMAN. Mr. Speaker, I move to strike out the last word and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Chairman, on yesterday the majority leader, the gentleman from Massachusetts [Mr. McCORMACK] included in a statement he was making these remarks:

Adults are dying, and children are dying, and millions are faced with a terrible situation. Even though we do the best we can, thousands will die.

I know the people of America are willing to make every sacrifice possible to help these suffering human beings.

There is no doubt but that Americans are willing to do everything possible to help the suffering people of other countries. Lehman, former head of UNRRA, called upon the administration to again establish rationing. Yesterday, I believe it was, the President called upon the people to plant victory gardens. There is no doubt but that millions of Americans planting victory gardens will produce a great deal of food, but some of us think it is just plumb foolish, silly, for the President to call upon the people to plant gardens, for Lehman to talk rationing, when we know as we do now that out in California tons of food, fruit, and vegetables, are rotting. You will find it in the RECORD of yesterday, in the remarks of the gentleman from California [Mr. ANDERSON], the figures put in, the wires to the President, the interviews with the President described, where the members of the California delegation for months back have been calling upon the President asking that his Labor Department follow some intelligent course in getting the strikes out there settled.

The gentleman from California [Mr. ANDERSON] told us in detail how in California there are some 1,000,000,000—now get that figure—1,300,000,000 empty cans waiting for fruit and vegetables to be put into them. The fruit and vegetables are there, the farmers have them, the produce is ready to go into the cans, but the workers in the canneries will not put them in. Now, why? Why? Because the labor unions cannot make up their minds as to whether the cannery workers are to pay the CIO or the A. F. of L. the dues, the initiation fees, and that the workers will be permitted to work. As a result, the fruit and vegetables rot in the field.

What do you think of an administration, what do the members of the majority party think of their own efficiency, or, rather, lack of efficiency when they let those unions stop the preservation of somewhere between $250,000,000 and $300,000,000 worth of fruit and vegetables just because your political ally, the CIO, or the A. F. of L., the unions out there, cannot make up their minds to which union treasury the workers shall contribute, pay their membership fees and their dues?

Is that your answer to the hungry people of Europe? Is that your answer to the people in this country who are willing to cut down on their consumption of food in order to help the people abroad? You let it rot in the field because your Labor Department will not do the right thing and bring those strikes to an end

by holding an election and settling the issue.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

The Clerk read as follows:

Appropriation for the fiscal year 1946 shall be available and continue available until June 30, 1947, for expenses of the Office of War Mobilization and Reconversion for a study of guaranteed annual wage plans, including salary of the Director of the study at not to exceed $10,000 per annum; printing and binding; and objects specified under the head "General provisions" in the National War Agencies Appropriation Act, 1946.

Mr. KEEFE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the paragraph just read on page 8 of the bill proposes to allocate out of an appropriation heretofore made to the Office of War Mobilization and Reconversion the sum of $200,000 to pay the expenses of a study of guaranteed annual wage plans and to provide for a salary of $10,000 for the director of that study.

I have been interested in this subject matter for a good many years, and I am glad to know that the Office of War Mobilization and Reconversion and the committee established by the President as an advisory committee are about to undertake this most important subject with a view to establishing the facts from which a stabilization program may ultimately emerge.

I have before me the first report of the Bureau of Labor Statistics started in 1944 and filed in April of 1945 showing the first results of the study made by the Bureau on the general subject of guaranteed employment and annual-wage contracts.

There is a growing sentiment in the United States that prompts not only the studies made by the Bureau of Labor Statistics but the studies that are proposed to be made under this allocation of funds that I have just referred to.

There is a feeling to be found growing rapidly in this country that evidences the desire in the heart of the American workingman for security for himself and his family, a type of security that is not to be found in mere increases of hourly wages; the type of security that will say to a man who is employed, "You are entitled to, and have the knowledge that in the next year under the contract which we enter into with you, you shall earn a minimum, at least, of the amount specified in that contract." Thus the worker knows that even though he has an hourly wage contract under present conditions, he will not be laid off for a week or a month or 6 months in a year and thus deprive himself of the security that he and his family have yearned for for years.

The settlement of labor-management difficulties and the settlement of this urge that I have referred to that exists in the hearts of so many people will ultimately be resolved, in my opinion, as a result of the studies that are to be made. This is nothing new. Five hundred concerns in this country already have annual wage contracts. There are millions of people who are engaged in service occupation, in retail stores, and so on, who have contracts which, for all practical purposes, are annual wage agreements. It seems to me that the thing that the man who is laboring in the factories wants is assurance that his employment will give to him and to his family some sense of security on an annual wage basis. This study will go a long way toward resolving the issues that are involved in that situation.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. KEEFE. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KEEFE. The only question which I raise in connection with this appropriation is this: We have heretofore established the Bureau of Labor Statistics in the Labor Department. This bureau has the facilities, the personnel, and the ability to make these studies. I, for one, have fought on this floor for years to try to maintain the integrity of the Department of Labor and to keep within that department and to bring back to that department the functions that belong to it and which have for years been spread out in various other more or less temporary agencies of Government. I fully believe that the Bureau of Labor Statistics is competent to carry on this study and to do this work; in fact, it is contemplated under this proposal that all of the annual wage studies shall be made by the Bureau of Labor Statistics, and that only certain other stabilization program studies shall be made under the direction of the Director who is set up under this proposal in the Office of War Mobilization and Reconversion at a salary of $10,000 a year.

I am not going to offer any amendment to take this out of the bill. The committee itself saw fit to maintain this when it was presented in the full committee. I am completely in favor of the program that is sought to be achieved. I do not want to do anything to disturb it. If maintaining this situation as is contended for by the majority members of the committee will insure that this study will be made and that the facts will be presented to the Congress and the American people, I am willing that the expenditure should be made because it is in aid of a very laudible purpose and one which I feel will make a great contribution to the solution of the difficulties that are confronting labor and management at the present time. It offers definite hope for the ultimate stabilization of management-labor controversies and the attainment of the type of security which an overwhelming number of good Americans in the labor movement are seeking.

The Clerk read as follows:

DEPARTMENT OF AGRICULTURE

AGRICULTURAL RESEARCH ADMINISTRATION

Bureau of Entomology and Plant Quarantine

Mr. HARE. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. HARE. Mr. Chairman, I think I can subscribe quite fully, I will not say in detail, but quite fully, to the remarks of my good friend from Wisconsin [Mr. KEEFE], who just preceded me, when he discussed the desirability of a stabilization plan for wages. I want to supplement, if I can, the idea he has advanced, because I do not believe there can be a plan that would permanently stabilize wages unless it also contemplates the stabilization of industry. I think the advisory board to which he has referred and which has been appointed in conjunction with the work of the War Mobilization Office will have a wonderful opportunity to survey the entire field of wages and industry, with the hope we may sometime expect permanent wages and permanent industry. This board will have an opportunity to study, analyze, and probably interpret some of the difficulties we find today confronting both management and labor.

We have just listened to a situation complained of in California, where thousands of tons of vegetables are said to be going to waste and millions of people going hungry. The vegetables are not canned because of a disagreement between management and labor, or probably between two labor groups. There ought to be some way in a great civilization like ours by which such problems can be solved or settled. We have just had, and still have, a difference between the employees of the General Motors Corp. and that company. We had a long strike of 5 months. The contention of the strikers, according to press reports, is that the General Motors Corp. has a great surplus, and that the wages of the employees should be increased in order that they may share in this surplus or these profits. I am not here to discuss the merits or demerits of the contentions of these two contending forces. The chances are labor is entitled to some of that surplus. However, there is some doubt in my mind whether the employees of the General Motors Corp. are the only labor in this country who should share in that surplus if it is to be distributed. In other words, the automobiles, trucks, and so forth, manufactured by the General Motors Corp. were not made solely by General Motors and their immediate employees. There may be other people all the way down the line who contributed something to the value of these trucks and automobiles.

I am wondering whether or not these people down the line can say they have not received their proportionate share of the value of the finished product. That is, whether they have been paid in proportion to the value they have contributed to these products. The question I am raising is whether this advisory board which has been set up will have an opportunity to make a survey and determine whether it is possible for such an agency to write a formula that would enable management and labor to determine their relative rights, their equitable rights or rights in proportion to what

they have contributed to the value of the product. For example, there is some tin in these automobiles or trucks. Somebody went down into the bowels of the earth and brought it forth. Somebody processed it for the General Motors Corporation and I am wondering whether or not these men have received their pro rata share based on the value of their contribution to the value of the product. There is lumber in these automobiles and trucks. Someone had to go into the forest and fell the trees. Somebody had to convert the trees into lumber and somebody had to process it. All of them made a contribution to the value of the automobile and trucks produced by the General Motors Corporation and its employees. I am wondering whether or not these people have received a proportionate share of what they have contributed to the value of the product, and I am wondering further if they have not received their pro rata shares, whether or not they have a little equity in this surplus or profit referred to as being held by the General Motors Corp., and is now in dispute as to how it should be divided. We could continue this illustration a little further and consider the man who produced the cotton that goes into the tops, the upholstery, cushions and tires, of these automobiles and trucks.

We could ask whether the man who rises in the early morning and works all day to produce the raw material has received what he would be entitled to if he got what he contributed to the value of these products, and I am wondering whether the man who processed the raw cotton and converted it into cloth has received what he is entitled to. In other words, if there is a great surplus over and above the cost of production of these trucks and automobiles in the treasury of this corporation and this surplus is more than the corporation is legally entitled to the question may easily be asked, Who is entitled to share in this surplus? The two contending parties—that is, the General Motors Corp. and their employees? Or are there half a dozen other categories of workers or a dozen different kinds of workers down the line who have contributed to this surplus? Do they have an equity in it? This board that is going to make a study to see whether it is possible to stabilize the relationship between management and industry will have an opportunity to study and possibly aid in answering such questions. I know it is difficult. It cannot be done by elementary minds. It cannot be done by men without experience. It is going to tax the greatest minds in this country to suggest a formula that in the final analysis may aid industry and labor to reach a harmonious conclusion as to the equities they have in the finished products ready to be placed on the market.

If this board is able to do that, then I think it is money well spent. If it does not succeed it may plant the seed out of which, in the course of the years, an agency of some kind will be able to make a study of the contributions made to the value of a particular product from the time it begins with the raw material until it is placed on the market when all concerned may have a feeling they have received at least near what they have contributed to its market value.

The CHAIRMAN. The time of the gentleman from South Carolina [Mr. HARE] has expired.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that the gentleman may be allowed to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. HARE. I cannot conceive of a time, with the present outlook, when we will be able to satisfactorily adjust the differences and stabilize management and labor without some kind of a guide, standard or formula that will take into consideration all the factors that may enter into the value of the products of industry. I think all will admit that the laborer is worthy of his hire, but the trouble comes on agreeing what it is worth. Everybody recognizes this, but nobody has ever solved the practical problem.

I hope this board may be able to do it. If not, it may inspire some agency to do so in the course of a decade, two decades or possibly five decades; because the problem will not be solved until every man who furnishes the raw material to the finished product receives what he considers a fair return for his contribution to the value of the product itself. It will have to be a fair, equitable and acceptable formula, and not by Federal direction or Federal control.

Management, capital, the farmer or person who owns the land all contribute something to the value of the product, and should receive a fair compensation for what he contributes to the value of the product. Is it to be a snatch-grab from now on until the end of time, or will it be possible within the mind of someone to evolve a plan or formula that will enable each of those concerned to determine what would be his fair share of the finished product, regardless of what it may be?

I know it is a difficult problem. I know someone will say it cannot be done because it never has been done, but I hope the problem may be solved, not definitely in every transaction, but to such an extent that difference may be more easily adjusted than under present conditions, and I am hoping this board may be able to make a distinct contribution to this end, and that we may see the time when there will be stabilization of industry, stabilization of wages, full employment from year to year and from decade to decade and on and on.

Mr. Chairman, I yield back the balance of my time.

Mr. HOFFMAN. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Chairman, many Members listened with a great deal of interest to the remarks of the gentleman from South Carolina [Mr. HARE]. The objective for which he speaks certainly is a desirable one. If every man, every worker, could receive what he was entitled to receive, what would repay him for the effort he has put forth, there would not be very much need of looking forward to the pearly gates and the golden streets; we would have a little heaven right here at home.

His reasoning followed to the logical end means complete regimentation. It means that some Government agency is going to determine what every individual who has anything to do with the loaf of bread which we eat should have as his just share of what is received and in proportion to the contribution everyone all along the line has made.

That is to say, the man who clears the forest, who makes possible the field, the man who plows and drags and fertilizes the field, the man who sows the wheat, the man who harvests it, who stores it and takes it to the mill, the one who grinds it into flour and the man who bakes it into bread, and the worker who transports it from the bakery to the grocery, and the grocery man who stores it and sells it over the counter, and the man who delivers it, down to the man who runs the elevator, who brings it up to your apartment, each and every individual should have his just, fair share of the price for which the loaf of bread is sold. Does that leave room for anything other than complete and over-all planning?

I wonder what wage the cotton farmer of the South who receives 10 cents an hour—is it 10 cents an hour?—the figure the gentleman from Mississippi [Mr. RANKIN] so often quotes—what price he should receive for his work when a cotton garment, when an automobile is sold in the open market and a part of it contains cotton.

Mr. HARE rose.

Mr. HOFFMAN. I yield to the gentleman from North Carolina.

Mr. HARE. I think the gentleman misinterpreted my suggestion, because I certainly did not have in mind any type, term, or semblance of regimentation or that this board to which I referred would attempt to go into such detail as to determine definitely and say what each one should do. What I had in mind, to take the illustration I gave, was that there was a great surplus, it is said. I do not know whether or not the two contending parties are entitled to that surplus or not, but it would be an easy matter to determine for that particular product the cost of every part that went into it and from whence it came; and from that determination you would be able to find out to a reasonable degree whether or not any injustice has been done to anyone down the line, instead of trying to settle the problem simply on the basis of these two contending parties.

Mr. HOFFMAN. The burden of the gentleman's remarks, as I understood them—and if I am wrong then each one can judge for himself as he reads the RECORD tomorrow—the logical result of his theory is that everyone on the line of production—from the moment the raw material started on the production line until the day it was sold as a finished product—should receive a just return for

the service he rendered. That would be an ideal result if some agency was wise enough to bring it about. But how can any one or any agency determine just of what relative value is each rendered service. And if the finding was just, has the gentleman any idea each one along the line would accept it?

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. HOFFMAN. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. HARE. I want to relieve the gentleman of that impression because I did not mean to convey that impression.

Mr. HOFFMAN. The gentleman did not mean then that all those along the line of production should receive a just share of what the article sold for?

Mr. HARE. I tried to say this and give an illustration for study to see whether or not in this particular case the alleged profit all came from the immediate transaction of assembling the parts or whether or not some of the profits belonged to those down the line.

Mr. HOFFMAN. The gentleman was talking, was he not, principally about the automobile situation?

Mr. HARE. I was talking exclusively about that.

Mr. HOFFMAN. Exclusively about it?

Mr. HARE. That is the illustration I gave.

Mr. HOFFMAN. But if the proposition is good, there is no reason why it should not be applied to all industry and to all business. The fallacy of the gentleman's argument as to this particular situation rests upon the assumption that there is a great profit in the motor industry that has not been distributed.

Another thing the gentleman overlooked is the fact that the motor industry and other great industries—General Electric, Westinghouse, all these great industries—have accumulated what some people refer to as an excessive surplus, some others as an excessive profit.

All of those industries have followed a policy throughout the years of setting aside and using for certain purposes, for replacement of machinery that has worn out or that has been damaged or that is obsolescent, for the purchase of new machinery, for expansion of their business, for research, millions upon millions of dollars and because they have followed this policy of expansion, of improvement, of research, of discovering and putting on the market new materials, we have all prospered.

Today the workingmen of America and the farmer who used to go to town down in the gentleman's country with a wagon pulled by a yoke of oxen, or perhaps one old ox, now rides in an automobile, which comes from Michigan. We are all sharing in that profit and progress. Men drive trucks instead of pushing wheelbarrows. They enjoy and profit because corporations have earned a profit and invested much of it in research and improvements.

If we followed the gentleman's theory, what would happen is this: Where there is a surplus of millions of dollars in a billion-dollar industry, that surplus would be divided between the stockholders and the employees; nothing or very little would go for expansion for new products. That is Walter Reuther's theory, that is the method and the course he has advocated, and my argument is, if you follow that course, very shortly we will all be back pushing a stick around in the ground trying to cultivate it, running around with a stone ax looking for something to eat. Maybe we will get a team of oxen or a mule; maybe some people will try to hook their wives onto a crooked stick to haul it through the dirt instead of riding a tractor dragging a plow.

For my part, I prefer to let the corporations on occasion accumulate a little money so that they can make improvements in order that the gentleman and I, on our meager incomes, may have a chance to get an automobile perhaps once in 10 years; so that once in a while we can get a new suit of clothes; so that, perchance, the 10 cents an hour cotton farmers down in the South can get the $1, $1.25, or the $1.50 which our industrial workers get.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Yes; with pleasure. I know the trouble the gentleman has gotten into. He has been doing what we all do sometimes. We get up and we talk. We follow along an idea, and the first thing we know it gets us into trouble. It gets us to a destination we did not intend to reach. A gentleman back here said a few moments ago when I asked him about something: "Well, use your indiscretion." I said, "That is what causes us to get into trouble."

Mr. HARE. I think I agree with the last statement of the gentleman.

Mr. HOFFMAN. Yes; the gentleman does the same thing. I agree with him that perhaps we both do.

Mr. HARE. The gentleman cannot charge me with constantly making mistakes on the floor of the House, because I seldom make speeches.

Mr. HOFFMAN. If anything I said is offensive, I will withdraw it and say occasionally, or on very rare occasions, for seldom does the gentleman make a speech.

Mr. HARE. The gentleman knows, in making a study of the kind to which I referred, that by no stretch of the imagination would any reasonably intelligent man fail to calculate wear and tear and depreciation of machinery in cost of production, and so forth.

Mr. HOFFMAN. I hope that, when the gentleman revises his remarks, he will let them stand as he made them originally so that I may look them over and see that I do not do any injustice to the gentleman in my conclusions.

Mr. HARE. May I say to the gentleman that his suggestion is entirely out of order, because the gentleman from South Carolina would not undertake to distort and put into the RECORD anything he said on the floor.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. HOFFMAN. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes to apologize to the gentleman.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. May I say to the gentleman from South Carolina that I had not the slightest intention of suggesting that the gentleman would distort his remarks, but I thought that in this colloquy perhaps he might get the idea that I had not understood him, and he might try to make it clear in his subsequent statement.

The Clerk read as follows:

FOREST SERVICE

National forest protection and management: For an additional amount, fiscal year 1946, for "National forest protection and management," including the objects specified under this head in the Department of Agriculture Appropriation Act, 1946, $168,000.

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I should like to address attention to the paragraph which the Clerk has just read and to ask a question or two of the chairman of the committee about the reason for the reduction which the committee made in the request of the Forest Service as approved by the Bureau of the Budget. The paragraph appropriates $168,000 under the head "National forest protection and management: For an additional amount * * * including the objects specified under this head in the Department of Agriculture Appropriation Act, 1946."

My understanding is that the Bureau of the Budget estimate was for $1,000,000, and the committee has reduced this to $168,000. The purpose of this fund is for the rehabilitation and maintenance of the recreational areas in the national forests, particularly the roadside camps and facilities for the traveling public. In view of the fact that this work has been neglected during the war, owing to the cut-down of travel and the gasoline rationing and other conditions prevailing during the war, I had hoped that the committee would report the full amount of the Budget estimate. Personally I believe there is a definite need for it. So I raise the question:

Why did the committee make a reduction from the Budget estimate of such a large amount here from $1,000,000 to the figure of $168,000?

Mr. CANNON of Missouri. The original estimates was for $1,000,000. The subcommittee on deficiencies, which has reported the bill, not only studied this estimate, but called in the chairman and the ranking minority member of the subcommittee on agricultural appropriations which has jurisdiction of the annual appropriation for this purpose. So we had the benefit of the judgment of both subcommittees on the appropriation.

It was the considered judgment of both subcommittees that the estimate should be reduced from $1,000,000 to $168,000 in order to conform to the 1947 program as carried in the agricultural appropriation bill, which passed the House some time ago and has gone to the Senate. In other words, the deficiency appropriation of $168,000 articulates with the 1947 appropriation.

Mr. CASE of South Dakota. The chairman means that the $168,000 will provide approximately the same rate of expenditure for the remaining months of fiscal 1946 that the regular bill provides for the fiscal year 1947?

Mr. CANNON of Missouri. Yes; it will carry on the same work at the same rate of expenditure. It is the identical program. When we pass from the fiscal year 1946 into 1947 there will be no appreciable readjustment.

Mr. CASE of South Dakota. I consulted the printed hearings and have noted what the chairman has said about having the counsel of the gentleman from Georgia [Mr. TARVER], the chairman of the subcommittee which handled the regular appropriation bill.

Mr. CANNON of Missouri. And the ranking minority member of that committee.

Mr. CASE of South Dakota. Yes. However, in studying the testimony it occurs to me that what actually happened is this: The rate of expenditure from $168,000 might well match the rate of expenditure proposed in the 1947 bill, but the Budget estimates and the original set-up for the 1947 bill were probably prepared before the war emergency was over; in fact, I assumed that the Department of Agriculture prepared its own 1947 figures before VJ-day.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that the gentleman from South Dakota be permitted to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CASE of South Dakota. And so the figures and data behind the estimates coming to the subcommittee handling the agricultural appropriation bill were on a war basis, and what the committee then did, was to provide for maintenance work but not for rehabilitation. This $168,000 would permit the Forest Service to inaugurate their maintenance work ahead of July 1, as the gentleman suggests, but would not provide the funds necessary for the purchase of the limited amount of materials and for the work that is necessary to put these roadside camps back in condition following the neglect they have received during the years of the war. So I draw attention to this matter at this time in the hope that if a further presentation should be made on this in the Senate, and if the Senate should take some action to meet the situation as I have described it, the matter might be more fully considered when the bill goes to conference. I hope I may have the assurance of the chairman and of the committee that if the Senate does take action they will give the matter careful consideration.

Mr. CANNON of Missouri. In response to the gentleman's suggestion, which is very much in point, the representatives on both sides of the table of the committee which has charge of the annual appropriation attended our hearings and cross-examined the witnesses. So, while the original estimate was made some time ago, they had the benefit of the latest estimates available up until the time this bill was formulated, and went rather minutely into the details of the matter. As a result largely of the recommendation of the two gentlemen, the majority and the minority ranking members of the Agricultural Appropriations Subcommittee, we recommend $168,000, most of it for rehabilitation; in fact, all of it is for rehabilitation except $35,000 which is for maintenance. I think the gentleman can understand the disadvantages and, as a matter of fact, the absurdity of starting out with a huge program just at the end of the fiscal year 1946, and then when we hit 1947 making a sudden drop to less than one-sixth of the 1946 establishment.

Mr. CASE of South Dakota. I agree with the gentleman that it would be absurd if you would try to launch a vast program in a couple of months and then drop it off immediately, except for two things, first of all, that these grounds have been neglected and some extraordinary work is necessary to put them in condition for the normal tourist or travel season, and second, that Mr. Granger, at the conclusion of the hearings in about his last statement before the committee brought out the point which I felt should have been brought out earlier when he said:

> Well, if you get at it in that way, but the $800,000 we are asking for here is entirely different from the $200,000 increase carried in the regular appropriation bill. The $200,000 is for normal maintenance while the $800,000 is to rehabilitate these recreational improvements. As you know, most of these improvements were not maintained during the war.

I felt that point was not sufficiently developed earlier in the hearings and I wish to express the hope that it might be given further consideration as the bill proceeds to conference.

Mr. CANNON of Missouri. The two phases to which the gentleman refers were taken into consideration by the subcommittees drafting the provision. It was the consensus of opinion of both subcommittees, one of which deals with the emergency and the other dealing with the annual supply bill, that this was adequate provision for the remainder of the fiscal year. I will say, of course, however, that if the Senate in its wisdom increases the amount, the managers on the part of the House will certainly take into consideration any suggestion presented in conference in support of an increase in the appropriation.

Mr. CASE of South Dakota. I wish to thank the gentleman for his statement.

The Clerk read as follows:

ROADS AND BRIDGES

Roads, Indian reservations: For an additional amount, fiscal year 1946, for "Construction, improvement, repair, and maintenance of Indian reservation roads", including the objects specified under this head in the Interior Department Appropriation Act, 1946, $400,000, to remain available until expended.

Mr. BENDER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wonder if the gentleman from New York [Mr. TABER] or the gentleman from Massachusetts [Mr. WIGGLESWORTH] will advise the House regarding the Washington National Airport. That, of course, is publicly owned; am I correct?

Mr. TABER. That is correct; yes.

Mr. BENDER. I ask the question in order to bring another matter to the attention of the House.

I do not know of a building that is a better advertisement for the United States Government than the Washington National Airport. On the other hand, I do not know of a building that is a worse advertisement for the city of Washington and the National Government than the Washington Union Station. I do not know whether this is a public building or not. Am I correct in assuming that it is a public building?

Mr. TABER. It is not.

Mr. BENDER. It is owned by private interests?

Mr. TABER. It is owned by the Washington Terminal Co. which, in turn, is owned by the railroads serving Washington.

Mr. BENDER. Has any effort ever been made to purchase that building in order that it might serve the people of America to greater advantage than it now serves them?

Mr. TABER. Not as far as I know. Of course, when it comes to that, the airport station is getting about as crowded as the other place. We are up against this proposition in connection with it: When the airport was built, flying was more or less an infant industry, and was not on a self-sustaining basis, whereas these air lines that serve the larger centers now are on a self-sustaining basis and are making a big profit and they should pay more rental than they do pay for the service they get out of the large airports that the Federal Government has contributed to.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield.

Mr. HOFFMAN. If the gentleman from Ohio is about to criticize the Washington Terminal Co. because of the confusion and overcrowded condition, I hope he will remember that it is impossible for any group of businessmen, anyone other than some of these bureaucratic dreamers, to anticipate the number of new employees who have been brought into Washington in the past 2 years. It is impossible for anyone to anticipate the number of businessmen who must come down here in an effort to induce some of these agencies to use a little common sense and good judgment so that they may continue to operate and produce back home and relieve some of the shortages which are beating down on us so severely.

Mr. BENDER. I thank the gentleman. I think the gentleman and I, as members of the Committee on Expendi-

tures in the Executive Departments, in the event the Republicans are in control of the next House, which I believe will be the fact, will have an opportunity to alleviate that condition to which the gentleman refers by cutting off about half of the useless employees from the Federal pay roll.

Mr. HOFFMAN. If we can take that platform on which the New Deal came into power, that one which advocated a 25-percent reduction in expenditures and in the number of employees and bureaus, and if we can put that into effect, I think the station down here might be adequate.

Mr. BENDER. I think the gentleman has made a very proper observation and a very timely one. I think we can say that we can do very well without about 50 percent of the employees now on the Federal pay roll. However, if you need taxicab service, as most of the patrons do who come into Washington, it is obvious that these private interests have, for a large consideration, given the rights to one taxicab company, so that only that company can serve the patrons of these railroads. They herd the people into those cabs and they inconvenience the public in that way.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. BENDER. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield further?

Mr. BENDER. I yield.

Mr. HOFFMAN. Perhaps this is some sort of a closed-shop contract that they have.

Mr. BENDER. Apparently it is some kind of a closed shop or a closed contract, because only one company has the rights. The patron is immediately told that he cannot board any other cab except the cabs of one particular company. When other cabs bring their patrons to the front of the station and unload them they are sent on without any passengers, and all the passengers are herded at great inconvenience to them to this concession that is operated by the one particular cab company. This, despite the critical shortage of cabs and automobiles due to wartime exigencies. Now I am sure that our Members have received complaints from their constituents. I have gotten them wholesale at various times, and traveling and using that station as much as I do and knowing how the membership uses the station and how valuable time is, that it is something that certainly should be gone into by the Congress; and if the District Committee or the Appropriations Committee could do something to change this condition we would be rendering a valuable service to all of our people.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield.

Mr. HOFFMAN. I know that the gentleman from Ohio has hundreds of constituents coming down here to see him and that he serves them well, and that it is extremely difficult sometimes to get the things for them they are entitled to. It occurs to me that the problem perhaps is not that of inadequate taxicab service but part of it is to be found in the bureaus which make these rules and restrictions that force your people to come down here. Otherwise they would not be able to do business in the district back home, so they come down here of necessity, brought down here, compelled to come down here because these orders of the OPA and in wartime, of course, other agencies, would just put them out of business unless they could get some relief.

Mr. BENDER. The gentleman is exactly right. I had some constituents who finally in desperation came to Washington because they had made 14 telephone calls to one agency without even getting to first base, and here they find these pap suckers with their feet hanging out of the windows—as you drive along Pennsylvania Avenue or ride on the streetcar you observe them sitting with their feet upon the desks, reading newspapers rather than rendering any valuable service; and I am sure my friend the gentleman from Michigan [Mr. ENGEL], who understands this problem, will agree with me, that we have more useless Government employees performing more useless services thereby compelling our constituents to come down here, and the first thing that greets them is this station with this taxicab concession which makes it impossible for them to board any other cab, except a cab of the company having the concession. I might add here that no one from out of town understands that the uniformed policemen outside of the station are not members of the regular force here in Washington. They are private policemen. Of course, this does not excuse them for being discourteous, arbitrary, and officious.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield further?

Mr. BENDER. I yield.

Mr. HOFFMAN. That is the reason I voted against the extension of the Second War Powers Act and I am going to vote to curb the powers of the OPA. Now I hope the gentleman will induce some of the others by his influence, and he does exert a great influence on the other Members of the House, that the gentleman will get to work vigorously, that he will, so to speak, get up in the collar and go to town and help.

Mr. BENDER. I am going to town now; that is exactly my purpose in using this time.

Mr. PITTENGER. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield to the gentleman from Minnesota.

Mr. PITTENGER. I was out of the Chamber when the gentleman began his remarks but I understand that the gentleman has been talking about the shortage of taxicabs. I wonder if the gentleman meant on the night of the Jackson Day dinner when 2,000 of the boys paid $100 apiece—that was $200,000—to honor Andrew Jackson—was there a shortage of cabs that night?

Mr. BENDER. I was not here that night, I was in Ohio talking about Abraham Lincoln; so I cannot testify as to what happened, but I am sure there is no shortage of cabs. The thing I am talking about is discrimination on the part of this station.

The CHAIRMAN. The time of the gentleman has expired.

The Clerk read as follows:

Employment office facilities and services

Employment Office Facilities and Services: For an additional amount, fiscal year 1946, for "Employment Office Facilities and Services," to be used exclusively for salary increases for United States employees of that Service under State compensation plans, $3,000,000.

Mr. HOFFMAN. Mr. Chairman, I move to strike out the last word.

Mr. HOFFMAN. Mr. Chairman, one of the disadvantages of the proposal suggested a short time ago by the gentleman from South Carolina [Mr. HARE] is disclosed by a full-page advertisement appearing in the morning paper which I read:

FARMERS MINUS MACHINERY EQUAL FAMINE
IT'S TIME TO SETTLE THE HARVESTER STRIKE

A letter from a South Dakota farmer reprinted with his permission

MARCH 19, 1946.

UNITED FARM EQUIPMENT AND
METAL WORKERS OF AMERICA,
188 West Randolph Street,
Chicago, Ill.

DEAR SIRS: I farm 320 acres, mostly corn, in South Dakota.

Like every other farmer, I have been concerned about food production to relieve famine abroad.

We farmers are being asked by the Government to plant more acreage this year than even at the height of the war, in order to meet the food shortage.

I cannot understand the position of the Government in this matter. As much as 15 percent of last year's corn crop in eastern South Dakota is still standing in the field chiefly because of the lack of corn-picking machinery.

My own corn picker was out in neighbor's fields in January, picking corn at 20 below zero with a foot of snow on the ground.

Right now, the big obstacle in the way of getting machinery is the fact that International Harvester, the largest manufacturer, is not in production.

As I understand it, the Government appointed a fact-finding panel which made recommendations over a month ago to settle the strike. The union accepted these recommendations, and the company rejected them.

This situation has been allowed to go on for a month.

Every day the company continues to defy the Government's proposals deprives us of that much farm machinery which we desperately need. I don't pretend to know much about the issues in the strike. All I know is that the Government looked into the dispute and told both parties what would be a fair settlement. You fellows went along, but the company turned it down.

Now, it doesn't make sense to us farmers to plead for more food, more acreage, when we can't harvest what we planted last year because we don't have the machinery.

We cannot understand how the arrogant stand of International Harvester is permitted to cut off our supply of farm machinery and at the same time hold out against the wages and union conditions which make you fellows in industry our best customers.

Speaking for the farmers in this area, we hope that the union is able to get the company to agree to end the strike and start producing farm implements without delay. There's no sense talking about a food program unless we get the tools to do the job.

Sincerely yours

EMIL LORIKS,
Rural Route 2,
Arlington, S. Dak.

After 3 months of fruitless negotiation, 30,000 workers in International Harvester Co. went on strike January 21 for a wage increase and a new collective-bargaining contract.

A fact-finding panel, appointed by Secretary Schwellenbach, made recommendations on February 18 to end the strike.

The union accepted the panel's recommendations.

The company rejected the panel's recommendations.

Last Thursday, after a month's delay, the company agreed to accept one of the panel's recommendations—an 18-cent increase.

On all other issues, the company still refuses to comply with the panel's report.

Yesterday, negotiations between the company and the union were resumed in Washington at the invitation of the Director of the Conciliation Service.

The union stands ready to return to work on the basis of the recommendations the fact-finding panel made to end the strike.

With famine spreading throughout the world, we express the hope that the company will in the course of the present negotiations comply with the contract recommendations and thus resume the production of desperately needed farm machinery.

UNITED FARM EQUIPMENT AND METAL WORKERS (CIO),
Chicago, Ill.

Then the United Farm Equipment and Metal Workers—CIO—points out that—

A fact-finding panel, appointed by Secretary Schwellenbach, made recommendations on February 18 to end the strike. The union accepted the panel's recommendations. The company rejected the panel's recommendations.

Opposite part of the advertisement is a letter from a man, named Emil Loriks, who I assume is a farmer, at least he is on a rural route.

In his letter Mr. Loriks states:

I do not pretend to know much about the issues in the strike.

That is to say, he confesses he does not know what it is all about.

Then he says in the next to the last paragraph:

We cannot understand how the arrogant stand of the International Harvester is permitted to cut off our supply of farm machinery and at the same time hold out against the wages and union conditions which make you fellows in industry our best customers.

He suggests then that company is defying the fact-finding board. He says he does not know anything about the issue between the company and the union. He does not know a thing about that. Yet he says that the company ought to accept the recommendation of the fact-finding panel. How does he know it should when he admits he knows nothing about the issue involved? It is quite likely the fact-finding panel does not know any more about it than does the gentleman who sends in what is evidently a planted letter.

The difficulty with all of these schemes and plans is that those who are telling the manufacturers what to do are not responsible for the failure of the recommendations which they make when the use of those recommendations fail to solve the problem. It is easy enough for me to tell the gentleman from South Carolina or any other gentleman operating in the South or any place else what he ought to pay the hired man or what he ought to get for his peanuts, corn, wheat, milk, beef, or whatever he has to sell. That is an easy thing for me, as an outsider to do, but it is something else again to meet the pay roll, and I note my friend from Wisconsin, Mr. BIEMILLER, a former labor organizer, is present. Some of the CIO boys in my district with whom I talked last week for 2½ hours have discovered that the pay roll and the money to meet it comes from the employer and not from the union officials.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I note that the gentleman from Michigan said he assumed that Emil Loriks is a farmer.

Mr. HOFFMAN. Am I wrong?

Mr. CASE of South Dakota. No; the gentleman is not wrong, and I can give him some assurance on that point. Emil Loriks is a distinguished citizen of South Dakota, and is a farmer who lives on his own farm in an area where the principal crop is corn as his letter states; it also should probably be said that Mr. Loriks is the secretary of the National Farmers Union and a former Democratic candidate for Congress from the South Dakota First District.

Mr. HOFFMAN. The gentleman is not advocating that he come down here as a Congressman, is he?

Mr. CASE of South Dakota. No, at least not while the First District is so ably represented by my colleague the gentleman from South Dakota [Mr. MUNDT]. Loriks is also a former head of the Farm Security Administration in the State of South Dakota. The point that should be made, I think, is, as Mr. Loriks' letter evidences, that the farmers do have a stake in the prompt settlement of industrial disputes.

Mr. HOFFMAN. They undoubtedly have. I would like to have a little farm machinery myself, a little spade, not too big, one with a big handle but a short, little, narrow blade so that it does not get hold of too much dirt, one like those used by some of these so-called farmers. We all know there is a shortage of farm machinery.

Mr. Chairman, this is the proposition: If the man who makes this machinery, the man who engineers the job, who oversees it, who provides the funds and the management, does not get a profit, nobody is going to get farm machinery, farmer, CIO or no CIO. One thing is just as sure as that the seasons follow each other, as sure as is the fact that if the farmers do not get farm machinery corn is not going to be picked, crops will not be sown or planted and they will not be harvested and that is that if the manufacturer cannot make a profit he will not manufacture farm machinery. The union can demand, the Government can order but neither nor both together can produce the finished product. The Government for a time may pay the wages demanded when it takes possession of a plant but it can no more make the management manage and produce than it can make the employees work nor has the Government the ability to manage and produce.

If union leaders and the left wingers and the Communists are determined to have planning and regimentation no doubt they can get it and they will be the first to suffer. Some of us can wait it out just as long as can the planners and if it comes to a show-down perhaps some of us are just as effective in solving the problem as are the Communists.

It is a poor rule which does not work both ways. I wonder how long Mr. Emil Loriks will plant, pick, and sell or feed corn if he cannot get a profit out of it?

Mr. Loriks might well devote part of his worrying to the problem of just who is going to produce farm machinery if the stockholders and management decide they do not care to operate at a loss. The CIO we are told had $6,000,000 for campaign purposes; he might ask it to buy the factory and make the machinery he wants and at the same time pay the employees the wages he thinks the company can so well afford to pay. How about it, Mr. Philip Murray and Mr. Loriks?

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. NORBLAD. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, it is my purpose in addressing the House today to call your attention to some of the further abuses in the handling of the disposition of our surplus property. I refer particularly to an article by Paul F. Ewing, a staff writer on the Portland Oregonian, which appeared in that paper on March 25, 1946, and I have here in my hand several pictures also appearing in that publication and showing masses of equipment which could be so well used in our industrial reconversion but which are instead clogging the Government depot at Pasco, Wash. This depot, containing some 750 acres, has approximately $50,000,000 worth of war equipment, including tractors, carry-alls, trucks, cranes, bulldozers, and similar equipment, which is, for some reason, remaining idle and not being sold either to the veteran or to the general public. We have all heard speaker after speaker arise on the floor of this House and express his deep concern for the veteran and the veterans' problems, yet conditions such as this at the Pasco depot are allowed to exist. Mr. Ewing in his article points out that there are 1,600 new trucks alone at Pasco which remain idle because Government red tape has effectively blocked their sale. Great quantities of this material have been there since November, and yet the Army has not undertaken to declare the property surplus and thus available for market.

I further call your attention to the fact that Mr. Ewing discloses in his article that it was only with extreme difficulty that he finally obtained permission to view this depot, and a gentleman by the name of Stanley E. Cathcart, of the War Assets Corporation, did all within his power to deter Mr. Ewing from examining these goods, which were both paid for and owned by the taxpayers of this country.

I have stated before that I felt that the surplus-property disposal is being about as poorly handled as possible, and this is further evidence of that fact. The Smaller War Plants Corporation office in

Portland, Oreg., which had been handling veterans' certification for surplus war property became so confused and involved in its own forms that a few months ago the office completely shut its doors for a week, and a large number of veterans seeking the service to which they are entitled were left standing in the hallway. I have today made written inquiry from the War Department and the War Assets Corporation to determine just exactly why this condition exists at Pasco, Wash., and why, with both veterans and small businessmen badly in need of this property, steps are not taken to sell it to them. If these departments are not able to proceed to the immediate and proper disposition of this property, I then feel it is the duty of the Congress to take steps to see that this is effected. Both the taxpayer, on the one hand, and the veteran and small businessman, on the other, are the losers in a situation like this, and it simply cannot continue to exist.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and that the bill from this point on be open to amendments and points of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. WIGGLESWORTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WIGGLESWORTH: On page 23, line 16, after the figures "$133,456" strike out the period, insert a comma, and the following: "*Provided*, That no part of any appropriation in this act shall be used to pay the salary or wage of any person appointed or transferred to the Department of State after September 1, 1945, until essential clearance as to loyalty has been certified by the Federal Bureau of Investigation and the appropriate security committee of the Department of State."

Mr. CANNON of Missouri. Mr. Chairman, I make a point of order against the amendment, but reserve it for the time being.

Mr. WIGGLESWORTH. Mr. Chairman, I offer this amendment with a view to expediting the solution of the problem to which I have already referred in my remarks under general debate.

It appears from the testimony of the State Department that some 4,000 employees have been suddenly transferred to the Department from the OWI, the OSS, the FEA, and the ANLC, that of those 4,000, 3,000 have been given temporary security clearance only on the basis of spot-check information, that 243 have been found unsuitable for continued employment in the State Department, and that the balance of 757 presumably have not yet been investigated.

The State Department states, and I again quote: "It has become quite evident that the standards employed by the interim transfer agencies," that is, the agencies to which I have referred, "in the selection, investigation, and security clearance of their employees until October 1945, do not conform by a considerable measure to those general standards of the Department of State governing personnel clearances." It adds that "about 4,000 employees have been suddenly transferred to the Department of State" and that "the investigative files as such are fragmentary and in many cases consist only of limited spot checks."

Mr. Chairman, this is an old story in terms of OWI. Year after year we have had official reports of hundreds if not thousands of personnel on the rolls of OWI in respect to which essential clearance as to loyalty has not been given by the Civil Service Commission or otherwise—or by OWI itself. Year after year we have waited for specific charges of serious character against specific individuals to be dealt with.

This amendment would simply bring the good offices of the FBI into the picture so that the personnel from the interim agencies which has been turned over to the Department of State may be efficiently investigated and either cleared or released at the earliest possible moment.

I hope the gentleman from Missouri [Mr. CANNON] will not make the point of order, in view of the character of the amendment offered and the importance of its purpose.

Mr. CANNON of Missouri. Mr. Chairman, while the proposed amendment is in the form of a limitation, it is coupled with an affirmative direction which amounts to a change of law. For this reason, although presented in the guise of an exception to the rule, it is, in effect, legislation on an appropriation bill, and therefore subject to the point of order.

The CHAIRMAN (Mr. HART). The Chair is ready to rule.

The amendment as drawn is in the form of a limitation but it does have in it positive language which gives it the effect of legislation on an appropriation bill. The Chair, therefore, sustains the point of order made by the gentleman from Missouri.

Mr. LUDLOW. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LUDLOW: On page 20, after line 22, insert the following:

"MARINE CORPS

"General expenses, Marine Corps

"Expenses, Marine Corps, national encampment, Grand Army of the Republic, Indianapolis, Ind.: For expenses of the United States Marine Band in attending the national encampment of the Grand Army of the Republic, Indianapolis, Ind., August 20 to 31, 1946, $8,140."

Mr. LUDLOW. Mr. Chairman, on November 20, 1866, the First National Encampment of the Grand Army of the Republic was held in Indianapolis, Ind. For more than threescore years this organization loomed very large in the history of our country. The last thin remnant of this once great Army will meet again in Indianapolis, probably for the last time, in August 1946. Indiana was the keystone of the North in the Civil War and it is appropriate that the Grand Army of the Republic should have its beginning and its end in Indiana. It has been the custom for many years for Congress to make appropriations to send the Marine Band to attend the National Encampment of the Grand Army of the Republic and the National Encampment of the United Confederate Veterans, and this amendment has been offered in conformity with that custom. The appropriation provided in this amendment is the amount which the Marine Corps estimates will be necessary to cover all of the expenses of the trip. I hope there will be no opposition to it, and I submit it for the judgment of the House.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. How many members of the Grand Army of the Republic are still living?

Mr. LUDLOW. I regret to say that I am unable to answer the question.

Mr. MILLER of Nebraska. I understand that there are only 382, and only 10 percent of them are able to get around by themselves. Their average age is 98-plus.

Mr. LUDLOW. This is a very small band, but this will be a large occasion nevertheless. It is an historic occasion. It is the conclusion of the history of that organization.

Mr. MILLER of Nebraska. About 35 of them are able to get around.

Mr. LUDLOW. I think this appropriation is eminently proper as the conclusion of the history of that organization.

Mr. CANNON of Missouri. Mr. Chairman, I am in heartiest accord with the purport of this amendment. The committee will accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. LUDLOW].

The amendment was agreed to.

Mr. PICKETT. Mr. Chairman, I make a point of order against the item contained in page 33, lines 2 and 3, entitled "Committee on Fair Employment Practice: 'Salaries and expenses', $30,000;" on the ground there is no legislative authority for the existence of the Committee on Fair Employment Practice and, therefore, this is legislation in an appropriation bill.

Mr. CANNON of Missouri. Mr. Chairman, the Committee concedes the point of order.

The CHAIRMAN. The point of order is sustained.

Mr. CANNON of Missouri. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to, and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HART, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 5890) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, and for other purposes, had directed him to report the bill back to the House with an

amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question on the bill and the amendment thereto to final passage.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that all Members who have spoken on the bill may have five legislative days in which to extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

EXTENSION OF REMARKS

Mr. WIGGLESWORTH asked and was given permission to revise and extend his remarks and include some reports from committee hearings.

THE PETRILLO BILL—PROGRAM FOR TOMORROW

Mr. LEA. Mr. Speaker, I ask unanimous consent to address the House for 1 minute

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LEA. Mr. Speaker, I observe that the majority leader, the gentleman from Massachusetts [Mr. McCORMACK] is present. I desire to call his attention to the fact that the conferees have agreed on the so-called Petrillo bill. The unanimous report of the conferees is on file. I would like to know if we can take that up tomorrow.

Mr. McCORMACK. Can the gentleman from California give me any idea of how long it will take to consider the conference report?

Mr. LEA. I think it would not take over 10 or 15 minutes.

Mr. McCORMACK. But it will not take more than 20 minutes in any event?

Mr. LEA. I believe not.

Mr. McCORMACK. Under those conditions, I announce to the House that it will be the first order of business on tomorrow.

Mr. LEA. I may state in that connection that the bill as agreed to by the conferees is practically the bill as it passed the House.

VETERANS' PRIORITIES IN DISPOSITION OF SURPLUS PROPERTY

Mr. HENDRICKS. Mr. Speaker, I ask unanimous consent to adress the House for 1 minute, revise and extend by remarks, and include a letter which I received from the national commander of the American Legion and my reply to him.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. HENDRICKS. Mr. Speaker, sometime ago when I was handling the independent offices appropriation bill on the floor of the House, I made two proposals in regard to the disposition of surplus property, one that the President of the United States by Executive order freeze all surplus property sales until such time as plans could be worked out so that the veteran could get what he was entitled to. The second proposal was that the veteran have a priority II, second only to the Federal Government. The President has not yet taken action on that even though I called on him personally. In accordance with the letter that the national commander of the American Legion, Mr. John Stelle, has written to me, I am today introducing two resolutions, a House joint resolution which would have the effect of law if passed and a House concurrent resolution which would express the will of Congress. I feel it is time we stopped the sale of surplus property until the Disposal Act is amended so that the veteran can have a priority II. I believe the committee now studying the revision of the Surplus Property Sales Act will adopt that provision so that they may have a priority II, but if we wait too long the property will all be gone. I think it is time we stopped it now, and I hope the House will take action on these resolutions.

THE AMERICAN LEGION,
Washington, D. C.

DEAR CONGRESSMAN: The American Legion national headquarters is daily receiving a flood of letters from veterans citing disappointing experiences in their endeavor to obtain Government surplus property.

Many of these letters are pitiful and appalling. They reveal that the veterans are meeting insurmountable difficulties in their desperate effort to obtain surplus war goods with which to establish or reestablish themselves in a business, occupation, or profession. They cannot understand the blank wall which they come up against; neither can I.

I am certain that your congressional mail is packed with letters similar to those received by the American Legion. To put it baldly, the veteran of World War II is getting little or none of the goods being set out as surplus sales, and that which is offered him is usually shoddy and beyond use or repair while the new goods go elsewhere.

When I speak of surplus property, all types and sorts are referred to. Vehicles have drawn most conversation and in most instances they are essential to the rehabilitation of the veteran back into civilian life.

But these are not all the story. The veteran needs pots, pans, and other kitchen utensils so that he can set up his small restaurant or cafe and shorten the food lines of this Nation; he needs carpenter, plumbing, or electrical tools so that he can help in the housing problems; he needs bulldozers and scrapers so that he can terrace and save his farm from erosion; he needs materials which the Government has possessed for war purposes in a thousand instances.

But the veteran is not getting these from the Government. From the civilian sources the universal reply to him is:

"You are not an old account. We have goods only for our old customers."

It leaves the veteran empty handed.

The Government had billions of dollars in goods of every kind for the prosecution of the war. If this property is still held by the Government some efficient method of parceling it out to veterans should be established. If this property has already been disposed of, then the American people should know who got it and how.

The situation is such that immediate remedial steps should be taken or the veterans of this Nation are going to become dangerously discontented and they will lose confidence in promises of the Government. America cannot afford that.

We all are aware that meanwhile the surplus property is melting away through various channels. The action I suggest is for Congress by the quickest possible method, perhaps resolution, to freeze temporarily all surplus property until the situation can be surveyed. The veteran should be given improved priority. The "not for sale" signs should be torn down in the huge warehouses where thousands of articles useful to veterans are on display. Information and distribution outlets should be better organized. The percentage of the total supply available to the veterans should be drastically increased, for his reestablishment in civil life is the pressing national problem.

Otherwise, within a few short months the veterans are going to be left empty-handed, disillusioned, and seriously disappointed—with the surplus property gone.

Very sincerely yours,

JOHN STELLE,
National Commander.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 27, 1946.

Hon. JOHN STELLE,
National Commander,
The American Legion,
Washington, D. C.

DEAR MR. STELLE: I am in receipt of your recent letter concerning the surplus property situation and wish to say that I agree with you in every detail.

You may be interested to know that when I was handling the independent offices appropriation bill on the floor of the House, I made two proposals directly in line with what you have stated in the second paragraph of page 2 of your letter. The first was that the President issue an Executive order freezing all surplus property until such time as proper arrangements could be made so that the veteran could have that to which he was entitled. At a later date I actually went down and discussed this with the President and he promised to consider it but has taken no action up to this time.

The second thing I did was to propose that the Surplus Property Act be overhauled and the veteran be given a priority 2, which is a priority second only to that of the Federal Government. I have made a little more progress on this. I introduced a bill amending the act to that effect. The Committee on Expenditures in the Executive Departments has given me hearings on the bill, and I hold in my hand a letter from the chairman saying that they expect to adopt that provision and report a bill in the near future. I can assure you that the committee is planning to put safeguards around the veterans' rights, but I also agree with you that in the meantime the surplus property might have trickled away.

In view of this fact I have asked the legislative council to draw for me two resolutions: a joint resolution asking that all surplus property be frozen for 30 days, until such time as the committee can report a bill guaranteeing the veteran his rights. This would have the effect of law and naturally would have to be signed by the President.

I am also introducing the exact resolution as a concurrent resolution, which would have the effect only of the expression of the will of Congress. My point in freezing this for 30 days is that the committee will have time to report a bill and the Congress will have time to adopt it.

Assuring you that I have been leading the fight for the veterans on surplus property, and with kind regards, I beg to remain

Respectfully,

JOE HENDRICKS.

The SPEAKER. The time of the gentleman from Florida [Mr. HENDRICKS] has expired.

SALE OF SURPLUS PROPERTY

Mr. GALLAGHER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. GALLAGHER. Mr. Speaker, following the remarks of the gentleman from Florida who just preceded me on the surplus property question, there is one thing to which I object. In my city there is one concern that has never been in the retail business before. That concern buys everything which a camp has to sell, and no one else has a chance to bid because they do not know when it is to be sold. They bale up the clothing, and these concerns that have never been in the clothing business before advertise themselves as surplus property custodians.

I believe that the people who are in the business should have an equal chance to bid on this surplus property when a camp is closed.

The SPEAKER. The time of the gentleman from Minnesota has expired.

EXTENSION OF REMARKS

Mr. BOYKIN asked and was given permission to extend his remarks in the RECORD and include a speech delivered by the gentleman from Georgia [Mr. COX].

Mr. BIEMILLER. Mr. Speaker, in the light of the interesting debate today on the Pearl Harbor inquiry, I ask unanimous consent to include with my remarks an editorial which appeared in the New York Times several weeks ago, even though said editorial may previously have been printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SPENCE (at the request of Mr. SPARKMAN) was granted permission to extend his remarks in the RECORD in two instances; in one to include a statement by William Green, president of the American Federation of Labor, on extension of price control; and in the other to include a statement by the Secretary of the Treasury, Mr. Vinson, before the Committee on Banking and Currency, on extension of the Stabilization Act.

Mr. MICHENER asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. HENDRICKS. Mr. Speaker, I am afraid I did not state my previous request properly. I ask unanimous consent that I be permitted to extend in the RECORD at the point at which I spoke the letter from Mr. Stelle and my reply to him.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SABATH asked and was given permission to extend his remarks in the RECORD and include an editorial and an article from the Chicago Sun.

TRADE RELATIONS BETWEEN THE UNITED STATES AND THE PHILIPPINES

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution (H. Res. 572, Rept. No. 1825) for printing in the RECORD:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5856) to provide for trade relations between the United States and the Philippines, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 day, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the same back to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. Under previous order of the House, the gentleman from New Hampshire [Mr. MERROW] is recognized for 30 minutes.

JUSTICE FOR GREECE—GREECE, THE HOPE OF DEMOCRACY

Mr. MERROW. Mr. Speaker, in this distraught world one of the most significant focal points for the spread of democracy is Greece, in the Balkan Peninsula. Greece is the only country in this part of Europe in which there is an opportunity for the exercise of Anglo-American influence. Winston Churchill, speaking in Fulton, Mo., on the 5th of March, said:

From Stettin in the Baltic to Trieste in the Adriatic, an iron curtain has descended across the continent. Behind that line lie all the capitals of the ancient states of central and eastern Europe. Warsaw, Berlin, Prague, Vienna, Budapest, Belgrade, Bucharest, and Sofia, all these famous cities and the populations around them lie in what I might call the Soviet sphere, and all are subject, in one form or another, not only to Soviet influence but to a very high, and in some cases, increasing measure of control from Moscow.

Police governments are pervading from Moscow. But Athens alone, with its immortal glories, is free to decide its future at an election under British, American, and French observation.

Mr. Churchill has been widely acclaimed and severely criticized for this and other speeches recently made in the United States. I wish to make this comment. I fear Mr. Churchill has told the truth and we do not like to hear it. In fact I know from personal experience that he told the truth concerning the Balkans. Last summer I visited Vienna, Prague, Budapest, Belgrade, and Athens. From what I saw and from the information received I was convinced that Greece and Greece alone is the only hope for democracy in this area. Greece is the only country free to decide its future and Greece is the one country in the Balkan Peninsula where Anglo-American ideals and principles have a chance of surviving and spreading. It is the only country in which Great Britain and the United States have an opportunity to make their influence felt.

WAR RECORD

No country has a finer or more commendable war record in fighting the Axis than Greece. On the night of October 28, 1940, the Italian Government delivered to Greece an ultimatum which was immediately rejected. Two hours later Mussolini struck. The people of Greece with complete unity arose to repel the invader. They forced the Italians into the Albanian mountains in a struggle which lasted until April 1941. The first victories won against the Axis on the land were Greek victories. These victories punctured the myth of Axis invincibility and opened the way for Wavell's attack in Libya. These victories gave comfort and confidence to the Allies.

On April 6, 1941 Greece was invaded by the Nazis in order to complete German conquest of the Balkans and to threaten the Allied position in the Mediterranean. During April and May of 1941 the battle of Greece was waged by the Greek Army, British and New Zealand, Australian and Indian forces against the Axis Powers. The spirit of Thermopylae was revived. The campaign was brought to an end in the bloody battle and occupation of Crete in June 1941. This delaying action of 7 weeks caused Hitler to postpone his attack on Russia. This was generally recognized as having given a very valuable breathing spell to the Allies and was a most important factor in the defense of Moscow. The price paid for all this by Greece was starvation, disease, and destruction.

In 1941 and 1942 the Greek Government engaged in many activities abroad to continue the struggle. They organized a new army in Egypt. The Greek fleet cooperated with the British in the Mediterranean, the Red Sea, and the Indian Ocean. There was cooperation with the Allied shipping by the entire Greek merchant marine. During 1942 the Greek forces played a conspicuous part in the battle of El Alamein. In 1943 the Greek fleet cooperated in naval engagements in the Dodecanese Islands and the eastern Mediterranean, in Sicily and Anzio Beach. The Greek forces participated in the Italian campaign during the storming of Rimini.

GREEK RESISTANCE DURING OCCUPATION

Special mention should be made of the Greek-resistance movement during the 4 years of Italian, German and Bulgarian occupation. German communications were frequently disrupted. Sabotage was constant. All of this provoked bloody retaliations against the Greek people. Over 100 underground papers were circulated regularly throughout Greece. When Greece was liberated the Greek people drawing strength from the feeling

that once again they had lived up to their tradition of democracy and freedom set themselves to work in order to restore the widespread destruction caused by war and by triple enemy occupation. It is impossible to overemphasize the adverse conditions which confronted the people of Greece in their efforts at reconstruction. The population was depleted. They were victims of famines and diseases. There were war casualties. There were many victims of enemy retaliation. Villages were wiped out. Many were partially demolished. People were left homeless. The railways were practically nonexistent. Roads and bridges were destroyed. Many harbors were heavily damaged. More than three-fourths of her shipping was lost. Coastal shipping was destroyed. Trade was gone. Communications were cut. Means of production were destroyed and reduced to one-third of normal.

WAR LOSSES OF GREECE

I am including here the war losses of Greece. These figures portray vividly the sacrifices made by this small country in the war against the Axis.

Members of armed forces and guerrillas killed in action, 74,000. N. B.: Casualties during civil disturbances in 1944–45 not included.

Died from starvation, deportations, massacres and diseases, and wounds, approximately 450,000.

Localities destroyed: Completely, 879; partially, 460.

People homeless, 1,004,695.

Houses totally or partially destroyed, 287,000.

Houses deteriorated, 128,500.

Merchant marine, number of ships destroyed, 845.

Total tonnage destroyed, 1,402,271.

Prewar tonnage, 1,815,836. Seventy-eight percent destroyed.

Coastal ships: Coastal steamers lost, 100 percent; sailing boats lost, 75 percent.

Transport vehicles: Prewar, 17,200; today, 4,900; lost, 71.6 percent.

Damage to railways: Bridges, prewar, 84; today, 0; destroyed, 100 percent.

Hydraulic installations destroyed, 100 percent.

Station buildings destroyed, 50 percent.

Workshops destroyed, 80 percent.

Tunnels destroyed, 24 percent.

Locomotives: Prewar, 220; today, 15; destroyed, 93 percent.

Passenger coaches destroyed, 98 percent.

Trucks destroyed, 98 percent.

Freight cars destroyed, 98 percent.

Livestock destroyed, 60 to 80 percent.

Forests destroyed, 30 percent.

Agricultural production, 60 to 100 percent.

Industrial production, 85 to 95 percent.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MERROW. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I would like to make the observation that the resistance of the brave people of Greece threw Hitler's timetable out of gear for at least 7 or 8 weeks, which meant a matter of months in his attack upon the Soviet Union. It enabled the Russians to prepare and it also enabled the British to prepare when the Germans swung across the African route to Alexandria, at a time when the Suez was threatened. It permitted Great Britain to regain her strength and to furnish her armies with munitions of war, with weapons of war and with men. The sum total of it all is that the resistance of the brave people of Greece permitted a breathing spell to the Allies and I am of the opinion that the historians of tomorrow, when they appraise and analyze the events of the last war from a detached viewpoint, will record that the resistance of Greece was one of the most important parts in the winning of the war, that the resistance of Greece was important to the countries that were fighting Hitler, the countries that were allied on our side, that this resistance was not only important but probably one of the turning points of the recent war.

Mr. MERROW. I thank the gentleman for his pertinent remarks. The resistance offered by Greece to the Axis Powers gave the Allies valuable time. This country made a magnificent contribution toward the winning of the war against the Axis powers.

THE JUSTICE FOR GREECE COMMITTEE

There has recently been formed the Justice for Greece Committee, of which I am happy to be a member. In a statement issued by the committee, the motives of the friends are threefold:

First. There are many persons, in America and other lands, who want to see justice done, abstractly, for its own sake. To such persons the case of Greece makes an irresistible appeal.

Second. Many Americans are conscious of their own indebtedness to the Greeks and to the Greek spirit. What they can do in return, they feel, is a small acknowledgment of the obligation, not only to their friends, but to themselves as men of honor.

Third. Many Americans look forward in hopeful anticipation to a better adjustment of international affairs in which amity among nations will be promoted and in which the basis for disagreements, disputes, and violence will be eradicated or minimized. They believe that the cause of justice for small nations, such as Greece, should be wholeheartedly embraced as a part of the larger aspiration for justice and peace throughout the world.

GREEK CLAIMS

This committee is working for justice and pressing for consideration of Greece's peace claims which are as follows: first, adequate reparations and restitution for Axis ravaged Greece; second, restoration to Greece of the historically Greek Dodecanese Islands; third, restoration to Greece of the area of northern Epirus—now part of southern Albania—which is predominantly of Greek population; and, fourth, strategic rectification of the Greco-Bulgarian frontier to protect the Greek bread basket and prevent periodical starvation of the Greek people.

RESOLUTION ON GREEK CLAIMS

At this time I wish to call to the attention of the House that on March 19 I introduced House Concurrent Resolution 136 which expresses the sense of the Congress as favoring the claims of Greece. My resolution, which has been referred to the Committee on Foreign Affairs, is as follows:

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that at the peace conference fair reparations and restitution be made for war-devastated Greece, that northern Epirus and the Dodecanese Islands be returned to Greece, and that the Greco-Bulgarian border be rectified along a defensible mountain line.

I hope that the Congress will adopt this measure. Such action would help tremendously in assisting Greece at the peace conference. These are just claims. They merit the support of the Congress of the United States.

REPARATIONS

Adequate reparations and restitution should be made for Axis-ravaged Greece. The history of Greek participation in the war, fighting for the Allied cause, and the figures which I have included on the sacrifices made by this country is ample evidence to show that in all justice and fairness reparations and assistance should be given to Greece. This should be one of the first matters taken up at the peace conference.

THE DODECANESE ISLANDS

In reference to the Dodecanese Islands and northern Epirus, I quote from a pamphlet entitled "Greece's National Aims, Their Historical and Ethnological Background," by Cimon P. Diamantopoulos, LL. D., Ambassador Extraordinary and Plenipotentiary of Greece to Washington:

The Greek claims on the Dodecanese Islands rest mainly on the principle of nationality.

The Dodecanese—which means 12 islands—include Rhodes, Cos, Patmos, Kalymnos, Leros, Nisyros, Tilos, Khalki, Syme, Astropalia, Karpathos, and Kasos, as well as the tiny island of Castellorizo. According to the census taken in 1936 they have a population of 140,000, of which 80 percent are Greek, 10 percent Turkish, and 10 percent Italian settlers. No comment is therefore needed on the justice of Greece's expectations for these islands. It is pertinent only to note that even Italian leaders such as Count Sforza and other members of the Mazzini Society in the United States have openly admitted recently that a democratic peace must give the Dodecanese to Greece.

When Italy occupied the Dodecanese in 1912 the islanders welcomed the Italians as their true deliverers from the Turks. Nevertheless, fearful of Italian machination, they held a meeting at Patmos on June 17, 1912, and unanimously adopted a resolution declaring "the permanent national wish of the Aegeans to be united with their mother country, Greece." The Italian plans for the Dodecanese were soon detected, liberty was suppressed in the islands, and a campaign in the Italian press for permanent occupation began. With the signing of the armistice of November 1918 the Dodecanesians resolved to make an appeal to the Paris Peace Conference in spite of repressive measures by the Italians against the islanders who clamored for union with Greece. This demand was also supported by a memorandum of the Greek Government presented to the conference by Mr. E. Venizelos, then Prime Minister of Greece.

It must be noted that American opinion both at home and in Paris was also strongly on the side of the Dodecanesians. The American experts, in their recommendations of January 21, 1918, to the American delegation in Paris, advised that Rhodes and

the Dodecanese be assigned to Greece on an ethnological basis. The United States Senate also adopted a resolution stating that among others, the 12 islands of the Aegean should be awarded by the peace conference to Greece and become incorporated in the Kingdom of Greece (May 17, 1920).

However, matters turned out unfavorably, and although Greece concluded an agreement with Italy on July 29, 1919, a year later Italy denounced this agreement allegedly because her aspirations in Asia Minor and Albania had been frustrated. The Greek Government naturally protested strongly against this unilateral action of Italy. But this was of no avail, and a continuous evasion of the question on the part of Italy followed. In the Treaty of Sevres of August 10, 1920, Italy, under pressure of the United States, Britain, and France, was obliged to cede the Dodecanese to Greece with some special provisions concerning Rhodes.

The unhappy Greek expedition to Asia Minor and the defeat which ensued afforded good reason to Italy not to fulfill her promises. In the Treaty of Lausanne (1923) the only positive result concerning the Dodecanese was the confirmation of the renunciation by Turkey of all rights and title to the Dodecanese in favor of Italy, already included in the Treaty of Sevres. The future of the islands was to be settled by the parties concerned. But Italy has never settled with Greece, nor has she ever given any rights to the islanders. Till her surrender in 1943, Italian commissioners ruled the Dodecanese tyrannically and without any mandate from the people; freedom of speech and of the press were extinguished, and Greek newspapers forbidden. Many Greeks were exiled and the Greek colors of blue and white were banned; Greek schools were closed and the Greek language was put under a legal ban.

Recently a Pan Dodecanesian Congress, duly empowered by the Dodecanesians from all over the world, was held in New York and proclaimed the union of the islands with the mother country. All the Greeks confidently hope that the Atlantic Charter will be the Magna Carta of Dodecanese freedom.

NORTHERN EPIRUS

Northern Epirus, on which Greece has claims based also on ethnological grounds, is the region lying on the northwestern frontier of Greece and which, due to pressure exerted by Italy at the Paris Peace Conference and later, was included in the Kingdom of Albania. It has a population of about 225,000 and the principal towns are Koritsa, Argyrokastron, and Aghioi-Saranta.

The Hellenic character of this province is deeply rooted in the history of modern Greece, especially since the Turkish conquest when it became a center of Hellenic culture.

After the Balkan Wars of 1912–13, when so many Greek lands of the Balkan Peninsula were liberated, the Greek people were disappointed to see that owing to Italy's maneuvers above mentioned, Northern Epirus was, by the notorious Protocol of Florence of 1913, incorporated to Albania. It is well known that this protocol was made against the wishes of the inhabitants of this region, and so great was their indignation that on learning that they would be turned over to Albania, they revolted and declared their independence. They finally succeeded in having a new protocol, which recognized the Greek character of their province, signed at Corfu in May 1914, with the representatives of the then six great powers of Europe—Great Britain, France, Russia, Italy, Germany, and Austria-Hungary. Notwithstanding this, after the Peace Conference which followed World War I, and in spite of a Greco-Italian agreement (1919) which remained unfulfilled, and the unanimous resolution of the United States Senate of May 1920 recommending the union of Northern Epirus with Greece, this province reverted to Albania.

On the other hand, it is common knowledge that Albania from 1920 to 1939 yielded blindly to Italy in matters of foreign policy to the extent of becoming a vassal state of that power, with the result that the latter was able to annex the country and use it is a springboard for the execution of its plans against Greece. The events of 1940 are common knowledge. Greece was attacked by Italy through this very territory. This was the beginning of a great trial for the Greek people, which rose to the full height of its traditions, but also suffered unspeakable tribulations. Greece, as well as her ally, Yugoslavia, is this time determined to do its utmost in order that Italy be completely eliminated from the western coast of the Balkan Peninsula and Italian rule restricted to the Italian ethnic area on the western shore of the Adriatic.

Greek public opinion is confident that at last the long-cherished hope of the Epirotes for union with Greece will be realized. The Greek blood lavishly poured out upon the battlefields of Northern Epirus in defense of the sacred cause of freedom will undoubtedly constitute an additional title to the Greek claims.

SECURITY AGAINST BULGARIA

If justice is provided for Greece the Bulgarian border must be rectified. The following discussion recently published by the Justice for Greece Committee describes this problem:

The situation on the northern frontier is a shadow that hangs over all of Greece. This is easily understood when the history of the Balkans since 1912 is reviewed. Three times in that short span Greece has been invaded from the north. Three times the northern reaches of Greece have been overrun by Bulgaria.

The genesis of Bulgarian aspirations lies, perhaps, in a very short-lived part of the Russo-Turkish treaty of 1878. In that treaty there was opened up to the Bulgars the vista of a Bulgarian principality within the Turkish state that would extend far to the south, taking in large parts of what is now Macedonia and Thrace, opening Bulgaria to the Aegean, and making this, the most backward of all the Balkan countries, the largest in point of territory and strategic position.

It was recognized almost immediately that the Treaty of San Stefano had no justifiable basis and it was quickly superseded by the Treaty of Berlin. But the seeds of the "greater Bulgaria" idea had already been planted. Since that time the whole of Bulgarian policy has been directed toward keeping alive an indefensible irridentism and toward making use of every possible border depredation at the expense of Bulgaria's neighbors.

It is not surprising, therefore, that Bulgaria in the first instance should have turned against her Balkan allies the moment her independence was won from Turkey in 1912. That was the first time that the Bulgarians overran northern Greece and they were defeated and driven out.

Logical also was the alinement of Bulgaria with the Central Powers in the First World War. This time, at the behest of the Germans, Bulgarian troops again swept down onto the plains of northern Greece. Once more the Bulgarians were defeated and forced to retire.

Then came the Second World War and Bulgaria's alinement could have been easily predicted on the basis of her past history. Bulgaria gravitated almost automatically into the camp of the ravagers and despoilers. Bulgaria became an ally and a satellite of the Nazis. Bulgaria made of herself the springboard from which the Germans could launch their felonious attack upon Greece.

This time, however, the Bulgarians were not in the vanguard of the battle. They waited until the German Panzer divisions and bombing planes had driven the Greeks well to the south before they came in at the heels of their Nazi masters to occupy territory in Greece that had been seized on their behalf.

The present Greek suggestion that there should be some small modification of the Greco-Bulgarian frontier is not based upon ethnic grounds. There is no substantial Greek minority under Bulgarian jurisdiction for one very good reason: The Bulgarians have always undertaken a policy of systematic extermination of any such minority if its presence could be felt. Of course, when they entered Greece under German protection during the last war they went much further than that. They undertook to exterminate not a Greek minority in Bulgaria, but a Greek majority in an area that was incontestably Greek, Greece itself.

Consideration of the Bulgarian frontier, therefore, must divide into two parts. First of all, the Greeks have a right to insist that the border be so situated that the defensible mountain passes dominating the routes of invasion from north to south are in Greek and not in Bulgarian hands. The Bulgarians have shown a singular talent for placing themselves at the disposal of alien powers. Bulgaria has been the invasion route as far as the Greeks are concerned. For that reason, the Greeks suggest rightly that the battles in defense of their homeland should be fought upon territory advantageous to them and not advantageous to the invader from the north. They propose, in short, that they should not be obliged to defend the plains of Thrace and eastern Macedonia by a stand at Mount Olympus after the northern plains have already been overrun by the invader.

SMALL RECTIFICATION REQUIRED

What is required is a very small rectification from the point of view of territory involved. It will deprive no Bulgarian of his ability to make a living, if he proposes to live in peace. It will add no substantial territory to the Greek domains from the point of view of area. But it will, and it must, add substantially to Greece from the point of view of security.

This is of the utmost importance to Greece not merely in its immediate strategic sense but also because of the influence of strategic security upon economic well-being. The plains of Thrace and eastern Macedonia are the granary of Greece. The reallocation of peoples has made them a relatively densely populated area, and, indeed, without their fertility the incorporation of a million and a half Greeks into the homeland economy would have been utterly impossible. Nevertheless, these areas do produce cereals in surplus and the remainder of Greece must look to them for a part of its food supply.

After the appalling experience that the Greeks have had with the systematic starvation they are surely not being oversensitive when they suggest that the frontiers of their granary must be guarded.

The second reason for taking up the cause of the Bulgarian frontier in the peace settlement is even more far-reaching. The Greeks wish to be assured that they are not entering upon another era in which Bulgaria will keep systematically alive a series of spurious claims upon Greece or wherein Bulgaria will once more put herself in the hands of an alien power to advance her own territorial ambitions.

Bulgaria's sudden repentance and opportunistic change of front after the Russian Armies were at her borders is not in itself enough to reclassify the Bulgarian Nation and to transfer it automatically from the category of a defeated enemy to a victorious ally. The Bulgarians have shown themselves ready enough to change their masters

from German to Russian if they could thereby be assured of remaining on the winning side. The Greeks do not believe that 3 months of being in the right camp absolves the Bulgarians from 30 years of being in the wrong camp. They want some concrete evidence that there has been a Bulgarian change of heart as well as a change of front.

The Greeks do not want any power, Nazi, Fascist, or other, to operate through a Bulgarian satellite, so as to control the access to their northern plains. The Greeks feel the Bulgarians should be made to understand this. One way that that understanding can be brought about is through a frontier modification that is clearly and indisputably to the military advantage of Greece and to the military disadvantage of Bulgaria.

This case should have a significant appeal to the United Nations when they consider the basis for permanent peace in the Balkans. This is an issue that can be settled; and the position of the United Nations on it can be made unmistakably clear. The Security Council of the United Nations, their General Assembly, and the Court of International Justice should not wish to be cluttered up for the next 30 years by a series of Bulgarian claims against a peaceful neighbor advanced in the interests of a supposititious economic need that has never been proved to exist. In the interest of avoiding the basis for endless future disputes, the United Nations will do well to recognize that northern Greece is Greek and that as such it is not a battle ground for Bulgarian ambitions. This can be done by the delimitation of a frontier that says an emphatic and permanent "No" to Bulgarian border warfare.

IN CONCLUSION

Mr. Speaker, I have outlined the case for Greece. I have given a short history of her outstanding record and great sacrifices in World War II. I have spoken of the work of the Committee for Greek Justice. I have called attention to my resolution introduced on March 19 to place the Congress on record as favoring the consideration and the awarding of Greek claims at the coming peace conference. I have included in my statement excerpts from Greece's National Aims, by Cimon P. Diamantopoulos, Ambassador Extraordinary and Plenipotentiary of Greece to Washington. Also statements from the Justice for Greece Committee. I hope that this summary of the Greek situation will commend itself to the House and that we will soon have action on the resolution I have offered.

Greece is in a strategic position in the Mediterranean. Only by keeping faith with Greece and assisting this Nation will we be able to see the realization of democratic ideals in this part of the world. May we spare no effort in doing everything in our power to help Greece. If Anglo-Saxon ideals are to have any influence in southern Europe, it will be through Greece. This country does not wish conquest. This Nation is seeking simple justice. The national claims of Greece are not inspired by imperialistic views. Her claims are only the conditions indispensable to her economic and political life. They are the simplest conditions for her existence. Greece has always been willing to collaborate in the peaceful development of southeastern Europe. Greece has always stood for freedom and for the dignity of the individual. In this hour of her greatest need it is our duty to aid this country which has done so much for the way of life which is the finest in all the world.

Daniel Webster in 1824 said:

What I have to say of Greece concerns the modern, not the ancient; the living and not the dead. It regards her not as she exists in history, triumphant over time, and tyranny, and ignorance, but as she is now, contending against fearful odds; for being, and for the common privilege of human nature.

These words spoken over a hundred years ago are truly applicable to Greece at the present time. Let us be resolved that justice shall be done to this country. Let us be resolved that we will put the weight of this great Republic behind the claims of one of our best friends, the nation of Greece. Let us be resolved that Greece, who has contributed so much to the civilization which we enjoy and cherish, shall have our full assistance in moving on to a more glorious future, a future that will exceed even the accomplishments of her imperishable past.

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. KING] is recognized for 1 hour.

JUSTICE FOR GREECE

Mr. KING. Mr. Speaker, it has recently been my privilege as a Member of Congress, to spend some 3 months on a mission in Greece. During this period I traveled many hundreds of miles throughout this devastated little country which has suffered so tragically and fought so magnificently not once but twice in the last great World Wars on the side of the liberty loving people of the world. The Greek Nation has fully earned and rightfully deserves the consideration it seeks.

The world does not willingly look back after the ending of the struggle to consider the hopes and aspirations with which it entered it. It all too obligingly forgets its judgments of but a few years before and regards as nuisances those people who try to revive the past.

The failure now to take decisive action can likewise but sow the seeds and arm the passions for the next war and there can be little doubt that every day the present indifference is allowed to develop it is only strengthening the forces of disintegration of human society and rendering more impotent the true idealistic hopes of humanity.

This is a case for Greece. It is a case brought not by the Greeks themselves but by their American friends.

The motives of these friends are threefold. First, there are many persons, in America and other lands, who want to see justice done, abstractly, for its own sake. To such persons the case of Greece makes an irresistible appeal. Second, many Americans are conscious of their own indebtedness to the Greeks and to the Greek spirit. What they can do in return, they feel, is a small acknowledgment of the obligation, not only to their friends but to themselves as men of honor. Third, many Americans look forward in hopeful anticipation to a better adjustment of international affairs in which amity among nations will be promoted and in which the basis for disagreements, disputes, and violence will be eradicated or minimized. They believe that the cause of justice for small nations, such as Greece, should be wholeheartedly embraced as a part of the larger aspiration for justice and peace throughout the world.

Greece is our ally. Greece has been our loyal champion and defender in the vicissitudes of war. Greece can be and will be our loyal and ardent friend in the pursuits of peace. Our aims in war and peace have been indissolubly conjoined. Just as we stood shoulder to shoulder and heart to heart with the gallant Greeks in their resistance to barbarous invasion, so we can, should, and will aline ourselves with these, our brothers, in the accomplishments of the more felicitous days that we confidently expect.

We have been prone, perhaps, to forget this true character of alliance in the relationship of the Greeks and ourselves. Greece is not a dependency. Greece is not an "international question." Greece is not a conglomerate of political polemics. Greece is not a dispute. Greece is an honored and honorable ally.

Some of this forgetfulness on the part of Greece's associates may properly be attributed to domestic difficulties that have arisen within Greece itself. There has been within Greece some considerable degree of uneasiness. There have been not merely sharp differences of opinion but outbreaks of violence. This should have been, after all, hardly surprising in a country that had been occupied for four long and bitter years by a rapacious and implacable enemy. It would have been history's most incredible phenomenon if Greek liberation had been followed instantaneously by a Utopian era of peace, sobriety, and unshaken brotherly love.

Nevertheless, with the internal difficulties that Greece has encountered, we are not properly concerned, nor do we propose to deal. We hold, in the first place, that internal differences of ideology are not in themselves any sufficient justification for making the homeland of the Hellenes an international battleground in a war of ideas. Even more significant, however, is the fact that the Greeks themselves have proposed to solve these ideological problems in precisely the fashion to which we are committed and of which we approve, namely, by an appeal to the will of the electorate as a whole in a fair, impartial, and sober election. That is the mode of democracy. The Greeks themselves have shown that they are willing and eager to adopt it. They have invited us to observe, in the fullest detail, the mode in which this principle is put into practice. More than that we cannot ask. We respectfully suggest that differences of political opinion within Greece are the proper concern of Greece and we propose to advance the cause and to plead the case of the Greeks as Greeks in the whole family of nations without regard to party platforms, peculiar ideologies or charges or countercharges that may be brought up in the inevitable course of the transition from war to peace and from occupation to freedom.

We may not forget the fact that it was the Greek people as a unit who were our significant allies in our fight against the

Germans, the Italians, and the Japanese, and all their satellites.

OUR EARLY ALLY

Greece was, indeed, one of our first allies to take the field. The Italians undertook to profit by the German plans for an advance into the Low Countries; undertook, both on their own initiative and at the behest of Hitler, the extermination of the Greek bastion of resistance in the Balkans. It is now obvious that the Italian occupation of Albania in 1939 was the prelude to this maneuver. It is obvious that the Italians at the command of their German masters believed that a campaign against Greece would be of short duration and that it would yield quick dividends in the form of an Axis fortress that would outflank the undecided or resisting nations of the Balkans north of Greece and at the same time outflank Turkey and the Dardanelles, while affording the stepping stone to Africa and the Middle East.

The valor and intrepidity of Greek resistance changed in many of its major aspects the Axis timetables for the assault upon our own liberties. The Italians went to war joyfully, serenely confident that the small, unprepared, and characteristically pacific Greek people could be easily overrun. Mussolini obviously expected to obtain a gift to present to his master without making any substantial payment in blood or energy.

The Italians suffered a rude awakening after a series of quick initial successes in which the Greeks were forced to retire from their frontiers. The Italian Armies, ultimately numbering more than half a million men and led by Mussolini himself, were stopped in the Greek mountains by the stubborn resistance of Greek patriots. Inch by inch and foot by foot these Greeks defended their homeland. They carved out escarpments in the frozen mountain passes with their bare hands; their women folk dragged their pitiful field pieces through the mud and slush of the northwestern defiles to put them in position where they could check the invader. Then they surged forward and took the Axis-held town of Koritza. This was the first victory for the Allied arms. It was won by the Greeks.

The determining factor that turned the tide of battle, as every witness has attested, was the unbreakable morale of the Greek troops. The Italians were thrown back, every foot of Greek soil was reclaimed, the invaders retired in confusion into the fastnesses of their prepared Albanian retreats. Mussolini's saluting legions were virtually driven into the sea.

EXPLODING THE AXIS MYTH

It is by no means irrelevant to recall at this point the effect that this vindication of the Greek arms had upon our own resistance to the Axis. The superstition of Fascist-Axis invincibility had been carefully inculcated. Everywhere that German tanks had moved the swastika had been hoisted. Several nations had already disappeared, as nations, from the face of the earth. Britain, the last redoubt of freedom, was under dire assault; the docks of London were in flames. The Low Countries had heard the rumble of Panzer divisions, the roar of the Stukas, and had felt the heel of the invader. And it was at that point that the Greek legions in the mountains of Epirus proved to their satisfaction and to ours that Axis invincibility was a myth.

We do ourselves disservice if we forget in these days of confusion and cross-purposes the clarity with which the cause of the Greeks in those distant mountains became our cause at home.

Equally important was the fact that the stubbornness of Greek resistance and the Greek victories over the Italians forced a change in the entire German program of conquest. Mussolini was obliged to appeal frantically to Berlin for help in conquering the Greeks, whom he himself had so ingloriously failed to overrun. The projected German campaign to the east and the assault upon Russia was necessarily delayed for many months while the Germans rushed to the assistance of the discredited and confused Italians. Instead of fighting their way across the Dneister the German tank units had to fight their way into Salonika. Instead of leaving the Italians to clean up the eastern Mediterranean, the Germans had to divert planes, troops, and ships to encompass Yugoslavia, Greece, and Crete.

Without in any way depreciating the extraordinary valor of the Russians and the superb resistance that they offered to the Nazi invader, it is no more than fair to point out that the precious months that Russia translated into tanks, machine guns, land mines, and mobilized battalions for the defense of Stalingrad were in the last analysis purchased in Greek blood that was shed on the shore of Lake Ochrida and the slopes of Mount Olympus.

Even after the defenders of Greece had been defeated in the field and had been forced to retire to more advantageous battle fronts, the battle of the Greeks against the Axis went on. Greek soldiers fought with distinction at El Alamein and in Tunisia. Greek airmen in new planes came back to join the assault on Festung Europa. Greek submarines drove into the German nests in the Baltic. A Greek destroyer went into action against the Japanese in the Indian Ocean. On all the seven seas of the world Greek merchantmen continued to carry the cargoes of victory. The sailors of Greece faced the dangers of the elements and the enemy. No part of the Allied mercantile marine suffered a higher proportion of losses than did the Greek.

Within Greece also the war was carried implacably to the invader. There was no calm acquiescence in Greece. There was no such thing as a Greek "Nazi" party. The Germans were hard put to it to find the paltry handful of Quislings who served their felonious purposes. Even in border Macedonia, the Nazis were obliged to call upon their Bulgarian scavengers to exterminate Greek populations in order to keep up even the paltry pretense of a "peaceful" occupation.

The Greeks, not by ones or twos, but by whole towns and villages took to the hills and caves. The temper of the resistance may be accurately adjudged by the very ferocity of the reprisals that were instituted. A thousand villages were burned to the ground, throughout all Greece dwelling places were razed, and all this simply because the Greeks in their homeland, no less than on the fields of battle, refused to admit the possibility of a craven surrender.

Yes, Greece was our ally, an ally to whom honor should be paid, an ally to whom our indebtedness should be acknowledged, not merely gratefully but also joyfully.

OUR ALLY IN PEACE

But Greece was not merely our ally in war. Greece is our ally in peace.

The ties that bind us to Greece are many, and sometimes subtle. We are indeed the end-product of a great Greco-Roman civilization. In our everyday speech there are scores of words that derive from whole concepts developed by the Greeks—such words as "platonic," "philippic," or for that matter the very word "democracy" itself. These are Greek words and Greek thoughts that have been incorporated into our language and into our lives. We speak of Homeric laughter, of Scylla and Charybdis, or a doric mode. Our own city of Boston was proud to call itself the Athens of America. Our schools advertise the fact that they conduct their classes in the Socratic manner.

There is no need to labor the point. Every American recognizes the basic identity of his great cultural background with that of the Greeks.

Early in the nineteenth century, when this cultural identity of feeling and expression had long since been recognized, the Greek revolution of 1821 struck an instant chord in American hearts. This was a fight for freedom, the sort of fight for freedom to which we are naturally and inevitably devoted. Americans have been able to understand the aspirations of the Greek national state. They are aspirations closely parallel, indeed, with our own. The very turbulence, outspokenness—and even occasional violence—in the Greek character have their obvious American counterparts. It is not simply the fact that philosophically minded Americans recognize in the platonic republic some of the ideas that later came to be incorporated in our own concepts of government. It is rather that the simple American understands instinctively the emotions, the outlook and the pattern of action of the simple Greek. Americans understand and honor the love of freedom and the willingness of any man to pledge to the cause of freedom his life, fortune, and sacred honor.

In modern times also Greece has become a steadfast ideological ally because of Greece's own emphasis on the principle of self-determination. The Greeks have insisted that peoples have a right to live under governments of their own choosing. They have insisted that those who earnestly wish to be classified as Greeks have a right to be so enrolled in the family of nations.

It is not surprising, for example, that the appeal of the people of the Dodecanese should fall upon receptive ears in the United States. Americans have always insisted that those groups that wanted to be Americans had a right to be so regarded. The Greek position is so essentially identical that no right-

minded American can miss the implication.

LOOKING TO THE FUTURE

In these days, however, we are thinking inevitably of the future. The Greeks are our allies, not only because of military alinement or ideological affinity: they are also our allies because they themselves wish to stand up and be counted on our side in the building of new world structures.

In this vision of a different world, some very large strategic conceptions are involved. One of those that we necessarily recognize is stability, economic and political, in the whole Balkan area. We have complained in the past that differences and disputes have made that part of the world a breeding ground for quarrels that could spread into wider areas. There can be no such thing as a stable world that includes an unstable Balkans. We need, therefore, to adopt such measures and to support such causes as will bring to this troubled area a degree of internal adjustment that has been lacking hitherto. Manifestly, the cornerstone of such an adjustment is a free, strong, and stable Greece. In this respect we are the ally of the Greeks, not only in respect to the Balkans, but also in respect to the future.

The situation of Greece, however, affects not only the land areas that comprise the peninsular hinterland, but similarly the seas and littorals that lie in this part of the world. We want stability not merely on the Balkan Peninsula: we want it also in the eastern Mediterranean.

The world highways of commerce have become increasingly important to our well-being. We do not wish to see those highways occluded by predatory action on the part of any unscrupulous power or group of powers. We wish to see a transit of the world's goods, moving freely through the Dardanelles, through the Suez, through the Aegean and Ionian Seas. This cannot be assured if the nation that fronts those sea lanes is allowed to be the easy prey of any power that seeks to turn its strategic location to instant and exclusive advantage.

There is a further reason for the American desire to see strength and stability in Greece at this stage in international affairs. We have entered into a compact with other nations of the world under which we propose to set up machinery for the peaceful adjudication of disputes and for the bringing to bear upon all problems of world interest the composite viewpoint of many peoples from many lands. In the formation of this United Nations Organization we have inevitably suffered from the suspicion that joint operations so directed and joint decisions so arrived at will be under the domination of, and dictated by, the small conclave of the largest powers only. We obviously cannot afford in the interests of world peace to have the decisions of such a body dictated solely by the opinions and interests of less than a half dozen major powers.

It is, therefore, to our interest and to the interest of world peace that we should undertake from the outset to build up with every means at our disposal and to respect the integrity of smaller powers which may, as occasions arise, act as the spokesmen for those points of views and those interests that are not necessarily supported by a preponderance of force. If we want world peace, we need the small nations.

We have, therefore, an opportunity at this point to work with Greece as a genuine ideological ally. We have the opportunity to invite Greek opinion and judgment. We have the opportunity to avail ourselves of Greek experience in dealing at first hand with some of the problems to which the attention of the world must necessarily be brought. We will do well, accordingly, so to direct our own action and our own influence that the background from which these good counsels derive shall be that of a free, strong, and independent, albeit small, European state.

Greece is the only one of the Balkan countries at present in which the full Anglo-Saxon ideals of democracy prevail. The Greeks are speaking our political language; and if we allow them to do so, they can and will speak it eloquently.

Good men these days need a friend in court. If we can find that friend among nations whose ability to coerce decisions is infinitely less than ours so much the better for our moral stature. We cannot afford to be smug. We need Greece. And we can be assured, on the abundant evidence of the past, that the gallant Greeks will not fail us in our need.

THE RIGHTS OF AN ALLY

As one of the victorious Allies in the war, the Greeks have the incontestable right to insist upon a correctly proportionate share of restitution and rehabilitation. In the first instance this means a claim upon us for support of the Greek position in the adjustment of reparations. The Greeks have a defensible reparations claim upon three former members of the Axis. Greece was attacked by Italy, invaded by Germany, and occupied in part by Bulgaria. The Greeks may quite properly suggest that Italy, Germany, and Bulgaria should receive a bill of damages and that this bill should be met by them individually. It is presumed that the claims of Greece will be examined in detail by the various reparations bodies that are set up and that because of their obvious validity they will not be neglected. It is in order to point out, however, that the early resistance of Greece to the Axis, the ruggedness and the valuable contribution of that resistance to the strategy that ultimately resulted in the Axis defeat, should give Greece a degree of priority against the Axis in the ultimate adjudication. This is no more than a plea for fair play. There is a limit, of course, to the degree to which reparations can compensate for the damage done. The Greeks are asking for no more than their fair share. They do ask, however, with abundant justification, that the definition of "fairness' should take all the factors in the case into account.

Now, in the whole field of restitution and rehabilitation, the Greeks have also the right to call upon us for the removal of some of the disadvantages and dangers to which they have been subjected in the past.

If Greece suffered defeat and disaster because of our short-sightedness, Greece can with justice call upon us to make good in the future for errors of acquiescence or neglect in the past. The Greeks hold that they were placed in a position of excessive vulnerability because of the decisions that alien powers, not they themselves, made in respect to their frontiers. As part of the whole problem of rehabilitation, therefore, Greece is suggesting that a rectification of these frontiers is a necessary part of any peace settlement, and to such a settlement we should be a party on behalf of our ally. In this context such a claim is by no means unreasonable. It is not mere "irredentism." The Greeks are suggesting certain frontier modifications with a view not merely to a compensation for damages—which would be a good enough case in itself—but rather with a view to the prevention of the very vulnerability that invited disaster for Greece and temporary defeat for the Allied armies, and also to guarantee that sense of security which is a prerequisite to the gradual rehabilitation of their own domestic economy.

In this connection what Greece requires most from her allies is not just a sympathetic understanding of her motives but a championship of her cause. Greece has been three times invaded within one generation. The Greeks are apprehensive, and rightly so. When they make a border claim they are not predatory. They ask to deprive no people of the right to live in peace and security. Greece has offered repeatedly over a period of almost 40 years to conduct plebiscites in any disputed territory and to abide cheerfully by the results of those plebiscites. And this procedure has been systematically refused in the past by powers whose objective was not the self-determination of peoples but the acquisition of a temporary point of military and political advantage.

At this point, therefore, the Greeks have a right to call upon us as allies to sustain their claim to the sort of frontier rectification that would have been brought about, years ago, had free plebiscites been allowed. Now those claims can be determined on their own intrinsic merit rather than be made mere counters on an inglorious bargaining table.

For this reason, the Greeks may with propriety suggest that we as allies owe it to them and to ourselves to act as active sponsors of their claims. There is no reason why the case of the Greeks should be allowed to go by default, because we and other great powers may be preoccupied with other matters.

The case for Greece is not an appeal to charity. The Greeks do not want us or anyone else to feel sorry for them. They do not ask that we give to them, out of our superfluity, one solitary iota that they do not richly deserve. The Greeks are asking the Americans not that they be compassionate, not that they be pitying. The Greeks are asking that Americans, confident in their strength and secure in their wealth, but conscious of their obligations, give some

part of their attention and their devotion to the cause of justice for Greece.

THE QUESTION OF REHABILITATION

The legitimate Greek claim for reparation and rehabilitation must necessarily have two aspects. Greece may first of all present a bill of particulars to defeated enemy countries and insist that some repayment should be made. In addition Greece may legitimately approach her allies for supplies of money, materials, and skills to assist in her rebuilding.

The first of these claims is naturally subject to adjustment and will be determined in part by the ability of the defeated enemy to pay. It is likely, for example, that certain types of physical and financial reparations cannot be made by Italy and that for this reason a higher proportion of total reparation claims against Germany will be awarded to Greece.

But this pragmatic decision should under no circumstances be allowed to imply that Greece does not have damage claims against Italy and against Bulgaria no less valid than those that are to be paid in part by Germany.

The validity of such claims against nations that happen to lack the specific ability to make reparations in kind—for instance, Italy and Bulgaria—should give additional weightage to political and strategic considerations when the case of Greece is balanced against that of her neighbors. A frontier rectification, for example, that is to the disadvantage of Bulgaria territorially or to Italy strategically may be legitimately classed not merely as good insurance for the future but as just repayment for the past.

The total war damage that has been done to Greece falls naturally into two categories. There is, first, the physical damage. Greece, as a home for some 7,000,000 persons, as a workshop in which those persons produce the necessities of life, and as a market in which those persons buy and sell those necessities, has been badly damaged. One-fourth of all the buildings in Greece have been destroyed, a very large part of Greek agricultural area has been made temporarily nonproductive. Greek factories have been burned, railroads and bridges put out of operation, ships sunk. Fifteen hundred schools have been destroyed and another 3,000 made useless. This is a type of damage that is relatively easy to appraise and that even lends itself to statistical tabulation. It is, moreover, a type of damage for which a reparations claim can be easily and abundantly justified.

In addition to this visible damage, however, there is the human damage that has been done by the assault on Greece. Whole segments of population have been slaughtered. Families have been torn apart, old women have been tortured, and babies bayoneted. The entire population has been reduced, over a period of years, to not virtual but actual starvation. How shall one assess a claim for damages for injury to human beings as human beings?

This phase of the case should be examined in some detail because it serves to justify the Greek suggestion that further attention should be given by both the enemies and friends of Greece to the need for restitution. Let us examine a few of the specifications in that case. Look, for a moment, at the picture of violent and accidental death in Greece—and this includes starvation. The figures following are for the Athens area, where accurate computation has been possible.

THE RECORD OF VIOLENT DEATHS

In 1936, 14,053 persons died. Of that number, violent or accidental deaths, including starvation, accounted for 438. In 1937, the corresponding figures were 14,844; those by violence were 463. In 1939, the total deaths, 14,132; violent deaths, 435. In 1940, the total deaths were 14,833; violent deaths, 486.

Then came the Nazi assault on Greece. The figures submitted from this point on do not include military casualties. They are civil deaths in a civil population. In the year 1941 the total number of deaths was more than double the average of the preceding 5-year period. It reached 29,320 in the Athens area. Of this total, deaths from violence—including starvation—were 7,052. This is a jump from approximately one twenty-fifth of the total deaths to approximately one-fourth. In 1942 the total deaths reached the appalling total of 44,920. Of this number almost one-half, 18,474, were deaths by violence. It is worth noting, moreover, that in the year 1942 there was an abrupt drop in this category when shipments of food from the Allies began to arrive in Greece. Thus, in the first 3 months of 1942 violent deaths—including starvation—exceeded 3,000 in each month. In the last 3 months of the year they did not reach 300 in each month.

The effect of the occupation was reflected, moreover, in the death rates from other causes. The average death rate from tuberculosis and other pulmonary diseases throughout the 5-year period before the war was less than 5,000 annually in the Athens area. In 1942 it exceeded 7,500 in that area. The average of deaths from malaria was multiplied by eight. The average of deaths from other causes, excluding violence and starvation, was approximately doubled.

These figures represent a small part of the cost in Greek blood of the Axis attack.

Now let us look for a moment at the effect of Axis attack and occupation on the Greek population as a whole. The growth and prosperity of the Greek state was, of course, reflected in the survival rate, that is, the preponderance of births over deaths. In 1936 there were in the Athens area, for example, as we have pointed out, 14,053 deaths from all causes. Births for that year totaled 19,636. The preponderance, therefore, that is, the surplus of births over deaths, was 5,664.

In 1937 this surplus figure was 4,783. In 1938 it was 5,804. In 1939 it was 6,293. In 1940 it was 4,743.

Then came the Nazi attack. In the year 1941 the total number of births in the Athens area had dropped from the previous figure, 19,563, to 14,564. The number of deaths, on the other hand, had gone up from 14,830 to 29,260. In 1941, therefore, the preponderance of deaths over births was 14,691, a larger figure than the normal total number of deaths. In 1942 the births dropped even more sharply and the number of deaths continued to rise, so that the surplus of deaths over births reached 33,838. This trend was not reversed until food supplies had begun to reach the Greeks by the middle of 1943.

It is not difficult to see the reason for deaths by starvation when one examines the figures on food per family in Greece. In 1939 the normal daily consumption was 36½ ounces. In 1941 this had dropped to 22 ounces. The backbone of the Greek diet is cereals. In 1939 the consumption per family in ounces per day was 18.60. In 1941 it was 5.20.

The surprising thing is not that so many Greeks died but that some even remained alive.

Since the spring of 1945 there has been established the United Nations Relief and Rehabilitation Administration in Greece under the able direction of Mr. Buell Maben, an American, with a diligent staff and personnel of approximately 385 persons. In spite of seemingly insurmountable obstacles and difficulties, they have performed a remarkable service, and doubtless saved the lives of many thousands.

It is surprising and appalling, however, to discover what was the total that Greece paid in human life for the occupation. The most conservative estimates place the number of Greek civilian deaths during the occupation at not less than 800,000. On this estimate, therefore, the human loss in Greece represents one-eighth of the civilian population. If a corresponding loss had taken place in the United States, our civilian deaths in the corresponding period would have been 15,000,000.

This terrible condition in Greece, moreover, has not yet come to an end. The Greek people have been starved for so long that resistance to disease has dropped. Tuberculosis and malaria are taking a heavier toll now than ever before. As a result it is now officially estimated that more than one-fourth of the total population is too ill and weak to work. One Greek in every four must be considered as an invalid who needs immediate medical care. This is the continuing phase of the Axis depredation.

There is no way to make a monetary assessment of this type of damage. All that can be done is to take it fully into account when plans for reparations and rehabilitation are to be made.

THE REHABILITATION OF TRADE

One of the first problems of rehabilitation, of course, is the necessary rebuilding of Greece as a commercial and trading nation. Greece is an agricultural country, about the size of the State of New York, but because of its mountainous character the arable land constitutes less than one-fifth of its area. As a consequence, modern Greece has not been by any means self-sufficient in foodstuffs and, in order to survive, has been obliged to export commodities such as olive oil, tobacco, and wine and raisins to what are characteristically the luxury markets of the world. In return, Greece

has been obliged to import a substantial—in some years more than 40 percent—part of her essential foodstuffs and the raw materials for her heavy industry. In the prewar period, for example, Greece's normal imports amounted to about three million tons. Of this total approximately one-half was made up of industrial raw materials and about one-third was made up of foodstuffs, particularly grain.

The Axis occupation did complete violence to this adjustment of Greece's productive capacity to the needs of her people. In 1941, for example, the total imports of Greece were only 6 percent of the average prewar level. Her total exports—with German pressure to get goods out of the country—amounted to only 8 percent of the prewar level. In 1942, Greece's imports were 10 percent of their former level and her exports 6 percent. In 1943, her imports were 12 percent and her exports 3 percent.

Manifestly, then, one of the first tasks of rehabilitation is the restoration of the flow of commodities into and within Greece so that the normal operations of trade may supplement Greek agricultural production, which, under any foreseeable conditions, is inadequate to sustain life for the whole of the Greek people.

Within Greece itself, that means, for one thing, the rehabilitation of the means of communication. High in that field is the problem of the Greek railroads. The losses to the Greek installations, rights of way and rolling stock, as a result of German depredations, are almost incredible. On the Greek State Railways there were, for example, before the war, 29 bridges having a span of more than 130 feet. The number of such bridges destroyed was 29. There were 55 bridges having a span of between 30 and 130 feet. Every one of these was blown up during the war or the occupation. Out of every 5 of the Greek railroad workshops 4 were destroyed. Three out of every 5 station buildings were torn down. All of the hydraulic installations were knocked out, and one-fourth of all the tunnels were put out of commission. The Greek State Railways went into the war with 220 locomotives. They came out with 15. They had 362 passenger coaches before the war; at the end of the occupation they had 6. The Greek State Railways in 1940 had 4,544 freight cars. In 1944 they had 63. This railroad system had 49 express cars; after the war it had 1 left. More than 95 percent of the total rolling stock of the Greek State Railways was destroyed.

The Peloponnesus railroads—meter gage—suffered almost as great damage. All of their longer bridges were blown up. In respect to rolling stock the Peloponnesus railroads lost more than three-fourths of their equipment.

The losses to the road-transportation system were scarcely less severe. Fifty-six percent of all of Greece's roads were destroyed as a result of the war or the occupation. Of the road bridges having more than a 20-foot span, 90 percent were destroyed. Of those under 20-foot span, one-half were destroyed.

The vehicles that operate on those roads were also cut to pieces by the occupation. Greece had 8,700 private motorcars before the war. Sixty-five percent of them have been lost. Greece had 5,900 trucks and commercial vehicles; 60 percent of those are gone. Greece's domestic transportation employed 2,600 buses; four out of every five have disappeared.

Thus Greece must rebuild her transportation system almost from the beginning.

This is a field in which reparations in kind may be legitimately demanded and a field, also, in which financial assistance for rehabilitation may be properly employed.

We have already pointed out the vital need of imports to Greek economy. This naturally resulted in a characteristically unfavorable balance of trade. A major compensatory factor was the operation of the Greek carrying trade, the merchant marine.

THE GREEK MERCHANT MARINE

The Greeks have been a seafaring people from the earliest times. They have been the outstanding maritime people of the eastern Mediterranean. The character of the country, a peninsula and group of surrounding islands, has made this development inevitable. As a result, in modern times, the Greek merchant marine has grown to a size and importance out of all proportion to the number of population and the character of the hinterland. By the beginning of World War I, for example, the Greek merchant fleet, of approximately one million tons of shipping, was the ninth in the world in size and the sixth in proportion to population. This fleet was of vital importance, as we have pointed out, both in supplying the physical needs of the Greek people in the matter of foodstuffs and in supplying a stabilizing factor in Greek economy as a whole.

In the First World War, Greece put this merchant fleet at the disposal of the Allies and the losses were shattering. Greece lost 360 ships, with a combined tonnage of 767,353. This was 64 percent of the total Greek merchant fleet at the outbreak of the war. On Armistice Day, 1918, Greece had actually less than 300,000 tons of merchant shipping.

Replacements of this shipping in the period between the two wars were perhaps not as rapid as could have been desired because of the inability of the Greeks to make the required purchases. Nevertheless, drastic measures adopted by the Government brought Greek tonnage back to its prewar level by 1925. Thereafter, progress was somewhat more rapid. By 1931 total tonnage had reached a million and a half and by the outbreak of the Second World War had gone close to two million.

It should be remembered also that included in this tonnage were not only the passenger liners, the ocean-going cargo steamers, and the tramp freighters but also the several thousand sailing ships, many of them equipped with auxiliary engines, that carried on the coastal and interisland trade. Some idea of the importance of this factor may be had from observing that in 1938 more than 15,000 such sailing boats put in and out of Greek ports in the coastal trade, carrying goods of more than 675,000 tons.

The normal movement of goods within Greece in the prewar period was normally more than 3,500,000 tons annually. This was roughly the equivalent of the amount of goods brought into Greece by the merchant marine. Consequently, the rehabilitation of the marine carrying service is an indispensable part of the rebuilding of Greek postwar economy.

SHIP LOSSES, WORLD WAR II

The extent of the rehabilitation that is required can be seen from the volume of ship losses that Greece has sustained during World War II. Fortunately, for Greece and for us, some of the ocean-going freighters and some passenger liners were far from Greece at the outbreak of hostilities and were able to continue in service. Nevertheless, Greece has lost approximately 65 percent of her total freight-carrying capacity in overseas trade. In some categories the losses have been substantially higher than that figure; in others replacements were made during the actual course of hostilities. In striking an average, however, it is by no means an exaggeration to state that more than two-thirds of the heavy tonnage of the Greek merchant marine must be restored to reach the prewar level.

In the category of coastal and sailing ships the situation is even more critical. A large part of this category was wiped out in the course of hostilities. Virtually all that remained was destroyed by the Germans in the course of occupation. Of her sailing fleet of more than 2,000 ships of an average of 45 tons, Greece has lost all.

This is a vitally significant factor in the problem of rehabilitation because it affects, not merely the nation as a whole and not merely the large operators who may have some credit facilities, but rather the small entrepreneur and the individual ship-owner and sailor. It is this type of replacement that will affect the actual living conditions of a quarter of a million Greek families that are directly dependent on the sea.

The rehabilitation of the Greek merchant marine is a twofold problem. It involves first of all the actual supplying of Greece in kind of some of the shipping that has been lost. It has been suggested, for example, that some of the surplus wartime shipping, Liberty and Victory ships, might be adapted to the Greek merchant marine for use as tramp steamers. This was a substantial part of Greek merchant service before the war and while its instant effect on Greek economy may not be great, it has always been recognized as a large factor in the solidarity of Greek shipping as a whole. Vessels that by virtue of their slow speed could not hope to compete on scheduled runs might prove useful for this purpose.

There will be, unquestionably, in Allied hands, a substantial surplus of tonnage in a number of categories in the postwar period, and the Greeks are correct and reasonable in suggesting that a part of this tonnage should be allocated to them upon advantageous terms. This is in effect rehabilitation in kind and some of it can and should be derived from enemy countries and some should be supplied by Greece's allies.

The other factor in marine rehabilitation is the factor of finance. Some of the Greek loans that have been and are being negotiated can be predicated upon the definite use of funds so obtained for mercantile marine rehabilitation. Their security is obvious and it is good. It will be to the advantage of Greece and to our advantage if the terms are exceptionally favorable. What this means, in a few words, is that money advanced to buy and build ships for Greece is a good investment in Greek economy, in world economy, and in peace.

PROBLEMS OF PHYSICAL REBUILDING

The rehabilitation of trade, however, requires not only the restoration of means of commerce and transportation. It requires also the reestablishment of buildings and factories through which those means operate. In that connection the question of physical building in Greece is vital.

The total number of buildings before the war was 1,735,000. In the course of the hostilities and occupation just about one-fourth of these, 401,000, were destroyed. Many of these, of course, were homes, but others were shops, stores, railroad terminals, sheds and warehouses, and other commercial facilities. It is imposible therefore to divide the question of communications from their termini.

At this point also, rehabilitation involves both reparation in kind—that is, the supplying of actual building materials—and also the providing of the fiscal basis upon which such materials can be purchased and imported.

Thus, the first problem of reparations and rehabilitation comes down to working with a country that is shattered, prostrate, and virtually isolated by making that country once more an active agent in world trade and a functional economic entity both externally and internally.

As we have pointed out, the basis for Greek economy is essentially agricultural. Nevertheless the pressure of population—intensified by the influx after the First World War—suggests the importance of industry, past and present, as a means of building up a more diversified economy and a higher standard of living. The rehabilitation of Greek industry, with provision for its expansion, is therefore a logical part of any program of justice for Greece.

The metallic industries are usually adopted as the index of heavy industrial production. These industries are not large in Greece but they are well diversified. Before the war Greece was a producer of iron, manganese, nickel, chromium, magnesite, magnesium, emery, pyrites, and bauxite. There were also large deposits of lignite in various stages of development.

The amount of damage that was done to the export trade in these metals by the Nazi conquest and invasion was devastatingly large. In spite of the fact that the Germans required all the mineral resources upon which they could put their hands, the total volume of ore exported in 1940 fell to 29 percent of what it was in the preceding year. In 1941 iron exports, which had been the largest in bulk, and pyrites, which had been second only to iron, were stopped almost entirely. As a result, mineral exports in 1941 reached only 6 percent of the 1939 levels. By 1942, even the small trickle of incidental mineral production going into world markets was cut off and only a few tons of manganese and chromite were sent out of the country. The total exports were 2 percent of the 1939 volume. What that means, in short, is that within 3 years, the production of minerals for export in Greece was cut to just one-fiftieth of its former level.

Obviously, there is a very large problem in the replacement of operations, reinstallation of machinery, rebuilding of power units, and movement of raw materials and industrial products before the industrial plant of Greece can be put back on its feet.

REHABILITATION IN AGRICULTURE

The situation in respect to Greek agriculture is somewhat better than that in respect to industry. But in this field also there is need for an immense restoration.

Before the war Greece had slightly more than 5,000,000 acres under cultivation. During the conquest and occupation this was cut to 3,437,000 acres. Thus the area under cultivation was reduced by aproximately one-third.

The more drastic living conditions, however, the continued resistance, and the destruction of some crops to prevent their falling into enemy hands resulted in a decline of production greater than the decline in the area of cultivation. In 1938, for example, Greece produced 2,730,848 metric tons of agricultural commodities. The average production for the years 1941 through 1944, inclusive, was only 1,623,291 tons. Thus the output was reduced by about one-half.

The actual damage to Greek economy was even greater than this figure would indicate. The most valuable agricultural crop for export that Greece had was, of course, tobacco. This commodity was almost entirely wiped out by the war, both because of devastation at home and because of the loss of export markets. In 1938, for example, 205,000 acres were devoted to cultivation of tobacco. During the war this was cut to 38,000 acres, a decline of 82 percent. The volume of production declined even more sharply—from 48,000 metric tons to 5,400, a drop of 89 percent.

Substantial losses were suffered in some other important agricultural crops. Grape and raisin production, for example, was cut by more than two-thirds in the course of the war.

Other products of the land or related to it also suffered great losses. One-fourth of all of Greece's forests were destroyed during the war.

In a country such as Greece, the livestock population is also a vital part of agricultural wealth. The necessity of killing for food, plus the depredations of the enemy, reduced the total livestock population to considerably less than one-half of its former level. One-half of all the sheep and goats in Greece, for example, were destroyed. Four out of every five pigs were killed. Three out of every five head of cattle, three out of five horses, three out of five mules, and one out of every two donkeys that Greece had before the war have been lost to her on account of the enemy.

This loss is accentuated by the fact that the course of the war interrupted the normal importation of live animals in Greece. Animal husbandry in Greece was never large enough to meet the needs of the population. The required difference was made up by importation. Before the war, for example, Greece brought in annually between 50,000 and 75,000 head of cattle—including cows and draft animals. In 1942 Greece's total imports of live cattle were 34 head. In the prewar years, Greece normally brought in annually between 450,000 and 500,000 head of sheep and goats. In 1942, Greece brought in a total of 303 head.

Manifestly the movement of agricultural commodities and of livestock must be restored to compensate for an interruption of this sort. There is at this point also an enormous problem of rehabilitation.

THE PROBLEM OF FINANCE

It is in part to meet these specific needs that the Government of Greece has already concluded successful negotiations with both Great Britain and the United States for financial assistance. Relatively little of this rehabilitation can come in reparations in kind from the enemy. The Greeks have recognized this, and are undertaking to rebuild their productive operations with the assistance of foreign capital. The obvious validity of their claims and their objectives is the reason that foreign capital must be supplied on advantageous terms.

In connection with the loans that have already been made, however, and with the application for other loans, which must necessarily be forthcoming at some time in the future, there is another immediately important problem. The drastic shortages of consumer goods and the introduction of worthless Axis money led inevitably to critical inflation that extended from the occupation period into the months following surrender. It has been necessary, therefore, to introduce foreign capital to stabilize Greek currency. This is a normal and expectable part of rehabilitation. Fundamental stabilization of currency, however, is only a part of, and a reflection of, the restoration of a stabilized economy as a whole. It is, therefore, not entirely correct to classify any loans to Greece merely as currency-stabilization loans. They are rehabilitation loans and should be so regarded. They are a recognition of the claims that Greece may justifiably make on her allies, and while their size is necessarily governed by the ability of Greece to meet those obligations over a period and thus to avoid a crushing burden of external debt, the terms upon which they are made must be conditioned by the validity of the Greek cause and by our own desire to see Greece regain her rightful place.

The amount of suffering that Greece has undergone has been cited, not to harrow one's feelings nor to serve as the basis for an instant and urgent appeal for relief or charity. It is presented rather as the rational and logical

explanation of why extraordinary careful consideration must be given to the needs of Greece. Here within the United States our physical suffering as a result of the war has been extremely low. The worst thing that we have gone through is merely some dislocation of some of our productive processes with occasional, temporary, and unimportant inconveniences. We have not been frozen and starving as a result of the war.

For that reason, it is imperative that we appreciate the dire necessity of peoples who have been obliged to undergo the ordeals from which we, fortunately, have been spared. It is necessary to understand and appreciate this to get the case of Greece into perspective. Once that perspective is reached we will have gone beyond the point at which the legitimate claims of a faithful friend can be disposed of by a procrastinating shrug.

Justice for Greece involves not only our assistance in rehabilitation; it involves also our active support of Greek claims for restitution to the Greek state of productive areas of which it has been deprived.

THE RETURN OF THE DODECANESE ISLANDS

Greece is asking the United States that it support vigorously her claim for the restitution to Greek sovereignty of the Dodecanese Islands. We cannot in honor evade the support of this claim.

The Dodecanese is a group of small islands lying in the eastern Mediterranean, southeast of Greece, not far from the coast of Asia Minor. Because of the name Dodecanese, they are also generally referred to as the twelve islands of the Aegean, but they actually number 13.

The largest of these islands is Rhodes. The best known perhaps is Patmos, on which St. John the Divine wrote his Revelation. In the group also is the Island of Cos, which was the home of Hippocrates, and therefore is in a sense a shrine of modern medicine.

In ancient times these islands were clearly and indisputably Greek. Their population is clearly and indisputably Greek to this day. They have, however, undergone numerous vicissitudes in the course of their 3,000 years of recorded history. The poet Homer mentioned Rhodians as part of the Greek force that fought against Troy. The people of the islands fought against the Persians and took part in the Greek Peloponnesian wars. The Rhodian Republic drove out the Macedonian garrison after the death of Alexander the Great, and Rhodes maintained her Greek independence from Rome even after Greece herself was overrun. It was, indeed, not until the middle of the second century A. D. that Rhodes was finally incorporated into the Roman Empire as a subject state.

Subsequently, the Dodecanese Islands, still maintaining their Greek identity, became a province of the Byzantine Empire and they maintained this status until they were taken over by the city state of Venice at the beginning of the thirteenth century. A hundred years later, the Knights Hospitalers of St. John of Jerusalem assumed control of the archipelago and ruled it until they lost out eventually to the expanding power of Islam. Constantinople fell in 1453 A. D., and Christian control of the eastern Mediterranean was thereby brought to an end. It was not until 1522, however, that the Turks were able to drive the Knights Hospitalers and their Greek Dodecanese defenders out of Rhodes, and it was not until 1537 that all of these islands came under Turkish rule.

The regime of the Ottoman Empire in the Dodecanese was generally benign. There was a high degree of local self-government and the preservation of Greek institutions and the Greek church. A small yearly tax was paid to the Turks in consideration of their "protection" but aside from that there was no drastic imposition of Turkish rule. The division between Greeks and the intruding Moslems was sharply maintained.

THE FIRST REUNION WITH GREECE

When the Greeks rose against Turkey in 1821, the inhabitants of the Dodecanese gave what assistance they could to their brother Greeks on the mainland and subsequently freed the entire archipelago from Turkish rule and were united with Greece.

The protocol of London, in 1830, fixed the frontiers of the new Greek State and under its terms the western powers, in consideration of other factors and exchanges, returned the islands to Turkish sovereignty.

In the Treaty of Paris, 1856, and the Treaty of Berlin, 1878, the rights and privileges of the Dodecanese as Greeks were guaranteed as against Turkish encroachment. There was, however, a continuous opposition to Turkish rule in the islands and there were some Turkish repressive acts.

In 1912, Italy and Turkey went to war. One of Italy's first acts was the occupation of the Dodecanese. The Italians represented themselves to be liberators of the Dodecanese people and in the early days of the occupation proclaimed their intention of liberating this Christian Greek population from Turkish sovereignty. The Dodecanese people, in turn, proclaimed their complete autonomy and immediately declared they wished to be reunited with Greece.

This wish was speedily overidden by the Italians and in the treaty between Italy and Turkey—Lausanne, 1914—Italy agreed to give the islands to Turkey once more, whenever Turkey evacuated her forces from Africa. Subsequently, on the excuse that Turkey had not consummated that evacuation, Italy remained in permanent occupation of the Dodecanese and set up military garrisons, political police, and all the institution of drastic alien rule. Subsequently, when Italy bargained for the basis on which she would join the Allies in the First World War, she demanded full sovereignty in the Dodecanese as part of the bargain.

The Dodecanese Greeks presented strong representations to the peace conference and to the victorious Allies for recognition of their Greek character and their reunion with Greece. They received moral support from all of the Allies except Italy, and for a time it seemed their case had been won. On July 29, 1919, Italy's foreign minister, Tittoni, signed an agreement with Greece to cede the islands, with the exception of Rhodes, to Greece and to submit the future of Rhodes to a popular plebiscite. Within a year, however, Italy denounced this agreement and in August 1920 obtained from Turkey in the Treaty of Sevres a renunciation of all Turkish claims over the Dodecanese in favor of Italy.

The Italians at this time indicated that the ultimate disposition of the islands would be determined by the League of Nations, plus a popular plebiscite in the case of Rhodes. Later, however, Italy announced that this treaty also had lapsed and subsequently obtained further renunciation of Turkish claims on the islands in the Treaty of Lausanne in 1923. This treaty contained the clause: "the future of the islands being settled or to be settled by the parties concerned."

This settlement has never been made. Italy's power remained in the Dodecanese, harsh, brutal, and oppressive, right up to the time of the Italian surrender in World War II. The future of the islands is still a moot question and must come up again as a part of the peace settlement.

INDISPUTABLE GREEK CHARACTER

There is one curious factor in the entire case of the Dodecanese. They have been in the hands of the Romans, the Byzantines, the Knights Hospitalers, the Turks, and the Italians, and yet none of these except the Italians has ever had the temerity to suggest that the islands were anything but Greek. The basic language of the islands has always been Greek, the schools have been Greek, the culture, customs, and folklore have been Greek; the religion since the beginning of the Christian era has been that of the Greek Orthodox Church. After 300 years of Turkish rule there were less than 10,000 self-confessed Moslems in the entire archipelago. It is astonishing but true that we, like every other people, have always taken the Greek character of the Dodecanese completely for granted. Unless one knew by close research, he would almost automatically identify Rhodes as a "city in Greece." We have heard almost from childhood of the famous sponge fishermen of the Dodecanese. Has anyone ever thought of those sponge fishermen as Turkish or Italian? Has anyone ever thought of them as anything but Greek? In this respect we have perhaps missed some of the validity of the Dodecanese case because it is so completely obvious. If we thought about it at all, we took it for granted that a group of islands so characteristically Greek in every respect would naturally find its way into the Greek state and that any interruption in this process was entirely unintentional and possibly, at worst, neglectful.

The difficulty with that point of view is, however, that while our neglect of the Dodecanese problem may have been merely thoughtless, the Italian preoccupation with it was entirely purposeful. The Italians undertook deliberately to modify the Greek character of the islands. They insisted that business

should be conducted in the Italian language. They closed Greek schools and killed Greek priests with the bayonet at their very altars. They undertook, in short, to make over a temporary strategic position which they had wrested from Turkey into a permanent ethnic position by the forced mutation into synthetic Italians of a people that had been Greeks for 3,000 years.

Such an experiment was obviously doomed to failure from the start. The Dodecanese people are still Greeks and still want to be reunited with Greece.

FACTORS IN STRATEGY

The reason why reunion was obstructed was, of course, strategic. In the first place, Turkey's interests in the islands were obvious. They formed in effect a chain of protecting fortresses off the coast of Asia Minor. They flanked also, to a degree, the southern approach to the Dardanelles. Similarly the Knight Hospitalers took the islands as a point to which they could retreat from the Asiatic mainland and as a point from which they could present a continuous threat to the Ottoman Empire under the ideology of the Crusades. There was a substantial degree of merit in the Turkish strategic considerations, particularly when Turkey was a European power. Renunciation of Turkish claims on the islands was, of course, in part a submission to force majeure but it was also a recognition that as far as Turkey was concerned some of the strategic importance of the islands had disappeared. Turkey has nothing to fear strategically from Greece and the return of the islands to Greek sovereignty would constitute no threat to Turkey's present position.

The Italian point of view, however, is entirely different. In the Italian concept, the islands are related, not to their mainland, but to the Mediterranean as a whole. Italian strategy of the last 35 years has paid much attention to the development of the concept of the Mediterranean as an Italian sea and the consequent establishment of military and naval positions that would dominate all of its essential channels. There have been innumerable examples of this from one end of the Mediterranean to the other including even the Italian adventure into Ethiopia, designed, of course, as a measure to flank one of the approaches to the Mediterranean as an "Italian lake."

In such a strategic concession the Dodecanese occupy a vital position. They flank, respectively, routes into the Mediterranean from the Black Sea and from the Red Sea. Italy's aspiration to be the dominant naval power in the Mediterranean made control of the islands a highly strategic prize.

It is worth observing that it is this factor that has brought the Italians into a basic clash with the British. Britain is not interested primarily in the littorals of the Mediterranean, except to the degree to which they control freedom of movement on the east-west main line. The sea lane that comprises Indian Ocean-Red Sea-Suez-Mediterranean-Gibraltar-North Atlantic is one of the major life lines of the United Kingdom. Britain's strategy may be expected to be so expressed as to keep this line open and to keep dominating positions along that line from falling into hostile or potentially hostile hands.

The British and ourselves paid a very high price in World War II for the interruption of this major line when materials destined for the Far East were obliged to make the voyage through the South Atlantic and around Africa. The difference between the British position and the Italian is the difference between the desire to control a lane through an enclosed body of water and a desire to dominate the entire body itself. For that reason Great Britain is not interested in obtaining the Dodecanese but it is interested in seeing that they do not fall into hostile hands. The British for this reason have always supported in principle the return of the Dodecanese to Greece but have been obliged to deviate from that principle in order to establish a working basis with Italy.

Actually, the development of international structures for keeping the peace should modify the total concept of the strategy of the eastern Mediterranean. With this in view, the Greeks have already indicated that there will be no objection on their part to the use of either Rhodes or Leros as a base for United Nations security operations. This is not in conflict with the previous strategic conception of a free, secure, and stable eastern Mediterranean.

The necessitous condition of coming to terms with Italy no longer exists nor is there good reason why the Security Council of the United Nations should be under necessitous obligation to make any territorial concessions to any latent imperialism, Italian or other. There is no reason to placate, mollify, or appease Italian empire builders seeking to reconstruct the concept and the fact of "Mare Nostrum." By the same token there is no reason to placate or mollify any non-Italian power, whose policy also includes the concept of an enclosed preserve in this area. For this reason, the case of the Dodecanese can, in the light of its international implications, now be decided, not on the basis of appeasement but on the basis of its intrinsic merit.

This is now the official position of the United States Government. The Council of Foreign Ministers that met in London late in 1945 discussed the question of the Dodecanese. The issue had become somewhat complicated by the Russian suggestion, unofficially put forward, that the Soviet Union might ask for either the cession of the Dodecanese or for bases in the archipelago.

After the London Conference, Secretary of State James F. Byrnes reported to the American public on October 5, 1945:

> The Council was in general agreement that the Dodecanese Islands should go to Greece, although the assent of one member was qualified pending the study of certain questions by his government.

The American position, therefore, has been established, both to foreign governments and to the people of the United States.

CONSIDERATIONS OF WELFARE

Concern for the future welfare of the islands themselves suggests likewise their return to Greek sovereignty. Greece is a natural outlet for their raw materials, notably of their fisheries and sponge beds. Moreover, the close cultural bonds of the islands to Greece suggest that Greek rule would be benevolent, and benevolent government is something the Dodecanese people have not enjoyed for many years.

Some advantages would accrue also to Greece from the reincorporation of this island territory. The animal husbandry of the islands, for example, which is larger than is required for domestic needs would assist in the rehabilitation of Greek agricultural economy. The marketing of island products would give an additional stimulus to Greek trade and the addition of the splendid people of the Dodecanese to the Greek commonwealth would afford an additional reserve of manpower which could be drawn upon openly in the future instead of surreptitiously as in the past.

From the standpoint of strategy, the defensive position of Greece would be improved also by control of these outlying islands. From the point of view of our own strategy and that of the United Nations the freedom of the sea lanes of the world would be better assured by having these islands in the hands of an obviously friendly power than to have them fall into the control of a potentially unfriendly state or combination of states.

The most cogent argument for the return of the Dodecanese to Greece, however, is not strategic or economic, it is political and moral.

We have been committed again and again to the principle that the peoples of this world have a right to live under governments of their own choosing. Sometimes we call this self-determination. Sometimes we call it the rights of minorities. Under any name it is the recognition of the right of a body of men to determine to what institutions they shall give their allegiance.

In the case of the Dodecanese there are not two sides to this question. The very preservation of their language, religion, and cultural identity is more profound evidence of their genuine desires than any that could be obtained from plebiscites or political manifestoes. Nevertheless, even in this latter field, the Dodecanese people have never failed to take advantage of any opportunity that was afforded to place their case before the people of the world.

STATEMENT TO THE PEACE CONFERENCE

Almost from the moment that the Italians landed, back in 1912, to fight the Turks, the Dodecanese gathered to approve by acclamation, and by declaration after declaration, their desire to be joined with Greece. The case has never been more clearly and concisely presented on behalf of the Dodecanese people than it was at the peace conference in 1919. A memorandum submitted by people of the islands stated:

> We Dodecanesians are Greeks and have been Greeks since the first appearance of the Greek race in the world. We were Greeks in the time of Homer; we were Greeks when the Medes and Persians carried the war into Europe; we were Greeks in the days of Pericles. We Dodecanesians were Greeks under

the rule of Romans, under the Byzantine emperors, under the Turks. As Greeks we arose, and as Greeks we won our freedom at the rebirth of Greece. We were Greeks during the Balkan wars and Greeks during the European war, when we persistently and repeatedly demanded to fight by the side of the Allies.

We declare before God and man that we would rather perish to the last man than breathe or allow our children and brothers to breathe in the Dodecanese an air in which a flag flutters which is not the flag of Greece.

That is the case for the return of the Dodecanese Islands to Greece as seen by the Dodecanese themselves.

If morality still exists in the world of affairs, that argument should carry weight. If the formality of a plebiscite is desired after that sort of a declaration, let us by all means have a plebiscite. Will there be any doubt as to its outcome? Will all alien powers renounce their claims if the Dodecanese signify once more, and formally, their determination not to be returned to foreign rule? Will the United Nations abide by the expressed wish of the 150,000 people on these 12 islands? If so, there is little likelihood of any indecision as to what will be the political future status of this archipelago.

The Senate of the United States, recognizing the verity of self-determination and the legitimacy of the Dodecanese claim, adopted a resolution more than a quarter of a century ago which should still be valid as an expression of American opinion. On May 17, 1920, Senate Resolution 324 was adopted unanimously in the upper House of the American Congress. That resolution said, in part:

Resolved, That it is the sense of the Senate that * * * the 12 islands of the Aegean * * * where a strong Greek population predominates, should be awarded by the peace conference to Greece and be incorporated in the Kingdom of Greece.

The character of the Dodecanese Islands and the case for their return to Greece has not been modified in the subsequent 25 years. The case has, indeed, grown monumentally stronger. The oppression of the islands by Italy and their use by the Axis in making war against us should have long since vitiated the last alien claim and resolved the last doubt concerning their disposal in any other fashion than their reunion with Greece.

The world picture has changed in some of its aspects, however, since 1920. And so, to renew this just affirmation, the American Senate at this writing has before it a further resolution submitted by Senator CLAUDE PEPPER, of Florida. This resolution is:

Senate Resolution 82

Resolved, That it is the sense of the Senate that northern Epirus (including Koritza) and the 12 islands of the Aegean Sea, known as the Dodecanese Islands, where a strong Greek population predominates, should be awarded by the Peace Conference to Greece and become incorporated in the territory of Greece.

If there was reason for the Senate of the United States to make its solemn commitment to justice for Greece in 1920, is there any less reason in 1946 why that commitment should not be restated and reaffirmed?

All Americans who wish to see justice for Greece—and that surely will include all Americans who know the facts of the case—will insist that our declaration of interest and intent in respect to the Dodecanese can be no less unmistakable at this time than it was 25 years ago, when Greek claims upon us were less insistent than they should be at the present time.

THE CASE OF NORTHERN EPIRUS

There is a further area in which modification of existing political structures is required if justice is to be done to Greece. This is the area of Greece's northwestern frontier, the district known as northern Epirus, a part of which overlaps into what has been southern Albania. A rectification of this frontier to the advantage of Greece is a natural and necessary part of the rehabilitation of Greece and the postwar settlement.

Many boundary lines are artificial. The boundary line in northwestern Greece is conspicuously so. What we are dealing with in this area is not a hard-and-fast natural frontier such as that afforded by an ocean or a great gulf or a broad river or a chain of impassable mountains. We are dealing rather with a region in which the character of the people and the character of their economy should ultimately and inevitably determine the political organization under which they live.

The geographical designation of "southern Albania" is, of course, extremely modern. Albania has existed as a state only about a quarter of a century. The designation of "northern Epirus" is ancient. It refers not merely to land, but also to the people who have lived in this part of the world for many, many centuries.

The word "epirus" actually means "mainland" and it is, of course, a Greek word. In the ancient world this was part of the partially understood and only partially explored Greek borderland. There was an ancient people called the Illyrians who lived in the mountain fastnesses north of what was recognized as continental Greece. South of these people lived a border group called the Molossians. They insisted that they were directly descended from the ancient Greek hero, Achilles, and so they established their identity as a group related to, and logically falling within, the whole Greek area to the south. These were the people of Epirus. King Admetus was of their number. Pyrrhus, who gave us our term "pyrrhic victory", also came from this part of the world. This, of course, was part of Greece, if one considers Greece as a culture and as an idea.

In the times of the Byzantine Empire this entire area constituted an independent principality recognizing Byzantine sovereignty.

When the Turks overthrew the Byzantine Empire they recognized this area also as Greek and actually carried out an anti-Greek campaign throughout the entire region. In general, it may be said that the people who were in classical times called the Illyrians became eventually the inhabitants of central and northern Albania and subsequently became converted to Islam. The southern group retained its characteristically Greek identity, resisted an alien religion, retained its Greek language and refused consistently to join in any cohesive union with the alien population to the north.

CHARACTER SHOWN IN REVOLUTION

The character and temper of these border people was shown, of course, when Greece revolted from Turkey and initiated the war of liberation. The people of Epirus were prominent in the campaigns against the Turks, and deputies from the area participated in the Greek National Assembly in 1829.

The new kingdom of Greece that was set up after the revolution did not extend to Epirus. Indeed, it extended to a very small part of what is now Greece. Nevertheless, the Greek character of the people in the area was repeatedly recognized and their delegates took part in the constitutional convention of 1843.

During the subsequent period, Greek culture was solidly maintained in the area under Turkish rule. Greek schools flourished and the area became a center of classical learning. There was, however, a considerable mingling of Greek and Moslem populations and a large number of the people who lived in those mountain valleys were actually bilingual. The more educated spoke Greek. Even before the Balkan War of 1912, there were more than 200 Greek schools in this border area which is actually smaller than the State of Delaware.

In the Balkan War the Greek armies wrested the entire area from the faltering Turks and naturally expected that the part of the frontier that was essentially Greek in culture would be joined to the Greek state. At that time in the specific border area known as northern Epirus or southern Albania the Greeks stated that more than two-thirds of the inhabitants were Greek by culture and religion.

By then, however, both Italy and Austria had become extremely sensitive to the strategic value of the eastern shores of the Adriatic. Italy was undertaking to create a sphere of influence facing the Italian peninsula and extending as far south as possible. This area was also to serve as a buffer state between Italy and Austria-Hungary and out of that idea there arose the entire concept, previously unknown, of an independent Albania. The southern frontier of this new creation promptly became an issue, not between Greece and Turkey, from which the area had been taken, but between Greece and Italy. At the Conference of London in 1913, the Italians insisted that the boundary of the newly created Albanian state should be placed far to the southward so as to include the port of Santi-Quaranta and the entire coast opposite the undeniably Greek island of Corfu. The London Conference was trying desperately to avoid the international frictions that led inevitably to the First World War and in consequence it adopted eventually the boundary agreed upon by the Italians and the Austrians and placed the Greek frontier at the southern instead of the northern limit of the area occupied by predominantly Greek people. Thus northern Epirus became southern Albania and a newly launched buffer state had a compact alien minority

in its southern regions from the outset. The boundary line that was fixed was set up in the protocol of Florence, December 17, 1913.

A REVOLT AGAINST ITALY

This frontier violated so outrageously the wishes of the people of the area that a spontaneous revolt broke out within a few weeks and an autonomous state of northern Epirus was proclaimed. This was actually a struggle between local Greek leaders and the Italians, in which Greece itself did not take part. The case, however, was so plain that it was necessary to supplement the decision of the London Conference with a second protocol, that of Corfu, May 17, 1914, guaranteeing special national and cultural safeguards to the Greek population. This protocol was presented by the great powers, including Italy and Austria-Hungary, to the Greek Government just prior to the outbreak of World War I.

As soon as the clash of hostile armies made itself felt in the northern Balkan states the Allies—and interestingly enough including Italy—asked Greece in October 1914 to occupy the region of northern Epirus.

Nevertheless, when Italy made the conditions for her entry into the war on the side of the Allies, she insisted upon an Albanian foothold and eventually occupied the entire northern Epirus area.

Naturally this boundary presented a problem to the peace conference, and at the beginning it appeared to be solved equitably. The Italian Foreign Minister, Signor Tittoni, reached and signed an agreement with the Greek representative at the Conference, Premier Venizelos, in which Italy recognized the validity of the Greek claim to northern Epirus. The Tittoni-Venizelos agreement, as we have already noted, also recognized the projected return of the Dodecanese Islands to Greece.

For one short year it seemed that there would be some degree of justice for Greece in the settlements that came out of the First World War. However, Tittoni was replaced by Count Sforza, who, as the new Foreign Minister, took occasion to repudiate the agreement that had been previously reached. In 1920 Italy notified Greece that "the decisions of the Allies on the subject of Asia Minor and the nationalistic affirmations of the Albanian people have obliged the Italian Government to modify the ends which they propose to attain and to establish a new policy relative to the safeguarding of Italian interests in those regions."

SFORZA'S REASONS FOR REPUDIATION

This official document purports to be sensitive to the nationalistic affirmations of the Albanian people. Count Sforza, in a book that he published 10 years later, Makers of Modern Europe, baldly and cynically set forth the real Italian motives that lay behind this sudden facade of Italian concern for the welfare of Albania. Here are Sforza's exact words:

> When I came to power in July 1920 and took cognizance of this agreement which Tittoni had kept secret, I absolutely failed to see how it could be of any use to Italy. Albania, to my mind, was to come under the sphere of Italian influence but not as a result of a juridical solution, wounding Albanian pride and working against the very force of Italian expansion in Albania. This being so—and bent on setting Italian policy toward ways which seemed to me more in conformity with our interests—I denounced the Tittoni-Venizelos agreement that meant for us just nothing but a series of burdens with no compensatory counterpart.

The Italian action was so manifestly high-handed that it could not win the support of the other powers. Nevertheless, the ultimate determination of frontiers was left to the decision of an international commission. In the meantime, Greece engaged in a war against Turkey with a view to reclaiming the Greek minorities in Asia Minor, and the cause of Epirus went by default. The new state of Albania, having agreed to protect minorities within its borders, was admitted to the League of Nations in October 1921, and Yugoslavia, seeking to come to better terms with Italy, joined in insisting upon the reestablishment of the frontier of 1913.

The Commission that was supposed to investigate the temper of the people and to determine their ethnic background finally went into northern Epirus. The Italians oppcsed bitterly the actual conduct of a plebiscite and an attempt was made to determine the national character of the people on the basis of language. Most of the people were bilingual in any case and since the older folk characteristically used the Albanian dialect as the language of common intercourse while the younger were more inclined to speak Greek, the Italians insisted that the Commission should base its findings on interviews with older people only. Actually, the Commission finally reported interviews with only 14 persons altogether.

Eventually, the settlement became a matter of compromise with Italy and trying to keep the European peace rather than one of settling upon a logical and justifiable boundary.

ITALY'S HAND SHOWN AT CORFU

It was actually during the period in which this entire problem was under discussion that Italy presented to the new League of Nations the most outrageous example of international barbarity that had come before that body up to that time. This was the reprisal for the supposed murder of an Italian general somewhere near the Greek-Albanian frontier. No satisfactory inquiry was made into the mystifying circumstances surrounding the general's death, but, instead, the Italian Navy steamed into entirely undefended Corfu, bombarded its peaceful and defenseless population and occupied the island. Mussolini spurned the League of Nations but was finally forced to evacuate the island by pressure from Great Britain and the small nations in the League. Nevertheless, he did succeed in presenting to the Greeks a bill for indemnity of $2,500,000.

It was after this sort of international chicane that the Albanian frontier problem was again temporarily settled by the promulgation of a new protocol of Florence, January 27, 1925. It went back to the original frontiers and placed northern Epirus in the nominal hands of Albania and under the actual control of Italy.

The Italians, and the Albanians doing their bidding, proceeded at once to conduct a campaign of persecution against the Greek minority in the south. Many of these Epirotes fled to the United States. Many emigrated across the border into Greece. Property was confiscated and a systematic attempt was made to wipe out the last remnant of Greek culture. Some idea of the character of this campaign may be had from the fact that whereas this region had had more than 200 Greek schools, prior to the war, these had been reduced to 60 by 1928, to 10 by 1933, and had been wiped out altogether by 1934.

This is not a matter of hearsay. The case was passed on by the Court of International Justice in April 1935, and that Court held that the declarations in respect to the guaranty of minority rights in the area had been violated, and Albania was instructed to permit Greek schools to be reopened. It was only a short time, however, until Italy, in 1939, took over complete control of Albania in preparation for the assault upon Greece that was to be mounted in the subsequent year.

THE ROUTE OF ITALIAN ATTACK

The pattern of the Italian attack upon Greece demonstrated immediately why the Italians had shown such a paternal interest in Albania. It was directly through the mountain passes of the northwest frontier and over the roads that lay in the border area that Mussolini proposed to pour his Fascist legions down onto the plains of Greece. That he failed so ignominiously was no fault of the systematic Italian scheming that had prepared for a quarter of a century this springboard for an attack upon a peaceful neighbor. In the early days of the war the Greeks were obliged to retire from the frontier area, but in the northern mountains of Greece proper they stopped the Italian invasion. Then the tables were turned and the Italians were driven out, not only from Greece and not only from northern Epirus, but from the whole of south-central Albania.

Thus Greece had once more reclaimed by force of arms the territory that was rightfully hers and had once more established the necessity for a defensible frontier area so that her northwestern boundary might become a bulwark against invasion rather than an invitation to attack.

The Italian interest in northern Epirus from a strategic point of view was not, however, merely a consideration of an accessible overland route into Greece. The location of the frontier is intimately connected with the Italian concept of the Adriatic as a naval preserve. It will be observed that the Italians have insisted upon a frontier that reaches the Adriatic south of the island of Corfu. The Italians declared in presenting the case for this allocation that they desired to have the Strait of Corfu as open water rather than an enclosed area merely separating two parts of Greece. This sounds high-minded, but, of course, what the Italians really wanted was to confront the island with a hostile mainland so as to render the strait useless to Greece and

valuable to Italy. It should be remembered that the strait, at its narrowest, is less than 2 miles wide.

The creation of this Italian position was, of course, exactly what happened in the naval operations in the Mediterranean during the war, when the Italians promptly turned the Corfu Strait into a submarine nest, made relatively inaccessible because of the position of mainland and island signal stations confronting its entrances.

Theoretically, the Adriatic is also open water, but the entire concept of Italian strategy with its control of the Adriatic littoral and the isolation of Corfu has been designed to make the Adriatic a completely enclosed Italian zone of naval bases and operations. Italy is now preoccupied with the question of maintaining ports and potential naval stations at the head of the Adriatic. There is no suggestion that Italy has abandoned her idea of the outright control of all northern Mediterranean waters. Allowing the Strait of Corfu to continue under Italian domination by keeping the frontier at the position of 1913 would simply play into the Italian hands once more.

The thesis that a narrow strait, dividing a recognized Greek island from a mainland that is essentially, characteristically, and rightfully Greek should be maintained in perpetuum as open water—meaning in this case Italian water—is as preposterous as to argue that the United States should divest itself of control of Long Island Sound in the interests of freedom of international intercourse.

ARE FRONTIERS OBSOLETE?

It is sometimes argued that the concurrent development of weapons of enormous power, such as the long-range plane and the atom bomb, and of international machinery for the enforcement of peace such as the Security Council, have already made our strategic frontier concepts obsolete.

This is an oversimplification. Cities may be destroyed from the air, it is true, but territory still has to be occupied by men, not merely by weapons. Similarly the transit of men and matériel will be for some time to come a matter of shipping as well as of air navigation. Sea lanes must still be kept open. Moreover, if the Security Council of the United Nations is obliged to enforce its decisions, it must have areas in which to operate, bases from which to move its forces, and regions in which those forces can and will establish and maintain control. The development of weapons has made strategy more complex rather than less so. It is surely short-sighted to urge that one should forsake an advantageous strategic position on the land, because one has a preponderance of force in the air.

It is obviously the part of good international strategic thinking to make Greece strong. No one supposes for a moment that the policies and aims of Greece will be in contradiction to the avowed purposes of the United Nations in the prosecution of world peace. Who will have the temerity to suggest that the peace of the world has anything to fear from Greece?

If Greece is to be made strong, if she is to be the bulwark of democracy and the bastion of freedom, to which both we and the Greeks aspire, there is every reason in strategy to modify the Greek borders in the direction of making the country more, rather than less, defensible.

The strategic modification of the Epirus frontier has a sound topographical background. The area is one of sharp defiles into the large valleys in the provinces of Argyrocastro and Koritza. The normal range of these valleys is in a generally northeast to southwest direction. As a consequence, the only major road penetrating the area is the road that goes from the coast at Santi-Quaranta along the southern slopes of the Acroceraunian Mountains and thence to the areas of Argyrocastro and Koritza.

These two areas, in turn, drain down through mountain passes into the Janina region of northern Greece. Obviously, the creation of a sound political entity covering this region will correspond to the geographical and economic entity with its drainage running through from what will be the northern boundary of Greece to the Adriatic at the port of Santi-Quaranta. The mountain barrier that serves to deflect the physical and economic drainage to the south and west lies just north of this region, roughly along the line extending from a point between Santi-Quaranta and Avlona in a northeasterly direction until it meets the Yugoslav frontier at Lake Ochrida.

The fixing of a boundary somewhere along this line would have the natural tendency to protect the valleys south of that line as a part of Greece rather than to perpetuate the unsound strategic situation that pertains under the boundaries of 1913.

The objection to such a rectification may be expected to come from those who, either through misapprehension or deliberate misrepresentation, fear some encroachment upon the "autonomous Albanians." This argument may be expected to come particularly from the Italians but possibly also from Yugoslavia. After the demonstrations of Italy's objectives in Albania the newly acquired role of "defender of freedom" will sit uneasily on Italian shoulders. An autonomous Albania was from the beginning the creation of power politics designed to provide at best a buffer state and actually providing a sphere for the extension of Italian influence. It is quite possible that there are in central and northern Albania, indigenous peoples whose identity should be scrupulously preserved. These peoples could very properly become the wards of the United Nations and if it were thought desirable to preserve the political structure of an "independent" Albania, that should afford no insurmountable difficulties, provided a sufficient degree of financial assistance were forthcoming from the outside. Greece has resolutely objected to the mere partition of Albania between herself and Yugoslavia—which many persons believe to be a completely logical course of action—on the ground that she does not wish to cause the disappearance of any independent state whose people really desire independence.

On the other hand, this position does not vitiate the justice of the claim for the modification of the frontiers of such a state if they have been arbitrarily drafted so as to include within them a substantial population that does not belong within the creation by virtue of either historical or ethical considerations.

The rectification of the Albanian frontier, in short, works no hardship on Albania. It does, however, propose to be an effective stop to any expansive alien policy on the Adriatic littoral. This will, of course, work a strategic hardship, deliberately, upon any power harboring such ambitions, and the Greeks and their friends, at this point, see no reason why the cherished strategy of Adriatic expansion should be a legitimate bar to such a course of action.

The case for the return of northern Epirus to Greece at the present time is, in effect, merely a restatement of a position whose validity has been long recognized. It was recognized originally even by the Italians themselves. It was recognized by the Peace Conference at the end of the First World War when it was tacitly admitted that a retreat from that position was a compromise with Italy in the interests of European peace. It was recognized also by the United States and it is significant that the American Senate on May 17, 1920, adopted unanimously a resolution declaring:

> It is the sense of the Senate that northern Epirus (including Koritza) * * * should be awarded by the Peace Conference to Greece and become incorporated in the Kingdom of Greece.

We have already noted that the Pepper resolution, now before the Senate, carries a similar clause.

There is no reason for the American people to retreat from that position, correctly taken 25 years ago. The events of the interim period have demonstrated that the Senate of the United States and the Greek people were right and that the Italians were wrong. Italy was temporarily mollified at a high cost to Europe and to ourselves. Justice and Greek interests were sacrificed in what proved to be a futile attempt at appeasement. There is no compelling reason why this tragedy should be reenacted.

THE CASE OF BULGARIA

Greece has yet another strategic frontier to which the closest attention must be paid if the terms of the peace are to provide justice for Greece. This is the northern frontier, the boundary between Greece and Bulgaria.

The situation on the northern frontier is a shadow that hangs over all of Greece. This is easily understood when the history of the Balkans since 1912 is reviewed. Three times in that short span Greece has been invaded from the north. Three times the northern reaches of Greece have been overrun by Bulgaria.

But even more important than that, many times throughout 30 years Greek hopes for a peaceful settlement of Balkan issues, Greek attempts to provide measures of joint action, Greek offers of major economic concessions in the interests of peace, have been spurned, dashed aside, and wrecked on the rock of Bulgarian territorial ambitions.

The genesis of Bulgarian aspirations lies, perhaps, in a very short-lived part of the Russo-Turkish Treaty of 1878. In that treaty there was opened up to the Bulgars the vista of a Bulgarian principality within the Turkish state that would extend far to the south, taking in large parts of what is now Macedonia and Thrace, opening Bulgaria to the Aegean, and making this, the most backward of all the Balkan countries, the largest in point of territory and strategic position.

It was recognized almost immediately that the Treaty of San Stefano had no justifiable basis and it was quickly superseded by the Treaty of Berlin. But the seeds of the "Greater Bulgaria" idea had already been planted. Since that time the whole of Bulgarian policy has been directed toward keeping alive an indefensible irridentism and toward making use of every possible border depredation at the expense of Bulgaria's neighbors.

It is not surprising, therefore, that Bulgaria in the first instance should have turned against her Balkan allies the moment her independence was won from Turkey in 1912. That was the first time that the Bulgarians overran northern Greece and they were defeated and driven out.

Logical also was the alinement of Bulgaria with the Central Powers in the First World War. This time, at the behest of the Germans, Bulgarian troops again swept down onto the plains of northern Greece. Once more the Bulgarians were defeated and forced to retire.

Then came the Second World War and Bulgaria's alinement could have been easily predicted on the basis of her past history. Bulgaria gravitated almost automatically into the camp of the ravagers and despoilers. Bulgaria became an ally and a satellite of the Nazis. Bulgaria made of herself the springboard from which the Germans could launch their felonious attack upon Greece.

This time, however, the Bulgarians were not in the vanguard of the battle. They waited until the German panzer divisions and bombing planes had driven the Greeks well to the south before they came in at the heels of their Nazi masters to occupy territory in Greece that had been seized on their behalf.

In the interim between the two wars, and even prior to the First World War, the Bulgarians had maintained organized border terrorism. The very word "Macedonian" became synonymous with this type of disorder. Through this policy the Bulgarians hoped to keep in constant ferment the entire question of border settlement and effectively to prevent any real rapprochement in the Balkans.

Greece had undertaken in the war against Turkey to set up a sound Balkan union that would recognize the validity of the claims of each member and make it possible to create in this part of Europe conditions of stability that would lead to joint prosperity. The Bulgarian response to this attempt was quick and to the point. Bulgaria made war on the Serbs and Greeks as soon as independence from the Turks was won. The outcome of that war was unfavorable to Bulgaria and again put the idea of a greater Bulgaria back on the shelf.

In the First World War that followed shortly thereafter, the Bulgarians made themselves the cat's-paw of the Central Powers in the hope once more of annexing Greek territory and obtaining a territorial outlet on the Aegean. Once more the Bulgarians were thrown back, and once more they took up the policy of border irritation.

ATTEMPT AT UNDERSTANDING

After the war, Greece undertook systematically to reach a peaceful settlement of matters under dispute with Bulgaria. Greece did not accede to the Bulgarian claim that a territorial outlet to the Aegean was necessary to Bulgarian economy. Bulgaria's foreign trade had long been directed northward to the European Central Powers instead of southward to the Mediterranean. Bulgaria's ports on the Danube were relatively undeveloped and her ports on the Black Sea were hardly used. Bulgaria was not a maritime nation and actually had in 1939 only 14 ships in her entire merchant fleet. This was in spite of the fact that she had excellent locations on the Black Sea for mercantile shipping and railways connecting two of these ports with the interior.

Nevertheless the Greeks undertook to meet every legitimate Bulgarian demand. At the Lausanne Conference in 1923 the Greeks proposed that Bulgaria enjoy a free zone at Salonica and enjoy free transit thence into Bulgaria. Greece went even further. Greece proposed that the port of Dadeagatch in western Thrace should be completely internationalized. This would give Bulgaria an adequate commercial outlet on the Aegean if that was what Bulgaria required.

These generous offers were promptly refused by the Bulgarians. And even after a free zone was created in Salonica, for the benefit of Yugoslavia, and after the offering of a similar zone for Bulgaria, there was no recession on Bulgaria's part from her irredentist position.

In 1930 Greece called the Balkan Conference in the hope of establishing a genuine Balkan union that would guarantee the independence of each of the Balkan states. It was proposed that matters of common interest could be settled peaceably to the advantage of all. Bulgaria wrecked these Greek plans and prevented the formation of such a Balkan union.

The reason for the Bulgarian obstructionism and the continued insistence of Bulgaria upon territorial claims that she knew could not be granted was made abundantly clear at a later date. Bulgaria was already moving away from her Balkan neighbors and into the orbit of the Nazi-Fascist powers. Bulgaria subsequently presented to the Axis itself a bill of particulars claiming credit for the fact that Bulgaria had acted to the advantage of the Axis in opposing a peaceful rapprochement in the Balkans. Here are the words of Bulgaria's premier, Bogdan Filov, in a speech to the National Assembly on November 19, 1941:

Bulgaria is a small nation but, even so, her action without doubt wrecked the much discussed plan of a Balkan bloc. It was because of Bulgaria's firm attitude that this bloc never materialized and thus a scheme the object of which was the formation of hundreds of divisions to fight against the Germans was foiled. This fact emphatically proves that Bulgaria followed this policy in order to maintain harmony among the Axis powers. Today we stand firmly at the side of the Axis.

Such a declaration leaves nothing in doubt. The Bulgarians had pursued an organized policy whose object was the disruption of Balkan union in the hope that the Central Powers would espouse the cause of Bulgaria's depredations against her neighbors.

CLAIMS LONG DISPROVED

Fortunately for the ultimate peace of the world, the basis for Bulgaria's claims upon Macedonia and part of Thrace had long since been disproved. Even the Turkish census of 1906, which by no stretch of the imagination could be regarded as pro-Greek, revealed that the entire border area was preponderantly Greek in population, language, culture, and religion. The Bulgarians from time to time undertook to destroy this preponderance by systematic massacre and depopulation but the essential character of the area could not be changed. Consequently, when arrangements were made for the settlement between Greece and Turkey after the last war for the exchange of populations, the areas of Macedonia and Thrace to which the Bulgarians had laid claim were made the specific regions to which the largest allocation of returning Greeks was assigned. From that point on, therefore, Bulgaria's claims against Greece were obliged to adopt the front of economic necessity and the specious need for an Aegean outlet instead of clinging to the old standard line of the return of a Bulgarian population that was supposedly under alien domination. Actually after the resettlement program was completed only 80,000 Bulgarians remained on Greek soil and they were far from the border areas. They remained, incidentally, entirely of their own free will, knowing that their opportunities for advancement were far greater under a beneficent Greece than under a backward Bulgaria.

The present Greek suggestion that there should be some small modification of the Greco-Bulgarian frontier is not based upon ethnic grounds. There is no substantial Greek minority under Bulgarian jurisdiction for one very good reason: The Bulgarians have always undertaken a policy of systematic extermination of any such minority if its presence could be felt. Of course, when they entered Greece under German protection during the last war, they went much further than that. They undertook to exterminate not a Greek minority in Bulgaria but a Greek majority in an area that was incontestably Greek, Greece itself.

Consideration of the Bulgarian frontier, therefore, must divide into two parts. First of all, the Greeks have a right to insist that the border be so situated that the defensible mountain passes dominating the routes of invasion from north

to south are in Greek and not in Bulgarian hands. The Bulgarians have shown a singular talent for placing themselves at the disposal of alien powers. Bulgaria has been the invasion route as far as the Greeks are concerned. For that reason, the Greeks suggest rightly that the battles in defense of their homeland should be fought upon territory advantageous to them and not advantageous to the invader from the north. They propose, in short, that they should not be obliged to defend the plains of Thrace and eastern Macedonia by a stand at Mount Olympus after the northern plains have already been overrun by the invader.

SMALL RECTIFICATION REQUIRED

What is required is a very small rectification from the point of view of territory involved. It will deprive no Bulgarian of his ability to make a living, if he proposes to live in peace. It will add no substantial territory to the Greek domains from the point of view of area. But it will, and it must, add substantially to Greece from the point of view of security.

This is of the utmost importance to Greece not merely in its immediate strategic sense but also because of the influence of strategic security upon economic well-being. The plains of Thrace and eastern Macedonia are the granary of Greece. The reallocation of peoples has made them a relatively densely populated area and, indeed, without their fertility the incorporation of a million and a half Greeks into the homeland economy would have been utterly impossible. Nevertheless, these areas do produce cereals in surplus and the remainder of Greece must look to them for a part of its food supply.

After the appalling experience that the Greeks have had with systematic starvation they are surely not being oversensitive when they suggest that the frontiers of their granary must be guarded.

The second reason for taking up the cause of the Bulgarian frontier in the peace settlement is even more far-reaching. The Greeks wish to be assured that they are not entering upon another era in which Bulgaria will keep systematically alive a series of spurious claims upon Greece or wherein Bulgaria will once more put herself in the hands of an alien power to advance her own territorial ambitions.

Bulgaria's sudden repentance and opportunistic change of front after the Russian armies were at her borders are not in themselves enough to reclassify the Bulgarian nation and to transfer it automatically from the category of a defeated enemy to a victorious ally. The Bulgarians have shown themselves ready enough to change their masters from German to Russian if they could thereby be assured of remaining on the winning side. The Greeks do not believe that 3 months of being in the right camp absolves the Bulgarians from 30 years of being in the wrong camp. They want some concrete evidence that there has been a Bulgarian change of heart as well as a change of front.

The Greeks do not want any power, Nazi, Fascist, or other, to operate through a Bulgarian satellite so as to control the access to their northern plains. The Greeks feel the Bulgarians should be made to understand this. One way that that understanding can be brought about is through a frontier modification that is clearly and indisputably to the military advantage of Greece and to the military disadvantage of Bulgaria.

This case should have a significant appeal to the United Nations when they consider the basis for permanent peace in the Balkans. This is an issue that can be settled; and the position of the United Nations on it can be made unmistakably clear. The Security Council of the United Nations, their General Assembly and the Court of International Justice should not wish to be cluttered up for the next 30 years by a series of Bulgarian claims against a peaceful neighbor advanced in the interests of a supposititious economic need that has never been proved to exist. In the interest of avoiding the basis for endless future disputes, the United Nations will do well to recognize that northern Greece is Greek and that as such it is not a battleground for Bulgarian ambitions. This can be done by the delimitation of a frontier that says an emphatic and permanent "No" to Bulgarian border warfare.

THE CASE AS PRESENTED

This then is the case for Greece. Greece requires from her allies conscientious consideration of her justifiable claims both in the field of reparations and of restitution.

Greece is not seeking territorial conquest. Her national claims are not inspired by any imperialistic expansionism. They are only the just appeal for simple restitution and for future security. And they are based on Greece's demonstrated willingness to cooperate with others for the peace of southeastern Europe.

With those aims in view, Greece is asking:

First, the return of the Dodecanese Islands to Greek sovereignty. This claim has already been acknowledged as just, in all respects, by the United States.

Second, the rectification of the northwest frontier, that is the boundary between Greece and Albania with the return of Northern Epirus to Greece.

If further testimony is needed as to the justice of this claim, one can do no better than to cite the tentative report drawn up at the Paris Peace Conference of 1919 by American experts, under the chairmanship of Professor Monroe. This report was made for the guidance of the American delegation at the Peace Conference, and it said, in part:

> The boundary of the proposed state of Albania as drawn in 1912 was highly artificial, cutting not only lines of economic and national intercourse and national affiliations, but even tribal ties, the strongest bond in a society based on kinship.
>
> In fact, the project of a united Albania appears impracticable. * * *
>
> Therefore we suggest that, in northern Albania, a compact group of Albanians might be segregated, united with their own kin in southeastern Montenegro and western Serbia, and placed under the supervision of Yugoslavia. * * *
>
> 2. It is recommended that on the northwest the frontier of Greece be established as shown in * * * (the accompanying map).

Third, the strategic rectification of the frontier between Bulgaria and Greece. This is vital to the security of the Hellenic homeland and that security is now at stake.

The peaceful settlement of these frontier problems is a pressing issue. At the present time, for example, there are 200,000 refugees from the border areas spread over various parts of Greece and they are in a pitiable condition. They are afraid to return to the border areas, lest they again suffer invasion, or even a swift foray. Their production is lost to Greece.

Unless prompt and decisive action is forthcoming, how can Greece be expected to get back on her feet?

How, indeed, shall Greece embark upon her recovery, a consummation so devoutly to be wished, unless we, the friends and allies of Greece, take up wholeheartedly her unimpeachable cause?

The claims that Greece makes upon her allies are in no sense unreasonable. They do no violence to us or to others. They are the legitimate claims of a victorious ally and what Greece has asked is that their legitimacy be recognized.

The Greeks may with entire propriety press upon the United States and Great Britain the need for espousing this cause. The Greek cause, as we have long since discovered, is our cause and we have every right to defend it. The assistance of the United States in this extremely critical point in Greek history can be of immeasurable value. The goods that we supply can keep Greek children from starvation; the money that we can advance can restore the normal processes of buying and selling.

But more than that, the influence that we can bring to bear at the present time can help to safeguard Greece against a repetition of the tragedies that she has suffered. We have, in effect, a virtual power of life and death over the future of the Greek state at this precise moment in history. We can through our own authority determine whether a new and more beautiful Greece shall arise from the ashes of the old. We can decide whether or not there will be in the future as there has been in the past a great and good and free commonwealth of the Hellenes.

That authority should give us pause. We are dealing with the destiny of several millions of persons. In so doing, the destiny with which we deal is no less our own. How shall we, indeed, face the future if on our own conscience lies the specter of a Greece in chains?

It is precisely because of that future that the cause of Greece must be our cause. We cannot afford to temporize. We cannot afford to sacrifice to expediency the decisions between right and wrong.

We do not wish to be thought ungenerous. Vastly more important now than

pride of position and power is the fact that we must not be unjust.

We are planning new world structures. We are hopeful of a fraternity of mankind in which the ends of freedom and goodness can be served. To attain those ends we cannot do less than to cherish the goodness and freedom of individual men wherever they are to be found. They are to be found in Greece.

We look forward to a new world, better builded than the old. Its cornerstone must be the recognition of the rights of individual peoples to achieve their aspirations, to make their worthy dreams come true. We hope to establish in our relation to those with whom we come in contact the high principles of freedom, of generosity, and of understanding.

We can, therefore, do no less than to call upon our own attributes of the mind and spirit and bring to the cause of Greece these same high purposes that we have already proclaimed.

We want from this new world four things. We want freedom; we want security; we want prosperity; we want peace. No one of those can be achieved unless it rests solidly upon the foundation of justice. We propose to live under law and we propose that law shall be not merely merciful but just.

We believe most ardently that this high hope can be realized. We believe that the very raw material of an infinitely better world is already within our hands. But that material must be molded, shaped, made into the thing that we hold good.

With these principles there can be no dispute. We have but to seek the means by which ideas can be transmuted into actions, words into deeds. In this case the means of that mutation are already in our hands.

We can with serene minds and high hearts espouse in full devotion the cause of justice for Greece.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. MADDEN, for 3 days, beginning Thursday, March 28, on account of important business.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 9 minutes p. m.) the House adjourned until tomorrow, Thursday, March 28, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

SECURITIES SUBCOMMITTEE OF INTERSTATE AND FOREIGN COMMERCE COMMITTEE

There will be a meeting of the Securities Subcommittee of the Committee on Interstate and Foreign Commerce at 2 o'clock p. m. Thursday, March 28, 1946.

Business to be considered: Continuation of public hearing in study of operations pursuant to the Public Utility Holding Company Act of 1935. Securities and Exchange Commission representatives to be heard.

COMMITTEE ON FLOOD CONTROL

The Committee on Flood Control will begin hearings on an omnibus flood-control authorization bill on Monday, April 8, 1946, at 10 a. m. The hearings will continue daily except Saturday up to and including Friday, April 19.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Tuesday, April 9, 1946, at 10:30 a. m., to begin the preparation of an omnibus river and harbor bill. Following is the schedule for hearings:

(Tuesday, April 9)

1. Portland Harbor, Maine.
2. Fall River Harbor, Mass.
3. Wickford Harbor, R. I.
4. New Haven Harbor, Conn.
5. Bridgeport Harbor, Conn.
6. Stamford Harbor, Conn.
7. Barnegat Inlet, N. J.
8. Absecon Inlet, N. J.
9. Delaware River, Biles Creek, Pa.

(Wednesday, April 10)

10. Sacramento River, Calif., deep-water ship channel.

(Thursday, April 11)

11. Schuylkill River, Pa.
12. Middle and Dark Head Creeks, Md.
13. Mattaponi River, Va.
14. Newport News Creek, Va.
15. Norfolk Harbor, Va.
16. Savannah Harbor, Ga.
17. St. Johns River, Fla., Jacksonville to Lake Harney.
18. Hollywood Harbor (Port Everglades), Fla.
19. Withlacoochee River, Fla.

(Friday, April 12)

20. Sabine River, Adams Bayou, Tex.
21. Sabine-Neches waterway, Texas.
22. Trinity River below Liberty, Tex.
23. Aransas Pass, Intracoastal Waterway, Tex.
24. Brazos Island Harbor, Tex.

(Monday and Tuesday, April 22 and 23)

25. Tombigbee-Tennessee Rivers.

(Wednesday and Thursday, April 24 and 25)

26. Franklin Canal, La.
27. Mermentau River, La.
28. Lake Charles deep waterway, Louisiana.
29. Plaquemine and Morgan City route, Louisiana.
30. Red River below Fulton, La.

(Friday, April 26)

31. Big Sandy River, Tug, and Levisa Forks, Va., W. Va., and Ky.

(Monday and Tuesday, April 29 and 30)

32. Arkansas River, Ark. and Okla.

(Wednesday, May 1)

33. Cumberland River, Tenn. and Ky.
34. Big Sioux River, S. Dak.
35. Mississippi River seepage, Iowa, Minnesota, and Wisconsin.
36. Mississippi River at Lansing, Iowa.
37. Mississippi River at Wabasha, Minn.
38. Mississippi River at Lake Pepin, Minn.
39. Mississippi River at Hastings, Minn.

(Thursday, May 2)

40. Fairport Harbor, Ohio.
41. Cleveland Harbor, Ohio.
42. Great Lakes connecting channels, Michigan.
43. Calumet-Sag Channel, Ind. and Ill.
44. Chicago River, North Branch of, Ill.
45. Napa River, Calif.
46. Coos Bay, Oreg.
47. Columbia River at Astoria, Oreg.
48. Columbia River at The Dalles, Oreg.
49. Columbia River, Foster Creek Dam, Wash.

EXECUTIVE COMMUNICATIONS, ETC.

1167. Under clause 2 of rule XXIV, a letter from the Chairman, United States Maritime Commission, transmitting the report of the United States Maritime Commission for the fiscal year ending June 30, 1945, was taken from the Speaker's table, referred to the Committee on the Merchant Marine and Fisheries, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SABATH: Committee on Rules. House Resolution 572. Resolution to provide for the consideration of H. R. 5856, a bill to provide for trade relations between the United States and the Philippines, and for other purposes; without amendment (Rept. No. 1825). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HEDRICK: Committee on Immigration and Naturalization. H. R. 5200. A bill for the relief of Anthony (Tony) Di Ina; without amendment (Rept. No. 1822). Referred to the Committee of the Whole House.

Mr. MILLER of California: Committee on Immigration and Naturalization. H. R. 5634. A bill for the relief of Mrs. Masuyo (Marjorie) Sudo Cromley; without amendment (Rept. No. 1823). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARRY:

H. R. 5899. A bill to enable veterans of World War II to build homes through direct Government down payment grants not in excess of 10 percent of the total cost of the home and land, and in no case in excess of $1,000, provided the veteran waives any right to a future cash bonus in the amount of down payment grant; to the Committee on World War Veterans' Legislation.

By Mr. BRUMBAUGH:

H. R. 5900. A bill to exempt admissions to agricultural fairs from the tax on admissions; to the Committee on Ways and Means.

By Mr. CELLER:

H. R. 5901. A bill to repeal the prohibition against the filling of a vacancy in the office of district judge in the southern district of New York; to the Committee on the Judiciary.

By Mr. ELLIS:

H. R. 5902. A bill to authorize the incorporation of National Association, Rainbow

Division Veterans; to the Committee on the Judiciary.

H. R. 5903. A bill to provide pensions for certain widows and children of deceased World War II veterans; to the Committee on World War Veterans' Legislation.

By Mr. GEARHART:

H. R. 5904. A bill to prevent desecration and mutilation of the flag of the United States; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 5905. A bill providing that additional compensation be paid to navy yard employees who worked on any holiday during the period beginning January 2, 1941, and ending on September 2, 1945; to the Committee on Naval Affairs.

By Mr. RANKIN:

H. R. 5906. A bill to facilitate the decentralization of the Veterans' Administration; to the Committee on World War Veterans' Legislation.

H. R 5907. A bill to authorize the Administrator of Veterans' Affairs to grant an easement for highway purposes to the Commonwealth of Pennsylvania, in certain lands in the reservation of the Veterans' Administration hospital, Lebanon County, Pa., and for other purposes; to the Committee on World War Veterans' Legislation.

By Mr. ROGERS of New York:

H. R. 5908. A bill to provide for the award of a special decoration to American prisoners of war in World War II; to the Committee on Military Affairs.

By Mrs. ROGERS of Massachusetts:

H. R. 5909. A bill to amend the Servicemen's Readjustment Act of 1944, Public Law 346, Seventy-eighth Congress, June 22, 1944, as amended; to the Committee on World War Veterans' Legislation.

H. R. 5910. A bill to amend Public Law 346, Seventy-eighth Congress; to the Committee on World War Veterans' Legislation.

By Mr. VINSON:

H. R. 5911. A bill to establish an office of naval research in the Department of the Navy; to plan, foster, and encourage scientific research in recognition of its paramount importance as related to the maintenance of future naval power, and the preservation of national security; to provide within the Department of the Navy a single office, which, by contract and otherwise, shall be able to obtain, coordinate, and make available to all bureaus and activities of the Department of the Navy world-wide scientific information and the necessary services for conducting specialized and imaginative research; to establish a naval research advisory committee consisting of persons preeminent in the fields of science and research, to consult with and advise the chief of such office in matters pertaining to research; to the Committee on Naval Affairs.

By Mr. BROOKS:

H. R. 5912. A bill to further amend the provisions of the acts authorizing payment of 6 months' death gratuity to widow, child, or dependent relative of persons in the armed forces; to the Committee on Military Affairs.

By Mr. KELLEY of Pennsylvania:

H. R. 5913. A bill to provide that Regular Army officers who have been, or hereafter may be, retired and retained on active duty or immediately recalled thereto shall be entitled to count their active duty as continuous for leave purposes; to the Committee on Military Affairs.

By Mr. REES of Kansas:

H. R. 5914. A bill to provide for the refund of all penalties paid with respect to the 1941 and 1942 crops of wheat; to the Committee on Agriculture.

By Mr. VINSON:

H. R. 5915. A bill to amend the Naval Reserve Act of 1938, as amended, so as to establish the Women's Reserve on a permanent basis, and for other purposes; to the Committee on Naval Affairs.

By Mr. HENDRICKS:

H. J. Res. 329. Joint resolution to provide for discontinuance of surplus property disposal for a period of 30 days, in order that the interests of veterans may be protected; to the Committee on Expenditures in the Executive Departments.

H. Con. Res. 139. Concurrent resolution expressing the sense of Congress that all surplus property disposals should be discontinued for a period of 30 days, in order that the interests of veterans may be protected; to the Committee on Expenditures in the Executive Departments.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Parliament of the Spanish Republic, memorializing the President and the Congress of the United States relative to the standing of the Spanish Government in the United Nations; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CAMPBELL:

H. R. 5916. A bill for the relief of J. W. Mardorf; to the Committee on Claims.

By Mr. DINGELL:

H. R. 5917. A bill for the relief of the Doehler-Jarvis Corp.; to the Committee on Ways and Means.

By Mr. EATON:

H. R. 5918. A bill for the relief of Hugh C. Gilliam; to the Committee on Claims.

By Mr. HARLESS of Arizona:

H. R. 5919. A bill for the relief of Maria Cruz Zapien; to the Committee on Immigration and Naturalization.

By Mr. HOLMES of Washington:

H. R. 5920. A bill for the relief of Norman Thoreson; to the Committee on Claims.

By Mr. MARTIN of Iowa:

H. R. 5921. A bill to reinstate John B. Day, a captain, United States Army, retired, to the active list of Regular Army; to the Committee on Military Affairs.

By Mr. O'BRIEN of Illinois:

H. R. 5922. A bill for the relief of Harry A. Lebolt; to the Committee on Claims.

By Mr. VINSON:

H. R. 5923. A bill to authorize the restoration of Philip Niekum, Jr., to the active list of the United States Navy with appropriate rank and restoration of pay and allowances; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1733. By Mr. FORAND: Resolution of the General Assembly of the State of Rhode Island and Providence Plantations, memorializing the Congress of the United States of America to pass the bill presented by United States Senator THEODORE FRANCIS GREEN, providing for the extension of the Silver Purchase Act, so-called, which expired December 31, 1945; to the Committee on Banking and Currency.

1734. By Mr. LYNCH: Resolution of Parents Association, Public School No. 93, Bronx, N. Y., urging extension of the OPA; to the Committee on Banking and Currency.

1735. By Mr. SMITH of Wisconsin: Resolution of the Racine Lions Club of Racine, Wis., by M. W. Youngs, secretary, urging Congress to include the sum of $50,000 in the agriculture appropriation bill for 1947 to establish a forest research center in Wisconsin; to the Committee on Appropriations.

SENATE

THURSDAY, MARCH 28, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Ralph C. John, S. T. M., assistant minister, Foundry Methodist Church, Washington, D. C., offered the following prayer:

O God, Thou who art the incarnation of all that is good and beautiful, in a day when the bark of human existence is tossed upon a sea out of whose depths emerge so many sinister forces, we pray that Thou wilt be unto us a guiding star. Still the winds of hate that we may be spared their destructive ravages. Around the shoals of wanton selfishness lead us, and all Thy children, as we course toward the haven of brotherhood and love, in which Thy will shall be done as it is in Heaven. Chart and compass Thou art, our Heavenly Father, as in the direction of destiny's fulfillment we move and as earnestly we pray "Thy Kingdom come."

Hear us, we most humbly beseech Thee; these mercies grant and Thine will be the praise, the honor, and the glory. In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, March 27, 1946, was dispensed with, and the Journal was approved.

LEAVE OF ABSENCE

Mr. CHAVEZ. Mr. President, it is necessary that I leave the city of Washington for some time on official business. I am going to Mexico City to represent the United States Government in an international labor conference to be held in Mexico City. I ask permission of the Senate to be absent during the time it may be necessary for me to attend that conference.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from New Mexico? The Chair hears none, and the request is granted.

NOTICE OF HEARING OF NOMINATION OF HOWARD C. SPEAKMAN TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF ARIZONA

Mr. HATCH. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Thursday, April 4, 1946, at 10:30 a. m., in the Senate Judiciary Committee room, upon the nomination of Howard C. Speakman, of Arizona, to be United States district judge for the district of Arizona vice Hon. Albert M. Sames, retired. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Wyoming [Mr.

O'MAHONEY], chairman; the Senator from West Virginia [Mr. KILGORE]; and the Senator from Wisconsin [Mr. WILEY].

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Guffey	Murdock
Austin	Gurney	Murray
Bailey	Hart	Myers
Ball	Hatch	O'Daniel
Bankhead	Hayden	O'Mahoney
Barkley	Hickenlooper	Overton
Bilbo	Hill	Pepper
Brewster	Hoey	Reed
Bridges	Huffman	Revercomb
Briggs	Johnson, Colo.	Russell
Buck	Johnston, S. C.	Saltonstall
Bushfield	Kilgore	Shipstead
Byrd	Knowland	Smith
Capehart	La Follette	Stewart
Capper	Langer	Taft
Chavez	Lucas	Taylor
Cordon	McClellan	Thomas, Okla.
Donnell	McFarland	Thomas, Utah
Eastland	McKellar	Tobey
Ellender	McMahon	Tunnell
Ferguson	Maybank	Vandenberg
Fulbright	Mead	Walsh
George	Millikin	Wheeler
Gerry	Mitchell	White
Gossett	Moore	Wiley
Green	Morse	Young

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from Texas [Mr. CONNALLY], the Senator from Colorado [Mr. JOHNSON], the Senator from Washington [Mr. MAGNUSON], and the Senator from Maryland [Mr. RADCLIFFE] are detained on public business.

The Senators from Nevada [Mr. CARVILLE and Mr. MCCARRAN] and the Senator from California [Mr. DOWNEY] are absent on official business.

Mr. WHITE. The Senator from Nebraska [Mr. BUTLER] and the Senator from Indiana [Mr. WILLIS] are necessarily absent by leave of the Senate.

The Senator from Illinois [Mr. BROOKS], the Senator from New Jersey [Mr. HAWKES], the Senator from Kentucky [Mr. STANFILL], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from Wyoming [Mr. ROBERTSON] and the Senator from Iowa [Mr. WILSON] are absent because of illness in their families.

The PRESIDENT pro tempore Seventy-eight Senators having answered to their names, a quorum is present.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

PRODUCTION AND SALE OF CERTAIN COPIES OF PHOTOGRAPHS AND RECORDS BY GEOLOGICAL SURVEY

A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to authorize the Director of the United States Geological Survey to produce and sell copies of aerial or other photographs and mosaics, and photographic or photostatic reproductions of records, on a reimbursement of appropriations basis (with an accompanying paper); to the Committee on Public Lands and Surveys.

SALE OF CERTAIN LANDS OF L'ANSE BAND OF CHIPPEWA INDIANS, MICHIGAN

A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to authorize the sale of certain lands of the L'Anse Band of Chippewa Indians, Michigan (with an accompanying paper); to the Committee on Indian Affairs.

AMENDMENT OF PUBLIC HEALTH SERVICE ACT

A letter from the Administrator of the Federal Security Agency, transmitting a draft of proposed legislation to amend the Public Health Service Act and the act of June 15, 1943, as amended (with an accompanying paper); to the Committee on Commerce.

WILLIAM H. MORRIS

A letter from the Administrator, National Housing Authority, transmitting a draft of proposed legislation for the relief of William H. Morris (with an accompanying paper); to the Committee on Claims.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

A resolution adopted by the New York League of Women Shoppers, New York chapter, favoring the enactment of legislation extending price control; to the Committee on Banking and Currency.

A resolution adopted by the Town Board of the Town of Lewisboro, N. Y., protesting against the location of a portion or all of the headquarters of the United Nations Organization within the town of Lewisboro, N. Y.; to the Committee on Foreign Relations.

A letter in the nature of a petition from Miss Adele Segal, chairman of the International Relations and Peace Committee, Los Angeles Section, National Council of Jewish Juniors, praying for the enactment of legislation providing low-cost housing, veterans' housing, FEPC, and so forth; to the Committee on Banking and Currency.

A petition of sundry citizens of Brooklyn, N. Y., praying for the enactment of legislation to extend price control; to the Committee on Banking and Currency.

AMENDMENT OF FAIR LABOR STANDARDS ACT—LETTER FROM NATIONAL COUNCIL OF FARMER COOPERATIVES

Mr. CAPPER. Mr. President, I have received a letter from John H. Davis, executive secretary of the National Council of Farmer Cooperatives, of Washington, D. C., urging that sections 7 and 13 of the fair labor standards bill be retained. I ask unanimous consent to present the letter for appropriate reference and printing in the RECORD.

There being no objection, the letter was received, ordered to lie on the table, and to be printed in the RECORD, as follows:

NATIONAL COUNCIL OF FARMER COOPERATIVES,
Washington, D. C., March 27, 1946.

To Members of the United States Senate.

GENTLEMEN: We again strongly urge that sections 7 (c) and 13 (a) (10) be retained in the Fair Labor Standards Act.

To require national wage standards to apply alike to plants handling large volume of processing in high-wage urban areas and to plants handling minimum volume in low-cost rural areas, we believe, will result in centralization in urban areas or abandonment of present operations in rural areas in many cases.

If the Department of Labor is unable to define "area of production" as required in section 13 (a) (10) of the present law in terms of rural and urban areas, we believe the Department of Agriculture has the information and experience to draft a workable definition.

Primary processing plants in rural areas are subject to widely fluctuating operations throughout the year due to weather and transportation as well as other seasonal factors. Small plants operating on minimum volumes cannot restrict the handling of perishables to straight 5-day or 40-hour weeks, nor afford to pay overtime for normal operations.

We respectfully urge that these two provisions be retained in the law if the Congress deems it necessary at this time to revise the Fair Labor Standards Act.

Sincerely,

JOHN H. DAVIS,
Executive Secretary.

SCHOOL-LUNCH PROGRAM—RESOLUTION OF MANHATTAN (KANS.) AERIE, FRATERNAL ORDER OF EAGLES, MANHATTAN, KANS.

Mr. CAPPER. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted by the Manhattan (Kans.) Aerie of the Fraternal Order of Eagles in which they endorse the principle of the school-lunch appropriations legislation now in the hands of the conference committee.

There being no objection, the resolution was received, ordered to lie on the table, and to be printed in the RECORD, as follows:

Whereas there is now pending in Congress legislation which would provide annual Federal appropriations to the States for school lunches, and which would place Federal school-lunch aid on a permanent basis; and

Whereas the Fraternal Order of Eagles has sought to improve child health, and has advocated as a major part of a child health program, school lunches for every community; and

Whereas there are many States and communities which are unwilling or unable to provide school lunches, with the result that children, through no fault of their own, are denied adequate nourishment; and

Whereas in many communities mothers are not fully informed on the preparation of wholesome meals, or are too busy to prepare sustaining school lunches; and

Whereas surveys have disclosed that a major cause of juvenile delinquency is malnutrition and ill health of children, and the Fraternal Order of Eagles has waged long and unceasing warfare on juvenile delinquency, regarding measures to improve the general health of children a potent weapon in this battle; and

Whereas properly prepared and nutritious food for school children is essential to health, happiness and good grades, and contributes to the well being of America's future citizens and the general welfare of the Nation itself: Now, therefore, be it

Resolved, That Manhattan Aerie of the Fraternal Order of Eagles, herewith endorses the principle of pending school lunch appropriations legislation; be it further

Resolved, That copies of this resolution be sent to President Harry S. Truman, the United States Senators from Kansas, and the Congressman of this district.

LOY HALE,
Worthy President.

CONTINUATION OF PRICE CONTROL

Mr. LANGER. Mr. President, I ask unanimous consent to present and to have printed in the RECORD a resolution adopted by the managers, directors, and employees of the Cooperative Stores of the States of Minnesota, North Dakota, and Montana, affiliated with the Farmers Union Central Exchange, Inc., at its annual meeting at St. Paul, Minn., on February 19, 1946, favoring the continuation of price control.

There being no objection, the resolution was received and ordered to be printed in the RECORD, as follows:

Whereas the present OPA Act is due to expire June 30, 1946; and

Whereas if price control is lifted we will suffer disastrous inflation: Therefore be it

Resolved, That we, the managers, directors, and employees from the Cooperative Stores of the States of Minnesota, North Dakota, and Montana, affiliated with the Farmers Union Central Exchange, Inc., hereby assembled in annual meeting in St. Paul, this 19th day of February 1946, urge you to do everything in your power to continue price control, until the danger of inflation is over; be it further

Resolved, That copies of this resolution be sent to the Senators and Representatives from the above States.

CARL LARSON,
Chairman, North Dakota,
GLENN BROWN,
Montana,
GEO. WIRTANEN,
Minnesota,
Resolution Committee.

Adopted February 19, 1946.

REBURIAL OF WAR DEAD IN THE UNITED STATES

Mr. LANGER. Mr. President, I ask unanimous consent to present for printing in the RECORD a letter from Thomas A. Simpson, secretary of the bishop and council, All Saints' Episcopal Church, Minot, N. Dak., embodying a resolution adopted by the missionary district of North Dakota, held at Fargo, N. Dak., on March 12, 1946, relating to the return to the United States for reburial of the bodies of all war dead.

There being no objection, the letter was received and ordered to be printed in the RECORD, as follows:

ALL SAINTS' EPISCOPAL CHURCH,
Minot, N. Dak., March 21, 1946.

The Honorable WILLIAM LANGER,
United States Senate,
Washington, D. C.

DEAR MR. LANGER: At a meeting of the bishop and council of the missionary district of North Dakota held at Fargo, March 12, the following resolution was passed:

"*Be it resolved*, That we register our unanimous protest against the bills, now pending in Congress which provide for the return to the United States for reburial of the bodies of all war dead."

We believe it is more truly Christian for our Government to spend available funds to relieve the suffering of millions of people now dying from lack of food, clothing, and shelter throughout the world.

We trust that you will give careful and favorable consideration to our plea.

Sincerely yours,

THOMAS A. SIMPSON,
Secretary of the Bishop and Council.

RESOLUTIONS OF NORTH DAKOTA RETAIL LUMBERMEN'S ASSOCIATION

Mr. LANGER. Mr. President, I ask unanimous consent to present for printing in the RECORD resolutions adopted at the thirty-eighth annual convention of the North Dakota Retail Lumbermen's Association in Fargo, N. Dak., relating to the critical lumber and building material situation and the OPA.

There being no objection, the resolutions were received and ordered to be printed in the RECORD, as follows:

NORTH DAKOTA RETAIL
LUMBERMEN'S ASSOCIATION,
Fargo, N. Dak., March 18, 1946.

Hon. WILLIAM LANGER,
United States Senate, Washington, D. C.

DEAR SENATOR LANGER: The thirty-eighth annual convention of the North Dakota Retail Lumbermen's Association has just been concluded in Fargo with an attendance of 443 members represented.

During the course of the convention a resolutions committee presented a report which was unanimously adopted by this gathering, and the secretary of the association was instructed to communicate with our Senators and Representatives in Washington giving them the resolutions as adopted by this conference.

The resolutions are as follows:

"Whereas the major problem confronting the Nation's domestic economy at the present time is that of stimulating construction of housing and farm buildings; and

"Whereas it is vitally necessary that this problem be solved without delay; and

"Whereas one of the two principal obstacles in the path of the solution of this problem is the production of lumber and building materials; and

"Whereas in our opinion the chief obstacle to the stimulation of production of lumber and building materials is the unrealistic administration policies being pursued by the OPA, which are actually curtailing production;

"Therefore the delegates of this 1946 postwar conference of the North Dakota Retail Lumber Dealers Association strongly protest to the President and Congress of the United States:

"First. The critical lumber and building material situation.

"Second. Its relation to the national construction and home-building program.

"Third. The unrealistic pricing relationships and the present ceiling price schedules of manufacturers of lumber and building materials, and recommend the elimination of OPA entirely unless the following fundamental changes are made:

"(a) Producer and manufacturer prices shall be adjusted on a "balanced" price basis to secure production of required items for our peacetime economy, particularly house-construction items.

"(b) The requirements of absorption by the distribution industry of producer increases be discontinued immediately.

"(c) The advice and judgment of the Industry Advisory Committees be given the serious consideration the situation warrants, and that was intended to be given when these committees were formed and their cooperation solicited.

"(d) The OPA direct their enforcement efforts at the production level to secure balanced production and distribution and thus remove the source of the black market now increasingly developing.

"(e) A revision of the basic legislative act and administration of the act, guaranteeing industry protection in the courts on an equal basis with the Government and its agencies, not now provided."

These resolutions and their recommendations were adopted by a group of practical businessmen here in this State who are having to deal with this problem every day, and we, therefore, recommend it to you for your very serious consideration. Anything which you can do to head off this Wyatt building program will be of advantage to the general public in the long run. Of course, the basic problem, too, is the OPA's pricing program.

The Fargo Forum has carried some very fine articles on this situation as it exists in our country today. Especially do I recommend for your reading the Sunday issue of the Fargo Forum published March 17. There is both an article on page 9 and also the editorial on the back page.

Sincerely yours,

JOHN A. ALSOP,
Secretary.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. O'DANIEL, from the Committee on Claims:

S. 1442. A bill for the relief of George O. Weems; without amendment (Rept. No. 1082);

H. R. 2318. A bill for the relief of Mrs. Mertie Pike and the estate of Mrs. Burnice Smotherman, deceased; without amendment (Rept. No. 1083);

H. R. 2837. A bill for the relief of George Stiles; without amendment (Rept. No. 1084);

H. R. 2901. A bill for the relief of Mrs. Janet McKillip; without amendment (Rept. No. 1085); and

H. R. 2927. A bill for the relief of Mrs. Evelyn Merritt; without amendment (Rept. No. 1086).

By Mr. KILGORE, from the Committee on Claims:

S. 287. A bill for the relief of Murphy & Wischmeyer; without amendment (Rept. No. 1087);

S. 470. A bill for the relief of W. P. Richardson, as successor and assignee of W. P. Richardson & Co., of Tampa, Fla., a partnership composed of W. P. Richardson, George W. Hessler, and L. C. Park by reason of certain claims arising within the World War period; with amendments (Rept. No. 1092);

H. R. 1732. A bill for the relief of Mrs. Marie A. Shedd, Mrs. Maude C. Denney, and Mrs. Mabel Glenn Gray; without amendment (Rept. No. 1088);

H. R. 1980. A bill for the relief of Maj. Edward A. Zaj; without amendment (Rept. No 1089);

H. R. 3050. A bill for the relief of David Siskind; without amendment (Rept. No. 1090); and

H. R. 3127. A bill for the relief of Harry F. Vinton, Jr.; without amendment (Rept. No. 1091).

By Mr. CAPPER, from the Committee on Claims:

H. R. 2249. A bill for the relief of the Cape & Vineyard Electric Co.; without amendment (Rept. No. 1093).

INVESTIGATION OF SENATORIAL PRIMARIES AND ELECTIONS—REPORT OF COMMITTEE ON PRIVILEGES AND ELECTIONS

Mr. GREEN. Mr. President, from the Committee on Privileges and Elections I ask unanimous consent to report favorably without amendment Senate Resolution 224, to appoint a special committee

to investigate senatorial campaign contributions and expenditures in the 1946 elections. At a meeting held by the committee this morning it was unanimously voted that I, as chairman of the committee, be instructed to make a favorable report on the resolution and ask that it be referred to the Committee to Audit and Control the Contingent Expenses of the Senate, as it calls for an appropriation.

The PRESIDENT pro tempore. Without objection, the report will be received and the resolution will be referred to the Committee to Audit and Control the Contingent Expenses of the Senate, as requested by the Senator from Rhode Island.

PAY ALLOWANCES OF CERTAIN OFFICERS OF THE RETIRED LIST OF THE REGULAR NAVY AND COAST GUARD

Mr. BREWSTER. Mr. President, from the Committee on Naval Affairs, I ask unanimous consent to report favorably the amendment of the House of Representatives to the bill (S. 473) relating to pay and allowances of officers of the retired list of the Regular Navy and Coast Guard performing active duty in the rank of rear admiral.

The PRESIDENT pro tempore. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. Strike out all after the enacting clause of the Senate bill 473 and insert:

That any officer of the retired list of the Navy or Coast Guard of the permanent grade or rank of rear admiral who is entitled to the pay of the lower half of that grade and who is, has been, or may be recalled to active duty and who in time of war or other national emergency served, serves, or may serve satisfactorily on active duty for a period of 2 years or more in the grade or rank of rear admiral or in a higher grade, shall be entitled when on active duty to the pay and allowances of a rear admiral of the upper half unless he is entitled under other provisions of law to higher pay and allowances, and he shall be entitled when on inactive duty to retired pay equal to 75 percent of the pay of a rear admiral of the upper half unless he is entitled under other provisions of law to higher retired pay or allowances: *Provided*, That no back pay or allowances shall be held to have accrued under this act prior to the date of its approval.

Mr. BREWSTER. Mr. President, I ask unanimous consent for the present consideration of the amendment.

The PRESIDENT pro tempore. Is there objection?

Mr. OVERTON. Mr. President, if the request of the Senator from Maine is for the immediate consideration of the amendment, I object.

The PRESIDENT pro tempore. Objection is heard.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CHAVEZ:

S. 1994. A bill to amend the National Service Life Insurance Act of 1940, as amended; to the Committee on Finance.

(Mr. MYERS introduced Senate bill 1995, to establish the office of Coordinator of Veterans' Affairs, which was referred to the Committee on Finance, and appears under a separate heading.)

By Mr. REVERCOMB:

S. 1996. A bill granting an increase of pension to Leslie Harding; to the Committee on Pensions.

By Mr. EASTLAND:

S. 1997. A bill for the relief of Raymond Covington; to the Committee on Claims.

By Mr. HILL:

S. 1998. A bill for the relief of Mrs. Hal S. Martin; to the Committee on Claims.

(Mr. SMITH (for himself and Mr. GUFFEY) introduced Senate Joint Resolution 148, to authorize suitable participation by the United States in the observance of the two hundredth anniversary of the founding of Princeton University, which was referred to the Committee on the Library, and appears under a separate heading.)

(Mr. AIKEN introduced Senate Joint Resolution 149, to prevent the use of grain for nonessential purposes during the period of shortage, which was referred to the Committee on Agriculture and Forestry, and appears under a separate heading.)

COORDINATOR OF VETERANS' AFFAIRS

Mr. MYERS. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill which would authorize the President to appoint, with the consent of the Senate, a Coordinator of Veterans' Affairs, whose function it would be to coordinate the activities of all departments and agencies that relate to veterans' problems. The coordinator would have the authority to:

First. Make studies and investigations which would help consolidate and correlate veterans' activities, eliminating any overlapping of functions,

Second. Issue necessary orders, regulations and directives to departments and agencies,

Third. Work with State and local agencies veterans' organizations, and other groups concerned with the welfare of veterans, and

Fourth. Recommend specific legislation to Congress.

General Bradley, Administrator of Veterans' Affairs, has described the problem aptly, when he wrote:

I say the war is not over. It will not be over until the men who fought it, now coming home at the rate of a million a month are given the opportunity to find employment, rebuild their lives and resume their responsibilities as civilians.

The returning serviceman is a strong vigorous and fearless individual, who must now readjust himself from war to peaceful pursuits. The Federal Government has done much to ease the veteran back into civilian life.

The loans on homes, farms, and businesses have aided some 125,000 veterans. The outstanding program for education provided in the GI bill of rights has proven its worth by the enormous numbers of veterans that have returned to college. The United States Employment Service is helping them find a job. The mustering-out pay, the $20 weekly unemployment compensation have been helpful. The Veterans' Administration is embarking on huge hospital and rehabilitation programs and is extending relief to veterans and dependents of deceased veterans. Many other agencies in the Government are providing services for our discharged veterans, including the Selective Service Board, the United States Civil Service Commission, the United States Employees' Compensation Commission, the Railroad Retirement Board, the War Assets Corporation, the Department of Commerce, and the FRC, the Department of Internal Revenue, Wage and Hour and Public Contracts Division, United States Department of Labor, the Federal Housing Administration, the Social Security Board, the Office of Education, the Office of Price Administration, and the Farm Security Administration.

But upon examining the entire program we find that veterans are disgruntled with good cause, for we have enacted into law all of these services and benefits, but we have no integrated program. Veterans' facilities are located in more than 20 different governmental agencies, each independent of the other, and, in fact, each agency in administering these programs seems to be totally oblivious of every other governmental agency that is also concerned with the veterans' needs.

In introducing this bill to set up a Coordinator of Veterans' Affairs, I had in mind a coordinator who would help overcome some of the difficulties that now stand in the way of a complete adjustment for the veteran. The coordinator would help unite the efforts of the Federal Government, States, and local agencies. He should be in close touch with the problems that arise from day to day. He should consolidate and correlate all veterans' activities, and he should eliminate the difficulties that now arise because veterans' facilities are located in so many different agencies.

It is important to the welfare of all Americans that we provide an adequate and integrated veterans' program. We should leave no stone unturned, no complaint should be ignored. Expending every effort at this time will enable millions of vigorous and capable men and women to build a sound and strong democracy dedicated to the economic security of all our people.

There being no objection, the bill (S. 1995) to establish the office of Coordinator of Veterans' Affairs, introduced by Mr. MYERS, was received, read twice by its title, and referred to the Committee on Finance.

BICENTENNIAL CELEBRATION OF FOUNDING OF PRINCETON UNIVERSITY

Mr. SMITH. Mr. President, I desire to say a word about Princeton University, which this year begins the celebration of the two hundredth anniversary of its founding.

Beginning with the next academic year this coming September 1946, Princeton University in Princeton, N. J., will begin its bicentennial year. In commemoration of this important event in the history of our country, the president, trustees, and faculty of Princeton University have designated for special observance and commemoration this bicentennial year from the 22d of September 1946 to the 17th of June 1947. The announcement of this bicentennial commemoration has just been issued by the

president, trustees, and faculty of the university, as follows:

We, the president, the trustees, and the faculty of Princeton University, send cordial greetings to our colleagues in institutions of higher learning throughout the world.

The university year, 1946–47, will bring Princeton to the end of its second century and to the beginning of its third. It is therefore fitting and proper, as we observe this bicentennial year, not only to rejoice in the success which providence has given to scholarly efforts in the past, but also to take counsel with other scholars in preparing jointly to meet the tasks lying beyond this crucial moment in history.

Since the days of Witherspoon and Madison, Princeton has dedicated itself to the ideals of freedom in thought and spirit. In 1896, on the occasion of our sesquicentennial celebration, the voice of one of Princeton's illustrious sons, Woodrow Wilson, gave expression to a deep sense of national obligation in the phrase "Princeton in the Nation's service." On the eve of its third century, Princeton University rededicates itself to those ideals.

And now, in this our bicentennial year, the grave crisis in human affairs which confronts us transcends all national bounds and imposes new and pressing obligations upon the world of learning. Wisemen must speedily take earnest counsel lest the world's tragic sacrifice shall have been offered in vain. Princeton, therefore, proposes to direct its bicentennial celebration to the end applying, in consultation with scholars throughout the world, our common skills, knowledge, and wisdom to the reconsideration of the fundamental obligations of higher learning to human society, hoping thus to contribute to the advancement of the comity of all nations and to the building of a free and peaceful world.

Now, therefore, we, the president, the trustees, and the faculty of Princeton University, have designated for special observance and commemoration the bicentennial year of our university, from the 22d of September 1946 to the 17th of June 1947. And in due season, we shall invite representatives of colleges, universities, and learned societies of the world to participate in the ceremonies which we are planning.

HAROLD W. DODDS, *President.*
WALTER E. HOPE,
Chairman of the Executive Committee of the Board of Trustees.
ROBERT K. ROOT,
Dean of the Faculty.

JANUARY 1, 1946.

I am confident that friends of learning all over the United States and the world will be interested to note that Princeton University "proposes to direct its bicentennial celebration to the end of applying, in consultation with scholars throughout the world, our common skills, knowledge, and wisdom to the reconsideration of the fundamental obligations of higher learning to human society."

Princeton thus will make its contribution "to the advancement of the comity of all nations and to the building of a free and peaceful world."

In connection with this celebration, the president, the trustees, and the faculty of Princeton University have invited the President of the United States to attend the closing exercises of this celebration in June of 1947, and the President has graciously accepted this invitation, as has already been announced in the press.

Mr. President, in light of this important activity during the next academic year of this great American university, it seems fitting that due recognition should be given by the Congress of the United States, and in line with the precedent established on the occasion of the three hundredth anniversary of the founding of Harvard College in 1936, and the two hundredth anniversary of the founding of the University of Pennsylvania in 1940, I have the honor to ask unanimous consent to introduce in behalf of the distinguished Senator from Pennsylvania [Mr. GUFFEY] and myself, both graduates of Princeton University, a joint resolution and ask that it be referred to the Committee on the Library for prompt consideration.

Mr. President, I send the joint resolution to the desk and request that it be read. I will ask my colleague, the Senator from Pennsylvania, if he cares to make any remarks in this connection.

Mr. GUFFEY. Mr. President, as the coauthor, with the Senator from New Jersey [Mr. SMITH], of the joint resolution, and as a former Princetonian, I sincerely hope prompt action will be taken by the committee to which it will be referred.

The PRESIDENT pro tempore. Without objection, the joint resolution will be read, as requested by the Senator from New Jersey.

There being no objection, the joint resolution (S. J. Res. 148) to authorize suitable participation by the United States in the observance of the two hundredth anniversary of the founding of Princeton University, introduced by Mr. SMITH (for himself and Mr. GUFFEY), was received, read the first time by its title, the second time at length, and referred to the Committee on the Library, as follows:

Whereas there are to be held at Princeton, N. J., and at other places, during the academic year beginning September 22, 1946, and ending June 16, 1947, ceremonies, convocations, and conferences commemorating the two hundredth anniversary of the founding of Princeton University; and

Whereas such ceremonies, convocations, and conferences will be devoted to applying, in consultation with scholars throughout the world, our common skills, knowledge, and wisdom to the reconsideration of the fundamental obligations of higher learning to human society, with a view to contributing to the advancement of the comity of all nations and to the building of a free and peaceful world; and

Whereas Nassau Hall, for two centuries the traditional center of the university, is intimately associated with the earliest days of the Republic, having been alternately occupied by British and American troops and seriously damaged, and having then become temporarily the seat of the National Government in 1783 upon the removal of the Congress from Philadelphia to Princeton, and having been the site of the reception by Congress of the first properly accredited minister from abroad to the United States of America; and

Whereas graduates of Princeton were signers of the Declaration of Independence; and

Whereas alumni of Princeton played a distinctive part in the drafting and adoption of the Constitution of the United States; James Madison having taken the lead in the calling of the Constitutional Convention and in shaping and procuring the ratification of the document, and more alumni of Princeton than of any other college having been members of the Convention; and

Whereas many Princeton men have served with distinction in the executive, judicial, and legislative branches of the Government of the United States since its founding; and

Whereas Princeton has given to the United States of America two great Presidents and to the world two great contributors to the cause of human freedom, namely, James Madison and Woodrow Wilson; and

Whereas since its founding Princeton has dedicated itself to the ideals of freedom in thought and in spirit; and

Whereas at the end of its second century and the beginning of its third it has, through its president, trustees, and faculty rededicated itself to such ideals: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Government and the people of the United States unite with Princeton University in a fitting and appropriate observance of the two hundredth anniversary of its founding.

SEC. 2. There is hereby established a commission to be known as the United States Princeton University Bicentennial Commission (hereinafter referred to as the Commission, to be composed of 15 Commissioners, as follows: The President of the United States and 4 persons to be appointed by him, the President of the Senate and 4 Members of the Senate to be appointed by the President of the Senate, and the Speaker of the House of Representatives and 4 Members of the House to be appointed by the Speaker. Any vacancies occurring in the membership of the Commission shall be filled in the same manner in which original appointments to such Commission are made.

SEC. 3. The Commission, on behalf of the United States, shall cooperate with the representatives of Princeton University, the State of New Jersey, and the Borough of Princeton, N. J., in the appropriate observance of such anniversary, and shall extend appropriate courtesies to the delegates of foreign universities and other foreign learned bodies, or individuals, attending the celebrations as guests of Princeton University. The Commission is authorized in performing its functions under this section to utilize the services and facilities of the various agencies and instrumentalities of the United States, with the consent of such agencies and instrumentalities.

SEC. 4. The members of the Commission shall serve without compensation. They shall select a chairman and a secretary from among their number, but the President of the United States shall be designated as the Honorary Chairman of the Commission.

PREVENTION OF USE OF GRAIN FOR NONESSENTIAL PURPOSES

Mr. AIKEN. Mr. President, I have just been advised that feed mixers in the Northeast dairy section have told farmers that they have got to cut the supply of dairy and poultry feed 25 to 30 percent beginning immediately.

The quality of grain delivered up to now has been so low that already the production of milk per cow has dropped not only below that of last year, but even below the 10-year average.

Indications are that the supply of dairy products will fall far below the requirements of the country even without the 30-percent cut in grain.

Day after day the plight of millions of people throughout the world is being brought home to us. Malnutrition, disease, and starvation stalk not only those countries with which we were recently at war, but the countries of many of our allies as well. The future peace of the

world may conceivably depend upon the success of our efforts to alleviate these conditions.

Some time ago the Secretary of Agriculture directed American distilleries to cut down on the use of grain for the manufacture of alcoholic liquor. I understand that the operators of the distilleries have resorted to processing methods which enable them to get around this order, and that since VJ-day they have produced almost twice as much liquor as has been consumed in the United States.

I am advised further that even now the distilleries of the United States are, in spite of the administration order, producing liquor at a far greater rate than it is being consumed.

At a time when millions of people are starving, and even the children of America are not receiving the amount of milk they should have, such a condition should not be tolerated.

For that reason, I ask unanimous consent to introduce for appropriate reference a joint resolution which would authorize and direct the President and the Secretary of Agriculture to issue directives effectively preventing the use of grain for the manufacture of liquor during the period of extreme emergency which we are now experiencing.

I am not offering this joint resolution for the purpose of prohibiting the sale of liquor. There is already an immense supply available. I am offering it for the purpose of conserving our grain supply in a time of dire need, in order that fewer people may die of starvation and more children may grow strong and healthy.

There being no objection, the joint resolution (S. J. Res. 149) to prevent the use of grain for nonessential purposes during the period of shortage, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

AMENDMENT OF FAIR LABOR STANDARDS ACT—AMENDMENTS

Mr. CAPEHART submitted an amendment intended to be proposed by him to the amendment proposed by Mr. ELLENDER (for himself and Mr. BALL) to the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. CAPEHART submitted an amendment intended to be proposed by him to the bill (S. 1349), supra, which was ordered to lie on the table and to be printed.

HOUSE BILL REFERRED

The bill (H. R. 5890) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

EDITORIAL COMMENT ON PROPOSED REORGANIZATION OF CONGRESS

Mr. DONNELL. Mr. President, I ask unanimous consent that there be inserted in the CONGRESSIONAL RECORD following the conclusion of my remarks three editorials each of which has reference to the report of the special committee headed by the senior Senator from Wisconsin [Mr. LA FOLLETTE] and Representative MONRONEY, of Oklahoma, relating to the reorganization of Congress. One of these editorials is from the March 5, 1946, issue of the Star-Times of St. Louis, Mo.; the second of the editorials is from the March 6, 1946, issue of the Times, Kansas City, Mo.; and the third is from the March 16, 1946, issue of the St. Louis Post-Dispatch.

The PRESIDENT pro tempore. Without objection, the editorials will be printed in the RECORD.

(The editorials are as follows:)

[From the St. Louis (Mo.) Star-Times of March 5, 1946]

FOR A MORE USEFUL CONGRESS

Congress now has before it a program which, if adopted, will go far to bring it into step with the times. This consists of the reforms proposed by a special Senate-House committee under the leadership of Senator LA FOLLETTE, of Wisconsin, and Representative MIKE MONRONEY, of Oklahoma.

The proposals seek to increase congressional efficiency by raising congressional salaries $5,000 a year and providing a pension plan; by increasing salaries of Senate and House employees by 50 percent; by cutting down the large number of committees; by relieving Congress of the chore of governing the District of Columbia, and by turning over to the Court of Claims the settling of the thousand and one small claims which, under the present system, must be handled by Congress each year.

The most important reforms proposed are those in connection with the present committees. The 33 standing committees of the Senate would be reduced to 16, and the 48 House committees would be consolidated into 18. All special investigating committees would be abolished, their functions going to the new standing committees. Most important of all, there would be policy committees in each Chamber to fashion definite programs for both the Republicans and the Democrats, thus introducing real party responsibility into the national legislature.

Unfortunately, the La Follette-Monroney committee did not strike hard enough at the worst evil in the committee system—the rule under which chairmen are automatically chosen by seniority and given almost autocratic power over their groups. Committee chairmen ought to be chosen for their qualifications and not simply because of their good fortune in winning elections.

A somewhat questionable item among the proposed reforms is that which would authorize the committee to keep a running check on the administration of all legislation passed by the Congress. This idea is sound enough in principle, but until we get men of higher caliber than some of the present Members, it might be grossly abused. Federal administrators might be subjected to endless harassment. As the directly elected representatives of the people, the men on the Hill obviously have the duty of keeping an eye on the administrative branch of the Government. This is part of our system of checks and balances. However, men of the stripe of Martin Dies and JOHN RANKIN have shown all too often that congressional surveillance can easily be turned into mischievous interference and obstructionism.

Perhaps if congressional salaries were raised even higher than the committee recommends, they would attract men with a broader concept of their duties to the National Legislature. The Heller report, prepared for the National Planning Association, recommended a flat salary of $25,000 a year for both Senators and Representatives. Hesitation on the part of the electorate to approve such salaries stems largely out of the abysmal record of all too many Members of the House and the Senate.

In general, the La Follette-Monroney recommendations represent a great advance toward better government. In a time as difficult and complicated as ours—a time in which decisions must be made with the utmost intelligence as well as with speed—Congress simply must break out of its horse-and-buggy pattern. Unless it adapts itself to the modern world, Congress inevitably will continue to lose prestige in the eyes of the people and power in the affairs of the Government.

[From the Kansas City (Mo.) Times of March 6, 1946]

FOR A STRONGER CONGRESS

The fact long has been recognized that Congress needs to modernize itself for the transaction of legislative business. The complaint has been heard for years that the congressional committee system was top-heavy and antiquated, that committees and individual Members were without the expert assistance they needed, that the pay of Members was not sufficient to attract men of outstanding ability and that the system of representative government itself was threatened by this weakness.

Numerous plans of reorganizing and streamlining Congress have been submitted with zero as the result. The fact remains that Congress needs a more efficient organization. Now a program to that end has been submitted by a joint committee of the body itself and, therefore, may receive a better hearing than various proposals that have come from the outside. This committee, headed by Senator LA FOLLETTE, of Wisconsin, and Representative MONRONEY, of Oklahoma, has directed its efforts to removal of the long recognized weaknesses.

It proposes, for example, a reduction of Senate committees from 33 to 16, and of House committees from 48 to 18. It would thus avoid the duplication and overlapping of committees. At the same time it would employ expert assistance, not only for committees, but for individual Members of Congress, and would require the registration of lobbying groups. Also, it would increase the pay of Members from $10,000 to $15,000 annually.

This pay proposal is likely to attract more attention than any other, although it is comparatively a minor feature of the reorganization program which makes various additional recommendations for strengthening the legislative body. At various times Congress has attempted to deal with the pay situation but has been afraid of the political effects of action. This latest proposal is more reasonable than some others, which have ranged to a maximum of $25,000.

There can be no doubt that if the recommended changes were adopted, at least in substance, Congress would be a much stronger and more effective body than it is today. It would rise in the esteem of the American people, and a danger to which the joint committee points might be removed. It is the danger that the executive branch, with its numerous agencies and nonelective officials, may usurp the functions constitutionally delegated to Congress as a representative of the people.

[From the St. Louis (Mo.) Post-Dispatch of March 16, 1946]

MR. TRUMAN ENDORSES REFORM

Let us hope that President Truman will depart for once from his easygoing custom in the matter of congressional reform. Speaking as a real expert in this matter, Mr. Truman is for the La Follette-Monroney report. It should be enacted; it is almost desperately urgent that legislation making be brought

nearer the demands of the 1940's. Because of his propensity to begin and end his efforts for worthy legislation with a verbal blessing, however, no one will really expect influential action from the President until he actually exerts it.

Mr. Truman is also specifically for the registration of lobbyists. It should be done. It should be done, however, with a clear understanding that it will neither solve nor very much abate the problem of pressure-group influence. It will only make the lobbyists a bit easier to identify and to evaluate.

One of the better measures against undue influence is more expert assistance to Congress by a more adequate staff. Since better pay and retirement privileges will attract better men to Congress and make them less sensitive to special-interest favors and frowns, that provision, too, is a weapon against lobbyists. In the end, however, the people themselves, and especially the people outside special-interest organizations, are the only sure weapon.

The true remedy against selfish lobbies is a more representative public opinion which has informed itself and then bothered to make its judgments heard. Such a lobby, if it is large and resolute enough, could overcome congressional inertia and the congressional disposition to push aside important business, including vital parts of the La Follette-Monroney report.

CHARGES OF THE EMPLOYMENT OF COMMUNISTS IN GOVERNMENT OFFICES

Mr. TAYLOR. Mr. President, I feel that the provision made by the founding fathers for separation of the church and the state was a wise one. On the other hand, inasmuch as economic matters are affected by Government and in view of the fact that, naturally, every Christian is interested in the economic well-being of the people, I think it is perfectly proper for clergymen to take an interest in political matters. I do not mean that they should do so officially, for the church and the state should be kept separate; but they certainly should have the right to counsel with their flocks.

On the other hand, in the past few days there have been two instances which have been very disturbing to me. Recently a clergyman made a statement that the State Department was shot through with Communists. That statement was unsupported. More recently, in fact, only yesterday or the day before, another high church official stated that a congressional committee had a full-fledged Communist on the pay roll. Consequently, today practically every employee on Capitol Hill is looking at all the other employees, wondering who is this full-fledged Communist. Certainly that is not a good condition to prevail. If people, whether they wear the cloth or not, are going to make such charges, it seems to me as an individual Senator that it would certainly be the proper thing to do to name the person so charged, rather than to cast general aspersions upon every employee of a department or upon every person on Capitol Hill who is employed by one of the congressional committees.

JACKSON DAY ADDRESS BY SENATOR JOHNSTON OF SOUTH CAROLINA

[Mr. BRIGGS asked and obtained leave to have printed in the RECORD a Jackson Day dinner address delivered by Senator JOHNSTON, of South Carolina, at Kansas City, Mo., on March 23, 1946, which appears in the Appendix.]

JACKSON DAY ADDRESS BY SENATOR MITCHELL

[Mr. MITCHELL asked and obtained leave to have printed in the RECORD a Jackson Day address delivered by him at Spokane, Wash., March 23, 1946, which appears in the Appendix.]

JACKSON DAY DINNER ADDRESS BY SENATOR LUCAS

[Mr. GREEN asked and obtained leave to have printed in the RECORD an address delivered by Senator LUCAS at the Jackson Day banquet at Providence, R. I., March 23, 1946, which appears in the Appendix.]

SHRINE TO ST. PATRICK AT ST. PATRICK, MO.—EDITORIAL FROM KAHOKA GAZETTE-HERALD

[Mr. BRIGGS asked and obtained leave to have printed in the RECORD an editorial from the Kahoka Gazette-Herald of St. Patrick, Mo., relating to a shrine to honor St. Patrick, being built at St. Patrick, Mo., which appears in the Appendix.]

USES OF THE BRITISH LOAN—EDITORIAL FROM CHRISTIAN SCIENCE MONITOR

[Mr. TOBEY asked and obtained leave to have printed in the RECORD an editorial entitled "Uses of the British Loan," published in the Christian Science Monitor of February 8, 1946, which appears in the Appendix.]

REORGANIZATION OF CONGRESS—EDITORIAL COMMENT

[Mr. PEPPER asked and obtained leave to have printed in the RECORD several editorials relating to the reorganization of Congress, which appear in the Appendix.]

BROADCASTING OF CONGRESSIONAL PROCEEDINGS—ARTICLE BY JACK H. POLLACK

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an article entitled "Shall We Broadcast Congress?" written by Jack H. Pollack and published in Liberty magazine for February 17, 1945, which appears in the Appendix.]

CREATION OF A WORLD REPUBLIC

Mr. TAYLOR. Mr. President, on October 24, I submitted a resolution asking the Senate to go on record as favoring the creation of a world republic. At the present time I should like to submit some supplementary material for printing in the RECORD because I have been mailing many copies of the resolution and the speech I made at that time. More than 100,000 copies have been sent out as the result of requests which have come to my office. This supplementary material is submitted for the RECORD in order that it may be included with a new printing of the resolution.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

Many events have transpired since Senate Resolution 183 was introduced which would be very encouraging to the advocates of world government—

The Dublin (Mass.) conference of prominent citizens from many fields of endeavor.

The petition signed by 1,000 outstanding Americans headed by Albert Einstein addressed to President Truman urging him to take the lead in the fight for world government.

The Rollins (Fla.) College conference to promote world government which was attended by a large number of carefully chosen educators, scientists, jurists, writers, farm and labor leaders.

The recent statement of Supreme Court Justice William O. Douglas, strongly advocating world government.

The statement of Foreign Secretary Ernest Bevin, of Great Britain, that he was ready to discuss world government with other interested parties or nations.

Prime Minister Mackenzie King, of Canada, said that world government was in his opinion the only way to keep peace in the world.

The new French Constitution specifically provides for and makes it possible for that nation to join with other nations in creating a world government.

Complying with requests from individuals and organized groups interested in world government over 100,000 copies of Senate Resolution 183 have been distributed.

Before attending the London meeting of the UNO, Senator CONNALLY, chairman of the Foreign Relations Committee, said flatly, "We do not want world government." In reporting to the Senate upon his return from London Senator CONNALLY said that there had been discussion among the UNO delegates favorable to the idea of turning that Organization into a world government "eventually."

Those interested in world government should read The Anatomy of Peace, by Emery Rooves (Harper & Bro., publishers). This splendid book answers most of the arguments again world government such as the talk about sacrificing our sovereignty and that different economic systems cannot live peaceably under one roof.

Another new book that presents the dark alternatives to world government is One World or None, published by Whittlesey House, a division of McGraw-Hill Book Co., Inc.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the bill (H. R. 5890) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, and for other purposes, in which it requested the concurrence of the Senate.

AMENDMENT OF FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent to have printed in the RECORD a timely and appropriate editorial entitled "South Stands To Gain Under Economy in Which Higher Wages Prevail," published in the Anderson (S. C.) Independent of March 27, 1946.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SOUTH STANDS TO GAIN UNDER ECONOMY IN WHICH HIGHER WAGES PREVAIL

Most southern leaders are coming to these conclusions:

The Nation is in for a period of high wage economy.

The South stands to gain as much from this trend as any other section, and probably more.

The Southern States should, with their many advantages, be able to stand up in competition with the remainder of the Nation on an equalized wage scale.

If the South is unable to do this in view of its potentialities, there is something wrong with our political and business leadership.

Then there are these accepted facts:

Government regulation of wages, as the Independent noted recently, will continue.

The South, as an integral part of the Nation, will find its wages regulated along with those in other States.

This regulation will be progressively higher.

Some Representatives of the South in Congress apparently have lost sight of the trend or else they have lost contact with the people they represent.

In this respect, the Raleigh (N. C.) News and Observer correctly comments:

"Those southerners who are ganging up with Republican Members of Congress to kill measures that will sign the death blow to low wages and low prices of farm products, do not reflect the spirit of the great masses of the people of the South.

"From the day Roosevelt's New Deal proposals lifted the country out of depression, the Republicans, or most of them, have voted as the plutocrats wished them to vote and against liberal and helpful laws. They know where their bread is buttered and receive big campaign contributions. The Democrats who gang up with these reactionaries get nothing but denial of better conditions for their constituents."

Certainly there are conditions when southern Representatives in the Congress find themselves alone, such as in the case of the FEPC. Both northern Republicans and Democrats gang them on that.

But as for measures affecting the wage scales of the masses of southern people, southern Democrats certainly aren't building their own political futures or helping their constituents when they fall in with the traditional Republican opposition to concrete acts designed to help the so-called little people. And the Lord knows there are millions of them in the South who are just now finding the dim light of hope in the economic blackness that has so long shadowed this rich and promising area.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. RUSSELL], for himself and other Senators, to the amendment offered by the Senator from Florida [Mr. PEPPER], for himself and other Senators.

Mr. LANGER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. PEPPER. Mr. President, I hope a vote has not been ordered on this amendment, because the able Senator from Oklahoma [Mr. THOMAS] expects to address himself to the amendment.

The PRESIDENT pro tempore. The yeas and nays have been ordered, but that does not shut off debate, and the Senator from Oklahoma will be recognized now.

Mr. RUSSELL. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. RUSSELL. The yeas and nays have been ordered, but, as I understand, that does not in any wise interfere with discussion of the subject.

The PRESIDENT pro tempore. The Senator is correct.

Mr. THOMAS of Oklahoma. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. THOMAS of Oklahoma. To the end that all Senators present may understand the rule, is it not the rule that at any time prior to the actual calling of the roll and prior to some Senator answering when his name is called, any Member of the Senate may obtain the floor and address the Senate?

The PRESIDENT pro tempore. That is correct.

Mr. THOMAS of Oklahoma. Mr. President, before the vote is taken on this amendment I desire to submit for the RECORD some reasons why I am supporting it. I refer to the amendment submitted by the Senator from Georgia [Mr. RUSSELL]. The debate to date in opposition to amendment has been calculated to leave the impression that we are now in the midst of gigantic inflation. Mr. President, the facts do not justify such a conclusion.

After the last war it took the administration in power at that time some 6 years to come to a decision as to where the price level should be stabilized so as to enable the Government to balance its Budget. That decision was not reached until 1926. In 1926 the administration in power decided that the price level during that year was about at the point where the people could produce, could make money, could pay their taxes, and could keep the Government a going concern. In that year the administration adopted the present plan for arriving at the price level. An average of the price of each of approximately 750 commodities was taken as the basis of that price level, and the average of the prices of those commodities was made the basis or 100 percent. That was done at a time when the United States was at peace with all the world. It was a time when the party in power boasted that we were having the Coolidge era of prosperity. At that time—1926—the country had facing it a national debt of approximately $20,000,000,000. At that time the Budget was $4,250,000,000. So, Mr. President, with a national debt of only $20,000,000,000, and with an Annual Budget of only $4,250,000,000, the administration decided that a price level of 100, which was the average of the current prices of those commodities throughout the entire year 1926, would be the proper basis for a price level to assure the continuation of the Government.

Today, Mr. President, after the recent war, we find we have suggested Budget estimates of some $35,000,000,000. We find we have a national debt approaching $300,000,000,000. It is now more than $280,000,000,000. Even with the enormous increase in the national debt and the enormous increase in the Budget estimates, the average of the prices for the commodities to which I have referred stands at only 108 percent of what it was in 1926.

Mr. WILEY. Did the Senator say 108 percent?

Mr. THOMAS of Oklahoma. One-hundred-and-eight-plus percent. Meaning a fraction of 1 percent.

So, Mr. President, if we can have confidence in the figures of the Bureau of Labor Statistics—which are official—we find that today the price level is 8-plus percent above what the price level was in 1926. That is all the inflation we have, save in the black market. I do not know what the prices are in the black markets of this Nation. But the same official figures show that the price level, now covering almost 900 commodities, stands at 108-plus percent.

It is my contention, Mr. President, that this Nation cannot service the present national debt and pay the interest upon the debt and eventually pay off the debt and keep this country a going concern on the basis of the present price level. Some persons may say I am an inflationist. If so, my reasoning and my position are based upon the facts as I see them.

Mr. REED. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). Does the Senator from Oklahoma yield to the Senator from Kansas?

Mr. THOMAS of Oklahoma. I yield.

Mr. REED. Let me inquire of the distinguished Senator from Oklahoma whether it is not true that too many people base their opinion of the present price level on the very low price levels which existed during the period of the depression in the 1930's. Many persons to whom I have talked or those with whom I have come in contact or those who have written to me speak about or refer to a wild degree of inflation at the present time. However, the Senator from Oklahoma has just stated the facts. As compared with 1926, which, for that decade, was taken as an average year of fairly good general business, the general price level has risen only 8 percent since that time.

In considering the idea of price inflation which many people hold at the present time, I think they make the mistake of comparing the present price level with the very low price level which was reached during the depression years.

Mr. THOMAS of Oklahoma. Mr. President, the Senator from Kansas is exactly correct. Those who contend that we now have wild inflation must remember the time when we had 19-cent wheat in my State; they must remember when we had 15-cent corn throughout the Nation, 2½-cent hogs, 2½-cent cattle, and thousands upon thousands of unemployed people walking the streets and the highways looking for work. Of course, if that should be the basis, then we do have higher prices now. But, Mr. President, the prices I have just referred to were abnormally low—so low that the country could not live and pay its bills.

Mr. REED. Mr. President, will the Senator yield to me again?

Mr. THOMAS of Oklahoma. I yield.

Mr. REED. I should like to add that neither agriculture nor business could have survived on the extraordinarily low price level which existed during the 1930's, the depression period.

Mr. THOMAS of Oklahoma. I thank the Senator.

Mr. President, I should like to show those who wish to go back to the low prices of 1930, 1931, and 1932, just what they wish to go back to in connection with the national debt and the average budget which we must face. In 1932 we had low prices. In 1932 the only money the Treasury could collect from the people was a little over $2,000,000,000 in

taxes. A little more than $2,000,000,000 in Federal taxes is all that could be collected in 1932 from the people of this Nation. Mr. President, how far would $2,000,000,000 in taxes go today? It requires some $7,000,000,000 to pay the interest on the national debt. That is the first item of debt which the people must face. The next thing which the people must face in the way of taxes is the collection of sufficient money to take care of the requirements of the Navy, Army, and Air Force in order to protect the interests of our people at home and abroad. We do not now know just how large a military establishment we should maintain. But, for the next few years, at least, it will cost billions of dollars to support the Army and the Navy. It is safe to say that in addition to the necessity of collecting $7,000,000,000 of taxes to pay interest, it will cost at least $5,000,000,000 to maintain a military establishment, and we do not know how far into the future we will have to maintain so large an Army and Navy.

Thirdly, Mr. President, we must take care of our returning veterans. Less than an hour ago the Appropriations Committee of the Senate completed hearings on one item in a bill pending before the committee in which the Federal Housing Administration is asking for a quarter of a billion dollars merely to build temporary shacks for the use of returning veterans. In addition to being supplied with housing, those veterans must be rehabilitated. That will cost additional billions. We must also build hospitals for them and take care of them while they are in the hospitals. That will require further billions. In the next 2 years, from two and one-half billion to three billion dollars will be required in order to take care of the expenses associated with returning veterans from World War II. We also must take care of the veterans of World War I as well as those of other past wars. Mr. President, the present estimate is that it will cost the people of America approximately $15,000,000,000 to take care of expenses incident to our past wars, not only during this year but the next year and a number of years to come.

Incident to war alone, we start off with a burden upon our shoulders of approximately $15,000,000,000 each year. To the $15,000,000,000 we must add some $10,000,000,000 to meet the expenses of the regular departments of the Federal Government. The Federal Budget will be at least $25,000,000,000 per annum for many years to come. Add to that another $10,000,000,000 necessary to take care of State, county, city, and district governments, and we will have total costs of government approximating some $35,000,000,000 per annum. For the immediate years even a greater sum will be required.

Mr. President, I have before me a statement which was made up today. The Budget estimates pending before Congress for the coming fiscal year 1947 total $29,292,139,510.66. How can people make sufficient money on a low-price level to pay the enormous tax which the Government will require?

There are some persons connected with this administration who are trying to prevent other persons from making any profit whatever. If they are successful in their efforts, where will the money come from? It will come from the same source that it is coming from now. We are not collecting enough money through taxes today to pay the bills. A few days ago the Secretary of the Treasury is quoted as having said that we are approaching a time when we may probably see a balanced Budget. Not in 1946 or 1947, however, but at some early date. So, in order to get money today to pay our bills—we are not selling bonds anymore to speak of—we must rely first, upon taxes, and if taxes cannot be collected in a sufficient amount to meet our debts, we must print bonds, place them in the banks, and write checks against the credit thus created. That is what we are doing at this hour.

Mr. President, with respect to finances I do not believe that the United States as a nation is any smarter than some of the other nations in the world. During World War I Italy became involved in debt. So heavily in debt was Italy at the end of that war that the Italian people saw no chance of paying their bonded indebtedness on the basis of the then value of the lira, the lira being the monetary unit of Italy. Based upon gold, the lira was worth 19.3 cents. In order to meet their obligations, pay as much as they could on their national debt, and keep their country going, the Italian Government devaluated the gold lira to some 5½ cents. That was a devaluation of about 75 percent.

After World War I France was also involved in debt. Her franc was valued, in terms of gold, at 19.3 cents, and she was so heavily in debt that she saw no chance to pay her obligations. So she devaluated her monetary unit to 2.85 cents, or less than 3 cents a franc.

Mr. President, I am not advocating that the American dollar be devaluated 75 percent as was the Italian lira. I am not urging that the American dollar be devaluated as much as the French franc was devaluated. I am asking only that the price level be allowed to edge upward to the point where the people can make enough money to pay their taxes and keep this country a going concern. By "country" I mean not only the United States, but the various States, counties, and districts. I cannot now say where the value of the dollar should be placed. It required a Republican administration from 1921 to 1926, some 6 years, to come to a conclusion as to where the value of the dollar should be placed in order to enable the administration to carry on. It is my judgment that it will require whatever administration may be in power from this time henceforth a number of years to ascertain just where the dollar should be placed in terms of property in order to enable this country to continue as a going concern.

So, Mr. President, when someone says that we are to have higher prices, it does not unduly alarm me because I know that higher prices are coming and that a higher price level must be maintained. I would rather see it edge up slowly. It is now only 8 percent above what it was in 1926. So I am not unduly alarmed at the prospect of an increase in prices.

We have heard it stated on the floor of the Senate that today the farmers are enjoying great prosperity. I exhibit to the Senate a newspaper printed close to the Capital. It is known as the Montgomery County Sentinel, published at Rockville, Md., almost in the shadow of the dome of the Capitol. The date of this issue was Thursday, March 14, only 2 weeks ago. Let me exhibit to the Senate page 2, containing advertisements under the heading "Public sale." The first is an advertisement by George E. Biddison, who is selling off the livestock from his land which is not far from Rockville, Md.

Advertisement No. 2, "Public sale." I shall read the first line:

Discontinuing farming, the undersigned offers his property for sale.

The farmer is Charles L. Rice, route 3, Frederick, Md.

Next, "Public sale":

Intending to discontinue farming, * * * Ray Wisner, Frederick, Rural Route 1.

"For sale." The Commonwealth Farms are being sold at public sale by the owner, Mr. W. W. Moore. He is also selling out.

The next page contains practically nothing but flaming public-sale advertisements; and that in a newspaper published almost within the sight of the Capitol. The farms are being sold in the immediate neighborhood of Washington.

Of course, someone may say the farmers made so much money during the war that they are going to retire, but I cannot take that viewpoint. Agriculture is not in a prosperous condition today. It is true the farmers are getting more for their wheat than during the depression days; they are getting more for their cotton, their corn, their hogs, their cattle, and other commodities than during the depression; but everything else has gone up. The things the farmers have to buy have gone up; labor has gone up; farm machinery, when the farmer can get it, has gone up. So while the farmers are getting more for the things they produce they certainly are not in a prosperous condition today as is evidenced by these for-sale advertisements close to the Nation's Capital.

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Kansas?

Mr. THOMAS of Oklahoma. I yield to the Senator from Kansas.

Mr. REED. May I call the attention of the distinguished Senator from Oklahoma to the fact that from 1940 to 1945 the farm population of the country decreased 5,000,000. The farm population was approximately 30,000,000 in 1940 but was reduced to 25,000,000, approximately, in 1945.

I am sure the Senator from Oklahoma will agree that people do not leave a location or an industry unless they can better themselves in some other location and industry. Is it not the best answer to any question about the degree of farm prosperity as compared with conditions that exist in other industries, that 5,000,000 people in the United States of

America have left the farms for other employment during the past 5 years?

Mr. THOMAS of Oklahoma. The Senator's statement is exactly correct. I have before me the agricultural statistics for 1944. The farm population has dwindled 7,000,000 in the last few decades. My State has lost almost a half a million farmers and other States in the Central West have lost farm population. Every food-producing State in the Central West has lost population. My State lost a Member of the House of Representatives because the population had dwindled, and those who left did not all go to towns and cities. They left the farm and left the State, many of them not to return. They went to places where they could get more money than they could earn by producing farm commodities in my State of Oklahoma. That is another evidence that farming is not prosperous at the present time, and has not been for years.

My attention was called, Mr. President, to a pamphlet that came to my office recently. It is an advance print of some pages from the County Gentleman. This article is entitled "Detroit Takes the Farm Road." I have read the article. It is very instructive, and very interesting, and, knowing conditions as I know them, the article is based upon facts. I desire to read for the RECORD a very brief extract or outline of the contents of this article. I quote:

> Prosperity begins on the farm. Unless the farmer is prosperous, industry cannot be prosperous, labor cannot be prosperous, nobody can be prosperous.

Is that the truth? Mr. President, I assert that those statements are correct, they are true. I read further:

> This is the new economic religion sweeping Detroit which Arthur Barlett, an associate editor of County Gentleman, recently discovered when he discussed agriculture with top-bracket industrialists in the motor capital.
>
> Detroiters list four fundamental facts to sustain their theory of the farmer's prime importance:
>
> 1. All of us are totally dependent on the farm for the necessities of life—food, clothing, much of our shelter, some of our fuel.
>
> 2. A substantial portion of industry's raw materials comes from the farm (65 percent is the figure cited).
>
> 3. Forty percent of our population lives on the farm or in rural areas which depend almost entirely on the farm for a living.
>
> Since no city in the United States replenishes its population, we have to look to those who now live in rural areas to supply citizenry to the cities.

Now, I desire to call attention for the record to some other facts. Statistics show that the national income is approximately seven times the income of the farm population of America. The national income, whatever it may be and whatever year may be taken, is approximately seven times the amount that the farmers make in any one year. If anyone doubts that statement, I shall place in the RECORD in a moment figures showing the farm income and also the national income for a number of years. Someone may say that farm income depends upon the national income; that as the national income goes up the farm income goes up. The facts are that the national income is approximately seven times the income of agriculture. In 1943 the farm income was $22,000,000,000 and the national income was $147,000,000,000. Multiply the farm income—$22,000,000,000—by 7 and the result is $154,000,000,000.

In 1942 the farm income was $18,000,000,000, and the national income was $120,000,000,000. Multiply the $18,000,000,000 farm income by 7 and the result is $126,000,000,000. I am omitting the millions. If the millions were included, it would be more nearly accurate.

In 1941 the farm income was $13,000,000,000. The national income was $94,000,000,000. Multiply $13,000,000,000—the farm income—by 7 and we get $91,000,000,000.

In 1940 the national income was $78,000,000,000. The farm income was $10,000,000,000. Multiply $10,000,000,000 by 7 and we get $70,000,000,000.

In 1939 the farm income was $10,000,000,000. The national income was $71,000,000,000. Multiply $10,000,000,000 by 7 and we get $70,000,000,000.

So it is a statistical fact that the national income, in any year is approximately 7 times the income of agriculture.

If the desire is to drag the national income down, then drag the farm income down. If the desire is to increase the national income, increase the farm income, and thereby we will increase the national income.

Mr. President, I do not intend to discuss this matter for any great additional length of time. I am for the amendment. In the form of a bill it has passed the House on two separate occasions. The Senate Committee on Agriculture and Forestry held hearings on a similar bill and such committee reported the bill favorably to the Senate.

At a later date the Senate passed the bill and sent it to the House, but I think before the bill reached the House, or immediately thereafter, a question arose about coal strikes. The argument was made that if the bill were enacted it would have a tendency somewhat to raise the cost of farm products, so far as the parity price was concerned, that that would give the leaders of the striking coal miners an added excuse, or an added argument, for enforcing their demands for higher wages, and the powers that be had the bill returned to the Senate.

Mr. President, we are told that if this amendment shall be enacted it will increase the cost of living. A few days ago some who are opposing this amendment approved an increase of 18½ cents an hour in indistrial wages. As a result of that increase, immediately the price of steel was raised approximately $5 a ton. When the price of steel goes up, the price of automobiles must go up, the price of farm tractors must go up, the price of plows and harrows and nails and wire must go up, and those are things the farmers have to buy. If officials are content with inflation in steel products, in automobiles, in farm tractors and plows, the things the farmer has to buy, why do they object viciously and loudly to a little increase in income going to the farmer?

Mr. President, let me ask this question. Conceding that the amendment, if it shall be agreed to and is signed by the President, does increase the income of the farmer slightly, if he is entitled to such increase, why should not the increase be granted?

I contend that the farmer is entitled to this increase, but I want the RECORD to show that the amendment will not of itself raise prices. This does not guarantee the farmer an increase for his cotton, or an increase in the price of his wheat or his hogs or his cattle. It merely increases the parity price, and the parity price is the goal the administration has set as a price the farmer should have if he can get it. It is up to him to get the increased price if he can. The argument made that it is going to raise prices somewhat weighs only slightly with me.

When the vote comes upon the amendment, I expect to vote for it. I wish to say that the farm income is very small in proportion to other incomes, and I desire in conclusion to give for the RECORD my analysis on this particular point.

It is my contention that the present parity law is deficient. The present parity formula is not, in my opinion, satisfactory. In my opinion the present parity law is not fair, it is not just to the farmers of the country, for the reason that it does not include farm labor costs in the making up of the parity price.

Let me ask this question: What concern which manufactures products could live if that concern did not add its labor cost to the price of the thing it produced? The farmer has to produce, and he does not get the benefit of his labor costs in making up his price.

I contend that a farm is a factory. A farm is just as much of a factory as is any concern that can be named. A farm produces livestock, a farm produces corn, a farm produces wheat, a farm produces the things which the people eat and the things they wear, so a farm is a factory.

All other factories are allowed to use their labor costs in fixing the prices of their products, save the farmer, and I contend that until the parity formula is changed, the farmers will not have a fair and just parity price for their products.

Some of our people contend that the farmers are enjoying unparalleled prosperity. I shall place some figures in the RECORD to show that that is not true, even today, after a world-wide war, at a time when we have in circulation almost $28,000,000,000 of money. At the time of the last war we had only about $6,000,000,000 in circulation. Today we have almost $28,000,000,000.

At the time of the last war we had scarcely fifty billion of credit money in circulation. Now we have over one hundred and fifty billion of credit money in circulation. It is more than that, because I am speaking in conservative figures.

Our nonfarm population seems to think the farmers are enjoying unparalleled prosperity, and I wish now to place in the RECORD facts showing that in the past farming has been neither pleasant nor profitable, and I can speak with much authority, because I was born and raised on a farm.

Mr. President, notwithstanding the fact that the demand for food and fiber has increased, the farm population has decreased, as related by the Senator from Kansas. In 1930 there were over 32,000,000 people living on farms. In 1945 the number has decreased to some 25,000,000, showing a loss of over 7,000,000 in our farm population, and this despite the fact that more food is required, and despite the further fact that farm conditions have improved in the last third of a century.

Again, it is contended by some that farmers are among the most prosperous groups of our people. To reach such a conclusion they must remember 20-cent wheat, 15-cent corn, 5-cent cotton, and 3-cent hogs and cattle, and then compare the 1932–33 prices with the prices of today, and conclude that farming is one of our most prosperous industries.

It is further true that while wages, salaries, and industrial prices have advanced, farm prices have been held down to the levels of prices current in 1926. Some are far below what they were in 1926. For example, oil is a farm product. The oil we produce comes from the land, from holes drilled in the land. It is a farm product, and the price of oil is only 61 percent of parity today. In other words, oil and oil products are only 61 percent as high today as they were in 1926.

Mr. President, the year 1944 is supposed to have been one of our most prosperous years for all groups of our people. What are the facts? In that year the total annual income was about $160,000,000,000. Of this sum, 25,000,000 farmers received on the average $920 each, and 113,000,000 nonfarmers received on the average $1,200 each. The farm population received $920, the workers and the nonfarm population received $1,200 each. On farms all members of the family work, and that cannot be said of the members of nonfarm families.

During the year 1944 the average income of all our people was $1,160 per capita. Thus the record shows that industrial and nonfarm personnel received more than the average annual income, while farmers received $240 less, which should be convincing proof that farming, even in World War times, is not a prosperous activity.

The fact that farmers have quit farming, sold out, and gone to town to compete with those working in industry is to me no mystery. The fact that advertisements are placed in a newspaper printed only a few miles from the Capitol offering farm land for sale and offering farm animals and equipment for sale is to me no mystery. What are the farmers going to do? Some might say the farmers have made so much money they are retiring and living on their incomes. That is not true. If Senators will investigate the circumstances surrounding these farm sales and the condition of the owners of the farms, they will find that farmers cannot make money at present prices, so they are selling out and going to towns to get jobs in competition with industrial workers.

Mr. President, fair farm prices will decrease farmer competition with industrial labor. As it is now, with low farm prices compared with what farmers have to pay for their labor and for the things they have to buy, the farmers are leaving the farms, moving to the towns and the cities, and there entering into competition with industrial labor.

Mr. President, it is my contention that if farm prices were placed on a fair parity with labor and industrial prices, people would go back to the farms and begin to produce and be able to make at least a fair and decent living.

The present parity law is delinquent, and, therefore, defective. Until the law is amended to include all farm-labor costs—and that is the purpose of the Russell amendment—agriculture will continue to lag behind labor and industry, and farmers will remain in a substrata section of our economic life. It is my contention that an increase of only a slight amount in the parity formula, as provided by the Russell amendment, will have a psychological effect upon the agricultural population which will be highly beneficial.

Mr. President, as we increase farm prices, the national income will go up. As we lower farm prices and decrease farm income, the national income falls. I contend that our enormous national debt cannot be serviced and we cannot meet the budget requirements on a low national income. The national income must be higher. So, as I see the picture, we are going to have high industrial wages, high common wages, high salaries, high prices of farm commodities, high prices generally, sufficiently high to enable the people to make enough money to pay the necessary taxes to support the Government. If that is not done, what will Government bonds be worth? I know the bondholders do not like to hear a speech of this character, but unless the people make sufficient money to enable them to pay the taxes which are necessary to pay the interest on the bonds of the Government, what is going to happen to the bonds? Only one thing—repudiation and default. I am not in favor of reducing the value of a Government bond a single cent below what is necessary in order to protect the equity of the holder. If that can be done at 100 percent, that is what I want. But if we cannot maintain the price level at 100 percent and pay the interest and pay the principal of the bonds, it will either mean repudiation or we will have to reduce the value of the dollar and increase prices so we can meet our obligations, and the meeting of our obligations has been the goal of this country from the beginning, and I am sure it is the goal at the present time.

So, Mr. President, as I see the economic picture, prices are going to go up to that point where the people can make sufficient money to pay their obligations. If they do not, what will happen? We will have to keep on with what is called deficit financing, which means printing more bonds, putting the bonds in the banks and writing checks against the credit thus created and when that process is continued indefinitely, then what will happen? Then the crash will come, and what we have seen happen abroad will be nothing in comparison to what will happen in this country.

Mr. President, I am for a balanced budget. In order that there may be a balanced budget people will have to make sufficient money to pay sufficient taxes to balance the budget. I contend that the Russell amendment to the pending bill is only simple justice to the farm population of America, and its adoption is necessary in order to enable the agricultural population of America to pay their share of the running expenses of their Government.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had disagred to the amendments of the Senate to the bill (H. R. 5400) making appropriations for the fiscal year ending June 30, 1947, for civil functions administered by the War Department, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. KERR, Mr. MAHON, Mr. NORRELL, Mr. HENDRICKS, Mr. KIRWAN, Mr. ENGEL of Michigan, Mr. CASE of South Dakota, and Mr. TIBBOTT were appointed managers on the part of the House at the conference.

AMENDMENT OF FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

Mr. LUCAS obtained the floor.

Mr. MURRAY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Murdock
Austin	Guffey	Murray
Bailey	Gurney	Myers
Ball	Hart	O'Daniel
Bankhead	Hatch	O'Mahoney
Barkley	Hayden	Overton
Bilbo	Hickenlooper	Pepper
Brewster	Hill	Reed
Bridges	Hoey	Revercomb
Briggs	Huffman	Russell
Brooks	Johnston, S. C.	Saltonstall
Buck	Kilgore	Shipstead
Bushfield	Knowland	Smith
Byrd	La Follette	Stewart
Capehart	Langer	Taft
Capper	Lucas	Taylor
Chavez	McClellan	Thomas, Okla.
Cordon	McFarland	Thomas, Utah
Donnell	McKellar	Tobey
Eastland	McMahon	Tunnell
Ellender	Maybank	Vandenberg
Ferguson	Mead	Walsh
Fulbright	Millikin	Wheeler
George	Mitchell	White
Gerry	Moore	Wiley
Gossett	Morse	Young

The PRESIDING OFFICER (Mr. GOSSETT in the chair). Seventy-eight Senators having answered to their names, a quorum is present.

Mr. LUCAS. Mr. President, I have an unusual amount of confidence in the distinguished chairman of the Committee on Agriculture and Forestry [Mr.

THOMAS of Oklahoma]. He has been a Member of the Senate for a long time. As one who serves on the Committee on Agriculture and Forestry with him, I should like to testify to his efficiency and courtesy at all times as chairman of that committee.

However, I was utterly surprised to hear such a distinguished Member of the Senate say he had no fear of inflation. To one who lived in the inflationary period following World War I, that statement came as a surprise. I am sure the distinguished chairman of the committee and all other Members of the Senate remember that immediately following World War I, when prices started to drop, the average farm income decreased from $1,360 a year to $460 a year; and in the 5 years following that depression, 453,000 farmers lost their farms through mortgage foreclosures. That is what the statistics show. Those who lived in the great agricultural areas at that time well remember exactly what happened with respect to high prices, both in regard to the commodities which were produced on the farms and in regard to farm lands themselves. As one Senator of the United States and as an individual who owns farm lands in the central part of Illinois, I do not care to see that condition occur again. That is one of the basic reasons for my opposition to the so-called Russell amendment.

Mr. President, once again I wish to explain briefly to the Senate, and particularly to some of the newer Members of the Senate who are not on the Committee on Agriculture and Forestry, exactly what the parity formula is. I do not undertake to say that I am an expert on the question, because it is a complex one. People who do not understand the parity formula are constantly writing to me about it.

Mr. President, in the Agricultural Adjustment Act of 1933, the Congress laid down the policy as to parity, and declared, among other things, that it was "our policy to reestablish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of agricultural commodities in the base period." That was the original formula which was worked out at that particular time after being labored over for many days by the leaders of agricultural thought in the Nation.

The base period for agricultural commodities other than potatoes and tobacco is from August 1909 to July 1914. I wish to put into the RECORD at this point a statement showing how the base price was determined. Its complexity demonstrates to the Senate how long those then responsible for the parity formula must have labored in conceiving the formula, and why I am opposed to tampering with the formula at this time in such a haphazard way as is proposed by this amendment.

Simply stated, the steps or methods used in calculating parity prices for agricultural commodities are:

First. A base price is determined. Where satisfactory data are available this is done by averaging the prices received by farmers for the 60 months beginning August 1909 and ending July 1914. The average price of cotton during this period, for example, was 12.4 cents a pound, while corn averaged 64.2 cents a bushel and wheat averaged 88.4 cents a bushel. The base prices for tobacco and for a considerable number of fruits and vegetables, including potatoes, are averages of the season average prices for the marketing seasons falling within the 120 months, August 1919 to July 1929, or the 60 months, August 1934 to July 1939.

Second. An index of prices paid, including interest and taxes is calculated. To begin with, the prices of 86 items used in family living and 94 items used in farm production are collected. These items include clothing; household supplies; food; furniture and furnishings; building materials; automobiles, trucks, and tractors; feed; farm machinery; fertilizer; equipment and supplies, including gas, oil, and tires; and seed. The estimated quantity of each commodity bought by farmers is used to combine these prices into an index. Allowances for taxes and mortgage interest payable per acre on farm real estate are also included.

Mr. President, that index as of January 1946 was 1.77. When we multiply 1.77 by 88.4, which was the average price of wheat during the base period 1909 to 1914, we have a parity price for wheat of $1.56 a bushel. That was the parity price of wheat figured out under the formula created by the Congress through the Triple A Act in 1933.

In the case of corn the index of 1.77 multiplied by 64.2 gives a price for corn of $1.14, that being the parity price at the present time.

Mr. President, according to the statistics furnished to me by the Department of Agriculture, if the Russell amendment were enacted into law, the price index would increase from 1.77 to 2.36. When we multiply 2.36 by 84 we have a parity price for wheat of $2.07. In other words, the parity price is boosted practically 33⅓ percent. In the case of corn it goes from 64.2, multiplied by 2.36, or $1.51 as the parity price for corn.

Mr. President, those figures have been worked out by the Agricultural Department, and I assume that no one will seriously challenge what will happen to these two commodities, wheat and corn. What will happen to those commodities will happen to every other basic commodity which is included in the pending amendment.

We who live in the Corn Belt district are somewhat fearful of parity for corn at $1.55. In the event we get a parity price of $1.55 and the price of our corn should go to $1.55, it will be necessary to raise the price of hogs and cattle far above what they are at the present time, and both are now above parity. Eighty-five percent of our corn is fed to hogs and cattle which are raised in the Corn Belt district. The price of hogs and cattle always follows the price of corn, and I believe that I am expressing the sentiment of practically every corn farmer who understands this problem when I say that they are very well satisfied with the parity price as it now stands. Certainly they do not desire such a tremendous increase in parity through this type of legislation.

Mr. President, the farmer buys many articles. He does not raise everything he eats. If the parity price of corn should go to $1.55, the price of food which the farmers must buy—and which the public as a whole must buy—would increase accordingly. Those consumers frozen to a pension or salary would receive a severe economic jolt.

Moreover, Mr. President, if this amendment should become the basic law of the land, the price-support program would be seriously jeopardized. We have gone a long way in behalf of the American farmer by giving him a support program for 2 years following the declaration of the end of the war.

I wish particularly to discuss that subject at this point. I am about to read from an issue of the Prairie Farmer, which is one of the finest farm publications in this country. The article which I am about to read is under date of September 15, 1945, and contains the following information:

The average price of corn was $1.12. The support price of the 1945 crop was not stated for corn. Perhaps it has been announced since. In 1946 Secretary Anderson announced the price support of at least $1.

The Steagall amendment provides a support of 90 percent parity for 2 years after the official end of hostilities.

Wheat in 1947 and 1948, is guaranteed at $1.37. So during 1947 and 1948 the farmer is guaranteed, under the support program, 90 percent of parity, or at least $1.35 a bushel for his wheat. This would automatically boost and determine the minimum amount the farmer would get for his wheat during those 2 years.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. RUSSELL. Am I to understand that the Senator is urging that the adoption of the pending amendment would have the effect of repealing the support law?

Mr. LUCAS. No; but it would break it down, which would amount to practically the same thing.

Mr. RUSSELL. The Senator believes that it would break down the support law, even in view of the tremendous increases in wages for nonfarm workers, and price increases for all commodities the farmer must buy which are here or impending could not be maintained.

Mr. LUCAS. That is my opinion. If wheat should go to $2.07 a bushel, and if corn should go to $1.50 a bushel, and we are bound under the Steagall amendment to provide 90 percent of parity for 2 years after the official ending of hostilities, my contention is that unless there is an unusual demand all over the world for wheat and corn during 1947 and 1948, the support program would break down of its own weight because the Government could not finance it on a basis of 90 percent of parity.

Mr. RUSSELL. Does not the Senator then anticipate that there will be an unparalleled demand for wheat, corn, and other farm commodities during the next 2 years?

Mr. LUCAS. I certainly hope so, but I am not willing to take the chance of seeing the support program broken down as a result of an inflationary amendment of this character. That is my position.

Mr. RUSSELL. If the Senator will indulge me, I merely wish to state that, in my opinion, the Congress of the United States would never strike down the support program so long as we were moving forward in a national program to increase wages and annual income of every person in the land except those who till the soil. The Congress would never agree to strike down the support program so long as we were moving forward with a program to increase the annual income of every other group in the Nation except the farmer.

Mr. LUCAS. What we are doing in this amendment is moving parity on corn to $1.50, and wheat to $2.08, and guaranteeing the farmer 90 percent of each for 1946 and 1947.

Mr. RUSSELL. Are we not in the bill guaranteeing an increase of even a greater percentage in the wages of all those who toil in industry, other than agriculture?

Mr. LUCAS. I do not so understand, and I am only taking the records and figures which have been presented by the able Senator from Florida, and his statement of what he contends the committee hearings show. I have not read the hearings, but if I follow his statement, what the Senator from Georgia says is not the case.

Mr. RUSSELL. Of course, the Senator knows that the present minimum wage is 40 cents on hour, and it is proposed to increase it to 65 cents an hour. I submit as a mere matter of mathematics that the increase is greater than the increase to which the Senator adverts, and the Senator has not given us any figures of comparison between the wages of nonfarmers in the base period, 1909 to 1944, and the present time. He is merely arguing the matter from the standpoint of farm prices.

Mr. LUCAS. I will tell the Senator why he wants the cost of labor in the formula now, which he did not want in 1933.

Mr. RUSSELL. There has never been a time when the Senator from Georgia did not think the labor cost was appropriate to be a part of the parity formula.

Mr. LUCAS. In 1933 the Senator from Georgia did not speak up very strongly in behalf of including labor costs in the formula.

Mr. RUSSELL. No, the Senator from Georgia had just arrived here in 1933, and there was an understanding, in the old days in the Senate, that new Senators would not speak. But I am frank to say that I was not a member of the Committee on Agriculture at that time and did not know labor was not in the parity formula in 1933. It was brought before the Senate shortly after my arrival.

Mr. LUCAS. The rule as to silence worked to the disadvantage of the Senate, so far as the Senator from Georgia was concerned; the country would have been helped if the Senator from Georgia had started speaking as soon as he arrived here, because the country certainly benefits now when he speaks.

Mr. RUSSELL. The Senator disarms me by his generosity.

Mr. PEPPER. Mr. President——

The PRESIDING OFFICER (Mr. MITCHELL in the chair). Does the Senator from Illinois yield to the Senator from Florida?

Mr. LUCAS. I yield.

Mr. PEPPER. What I am afraid the able Senator from Georgia is overlooking is that we have in this country a working force of some 52,000,000 people, and that the pending wage bill would provide wage increases for only three or four million of that working force of 52,000,000; and they are the ones at the bottom of the ladder. They are the workers who are getting less than 65 cents an hour. So what the bill does is not to move wages up all over the land for 52,000,000 people, although it would have a perceptible effect on the wage scales nearest to the ones affected by the bill. Instead of raising all wages in any way comparable to the way the Pace amendment, offered by the Senator from Georgia, would propose to raise the price of all farm commodities, the pending bill merely raises the wages of three or four million people at the bottom of the ladder, in an effort to bring them up to a level that suggests, at least, a decent income and a decent standard of living.

Mr. RUSSELL. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield to the Senator from Georgia.

Mr. RUSSELL. The Senator from Georgia did not overlook that. The Senator from Georgia knows that not only have the wages of the three or four million people the bill seeks to help been increased, but he knows that the wages of those who toil in industry, whether in the lower brackets or the higher brackets, have been or will be increased. That follows as a necessary corollary to the financing of our great public debt. That argument, I say, is below the usual standard of the Senator from Florida in this body. Of course, the pending bill applies only to the three or four million in the lower wage brackets, but the Senator from Florida knows those organized, in the higher skills, have received wage increases as a result of the recent drive to increase wages. I do not complain of that. As a matter of fact, they have received wage increases, and the increase that applies to the three or four million who are affected by the bill is but a small part of the total wage cost that goes into the manufacture of materials which the farmer has to buy.

If the Senator from Florida takes the position that has been assumed by Mr. Bowles and others, that we can increase wages almost indefinitely in this country without increasing prices, he is at liberty to do so, but I do not think it makes sense, though I am not a graduate economist, to maintain we can increase wages 18½ cents an hour or 20 cents all down the line without increasing prices. We have at least conceded in the case of steel that the wage increase brought about an increase in price. It increased the price of every nail, every plough, every tractor, every shovel the farmer buys to use on his farm. Senators may call it noninflationary if they care to, but when the farmer pays an increased price for those materials, I believe he will assume it is inflationary, at least insofar as he is required to pay the increase.

There is not even a pretense that it will be possible to absorb all the steel price increase caused by wage increases throughout all the operations of processing of steel to the time it is sold to the farmer. I submit that farmers are the only group in this country tied to the wage level of 1909–14. The Senator from Florida makes an eloquent appeal for the low-income group. Would that he would speak as vigorously in behalf of the farmers, who, taken as a class, are the lowest income group in this Nation.

Mr. PEPPER. Mr. President, will the Senator from Illinois allow a further comment?

Mr. LUCAS. I yield.

Mr. PEPPER. The able Senator from Georgia, I fear, still exhibits a little misunderstanding of the effect of the bill. I am not denying that if the wages of steel workers are raised 18½ cents an hour it will have a perceptible effect in raising the price of steel. I think that is a matter of public knowledge. In fact, an increase in the price of steel was requested by management in the steel industry as a part of the negotiations over the wage increase.

What I am saying is not, as the Senator from Georgia infers, that we are coming here and asking that the wage scale of the workers of this country be raised. We are coming here and asking that substandard wages in industry be lifted up to a decent standard. That is all I am asking.

The able Senator from Georgia says, "Why do you not apply that to the farm workers?" When the Senator from Georgia comes into the Senate and proposes a wage scale for farm workers, I am unwilling to give an attentive ear to his proposal. I have no desire to discriminate, and I know that is the sentiment of the members of our committee, in spite of any beliefs to the contrary. Every one of the members of the committee has an important agricultural population in his State, immensely important agricultural interests. Why should we want to aid one segment of our population against another? Every one of us has had his own humble beginnings and associations, which make him sympathetic as well to the plight of the farm worker as to that of workers in industry, and the white-collar worker, who is affected by the bill.

Mr. President, to show how the bill would work if the extended coverage the committee recommends were approved by the Senate, permit me to say that it will not mean that the President of the A & P Tea Co. will get an increase in salary; it will not mean that the general manager of the A & P Tea Co. will get an increase in salary; it will not mean that the manager of the store, perhaps in my home town, and in other Senators' home towns, will get an increase in salary; but it will mean that the boy or the girl, the man or the woman, work-

ing behind the counter in an A & P store, putting dividends into the pockets of rich stockholders, instead of having to work for $12 or $15 or $16 a week—under the present law, $16 a week—under the law of the land the company will have to pay such workers $26 a week.

I cannot believe that it is the serious thought of any Member of the Senate that it is wrong to raise the wages of a man who has a family to support, and has an American sense of decency and affection for his family, who wants them to go to Sunday school on Sunday morning and to church and to look like Americans and not like peasants; who wants them to go to the picture show occasionally; who wants his children to go to the public school and not be ashamed of the clothes they wear; who wants to be able to call a doctor and pay him when his family is sick, and Senators know he cannot do it if his total income, paid to him by the A & P, is less than $26 a week. All we are seeking to do is to reach down to the miserable poor of America and lift them up at least to the pittance of $26 a week.

Because we try to do that, Mr. President, able Senators, with the best of intentions, say that we must change the parity formula, that we must raise the parity index 33⅓ percent, that we must raise the cost of farm commodities 20 percent, if the figures of Mr. Bowles and Mr. Porter are correct. If Senators are better advised than they are they have a right to their opinions, but because we try to help the poor, low-bracket wage earners, we are charged with discrimination against the farmers of the country.

I set forth the figures here yesterday. The able Senator from Illinois, whom I am now interrupting—and I apologize—knows better than I that those figures show that since 1929 farm proprietors in the United States have had a larger increase in their income than the wage earners of the country have had. The Senator from Illinois is an eminent spokesman for agriculture, and I am sure the officials whom we have quoted are aware of the significance of the facts I have stated. They do not think agriculture has suffered in the past, and I hope this good effort for the poor will not be defeated as the result of such an attack as this.

Mr. RUSSELL. Mr. President, will the Senator from Illinois yield to me briefly?

Mr. LUCAS. I yield.

Mr. RUSSELL. I merely wish to reiterate that the argument just made by the Senator from Florida applies with more force to my amendment than it does to his committee proposal.

Mr. President, there are other people besides those the Senator from Florida seeks to help who would like to have decent clothes for their children, and who would like to be able to pay their doctors. There is but one way they can get any relief, and that is from the Congress of the United States. My amendment contains nothing that would help the head of the A & P Tea Co. The head of the A & P Tea Co. has already provided for himself, or I so assume. I know nothing about the salary which that gentleman receives. We know that all other lines of industry have been provided for through their organizations. Only the farmer is asked to stand where he is.

Mr. President, the farmers in the Middle West may be in fine condition. They may be making ample money on their farms. It may be that an increase in the price of corn would result in the corn farmers getting too great a wage, as has been indicated here. I have received, however, a number of letters from that section, since some little mention was carried in the press of my amendment, and I wish to read only one written to me from Fairland, Ind., inasmuch as the writer said it could be used in any way I wished. He writes:

> DEAR SENATOR: I wish to congratulate you on your drive for farm price increase. It seems to me everyone in the Nation gets a raise in wages or price of iron or auto or what not, but the farmer. We are still at the bottom as usual. I am a farmer, have six in the family. We are farming 350 acres of rented land. At present prices I cannot send my three children to school, and pay my taxes, and make a decent living. Our equipment is worn out. Last year my repair bill was $800. We cannot get any new equipment. Before the war in 1940–41 we could hire labor for $10–$12–$15 per week. Now we pay $20–$22–$25 plus meals, coal, housing.

I did not intend to read the remainder of the letter, but I may as well do so. He wrote it under misapprehension. Perhaps he did not know that there are others in Congress who feel the same way that I do about the farmer.

> It seems you are the only friend we have in Washington. Use this letter any way you wish.

The letter is signed by Roy Baxter, Fairland, Ind., route 1.

I could read letters of that nature here for hours. The letter shows, Mr. President, that those whom the original bill seeks to benefit are not the only ones who cannot employ doctors, who cannot buy shoes for their children, and good clothes to keep them from looking like peasants, and they are not the only ones who would like to see a moving picture show once in a while.

Mr. President, I wish to reiterate what I said yesterday, that when we move forward to this increased national income and a better distribution of the national income it ought to be all meshed together, and all should be included in the same bill, because if this bill is passed without my amendment in it, we all know that it will be impossible to have enacted into law as an independent proposition a measure to help the farmer.

Mr. PEPPER. Mr. President, will the Senator from Illinois again yield, and then I shall not detain him further?

Mr. LUCAS. I yield to the Senator.

Mr. PEPPER. The Senator from Georgia has emphasized the plight of the poor farmer. The bill before the Senate relates to the poor industrial worker, the man at the bottom of the ladder. I wonder if the amendment offered by the Senator from Georgia would have the same effect. In our committee report we pointed out that the major proportion of agricultural commodities is produced and the major proportion of agricultural income is received by only a fraction of the farms and farmers. In 1929 it was estimated that the upper 10 percent of the Nation's farms produced 47 percent of the marketed products, while in 1939 the upper 10 percent of the farms accounted for 54 percent of the Nation's sales of farm products.

I should like the Senator from Illinois, who is an expert in this field, to comment on the question whether it is not true that the amendment of the able Senator from Georgia proposes to raise all farm prices, including the price of all cotton, not merely the cotton produced on the red hills of Alabama and Georgia and north Florida by the farmer with his family and a mule. The price of his cotton would be raised as well as the price of the bales of cotton produced by the big farmers in the Mississippi delta with machinery. The price of wheat would be raised, not merely the wheat produced by the poor farmer in his fields, but the wheat produced by the great corporations, the great corporate farmer, the rich farmer who hires all his labor as well as the wheat produced by the poor farmer. The price of corn would be raised, not merely the corn produced by the poor farmer, but the corn produced by the big farmer.

Mr. President, I think statistics will show that while the poor farmers are greater in number, the major part of the farm output of this Nation does not come from the poor farmer, what we down South call the "one gallus" farmer, who with his family goes out at the break of dawn and toils until the coming of dark, the man who labors throughout the spring and the summer. It is not he, Mr. President, nor the farm worker who would be the beneficiary of the 33⅓-percent increase in the parity index which would be brought about by the amendment of the able Senator from Georgia. It is not he who would get the benefit of the 20-percent increase in the price of all farm products that would be brought about by the amendment of the able Senator from Georgia. It is not he who would get the benefit of the 6-percent increase in all food prices, not to speak of increase in textiles and other living costs. But the major part of it would go into the pockets of the farmers who are already well off.

Mr. RUSSELL. Mr. President, I shall not interrupt the Senator from Illinois again if he will permit me to say that, in my judgment, the Senator from Florida would find some difficulty in sustaining the statement that the great bulk of all agricultural commodities such as cotton are produced on the larger farms. That may be true in some sections of the country. It is not in mine. I have been amazed here today to hear the distinguished and able Senator from Illinois state he thought it would be a very bad thing for his corn farmers if there should be an increase in the price of corn. I had assumed that the corn farmers were not large corporate farmers and needed an increase in their income.

But, Mr. President, I know the conditions in my own State. I know that the figures show that the farmers of the United States, whether they be small or large, have the lowest per capita income of the Nation, and I know that unless

we do something in this bill to remedy that condition tens of thousands of farmers will be crushed in this onsweeping tide of increasing wages and prices for all other commodities and a blow will be struck at American agriculture from which it will have great difficulty in recovering at a time when every other group is being assisted to secure an increase in annual income.

Mr. LUCAS. Mr. President, I should like to move on now and say a few more words concerning the pending bill. When I was interrupted a moment ago by the able Senator from Georgia I was quoting from the Prairie Farmer, and as I stated to the Senate, the Prairie Farmer is one of the better farm papers in the country. The Prairie Farmer was merely telling the farmers in the Middle West what they could expect in the way of Government promises for 1947–48 under the Steagall amendment, which provides for 90 percent of parity for 2 years after the final end of hostilities. Holtilities have not yet ended, Mr. President, so that under this amendment the Congress of the United States is going to guarantee 90 percent parity to all basic commodities and other commodities which are embraced in the agricultural program. I want to see our farm program continued on a sound basis, gradually coming to parity as it has been over a period of years. I want to keep it on an even keel. I do not want to see amendments adopted here over night, so to speak, which would destroy a program which I believe is working to the advantage of all the farmers of the country.

The Prairie Farmer estimates that in the case of corn, if the parity formula is left where it is, the farmer will be guaranteed at least a dollar a bushel during the years 1947 and 1948. The wheat farmer will receive $1.37. The soybean farmer will receive $1.49. The hog farmer will receive $11.34 a hundred pounds; and so forth.

Mr. President, if the parity formula is changed as a result of the adoption by the Congress of the United States of the Russell amendment, this is what is going to happen: We will be guaranteeing to the farmer $1.85 a bushel for his wheat, and regardless of what the price of wheat may be on the world market at any particular time in 1947 and 1948, if the Russell amendment should be adopted, the Congress will have to step in with a support program and give every farmer in the Nation for every bushel of wheat he produces $1.85. That is more than he is receiving today. It is more than he is receiving today under the law of supply and demand, and I doubt that in the future the demand will be any greater than it is today.

In the case of corn we would guarantee, under the support program for those 2 years, $1.34 a bushel to the corn farmer of my section, although corn has never reached $1.34 during the wartime period.

Today cotton is selling for 26.9 cents a pound. If this formula should go into effect it would raise the parity price to 32 cents; and 90 percent of that amount would be 28.8 cents, which we would be guaranteeing the cotton farmer, regardless of what the surplus might be in 1946 and 1947. It would make no difference what it was. During those 2 years we would take out of the Treasury of the United States the difference between the market price and the 90 percent of parity, which Congress guarantees, should the market price fall below 90 percent of parity.

What I am afraid of—and I say this in all seriousness—is that we are likely to break down an excellent farm program which has been tried and tested since 1933. Those who devised the parity formula were the best agricultural minds in the Nation at that time; and the same agricultural minds which gave to the Congress the parity formula are still for that parity formula—the Grange, the Farmers Union, and the Farm Bureau Federation. The three leading agricultural organizations of the United States are still advising the Congress to let the parity formula alone. Does any Senator think for a moment that they do not speak for the majority of farmers in this country? The time may come when the parity formula will have to be revised; but as I see it, this is the worst possible time to add additional factors.

The Prairie Farmer makes this very interesting statement "that farm prices depend first upon a high level of employment, and second, upon substantial foreign trade. If things go well in these respects, Congress will not be called upon to deliver the 90-percent price support." The Prairie Farmer adds the two significant words "We hope." It is hoped that the Congress will not be compelled to make good. In other words, the Prairie Farmer is saying, "We hope that the law of supply and demand will operate in such manner that the Congress will not have to step in and support the price."

But now, under this amendment, it is proposed to increase the parity prices for cotton, wheat, and corn by 33⅓ percent, boosting the parity prices to the point where the support program would be bound to fall of its own weight.

I am trying to look down the mountainside for a few years to come. The farmer was happy for a couple of years during World War I. He received a great deal of money for his wheat and corn. For a while he could buy anything. But suddenly, everything went out from under him. Why? Because of an inflationary spiral which overtook him. He lost everything he had. As I stated a moment ago, 453,000 farmers lost their farms. Today farmers in Georgia, Oklahoma, and Illinois are not losing their farms. The Senator from Oklahoma can go to the records in his State and his own county for proof of that statement. The clerks are not even making enough money to sustain themselves by fees in connection with the filing of foreclosures, or making records of mortgages on land, and chattel mortgages. In my own county a few months ago the board of supervisors, for the first time in history, had to appropriate money in order to take care of the circuit clerk's pay. Up to that time he had always been able to support himself from fees incident to the transactions which came through his office.

Mr. President, we had better let well enough alone. We had better leave this program where it is, and let it operate gradually. If the corn farmer is entitled to a little more as time goes on, very well. If the cotton farmer is entitled to more, very well. But when was the cotton farmer ever better off than he is today? When was the wheat farmer ever better off than he is today? We talk about the farmers being broke. I am a landowner, and have been one since 1932. Beginning with 1934, I have made more than 6 percent on the money which I have invested in farm lands in Illinois. That is a pretty good return these days.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WILEY. In figuring the 6 percent does the Senator take into consideration depreciation on farm machinery and buildings?

Mr. LUCAS. I am merely a landlord. I own no farm machinery. I rent to a tenant, who furnishes his own machinery. I take into account depreciation on my buildings, and still make that return. We have good farmers in Illinois. I do not know about the farmers in Wisconsin.

Mr. President, I wish to speak rather frankly on another phase of this question. When the parity formula came along in 1933, why was it that at that particular time we did not include labor as one of the factors? Because the farmers did not want it included. Farm labor was cheap at that time. If farm labor had been included in the parity formula at that time the prices of wheat, cotton, corn, and all other basic commodities would have been at a much lower level from the standpoint of parity. Everyone knows that to be so.

Mr. BANKHEAD. Mr. President, I will say to the Senator that I do not know it, and I challenge the statement.

Mr. LUCAS. If the Senator does not know it, all he has to do is to talk to his friend, Ed O'Neal, of Alabama.

Mr. BANKHEAD. Ed O'Neal does not know it.

Mr. LUCAS. Why was farm labor left out?

Mr. BANKHEAD. I do not know; but I have challenged that statement ever since I first heard it, and I have never been able to find anyone who could present facts and proof to show that it is true.

Mr. LUCAS. This is the first time it has ever been challenged to my knowledge.

Mr. BANKHEAD. The rise and fall in prices does not prove such a theory.

Mr. LUCAS. I will prove it to the Senator in a moment. I have made that statement every time this question has been discussed on the floor of the Senate, and this is the first time any Senator has ever challenged the statement. Because of the challenge which is made, I shall produce some proof before the debate is concluded.

The farmer is a pretty wise fellow. Members of Congress also understand a thing or two—listen to this. In the year 1931, the price index had a rating of 141 under the present parity formula. If we had included hired and family workers at that time, the index would have been 137, or four points less. In 1932 the index was 124. Under the Pace formula

it would have been 115. In 1933 the index was 120. Under the Pace formula it would have been 109. In 1934 the index was 129. Under the Pace formula it would have been 118. In 1935 the index was 130. Under the Pace formula it would have been 121. In 1936 the index was 127. Under the Pace formula it would have been 122. In 1937 the index was 133. Under the Pace formula it would have been 131.

The index for each was the same in 1938, 1939, and 1940. In 1941, under the original parity formula, the index was 1932. Under the Pace formula it would have been 139. Wages have been going up ever since that time, hence the index has increased accordingly.

During the first 8 years there was not a single argument made on the floor of the Senate in favor of including the cost of farm labor in the parity formula. Why? Because if that had been done at that time, the result would have been to drag down the prices of cotton, corn, and wheat. That is the truth of the matter. But the moment the costs of farm labor get beyond what the parity formula was in 1941, we begin to see this constant drive in the Congress to change the formula. The proponents of the change would not have dared to include the cost of farm labor from 1933 to 1939, because to do so would drag down the farmer's prices. There would have been no chance on the floor of the Senate from 1933 to 1941 to get such a proposal through. The Senator from Alabama [Mr. BANKHEAD] and the Senator from Oklahoma [Mr. THOMAS] would have been most vigorous in opposition to including the cost of farm labor at that particular time.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MAYBANK. The Senator is familiar with the fact that the parity formula represents merely a loan on farm products.

Mr. LUCAS. The parity formula is not static at all. Parity goes up and down.

Mr. MAYBANK. I understand; but the formula is used only as a basis on which to borrow money on farm products.

Mr. LUCAS. It does not fix the market price.

Mr. MAYBANK. I can speak only with respect to cotton. Statistics show that the cotton farmer was able to sell his cotton at prices far above the parity price. Therefore, there was no reason for the application of the formula. But the Commodity Credit Corporation has been selling cotton at prices below what the farmer himself could have obtained.

Mr. LUCAS. That is somewhat different from the question I am discussing.

Mr. MAYBANK. I am talking about the farmer. He is the one in whom I am interested.

Mr. LUCAS. I, too, am interested in the farmer.

Mr. MAYBANK. I realize that the distinguished Senator from Illinois has done much for the farmers of this country; but I do not wish to have the RECORD show, as the Senator suggests, that the parity formula had anything to do with the price of cotton from 1933 to 1941, when the exportation of cotton yielded to the cotton farmer much more money than he could have borrowed on low-grade cotton placed under a Government loan.

Mr. LUCAS. I am afraid that my distinguished friend misconceives what I am talking about. I am merely showing what the parity index was under the 1933 Agricultural Adjustment Act for various years, as compared with what it would have been if the Pace formula had been in effect.

Mr. MAYBANK. I agree with the Senator; but I do not wish to have those figures considered as the price of cotton.

Mr. LUCAS. It seems strange that everyone becomes excited about the Pace formula now, because no one was excited about it between 1933 and 1941.

Mr. MAYBANK. That was because the farmers were able to sell their cotton to private concerns, and it could be exported to the various countries of Europe before the war. That is very simple.

Mr. LUCAS. Let me say to my good friend that his reasoning does not convince me.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WILEY. I have been listening with a great deal of attention to what the Senator from Illinois has said. I am in no position to dispute with him as to figures on the question of formulas. But the pertinent question is, What does the farmer get? One of the reasons why I am in the Senate of the United States is that in 1937, 1938, and 1939 the farmers of Wisconsin were producing milk for which they were receiving from 95 cents to $1.25 a hundred, and which cost them from $1.80 to $2 to produce.

Mr. LUCAS. What has the Senator done to correct that situation since he has been in the Senate? He stated that that was one of the reasons why he came to the Senate.

Mr. WILEY. That is one of the reasons why I am in the Senate. The people recognized the fact that a mere formula, or legislation, would not do the job.

While I am speaking about the farmers, let me say that in the years which the Senator mentions, it is true that a man could be employed to work on a farm for $30 or $35 a month and his board. However, figures obtained from the county agent in the county where I own and operate a dairy farm indicate a very different picture. In the last analysis, the important question is what a dollar will buy. But in that county the farmers are paying from $90 to $100 and board and keep for labor on the farm. Today many of the farmers are going out of the farming business because they cannot make ends meet. So we are facing that situation.

It seems to me that the real problem, as I have said on the floor of the Senate time and time again in the last weeks, is whether we can obtain production sufficient to feed our people. That is the primary need; because no matter what amount of money our people make, if they cannot utilize it to buy food and the other things they need, the money is no good.

So we must also consider that problem when we consider what we are doing to a formula.

Mr. LUCAS. Mr. President, I thank the Senator for his contribution.

In order to support the position I am taking with respect to the support program—and to my mind this matter is extremely serious insofar as the future of the farmer is concerned—I wish to read a portion of a statement which the Honorable Edward A. O'Neal, president of the American Farm Bureau Federation, presented to President Truman on September 24, 1945:

> On behalf of the nearly 1,000,000 farm families who belong to the Farm Bureau, I wish to state that we deeply appreciate the forthright statement on agriculture which you included in your message to Congress. Your outspoken endorsement of the price-support program which Congress has adopted to aid farmers in reconverting to peacetime conditions indicates a firm grasp of the situation, as well as a full understanding of the importance of stabilizing agriculture in order to bring stability to the entire national economy.

Mr. President, we cannot increase prices under the support program 33⅓ percent without disturbing the national economy seriously, to the point where we shall be in danger, in my judgment. That is exactly what Ed O'Neal is driving at in his statement, and that is why every farm organization in the United States is against the proposal which is now before us. We saw what happened after World War I. Today the farmers do not wish to take the chance involved in receiving a little increased revenue overnight, in view of the possibility that in a short time it will lead to long and serious losses. They are seeking to avoid a depression.

Mr. O'Neal also said:

> Congress in years past has passed 15 basic laws which have played an all-important part in protecting agriculture since they were enacted and during the war period.

As he said, Mr. President, 15 laws were carefully considered and enacted by Congress over a period of 12 or 14 years. Congress worked carefully from one to the other, in order to enable the farmer to know where he was going. Yet under this amendment all the good which has been done as a result of those 15 basic laws might be undone.

I read further from Mr. O'Neal's letter:

> With only minor changes, the program made possible by these laws, properly administered, is considered by our group adequate to meet the situation which will confront farmers during the period of readjustment. Farmers should do their part, and I am confident that they are willing to do their part in making the program a success.

Then he proceeds to make some specific recommendations as to over-all policies, and so forth, with respect to corn, tobacco, and rice. His statement does not contain a word about including the so-called cost of labor in the determination of the cost of production of farm products. As I have said, that statement comes from the head of probably the greatest farm organization in the

United States. I believe that he and the heads of other farm organizations know what they are talking about. I have not always gone along with them, but I boldly assert that when every farm organization gets behind an agricultural program it must be fairly sound.

Mr. President, I wish to call the attention of the Senate to another feature of the amendment, one which seems to present some rather serious difficulties from an administrative standpoint. It may have been discussed by the able junior Senator from Georgia [Mr. RUSSELL], and perhaps he can help me out on it. I undertake to say there will be a tremendous amount of difficulty in administering the amendment if it is adopted. One of the objections which always has been made at every hearing held by the Committee on Agriculture and Forestry when this question arose was to the difficulty of proper administration. The amendment states:

> And in the case of all commodities for which the base period is the period August 1909 to July 1914, which will also reflect current interest payments per acre on farm indebtedness secured by real estate.

We can find the answer to that; we can find the answer to freight rates.

I read further from the amendment:

> And the cost of all farm labor (on the basis of the national average and including hired workers, farm operators, and members of the families of farm operators engaged in work on the farm, computed for all such labor on the basis of wages rates for hired farm labor).

Mr. President, does that mean that the labor of a 14-year-old boy on a farm will have to be computed on the same basis as that used for the labor of a hired man on the farm? Does it mean that the labor of a young girl 16 years of age who is helping with the housework on a farm will have to be computed on the same basis as that used in computing the labor of a hired man on the farm? Mr. President, unless those in charge of the program wish to proceed by guess—and a hazardous guess at that—they shall have to have an army of people in the field to determine just exactly what this particular formula means. We hear talk about the OPA and the snoopers it has running around in the little stores of the United States; but all that will be nothing as compared to what will happen if this amendment is adopted, for then a tremendous number of inspectors and agents will be going to the farmers. It will almost be necessary to have agents go to every farmer and have him sign a lengthy questionnaire, perhaps under oath, before it will be possible to determine definitely what the rate is. Otherwise it would be a guess; and when we start guessing about a matter of this kind, we shall have plenty of trouble. Every person who has testified before the committee, as I recall, has emphatically stated that, under the formula which would be used if the amendment were adopted, it would be almost impossible to administer the program. That is the testimony, as I recall it. Yet, here the proposal is made again.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. RUSSELL. I was called away from the floor. As I understand, the Senator has been urging the objection which was raised by the Secretary of Agriculture, namely, that it would be difficult to compute the cost of farm labor in arriving at the proper parity formula.

Mr. LUCAS. That is correct.

Mr. RUSSELL. I merely wish to say that in the Department of Agriculture there is a division known as the Bureau of Agricultural Economics. For a number of years that division has been determining the average farm wage. In making that determination, it is not a particle more difficult to include the differences throughout the country with respect to farm wages than it is to include, in connection with the determination of the parity formula, the differences in taxes, the differences in freight rates, and the differences in the cost of the things the farmer buys. Nowhere in our land are they upon an absolute level. The prices of several hundred different articles are now used in computing parity, in arriving at the cost of the things the farmer buys. In my opinion, this argument which was raised by the Secretary of Agriculture is the most specious of all that he has urged since he has left the farmer and has gone over to supporting other groups in the drive to increase the costs of the farmer.

Mr. LUCAS. Mr. President, let me ask the able Senator a question. Assuming that a young man 14 years of age is working on a farm, under the formula of this amendment would his rate of pay be computed in the same way as that of the hired hand?

Mr. RUSSELL. Mr. President, I am not aware of the details of the method which is used. The application of the parity formula is a most complicated matter, as the Senator well knows. But to controvert the argument made by the Secretary of Agriculture, I wish to point out that with one breath he furnishes the Senator from Florida with figures as to how much the amendment will raise the parity ceiling—figures which have been used by the Senator from Illinois in this debate—and with the next breath he says it is impossible to obtain figures, although he has already submitted them to Senators and they are being used against the farmers in this debate.

The Secretary of Agriculture has already gotten the figures together. They have been given to the Senator from Illinois and the Senator from Florida and placed in the record. Out of one corner of their mouth they give the figures claiming to show precisely what the new formula I propose will do to cause inflation, and out of the other corner of their mouth they say that it is impossible to compute farm labor in arriving at a new formula.

Mr. LUCAS. Mr. President, every individual who has ever testified in the past for the Department of Agriculture with reference to a cost-of-production bill has definitely said that it could not be administered properly—of course, they can guess on the basis of these figures, just as they are doing now, perhaps—unless a large group of persons were maintained in the field almost to the point of it being necessary to examine the home of every farmer in order to arrive at correct statistics. That is why I asked the Senator a while ago whether a boy 14 years of age or a girl 14 years of age on a farm would be included.

Mr. RUSSELL. And I say in my opinion they should be, but I do not know what the Department of Agriculture did when it got up these figures. The Department of Agriculture has furnished the Senator figures, and I suggest that the Senator ask them what elements they included in establishing this formula which was devised to defeat my amendment.

Mr. LUCAS. We are working on the formula submitted by the Senator from Georgia, but the Senator has no definition as to what the hired worker is, what the farm operator is, or what are members of families of farm operators who are engaged in work, so I do not know what the Secretary of Agriculture could give in the form of an intelligent definition of what we mean by these terms.

Mr. RUSSELL. The Senator may find some comfort in his argument, but I insist that the amendment spells out the definition of farm labor much better than does any part of the existing parity formula. It makes the definition clear, and applies it to all farm labor. Does the Senator think that in arriving at the present formula the Department of Agriculture sent emissaries into every part of the country to gather statistics with reference to the complicated freight rates of this Nation, in order to find out how much it costs to ship a tractor, for example, from Moline, Ill., to every other part of the country?

Mr. LUCAS. No.

Mr. RUSSELL. One of the most absurd arguments I have heard is the argument of the Secretary of Agriculture to the effect that it is impossible to compute farm labor, and yet at the same time he computes figures which show that the proposed amendment would put farm prices at an unreasonably high level.

Mr. LUCAS. The Senator certainly leaves to the Secretary the privilege of doing a lot of guesswork under this formula to which reference has been made.

Mr. RUSSELL. He must do a great deal of guessing under the present formula. He would not have to guess nearly as much under the definite spelling out of what is meant by farm labor as he does when he guesses as to the cost of all the articles which the farmer must buy. There are several hundred items which go into the formula, and the Secretary naturally has to do some guessing in striking a fair average over the Nation today, when endeavoring to obtain information as to what the farmer must buy. He must generalize when going into the subject of current interest payments, freight rates, and so forth. It is only when some effort is made to obtain a reasonable recompense for the labor of the farmer and for his wife, as well as his 12-year-old boy, that we find this insuperable difficulty in computing something which the farmer should have, and which the Department of Agriculture has been computing for many years.

Mr. LUCAS. Mr. President, the only answer I can give the Senator from Georgia is the one which I gave previously. I do know that with respect to perhaps every bill of this nature which

has been before the Congress, some individual from the Secretary of Agriculture was sent to us to tell how difficult it would be to administer the act.

Mr. RUSSELL. That is in keeping with the general policy of the Secretary of Agriculture to muddy the water every time the farmer seeks a slight increase in the price of his commodities in order that he may keep within shouting distance of the rapid increase of the income of everyone else.

Mr. LUCAS. As I recall, some of the previous bills contained a definition of "hired worker," and of "farm operator." What is a farm operator?

Mr. RUSSELL. As defined in the House committee report, a farm operator is a man who lives on a farm and operates it.

Mr. LUCAS. Would the man from Indiana to whom you referred be a farm operator?

Mr. RUSSELL. Yes.

Mr. LUCAS. Would he come under the bill?

Mr. RUSSELL. Yes. Of course, I may point out, while the Senator is splitting hairs——

Mr. LUCAS. No; I am not splitting hairs. I want to be properly informed, because the question which we are now discussing is always raised with reference to the proper definition of a farm operator, of hired workers, of members of families operating farms, and so forth.

Mr. RUSSELL. And the question is always raised by those who would try to kill an effort to obtain something near equality for the farmer.

There are several hundred commodities which the Agricultural Department has said the farmer buys which are now in the parity formula. How did the Department of Agriculture arrive at that number? It must necessarily have been generalized as well as the costs in various sections of each article. The following language is incorporated in the present law:

> And, in the case of all commodities, which also reflect current interest payments per acre on farm indebtedness secured by real estate.

The freight-rate structure, as I stated a while ago, is certainly the most complicated structure of rates into which anyone could go, yet the Department has found no difficulty in handling freight rates.

Here is the language which I propose to add. I invite the attention of the Senator from Illinois to the fact that it is more definite, and is more all-embracing and gives the Secretary of Agriculture a better standard on which to operate than does any provision of the present law. Here is the language:

> And the cost of all farm labor on the basis of the national average, including hired workers, farm operators, and members of the families of farm operators engaged in work on the farm, computed for all such labor on the basis of wage rates for hired farm labor.

I respectfully submit that that is much more definite and comprehensive than is the present parity formula in any detail.

I repeat, I would not deny the farm boy 12 or 14 years of age the product of his toil, when he gets up before the beginning of day in freezing weather, without any heat and without, in many cases, any electric lights, and goes out before day begins to milk a cow or two cows, and then, perhaps, follows the plow for the remainder of the day. He should be included in this computation.

Mr. LUCAS. Mr. President, I shall not detain the Senate much longer. I wish to read into the RECORD at this point the parity price of wheat in 1933 under the formula which was adopted by Congress. It was $1.06 per bushel. Under the Pace parity formula it would have been 96 cents. Corn under the original parity formula was 77 cents per bushel, while under the Pace parity formula it would have been 70 cents. Cotton under the original parity of 1933 was $0.1488 per pound. Under the amendment suggested by the Senator from Georgia cotton would have been $0.1352. Hogs would have been $7.92, instead of $8.72. Butterfat would have been $0.287, instead of $0.316. Milk, wholesale, would have been $1.74, instead of $1.92.

That is the record of prices at the time the formula came into existence, compared with what they would have been had the element of farm labor been included. That is the basic reason the cost of production was not included. No one ever raised a voice in opposition until about 1941, when the cost of production on the farm had increased to the point where it would raise the parity price if used as a factor. No one knows what will happen a few years from now. We all hope that prosperity will continue and that we will have the present high prices. But if we have another depression and farm prices go down, and the cost of labor on the farm goes down with it, we will see an amendment presented by some Senators to eliminate the cost of production as a factor in the parity formula.

Mr. President, this is no time—and I submit it with all sincerity—to tamper with the parity formula. I undertake to say in conclusion that if this amendment passes both Houses of Congress and goes to the President of the United States he will be compelled to veto the bill because he knows that it will turn loose a spiral of inflation in this country which will send us through the ceiling.

PRICE FIXING AND THE OPA

Mr. REED. Mr. President, if there is one fairly well established principle as to rationing and price fixing, it is that a commodity the production of which is sufficient to meet and really exceed the normal demand should not be rationed, and on such a commodity ceiling prices are unnecessary.

I refer now to petroleum. There is more crude oil coming out of the earth, by a million barrels a day or more, than we had before the war. The stocks of gasoline and oils of various kinds have been increasing since the war closed. More oil is now being produced than there is current demand for. More gasoline is being produced than there is demand for.

The result has been some competition in the sale of gasoline, which has brought the price of gasoline, on which there is a ceiling, to a point below the ceiling, substantially so in some cases.

Kansas is one of the five most important States in the production of petroleum, and the independent oil producers of Kansas asked the OPA to do what it has repeatedly said it would do, namely, remove ceilings and restrictions from commodities when the commodities were being produced in a normal volume sufficient to meet normal demand.

I now wish to read a resolution to the Senate:

> Whereas there is an excess supply of refined petroleum products in relationship to the existing demand; and
>
> Whereas the officials of the Office of Price Administration have indicated that it is their desire to remove price restrictions, just as soon as there is an adequate supply of any product to supply the existing demand: Therefore be it
>
> *Resolved*, That the Kansas Oil Men's Association at their thirty-first annual convention, held at Wichita, Kans., March 11 and 12, 1946, go on record and respectfully request of the Office of Price Administration that price controls be immediately removed from refined petroleum products.

Mr. President, if the OPA has any curiosity left as to why there is a loss of confidence in the OPA from all sources, not from any one source, but from almost all producing sources, this is an illustration. There is no question about the facts in this case. The ceilings are no longer necessary.

Mr. HATCH. Mr. President——

The PRESIDING OFFICER (Mr. TAYLOR in the chair). Does the Senator from Kansas yield to the Senator from New Mexico?

Mr. REED. I am glad to yield.

Mr. HATCH. I do not like to interrupt the Senator, I am in such thorough accord with what he is saying, but I am reminded that in recent days or weeks there have been rumors and published statements that the Office of Price Administration was considering the matter and would remove the controls on oil prices, possibly as early as the 1st of June. I wonder if the Senator has any authentic information on that, as to whether there is anything to it.

Mr. REED. I am sorry to have to tell the Senator from New Mexico that I have no authentic information on the subject, and I would not believe OPA if it told me what it was going to do, and fixed the date.

Mr. HATCH. What the Senator from Kansas desires is to have the controls removed, and less conversation?

Mr. REED. The Senator from New Mexico is correct.

Mr. President, I wish now to say something more about the OPA. I think OPA is about the "phoniest" organization among the war agencies in Washington. I think Chester Bowles is perhaps the chief "phony" of the OPA and the other organizations. He is the best advertiser. Advertising was his business before he became connected with the OPA, and he had done a magnificent job of advertising himself and the OPA, holding himself and the OPA out as the savior of all the people.

Mr. President, I wish to read a letter which came from one of my good friends

in Kansas, a small businessman in Iola. His name is David Hart. He says:

HART'S RESTAURANT,
Iola, Kans., March 15, 1946.

Hon. CLYDE M. REED,
Washington, D. C.,

DEAR SENATOR: Sometimes it is a chore for a small businessman to write a letter that will get all the facts over to his Senator as they should be, but first I want to assure you that this letter is not intended to criticize, but a mere little line to let you know what the small businessman is thinking and doing back in your country. First, I have a business employing around 25 persons with a pay roll of about $18,000 per year. Now I will list my problems:

1. My employees want better pay, which is all right.

2. My prices are frozen by OPA.

3. Everything I buy, like meats, cheeses, large pieces of equipment that I operate with, are gradually going up, just a small percent; likewise my employees make the same claim when they go to the store to buy.

4. When I go to buy some item I used to buy, the manufacturer tells me that the item was frozen at such and such a price, and with the increase of labor costs they had to discontinue the manufacture of the item.

Now that my floor is getting so close to the ceiling, I don't have windows to see out any more, with everything going up, and above all allowed to go up, why is it I can't go up? In other words, they have us back here to where two and two doesn't make four any more. This condition does not make for good government, and leads to a lot of ill respect to government which is certainly wrong. Some people say I am afraid to write, but I am going on my free rights as yet, and letting you know that I still think there is liberty and justice for all, and on the basis of representative government that you people back there should know what gosh-awful bungling is going on. Senator, you don't have to take up your precious time answering this little line. Best of luck to you, sir, and may you take this letter as purely informative.

Yours respectfully,

DAVID HART.

Mr. President, Mr. Hart said a mouthful when he wrote that letter. I know him. He is a perfectly honest, respectable, industrious citizen of good character, conducting a small business, and, like most small businessmen, finding it almost impossible to operate under the screwball notions in which the OPA constantly indulges.

AMENDMENT OF FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

Mr. O'DANIEL. Mr. President, while we are discussing the wages of our laboring people, we are forced to consider the prices of cotton and other farm products, because millions of our citizens who labor and earn their bread by the sweat of their brow receive as compensation, not wages in the form of a pay check each week, but instead the only way they get compensation for their labor is in the form of the money they receive for the cotton and other farm products they produce.

The Russell amendment which would guarantee farmers fair prices for farm products is therefore germane to Senate bill 1349. In fact, Senate bill 1349, in my opinion, would be incomplete without the amendment.

Mr. President, the spiral of increasing wages, then prices, then wages, and prices again and again, is in progress and has been for some time. Recently strong minority groups have demanded and received increased wages and the announced policy of the present administration at this time is to permit increases in the prices of commodities upon proof that wages have been increased.

This bill, S. 1349, simply proposes to follow through by providing an increase in wages for that large group of laboring people who are unorganized.

It certainly is a laudable task the Members of Congress have undertaken in trying to protect the great masses of our unorganized laboring people by increasing their minimum wages.

But we should go all the way and protect farmers who receive their wages in the form of prices they receive for the farm products they produce by their own labor.

Mr. President, one of the most interesting stories of Texas agriculture, and I dare say of most of the 13 States lying south of the Mason and Dixon's line, is the story of cotton. Cotton one day reigned supreme—it was King Cotton in Dixie. But that day has passed, for the time being at least. It has moved over for the new king—King Petroleum. But both kings have not been treated any too kindly in recent years for they have been forced to bow their heads to a mighty dictator—Generalissimo OPA.

Until recent years cotton in Texas has accounted for about 70 percent of the State's income from all crop sources. In 1944, and this information comes from the Texas Department of Agriculture, the value of all field and truck crops, fruits, and nuts was $920,374,000, with cotton and cottonseed constituting only 35 percent, or $323,696,000. That is quite a slide down from the 70-percent position it once held, and is dangerous to the economy of the State of Texas and of the Nation. There was a time when nearly 2½ million Texas citizens depended upon cotton for most of their living. This is not the case today, but cotton is still a dominant factor in the economy of the State.

The cry for food and fiber at the outset of the war was heard by the cotton planters of Dixie. They heard that cry then and they are still hearing it. The people of the South are almost breaking their backs to produce food and fiber for the starving millions and they are doing this never-ending job with less machinery and less farm hands than they have had at any time within the last 50 years.

Mr. President, there was a time when Texas produced one-third of all cotton grown in the United States, but with development of cotton plantations in California and a general use of fertilizers in older producing States Texas production dropped to a trifle better than one-sixth of the total national crop in 1944 of 12,359,000 bales. Just think of what that means, Mr. President. The percentage of cotton production in Texas compared to all farm crops has declined during recent years from 70 percent to 35 percent—a drop of 50 percent. And on a national scale Texas cotton production has declined from one-third to one-sixth of the Nation's crop, or a drop of 50 percent. Even with this lowering of production, Texas still remains the dominant cotton-producing State, and its economic life is deeply affected by the price the farmers receive for the staple.

Cotton production per acre is around 160 to 170 pounds. At the present price Texas farmers are receiving for the staple they can gross anywhere from $20 to $50 per acre. Mind you, this is gross, and not net. Cotton is not easily produced. It takes a vast amount of work to prepare the soil for planting. Then comes planting. Weeks later the farmer must move in with hoe and cultivator, and this hard manual labor goes on for weeks and weeks from sunup to sundown. While this routine is practiced by the farmer and his family, if he is fortunate to have any family left since the war robbed his acres of his children, he goes on bended knee before his God and prays for deliverance from storms, floods, drought, the boll weevil, root rot, cotton blight, grasshoppers, fleahoppers, leafworm, the greedy pink bollworm, and that superduper of all pests—the OPA. He begs for rain and pleads for sunshine and a normal amount of dust, and he sprays and dusts his plants until his poor old back nearly breaks, and he falls exhausted into bed, too tired to sleep.

For all this the farmer receives about 25 cents an hour. That is the average wage the independent farmer receives for his work of feeding and clothing the urban population of this world. He gets 25 cents per hour. His city neighbor gets $1 to $3 per hour, and the neighbor works 8 hours as against his 12 to 16 hours. The city neighbor toils 5 days a week while the farmer labors 7 days—every day in the week. He may take off a half day on Saturday or Monday to go to town to market some eggs, milk, or produce, but he will work by lantern light that night to get the cows milked and the stock fed. He may go to church on Sunday, but he and his wife were up before daylight doing the chores so they could get away for a couple of hours for "meeting."

Cotton is the cash crop on the Texas farm. It is the crop that brings in, or should bring in, the money with which to outfit the children for school, pay the doctor, and provide dad and mother with coveralls and calico dress. For long years dad and mother have not been getting an overabundance of coveralls and calico dresses, because the cost of production on cotton goods has gone up with leaps and bounds.

The machinery that was on the farm when the war started was already near to its end. During these 5 long years of war there has been no machinery available to take the place of the rakes, mowers, tractors, harrows, plows, and wagons. The old machines have been patched up with tin plates and barbed wire, the tractor has gone to the junk pile, and the slow-trudging mule has been drafted back to the cotton row.

I have gone into the cotton fields in Texas to visit with old friends. There, wielding a hoe or crawling on knee and dragging a long cotton sack, snatching bolls from the bush, would be grandma and grandpa—splendid pioneers who 20 years ago had earned the right to live in ease the remainder of their days. At their side would be little boys and girls—mere children—doing a man's job. This has been the picture in Texas during these war years, and it has been the same picture in Mississippi, Louisiana, and other cotton-growing States, and we are all proud of the patriotic effort put forth by these sturdy sons of the soil.

Mr. President, if we are to have price control in this Nation, I want a price floor under cotton and not a price ceiling over it. The world is starving for food and shivering for the lack of clothing. Cotton gives us both cloth and food. Its seed provides the protein for millions upon millions of cattle and other livestock, for it is cottonseed meal that has kept the range stock from Texas to Montana strong and capable of producing a normal calf crop each spring. Cottonseed oil, cottonseed meal or cake, hulls and linters are major products of the cotton-oil mills. Cottonseed oil is one of the best fats, ranking at this time far ahead of butter and lard. It is a precious food right now because it is used in the making of shortening, salad oil, margarine, and other products for which countless millions are starving this very day.

If we are to have control of prices, I want a floor placed under cotton so that the farmer will be able to pay wages sufficiently high to attract labor to his fields. He cannot meet industry's high wage and keep his farm out of bankruptcy. But, Mr. President, he will have to pay a competitive wage if he is to get the help necessary to produce the food and fiber the world is demanding from him in this present year of 1946.

It is cotton-planting time in Dixie Much acreage is already in seed, but there is still time enough to swell that acreage if obnoxious OPA rules can be eliminated and the planter given a guaranty that he will receive not less than 30 cents per pound for his staple when he delivers it at the gin this fall. To increase the price now is proof that the cotton planter of Dixie is going to get a fair deal for once in his life and it will inspire him to plant a greater acreage than ever before. On the basis of cost of production at the present time, the farmers should get 40 cents or 50 cents per pound for cotton, and we are going only part way when we demand a minimum price of 30 cents.

I am therefore in favor of the Russell amendment and hope it will be adopted.

Mr. President, much has been said on the Senate floor with reference to the increasing of the wages of industrial workers by 18½ cents an hour. Then this minimum-wage bill comes along seeking to protect that great group of unorganized labor by increasing the minimum wage in the Nation. But the poor old farmer who must depend upon the price he receives for his cotton is interested in getting a better price, because that means his wages.

I have taken the statistics of the production of cotton in Texas since 1925. For the 10 years, 1925 to 1934, Texas farmers received per annum an average of only $114.80 per farmer. That is not all profit, because from this small amount he must pay all the expense incurred in producing the cotton, such as cost of seed, fertilizer, machinery, tools, ginning, and so forth. That seems to be a very low wage. From cotton alone in the great State of Texas the average amount received by the rural population was $114.80 per farmer per year during that period.

During the next 10-year period, 1935 to 1944, the rural population gradually decreased each year. In 1930 we had a population of 2,342,553 on the farms in Texas. By 1940 it had decreased to 2,149,187, a decrease of almost 200,000, and the farm population has decreased very rapidly since 1940.

Taking the second period, all under the New Deal administration, from 1935 to 1944, the production of cotton in Texas, at the price actually received for it, returned an average of only $91.70 per farmer per year, which was not an increase over the previous 10-year period, but an actual decrease of $23.10 per farmer for his cotton.

The price of everything else has gone up, as we know, and we are trying to obtain a little more for the farmer for his cotton, in order that he may be able to buy some of the things he enjoys, and which the most of our population is able to enjoy. Therefore, I think it is highly necessary, when we are dealing with wages, that we deal with the wages of the class of people who are receiving the lowest income in this Nation, the farmers. We are attempting to raise the minimum wage of the great rank and file of laboring people who work for weekly wages or daily wages, which is a laudable ambition and a great undertaking. I hope it succeeds. But while we are doing that, in justice to the millions of farmers who do not receive daily, weekly, or monthly pay checks for wages, but who receive only that which they obtain from the sale of the products which they produce, it seems to me that we should give consideration to increasing their wages—their income.

I sincerely trust that the Russell amendment, which is before this body at this time, will be approved.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. O'DANIEL. I yield.

Mr. WILEY. Is it not true that back in the sixties a great President was instrumental in freeing the country from slavery? The Senator may ask how that is pertinent to the present discussion. We have heard a great deal of argument to the effect that one of the dangers which is facing America is the shortage of food in the coming years. The distinguished junior Senator from Vermont [Mr. AIKEN] told us today of the shortage of feed. The real situation all over the country is that about the only farmers who have really been making a success are those who have had young stock of their own, young children who have not gone into the services. The question I am asking is this: Is it not about time for us to see to it that the farmer is compensated for the work of his children? Do I make my point clear?

Mr. O'DANIEL. Absolutely clear. I think it is quite generally understood that on the small cotton farms the entire family—the children, the parents, and the grandparents—work at the job of raising cotton. Certainly each and every one who engages in the work of raising cotton should be compensated therefor.

Mr. WILEY. That applies not only to cotton, but to all the foodstuffs produced on the so-called family farms.

Mr. O'DANIEL. That is correct.

Mr. WILEY. The Senator has stated that today, because of the wages which are paid in manufacturing plants, many of the boys who are returning from the service, and who were farmers, will not go back to the farms. Many boys on the farm who arrive at the age of 18 are taken into the draft. The result is a critical shortage of manpower.

It seems to me that a great issue is involved, namely, the general welfare. We must make the occupation of farming interesting. The way to make it interesting is to insure the farmer adequate compensation. If we do not make it interesting, and if we do not give the farmer what he is entitled to, we shall have a shortage of production. I hope it will not be too late to get what we need to eat in this country. Our present problem is that of feeding a great portion of the world. Unless we give consideration to the production of foodstuffs in this country, it seems to me that we are blinded, and it is time to take the blinders from our eyes.

We must not forget that the boy or girl of 10, 12, 15, or 16 who gets up in the morning, milks from half a dozen to a dozen cows, does the chores, and helps his mother and father must be considered. We must take into consideration the value of his services in determining the cost of production of the foodstuffs which the farmer produces.

The latest information I have from my State—and I have received a letter from the dean of agriculture—is that the situation is serious. As the Senator from Texas has indicated, since the war years there has been a depreciation of machinery. The farmers cannot buy machinery. There are strikes in the International Harvester Co. and the J. I. Case Co. I have spoken on that subject. I am glad to note that Secretary Anderson has called into conference the parties to the contest to see if something cannot be done. But the machinery is not there. Consequently, the farmers must use manpower. They must use the services of youngsters, and the youngsters must do a man's work.

It is time for another emancipation proclamation. All labor on the farm, whether it be that of adults or minors, should be adequately compensated.

Mr. O'DANIEL. I thank the Senator from Wisconsin for his remarks on this subject. I am reminded of another phase of this question which has been discussed.

A philosophy has been advanced which I think is detrimental to the welfare of our Nation. The philosophy has been advanced on the floor of the Senate that

agriculture is drifting into the hands of large operators, and that the large operators will receive the benefit if the prices of cotton and other farm products are increased.

It is true that farm operations have quite extensively drifted into the hands of large operators. The population statistics of the United States show a decrease in farm population. If we are to hold down the prices of farm products, as advocated by those who oppose the Russell amendment, that will not be so objectionable to some of the large farm operators, because with their large tracts of land, and with their efficient machinery, they can produce cotton and foodstuffs at a lower cost than can the family-size farmer. Consequently the whole system of holding down the prices of agricultural products is stifling the operations of the small farmer whose family lives on the farm. The farm is his only source of income. Those farmers are being run off their farms, and chased into industrial centers where they are regimented and controlled.

I have no fault to find with large farm operators. There is room in this nation for both large and small operators. The graduated income-tax law will get most of the income of the big operators and serve to maintain a mutual friendship and understanding between both groups, but today Mr. President I am especially pleading the cause of the small farmer. Formerly we had a great many small farmers in Texas, and there are still quite a few left. The farmers of America as a class are the independent thinkers of America. They are sound fundamentally. Their philosophy is grounded in the roots of agriculture, in the soil. They are sound in their principles and in their Americanism. By unfair legislation and paralyzing executive orders we are simply running them off the farms, and compelling them to go to the cities, live in crowded tenement houses, and work for wages. Population statistics prove this to be true.

The philosophy of holding down the prices of farm products is highly detrimental to the great rural sections of our country and the independent farmer. I think we should raise the prices of cotton and other farm products, not only for that reason, but for the reason that the farmers are in the lowest income brackets of any of our population; also for the further reason that the food and clothing produced by the farmer are necessities. We all must depend upon them. We cannot live without them. We should show our appreciation by sharing some of the increased income which nonfarmers have been granted during the past few years. We should spend a little of that income for the products which the farmer furnishes to help us live. Unless this is done and done quickly the bread basket of the world will become as bare as old Mother Hubbard's cupboard.

Mr. WILEY. Mr. President, will the Senator further yield?

Mr. O'DANIEL. I yield.

Mr. WILEY. If I correctly understand the Senator, he takes the position that the laborer is worthy of his hire.

Mr. O'DANIEL. That is absolutely correct.

Mr. WILEY. No matter whether he is in a factory, whether he is in the professional class, whether he is a white-collar worker, or whether he is on the farm.

I invite the Senator's attention to the fact that 2 years ago on the floor of the Senate I was instrumental in having adopted an amendment to a bill which was being piloted through the Senate by the distinguished senior Senator from New York [Mr. WAGNER]. That amendment provided that the salaries of white-collar workers could be increased up to $37.50 a week if the worker and management agreed, without obtaining the consent to the War Production Board. That amendment passed the Senate and went to conference. Who took it out? It was our New Deal friends who took it out.

Now the claim is made that this bill will do a great deal for the white-collar worker. The bill provides a minimum wage of 60 cents an hour for a 40-hour week. The result of that is approximately $26 a week, as compared with the $37.50 which we tried to obtain during the war for the white-collar worker, who is the forgotten man.

I bring this matter into the picture, Mr. President, because I see here something of the type of divide-and-conquer tactics which have been used so effectively on international fronts and have been used so effectively in the political arena in this country in the past. There is the attempt to create a division between the city worker and the farmer. We agree that each must receive a wage which will adequately compensate him for what he performs. I understand that is the position of the Senator from Texas.

Mr. O'DANIEL. Mr. President, that is my position, and I am fully in accord with the view that those who labor must receive a just portion of the fruits of their labor. I subscribe to that principle all along the line, from the poorest paid person in this Nation up to the highest paid. I do not think we should make any class distinctions or draw any lines. We should see to it that each person is paid on a fair and equitable basis for what he produces.

Mr. BARKLEY. Mr. President, I am compelled to leave the Chamber in a few minutes, and I shall not be able to return during the remainder of the afternoon. I do not know whether a vote will be had on the amendment during the remainder of the session today. I have a pair with the Senator from Indiana [Mr. CAPEHART] on the amendment, if it is voted on this afternoon. Lest I might be absent when the vote is taken, I wish in a very brief statement to make my position known on the pending amendment.

Mr. President, I am opposed to the amendment. I am opposed to it, because, in the first place, I doubt the propriety of its inclusion in this bill. We have had many fights on the floor of the Senate about the question of parity. When the last legislation providing for the extension of the OPA Act was before the Senate, I sought to work out an agreement midway between the two extremes. That agreement was adopted, and it is now the law with respect to the parity formula.

I do not know whether the adoption of the pending amendment would increase the cost of living as much as some persons have claimed it would. I do not think anyone has the last word on the question of how much of an increase would be involved by any particular amendment which might be adopted. It is all speculative.

When we passed the Agricultural Adjustment Act and fixed a formula for parity, we followed the leadership of the farmers themselves, as they spoke through their representatives in the various farm organizations—the American Farm Bureau Federation, the National Grange, the Farmers Union. They really wrote the parity formula which went into the bill originally. They selected the base period which they believed to be the most representative period within the past 40 years in reflecting the costs of the things the farmer has to buy and the prices of the things he has to sell; and, with one or two exceptions involving a modification of the original formula—in the case of tobacco, which was not suited to the particular base period 1909–1914, we fixed a different base period—the formula has remained substantially as it was advocated and really written into the law by the organizations representing the farmers of the United States, insofar as those organizations can represent them and speak for them.

The same organization which had more to do with writing that formula than anyone else had, have spoken against the pending amendment. No formula for parity will automatically fix the prices of farm products. We have had a formula for parity on wheat ever since the Agricultural Adjustment Act was passed; but wheat never reached that parity price until very recently, and it reached it then rather suddenly and unexpectedly, in a way, on account of world conditions and the supply and demand for wheat and the need for wheat to feed the people. If the magic of a formula by itself could have had any influence, wheat would have reached the parity price long ago.

The same is true with respect to cotton. One of the constant complaints which has been made about cotton, up to a few months ago, has been that cotton has never reached the parity price, and that cotton has not been selling for as much as the parity price. When the parity price would have been 21 or 22 cents, cotton was selling for about 18 or 19 cents. But recently, due to world conditions, cotton has increased in price to 26 or 27 cents—not on account of the parity formula, but on account of world conditions requiring cotton.

In the case of tobacco, it sold above the parity price in 1944, 1945, and 1946. It even sold above the ceiling prices fixed by the OPA. The enormous demand for cigarette types of tobacco and the need for those types of tobacco in the armed forces and throughout the world brought about an increase in the price of tobacco received by the farmer, with the result that tobacco sold not only above the parity price but above the ceiling price fixed by the OPA.

One of the main values of a parity formula is that the provision which gives a loan value of 90 percent of the parity price may have an influence in fixing the market price. The higher the loan value may be, provided the loan value is either equal to or above the selling price, then the loan value, which is 90 percent of the parity price, and is recognized by the Commodity Credit Corporation and the other agencies of the Government, may have an influence on the ultimate price, by stimulating it and by enabling the farmer or those who speak for the farmer, if he happens to have an organization such as some of the farmers have, to hold it and to borrow 90 percent of its value and await a more favorable market in which to dispose of it.

But, Mr. President, if it be true—I neither assert nor dispute it—that the inclusion of the amendment would automatically raise the cost of living as much as has been stated here by some of those who oppose the amendment—which I doubt, I say frankly—then the automatic increase in the cost of living to those for whom the bill is intended as an aid would almost automatically wipe out the value of the increase in minimum wages proposed by the pending bill.

Because of these considerations, Mr. President, I cannot support the amendment. Perhaps the time will come when the farmers themselves, speaking through their organizations, may wish to reconsider the basis of the parity formula. They may wish to rewrite it as a part of the Agricultural Adjustment Act. When that time comes, if it does, I shall be open-minded on the subject and I shall be sympathetic with any formula or any method by which the prices of farm commodities can be maintained when this temporary situation has passed and throughout all the future which we can foresee. I believe in legislation calculated to stimulate the prices of farm products. I have always advocated such legislation, even though it may involve an artificial stimulation of the prices of farm commodities. I voted for all the McNary-Haugen legislation which was two or three times vetoed by various Presidents. I voted for all legislation which was calculated to stimulate the prices of farm products, which had gone down far more, in proportion to the decrease in the prices of other commodities, than they should have gone. The farmer is always the first to be hit by a depression and the last to be benefited after the depression has begun to disappear. So my record on farm legislation does not have to be explained or apologized for.

When the time comes, as it may, when we can sit down calmly with the organizations of farmers which now are speaking and have spoken all along, we may feel that it is necessary to revise the parity formula. But I do not feel justified in voting for this amendment, because I do not believe it has been carefully considered by those who speak for the farmers. By that I do not mean that those who speak on this floor for the farmers do not properly or sincerely speak for them. But the farmers have organizations of their own selection through which they speak to us, and through which they recommend legislation to us. Sometimes I agree with them and sometimes I do not. It so happens that in this particular instance I agree with them. But sometimes I do not agree with them, and even if I did not agree with them now I believe that I would occupy the same position which I am occupying here today. For the reasons I have stated I am compelled to register my opposition to the amendment.

Mr. President, I pay tribute to the Senator from Georgia [Mr. RUSSELL], who is a sincere friend of the farmer and who never loses an opportunity to advocate the farmer's welfare. I am happy to acknowledge him as one of my dearest friends in this Chamber. That makes me regret that I have to disagree with him in this instance, but I nevertheless do disagree with him. If a vote should come on this amendment during my temporary absence from the Chamber, I wish the RECORD to show the reasons why I oppose it.

Mr. WILEY. Mr. President, can we not arrive at an agreement? I also have to leave the Senate Chamber. I am informed that there are other Senators who will speak perhaps from an hour to an hour and a half before the vote is taken.

Mr. BARKLEY. I am not in charge of the bill, and I do not wish to speak for those who are. I imagine that if there are to be any more speeches today there probably will not be a vote taken, but I cannot myself make any agreement with respect to the matter. It might be that if an understanding were arrived at not to vote today, it would be well to vote at an early hour tomorrow, because there are other amendments which will have to be voted on and discussed.

Mr. BANKHEAD. Mr. President, I wish to suggest to the able majority leader that if we agree on a time to vote tomorrow, we might as well adjourn now, because Senators will not remain on the floor to hear the other speakers who may desire to address the Senate today.

Mr. BARKLEY. What the Senator from Alabama has said may be true. Of course, this is an important subject and it would be discouraging to fix an hour for voting on a day following, and see Senators retire from the Chamber and not remain to listen to others who wish to speak.

Mr. BANKHEAD. We may arrive at a vote this afternoon. I do not know of any long speeches which are to be made.

Mr. WILEY. I understand that the Senator from North Dakota [Mr. LANGER] will consume perhaps from an hour to an hour and a half, and there may be other Senators who will wish to speak.

Mr. LANGER. Mr. President, I am ready to waive my time, and vote now.

Mr. WILEY. May we vote now?

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Georgia [Mr. RUSSELL] to the amendment of the Senator from Florida [Mr. PEPPER]. On this question the yeas and nays have been ordered.

Mr. BANKHEAD. Mr. President, I desire to speak as briefly as I can, but I think I should state my reasons for supporting the Russell amendment.

It seems to me that, instead of the pending bill being a bad place from a legislative standpoint to consider the Russell amendment, which may result in an increase in the income received by the farmers, there could not be a more appropriate place for the consideration of the subject matter, for the bill itself relates to an increase of income to millions of American industrial workers. If there is any relationship between the incomes of these two great groups, why should not the relationship be considered at the same time? I have heretofore expressed myself upon the need of an adequate income for the working people of this country, and the benefit which the American farmer should receive from the work which he does, in providing a market for factory and industrial workers. We now have the opportunity to consider both sides of the question.

I am about to read a very short extract from a speech which I made to a club of businessmen in Birmingham, Ala., on August 29, 1945. The speech was upon the subject which we are now considering, and was made at a place where one would naturally expect opposition to an increase in the pay of workers who are covered by this bill. I quote from the speech:

> Generally speaking, farms around industrialized areas are prosperous because there is a ready market at good prices for what they raise. Pay rolls and farm income have risen and fallen together for a long period of time. They will rise and fall together after the war. If farmers want to remain prosperous after the war, they must have markets in the cities. This means that the workers must have the money to buy food and clothing, and business must have fair profits to pay fair wages. By the same token, farmers must be able to buy the products of our factories. Industry and agriculture both must be in a stable and prosperous condition if national prosperity is to be maintained.

On October 1, 1945, I spoke before the annual meeting of the Alabama Farm Bureau, at which there was a very large attendance of farmers. I submitted my views at that time as follows:

> We cannot have prosperity in this country by deflating agriculture and inflating industry. There is now pending in Congress a proposal to raise the minimum wage in industry to 65 cents per hour, later increasing the rate to 75 cents an hour. Labor in many industries is asking for pay raises. Industry is balking at the reconversion prices fixed by OPA. The trend in these fields is toward higher wages and higher prices. It is toward a higher wage and price structure supported by Government action. With the abandonment of the Little Steel formula and the removal of restrictions upon wage increases, increases in both wages and prices are likely. It is clear also that the living costs of farmers will be correspondingly increased.

I have read extracts from the two speeches to which I have referred in order to indicate my line of thinking before we approach action upon this bill.

Mr. President, fixing increased parity prices does not necessarily increase the price of any of the agricultural commodities upon which a parity price has been fixed. The parity level serves two purposes. One is a ceiling in times of scarcity in order to hold down the prices of commodities. The other is a loan which operates as a floor at a fixed level below the parity price. Loans are made upon the basis of a percentage of the parity price. So, in that way the parity serves its best purpose, in my judgment, by providing a support price for agricultural commodities by virtue of the loan based upon a percentage of the parity level.

Mr. President, I am a believer in the doctrine in which most of us profess to believe, that the best way to bring about production is by the offering of adequate prices to the producers. We have reached the point where production, in the face of a great clamor all over the world for food and clothing, is occupying the attention not only of America, but of all other countries. At such a time, when there is a requirement that we meet that demand and carry out our humane obligations and desires, an adequate price to the producers is most essential.

Mr. President, let us consider for a moment the history of the parity price in the agricultural program. Senators who were here when the agricultural adjustment law was passed will recall the fight we had over the price of corn. A parity price was fixed under the parity formula. President Roosevelt took 5 cents a bushel from the parity price, and therefore, from the selling price of corn, because of a payment of 5 cents a bushel under the soil-conservation program.

What happened? Senators well recollect. There was a reduction in the ceiling or parity price of 5 cents a bushel. The farmers in all the corn-producing sections went upon the equivalent of a strike. They refused to sell their corn at even 5 cents below parity, at a time when corn was in great demand, though possibly not so much as now, and the whole corn trade was paralyzed.

Finally a new Administrator, Mr. Chester Davis, came into office in the Department of Agriculture. I may say that Congress passed a bill and sent it to the White House prohibiting a reduction of the ceiling price, the parity price, because of the payment of soil-conservation payments or otherwise. The President vetoed the bill, and we could not get a sufficient number of votes to pass it over his veto. That is when the strike occurred.

Mr. REED. Mr. President, will the Senator from Alabama yield?

Mr. BANKHEAD. I yield.

Mr. REED. I ask the distinguished Senator from Alabama whether he recalls some history which I shall recount in connection with the passage of the Price Control Act of October 1942, which bears upon this direct point.

The Senator from Oklahoma [Mr. THOMAS] offered an amendment to the bill virtually to the same effect as that of the amendment now pending. He was urged—and some of us were asked—not to press the amendment at that time because it was alleged to be an inflationary measure. John Lewis, on behalf of his coal miners, was threatening a strike, and we were asked not to press for the inclusion of the amendment because it would give the organized labor forces an additional reason for demanding an increase in wages. Have I correctly stated the history up to this point?

Mr. BANKHEAD. The Senator has correctly stated the situation. It went to such an extent that we could hear all over the Chamber, from Senators who had voted for the bill, "Let it go by for the present, until John Lewis gets out of the picture." I remind the Senator that the veto was referred to the Committee on Agriculture merely in an effort to get time to answer that argument, but we never could get sufficient votes to bring the bill out of the committee, although it had passed the Senate by more than a two-thirds majority.

Mr. REED. Let me remind the Senator that since that time, in the past 3½ years, all the reasons which were urged upon us for not including the Thomas amendment in the control bill have come to pass. There has been inflation in everything except the farmer's prices.

Mr. BANKHEAD. I think that is true.

Mr. REED. Wages have been raised, by policies of the present administration, if not in ignorance at least in disregard of the fact that it is not possible to separate wages and prices. There have been very substantial increases in wages in virtually every direction.

How I might feel about the Pace amendment under different circumstances is one thing, but the farmers have an equity, in the circumstances surrounding this case, which justifies the inclusion of the amendment in the pending bill. In 1942 we were asked not to urge it because of the inflationary effect it might have upon wages. We did not include it, but the inflationary effect on wages is present at this time.

I merely wanted to remind the Senator from Alabama of some history in connection with this matter.

Mr. BANKHEAD. I am glad to have the reminder by the Senator, because I was an active participant in all those transactions. I have never seen a matter brought before the Senate that had for its purpose an increase in the income of the farmers, when there was not a group here who would holler loud and long and protest vigorously, led by administration representatives, that such action in favor of the farmers would result in great inflation. They even brought figures before the committee, which were used before the Senate, when we were trying to remove the 5-cent deduction from the price of corn, which would have resulted, I think, in a hundred million dollars increase in the cost of living of the people of this country.

Oh, inflation! It is such a fearful thing. We all dread it, and the term is conveniently used by those who have no sympathy for an increase in the income of the farmers. Anyone who doubts that may look back over the record of the Senate since Mr. Roosevelt was elected President, and since we began to get into financial distress.

Inflation! It is claimed that the increase in the parity price will result in alarming and distressing inflation, and some claim it with the appearance of sincerity, and I think with real sincerity, because they have not studied the problem thoroughly.

Where does the inflation come from? Does it come from an increase in the national income, a larger circulation of money, and an increase in purchasing power? That is always one of the chief causes of inflation.

Let us consider the matter for a moment. We hear talk about the increase in parity of cotton and corn and tobacco being about one-third of the present price. I challenge that statement, and I insist that it is true that there is no substantial inflation in it, as a study of the figures as to the three basic and leading commodities will demonstrate.

Consider the case of wheat, a great food commodity. By all means, we should increase the production of wheat, whatever the cost. We spend billions of dollars in one way or another. From the standpoint of inflation what attention have the Senate and the other House of Congress paid to billion-dollar expenditures? A bill pending in the Committee on Banking and Currency will be before the Senate in a few days—and I might vote for it—which, as I recall, though I am not certain about the figures, appropriates more than a billion dollars, not solely for construction but for paying subsidies, in effect, in order to construct low-cost houses for the veterans.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. LUCAS. Is it not a fact that it takes about a billion and a half dollars a year to keep prices down?

Mr. BANKHEAD. In the form of subsidies, and farmers never did like it. The population in the cities did.

Mr. LUCAS. Subsidies is what I am talking about, and it takes about a billion and a half dollars out of the Federal Treasury to keep prices down.

Mr. BANKHEAD. And it should not be done, as I argued all the time. The consumers should pay for the food they buy; the taxpayers should not be made to pay for it. But I shall not go into that question. We have not time. Let us not discuss that now. We discussed it here for days and days.

Mr. LUCAS. The pending amendment will not keep prices down?

Mr. BANKHEAD. Keep them down?

Mr. LUCAS. We are paying a billion and a half to keep them down, and we are moving now in the direction of pushing them up.

Mr. BANKHEAD. Subsidy payments are being made to the producers of some commodities, but only a very few. They are not paid on general commodities such as wheat, corn, and cotton. Not the ones about which it is claimed such payments would be inflationary and should not be made—commodities, the prices of which should not be allowed to increase.

Oh, no, they are not in the list. There are just a few of them.

What about wheat? I think we would be justified in appropriating $1,000,000,000 or $2,000,000,000 for the purpose of bringing about a large increase in the production of wheat. I feel the same way about corn, but not about cotton.

I am not speaking for my own commodity. I am speaking now from the standpoint, not of the farmers, but of the suffering peoples of the world who need these grains to save them from malnutrition, and, in many localities, from starvation. I should be glad to vote for any reasonable amount to subsidize the production of these grains, instead of following the niggardly policy of holding down the ceiling prices, which tends to retard production, because the farmers cannot buy the machinery and pay the wages of labor which are necessary to bring about substantially increased production and utilize the additional acreages which should be made available.

Mr. REED. Mr. President——

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from Alabama yield to the Senator from Kansas?

Mr. BANKHEAD. I yield.

Mr. REED. I am sure the Senator from Alabama will remember that from the very beginning of price-control legislation provision was made for the use of subsidies for one purpose, and one purpose only, that was to increase production. All Senators who are known as farm-State Senators have always been willing to accept the subsidy principle when used to increase production and nothing else.

Mr. BANKHEAD. That is true.

Mr. REED. The OPA, in the administration of the Price Control Act, have prostituted the intention of the Congress, and, instead of using subsidies for production, they have used subsidies in a way which has had the effect of limiting production.

Mr. BANKHEAD. The Senator from Kansas will recall that evidence was presented to the Senate from all sections of the country that dairy herds were being sold because the selling price of dairy products prevented the products derived from dairy herds being marketed at a cost margin. Many owners of dairy herds and of creameries were losing money and went out of business. The Senator well recalls that the same was true with respect to the livestock business generally. It was not only true of butter and cheese, but of beef and of other commodities which are essential to the welfare of the people of the country. We authorized subsidies upon the principle chiefly that either that course was necessary or an increase in the selling prices was necessary. The administration would not stand for an increase in the selling prices, so the farmers went along notwithstanding the fact that they really wanted to get their income in the market place just as other producers of the country do.

Mr. REED. And not out of the Treasury of the United States, from money which is collected from the taxpayers.

Mr. BANKHEAD. That is correct. That was the attitude of the farmers. I think we all agreed on the principle involved, that a profit must be obtained from the operation of any industry, agriculture or otherwise, in order to bring about a satisfactory condition. We need it now if we ever needed it, particularly with respect to grains, though some Senators are complaining bitterly that an increase in the parity level will produce inflation.

The Senator from Illinois, is a great man, and for him I have great respect and in him much confidence, but he has always been wrong, as I understand right and wrong, on the agricultural question. He has two groups of farmers in his section of the country. He has the hog farmers, a majority of whom make their money not by selling corn but by buying corn and feeding it to the hogs and then selling the hogs. So they want cheap corn, low corn prices. Being in the business they are in, I do not blame them for that.

Mr. LUCAS. Mr. President, I simply want to reply to my good friend the Senator from Alabama.

Mr. BANKHEAD. I welcome it.

Mr. LUCAS. Whatever I do here in the way of championing the corn farmers will never equal what the Senator from Alabama does for the cotton farmers.

Mr. BANKHEAD. I hope it will be true that the Senator never can do any more than I try to do, but he is making his effort for that group of his own people. I admit they are in the majority, and probably he is carrying on in a truly representative fashion. When he opposes, as he has consistently done ever since these questions have come up, an increase in the selling price of corn or of wheat, he is representing the great majority of farmers in his section who do not sell corn and do not sell wheat. He says his farmers are satisfied with the prices they are receiving. The Senator from Georgia [Mr. RUSSELL] pointed out that undoubtedly the majority of them are satisfied because they sell no corn and sell no wheat.

Let us now consider wheat. I believe I love all the farmers the Senator from Illinois represents. It seems to me he loves some better than he does others. How much wheat will be sold this year? The Bureau of Agricultural Economics and the Crop Reporting Board have estimated that this year the wheat crop will be one of the largest in our history—a billion bushels of wheat. Eighty percent of that wheat will be sold. The only inflation that could come about in respect to wheat would be represented by the increase over the present price up to the new parity price, if the Russell amendment should be adopted. The current sales price would prevail anyway and it is now up to the ceiling. So those who really want to figure from the financial standpoint, or from an inflationary standpoint, should consider the quantity of wheat to be sold out of this tremendous crop, and then figure the difference between the present market price and what the price would be under the Russell amendment. It is said the price will be increased one-third. Suppose it is. I doubt it, but it may be increased one-third because of the great demand for wheat from people all over the world. The Bureau of Agricultural Economics advised me this morning that 800,000,000 bushels of wheat will be sold out of the tremendous crop which will be produced this year. An increase of one-third in the price of the 800,000,000 bushels would represent only $266,000,000, when we consider the entire spread between the present parity and the new parity on wheat under the Pace or Russell amendment. What effect will an increase of $266,000,000 have in bringing on inflation in this country?

Mr. REED. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. REED. When the Senator begins to talk about wheat, I am always interested. In the first place the Senator from Alabama is a friend of the farmer no matter where the farmer may live or what he may produce.

Mr. BANKHEAD. I thank the Senator.

Mr. REED. I come from the largest wheat-growing State of the Union—Kansas. Let me remind the Senator from Alabama of the different treatment that has been given industrial wage earners and wheat farmers. Wages during the present World War and now are substantially above the level of wages paid during World War I. But in World War I there was an upset fixed price for wheat of $2.20 a bushel, and every farmer in Kansas who raised wheat received $2.20 for it, but the farmer has been averaging about $1.40 on last year's crop. That may be a little bit low, but the average would be between $1.40 and $1.60 as against $2.20 in World War I. Now we are reminded every day that the world needs wheat for food. Let me call the attention of the Senator from Alabama and the Senate to the fact that we have had phenomenal yields of wheat in 4 of the past 5 years. The last year's harvest of wheat was the largest on record, well over a billion bushels—something over eleven hundred million bushels, if my memory serves me aright. In the whole country we have been planting an average of about 65,000,000 acres to wheat.

In 1942, 1944, and 1945, the weather was more favorable than the average to wheat production; so we raised the large crops because of favorable weather conditions. Let me remind the Senator from Alabama that under the law of averages that is not going to take place each year, and if we plant only 65,000,000 acres again this year for next year's crop we are not likely to have so large a yield. Certain weather conditions can make a difference of 300,000,000 bushels in the total output of the wheat crop. If the world wants wheat and wants to come to the United States of America to get it, we had better make some provision whereby the acreage may be increased to a point which will offset the lower-acre yield which under the law of averages we are almost certain to have in the next cycle of years. We have had a cycle of unusually good weather for crop production, as the Senator from Alabama knows.

In 1942 I went to the Department of Agriculture and talked with Mr. Wickard,

who was then Secretary of Agriculture, about the phenomenal crop yields in 1942. He said, "Senator, do not forget that we have had 3 years of good weather." Those were the years 1940, 1941, and 1942. "Under the law of averages we are likely to have a reversal."

But, Mr. President, our luck held. With the exception of 1943, our luck held up to and including the crop year of 1945. There was a period of 6 years of above-average yields, particularly of wheat. In the years immediately to come we are likely to have a reversal of that situation. So if we want more wheat some provision should be made for planting a greater acreage and giving the farmer a price which will induce him to plant a greater acreage and accept a lower per-acre yield than he has had, on the average, for the past 6 years.

Mr. BANKHEAD. There is no Member of the Senate for whose judgment I have greater respect on the subject of wheat than the junior Senator from Kansas. I know the purity of his heart and his motives. I think he has given us a very constructive idea. If starvation is threatened throughout the world—whether it comes to the point of starvation or only malnutrition—it is incumbent upon the people of America to put every possible available acre into the production of wheat, and not require the landowners and the wheat operators to carry the entire burden of having to meet the staggering world-wide demands. The Senator has suggested an appropriation to help bring about that result. I favor trying to save a loaf here and there, but I do not regard that as an adequate form of relief.

But we are now confronted with a fight upon an amendment which would add a trifling amount to the cost of that program. The normal increase in the production of wheat and corn, considering the present market price of wheat and the new Russell price, would cost only $266,000,000.

When we consider the price of corn, and the amount of corn which normally goes into commercial trade, we find that the increased price would apply to only 275,000,000 bushels of corn. That is the total amount of the billion-dollar corn crop which goes into commercial trade. Nearly all the remainder of the crop is fed to hogs by the constituents of my friend from Illinois [Mr. LUCAS] and other hog raisers.

Actually there would be some increase in the price of meat and lard. But the OPA is here to hold down the increase. Whatever increase in the prices of those items is considered normal should be permitted. In my judgment the people of the United States are entirely willing to pay for the products which they need if they know that the program is providing large quantities of food for the suffering peoples of the world.

What about cotton? Some look with suspicion upon the amendment because of the interest in cotton of my very able friend the Senator from Georgia. He is one of my favorites in the Senate. Is cotton in such a situation that it would receive particular benefits from this program? Let us see. Let us reason.

It is said that the prices of wheat, corn, and other agricultural commodities produced largely in the West would rise to the extent of 33 percent. That may be true. The price of cotton would not rise to any such extent. The price of cotton is now within 2 cents of the point where the ceiling would be under the Russell amendment. Today cotton sold for 27½ cents a pound. Under the Pace or Russell amendment the ceiling would be 29 cents a pound. Only 2 cents a pound of the whole crop is involved.

This year we produced only 9,000,000 bales of cotton. Twelve million bales is a normal crop. Suppose we could obtain sufficient labor and agricultural implements to bring the production of cotton back to normal, and that we should produce 12,000,000 bales. If the price were increased 2 cents a pound, or $10 a bale, the increase on the whole crop of 12,000,000 bales would amount to $120,000,000. That would be the total increase, based upon the ceiling of 29 cents.

It is said that this proposal would lead to inflation. Why? Because it would be of benefit to the farmers? The income from the cotton crop varies $100,000,000 or more a year because of varying weather conditions; and yet the cry of inflation is not raised when the crop brings the maximum income.

Next to corn, cotton is the most important agricultural commodity from the standpoint of the number of people employed and the industries operated. What is $120,000,000 a year on a crop of 12,000,000 bales? People all over the world are eager for cotton and wheat. There is a shortage of cotton clothing in this country. Still opponents of the pending amendment do not wish to see an increase in the price which may be necessary in order to produce even a normal cotton crop this year.

This is a niggardly doctrine. It is not sound. It is not based upon logic, common sense, reason, or facts. There would be a maximum increase of less than $500,000,000 in connection with the three leading basic commodities.

The bill which we are considering proposes to increase the minimum wage for many million workers. How many people does the Senator from Florida claim are covered by the bill?

Mr. PEPPER. Estimates range between two and a half million and four million.

Mr. BANKHEAD. In answer to a question on the floor of the Senate, the able Senator from Florida, after consulting his aide, stated that Mr. Bowles had estimated—and I have no doubt that the estimate is too small—that the increased cost resulting from the operations of the bill would be $4,000,000,000. Yet he was advocating it. The Secretary of Agriculture was advocating it. But when it came to the farmer it was said that an increased cost of half a billion dollars would be inflationary, as compared with $4,000,000,000 for factory and industrial workers.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. PEPPER. I am sorry that I missed a part of the able Senator's address.

Mr. BANKHEAD. I am sorry too. I might have converted the Senator if he had done me the honor to listen to me.

Mr. PEPPER. I know that if affection could be the persuasive force I would never disagree with the able Senator from Alabama. But I do not quite understand the logic by which he seems to have arrived at the conclusion that the Russell amendment would add only half a billion dollars to the total cost.

Mr. BANKHEAD. The able Senator from Florida and other advocates of the bill argue that an increase in the cost of the three commodities which we have been discussing would bring about great inflation.

Mr. PEPPER. I am afraid that we have given the Senator the wrong impression if he has drawn such an inference. We have relied upon the advice of the Secretary of Agriculture, of Mr. Chester Bowles, Director of Economic Stabilization, and of Mr. Paul Porter, Administrator of OPA. They stated that if the Russell amendment were adopted there would be an increase of $4,000,000,000 to the American people in food prices alone.

Mr. BANKHEAD. I have not heard them make such an argument; but in connection with the 5-cent reduction in the parity price of corn, I heard the argument made that the restoration of the 5 cents would result in an increased cost of a billion dollars, because the 5 cents would be pyramided every time the corn changed hands. When Chester Davis restored the 5 cents which the President took off, it did not even unfreeze the corn market, and had no appreciable effect on inflation. Everyone who has studied the situation knows that to be so. When Chester Davis, a wise man, a practical man, a man with common sense, was placed in charge of the program in the Department of Agriculture he promptly restored the 5 cents to the parity price of corn, but that action did not result in moving any corn. The farmers remained on strike and kept the corn in their bins. The restoration of the 5 cents had no effect. It was claimed that it would result in $1,000,000,000 of inflation.

It is said that the proposal before us would result in an increase of $4,000,000,000 in food prices. That is absurd. I pay no attention to the wild estimates of theorists who wish to destroy a program, and who can produce figures to fit the situation. Sometimes it seems to me that they pyramid the figures at least 40 times. In view of the increased prices of commodities, of course, the amendment will have some effect upon the prices of foodstuffs; but in no wise will it constitute inflation. The amendment would result in nowhere near the increase in national income which would result from passage of the Pepper bill. It seems to me that every thoughtful student who is searching for the truth will agree that the Pepper bill—and the Senator from Florida is proud of it, and he may be proud of it from the standpoint of the people he is trying to benefit—will increase the national income and the amount of money in circulation—which constantly has a tendency to increase prices—two or three times more than the pending amendment will.

Mr. President, I shall not take up much more time. I should like to speak all day in the interest of the farmers. I am afraid many Senator have left the Chamber. Many of them who do not like sound doctrine will go to their offices when it is being propounded. I am delighted that the Senator from Wisconsin [Mr. WILEY] has remained, as well as other Senators, some of whom may seek to answer what I have said, some of whom are open to conviction, and some of whom are already under the influence of convictions.

But, Mr. President, it seems strange, to me, that when there is general agreement that in order to keep our industries operating successfully we must see to it that factory workers are paid wages sufficiently high to enable them to maintain a standard of living on the basis of which they will be able to purchase the products of our factories—in short, a standard of living which justifies the high-wage levels advocated for industrial workers—the same argument is not made in favor of the establishment of a fair wage for the farmers of the United States or a fair-price level for farm products. I believe in a high level of wages, but I do not believe in attempting to confine it to the urban population, as many persons seem to believe. I wish to give a high-wage level to those for whom the Senator from Florida is pleading, and I hope his heart will open and that he will help give it to the agricultural group of workers. The proposal should work both ways, if we are to be just and fair about it and if we are to have a well-balanced economy which will support a high level of wages for industrial workers. If we are to do that, we must have a similarly high level of income for the thirty-odd mililon farmers in the United States, who constitute from one-quarter to one-fifth of our entire population. We wish to maintain a high standard of living for the industrial workers of the United States—I am frank to say that I wish to see that done, and I have made speeches in favor of a high standard of living for both industrial workers and farmers; but every time I have advocated it, I have said, "However, do not forget that the same rule must be applied to both."

Mr. Chester Bowles and his group in the OPA have made some statements about the inflationary tendencies of certain measures and certain practices. They have been trying to find some way to restrict operations on the cotton exchanges of the United States in such a way as to prevent any increase in the price of cotton. They desire to increase the margins required for operations on the cotton exchanges, so as to stop hedging and speculation and related activities. But it is impossible to separate them on the cotton exchanges.

As I said a while ago, the difference between the present market price of cotton and the price which will result from adoption of the Russell amendment amounts to only 2 cents. What does 2 cents mean to the people of the United States who use cotton goods? Is there any justification for any fair-minded man who is in search of the truth to say that an increase of 2 cents a pound in the price of cotton will cause too great an increase in the price of clothing?

Mr. President, I have had prepared a statement showing the effect on the price of cotton goods of an increase of 1 cent a pound in the price of raw cotton. I shall not read all of the statement, but I now ask unanimous consent to have it printed at this point in the RECORD as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Effect on price of cotton goods of an increase of 1 cent per pound in price of raw cotton

Article (in code numbers of Bureau of Labor Statistics Specifications)	Price [1]	Quantity [2]	Increase in price of goods sufficient to reflect increase of 1 cent per pound in price of cotton
		Pounds	*Cents*
Overalls (M09IB)	$1.55 to $2.80	2.27	2.27
Dress shirts (111A)	$1.70 to $5	.79	.79
Business shirts (114C)	$1.39 to $3.45	.66	.66
Work shirts (101B)	$0.98 to $1.64	.73	.73
Men's shorts (131B)	$0.39 to $2.50	.26	.26
Work trousers (M072B)	$1.78 to $4.77	1.80	1.80
Men's socks (171)	$0.33 to $0.65	.22	.22
House dresses (W0826)	$1.55 to $3.98	1.00	1.00
Sheets (Y041)	$1.29 to $2	2.00	2.00
Towels (Y031)	$0.44 to $1.12	.60	.60
Women's gowns (W101B)	$0.98 to $4.98	.70	.70
Men's seersucker suits	$14.50	2.10	2.10

[1] Range reported by Bureau of Labor Statistics for December 1945 in 34 States.

[2] Bureau of Agricultural Economics estimate of cotton required to make article, including waste.

An increase of 1 cent per pound in the price of raw cotton would add about $53,000,000 to the value of cotton goods made from 9,000,000 bales of cotton if pyramiding of raw-material prices through various manufacturing, handling, and distributing groups is not permitted. Approximately 40 percent of the total increase would be for wearing apparel, 20 percent for household goods, and 40 percent for industrial products.

The total increase in the consumer's bill for cotton clothing and household goods would be about $32,000,000 annually, or about 30 cents per capita per year.

Cotton-clothing costs should be increased no more than one-half of 1 percent on the average, ranging one-quarter of a cent on men's sock to 2 cents on overalls.

The cotton farmer gets less than 12 cents of every consumer dollar spent for cotton goods, the rest goes for handling, processing, and distributing.

Mr. BANKHEAD. Mr. President, the statement which I have just submitted for the RECORD, and which I have had prepared, shows the effect on the prices of 12 types of cotton goods of an increase of 1 cent a pound in the price of raw cotton. The 12 types of cotton garments included in the list are the ones in most frequent use. The list includes overalls, dress shirts, business shirts, work shirts, men's shorts, work trousers, men's socks, house dresses, sheets, towels, women's gowns, and men's seersucker suits. The statement includes figures prepared by the Bureau of Labor Statistics showing the range of prices, under the price-ceiling program, for all the articles I have mentioned. One column of the statement gives information which I have never before seen compiled. It is a list of the quantity, by weight, of cotton in each of the articles of apparel included in the list.

Mr. President, when we examine the statement we find that in the case of overalls the range in the legal price—not the black market price—was from $1.55 to $2.80, as of December 1945, in 34 States. We also find that only 2.27 pounds of cotton, including waste, were required to make a pair of overalls. Accordingly, the result of an increase of 1 cent a pound in the price of raw cotton would be an increase of 2.27 cents in the price of a pair of overalls. Think of that, Mr. President; think of that if you wish to search this matter to the bottom and determine whether the charges of inflation are justified and sincere.

Next let us consider business shirts. From the statement we find that, as of December 1945, they ranged in price from $1.39 to $3.45. A business shirt contains 0.66 of a pound of cotton. We find that an increase of 1 cent a pound in the price of raw cotton will mean an increase of 0.66 of a cent—66 one-hundredths of a cent—in the price of a business shirt. In other words, Mr. President, if the Russell amendment is adopted the price of a business shirt will be only a little more than one-half of a cent greater than the price as of December 1945.

There is no justification for attempting to pyramid the price of raw cotton which goes into the manufacture of such articles. Why should the cotton which goes into a cotton mill come out of that mill, in the form of a finished article, at a higher price than it had when it went in? The cost per pound is just so much when the cotton goes into the cotton mill; and when it comes out of the mill, in the form of a finished article, the cost of the cotton is still just so much a pound. Only to that extent is it included in the cost allowed the mill for producing cloth from the raw cotton.

Mr. President, let us further examine the statement I have submitted. From it we find that in the case of dress shirts, the price as of December 1945 ranged from $1.70 to $5. We also find that a dress shirt contains only seventy-nine one-hundredths of a pound of raw cotton. The result is that the effect of an increase of 1 cent a pound in the price of raw cotton will mean an increase of seventy-nine one-hundredths of a cent in the price of a dress shirt.

Next let us consider work shirts. They are important to the ordinary workers whose interest is so dear to all of us. The statement gives figures showing that no injustice will be done to the great mass of workers by an increase in the price of cotton, as a result of the adoption of the Russell amendment, to 29.33 cents or even 30 cents; let us say 29½ cents to make it plain. From the statement I have submitted we find that as of December 1945 a work shirt cost from 98 cents to $1.64, and that the average work shirt contains seventy-three one-hundredths of a pound of raw cotton. We also find that an increase of 1 cent a pound in the price of raw cotton will increase the price of a work shirt only seventy-three one-hundredths of a

cent. The increase will not amount to even 1 cent. The quantity of cotton used in a work shirt would be the same, whether the present price of 27½ cents were to prevail, or the price went up to the level proposed under the Russell amendment of 29½ cents. The cost of cotton could not be increased by more than 2 cents if a ceiling were to be put on at the new level under the Russell amendment.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. WHEELER. Am I correct in understanding that the Russell amendment provides in substance that in fixing the price of wheat or cotton consideration shall be given to the increased cost of labor on the farm?

Mr. BANKHEAD. Allowance is to be made for increased labor costs.

Mr. WHEELER. The increase in labor costs on the farm has been tremendous, especially in the wheat-growing sections in my own State. When I was in Montana last year I talked to many farmers who were harvesting wheat. I questioned them with regard to labor costs. I was told that farm labor was being paid from $10 to $15 a day. One farmer told me that he had an employee whom he paid $7 a day the year around, and furnished him with board and room. So the increase in the cost of labor in the harvesting of wheat has been considerable.

I understand that the amendment is similar to that contained in a bill which once before passed the Senate.

Mr. MAYBANK. Yes; and it passed the House twice.

Mr. WHEELER. I am in favor of the amendment, and I am also in favor of the minimum wage bill now pending before the Senate. After all, a minimum of 65 cents an hour means only approximately $1,300 a year. Of course, notwithstanding the OPA, studies which have been made prove beyond a doubt that even a single person has difficulty in living on $1,300 a year in an urban area during the present era of high prices. How can we expect a family of three or four persons to live on such an income? Yet, I have heard Senators assert on this floor that it would be dangerous to the economy of America for families to have an income on which they could live decently.

I am not concerned about what some economists may have said about the pending proposal wrecking the economy of the United States. Today we must be concerned with the fact that no man and woman should be required to work for less than a living wage.

Mr. BANKHEAD. I am in general accord with the view of the Senator, and I should like to ask if he does not think it would be well to increase to some extent the income of the farmers.

Mr. WHEELER. I think there can be no doubt about the desirability of doing that. I do not believe that the incomes of one class of citizens should be increased without increasing the income of other classes as well.

While the wheat farmers of my State are now prosperous, nevertheless, since they are required to pay from $10 to $15 a day in order to obtain employees to harvest the crop, the prices which the farmers receive for their wheat must be high enough to meet that cost.

As I have already said, Mr. President, today we must be concerned with the fact that no working man or woman in this country should be required to work for less than a living wage. When we reach the time when working men and women are able to earn sufficient money properly to clothe and feed themselves and their children, then will be the time to consider the economics of how high wages should go. But when that time arrives most of us will not be around to consider the question.

Let us be practical and realistic and remember that here in America millions of people are still undernourished, improperly clothed, and without adequate shelter. When we rectify that situation there will be plenty of time in which to worry about the economic standards of people elsewhere. And, of course, it follows that if this legislation results in an increase in the wages of farm workers we must take into consideration the prices of the products which the farmers produce.

Mr. BANKHEAD. I agree with the Senator. Correspondingly, if we raise the wages of industrial workers we must raise the pay of agricultural workers.

Mr. WHEELER. That is true. An increase in the wages of industrial workers leads to a corresponding increase in the wages of farm workers. And when the wages of industrial and farm workers are raised we must also raise the prices of the crops which the farmers produce. For that reason, I shall support the pending amendment in justice and fairness to the farmers of this country. But I shall also support the minimum wage bill, which I think is one of the most important pieces of legislation now pending before the Congress. It affects millions of workers, many of whom are merely existing, not living, in a period of unparalleled prosperity. It is little enough, in my opinion. There can be no permanent and stable prosperity while a worker has to support his family on $1,300 a year—and far too many do not earn $1,300 a year.

Mr. BANKHEAD. Mr. President, I now yield the floor with the understanding that a motion to recess is about to be made.

Mr. WHEELER. Mr. President, before a recess is taken, I wish to say that I cannot conceive how any laboring man could possibly object to the Russell amendment, for the simple reason that it will help all labor generally. If the farmer, or the producer of farm products, is allowed a price fixed after taking into consideration the cost of labor, he will be much more willing and able to pay his farm labor a decent wage than if he had not been allowed such a price. Every laboring man, whether he is an industrial worker or a farm worker, should be in favor of the amendment.

Mr. BANKHEAD. That is the way I see it.

CANCER CONTROL MONTH, 1946

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD a proclamation issued by President Truman on March 25, 1946, on the subject of cancer control.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

CANCER CONTROL MONTH, 1946—A PROCLAMATION BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

Whereas cancer is the second highest cause of death in the United States, and was responsible last year for more than 170,000 deaths; and

Whereas the number of deaths from cancer in the United States during the period of hostilities in World War II exceeded the number of war casualties of the United States armed forces; and

Whereas the control of this disease requires that the individual shall be on the alert to discover early signs of the disease and seek medical diagnosis; that the medical profession shall be prepared to render adequate preventive, diagnostic, and treatment services; that adequate diagnostic and treatment facilities shall be available to all citizens; and that research shall be carried on to increase our knowledge of the disease and thereby improve our present methods of treatment and discover new methods; and

Whereas the National Cancer Institute in the United States Public Health Service, State health departments and cancer-control commissions, medical associations, and many other public and private organizations have for many years been actively leading the fight against this disease; and

Whereas it is known that a large percentage of deaths from cancer can be prevented if the disease is discovered and treated in its early stages; and

Whereas, by Public Resolution 82 (75th Cong.), approved March 28, 1938 (52 Stat. 148), the President is authorized and requested to issue annually a proclamation setting apart the month of April of each year as Cancer Control Month:

Now, therefore, I, Harry S. Truman, President of the United States of America, do hereby set apart the month of April 1946 as Cancer Control Month, and do invite the governors of the several States, Territories, and possessions of the United States to issue proclamations for like purposes. I also invite the medical profession, the press, the radio, the moving-picture industry, and all agencies and individuals interested in a national program for the control of the disease of cancer by education and other cooperative means to unite during this month in a public dedication to such a program and in a concerted effort to impress upon the people of the Nation the necessity of that program.

In witness whereof I have hereunto set my hand and caused the seal of the United States of America to be affixed.

Done at the city of Washington this 25th day of March A. D. 1946, and of the independence of the United States of America the one hundred and seventieth.

HARRY S. TRUMAN.

By the President:

JAMES F. BYRNES,
Secretary of State.

EXECUTIVE SESSION

Mr. PEPPER. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The PRESIDENT pro tempore. If there be no reports of committees, the clerk will state the nominations on the executive calendar.

UNITED NATIONS ECONOMIC AND SOCIAL COUNCIL

The legislative clerk read the nomination of John G. Winant to be representative of the United States of America in the Economic and Social Council of the United Nations.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

NOMINATIONS PASSED OVER

The legislative clerk read the nomination of W. Averell Harriman to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Great Britain.

Mr. WHITE. Mr. President, I ask that this nomination, together with that of Mr. Vardaman to be a member of the Board of Governors of the Federal Reserve System, be passed over.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the two nominations will be passed over. That completes the executive calendar.

Mr. PEPPER. I ask unanimous consent that the President be notified at once of the confirmation of Mr. Winant.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

RECESS

Mr. PEPPER. I move that the Senate now recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 2 minutes p. m.) the Senate took a recess until tomorrow, Friday, March 29, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 28 (legislative day of March 5), 1946:

FEDERAL POWER COMMISSION

Claude L. Draper, of Wyoming, to be a member of the Federal Power Commission for the term expiring June 22, 1951. (Reappointment.)

APPOINTMENTS AS GENERAL OF THE ARMY IN THE REGULAR ARMY OF THE UNITED STATES

General of the Army George Catlett Marshall (major general, U. S. Army), Army of the United States, with rank from December 16, 1944.

General of the Army Douglas MacArthur (general, U. S. Army, retired), Army of the United States, with rank from December 18, 1944.

General of the Army Dwight David Eisenhower (major general, U. S. Army), Chief of Staff, with rank from December 20, 1944.

General of the Army Henry Harley Arnold (major general, U. S. Army), Army of the United States, with rank from December 21, 1944.

IN THE NAVY

Fleet Adm. William D. Leahy, United States Navy, to have the permanent grade of fleet admiral of the United States Navy, to rank from the 15th day of December 1944.

Fleet Adm. Ernest J. King, United States Navy, to have the permanent grade of fleet admiral of the United States Navy, to rank from the 17th day of December 1944.

Fleet Adm. Chester W. Nimitz, United States Navy, to have the permanent grade of fleet admiral of the United States Navy, to rank from the 19th day of December 1944.

Fleet Adm. William F. Halsey, Jr., United States Navy, to have the permanent grade of fleet admiral of the United States Navy, to rank from the 4th day of December 1945.

IN THE MARINE CORPS

Gen. Alexander A. Vandegrift, Commandant of the Marine Corps, to have the permanent grade of general in the Marine Corps, from the 21st day of March 1945.

IN THE COAST GUARD

Admiral Russell R. Waesche to be an admiral (retired) on the retired list of the United States Coast Guard, pursuant to the provisions of an act of Congress approved March 23, 1946 (Public Law 333, 79th Cong.).

CONFIRMATION

Executive nomination confirmed by the Senate March 28 (legislative day of March 5), 1946:

UNITED NATIONS ECONOMIC AND SOCIAL COUNCIL

John G. Winant to be the representative of the United States of America in the Economic and Social Council of the United Nations.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 28, 1946

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, today we ask for strength to dedicate ourselves anew to the work our fathers began. We pray for the American home, that its ideals may be kept bright and promising. We pray for Thy church, that it may spread Thy truth among all people. O keep alive in men the sense of God and Thy merciful providence, and the Christ and His redemptive compassion. Breathe into us the virtues of duty and of self-sacrifice and the deathless hope of immortality. O send the teachings of the prophets abroad in our land until all our endeavors shall become as fruitful vines whose leaves are for the healing of the nations.

O Thou who didst reveal Thyself as life that triumphs over death, and friend to all who face the gloomy clouds of the future, let Thy gracious presence enter every heart and give it peace. Grant that the agitations of the nations may be calmed and their questions adjusted to hasten the coming of the King of kings and the Lord of lords. In the name of Saint Mary's Holy Child. Amen.

The Journal of the proceedings of yesterday was read and approved.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following resignation from a committee:

MARCH 28, 1946.

Hon. SAM RAYBURN,
Speaker, House of Representatives,
Washington, D. C.

MY DEAR MR. RAYBURN: I hereby tender my resignation as a member of the Interstate and Foreign Commerce Committee.

Sincerely yours,

EDWARD A. KELLY,
Member of Congress.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

EXTENSION OF REMARKS

Mr. LARCADE asked and was given permission to extend his remarks in the RECORD and include a newspaper article from the Washington Post on the subject of the OPA.

Mr. KIRWAN asked and was given permission to extend his remarks in the RECORD and include a speech delivered by the gentleman from California [Mr. IZAC].

Mr. GRANAHAN asked and was given permission to extend his remarks in the RECORD and include a speech he made before the American Federation of Government Employees in Philadelphia.

THE LATE HONORABLE HUBERT D. STEPHENS

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Speaker, I went home last week because of a death in my family. While there I learned of the death of one of my predecessors in this body, the Honorable Hubert D. Stephens, who served so ably here for many years. Senator Stephens was truly one of our outstanding Mississippians. He served for many years as district attorney in a section which I later served in the same capacity. He then came to the Congress of the United States as a Member of the House from the Second Mississippi District, the district which I have the honor to represent. After many years of service in this body he served well and ably in the United States Senate for approximately 12 years.

Throughout Senator Stephens' entire life he reflected credit on himself and on his State. His service was marked by outstanding achievements and beneficial legislation. I include herein copy of an editorial appearing in the New Albany Gazette, Senator Stephens' home-town paper. An outstanding citizen and public servant, but best judged by the feeling of his home people, who knew him best, Senator Stephens met the test of greatness both on the national scene and in the hearts of those who knew him best.

[From the New Albany (Miss.) Gazette of March 20, 1946]

HUBERT D. STEPHENS

Former Senator Hubert D. Stephens is gone and Union County, Miss., and the Nation are the losers.

Until failing health gradually forced his complete retirement from active political life, he was ever alert to the needs of his community, the State, and the Nation, and was ready to enter the battle lines to fight for what he determined to be the right of any issue.

Mr. Stephens was our own close personal friend and we admired him much for his human spirit, his untiring efforts for the betterment of his fellow man and his country, and for his lofty ideals.

His accomplishments in public life are not characterized by a long list of demagogue

utterances that too many of our public servants like to seek as a measure of their service while in office, but rather his accomplishments during the long period that he served in the National Congress, first as a Representative and later as a Senator, are of quality and of the stuff that is in itself sufficient for a lasting memorial to his service.

He fathered the then-called committee on radio, now the powerful and necessary Federal Communications Commission, without which radio, bad as it sometimes is, would have known no bounds and would have been even more confusing to the public. He aided by his forceful personal fighting ability the enactment of the original Federal aid provision of Federal law whereby poorer States like Mississippi and others could participate in Federal funds for highway construction.

His service on the committee which recommended, and whose recommendations and findings were accepted, the formation of the Federal Reserve System, did much to prevent panics, depressions, and unstable monetary conditions in the Nation. It was indeed a noble piece of work.

Some years ago we wrote: "* * * Mr. Stephens declares that he has decided to sever all connections vith the law firm which he has headed for the past several years in Washington, and that he plans to spend the rest of his days among friends of Union County, on his Hell Creek farm, looking after his white-faced Herefords, his cotton, his orchards, his watermelons, and cantaloupes; enjoying the long southern summer evenings with his family in calm and quiet—far from the turbulent turmoil of mad Washington.

"Welcome home, Senator Stephens, yours is a splendid record and we shall glory with you in recollection as you resume the simple life of a southern country gentleman."

And so now, Mr. Stephens has climaxed all this. He has come to the end of the road and met the final challenge quietly and bravely. He has gone to his permanent reward, to his permanent resting place, here in the Southland he loved so well. May his soul rest in peace.

Senator Stephens was a true public servant, a man of ability, who served his people well. The entire State of Mississippi and the Nation regret deeply his passing.

PERMISSION TO ADDRESS THE HOUSE

Mr. CHURCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[Mr. CHURCH addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. SCHWABE of Oklahoma asked and was given permission to extend his remarks in the RECORD in two instances and include in one an editorial and in the other a letter.

Mr. HENRY asked and was given permission to extend his remarks in the RECORD and include an editorial on the housing crisis which appeared in the Portage (Wis.) Daily Register, March 25, 1946.

Mr. BLACKNEY asked and was given permission to extend his remarks in the RECORD.

Mr. COLE of Missouri asked and was given permission to extend his remarks in the RECORD and include an editorial from the St. Joseph Gazette entitled "OPA at the Crossroads."

Mr. CLEVENGER asked and was given permission to extend his remarks in the RECORD and include an article from the New York Times, Free Market Versus Black Market.

Mr. THOMAS of New Jersey asked and was given permission to extend his remarks in the RECORD and include an editorial which recently appeared in a New Jersey newspaper.

Mrs. LUCE asked and was given permission to extend her remarks in the RECORD in two instances and to include three editorials from newspapers.

Mr. ANDERSON of California asked and was given permission to extend his remarks in the RECORD and include an editorial and a newspaper article on the cannery workers' jurisdictional dispute in California.

PERMISSION TO ADDRESS THE HOUSE

Mr. JENKINS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to extend my remarks and include a copy of a letter I have received from Secretary Schwellenbach, and also a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

[Mr. JENKINS addressed the House. His remarks appear in the Appendix.]

MEAT PRODUCTION AND DISTRIBUTION

Mr. CLEVENGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include in the Appendix the remarks of Mr. A. Z. Baker, of the American Stockyards Association, before our Committee on Agriculture this morning.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CLEVENGER. Mr. Speaker, Mr. A. Z. Baker, who is president of the American Stockyards Association, appeared before the Committee on Agriculture this morning in the course of the hearing with respect to the shortage of meat all over this Nation. I am including his remarks in the Appendix with the hope that every Member will read them. This shows a diversion that is alarming in the amount of livestock that is going to the regular producers, people who have facilities for distribution in the cities, and the growth of thousands of small packers who have no distribution facilities, and who are diverting from the cities and the centers of population much of the meat supply of the Nation. Also threatened is the greatest system of livestock marketing in all the world.

The SPEAKER. The time of the gentleman from Ohio has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include certain communications from the OPA.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[Mr. ANDERSON of California addressed the House. His remarks appear in the Appendix.]

RESTITUTION OF THE WHEAT PENALTY

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES of Kansas. Mr. Speaker, I have introduced a bill to recover some $14,000,000 of a total of $17,000,000 that was taken away from the wheat farmers of this country because under a Government program in effect 3 years ago it was claimed they raised excess wheat and were penalized for it. I have introduced legislation on this subject before but the House failed to take action. I think this House now should be in a mood to adopt this legislation and to pay back to these farmers $14,000,000 that ought never to have been collected from them because in fact they really contributed to the food supply of this country, yet they were penalized because they raised 67,000,000 bushels more wheat than was outlined in the Government program in effect at that time.

These farmers who were penalized for selling this extra wheat had no notice, when they planted their wheat, they would be penalized 49 cents per bushel for wheat raised outside of the program. I opposed it at the time but, of course, got no action with regard to it.

The whole thing was wrong. Here is a chance to correct that error. I trust I may have your support in securing the approval of this legislation.

VETERANS AND SURPLUS GOVERNMENT PROPERTY

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, I invite the attention of the membership to an article I am today extending in the Appendix of the RECORD which appeared in a recent edition of the Worcester Telegram and which deals with the subject of veterans trying to buy surplus Army and Navy goods.

This article indicates in some part the confusion and dissatisfaction existing among our veterans, as well as businessmen, regarding the surplus property program of the Government.

I do not believe anyone could assert that this program is working with any degree of efficiency or satisfaction. The veterans are disgruntled because they are obviously not getting their share of these goods and commodities. The businessman and farmer is in a similar position. Congress cannot afford to let this situation continue. Our veterans who are seeking to go into business must be given help. They must be given the chance to buy available surplus property. Our small businessmen and farmers must be given the chance to buy this

property. The Congress has set up a basic law to dispose of this surplus property fairly and expeditiously. We have a right to expect that it will be properly administered. Certainly, if it is not being administered correctly, it is time for us to do something about it. General Gregory and his assistants have been given great powers and they must realize that they, likewise, have great responsibilities to our veterans, our businessmen, our farmers, and our people, to channel surplus property into the hands of those Congress intends to have it with a minimum of delay, with fairness and with due consideration for all sections of the country.

Unless improvement can be effected in this program in the near future, it will be the duty of this Congress to act. We must put a stop to the shameful vexations, disappointments, run-arounds, and brush-offs which our veterans are suffering.

APPROVAL OF ACTION OF AMERICAN DELEGATES TO UNO MEETING

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FLOOD. Mr. Speaker, I think some word should be said this morning in the nature of encouragement to and approval of the American delegates to the United Nations Organization meeting now proceeding in New York, and that approval should be especially extended to Mr. Byrnes for his expression of what I believe is the opinion of the American people for force, determination, and vigor, vis-à-vis the Soviet; and in view of and because of the action taken yesterday by the Soviet delegates in walking out of the Security Council meeting I again voice the hope and feel the certainty that both Mr. Stettinius and Mr. Byrnes will continue with that determination to secure to the small nations justice and fairness of audience and action. America will never be a party to the oppression of the little by the big, the weak by the strong. The conduct of the United States delegates has been in keeping with the finest American tradition.

EXTENSION OF REMARKS

Mr. LEMKE asked and was given permission to extend his remarks in the Appendix of the RECORD and include excerpts.

Mr. DIRKSEN asked and was given permission to extend his remarks in the Appendix of the RECORD and include editorials.

Mr. MARTIN of Massachusetts asked and was given permission to extend his own remarks in the Appendix of the RECORD and include an article on inflation from the New York Times.

Mr. WEICHEL asked and was given permission to extend his remarks in the Appendix of the RECORD and include a reply from the Veterans' Administration concerning guarantees under the GI bill of rights.

Mr. RANDOLPH asked and was given permission to extend his own remarks in the Appendix of the RECORD and include an editorial.

Mr. BIEMILLER asked and was given permission to extend his own remarks in the Appendix of the RECORD in two separate instances, in one to include a speech he delivered over the Mutual network, and in the other to include an editorial.

Mr. PHILBIN asked and was given permission to extend his remarks in the Appendix of the RECORD and include a recent article from the Worcester Telegram on the subject of veterans trying to buy surplus Army and Navy goods.

SPECIAL ORDER GRANTED

Mr. PHILBIN. Mr. Speaker, yesterday I had a special order of which I was unable to avail myself. I ask unanimous consent that I may address the House for 20 minutes today, following the special orders heretofore entered for today.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION TO COMMITTEE ON THE CIVIL SERVICE TO SIT DURING SESSION THIS AFTERNOON

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent that the Committee on the Civil Service be allowed to meet this afternoon during general debate on the Philippine bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

THE UNITED NATIONS ORGANIZATION

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. In line with what the gentleman from Pennsylvania [Mr. FLOOD] has just said, I desire to say that civilization has come to a show-down at the UNO Conference.

Governments were instituted among men to keep the strong from oppressing the weak.

The United Nations Organization, if I understand it correctly, was created to keep overbearing nations from destroying the small ones. I said in my last conversation with Cordell Hull, and he agreed with me, that I was not in favor of a policy of intervention, or of backing any other nation in a policy of intervention, but that I was in favor of maintaining peace among the nations of the earth.

I congratulate Jim Byrnes, our distinguished Secretary of State, and I hope that the men who represent us, and other free nations of the earth, will stand by the proposition that the smallest nation on earth must be protected from their ruthless neighbors.

The SPEAKER. The time of the gentleman from Mississippi has expired.

EXTENSION OF REMARKS

Mr. O'BRIEN of Michigan asked and was given permission to extend his remarks in the RECORD and include certain excerpts.

COMMITTEE ON UN-AMERICAN ACTIVITIES

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I present a privileged report and ask that it be read.

CALL OF THE HOUSE

Mr. THOMAS of New Jersey. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 69]

Adams	Ellsworth	Mankin
Andrews, Ala.	Fellows	Mansfield, Tex.
Andrews, N. Y.	Fernandez	Mason
Baldwin, Md.	Fisher	Murdock
Barden	Gerlach	Murphy
Barrett, Pa.	Gorski	Norton
Bishop	Gwinn, N. Y.	O'Brien, Ill.
Bloom	Hall, Edwin Arthur	O'Neal
Bradley, Pa.	Hall, Leonard W.	Patterson
Brumbaugh	Hart	Peterson, Fla.
Buckley	Hartley	Pfeifer
Bunker	Healy	Phillips
Burch	Hébert	Rabin
Byrne, N. Y.	Heffernan	Rains
Camp	Hendricks	Rich
Cannon, Fla.	Holifield	Rogers, Mass.
Carnahan	Holmes, Mass.	Sadowski
Celler	Jarman	Savage
Chapman	Johnson, Calif.	Shafer
Chiperfield	Johnson, Lyndon B.	Sheridan
Clason	Judd	Short
Clements	Kearney	Sikes
Coffee	Kefauver	Smith, Ohio
Cole, Kans.	Kelley, Pa.	Taylor
Colmer	Keogh	Thomas, Tex.
Courtney	Kirwan	Wadsworth
Cravens	LaFollette	Weaver
Crosser	McCowen	Welch
Curley	McGehee	White
Dawson	Madden	Whittington
De Lacy		Wilson
Douglas, Calif.		Wolverton, N. J.
Eaton		Woodhouse

The SPEAKER. On this roll call 333 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CIVIL FUNCTIONS WAR DEPARTMENT APPROPRIATION BILL SENT TO CONFERENCE

Mr. KERR. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 5400) making appropriations for the fiscal year ending June 30, 1947, for civil functions administered by the War Department, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

Mr. ENGEL of Michigan. Mr. Speaker, reserving the right to object, and I shall not, I call the attention of the House to the fact that this is another illustration of what happens to appropriation bills. This bill passed the House $52,000,000 below the Budget. It comes back $24,000,000 above the Budget.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none and appoints the following

conferees: Messrs. KERR, MAHON, NORRELL, HENDRICKS, KIRWAN, ENGEL of Michigan, CASE of South Dakota, and TIBBOTT.

EXTENSION OF REMARKS

Mr. BOREN asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement he issued, and two letters.

COMMITTEE ON UN-AMERICAN ACTIVITIES

The SPEAKER. The Clerk will read the report of the Committee on Un-American Activities.

The Clerk read as follows:

PROCEEDING AGAINST DR. EDWARD K. BARSKY AND OTHERS

Mr. WOOD, from the Committee on Un-American Activities, submitted the following report:

The Committee on Un-American Activities as created and authorized by the House of Representatives by House Resolution 5 of the Seventy-ninth Congress, caused to be issued a subpena to Dr. Edward K. Barsky, chairman of the Joint Anti-Fascist Refugee Committee, an unincorporated organization with offices at 192 Lexington Avenue, New York, N. Y. The said subpena required the said person to produce books, papers, and records of the organization for the inspection of your committee; the subpena is set forth as follows:

To EDWARD K. BARSKY,
Chairman, Officer, and Representative of the Joint Anti-Fascist Refugee Committee:

By virtue of the authority vested in me by the act of the House of Representatives of the Congress of the United States, creating the Committee on Un-American Activities, you are hereby required to personally appear before the Committee on Un-American Activities of the House of Representatives of the Congress of the United States in its committee room, No. 536, Old House Office Building, Washington, D. C., at 10 o'clock a. m. on Wednesday, January 30, 1946, and from day to day until excused by said committee, then and there to testify concerning matters pertinent to said committee's investigation into activities subversive to the interest of the Government of the United States.

And you are required to bring with you and to produce at said time and place the following documents in your possession, custody, and control, to wit:

All books, ledger sheets, documents, and writings evidencing the receipt of money by the Joint Anti-Fascist Refugee Committee or its agents or its employees for use on its behalf from any and all sources, including the names and addresses of persons, firms, or corporations of all contributions of funds thereto, during the period of the calendar years of 1944 and 1945.

Also all books, ledger sheets, bank statements, records, or other writings showing a disposition of the funds of said Joint Anti-Fascist Refugee Committee, including the names and addresses of any person, firm, or corporation to whom any and all of such funds have been paid, including the amount thereof, during the calendar years of 1944 and 1945.

Also all letters, telegrams, or other correspondence received by said Joint Anti-Fascist Refugee Committee from any person, firm, or corporation or political unit outside the continental limits of the United States, during the calendar years 1944 and 1945.

Herein fail not:

In witness whereof the undersigned, chairman of the Committee on Un-American Activities has hereunto set his hand this 25th day of January 1946.

JOHN S. WOOD,
Chairman, Committee on Un-American Activities.

The said subpena was duly served as appears by the return made thereon by George V. McDavitt, an investigator employed by your committee:

I served the foregoing subpena upon Edward K. Barsky, the person described therein, by handing to him a copy at 54 East Sixty-first Street, Borough of Manhattan, New York City, at 1 p. m., on January 28, 1946, and I knew the person upon whom the service was made to be Edward K. Barsky.

GEORGE V. MCDAVITT.

In compliance with the said subpena, Dr. Edward K. Barsky asked for and was granted a postponement of the date for his appearance, and upon the adjourned date appeared before your committee and your committee then and there demanded the production of the said books, papers, and records, and the said Barsky, representing the Joint Anti-Fascist Refugee Committee, refused to produce the said books, papers, and records. Said Barsky was duly sworn by the chairman and gave his testimony on the 13th day of February 1946. The following extracts show the relevant questions and answers in the examination of Dr. Edward K. Barsky:

Mr. ADAMSON. Now, Dr. Barsky, I ask you if you have produced for the committee, in compliance with this subpena, the papers, documents, and records called for in the subpena?

Dr. BARSKY. Mr. Chairman, I am here in response to a subpena requiring me to appear. I have a statement here——

* * * * *

Dr. BARSKY (interposing). May I say that your subpena orders me to produce certain documents in my possession, custody, and control, as described in that subpena, and since I don't have either in my possession, custody, or control the documents described in that subpena, I am unable to comply with your order to produce them.

* * * * *

Mr. BONNER. He has answered it and given his reasons in that first paragraph of his statement. Doctor, do you have any objection at this time to stating who does have the authority to produce the records?

Dr. BARSKY. I would say that the board of directors, the executive board, would have the ultimate authority to produce the records.

Mr. RANKIN. And you are chairman of the board, you say?

Dr. BARSKY. Yes.

* * * * *

Mr. MUNDT. Just one question. Will you submit for the record here a list of the names and addresses of your executive board?

Dr. BARSKY. I could do that; yes. You mean now?

Mr. MUNDT. Yes.

Dr. BARSKY. No; I haven't got the list with me, but I can easily get the list.

Mr. MURDOCK. Let it be put in the record at this point.

* * * * *

Mr. ROBINSON. Has the matter of producing these records or permitting the examiner of this committee to look at them been discussed or taken up in any of your board meetings?

Dr. BARSKY. Yes, sir.

Mr. RANKIN. What did the board decide? I am supposed to have the witness, Mr. Robinson, but if you want to question him, go ahead. I yield.

Mr. ROBINSON. You say it was discussed?

Dr. BARSKY. Yes, sir.

Mr. ROBINSON. If I don't have any right to ask this question, I don't want to ask it. What was your answer?

Dr. BARSKY. Yes, sir.

Mr. ROBINSON. That was discussed?

Dr. BARSKY. Yes, sir.

Mr. ROBINSON. And were minutes made of the meeting?

Dr. BARSKY. I am sure there were minutes made.

Mr. ROBINSON. Can you produce those minutes?

Dr. BARSKY. I haven't got them with me.

Mr. ROBINSON. What was the decision reached?

Dr. BARSKY. I put the proposition to the executive board and the executive board discussed it. The executive board felt from the discussion, as far as I can gather, that the Joint Anti-Fascist Refugee Committee was purely a relief committee, that it is engaged in no political propaganda of any sort whatsoever; that it sends its financial report to the President's War Relief Control Board; also that it certainly is not engaged in any activities that could be considered subversive or un-American or designed to overthrow the Government of the United States. They also discussed——

Mr. ROBINSON (interposing). That may be all true, but what does that have to do with the subpena?

Dr. BARSKY. Those are the things they discussed.

Mr. ROBINSON. In other words, you wanted to make up your own minds as to whether you should obey a subpena issued by this committee?

Dr. BARSKY. They wanted to arrive at some conclusion as to what should happen when I came down here.

Mr. ROBINSON. In other words, you take the position, your committee, that you have the right to decide whether or not you should obey a subpena issued by a committee of Congress?

Dr. BARSKY. No; I am just stating to you the discussion that took place at the meeting. They also discussed the fact that the press had a statement emanating from this committee derogatory to us, in regard to your counsel's request to the President's Control Board to withdraw our license before we had an opportunity to discuss it. This letter was sent down one day, and they refused——

Mr. RANKIN (interposing). Did they decide that they would not submit these records to the committee?

Dr. BARSKY. They refused to grant me permission to submit these records.

Mr. RANKIN. And you are carrying out their orders in refusing to submit the records? That is right, isn't it?

Dr. BARSKY. I suppose that is right.

* * * * *

Mr. MUNDT. That decision of the executive board is spread on the minutes of your committee some place, is it not?

Dr. BARSKY. Certainly.

* * * * *

Mr. THOMAS. I have one question. Has Miss Bryan got a copy of those minutes?

Dr. BARSKY. With her?

Mr. THOMAS. Does she have it in her possession?

Dr. BARSKY. She must have it in the office.

Mr. THOMAS. You are sure Miss Bryan has?

Dr. BARSKY. I am sure our office has a copy of those minutes.

That subsequent to the taking of the testimony of Dr. Edward K. Barsky as above set forth, Helen R. Bryan, executive secretary of the Joint Anti-Fascist Refugee Committee, submitted to your committee a list of names and addresses constituting the executive board as described by Dr. Edward K. Barsky. The said names and addresses follow:

Dr. Edward K. Barsky, 54 East Sixty-first Street, New York City.
Dr. Jacob Auslander, 286 West Eighty-sixth Street, New York City.
Professor Lyman R. Bradley, New York University.
Mrs. Marjorie Chodorov, 815 Park Avenue, New York City.
Mr. Howard Fast, 315 Central Park West, New York City.
Mrs. Ernestina G. Fleischman, "Voice of Fighting Spain," 1 Columbus Avenue, New York City.
Leverett Gleason, 114 East Thirty-second Street, New York City.
Harry M. Justiz, 570 Seventh Avenue, New York City.
Mrs. Samuel Kamsley, 350 Central Park West, New York City.
Mrs. Ruth Leider, attorney, 565 Fifth Avenue, New York City.
James Lustig, United Electrical, Radio and Machine Workers, 17 William Street, Newark, N. J.
Manuel Magana, Club Obrero Espanol, 1490 Madison Avenue, New York City.
Dr. Louis Miller, 1400 West End Avenue, New York City.
Herman Shumlin, 229 West Forty-second Street, New York City.
Mrs. Charlotte Stern, Hotel and Club Employees Local, No. 6, 305 West Forty-fourth Street, New York City.
Dr. Jesse Tolmach, 30 West Fifty-ninth Street, New York City.

Because of the foregoing, the Committee on Un-American Activities has been deprived of the opportunity to inspect the books, papers and records mentioned in the foregoing subpena and of the evidence contained therein which your committee considers relevant to the subject matter of subversive and un-American activities as set forth in House Resolution 5 of the Seventy-ninth Congress, first session, which instructed and required your committee to investigate such matters. The willful and deliberate refusal of Dr. Edward K. Barsky and the other members of the executive board of the Joint Anti-Fascist Refugee Committee as set forth herein to produce the books, papers and records as called for in the subpena deprives your committee of the evidence necessary to conduct its investigation of the Joint Anti-Fascist Refugee Committee which evidence is pertinent to the said investigation and places the said Dr. Edward K. Barsky and the other members of the executive board as set forth in contempt of the House of Representatives of the United States.

Mr. WOOD. Mr. Speaker, I offer a privileged resolution (H. Res. 573) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the House Committee on un-American Activities as to the willful and deliberate refusal of the following persons to produce before the said committee for its inspection the books, papers, and records of an unincorporated organization known as the Joint Anti-Fascist Refugee Committee, with offices at 192 Lexington Avenue, New York, N. Y., together with all the facts relating thereto, under seal of the House of Representatives, to the United States attorney for the District of Columbia to the end that the said persons named below may be proceeded against in the manner and form provided by law:

Dr. Edward K. Barsky, 54 East Sixty-first Street, New York City.
Dr. Jacob Auslander, 286 West Eighty-sixth Street, New York City.
Prof. Lyman R. Bradley, New York University, New York City.
Mrs. Marjorie Chodorov, 815 Park Avenue, New York City.
Mr. Howard Fast, 315 Central Park West, New York City.
Mrs. Ernestina G. Fleischman, "Voice of Fighting Spain," 1 Columbus Avenue, New York City.
Leverett Gleason, 114 East Thirty-second Street, New York City.
Harry M. Justiz, 570 Seventh Avenue, New York City.
Mrs. Samuel Kamsley, 350 Central Park West, New York City.
Mrs. Ruth Leider, attorney, 565 Fifth Avenue, New York City.
James Lustig, United Electrical, Radio and Machine Workers, 17 William Street, Newark, N. J.
Manuel Magana, Club Obrero Espanol, 1490 Madison Avenue, New York City.
Dr. Louis Miller, 1400 West End Avenue, New York City.
Herman Shumlin, 229 West Forty-second Street, New York City.
Mrs. Charlotte Stern, Hotel and Club Employees Local No. 6, 305 West Forty-fourth Street, New York City.
Dr. Jesse Tolmach, 30 West Fifty-ninth Street, New York City.

Mr. MARCANTONIO. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. MARCANTONIO. Mr. Speaker, I make a point of order against the resolution on the ground that it seeks to have cited by this House individuals who were never subpenaed, and never given an opportunity to appear and state whether or not they would or could comply with a subpena. Under those circumstances, I maintain that insofar as those individuals are concerned this matter is not properly before the House, in that neither the resolution nor the report from the committee sets forth that these individuals were subpenaed, with the exception of Dr. Barsky. None of the others were subpenaed; none of the others came before the committee and were accorded even an opportunity to say "yes" or "no" as to whether or not they had authority or control over the records and books and whether they could or would comply with the committee's subpena. For that reason, as far as they are concerned, this resolution is not properly before this House.

The SPEAKER. The Chair is ready to rule.

The report and the resolution are both before the House for its determination, and not the determination of the Chair. The Chair overrules the point of order.

Mr. WOOD. Mr. Speaker, I yield myself 5 minutes, and ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, the Joint Anti-Fascist Refugee Committee is a voluntary organization, unincorporated. Prior to the time that the Committee on Un-American Activities launched this investigation into the activities of this organization, we had received some 8,000 written communications requesting that it be done. We first went into the matter of determining who had control of this organization and what character of activities it was carrying on. We found it is one of the approximately 240,000 individuals and organizations that have obtained a certificate from the Treasury Department which exempts from income tax any contributions that are made to such organization. I think, by the way, that may be a pertinent matter for the consideration of this Congress because the funds that this character of organization gathers in that way are funds upon which your Treasury receives no income tax. It was found that a large portion of the propaganda that was being disseminated by this organization was of a subversive character. We found and have evidence before our committee that Dr. Barsky, who is the titular head of this organization, went to Spain during the Spanish revolution and was in charge of a hospital in Spain. This hospital was organized on the model of the Soviet Republic. He referred to himself as the commissar and the employees of that organization were required to address each other as comrades.

With this information before us, we sought to ascertain the source from which the funds that were financing the organization were being obtained and where they were expended, to whom, and for what purpose. In order to do that, we sent one of our representatives to the offices of this organization and asked permission courteously to have access to their books and records for that purpose, and it was declined. We then subpenaed Dr. Barsky to come before the committee and to produce the records and books of that organization showing just those two things, that is, the source from which the funds came and what was done with them. He appeared before the committee and refused to produce them. He stated that the board of directors of his organization that have the control along with him of the affairs of the organization had a meeting and passed a written resolution and entered it on the minutes of the organization defying this committee and determining that these records and books would not be produced for the committee. At that time I asked him again whether he would be willing to permit one of our investigators to go with him and go through those books and records for the purpose of ascertaining the information that we sought to get. He declined to do that. That left nothing that this committee could do except to report the facts to the House and request the House to authorize the Speaker to certify those facts to the Department of Justice.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. WOOD. I yield.

Mr. RANKIN. Some of the Members were misled by the statement made by the gentleman from New York [Mr. MARCANTONIO]. When this board met and ordered Dr. Barsky to refuse to submit these books to the committee and refused to comply with the subpena, they put themselves in contempt of the House of Representatives.

Mr. WOOD. The subpena was before them at that time. The subpena had already been served on the organization. They had it before them. A meeting was called for the purpose of considering

it and the board of directors declined to give permission.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. WOOD. I yield to the gentleman from New York.

Mr. MARCANTONIO. We have before us the record that we have just heard read. From that record it appears that the testimony is the testimony of Dr. Barsky as to what the board of directors did. But we have no direct testimony as to how these individuals acted and as to which individual voted for and which individual voted against. All we can do here is speculate on a matter of citing people for criminal prosecution.

Mr. WOOD. In answer to that question, the gentleman evidently misunderstood the reading because the vote of the directors of this organization was unanimous, according to the testimony of Dr. Barsky.

Mr. MARCANTONIO. According to the testimony of Dr. Barsky; which is hearsay testimony in any criminal proceeding.

Mr. WOOD. Well; he is the titular head of the organization.

Mr. HAND. Mr. Speaker, will the gentleman yield?

Mr. WOOD. I yield.

Mr. HAND. Can the gentleman state whether or not the members of the committee were actually served with subpenas except Dr. Barsky?

Mr. WOOD. The subpena was directed to the Anti-Fascist Refugee Committee and to Dr. Barsky as chairman, so naturally it was served on Dr. Barsky.

Mr. HAND. Was it served upon the others?

Mr. WOOD. It was not served upon the others individually.

The SPEAKER. The time of the gentleman has again expired.

Mr. WOOD. Mr. Speaker, I yield 10 minutes to the gentleman from New Jersey [Mr. THOMAS].

Mr. THOMAS of New Jersey. Mr. Speaker, on September 24, 1945, Harold J. Laski, Red Fascist leader of England, attacked the Catholic Church at a meeting sponsored by the Spanish Refugee Appeal of the Joint Anti-Fascist Refugee Committee at a rally held in Madison Square Garden. A few days later, this same Communist propagandist attacked our system of Government and attempted to discredit capitalism and the part our Government had played in the winning of the war.

Following the attacks by this disciple of Marx and Lenin, the House Committee on Un-American Activities received over 8,000 complaints against Laski, the Joint Anti-Fascist Refugee Committee, the Veterans of the Abraham Lincoln Brigade and the American Committee for Spanish Freedom. The Committee on Un-American Activities, therefore, decided to investigate the charges made by over 8,000 citizens of the United States against the Joint Anti-Fascist Refugee Committee, the Veterans of the Abraham Lincoln Brigade, and the American Committee for Spanish Freedom.

The investigation of the Joint Anti-Fascist Refugee Committee divulged, among other things, that the sponsors and officers of this group included some of the leading Communists and Communist sympathizers in the United States. It was further determined that this organization was a merger of three groups consisting of first, American Committee to Save Refugees, which was cited as a Communist front by the Dies committee on March 29, 1944; second, the League of American Writers, which was found to be a cooperating arm of the Communist Party by the Rapp-Coudert committee of New York State in 1942. Harold Ickes, in a letter to Robert Morss Lovett, dated April 25, 1941, described the League of American Writers as a Communist subsidiary, its policies paralleling the Communist Party. Attorney General Francis Biddle stated on September 24, 1942, that this league was founded under Communist auspices and that the overt activities of the league left no doubt of its Communist control; third, the third organization which was merged to create the Joint Anti-Fascist Refugee Committee, was the United American Spanish Aid Committee. This organization was cited as a Communist front on March 29, 1944, by the Dies committee.

This is the historical background of the formation of the Joint Anti-Fascist Refugee Committee, which indicates beyond any doubt that it was born of communism. The chairman of the committee is Dr. Edward K. Barsky, whose Communist front associations and activities are numerous.

How Dr. Barsky and his associates attempted to sabotage the professional efforts of well-meaning professional men and nurses of American citizenship, in Spain during the Spanish Civil War, is well-known. The executive secretary of this organization is Helen R. Bryan, whose Communist front associations are equally numerous. Helen Bryan's assistant is one Rita Malone, an officer of the Communist Party in New York City. Miss Bryan, herself, has been a key figure in the distribution of money among various Communist-sponsored organizations in America. She was, at one time, treasurer of American Peoples Fund, a repository established to collect and distribute money to the principal Communist fronts in America. Pablo Picasso, honorary chairman of the Joint Anti-Fascist Refugee Committee, recently announced his membership in the Communist Party.

The Joint Anti-Fascist Refugee Committee was ostensibly established to engage in welfare work in behalf of dislocated Spaniards of the former republic. This group, on several occasions, attempted to become associated with, and a part of, the National War Fund. On December 28, 1943, Dr. Barsky appeared before the National War Fund Board with an application to membership. This application was refused on the grounds that the Joint Anti-Fascist Refugee Committee had failed to separate their relief from political activities. On January 19, 1944, Dr. Barsky wrote to the President's War Relief Board that his committee was ready to comply and would shape its publicity to meet requirements of being nonpolitical. Later in 1944, Dr. Barsky sent a letter to certain refuge groups asking for aid in his campaign to become a member of the National War Fund. After this letter was circulated, the President's War Relief Board certified the Joint Anti-Fascist Refugee Committee to the National War Fund. In September of 1945, it became clearly apparent that the offer of the Joint Anti-Fascist Refugee Committee to comply with the law was not given in good faith.

On September 24, 1945, the Joint Anti-Fascist Refugee Committee openly sponsored a rally at Madison Square Garden in New York City, which had as its slogan, "Break off relations with Franco." William Z. Foster, Communist leader in America, had this to say of the rally:

> This rally will develop a tremendous movement that will convince our Government that the American people want action (in Spain).

On September 22, 1945, the official organ of the Communist Party, known as the Daily Worker, carried this ad:

> Join Garden rally (sponsored by Joint Anti-Fascist Refugee Committee) against Franco.

On September 21, 1945, the Communist Party itself endorsed the rally with a piece in the Daily Worker which stated:

> Break relations with Franco.

These are only a few of the ads which appeared in the official Communist publications sponsoring the rally being held by the Joint Anti-Fascist Refugee Committee on September 24, 1945, at Madison Square Garden: As an attraction, the Joint Anti-Fascist Refugee Committee arranged, through the American Broadcasting Co., to have Harold Laski address the rally. Mr. Laski took this opportunity to denounce Christianity and the American form of government, and later called for a change in our constitutional government along the line of the Soviet Republic.

The exact number of persons of Communist affiliation who have been brought into the Western Hemisphere by the Joint Anti-Fascist Refugee Committee is not known. There have been groups of 50, 20, 90, and so forth, most of whom have found their way into Mexico, Caracas, and the Central Republics of South America. The majority of these emigres are known in the Communist movement as "steeled workers"—people who have been under fire in behalf of the Communist Party and found to be dependable. The principal nucleus of this group is found in Mexico City today.

In the spring of 1945, the Portuguese international police became alarmed by the aid being given to Spanish refugees in Portugal by various relief societies, including the Joint Anti-Fascist Refugee Committee. Investigation by this police force revealed that the refugees examined, were found, without exception, to be Communists.

Some of the well-known Communists sponsored directly or indirectly by the Joint Anti-Fascist Refugee Committee, include: Dr. Leo Zuckerman, Dr. Manuel Marquez, Mario Montagnana, brother-in-law of Tagliotti, who is head of the Communist Party in Italy, Real Lopez, and Dr. Theodore Balk, alias M. Fedor. Others include Frederick Imianitoff, alias

Frederick Gelle, Romane Juricine, Ivian Romanoff, alias Parmac, Ronero, and Gregor; Karny Sagatelian, Josef Friedrich Mueller; all of whom were refused visas to America. This list could go on and on, as I am in possession of the names of many persons who were brought out of Europe to this hemisphere by the Joint Anti-Fascist Refugee Committee. One of the more notable cases was the attempt of the committee to secure admission to this hemisphere, for Bela Lustig, Hungarian-born Communist, who is the brother of James Lustig, a member of the executive board of the Joint Anti-Fascist Refugee Committee. The visa for Bela Lustig was finally refused.

It occurred to members of our investigative staff of the Committee on Un-American Activities of the House of Representatives, that this organization could not have secured the sponsorship of some members of the State Department at their rallies, or to have accomplished completely their activities in behalf of Communists in Portugal, France, Africa, Switzerland, Mexico, and other South American countries, without the assistance of some subtle influence. With this in mind, the investigative staff began a methodical examination of persons in certain Government agencies and after several months intensive investigation, found that Spruille Braden, Assistant Secretary of State, had in his employ as assistant, a person by the name of Gustavo Duran. An investigation of this individual's background revealed that he had been a major in the Spanish Loyalist Army during the Spanish Civil War. It was further learned that Duran was known to Minister of National Defense of the Loyalist government Indalecio Prieto, as a Communist and member of the Comintern, and an agent of the Russian secret police, known throughout the world as NKVD—People's Commissariat of Internal Affairs. Mr. Duran is credited, by reliable informants, as being the directing genius behind the campaign of the Joint Anti-Fascist Refugee Committee.

With this information at our disposal, the committee sent investigators to the New York office of the Joint Anti-Fascist Refugee Committee to secure an explanation of certain activities from the organization. The investigators were also instructed to examine records to ascertain the extent of solicitations and expenditures, methods of collection and distribution, and the persons to whom the funds collected, under the guise of welfare, were sent. The executive secretary of the Joint Anti-Fascist Refugee Committee refused this request, and she was therefore subpenaed before our committee. When Helen R. Bryan appeared, she refused to produce any records, and was voted in contempt. Dr. Barsky, the chairman of the committee, was then subpenaed and he likewise refused to produce records for inspection and stated that the executive committee had so instructed him. The names of the executive committee were then requested and their Communist-front affiliations were examined. The committee likewise voted Dr. Barsky, the chairman, in contempt along with the executive committee of the Joint Anti-Fascist Refugee Committee.

The evidence which I have reviewed before you today is only part of the evidence, and a small part at that, which we have compiled against this committee, which has already been cited as a Communist front by the old Dies committee. This Joint Anti-Fascist Refugee Committee is, beyond any doubt, a Communist-front organization, under the domination of the Communist Party and the world Communist movement. It has been represented to the public as a legitimate welfare organization, engaged in aiding the unfortunate refugees. Actually, it is a vehicle used by the Communist Party to force political, diplomatic, and economic disunity.

The evidence definitely reveals that the Joint Anti-Fascist Refugee Committee is supported and sponsored by the Communist Party; that a preponderance of its officers, sponsors, and supporters are Communists and Communist sympathizers who, by their allegiance to the Communist Party, believe in, and advise, advocate, and teach the overthrow, by force and violence, of the Government of the United States.

By promoting, aiding, and securing the migration to the United States, Mexico, and other republics of the hemisphere of known Communists who have pledged themselves, as Communists, to the overthrow of our capitalistic form of government, the Joint Anti-Fascist Refugee Committee has engaged in promoting forces whose objective is the destruction of the Government of the United States. By their machinations, they have made of themselves a subversive organization that should receive prompt attention and prosecution.

The contempt proceedings before this House, in respect to the defendants herein named, is clear, and it is our responsibility to the people of the United States to uphold and to respect the dignity of the Congress of the United States by voting these defiant members of a foreign "ism" in contempt.

Mr. WOOD. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Speaker, we are asked to take a very important step today in this House. The decision we are about to make is most important and serious, not so much because it affects the 17 people here involved, but because it affects the House of Representatives itself.

I cannot help but remind the House that we had a situation here at one time in regard to three gentlemen who were on the Government pay roll, Messrs. Lovett, Dodd, and Watson. I led the fight against the resolution to expel them from the Government jobs. Although the resolution was adopted by an overwhelming majority, the court sustained the position that I took in this House that the House was doing something which, to say the least, was illegal and in violation of the Constitution.

Now, we are sitting here on an issue which is much more serious. We are sitting here not really as Members of Congress; we are sitting here as judges. We are asked to cite these people for criminal contempt, and if this resolution is adopted this case will be certified to the United States attorney in this district for criminal prosecution. So we are dealing with a criminal case, and in dealing with that criminal case we Members of Congress should be very, very careful as to what we are doing. If we permit ourselves to be motivated by hatred, by bias, by passion, by red baiting, we will be committing acts that will reflect on the House as a whole and on us as individuals.

Let us see what is the situation before us. We have an unincorporated membership organization. According to the record—and all we have before us is the record that has been read to us—the only person who has testified before the committee and the only person who has been subpenaed is the alleged chairman of this organization. He states he had no authority or control of the books of the organization. Then he states that the board—I am not quite sure, but assuming for the sake of argument that he does so state—refuses to turn over these records. Assuming those facts to be true as the committee reports them, what is the situation with regard to the other 16 people whom we are asked to cite for criminal prosecution, for contempt of this House? Who, on that board, voted to turn over the records and who on that board refused to turn over the records? Remember this is a criminal prosecution now. This is not a civil suit. This is not the adoption of an ordinary resolution or of legislation. This is passing on a criminal prosecution.

Mr. THOMAS of New Jersey. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. I will yield to the gentleman if he will answer whether or not he has any direct evidence as to the position taken by any one of these individuals who was not subpenaed.

Mr. THOMAS of New Jersey. Yes. We have this kind of evidence: We have the resolution that was passed by the board and which was voted upon unanimously by every member of the board.

Mr. MARCANTONIO. But that alleged statement you had given to you by Mr. Barsky; it is hearsay evidence, is that not correct? Will the gentleman answer my question now? What direct evidence have you?

Mr. THOMAS of New Jersey. It was given to us by——

Mr. MARCANTONIO. By Mr. Barsky?

Mr. THOMAS of New Jersey. No; it was not. It was given to us by the executive secretary.

Mr. MARCANTONIO. That is not borne out by the record filed by your committee and today read by the Clerk. However, assuming it was by another individual; by the executive secretary. So, therefore, on hearsay testimony of the executive secretary, statements not made in the presence of these others, you are asking this Congress to pass on a criminal proceeding, to cite these people for a criminal prosecution, on what someone is supposed to have said about what these individuals are supposed to have done. Individuals who were never subpenaed and never afforded an opportunity to come before the committee.

The gentlemen on this committee know that there is a way of handling these matters. There have been many investigating committees in the past. The first step is to determine who has the authority, and control of the books. The second step is to subpena those who have the authority and control; and the third step then is to proceed against those who have been subpenaed and who have the authority and control; otherwise you are violating every safeguard that our system of justice affords our people against illegal prosecution. Here you are proceeding against all of these other individuals for having violated what? A subpena of a congressional committee. How could they have violated a subpena of a congressional committee unless they were actually subpenaed?

Mr. ROONEY. Mr. Speaker, will the gentleman yield for a question?

Mr. MARCANTONIO. I yield to the gentleman from New York.

Mr. ROONEY. Does the gentleman know or is he familiar with what efforts, if any, have been made to subpena these other 16 people?

Mr. MARCANTONIO. Not one single subpena has been issued for anybody else except Miss Bryan and Dr. Barsky.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield for a question?

Mr. MARCANTONIO. Just a moment. And the gentlemen of the committee can contradict that statement if they want to. I repeat the only two people who have received subpenas were Dr. Barsky and Miss Bryan, and nobody else. You proceed against the others who were never subpenaed and never before the committee on the basis of what Dr. Barsky is alleged to have reported before the committee—hearsay evidence.

Mr. LYNCH. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from New York.

Mr. LYNCH. Does the gentleman know of any instance in American jurisprudence where a person has been cited for contempt without having been served with a subpena and given the opportunity to testify?

Mr. MARCANTONIO. None whatsoever. Further, it has always been the practice in American jurisprudence to give a person an opportunity to purge himself of contempt if any contempt has been committed. None of these individuals have ever been brought before this committee.

Mr. LYNCH. Was any opportunity given to this Dr. Barsky to purge himself of the contempt later?

Mr. MARCANTONIO. It is my contention that no such opportunity was given to him. I still raise the fundamental question here, and that is, that these people were not subpenaed. As to what they did and what they said you have before you simply hearsay testimony, which is of no value in any proceeding, and this is a criminal proceeding.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Does the record show whether or not the two who were subpenaed were the legal custodians of the records?

Mr. MARCANTONIO. The question of authority and control, in my opinion, has not been established, but I say, assuming for the sake of argument that it had been established, still how can you cite an individual unless that individual has been subpenaed?

Mr. HOFFMAN. Admitting that, you could cite the other two.

Mr. MARCANTONIO. I do not admit that you can cite the other two. It was never established that they had control, authority, or even possession of the books, records, or lists. First, let us dispose of this basic proposition which I have raised as to the others.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from Wisconsin.

Mr. KEEFE. May I say to the gentleman from New York that the argument he has made is a very persuasive argument to a lawyer. I raise the same question myself in the consideration of this resolution. If this resolution passes and these people are certified for prosecution, or the start of prosecution, either by complaint or indictment, they of course would have the opportunity to raise the question in that criminal proceeding. It is inconceivable to me that if such a question were raised a person could legally be held guilty of contempt of this House who has never been subpenaed, has never been placed under oath, and has never been asked a question. I realize that this is a voluntary organization, it has no status as a corporation, but it does seem to me that the proper procedure for the protection of this House would be to vote down the motion for the previous question and offer amendments to this resolution to include only those people who have actually been subpenaed and have refused to answer questions.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. WOOD. Mr. Speaker, I yield one additional minute to the gentleman from New York.

Mr. MARCANTONIO. Mr. Speaker, I am going to use this last minute to remind you that the issue here involved is much more fundamental than this committee or the organization which it seeks to investigate. What is involved here is our system of justice. Are we going to change it just because of passion? Are we going to change it because of hatred? Are we going to change it because we want to indulge in a Red-baiting drive? I say that America's system of justice is on trial today in Congress, and I am confident that the Members of this House will give this question most serious consideration before they cast their vote in support of a most illegal and un-American procedure.

Mr. WOOD. Mr. Speaker, I yield 10 minutes to the gentleman from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. Speaker, I am sure that Members of the House who have been here for some time realize by now that whenever an issue of this kind is brought before the House it immediately becomes a lawyer's holiday, because efforts are made to confuse the basic and fundamental objectives through introducing a maze of legal technicalities. As the gentleman from New York stated, the same issues were largely raised when we had before us the case of Watson, Lovett, and Dodd.

The gentleman from New York [Mr. MARCANTONIO] says that the courts have sustained his position and have consequently gone contrary to the opinion of the majority of the House. At the moment that may be true, but I call to his attention and to your attention the fact that that case has not yet been finally decided. It is now before the United States Supreme Court. No one can correctly predict as yet what the final determination will be.

Now, I am not going to enter into an argument about legal technicalities with the able and adroit gentleman from New York, who is a member of the bar, while I am not. I want to talk rather about some of the fundamental problems concerning this House and our committee in attempting to carry out your mandate to check on the subversive activities being conducted in the United States.

We have had, as previous speakers have said, over 8,000 protests from American citizens writing us about the alleged subversive activities of the so-called Joint Anti-Fascist Refugee Committee.

Miss SUMNER of Illinois. Mr. Speaker, will the gentleman yield?

Mr. MUNDT. I yield.

Miss SUMNER of Illinois. We want to know what the law on this is. Is this proceeding in the nature of a proceeding for contempt of court because these people kept the witness from bringing his records down here? Just what is it? We do not feel justified in voting unless we do know something about it.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. MUNDT. My answer would be "Yes," but I yield to the gentleman from Mississippi [Mr. RANKIN] to elaborate.

Mr. RANKIN. They occupy exactly the same status as a group who conspire to prevent a witness from testifying before a grand jury. These men are the directors. They are on the board of directors of this organization. We sent the subpena demanding their books and they conspired and ordered Dr. Barsky to refuse to comply with the mandate of the subpena, and Barsky so testified on oath; and nobody denied it and nobody will deny it.

Mr. MARCANTONIO. That is the hearsay evidence of just one man. You never had the word of these people before you.

Mr. MUNDT. Mr. Speaker, I have not yielded to the gentleman from New York. I would have been happy to do so had he asked me. But I do not propose to be interrupted by the gentleman.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. MUNDT. No, I do not yield now. The gentleman already has had his say. On this matter of hearsay evidence, I would like to point out, however, that this House always acts and bases its decisions on hearsay evidence of people before a committee; and this evidence, whether you call it hearsay or not, was

sworn evidence before a legitimately constituted congressional committee. There is not any dispute about what the evidence holds insofar as Dr. Barsky is concerned.

What we are discussing and deciding here today, in my opinion, is in reality the culminating incident which was inevitably to be expected as a result of the long tirade of denunciations and defamation of Congress which has been going on in this country for several years, and of which we have all been uneasily aware.

In the vain hope, and I hope our vote today will show it to be a vain hope, in the vain hope that those who would discredit this branch of Government and the Wood Committee to Investigate Un-American Activities, have succeeded sufficiently in their defamation and in their demoralization of Congress and in their indoctrination thereof, so that they can defy our authority, they have finally decided to place the issue squarely before us as to whether a committee charged with alleged subversive activities has to make its files and records available to an established committee of this Congress or not. That basically, in the layman's language, is the issue we are deciding here today.

It is a question on which we should have a definite aye-and-no recorded vote. There is no occasion for muddled thinking on this clear-cut challenge or for fuzzy-minded fellows to speak one way and vote another. Here is a place and a time for Members with convictions on either side to stand up and be counted.

Mr. DOYLE. Mr. Speaker, will the gentleman yield?

Mr. MUNDT. Not now. I will a bit later.

Should the forces of opposition win this decision today, I think two facts should be self-evident. The first would be that we might as well dissolve the House Committee on Un-American Activities and turn over to these groups who would defame the American concept the full right and privilege to continue with their conduct. We would be giving them the green light and the hands-off policy, and saying: "Go ahead. No further efforts will be made on the part of Congress to inspect or circumscribe your activities."

The second thing which would inevitably follow is that if these misled, self-proclaimed "liberals" succeed in defying and defaming Congress by defeating this resolution, they would swiftly follow up their manifestations of contempt and defiance, and no committee of Congress could have access to records and evidence without the cooperation of the people whom that evidence might eventually convict.

I think it should be emphatically pointed out in this connection as one of the compelling factors in your decision that if it is held that in order for a congressional committee to subpena records and secure evidence they first have to establish the guilt or un-Americanism of the outfit they are investigating, such power of subpena is unnecessary and worthless. Unless we have it when we need it to establish the full record of evidence, then the Congress better not have it at all, because such a subpena authority certainly is not worth the paper upon which it is written.

Mr. Speaker, I am not disturbed about the technicalities. We can amend this resolution to meet them if it is so desired. This thing is obvious: Once this is carried into the courts, the directors of this outfit who have a legitimate defense will have the right and opportunity to establish that defense there in the proper place. We know that they have conspired by every conceivable technicality, by every attempt for delay and deception, for more than 3 months to keep their records locked up and concealed from this committee. This is the only procedure which now seems available for the House of Representatives to take a stand to show whether or not we are going to support the further efforts of this committee to get these records, or if we are going to support those who are trying to conceal them from public view. Today we should vote on legislation in some form which will place our determination on record.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from Georgia.

Mr. COX. I am sure the gentleman must know there is no Member of this House who is a better friend of the committee, who has a higher appreciation of the fine work it is doing than myself. As such friend of the committee I would counsel, for the good of the committee and for the maintenance of its fine standing and its great appreciation by this House, that it strike from this resolution all other than the one who appeared before the committee and refused to testify.

Mr. MUNDT. In response to the gentleman from Georgia, as I have stated previously, I have no desire in connection with whom we are going to direct these legal steps against, other than to make them inclusive enough to make certain that this continuous delay and tirade of technicalities and deception be brought to an end. I appreciate the gentleman's proposal. If that can be more effectively done by concentrating this resolution on Dr. Barsky, so be it. But if it can be more effectively done by including the whole outfit, let us do it that way even though it requires a second resolution. Let these directors then establish the facts in a court of law.

The SPEAKER. The time of the gentleman from South Dakota has expired.

Mr. WOOD. Mr. Speaker, I yield the gentleman one additional minute.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from Mississippi.

Mr. RANKIN. I just want to say to the gentleman from Georgia [Mr. Cox] that the result would be that we would simply send a subpena to the rest of them and have them here next week, because they are not going to let the American people know what is in these books if they can help it.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. MUNDT. I yield.

Mr. ROONEY. Why would that not be the proper thing to do, for the dignity of this House? Why have no efforts been made to subpena these other 15 or 16 people?

Mr. DOYLE. Mr. Speaker, will the gentleman yield? He said he would yield.

Mr. MUNDT. I yield to the gentleman from California although I would prefer to answer the gentleman from New York [Mr. ROONEY].

Mr. DOYLE. In seeking what the actual fact is, may I ask whether or not the record shows that all of the members of the board of directors were present? It has been said it was unanimous, but unanimous by how many members of the board? In other words, were all these people present and did they vote unanimously, or were some absent?

Mr. MUNDT. That is what the committee has been trying to find out, but in conformity with their consistent policy of concealment Dr. Barsky refuses to name which members of the board were present, but simply said it was a unanimous vote.

Mr. Speaker, I for one am glad this test has come.

Ever since VE-day—long before VJ-day—the pinks and punks and parlor political pustules of America have been growing in boldness and becoming more and more brazen in their acts and statements.

Now is as good a time as any in the course of an election year for the Members of Congress to stand up and be counted on this issue of whether they believe the American way of life should be defamed or defended.

A vote against this privileged resolution is a vote to give aid and comfort to the defamers of America. A vote to approve this resolution is a clear-cut, on-the-record vote to defend America and to serve notice that those who would defy and defame Congress and discredit its Committee To Investigate Un-American Activities are not mightier than the Government nor the Constitution of the United States which so few of them revere except when they hope some technicality from it may be invoked to induce a wobbly minded court to protect them in their sinister, secret acts.

Mr. WOOD. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOOD: Strike from the resolution the names of all individuals except that of Edward K. Barsky.

The amendment was agreed to.

Mr. WOOD. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. BIEMILLER].

Mr. BIEMILLER. Mr. Speaker, there is still, I think, a fundamental issue left in the resolution, even though we have wisely amended out 15 people against whom there was no possible action.

I do not happen to agree personally with the political philosophy many Members of this House accuse certain members of the Anti-Fascist Refugee Committee of holding. Whether those individuals hold that philosophy or not I do not know. If they do, I do not agree with them; but as an American and as a Christian, and as one who is

vitally concerned with the best traditions of American democracy, I am still fearful that we may make a great mistake if we vote for the resolution even in the shape it is now in.

Let us in the first place recall that this committee is duly licensed by the President's War Relief Control Board. The President's Relief Board, as the Members of this House know, is composed of Mr. Joseph Davies, a famous lawyer who was very active in the Wilson administration; Mr. Warren; and the son of a Republican President of the United States, Mr. Charles P. Taft. That body has been charged by the President of the United States with issuing licenses for the collection of relief money and for the distribution of the same. The committee that is now before the House on charges through its chairman has been duly licensed, I repeat, by the President's Relief Board. It renders periodic statements to the President's Board. Those statements are scrutinized by that Board as to their content. This group has functioned successfully in bringing relief to the victims of Fascist oppression. It has operated in many instances through religious bodies. It has operated for the most part through the Friends Service Committee and through the Unitarian relief organizations. They are the groups who have distributed much of the relief and money raised by the Joint Anti-Fascist Refugee Committee.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. BIEMILLER. I yield.

Mr. MARCANTONIO. I want to get the record straight. It has not been established that Barsky has control of these records. There is not a single iota of proof in the proceedings here that Barsky has control of these records.

Mr. CAMP. Mr. Speaker, will the gentleman yield?

Mr. BIEMILLER. I yield.

Mr. CAMP. Why, if they are so licensed, should they refuse a committee of Congress permission to go through their records?

Mr. BIEMILLER. I was just coming to that point.

The work this organization has been engaged in has been that of saving the victims of Fascist oppression in Europe. It has established hospitals for them, it is running camps for their children, it has distributed funds among them. Their records show the names of some of these victims of Fascist oppression, names that if they got into the wrong hands could bring terrific retribution to those members of the families of these refugees, who are still unfortunately in lands in which Fascist dictators hold sway.

I, for one, would certainly not want to run the risk of subjecting some human being to the fury, the wrath, and the prisons of Fascist dictators.

I think that issue is definitely in this picture. Attempts have been made here to raise a smoke screen; attempts have been made to bring in the idea that this is nothing but a communistic propaganda organization. The gentleman from South Dakota [Mr. MUNDT] during his discourse left us with a very bad statement on this floor, one that if followed would wreck the complete theory of our American democracy. He propounded to you the thesis that any committee of this House had the right to subpena the books of any organization or any corporation without proof that that particular organization or corporation might be involved in the particular matter that committee was investigating. May I say, as a member of the Naval Affairs Committee, that should we have such a problem before our committee I would want to see some definite proof pointing toward a presumption of guilt of a corporation before I would vote to subpena their books. I think that is a sound doctrine for all of us to follow. I recognize that the House must retain the right of subpena. Without it we could not carry out necessary investigations into campaign expenditures, and so forth. It behooves all of us to be careful in the exercise of this basic prerogative so that it is not abused.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

Mr. WOOD. Mr. Speaker, I yield 4 minutes to the gentleman from Indiana [Mr. LANDIS].

Mr. MUNDT. Mr. Speaker, will the gentleman yield?

Mr. LANDIS. I yield to the gentleman from South Dakota.

Mr. MUNDT. I simply want to correct the misstatement made by the gentleman from Wisconsin who, apparently, misunderstood my remarks. This committee has a considerable amount of proof concerning the activities of the joint anti-Fascist committee. I said that a committee of Congress should not be forced to complete its case before it can exercise the right of subpena, because if that were true, obviously such right would be worthless and unnecessary.

Mr. LANDIS. Mr. Speaker, if you do not think this country is in danger look at this list of Red outfits in the United States. Among this list is the Joint Anti-Fascist Refugee Committee, about which we are speaking today.

Mr. Speaker, the American system of free competition and private enterprise is better than anything that has been offered as a substitute. Our system is not perfect but it is responsive to the demands of progress and to the requirements of the common welfare. It has made mistakes, but it has not failed to correct its methods when the right remedy was found. The world points with envy to the American system. The universal opportunity for all has made our Republic the marvel of the age.

Why has America been a haven for seekers of freedom and opportunity from all the world? Why does almost every country want to borrow money from the United States? You know the answer. It is because we have the greatest system on earth.

While this picture in America makes our hearts swell with pride, yet a searching analysis reveals a danger demanding immediate action. The reds, pinks, and punks are making a direct attack upon the American form of government and the American way of life. Millions of printed pages of subversive propaganda are calculated to develop religious, racial, and class hatred between groups of citizens in the United States. This propaganda drive has created disunity. These subversive individuals and groups have tried to smear General MacArthur and other leading citizens of the United States.

They are out to stir up industrial strife and to strengthen their position in labor unions. They will come out in the open and be bolder than they were in the past. If they are able to place their members in policy-making positions in labor unions they will have a better opportunity to widen the breach between management and labor. Some labor organizations bar these reds and other labor organizations will not let them hold office. They will try to gain a foothold in such industries as steel, transportation, communications, automobiles, utilities, and meat packing.

These reds want to destroy our form of government. They would like to take over our radios, labor unions, movie industry, railroads, banks, and other business. America has reached the crossroads. America has coddled subversive activities too long. I do not believe these reds are going to fool the American people, who through free competition and private enterprise have developed the highest level of individual possession in all the world.

Now it makes no difference to me what kind of a system they have in Russia, England, France, or China. That is their business. They should have a right to whatever form of government their people choose. Other nations should concede this same right to us and all nations. America has no place for an individual who places any other flag, constitution, way of life, or any other ideals of government above our own. We must gird ourselves to resist all attacks on the American way of life.

The Committee on Un-American Activities caused to be issued a subpena to Dr. Edward K. Barsky, chairman of the Joint Anti-Fascist Refugee Committee, to produce books, papers, and records of the organization. He refused to produce such books, papers, and records and he also refused to let our investigator inspect them. Our committee has been deprived of the opportunity to inspect evidence which we consider very important subject matter to carry on our investigation. I hope the resolution is adopted.

We must put a stop to these radical writers and propagandists throughout the Nation who are trying to destroy the things for which our flag stands. We must curb these subversive activities. We cannot afford to relax and congratulate ourselves that we have taken adequate precaution against them. We need to be constantly and increasingly on guard. We should rededicate ourselves to our country, to our homes, and to our God with the inspiration of Lincoln's words when he said:

> Many free countries have lost their liberty, and ours may lose hers; but if she shall, be it my proudest plume not that I was the last to desert but that I never deserted her.

The Joint Anti-Fascist Refugee Committee claims to operate under Executive Order No. 9205 of the President's War Relief Control Board, established in 1942.

There are certain restrictions under which the approved medical and welfare organizations operate—for example, under amendment, dated November 27, 1944, part 501.4, and titled, "Application for Registration" under paragraph A is the following limitation:

Applicant under the name used in this application for registration is not engaged in political action or propaganda and does not combine nor intend to combine political action or propaganda with its relief activities or with its relief appeals.

According to the material presented to our committee, the Joint Anti-Fascist Refugee Committee is a Communist front organization. There is no doubt that it is honeycombed with Communists. Dr. Barsky is a well-known Communist.

This committee has been active in bringing foreigners to America. This organization has been less successful in bringing these foreigners to America than other organizations.

Mr. WOOD. Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania [Mr. BRADLEY].

Mr. BRADLEY of Pennsylvania. Mr. Speaker, I only have 4 minutes, and I am going to say what I have to say very briefly. First of all let me say that I am one of those who continually voted against the Dies committee even when there were only 21 Members in this House who did that. I voted—and people may think this is inconsistent, but it definitely is not—to prevent the payment of salaries to Dodd, Lovett, and Watson, because I felt they were members of organizations which were closely allied with real and actual Communists. I have been one who has continually fought for liberal legislation on the floor of this House, and I yield to no one in that regard; but I am afraid that at times there are certain issues coming into question here that are causing a great deal of confusion, and some people think that liberalism is synonymous with ideologies with which I and many others in this House have nothing in common and for which we have no sympathy. Though I intend to maintain my position of supporting measures which are genuinely liberal and to advocate progressive legislation and to fight for labor, I am going to have no part, to any extent, in any movement which is allied even in a small degree with communistic activities or anything that extends sympathy to communism.

Mr. Speaker, I voted against the creation of this committee, and I think it is wrong to have a standing committee of this kind, and I wish we had never passed the resolution authorizing it, but I think we have to support the basic issue here, the right of a congressional committee, which has been established by the Congress, to subpena records in the course of its duty, when the House has given the committee that authority, and it must of necessity apply in this case and to this committee the same as it applies to the Committee on Military Affairs, the Committee on Naval Affairs, or any other committee of this Congress which has been given subpena powers. And, although I do not approve of this committee having been created, I am forced to vote for this resolution, and I took this time, which is altogether too brief, in order to have some word to say with respect to the matter.

Mr. PATRICK. Mr. Speaker, will the gentleman yield?

Mr. BRADLEY of Pennsylvania. I yield to the gentleman from Alabama.

Mr. PATRICK. I just want to add that that is the only position we can take, and it is the position I am taking. As long as this is a committee of this House, I shall vote to sustain it in its just actions.

Mr. BRADLEY of Pennsylvania. I want to say that I wish there would not be so much confusion with respect to the basic issues in this case. I do not agree, for instance, with the gentleman from Mississippi, that those who support FEPC, collective bargaining, wage-and-hour legislation, or kindred measures to insure social justice are Communists. I think that we only drive people into the ranks of the Communists when we make such assertions as that, because those things are basically just and possible to achieve within the framework of our own Constitution. On the other hand, I do not see any use or any reason to be continually shouting love for Russia to the exclusion of everything else, or to be continually cluttering up the atmosphere with things which are extraneous entirely to the cause of social justice in the United States. As far as I am concerned, and I know I am speaking the sentiments of scores of people in this House who have aggressively supported the things which mean a lot to the working classes of this country, we are not going to allow that position of ours to be misinterpreted by anybody to indicate that we have anything in common with those people who are antagonistic to everything in which we believe, and who seem more interested in foreign ideologies than they are in the welfare of the wage earner. That is our position and I wish I had more time to go into the fundamentals which are involved.

Mr. RANKIN. Mr. Speaker, will the gentleman yield, since he has mentioned my name?

Mr. BRADLEY of Pennsylvania. I yield.

Mr. RANKIN. The FEPC act was written in Moscow.

Mr. BRADLEY of Pennsylvania. I do not know about that and it makes no difference. The right of people to full employment and no discrimination is basically American.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. WOOD. Mr. Speaker, I yield the remaining 8 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include certain newspaper articles.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield before he starts his speech?

Mr. RANKIN. No; not right now. I am afraid the gentleman has said too much already.

Mr. MARCANTONIO. I made you retreat.

Mr. RANKIN. I am advancing, not retreating. We are making progress. Wait till the roll is called, and you will see.

Mr. Speaker, I have no apology for my part in creating the Committee on Un-American Activities. Knowing what is going on in this country today, knowing the great dangers that threaten American institutions, I say that my resolution or amendment creating the Committee on Un-American Activities was one of my greatest services to my country.

That committee is doing a great work today in trying to protect American institutions from destruction at the hands of the enemies within our gates, their fellow travelers, parlor pinks, and stupid sympathizers.

Referring to the gentleman from Wisconsin [Mr. BIEMILLER], I do not believe you could write a law that he would be satisfied with that carried the protection of the American people more than the Committee on Un-American Activities affords. I have just seen in the Communist Worker of this morning that Mr. ANDREW J. BIEMILLER had written these words, "There is no place in our democracy for a committee functioning like the present one"—referring to the Committee on Un-American Activities.

He does not know any more about what goes on in the Committee on Un-American Activities than he does about what goes on in the moon. He has never come before that committee, he has never asked it a question, he has never appeared before it, yet he goes into the Communist Daily Worker, that everybody knows is dedicated to the destruction of this Government——

Mr. BIEMILLER. Mr. Speaker, I demand that the words be taken down.

The SPEAKER. The gentleman from Mississippi will suspend.

Mr. BIEMILLER. May I request that the gentleman from Mississippi take his seat?

The SPEAKER. The gentleman from Mississippi will be seated.

The Clerk will report the words objected to.

The Clerk read as follows:

I have just seen in the Communist Daily Worker of this morning that Mr. ANDREW J. BIEMILLER had written these words, "There is no place in our democracy for a committee functioning like the present one," referring to the Committee on Un-American Activities. He does not know any more about what goes on in the Committee on Un-American Activities than he does about what goes on in the moon. He has never come before that committee, he has never asked it a question, he has never appeared before it, yet he goes into the Communist Daily Worker, that everybody knows is dedicated to the destruction of this Government——

The SPEAKER. The Chair believes the gentleman from Mississippi [Mr. RANKIN] was expressing his opinion of the Communist Daily Worker and not reflecting upon the character and integrity of the gentleman from Wisconsin [Mr. BIEMILLER].

The gentleman from Mississippi may proceed in order.

Mr. RANKIN. Mr. Speaker, I thank the Speaker for those kind words, but I do not have the vocabulary to really

express my views of the Communist Daily Worker; and if I did, I am sure my language would violate parliamentary propriety, to say the least of it.

Now, let us get back to what this committee did. We had 8,000 written requests to investigate this outfit that claims to be a charitable organization. Now, just think this over. If you were connected with a charitable organization as an honest man, would you refuse to show your books to a committee of Congress? Would you risk going to jail before you would do so?

The Red Cross would not refuse to show its books. If we would ask the Red Cross or the American Legion to let us see their books, they would say, "With pleasure." If we should ask the Daughters of the American Revolution, that some of these pinks have been abusing in this House and elsewhere, to let us see their books, they would say, "Here they are." If we should ask the Methodist Church, the Baptist Church, the Presbyterian Church, or the Catholic Church, or any other Christian organization the same question, they would not resist.

Then, why does this organization, which 8,000 people have written us suggesting that it is engaged in subversive activities, object to letting a committee of Congress see their records? There is a reason.

Let me tell you something. You are likely to get some information before long that will shock the American people.

I want to show you, before I go on to the merits of this issue, what appeared in this morning's Washington Post. I want to do this because I may want to pay my respects to the owner of the Washington Post. Here is a cartoon, printed in the Post this morning. It calls this the Rankin committee. It shows me holding up a spy scare. They had that cartoon ready before the FBI had that spy arrested out on the Pacific coast for trying to purloin military secrets to be used against the United States.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. DONDERO. I pointed out on the floor the other day that 11 agencies of the Federal Government have requested your committee for aid, and requested information, including the FBI.

Mr. RANKIN. Yes. The State Department, and practically every other department of the Government, has done the same thing.

Now, let us see about these agents. I am willing to go ahead and vote on the Barsky citation for contempt, but everyone of these individuals mentioned in this resolution is in contempt of Congress. This is not an ordinary committee. This committee has power to subpena witnesses. It is written into the rules of the House. I know, because I wrote it there myself. It has the power to subpena these witnesses, and to subpena their records. Yet this bunch, in a conspiracy, ordered Dr. Barsky to manifest contempt for the Congress of the United States, by refusing to obey the subpena of this committee.

Well, we will probably have them all in here next week.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. In just a moment.

Why are they collecting all this money? Why are they spending it? Why all this spy ring in America? Why all these subversive activities? Why all these alien smears against committees of Congress that are trying to do their duty? Why all this propaganda that is going on now at the hands of these subversive elements? I will tell you why. These Communist front organizations are being used for the purpose of overthrowing the Government of the United States.

We are going to have a roll call on this resolution, and I am sure the American people will be interested in the vote.

I hope the House will support the committee and let the world know that we are going to protect this country from destruction at the hands of the enemies within our gates.

The SPEAKER. The time of the gentleman from Mississippi has expired, all time has expired.

Mr. WOOD. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent that the testimony be read to determine whether or not the books were in his control, whether or not he had control.

Mr. RANKIN. We have decided that.

Mr. MARCANTONIO. No; we have not decided that.

Mr. KNUTSON. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

The question is on the passage of the resolution.

Mr. WOOD and Mr. RANKIN asked for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 339, nays 4, not voting 88, as follows:

[Roll No. 70]

YEAS—339

Abernethy	Brown, Ohio	Davis
Allen, Ill.	Bryson	Delaney, James J.
Allen, La.	Buck	Delaney, John J.
Almond	Buffett	D'Ewart
Andersen, H. Carl	Bulwinkle	Dingell
Anderson, Calif.	Burgin	Dirksen
Andresen, August H.	Butler	Dolliver
Andrews, N. Y.	Byrne, N. Y.	Domengeaux
Angell	Byrnes, Wis.	Dondero
Arnold	Camp	Doughton, N. C.
Auchincloss	Campbell	Douglas, Ill.
Baldwin, Md.	Canfield	Doyle
Baldwin, N. Y.	Cannon, Mo.	Durham
Barrett, Wyo.	Carlson	Dworshak
Barry	Case, N. J.	Earthman
Bates, Ky.	Case, S. Dak.	Eaton
Bates, Mass.	Chelf	Eberharter
Beall	Chenoweth	Elliott
Beckworth	Church	Ellis
Bell	Clark	Ellsworth
Bender	Clevenger	Elsaesser
Bennet, N. Y.	Clippinger	Elston
Bennett, Mo.	Cochran	Engel, Mich.
Biemiller	Cole, Kans.	Engle, Calif.
Blackney	Cole, Mo.	Ervin
Bland	Cole, N. Y.	Fallon
Bolton	Cooley	Feighan
Bonner	Cooper	Fenton
Boren	Corbett	Flannagan
Boykin	Courtney	Flood
Bradley, Mich.	Cox	Fogarty
Bradley, Pa.	Crawford	Folger
Brehm	Crosser	Forand
Brooks	Cunningham	Fuller
Brown, Ga.	Curtis	Fulton
	D'Alesandro	
	Daughton, Va.	

Gamble	Kirwan	Richards
Gardner	Klein	Riley
Gary	Knutson	Rivers
Gathings	Kunkel	Rizley
Gavin	Landis	Robertson, N. Dak.
Gearhart	Lane	Robertson, Va.
Geelan	Lanham	Robinson, Utah
Gerlach	Larcade	Robsion, Ky.
Gibson	Latham	Rockwell
Gifford	Lea	Rodgers, Pa.
Gillespie	LeCompte	Roe, Md.
Gillette	LeFevre	Rogers, Mass.
Gillie	Lemke	Rogers, N. Y.
Goodwin	Lesinski	Rooney
Gordon	Lewis	Rowan
Gore	Link	Russell
Gossett	Luce	Ryter
Graham	Ludlow	Sabath
Granahan	Lyle	Sasscer
Granger	Lynch	Schwabe, Mo.
Grant, Ala.	McConnell	Schwabe, Okla.
Grant, Ind.	McCormack	Scrivner
Green	McDonough	Sharp
Gregory	McGlinchey	Sheridan
Griffiths	McGregor	Simpson, Ill.
Gross	McKenzie	Simpson, Pa.
Gwinn, N. Y.	McMillan, S. C.	Slaughter
Gwynne, Iowa	McMillen, Ill.	Smith, Maine
Hagen	Mahon	Smith, Va.
Hale	Maloney	Smith, Wis.
Halleck	Manasco	Somers, N. Y.
Hancock	Mansfield, Mont.	Sparkman
Hand	Mansfield, Tex.	Spence
Hare	Martin, Iowa	Springer
Harless, Ariz.	Martin, Mass.	Starkey
Harris	Mathews	Stefan
Hart	May	Stevenson
Hartley	Merrow	Stewart
Havenner	Michener	Stigler
Hays	Miller, Calif.	Stockman
Hébert	Miller, Nebr.	Sullivan
Hedrick	Mills	Sumner, Ill.
Henry	Monroney	Sundstrom
Herter	Morgan	Taber
Heselton	Morrison	Talbot
Hess	Mundt	Talle
Hill	Murray, Tenn.	Tarver
Hinshaw	Murray, Wis.	Thom
Hobbs	Norblad	Thomas, N. J.
Hoch	Norrell	Thomas, Tex.
Hoeven	O'Hara	Thomason
Hoffman	O'Konski	Tibbott
Holmes, Wash.	O'Neal	Tolan
Hook	O'Toole	Torrens
Hope	Outland	Towe
Horan	Pace	Trimble
Huber	Patman	Vinson
Hull	Patrick	Voorhis, Calif.
Jackson	Peterson, Ga.	Vorys, Ohio
Jenkins	Philbin	Wadsworth
Jennings	Phillips	Walter
Jensen	Pickett	Wasielewski
Johnson, Calif.	Pittenger	Weaver
Johnson, Ill.	Plumley	Weichel
Johnson, Ind.	Poage	West
Johnson, Luther A.	Price, Fla.	Whitten
Johnson, Okla.	Price, Ill.	Wickersham
Jones	Priest	Wigglesworth
Jonkman	Quinn, N. Y.	Winstead
Kean	Rabaut	Winter
Kee	Ramey	Wolcott
Keefe	Randolph	Wolfenden, Pa.
Kelly, Ill.	Rankin	Wood
Kerr	Rayfiel	Woodruff
Kilburn	Reece, Tenn.	Worley
Kilday	Reed, Ill.	Zimmerman
King	Reed, N. Y.	
Kinzer	Rees, Kans.	

NAYS—4

Izac	Neely	Powell
Marcantonio		

NOT VOTING—88

Adams	Combs	Holmes, Mass.
Andrews, Ala.	Cravens	Howell
Arends	Curley	Jarman
Bailey	Dawson	Johnson, Lyndon B.
Barden	De Lacy	Judd
Barrett, Pa.	Douglas, Calif.	Kearney
Bishop	Drewry	Kefauver
Bloom	Fellows	Kelley, Pa.
Brumbaugh	Fernandez	Keogh
Buckley	Fisher	Kopplemann
Bunker	Gallagher	LaFollette
Burch	Gorski	McCowen
Cannon, Fla.	Hall, Edwin Arthur	McGehee
Carnahan	Hall, Leonard W.	Madden
Celler	Harness, Ind.	Mankin
Chapman	Healy	Mason
Chiperfield	Heffernan	Murdock
Clason	Hendricks	Murphy
Clements	Holifield	Norton
Coffee		O'Brien, Ill.
Colmer		

O'Brien, Mich.	Rogers, Fla.	Traynor
Patterson	Sadowski	Vursell
Peterson, Fla.	Savage	Welch
Pfeifer	Shafer	White
Ploeser	Sheppard	Whittington
Rabin	Short	Wilson
Rains	Sikes	Wolverton, N. J.
Resa	Smith, Ohio	Woodhouse
Rich	Sumners, Tex.	
Roe, N. Y.	Taylor	

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Ploeser for, with Mr. Healy against.
Mr. Taylor for, with Mr. De Lacy against.
Mr. Short for, with Mr. Celler against.

General pairs until further notice:

Mr. Patterson with Mr. Fellows.
Mr. Drewry with Mr. Judd.
Mr. Pfeifer with Mr. Bishop.
Mr. Bailey with Mr. Howell.
Mr. Keogh with Mr. Arends.
Mr. Colmer with Mr. Harness of Indiana.
Mr. Buckley with Mr. Chiperfield.
Mr. Kelley of Pennsylvania with Mr. Edwin Arthur Hall.
Mr. Heffernan with Mr. Brumbaugh.
Mrs. Norton with Mr. Rich.
Mr. Rabin with Mr. Smith of Ohio.
Mr. Cannon of Florida with Mr. Vursell.
Mr. Roe of New York with Mr. Wilson.
Mr. Combs with Mr. Adams.
Mr. Hendricks with Mr. Wolverton of New Jersey.
Mr. Jarman with Mr. Kearney.
Mr. McGehee with Mr. Holmes of Massachusetts.
Mr. Madden with Mr. Clason.
Mr. Peterson of Florida with Mr. Mason.
Mr. Coffee with Mr. McCowen.

Mr. KLEIN changed his vote from "nay" to "yea."

Mr. KEEFE. Mr. Speaker, I desire information as to how the gentleman from Wisconsin [Mr. BIEMILLER], voted on this resolution. I did not hear how the gentleman voted.

The SPEAKER. The gentleman referred to is recorded as voting "aye."

Mr. KEEFE. I thank the Speaker.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FEDERAL AID AIRPORT ACT

Mr. BULWINKLE, from the Committee on Interstate and Foreign Commerce, submitted a conference report and statement on the bill (S. 2) to provide for Federal aid for the development, construction, improvement, and repair of public airports in the United States, and for other purposes, for printing in the RECORD.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, and I am not going to object, I understand the conference report on the so-called Petrillo bill will be taken up first, and then the only other business will be the Philippine measure?

Mr. McCORMACK. That is correct. We are meeting at 11 o'clock for the purpose of taking up the conference report and then enabling the Ways and Means Committee to continue with the consideration of the Philippine bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PHILIPPINE TRADE ACT OF 1946

Mr. SABATH. Mr. Speaker, I call up House Resolution 572 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5856) to provide for trade relations between the United States and the Philippines, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 day, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the same back to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, this resolution makes in order H. R. 5856, known as the Philippine trade bill, which aims to bring about mutually advantageous trade relations between our country and the Republic of the Philippines. I am pleased to state that it was reported from the Ways and Means Committee by unanimous vote, and therefore I trust it will receive the unanimous support of the House.

This is an open rule, providing for a full day of general debate, and waiving points of order. In view of the fact that about 2 hours' time has been taken on the resolution just passed, I feel the committee should have an additional two hours tomorrow so as not to be deprived of the full day requested. After full debate, amendments may be offered under the 5-minute rule. The bill as presented is a compromise representing long and careful consideration in the Committee on Ways and Means.

Personally, I am pleased and gratified that I should have the honor and the opportunity of presenting this rule, which enables the House to begin debate on a measure to promote friendly and mutually advantageous relationships between our own country and the new republic of the east which will begin its own self-government on July 4 of this year. This is an eventuality I have long urged and supported.

Yes, Mr. Speaker, 37 years ago I introduced a resolution providing for neutrality of the Philippine Islands. Ever since that time I have urged legislation which would give independence and self-government gradually to these deserving people, who have proved in the pursuit of peace and in the horrors of war and defeat their capacity to rule themselves and determine their own destiny, as is now generally recognized. At the time I introduced my resolution I was fearful that at some future time the Japanese might some day attempt to take over the Philippines; my worst fears were realized, but the Filipinos proved their patriotism and bravery by their heroic resistance when all seemed lost. I am most happy that their land has been redeemed from the despoiler, and with the help of my own country rescued from the clutches of the barbaric Japs; and that these brave and enduring people will have their freedom, as planned, this year.

I fully realize the trials and tribulations this new self-governing nation must face. Nevertheless, with the continuance of the spirit of cooperation and common purpose proved during the Japanese conquest and occupation I look for, I am sure harmony will prevail and the new sovereign state will not be torn by internal discord. The Republic of the Philippines will shine forth to prove its right to a place in the family of nations.

I know the provisions of the bill will be fully and clearly explained in the time of the Committee on Rules by the able young gentleman of 83 from North Carolina [Mr. DOUGHTON], chairman of the Committee on Ways and Means; and I have promised time to my colleague from Missouri, as well as to the gentleman from North Carolina. Therefore, I shall forego the pleasure of a detailed explanation of this bill which I so warmly welcome.

Briefly, the objective of this legislation is, as I have said, the establishment of a mutually advantageous trade relationship between the United States and the Republic of the Philippines, and covers a 28-year period. It is designed to provide incentives for rehabilitation and development of the islands and to provide stability to future commerce. The principal matters dealt with are:

First. Customs duties on a reciprocal basis, preferential as against all other countries.

Second. Establishment of quotas on the imports of certain Philippine products.

Third. Reciprocal nondiscriminatory treatment in the field of taxes.

Fourth. Adjustments in the immigration laws of both countries to meet the pressing needs of the immediate future.

Fifth. Protection of United States citizens and American business enterprises, regardless of form, against discriminatory treatment.

With that, Mr. Speaker, I reserve the balance of my time and ask unanimous consent to extend my remarks, and yield 30 minutes to my colleague, the gentleman from Illinois [Mr. ALLEN]. Yet first I must take another moment to express the hope and the wish that the Filipino people will enjoy the full benefit of peace and prosperity and independence, hard won by half a century of steady progress and 3 years of stubborn resistance to the barbarous invaders from Japan, for many centuries to come.

Mr. ALLEN of Illinois. Mr. Speaker, the able chairman of the Rules Committee has fully explained the rule with regard to H. R. 5856. There is no objection

to the rule on this side of the aisle. I know I have not heard any objection to the bill itself.

Mr. COLE of New York. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. COLE of New York. I wish to inquire of the gentleman or some other member of the committee what provisions are contained in H. R. 5856 which make it necessary to waive points of order.

Mr. ALLEN of Illinois. I yield to the gentleman from Michigan [Mr. MICHENER] to reply.

Mr. MICHENER. The only information I have about that is that the resolution contained a provision relating to taxes and possibly an appropriation, which made the waiving of points of order necessary. This is a legislative bill from the Committee on Ways and Means, a different type of bill than has ever been presented to the Congress. Under existing law and the Constitution, treaties and agreements with foreign nations are negotiated by the executive branch and ratified by the Senate. This resolution places in statute form an agreement negotiated between our country and the Philippine Commonwealth. It requires a majority vote in both the House and the Senate, and not a two-thirds vote in the Senate alone. In this respect it is an innovation. When completed by the parties signatory, it can only be changed by an act of Congress. The Executive's discretion in the premises is limited by the resolution. This is new procedure. I have always favored the ratification of treaties with foreign countries by the House and the Senate by a majority vote only. Here the Congress is establishing a precedent which may mean much so far as treaties are concerned.

The Ways and Means Committee are prepared to answer all questions and adequately explain the provisions of the resolution, after this rule is adopted and the consideration of the bill is had before the committee.

Mr. COLE of New York. The question of whether points of order should be waived must have been raised in the Rules Committee. If the gentleman from Illinois [Mr. ALLEN] cannot advise us what those provisions are perhaps some member of the Ways and Means Committee can. It occurs to me that the House should be advised as to what points of order are being waived.

Mr. MICHENER. I may say that in the first instance, at the hearing before the committee, an open rule was asked for, without waiving points of order. A little later a member of the Ways and Means Committee and the chief draftsman, Mr. Beaman, of the Legislative Service, appeared and said there was one technical provision in the resolution that might be subject to a point of order. The Rules Committee, using the judgment it usually uses when tax bills are brought before the committee, granted this rule.

Mr. COLE of New York. The gentleman will admit it is rather unusual for the Rules Committee to ask the House to adopt a rule which waives points of order without itself being in a position to advise the House what provisions in the bill are affected by that limitation?

Mr. MICHENER. It probably shows too much confidence in the unanimous agreement of the great Ways and Means Committee, as well as in the draftsman, Mr. Beaman.

Mr. COLE of New York. There are at least a dozen members of the Ways and Means Committee present, and I observe no one is able to explain it.

Mr. SABATH. Mr. Speaker, we should not be deprived of knowing what is going on over there. So far I have not heard anything that has been said on the other side.

The SPEAKER. The question raised by the gentleman from New York [Mr. COLE] was what provision of the bill made necessary the provision of the rule waiving points of order.

Mr. KNUTSON. Mr. Speaker, there are no provisions in the bill which require the waiving of points of order. There may be a technical involvement where it has reference to returning to the Philippine treasury certain taxes. Otherwise, there are none.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from Kansas [Mr. CARLSON] such time as he may desire.

Mr. CARLSON. Mr. Speaker, in reply to the request of the gentleman from New York [Mr. COLE], may I say that under existing law processing taxes are collected and impounded in the Treasury of the United States to be returned to the Philippine Islands. Under the proposals in this bill these taxes are still being collected but retained in the Treasury of the United States after July 4, 1946. The moneys collected between now and July 4 this year will be returned to the Philippines. There might be some question that that and other sections dealing with revenue matters would be subject to a point of order.

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. CARLSON. I yield to the gentleman from Arkansas.

Mr. MILLS. The fact they will be returned under the bill between now and July 3, 1946, might be interpreted as an appropriation.

Mr. COLE of New York. It is only to that extent, then, that this provision is necessary?

Mr. CARLSON. That is right.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from Kansas [Mr. SCRIVNER].

Mr. SCRIVNER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and include two letters relating to the Un-American Activities Committee.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from Illinois [Mr. CHURCH].

Mr. CHURCH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a recent address by Governor Green, of Illinois. This may exceed the two pages of the RECORD allowed. but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. ALLEN of Illinois. Mr. Speaker, I reserve the balance of my time.

Mr. SABATH. Mr. Speaker, I yield to the gentleman from Wisconsin [Mr. BIEMILLER] such time as he may desire.

Mr. BIEMILLER. Mr. Speaker, in the debate earlier today there was an unfortunate inference in the remarks of the gentleman from Mississippi [Mr. RANKIN] that I had given an interview to the Daily Worker. I wish to state that I gave no such interview. The Daily Worker has evidently picked up a statement I made to the National Committee to Combat Anti-Semitism and released by that committee. This organization lists among its sponsors such distinguished Members of Congress as the Senator from South Carolina, Mr. JOHNSTON, the gentleman from Massachusetts [Mr. PHILBIN], and the gentleman from Ohio [Mr. GRIFFITHS].

I can no more control what the Daily Worker picks up from my statements than can the gentleman from Mississippi, or any other Member of this House.

Mr. SABATH. Mr. Speaker, I yield 15 minutes to the gentleman from Missouri [Mr. SLAUGHTER].

Mr. SLAUGHTER. Mr. Speaker, I ask unanimous consent to proceed out of order, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SLAUGHTER. Mr. Speaker, my excuse for intruding upon the time of the House this afternoon is to denounce a situation which is destroying a billion-dollar industry in this country .

I have just returned from Kansas City and from Chicago and I say without fear of successful contradiction that the old-line established meat packers are just about out of business so far as beef is concerned. I am told by responsible sources that hogs will follow.

Last week I found the situation so serious in Kansas City that I went to Chicago to observe conditions in that great cattle market. The situation is equally bad in either city, and for the possible interest of the House I am making this speech in the nature of a report.

With the possible exception of grain, the packing industry is the largest business in Kansas City. It is a business that continues year in and year out and provides employment for thousands of men and women and indirectly supports many more. This time of year is ordi-

narily a relatively busy time in the stockyards and packing plants in Kansas City and Chicago, but now we witness a situation where the killing of beef is almost at a standstill. This plight is even more alarming when considered in connection with the general alarming food situation which confronts the whole world. Furthermore, if it continues, unemployment, which already is sweeping this industry, will increase and all business will feel this blow. The situation has deteriorated so badly since the recent strike of the packing employees that unless something is done, and done quickly, the packers are through. When such a drastic condition develops so quickly it is obvious that there must be some immediate underlying reason that is producing this unhealthy situation. After talking to numerous packers, livestock men, and commission merchants in these two great packing centers, the conclusion is inevitable that the shortage of cattle which are available for legitimate slaughter at the large markets is caused by conflicting and unworkable regulations of the OPA. It is apparent to anyone who studies the situation that unless this condition is remedied immediately, black market operations, which have already reached staggering proportions, will almost completely take over the marketing of beef in this country.

By way of preface, let me say that I have been a consistent supporter of the OPA. On the floor of this House I have on more than one occasion defended Mr. Bowles from attacks which I thought were unjustified and unfair. When the OPA Act was last extended a year ago, I handled the rule and made the opening and principal statement that made in order the consideration of the bill, and I did so enthusiastically. I am for an extension of the present OPA Act, and have so expressed myself on the floor of the House and other places on numerous occasions. However, no matter how well the OPA may have succeeded in other instances, the fact remains that in the beef situation it has failed completely and totally, and at the present time the beef market is demoralized and in the hands of black-market operators and the situation is becoming worse day by day. The facts speak for themselves, and it is my intention in these remarks to touch upon the factual situation of the beef market as it exists today.

In the week ending March 23, 1946, the four large packers in Kansas City bought and slaughtered 1,780 cattle. In the corresponding week, 1945, these same packers slaughtered 11,835 cattle. These are facts that cannot be brushed aside and they are obtained from sources which establish their authenticity beyond all question. It is only proper to consider the reason for this startling situation. In order that the background may be a little more complete, I have obtained the figures not only for the two corresponding weeks mentioned above, but for the years 1942, 1943, and 1944, which are presented herewith:

Cattle—Kansas City

	Week ending—				
	Mar. 23, 1946	Mar. 24, 1945	Mar. 25, 1944	Mar. 27, 1943	Mar. 28, 1942
Purchased by—					
Armour	469	4,739	3,119	3,045	3,594
Cudahy	548	2,395	2,409	2,182	2,199
Swift	551	2,016	2,231	2,018	1,800
Wilson	212	2,685	2,153	2,271	2,494
Total	1,780	11,835	9,912	9,516	10,087
Total, cattle received	21,762	37,250	25,245	33,644	22,281

This situation is not confined to Chicago and Kansas City, but on the contrary prevails in the 10 largest cattle markets of the United States. For the information of the House, I submit the following table which shows the receipts of beef cattle at the 10 largest markets, and the percentage purchased by one of the largest packing firms:

Receipts at 10 principal markets and purchases of 1 of the large packers on those markets for 3 weeks ended Mar. 23, 1946, compared with previous years

3 weeks ending—	Receipts	Actual purchase	Percent of receipts purchased
Mar. 23, 1946	548,210	47,775	8.6
Mar. 24, 1945	629,373	108,045	17.3
Mar. 23, 1944	528,047	98,422	18.6
Mar. 21, 1942	477,116	108,839	22.8
Mar. 22, 1941	387,424	83,446	21.5
Mar. 23, 1940	375,133	79,351	21.1

It will be noticed that whereas in former years this particular packer was able to and did purchase approximately 20 percent of all the cattle at these 10 yards, in the week ending March 23, 1946, the same packer was only able to purchase 8.6 percent.

The inevitable results of this situation have already been felt in Kansas City, where over 1,000 employees have been laid off by the so-called Big Four packing firms. In Chicago one large packer alone has laid off more than a thousand men. So few cattle are being slaughtered that in the killing gangs men with 25 and 30 years of seniority have been laid off for the first time. Unless the condition is rapidly corrected, these layoffs will be succeeded by more drastic employee cuts with the resulting loss of purchasing power in the various communities involved. Even those employees who are retained are working on a greatly reduced time schedule, which at present means a take-home pay of something less than 50 percent of the wages received for the same period last year.

The root of the trouble, according to livestock men and packers, lies in the compliance regulations which must be observed by the packers if they are to receive a Government subsidy. Compliance is a procedure or routine which must be observed by the packer in order to collect the subsidy which the Government offers, and without the subsidy a packer cannot stay in business with the present price ceilings. Compliance figures are arrived at by a complicated set of calculations which I shall not attempt to explain in detail. Sufficient to say that the subsidy is calculated on certain primary factors. The grading of the meat enters into the subsidy payment. The percentage of beef that is dressed and processed out of carcass is a vital factor. The subsidy is calculated not upon one animal or one group of animals, but upon all of the beef cattle which are slaughtered during a given period of 3 weeks. The subsidy payment varies with various grades, the highest subsidy of $3 per live hundredweight being paid for grade A cattle. The large and reputable packers can predict almost with the accuracy of a life-insurance actuary the percentage of dressed beef that can be procured from a given animal. In the case of Grade A beef, for instance, the packers know from many years' experience that they can count on a yield of 61 percent. Since this percentage factor is taken into consideration in determining subsidy payment, the dishonest packer or black-market operator has much to gain by falsifying his records and reporting to the OPA that his beef has dressed out 65 percent, and I am told that in some instances in and around New York City some operators of dubious reputation have reported a yield as high as 67 percent, which all reputable packers and stockmen know to be an impossible yield. Yet the OPA accepts these false figures, and the taxpayers foot the bill.

The old-established, federally inspected packers keep books that are always open to any proper governmental agent, and they are kept with the greatest possible degree of accuracy. If there are any mistakes in judgment made in the buying of cattle which violate the compliance rule, they are penalized, for all their transactions are in the open. This compliance violation penalty is provided by a sliding scale of diminishing subsidies. Ten percent of the subsidy is withheld if at a given period a packer misses his guess by ¼ percent or less; 30 percent, ¼ to 1 percent; 60, 1½ to 2 percent, and no subsidy paid if the packer's figures are off as much as 2 percent.

In the buying of cattle, the packer is at the mercy of his buyer, who, incidentally, is one of the most highly skilled and highly paid men in the packing industry. The salary and bonus has always been large, for he must possess the ability to look at a given lot of cattle and to determine the approximate yield that the packer will receive from that given lot. The packers and their buyers are acutely aware of the danger the company runs in purchasing animals which may not meet the Government's subsidy specifications. Consequently, only those animals are being purchased which are so clearly within the class to which the buyer would normally allocate them as to be beyond

question. As a practical proposition, such accuracy is not practical nor feasible, for in the ordinary course of business it is obvious that many cattle will be on the borderline between two given grades. To illustrate, buyer A may look at a pen full of cattle and place them in the topmost grade; whereas, buyer B, representing another packer, and with an equal amount of experience, might be of the opinion that they would average a grade lower. The employers of these buyers are aware of this variable element in human judgment and make allowances therefor. The OPA, however, by its rulings, says in effect to a packer that it shall be absolutely right and if it varies as much as a quarter of 1 percent, it shall be penalized to the extent of 10 percent of its subsidy, and if it is as far off as 2 percent, it shall receive no subsidy at all. As a result, the buyer for Armour or Swift is afraid to buy, which gladdens the heart of the black-market operator or the fly-by-night small packer who juggles his books, while the legitimate packer who attempts to obey the law is penalized. At the same time his competitor, operating under the "black flag," proceeds merrily and profitably on his way.

The evidence is conclusive that more and more meat is going into the black market, and less and less into legitimate channels. This is obvious when 10 to 15 thousand cattle come into the market and the packers only buy a few hundred that the meat industry is badly demoralized for the packers need the cattle to operate.

Until recently, practically all cattle that were bought for slaughter in the Kansas City market were killed at that place. In 1941, of all the cattle bought for slaughter in Kansas City, only 10 percent went elsewhere. In 1945, on the other hand, this figure had jumped to 26 percent; whereas in January of 1946, 40 percent of all cattle purchased in Kansas City were going to other markets.

St. Joseph, Mo., which is 60 miles from Kansas City, has a reasonably large stockyards section, and in 1941 only 8 percent of the cattle purchased for slaughter in St. Joseph were sent to some other city. In January of 1946, however, 41 percent of all these cattle went elsewhere.

One of the byproducts of the packing industry, hides, illustrates the same tendency. In 1945, there was a 43-percent increase in the number of hides which originated in nonfederally inspected packing plants. At the same time there was a 17-percent decrease in the number of hides which were coming from yards and plants which were under the supervision of the Department of Agriculture. These facts demonstrate that more and more people were and are being deprived of federally inspected meat in order that the black market may flourish and that prices may soar, for the danger of detection is less in markets where meat is not inspected by the Federal Government.

Another form of evasion and subterfuge has grown up. Numerous small packers have gone into the cattle-feeding business for the reason that under the OPA regulations there is no compliance schedule if cattle are held more than 30 days. It is reported that one large chain store is feeding 50,000 cattle at the present time, and numerous packers outside of the big four are feeding on an unprecedented scale. There could at this time be no real reason for packers and processors to go into this unrelated activity except to avoid the confiscatory regulations with respect to subsidies, and if the OPA persists in its ill-considered policy, the large packers will be forced to follow suit in self-defense, with the result that legitimate feeders will experience severe difficulty in locating cattle to be purchased for feeding purposes.

What policy or policies have brought about this alarming situation? In the judgment of most experienced cattlemen and packers, the OPA live-price ceiling was never sound, and almost impossible of enforcement. Second, there has been no effective enforcement, and even if there had been a chance of enforcing these regulations while the war was going full blast that time has now passed. The OPA wrote its regulation in the face of warnings from reputable packers and cattle dealers that it would not work, and then once having written the regulation, it sat by and made no substantial attempt to enforce its decrees. As a direct result today we have a highly demoralizing situation analogous to the days of prohibition when that law was being openly flaunted and when millions of people were being contaminated by the break-down of its enforcement. There are numerous ways in which the OPA beef regulations are being flouted, some of the most flagrant being as follows:

First, black-market and border-line operators falsify and forge their figures so that they appear to be in compliance, thus enabling them to receive the Government subsidy.

Second, side payments are made in connection with the sale of beef. I am reliably informed that a carload of grade A beef shipped from Chicago to New York will command a side price of $3,000 over and above the ceiling price which is paid for the beef itself.

Third, the carcasses of animals are weighed heavy. This practice not only helps the dishonest operator in computing his compliance figures, but allows him to steal by charging for more meat than he actually sells.

Fourth, many black-market packers do not file any request for subsidy, thus avoiding all contact with the Government and the OPA. It is easy to understand why it is not necessary for a black-market operator to collect his 3 cents per pound subsidy when he is selling his meat anywhere from 10 to 15 cents per pound above the ceiling price.

Mr. Bowles' subsidy order of March 25, which provides for the sliding scale of subsidy withholding, is a double-barreled penalty so far as the honest packer is concerned. The legitimate slaughterer is penalized if he honestly but accidentally makes a mistake in judgment in the buying of cattle which brings him over the maximum permissible on which his subsidy payments are based, and his losses are correspondingly increased. On the other hand, the black-market brigade is jubilant. They know exactly where they stand. They will know in advance what their penalty will be so far as subsidy is concerned and will add just that much or a little more on to the illegal black-market price which they are charging. No matter how you turn, the present system works to the disadvantage of the honest merchant, and for the benefit of the black marketeer.

The violations of the OPA Act discussed herein are not news to responsible persons in the Government. Our own ex-colleague, Secretary of Agriculture Anderson, is aware of these law violations, and in this connection may I say that I only wish that Secretary Anderson were in charge of this program, for he and his Department are aware of the practical aspects of beef marketing. Secretary Anderson was recently in Kansas City, and I quote from the Kansas City Star of March 20:

> Secretary Anderson said on his recent visit here that the Department of Agriculture had definite knowledge of "obvious violations" of the OPA regulations concerning the sale of meats. The Secretary did not care to discuss what he believed should be done to remedy the situation here, since the OPA is the enforcing agency in the matter, but admitted his Department had turned over to the OPA names, dates, and other information on violations.
>
> One of the most widespread methods followed in black marketing, Secretary Anderson said, was the upgrading of meat carcasses. Under this method, the purchaser of the lower grades of cattle designates the carcasses as of higher grades when they are sold. Not only is a better market price obtained, but the seller also collects a high subsidy rate from the Government.

In addition to the violations referred to by Secretary Anderson, another sore spot lies in the so-called custom slaughtering. It is a system whereby an individual can buy cattle and have a small packing plant kill the animals at an OPA rate which gives the plant owner a nice profit. There is no control on who can go into the slaughtering business. Compliance and subsidy mean nothing to the people that will engage in custom slaughtering, and it is a practice that is being engaged in more and more by black-market restaurant and night-club operators who buy beef far above ceiling prices, have it slaughtered, and get their money back by way of excessive charges to customers. This morning's press carries a story to the effect that some controls are being reinstated to custom slaughtering. The trouble with this program is that the remedy is coming too late and is totally inadequate to meet the present situation.

Mr. Speaker, the problem that is before us is not academic. It is real, it is dangerous. It has become a national scandal. It must be met and conquered

at once if the great packing centers of this country are to continue.

Regardless of the success of the OPA in other fields, its regulations with respect to meat and livestock are a complete failure, as evidenced by the fact that no substantial amount of meat is being bought and slaughtered by reliable packers in the great meat-packing centers of the country.

The black market in meat and livestock is running wild and rampant, and legitimate operators are being forced out of business.

Livestock and meat are being diverted from normal channels, and widespread and far-reaching dislocations are resulting.

Consumers are paying over ceiling prices for almost all the meat that is being purchased. Most of the price above ceiling which is being paid by the consumers goes to enrich the black-market operator. Very little goes to the farmer.

Thousands of men and women are being thrown out of work. The time has passed when order can be brought out of the chaos by tightening the regulations. The OPA has been woefully and inexcusably weak and inefficient in enforcing its regulations, and when the time comes that the Secretary of Agriculture, Mr. Anderson, in a public interview, admits that these violations are occurring, it is high time that appropriate action be taken by those charged with this responsibility.

The livestock trade of the city that I represent is being ruined by this unenforceable policy. The same is true of Chicago, St. Louis, and Omaha. Unless the OPA can and does modify its regulations to correct this dangerous and disgraceful situation, I submit that this organization is not entitled to a new lease on life after June 30, and I say this with a great deal of regret, for I think the continuation of OPA for a limited period of time is highly essential. The fact remains, Mr. Speaker, that we must have action and we must have it at once if we are to save the livestock and packing industry.

The OPA must admit its mistakes and correct them if the producers of beef are to have a free market in which to sell their cattle. If the OPA wishes to convince the Congress that it is entitled to an extension it must at once revamp or remove the restrictions that are driving almost 90 percent of the beef supply into the black market. Excuses will not and must not be accepted. The situation is critical and delay can only bring disaster.

Mr. SCRIVNER. Mr. Speaker, will the gentleman yield?

Mr. SLAUGHTER. I yield to the gentleman from Kansas.

Mr. SCRIVNER. The gentleman has made a timely statement. I am peculiarly interested in it because these packing houses are in my home community. In addition to the major packing houses, the smaller packing houses are scattered throughout the Nation, particularly in that area. They tell me they are losing $15 to $25 a head, so they are closing down and we will have no meat.

Mr. SLAUGHTER. The gentleman is absolutely correct.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. SLAUGHTER. I yield to the gentleman from Michigan.

Mr. DINGELL. I do not believe the packers, especially the established packers with good reputations, are guilty of any abuse in that respect, but I do say to my friend from Missouri that the people in the cities are being victimized by being charged for beef that is in the cutter and the canner class, and which is being sold as top beef. Something has to be done about that.

Mr. SLAUGHTER. The gentleman is just as right as rain, and that is the point I am trying to make. Of course, the regular packers, the old-established packers, do not want to take that chance and could not take it if they wanted to. The skinflint practices are coming from these black-market operators that have sprung up or that have greatly expanded their activities.

Mr. DINGELL. People who have no reputation to lose.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Speaker on March 7 I introduced a tend my remarks in the RECORD and include a poem. I have an estimate from the printer that it will cover two and one-quarter pages and cost $135. Notwithstanding the additional cost, I make the request.

The SPEAKER. Notwithstanding, and without objection, the extension may be made.

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, on March 7 I introduced a resolution to the effect that during the period of the critical food and feed shortage in the world, the President and the Secretary of Agriculture are authorized and directed to prevent the use of grain for any nonessential purpose, including the manufacture of liquor.

Having done so, I find that the town is full of lobbyists for the big distilling interests. Furthermore, I am informed today, on authority which I cannot question, that next week, between Monday and Friday, the three big distillers of this country—the National Distilleries, Schenley, and Seagram, who control 75 percent of the distilling business of the country—will crush 4,000,000 bushels of grain for the purpose of turning it into liquor unless such action is stopped, as it could be under presently existing Executive powers. I submit it ought to be stopped, because I believe that first things should come first, and I think today the first thing is the nourishment of people, and the second is the feeding of livestock after that first job has been done. We simply cannot in good conscience permit this grain to be turned into liquor while people are hungry for want of it.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 2 minutes to the gentlewoman from Massachusetts.

(Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the RECORD and include as a part of her remarks an editorial appearing in the Washington Post.)

Mrs. ROGERS of Massachusetts. Mr. Speaker, today the Washington Post has an editorial with which I heartily agree. It speaks of the appointment by Secretary of War Patterson of a nine-man civilian board to review the Army judicial system. The board has been promised full freedom of action. I agree with the Post in hoping that they will put enlisted men on the courts-martial boards to sit on the cases. It is only justice that that should be done. I also wish that the Navy would do exactly the same thing that the Army is doing, and have an investigation and review of its court-martial procedure. The world was shocked when Captain Hashimoto, the captain of a submarine that sank Captain McVey's ship and an enemy alien, was called in to testify against Captain McVey. His testimony was very, very unfavorable to Captain McVey.

Also, Mr. Speaker, I would like to bring to the attention of the House a matter I have spoken of before. That is, taking away from the war injured their pay as a penalty for some minor misdemeanor, perhaps drinking too much. The withdrawal of their pay as a penalty should not be allowed. The men should be given back their pay. Discipline must be maintained but taking away the pay of the war injured seems cruel punishment. The war injured need all the money they can get.

The SPEAKER. The time of the gentlewoman from Massachusetts has expired.

(The editorial referred to is as follows:)

COURTS MARTIAL

An indication that the Army is taking seriously the many criticisms of its court-martial procedure is the appointment by Secretary of War Patterson of a nine-man civilian board to review the Army judicial system. The board had been promised full freedom of action. It is composed of eminent judges and lawyers, who should be fully competent to consider the various complaints and study all aspects of military justice procedure.

One of the inequities which it is to be hoped the board will rectify is the prohibition against enlisted men serving as members of courts. This is unfair, and it heightens the impression of enlisted defendants that they are being oppressed by a caste system. There is no reason why qualified enlisted men cannot be trained in court-martial procedure and serve quite as well as officers. A requirement that each court martial trying an enlisted man include several enlisted members should result in greater understanding and hence more accurate findings.

Another area in which change is indicated is the system of review of courts-martial cases by higher authorities. Under present regulations, reviewing authorities may disapprove findings or reduce sentences. Theoretically this is a protection for defendants against

unjust sentences given under stress of combat or other unfavorable conditions. Actually, however, the review system often works to prevent members of courts from giving sentences they feel to be justified and instead meting out extravagant punishments which they know can be cut down to what reviewing officers think merited by the "discipline" of the command at the time. This in effect places the reviewing officer—who often is remote from the facts in the case—in the position of a judge.

The civilian review board has a big job, and no amendments suggested by it can be expected to eliminate all injustice as long as they must be interpreted and applied by individuals. The concept of military justice continues be be based primarily on the need for maintaining efficiency of the Army. But there is good reason to believe that the Army's efficiency could be increased measurably by applying some well-chosen reforms in court-martial procedure.

Mr. SABATH. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. RABAUT.]

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein two letters, one from the American Legion which was addressed to every Member of the House yesterday and the answer to the letter which I have requested of the liaison officer, W. J. Hays, and to insert both letters in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 10 minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Speaker, it is for the purpose of facilitating the passage of the bill that will shortly come before us that I take this opportunity of speaking under the rule rather than during general debate on the bill.

This is perhaps one of the most unusual measures ever presented to the House of Representatives, and I think I may fairly say that it marks the crowning act of American generosity to a fine people who recently were compelled to withstand the vicissitudes of a devastating war. Never did I think the day would come when I would stand before this body and advocate the passage of an out-and-out free-trade bill, but it is a case of necessity knowing no law. Conditions in the islands are desperate. We are told that little can be done by the Filipinos, themselves, toward recovery until this, or a similar measure has been enacted by Congress.

This measure confers privileges of full free trade for 8 years, or until July 4, 1954. After that we will impose a graduated annual increase in tariffs beginning with 5 percent of the rates applicable to Cuba, which enjoys the most favored status of any country in the world as far as the American market is concerned. The following year that is increased to 10 percent, and so on up to July 3, 1974, when the rate to be paid by the Filipinos will be 100 percent, or the full world rate. The Cuban treaty, as you know, confers very decided trade advantages to the people of that Republic. As I recall, they have an advantage of 20 percent in many items, and other items carry greater advantages until we get to manganese, that is, Cuban manganese which is on the free list. Thus you can readily appreciate that what is here proposed for the Filipinos constitutes—I do not like to use the word "generosity," an act of generosity—but it at least constitutes a proposed act that is without parallel in American foreign-trade dealings. Indeed, it is doubtful if a parallel case can be found in the history of any country.

I may say for the information of the House that the benefits carried in this measure are reciprocal and we will enjoy just as many advantages under the operation of the law as will the Filipinos.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. Is there anything in the bill whereby the Congress may modify this relationship between the United States and the Filipinos in the event that there is such a development there, and we may expect, I think, the greatest development that country has ever seen, in capital, the ability to raise sugar and so forth in competition with the United States?

Mr. KNUTSON. I am very glad that the gentleman from Kentucky has raised that point. There is a provision in the bill that reserves to the Congress the right to modify or even repeal upon due notice, but, of course, we must not lose sight of the fact that once this act is signed by the President and approved by the Philippine Congress and they enact legislation to meet the requirements laid down in this bill it will have all the effect of a treaty and, of course, no honorable nation abrogates treaties if it can possibly be avoided.

Mr. CURTIS. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Nebraska.

Mr. CURTIS. If I understood the question of the gentleman from Kentucky correctly, I believe the only way they can change this proposal is upon 5 years' notice by either Republic, or in case of a violation, 6 months' notice.

Mr. KNUTSON. That is true, and I thank the gentleman for his contribution. If there is a violation we can terminate the agreement in 6 months.

Mr. CURTIS. With at least 6 months' notice, but either party may terminate it in 5 years.

Mr. KNUTSON. That is true.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Ohio.

Mr. JENKINS. It might be well for the gentleman to state also that if the Presidents of both Republics, and their corresponding Congresses, agree to a change, it can be changed at any time.

Mr. KNUTSON. Of course, it can be done by unanimous consent. Most anything can be done by unanimous consent.

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Arkansas.

Mr. MILLS. In further answer to the question asked by the gentleman from Kentucky, it should be pointed out that the Congress for the period of the 28 years of the effectiveness of this agreement is powerless to change any of the provisions within the agreement under title IV without that change possibly constituting a violation of the agreement which would result in its being set aside. The United States in the agreement will reserve the right to impose quotas which are not mentioned in the bill. It can act in addition to the provisions of the bill, but it cannot modify or repeal the provisions contained in the agreement.

Mr. KNUTSON. True. Mr. Speaker, it is not my purpose to go into details at this time. My brief time will not permit of my doing so. That can be done much better by the gentlemen who were members of the subcommittee that prepared the final draft. I want to take this occasion to say that they have done a very excellent job under very unusual and difficult conditions.

Mr. Speaker, I would also like to call attention to the fact that in this bill we have tried to protect investments of Americans in the islands just as fully as it is possible without actually violating the sovereignty of the new Republic that is to be born across the seas on July 4.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I wish to submit a question to the gentleman on the specific point that was being discussed a moment ago to see if we can make a practical application of it.

On page 43 of the committee report it is pointed out there that in connection with your allocation of sugar quotas the Philippines may ship into this country 850,000 short tons for each year up until 1974, and I notice a proviso in the bill wherein the Federal Government of the United States says to the sovereign government of the Philippine Republic that you shall allocate the right to produce and ship sugars from those who are in business in 1940, whether they be Chinese nationals, British nationals, Spanish nationals, or otherwise.

Mr. KNUTSON. The gentleman is right, unfortunately, but it cannot be helped in view of present-day circumstances.

Mr. Speaker, I ask unanimous consent to insert as part of my remarks a table giving the rates on Philippine importations over the period covered by this measure.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KNUTSON. The table reads as follows:

Rates of Duty on Philippine Articles

PERCENT OF RATE APPLICABLE TO CUBA—20 PERCENT ON MANY ITEMS—MORE ON OTHERS, UP TO 100 PERCENT ON MANGANESE

[Expressed in terms of percentages of United States duty]

Year:	Percent
1954 (July 4–Dec. 31)	5
1955	10
1956	15
1957	20
1958	25
1959	30
1960	35
1961	40
1962	45
1963	50
1964	55
1965	60
1966	65
1967	70
1968	75
1969	80
1970	85
1971	90
1972	95
1973	100
1974 (Jan. 1–July 3)	100
After July 3, 1974, 100 percent world rate.	

NOTE.—Above table may also be used to find rates on United States articles, expressed in terms of percentages of Philippine duty, except that there is no Cuban rate and no similar existing preference given by Philippines.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. MURRAY], and I ask unanimous consent that he be permitted to proceed out of order.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MURRAY of Wisconsin. Mr. Speaker, I would like to supplement what was said by our distinguished colleague from Missouri [Mr. SLAUGHTER]. This livestock problem is tied up with feed supplies. If ceilings on cattle are removed this means removal of ceilings on feeds. I do not know how many Members of Congress realize how serious feed for livestock really is today. I call your attention to this fact, that President Truman has made certain commitments at Potsdam to the starving people of the world. I think that every person in America wants to see President Truman in a position so he can fulfill those commitments. It just happens that there is not enough feed in the world to provide the commitments made at Potsdam and also provide everybody in this country with all the feed they may need in the livestock industry. I might say that if there is anyone that should be up here with tears in their eyes it should be dairymen of this country. I feel that the next 90 days is the time that we must be patient. As one Member of Congress I do not want to do anything that is going to prevent the President from fulfilling the commitments that he made so far as feeding the starving people of the world is concerned. Before the war there were more dairy cattle than there were beef cattle in this country. About 40 percent of the beef of this country came from the dairy herds.

I might mention at this time—and our hindsight is always so much better than our foresight—that the Anderson committee, the special committee that was going to do so much for agriculture a year ago, recommended putting this 4-cent subsidy on these fat cattle, and if there is any one group that is responsible for diverting this feed into fat cattle or choice products, it surely has been the Anderson committee. If protein feeds like soybean meal and linseed meal are being allocated to tobacco growers for use as fertilizer, it is a responsibility that the Secretary of Agriculture must also assume.

If you will look at the record of imports, you will find that in 1944 we imported some 260,000,000 bushels of grain and we exported but 10,000,000. If you will look at the figures for 1945 you will see that our exports of grain are much more than our imports. Just one look at that table will show where our troubles are. I do not think there is any way of providing the feeds necessary for the livestock and also have grain for shipments abroad.

Mr. SABATH. Mr. Speaker, I yield the balance of my time to the gentleman from North Carolina [Mr. DOUGHTON] the chairman of the Committee on Ways and Means.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the balance of my time to the gentleman from North Carolina [Mr. DOUGHTON].

Mr. DOUGHTON of North Carolina. Mr. Speaker, the rule provides for one day of general debate, but inasmuch as we did not get started on the consideration of this bill today until the day was half gone, I ask unanimous consent that we may have not to exceed 2 hours of general debate tomorrow before we read the bill under the 5-minute rule.

Mr. SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DOUGHTON of North Carolina. Mr. Speaker, I requested this time to speak on the rule for the reason that it is not my purpose to discuss the bill when it is under consideration in the Committee of the Whole. I prefer that the time available for debate in the Committee of the Whole be used by the author of the bill, the distinguished gentleman from Missouri [Mr. BELL], and members of our committee, especially members of the subcommittee who desire to speak and who are perhaps more familiar with the bill than I. Therefore, I ask that any questions that may be in the mind of any Member with respect to the provisions of the bill be withheld and be directed to those who discuss the bill when it is under consideration in the Committee of the Whole.

The bill H. R. 5856 was reported by the Committee on Ways and Means after long, laborious, and painstaking consideration. It has the unanimous report of that committee, which is something most unusual, especially on a bill that might be so controversial.

I hope you have all read the report, because it is a full and complete explanation of the bill, more so than any member of our committee would have any time to make. The first paragraph of the report more succinctly sets forth the purpose of the bill than I could do if I were to take perhaps half a day. I will read from the first page of the report of the committee:

The primary objective of this bill is the establishment of mutually advantageous trade relations between the United States and the Republic of the Philippines for a period of 28 years following the latter's independence on July 4, 1946. It is designed to provide incentives for the rehabilitation and development of the productive capacity of the war-ravaged islands and to provide stability to future commerce between the two countries. The principal matters dealt with are:

1. Customs duties on a reciprocal basis, preferential as against all other countries.
2. Establishment of quotas on the imports of certain Philippine products.
3. Reciprocal nondiscriminatory treatment in the field of taxes.
4. Adjustments in the immigration laws of both countries to meet the pressing needs of the immediate future.
5. Protection of United States citizens and American business enterprises, regardless of form, against discriminatory treatment.

No piece of legislation acted upon and reported by the Committee on Ways and Means has had more earnest, painstaking, and careful consideration, both as to its objectives and the manner in which it was drafted, than the bill which is now before us. We have steered clear of any thought or feeling of partisanship. I pay tribute to the able chairman of the Committee on Insular Affairs, the gentleman from Missouri, Hon. C. JASPER BELL, author of the bill, and to the Honorable Paul McNutt, United States High Commissioner to the Philippine Commonwealth, and to their advisers, for the invaluable assistance they have rendered to our committee in the consideration and preparation of this bill. They have given diligent and wholehearted cooperation in the preparation of the legislation. Also, we had invaluable assistance from various departments of Government, from Mr. E. G. Martin, general counsel, and Mr. Paul Burnham, Chief of the Sundries Division of the Tariff Commission; from the State Department, the Treasury Department, the Interior Department, and the Agriculture Department, and the Commerce Department. I would also pay tribute to the Legislative Counsel, Mr. Beaman, without whom I do not believe we could have gotten this bill out at all; and if we had, it would not have carried out the purposes that we had in mind. If there is a man who holds a position in the United States Government who is more efficient or more capable, more earnest, or more conscientious and diligent in the discharge of his duties than Mr. Beaman, the legislative counsel, I have never made his acquaintance. The majority members, as well as the minority members, of the

committee, as I have said, cooperated wholeheartedly. May I also, in passing, pay tribute to the subcommittee headed by the distinguished gentleman from Michigan [Mr. DINGELL], and the gentleman from Arkansas [Mr. MILLS], the gentleman from Georgia [Mr. CAMP], and the gentleman from Virginia [Mr. ROBERTSON], of the majority; and the gentleman from Ohio [Mr. JENKINS], the gentleman from Pennsylvania [Mr. SIMPSON], and the gentleman from Nebraska [Mr. CURTIS], of the minority. They worked earnestly and diligently and rendered invaluable assistance and service in the preparation of the bill. The first I heard about this legislation was a letter from the President emphasizing the importance and need for it and saying that time was of the essence. The reason that we have been so long in getting out the bill was that it was so difficult, first, to establish a policy which we considered would be fair to the Government of the United States and the Government of the Philippine Islands. Further, it was most difficult to draft the bill in a form that would carry out the purposes and intent of those who are interested in the legislation.

It is evident that the Philippines must have this reassuring and stable trade arrangement with the United States if they are to reestablish their economy and remain independent. We offer to the Philippines concessions we have never given to any other nation. Likewise, we require assurance from the Philippines that will protect and preserve American interests.

Under existing law the political sovereignty of the United States over the islands terminates on July 3 next, at which time, in the absence of special legislation, full tariff duties will be levied against Philippine products coming into the United States. Such a sudden increase to full duties would effectively prevent the importation into the United States of several Philippine commodities which have in the past occupied a major place of importance in the Philippine-American trade. We seek to cushion the shock of this abrupt transition by the enactment of this bill.

A definite yardstick is laid down by which the Presidents of both countries may enter into an executive agreement embodying the specific provisions as set out. The bill further provides a method under which the statutes necessary to put these specific provisions into effect will be in force as of the time of the taking effect of the executive agreement, and also to govern the period from the enactment until the date of the independence of the Philippines.

The bill represents a new approach to the problem of adjusting trade relations between two countries. Your committee did not have the benefit of other legislation of this type as a precedent on which to base its action. The legislation has, therefore, been approached with caution. Every section has been carefully analyzed and studied. The bill has been drafted with meticulous care. It is a work of precision. The provisions are so highly technical and so interwoven that any amendments could result in long delay, and, therefore, should be avoided. Again, in the words of our President, "Time is of the essence."

While the bill will be open for amendment, it has been so carefully considered by our committee and represents the best judgment of the committee, after long and laborious consideration, that I trust there will be no amendments adopted to the bill, as it is so involved and so intricate, and so difficult to draft, that any amendment, unless it were considered by the experts who wrote the bill and analyzed by the legislative counsel, might not carry out the purpose and desire and might defeat the very purpose for which it was intended.

Finding the Philippines prostrate economically, as an aftermath of war in which she suffered untold hardships, it is incumbent upon us to give her a breathing space in which to plan and organize the transition of its national economy from complete dependence on the American market to independence of tariff preferences in the United States. The bill is designed to accomplish that purpose by allowing 8 years free trade and a further period of 20 years with graduated increase of duties so that at the end of 28 years she will have been adjusted to a world rate of duties and then be able to stand on her own.

I believe if the bill is enacted into law its objective will be accomplished and both the United States and the Philippine Republic will be mutually benefited.

Mr. COOPER. Mr. Speaker, at the request of the chairman of the Rules Committee, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. BUFFETT (at the request of Mr. MICHENER) was given permission to extend his remarks in the Appendix of the RECORD in two instances, and in each to include an editorial or newspaper article.

Mr. SABATH asked and was given permission to extend his remarks in the RECORD in two instances and include in one an editorial and in the other a letter and an article.

SPECIAL ORDER GRANTED

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that on Wednesday next the gentleman from Vermont [Mr. PLUMLEY] may address the House for 25 minutes following the legislative business of the day and the special orders heretofore entered for that day.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PHILIPPINE TRADE ACT OF 1946

Mr. DOUGHTON of North Carolina. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5856) to provide for trade relations between the United States and the Philippines, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5856, with Mr. ZIMMERMAN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. DOUGHTON of North Carolina. Mr. Chairman, I yield 30 minutes to the distinguished gentleman from Missouri [Mr. BELL], the author of the bill.

Mr. BELL. Mr. Chairman, I would like to make a general statement, and in the meantime I will appreciate it if I am not asked to yield. When I have finished my general statement, I shall be pleased to yield.

It has now been some 6 months since I drew the first bill asking for a general trade program between the Philippines and the United States of America. This bill was introduced after conferences with the Secretary of State, and other officials of the Government. From that day on to the present time it has been under consideration by the distinguished Ways and Means Committee.

The delay in bringing this bill to the floor of the House certainly is not even in the remotest or slightest measure chargeable to that committee. In all the years I have served as a Member of this body I have never seen a committee give more devoted effort or work harder than the distinguished chairman and the members of that committee. I want to take this opportunity to thank that committee for its repeated and many kindnesses and courtesies shown to me during the entire consideration of the bill. As the distinguished chairman of that committee has said, there was never at any time any bit of partisanship which came into the consideration of the bill. I felt proud of my fellow Members of Congress as I saw that committee bending its energies and setting its intellects to the doing of a thing which will mean much to this country and to the peoples of the world.

And I do want to pause for a moment to pay tribute to the distinguished counsel to that committee, Mr. Beaman. For many years I practiced law and spent some years upon the circuit bench and I believe I have never associated with a lawyer who had a keener appreciation of the fine legal points involved or who had had a wider experience in the thing that he was trying to accomplish, and so I join with the chairman in paying tribute to Mr. Beaman.

As I look around today I see a number of Members of the House here who were with us when we went to the Philippines in the fall of 1935. At that time a dele-

gation from this House, from the Senate, and from the press of this country visited the Philippines upon the event of the inauguration of President Quezon. I shall never forget that morning as we steamed into the harbor of Manila. The entire harbor on that quiet summer morning—at least it seemed summer to us who had come from this part of the country—the whole harbor was filled with boats of every size from the greatest battleship of our Pacific Fleet down to the smallest rowboat, and I believe every boat had some sort of band or orchestra on it. We docked, and as we moved from the dock to the Manila Hotel we saw more people than I had ever seen in my life. Literally tens upon tens of thousands of Filipinos rejoicing and doing honor to the United States of America because of the things we had done for them had turned out to greet us. For the first time, perhaps, in all the history of the world a great and powerful Nation had taken a subject nation and had given the people of that nation roads, education, liberty, freedom, a government of their own. Those people felt grateful to this country. From then on we have given them free trade. I saw prosperity about me as we drove down those wide sweeping boulevards and avenues in that beautiful city. We looked about us and saw those fine, dignified public buildings. We went to the fine old Malacanan Palace, we went over and saw the beautiful churches that had withstood the storms of four centuries standing there serene and dignified in their beauty. We saw about us a gallant and a cultured people, a people who loved liberty, a people who had an understanding of democracy as we understand it here in America, a people who are the outpost of Christianity in the Orient. I could not help but pause for a few moments and give you that picture that comes back to us here so vividly today.

Mr. Chairman, after the devastation of the worst war the human race has ever known, there is not a spot on the face of the earth where the devastation, the destruction, has been so complete and so terrible as it has been in the cities of the Philippine Islands. Manila has been blown to pieces. Not only has the physical destruction been great there but the Philippine trade has been destroyed. Eighteen million people are over there almost at the point of starvation. As the able and distinguished High Commissioner from the Philippines the Honorable Paul McNutt said a few days ago, everything over there is in a state of suspended animation. Those people are waiting on the passage of this bill.

The great interests that have conducted the business of those islands, the major businesses, such as sugar, copra, coconut oil, tobacco, and a dozen other businesses that could be named, have been unable to proceed with the reorganization of their business. Because our trade laws have been more or less in chaos, they have not known on what basis they could proceed. They have not been in position whereby they could go ahead and rehabilitate their factories, their sugar centrals, their mills. The people of the islands have been unable to know what they could do. Unemployment is on every hand.

So, Mr. Chairman, this bill today is the first great major step toward the rehabilitation of the trade of the world. This is a great step toward the rehabilitation of the world economy in a world torn and devastated and disorganized by the worst war in history.

This bill provides a plan of trade equally beneficial to the people of the United States and to the people of the Philippine Islands. No bill is satisfactory to everybody, but I believe that this bill is as nearly satisfactory to the people of this country and the people of the Philippines as any bill could be. It provides for trade along broad and generous lines, free trade, if you please, for 8 years; then after that 8-year period for an additional period of 20 years we start levying a tariff at a rate, first, of 5 percent of what the world's tariff is (5 percent of the lowest tariff we charge any foreign power); then we step it up 5 percent a year for 20 years until at the end of 28 years the Philippines will pay the same tariff that any other foreign nation pays.

Mr. Chairman, if this bill is adopted as it has been worked out painstakingly after weeks and months of toil, I firmly believe it will mean prosperity not only to the Philippines but in very large measure it will lend to the prosperity of the people of the United States.

I wonder how many of us here realize that prior to this devastating war the Philippines was our sixth best customer. I wonder how many people from the South, those who represent districts where cotton is king, realize that the Philippines for years before the war was the best customer that the cotton industry had outside the United States. I wonder how many Members who represent districts up in old New England or down in those sections of the South that are turning out cotton fabrics realize that the Philippines was your best customer before the war. I wonder how many of you realize that before this war more than $10,000,000 worth of cotton fabrics went to the Philippines every year. Wherever on the map of the United States you see the smokestacks of the steel mills blackening the skies with their belching smoke, the people of that community have a stake in this bill, because this bill means that you are restoring the best customer across the seas that the United States has had for its steel products.

Tobacco is mentioned in this bill. It provides a quota on tobacco. I wonder how many people from the tobacco-raising regions of this country realize that almost twice as much tobacco was shipped from here to the Philippines as the Philippines shipped to the United States. I would like to say also a word to the farmers of the Middle West, from where I come. Every farmer toiling in the blistering sun in the Middle West has a stake in this bill, because until the war destroyed the economy of the Philippines, the Philippines was the best market we had for flour. It was the best market we had for corn meal. It was the best market we had for a lot of other products that we manufacture.

As has been stated, this bill fixes certain quotas. The great industries of the Philippines which are in competition with the great industries in the United States have been well taken care of in this bill. Take the sugar industry. It has a fixed quota beyond which the Philippines cannot ship to us; a quota of 850,000 short tons.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. BELL. I yield to the gentleman from New Jersey.

Mr. CANFIELD. Having personally observed the great destruction in the Philippines in recent days, and having in mind the great need of rehabilitation, I rise to ask this question. When we do business with Cuba in purchasing sugar, a ton of sugar is a long ton. Will the gentleman explain to the House why, in referring to this new treaty act of 1946 with the Philippines, a ton of sugar is a short ton?

Mr. BELL. May I say to the gentleman that starting in on this bill 6 months ago I wanted free trade for 20 years. I wanted them to ship everything in here. I think the Filipinos are a great people. I think they are one of the great peoples of the world; a lovable and kindly people, and all that, and I was in favor of letting them ship in everything they wanted to. But, I have learned in all of my years in Congress that legislation is a matter of compromise, of working out something that is for the benefit of everybody. We have divergent interests in this country. Personally, I would rather see the Philippines have a preference over everybody beyond the continental limits of the United States, but in the wisdom of this great committee I know that they are sincere in believing that it should be written as it is, although personally I do not agree with it. But the bill is here, and I think the interest of the Philippines and the interest of the people of the United States lie along the line of adopting this bill as it has been written. I think it is a workable bill and, while I would have been in favor of more liberal treatment, I still think that we ought to pass this bill like it is written.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. BELL. I yield to the gentleman from Arkansas.

Mr. MILLS. As one member of the committee who had some concern about the sugar allotment and whether or not it would be long tons or short tons, let me call the attention of the gentleman from New Jersey to the fact that the Sugar Act speaks of sugar in terms of short tons and not long tons.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BELL. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I think it is extremely important in every way to help the Philippines and also to knit more closely the bond that is between us at the present time. The gentleman from Missouri [Mr. BELL] and the committee deserve great credit, and also the Commissioner from the Philippines, the great soldier, statesman, and orator, General ROMULO, for their fine work. Can the gentleman tell me if any representatives of manufacturers or farmers appeared before the committee to give testimony?

Mr. BELL. I have not read all of the hearings before the committee. I will let some member of the committee answer that question. They will be very glad to do so, I am sure.

Mr. CANFIELD. If the gentleman will yield further, following up my inquiry, may I say to the gentleman from Arkansas it is also my understanding that in our agreements with the Philippines we have always done business in long tons.

Mr. MILLS. The gentleman is correct.

Mr. CANFIELD. In other words, we are short-tonning and short-changing them now.

Mrs. ROGERS of Massachusetts. Can the gentleman from Arkansas answer my inquiry?

Mr. MILLS. If the gentleman will yield, I will say to the gentlewoman that the committee did not hold what are ordinarily considered open hearings. We did have hearings in so-called executive session, and the remarks were taken down by the stenographers. The gentleman from New York [Mr. REED] and I were appointed by the chairman as a committee to call to the attention of all who might be interested in the bill the fact that we were holding hearings, and the people referred to by the gentlewoman did not come before the committee.

Mrs. ROGERS of Massachusetts. But they had notice that you were having the hearings, so if the manufacturers or the farmers wanted to appear they could do so?

Mr. MILLS. They could appear; yes.

Mr. BELL. The matter of the quotas was worked out very largely along the lines that they have been standing for the last decade and more. Some changes have been made. The quota on sugar is a little less by reason of substituting the short ton for the long ton. If I had been on the committee I would have voted against it; I would have made the long ton longer. Despite that, I think the bill is a good bill, and I believe that if we pass this bill and do it promptly it will open up a golden stream of commerce between this country and the Orient, that will mean a tremendous advance in the prosperity of this country and the prosperity of the Philippines.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. BELL. I yield to the gentleman from New York.

Mr. REED of New York. Quite a little has been said here in regard to the long ton and the short ton, and about short-changing the Filipinos. I do not wish to have that implication remain unchallenged. I for one claim to be a friend of the Filipino people. What I have been interested in is not to have a quota so large that monopolistic concerns will go there and monopolize the large sugar area and make peons out of the Filipinos. They are an educated, cultured people, and are becoming more so rapidly under their school system. The thing that is necessary for them as a sovereign nation is an opportunity to diversify, and not let a few monopolies go in and then grind them down. There is no Fair Labor Practices Act over there, as there is in Puerto Rico. I claim that the persons who have cut this quota down where it is now are the real friends of the Filipino and are looking to his future development in a diversified area.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. BELL. I yield to the gentleman from California.

Mr. HINSHAW. I think the gentleman is quite highly complimented by the Committee on Ways and Means inviting him to introduce the bill, and I think the gentleman well deserves that confidence. May I inquire concerning section 231, having to do with immigration. Before doing so, may I say that I am delighted to see that provision has been made for a liberal interchange of citizens between our two countries. The gentleman knows very well that we have a great many Filipinos residing in my State of California, and they make excellent citizens. I do not quite understand section 231, which, according to the committee report, grants to a Philippine citizen who actually resided in the United States for a period of 3 years immediately prior to November 30, 1941, the right to enter the United States as a nonquota immigrant during the 5-year period beginning July 4, 1946. The gentleman knows very well that on December 7, 1941, a war was started against us. I do not see how a person of Philippine citizenry who was not in the United States for some period, say several months before November 30, 1941, could qualify under this provision for reentry into the United States.

Mr. BELL. I might say to the gentleman there were quite a number of Filipinos on the west coast who had been living here and who left the United States to enter the armed services to help fight in our behalf, side by side with our soldiers to help win the war. That is the reason it was felt to be fair and just to give them a chance to come back to the United States and resume their situation as it was before the war. I might say the same provision applies to American citizens who left here to go to the Philippines and who had been in the Philippines for 3 years prior to the war.

Mr. HINSHAW. The thing that confuses me in the matter is that it says "any citizen of the Philippines who actually resided in the United States for a continuous period of 3 years immediately prior to November 30." Are you speaking there only of those who served in the United States Army after December 7 or after November 30?

Mr. BELL. No; the text speaks for itself. But that was one of the main purposes in putting that in.

Mr. HINSHAW. Suppose that a man had gone back to the Philippines on a visit, say on the 1st of October and had arrived in the Philippines on the 20th of October or some such time as that, which would be before the 30th of November, and he had resided 3 years in the United States prior to his return, perhaps to visit his family. Would he not be permitted to reenter the United States?

Mr. BELL. He has the same right as our citizens have in going over there. It is a mutual arrangement.

Mr. HINSHAW. That is a technical question because there is a certain amount of visiting between the two countries. If someone can answer that question, I wish they would, because I would not want to preclude them from returning here, particularly if they had set up a status here which was entirely satisfactory to the United States.

Mr. BELL. If I may continue with my general statement, section 341 contains provisions for nondiscriminatory treatment of Americans who go to the Philippines to do business. While, offhand, that might be considered as giving some undue advantage to an American going into the Philippines, I point out that that was one of the first things about which I conferred in connection with this bill, even before the bill was filed. I pay tribute to the distinguished and far-seeing statesmanship of General ROMULO, the Resident Commissioner of the Philippines, and to the other statesmanlike representatives from that country who saw and realize what the Philippines need now is capital in great quantities in order that she may be rehabilitated, and rehabilitated quickly. Of course, just like every American, every Filipino is a Filipino first just as Americans are Americans first. They are our friends and they trust us. We are their friends and we trust them. It was for the purpose of making it possible for great amounts of capital to go into the Philippines that the suggestion in part came from the Filipinos themselves that certain safeguards be thrown around American capital so that American capital would know that in going into the Philippines, Americans would receive exactly the same treatment that any citizen of the Philippines would receive in doing business and conducting their affairs. I think that provision of the bill is going to do a great deal to implement the prosperity that will come to both countries as the result of the passage of this bill. A century and a half ago, Napoleon Bonaparte stood upon the sands of the Sahara before the great pyramids with his legions drawn before him and said to those veteran soldiers, "Men of France, 40 centuries look down upon you today."

I want to say to you that the eyes of the world are upon you today and this week as we consider this bill. It is a bill which holds out the hand of friendship and cooperation to a great and friendly country across the seas. It not only means friendship and prosperity to that country over there, but it means this: The eyes of the world are wanting to know how we treat the Philippines; the teeming millions of China want to know that; the people of Burma want to know that; the little countries of Europe want to know how the United States treats the people of the Philippines. They want to know whether our boasted words of brotherhood for all men and of fairness in international dealings, the good-neighbor policy, are sincere, and whether we mean those things or whether we do not. If we mean them, let us pass this bill which, I believe, is a constructive bill and means prosperity to everybody.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. BELL] has expired.

Mr. COOPER. Mr. Chairman, I yield 20 minutes to the gentleman from Virginia [Mr. ROBERTSON].

Mr. ROBERTSON of Virginia. Mr. Chairman, in our war against Japan the people of the Philippines were our loyal friends and courageous Allies. They rendered to us assistance that hastened the end of the war and saved the lives of thousands of American boys. Deeply resenting their loyalty to us, the Japanese, with a mad and senseless fury, laid waste their land with fire and sword. The death march of Bataan is symbolic of their treatment of the Philippine people; the rubble and ashes of Manila of the destruction wrought against Filipino property. No nation engaged in the war suffered more than the Filipinos and in no war area was the destruction of property more thorough and complete. It would appear that the Japanese sought to make an object lesson of the Filipinos by which the people of the Orient might be taught to remember that friendship with the United States did not pay.

In the passage of the pending bill, the House will have the happy privilege of demonstrating not only to the Orient but to the entire world, that friendship with the United States does pay and that with us the payment of a debt of gratitude is a categorical imperative.

In this bill for a reciprocal trade program between a former ward and ourselves, we shall undertake to restore the Philippine Islands to the degree of economic stability which they enjoyed previous to the losses suffered in the war.

That situation differentiates this measure from all of our other trade treaties and agreements. We are dealing not with foreigners but those who for many years have been our wards. In keeping with our democratic principles we desired for the Filipino people to have their freedom as soon as they were in a position to stand alone. As a member of the House Insular Affairs Committee I helped to draft some years ago a bill creating for the Philippine Islands a commonwealth state, providing for a period in which we would teach them, so to speak, to walk alone. Full independence was to be granted on July 4, 1946, and we intend to carry out that program. But the most devastating war in history has completely changed the picture for the Filipino people. Their homes, their farms, their factories have been destroyed. The rehabilitation program will be a long and tedious one. Hence, we propose to give them a limited period of free trade and then a longer period of graduated import duties. That proposal does no violence to our fundamental most-favored-nation principle because, as indicated, we owe a duty to the Filipinos that we do not owe to the people of any foreign nation. Neither does the provision for quotas in the pending bill do violence to our fundamental position that trade between independent nations shall not be controlled by quotas. The quotas imposed on Filipino exports in the bill are not for the purpose of controlling trade but merely for the purpose of limiting the concessions we propose to make to these former wards. No one, therefore, will be justified in drawing the inference that the pending bill is not in complete harmony with our reciprocal trade agreement program, or that it indicates any intention whatever on our part of discriminating in our trade relations against any other country in the world. If further proof of that fact be needed it will be found in the bill recently passed by the Senate providing for an outright grant of money to the Philippine Government for purposes of restoration. Other nations may come to us asking for loans for rehabilitation purposes but no other nation could come to us for financial help on an equal footing with the Filipinos. To concede that fact is to concede the justice and appropriateness of the pending trade bill, the essence of which is to enable the Filipinos to help themselves—the best type of help to give to either a person or a nation.

The pending bill proposes to continue for 8 years from July 4, 1946, the date on which the Philippine Commonwealth will become an independent nation, the present basis of free trade between the United States and the Philippines. Commencing on July 4, 1954, 5 percent of our import duties shall be collected on Philippine exports and annually thereafter the rate will be increased an additional 5 percent, resulting in the full imposition of our import duties on Philippine exports at the end of the 28-year period. Exports of American goods to the Philippine Islands shall be provided for by an executive agreement, to be negotiated by the President of the United States with the President of the Philippine Islands, guaranteeing the same treatment of our goods by the Philippine Government as we extend to it.

The bill provides for quotas on sugar, cordage, coconut oil, cigars and scrap, stemmed and unstemmed filler tobacco, rice, and buttons. Those items, while competitive in theory, in effect supplement our domestic economy. We import about two-thirds of all the sugar we use, and will always be an importer of that essential food. We produce no coconut oil and most of the imported coconut oil will be used primarily by our soap industry and will remain subject to the processing tax of 3 cents per pound. The small amount of edible coconut oil which will be included in the quota will continue to pay the present excise tax and our bakers and candy manufacturers need that product. Imports of the other products under quotas will not materially affect our economy because the quantities will be so small.

Commencing with the calendar year of January 1, 1955, there is to be some reduction in the quota of cigars, scrap tobacco, coconut oil, and buttons. The bill stipulates that all products shipped to us directly or indirectly from the Philippines shall be Philippine products as defined by our Tariff Act, which is to say that 80 percent or more in value of the article must be of Philippine origin. That provision will protect us from oriental imports that do not originate in the Philippine Islands.

The bill provides that the United States shall not impose upon articles from the Philippines, nor the Philippines impose upon articles from the United States, internal taxes, fees, or other charges higher than those imposed upon like articles of national origin or of any foreign origin. In other words, the benefits from the reciprocal trade arrangement are protected from being impaired by discriminatory taxation.

In the postwar era it is contemplated that we will have major military installations in the Philippine Islands. All materials for such purposes shall enter the Philippine Islands free of duty.

Another section of the bill guarantees to citizens and corporations of the United States doing business in the Philippines the same rights as to property, residence, and occupation as citizens of the Philippine Islands, and also carries suitable provisions that will enable, from the standpoint of legal residence, our citizens to do business in the Philippines and the Filipinos to do business here.

The bill provides for a continuation of the present rate of exchange between Philippine currency and that of the United States dollar, and prohibits the Philippine Government from imposing any restriction on the transfer of funds from the Philippine Islands to the United States.

As previously indicated, the Government of the Philippine Islands will change from that of a commonwealth to an independent nation on July 4 next. Therefore, the bill authorizes the President of the United States to enter into an executive agreement with the President of the Philippine Islands after that date to carry forward the provisions of the bill, with a stipulation that concessions granted by us shall be terminated unless the new Philippine Government

carries out its part of the agreement. There is a further safeguard for termination of our concessions in the event, at any future date, of default on the part of the Philippine Government.

The bill we are presenting to you today is the result of months of hard labor by those well versed in the subject of trade between the United States and the Philippine Islands. The necessity for this action was urged upon our committee by a strong letter to our chairman from President Truman. The bill has been endorsed by the State Department, the Treasury Department, and by the Department of Agriculture. It is likewise endorsed by our High Commissioner to the Philippines, the Honorable Paul McNutt, and by the duly constituted representatives of the Philippine Commonwealth Government. The present draft of the bill is the fourth draft introduced by our distinguished colleague, the gentleman from Missouri, JASPER BELL, indicating the great care with which every provision in the bill has been scrutinized, analyzed, and perfected. I would not, of course, claim that we yet have a perfect bill, nor would I claim that it satisfies 100 percent all of the many and, at times, conflicting interests involved. Where conflicts have developed, and, frankly, some of our Philippine friends felt that we had not gone far enough in their behalf, we have adjusted those conflicts on as fair and as equitable a basis as we knew how.

For the first time in our national history we are granting complete independence to a former possession. That is a unique situation and there is no precedent for us to follow in providing for the transition. The difficult task has been made more difficult by the ravages of the war in which the Filipinos participated before they became an independent nation. It is a cherished maxim of Anglo-Saxon jurisprudence that there is no wrong without a remedy. By the same token, there must be no just claim upon us which we are unwilling to meet. The Filipinos have a just claim upon us which I believe is fully recognized both here and abroad. In this bill and in the bill which recently passed the Senate for war-damage payments we are endeavoring to meet and satisfy that claim. The bill to make a money grant to the Filipinos may be described as an act of justice, implemented by generosity. I would characterize the pending bill as an act of justice implemented by an enlightened self-interest.

With the exception of rice, there is nothing we may reasonably expect to import from the Philippines that we do not need. If we subjected those imports to full tariff duties the net result would be that the American consumer would have to pay a higher price for them. Even the farmers of the Hawley-Smoot tariff, who overlooked no opportunity to impose duties upon competitive imports, did not see fit to impose a duty upon manila fiber, which our cordage manufacturers largely use in the manufacture of binder twine and the best quality of rope. And we also knew that the Filipinos use the major part of the dollars they receive for Philippine exports to us in purchasing goods that are manufactured in this country. It would be idle to assume that the Filipinos would continue to buy our automobiles, our electrical equipment, and our steel products of every kind if unable to secure American dollars through the sale of their products to us.

A broader aspect of the enlightened self-interest involved in this problem was aptly stated in a recent speech by the former High Commissioner to the Philippines, Hon. Francis B. Sayre, when he said:

> In a strongly rooted independent Philippine Nation America has a crucial stake. For over 40 years we have been at work implanting in the Filipinos our ideas of individual liberty and the democratic way of life. Their success means our success in furthering American ideas and ideals throughout the strategic East.

Throughout the Orient our ideals are being challenged by communism. The challenge of an idea cannot be successfully met by force. The Roman Legions could put to death St. Peter and St. Paul, but could not kill the truth they preached. We have taught the Filipino people our principles of democracy. In the survival of those teachings we have a crucial stake. If they are to survive in the Philippines, they must have economic as well as political independence. Ever since we took the Philippines from Spain their economy has been geared to ours. They cannot survive economically without access to our markets.

And it will pay us to remember that while we gained our own political independence by force, we did not secure our economic independence in that way. Prior to the Revolutionary War our economy was geared to that of the mother country. After we gained our independence that relationship continued. For many years our tobacco, at first our principal export, entered Great Britain free of duty. Then cotton became our principal export, and meant as much to the South as sugar does to the Philippines. Great Britain has never taxed our cotton. Throughout our national history the country from which we separated has been our best customer. We have been the best customer of the Philippines, and there are sound reasons for our continuing to be.

From every standpoint—whether it be that of enlightened self-interest, or gratitude to those who have helped us in war, or just plain sympathy for those who have suffered and are unfortunate—this bill to help bring about the economic independence of the Philippine Nation should commend itself to every Member of this House.

Mr. REED of New York. Mr. Chairman, I yield myself 30 minutes, and I ask unanimous consent to extend my remarks and include a statement.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Chairman, this is a great day in the history of this Republic and in the history of a Republic about to be born. This is one of the most monumental pieces of legislation that has come before this Congress in perhaps half a century or longer. I am very glad to take the floor today in support of this bill which is to underwrite the economic security of a nation to be born on July 4, 1946.

I am taking the floor in support of the Philippine trade relations bill, H. R. 5856. The Philippine group of 7,000 islands and islets, 11 of which are comparatively large, has an area approximately equal to that of the British Isles or Japan. The population is an estimated 18,000,000. Luzon and Mindanao are the two main islands, each as large as a State like Indiana.

The record made by the Philippines under the tutelage of the United States is one glorious record of achievement. According to the 1939 census Philippine literacy had reached 48.8 percent. The rate in 1903 was approximately 10 percent. We know that India, long under British rule, is still abysmally poor, squalid, and diseased, but such was not the record of the Philippine people until the invasion of their islands by the Japanese.

The fact that the Philippine Islands have outstanding educational institutions gives assurance that representative government under the new constitution will not suffer as a result of nation-wide illiteracy. It is most encouraging to know that among the special government institutions of this new nation will be the normal school, the school of arts and trades, the nautical school, and the Central Luzon Agricultural School. There will be provincial trade schools. Higher learning will be provided by the state-supported University of the Philippines, Manila, and the Dominican University of Santo Tomas—founded 1611. Manila has six other universities, including one restricted for women. The Silliman University in Dumaguete is maintained by the Presbyterian Church of the United States.

If ever a people earned their right to be free and sovereign, it was after the display of their unsurpassed heroism in defense of their native land in the Japanese War.

This new nation to be born July 4, 1946, will have a land area sufficient and fertile enough to eventually support a sound economy. The same courage, fortitude, faith, and unity of the Philippine people in support of their government and their institutions under an independent sovereign nation as they evidenced in war will assure them of success.

In establishing future trade relations between a sovereign nation and a dependency that is to become a sovereign nation, which is the primary purpose of the pending bill, no precedents were available to follow. In drafting a bill to provide the basis for such relations it was therefore necessary to invent a method by which it could be accomplished.

In general, this would be accomplished in the proposed bill by authorizing the President of the United States to enter into an executive agreement with the President of the Philippines providing for the acceptance on the part of each country of certain conditions and obligations which would become part of the statutory law of each country. Generally, the proposed bill sets forth in complete detail all of the conditions and obligations that will be required by each party under the agreement. This obviates the necessity of long and protracted negotiation between the two countries to arrive at satisfactory terms. The single exception to this concerns the matter of determining the number of United States citizens that may enter the Philippines in addition to those who may enter under the nonquota status. This determination must be made by negotiation between the two countries. When and if this bill is enacted, it will become the United States statute embodying these conditions and obligations on the part of the United States. The bill requires that before the executive agreement could become effective the Congress of the Philippines would also have to enact legislation not only accepting the agreement but enacting the laws that would put into effect the defined terms of the agreement.

Specifically, title IV of the bill, which is the keystone of the arch, authorizes the President of the United States to enter into an executive agreement with the President of the Philippines. In this title are stated in definite terms the obligations of each country with respect to the agreement and specific provision for its termination and interpretation.

Title II covers the obligations of the United States in connection with the agreement which become law upon enactment. In general the conditions and obligations provide duty-free entry of Philippine articles into the United States for a period of 8 years up to July 3, 1954, and for the period July 4, 1954, to July 3, 1974, provide for a graduated duty on Philippine articles entered into the United States based on an annual increment of 5 percent of the lowest rate of duty accorded by the United States to any foreign country—now Cuba—the statutory rate in 1930 Tariff Act, less 20 percent.

The purpose of basing the graduated duty upon the Cuban rate is to accord the Philippines the same preferential treatment now accorded to Cuba. Thus, in the period from July 4 to December 31, 1954, the duty on imports of Philippine articles would be 5 percent of the duty we then assessed on like Cuban articles, it would be 10 percent and so on until by July 3, 1974, the duty would be 100 percent of the Cuban duty. After July 4, 1974, the duty that would be collected on Philippine articles would be the regular world rate.

Other obligations and conditions accepted by the United States under title II would be: To provide equality in import duties and to establish absolute quotas on the principal commodities exported from the Philippines—sugar, cordage, rice, cigars, scrap tobacco, coconut oil, and buttons; in addition to the absolute quotas on cigars, tobacco, coconut oil and buttons, duty-free quotas are established providing for free entry of an amount reduced by 5 percent annually each year from 1955 to 1974. Imports in excess of the duty-free quota on these products would pay the full Cuban rather than graduated duty. One of the important provisions of title II is that in addition to establishing absolute quotas on imports from the Philippines, it also provides for the allocation of such quotas, throughout the period of the agreement, to manufacturers and producers who were in business in the Philippines in the calendar year 1940. Provision is also made for the transfer and assignment of quota allotments, equality in internal taxes and certain provisions for granting nonquota Philippine citizens entry into the United States.

Title III sets forth the terms and obligations that the Philippines must incorporate into their law prior to the date of the effectiveness of the Executive agreement. In general, title III parallels title II with respect to tariff preferences and nondiscriminatory taxation. In a statement of purposes of the title, it is made clear that in stating precisely the terms of the provisions of the agreement in statutory form, it is not intended to appear as an attempt on the part of the United States to legislate for the Philippine Republic. United States citizens and all forms of business organizations will be accorded the same rights as Philippine citizens in owning, and developing agriculture, timber and mineral lands of the public domain as well as in operating public utilities. In this connection, provision is also made in the bill that the President of the United States may suspend or terminate the agreement if it is found that the Philippine Government is discriminating in any manner against citizens of the United States or any form of United States business organization. Title III also imposes a condition upon the Philippines of maintaining the value of Philippine currency in relation to the United States dollars and that the convertibility of pesos into dollars shall not be suspended and that no restrictions shall be imposed on the transfer of funds from the Philippines to the United States except by agreement with the President of the United States.

Title V provides for miscellaneous matters. Important among these is the provision that, after investigation by the Tariff Commission showing that Philippine articles are coming or are likely to come into substantial competition with similar United States articles, the President may impose additional quotas upon imports of such articles.

The underlying philosophy of the bill insofar as specific tariff concessions to the Philippines are concerned, is to insure that the benefits provided for in the bill shall be enjoyed exclusively by articles the production of which will develop Philippine economy. To accomplish this the bill confines such benefits to "Philippine articles," which are defined to mean articles grown or produced in the Philippines, the value of which does not contain more than 20 percent of foreign materials. This means that articles produced or assembled in the Philippines largely from imported materials or products shipped through the Philippines from some other source are not eligible for any of the benefits provided in the bill.

Insofar as the domestic competitive situation is concerned, the bill establishes complete free trade for Philippine articles coming into the United States for a period of 8 years, ending July 3, 1954. Commodities shipped from the Philippines, which do not qualify as Philippine articles, will be dutiable at the regular world rates. Although duty-free trade would be continued for this period, absolute quotas are imposed on the following principal Philippine export commodities beginning with the calendar year 1946 and extending to July 3, 1974:

Sugar, 850,000 short tons; cordage, 6,000,000 pounds; rice, 1,040,000 pounds; cigars, 200,000,000; coconut oil, 200,000 long tons; pearl buttons, 850,000 gross; scrap and filler tobacco, 6,500,000 pounds.

All the foregoing quotas, except for cordage, apply to Philippine articles as defined. This means that if any of the enumerated articles should contain more than 20 percent, by value, of foreign or imported material, they would not come under the quota provisions but would be subject to the regular United States duty, not the rate on Cuban products. The cordage quota applies to Philippine products whether or not they come under the definition of Philippine articles. It would appear that imports of quota commodities not qualifying as Philippine articles would not be large; in being subject to full United States duty they would encounter difficulty in competing in the United States with Philippine articles which are accorded preferential treatment. It should be noted that for several of the articles for which quotas have been established, shipments from the islands over a long period of time have not equaled the quotas established by the bill.

In addition to the absolute quotas for Philippine articles, diminishing duty-free quotas would be established for cigars, scrap and filler tobacco, coconut oil, and buttons. Beginning with the calendar year 1955 each year the amount of the duty-free quota would be reduced by 5 percent of the absolute quota; for example, starting with a quota of 200,000,000 cigars, at the end of the free-trade period the duty-free quota for 1955 would be 190,000,000, and in 1956, 180,000,000 and so on until in 1973 the duty-free quota would be 10,000,000, and in 1974 there would be no duty-free quota on cigars. Thus, although the absolute quota of 200,000,000 cigars remains in effect throughout the period of

the agreement, the amounts each year over and above the duty-free quota would be subject to the lowest United States duty accorded to any foreign country—now Cuba—and would not be subject to the graduated duties applicable to imports of other Philippine articles. The purpose of the duty-free quotas is to allow Philippine industry, over a period of 20 years, opportunity to make gradual adjustment so that by the end of the period it will have become accustomed to the United States duty and the transition would not have been drastic enough to cause serious injury.

The articles for which quotas are established represented, in prewar years, 80 percent of the total Philippine export trade to the United States. Other important exports to the United States in prewar years, amounting to about 14 percent of the total, were gold, embroideries, and timber and lumber products. Thus, with gold, embroideries, and timber and lumber products added to those for which specific quotas are established, over 90 percent of Philippine prewar export trade to the United States is accounted for. Of the remaining export trade—less than 10 percent—a large part was made up of fiber hat bodies, which are, largely noncompetitive, canned pineapples, cutch—a tanning and dyeing material—gums and resins, and vegetable lard. In addition to the foregoing, there are some Philippine products that might be considered as potential exports to the United States but which so far are largely undeveloped. These are principally chromium, silver, manganese ore and copper. Other Philippine products which have not been exported to the United States in the past or exported in only very small quantities include iron ore, maguey—fiber—margarine, and hides and skins.

One might conclude that some of these minor Philippine articles, not now covered by quotas, could, because of the preferences they will receive in the United States market during the period of the agreement, become serious threats to various United States industries. Furthermore, speculation might arise as to the possibilities of serious injury to domestic industry should the Philippine Islands become highly industrialized as Japan and flood the United States market with cheap manufactured articles. The bill provides adequate safeguard against such contingencies. Under the bill the President may, after investigation, impose quotas upon imports of articles other than those provided for. According to the intent of the bill, the President may take action if the investigation by the Tariff Commission discloses that Philippine articles are coming into substantial competition with like United States products, or if it is likely that there will be substantial competition.

THE DAIRY INTERESTS AND THE PENDING BILL

The pending bill proposes nothing that would change the existing position of coconut oil in relation to the dairy industry. The bill, in addition to continuing the quota on coconut oil, which was established in the Independence Act, also continues in effect the present processing taxes, and taxes under Internal Revenue Code 2476, and so forth. These sections are as follows:

SEC. 2306. All oleomargarine imported from foreign countries shall, in addition to any import duty imposed on the same, pay an internal revenue tax of 15 cents per pound, such tax to be represented by coupon stamps as in the case of oleomargarine manufactured in the United States. The stamps shall be affixed and canceled by the owner or importer of the oleomargarine while it is in the custody of the proper customhouse officers; and the oleomargarine shall not pass out of the custody of said officers until the stamps have been so affixed and canceled, but shall be put up in wooden packages, each containing not less than 10 pounds, as prescribed in this chapter for oleomargarine manufactured in the United States before the stamps are affixed; and the owner or importer of such oleomargarine shall be liable to all the penal provisions of this chapter prescribed for manufacturers of oleomargarine manufactured in the United States. Whenever it is necessary to take any oleomargarine so imported to any place other than the public stores of the United States for the purpose of affixing and canceling such stamps, the collector of customs of the port where such oleomargarine is entered shall designate a bonded warehouse to which it shall be taken, under the control of such customs officer as such collector may direct.

SEC. 2327. Other laws applicable:

(a) Oleomargarine: The provisions of sections 2301 (c) (2), 2305 to 2311, inclusive (except subsections (a) (b), and (h) of section 2308), and section 3791 (a) (1), shall apply to manufacturers of adulterated butter to an extent necessary to enforce the marking, branding, identification, and regulation of the exportation and importation of adulterated butter.

SEC. 2356. Importation:

All filled cheese as defined in section 2350 (b) imported from foreign countries shall, in addition to any import duty imposed on the same, pay an internal revenue tax of 8 cents per pound, such tax to be represented by coupon stamps and such imported filled cheese and the packages containing the same shall be stamped, marked, and branded, as in the case of filled cheese manufactured in the United States.

In recent years the proportion of coconut oil consumed in making margarine has been relatively small largely because the high lauric acid content of coconut oil makes it a highly desirable material for soap making. Indicative of the trend in recent years in the consumption of coconut oil for making margarine is that in 1935 coconut oil comprised about 56 percent of all fats and oils consumed in making margarine, whereas in 1941 only 10 percent was used for this purpose, and in 1942 less than 1 percent. The use of coconut oil in soap making was greatly stimulated during the war for the reason that glycerin, so important in making explosives, is a byproduct of soap making but even before the war there was a decided trend toward a diminishing use of coconut oil for margarine.

PHILIPPINE TRADE ACT OF 1946 (H. R. 5856)

Title I. Short title and definitions:
Section 1. Title.
Section 2. Definitions, including ordinary customs duty, Philippine article, United States article internal tax, etc.

Title II, Laws and proposed obligations of United States:
Part 1. Customs duties:
Section 201. Free entry of Philippine articles.
Section 202. Free customs duties on Philippine articles.
Section 203. Customs duties other than ordinary.
Section 204. Equality in special import duties, etc.
Section 205. Equality in duties on products of Philippines.
Part 2. Quotas:
Section 211. Absolute quota on sugar:
(a) Definition of Philippine sugar.
(b) Definition of refined sugar.
(c) Amount of quota.
(d) Allocation of quotas for unrefined sugars.
(e) Allocation of quotas for refined sugars.
Section 212. Absolute quota on cordage:
(a) Definition of cordage.
(b) Definition of Philippine cordage.
(c) Amount of quota.
(d) Allocation of quotas.
Section 213. Absolute quota on rice:
(a) Definition of rice.
(b) Definition of Philippine rice.
(c) Amount of quota.
Section 214. Absolute and duty-free quotas on certain articles:
(a) Absolute quotas: Cigars, 200,000,000; scrap tobacco and stemmed filler tobacco, 6,500,000 pounds; coconut oil, 200,000 long tons; pearl buttons, 850,000 gross.
(b) Duty-free quotas.
(c) Allocation of quotas.
Section 215. Laws putting into effect allocations of quotas.
Section 216. Transfers and assignments of quota allotments.
Part 9. Internal taxes:
Section 221. Equality in internal taxes.
Section 222. Exemption from tax on manila fiber.
Section 223. Prohibition of export taxes.
Section 224. Exemption from taxes of articles for official use.
Section 225. Application to Puerto Rico.
Part 4. Immigration: Section 231. Certain Philippine citizens granted nonquota status.
Part 5. Termination, suspension and administration of title:
Section 241. Termination of title.
Section 242. Suspension of title II.
Section 243. Administration of title II.
Title III. Obligations of the Philippines:
Part 1. Purpose of title:
Section 301. Statement of purposes of title.
(a) Period until July 4, 1946.
(b) Period July 4, 1946, to July 3, 1974.
Part 2. Customs duties:
Section 311. Free entry of United States articles.
Section 312. Ordinary customs duties on United States articles.
(a) July 4, 1954, to July 3, 1974.
(b) Period after July 3, 1974.
Section 313. Customs duties other than ordinary.
Section 314. Equality in special import duties, etc.
Section 315. Equality in duties on products of United States.
Part 3. Internal taxes:
Section 321. Equality in internal taxes.
Section 322. Prohibition of export taxes.
Section 323. Exemptions from taxes on articles for official use.
Part 4. Immigration:
Section 331. Certain United States citizens given nonquota status.
Section 332. Immigration of United States citizens into Philippines.

Part 5. Miscellaneous:
Section 341. Rights of citizens and corporations of United States.
Section 342. Currency stabilization.
Section 343. Allocation of quotas.
Title IV. Executive agreement between United States and Philippines:
Section 401. Authorization of agreement.
Section 402. Obligations of Philippines.
Section 403. Obligations of the United States.
Section 404. Termination of agreement.
Section 405. Effect of termination.
Section 406. Interpretation of agreement.
Section 407. Termination of authority to make agreement.
Section 408. Effective date of agreement.
Title V. Miscellaneous:
Section 501. Suspension and termination in case of disc.
Section 502. Suspension of title II.
Section 503. Customs duties on importations from Philippines (other than Philippine articles).
Section 504. Quotas on Philippine articles.
Section 505. Processing tax on coconut oil.
Section 506. Termination of payments into Philippine Treasury.
Section 507. Special excise provisions relating to the Philippines repealed.
Section 508. Trade agreements with the Philippines.
Section 509. Rights of third countries.
Section 510. Repeals.
Section 511. Repeals.
Section 512. Effective date of the act.

Mr. REED of New York. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, I favor this legislation for the benefit of the Philippine people.

The Filipino-American relationship springs from mutual unselfishness. The war has sanctified it with mutual cooperation and success. I believe that if the Filipinos are given an opportunity to express themselves now, they will gladly vote to remain under the American flag with their American comrades and friends.

The people of the Philippines love independence and they are worthy of it. By the Independence Act of 1934 we recognized their right and their capacity to be independent; and by their acceptance of the act they proved to the world that they want independence. That is the statement of principles. We all accept it without reservations.

But, Mr. Chairman, going from principles to actualities is a trip of some distance and dangers. The war and the weapons of war have changed the concept of independence. Today national independence has become a precarious thing. It is in fact but nominal. It is liberty that counts more. It is liberty that the Filipinos need most. And it is liberty that they want. Under independence, the Filipinos will have liberty—theoretically and legally. But under the American flag they have liberty as full and as beneficial as our own liberty as Americans. The Filipinos now know that liberty is more worthwhile than independence, for they know that while fallen Germany, Italy, and Japan had independence they did not have the liberty and comradeship the Filipinos have under the American flag.

Mr. Chairman, I wish I knew how to grant the Filipinos the last clear chance of expressing themselves before July 4, 1946, on the question of separating from us without exposing our country to criticism that we are breaking a pledged word. Let the Filipinos in the next 100 days say the word that would enable their real friends in America to work out a plan for the United States and the Philippines to go on together under one flag.

There are many Americans of my generation who have fought for the independence of the Philippines and many of us servicemen wear combat ribbons including the Philippine Liberation Ribbon. In fact the people of my district brought me back to take my seat in Congress from the Philippine combat area and I arrived late from my Navy carrier just about a year ago. Anyone who has served with the Filipinos knows the fine cooperation and help we received from our Filipino comrades in arms.

Mr. COOPER. Mr. Chairman, I yield such time as she may desire to the gentlewoman from Illinois [Mrs. DOUGLAS].

Mrs. DOUGLAS of Illinois. Mr. Chairman, gratitude to our Philippine comrades in arms and consideration for our own long-run interests call for generosity in the measure now before us.

We should never forget, as many now seem to be doing, that the Filipinos were unique among the people of southeastern Asia in resisting the Japanese. The colonial peoples of the Dutch, French, and British Empires did not fire a shot or lift a hand in defense of their masters. But the Filipinos fought by our side, shed their blood in our cause, and, after General Wainwright was forced to surrender, continued the struggle as guerrillas. By their resistance they slowed up the progress of the Japanese and helped us to final victory. In this struggle the beautiful city of Manila was gutted, many other cities damaged, and tens of thousands of homes and businesses destroyed. There was a good reason why the Filipinos fought so bravely on our side. It was because, with all our faults, we had behaved far better than had any other colonial power in the Far East. Instead of exploiting the people, we had brought education to all and public health to most. We had granted them the major share of local self-government and by the Tydings-McDuffie Act were doing something hitherto unheard of; namely, setting them completely free.

There were many Europeans in the Orient and some Americans at home who called us soft for acting in such an idealistic fashion. But these policies were not only right, but they also proved their worth in the years of crisis. The Filipinos fought with us as true comrades in arms. By so doing, they paid off any debt they may have owed us and place us instead greatly in their debt.

Generosity of treatment has therefore proved to be a sound policy. We should never forget this as we decide on the policies we are to follow toward the Philippines in the future. We are carrying out our pledge in giving them full independence after July 4 of this year. But if we make this grant of political independence the excuse for depriving them of the chance to sell us vital commodities we will injure them economically. If furthermore, we demand personal rights for ourselves in the Philippines which we do not accord to Filipinos in the United States, we will offend their sense of justice. All this will both hurt our exporting industries and still further impoverish the Filipino people. It will inevitably make them bitter against us and will cause them to tie their economy to the dominant Asiatic power whether that be Japan, China, India, or Russia. If we treat the Philippine people in a niggardly fashion, we are likely to find that if another war should ever unfortunately break out in the Pacific, this time they might not be on our side.

In the light of these considerations, I believe the present bill is defective in at least the following respects:

First. Whereas the Tydings-McDuffie Act fixed an initial quota of 850,000 long tons of sugar to be admitted to the United States, the present bill reduces this quota to 850,000 short tons. This is a reduction of no less than 102,000 short tons. As I read the bill, it appears that this reduction does not increase the quota of sugar to be produced domestically, but that it would be reapportioned among the various foreign quotas, and would thus increase the imports from Cuba. This change in the unit of measurement is unjust since it was the Philippines and not Cuba which fought and suffered by our side. Should we not at the very least restore the former quota of 850,000 long tons?

Second. Although under Philippine law, 500 Americans will be able to enter the Philippines annually after July 4 and then if they wish can become eligible for Philippine citizenship, no such reciprocal rights are granted by section 331 of this bill to the Filipinos. As I understand it, no Filipinos as such, can after that date enter this country, although it is true that 100 citizens of that country can enter and become American citizens if they are of the white, black, or Chinese races. It would seem only fair to grant reciprocal rights to the Filipinos and permit a total of 500 a year to enter this country who would then be granted the right to become citizens in due course.

Third. By section 341 of the present bill, we are requiring the Filipinos to give American citizens the right to own and develop the natural resources and public utilities of the Philippines which is a right at present confined by the Philippine Constitution to Philippine citizens and to corporations which are at least 60 percent owned by Philippine citizens. At the same time, the bill does nothing to remedy the prohibitions imposed by certain of our States, against Filipinos owning land here. Since the Federal Government does not have control over the land laws of the various States, is it not unfair for us to insist upon an unconditional

grant of such rights to Americans in the Philippines? It would be better if we merely provided that such rights of ownership in land as may be given by Philippine law to persons of any foreign nationality should also be given to American citizens? This could be done by inserting on page 29, section 341, line 12, of the bill, after the word "person" the following phrase: "of other than Philippine nationality."

I submit that such changes as these will be necessary if we are to continue our fine record of dealing with the Philippines.

Mr. COOPER. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. MILLER.]

NOTES ON AMERICAN-PHILIPPINE MUTUAL PROTECTION

Mr. MILLER of California. Mr. Chairman, on December 28, 1941, when the Filipino armed forces were making the last stand with their American comrades on Bataan, the American people through their President solemnly pledged the establishment and protection of the independence of the Philippines. In his message to the Filipino people on that date, President Roosevelt told them:

I give to the people of the Philippines my solemn pledge that their freedom will be redeemed and their independence established and protected. The entire resources in men and materials of the United States stand behind that pledge.

Implementing that pledge, the Congress of the United States enacted Senate Joint Resolution 93, approved June 24, 1944, section 2 of which reads as follows:

After negotiation with the President of the Commonwealth of the Philippines, or the President of the Filipino Republic, the President of the United States is hereby authorized by such means as he finds appropriate to withhold or to acquire and to retain such bases, necessary appurtenances to such bases, and the rights incident thereto, in addition to any provided for by the act of March 24, 1934, as he may deem necessary for the mutual protection of the Philippine Islands and of the United States.

Upon the landing of the American liberating forces on Leyte, in the fall of 1944, President Osmeña, addressing his countrymen, said:

Upon the defeat of Japan in the Philippines, our independence will be a fact. Americans and Filipinos, who in peace as well as in war have worked together for that independence, will establish it indubitably, and on the basis of a common understanding, assure the stability and permanence of that independence.

Obviously, this joint effort for mutual protection of the two peoples will indeed be much more effective and will assure its success if the Philippines is at the same time made secure and strong in its economic structure. Side by side with freedom from fear should go freedom from want.

To this end the trade relations bill, H. R. 5856, will lay the foundation for an enduring economic structure of the Filipino people that will not only make them prosperous and economically stable but will consummate an American-Philippine trade relationship that will be double and mutually beneficial to the peoples of both the Philippines and the United States.

Mr. COOPER. Mr. Chairman, I yield 20 minutes to the Resident Commissioner of the Philippines [Mr. ROMULO].

Mr. ROMULO. Mr. Chairman, I rise to urge the passage of the Philippine trade bill.

This bill is the culmination of the trade relationship between the Philippines and the United States for more than a generation. The United States has helped the Philippines to achieve independence, which is now little more than 3 months off. But by this act we shall know that our independence does not come as a gesture of imperious dismissal from America. Rather, it is a friendly clasping of hands, a firm offer of cooperation, during the difficult years that lie ahead for us.

This bill, Mr. Chairman, is not the kind I would have written in the best of all possible worlds. In such a world, the Philippines would be standing firmly on its own feet, depending on its own resources, producing a diverse and useful variety of products for domestic consumption as well as for export, freed of feudalism and archaic economic policies, independent in its economy as well as in its politics. In such a world, the Philippines would share in that larger dream—the dream written into the Atlantic Charter, the dream of an economic system wherein all the peoples of the world would truly have free access to the raw materials of our earth.

In such a world, if I had written this bill as I would have wished, it would provide for perpetual free trade between the United States and the Philippines and a global community of perpetual free trade. It would provide for no graduated tariffs, no quotas, no limitations on commerce.

If I had written it, the rights assured to the United States would not appear in the bill at all. They would be assured by a treaty entered into on a basis of complete equality between our two sovereign nations.

If I had written it, the currency provisions of this bill would be far more flexible, more responsive to the changing needs of the United States and of the Philippines.

If I had written it, the bill would make no reference to the changes that must be made in the Constitution of the Philippines before it goes into effect. These changes will be made, I assure you. But I would have preferred to see them made as a voluntary act by the Filipino people.

But I did not write this bill. Nor is it drawn up for a world where all our dreams have come true. It is legislation for reality. And because it is a realistic approach to the realities of our time, I am for it.

H. R. 5856 is the product of a meeting of minds over a long, complicated, difficult—I might even say nerve-wracking—period of months. It represents the spirit of realistic compromise which is democracy at its best. It embodies the thinking of men who have tackled the problems of future Philippine-American trade with only the sincerest of motives, with only the most earnest desire to do what is right for both countries.

The historical truth is that reciprocal trade between the United States and the Philippines has been the great stimulating factor in Philippine commerce since the year 1909. When free trade between our two countries was established in that year most Filipinos were emphatically opposed to it in principle. They were opposed because they knew that inevitably the economy of the Philippines would be tied more and more closely to the American market. They knew that this would mean prosperity for the Philippines—so long as the Philippines remained in a colonial relationship to the United States. They also knew that it would mean great difficulties in readjustment when the time came for our country to start out on its own, as a fledgling in a competitive world.

And so one of the first actions of the first Philippine Assembly to be elected by popular vote, in 1909, was to petition the United States Congress not to introduce a free-trade policy between the two countries The Congress, in its wisdom, disregarded this petition. And the result has been exactly what was foreseen—intensified a millionfold by the intrusion of a disastrous war which has left in the Philippines only a cemetery of economic hopes.

The benefits of free trade with the United States have, through the thirty-odd years that followed the 1909 decision, been great indeed. They raised the Philippines to the highest standard of living of any country in the entire Orient. They brought comparatively high standards of diet, clothing, housing. They permitted the development of impressive programs of public works, of railroads, highways, bridges, and ports. They encouraged the workers and the farmers and the businessmen of the Philippines to expand old enterprises and create new ones, to develop our mills and factories, stores and offices, land and houses. And out of all this they spurred us to higher standards in health, education, scientific and artistic culture, and social justice.

Yes, free trade did much for the Philippines. Our exports to the United States increased 14 times since its establishment, from less than $10,000,000 to almost $130,000,000 just before the war.

But do not be misled into the belief that the benefits were only on our side. The United States obtained a commanding position in the Philippine market. In dollars and cents, Philippine purchases of American products multiplied 20 times over, from 1909 to before the war. Immediately before the war, our country ranked sixth highest among the customers for American export products. It was the best market in the world for American cotton cloth, wheat flour, evaporated milk, cigarettes, tires, and tubes, and over a hundred other items of American exports.

Nor is this merely a prewar figure that has no bearing on the present. Our people know American products; they want American products; and they need American products. During the single month of January 1946, nearly $31,000,000 worth of American products were exported to the Philippines.

In other words, the free-trade policy has been a two-way street. It has helped the Philippines, and it has also helped the United States.

Now we are entering into a new phase of our fraternal relationship. And once again the free trade policy can help both the Philippines and the United States.

Mr. Chairman, the stark reality of our postwar condition forces us to depend very heavily on the passage of this bill.

Victory has not meant the same thing to the Philippines that it has meant to you in America, True, the fighting is over. Both of us have the satisfaction of having defeated a vicious enemy. Both have the satisfaction of knowing that our young men no longer run the risk of death on the battlefield. That is a relief which we can share. But beyond this the parallel ends. To you in America, victory has meant the gradual and sometimes irritating return to the normal pursuits of peaceful life. Your cities and your farms are intact. Your factories stand, the chimneys tall against the sky. True, you have your shortages, but nobody starves, nobody wanders ragged in the back streets for shame of his nakedness, nobody—despite your housing shortages—goes without even a roof to protect him from the elements. You do have your difficulties, your adjustments, your transitions, your reconversions. They are very great, very important, very perplexing.

But to us in the Philippines victory has left a heritage which, I submit, is not merely perplexing, but disastrous. I shall not read to you the stations of statistics that mark our economic calvary. There is pending before a committee of this House a bill for Philippine war-damage compensation, and when it comes to the floor for passage there will be need for these statistics.

I need only tell you this—that as a result of the 3 years of Japanese occupation and their systematic looting of our economy, and as a result of the almost unbelievable havoc wreaked upon us by the military operations of the liberation campaign, our factories and fields in the Philippines lie in ruins.

There is nothing left.

This trade-relations bill, Mr. Chairman, is a rehabilitation bill. It is a bill that will breathe new life into an economy near death.

From the time of our liberation, which began in October 1944, with the first landings on Leyte, until December 1945, our total exports to the United States amounted to less than $1,000,000. One million dollars. That is the productiveness of our economy today. In an average prewar year, we were producing exports averaging more than $155,000,000. Our economic fruits of victory, Mr. Chairman, can therefore be put into a ratio of 1 to 155. That ratio spells disaster—not in some distant future, but right now.

That is why we must depend upon a limited period of free trade with the United States. Only with the encouragement of an open market in America can our mills, our factories, and our farms get back on their feet.

This bill, as you know, provides for a period of only 8 years of free trade between our two countries. After that, it provides for a 20-year period during which duties are gradually increased at a rate of 5 percent a year. We are therefore inclined to speak of it as legislation providing for 28 years of full or partial free trade.

In point of fact, it is not full free trade at any time, because it establishes quotas which limit the amount of sugar, cordage, rice, cigars, tobacco, coconut oil, and buttons which may be exported from the Philippines to the United States. Neither is it altogether a matter of 28 years of such preferential treatment, since the gradual increase in duties will begin to be felt long before the period is ended. I am not raising objections to these points. I am merely making them clear, so that your vote will be based upon an understanding of the facts.

What this period of preference will do is quite simple. It will provide businessmen in the Philippines with some incentive to go back into business. It will banish the dreadful inertia that beclouds our islands. Combined with the forthcoming compensation for war damage, it will start our production moving again. Once again our fields will be green with crops, and our cities busy with trade. Our national economy will receive a shot in the arm. And it is my most earnest hope that, when this bill is passed by Congress and put into operation, the Philippine Government will see to it that its benefits will reach the lowest levels of the population of the Philippines.

Mr. Chairman, H. R. 5856 is not a permanent solution of our economic problems. What it does is to provide us with the time and the means to readjust ourselves to a bewildering combination of postwar devastation and imminent independence. During these 28 years we shall be able to plan our economy with a view to the true economic independence which is the right of every sovereign people.

We know that there are some exports which we must not expect to sell to the United States for all time. During these 28 years we shall be able to find new markets for them or to drop them in favor of products which are more useful to our people and to the world.

This is the last time that Congress will enact legislation on Philippine-American trade before our independence is proclaimed, It is not a perfect piece of legislation, but it is a good, sound, practical piece of legislation. It will benefit our people, and it will also benefit yours. It is legislation written in the great American tradition of enlightened self-interest.

I am confident that this Congress will pass the Philippine Trade Act of 1946. Because I am so confident of this, I want to express—in the name of my countrymen—our thanks to all those who have worked so hard on this bill. I single out especially the gentleman from Missouri [Mr. BELL], who has introduced the bill and who has been so courteous and sympathetic to our views. I also express our appreciation to the members of the Committee on Ways and Means, who have reported this bill out unanimously.

Most of all, Mr. Chairman, I want to express the thanks of the Filipino people to the American people. We who have suffered so grievously in defense of the American flag know—by this act—how well they wrought. We who have given of our blood and our treasure in the cause of freedom know that our choice was not in vain.

Once again our brother Americans are living up to the covenant they have sealed with us.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. ROMULO. I yield.

Mr. CANFIELD. I believe the House should know that the Resident Commissioner of the Philippines, who has just spoken, distinguished gentleman and brave soldier that he is, is now suffering from recurrent malaria and rose from a sick bed this morning to make this most inspiring address before his colleagues in the House.

Mr. REED of New York. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from Pennsylvania [Mr. SIMPSON].

Mr. SIMPSON of Pennsylvania. Mr. Chairman, the distinguished gentleman from the Philippines who preceded me has so ably and completely expressed the motivating factors which induced the Committee on Ways and Means to bring this bill before this body. He so ably set forth those factors that I shall not attempt to enumerate them again. I realize that those factors are understood by all of the people in this great land of ours and that this body, by adopting unanimously if possible the bill now under consideration, will but do what our constituents would have us do for a people who have willingly and without stint given their all for us. I commend this bill to the most careful attention of this body and hope very much it may be passed by unanimous vote.

I had the privilege of serving with the subcommittee in considering this legislation. We worked long hours and we worked steadily. We then reported our recommendations to the full committee, headed by the gentleman from North Carolina [Mr. DOUGHTON]. In both instances we were ably assisted by Mr. Beaman, the legislative counsel. The bill represents intense work, nonpartisan in nature, or perhaps I should say extremely partisan in nature, amending that by adding the good judgment of

both our great political parties recognizes the worth whileness of this legislation, and in this instance the views of the two major parties of this country coincide. So, speaking for the subcommittee and the full committee, we recommend and urge the passage of the bill.

Its purpose, as we all know is to establish mutually advantageous trade relations between our country and the Philippines. So we provide for a period of free entry of goods to and from the Philippines. We limited that period of time because we are not a nation which uses permanently free trade as a national policy.

There is another reason, however, that we limit that period. That is too, over a course of years, establish a substantial and solid relationship between our country and the Philippines by which they in the world of free nations may do business not alone with us but wherein they may stand upon their own feet in the nations of the world. So we provide for an escalator or ladder application of the tariff which is increased by 5 percent each year for a period of years. At the end of that time we believe that the Philippines will stand on their own, will have developed new markets all over the world, will be very friendly with all the nations of the world.

There are some people who object to the provisions of the bill by which the allotment of the quotas made in the bill continues for a lengthly period of time. They are very apt to object because the allocation of those quotas is to be made by the newly established Philippine Government. Still further, some will object because it is provided that the quotas to be made by the Republic of the Philippines shall be made on the basis of and to those individuals who were engaged in the production of the respective articles in 1940 or in some previous years. Those people will, with reason, call out that there is preference being given to the people who happened to have their money or their skill invested in the production of those articles in the Philippines sometime in the past. And they will continue and say that we are not giving a free opportunity to every Filipino citizen to secure a share of that quota. Your committee considered that point most carefully. They recognized that there is an argument in opposition to that expressed policy within this bill.

The committee took advice from leaders of the Philippines, advice from representatives of different Government agencies here, and for a reason deemed well and sufficient adopted the policy I have just stated. The reason briefly and emphatically is that by providing this quota we take care of the man who lost most seriously as the result of the war; we are insuring that in the immediate future those men with the know-how in the Philippines will be enabled again to engage in their former occupations, and we assure that those Americans and the nationals of other nations who see fit to invest their money within the Philippines will have the certainty of a share of the quota, a certainty of the market for some years to come, as a result of which money will be invested and industry will pick up. It will, we hope, act as a spark plug to induce people from this country who have money for investment, who have the know-how and ability to produce crops in the Philippines to invest their money there and aid in the recovery of that new nation.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield.

Mr. COLE of New York. Will the gentleman kindly explain what is meant by the word "quota"? Does that mean that these tonnages that the bill provides are the maximum amount that may be imported from the Philippines or does it mean that that amount would come in duty free but that the Philippines might ship into this country quantities in excess of the quotas but that such excess would be subject to the normal import taxes?

Mr. SIMPSON of Pennsylvania. Such is correct with respect to some of the lesser items and particularly with respect to sugar, the major item to be imported. I may say that the quota with respect to sugar is absolute, that the 850,000 tons mentioned in the bill represents the maximum that may be shipped into the United States under the bill and tariff free for the first 8 years.

Mr. COLE of New York. But does that mean that the Philippines cannot ship into this country sugar in excess of 850,000 tons if they pay the duty?

Mr. SIMPSON of Pennsylvania. It does mean they may not ship in excess of 850,000 tons on any basis.

I yield to the gentleman from Arkansas [Mr. MILLS] to answer the question.

Mr. MILLS. The quotas referred to in the bill are absolute quotas. They are duty-free quotas, and additional amounts over those duty-free quotas up to the maximum of the absolute quota may be shipped in in some instances, that is, where duty is paid on part of the absolute quota and the remaining part of the quota may come in free of duty; but the quotas mentioned in the bill are absolute, the maximum, that may come in from the Philippines within any 1 year.

Mr. COLE of New York. I am curious to know why it was thought necessary to limit the total amount that could be shipped into this country even though the usual import tax was paid on it.

Mr. SIMPSON of Pennsylvania. Because, as was explained earlier, I may say to the gentleman from New York, it is to afford some protection to the producers in this country.

Mr. COLE of New York. I assumed such protection was afforded by the import tax irrespective of whether the goods imported came from the Philippines, Cuba, Mexico, or some other nation.

Mr. SIMPSON of Pennsylvania. It was felt that in view of the probable excess production of sugar that might occur some years in the future, it was well to avoid great overexpansion of that one crop in those islands. The committee took the position, as I recall, that it was highly advisable that they diversify.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. REED of New York. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, it would be highly desirable to have the crops over there diversified and their production diversified so that it will not encourage a great expansion in the production of sugar.

Mr. COLE of New York. There is another question I would like to ask. As I understand it, under the present provisions of the reciprocal trade law if we grant to any foreign country a trade benefit that is more advantageous to that foreign country than has been granted heretofore to other countries, that same benefit will be extended to all countries of the world?

Mr. SIMPSON of Pennsylvania. That is right, under the most favored nation clause.

Mr. COLE of New York. To what extent is that policy modified by this bill?

Mr. SIMPSON of Pennsylvania. It is not modified in the slightest. It means that if our country should agree with some other country to give a free tariff or a low tariff less than is applicable under the agreement with the Philippines, the Philippines would immediately have the advantage of it.

Mr. COLE of New York. This bill grants to the Philippines trade preferences which no other country has with the United States.

Mr. SIMPSON of Pennsylvania. That is right.

Mr. COLE of New York. Is there something in this bill that suspends the operation of the reciprocal trade law, the most favored nation clause of the reciprocal trade law, from the benefits of this bill that have been extended to all the other nations of the world?

Mr. SIMPSON of Pennsylvania. This is based upon an agreement. It applies only to the Philippines and the United States.

Mr. COLE of New York. It is true of any trade treaty that it is based upon agreement but what I want to make sure is, does this bill positively withhold from the operations of the reciprocal trade law the benefits this bill gives to the Philippines.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Nebraska.

Mr. CURTIS. Section 509 specifically provides no other country may get the benefits that we extend to the Philippine Islands under the so-called most-favored-nation procedure.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Arkansas.

Mr. MILLS. There is an additional section in the bill, section 506 or 507, which provides that we cannot enter into a reciprocal trade agreement with the Philippines during the life of the agreement to be made under title IV of the bill. We are further protected there.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, there are many people who will say that the Filipinos were not the only people who were active on our behalf in connection with the winning of the war, that many other nations of the world have suffered as greatly as the Philippine Islands. They will argue that we should do for those countries just what we are proposing to do for the Republic of the Philippines. We should consider, however, that there is a marked distinction, without at the same time in any way belittling or lessening the great contribution that those other nations have made to us. We should recognize that this agreement to be made with the Philippines does not express a world-wide policy with respect to free trade or preferential treatment but, that, on the contrary, it is done specifically and methodically for that one particular country in whose welfare we have been greatly interested for many, many years. That country under a congressional act passed by this and the other body has been granted its freedom, that country, I repeat, in which we are so interested, that we will do all we can to help to make it the great nation we hope it will become.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. DOUGHTON of North Carolina. Mr. Chairman, I yield 20 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, after having listened to the distinguished patriot, soldier, and statesman from the Philippine Islands, Gen. CARLOS P. ROMULO, there is very little that remains to be said about this bill, its objectives, and its great possibilities. I was inspired and edified by the eloquence and the erudition of my good friend, General ROMULO, the Resident Commissioner of the Philippine Islands.

Mr. Chairman, if I were to advise the membership how best to analyze and understand the pending Philippine trade bill before you, H. R. 5856, I would unqualifiedly recommend a thorough reading of Report No. 1821, which was drafted with painstaking care and exactness by the committee and the experts who, throughout the consideration by the committee, worked right along with us.

As chairman of the subcommittee which was charged with the responsibility of redrafting the original Bell bill, I know I voiced the sentiment of appreciation of every member toward the experts and I do not confine this expression to the members of the subcommittee alone, but to the entire Ways and Means Committee which ultimately reexamined and favorably passed upon the subcommittee's work.

This bill is most unusual in that it is, so far as I know, without precedent. Never before has the Congress been called upon to legislate in anticipation of a contingency such as is provided for in this bill. You will observe that until July 3, 1946, the provisions of the bill are binding not only upon the United States but also upon the Philippine Islands, which are an American dependency, but on the following day, July 4, 1946, the dependency becomes an independent country and obviously we could not legislate to compel them to do anything; but it is provided that by agreements the objectives of the bill shall be met. We, of the committee, were advised that in all probability, following the elections in the Philippine Islands, which occur in April, that the successful candidates and the newly elected President will make advance preparations for the fulfillment of the provisions contained in the bill, with such modification, of course, as might be made by the Senate and in conference. In other words, we confidently believe that the Filipinos will conform with the provisions of the law as expressed in the completed bill now before you.

Perhaps the most important consideration before us involves the element of time. The Philippine Islands are devastated, the people destitute and desperate. There is not a single moment to lose. The committee worked under a severe handicap all of the time, realizing the tragedy of the situation and the need for speed to correct the pressing needs of a heroic, though unfortunate, people. I am not going to take the time to go into any extensive or technical explanations. I will, however, touch upon a few high spots, leaving the technical and legal explanations to be made by the lawyer members of the committee. If I were not a member of the committee, I would accept this bill in large measure on the basis of faith and the assurance by the Committee on Ways and Means that the intent and purpose is wholesome and genuine, which will produce much good in the relationship between the two countries and will serve as an example to the entire world. Its prime purpose is to rehabilitate the economy of the Philippine Islands and to restore the dignity of man and thus to bring about the maximum possible and the earliest possible restoration of a two-way trade between the Filipinos and the Americans. It is intended to induce capital, American capital which has been heavily entrenched in this Pacific paradise, to resume its active and productive role in the rebuilding of the sugar mills, the mine tipples, the mills, and industry in general, in order to bring about prosperity among the Filipino people.

If there had been another way which could have been provided instead of the outline contained in this bill, certainly I would have been happy to have gone along because it has been charged that the bill is one-sided, lop-sided, and even monopolistic—but there is no other way out. Capital will not go back into a devastated country without some assurance, at least for a specified period of time, and it is admitted that ample capital for rehabilitation of industries such as are in need in the Philippine Islands is available in ample amounts only here in the United States.

The period of time which affords the Philippines and their industry full or a graduated preference and protection covers 28 years. The forepart or the first 8 years, the Philippines will enjoy free trade with the United States. The next 20 years are, of course, tariff graduated at the rate of 5 percent per annum until the full duties are applicable. The bill before you which bears the name of our distinguished colleague, C. JASPER BELL, of Missouri, and which was rewritten by the Subcommittee of the Committee on Ways and Means is, of course, acceptable to me, though I felt all along that my idea, encompassed in a bill which I introduced on May 7, 1945, antedating this and other bills, provided for a 20-year suspension of the tariff provisions of the Tydings-McDuffie Independence Act, was preferable. My bill was preferable, in that it was a direct solution of a problem, and preferable in that it was a short cut toward the objective. It was admitted by High Commissioner Paul McNutt, by Maj. Gen. Carlos P. Romulo, and even by Mr. Bell, that while they favored my bill, it was a matter of solving at the same time other problems, and that required the expanded expression of the Bell bill. I must add here and now that my bill, providing for suspension of tariffs, was approved by both Houses of the Philippine Legislature as being the direct and the proper course. I am certain, however, that everything will work out for the best; that the Philippine Government, after attaining the status of independence, will approve of the provisions of this bill.

The Committee on Ways and Means, in order to expedite consideration, jettisoned various and complicated provisions which were contained in the original bill and have modified others, all in the interest of speed. This, of course, was done where we were convinced there could be no harm in delaying action on specific points. To illustrate, we have seen fit to touch lightly on the question of immigration because it was felt that this was something which should be very carefully analyzed by the committee having jurisdiction, by members who have handled this type of legislation throughout the years. The committee has modified and simplified the phraseology pertaining to American citizens and American corporations who are to benefit by the terms of this bill, provided further that this question, complex and important as it is, should be handled by executive agreement. The committee was convinced that the experts' advice was correct, that it would have taken 20 more pages in the bill to properly circumscribe the minimum of protection necessary for American citizens and

American people and to similarly safeguard certain fundamental rights of the Filipinos. In fact, we were not convinced that it could have been done unless a great deal of time and extensive hearings were to have been held on the subject. The President and ultimately the Congress hold the leverage in the solution of this problem.

The paragraph which refers specifically to the ratio between American and Filipino currency was left intact and the explanations before the committee were considered sufficient. The purpose of this provision is to maintain at all times the value ratio of the Philippine peso at 2 pesos to 1 American dollar. Obviously, this will tend to maintain a stability of commercial intercourse between the United States and the Republic of the Philippine Islands. In the discussions before the committee, it was understood that this maintenance of relative values, as expressed in the 2 pesos to 1 dollar in value, was to be reflected in every official currency move of the respective two Governments, and that it may be similarly registered in whatever fluctuations may occur on the international money market. If I may breathe into this legislation further life as expressed by the committee on this point, I want to say that it is intended that whatever loss or gain may result in the rise or fall of the peso and the dollar shall affect the currencies on the basis of the expressed ratio. Benefits or losses shall accrue to the respective Governments in accordance with that formula. Should there at any time be a monetary devaluation it is assumed that the Filipinos will be treated fairly and equitably and will receive their proportion of a gain as they might be expected, under reverse circumstances, to share a loss. The principal objective of this provision is to maintain a stabilized and, all times, a fixed relationship between the Philippine peso and the American dollar. That is fundamental.

Mr. Chairman, I do not think that it is necessary that we should apologize for the legislation that is before the House today. No apology is required for the substance of H. R. 5856 except perhaps in one particular to which I shall refer in the course of these remarks. But, an apology is called for in the timing of this bill. It is long overdue. I think we all recognize that fact.

The Philippines were first attacked on December 8, 1941. The islands were invaded a short time after. Corregidor surrendered in April of 1942. American forces landed on Leyte on October 20, 1944. General MacArthur proclaimed the liberation of the islands on May 5, 1945. That was almost 10 months ago. In those 10 months the Philippines have been restored to the Filipinos. The Japanese were driven out. Filipinos have been placed in control of the Commonwealth government. But these islands are not the same islands they were on December 7, 1941. They were then the most prosperous area in the Far East. They were a democracy, a possession of the United States, scheduled for independence on July 4, 1946. They were an agricultural land, producing commodities needed in the United States and marketed in the United States by virtue of the free trade which the United States Congress had provided in 1909. They were America's great experiment in colonial democracy. There was no unemployment in the Philippines and there was what passed for economic prosperity.

In the recent interval of 4 years there passed over the Philippines the tragic tidal wave of war. Today the Philippines are destitute and devastated. The national economy has virtually ceased to exist. Millions are homeless. Hundreds of thousands are dead. Many are maimed and disabled. Every major city in the Philippines is a picture of carnage and destruction. The islands are without communications, one with another. The fields and farms are fallow. The lands are uncultivated. The people are confused and desperate. For 4 years the people of the Philippines fought our war, the war of the United States against Japan, against the Axis. It was not their war. Had they accepted Japanese domination, they would have been like Thailand or perhaps even Switzerland, untouched and unravaged. But these people were American nationals. They had been American nationals for more than two generations. What is more, they were devoted to American ideals and American principles, to western democratic ideals, principles, and institutions. They fought for us while our forces were gone from the islands. They fought with us when our forces returned to liberate the islands.

But in the 10 months that have intervened between the liberation and today, the United States has done very little to recognize this valorous service of a great and heroic people. No other colonial people in the Far East, or any place else in the world, helped to any considerable extent in the war against the Axis. The Filipinos did. They tied down hundreds of thousands of Japanese troops that might have been used effectively against us elsewhere. They killed thousands of Japanese. They sacrificed thousands of their own in so doing. They sacrificed the fruits of their land in so doing. They sacrificed their national economy.

There were thousands of Filipinos who burnt over their fields, who destroyed and flooded their mines, who sabotaged sugar mills and coconut shredding plants. There were thousands who went up into the hills and fought for long years with guerilla bands, who supplied our Army and Navy with essential military information, and kept the Japanese off balance until American forces of liberation arrived.

But since the liberation in return we have done precious little for the Philippines. We fed some of them for a while, we clothed some of them. But so far we have done nothing to rehabilitate the devastated land. We have done nothing to rehabilitate the destroyed economy.

In 1945 Congress enacted Public Law 331 which created the Philippine Rehabilitation Commission consisting of United States Senators and Representatives, public members appointed by the President of the United States, and a like number of Filipinos appointed by the President of the Philippine Commonwealth "to investigate all matters affecting post-war economy, trade, finance, economic stability, and rehabilitation of the Philippine Islands." That Commission of which Representatives BELL, WELCH, and MCGEHEE were members, studied the situation at great length. They presented a formula for the rehabilitation of Philippine economy. That formula has been fitted into the bill now before us.

When the Congress passed the Philippine Independence Act back in 1934, nobody had any idea that a war was coming in 1941 that would devastate the Philippines. Under the terms of the Independence Act, the Philippines were scheduled to get their independence on July 4, 1946. A 10-year period was provided for the adjustment of the Philippine national economy to independence. Gradually increasing tariffs were provided to accustom Philippine exports to American tariffs. But even in 1934 it was acknowledged that the United States had an obligation to the Philippines which was not being met by the terms of the Philippine Independence Act. It was provided in the Independence Act that a trade conference be held a year before independence to consider postindependence trade relations. But almost at the beginning of the independence adjustment period came the war. The war upset the entire independence adjustment program. The war devastated the Philippines.

Today we are faced by the fact that in 3 months, the Philippines will become independent. It is not to the interest of the United States to withhold the grant of independence. We want to give the Philippines their independence because we want to show the world that the United States, as a nation, keeps its word. But unless we make the Philippines capable of survival as a nation we will have failed in all our efforts in the Philippines and in the Far East. We will have betrayed the faith and confidence of 18,000,000 Filipinos in democracy as a way of life. We will have told the billion and a half people of the Far East that the United States is willing to grant a colony its independence but not to insure the independent survival of a people who sacrificed their nation in our behalf. We will have told the world that democracy is good for the United States, but we are not interested in its continuation any place else.

For 45 years we have kept the Philippines tied to us economically. Because we needed Philippine products, we admitted those products into the United States market duty-free. These products included hemp, copra, coconut oil, sugar, and tobacco. Today we still need those products. Other nations need them too,

but cannot pay for them. We can pay for them but the Philippines cannot afford to produce those products unless they can come here without payment of duty.

Today the Philippines are exporting practically nothing, except perhaps a little copra and hemp. If we give the Islands some sort of assurance that their products can be sold here for some time to come, American and Filipino capital will be reinvested. The ravaged and damaged sugar mills, sugar lands, coconut groves, and coconut processing plants will be repaired. The only condition under which this will take place is the condition provided by H. R. 5856. The least we can do to rehabilitate the Philippines is to give the Islands a chance to recover their prewar economy. After they have rehabilitated that economy, they can move in the direction of nondependence upon the American market. This bill, extending free trade and preferential trade relations, is the only formula which will lure the only available capital into the Philippines. It will incidentally give American capital a chance and an inducement to assist in the rehabilitation of these islands.

That is the whole purpose of H. R. 5856. There is no other purpose. There is no ulterior motive or design. We are not protecting vested interests, American or otherwise. There are no vested interests in the Philippines today, properly speaking. The islands are a wasteland. We are not furthering imperialism. We are not trying to prevent the Filipinos from working out their own destiny. We merely want to give the Filipinos a chance to start up an economy that will provide jobs and income for government, that will provide a basis on which the Filipino people will be able to stand and survey their own democratic potentials.

American commodity interests are not prejudiced by this legislation. I speak as a representative of a great industrial district of the United States. In my city of Detroit, automobiles, machine tools, dies, and other industrial equipment, chemicals and a thousand and one other things are manufactured. I think that the United States will benefit considerably by having a market in the Philippines in which we can sell these products. These are not the only products this country sells in the Philippines. We sell canned goods, shoes, electrical equipment, and construction machinery. In 1940 we sold $105,000,000 worth of goods to the Philippine Islands. In 1946 we will probably sell even more. But the Philippines cannot continue to buy from us unless we buy from them. The only goods we can buy from them are the natural products of their fields and farms. They cannot sell those products to us, as devastated as they are by war, unless we let them in duty-free for a while, unless we give them a duty preferential for a stated number of years.

Now in this bill we have provided quotas for some of the major Philippine commodities. These quotas are the same as those granted Philippine commodities before the war. These quotas are the same as those evolved during the past 45 years in an effort to protect domestic commodities. In this bill domestic commodity interests are thoroughly protected. They will have as much protection as they had in 1940 and it is needed in a lesser degree. We are merely recognizing in this bill the fact that the Philippines need today, more than ever, a breathing space in which to adjust themselves to the wonderful adventure of independence, and to recover from the tragic experience of the war.

In this bill, unfortunately, the Ways and Means Committee decided to make a cut in the Philippine sugar quota.

That cut amounts to 102,000 short tons. Before the war, the Philippines had an absolute sugar quota of approximately 1,000,000 short tons. Under the terms of the Tydings-McDuffie Independence Act, the Philippines had a guaranteed duty-free quota of 952,000 short tons. That quota was further guaranteed to the Philippines under the world sugar agreement. Now we are going to recognize Philippine heroism during the war, our long-standing obligation to the Philippines by slashing 102,000 short tons from the Philippine quota. Some may think that this will benefit domestic interests. I come from a State which produces a considerable amount of beet sugar. I cannot see how this proposed action will benefit Michigan by one pound of beet sugar. Even if it did, I could not in good conscience approve this niggardly action, which tells the world that we are weighing in the balance 102,000 short tons of sugar quota against the unlimited heroism and sacrifices of a great people in the cause of democracy. What a cheap way of paying off our obligation. What a miserly way of reckoning our debt to a heroic people. Let me tell the members of the committee today that in my opinion America will not benefit from this short-sighted action. The only interests which can possibly benefit will be the Cuban sugar interests, already grown rich on the profits of this war. I cannot pass over this bill without expressing my disappointment for this action. We are here engaged in a great generous gesture toward our heroic wards, toward a people who saved us billions of dollars and thousands of lives, and yet we have undertaken to haggle over 100,000 tons of a sugar quota, which we would withhold as a sop to some group which has not known the terrors and sacrifies of war.

One other aspect of this bill which I would like to refer to again is the immigration provision. I felt that in drawing the formula for post-independence relations between the United States and the Philippines, we should include some provision recognizing the Filipinos as a people worthy of the same consideration we accord other less worthy peoples who are under our laws already eligible for naturalization. However, all we have seen fit to do in this bill is to provide for the immigration of Americans into the Philippines to assist in the work of rehabilitation. I must say that the House has already expressed itself on the subject of Filipino naturalization in a bill which is now pending in the Senate. We feel that Filipinos are certainly as worthy as Chinese and Indians in being eligible for naturalization. It is my hope that the Senate will see its way clear to making a proper decision in this matter.

I believe that in H. R. 5856 the interests of the United States are deeply involved. I feel that this is one of the most important bills which has faced the House this year. I know that many millions of people in the United States and many more millions outside the United States have their eyes on us today. I hope that we can justify the high confidence that the people of the world have in the enlightenment and gratitude of the United States. Should we fail to act today with open hearts and with generous remembrance of our obligations and interests in the Orient, we will have failed to keep faith with those hundreds of thousands of Americans who died to maintain our Nation's greatness.

Seldom, if ever, are the experts who worked with the committee called upon to grapple with such unprecedented, complicated, and important problems as have been dealt with in this legislation. As chairman of the subcommittee having to do with the rewriting of the bill before you, I want to express the appreciation of the subcommittee and, in fact, the entire Committee on Ways and Means, to the chief counsel of our legislative staff, Mr. Middleton Beaman, and to the gentlemen whose names I insert in the RECORD:

Mr. Cyril E. Heileman, Office of Tax Legislative Council, Treasury Department.

Mr. Eugene F. Bogan, attorney, Chief Counsel's Office, Bureau of Internal Revenue.

Mr. W. E. Higman, Assistant Deputy Commissioner, Bureau of Customs.

Mr. Walter Hollis, Department of State.

Mr. E. G. Martin, Tariff Commission.

Mr. P. F. Burnham, Tariff Commission.

Mr. DOUGHTON of North Carolina. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. NEELY].

Mr. NEELY. Mr. Chairman, during the last 6 months the Government has most justifiably and commendably helped many thousands of underpaid employees of private industry to obtain deserved increases in their compensation. But unfortunately the Government, unmindful of the gospel truth that those who fail to provide for their own are worse than infidels, has almost completely ignored the distressing plight of multitudes of Federal employees whose crying necessity for additional pay is neither doubted nor denied.

When the toilers in private industry have asked for fish the Government has permitted no one to give them serpents. But in recent months when those on the Government's pay roll have asked for bread they have received a stone. In the circumstances, it was highly encouraging to learn from the RECORD that the

distinguished chairman of the Committee on the Civil Service the gentleman from West Virginia [Mr. RANDOLPH], favors legislation which will authorize an increase of not less than 18½ percent in the salaries or wages of Federal workers.

May I not inquire of the able chairman how soon his committee may be expected to report to the House the legislative proposal necessary to accomplish this result, because, in my opinion, practically all the Members of this body are eager for an opportunity to demonstrate with their votes their desire to do justice to the hosts of Federal employees whose application to their tasks, fidelity to their duty, and service to their country never have been and never will be surpassed.

Mr. RANDOLPH. Mr. Chairman, my able colleague from West Virginia has given me the opportunity, by invitation, to answer a question and to couple it with an observation. The Committee on the Civil Service this afternoon took action reporting favorably to this body legislation which would bring about a merited increase to the employees of the Federal Government based upon the figure of 18½ per centum which the gentleman from West Virginia [Mr. NEELY] has indicated, has been urged.

That legislation involving, also, we believe, meritorious provisions other than just a percentage increase, will be brought to the House floor, we trust, during next week.

It is a fallacy we can ill afford to allow to go unchallenged, those who attempt to say that the employees of the Federal Government are not capable and conscientious in the discharge of their duties. I think, as the gentleman from West Virginia [Mr. NEELY] has so appropriately said, that these workers do give a good account of themselves. Certainly we should reward them in a fair degree. We should all agree that the Government service should be operated with the fewest number of employees, but those who are on the pay roll should certainly have proper compensation. They merit our concern and assistance.

Mr. NEELY. May we also assume that the chairman will ask the Rules Committe to bring the matter before the House at an early date?

Mr. RANDOLPH. I hope to go before that committee on Tuesday and request a rule, so that the pay-raise bill may be on the floor by Wednesday of next week.

Mr. NEELY. I thank the gentleman for those encouraging words.

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. LYNCH].

Mr. LYNCH. Mr. Chairman, I am thoroughly in favor of this legislation. I cannot let this opportunity go by without personally and publicly expressing my appreciation for the efforts that were rendered our committee by General Romulo and by Mr. Beaman, and also by the gentleman from Missouri [Mr. BELL], of the Committee on Insular Affairs. In addition to those, I want to express a word of appreciation for Mr. Martin of the Tariff Commission, who has been working so diligently with our committee advising us as to the effects of the tariff situation insofar as this legislation is concerned. I say that I am in favor of this legislation because it seems to me that we as the guardian of the Philippines, as it were, for many years past, now see our ward going out into the world of nations by itself, not altogether in the manner that we had anticipated because we thought that when the time of independence came the Philippines would go forth as a prosperous young nation. Instead of that, by reason of their fidelity to the United States, by reason of their loyalty to us when we were in our war with Japan, they now go forth as a nation pretty well poverty-stricken, as a nation whose capital city has been razed almost to the ground, as a nation that looks now to us with hope and at the same time looks forward to July 4th of this year with the confidence and with the courage that have characterized the Philippine people in the past.

This legislation will aid in the economic rehabilitation and future development of our gallant ally. It sets a new pattern in history, because even before the new Philippine nation is born we are seeking to give it aid and encouragement.

There are some who have their doubts as to the wisdom of the establishment of a Filipino republic. Be that as it may, the Filipinos have ever aspired to nationhood, the fulfillment of that aspiration is only a few months off. To the new Filipino republic, good luck and Godspeed.

Mr DOUGHTON of North Carolina. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. COOPER, having assumed the chair, Mr. ZIMMERMAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 5856) to provide for trade relations between the United States and the Philippines, and for other purposes, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. VURSELL (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks in the RECORD and include a letter.

SPECIAL ORDER GRANTED

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that on Monday next, after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered, I may address the House for 30 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

CONTROL OF BARBITURATES

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and include as part of my remarks the Senate bill, S. 1986.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am very much encouraged to learn today that the Committee on the District of Columbia of the Senate reported out unanimously, I understand, the bill (S. 1986) for the control of barbiturates. I am interested in a bill which will go to the Committee on Ways and Means in order to have Government control all over the country of the very dangerous drugs which are derivatives of barbital which has caused so much suffering to young people and caused a good many deaths among older people. They do not realize it is a cumulative drug and should only be taken under a doctor's prescription. It is very beneficial in many cases if properly used but indiscriminate use as exists today is a very dangerous thing.

The Senate bill is as follows:

S. 1986

A bill to regulate the manufacture, sale, distribution, and use of barbiturates in the District of Columbia, and for other purposes

Be it enacted, etc., That subsection (n) of section 1 of the act of June 20, 1938 (52 Stat. 785), is hereby amended by inserting immediately after the word "cannabis," the word "barbiturates."

SEC. 2. Section 1 of the act of June 20, 1938, is hereby further amended by adding the following new subsection (t) at the end thereof:

"(t) 'Barbiturates' means the salts of barbituric acid (malonylurea), any derivative of such acid or of any of its salts, or any preparation or mixture of any such salt or derivative."

SEC. 3. Section 23 of the act of June 20, 1938, providing penalties, is amended to read as follows:

"(23) Penalties: Any person violating any provision of this chapter, or of any regulation made by the Board of Pharmacy under authority of said sections, shall upon conviction be punished, for the first offense, by a fine of not less than $100 nor more than $1,000, or by imprisonment for not exceeding 1 year, or by both such fine and imprisonment, and for any subsequent offense by a fine of not less than $500 nor more than $5,000, and by imprisonment for not less than 3 years nor more than 10 years. In imposing sentences upon such subsequent offenders, nothing contained in the Indeterminate Sentence Act of July 15, 1932, as amended, shall be construed as authorizing a minimum term of imprisonment of less than 3 years."

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Indiana [Mr. SPRINGER] is recognized for 15 minutes.

DOES THE RANK AND FILE OF THE AMERICAN LEGION SUPPORT THE WYATT HOUSING BILL?

Mr. SPRINGER. Mr. Speaker, I have read with great interest the statement which appeared in the Washington Post of March 24, which was made by the

national commander of the American Legion, with respect to the housing bill which has been before Congress, and which is not yet completed. I must admit that I was somewhat surprised when I read that statement, and I was also surprised when I read in that statement that the American Legion would fully support the so-called Wyatt plan for housing as the same appeared in the original bill, presented to the House by the gentleman from Texas, Representative PATMAN. While that statement may be the view of the national commander upon that subject, if he was correctly quoted, and it may be the view of the legislative committee, or some of the executive committee, but I am certain, in my humble judgment, that this view is not the view of the rank and file of the members of our great organization. I make that statement because I have received many letters from the members of the local posts of the American Legion on this very question, and those members, without exception, urge that the terrific spending of the taxpayers' money be materially curtailed by the Federal Government, and that the imposition of taxes upon the people, and the veterans, be tempered and reduced, if possible, at the earliest opportunity. May I also state, for the RECORD that there are many members of the American Legion now serving in the Congress of the United States, and I am confident the pronouncement made by the national commander is not in accord with the view of many of those members, and I am definitely certain that the statement so made is not fully in accordance with my own view upon this subject.

Mr. SMITH of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to the distinguished gentleman from Wisconsin.

Mr. SMITH of Wisconsin. I compliment the gentleman for bringing this matter to the attention of this body and the country. We recognize that the gentleman was one of the original members who attended the American Legion Convention in St. Louis. Am I not correct?

Mr. SPRINGER. That is correct.

Mr. SMITH of Wisconsin. And the gentleman was the first department commander of the American Legion in the State of Indiana?

Mr. SPRINGER. I was so honored by our veterans in Indiana.

Mr. SMITH of Wisconsin. I, too, was interested in this release by Commander Stelle, and on yesterday I wired him and asked for information relative to his authority in making that release. Likewise I addressed a telegram to the chairman of the legislative committee, William Doyle, of Boston, Mass., asking him by what authority his committee acted. So far I have had no word on that subject.

Does the gentleman think that under the circumstances the commander is using this method of playing politics?

Mr. SPRINGER. It may be. I am not certain. I hope not. We have even avoided any political implications in the American Legion. I hope the national commander will not so conduct himself. I want to thank the distinguished gentleman from Wisconsin for that observation. He is a past commander of the American Legion in his own State. The gentleman from Wisconsin served in an outstanding and highly creditable manner as department commander of the American Legion in that great State of Wisconsin.

Mr. Chairman, I have worked tirelessly in the American Legion since its organization. I attended the first caucus, held in St. Louis. I served as the first department commander of this great organization in the State of Indiana. As such State commander I helped formulate the policies of the American Legion at the first national convention, held in Minneapolis. Since that time I have served as national executive committeeman, for the State of Indiana, and many other positions, and by reason of the continuous service since the formation of our great organization down to the present moment I have some knowledge of the manner whereby every important question is determined by its members, and thereafter carried into effect by the national officers.

At this point, may I say that I do not know what action, if any, the national legislative committee has taken upon this subject of housing, and I do not know what action, if any, the national executive committee has taken upon this subject. However, I do know that the national convention of the American Legion did not take any action whatsoever upon the subject of housing for veterans. The mandates of the American Legion come from the members of our organization by way of resolutions adopted by the delegates from every Legion post in national convention assembled. Therefore, any pronouncement made upon this highly important subject by the national commander, or by the legislative or executive committee, does not come from the lips of the rank and file of the members of our great organization—because they have not had any opportunity to express themselves upon this important subject.

Mr. Speaker, I wish to advise the national commander, the people and the country, and all of the members of the American Legion, that it is the express wish of every Member of Congress, and it is the wish of every member of the American Legion who is now a Member of Congress, and it is my personal wish, that we secure houses and homes for our veterans. We want every veteran given the full opportunity to rehabilitate himself, and we wish to aid in securing a home in which the veteran may reestablish himself and his family, and we will do everything that is proper in order to attain that end. I will personally do everything within my power to aid in making it possible for every veteran to secure such house and home promptly and at the very lowest cost possible.

From the statement, which I have read, which is attributed to the national commander, it is fair to assume that it is his wish to pay a vast amount of money in subsidies, in this housing program, and thereby impose upon every veteran, of the late war and of all wars, an additional tax in order to secure the funds necessary with which to pay that subsidy proposed by the Wyatt-sponsored bill, which subsidy would be paid to the processors of all kinds and types of building materials and supplies.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to my distinguished friend from Iowa.

Mr. JENSEN. I have listened with interest to the very fine statement which the gentleman from Indiana has made. I know there is no man in this House or in America who has greater interest than the gentleman from Indiana for the veterans of this or any other war. What I should like to know is whether Mr. Wyatt has made it crystal clear who is to get these subsidies. I have been trying to find out whether they are to be paid to the veterans to pay a part of the cost of the home or who is to get these subsidies.

Mr. SPRINGER. May I say in answer to my distinguished colleague that is a matter which has been left entirely uncertain and undefined. It would be my guess that these subsidies would be paid to the producers or processors of building materials in order to make up the difference between the price ceiling which is fixed by the OPA, and which now constitutes a bottleneck, in bringing materials of this kind to the people of this country for specific use in building.

Mr. JENSEN. But is it not a fact that every person that we know of who is interested in the building-material game, from the laboring man to the mill that produces the lumber, the carpenters, contractors, and everybody feels that such a program will not produce the houses or the material?

Mr. SPRINGER. The gentleman is entirely correct.

Mr. JENSEN. What is needed is an adjustment of price ceilings which the OPA now allows. If they are properly adjusted with this great productive capacity that we have in America, does not the gentleman agree that if American ingenuity is given the green light, that within a year or two we shall possibly have 4,000,000 homes instead of 2,700,000?

Mr. SPRINGER. The gentleman is entirely correct and I agree entirely with what he has said. Before World War II, without any extended effort, we produced and constructed 1,000,000 homes in 1 year. We can build if we can secure materials.

Following the line of argument I was pursuing, the payment of these subsidies would mean, of course, that our veterans would have a material portion of the same to pay in their taxes.

That tax would be in addition to the present taxes which they have imposed upon them. Our veterans have again become taxpayers. If this proposed plan, now advocated by the national commander, should finally be adopted, then every veteran of World War II and

every veteran of every war, and the people generally, will feel the heavy burden of this added imposition.

Mr. Speaker, we have all read the story in the local newspapers of date March 26, in which it is evidently recognized that since the OPA has taken no action in lifting the price ceilings on all kinds and types of building materials and supplies, even in a small percentage, that some additional action must be taken, and we discovered the following article:

The Government today issued its long-awaited stop order on virtually all new less essential construction to save building materials for the emergency veterans' housing program.

That stop order will be helpful. However, even before that stop order was issued, I am convinced if the national commander had given this problem his careful study and analysis he would have determined that if the OPA would lift its ceiling on prices for all kinds and types of building material and supplies, only a very small percent, that would have been an incentive to processors and producers of such materials, thus making them available for use in this emergency veterans' housing program. What we need in this program is building materials. Red tape will not produce building materials, and it will not produce houses and homes for veterans. Even the so-called stop order will not produce building materials, but it will take those articles away from other construction, such as commercial building, radio stations, and other needed expansions, but it will not encourage the processors and producers. The substantial manner in which building materials of all kinds may be made available, without imposing an additional burden upon the veterans and the people, is for the OPA to relieve the tension by lifting, in part only, the ceilings upon those essential articles for building these veterans' homes—and then we will secure houses. Our veterans do not want additional taxes imposed up them; they are already bowed down under the weight and burden of taxes. Our veterans want to experience freedom upon their return home from their frightful experiences of World War II, and the veterans in this legislative body want to aid them in attaining that freedom which they so richly deserve.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to my friend, the gentleman from Iowa.

Mr. JENSEN. I would like to read part of a letter that I have received today from a prefabricated housing company in my district:

We have in mind making about seven different plans, copies of which are enclosed. Have everything in this letter except the basic plan, which consists of either 16 by 24 or 20 by 24, divided into a 12-foot living room, a kitchen, and a bedroom.

Every day we have GI's wanting this type house. We have had some experience with building immediately after the First World War, and neither of us want to see the same thing happen to GI's as it did at that time. You know if they build $4,000, $5,000, or $6,000 homes, they will be the rest of their lives trying to pay for it. Most of them want one of the small plans such as enclosed. They can buy the 20 by 24, three rooms, at $635 and on up to $900 for the 20 by 32. By the way, we are making all these 2 feet longer, such as 24 feet and 32 feet, instead of as shown. Doesn't cost much more and gives a lot better job.

Wyatt talks about four, five, six, and seven thousand dollar homes. This prefabricated housing company in my district will furnish these houses at the prices quoted which are, of course, f. o. b. factory. Foundations and utilities, such as bathrooms and kitchens, are not included. I want to get this in the RECORD to show what good prefabricated houses built along conventional designs, with good lumber, can be bought for instead of a lot of these tin cans and glass cages that they are trying to palm off on the American veterans. What we need to obtain is lumber and building materials. When these are available we will construct the homes for veterans.

Mr. SPRINGER. I wish to thank the gentleman for his splendid observation. We need the building materials, and when these are available—and OPA can aid in making these essential materials available for every veteran's home—then we can go forward in this emergency veterans' program. We want to obtain homes for our veterans promptly and at a low cost to them.

The SPEAKER pro tempore. The time of the gentleman from Indiana has expired.

Under previous special order, the gentleman from Masachusetts [Mr. PHILBIN] is recognized for 20 minutes.

JEROME KERN

Mr. PHILBIN. Mr. Speaker, I would feel greatly remiss if I were not to make some reference in the House to the recent and most lamented passing of the great American composer, Jerome Kern, whose sudden and unexpected death shocked and deeply grieved music lovers throughout the world.

Naturally our sympathy and condolences are extended to Mrs. Kern and members of his family for their irreparable loss. But it is the Nation that has sustained by his death a loss that cannot adequately be measured by mere mortal words.

For more than 30 years the charming, sprightly music of Jerome Kern has brought pleasure, relaxation, and uplift to millions of our people. He was a prolific writer of tuneful melodies but always maintained the highest professional standards. There was something truly worth while in even his most obscure compositions. He never wrote a tune that did not possess some quality of rhythmic, melodic merit.

As a very young man, I can vividly remember the deep and thrilling impression I received from his music. Throughout the years I have followed his compositions with fidelity because Jerome Kern, more than any modern composer, seemed to me best to typify, best to exemplify and express in music the spirit of the Nation. His melodies were as broad in range as the country itself and covered as many moods as flit over the human consciousness. Some of his tunes had an ecstatic gayety; some took on the quality of nostalgic American folk songs; while others possessed the sparkle of romance.

Jerome Kern's tunes were unpredictable. They followed a pattern all his own. They were never hackneyed or commonplace. They elevated the spirit and stimulated the senses with a wholesome fervor of the joy of living. His talents in his field were unexcelled by any American composer and, in my opinion, he will rank as one of the greatest composers of popular music of all time. It is little wonder that the immortal Victor Herbert early singled him out to be his successor in writing beautiful music for the American people.

In the life of our country we have had few such talented and gifted artists as Jerome Kern. Perhaps he marks the end of the most romantic period of music in American history, although I hope this will not be the case. I hope that others will take up his task where he left off, but when one thinks of Kern's music, one must admit that there are few contemporary composers approaching his standards. Perhaps Sigmund Romberg, Rudolf Friml, Cole Porter, and Richard Rogers would be the only remaining figures in this school, but when I name them because of the luster and outstanding quality of their work, I do not mean to disparage many other popular composers who are making outstanding contributions to current American music.

From a personal standpoint, I am deeply appreciative of the high standard attained by many contemporary composers and am especially interested in the efforts of my intimate and loyal friend, John Redmond, whose work in the popular field has been so conspicuous and holds out such brilliant promise.

Kern was a modest man, and he never permitted his great professional and financial success to go to his head. He had few close friends, and he worked and lived for his art. He was possessed of the rarest taste and discrimination in securing effective orchestration and staging for his matchless melodies and often worked for hours, days, and weeks to get the effect he desired.

His compositions were universal. It is a long, wide step from the lilting, lovely tunes of Oh Boy and Sonny to the stirring music of Ol' Man River, but to Jerome Kern, greatly gifted soul, it was an easy transition. He wrote about the simple things of everyday life, and that was his appeal to the millions of Americans who found in his melodies and themes some counterpart in their own lives.

Kern never was "high hat," personally or musically. He thoroughly loved music and took just as much satisfaction and pleasure out of his "swing" and "boogie woogie" as he did from his more soulful melodies. In this sense he may

be said to have marched along with the times, although I have never thought and do not think that all modern forms of music are necessarily evidence of artistic progress and advancement.

Throughout future years Americans will continue to sing the beautiful, touching songs, the joyous melodies, the appealing tunes which he wrote, and many of his works will be written into the folklore of American music. Songs like Ol' Man River will certainly live as long as American folk music is sung.

Kern wrote many melodies which, like those of his friend and admirer, Victor Herbert, from whom he drew so much inspiration, will enjoy popularity as long as human beings are touched by the beauty, appeal, spirituality, and rapture of music. Rapture is perhaps the word which best describes Jerome Kern's music. It has the power to enthuse, the power of transporting our people away from everyday humdrum, trials, and tribulations and lifting them into the comforting, invigorating spheres of imagination and delight.

I could not here recount the many outstanding works of Jerome Kern, nor can I adequately treat or credit the many lyric writers who collaborated with him to make his songs so remarkable.

In their wide scope, his works embraced a fundamental philosophy, a reverence for eternal verities, contemplation and reflection of things outside mundane existence, an infectious spark of the joy and zest of living, or a profound understanding of human emotions.

Jerome Kern is gone. All that was mortal of him has been assigned to the nameless dust. But we have no doubt that his spirit will live on in his immortal melodies to bring joy and happiness to our people throughout the years, to refresh the lonely and to inspire all those who love good music with some better sense of the true nobility of life.

Jerome David Kern was born on January 27, 1885. At the time his family was living on Sutton Place, in New York City, and it was there that, as a boy barely of school age, his musical career began. First, there were piano lessons for himself and his two brothers from their mother, and later on Jerome, at least, "graduated" to a more professional teacher living nearby. When the boy was 10 the family moved to Newark, N. J., and while at the high school there he played organ for the school assembly in addition to composing music for and helping direct the school shows.

After graduating from high school in Newark in 1902, Kern continued his musical studies at the New York College of Music, where his eminent teachers included Alexander Lambert and Paolo Gallico, and also undertook the study of harmony under a private teacher, Austin Pierce. His real ambition in those days, however, was to complete his musical studies in Europe, according to the prevailing fashion—but here he ran up against the not unusual parental objections, particularly on the part of his father. For a while it looked as though Jerome were fated to become a permanent member of the elder Kern's merchandising concern; but when one of the boy's first deals left the Kerns in not-so-proud possession of 200 pianos instead of only 2, as planned, the father decided that his son might, after all, be better suited for music than for business.

During the next few years Kern made several trips to Europe, studying both in Germany and in England. In between times he held a number of jobs in New York, the first of which was with the Old Lyceum Publishing Co. as a pianist and song plugger at a salary of several dollars a week. Later he became connected with the music-publishing firm of T. B. Harms, in which he eventually came to be vice president. It was at an early pre-swing jam session in a back room at Harms that the aging Victor Herbert is reported to have clapped the budding composer on the shoulder and remarked, "Here is the young man who will inherit my mantle."

The American public's introduction to the future musical heir of Victor Herbert came in 1910, when Kern rewrote and provided the original music for a New York show of thus far dubious merit called Mr. Wix, of Wickham. The result was no masterpiece, but apparently the solid musical foundation and the native melodic gift of the young composer were unmistakable. The critic, Alan Dale, inquired, "Who is this Jerome Kern, whose music towers in an Eiffel way above the average primitive hurdy-gurdy accompaniment of the present-day musical comedy?" In 1911 appears the first original Kern score for Broadway, The Red Petticoat, which achieved a mild success; and then, 3 years later, came The Girl From Utah and the first of the true Kern song hits, They Didn't Believe Me.

Perhaps the most famous of the early Kern songs, however, was the Magic Melody in Nobody Home, dating from 1915, when the composer was already well on his way to the top of the musical-comedy ladder. The effect this song had upon thinking musicians, as well as upon the musical public at large, is indicated by the late Carl Engel, one-time chief of the Music Division of the Library of Congress, in an essay on jazz written in 1922. "A young man," writes Engel, "gifted with musical talent and unusual courage, has dared to introduce into his tune a modulation which was nothing extraordinary in itself, but which marked a change, a new regime in American popular music. It was just the thing that the popular composer in the making had been warned against by the wise ones as a thing too "highbrow" for the public to accept. They were the foolish prophets. The public not only liked it; they went mad over it. And well they might; for it was a relief, a liberation * * *, unless I am very much mistaken, The Magic Melody, by Mr. Jerome Kern, was the opening chorus of an epoch."

In 1915, however, Kern was no doubt too busy composing one musical comedy score after another to spend much time thinking about new epochs. That year marked the beginning of probably the greatest decade in the history of American musical comedy, and certainly the most productive decade—for sheer quantity—of Kern's career. During the season of 1917–18 alone he is reported to have had as many as 20 different shows running simultaneously in Europe and America.

With the twenties, which Kern ushered in to the tunes of Sally (with Marilyn Miller), the musical-show business reached a climactic era in which shows were judged by the gorgeousness of their girls and the expensiveness of their staging, rather than by the quality of their musical scores, and in which rhythmic jazz motifs left little room for simple melody.

Yet the most successful—certainly the most enduring—musical comedy of the sophisticated twenties was un-Broadwayesque, unsophisticated Showboat, with its Only Make Believe, Why Do I Love You, Ol' Man River, and other songs which live and will continue to live because of their melodic freshness and individuality. In the words of one writer, "Showboat, as finally produced by Ziegfeld at the Ziegfeld Theater on December 27, 1927, was not only revolutionary; it was also a gilt-edged investment. It ran more than a year, grossing about $50,000 a week; was revived for a second successful run (1932); and was sold several times to the movies. If the critics called it our best folk operetta, the audiences called it grand entertainment and were refreshed, rather than upset, by its new treatment of musical-comedy materials." Not only in this country was its effect felt in the musical world; a news report of September 1929 tells of three Vienna opera houses vying for the privilege of presenting Showboat and quotes Viennese critics to the effect that its music must be placed in one line with that of Hindemith and Kranek, celebrated classical composers of rather severe mien. Today, almost 20 years after its initial performance, Showboat is again on the boards in New York and fetching new encomiums from a younger generation of critics. The January 28, 1946, issue of Life features its new success.

But Showboat, which would nave provided a fitting climax to many a composer's career, was only the beginning of a new era for Jerome Kern. In a time of depression which gave little encouragement to art in general and even less to such a luxury article as the musical comedy, Kern brought out new shows which were as successful financially as they were original artistically. The Cat and the Fiddle of 1931 was followed in 1932 by Music in the Air and in 1933 by Roberta. It was the latter show, transferred to the screen, that gave Kern his first big success in Hollywood and inaugurated the last period of his life, in which he came to be associated with Hollywood rather more than with New York. A number of his earlier

Broadway hits were filmed, and he composed original scores for new films, such as Swing Time and High, Wide, and Handsome. He and his wife—formerly Eva Leale—settled permanently in Beverly Hills, Calif., and lived in close proximity to the movie colony. It was curiously fitting, nevertheless, that when a cerebral hemorrhage struck him down last November and brought him to his end Kern had just returned to New York to prepare for the current revival of Showboat. Thus, he died on November 11, 1945, close to the scenes of his earliest and greatest triumphs.

In the New York Times of the following day the composer was described as "a small, jovial man with white hair and keen blue eyes behind horn-rimmed glasses, who spoke in sporadic outbursts and had a tremendous amount of nervous energy." This "nervous energy," in the course of some 40 years, had produced a total of 104 shows for the stage and screen, from which the number of individual "hit" songs alone can hardly be counted. It was an unusual characteristic of Jerome Kern's that almost all of his composing was done for musical comedy. Only in his later years did he compose independent pieces—The Last Time I Saw Paris, a response to the German onslaught; a Portrait for Orchestra; Mark Twain; and a Scenario for Orchestra on Showboat. So far as purely orchestral forms of composition are concerned, Kern felt a diffidence that his few ventures probably did little to overcome. Far from having the egomaniacal illusions supposedly characteristic of great composers, he called himself "a musical clothier—nothing more or less," and explained that "I write music to both the situations and the lyrics in plays."

Other critics, however, have refuted the composer's modesty and have not taken quite so pedestrian a view of Jerome Kern's function as a creator. Certainly he is one creative artist who did not have to wait until years after his death before achieving both critical and public recognition. Just as Kern's acumen and taste in collecting rare books had long made good copy for the Sunday supplement journalists, so had his peculiar genius for combining inspired melody with humor, dramatic sincerity, and sound musical workmanship long been talked of by long-haired critics. One of these critics was Robert Simon, who introduced Kern to the select clientele of Modern Music as early as the January–February issue of 1929. In an article focused primarily on the then new Showboat, Simon characterized Kern as "a well-trained, practical musician, who not only knows what a fugue is, but even can write one without hiring a ghost composer," and made the following evaluation, which is even more pertinent today:

"He is fundamentally a sound craftsman, and herein he differs from almost every other composer of musical comedy today. There are many who labor patiently over individual songs, but Kern is virtually the only one who looks on his score as an identity. * * * Many a young man with a retentive ear has succeeded in patterning his efforts after the manner of Kern, only to discover that they did not come to life. * * * Kern, in his way, is as inimitable as Ring Lardner."

Time does not permit me to enumerate or allude to all the compositions of Jerome Kern. They are legion and embrace many subjects covering years of conspicuous effort. However, I think it is most appropriate that we should set forth here a list of his more important works:

LIST OF BETTER-KNOWN WORKS

Musical comedies for the stage: The Girl From Utah (1913); Nobody Home (1915); Very Good, Eddie (1915); Have a Heart (1917); Sally (1920); The Bunch and Judy (1922); Sitting Pretty (1924); Sonny (1925); Showboat (1927); Sweet Adeline (1929); The Cat and the Fiddle (1931); Music in the Air (1932); Roberta (1933).

Musical comedies for the screen: Men of the Sky (1931); I Dream Too Much (1935); Swing Time (1936); When You're in Love (1937); The Joy of Living (1938); You Were Never Lovelier, Cover Girl, and Centennial Summer, yet to be released by Twentieth-Century Fox; and Cavalcade, M-G-M, yet to be released.

For symphonic orchestra: Showboat (Scenario for Orchestra); Portrait for Orchestra (Mark Twain).

Song: The Last Time I Saw Paris.

The American people will be ever indebted to Jerome Kern, whose beautiful melodies illuminated one of the most colorful periods of our history. Posterity will surely honor him because down through the years these melodies will continue to bring enjoyment, fullness, and richness to the lives of our people.

For his assistance in preparing biographical data upon the life and works of Jerome Kern, I am deeply indebted to Mr. William Lichtwanger, of the staff of the Congressional Library.

HOUSING FOR VETERANS

Mrs. ROGERS of Massachusetts. Mr. speaker, I ask unanimous consent to address the House for 1 minute and include as part of my remarks a letter from National Commander John Stelle.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, in the letter which I am including as part of my repairks, National Commander John Stelle of the American Legion speaks of the fact that the veterans are not receiving surplus property. I called his attention to a bill that I introduced which would give the veterans priority after the Federal Government, instead of allowing the States and the counties and cities and many others to come in ahead of the veteran. Also, Mr. Speaker, I remind the House that four different veterans' organizations have endorsed the bill that I introduced to give the veterans priority and a continuing priority in the purchase of surplus permanent Government housing. I am hoping that it will be reported out of the committee soon.

The letter from Commander Stelle is as follows:

DEAR CONGRESSMAN: The American Legion national headquarters is daily receiving a flood of letters from veterans citing disappointing experiences in their endeavor to obtain Government surplus property.

Many of these letters are pitiful and appalling. They reveal that the veterans are meeting insurmountable difficulties in their desperate effort to obtain surplus war goods with which to establish or reestablish themselves in a business, occupation, or profession. They cannot understand the blank wall which they come up against; neither can I.

I am certain that your congressional mail is packed with letters similar to those received by the American Legion. To put it baldly, the veteran of World War II is getting little or none of the goods being set out at surplus sales, and that which is offered him is usually shoddy and beyond use or repair while the new goods go elsewhere.

When I speak of surplus property, all types and sorts are referred to. Vehicles have drawn most conversation and in most instances they are essential to the rehabilitation of the veteran back into civilian life.

But these are not all the story. The veteran needs pots, pans, and other kitchen utensils so that he can set up his small restaurant or cafe and shorten the food lines of this Nation; he needs carpenter, plumbing, or electrical tools so that he can help in the housing problems; he needs bulldozers and scrapers so that he can terrace and save his farm from erosion; he needs materials which the Government has possessed for war purposes in a thousand instances.

But the veteran is not getting these from the Government. From the civilian sources the universal reply to him is:

"You are not an old account. We have goods only for our old customers."

It leaves the veteran empty-handed.

The Government had billions of dollars in goods of every kind for the prosecution of the war. If this property is still held by the Government some efficient method of parceling it out to veterans should be established. If this property has already been disposed of then the American people should know who got it, and how.

The situation is such that immediate remedial steps should be taken or the veterans of this Nation are going to become dangerously discontented and they will lose confidence in promises of the Government. America cannot afford that.

We all are aware that meanwhile the surplus property is melting away through various channels. The action I suggest is for Congress by the quickest possible method, perhaps resolution, to freeze temporarily all surplus property until the situation can be surveyed. The veteran should be given improved priority. The not-for-sale signs should be torn down in the huge warehouses where thousands of articles useful to veterans are on display. Information and distribution outlets should be better organized. The percentage of the total supply available to the veterans should be drastically increased, for his reestablishment in civil life is the pressing national problem.

Otherwise, within a few short months the veterans are going to be left empty-handed, disillusioned, and seriously disappointed—with the surplus property gone.

Very sincerely yours,

JOHN STELLE,
National Commander.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HOCH, for Friday, March 29, on account of official business.

To Mr. ALMOND, for Friday and Monday, March 29, and April 1, on account of official business.

To Mr. DAUGHTON of Virginia, for March 29, on account of official business.

To Mr. BIEMILLER, for Friday and Monday, March 29, and April 1, on account of official business.

To Mr. JARMAN (at the request of Mr. GRANT of Alabama), for an indefinite period, on account of official business.

ADJOURNMENT

Mr. SPARKMAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 22 minutes p. m.) the House, under its previous order, adjourned until tomorrow, Friday, March 29, 1946, at 11 o'clock a. m.

COMMITTEE HEARINGS

SECURITIES SUBCOMMITTEE OF INTERSTATE AND FOREIGN COMMERCE COMMITTEE

There will be a meeting of the Securities Subcommittee of the Committee on Interstate and Foreign Commerce at 2 o'clock p. m., Friday, March 29, 1946.

Business to be considered: Continuation of public hearing in study of operations pursuant to the Public Utility Holding Company Act of 1935. Securities and Exchange Commission representatives to be heard.

COMMITTEE ON IRRIGATION AND RECLAMATION

The Committee on Irrigation and Reclamation will continue hearings on H. R. 5124, on Wednesday, April 3, 1946, at 10 a. m., in room 328, Old House Office Building. The hearings will continue through Thursday, April 4, and probably through Friday, April 5.

COMMITTEE ON FLOOD CONTROL

The Committee on Flood Control will begin hearings on an omnibus flood-control authorization bill on Monday, April 8, 1946, at 10 a. m. The hearings will continue daily except Saturday up to and including Friday, April 19.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Tuesday, April 9, 1946, at 10:30 a. m., to begin the preparation of an omnibus river and harbor bill. Following is the schedule for hearings:

(Tuesday, April 9)

1. Portland Harbor, Maine.
2. Fall River Harbor, Mass.
3. Wickford Harbor, R. I.
4. New Haven Harbor, Conn.
5. Bridgeport Harbor, Conn.
6. Stamford Harbor, Conn.
7. Barnegat Inlet, N. J.
8. Absecon Inlet, N. J.
9. Delaware River, Biles Creek, Pa.

(Wednesday, April 10)

10. Sacramento River, Calif., deep-water ship channel.

(Thursday, April 11)

11. Schuylkill River, Pa.
12. Middle and Dark Head Creeks, Md.
13. Mattaponi River, Va.
14. Newport News Creek, Va.
15. Norfolk Harbor, Va.
16. Savannah Harbor, Ga.
17. St. Johns River, Fla., Jacksonville to Lake Harney.
18. Hollywood Harbor (Port Everglades), Fla.
19. Withlacoochee River, Fla.

(Friday, April 12)

20. Sabine River, Adams Bayou, Tex.
21. Sabine-Neches waterway, Texas.
22. Trinity River below Liberty, Tex.
23. Aransas Pass, Intracoastal Waterway, Tex.
24. Brazos Island Harbor, Tex.

(Monday and Tuesday, April 22 and 23)

25. Tombigbee-Tennessee Rivers.

(Wednesday and Thursday, April 24 and 25)

26. Franklin Canal, La.
27. Mermentau River, La.
28. Lake Charles deep waterway, Louisiana.
29. Plaquemine and Morgan City route, Louisiana.
30. Red River below Fulton, La.

(Friday, April 26)

31. Big Sandy River, Tug, and Levisa Forks, Va., W. Va., and Ky.

(Monday and Tuesday, April 29 and 30)

32. Arkansas River, Ark. and Okla.

(Wednesday, May 1)

33. Cumberland River, Tenn. and Ky.
34. Big Sioux River, S. Dak.
35. Mississippi River seepage, Iowa, Minnesota, and Wisconsin.
36. Mississippi River at Lansing, Iowa.
37. Mississippi River at Wabasha, Minn.
38. Mississippi River at Lake Pepin, Minn.
39. Mississippi River at Hastings, Minn.

(Thursday, May 2)

40. Fairport Harbor, Ohio.
41. Cleveland Harbor, Ohio.
42. Great Lakes connecting channels, Michigan.
43. Calumet-Sag Channel, Ind. and Ill.
44. Chicago River, North Branch of, Ill.
45. Napa River, Calif.
46. Coos Bay, Oreg.
47. Columbia River at Astoria, Oreg.
48. Columbia River at The Dalles, Oreg.
49. Columbia River, Foster Creek Dam, Wash.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1168. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal in accordance with the provisions of the act approved July 7, 1943 (57 Stat. 380), as amended by the act approved July 6, 1945 (59 Stat. 434); to the Committee on the Disposition of Executive Papers.

1169. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated December 17, 1945, submitting a report, together with accompanying papers and an illustration on a review of reports on New Haven Harbor, Conn., with a view to modifying the existing project on the Quinnipiac River, requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on August 28, 1944 (H. Doc. No. 517); to the Committee on Rivers and Harbors and ordered to be printed, with an illustration.

1170. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated February 1, 1946, submitting an interim report, together with accompanying papers and an illustration on a preliminary examination and survey of streams draining into the Great Salt Lake and the Great Basin, Utah and Nev., covering flood control on the Spanish Fork River, Utah. This investigation was authorized by the Flood Control Act approved on June 28, 1938 (H. Doc. No. 518); to the Committee on Flood Control and ordered to be printed, with an illustration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. McMILLAN of South Carolina: Committee on the District of Columbia. S. 1841. An act to amend an act entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the Superintendent of Weights, Measures, and Markets of the District of Columbia; and for other purposes," approved March 3, 1921, as amended; without amendment (Rept. No. 1826). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN of South Carolina: Committee on the District of Columbia. H. R. 5719. A bill to amend the act entitled "An act to authorize black-outs in the District of Columbia, and for other purposes," approved December 26, 1941, as amended; without amendment (Rept. No. 1827). Referred to the Committee of the Whole House on the State of the Union.

Mr. WOOD: Committee on Un-American Activities submits report on proceeding against Dr. Edward K. Barsky and others (Rept. No. 1829). Ordered to be printed.

Mr. HANCOCK: Committee on the Judiciary. H. R. 5744. A bill to incorporate the Civil Air Patrol; without amendment (Rept. No. 1830). Referred to the House Calendar.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 1831. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. REED of Illinois:

H. R. 5924. A bill to enable debtor railroad corporations whose properties during a period of 7 years have provided sufficient earnings to pay fixed charges to effect a readjustment of their financial structure without further proceedings under section 77 of the

Bankruptcy Act, as amended; to the Committee on the Judiciary.

By Mr. HOPE:

H. R. 5925. A bill to improve nutritional standards, reduce the cost of food distribution, provide a broader outlet for American farm products, and promote scientific development of food processing, distribution, and marketing, by establishing a National Food Research Institute; to the Committee on Agriculture.

By Mr. ROBERTSON of North Dakota:

H. R. 5926. A bill to amend the National Service Life Insurance Act of 1940 by including total disability as an optional event insured against, increasing conversion privileges, and for other purposes; to the Committee on World War Veterans' Legislation.

By Mr. GOSSETT:

H. R. 5927. A bill to amend subsection (c) of section 19 of the Immigration Act of 1917, as amended; to the Committee on Immigration and Naturalization.

By Mr. SASSCER:

H. R. 5928. A bill to name the bridge located on New Hampshire Avenue, Washington, District of Columbia, over the Baltimore & Ohio Railroad tracks the Charles A. Langley Bridge; to the Committee on the District of Columbia.

By Mr. SMITH of Wisconsin:

H. R. 5929. A bill to authorize the attendance of the Marine Band at the department convention of the American Legion to be held in Racine, Wis., August 3, 1946; to the Committee on Naval Affairs.

By Mr. WICKERSHAM:

H. R. 5930. A bill to designate the law libraries of State universities maintaining separate law libraries as depositories for laws and reports of legal opinions and decisions; to the Committee on Printing.

By Mr. MAY:

H. R. 5931. A bill to continue in effect section 6 of the act of July 2, 1940 (54 Stat. 714), as amended, relating to the exportation of certain commodities; to the Committee on Military Affairs.

By Mr. BATES of Massachusetts:

H. R. 5932. A bill providing for the conveyance to the town of Ipswich, in the State of Massachusetts, of lighthouse property at Castle Neck, for public use; to the Committee on the Merchant Marine and Fisheries.

By Mr. HEALY:

H. R. 5933. A bill to authorize and direct the Board of Education of the District of Columbia to establish and operate in the public schools and other suitable locations a system of nurseries and nursery schools for day-care of school-age and under-school-age children, and for other purposes; to the Committee on the District of Columbia.

By Mr. CASE of South Dakota:

H. J. Res. 330. Joint resolution to create a Committee on Capital Clearance for the District of Columbia; to the Committee on Public Buildings and Grounds.

By Mr. GAMBLE:

H. J. Res. 331. Joint resolution to authorize suitable participation by the United States in the observance of the two hundredth anniversary of the founding of Princeton University; to the Committee on the Library.

By Mr. SABATH:

H. Res. 574. Resolution directing the Committee on Rules to investigate legislative lobbies; to the Committee on Rules.

By Mr. DOYLE:

H. Res. 575. A bill creating a select committee to make study and survey of juvenile delinquency and to report thereon; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DURHAM:

H. R. 5934. A bill for the relief of S. C. Spradling and R. T. Morris; to the Committee on Claims.

By Mr. LANE:

H. R. 5935. A bill for the relief of Robert O. Hendry; to the Committee on Immigration and Naturalization.

By Mr. PLUMLEY:

H. R. 5936. A bill for the relief of Charles N. Bemis; to the Committee on Claims.

By Mr. SUNDSTROM:

H. R. 5937. A bill for the relief of Walter Tyson; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1736. By Mr. GAVIN: Petition of J. H. Guyton, Franklin, Pa., and others, endorsing legislation requiring the War and Navy Departments to release all fathers; to the Committee on Military Affairs.

1737. Also, petition of Eva D. Head, Warren, Pa., and others, endorsing House bills 2229 and 2230 and Senate bills 690 and 809; to the Committee on Ways and Means.

1738. Also, petition of A. H. Krug, Oil City, Pa., and other residents of Venango County, protesting passage of Senate bill 1678; to the Committee on the Judiciary.

1739. Also, petition of F. E. Greenberg, of Titusville, Pa., and other residents of Venango County, Pa., opposing passage of Senate bill 1678; to the Committee on the Judiciary.

1740. Also, petition of Paul Warner, Titusville, Pa., and other residents of nearby counties, opposing passage of Senate bill 1678; to the Committee on the Judiciary.

1741. Also, petition of R. Sigfrid Burgeson, of Titusville, Pa., and other residents, opposing passage of Senate bill 1678; to the Committee on the Judiciary.

1742. Also, petition of Myrl M. Fry, of Rouseville, Pa., and other residents of Venango County, Pa., protesting passage of Senate bill 1678; to the Committee on the Judiciary.